



Annual Comprehensive Financial Report

For the Fiscal Year Ended December 31, 2021



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City of Middleton, Wisconsin

City of Middleton

Annual Comprehensive Financial Report

December 31, 2021

Prepared by:

Finance Department
William Burns, Finance Director

City of Middleton

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CITY OF MIDDLETON

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June 16, 2022

To the Honorable Mayor, Members of the City Council, and Citizens of the City of Middleton:

The Annual Comprehensive Financial Report for the City of Middleton (City) for the year ended December 31, 2021, is hereby submitted. This report consists of management's representations concerning the finances of the City of Middleton. Consequently, management assumes full responsibility for the completeness and reliability of the information contained in this report, based on a comprehensive framework of internal control that has been established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurances that the financial statements are free of any material misstatements.

The City Council retained the accounting firm of Baker Tilly US to perform an audit of the City's financial statements. Baker Tilly US concluded based on its audit procedures that the City's financial statements are presented fairly, in all material respects, in accordance with Generally Accepted Accounting Principles (GAAP). They have issued an unmodified opinion regarding the fair presentation of the financial statements for the year ended December 31, 2021. The independent auditor's report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the City of Middleton

The City of Middleton is located in Dane County, approximately six miles from the state capitol in Madison, Wisconsin. Incorporated in 1963, the City of Middleton covers 9.1 square miles and has a population of 21,964 according to the Wisconsin Department of Administration. The City operates under a mayor-council form of government. Policymaking and legislative authority is vested with the city council, which consists of a mayor and an eight-member council.

The governing body is responsible, among other things, for passing resolutions and ordinances, adopting the budget, setting the property tax levy, and hiring the City's administrator. The city administrator is responsible for carrying out the policies of the council and overseeing the day-to-day operations of City government. The mayor presides at city council meetings and is responsible for appointing committees, boards, and commissions, subject to the approval of the city council. The mayor and council are elected on a non-partisan basis. Council members are elected from within individual districts to staggered two-year terms with four members up for election each year. The mayor is elected at large to three-year terms.

The area that is now the City of Middleton was first platted in 1856. In 1856 a railroad line was built connecting Madison to the Mississippi River at Prairie du Chien. A rail depot, Middleton Station, was established in what is now downtown Middleton. The population grew during the remainder of the 1800's with predominantly English and German settlers. In 1905 the Village of Middleton was incorporated and in 1963 Middleton was incorporated as a city. By the 1980s the grain elevators and other blighted remnants of the old railroad days were replaced with a downtown renovation project. Today the City of Middleton has a thriving downtown core with significant business and office park development and a variety of housing options.

The City provides a full range of local government services including police protection, paramedic level ambulance service, street construction and maintenance, sanitation, recreation, library, and other cultural and general government services. Middleton's parks, recreation, and forestry department, as well as other city departments, manages over 1,400 acres of parks, conservancy areas and other permanent public open spaces representing in total approximately 25% of the City's total land area. In addition, the City operates a municipal airport, golf course, water, sewer, and storm water utilities. The city council exercises control over a Community Development Authority that is reported in the City's financial statements as a component unit. Fire protection is provided by the Middleton Fire District which is reported as a fiduciary fund in the City's financial statements.

The annual budget process serves as the basis for financial planning and control. Operating and capital budget requests are prepared by department heads and are submitted in August of each year. The initial review of the budget requests is conducted by the city administrator and finance department. The requests are then presented to mayor and finance committee by department heads along with recommendations from finance and administration. The finance committee approves a recommended budget for consideration by the council. A public hearing on the proposed budget is held prior to approval by the council, which typically occurs in mid to late November. The level of budgetary control is established at the department level. Budget to actual comparisons for the general fund are presented as part of the required supplementary information in the financial statements.

Factors Affecting the City's Economic Condition

Local Economy

Middleton benefits from its proximity to the City of Madison which is the location of the state capital and the flagship University of Wisconsin campus. Over the past five years, Middleton's total equalized value has increased by an average of 6.3% per year adding \$1.1 billion in additional value. The City has made a commitment to the diversification of its tax base with significant non-residential development including corporate headquarters and major facilities for American Girl, Capital Brewery, Electronic Theatre Controls (ETC), Fiskars, Pharmaceutical Product Development, Spectrum Brands, and Standard Imaging. Unemployment in the Dane County region has historically been lower than the state and federal levels. The Dane County unemployment rate was 1.4% in December 2021. The City maintains an Aa1 bond rating from Moody's Investors Service, based in part on the relatively strong economic conditions for the City.

On March 17, 2020 the Middleton City Council approved a declaration of emergency in response to the COVID-19 pandemic. Most City revenues remained stable in 2020 and 2021 including property tax collections and intergovernmental aids. Hotel room tax revenue was down \$1.4 million in 2020 compared to the prior year. In 2021 collections increased by 103% returning to about 60% of pre-pandemic levels. The 2022 budget anticipates continued recovery in hotel stays with collections forecast at 80% of 2019 revenues.

The City of Middleton has been allocated \$2.1 million in federal assistance authorized under the American Rescue Plan Act. The City received half of its allocation in 2021 with the remainder to be paid in 2022. These funds must be obligated by 2024 with all payments completed by 2026. The City has applied a standard allowance for loss of revenue which allows its full allocation to be used for any non-prohibited public purpose. The City Council has approved a plan for the use of these funds for several projects including providing assistance to populations impacted by the pandemic, sustainability and stormwater enhancements, premium pay for public safety employees, and capital equipment and other one-time costs. Specific projects will be reviewed annually as part of the budget process.

The City has utilized Tax Incremental Financing (TIF) extensively to help promote both new development and redevelopment in the community. Middleton has two active TIF Districts. TID #3 encompasses much of the City's business parks and the historic downtown core. As of January 1, 2021, TID #3 had a value increment of \$545 million making it the one of the largest active TIDs in Wisconsin. Due to the success of the district the City has been able to use subtraction amendments to remove developed properties from the district early. With the latest amendment approved in 2020, the City has returned over \$480 million to the City's general tax base.

TID #5 was created in 2009 to help facilitate redevelopment between the Highway 12 and Parmenter Street corridors, in the Allen Boulevard commercial area as well as in Middleton's urban greenway. It had an incremental value of \$125 million in 2021. An addition/subtraction amendment was approved in 2021 to remove properties unlikely to redevelop and to extend the district to include the University Avenue commercial corridor.

Financial Planning

The City of Middleton is committed to sound community and financial planning. Each year the City updates its five-year capital improvement plan as part of the budget process. This plan identifies capital needs for all the City's funds and lists priorities and financing sources. In conjunction with the plan, the City maintains capital equipment and vehicle replacement schedules that project future capital needs up to twenty years in the future. Financial models for the City's operating funds, debt service, and tax increment financing districts assist the City in evaluating the long-term impacts of budgetary decisions. The budgetary philosophy of the City has been one of stability in budgets, tax rates, and user fees. In March of 2021, the City Council approved an update to the City's Comprehensive Plan. The City also began an extensive strategic planning process in 2021 that will be completed in 2022.

Financial Policies

The Middleton Common Council has adopted several financial policies related to general fund balance, capital assets, debt management, and overall budget development to provide guidance for the City's financial management. For example, Middleton's fund balance policy sets a target for unassigned fund balance of two to four months of subsequent year general fund budgeted expenditures excluding transfers (16.7% to 33.3%). In 2021 the Pleasant View Golf Course fund fully repaid an advance from the general fund in the amount of \$1,549,411. This early repayment was possible due to the strong financial performance of the golf course fund, and it allowed the City to increase the general fund assigned balances by \$1,259,995 and unassigned fund balance by \$444,764. Total general fund unassigned fund balance was \$6,665,188 at the end of 2021, which is 31.0% of the subsequent year's budgeted expenditures excluding transfers.

The City of Middleton also has a debt management policy which provides guidance to help ensure that long-term debt is utilized in a fiscally prudent manner. Included in the policy is an objective of above average principal retirement and limiting the term of non-facility debt to maintain the flexibility to meet future long-term needs. Currently 96% of the City's debt is scheduled to be paid within ten years. In addition, the City has only utilized 18% of its legally available general obligation debt capacity. Finally, the City's policies establish a goal of maintaining structurally balanced budgets with appropriate contingency and reserve funds for unexpected needs. This helps to ensure that resources will be available to address future budget challenges from changes in the economy or limitations imposed by the State of Wisconsin.

Award and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement of Excellence in Financial Reporting to the City of Middleton for its Annual Comprehensive Financial Report for the fiscal year ended December 31, 2020. This was the third year that the City has received this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive 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.

The preparation of this report was made possible through the dedicated services of the finance department staff with the advice of our independent auditors Baker Tilly US. We express our appreciation to all City staff that assisted and contributed to the preparation of this report. We also thank the mayor, the city council, and the city administrator for their continued interest and support in the financial operations of the City.

Respectfully submitted,



William Burns, CPFO
Assistant City Administrator/Finance Director
City of Middleton



Comprehensive Annual Financial Report

For the Fiscal Year Ended December 31, 2021

City of Middleton, Wisconsin

7426 Hubbard Avenue
Middleton, Wisconsin 53562

ELECTED OFFICIALS

Gurdip Brar	Mayor
Kathy Olson	Aldersperson, District 1 (Council President)
Robert Burck	Aldersperson, District 2
Katy Nelson	Aldersperson, District 3
Emily Kuhn	Aldersperson, District 4
Luke Fuszard	Aldersperson, District 5
Susan West	Aldersperson, District 6
Dan Ramsey	Aldersperson, District 7
Mark Sullivan	Aldersperson, District 8

ADMINISTRATION

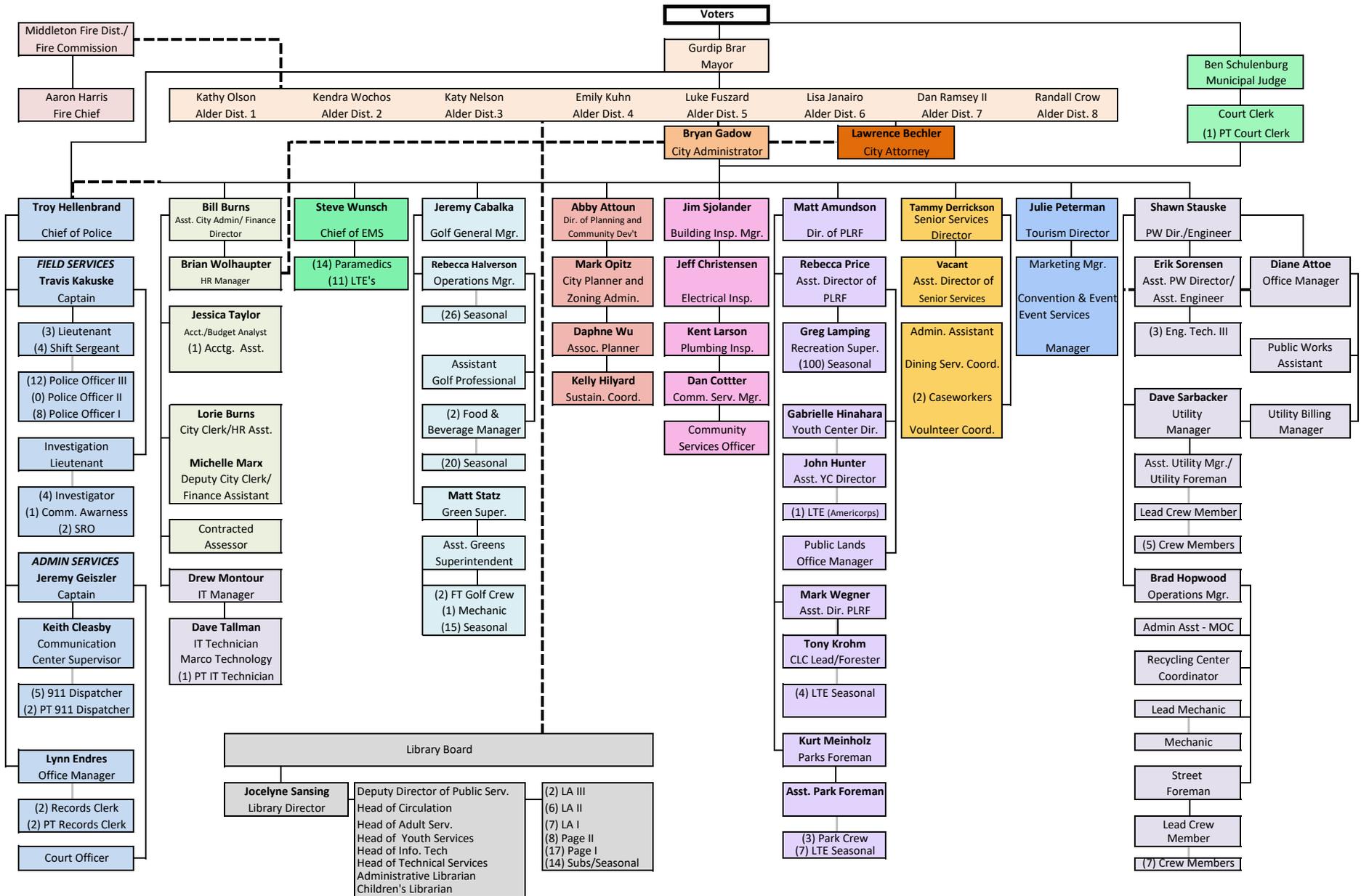
Mike Davis	City Administrator
Bill Burns	Assistan Administrator/Finance Director
Matt Amundson	Director of Public Lands, Recreation & Forestry
Abby Attoun	Director of Planning and Community Development
Jeremy Calbaka	Golf Course General Manager
Drew Montour	Information Technology Manager
Troy Hellenbrand	Chief of Police
Tammy Derrickson	Senior Center Director
Jim Sjolander	Building Inspection Manager
Julie Peterman	Director of Tourism
Jocelyne Sansing	Library Director
Shawn Stauske	Public Works Director / City Engineer
Steve Wunsch	Chief of EMS
Aaron Harris	Fire Chief, Middleton Fire District

OFFICIALS ISSUING REPORT

Bill Burns	Assistant Administrator/Finance Director
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Officials as of the report date of December 31, 2021

City of Middleton Organizational Chart





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Middleton
Wisconsin**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morill

Executive Director/CEO

Independent Auditors' Report

To the City Council of
City of Middleton

Opinions

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 Middleton (the City), as of and for the year ended December 31, 2021 and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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 as of December 31, 2021 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplementary information 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 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.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections included in the annual comprehensive financial report but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Baker Tilly US, LLP

Madison, Wisconsin
June 16, 2022

City of Middleton

Management's Discussion and Analysis

December 31, 2021

(Unaudited)

This section of the City of Middleton's (City) annual financial statements provides the reader with management's narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2021. This discussion and analysis is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the City's financial activity, (3) identify changes in the City's financial position, and (4) identify any changes in the City's financial plan (approved budget). The financial discussion and analysis presented in the section is intended to be used in conjunction with the accompanying financial statements.

Financial Highlights

- The assets and deferred outflows of the City of Middleton exceeded its liabilities and deferred inflows by \$170,155,791 (net position) as of December 31, 2021. Of this amount, \$125,430,592 represents the City's net investment in capital assets and \$41,237,819 is restricted for various purposes. The City's unrestricted net position is \$3,487,380.
- At the end of 2021, the City's governmental activities reported a negative balance in unrestricted net position of \$5,745,419. This is due in part to expenditures for project costs in Tax Increment Financing Districts (TIDs) #3 and #5. These costs include significant noncapitalized redevelopment expenditures, which will be recovered through future tax increments.
- In 2021, the City received \$1,048,465 for the first installment of its federal American Rescue Plan funds. The City has allocated these funds for several projects to address the impact of the COVID-19 pandemic, enhance sustainability, and make stormwater improvements.
- At the end of the current fiscal year, the general fund had \$6,665,188 of unassigned fund balance which is equal to 31.0% of the subsequent year's budgeted general fund expenditures excluding transfers.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Middleton's basic financial statements. The basic financial statements include: (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 City's basic financial statements include two government-wide financial statements, the Statement of Net Position and the Statement of Activities. These financial statements are designed to provide the reader with a broad overview of the City of Middleton's finances. Financial reporting at this level uses a perspective similar to that found in the private sector, utilizing full accrual accounting and the elimination or reclassification of internal activities.

The *Statement of Net Position* presents information on all of the City'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, as a whole, is improving or deteriorating.

The *Statement of Activities* presents information showing how the City's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of the timing of related cash flows.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues from other functions that are intended to recover all or a significant portion of their costs from fees and charges. Governmental activities include general government, public safety, public works, health and human services, leisure activities, and conservation and development. Business-type activities include water, sewer, golf course, storm water utility, utility district, and airport funds.

City of Middleton

Management's Discussion and Analysis

December 31, 2021

(Unaudited)

The government-wide financial statements include not only funds of the City of Middleton (primary government), but also a legally separate Community Development Authority (component unit) for which the City of Middleton is financially accountable. Financial information for this component unit is presented in a discrete column in the financial statements. The Middleton Community Development Authority does not issue separate financial statements. See Note 1 of the Notes to Financial Statements for more information.

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 Middleton, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the City's most significant (major) funds rather than the City as a whole. Major funds are separately reported while other funds are combined into a single, aggregated presentation. Individual fund data for nonmajor funds is provided in the form of combining statements in a later section of the report. All of the funds of the City of Middleton can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the focus of fund financial statements is on the short-term use of spendable resources and balances of spendable resources available at the end of the year. Such information may be useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the focus of governmental funds is narrower than that of government-wide financial statements, comparisons of the information for governmental funds presented in the fund financial statements with similar information for governmental activities presented in the government-wide statements may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

In 2021, the City of Middleton utilized twenty individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service Fund, Tax Increment Financing Districts #3 and #5 funds, and Capital Projects Fund, which are considered to be major funds. Data from the other fifteen nonmajor funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City of Middleton adopts annual budgets for its various funds in accordance with state statutes. Budgetary comparison statements and schedules are included in the Required Supplementary Information section for the General Fund. Budgetary comparison statements and schedules for other funds are included in the Supplementary Information section.

Proprietary funds

Proprietary funds are reported in the fund financial statements and generally report services for which the City charges customers a fee. There are two types of proprietary funds, enterprise funds and internal service funds.

City of Middleton

Management's Discussion and Analysis
December 31, 2021
(Unaudited)

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Services are provided to customers external to the City. The proprietary fund financial statements provide separate information on the City's three major enterprise funds: Water Utility, Sewer Utility, and Pleasant View Golf Course. Individual fund information for the City's other enterprise funds is provided in the form of combining statements in a later section of this report.

Internal service funds are used to accumulate and allocate costs internally among the City's various functions. The City has one internal service fund for Risk Management Activities.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties other than the City. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support City programs. The City of Middleton maintains fiduciary funds to record the tax roll and collections for other taxing governmental agencies and for the Middleton Fire District. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the financial statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. The combining statements referred to earlier in connection with nonmajor governmental funds and enterprise funds are presented immediately following the notes to the financial statements. A detailed budgetary comparison schedule for the General Fund is presented to demonstrate compliance with the budget.

Government-wide Financial Analysis

An analysis of the City's financial position begins with a review of the Statement of Net Position and the Statement of Activities. These two statements report the City's net position and changes therein. It should be noted that the financial position could also be affected by nonfinancial factors, including economic conditions, population growth, and changes in the regulatory environment.

Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net position may be observed and used to discuss the changing financial position of the City as a whole. At the close of 2021, total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$170,155,791.

General capital assets (e.g. land, construction in progress, land improvements, buildings, machinery, infrastructure, and equipment) for governmental activities of the City (less any outstanding debt to acquire those assets) equals \$74,457,610 or 68.0% of governmental net position. Including governmental and business-type activities, \$125,430,592 or 73.7% of total net position is represented by capital assets. The percentage of governmental activities net position represented by capital assets decreased from 76.0% to 68.0% from 2020 to 2021. For business-type activities there was a decrease from 87.9% to 84.1%. The reductions are primarily due to positive changes in the fund balance of the City's TIF districts and the net position of the Pleasant View Golf Course and Nonmajor Enterprise Funds.

The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in 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 capital assets themselves cannot be used to liquidate these liabilities.

City of Middleton

Management's Discussion and Analysis
 December 31, 2021
 (Unaudited)

An additional portion of the City's total net position (\$41,237,819 or 24.2%) represents resources that are subject to external restrictions in how they may be used. This portion increased from the prior year due to the continued accumulation of resources in the City's TID activities to fund future project plan payments.

Financial Analysis of the City as a Whole

The City as a whole had a positive unrestricted net position of \$3,487,380 at the close of 2021. Included in this total is a negative unrestricted net position for governmental activities of \$5,745,419. The primary reason for the negative net position is the issuance of debt to finance noncapitalized improvements and development incentives in the City's TIDs that will be repaid through future tax increment collections. Business-type activities had a positive unrestricted net position of \$9,232,799 at the close of 2021.

The following table provides a summary of the City's net position:

Statement of Net Position Years Ended December 31, 2021 and 2020 (Amounts expressed in thousands)

	Governmental Activities		Business Type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$90,330	\$ 77,922	\$ 11,394	\$ 8,489	\$101,724	\$ 86,411
Capital assets	102,132	102,591	50,973	50,127	153,105	152,718
Total assets	192,463	180,512	62,367	58,616	254,830	239,129
Deferred outflows of resources	8,772	6,507	734	545	9,506	7,051
Current and other liabilities	4,901	3,571	937	927	5,839	4,498
Noncurrent liabilities	44,025	45,343	599	554	44,623	45,897
Total liabilities	48,926	48,915	1,536	1,480	50,462	50,395
Deferred inflows of resources	42,770	40,071	947	680	43,717	40,751
Net position:						
Net investment in capital assets	74,458	74,471	50,973	50,127	125,431	124,599
Restricted	40,826	29,195	412	219	41,238	29,414
Unrestricted	(5,745)	(5,634)	9,233	6,654	3,487	1,021
Total net position	\$109,539	\$98,033	\$ 60,617	\$ 57,000	\$170,156	\$155,033

City of Middleton

Management's Discussion and Analysis
 December 31, 2021
 (Unaudited)

Changes in Net Position

Net position of the City of Middleton increased by \$15,122,424 (9.8%) in 2021. Of this increase, 76.1% was from governmental activities and 23.9% was from business-type activities.

Governmental Activities

Governmental activities increased the City's net position by \$11,505,272. This increase was primarily a result of additional property tax collections for the City's TIDs in excess of TID expenditures.

Business-Type Activities

Business-type activities increased the City's net position by \$3,617,152. This increase is primarily due to revenues from charges for services in excess of expenses. Charges for services increased by \$1,448,887 (15.0%) from 2020 to 2021 contributing to a positive variance in net position.

The following table provides a summary of the changes in net position for the City of Middleton:

Change in Net Position
Years Ended December 31, 2021 and 2020
 (Amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program Revenues:						
Charges for services	\$ 3,475	\$ 4,056	\$11,134	\$ 9,685	\$ 14,600	\$ 13,741
Operating grants	1,438	1,304	-	-	1,438	1,304
Capital grants/ contributions	2,445	3,084	11	260	2,455	3,344
General Revenues:						
General Property Taxes	18,440	17,992	-	-	18,440	17,992
Property Taxes, TIF	14,144	12,699	-	-	14,144	12,699
Room taxes	1,175	580	-	-	1,175	580
Intergovernmental	2,544	2,714	-	-	2,544	2,714
Investments	434	825	59	102	493	926
Gain on sale of property	68	72	-	-	68	72
Miscellaneous	179	415	177	237	366	652
Total revenues	<u>44,342</u>	<u>43,740</u>	<u>11,382</u>	<u>10,284</u>	<u>55,723</u>	<u>54,024</u>

City of Middleton

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	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Expenses:						
General government	\$ 3,051	\$ 2,960	\$ -	\$ -	\$ 3,051	\$ 2,960
Public safety	9,371	9,506	-	-	9,371	9,506
Public works	7,092	6,001	-	-	7,092	6,001
Human services	501	527	-	-	501	527
Leisure activities	4,094	4,602	-	-	4,094	4,602
Conservation/dev.	7,176	8,480	-	-	7,176	8,480
Interest on LT debt	864	1,146	-	-	864	1,146
Water utility	-	-	2,195	1,989	2,195	1,989
Sewer utility	-	-	3,337	3,084	3,337	3,084
Golf Course	-	-	2,546	2,171	2,546	2,171
Nonmajor enterprise funds	-	-	373	648	373	648
Total expenses	<u>32,150</u>	<u>33,221</u>	<u>8,451</u>	<u>7,892</u>	<u>40,601</u>	<u>41,113</u>
Increase (decrease) in net position before transfers	12,192	10,518	2,931	2,392	15,122	12,910
Net transfers	<u>(686)</u>	<u>495</u>	<u>686</u>	<u>(495)</u>	<u>-</u>	<u>-</u>
Change in net position	11,505	11,013	3,617	1,897	15,122	12,910
Net Position, Beginning	<u>98,033</u>	<u>87,020</u>	<u>57,000</u>	<u>55,103</u>	<u>155,033</u>	<u>142,123</u>
Net Position, Ending	<u>\$109,539</u>	<u>\$98,033</u>	<u>\$60,617</u>	<u>\$57,000</u>	<u>\$170,156</u>	<u>\$155,033</u>

Financial Analysis of the City's Funds

Fund Financial Analysis

As noted earlier, the City of Middleton uses fund accounting to ensure and demonstrate compliance with finance-related laws and regulations. Fund financial reporting focuses on short-term spendable resources and balances of spendable resources available at year-end.

Governmental Funds

As of December 31, 2021, the City's governmental funds had a combined ending fund balance of \$47,831,207. Of this balance, \$435,886 is nonspendable and \$37,718,881 is restricted. The remaining balance of \$9,676,440 includes \$4,070,511 assigned for specific purposes and \$5,605,929 that is unassigned.

City of Middleton

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General Fund

The General Fund is the primary operating fund of the City and supports the majority of day-to-day services provided by the City. The total fund balance of the General Fund as of December 31, 2021 is \$11,171,585 of which \$435,886 was nonspendable, \$4,070,511 was assigned, and \$6,665,188 was unassigned. The General Fund assigned fund balance consisted of the following items as of December 31, 2021:

- Compensated absences (sick accrual) \$2,390,788.
- Public safety reserve (Fire) \$1,054,723.
- Public safety reserve (EMS) \$300,000.
- Other/revaluation \$75,000.
- Subsequent year budget \$250,000.

The General Fund had an increase in fund balance of \$97,861. There were several items that contributed to this increase which are described below in the General Fund Budgetary highlights section.

Debt Service Fund

Debt Service fund balance as of December 31, 2021, totaled \$348,459, an increase of \$114,225. The City levied \$5,046,926 in property taxes for debt service in 2021. Principal and interest payments totaled \$5,365,130. The debt service fund also recognized \$280,558 for the issuance premium on the 2021 general obligation note issue and received a transfer from the City's impact fee fund in the amount of \$150,000. Debt service payments for the City's TIDs were reported in the individual funds rather than the debt service fund.

