



# Annual Comprehensive Financial Report

For the Fiscal Year Ended December 31, 2023



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City of Middleton, Wisconsin

# **City of Middleton**

Annual Comprehensive Financial Report  
For the Fiscal Year Ended December 31, 2023

Prepared by:

Finance Department  
William Burns, Finance Director

# City of Middleton

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# CITY OF MIDDLETON

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June 3, 2024

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, 2023, 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, 2023. 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 23,476 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. In 1905 the Village of Middleton was incorporated and in 1963 Middleton was incorporated as a city. 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-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 9.0% per year adding \$1.6 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 Capital Brewery, Electronic Theatre Controls (ETC), Fiskars, Pharmaceutical Product Development, Spectrum Brands, and Standard Imaging. The Dane County unemployment rate was 2.0% in December 2023, which was lower than state and federal levels. The City maintains an Aa1 bond rating from Moody's Investors Service.

The City of Middleton received \$2.1 million in federal State and Local Fiscal Recover Funds authorized under the American Rescue Plan Act (ARPA). These funds must be obligated by 2024 with all payments made by 2026. 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. As of the end of 2023, the City had expended \$751,995 in ARPA funds.

In 2023 the State of Wisconsin approved significant changes to the state shared revenue program. Beginning in 2024, the City of Middleton will receive a supplemental municipal aid payment of \$541,948 in addition to the regular shared revenue payment of \$229,030 and utility aid of \$96,849. This is the first increase in shared revenue aid in over twenty-five years. Beginning in 2025, shared revenue payments will increase by the percentage change in state sales tax collections.

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, 2023, TID #3 had a value increment of \$648 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 over \$480 million of value from the TID to increase the City's general tax base. TID #3 is required to close by 2030. However, the City has begun planning for the early closure of the TID following the end of the expenditure period in 2025. The City is also considering utilizing an allowable one-year extension to the life of the TID to provide funding for affordable housing projects.

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 \$230 million in 2023. An addition/subtraction amendment was approved in 2021 to remove properties unlikely to be redeveloped during the life of the TID and to extend the district to include a portion of the University Avenue corridor and the Belle Farm development on the City's north side. That mixed-use development is projected to add over \$200 million in value at full build out. At the end of 2023, TID #5 had received \$4.2 million in advances from TID #3 to pay for land acquisition and infrastructure costs. Those advances are projected to be repaid by 2026 prior to the closure of TID #3.

### 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. Middleton went through a comprehensive strategic planning process in 2021 and 2022 culminating in adoption of a plan by the City Council in November 2022. The City began incorporating these strategic planning priorities in the 2024 budget process and the approved budget document.

### 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 2023 the City increased its unassigned fund balance by \$611,136 to \$7,558,734. This represents 30.0% of the subsequent year's budgeted expenditures excluding one-time transfers. The City's general fund also had \$5,623,280 in assigned fund balance at the end of 2023 for future compensated absence payments, public safety capital reserves, and other projects.

The City of Middleton's debt management policy 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 99% of the City's debt is scheduled to be paid within ten years. In addition, the City has only utilized 14.3% 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, 2022. This was the fifth consecutive year that the government 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 must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to 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

# Annual Comprehensive Financial Report

For the Fiscal Year Ended December 31, 2023



## City of Middleton, Wisconsin

7426 Hubbard Avenue  
Middleton, Wisconsin 53562

### ELECTED OFFICIALS

Emily Kuhn	Mayor
John Schaffer	Alderman, District 1
Kendra Wochos	Alderman, District 2
Katy Nelson	Alderman, District 3 (Council President)
Jennifer Cole	Alderman, District 4
Jeffrey Jackson	Alderman, District 5
Lisa Janairo	Alderman, District 6
David Lorman	Alderman, District 7
Randall Crow	Alderman, District 8