TIF District No. 3

The fund balance for the TID #3 fund increased from \$18,607,618 to \$27,405,285 in 2021. This increase in fund balance due to continued strong tax increment revenues in excess of project expenditures and a reduction in debt service. Total revenues of the TID were \$14,629,574 including \$12,509,459 in tax increment collections. Expenditures of the district decreased by \$1,689,882 from 2020 to 2021 to \$5,831,907. This includes \$1,326,913 for administration and professional services, \$4,024,496 for economic development incentive payments, and \$303,598 for capital outlay. There were also debt service payments totaling \$176,900 in 2021.

TIF District No. 5

The fund balance for the TID #5 fund decreased by \$68,654 to a deficit of \$1,059,259 in 2021. This decrease was due to additional project costs including construction of the Northeast Connector Path. TID #5 revenues were \$1,765,930 in 2021 including \$1,634,332 in tax increment collections. Expenditures in 2021 included \$729,061 for administration and economic development and \$450,842 for capital outlay. There were also debt service payments totaling \$654,681 in 2021.

Capital Projects Funds

The total fund balance for the City's Capital Projects Fund was \$1,947,334 as of December 31, 2021. Capital improvement projects expenditures for 2021 totaled \$4,288,471. Major expenditures for the year included the following projects:

- Mayflower Drive Street Reconstruction \$1,529,790
- Tiedeman Pond Elevation Control \$611,719
- IT Networking Equipment \$269,295
- Police Squad Car Replacement \$198,592
- Public Safety Radio Replacement \$182,583

City of Middleton

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Proprietary Funds

The City's propriety fund financial statements provide the same type of information found in the government-wide financial statements, but in more detail. Factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

The 2021 General Fund final budget included revenues of \$21,007,136 and other financing sources of \$475,000, for a total of \$21,842,136. Budgeted expenditures were \$20,984,672 with \$1,957,464 of other financing uses for a total of \$22,942,136. There was a budgeted deficit of \$1,460,000 with a planned use of fund balance.

Actual revenues and other financing sources were \$21,427,426 which was \$54,710 below budget. There was a positive variance of \$1,612,571 from expenditures and other financing uses with an actual amount of \$21,329,565. The combined variances of actuals to budget were a positive \$1,557,861. While the final budget included the planned use of \$1,460,000 of fund balance, the actual result was an increase in fund balance of \$97,861.

The overall result of the general fund was a gain of \$97,861. Some of the significant variances in the General Fund were as follows:

Revenues and Other Financing Sources

- Taxes were \$2,192 under budget primarily due to lower than anticipated room tax collections. Room tax collections were up 102.5% compared to 2020 as hotel stays increased following a sharp reduction during the beginning of the COVID-19 pandemic. Despite this increase, room tax collections were \$47,455 below the 2021 budget estimate.
- Intergovernmental revenues were \$4,146 over the final budget. The City received \$20,983 in law enforcement aid and \$18,660 in pandemic relief payments that was not budgeted. State aid from fire insurance dues was \$15,446 higher than budget. These increases helped to offset the lack of a police school liaison officer payment which had been budgeted at \$65,307.
- Licenses and permits were \$17,751 under budget. While there were some variations in specific permit revenues, overall building, electrical, and plumbing permits activity was consistent with budget. Plan review fees for fire suppression were under budget by \$20,115 due to slower implementation of providing this service locally rather than through the State of Wisconsin.
- Fines and forfeitures were \$44,902 under budget due to lower court activity during the pandemic.
- Public charges for services were \$47,251 lower than budget due to reduced recreation and senior center programming during the pandemic. Swimming pool and aquatic center concession revenues were \$87,197 below budget due to the facility continuing to operate at reduced capacity.
- Interdepartmental charges were on budget with \$1,444,746 in revenue.
- Special assessments revenue was \$5,523 above budget due to additional assessable costs in the sidewalk replacement project.
- Investment income was \$31,438 higher than budget. Compared to the prior year, invest income declined by \$275,864. However, the City budgeted conservatively in 2021 due to the low interest rate environment.
- Miscellaneous revenues were \$3,473 above budget. This includes sales from Dane County Arts Calendars, patronage refunds, and a payment from the Village of Cross Plains for assistance with storm clean-up.

City of Middleton

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- Transfer in from other funds was \$8,024 above budget due to a higher than anticipated Payment in Lieu of Taxes (PILOT) calculation for the City's water utility.
- Sale of city property included a gain of \$1,246 from the sale of miscellaneous equipment.

Expenditures and Other Financing Uses

- General government expenditures were \$590,062 under budget. The 2021 approved budget included an emergency contingency of \$500,000 which was not spent contributing to expenditures that were under budget.
- Expenditures for public safety were \$203,514 lower than budgeted. Personnel savings from vacancies in the police department resulted in savings of \$12,013. Capital expenditures for the Middleton Fire District and the EMS department were under budget by \$81,071 and \$80,000, respectively. These amounts were added to assigned fund balance for public safety capital reserves.
- Public works expenditures were \$98,787 under budget. Lower expenditures for traffic signals and markings contributed to most of the savings with costs \$60,015 under budget. There were additional savings in several other areas including street maintenance, storm sewers, and snow & ice removal.
- Expenditures for health and human services (senior center) were under budget by \$36,052. There were savings in trip and programming costs for the Middleton Senior Center as operations continued at a lower level due to the COVID-19 pandemic.
- Leisure activities expenditures were \$36,132 under budget. Costs for recreation programming and seasonal staff were lower as programming was scaled back during the pandemic. In addition, the aquatic center was operated with reduced capacity and staffing.
- Expenditures for conservation and development were \$148,024 lower than budgeted due to savings in forestry and conservancy lands from reduced tree pruning and other maintenance activities.
- Transfers out to other funds were under budget by \$500,000. A budgeted transfer of assigned balance for public safety reserves to the capital projects fund was not made. Other transfers including the planned general fund operating support for the library and youth center funds were at the budgeted levels.

Capital Assets and Debt Administration

Capital Assets

At the end of 2021, the City had invested \$102,132,362 in capital assets net of accumulated depreciation. This investment in capital assets includes land, buildings and improvements, equipment and furniture, infrastructure, and construction in progress.

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City of Middleton Capital Assets (Net of Accumulated Depreciation) (Amounts expressed in thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Land & Right-of-Way	\$ 26,301	\$ 28,299	\$ 6,416	\$ 5,247	\$ 32,718	\$ 33,546
Buildings & improvements	24,783	25,828	11,148	11,488	35,931	37,316
Equipment & furnishings	4,866	4,977	527	479	5,413	5,455
Streets	28,164	28,852	-	-	28,164	28,852
Storm Sewers	5,908	6,104	-	-	5,908	6,104
Traffic Signals	691	768	-	-	691	768
Sidewalks	3,121	3,226	-	-	3,121	3,226
Bridges	2,401	2,485	-	-	2,401	2,485
Fiber Optic	86	88	-	-	86	88
Rail Spur	218	234	-	-	218	235
Water Utility	-	-	21,167	21,328	21,167	21,328
Sewer Utility	-	-	10,564	10,836	10,564	10,836
Infrastructure	40,588	41,757	31,731	32,164	72,319	73,920
Construction in Progress	5,574	1,730	1,151	750	6,725	2,480
Total capital assets	<u>\$ 102,132</u>	<u>\$ 102,591</u>	<u>\$ 50,973</u>	<u>\$ 50,127</u>	<u>\$ 153,105</u>	<u>\$ 152,718</u>

Governmental Activities

Total capital assets net of depreciation from governmental activities decreased by \$458,406 in 2021. Major capital assets events during the current fiscal year included the following:

- \$149,161 for land improvements at several parks and city-owned parking lots.
- \$98,020 for building improvements at the Walter Bauman Aquatic Center and renovations at the Middleton Public Library.
- \$844,731 for various machinery and equipment additions including vehicle replacements, public safety portable radios, and network switching equipment.
- \$215,692 for street infrastructure improvements for the Clark & Lee and Marigold street projects and pedestrian enhancements.
- \$3,858,370 for construction in progress for work on various projects including the Hubbard, Mayflower, Violet & Orchid street reconstruction, Tiedeman Pond elevation control, and Northeast Connector bike path projects.

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Business-Type Activities

Total capital assets net of depreciation from business-type activities increased by \$845,957. This includes reductions for the water utility (\$160,660), sewer utility (\$271,685), and the Pleasant View Golf Course (\$99,062). Capital assets net of depreciation increased for the nonmajor enterprise funds by \$1,377,364. Major capital assets events during the current fiscal year included the following:

- \$820,301 in water utility asset additions for items including new meters, hydrants, and transmission mains and services replaced as part of the Hubbard Avenue / Mayflower Drive street reconstruction project.
- \$63,125 in sewer utility asset additions for manholes added as part of the Hubbard Avenue / Mayflower Drive Street reconstruction project
- \$151,652 in asset additions for the Pleasant View Golf Course including replacement mowers and tractors.
- \$1,169,359 in nonmajor funds for the recognition of land that is part of the Middleton airport, \$400,581 for construction in progress for stormwater utility projects, and \$7,027 for stormwater utility land improvements at the Middleton Hills Concentric Pond.

Additional information on the City of Middleton's capital assets can be found in Note 4.

Long-Term Debt

At the end of the current fiscal year, the City of Middleton had total general obligation debt outstanding of \$39,187,442 which is all backed by the full faith and credit of the city.

City of Middleton Outstanding Debt For the Years Ended December 31, 2021 and 2020 (Amounts expressed in thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
General obligation bonds and notes	\$39,187	\$ 40,540	\$ -	\$ -	\$ 39,187	\$ 40,540
Total outstanding debt	\$39,187	\$ 40,540	\$ -	\$ -	\$39,187	\$ 40,540

State Statutes limit the amount of general obligation debt a government entity may issue to five percent of its total equalized valuation. The debt limit for the City of Middleton as of December 31, 2021, is \$213,165,755 of which the City has utilized 18.4% for its current outstanding general obligation debt.

The City of Middleton's total outstanding debt decreased by \$1,352,558 (3.3%) during the current fiscal year. The City issued \$3,750,000 of new general obligation debt and made principal payments totaling \$5,102,558 in 2021. See Note 4. for detailed information on the City's long-term debt.

Economic Factors and Next Year's Budget and Rates

The City of Middleton is located in Dane County, Wisconsin approximately six miles from downtown Madison, the state capital. Over the past ten years, the City has experienced significant growth in its population and total equalized value. The City maintains two active TIDs, several office and business parks, retail shopping areas, and nine hotels with over 1,100 hotel rooms.

City of Middleton

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Key Economic Factors

- The City's equalized property valuation has increased from \$2.7 billion to \$4.3 billion over the past ten years, an increase of 58.5%. Middleton's equalized property value is the second highest in Dane County, behind only the City of Madison.
- Middleton's estimated population has increased from 17,903 to 21,964 between 2012 and 2021, an increase of 23.1%.
- Unemployment remains low in Dane County at 1.4% in 2021, below the State of Wisconsin rate of 2.8% and the national rate of 3.9%.
- Per capita adjusted gross income in the City of Middleton was \$64,623 in 2020. That is an increase of \$10,620 (19.7%) since 2012.
- The City maintains an Aa1 bond rating from Moody's Investors Service, based in part on the strong economic climate of the City.

COVID-19 Pandemic

In December 2019, a novel strain of coronavirus was reported in Wuhan, Hubei province, China. In the first several months of 2020, the virus, SARS-CoV-2, and resulting disease, COVID-19, spread to the United States, including to areas impacting the City. On March 17, 2020, the Middleton City Council approved a declaration of emergency in response to the pandemic. After being closed to the public during most of 2020, the Middleton's City Hall, Public Library and Senior Center were open in 2021. Essential services continued to be provided, but some activities including recreation and senior center programs and the aquatic center were operated at reduced capacity. Overall City revenues remained stable including property tax revenue and intergovernmental aids. The City experienced a significant reduction in hotel room tax revenue in 2020. Collections were up 103% in 2021 returning to about 60% of pre-pandemic levels. While costs were up in some areas related to the pandemic, these were largely offset by federal and state assistance provided through the CARES Act and Route to Recovery funding.

American Rescue Plan Act Funds

The federal American Rescue Plan Act (ARPA) was signed into law on March 11, 2021. ARPA includes direct assistance to all municipal governments in the United States. The City of Middleton's allocation is \$2,096,930. Of this amount, the City received \$1,048,465 in 2021 and the remainder will be paid in 2022. These funds must be obligated by December 31, 2024, with final payments made by December 31, 2026.

Since the City's total allocation is under \$10 million, the City is eligible to use the standard allowance for revenue loss allowing all the funds to be used for any non-prohibited public purpose. Treasury Department guidelines specify that ARPA funds may not be used for deposits to pension funds, debt service, legal settlements, or deposits to rainy day funds or financial reserves.

2022 Approved Budget

The City of Middleton adopts operating budgets for its governmental funds (general, special revenue, debt service, and capital projects), enterprise funds (water, sewer, and stormwater utilities, golf course, airport, and special utility district), and internal service fund. The 2022 fiscal year General Fund budget includes \$21,926,445 in projected revenues and other financing sources and \$23,001,445 in projected expenditures and other financing uses. Included in these amounts is the planned use of assigned fund balance and surplus funds in the amount of \$1,075,000.

City of Middleton

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Funding for the operating budget of the City is provided from many sources, including property taxes, room taxes, grants and aids from the state and county, user fees, permits and licenses, fines, and other miscellaneous revenues. Several revenue sources are sensitive to economic factors, in particular building permits, room taxes, and investment earnings. Building permit revenues have remained strong due to the strength of the local economy and continued construction activity. Room tax collections increased significantly in 2021, compared to the prior year. Investment income declined in 2021 due to the low interest rate environment and is budgeted conservatively in 2022.

Expenditures for salaries, which represent the single largest operating cost, continue to be moderate. The 2022 budget includes a modest increase (2.0%) in cost-of-living wage adjustments along with implementation of market adjustments based on the position of employees within pay ranges. All eligible City employees are contributing toward the cost of the pension program through the Wisconsin Retirement System. The City made a change in health insurance providers for 2022 which resulted in a 4.9% decrease in premiums.

Request for Financial Information

This financial report is designed to provide users with a general overview of the City of Middleton's finances and to demonstrate the City's accountability. If you have questions about the report or need additional financial information, contact the Finance Department, City of Middleton 7426 Hubbard Avenue, Middleton, WI 53562.

City of Middleton

 Statement of Net Position
 December 31, 2021

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
Assets				
Cash and investments	\$ 49,540,091	\$ 8,915,849	\$ 58,455,940	\$ 658,522
Receivables (net):				
Taxes	32,191,475	-	32,191,475	-
Special assessments	78,837	1,985,590	2,064,427	-
Accounts	784,004	1,786,399	2,570,403	-
Loans	264,500	-	264,500	42,490
Accrued interest	73,393	-	73,393	-
Internal balances	2,055,934	(2,055,934)	-	-
Inventories	-	49,253	49,253	-
Prepaid items	426,430	-	426,430	-
Restricted Assets:				
Net pension asset	4,915,787	411,505	5,327,292	-
Property held for future use	-	301,087	301,087	-
Capital assets:				
Land	6,331,248	6,416,264	12,747,512	154,000
Construction in progress	5,573,795	1,150,851	6,724,646	-
Right of way	19,970,094	-	19,970,094	-
Land improvements	9,770,509	3,343,076	13,113,585	-
Improvements other than buildings	-	7,799,949	7,799,949	-
Buildings and improvements	30,072,752	2,252,500	32,325,252	2,933,497
Machinery and equipment	10,894,775	1,415,005	12,309,780	-
Infrastructure	57,080,978	-	57,080,978	-
Plant in service	-	51,158,828	51,158,828	-
Less accumulated depreciation	(37,561,789)	(22,563,491)	(60,125,280)	(1,348,488)
Total assets	<u>192,462,813</u>	<u>62,366,731</u>	<u>254,829,544</u>	<u>2,440,021</u>
Deferred Outflows of Resources				
Unamortized loss on refunding	659,208	-	659,208	-
Pension related amounts	8,112,665	733,750	8,846,415	-
Total deferred outflows of resources	<u>8,771,873</u>	<u>733,750</u>	<u>9,505,623</u>	<u>-</u>
Liabilities				
Accounts payable	1,895,460	866,421	2,761,881	5,625
Other accrued liabilities	500,371	40,886	541,257	-
Accrued interest	197,779	-	197,779	-
Due to other governments	29,881	-	29,881	-
Deposits	1,233,278	-	1,233,278	-
Unearned revenue	1,044,465	30,106	1,074,571	-
Noncurrent liabilities:				
Due within one year	6,239,849	104,196	6,344,045	-
Due in more than one year	37,784,801	494,563	38,279,364	-
Total liabilities	<u>48,925,884</u>	<u>1,536,172</u>	<u>50,462,056</u>	<u>5,625</u>
Deferred Inflows of Resources				
Property taxes levied for next period	32,042,395	-	32,042,395	-
Pension related amounts	10,727,902	947,023	11,674,925	-
Total deferred inflows of resources	<u>42,770,297</u>	<u>947,023</u>	<u>43,717,320</u>	<u>-</u>
Net Position				
Net investment in capital assets	74,457,610	50,972,982	125,430,592	1,739,009
Restricted for:				
Community development	27,751,401	-	27,751,401	-
Library	1,071,712	-	1,071,712	-
Impact fees	3,286,718	-	3,286,718	-
Tourism	2,195,429	-	2,195,429	-
Senior center	191,311	-	191,311	-
Debt service	150,680	-	150,680	-
Pension	4,915,787	411,505	5,327,292	-
Subdividers' deposits	1,156,333	-	1,156,333	-
Public safety	79,454	-	79,454	-
Youth activities	27,489	-	27,489	-
Unrestricted	(5,745,419)	9,232,799	3,487,380	695,387
Total net position	<u>\$ 109,538,505</u>	<u>\$ 60,617,286</u>	<u>\$ 170,155,791</u>	<u>\$ 2,434,396</u>

See notes to financial statements

City of Middleton

Statement of Activities

Year Ended December 31, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-Type Activities	Total	
Primary Government								
Governmental activities:								
General government	\$ 3,051,347	\$ 575,086	\$ -	\$ -	\$ (2,476,261)	\$ -	\$ (2,476,261)	\$ -
Public safety	9,370,653	1,994,754	190,389	-	(7,185,510)	-	(7,185,510)	-
Public works	7,091,814	313,537	55,453	1,428,712	(5,294,112)	-	(5,294,112)	-
Health and human services	501,467	16,829	115,907	-	(368,731)	-	(368,731)	-
Leisure activities	4,094,496	484,645	1,029,245	431,066	(2,149,540)	-	(2,149,540)	-
Conservation and economic development	7,175,794	90,417	47,293	584,897	(6,453,187)	-	(6,453,187)	-
Interest and fiscal charges	864,331	-	-	-	(864,331)	-	(864,331)	-
Total governmental activities	32,149,902	3,475,268	1,438,287	2,444,675	(24,791,672)	-	(24,791,672)	-
Business-type activities:								
Water utility	2,194,553	2,822,058	-	-	-	627,505	627,505	-
Sewer utility	3,337,064	3,444,351	-	-	-	107,287	107,287	-
Pleasant View golf course	2,545,980	3,849,011	-	-	-	1,303,031	1,303,031	-
Stormwater utility	172,487	870,900	-	-	-	698,413	698,413	-
Middleton utility district	796	31,554	-	-	-	30,758	30,758	-
Airport	199,865	116,459	-	10,733	-	(72,673)	(72,673)	-
Total business-type activities	8,450,745	11,134,333	-	10,733	-	2,694,321	2,694,321	-
Total primary government	\$ 40,600,647	\$ 14,609,601	\$ 1,438,287	\$ 2,455,408	(24,791,672)	2,694,321	(22,097,351)	-
Component Unit, Business-Type Activities								
Community Development Authority	\$ 177,191	\$ -	\$ -	\$ -	-	-	-	(177,191)
General Revenues								
Taxes:								
Property taxes, levied for general purposes					13,393,016	-	13,393,016	-
Property taxes, levied for debt service					5,046,926	-	5,046,926	-
Property taxes, levied for TIF purposes					14,143,791	-	14,143,791	-
Room taxes					1,175,151	-	1,175,151	-
Intergovernmental revenues not restricted to specific programs					2,543,539	-	2,543,539	76,000
Investment income					433,867	59,354	493,221	4,162
Gain on sale of capital assets					67,608	-	67,608	-
Miscellaneous					179,381	177,142	356,523	19,254
Transfers					(686,335)	686,335	-	-
Total general revenues and transfers					36,296,944	922,831	37,219,775	99,416
Change in net position					11,505,272	3,617,152	15,122,424	(77,775)
Net Position, Beginning					98,033,233	57,000,134	155,033,367	2,512,171
Net Position, Ending					\$ 109,538,505	\$ 60,617,286	\$ 170,155,791	\$ 2,434,396

See notes to financial statements

City of Middleton

Balance Sheet
 Governmental Funds
 December 31, 2021

	General	Debt Service	Capital Projects Funds		Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
			TIF District No. 3	TIF District No. 5			
Assets							
Cash and investments	\$ 11,419,752	\$ 351,784	\$ 23,268,221	\$ 1,355,258	\$ 2,307,266	\$ 10,375,059	\$ 49,077,340
Receivables (net):							
Taxes	14,191,509	5,250,000	10,372,202	2,377,764	-	-	32,191,475
Special assessments	13,991	-	64,846	-	-	-	78,837
Loans	-	-	-	-	-	264,500	264,500
Accrued interest	73,393	-	-	-	-	-	73,393
Other	436,913	-	-	-	85,891	254,535	777,339
Prepaid items	426,430	-	-	-	-	-	426,430
Advances to other funds	-	-	4,193,289	-	-	-	4,193,289
Total assets	\$ 26,561,988	\$ 5,601,784	\$ 37,898,558	\$ 3,733,022	\$ 2,393,157	\$ 10,894,094	\$ 87,082,603
Liabilities, Deferred Inflows of Resources and Fund Balances							
Liabilities:							
Accounts payable	\$ 788,084	\$ 3,325	\$ 56,225	\$ 361,761	\$ 445,823	\$ 233,573	\$ 1,888,791
Other accrued liabilities	403,552	-	-	-	-	96,819	500,371
Deposits	-	-	-	3,757	-	1,229,521	1,233,278
Due to other governmental units	29,881	-	-	-	-	-	29,881
Due to other funds	88,356	-	-	-	-	-	88,356
Unearned revenue	-	-	-	-	-	1,044,465	1,044,465
Advances from other funds	-	-	-	2,048,999	-	-	2,048,999
Total liabilities	1,309,873	3,325	56,225	2,414,517	445,823	2,604,378	6,834,141
Deferred inflows of resources:							
Property tax levied for next period	14,042,429	5,250,000	10,372,202	2,377,764	-	-	32,042,395
Unavailable revenue	38,101	-	64,846	-	-	271,913	374,860
Total deferred inflows of resources	14,080,530	5,250,000	10,437,048	2,377,764	-	271,913	32,417,255
Fund balances:							
Nonspendable:							
Noncurrent receivables	9,456	-	-	-	-	-	9,456
Prepaid items	426,430	-	-	-	-	-	426,430
Restricted	-	348,459	27,405,285	-	1,947,334	8,017,803	37,718,881
Assigned	4,070,511	-	-	-	-	-	4,070,511
Unassigned (deficit)	6,665,188	-	-	(1,059,259)	-	-	5,605,929
Total fund balances	11,171,585	348,459	27,405,285	(1,059,259)	1,947,334	8,017,803	47,831,207
Total liabilities, deferred inflows of resources, and fund balances	\$ 26,561,988	\$ 5,601,784	\$ 37,898,558	\$ 3,733,022	\$ 2,393,157	\$ 10,894,094	

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.	102,132,362
Some receivables that are not currently available are reported as unavailable revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements. See Note 4.	374,860
Internal service funds are reported in the statement of net position as governmental funds.	462,747
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 2.	(43,563,221)
The net pension asset does not relate to current financial resources and is not reported in the governmental funds.	4,915,787
Deferred outflows of resources relate to pensions do not relate to current financial resources and are not reported in the governmental funds.	8,112,665
Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	(10,727,902)
Net position of governmental activities	\$ 109,538,505

See notes to financial statements

City of Middleton

 Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
 Year Ended December 31, 2021

	General	Debt Service	Capital Projects TIF District No. 3	Capital Projects TIF District No. 5	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Revenues							
Taxes	\$ 13,809,694	\$ 5,046,926	\$ 12,509,459	\$ 1,634,332	\$ -	\$ 822,606	\$ 33,823,017
Intergovernmental	2,521,564	-	1,678,972	123,133	185,875	1,072,681	5,582,225
Licenses and permits	955,161	-	-	-	-	-	955,161
Fines, forfeitures and penalties	210,098	-	-	-	-	-	210,098
Public charges for services	1,584,023	-	-	-	-	434,796	2,018,819
Interdepartmental charges for services	1,444,746	-	-	-	-	-	1,444,746
Special assessments	62,523	-	-	-	-	105,736	168,259
Investment income	282,238	1,871	118,513	8,465	-	82,218	493,305
Contributions	-	-	-	-	-	70,021	70,021
Miscellaneous	73,109	-	322,630	-	78,890	23,784	498,413
Total revenues	20,943,156	5,048,797	14,629,574	1,765,930	264,765	2,611,842	45,264,064
Expenditures							
Current:							
General government	3,035,444	-	1,326,913	-	-	32,917	4,395,274
Public safety	9,777,267	-	-	-	-	4,641	9,781,908
Public works	4,135,292	-	-	-	-	-	4,135,292
Health and human services	486,977	-	-	-	-	33,109	520,086
Leisure activities	1,606,047	-	-	-	-	2,355,584	3,961,631
Conservation and development	831,074	-	4,024,496	729,061	-	824,545	6,409,176
Capital outlay	-	-	303,598	450,842	4,288,471	353,234	5,396,145
Debt service:							
Principal retirement	-	4,392,558	170,000	540,000	-	-	5,102,558
Interest and fiscal charges	-	972,572	6,900	114,681	-	-	1,094,153
Total expenditures	19,872,101	5,365,130	5,831,907	1,834,584	4,288,471	3,604,030	40,796,223
Excess (deficiency) of revenues over expenditures	1,071,055	(316,333)	8,797,667	(68,654)	(4,023,706)	(992,188)	4,467,841
Other Financing Sources (Uses)							
Long-term debt issued	-	-	-	-	3,750,000	-	3,750,000
Premium on debt	-	280,558	-	-	-	-	280,558
Sale of capital assets	1,246	-	-	-	66,362	-	67,608
Transfers in	483,024	150,000	-	-	-	1,670,131	2,303,155
Transfers out	(1,457,464)	-	-	-	-	(362,667)	(1,820,131)
Total other financing sources (uses)	(973,194)	430,558	-	-	3,816,362	1,307,464	4,581,190
Net change in fund balance	97,861	114,225	8,797,667	(68,654)	(207,344)	315,276	9,049,031
Fund Balances (Deficit), Beginning	11,073,724	234,234	18,607,618	(990,605)	2,154,678	7,702,527	38,782,176
Fund Balances (Deficit), Ending	\$ 11,171,585	\$ 348,459	\$ 27,405,285	\$ (1,059,259)	\$ 1,947,334	\$ 8,017,803	\$ 47,831,207

See notes to financial statements

City of Middleton

Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended December 31, 2021

Net Change in Fund Balances, Total Governmental Funds	\$ 9,049,031
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of net position the cost of these assets is capitalized and they are depreciated over their estimated useful lives with depreciation expense reported in the statement of activities.	
Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements	5,396,145
Some items are reported as capital outlay but are not capitalized	(244,726)
Depreciation is reported in the government-wide statements	(3,358,931)
The sale of capital assets is reported on the statement of activities as a reduction of capital.	
Net book value of assets retired	(828,315)
Land transferred to the airport fund	(253,220)
	(1,169,359)
Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.	
	36,367
The internal service funds are used by management to charge the cost of insurance to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities	
	86,008
Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds	
	2,270,703
Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds	
	(3,187,938)
Debt and lease issuances provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position	
Debt issued	(3,750,000)
Debt retired	5,102,558
Landfill post-closure liability	58,719
Premium debt issued	(280,558)
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	
Compensated absences	(47,501)
Amortization of loss on refunding	(5,623)
Amortization of debt premium	235,510
Accrued interest on debt	(65)
Net pension asset	2,396,467
Change in Net Position of Governmental Activities	\$ 11,505,272

See notes to financial statements

City of Middleton

 Statement of Net Position
 Proprietary Funds
 December 31, 2021

	Business-Type Activities - Enterprise Funds				Total Enterprise Funds	Governmental Activities - Internal Service Funds
	Water Utility	Sewer Utility	Pleasant View Golf Course	Nonmajor Enterprise		
Assets and Deferred						
Outflows of Resources						
Current assets:						
Cash and investments	\$ 4,590,638	\$ 1,977,726	\$ 1,041,481	\$ 1,306,004	\$ 8,915,849	\$ 462,751
Accounts receivable	671,438	885,786	3,440	225,735	1,786,399	6,665
Due from other funds	62,818	16,304	-	9,234	88,356	-
Inventories	-	-	49,253	-	49,253	-
Total current assets	<u>5,324,894</u>	<u>2,879,816</u>	<u>1,094,174</u>	<u>1,540,973</u>	<u>10,839,857</u>	<u>469,416</u>
Noncurrent assets:						
Restricted Assets:						
Net pension asset	116,496	116,496	178,513	-	411,505	-
Capital assets:						
Land	222,277	66,830	1,476,500	4,650,657	6,416,264	-
Construction in progress	-	-	-	1,150,851	1,150,851	-
Land improvements	-	-	-	3,343,076	3,343,076	-
Improvements other than buildings	-	-	7,799,949	-	7,799,949	-
Buildings and improvements	-	-	1,507,208	745,292	2,252,500	-
Machinery and equipment	-	-	1,159,268	255,737	1,415,005	-
Plant in service	33,660,205	17,498,623	-	-	51,158,828	-
Accumulated depreciation	(12,493,003)	(6,934,557)	(1,796,749)	(1,339,182)	(22,563,491)	-
Other assets:						
Special assessments	-	1,985,590	-	-	1,985,590	-
Property held for future use	301,087	-	-	-	301,087	-
Total noncurrent assets	<u>21,807,062</u>	<u>12,732,982</u>	<u>10,324,689</u>	<u>8,806,431</u>	<u>53,671,164</u>	<u>-</u>
Total assets	<u>27,131,956</u>	<u>15,612,798</u>	<u>11,418,863</u>	<u>10,347,404</u>	<u>64,511,021</u>	<u>469,416</u>
Deferred outflows of resources:						
Pension related amounts	251,796	154,231	327,723	-	733,750	-
Total deferred outflows of resources	<u>251,796</u>	<u>154,231</u>	<u>327,723</u>	<u>-</u>	<u>733,750</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 27,383,752</u>	<u>\$ 15,767,029</u>	<u>\$ 11,746,586</u>	<u>\$ 10,347,404</u>	<u>\$ 65,244,771</u>	<u>\$ 469,416</u>
Liabilities, Deferred Inflows of Resources and Net Position						
Current liabilities:						
Accounts payable	\$ 207,701	\$ 579,990	\$ 45,170	\$ 33,560	\$ 866,421	\$ 6,669
Other accrued liabilities	11,038	9,889	19,959	-	40,886	-
Compensated absences	42,285	19,968	41,943	-	104,196	-
Unearned revenue	-	-	-	30,106	30,106	-
Current portion of advances from other funds	-	-	450,000	-	450,000	-
Total current liabilities	<u>261,024</u>	<u>609,847</u>	<u>557,072</u>	<u>63,666</u>	<u>1,491,609</u>	<u>6,669</u>
Noncurrent liabilities:						
Compensated absences	199,223	115,018	180,322	-	494,563	-
Advances from other funds	-	-	1,694,290	-	1,694,290	-
Total noncurrent liabilities	<u>199,223</u>	<u>115,018</u>	<u>1,874,612</u>	<u>-</u>	<u>2,188,853</u>	<u>-</u>
Total liabilities	<u>460,247</u>	<u>724,865</u>	<u>2,431,684</u>	<u>63,666</u>	<u>3,680,462</u>	<u>6,669</u>
Deferred inflows of resources:						
Pension related amounts	342,991	197,701	406,331	-	947,023	-
Net Position						
Net investment in capital assets	21,389,479	10,630,896	10,146,176	8,806,431	50,972,982	-
Restricted for pension	116,496	116,496	178,513	-	411,505	-
Unrestricted (deficit)	<u>5,074,539</u>	<u>4,097,071</u>	<u>(1,416,118)</u>	<u>1,477,307</u>	<u>9,232,799</u>	<u>462,747</u>
Total net position	<u>26,580,514</u>	<u>14,844,463</u>	<u>8,908,571</u>	<u>10,283,738</u>	<u>60,617,286</u>	<u>462,747</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 27,383,752</u>	<u>\$ 15,767,029</u>	<u>\$ 11,746,586</u>	<u>\$ 10,347,404</u>	<u>\$ 65,244,771</u>	<u>\$ 469,416</u>

See notes to financial statements

City of Middleton

 Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds
 Year Ended December 31, 2021

	Business-Type Activities - Enterprise Funds				Total Enterprise Funds	Governmental Activities - Internal Service Fund
	Water Utility	Sewer Utility	Pleasant View Golf Course	Nonmajor Enterprise		
Operating Revenues						
Charges for services	\$ 2,695,363	\$ 3,442,209	\$ 3,849,011	\$ 987,359	\$ 10,973,942	\$ 432,800
Special assessments	-	-	-	31,554	31,554	-
Miscellaneous operating income	126,695	2,142	-	-	128,837	-
Total operating revenues	2,822,058	3,444,351	3,849,011	1,018,913	11,134,333	432,800
Operating Expenses						
Operations and maintenance	1,389,079	2,843,014	2,375,009	173,546	6,780,648	472,614
Depreciation	805,474	494,050	170,971	199,602	1,670,097	-
Total operating expenses	2,194,553	3,337,064	2,545,980	373,148	8,450,745	472,614
Operating income (loss)	627,505	107,287	1,303,031	645,765	2,683,588	(39,814)
Nonoperating Revenues						
Investment income	29,137	11,879	11,651	6,687	59,354	66,909
Miscellaneous nonoperating income	19,038	-	-	158,104	177,142	58,913
Total nonoperating revenues	48,175	11,879	11,651	164,791	236,496	125,822
Income before contributions and transfers	675,680	119,166	1,314,682	810,556	2,920,084	86,008
Contributions and Transfers						
Capital contributions	-	-	-	1,180,092	1,180,092	-
Transfers in	17,485	-	-	-	17,485	-
Transfers (out)	-	(17,485)	-	-	(17,485)	-
Transfers (out), tax equivalent	(483,024)	-	-	-	(483,024)	-
Change in net position	210,141	101,681	1,314,682	1,990,648	3,617,152	86,008
Total Net Position, Beginning	26,370,373	14,742,782	7,593,889	8,293,090	57,000,134	376,739
Total Net Position, Ending	\$ 26,580,514	\$ 14,844,463	\$ 8,908,571	\$ 10,283,738	\$ 60,617,286	\$ 462,747

See notes to financial statements

City of Middleton

 Statement of Cash Flows -
 Proprietary Funds
 Year Ended December 31, 2021

	Business-Type Activities - Enterprise Funds				Total Enterprise Funds	Governmental Activities- Internal Service Funds
	Water Utility	Sewer Utility	Pleasant View Golf Course	Nonmajor Enterprise Funds		
Cash Flows From Operating Activities						
Received from customers	\$ 2,945,603	\$ 3,129,107	\$ 3,845,571	\$ 1,271,766	\$ 11,192,047	\$ 487,190
Paid to suppliers for good and services	(832,703)	(2,452,801)	(1,425,017)	(170,261)	(4,880,782)	(470,850)
Paid to employees	(533,695)	(328,589)	(1,005,698)	-	(1,867,982)	-
Net cash flows from operating activities	<u>1,579,205</u>	<u>347,717</u>	<u>1,414,856</u>	<u>1,101,505</u>	<u>4,443,283</u>	<u>16,340</u>
Cash Flows From Noncapital Financing Activities						
Advances for cash deficits	-	-	(1,549,411)	-	(1,549,411)	-
Paid to municipality for tax equivalent	(483,024)	-	-	-	(483,024)	-
Transfers in (out)	17,485	(17,485)	-	-	-	-
Net cash flows from noncapital financing activities	<u>(465,539)</u>	<u>(17,485)</u>	<u>(1,549,411)</u>	<u>-</u>	<u>(2,032,435)</u>	<u>-</u>
Cash Flows From Capital and Related Financing Activities						
Acquisition of and construction of capital assets	(657,265)	(63,125)	(151,652)	(598,790)	(1,470,832)	-
Capital contributions	-	-	-	10,733	10,733	-
Special assessments received	-	5,587	-	-	5,587	-
Salvage on retirement	-	-	79,743	-	79,743	-
Net cash flows from capital and related financing activities	<u>(657,265)</u>	<u>(57,538)</u>	<u>(71,909)</u>	<u>(588,057)</u>	<u>(1,374,769)</u>	<u>-</u>
Cash Flows From Investing Activities						
Investment income	29,137	11,881	11,651	6,687	59,356	66,909
Net cash flows from investing activities	<u>29,137</u>	<u>11,881</u>	<u>11,651</u>	<u>6,687</u>	<u>59,356</u>	<u>66,909</u>
Net increase (decrease) in cash and cash equivalents	485,538	284,575	(194,813)	520,135	1,095,435	83,249
Cash and Cash Equivalents, Beginning	<u>4,105,100</u>	<u>1,693,151</u>	<u>1,236,294</u>	<u>785,869</u>	<u>7,820,414</u>	<u>379,502</u>
Cash and Cash Equivalents, Ending	<u>\$ 4,590,638</u>	<u>\$ 1,977,726</u>	<u>\$ 1,041,481</u>	<u>\$ 1,306,004</u>	<u>\$ 8,915,849</u>	<u>\$ 462,751</u>
Reconciliation of Operating Income (Loss) to Net Cash From Operating Activities						
Operating income (loss)	\$ 627,505	\$ 107,287	\$ 1,303,031	\$ 645,765	\$ 2,683,588	\$ (39,814)
Adjustments to reconcile operating income (loss) to net cash provided from operating activities:						
Nonoperating income	19,038	-	-	158,104	177,142	58,913
Depreciation expense	805,474	494,050	170,971	199,602	1,670,097	-
Depreciation charged to clearing and other utilities	156,014	(159,240)	-	-	(3,226)	-
Changes in assets, liabilities and deferred inflows and outflows:						
Materials and supplies	-	-	31,807	-	31,807	-
Accounts receivable	(18,384)	(153,850)	-	106,972	(65,262)	(4,523)
Other accounts receivable	(19,632)	-	(3,440)	-	(23,072)	-
Due from other funds	(13,491)	(2,154)	-	(419)	(16,064)	-
Accounts payable	14,811	103,237	(56,279)	3,285	65,054	1,764
Compensated absences	16,616	9,015	19,498	-	45,129	-
Other current liabilities	(1,202)	3,929	2,227	-	4,954	-
Unearned revenues	-	-	-	(11,804)	(11,804)	-
Pension related deferrals and liabilities	(7,544)	(54,557)	(52,959)	-	(115,060)	-
Net cash flows from operating activities	<u>\$ 1,579,205</u>	<u>\$ 347,717</u>	<u>\$ 1,414,856</u>	<u>\$ 1,101,505</u>	<u>\$ 4,443,283</u>	<u>\$ 16,340</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position, Proprietary Funds						
Cash and investments	<u>\$ 4,590,638</u>	<u>\$ 1,977,726</u>	<u>\$ 1,041,481</u>	<u>\$ 1,306,004</u>	<u>\$ 8,915,849</u>	<u>\$ 462,751</u>
Noncash Investing, Capital and Financing Activities						
Capital assets transferred from government-wide	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,169,359</u>	<u>\$ 1,169,359</u>	<u>\$ -</u>

See notes to financial statements

City of Middleton

Statement of Fiduciary Net Position

Fiduciary Funds

December 31, 2021

	Custodial Funds
Assets	
Cash and investments	\$ 20,975,099
Taxes receivable	28,617,660
Accounts receivable	700
	<hr/>
Total assets	49,593,459
	<hr/>
Liabilities	
Accounts payable	68,648
Accrued liabilities	64,935
Due to other governmental units	49,191,753
	<hr/>
Total liabilities	49,325,336
	<hr/>
Net Position	
Restricted	\$ 268,123
	<hr/> <hr/>

See notes to financial statements

City of Middleton

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

Year Ended December 31, 2021

	Custodial Funds
Additions	
Property taxes collected for other governments	\$ 32,959,788
Contributions	1,701,517
Miscellaneous	111,624
	<hr/>
Total additions	34,772,929
	<hr/>
Deductions	
Property taxes distributed to other governments	32,959,788
Public fire protection	1,597,544
	<hr/>
Total deductions	34,557,332
	<hr/>
Change in fiduciary net position	215,597
	<hr/>
Total Net Position, Beginning	52,526
	<hr/>
Total Net Position, Ending	\$ 268,123
	<hr/> <hr/>

See notes to financial statements

City of Middleton

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December 31, 2021

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City of Middleton

Notes to Financial Statements

December 31, 2021

1. Summary of Significant Accounting Policies

The accounting policies of the City of Middleton, Wisconsin (City) conform to accounting principles generally accepted in the United States of America 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).

Reporting Entity

This report includes all of the funds of the City. The reporting entity for the City consists of the primary government and its component unit. 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 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 had the ability to otherwise access, are significant to the primary government.

Component units are reported using one of three methods, discrete presentation, blended or fiduciary. 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 its 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 substantially 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

Middleton Community Development Authority

The government-wide financial statements include the Middleton Community Development Authority (Authority) as a component unit. The Authority is a legally separate organization. The board of the Authority is appointed by the mayor of Middleton. Wisconsin Statutes provide for circumstances whereby the City can impose their will on the Authority and also create a potential financial benefit to or burden on the City. See Note 4. As a component unit, the Authority's financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended December 31, 2021. Separate financial statements of the Middleton Community Development Authority are not issued.

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

Fund Financial Statements

Financial statements of the City are organized into funds, each of which are 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 balance, revenues and expenditure/expenses.

Funds are organized as major funds or nonmajor funds within the governmental, proprietary and fiduciary 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.

Separate financial statements are provided for governmental funds, proprietary funds and custodial 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.

The City reports the following major governmental and enterprise funds:

General Fund

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.

City of Middleton

Notes to Financial Statements

December 31, 2021

Debt Service Fund

Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term debt, other than TIF or enterprise fund debt.

Capital Projects Funds

Capital Projects Fund accounts for proceeds from long-term borrowing and other resources to be used for the acquisition or construction of capital assets.

Tax Incremental Financing District (TIF) No. 3 Capital Projects Fund accounts for expenditures outlined in the TIF project plan and related revenues and proceeds from long-term borrowing.

Tax Incremental Financing District (TIF) No. 5 Capital Projects Fund accounts for expenditures outlined in the TIF project plan and related revenues and proceeds from long-term borrowing.

Enterprise Funds

The City reports the following major enterprise funds:

Water Utility accounts for operations of the water system.

Sewer Utility accounts for operations of the sewer system.

Pleasant View Golf Course accounts for operations of the Pleasant View Golf Course.

The City reports the following nonmajor governmental and enterprise funds:

Special Revenue Funds

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

Subdividers' Deposits	Tourism Commission
Lost and Damaged Books	Police Activities
Library Gift	EMS Activities
Library Endowment	Public Land Activities
Next Chapter	Youth Center Activities
Library Fund	Senior Center Activities
Safety Impact Fee and Other	American Rescue Plan
Economic Development Grant	

Stormwater Utility

Stormwater Utility is used to account for the operations of the stormwater system.

Middleton Utility District

Middleton Utility District is used to account for the operations of the utility district.

Airport

Airport is used to account for the operations of the municipal airport.

In addition, the City reports the following fund types:

Internal Service Fund

Internal Service Fund is used to record risk management expenditures for the purchase of liability, workers compensation, property and related insurance as well as to report claims activity. Costs will be charged to other City funds based on an allocation of insurance premiums and claims costs.

Custodial Funds

Custodial Funds are used to account for and report assets controlled by the City and the assets are for the benefit of individuals, private organizations and/or other governmental units.

Tax Roll Fund is used to account for the amount of tax collections and disbursements by the City on behalf of the City's overlying districts.

Fire District Fund is used to account for comprehensive fire related services to the City of Middleton, the Town of Middleton, the Town of Westport and the Town of Springfield. Each entity contributes a pro rata population based contribution to the District.

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, sewer and stormwater utility funds 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. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgements, 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 and 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.

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 and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note.

The water utility records an annual payment in lieu of taxes (PILOT) expense based on the value of its plant and the current assessment ratio and local and school portion of the mill rate. Municipal utilities are exempt from federal and state income taxes. Taxes include the employer's share of social security and Medicare, PSCW remainder assessment and tax equivalent.

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, sewer, Pleasant View golf course, stormwater utility district and airport 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.

All Financial Statements

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.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity

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:

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

- a. 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, the University of Wisconsin Hospitals and Clinics Authority or the Wisconsin Aerospace Authority.
- b. Bonds or securities issued or guaranteed by the federal government.
- c. The local government investment pool.
- d. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- e. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- f. Repurchase agreements with public depositories, with certain conditions.

Investment of most trust funds including cemetery perpetual care funds is regulated by Chapter 881 of the Wisconsin Statutes. Investment of library trust funds is regulated by Chapter 112. Those sections give broad authority to use such funds to acquire various kinds of investments including stocks, bonds and debentures. Additional restrictions may arise from local charters, ordinances, resolutions and grant regulations.

The City believes it is in compliance with all restrictions.

As described in Note 4, the City is exposed to the following deposit and investment risks: custodial credit risk (deposits and investments), credit risk, interest rate risk and concentration of credit risk.

The City's investment policy addresses each of these risks in the following manner:

Custodial Credit Risk - The risk that, in the event of the failure of a depository financial institution, the City will not be able to recover deposits that are in possession of an outside party. The City will seek to collateralize certificates of deposit or any other time deposit in an amount equal to 100% of the investment less the amount insured by the FDIC or guaranteed by the State of Wisconsin with appropriate collateral instruments. Marketable securities will be held in the City's name by a third-party custodian.

Credit Risk - The risk that an issuer or other counterparty to an investment will not fulfill its obligations to the City. To minimize credit risk, investments are limited to government agencies, the highest rated commercial paper, AAA rated money market funds, state and local government obligations and certifications of deposit.

Interest Rate Risk - The risk that changes in interest rates will adversely affect the fair market value of an investment resulting in losses if the investment was liquidated prior to maturity. The investment portfolio may be laddered with staggered maturities to meet cash flow needs and to allow the opportunity for reinvestment. Staggered investment maturities maximize liquidity to meet ongoing operations and also allow the opportunity for reinvestment. Continual reinvestment allows City funds to ride the yield curve, minimizing interest rate risk for any given period. Investments should be held to maturity eliminating losses and risk from early liquidations.

Concentration of Credit Risk - The risk of loss attributable to the magnitude of the City's investment in a single issuer. City policy is to diversify its investment portfolio. Assets shall be diversified to eliminate the risk of loss and balance sheet effect of interest rate changes affecting different types of securities. Investments will be diversified by limiting investments to avoid over-concentration in securities from a specific issuer or business sector.

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 methods and inputs as outlined in Note 4. 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 average balances. 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, 2021, the fair value of the City's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

PMA Financial Network, Inc. is the administrator for the Wisconsin Investment Series Cooperative (WISC). The investment manager for WISC is PMA Financial Network, Inc. The WISC is not registered with the Securities and Exchange Commission, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. At December 31, 2021, the City's share of the WISC's assets was substantially equal to the amount reported in these statements.

City of Middleton

Notes to Financial Statements

December 31, 2021

The Madison Community Foundation (the Foundation) is a community endowment fund. The Foundation is not registered with the Securities and Exchange Commission. It constitutes a contractual agreement between the City and the Foundation with respect to investment of City assets. The Foundation reports the fair value of its underlying assets annually. At December 31, 2021, the fair value of the Foundation's assets was substantially equal to the City's share as reported in Note 4.

See Note 4. for further information.

Receivables

Property Taxes

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 the local school district 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 statement of fiduciary net position.

Property tax calendar - 2021 tax roll:

Lien date and levy date	December 2021
Tax bills mailed	December 2021
Payment in full, or	January 31, 2022
First installment due	January 31, 2022
Second installment due	July 31, 2022
Personal property taxes in full	January 31, 2022
Tax sale - 2021 delinquent real estate taxes	October 2024

Uncollectible Accounts

Accounts and loans 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 utility accounts receivable has been made for the water, sewer 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.

Interfund Transactions

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 or by a restricted, committed or assigned fund balance account, if the funds will ultimately be restricted, committed or assigned when the advance is repaid.

Inventories and Prepaid Items

Governmental fund inventory items are charged to expenditure accounts when purchased. Proprietary fund inventories are generally used for construction and for operation and maintenance work, but also consist of merchandise held for resale at the Pleasant View Golf Course. They are valued at cost based on weighted average and charged to construction and/or operation and maintenance expense when used. Year-end inventory was not material.

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 using the consumption method.

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.

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 \$5,000 for general capital assets and \$25,000 for infrastructure assets and an estimated useful life in excess of one year. Capital assets are generally defined by the utilities as assets with an initial, individual cost of more than \$1,000 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, donated works of art and similar items and capital assets received in a service concession arrangement are recorded at their estimated acquisition 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. 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.

City of Middleton

Notes to Financial Statements

December 31, 2021

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:

	<u>Years</u>
Buildings	40
Land improvements	30
Machinery and equipment	3-15
Infrastructure	20-50
Water plant:	
Source of supply	34
Pumping	22-31
Water treatment	22-30
Transmission and distribution	18-77
General	4-17
Sewer plant:	
Collecting system	30-77
Collecting system pumping	20-40
General	7-40

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 as in the government-wide statements.

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.

A deferred charge on refunding arises from the advance refunding of debt. The difference between the cost of the securities placed in trust for future payments of the refunded debt and the net carrying value of the debt is deferred and amortized as a component of interest expense over the shorter of the term of the refunding issue or the original term of the refunded debt. The unamortized amount is reported as a deferred outflow of resources in the government-wide and proprietary fund financial statements.

Basis for Existing Rates - Proprietary Funds

Water Utility

Current water rates were approved by the Public Service Commission and became effective September 15, 2018. In January 2022, the Public Service Commission approved new water rates which became effective on March 15, 2022.

Sanitary Sewer

Current wastewater rates were approved by the Common Council on November 16, 2021 and became effective December 15, 2021.

Stormwater Utility

Current stormwater rates were approved by the Common Council and effective April 1, 2019.

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

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, 2021 are determined on the basis of current salary rates and include salary related payments.

Long-Term Obligations/Conduit Debt

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of notes and bonds payable, a landfill post-closure liability and accrued compensated absences. Other postemployment benefits were determined to not be material to the financial statements.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds 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 straight-line 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 development revenue bonds (IDRB) for the benefit of private business enterprises. IDRb'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 IDRb's outstanding at the end of the year is \$4,808,786, made up of two issuances.

Claims and Judgements

Claims and judgements are recorded as liabilities if all of the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgements is only reported in governmental fund types if it has matured. Claims and judgements are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred. There were no significant claims or judgements at year-end.

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 an inflow of resources (revenue) until that future time.

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 the 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 positions that do not meet the definition of "restricted" or "net investment in capital assets."

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 formal action (resolution) of the 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 Council that originally created the commitment.
- d. **Assigned** - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The City has, by resolution, adopted a financial policy authorizing the Finance Director to assign amounts for a specific purpose. The assignment of General Fund balances shall be reviewed and confirmed annually by the Finance Committee and City Council. 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 Middleton

Notes to Financial Statements

December 31, 2021

Proprietary fund equity is classified the same as in the government-wide statements.

The City has established a fund balance policy for the General Fund to maintain an unassigned fund balance of between two and four months of operating expenditures, defined as 16.7% to 33.3% of subsequent year General Fund budgeted expenditures, excluding transfers for debt service and one-time transfers to other funds. At December 31, 2021, the General Fund maintained \$6,665,188 or 31.0% of the subsequent year's budgeted expenditures excluding transfers.

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.

See Note 4 for further information.

Pension

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

2. Reconciliation of Government-Wide and Fund Financial Statements

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 \$43,563,221 difference in liabilities are as follows:

Bonds and notes payable	\$ 39,187,442
Landfill post-closure liability	373,965
Compensated absences	3,184,911
Accrued interest	197,779
Unamortized debt premiums	1,278,332
Unamortized loss on refunding	<u>(659,208)</u>
Net adjustment to reduce fund balance, total governmental funds to arrive at net position, governmental activities	<u>\$ 43,563,221</u>

City of Middleton

Notes to Financial Statements

December 31, 2021

3. Stewardship, Compliance and Accountability

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 1. A budget has been adopted for all of the funds other than the American Rescue Plan special revenue fund. Wisconsin Statute Section 65.90 requires that an annual budget be adopted for all funds.

The budgeted amounts presented include any amendments made. The City Administrator may authorize transfers of budgeted amounts between departments up to \$1,000. Transfers exceeding \$1,000 between departments and changes in the overall budget must be approved by a two-thirds vote of the City Council. Appropriations lapse at year-end unless specifically carried over.

Excess Expenditures and Other Financing Uses Over Appropriations

The following individual funds had an excess of expenditures and other financing uses over appropriations at the legal level of budgetary control for the year ended December 31, 2021.

	<u>Excess</u>
Debt service	\$ 73,054
Economic development grants	
Library Gift	2,511
Library Endowment	3,621
Police activities	6,204
Public Land Activities	45,413
Senior Center Activities	8,109
American Rescue Plan	4,000

The legal level of budget control is at the department level in the General Fund and total expenditures in all other funds. The City controls expenditures at the department level for management purposes. The detail of those items can be found in the City's year-end budget to actual report.

Deficit Balances

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

As of December 31, 2021, the following individual funds held a deficit balance:

<u>Fund</u>	<u>Amount</u>	<u>Reason</u>
TIF District No. 5	\$ 1,059,259	Expenditures exceeding funding

The TIF District deficit is anticipated to be funded with future incremental taxes levied over the life of the district, 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.

City of Middleton

Notes to Financial Statements

December 31, 2021

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 0%. 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.

4. Detailed Notes on All Funds

Deposits and Investments

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the statement of net position and balance sheet as cash and investments.

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

	<u>Carrying Value</u>	<u>Bank and Investment Balances</u>	<u>Associated Risk</u>
Deposits and cash on hand	\$ 62,345,793	\$ 62,586,918	Custodial credit
Certificates of deposit (negotiable)	3,678,183	3,678,183	Custodial credit, credit, interest rate, concentration of credit
State and local bonds	5,667,704	5,667,704	Custodial credit, credit, interest rate, concentration of credit
U.S. agencies implicitly guaranteed	5,933,870	5,933,870	Custodial credit, credit, interest rate, concentration of credit
Mutual funds, other than bond funds	3,420	3,420	N/A
Madison Community Foundation	746,400	746,400	Credit
LGIP	1,051,563	1,051,563	Credit, interest rate
Wisconsin Investment Services:			
Cooperative Investment Pool (WISC)	4,106	4,106	Credit
Total cash and investments	<u>\$ 79,431,039</u>	<u>\$ 79,672,164</u>	
Reconciliation to financial statements:			
Per statement of net position			
Unrestricted cash and investments	\$ 58,455,940		
Per statement of fiduciary net position, Fiduciary Funds	<u>20,975,099</u>		
Total cash and investments	<u>\$ 79,431,039</u>		

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 deposits.

City of Middleton

Notes to Financial Statements

December 31, 2021

Bank accounts and credit unions 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 computing custodial credit risk.

The City's library had \$301,197 in an endowment fund at the Madison Community Foundation, which is pooled with all other investments of the Foundation. The City, at its discretion, has the ability to transact with the Foundation for deposit and withdrawal of funds.

As of December 31, 2021, the City maintains letters of credit in the amount of \$22,300,000.

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.

Investment Type	December 31, 2021			
	Level 1	Level 2	Level 3	Total
Mutual funds, other than bond funds	\$ 3,420	\$ -	\$ -	\$ 3,420
State and local bonds	-	5,667,704	-	5,667,704
U.S. agencies implicitly guaranteed	-	5,933,870	-	5,933,870
Certificates of deposit (negotiable)	-	3,678,183	-	3,678,183
Total	<u>\$ 3,420</u>	<u>\$ 15,279,757</u>	<u>\$ -</u>	<u>\$ 15,283,177</u>

The valuation methods for recurring fair value measurements are as follows:

Investment Type	Valuation Method
Mutual funds, other than bond funds	Net asset value
State and local bonds	Value by a pricing service that uses matrix pricing or a yield of a similar investment type
U.S. agencies, implicitly guaranteed	Value by a pricing service that uses matrix pricing or a yield of a similar investment type
Certificates of deposit (negotiable)	Value by a pricing service that uses matrix pricing or a yield of a similar investment type

Custodial Credit Risk

Deposits

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

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

City of Middleton

Notes to Financial Statements

December 31, 2021

Investments

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

The City does not have any investments exposed to custodial credit risk.

Credit Risk

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

As of December 31, 2021, the City's investments were rated as follows:

<u>Investment Type</u>	<u>Standard & Poor's</u>	<u>Moody's Investor Service</u>
U.S. Agencies Implicitly Guaranteed		
Federal Home Loan Bank	AA+	Aaa
State and Local Bonds	AA+, AA, AA-, A+	Aaa, Aa1, Aa2, Aa3, A1, A2
Wisconsin Investment Series		
Cooperative Investment Pool (WISC)	AAAm	

The City also had investments which are not rated:

LGIP
Madison Community Foundation
Certificates of Deposit (negotiable)

Interest Rate Risk

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

As of December 31, 2021, the City's investments were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less Than 1 Year</u>	<u>1 - 5 Years</u>
U.S. agencies implicitly guaranteed	\$ 5,933,870	\$ -	\$ 5,933,870
Certificates of deposit (negotiable)	3,678,183	1,231,098	2,447,085
State and local bonds	5,667,704	4,078,477	1,589,227
Total	<u>\$ 15,279,757</u>	<u>\$ 5,309,575</u>	<u>\$ 9,970,182</u>

As of December 31, 2021, the LGIP investments have an average maturity of 61 days.

Concentration of Credit Risk

Concentration of credit risk is the risk that the City has a high percentage of its investments invested in one type of investment. At December 31, 2021, of the City's total portfolio, 5.33% was invested in an Oak Park IL Bond and 38.8% was invested in a Federal Home Loan Bank government issue.

City of Middleton

Notes to Financial Statements
December 31, 2021

Receivables

All receivable balances are expected to be collected within one year with the exception of, \$88,442 in special assessments, \$9,456 of delinquent personal property taxes and \$264,500 in loan receivables.

Governmental funds report unavailable and 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:

	<u>Unavailable</u>	<u>Unearned</u>
Property taxes receivable for subsequent year	\$ -	\$ 32,042,395
Special assessments/special charges not yet due	110,360	-
Loan receivable	264,500	-
American Rescue Plan Act grant	-	1,044,465
	<hr/>	<hr/>
Total unavailable/unearned revenue for governmental funds	<u>\$ 374,860</u>	<u>\$ 33,086,860</u>
Unearned revenue included in liabilities		\$ 1,044,465
Unearned revenue included in deferred inflows		<u>32,042,395</u>
Total unearned revenue for governmental funds		<u>\$ 33,086,860</u>

City of Middleton

Notes to Financial Statements

December 31, 2021

Capital Assets

Capital asset activity for the year ended December 31, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 8,328,922	\$ -	\$ 1,997,674	\$ 6,331,248
Right-of-ways	19,970,094	-	-	19,970,094
Construction work in progress	1,729,980	3,858,370	14,555	5,573,795
	<u>30,028,996</u>	<u>3,858,370</u>	<u>2,012,229</u>	<u>31,875,137</u>
Total capital assets not being depreciated				
Capital assets being depreciated:				
Land improvements	9,704,919	149,161	83,571	9,770,509
Buildings	30,265,469	98,020	290,737	30,072,752
Machinery and equipment	11,292,424	844,731	1,242,380	10,894,775
Streets, infrastructure	35,968,472	215,692	35,354	36,148,810
Storm sewers, infrastructure	9,831,261	-	-	9,831,261
Traffic signals, infrastructure	1,922,579	-	-	1,922,579
Sidewalks, infrastructure	5,244,410	-	-	5,244,410
Bridges, infrastructure	3,355,742	-	-	3,355,742
Fiber optic, infrastructure	96,013	-	-	96,013
Rail spur, infrastructure	482,163	-	-	482,163
	<u>108,163,452</u>	<u>1,307,604</u>	<u>1,652,042</u>	<u>107,819,014</u>
Total capital assets being depreciated				
Less accumulated depreciation for:				
Land improvements	(5,661,651)	(355,730)	68,524	(5,948,857)
Buildings	(8,480,263)	(746,672)	115,725	(9,111,210)
Machinery and equipment	(6,315,664)	(872,507)	1,179,219	(6,008,952)
Streets, infrastructure	(7,116,741)	(903,720)	35,354	(7,985,107)
Storm sewers, infrastructure	(3,726,920)	(196,625)	-	(3,923,545)
Traffic signals, infrastructure	(1,154,685)	(76,903)	-	(1,231,588)
Sidewalks, infrastructure	(2,018,693)	(104,888)	-	(2,123,581)
Bridges, infrastructure	(871,143)	(83,894)	-	(955,037)
Fiber optic, infrastructure	(8,313)	(1,920)	-	(10,233)
Rail spur, infrastructure	(247,607)	(16,072)	-	(263,679)
	<u>(35,601,680)</u>	<u>(3,358,931)</u>	<u>1,398,822</u>	<u>(37,561,789)</u>
Total accumulated depreciation				
Capital assets being depreciated, net of depreciation	72,561,772	(2,051,327)	253,220	70,257,225
	<u>72,561,772</u>	<u>(2,051,327)</u>	<u>253,220</u>	<u>70,257,225</u>
Total capital assets, net of depreciation				
	<u>\$ 102,590,768</u>	<u>\$ 1,807,043</u>	<u>\$ 2,265,449</u>	<u>\$ 102,132,362</u>

City of Middleton

Notes to Financial Statements

December 31, 2021

Depreciation expense was charged to functions as follows:

Governmental Activities

General government	\$ 70,680
Public safety	565,923
Public works	1,882,631
Conservation and economic development	165,323
Leisure activities	674,374
	<u>674,374</u>

Total governmental activities depreciation expense \$ 3,358,931

Business-Type Activities	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<u>Water Utility</u>				
Capital assets not being depreciated:				
Land and land rights	\$ 222,277	\$ -	\$ -	\$ 222,277
Capital assets being depreciated:				
Source of supply	781,509	-	-	781,509
Pumping	2,788,464	-	-	2,788,464
Treatment	343,242	-	-	343,242
Transmission and distribution	26,649,021	758,408	59,525	27,347,904
Administrative and general assets	2,385,693	61,893	48,500	2,399,086
	<u>32,947,929</u>	<u>820,301</u>	<u>108,025</u>	<u>33,660,205</u>
Total capital assets being depreciated				
Less accumulated depreciation for:				
Source of supply	(549,221)	(22,664)	-	(571,885)
Pumping	(2,092,403)	(110,185)	-	(2,202,588)
Treatment	(343,242)	-	-	(343,242)
Transmission and distribution	(7,480,761)	(718,546)	59,525	(8,139,782)
Administrative and general assets	(1,154,440)	(129,566)	48,500	(1,235,506)
	<u>(11,620,067)</u>	<u>(980,961)</u>	<u>108,025</u>	<u>(12,493,003)</u>
Total accumulated depreciation				
Capital assets being depreciated, net of depreciation	<u>21,327,862</u>	<u>(160,660)</u>	<u>-</u>	<u>21,167,202</u>
Total capital assets, net of depreciation	<u>\$ 21,550,139</u>	<u>\$ (160,660)</u>	<u>\$ -</u>	<u>\$ 21,389,479</u>

City of Middleton

Notes to Financial Statements

December 31, 2021

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<u>Sewer Utility</u>				
Capital assets not being depreciated:				
Land and land rights	\$ 66,830	\$ -	\$ -	\$ 66,830
Capital assets being depreciated:				
Collection system	14,668,023	63,125	-	14,731,148
Collection system pumping	1,726,367	-	-	1,726,367
Administrative and general assets	1,041,108	-	-	1,041,108
Total capital assets being depreciated	17,435,498	63,125	-	17,498,623
Less accumulated depreciation	(6,599,747)	(334,810)	-	(6,934,557)
Capital assets being depreciated, net of depreciation	10,835,751	(271,685)	-	10,564,066
Total capital assets, net of depreciation	<u>\$ 10,902,581</u>	<u>\$ (271,685)</u>	<u>\$ -</u>	<u>\$ 10,630,896</u>
<u>Pleasant View Golf Course</u>				
Capital assets not being depreciated:				
Land and land rights	\$ 1,476,500	\$ -	\$ -	\$ 1,476,500
Total capital assets not being depreciated	1,476,500	-	-	1,476,500
Capital assets being depreciated:				
Land improvements	7,812,494	-	12,545	7,799,949
Buildings	1,681,208	-	174,000	1,507,208
Equipment	1,080,688	151,652	73,072	1,159,268
Total capital assets being depreciated	10,574,390	151,652	259,617	10,466,425
Less accumulated depreciation for:				
Land improvements	(438,490)	(44,759)	2,508	(480,741)
Buildings	(688,834)	(49,951)	117,450	(621,335)
Equipment	(678,328)	(76,261)	59,916	(694,673)
Total accumulated depreciation	(1,805,652)	(170,971)	179,874	(1,796,749)
Capital assets being depreciated, net of depreciation	8,768,738	(19,319)	79,743	8,669,676
Total capital assets, net of depreciation	<u>\$ 10,245,238</u>	<u>\$ (19,319)</u>	<u>\$ 79,743</u>	<u>\$ 10,146,176</u>

City of Middleton

Notes to Financial Statements

December 31, 2021

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Nonmajor Enterprise Funds				
Capital assets not being depreciated:				
Land and land rights	\$ 3,481,298	\$ 1,169,359	\$ -	\$ 4,650,657
Construction in progress	750,270	400,581	-	1,150,851
Total capital assets not being depreciated	<u>4,231,568</u>	<u>1,569,940</u>	<u>-</u>	<u>5,801,508</u>
Capital assets being depreciated:				
Land improvements	3,336,050	7,026	-	3,343,076
Buildings	745,292	-	-	745,292
Vehicles and equipment	255,737	-	-	255,737
Total capital assets being depreciated	<u>4,337,079</u>	<u>7,026</u>	<u>-</u>	<u>4,344,105</u>
Less accumulated depreciation for:				
Land improvements	(829,622)	(167,154)	-	(996,776)
Buildings	(130,424)	(18,632)	-	(149,056)
Vehicles and equipment	(179,534)	(13,816)	-	(193,350)
Total accumulated depreciation	<u>(1,139,580)</u>	<u>(199,602)</u>	<u>-</u>	<u>(1,339,182)</u>
Capital assets being depreciated, net of depreciation	<u>3,197,499</u>	<u>(192,576)</u>	<u>-</u>	<u>3,004,923</u>
Total capital assets, net of depreciation	<u>\$ 7,429,067</u>	<u>\$ 1,377,364</u>	<u>\$ -</u>	<u>\$ 8,806,431</u>
Total business-type activities capital assets, net of depreciation	<u>\$ 50,127,025</u>	<u>\$ 925,700</u>	<u>\$ 79,743</u>	<u>\$ 50,972,982</u>

Depreciation expense was charged to functions as follows:

Business-Type Activities

Water	\$ 805,474
Sewer utility	494,050
Pleasant View Golf Course	170,971
Nonmajor enterprise funds	<u>199,602</u>

Total business-type activities depreciation expense \$ 1,670,097

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 Middleton

Notes to Financial Statements

December 31, 2021

Interfund Receivables/Payables, Advances and Transfers

Interfund Receivables/Payables

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Enterprise fund, water utility	General	\$ 62,818
Enterprise fund, sewer utility	General	16,304
Nonmajor enterprise fund	General	<u>9,234</u>
Subtotal, fund financial statements		88,356
Less interfund advances		<u>(2,144,290)</u>
Total, government-wide financial statements		<u>\$ (2,055,934)</u>
Governmental activities	Business-type activities	\$ (2,144,290)
Business-type activities	Governmental activities	<u>88,356</u>
Total, government-wide financial statements		<u>\$ (2,055,934)</u>

All of these amounts are due within one year.

The principal purpose of these interfunds is for delinquent utility bills placed on the tax roll.

Advances

The following is a schedule of interfund advances:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Amount Not Due Within One Year</u>
TIF District No. 3	TIF District No. 5	\$ 2,048,999	\$ 2,048,999
TIF District No. 3	Pleasant View Golf Course	<u>2,144,290</u>	<u>1,694,290</u>
Subtotal, fund financial statements		4,193,289	<u>\$ 3,743,289</u>
Less eliminations		<u>(2,048,999)</u>	
Total, government-wide financial statements		<u>\$ 2,144,290</u>	

City of Middleton

Notes to Financial Statements

December 31, 2021

TIF District No. 3 has provided internal financing to the Pleasant View Golf Course and TIF District No. 5. The Pleasant View Golf Course began repaying the advances in 2017. The outstanding advance due to TIF District No. 3 is intended to be fully repaid by 2029. The principal purpose of these advances is to finance costs internally rather than borrowing externally. For the statement of net position, interfund balances which are owed within the governmental activities or business-type activities are netted and eliminated. A formal repayment schedule has not been established.

Transfers

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
Nonmajor governmental fund	General fund	\$ 1,362,943	Operating budget support
Nonmajor governmental fund	General fund	94,521	Operating budget support
Nonmajor governmental funds	Nonmajor governmental funds	182,936	Transfer of surplus funds for Next Chapter project
Nonmajor governmental funds	Nonmajor governmental funds	29,731	Transfer of surplus funds for Library Gift
Debt service fund	Nonmajor governmental fund	150,000	Transfer impact fees for debt service
Water utility	Sewer utility	17,485	Tax equivalent charged to sewer
General fund	Water utility	<u>483,024</u>	Tax equivalent
Total, fund financial statements		2,320,640	
Less fund eliminations		(1,837,616)	
Less government-wide transfer of capital assets		<u>(1,169,359)</u>	
Total transfers, government-wide statement of activities		<u>\$ (686,335)</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 Middleton

Notes to Financial Statements
December 31, 2021

Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities					
Bonds and notes payable:					
General obligation debt	\$ 39,650,000	\$ 3,750,000	\$ 4,965,000	\$ 38,435,000	\$ 5,290,000
General obligation debt from direct borrowings and direct placements	890,000	-	137,558	752,442	217,128
Debt premium	1,233,284	280,558	235,510	1,278,332	-
Landfill post-closure liability	432,684	-	58,719	373,965	-
Subtotal	<u>42,205,968</u>	<u>4,030,558</u>	<u>5,396,787</u>	<u>40,839,739</u>	<u>5,507,128</u>
Other liabilities:					
Vested compensated absences	<u>3,137,410</u>	<u>1,137,203</u>	<u>1,089,702</u>	<u>3,184,911</u>	<u>732,721</u>
Total governmental activities long-term liabilities	<u>\$ 45,343,378</u>	<u>\$ 5,167,761</u>	<u>\$ 6,486,489</u>	<u>\$ 44,024,650</u>	<u>\$ 6,239,849</u>
Business-Type Activities					
Other liabilities:					
Vested compensated absences	<u>\$ 553,630</u>	<u>\$ 73,312</u>	<u>\$ 28,183</u>	<u>\$ 598,759</u>	<u>\$ 104,196</u>
Total business-type activities long-term liabilities	<u>\$ 553,630</u>	<u>\$ 73,312</u>	<u>\$ 28,183</u>	<u>\$ 598,759</u>	<u>\$ 104,196</u>

General Obligation Debt

All general obligation notes and bonds payable are backed by the full faith and credit of the City. Notes and bonds in the governmental funds will be retired by future property tax levies or tax increments accumulated by the debt service fund. Business-type activities debt is payable by revenues from user fees of those funds or, if the revenues are not sufficient, by future tax levies.

In accordance with Wisconsin Statutes, total general obligation indebtedness of the City may not exceed 5% of the equalized value of \$4,263,315,100. The debt limit as of December 31, 2021, was \$213,165,755. Total general obligation debt outstanding at year-end was \$39,187,442.

City of Middleton

Notes to Financial Statements

December 31, 2021

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/21</u>
Governmental Activities					
General obligation debt:					
2012 General Obligation Promissory Notes	12/28/12	09/01/21	1.00-2.00%	\$ 4,500,000	\$ 520,000
2012 General Obligation Refunding Bonds	12/28/12	09/01/32	1.05-3.80%	5,110,000	295,000
2013 General Obligation Promissory Notes	12/23/13	02/01/23	2.00-3.00%	4,000,000	830,000
2014 General Obligation Promissory Notes	12/09/14	08/01/22	2.00-3.00%	2,000,000	265,000
2015 General Obligation Promissory Notes	12/08/15	09/01/30	2.00-3.00%	6,500,000	6,160,000
2015 General Obligation Promissory Notes	12/08/15	02/01/23	2.00%	3,000,000	890,000
2016 General Obligation Refunding Bonds	05/23/16	02/01/27	2.00%	3,900,000	2,630,000
2017 General Obligation Promissory Notes	04/11/17	03/01/27	2.00-3.00%	4,000,000	2,495,000
2018 General Obligation Promissory Notes	06/05/18	09/01/26	3.00%	3,500,000	2,270,000
2019 General Obligation Promissory Notes	05/30/19	03/01/27	1.65-2.00%	3,490,000	2,625,000
2019 General Obligation Refunding Bonds	11/15/19	09/01/29	3.00-4.00%	5,560,000	4,995,000
2019 State Trust Fund Loan Direct borrowing/placement	12/30/19	03/15/24	3.25%	590,000	452,442
2020 State Trust Fund Loan Direct borrowing/placement	12/15/20	03/15/25	2.50%	300,000	300,000
2020 Taxable General Obligation Refunding Bonds	07/28/20	09/01/35	0.43-2.15%	7,055,000	6,800,000
2020 General Obligation Promissory Note	07/28/20	03/01/28	2.00-3.00%	4,270,000	3,910,000
2021 General Obligation Promissory Note	08/17/21	03/01/29	2.00-3.00%	3,750,000	<u>3,750,000</u>
Total governmental activities, general obligation debt					<u>\$ 39,187,442</u>

City of Middleton

Notes to Financial Statements

December 31, 2021

Debt service requirements to maturity are as follows:

Years	Governmental Activities General Obligation Debt From Direct Placement or Borrowing		Governmental Activities General Obligation Debt	
	Principal	Interest	Principal	Interest
2022	\$ 5,290,000	\$ 965,847	\$ 217,128	\$ 23,745
2023	5,130,000	820,085	225,192	15,681
2024	4,715,000	691,675	231,929	8,945
2025	4,870,000	553,580	78,193	1,955
2026	4,725,000	416,943	-	-
2027-2031	12,140,000	806,758	-	-
2032-2035	1,565,000	58,191	-	-
Total	<u>\$ 38,435,000</u>	<u>\$ 4,313,079</u>	<u>\$ 752,442</u>	<u>\$ 50,326</u>

Other Debt Information

Estimated payments of compensated absences are not included in the debt service requirement schedules. The compensated absences liability attributable to governmental activities will be liquidated primarily by the General Fund.

See Note 5 for information regarding the landfill liability.

The City's outstanding State Trust Fund Loans from direct borrowings related to governmental activities of \$752,442 contain clauses that any delinquent payments are subject to a penalty of 1% per month and shall be deducted from any state payments that are due to the City.

Prior-Year Defeasance of Debt

In prior years, the City defeased certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. As of December 31, 2021, \$5,200,000 of the bonds outstanding are considered defeased.

Years ending December 31:	
2022	\$ 580,000
2023	595,000
2024	615,000
2025	635,000
2026	660,000
2027	680,000
2028	705,000
2029	<u>730,000</u>
Total	<u>\$ 5,200,000</u>

City of Middleton

Notes to Financial Statements
December 31, 2021

Governmental Activities Net Position/Fund Balances

Governmental activities net position reported on the government wide statement of net position at December 31, 2021 includes the following:

Governmental Activities

Net investment in capital assets:

Land	\$ 6,331,248
Right-of-way	19,970,094
Construction work in progress	5,573,795
Other capital assets, net of accumulated depreciation	70,257,225
Less related long-term debt outstanding	(28,322,101)
Less unamortized debt premium	(1,278,332)
Add unamortized loss on debt refunding	659,208
Add unspent debt proceeds	1,266,473

Total net investment in capital assets 74,457,610

Restricted:

Community development	27,751,401
Library	1,071,712
Impact fees	3,286,718
Tourism	2,195,429
Senior center	191,311
Subdividers' deposits	1,156,333
Public safety	79,454
Youth activities	27,489
Debt service	150,680
Net pension asset	4,915,787

Total restricted 40,826,314

Unrestricted (deficit) (5,745,419)

Total governmental activities net position \$ 109,538,505

City of Middleton

Notes to Financial Statements

December 31, 2021

Governmental fund balances reported on the fund financial statements at December 31, 2021 include the following:

	General Fund	Debt Service	TIF District No. 3	TIF District No. 5	Capital Projects	Nonmajor	Total
Governmental Funds							
Nonspendable:							
Prepaid items	\$ 426,430	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 426,430
Noncurrent receivables	9,456	-	-	-	-	-	9,456
Subtotal	435,886	-	-	-	-	-	435,886
Restricted:							
EMS	-	-	-	-	-	33,050	33,050
Police activities	-	-	-	-	-	38,991	38,991
Subdividers' deposits	-	-	-	-	-	1,156,333	1,156,333
Debt service	-	348,459	-	-	-	-	348,459
Community development	-	-	27,405,285	-	-	1,958,568	29,363,853
Library	-	-	-	-	-	1,071,712	1,071,712
Capital improvements	-	-	-	-	1,947,334	-	1,947,334
Safety impact fees	-	-	-	-	-	1,344,920	1,344,920
Tourism	-	-	-	-	-	2,195,429	2,195,429
Youth activities	-	-	-	-	-	27,489	27,489
Senior Center	-	-	-	-	-	191,311	191,311
Subtotal	-	348,459	27,405,285	-	1,947,334	8,017,803	37,718,881
Assigned:							
Compensated absences	2,390,788	-	-	-	-	-	2,390,788
Public safety, Fire	1,054,723	-	-	-	-	-	1,054,723
Public safety, EMS	300,000	-	-	-	-	-	300,000
Other/revaluation	75,000	-	-	-	-	-	75,000
Subsequent years' budget	250,000	-	-	-	-	-	250,000
Subtotal	4,070,511	-	-	-	-	-	4,070,511
Unassigned (deficit)	6,665,188	-	-	(1,059,259)	-	-	5,605,929
Total fund balances	\$ 11,171,585	\$ 348,459	\$ 27,405,285	\$ (1,059,259)	\$ 1,947,334	\$ 8,017,803	\$ 47,831,207

Business-Type Activities/Net Position

The following calculation supports the enterprise fund net investment in capital assets:

	Water Utility	Sewer Utility	Pleasant View Golf Course	Nonmajor Enterprise Funds
Land	\$ 222,277	\$ 66,830	\$ 1,476,500	\$ 4,650,657
CWIP	-	-	-	1,150,851
Buildings	-	-	1,507,208	745,292
Improvements	-	-	7,799,949	3,343,076
Machinery and equipment	-	-	1,159,268	255,737
Plant in service	33,660,205	17,498,623	-	-
Accumulated depreciation	(12,493,003)	(6,934,557)	(1,796,749)	(1,339,182)
Total net investment in capital assets	\$ 21,389,479	\$ 10,630,896	\$ 10,146,176	\$ 8,806,431

City of Middleton

Notes to Financial Statements

December 31, 2021

Component Unit

Community Development Authority

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

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.

Basis of Accounting/Measurement Focus

The CDA prepares its financial statements in accordance with generally accepted accounting principles. The accounting records are kept on the accrual basis of accounting and the flow of economic resources measurement focus.

Deposits and Investments

As of December 31, 2021, the CDA's total cash balance is \$658,522. The CDA, as a fund of the City, maintains common cash and investment accounts at the same financial institutions utilized by the City. Federal depository insurance and the State of Wisconsin Guarantee fund insurance apply to the City of Middleton as an individual municipality and, accordingly, the amount of insured funds is not determinable for the CDA.

Loans Receivable

The CDA has outstanding loans receivable which were granted through a down payment assistant program. If the borrower remains in the home for fifteen years, they are able to repay the loan with no interest or appreciation. If the property is sold prior to maturity, the borrower is responsible for paying interest and an appreciation payment. As of December 31, 2021, the CDA has an outstanding loans receivable balance of \$42,490.

Capital Assets

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Useful Lives</u>
Land	\$ 154,000	\$ -	\$ -	\$ 154,000	-
Buildings	2,933,497	-	-	2,933,497	40 Years
Less accumulated depreciation	<u>(1,273,680)</u>	<u>(74,808)</u>	<u>-</u>	<u>(1,348,488)</u>	-
Total	<u>\$ 1,813,817</u>	<u>\$ (74,808)</u>	<u>\$ -</u>	<u>\$ 1,739,009</u>	

5. Other Information

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, expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees) 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 Annual Comprehensive Financial Report (ACFR), which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

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.

Benefits Provided

Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and executive service retirement participants, if hired on or before December 31, 2016) are entitled to retirement benefit based on a formula factor, their final average earnings and creditable service.

Final average earnings is the average of the participant's three highest annual earnings period. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

Vested participants may retire at age 55 (50 for protective occupations) and receive an actuarially-reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

City of Middleton

Notes to Financial Statements

December 31, 2021

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:

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2011	(1.2)%	11.0%
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0

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 \$971,435 in contributions from the City.

Contribution rates as of December 31, 2021 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (executives & elected officials)	6.75 %	6.75 %
General (including teachers, executives and elected officials)	6.55 %	6.55 %
Protective with Social Security	6.75 %	11.65 %
Protective without Social Security	6.75 %	16.25 %

City of Middleton

Notes to Financial Statements

December 31, 2021

Pension Liability/(Asset), Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2021, the City reported a liability (asset) of \$ (5,327,292) for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2020 and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019 rolled forward to December 31, 2020. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2020, the City's proportion was 0.08533035%, which was an increase of 0.00041261% from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the City recognized negative pension expense of \$618,795.

At December 31, 2021, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 7,710,227	\$ 1,660,769
Changes in assumption	120,833	-
Net differences between projected and actual earnings on pension plan investments	-	10,001,557
Changes in proportion and differences between employer contributions and proportionate share of contributions	4,849	12,599
Employer contributions subsequent to the measurement date	1,010,506	-
	<u>\$ 8,846,415</u>	<u>\$ 11,674,925</u>
Total		

\$1,010,506 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	Deferred Outflows of Resources and Deferred Inflows of Resources (Net)
Years ending December 31:	
2022	\$ (991,174)
2023	(269,890)
2024	(1,811,813)
2025	(766,139)

City of Middleton

Notes to Financial Statements

December 31, 2021

Actuarial Assumptions

The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2019
Measurement Date of Net Pension Liability (Asset)	December 31, 2020
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1%-5.6%
Mortality:	Wisconsin 2018 Mortality Table
Post-Retirement Adjustments*:	1.9%

- * No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.9% 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 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The total pension liability for December 31, 2020 is based upon a roll-forward of the liability calculated from the December 31, 2019 actuarial valuation.

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 geometric real rates of return for each major asset class are summarized in the following table:

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global Equities	51.0%	7.2%	4.7%
Fixed Income	25.0	3.2	0.8
Inflation Sensitive Assets	16.0	2.0	(0.4)
Real Estate	8.0	5.6	3.1
Private Equity/Debt	11.0	10.2	7.6
Multi-Asset	4.0	5.8	3.3
Total Core Fund	115.0	6.6	4.1
Variable Fund Asset Class			
U.S. Equities	70.0	6.6	4.1
International Equities	30.0	7.4	4.9
Total Variable Fund	100.0	7.1	4.6

New England Pension Consultants Long-Term U.S. CPI (Inflation) Forecast: 2.4%

Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations

City of Middleton

Notes to Financial Statements

December 31, 2021

Single Discount Rate

A single discount rate of 7.00% was used to measure the total pension liability and prior year. This single discount rate was based on the expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.00%. (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax exempt municipal bonds as reported in Fidelity Index's 20-year Municipal GO AA Index as of December 31, 2020. In describing this index, Fidelity notes that the Municipal Curves are constructed using option adjusted analytics of a diverse population of over 10,000 tax-exempt securities.) Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% 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 municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.00%, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	<u>1% Decrease to Discount Rate (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase to Discount Rate (8.00%)</u>
City's proportionate share of the net pension liability/(asset)	\$ 5,070,843	\$ (5,327,292)	\$ (12,964,645)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at [https://etf.wi.gov/about-etf/reports and studies/financial-reports and-statements](https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements)

At December 31, 2021, the City reported a payable to the pension plan, which represents contractually required contributions outstanding as of the end of the year.

Risk Management

The City is exposed to various risks of loss related to torts, theft of, damage to or destruction of assets; errors and omissions; worker's compensation; and health care of its employees. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years. There have been no significant reductions in insurance coverage to the prior year.

City of Middleton

Notes to Financial Statements

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Commitments and Contingencies

Claims and judgements are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgements is only reported in governmental fund types if it has matured. Claims and judgements are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred. There were no significant claims or judgements at year-end.

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 grant. City management believes such disallowances, if any, would be immaterial.

Expenditures of the City's Tax Incremental Districts (TIDs) are subject to review and audit in accordance with State Statute 66.1105 by an independent audit firm. The City has allocated certain expenditures for administration, public safety, public lands administration and transit services, which were reimbursed to the City's General Fund. For 2021, these costs amount to approximately \$1.027 million. Review by the Wisconsin Department of Revenue or the overlapping taxation districts could result in a portion of these expenditures being disallowed.

Developer Agreements

The City has entered into various development agreements in connection with the Tax Incremental Districts. Under the terms of these agreements, the City has made commitments for development incentives or reimbursements. As of January 1, 2021, the City had outstanding commitments of \$53.3 million. During the year, the City committed to an additional \$1.7 million and satisfied \$3.9 million. As of December 31, 2021, the City has remaining commitments of \$51.0 million pending satisfaction of the underlying agreements.

Joint Ventures

Metropolitan Refuse District, Inc.

The Cities of Middleton and the Villages of Shorewood Hills and Waunakee are members of the Metropolitan Refuse District, Inc. (District), which owns and operates the closed local sanitary landfill. The landfill stopped accepting waste at the end of 1996. The three member communities share in the operational costs of the District based on estimated population, with the 2021 percentages as follows:

City of Middleton	56 %
Village of Shorewood Hills	6
Village of Waunakee	38

City of Middleton

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The District is made up of members from each community. For the City, the corporate member is the Mayor or the Mayor's appointed designee. For each of the villages, the corporate member is the village president or the village president's appointed designee. At the annual meeting, members appoint directors and officers as the governing body. The governing body has authority to adopt its own budget and control of financial affairs of the District. The District's fund balance at December 31, 2021 is a deficit of \$671,750. Reporting standards require the City to report its share of the net deficit. The City's proportionate share in the operations of the District is 56%, which amounts to \$373,965 of the District's net deficit. The City's share of the net deficit has been reported in the government-wide statement of net position as landfill post-closure cost. This cost is an estimate that is subject to changes resulting from inflation, deflation, technology or changes in applicable laws and regulations. The City made payments totaling \$91,650 to the District in 2021. The City will continue to support the District's post-closure costs in the future.

The District's closed landfill is being monitored for possible groundwater contamination as required by the Wisconsin Department of Natural Resources. The costs for groundwater monitoring are being budgeted for on an annual basis. At the current time, it is not possible to determine if extensive contamination has occurred and the effects, if any, on the District. Separately issued financial statements of the District are not prepared.

Multijurisdictional Public Safety Information System Commission (MJPISC)

The City of Fitchburg, City of Sun Prairie, City of Middleton, City of Verona and the City of Monona jointly operate the Multijurisdictional Public Safety Information System Commission. On March 20, 2003, the City of Middleton, City of Fitchburg and the City of Sun Prairie executed an intergovernmental agreement under authority of Section 66.0301 of the Wisconsin Statutes. The City of Verona and the City of Monona joined the Commission in 2009. The Commission adopts its own budget. Net operating costs including debt service are shared by the five communities equally. The department is governed by the Intermunicipal Commission. The Commission consists of one representative from each community. The transactions of the Commission are not reflected in these financial statements. Separately issued financial statements of the Commission can be obtained from the City of Sun Prairie at 300 East Main Street, Sun Prairie, Wisconsin 53590. The City does not have an equity interest in this joint venture.

Middleton Fire District

The City of Middleton and the Towns of Springfield, Westport and Middleton jointly operate the local fire district, which is called the Middleton Fire District, which provides fire protection. The communities share in the operations of the District based on the ratio of equalized values of each member. The governing body is made up of elected officials from each community. Local representatives are appointed by the municipalities. The governing body has authority to adopt its own budget and control the financial affairs of the District. The City has made payments totaling \$1,004,797 to the District in 2021 for operating expenses and \$112,929 for capital contributions. The transactions of the District are not reflected in these financial statements. The City does not have an equity interest in the joint venture. Separately issued financial statements of the District are not prepared.

Effect of New Accounting Standards on Current-Period Financial Statements

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

- Statement No. 87, *Leases*
- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*
- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
- Statement No. 96, *Subscription-Based Information Technology Arrangements*
- Statement No. 97, *Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans an amendment of GASB Statements No. 14 and No. 84 and a supersession of GASB Statement No. 32.*

The statements listed above through Statement No. 93 had their required effective dates postponed by one year with the issuance of Statement No. 95, Postponement of Effective Dates of Certain Authoritative Guidance, with the exception of Statement No. 87, which was postponed by one and a half years.

When they become effective, application of these standards may restate portions of these financial statements.

Tax Abatement

Tax abatements are a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to an economic development or otherwise benefits the governments or the citizens of those governments.

The City, through its Tax Incremental Financing Districts (TID) has entered into tax abatement agreements with developers in the form of 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 Middleton

Notes to Financial Statements

December 31, 2021

As of December 31, 2021, the City maintains and operates Tax Incremental District No. 3 and Tax Incremental District No. 5, which are presented in the financial statements as Capital Projects Funds.

Project	Agreement Date	District	Type	12/31/2020	Additions/ Adjustments	Payments	12/31/2021
ACS (Nursery Drive)	02/19/2013	TID #3	Developer financed	\$ 90,105	\$ -	\$ (49,199)	\$ 40,906
Hung Springs (Mead & Hunt)	06/25/2013	TID #3	Developer financed	1,037,704	58,948	(192,583)	904,069
Parmenter Circle	07/01/2014	TID #3 / TID #5	Developer financed	874,569	37,669	(189,296)	722,942
Esser Place (WTS Paradigm)	07/15/2014	TID #3	Developer financed	274,493	-	(41,648)	232,845
Latitude Graphics	10/07/2014	TID #5	Developer financed	22,436	(22,436)	-	-
Tribeca Phase III	11/17/2014	TID #5	Developer financed	53,717	-	(53,717)	-
Fiskars	05/05/2015	N/A	Developer financed	1,761,365	-	(429,326)	1,332,039
Primrose Day Care	12/21/2015	TID #3	Developer financed	175,635	8,155	(58,886)	124,904
Middleton Station Market West	10/04/2016	TID #3	Developer financed	835,480	34,954	(87,679)	782,755
Apartments	05/18/2016	TID #3	Developer financed	5,170,784	225,796	(616,886)	4,779,694
Cardinal Row	06/07/2016	TID #5	Developer financed	551,578	-	(38,946)	512,632
PPD (Vanta)	06/09/2016	TID #3	Developer financed	802,025	37,928	(269,075)	570,878
Middleton Center Phase 1	07/05/2016	TID #3	Developer financed	3,237,685	142,804	(402,693)	2,977,796
Middleton Center Phase 2	07/05/2016	TID #3	Developer financed	3,768,101	167,229	(377,132)	3,558,198
Middleton Center Phase 3	07/05/2016	TID #3	Developer financed	1,448,490	-	-	1,448,490
Laser Express	09/20/2016	TID #3	Developer financed	1,388,564	62,079	(106,328)	1,344,315
Gammex	11/01/2016	TID #3	Developer financed	80,297	-	(14,664)	65,633
Electronic Theater Controls (ETC)	03/07/2017	TID #3	Developer financed	2,863,362	-	(195,726)	2,667,636
SACO Foods	09/07/2017	TID #3	Developer financed	261,779	-	(53,357)	208,422
Cascade Development (Holiday Inn Express)	10/16/2017	TID #3	Developer financed	645,000	(90,000)	-	555,000
Pheasant Creek, LLC (Stagecoach)	02/06/2018	TID #5	Developer financed	1,609,251	71,402	(116,628)	1,564,025
Timbra Holdings, LLC (Treysta/Middleton Market)	02/20/2018	TID #5	Developer financed	8,487,500	-	-	8,487,500
SBH-Madison, LLC (Miramont)	05/05/2018	TID #3	Developer financed	1,188,200	(21,878)	(113,424)	1,052,898
Live Site, LLC (Hy Cite)	06/05/2018	TID #3	Developer financed	3,101,709	-	(309,041)	2,792,668
Stardust Investments, LLC	07/11/2018	TID #5	Developer financed	502,930	-	(43,706)	459,224
Whispering Pines, LLC	08/21/2018	TID #3	Developer financed	471,796	-	(66,910)	404,886
Deming Investors, LLC (Chartwell-Midwest, LLC)	04/29/2019	TID #3	Developer financed	900,000	-	(103,064)	796,936
Conservancy Bend Residences, LLC	09/30/2019	TID #5	Developer financed	6,454,234	-	-	6,454,234
Deming Way Hotel Assoc., LLC (Towne Place Stes)	01/21/2020	TID #3	Developer financed	1,207,539	-	-	1,207,539
TRRE, LLC (Cardinal View Senior Housing)	05/5/2020	TID #5	Developer financed	785,200	-	-	785,200
SACO Foods Expansion	7/21/2020	TID #3	Developer financed	307,990	-	-	307,990
Impact Parmenter, LLC (The Trotta)	12/14/2020	TID #5	Developer financed	2,918,000	-	-	2,918,000
38Ten Parmenter, LLC	11/16/2021	TID #5	Developer financed	-	995,000	-	995,000
				<u>\$ 53,277,518</u>	<u>\$ 1,707,650</u>	<u>\$ (3,929,914)</u>	<u>\$ 51,055,254</u>

City of Middleton

Notes to Financial Statements
December 31, 2021

The City has not made any commitments as part of the agreements other than to reduce taxes. The City is not subject to any tax abatement agreements entered into by other governmental entities.

Subsequent Event

On March 17, 2022, the City issued \$4,000,000 of general obligation promissory notes to fund 2022 capital projects.

REQUIRED SUPPLEMENTARY INFORMATION

City of Middleton

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Year Ended December 31, 2021

	Budget		Actual	Variance With Final Budget
	Original	Final		
Taxes				
General property tax	\$ 13,365,786	\$ 13,365,786	\$ 13,365,786	\$ -
Omitted taxes	-	-	27,230	27,230
Fees in lieu of taxes	44,100	44,100	59,100	15,000
Ag conversion	-	-	4,015	4,015
Room tax	400,000	400,000	352,545	(47,455)
Interest and penalties on taxes	2,000	2,000	1,018	(982)
Total taxes	13,811,886	13,811,886	13,809,694	(2,192)
Intergovernmental Revenues				
State shared revenues	282,554	282,554	287,127	4,573
State aid, video service provider	52,821	52,821	52,821	-
State aid, pandemic relief	-	-	18,660	18,660
State aid, road allotment	1,284,272	1,284,272	1,282,589	(1,683)
State aid, exempt computer aid	261,905	261,905	261,905	-
State aid, personal property	137,272	137,272	137,272	-
State aid, expenditure restraint	160,448	160,448	160,448	-
State aid, fire insurance dues	136,829	136,829	152,275	15,446
State aid, law enforcement	-	-	20,983	20,983
Police school liaison officer	65,307	65,307	-	(65,307)
Federal and state aid, other	63,037	63,037	63,353	316
County aid, signals	5,000	5,000	6,076	1,076
County aid, senior citizens	67,973	67,973	78,055	10,082
Total intergovernmental revenues	2,517,418	2,517,418	2,521,564	4,146
Licenses and Permits				
Liquor and malt beverage licenses	45,000	45,000	40,349	(4,651)
Operators' licenses	20,000	20,000	13,475	(6,525)
Alarm licenses	13,000	13,000	12,780	(220)
Cigarette licenses	2,100	2,100	2,200	100
Dog licenses	5,000	5,000	4,409	(591)
Cable TV franchise license	215,701	215,701	206,223	(9,478)
Other miscellaneous licenses	2,350	2,350	4,043	1,693
Building permits and plan review	410,000	410,000	347,372	(62,628)
Electrical permits and plan review	70,000	70,000	75,646	5,646
Plumbing permits and plan review	90,000	90,000	96,643	6,643
Erosion control permits	20,000	20,000	36,023	16,023
Other permits	12,000	12,000	22,926	10,926
Other miscellaneous fees	24,161	24,161	28,123	3,962
Zoning permits	20,600	20,600	23,808	3,208
Park reservation permits	23,000	23,000	41,141	18,141
Total licenses and permits	972,912	972,912	955,161	(17,751)
Fines, Forfeitures and Penalties				
Court penalties	150,000	150,000	125,912	(24,088)
Court costs	70,000	70,000	55,398	(14,602)
Parking violations	35,000	35,000	28,788	(6,212)
Total fines, forfeitures and penalties	255,000	255,000	210,098	(44,902)

City of Middleton

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Year Ended December 31, 2021

	Budget		Actual	Variance With Final Budget
	Original	Final		
Charges for Services				
Clerk fees	\$ 17,000	\$ 17,000	\$ 17,515	\$ 515
Police department fees	9,000	9,000	4,239	(4,761)
Ambulance services	1,138,359	1,138,359	1,138,032	(327)
Plan commission charges	12,000	12,000	16,200	4,200
Senior citizens	25,700	25,700	16,829	(8,871)
Swimming pool	207,000	207,000	136,480	(70,520)
Aquatic concession revenue	30,000	30,000	13,323	(16,677)
Summer recreation	117,015	117,015	141,339	24,324
Hubbard art center program	60,000	60,000	56,808	(3,192)
Public works charges	-	-	29,358	29,358
Administration reimbursements, recycling	14,000	14,000	13,856	(144)
Donations	1,200	1,200	44	(1,156)
Total charges for services	1,631,274	1,631,274	1,584,023	(47,251)
Interdepartment Charges for Services				
Administration reimbursements, utilities	183,000	183,000	183,000	-
Administration reimbursements, TIF	1,026,530	1,026,530	1,026,530	-
Administration reimbursements, landfill	5,000	5,000	5,000	-
Administration reimbursements, fire district	2,600	2,600	2,600	-
EMS fixed cost abatement	227,616	227,616	227,616	-
Total interdepartmental charges for services	1,444,746	1,444,746	1,444,746	-
Special Assessments				
Curb, gutter and sidewalks	57,000	57,000	62,523	5,523
Investment Income				
Investment income	250,800	250,800	282,238	31,438
Miscellaneous Revenues				
Credit card rebate	50,000	50,000	51,961	1,961
Sale of materials	100	100	1,675	1,575
Other miscellaneous	16,000	16,000	19,473	3,473
Total miscellaneous revenues	66,100	66,100	73,109	7,009
Total revenues	21,007,136	21,007,136	20,943,156	(63,980)

City of Middleton

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Year Ended December 31, 2021

	Budget		Actual	Variance With Final Budget
	Original	Final		
Current Expenditures				
General Government				
Council	\$ 68,679	\$ 68,679	\$ 66,747	\$ 1,932
Boards and commissions	20,350	20,350	16,619	3,731
General administration	198,264	198,264	192,846	5,418
Municipal court	112,256	112,256	93,509	18,747
Finance	873,471	873,471	841,164	32,307
General administration, sick leave	-	-	1,584	(1,584)
HRA account transfer	210,000	210,000	174,492	35,508
Information technology	815,782	815,782	772,160	43,622
Legal counsel	241,000	241,000	288,586	(47,586)
Buildings and grounds	60,600	60,600	58,243	2,357
Illegal taxes and tax refunds	10,080	10,080	46,790	(36,710)
Group insurance	25,000	25,000	23,607	1,393
Risk management and insurance	340,000	340,000	340,000	-
Elections	39,000	39,000	26,604	12,396
Miscellaneous	625,673	611,024	92,493	518,531
Total general government	3,640,155	3,625,506	3,035,444	590,062
Public Safety				
Police department	5,433,898	5,433,898	5,421,885	12,013
Communication center	593,270	593,270	609,068	(15,798)
Fire suppression	1,198,797	1,198,797	1,117,726	81,071
EMS	2,118,933	2,118,933	2,027,200	91,733
Building inspector	438,807	438,807	491,194	(52,387)
Community services	114,903	114,903	45,509	69,394
Emergency preparedness	67,500	67,500	58,753	8,747
Crossing guard	14,673	14,673	5,932	8,741
Total public safety	9,980,781	9,980,781	9,777,267	203,514
Public Works				
Engineering and administration	925,521	925,521	910,806	14,715
Street maintenance	896,965	896,965	873,065	23,900
Fleet maintenance	368,693	368,693	374,579	(5,886)
City garage	96,590	96,590	96,933	(343)
Sidewalk maintenance	130,000	130,000	134,179	(4,179)
Snow removal	85,200	85,200	74,232	10,968
Traffic signs and markings	68,300	68,300	8,285	60,015
Street lighting	140,000	140,000	156,749	(16,749)
Storm sewers	55,000	55,000	46,231	8,769
Mass transit	494,582	494,582	494,584	(2)
Garbage collection	560,000	560,000	556,797	3,203
Sanitary landfill	93,740	93,740	91,650	2,090
Recycling	319,488	319,488	317,202	2,286
Total public works	4,234,079	4,234,079	4,135,292	98,787

City of Middleton

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Year Ended December 31, 2021

	Budget		Actual	Variance With Final Budget
	Original	Final		
Health and Human Services				
Senior center	\$ 511,880	\$ 523,029	\$ 486,977	\$ 36,052
Leisure Activities				
Recreation facilities	314,460	314,460	228,316	86,144
Recreation administration	450,317	453,817	406,437	47,380
Public lands	873,902	873,902	971,294	(97,392)
Total leisure activities	1,638,679	1,642,179	1,606,047	36,132
Conservation and Development				
Forestry	256,116	256,116	241,565	14,551
Water resources	30,080	30,080	28,809	1,271
Conservancy lands	264,557	264,557	134,956	129,601
Planning	428,345	428,345	425,744	2,601
Total conservation and development	979,098	979,098	831,074	148,024
Total expenditures	20,984,672	20,984,672	19,872,101	1,112,571
Excess (deficiency) of revenues over expenditures	22,464	22,464	1,071,055	1,048,591
Other Financing Sources (Uses)				
Sale of city property	-	-	1,246	1,246
Transfers in	475,000	475,000	483,024	8,024
Transfers out	(1,957,464)	(1,957,464)	(1,457,464)	500,000
Total other financing sources (uses)	(1,482,464)	(1,482,464)	(973,194)	509,270
Net change in fund balance	(1,460,000)	(1,460,000)	97,861	1,557,861
Fund Balance, Beginning	11,073,724	11,073,724	11,073,724	-
Fund Balance, Ending	\$ 9,613,724	\$ 9,613,724	\$ 11,171,585	\$ 1,557,861

City of Middleton

Schedule of Proportionate Share of the Net Pension (Asset) Liability -

Wisconsin Retirement System

Year Ended December 31, 2021

Fiscal Year Ending	Proportion of the Net Pension (Asset) Liability	Proportionate Share of the Net Pension (Asset) Liability	Covered Payroll	Proportionate Share of the Net Pension (Asset) Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/21	0.08533035%	\$ (5,327,292)	\$ 11,116,056	47.92%	105.26%
12/31/20	0.08491774%	(2,738,135)	10,759,819	25.45%	102.96%
12/31/19	0.08355681%	2,972,689	10,666,587	27.87%	96.45%
12/31/18	0.08125430%	(2,412,536)	10,329,319	23.36%	102.93%
12/31/17	0.07845755%	646,678	9,768,789	6.62%	99.12%
12/31/16	0.07799302%	1,267,371	9,708,670	13.05%	98.20%
12/31/15	0.77378190%	(1,900,620)	9,162,017	19.43%	102.74%

City of Middleton

Schedule of Employer Contributions - Wisconsin Retirement System

Year Ended December 31, 2021

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
12/31/21	\$ 1,010,506	\$ 1,010,506	\$ -	\$ 11,449,752	8.83%
12/31/20	975,497	975,497	-	11,116,060	8.78%
12/31/19	886,340	886,340	-	10,759,820	8.24%
12/31/18	894,907	894,907	-	10,666,587	8.39%
12/31/17	866,859	866,859	-	10,328,500	8.39%
12/31/16	757,861	757,861	-	9,768,789	7.76%
12/31/15	764,194	764,194	-	9,708,670	7.87%

See notes to required supplementary information

City of Middleton

Notes to Required Supplementary Information

December 31, 2021

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 the notes to the financial statements.

The budgeted amounts presented include any amendments made. The City Administrator may authorize transfers of budgeted amounts between departments up to \$1,000. Transfers exceeding \$1,000 between departments and changes in the overall budget must be approved by a two-thirds vote of the City Council. Appropriations lapse at year-end unless specifically carried over.

Excess expenditures over appropriations are as follows:

	<u>Amended Budget</u>	<u>Actual Expenditures</u>	<u>Excess</u>
General Fund			
Current expenditures:			
HRA account transfer	\$ 210,000	\$ 288,787	\$ 78,787
Legal counsel	241,000	288,586	47,586
Illegal taxes and tax refunds	10,080	46,790	36,710
Communication center	593,270	609,068	15,798
Building inspector	438,807	491,194	52,387
Fleet maintenance	368,693	374,579	5,886
City garage	96,590	96,933	343
Sidewalk maintenance	130,000	134,179	4,179
Street lighting	140,000	156,749	16,749
Mass transit	494,582	494,584	2
Public lands	873,902	971,294	97,392

The legal level of budget control is at the department level in the General Fund and total expenditures in all other funds. The City controls expenditures at the departmental level for management purposes. The detail of those items can be found in the City's year-end budget to actual report.

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. The *Single Discount Rate* assumption used to develop the Total OPEB Liability changed from the prior year. Please refer to the Actuarial Assumptions section above for additional details.

SUPPLEMENTARY INFORMATION

OTHER MAJOR FUNDS

DEBT SERVICE FUND

City of Middleton

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Debt Service (Major Fund)

Year Ended December 31, 2021

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues			
Taxes	\$ 5,046,926	\$ 5,046,926	\$ -
Investment income	-	1,871	1,871
Total revenues	<u>5,046,926</u>	<u>5,048,797</u>	<u>1,871</u>
Expenditures			
Debt service:			
Principal retirement	4,392,558	4,392,558	-
Interest and fiscal charges	<u>899,518</u>	<u>972,572</u>	<u>(73,054)</u>
Total expenditures	<u>5,292,076</u>	<u>5,365,130</u>	<u>(73,054)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(245,150)</u>	<u>(316,333)</u>	<u>(71,183)</u>
Other Financing Sources (Uses)			
Premium on debt	-	280,558	280,558
Transfer in	<u>150,000</u>	<u>150,000</u>	<u>-</u>
Total other financing sources (uses)	<u>150,000</u>	<u>430,558</u>	<u>280,558</u>
Net change in fund balance	(95,150)	114,225	209,375
Fund Balance, Beginning	<u>234,234</u>	<u>234,234</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 139,084</u>	<u>\$ 348,459</u>	<u>\$ 209,375</u>

City of Middleton

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - TIF District No. 3 - Capital Projects Fund (Major Fund)
Year Ended December 31, 2021

	Original and Final Budget	Actual	Variance With Final Budget
Revenues			
Taxes	\$ 12,087,182	\$ 12,509,459	\$ 422,277
Intergovernmental	1,428,972	1,678,972	250,000
Investment income	5,000	118,513	113,513
Miscellaneous	500,000	322,630	(177,370)
	<u>14,021,154</u>	<u>14,629,574</u>	<u>608,420</u>
Total revenues			
	<u>14,021,154</u>	<u>14,629,574</u>	<u>608,420</u>
Expenditures			
Current:			
General government	1,386,530	1,326,913	59,617
Conservation and development	5,364,908	4,024,496	1,340,412
Capital outlay	11,168,520	303,598	10,864,922
Debt service:			
Principal retirement	170,000	170,000	-
Interest and fiscal charges	6,900	6,900	-
	<u>18,096,858</u>	<u>5,831,907</u>	<u>12,264,951</u>
Total expenditures			
	<u>18,096,858</u>	<u>5,831,907</u>	<u>12,264,951</u>
Net change in fund balance	(4,075,704)	8,797,667	12,873,371
Fund Balance, Beginning	<u>18,607,618</u>	<u>18,607,618</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 14,531,914</u>	<u>\$ 27,405,285</u>	<u>\$ 12,873,371</u>

City of Middleton

Schedule of Revenues, Expenditures and Changes in Fund Balance (Deficit) -
Budget and Actual - TIF District No. 5 - Capital Projects Fund (Major Fund)
Year Ended December 31, 2021

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues			
Taxes	\$ 1,610,992	\$ 1,634,332	\$ 23,340
Intergovernmental	123,133	123,133	-
Investment income	-	8,465	8,465
	<u>1,734,125</u>	<u>1,765,930</u>	<u>31,805</u>
Expenditures			
Current:			
Conservation and development	1,101,404	729,061	372,343
Capital outlay	85,000	450,842	(365,842)
Debt service:			
Principal	540,000	540,000	-
Interest and fiscal charges	225,718	114,681	111,037
	<u>1,952,122</u>	<u>1,834,584</u>	<u>117,538</u>
Net change in fund balances	(217,997)	(68,654)	149,343
Fund Balance (Deficit), Beginning	<u>(990,605)</u>	<u>(990,605)</u>	<u>-</u>
Fund Balance (Deficit), Ending	<u>\$ (1,208,602)</u>	<u>\$ (1,059,259)</u>	<u>\$ 149,343</u>

City of Middleton

Combining Balance Sheet - Capital Projects Fund (Major Fund)

December 31, 2021

	<u>General Capital Projects</u>	<u>Public Works Capital Construction</u>	<u>Public Lands Capital Construction</u>	<u>Total Capital Projects Fund</u>
Assets				
Cash and investments	\$ 849,897	\$ 913,499	\$ 543,870	\$ 2,307,266
Other receivables	54,268	31,623	-	85,891
Total assets	<u>\$ 904,165</u>	<u>\$ 945,122</u>	<u>\$ 543,870</u>	<u>\$ 2,393,157</u>
Liabilities and Fund Balance				
Liabilities:				
Accounts payable	\$ 50,104	\$ 386,373	\$ 9,346	\$ 445,823
Fund balance:				
Restricted	854,061	558,749	534,524	1,947,334
Total liabilities and fund balance	<u>\$ 904,165</u>	<u>\$ 945,122</u>	<u>\$ 543,870</u>	<u>\$ 2,393,157</u>

City of Middleton

Combining Statement of Revenues, Expenditures and Changes in Fund Balances -

Capital Projects Fund (Major Fund)

Year Ended December 31, 2021

	General Capital Projects	Public Works Capital Construction	Public Lands Capital Construction	Total Capital Projects Fund
Revenues				
Intergovernmental	\$ 61,301	\$ 124,574	\$ -	\$ 185,875
Miscellaneous	35,000	31,623	12,267	78,890
Total revenues	96,301	156,197	12,267	264,765
Expenditures				
Capital outlay	1,145,107	2,811,095	332,269	4,288,471
Total expenditures	1,145,107	2,811,095	332,269	4,288,471
Deficiency of revenues over expenditures	(1,048,806)	(2,654,898)	(320,002)	(4,023,706)
Other Financing Sources (Uses)				
Long-term debt issued	1,014,822	2,168,348	566,830	3,750,000
Sale of capital assets	66,362	-	-	66,362
Total other financing sources (uses)	1,081,184	2,168,348	566,830	3,816,362
Net change in fund balance	32,378	(486,550)	246,828	(207,344)
Fund Balance, Beginning	821,683	1,045,299	287,696	2,154,678
Fund Balance, Ending	<u>\$ 854,061</u>	<u>\$ 558,749</u>	<u>\$ 534,524</u>	<u>\$ 1,947,334</u>

City of Middleton

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Capital Projects Fund (Major Fund)
Year Ended December 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Intergovernmental	\$ 7,000	\$ 7,000	\$ 185,875	\$ 178,875
Miscellaneous	15,000	15,000	78,890	63,890
Total revenues	<u>22,000</u>	<u>22,000</u>	<u>264,765</u>	<u>242,765</u>
Expenditures				
Capital outlay	<u>3,958,806</u>	<u>5,838,592</u>	<u>4,288,471</u>	<u>1,550,121</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,936,806)</u>	<u>(5,816,592)</u>	<u>(4,023,706)</u>	<u>1,792,886</u>
Other Financing Sources (Uses)				
Long-term debt issued	3,750,000	3,750,000	3,750,000	-
Sale of capital assets	-	-	66,362	66,362
Transfers in	<u>30,000</u>	<u>30,000</u>	<u>-</u>	<u>(30,000)</u>
Total other financing sources (uses)	<u>3,780,000</u>	<u>3,780,000</u>	<u>3,816,362</u>	<u>36,362</u>
Net change in fund balance	(156,806)	(2,036,592)	(207,344)	1,829,248
Fund Balance, Beginning	<u>2,154,678</u>	<u>2,154,678</u>	<u>2,154,678</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 1,997,872</u>	<u>\$ 118,086</u>	<u>\$ 1,947,334</u>	<u>\$ 1,829,248</u>

NONMAJOR GOVERNMENTAL FUNDS

City of Middleton

Combining Balance Sheet - Nonmajor Governmental Funds

December 31, 2021

	<u>Subdividers'</u> <u>Deposits</u>	<u>Lost and</u> <u>Damaged</u> <u>Books</u>	<u>Library</u> <u>Gift</u>	<u>Library</u> <u>Endowment</u>	<u>Next Chapter</u>	<u>Library</u> <u>Fund</u>	<u>Safety</u> <u>Impact Fee</u> <u>and Other</u>	<u>Economic</u> <u>Development</u> <u>Grant</u>
Assets								
Cash and investments	\$ 2,401,262	\$ 17,061	\$ 36,522	\$ 339,956	\$ 103,048	\$ 632,589	\$ 1,344,920	\$ 16,770
Loans, net of allowance	-	-	-	-	-	-	-	264,500
Other receivables	-	38	-	-	-	209	-	-
Total assets	<u>\$ 2,401,262</u>	<u>\$ 17,099</u>	<u>\$ 36,522</u>	<u>\$ 339,956</u>	<u>\$ 103,048</u>	<u>\$ 632,798</u>	<u>\$ 1,344,920</u>	<u>\$ 281,270</u>
Liabilities and Fund Balances								
Liabilities:								
Accounts payable	\$ 15,408	\$ -	\$ -	\$ -	\$ -	\$ 5,492	\$ -	\$ -
Other accrued liabilities	-	-	-	-	-	52,219	-	-
Deposits	1,229,521	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-
Total liabilities	<u>1,244,929</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>57,711</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources								
Unavailable revenue	-	-	-	-	-	-	-	264,500
Fund balances:								
Restricted	<u>1,156,333</u>	<u>17,099</u>	<u>36,522</u>	<u>339,956</u>	<u>103,048</u>	<u>575,087</u>	<u>1,344,920</u>	<u>16,770</u>
Total fund balances	<u>1,156,333</u>	<u>17,099</u>	<u>36,522</u>	<u>339,956</u>	<u>103,048</u>	<u>575,087</u>	<u>1,344,920</u>	<u>16,770</u>
Total liabilities and fund balances	<u>\$ 2,401,262</u>	<u>\$ 17,099</u>	<u>\$ 36,522</u>	<u>\$ 339,956</u>	<u>\$ 103,048</u>	<u>\$ 632,798</u>	<u>\$ 1,344,920</u>	<u>\$ 281,270</u>

City of Middleton

Combining Balance Sheet - Nonmajor Governmental Funds

December 31, 2021

	Tourism Commission	Police Activities	EMS Activities	Public Land Activities	Youth Center Activities	Senior Center Activities	American Rescue Plan	Total Nonmajor Governmental Funds
Assets								
Cash and investments	\$ 2,058,936	\$ 75,094	\$ 33,050	\$ 2,050,312	\$ 29,763	\$ 191,311	\$ 1,044,465	\$ 10,375,059
Loans, net of allowance	-	-	-	-	-	-	-	264,500
Other receivables	246,875	7,413	-	-	-	-	-	254,535
Total assets	<u>\$ 2,305,811</u>	<u>\$ 82,507</u>	<u>\$ 33,050</u>	<u>\$ 2,050,312</u>	<u>\$ 29,763</u>	<u>\$ 191,311</u>	<u>\$ 1,044,465</u>	<u>\$ 10,894,094</u>
Liabilities and Fund Balances								
Liabilities:								
Accounts payable	\$ 102,631	\$ 1,275	\$ -	\$ 108,514	\$ 253	\$ -	\$ -	\$ 233,573
Other accrued liabilities	7,751	34,828	-	-	2,021	-	-	96,819
Deposits	-	-	-	-	-	-	-	1,229,521
Unearned revenue	-	-	-	-	-	-	1,044,465	1,044,465
Total liabilities	<u>110,382</u>	<u>36,103</u>	<u>-</u>	<u>108,514</u>	<u>2,274</u>	<u>-</u>	<u>1,044,465</u>	<u>2,604,378</u>
Deferred Inflows of Resources								
Unavailable revenue	-	7,413	-	-	-	-	-	271,913
Fund balances:								
Restricted	<u>2,195,429</u>	<u>38,991</u>	<u>33,050</u>	<u>1,941,798</u>	<u>27,489</u>	<u>191,311</u>	<u>-</u>	<u>8,017,803</u>
Total fund balances	<u>2,195,429</u>	<u>38,991</u>	<u>33,050</u>	<u>1,941,798</u>	<u>27,489</u>	<u>191,311</u>	<u>-</u>	<u>8,017,803</u>
Total liabilities and fund balances	<u>\$ 2,305,811</u>	<u>\$ 82,507</u>	<u>\$ 33,050</u>	<u>\$ 2,050,312</u>	<u>\$ 29,763</u>	<u>\$ 191,311</u>	<u>\$ 1,044,465</u>	<u>\$ 10,894,094</u>

City of Middleton

Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
 Nonmajor Governmental Funds
 Year Ended December 31, 2021

	<u>Subdividers' Deposits</u>	<u>Lost and Damaged Books</u>	<u>Library Gift</u>	<u>Library Endowment</u>	<u>Next Chapter</u>	<u>Library</u>	<u>Safety Impact Fee and Other</u>	<u>Economic Development Grant</u>
Revenues								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	959,079	-	-
Public charges for services	6,220	8,001	-	-	-	4,103	-	-
Licenses and permits	3,130	-	-	-	-	-	102,606	-
Investment income	-	91	220	60,456	203	3,414	6,829	20
Contributions	-	-	13,920	-	18,455	-	-	-
Miscellaneous	-	-	-	-	-	5,713	-	-
Total revenues	<u>9,350</u>	<u>8,092</u>	<u>14,140</u>	<u>60,456</u>	<u>18,658</u>	<u>972,309</u>	<u>109,435</u>	<u>20</u>
Expenditures								
Current:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-	-	-
Leisure activities	-	1,185	7,511	3,621	56,537	2,151,112	-	-
Conservation and development	-	-	-	-	-	-	-	-
Capital outlay	3,038	-	-	-	-	-	-	-
Total expenditures	<u>3,038</u>	<u>1,185</u>	<u>7,511</u>	<u>3,621</u>	<u>56,537</u>	<u>2,151,112</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,312</u>	<u>6,907</u>	<u>6,629</u>	<u>56,835</u>	<u>(37,879)</u>	<u>(1,178,803)</u>	<u>109,435</u>	<u>20</u>
Other Financing Sources (Uses)								
Transfers in	-	-	29,731	-	182,936	1,362,943	-	-
Transfers (out)	-	-	-	(212,667)	-	-	(150,000)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>29,731</u>	<u>(212,667)</u>	<u>182,936</u>	<u>1,362,943</u>	<u>(150,000)</u>	<u>-</u>
Net change in fund balance	6,312	6,907	36,360	(155,832)	145,057	184,140	(40,565)	20
Fund Balance (Deficit), Beginning	<u>1,150,021</u>	<u>10,192</u>	<u>162</u>	<u>495,788</u>	<u>(42,009)</u>	<u>390,947</u>	<u>1,385,485</u>	<u>16,750</u>
Fund Balance, Ending	<u>\$ 1,156,333</u>	<u>\$ 17,099</u>	<u>\$ 36,522</u>	<u>\$ 339,956</u>	<u>\$ 103,048</u>	<u>\$ 575,087</u>	<u>\$ 1,344,920</u>	<u>\$ 16,770</u>

City of Middleton

Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
 Nonmajor Governmental Funds
 Year Ended December 31, 2021

	<u>Tourism Commission</u>	<u>Police Activities</u>	<u>EMS Activities</u>	<u>Public Land Activities</u>	<u>Youth Center Activities</u>	<u>Senior Center Activities</u>	<u>American Rescue Plan</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues								
Taxes	\$ 822,606	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 822,606
Intergovernmental	47,293	-	6,718	-	28,090	27,501	4,000	1,072,681
Public charges for services	-	-	-	416,472	-	-	-	434,796
Licenses and permits	-	-	-	-	-	-	-	105,736
Investment income	-	-	-	-	-	10,985	-	82,218
Contributions	-	-	-	12,469	11,826	13,351	-	70,021
Miscellaneous	2,301	13,070	2,700	-	-	-	-	23,784
Total revenues	<u>872,200</u>	<u>13,070</u>	<u>9,418</u>	<u>428,941</u>	<u>39,916</u>	<u>51,837</u>	<u>4,000</u>	<u>2,611,842</u>
Expenditures								
Current:								
General government	28,917	-	-	-	-	-	4,000	32,917
Public safety	-	4,641	-	-	-	-	-	4,641
Health and human services	-	-	-	-	-	33,109	-	33,109
Leisure activities	-	-	-	1,780	133,838	-	-	2,355,584
Conservation and development	824,545	-	-	-	-	-	-	824,545
Capital outlay	-	6,563	-	343,633	-	-	-	353,234
Total expenditures	<u>853,462</u>	<u>11,204</u>	<u>-</u>	<u>345,413</u>	<u>133,838</u>	<u>33,109</u>	<u>4,000</u>	<u>3,604,030</u>
Excess (deficiency) of revenues over (under) expenditures	<u>18,738</u>	<u>1,866</u>	<u>9,418</u>	<u>83,528</u>	<u>(93,922)</u>	<u>18,728</u>	<u>-</u>	<u>(992,188)</u>
Other Financing Sources (Uses)								
Transfers in	-	-	-	-	94,521	-	-	1,670,131
Transfers (out)	-	-	-	-	-	-	-	(362,667)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>94,521</u>	<u>-</u>	<u>-</u>	<u>1,307,464</u>
Net change in fund balance	18,738	1,866	9,418	83,528	599	18,728	-	315,276
Fund Balance (Deficit), Beginning	<u>2,176,691</u>	<u>37,125</u>	<u>23,632</u>	<u>1,858,270</u>	<u>26,890</u>	<u>172,583</u>	<u>-</u>	<u>7,702,527</u>
Fund Balance, Ending	<u>\$ 2,195,429</u>	<u>\$ 38,991</u>	<u>\$ 33,050</u>	<u>\$ 1,941,798</u>	<u>\$ 27,489</u>	<u>\$ 191,311</u>	<u>\$ -</u>	<u>\$ 8,017,803</u>

City of Middleton

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -

Subdividers' Deposits - Special Revenue Fund

Year Ended December 31, 2021

	Original and Final Budget	Actual	Variance With Final Budget
Revenues			
Public charges for services	\$ 30,000	\$ 6,220	\$ (23,780)
Licenses and permits	20,000	3,130	(16,870)
Total revenues	<u>50,000</u>	<u>9,350</u>	<u>(40,650)</u>
Expenditures			
Current			
Public works	20,000	-	20,000
Capital outlay	30,000	3,038	26,962
Total expenditures	<u>50,000</u>	<u>3,038</u>	<u>46,962</u>
Net change in fund balance	-	6,312	6,312
Fund Balance, Beginning	<u>1,150,021</u>	<u>1,150,021</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 1,150,021</u>	<u>\$ 1,156,333</u>	<u>\$ 6,312</u>

City of Middleton

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -
Lost and Damaged Books - Special Revenue Fund
Year Ended December 31, 2021

	Original and Final Budget	Actual	Variance With Final Budget
Revenues			
Public charges for services	\$ 15,000	\$ 8,001	\$ (6,999)
Investment income	-	91	91
Total revenues	<u>15,000</u>	<u>8,092</u>	<u>(6,908)</u>
Expenditures			
Current:			
Leisure activities	<u>15,000</u>	<u>1,185</u>	<u>13,815</u>
Net change in fund balance	-	6,907	6,907
Fund Balance, Beginning	<u>10,192</u>	<u>10,192</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 10,192</u>	<u>\$ 17,099</u>	<u>\$ 6,907</u>

City of Middleton

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -

Library Gift - Special Revenue Fund

Year Ended December 31, 2021

	Original and Final Budget	Actual	Variance with Final Budget
Revenues			
Investment income	\$ 5,000	\$ 220	\$ (4,780)
Contributions	-	13,920	13,920
	<u>5,000</u>	<u>14,140</u>	<u>9,140</u>
Total revenues			
	<u>5,000</u>	<u>14,140</u>	<u>9,140</u>
Expenditures			
Current:			
Leisure activities	5,000	7,511	(2,511)
	<u>5,000</u>	<u>7,511</u>	<u>(2,511)</u>
Excess of revenues over expenditures	-	6,629	6,629
	<u>-</u>	<u>6,629</u>	<u>6,629</u>
Other Financing Sources (Uses)			
Transfers in	-	29,731	29,731
	<u>-</u>	<u>29,731</u>	<u>29,731</u>
Total other financing sources (uses)			
	<u>-</u>	<u>29,731</u>	<u>29,731</u>
Net change in fund balance	-	36,360	36,360
	<u>-</u>	<u>36,360</u>	<u>36,360</u>
Fund Balance, Beginning	162	162	-
	<u>162</u>	<u>162</u>	<u>-</u>
Fund Balance, Ending	\$ 162	\$ 36,522	\$ 36,360
	<u>\$ 162</u>	<u>\$ 36,522</u>	<u>\$ 36,360</u>

City of Middleton

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -

Library Endowment - Special Revenue Fund

Year Ended December 31, 2021

	Original and Final Budget	Actual	Variance With Final Budget
Revenues			
Investment income	\$ -	\$ 60,456	\$ 60,456
Total revenues	-	60,456	60,456
Expenditures			
Current:			
Leisure activities	-	3,621	(3,621)
Excess of revenues over expenditures	-	56,835	56,835
Other Financing Uses			
Transfers out	-	(212,667)	(212,667)
Net change in fund balance	-	(155,832)	(155,832)
Fund Balance, Beginning	495,788	495,788	-
Fund Balance, Ending	\$ 495,788	\$ 339,956	\$ (155,832)

City of Middleton

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -
Next Chapter Project - Special Revenue Fund
Year Ended December 31, 2021

	Original and Final Budget	Actual	Variance with Final Budget
Revenues			
Investment income	\$ 5,000	\$ 203	\$ (4,797)
Contributions	-	18,455	18,455
Total revenues	<u>5,000</u>	<u>18,658</u>	<u>13,658</u>
Expenditures			
Current:			
Leisure activities	<u>150,000</u>	<u>56,537</u>	<u>93,463</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(145,000)</u>	<u>(37,879)</u>	<u>107,121</u>
Other Financing Sources			
Transfers in	<u>145,000</u>	<u>182,936</u>	<u>37,936</u>
Net change in fund balance	-	145,057	145,057
Fund Balance (Deficit), Beginning	<u>(42,009)</u>	<u>(42,009)</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ (42,009)</u></u>	<u><u>\$ 103,048</u></u>	<u><u>\$ 145,057</u></u>

City of Middleton

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -

Library Fund - Special Revenue Fund

Year Ended December 31, 2021

	Original and Final Budget	Actual	Variance With Final Budget
Revenues			
Intergovernmental	\$ 959,081	\$ 959,079	\$ (2)
Public charges for services	24,000	4,103	(19,897)
Investment income	-	3,414	3,414
Miscellaneous	6,000	5,713	(287)
Total revenues	<u>989,081</u>	<u>972,309</u>	<u>(16,772)</u>
Expenditures			
Current:			
Leisure activities	2,325,068	2,151,112	173,956
Capital outlay	23,000	-	23,000
Total expenditures	<u>2,348,068</u>	<u>2,151,112</u>	<u>196,956</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,358,987)</u>	<u>(1,178,803)</u>	<u>180,184</u>
Other Financing Sources			
Transfers in	<u>1,362,943</u>	<u>1,362,943</u>	<u>-</u>
Total other financing sources	<u>1,362,943</u>	<u>1,362,943</u>	<u>-</u>
Net change in fund balance	3,956	184,140	180,184
Fund Balance, Beginning	<u>390,947</u>	<u>390,947</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 394,903</u>	<u>\$ 575,087</u>	<u>\$ 180,184</u>

City of Middleton

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -

Safety Impact Fee and Other - Special Revenue Fund

Year Ended December 31, 2021

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues			
Licenses and permits	\$ 135,000	\$ 102,606	\$ (32,394)
Investment income	5,000	6,829	1,829
Total revenues	<u>140,000</u>	<u>109,435</u>	<u>(30,565)</u>
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>140,000</u>	<u>109,435</u>	<u>(30,565)</u>
Other Financing Uses			
Transfers out	<u>(150,000)</u>	<u>(150,000)</u>	<u>-</u>
Net change in fund balance	(10,000)	(40,565)	(30,565)
Fund Balance, Beginning	<u>1,385,485</u>	<u>1,385,485</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 1,375,485</u>	<u>\$ 1,344,920</u>	<u>\$ (30,565)</u>

City of Middleton

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Economic Development Grant - Special Revenue Fund

Year Ended December 31, 2021

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues			
Investment income	<u>\$ -</u>	<u>\$ 20</u>	<u>\$ 20</u>
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	20	20
Fund Balance, Beginning	<u>16,750</u>	<u>16,750</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 16,750</u>	<u>\$ 16,770</u>	<u>\$ 20</u>

City of Middleton

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -

Tourism Commission - Special Revenue Fund

Year Ended December 31, 2021

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues			
Taxes	\$ 943,386	\$ 822,606	\$ (120,780)
Intergovernmental	-	47,293	47,293
Miscellaneous	-	2,301	2,301
	<u>943,386</u>	<u>872,200</u>	<u>(71,186)</u>
Total revenues			
Expenditures			
Current:			
General government	156,394	28,917	127,477
Conservation and development	1,096,065	824,545	271,520
	<u>1,252,459</u>	<u>853,462</u>	<u>398,997</u>
Total expenditures			
Net change in fund balance	(309,073)	18,738	327,811
Fund Balance, Beginning	<u>2,176,691</u>	<u>2,176,691</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 1,867,618</u>	<u>\$ 2,195,429</u>	<u>\$ 327,811</u>

City of Middleton

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -

Police Activities - Special Revenue Fund

Year Ended December 31, 2021

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues			
Miscellaneous	\$ 5,000	\$ 13,070	\$ 8,070
Total revenues	<u>5,000</u>	<u>13,070</u>	<u>8,070</u>
Expenditures			
Current:			
Public safety	5,000	4,641	359
Capital outlay	-	6,563	(6,563)
Total expenditures	<u>5,000</u>	<u>11,204</u>	<u>(6,204)</u>
Net change in fund balance	-	1,866	1,866
Fund Balance, Beginning	<u>37,125</u>	<u>37,125</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 37,125</u>	<u>\$ 38,991</u>	<u>\$ 1,866</u>

City of Middleton

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -

EMS Activities - Special Revenue Fund

Year Ended December 31, 2021

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues			
Intergovernmental	\$ 20,000	\$ 6,718	\$ (13,282)
Miscellaneous	-	2,700	2,700
Total revenues	<u>20,000</u>	<u>9,418</u>	<u>(10,582)</u>
Expenditures			
Current:			
Public safety	<u>20,000</u>	<u>-</u>	<u>20,000</u>
Total expenditures	<u>20,000</u>	<u>-</u>	<u>20,000</u>
Net change in fund balance	-	9,418	9,418
Fund Balance, Beginning	<u>23,632</u>	<u>23,632</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 23,632</u>	<u>\$ 33,050</u>	<u>\$ 9,418</u>

City of Middleton

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -

Public Land Activities - Special Revenue Fund

Year Ended December 31, 2021

	Original and Final Budget	Actual	Variance With Final Budget
Revenues			
Public charges for services	\$ 300,000	\$ 416,472	\$ 116,472
Contributions	-	12,469	12,469
Total revenues	<u>300,000</u>	<u>428,941</u>	<u>128,941</u>
Expenditures			
Current:			
Leisure activities	-	1,780	(1,780)
Capital outlay	<u>300,000</u>	<u>343,633</u>	<u>(43,633)</u>
Total expenditures	<u>300,000</u>	<u>345,413</u>	<u>(45,413)</u>
Net change in fund balance	-	83,528	83,528
Fund Balance, Beginning	<u>1,858,270</u>	<u>1,858,270</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 1,858,270</u>	<u>\$ 1,941,798</u>	<u>\$ 83,528</u>

City of Middleton

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Youth Center Activities - Special Revenue Fund
Year Ended December 31, 2021

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues			
Intergovernmental	\$ 28,090	\$ 28,090	\$ -
Contributions	12,750	11,826	(924)
Total revenues	<u>40,840</u>	<u>39,916</u>	<u>(924)</u>
Expenditures			
Current:			
Leisure activities	<u>143,308</u>	<u>133,838</u>	<u>9,470</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(102,468)</u>	<u>(93,922)</u>	<u>8,546</u>
Other Financing Sources			
Transfers in	<u>94,521</u>	<u>94,521</u>	<u>-</u>
Net change in fund balance	(7,947)	599	8,546
Fund Balance, Beginning	<u>26,890</u>	<u>26,890</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 18,943</u>	<u>\$ 27,489</u>	<u>\$ 8,546</u>

City of Middleton

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -

Senior Center Activities - Special Revenue Fund

Year Ended December 31, 2021

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues			
Intergovernmental	\$ 20,000	\$ 27,501	\$ 7,501
Investment income	5,000	10,985	5,985
Contributions	-	13,351	13,351
	<u>25,000</u>	<u>51,837</u>	<u>26,837</u>
Expenditures			
Current:			
Health and human services	<u>25,000</u>	<u>33,109</u>	<u>(8,109)</u>
	-	18,728	18,728
Net change in fund balance			
	<u>172,583</u>	<u>172,583</u>	<u>-</u>
Fund Balance, Beginning			
	<u>\$ 172,583</u>	<u>\$ 191,311</u>	<u>\$ 18,728</u>
Fund Balance, Ending			

NONMAJOR PROPRIETARY FUNDS

City of Middleton

Combining Statement of Net Position - Nonmajor Proprietary Funds
December 31, 2021

	Enterprise Funds			Nonmajor Enterprise Funds
	Stormwater Utility	Middleton Utility District	Airport	
Assets				
Current assets:				
Cash and investments	\$ 638,568	\$ 60,833	\$ 606,603	\$ 1,306,004
Accounts receivable	225,141	-	594	225,735
Due from other funds	9,234	-	-	9,234
Total current assets	<u>872,943</u>	<u>60,833</u>	<u>607,197</u>	<u>1,540,973</u>
Noncurrent assets:				
Capital assets:				
Land	1,935,149	-	2,715,508	4,650,657
Construction in progress	1,150,851	-	-	1,150,851
Land improvements	3,331,776	-	11,300	3,343,076
Buildings and improvements	-	-	745,292	745,292
Machinery and equipment	-	-	255,737	255,737
Accumulated depreciation	(987,736)	-	(351,446)	(1,339,182)
Total noncurrent assets	<u>5,430,040</u>	<u>-</u>	<u>3,376,391</u>	<u>8,806,431</u>
Total assets	<u>\$ 6,302,983</u>	<u>\$ 60,833</u>	<u>\$ 3,983,588</u>	<u>\$ 10,347,404</u>
Liabilities and Net Position				
Current liabilities:				
Accounts payable	\$ 18,839	\$ -	\$ 14,721	\$ 33,560
Unearned revenue	-	-	30,106	30,106
Total current liabilities	<u>18,839</u>	<u>-</u>	<u>44,827</u>	<u>63,666</u>
Net Position				
Net investment in capital assets	5,430,040	-	3,376,391	8,806,431
Unrestricted	854,104	60,833	562,370	1,477,307
Total net position	<u>6,284,144</u>	<u>60,833</u>	<u>3,938,761</u>	<u>10,283,738</u>
Total liabilities and net position	<u>\$ 6,302,983</u>	<u>\$ 60,833</u>	<u>\$ 3,983,588</u>	<u>\$ 10,347,404</u>

City of Middleton

Combining Statement of Revenues, Expenses and Changes in Net Position -
 Nonmajor Proprietary Funds
 Year Ended December 31, 2021

	Enterprise Funds			Total
	Stormwater Utility	Middleton Utility District	Airport	
Operating Revenues				
Charges for services	\$ 870,900	\$ -	\$ 116,459	\$ 987,359
Special assessments	-	31,554	-	31,554
Total operating revenues	870,900	31,554	116,459	1,018,913
Operating Expenses				
Operation and maintenance	5,898	796	166,852	173,546
Depreciation	166,589	-	33,013	199,602
Total operating expenses	172,487	796	199,865	373,148
Operating income (loss)	698,413	30,758	(83,406)	645,765
Nonoperating Revenues				
Investment income	2,993	280	3,414	6,687
Miscellaneous nonoperating income	159	-	157,945	158,104
Total nonoperating revenues	3,152	280	161,359	164,791
Income before contributions	701,565	31,038	77,953	810,556
Capital contributions	-	-	1,180,092	1,180,092
Change in net position	701,565	31,038	1,258,045	1,990,648
Total Net Position, Beginning	5,582,579	29,795	2,680,716	8,293,090
Total Net Position, Ending	\$ 6,284,144	\$ 60,833	\$ 3,938,761	\$ 10,283,738

City of Middleton

Combining Statement of Cash Flows
 Nonmajor Proprietary Funds
 Year Ended December 31, 2021

	Enterprise Funds			Totals
	Stormwater	Middleton Utility District	Airport	
Cash Flows From Operating Activities				
Received from customers	\$ 953,209	\$ 31,554	\$ 287,003	\$ 1,271,766
Paid to suppliers for goods and services	(5,898)	(796)	(163,567)	(170,261)
Net cash flows from operating activities	947,311	30,758	123,436	1,101,505
Cash Flows From Capital and Related Financing Activities				
Acquisition of and construction of capital assets	(598,790)	-	-	(598,790)
Capital contributions	-	-	10,733	10,733
Net cash flows from capital and related financing activities	(598,790)	-	10,733	(588,057)
Cash Flows From Investing Activities				
Investment income	2,993	280	3,414	6,687
Net cash flows from investing activities	2,993	280	3,414	6,687
Net increase (decrease) in cash and cash equivalents	351,514	31,038	137,583	520,135
Cash and Cash Equivalents, Beginning	287,054	29,795	469,020	785,869
Cash and Cash Equivalents, Ending	\$ 638,568	\$ 60,833	\$ 606,603	\$ 1,306,004
Reconciliation of Operating Income (Loss) to Net Cash From Operating Activities				
Operating income (loss)	\$ 698,413	\$ 30,758	\$ (83,406)	\$ 645,765
Nonoperating income	159	-	157,945	158,104
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:				
Depreciation expense	166,589	-	33,013	199,602
Change in assets and liabilities:				
Accounts receivable	82,569	-	24,403	106,972
Due from other funds	(419)	-	-	(419)
Accounts payable	-	-	3,285	3,285
Unearned revenue	-	-	(11,804)	(11,804)
Net cash flows from operating activities	\$ 947,311	\$ 30,758	\$ 123,436	\$ 1,101,505
Noncash Investing, Capital and Financing Activities				
Capital assets transferred from government-wide	\$ -	\$ -	\$ 1,169,359	\$ 1,169,359

FIDUCIARY FUNDS

City of Middleton

Combining Statement of Fiduciary Net Position

Custodial Funds

December 31, 2021

	<u>Tax Collection</u>	<u>Fire District</u>	<u>Total</u>
Assets			
Cash and investments	\$ 20,574,093	\$ 401,006	\$ 20,975,099
Taxes receivable	28,617,660	-	28,617,660
Accounts receivable	-	700	700
Total assets	<u>49,191,753</u>	<u>401,706</u>	<u>49,593,459</u>
Liabilities			
Accounts payable	-	68,648	68,648
Accrued liabilities	-	64,935	64,935
Due to other governmental units	<u>49,191,753</u>	-	<u>49,191,753</u>
Total liabilities	<u>49,191,753</u>	<u>133,583</u>	<u>49,325,336</u>
Net Position			
Restricted	<u>\$ -</u>	<u>\$ 268,123</u>	<u>\$ 268,123</u>

City of Middleton

Combining Statement of Changes in Fiduciary Net Position

Custodial Funds

Year Ended December 31, 2021

	<u>Tax Collection</u>	<u>Fire District</u>	<u>Total</u>
Additions			
Property taxes collected for other governments	\$ 32,959,788	\$ -	\$ 32,959,788
Contributions	-	1,701,517	1,701,517
Miscellaneous	-	111,624	111,624
	<u>32,959,788</u>	<u>1,813,141</u>	<u>34,772,929</u>
Deductions			
Property taxes distributed to other governments	32,959,788	-	32,959,788
Public fire protection	-	1,597,544	1,597,544
	<u>32,959,788</u>	<u>1,597,544</u>	<u>34,557,332</u>
Change in fiduciary net position	-	215,597	215,597
Total Net Position, Beginning	<u>-</u>	<u>52,526</u>	<u>52,526</u>
Total Net Position, Ending	<u>\$ -</u>	<u>\$ 268,123</u>	<u>\$ 268,123</u>

Community Development Authority of the City of Middleton

Statement of Cash Flows

Component Unit

Year Ended December 31, 2021

Cash Flows From Operating Activities

Received from customers	\$ 95,254
Paid to suppliers for goods and services	<u>(104,324)</u>

Net cash flows from operating activities	<u>(9,070)</u>
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Cash Flows From Investing Activities

Investment income	<u>4,162</u>
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Net cash flows from investing activities	<u>4,162</u>
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Net decrease in cash and cash equivalents	(4,908)
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Cash and Cash Equivalents, Beginning	<u>663,430</u>
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Cash and Cash Equivalents, Ending	<u><u>\$ 658,522</u></u>
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STATISTICAL SECTION

CITY OF MIDDLETON, WISCONSIN
STATISTICAL SECTION
TABLE OF CONTENTS
For the Year Ended December 31, 2021

This section of the City of Middleton’s Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, notes to financial statements, and required supplementary information indicate about the City’s overall financial condition through multi-year comparative data.

<u>Contents</u>	<u>Pages</u>
Financial Trends – Tables 1 - 4	89 – 93
These schedules contain trend information to help the reader understand how the City’s financial performance and well being have changed over time.	
Revenue Capacity – Tables 5 - 8	94 – 98
These schedules contain information to help the reader assess the City’s most significant local revenue source, the property tax.	
Debt Capacity – Tables 9 - 12	99 – 102
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 – Tables 13 - 14	103 – 104
These schedules provide demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place and to help make comparisons over time and with other governments.	
Operating Information – Tables 15 - 17	105 – 107
These schedules contain service and infrastructure data to help the reader understand how the City’s financial report related to the services the City provides and the activities it performs.	

City of Middleton
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

Table 1

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Governmental activities										
Net investment in capital assets	\$ 74,457,610	\$ 74,471,485	\$ 72,622,109	\$ 67,484,502	\$ 59,300,227	\$ 44,205,346	\$ 42,289,738	\$ 40,190,979	\$ 34,367,993	\$ 25,305,516
Restricted	40,826,314	29,195,331	20,698,282	20,070,132	18,006,381	16,207,298	12,928,495	10,822,454	11,489,077	8,692,927
Unrestricted	(5,745,419)	(5,633,583)	(6,300,271)	(6,912,812)	(3,343,866)	9,130,412	7,595,832	4,427,136	5,056,636	10,398,364
Total governmental activities net position	<u>\$ 109,538,505</u>	<u>\$ 98,033,233</u>	<u>\$ 87,020,120</u>	<u>\$ 80,641,822</u>	<u>\$ 73,962,742</u>	<u>\$ 69,543,056</u>	<u>\$ 62,814,065</u>	<u>\$ 55,440,569</u>	<u>\$ 50,913,706</u>	<u>\$ 44,396,807</u>
Business-type activities										
Net investment in capital assets	50,972,982	50,127,025	50,229,949	48,055,298	47,430,785	47,875,591	41,296,083	35,939,954	33,777,825	31,978,016
Restricted	411,505	218,815	-	193,794	-	60,820	243,140	60,820	60,820	55,165
Unrestricted	9,232,799	6,654,294	4,872,821	5,167,512	5,671,824	3,084,004	5,232,480	5,764,851	5,985,906	5,679,801
Total business-type activities net position	<u>\$ 60,617,286</u>	<u>\$ 57,000,134</u>	<u>\$ 55,102,770</u>	<u>\$ 53,416,604</u>	<u>\$ 53,102,609</u>	<u>\$ 51,020,415</u>	<u>\$ 46,771,703</u>	<u>\$ 41,765,625</u>	<u>\$ 39,824,551</u>	<u>\$ 37,712,982</u>
Primary government										
Net investment in capital assets	125,430,592	124,598,510	122,852,058	115,539,800	106,731,012	92,080,937	83,585,821	76,130,933	68,145,818	57,283,532
Restricted	41,237,819	29,414,146	20,698,282	20,263,926	18,006,381	16,268,118	13,171,635	10,883,274	11,549,897	8,748,092
Unrestricted	3,487,380	1,020,711	(1,427,450)	(1,745,300)	2,327,958	12,214,416	12,828,312	10,191,987	11,042,542	16,078,165
Total primary government net position	<u>\$ 170,155,791</u>	<u>\$ 155,033,367</u>	<u>\$ 142,122,890</u>	<u>\$ 134,058,426</u>	<u>\$ 127,065,351</u>	<u>\$ 120,563,471</u>	<u>\$ 109,585,768</u>	<u>\$ 97,206,194</u>	<u>\$ 90,738,257</u>	<u>\$ 82,109,789</u>

City of Middleton
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

Table 2

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Expenses										
Governmental Activities:										
General Government	\$ 3,051,347	\$ 2,960,095	\$ 3,234,108	\$ 2,780,653	\$ 3,440,019	\$ 3,373,515	\$ 3,576,763	\$ 3,499,140	\$ 4,235,573	\$ 4,523,508
Public Safety	9,370,653	9,505,883	9,966,272	9,305,380	10,045,808	9,708,266	8,768,029	8,857,148	9,318,550	8,370,063
Public Works	7,091,814	6,001,492	4,956,324	5,100,582	5,338,976	5,661,834	4,413,417	5,387,692	4,175,004	4,412,170
Health and Human Services	501,467	526,658	663,526	531,435	604,866	523,561	458,109	467,424	437,254	434,778
Leisure Activities	4,094,496	4,601,984	4,874,284	3,494,719	4,918,071	4,279,623	5,712,480	5,105,093	5,001,318	4,806,093
Conservation and Economic Development	7,175,794	8,479,884	8,453,985	9,652,513	4,333,647	5,713,888	4,889,708	1,843,956	816,021	2,890,340
Interest and Fiscal Charges	864,331	1,145,503	1,420,639	1,080,954	1,294,086	1,430,035	1,487,334	1,455,644	1,285,861	2,347,693
Total Governmental Activities	32,149,902	33,221,499	33,569,138	31,946,236	29,975,473	30,690,722	29,305,840	26,616,097	25,269,581	27,784,645
Business-type Activities:										
Water	2,194,553	1,988,932	2,127,031	1,923,367	1,894,175	1,707,466	1,665,644	1,663,981	1,521,927	1,656,283
Sewer	3,337,064	3,083,549	3,039,452	2,834,608	2,794,819	2,798,438	2,248,664	2,218,802	2,216,007	1,898,574
Pleasant View Golf Course	2,545,980	2,170,893	2,075,750	2,083,603	2,025,692	1,845,233	1,561,830	1,651,439	1,702,459	1,844,019
Nonmajor Enterprise Funds	373,148	648,179	409,910	412,714	236,361	404,080	259,955	-	-	-
Total Business-type Activities	8,450,745	7,891,553	7,652,143	7,254,292	6,951,047	6,755,217	5,736,093	5,534,222	5,440,393	5,398,876
Total Expenses	\$ 40,600,647	\$ 41,113,052	\$ 41,221,281	\$ 39,200,528	\$ 36,926,520	\$ 37,445,939	\$ 35,041,933	\$ 32,150,319	\$ 30,709,974	\$ 33,183,521
Program Revenues										
Governmental Activities:										
Charges for Services										
General Government	575,086	553,753	700,377	674,106	252,282	262,789	241,765	241,434	243,220	1,640,879
Public Safety	1,984,869	2,670,698	1,732,918	2,014,061	2,166,381	2,474,315	2,177,110	1,906,784	1,846,772	1,508,641
Public Works	313,537	474,765	333,205	214,838	120,485	232,199	111,507	45,414	130,417	120,161
Health and Human Services	16,829	15,209	46,316	46,444	36,296	32,442	28,453	28,414	28,995	21,783
Leisure Activities	484,645	249,588	581,273	558,158	441,749	409,688	379,749	374,183	430,584	439,759
Conservation and Economic Development	90,417	91,716	133,395	151,652	199,475	631,904	363,097	499,054	193,813	208,504
Operating Grants and Contributions	1,438,287	1,304,052	1,370,468	1,200,663	2,710,128	1,785,109	2,432,652	2,440,921	2,770,483	2,946,476
Capital Grants and Contributions	2,444,675	3,084,114	2,359,582	2,003,839	945,985	1,694,137	620,068	595,666	786,066	908,544
Total Governmental Activities	\$ 7,348,345	\$ 8,443,895	\$ 7,257,534	\$ 6,863,761	\$ 6,872,781	\$ 7,522,583	\$ 6,354,401	\$ 6,131,870	\$ 6,430,350	\$ 7,794,747
Business-type Activities:										
Charges for Services										
Water	2,822,058	2,585,309	2,567,361	2,579,779	2,668,978	2,684,956	2,317,608	2,225,334	2,202,387	2,290,946
Sewer	3,444,351	2,913,326	2,600,054	2,646,621	2,486,160	2,343,986	2,162,934	2,022,849	1,966,351	1,885,048
Pleasant View Golf Course	3,849,011	3,190,653	2,874,278	2,602,147	2,591,046	2,430,426	2,105,814	1,860,169	1,832,607	1,881,715
Nonmajor Enterprise Funds	1,018,913	996,158	831,351	404,061	890,926	415,274	136,580	-	-	-
Capital Grants and Contributions	10,733	260,382	509,911	135,440	216,924	1,213,827	1,371,232	593,153	1,918,147	179,207
Total Business-type Activities	11,145,066	9,945,828	9,382,955	8,368,048	8,854,034	9,088,469	8,094,168	6,701,505	7,919,492	6,236,916
Total Program Revenues	\$ 18,493,411	\$ 18,389,723	\$ 16,640,489	\$ 15,231,809	\$ 15,726,815	\$ 16,611,052	\$ 14,448,569	\$ 12,833,375	\$ 14,349,842	\$ 14,031,663
Net (Expense) Revenue										
Governmental Activities										
Governmental Activities	\$ (24,801,557)	\$ (24,777,604)	\$ (26,311,604)	\$ (25,082,475)	\$ (23,102,692)	\$ (23,168,139)	\$ (22,951,439)	\$ (20,484,227)	\$ (18,839,231)	\$ (19,989,898)
Business-type Activities										
Business-type Activities	2,694,321	2,054,275	1,730,812	1,113,756	1,902,987	2,333,252	2,358,075	1,167,283	2,479,099	838,040
Total Net (Expense) Revenue	\$ (22,107,236)	\$ (22,723,329)	\$ (24,580,792)	\$ (23,968,719)	\$ (21,199,705)	\$ (20,834,887)	\$ (20,593,364)	\$ (19,316,944)	\$ (16,360,132)	\$ (19,151,858)

City of Middleton
Changes in Net Position (continued)
Last Ten Fiscal Years
(accrual basis of accounting)

Table 2

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Revenues										
Governmental Activities:										
Property Taxes	32,583,733	30,690,560	27,269,231	27,083,632	23,713,395	25,556,528	24,784,036	22,922,386	22,254,410	19,007,908
Other Taxes	1,175,151	580,241	1,992,361	2,182,423	1,966,016	1,957,750	1,972,947	1,753,466	1,639,784	1,741,269
Intergovernmental - Unrestricted	2,543,539	2,713,897	1,647,101	1,134,969	1,471,975	1,160,158	1,602,903	821,534	733,100	592,244
Public Gifts and/or Grants										
Investment Income	433,867	824,525	1,050,142	656,575	314,935	170,210	106,838	108,978	199,791	170,893
Gain (Loss) on Sale of Capital Assets	67,608	71,538	43,340	168,676	28,358	2,659,850	-	-	1,605	232,617
Miscellaneous	189,266	414,881	222,060	74,796	160,547	596,707	433,314	154,809	114,547	108,952
Transfers In (Out)	(686,335)	495,075	465,667	460,484	(132,848)	(1,904,073)	(2,274,762)	(750,083)	412,893	381,958
Total General Revenues and Transfers	<u>36,306,829</u>	<u>35,790,717</u>	<u>32,689,902</u>	<u>31,761,555</u>	<u>27,522,378</u>	<u>30,197,130</u>	<u>26,625,276</u>	<u>25,011,090</u>	<u>25,356,130</u>	<u>22,235,841</u>
Business-type Activities:										
Investment Income	59,354	101,508	135,581	96,675	46,359	11,387	12,521	23,708	45,363	51,352
Miscellaneous	177,142	236,656	285,440	133,419	-	-	-	-	-	-
Transfers In (Out)	686,335	(495,075)	(465,667)	(460,484)	132,848	1,904,073	2,274,762	750,083	(412,893)	(381,958)
Total Business-type Activities	<u>922,831</u>	<u>(156,911)</u>	<u>(44,646)</u>	<u>(230,390)</u>	<u>179,207</u>	<u>1,915,460</u>	<u>2,287,283</u>	<u>773,791</u>	<u>(367,530)</u>	<u>(330,606)</u>
Total Primary Government	<u>\$ 37,229,660</u>	<u>\$ 35,633,806</u>	<u>\$ 32,645,256</u>	<u>\$ 31,531,165</u>	<u>\$ 27,701,585</u>	<u>\$ 32,112,590</u>	<u>\$ 28,912,559</u>	<u>\$ 25,784,881</u>	<u>\$ 24,988,600</u>	<u>\$ 21,905,235</u>
Change in Net Position										
Governmental Activities	\$ 11,505,272	\$ 11,013,113	\$ 6,378,298	\$ 6,679,080	\$ 4,419,686	\$ 7,028,991	\$ 3,673,837	\$ 4,526,863	\$ 6,516,899	\$ 2,245,943
Business Activities	3,617,152	1,897,364	1,686,166	883,366	2,082,194	4,248,712	4,645,358	1,941,074	2,111,569	507,434
Total Change in Net Position	<u>\$ 15,122,424</u>	<u>\$ 12,910,477</u>	<u>\$ 8,064,464</u>	<u>\$ 7,562,446</u>	<u>\$ 6,501,880</u>	<u>\$ 11,277,703</u>	<u>\$ 8,319,195</u>	<u>\$ 6,467,937</u>	<u>\$ 8,628,468</u>	<u>\$ 2,753,377</u>

City of Middleton
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(accrual basis of accounting)

Table 3

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Fund										
Nonspendable	\$ 435,886	\$ 2,042,784	\$ 2,341,589	\$ 2,927,799	\$ 2,656,519	\$ 2,857,944	\$ 2,775,698	\$ 2,631,468	\$ 2,822,815	\$ 2,805,956
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	4,070,511	2,810,516	2,155,511	2,780,632	2,814,251	4,083,717	3,179,261	1,856,034	2,966,360	2,571,060
Unassigned	6,665,188	6,220,424	6,084,396	4,834,398	5,310,690	5,134,962	4,853,363	4,590,217	3,656,420	3,519,147
Total General Fund	<u>\$ 11,171,585</u>	<u>\$ 11,073,724</u>	<u>\$ 10,581,496</u>	<u>\$ 10,542,829</u>	<u>\$ 10,781,460</u>	<u>\$ 12,076,623</u>	<u>\$ 10,808,322</u>	<u>\$ 9,077,719</u>	<u>\$ 9,445,595</u>	<u>\$ 8,896,163</u>
All Other Governmental Funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 433,150
Restricted	37,718,881	28,741,066	22,304,594	20,496,724	18,374,458	15,751,251	11,080,164	12,928,560	14,556,430	14,045,654
Committed	-	-	-	-	66,714	45,395	169,109	132,997	145,283	-
Assigned	-	-	-	-	-	-	-	-	-	2,603,355
Unassigned	(1,059,259)	(1,032,614)	(3,875,796)	(3,880,400)	(798,818)	(8,002)	-	-	-	-
Total All Other Governmental Funds	<u>\$ 36,659,622</u>	<u>\$ 27,708,452</u>	<u>\$ 18,428,798</u>	<u>\$ 16,616,324</u>	<u>\$ 17,642,354</u>	<u>\$ 15,788,644</u>	<u>\$ 11,249,273</u>	<u>\$ 13,061,557</u>	<u>\$ 14,701,713</u>	<u>\$ 17,082,159</u>

Notes:

Source: Prior year's audited financial statements and current year Balance Sheet.

(1) See the notes to the financial statements "Net Position/Fund Balances" for complete details of the fund balance classification.

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

Table 4

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
REVENUES										
Taxes	\$ 33,823,017	\$ 31,320,808	\$ 29,305,692	\$ 29,313,320	\$ 26,469,976	\$ 27,996,294	\$ 26,659,527	\$ 24,747,047	\$ 23,890,021	\$ 20,548,206
Intergovernmental	5,582,225	5,352,006	4,582,579	3,916,691	3,311,485	3,586,827	4,241,419	3,190,958	3,419,874	3,487,885
Licenses and Permits	955,161	1,138,221	970,041	993,150	1,092,585	2,052,304	1,362,251	1,299,213	1,066,160	982,890
Fines, Forfeitures, and Penalties	210,098	164,174	255,006	261,232	209,115	262,164	287,498	266,264	291,296	280,513
Public Charges for Services	2,018,819	3,239,708	1,657,924	1,990,814	2,225,733	2,845,384	1,951,717	1,799,282	1,868,315	1,604,915
Intergovernmental Charges for Services	1,444,746	1,537,525	1,679,936	1,742,989	1,860,547	1,946,971	1,825,802	1,933,130	1,919,130	1,537,130
Special Assessments	168,259	753,736	364,319	607,188	276,755	467,638	287,987	215,422	314,332	297,282
Contributions	70,021	68,351	268,323	101,499	97,104	92,877	72,150	79,764	29,495	-
Investment and Interest Income	493,305	818,618	1,087,018	659,164	322,838	241,516	188,670	194,508	299,403	299,131
Miscellaneous	498,413	217,818	173,419	265,661	118,786	262,799	197,807	331,851	524,005	297,370
Total Revenues	45,264,064	44,610,965	40,344,257	39,851,708	35,984,924	39,754,774	37,074,828	34,057,439	33,622,031	29,335,322
EXPENDITURES										
Current:										
General Government	4,395,274	4,922,286	5,858,283	4,777,052	4,773,175	4,891,814	4,687,066	4,749,043	5,596,888	4,374,997
Public Safety	9,781,908	9,370,731	9,355,673	9,332,638	9,142,015	8,462,228	8,235,296	8,014,769	8,291,149	7,725,228
Public Works	4,135,292	4,160,818	4,103,709	3,902,917	3,812,371	3,614,497	3,418,670	3,421,300	3,332,707	3,122,255
Health and Human Services	520,086	534,898	549,374	550,196	582,219	503,577	457,636	467,424	437,254	434,778
Leisure Activities	3,961,631	3,945,285	4,320,674	4,045,937	4,542,994	3,613,783	4,985,647	4,855,900	4,511,872	4,180,637
Conservation and Economic Development	6,409,176	6,098,380	5,475,907	6,078,455	3,548,191	5,141,006	4,766,299	752,453	790,671	2,292,530
Debt Service:										
Principal	5,102,558	9,539,202	6,315,224	6,061,963	5,953,611	5,680,000	13,850,000	5,280,000	11,975,000	11,253,304
Debt Issuance Costs	-	-	-	-	-	-	170,241	74,875	62,575	57,599
Interest and Fiscal Charges	1,094,153	1,382,713	1,614,962	1,497,817	1,429,245	1,378,669	1,457,238	1,408,082	1,455,297	1,648,260
Capital Outlay	5,396,145	6,242,950	5,798,753	10,546,355	5,667,693	5,819,222	7,358,067	14,885,402	3,591,381	3,202,683
Total Expenditures	40,796,223	46,197,263	43,392,559	46,793,330	39,451,514	39,104,796	49,386,160	43,909,248	40,044,794	38,292,271
Excess (Deficiency) of Revenues over Expenditures	4,467,841	(1,586,298)	(3,048,302)	(6,941,622)	(3,466,590)	649,978	(12,311,332)	(9,851,809)	(6,422,763)	(8,956,949)

City of Middleton

Table 4

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

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
OTHER FINANCING SOURCES (USES)										
Transfers In	2,303,155	2,424,258	2,267,937	3,582,401	2,654,951	10,853,679	8,303,965	8,215,745	9,842,324	11,731,611
Transfer Out	(1,820,131)	(1,929,183)	(1,802,270)	(3,117,731)	(2,830,143)	(10,503,575)	(7,840,895)	(8,965,828)	(9,429,431)	(11,319,587)
Long-Term Debt Issued	3,750,000	11,625,000	9,640,000	5,000,000	4,000,000	6,000,000	11,375,000	8,500,000	4,000,000	19,165,000
Discount on Debt Issued	-	-	-	-	-	-	-	-	-	(172,175)
Premium on Debt Issued	280,558	247,686	751,978	142,164	137,896	133,867	391,581	83,554	169,047	271,299
Refunding Bonds Issued	-	-	-	-	-	-	-	-	-	-
Proceeds from Sale of Capital Assets	67,608	2,685,218	43,340	70,127	62,433	2,683,656	-	306	9,809	232,617
Refunding Payment to Escrow Agent	-	(3,694,799)	(6,001,542)	-	-	(4,009,933)	-	-	-	-
Total Other Financing Sources (Uses)	<u>4,581,190</u>	<u>11,358,180</u>	<u>4,899,443</u>	<u>5,676,961</u>	<u>4,025,137</u>	<u>5,157,694</u>	<u>12,229,651</u>	<u>7,833,777</u>	<u>4,591,749</u>	<u>19,908,765</u>
 Net Change in Fund Balances	 <u>\$ 9,049,031</u>	 <u>\$ 9,771,882</u>	 <u>\$ 1,851,141</u>	 <u>\$ (1,264,661)</u>	 <u>\$ 558,547</u>	 <u>\$ 5,807,672</u>	 <u>\$ (81,681)</u>	 <u>\$ (2,018,032)</u>	 <u>\$ (1,831,014)</u>	 <u>\$ 10,951,816</u>
 Debt Services as a Percentage of Noncapital Expenditures	 17.38%	 27.31%	 20.77%	 20.36%	 21.29%	 20.60%	 36.40%	 21.48%	 36.02%	 36.08%

Notes:

Source: Prior year's audited financial statements and current year Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.

City of Middleton

Table 5

Assessed Value and Estimated Actual Value of Taxable Property

For the fiscal years ended December 31, 2012 through 2021

Fiscal Year						Total Taxable	Total Direct	Total Taxable	Ratio of
Ended	Residential Property	Commercial	Manufacturing	Other Real Estate	Personal Property	Assessed Value	Tax Rate	Equalized Value	Assessed to
December 31,		Property	Property	Property					Equalized
									Value
2021	\$ 2,006,370,100	\$ 1,422,586,800	\$ 102,402,400	\$ 1,122,300	\$ 130,181,900	\$ 3,662,663,500	\$ 6.25	\$ 4,263,315,100	85.91%
2020	2,001,874,500	1,396,240,200	100,063,900	875,800	123,474,600	3,622,529,000	6.17	4,077,208,800	88.85%
2019	1,982,330,800	1,341,793,500	99,669,700	863,100	125,108,500	3,549,765,600	6.10	3,829,510,100	92.70%
2018	1,962,851,400	1,327,324,100	94,018,800	779,000	116,177,205	3,501,150,505	5.83	3,545,571,200	98.75%
2017	1,682,991,300	1,131,175,500	81,289,700	684,900	161,624,408	3,057,765,808	6.52	3,360,068,100	91.00%
2016	1,650,435,700	1,093,251,200	84,168,500	1,152,000	147,639,823	2,976,647,223	6.35	3,143,766,900	94.68%
2015	1,621,443,200	1,050,934,000	96,489,100	1,680,500	144,111,587	2,914,658,387	6.59	2,907,335,100	100.25%
2014	1,496,032,600	960,656,400	91,263,000	1,094,300	136,767,920	2,685,814,220	6.95	2,837,344,300	94.66%
2013	1,478,766,200	944,586,400	92,798,900	752,800	123,233,439	2,640,137,739	6.55	2,763,439,000	95.54%
2012	1,484,951,800	935,904,900	92,736,100	915,200	120,156,750	2,634,664,750	6.04	2,711,639,500	97.16%

Notes:

(1) Source - Assessed Values for Non-Manufacturing Property: City Assessor.

(2) Source - Manufacturing Assessed Values and Taxable Equalized Value: Wisconsin Department of Revenue.

(3) Tax rates are expressed in rate per \$1,000 in assessed value.

City of Middleton

Direct and Overlapping Property Tax Rates

For the fiscal years ended December 31, 2012 through 2021

(Per \$1,000 of Assessed Valuation)

Table 6

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Direct Rates:										
General Fund	\$ 4.55	\$ 4.49	\$ 4.44	\$ 4.27	\$ 4.80	\$ 4.62	\$ 6.59	\$ 6.96	\$ 6.55	\$ 6.04
Debt Service Fund	<u>1.70</u>	<u>1.68</u>	<u>1.66</u>	<u>1.56</u>	<u>1.72</u>	<u>1.73</u>	-	-	-	-
Total City Rate	6.25	6.17	6.10	5.83	6.52	6.35	6.59	6.96	6.55	6.04
Overlapping Rates										
State of Wisconsin	-	-	-	-	-	0.18	0.17	0.18	0.18	0.17
Dane County	3.37	3.23	3.13	3.00	3.45	3.30	3.14	3.29	3.26	3.09
Madison College	0.94	0.97	0.95	0.92	1.03	1.02	0.93	0.99	1.93	1.87
School Districts										
Middleton-Cross Plains	11.58	11.80	10.88	9.74	11.34	11.22	11.66	12.16	11.64	11.23
Waunakee Community	12.68	12.26	11.71	9.55	12.49	12.25	5.14	12.00	12.02	11.68
Less: State School Tax Credit	(1.59)	(1.56)	(1.58)	(1.61)	(1.83)	(1.67)	(1.65)	(1.52)	(1.51)	(1.47)
Totals by School District										
Middleton-Cross Plains	20.55	20.61	19.48	17.89	20.52	20.40	20.83	22.05	22.05	20.94
Waunakee Area	21.65	21.07	20.31	17.70	21.67	21.43	14.31	21.89	22.43	21.39

Notes:

- (1) Information presented in the year in which taxes were levied. Information presented in the year in which taxes were levied.
- (2) Overlapping rates are those of local, county, and state governments that apply to property owners within the City.
- (3) Not all overlapping rates apply to all property owners. The rates for school districts apply only to the portion of the City's property owners whose property is located within the geographic boundaries of the school district.
- (4) In 2015 and prior years the City levied funds for debt service in the general fund and made a transfer to the debt service fund.

**City of Middleton
Principal Property Tax Payers
Current Year and Nine Years Ago**

Table 7

Taxpayer	2021			2012		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
AX Madison Greenway	\$ 109,459,700	1	3.022%			
Research Way LLC	49,162,300	2	1.357%			
Sdn 3001 Deming LLC	44,288,700	3	1.223%			
PPD Development LP	40,332,700	4	1.113%			
Greenway Station Spe LLC	32,629,000	5	0.901%			
MW Land Inc	32,004,000	6	0.883%			
ETC Holdings LLC	26,727,200	7	0.738%	20,694,700	9	0.785%
Atrium Finance II LLC	24,293,000	8	0.671%			
Pheasant West LLC	23,365,200	9	0.645%			
Middleton Center Ph 2 LLC	23,248,000	10	0.642%			
Greenway Office Center				113,964,300	1	4.326%
Greenway Center LLC				31,554,000	2	1.198%
J Q Hammons				27,366,400	3	1.039%
Greenway Properties				26,702,500	4	1.014%
Bruce Company				25,757,100	5	0.978%
Fred-Ashbury Woods LP				24,702,900	6	0.938%
Galina Land Company				22,549,500	7	0.856%
American Girl Brands LLC				22,119,300	8	0.840%
LeSilve				17,027,000	10	0.646%
TOTAL	\$ 405,509,800		11.194%	332,437,700		12.618%

Notes: Source: City Assessor

City of Middleton
Property Tax Levies and Collections
For the fiscal years ended December 31, 2012 through 2021

Table 8

Levy Year	Budget Year	City Operating Tax Levy	Tax Increment Levy	Total City Tax Levy	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
					Amount	Percentage of Levy		Amount	Percentage of Levy
2021	2022	\$ 19,292,426	\$ 12,749,966	\$ 32,042,392	n/a	n/a	n/a	n/a	n/a
2020	2021	18,412,712	14,118,546	32,531,258	32,453,490	99.8%	69,367	32,522,857	100.0%
2019	2020	17,985,016	12,664,160	30,649,176	30,565,972	99.7%	64,604	30,630,577	99.9%
2018	2019	17,490,293	9,730,078	27,220,371	27,203,623	99.9%	9,876	27,213,499	100.0%
2017	2018	17,017,467	10,038,872	27,056,339	26,970,283	99.7%	61,417	27,031,700	99.9%
2016	2017	16,592,200	7,933,858	24,526,058	24,416,183	99.6%	81,983	24,498,166	99.9%
2015	2016	16,386,140	9,574,449	25,960,589	25,858,416	99.6%	46,626	25,905,042	99.8%
2014	2015	16,002,815	9,032,662	25,035,476	24,984,854	99.8%	28,952	25,013,807	99.9%
2013	2014	15,046,561	8,032,782	23,079,343	23,048,115	99.9%	25,827	23,073,941	100.0%
2012	2013	13,581,439	8,611,683	22,193,122	22,172,045	99.9%	19,132	22,191,177	100.0%

Notes: In addition to property taxes for the municipality, the City collects and remits taxes for the state and county governments, as well as local school and technical college districts. Taxes are levied in December of each year based upon the assessed value as of January 1st for that year. Real estate taxes can be paid in two installments due January 31st and July 31st. Personal property taxes are due by January 31st. Tax settlements to other taxing authorities are made in January, for taxes collected as of December 31st, and in February, for taxes collected as of January 31st. All unpaid real estate taxes as of January 31st are turned over to the County Treasurer for collection. All personal property taxes are retained for collection by the City. The final settlement for real estate taxes is made by the county to each of the other taxing authorities for the balance of their tax levies.

City of Middleton

Table 9

Ratios of Outstanding Debt by Type

For the fiscal years ended December 31, 2012 through 2021

Year	Governmental	Business-type Activities			Total Primary Government	Percentage of Adjusted Gross Income	Per Capita
	Activities General Obligation Bond/Notes	Water Utility Bond/Notes	Sewer Utility Bond/Notes	Golf Course Bonds/Notes			
2021	\$ 40,465,774	\$ -	\$ -	\$ -	\$ 40,465,774	n/a	1,842
2020	41,773,284	-	-	-	41,773,284	3.07%	1,984
2019	43,072,193	-	-	-	43,072,193	3.04%	2,079
2018	44,935,312	-	-	-	44,935,312	3.61%	2,195
2017	46,104,664	-	-	1,400,000	47,504,664	3.96%	2,357
2016	48,027,768	-	-	1,700,000	49,727,768	3.91%	2,574
2015	51,400,887	-	-	2,649,613	54,050,500	4.75%	2,873
2014	53,586,820	-	-	3,502,292	57,089,112	5.36%	3,116
2013	50,310,208	-	-	5,464,971	55,775,179	5.37%	3,074
2012	58,130,177	-	-	6,087,650	64,217,827	6.64%	3,587

Notes:

(1) Details of the City's outstanding debt can be found in the notes to the financial statements.

(2) See Table 13 for adjusted gross income and population data.

(3) n/a - data not available.

City of Middleton

Ratios Of Net General Bonded Debt Outstanding

For the fiscal years ended December 31, 2012 through 2021

Table 10

<u>Year</u>	<u>General Obligation Bonds (2)</u>	<u>Other General Obligation Debt (2)</u>	<u>Total General Obligation Debt (2)</u>	<u>Percentage of Estimated Actual Taxable Value of Property (3)</u>	<u>General Obligation Debt Per Capital (4)</u>
2021	\$ 14,720,000	\$ 25,745,774	\$ 40,465,774	1.10%	1,842
2020	16,975,000	24,798,284	41,773,284	1.15%	1,984
2019	21,815,000	21,257,193	43,072,193	1.21%	2,079
2018	24,640,000	20,295,312	44,935,312	1.28%	2,195
2017	28,590,000	18,914,664	47,504,664	1.55%	2,357
2016	25,050,000	24,677,768	49,727,768	1.67%	2,574
2015	28,130,000	25,920,500	54,050,500	1.85%	2,873
2014	31,230,000	25,859,112	57,089,112	2.13%	3,116
2013	34,000,000	21,775,179	55,775,179	2.11%	3,074
2012	36,595,000	27,622,827	64,217,827	2.44%	3,587

Notes:

- (1) Details regarding the City's outstanding debt can be found in the notes to the financial statements.
- (2) Presented net of premiums on long-term debt.
- (3) See Table 5 - Assessed and Estimated Actual Value of Taxable Property for property value details.
- (4) See Table 13 - Demographic and Economic Statistics for population.

City of Middleton
Direct and Overlapping Governmental Activities Debt
As of December 31, 2021

Table 11

<u>Governmental Unit</u>	<u>General Obligation Debt Outstanding</u>	<u>Estimated Percentage Applicable To City</u>	<u>Estimated Share of Overlapping Debt</u>
City of Middleton	\$ 40,465,774	100.00%	\$ 40,465,774
Dane County	432,240,000	5.54%	23,966,447
School Districts:			
Middleton Area	190,470,000	46.75%	89,053,223
Waunakee Community	63,060,000	4.18%	2,633,632
Madison Area			
Technical College	<u>184,145,000</u>	4.06%	<u>7,478,417</u>
Subtotal Overlapping	<u>869,915,000</u>		<u>123,131,718</u>
Total Direct and Overlapping Debt	<u>\$ 910,380,774</u>		<u>\$ 163,597,492</u>

- Notes:**
- (1) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City.
 - (2) Details regarding the City's outstanding debt can be found in the note to the financial statements.
 - (3) Applicable percentages are estimated by determining the portion of another government units equalized value that is within the City's geographic boundaries and dividing it by each government's total equalized value.

City of Middleton

Legal Debt Margin Information

For the fiscal years ended December 31, 2012 through 2021

Table 12

Legal Debt Margin Calculation for Fiscal Year 2020

Equalized valuation	\$ 4,263,315,100
Legal debt limit (5% of equalized valuation)	213,165,755
Less: Long-term debt	<u>39,187,442</u>
Legal debt margin	<u>\$ 173,978,313</u>

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Debt Limit	\$ 213,165,755	\$ 203,860,440	\$ 191,475,505	\$ 177,278,560	\$ 168,003,405	\$ 157,188,345	\$ 145,366,755	\$ 141,867,215	\$ 138,171,950	\$ 135,581,975
Total net debt applicable to limit	39,187,442	40,540,000	41,879,202	44,314,426	46,776,389	49,030,000	53,375,000	56,675,000	55,390,000	63,960,000
Legal Debt Margin	173,978,313	163,320,440	149,596,303	132,964,134	121,227,016	108,158,345	91,991,755	85,192,215	82,781,950	71,621,975
Total net debt applicable to limit as a percentage of debt limit	18.38%	19.89%	21.87%	25.00%	27.84%	31.19%	36.72%	39.95%	40.09%	47.17%

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

City of Middleton
Demographic and Economic Statistics
For the fiscal years ended December 31, 2012 through 2021

Table 13

<u>Year</u>	<u>Population (1)</u>	<u>Adjusted Gross Income (2)</u>	<u>Per Capita Adjusted Gross Income</u>			<u>Unemployment Rates (3)</u>	
			<u>City of Middleton</u>	<u>Dane County</u>	<u>State of Wisconsin</u>	<u>Dane County</u>	<u>State of Wisconsin</u>
2021	21,964	n/a	n/a	n/a	n/a	1.4%	2.8%
2020	21,050	\$ 1,360,322,531	\$ 64,623	\$ 43,482	\$ 33,967	3.0%	4.0%
2019	20,713	1,416,747,050	68,399	42,952	33,258	2.3%	3.3%
2018	20,472	1,246,346,523	60,881	40,153	31,962	2.2%	3.0%
2017	20,151	1,200,526,751	59,577	38,542	30,182	2.4	3.3
2016	19,317	1,272,689,634	65,884	37,523	29,711	2.9	4.0
2015	18,810	1,138,112,299	60,506	36,614	29,145	3.2	4.6
2014	18,323	1,064,677,170	58,106	34,798	27,671	3.7	5.4
2013	18,146	1,039,145,850	57,266	33,922	26,963	4.7	6.7
2012	17,903	966,812,380	54,003	32,092	26,271	4.9	7.0

Notes: (1) Source: Wisconsin Department of Administration, Demographic Services Center
(2) Source: Wisconsin Department of Revenue, Division of Research and Policy
(3) Source: Wisconsin Department of Workforce Development
n/a Data not available

City of Middleton
Principal Employers
Current Year and Nine Years Ago

Table 14

Employer	2021			2012		
	Number of Employees (1)	Rank	Percentage of Total City Employment (2)	Number of Employees	Rank	Percentage of Total City Employment (3)
PPD (Bio-Pharmaceutical)	1,800	1	8.2%	500	6	2.9%
Middleton Cross Plains Area School District	1,389	2	6.4%	1,437	1	8.2%
Electronic Theatre Controls	829	3	3.8%	600	5	3.4%
UW Health	650	4	3.0%			
Spectrum Brands	451	5	2.1%			0.0%
Springs Window Fashions	410	6	1.9%	800	4	4.6%
HyCite	389	7	1.8%			
American Girl	358	8	1.6%	890	3	
Bruce Co. of Wisconsin	345	9	1.6%	200	9	1.1%
Raven Software	344	10	1.6%			
West Corporation						
North Central Group						
Telephone and Data Systems, Inc. (TDS)				350	8	2.0%
Certegy Inc.						0.0%
J.G. Hammons (Marriott)						0.0%
Capitol Indemnity Corp.						0.0%
TDS Metrocom				1,000	2	5.7%
Network Engineering Techs				375	7	2.1%
Carefusion 209 Inc				200	10	1.1%

Notes:

(1) Source - In Business Greater Madison-September 2021

(2) Source - U.S. Census

(3) Source - Wisconsin Business Services and Manufacturers Directory 2011

City of Middleton

Table 15

City Government Employees by Function/Program
For the fiscal years ended December 31, 2012 through 2021
(full-time equivalents)

Function/Program	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Government:										
Municipal Court	1.50	1.50	1.50	1.38	1.50	1.50	1.50	1.50	1.50	1.50
Information Technology	2.50	3.50	3.50	3.50	3.50	3.00	3.00	3.00	3.00	3.00
Administration	1.00	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Finance/City Clerk	5.60	5.20	5.20	6.25	5.50	5.50	5.50	5.50	5.50	5.50
Public Safety:										
Police	50.25	50.25	50.25	49.25	48.25	48.00	45.50	45.50	46.50	46.50
Emergency Medical Services	16.00	16.00	16.00	16.00	16.00	16.00	14.00	14.00	14.50	15.50
Building Inspection	3.00	3.00	3.00	3.50	3.50	4.00	3.75	3.75	3.75	2.75
Community Services	1.50	1.50	1.50	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Public Works:										
Public Works	21.13	21.13	21.13	21.13	20.13	18.75	26.75	26.75	17.75	17.75
Health and Human Services:										
Senior Center	5.79	5.79	5.79	5.75	5.60	5.40	5.38	5.38	5.05	5.05
Leisure Activities:										
Recreation	18.13	18.13	18.13	17.75	17.75	17.50	17.55	17.55	12.75	12.75
Youth Center	1.43	1.43	1.38	1.38	1.30	1.30	1.00	1.00	1.00	1.00
Library	25.30	25.30	25.30	24.30	24.30	24.30	15.80	15.80	24.75	25.35
Conservation/Development:										
Planning	4.00	4.00	4.00	3.89	3.39	3.25	3.00	3.00	3.00	3.00
Forestry	2.00	2.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Public Lands/Conservancy	10.10	10.10	10.10	9.95	9.95	9.35	9.35	9.35	9.00	9.00
Tourism	3.00	3.00	3.00	3.00	3.00	3.00	2.50	2.50	2.00	2.00
Water and Sewer Utilities	9.00	9.00	9.00	9.00	9.00	9.00	8.00	8.00	8.00	8.00
Golf Course	17.00	17.00	17.00	17.00	17.00	17.00	17.00	17.00	17.50	17.00
Total Employment	<u>198.23</u>	<u>199.33</u>	<u>199.28</u>	<u>196.53</u>	<u>193.17</u>	<u>190.35</u>	<u>183.08</u>	<u>183.08</u>	<u>179.05</u>	<u>179.15</u>

Notes: (1) Source - City's annual budget report

City of Middleton

Table 16

Operating Indicators by Function/Program

For the fiscal years ended December 31, 2012 through 2021

Function/Program	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Government										
Real estate parcels	6,780	6,742	6,709	6,686	6,641	6,633	6,596	6,586	6,582	6,525
Personal property accounts	845	803	800	756	761	881	851	856	861	861
Dog licenses issued	1,226	670	688	700	592	601	608	568	495	484
Operator licenses Issued	275	221	350	345	341	286	262	317	250	316
Public Safety										
Calls for police service	18,109	15,743	21,163	21,617	21,335	22,184	20,998	17,038	18,803	18,281
Police reports processed	-	12,386	11,326	11,013	11,700	12,206	11,638	7,115	8,586	8,537
Criminal arrests processed	410	427	297	298	436	366	422	362	465	618
Citations processed	2,401	1,697	2,404	2,786	2,871	3,592	4,008	3,534	5,432	5,617
Warnings processed	3,381	1,617	3,518	3,387	4,190	4,468	3,821	936	1,162	1,234
911 calls received	3,510	3,171	3,300	3,338	3,342	3,085	3,296	3,028	3,207	3,049
EMS responses	2,254	1,898	1,975	1,893	1,814	1,775	1,682	1,671	1,618	1,612
Public Works										
City roadway miles maintained	73	73	73.3	73.2	73.2	72.3	72.1	71.1	70.8	70.8
Homes receiving refuse collection	5,082	5,067	5,047	5,032	5,020	4,985	4,935	4,858	4,795	4,711
Number of refuse carts in service										
Health and Human Services										
Senior center daily participants	98	70	230	200	188	191	192	183	195	165
Case management contacts	5,523	5,127	5,376	4,853	4,847	6,426	4,965	5,520	4,297	4,487
Meals on Wheels delivered	13,550	11,858	6,952	4,428	4,691	4,906	5,061	5,311	5,585	5,855
Dining center meals served	1,059	1,197	5,562	5,038	4,534	4,910	5,465	5,823	5,952	5,539
Public Lands/Recreation										
Aquatic center attendance	16,935	21,544	26,540	27,775	30,000	34,169	34,247	30,000	37,000	38,500
Recreation program attendance	2,581	1,844	2,504	2,103	1,908	1,806	1,210	1,400	1,669	1,655
Hubbard Activity Center attendance	1,167	872	1,195	1,178	1,051	1,008	982	685	429	*
Park facility rentals	309	21	381	363	357	399	326	515	390	389
Library										
Library items circulated	635,620	300,308	704,692	730,404	733,924	675,565	710,108	718,840	769,485	776,132
Library user visits	116,161	92,357	359,482	371,703	367,266	334,192	351,363	344,515	361,994	377,218
Registered borrowers	18,689	18,778	19,936	19,834	18,676	19,414	18,880	18,555	18,041	20,752
Library event participants	32,590	32,062	47,777	40,884	41,449	32,174	30,247	25,404	20,348	19,642
Water Utility										
Number of customers	6,334	6,291	6,205	6,184	6,150	6,093	6,060	5,993	5,883	5,818
Gallons sold (millions)	700,837	652,005	664,488	702,375	714,834	720,392	699,598	698,326	718,663	778,448
Sewer										
Number of customers	5,861	5,810	5,780	5,801	5,771	5,722	5,650	5,583	5,526	5,455

Notes: (1) Source - City department records

City of Middleton

Table 17

Capital Asset Statistics by Function/Program

For the fiscal years ended December 31, 2012 through 2021

Function/Program	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Public Safety										
Police stations	1	1	1	1	1	1	1	1	1	1
Police vehicles	21	21	21	21	21	21	21	22	22	22
EMS stations	1	1	1	1	1	1	1	1	1	1
Ambulances	3	3	3	3	3	3	3	3	3	3
Public Works										
Streets (miles)	73.0	72.7	73.3	73.2	73.2	72.3	72.1	71.1	70.8	70.8
Traffic signals	17	17	17	17	17	16	16	15	15	15
Public Lands										
Park acreage	558	558	558	558	516	516	499	499	499	*
Conservancy acreage	865.8	865.8	865.8	865.8	828	828	850	818	818	820
Miles of maintained trails	27.5	27.5	27.5	27.5	30.0	30.0	30.0	28.0	22.5	21.0
Water Utility										
Miles of water main	93.4	93.4	93.4	93.1	93.0	90.0	89.2	88.6	89.0	88.9
Number of pumping stations	8	8	8	8	8	8	8	8	8	8
Number of fire hydrants	1,003	1,001	994	991	990	990	985	967	956	927
Number of water meters	6,582	6,571	6,552	6,465	6,419	6,350	6,246	6,165	5,941	5,450
Sewer Utility										
Miles of sanitary sewer	81.5	81.5	81.5	81.5	81.5	81.5	80.9	81.0	78.0	78.0
Number of pumping stations	9	9	9	9	9	9	9	9	9	9
Miles of sanitary sewer	81.5	81.5	81.5	81.3	81.3	81.3	80.9	80.3	78.8	78.3

Notes: (1) Source - City's capital asset records