### ADMINISTRATION

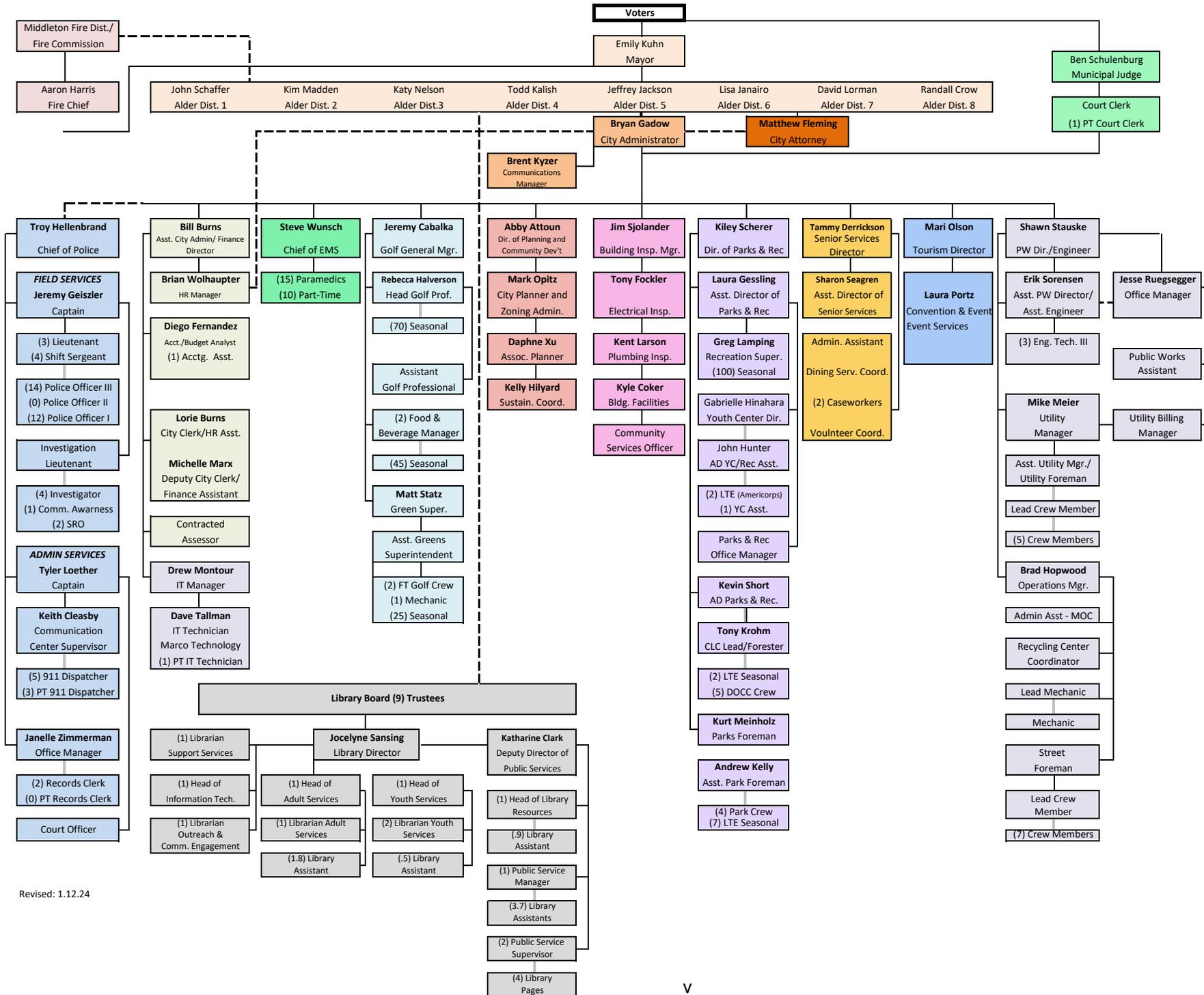
Bryan Gadow	City Administrator
Bill Burns	Assistant Administrator/Finance Director
Abby Attoun	Director of Planning and Community Development
Jeremy Calbaka	Golf Course General Manager
Tammy Derrickson	Senior Center Director
Troy Hellenbrand	Chief of Police
Drew Montour	Information Technology Manager
Mari Olson	Director of Tourism
Jocelyne Sansing	Library Director
Kiley Scherer	Director of Public Lands, Recreation & Forestry
Jim Sjolander	Building Inspection Manager
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
Diego Fernandez	Accountant/Budget Analyst

Officials as of December 31, 2023

# City of Middleton Organizational Chart



Revised: 1.12.24



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, 2022

*Christopher P. Morill*

Executive Director/CEO

## **FINANCIAL SECTION**

## Independent Auditors' Report

To the City Council of  
City of Middleton

### Report on the Audit of the Financial Statements

#### ***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, Wisconsin (the City), as of and for the year ended December 31, 2023, 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 accompanying 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, 2023 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) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 and *Government Auditing Standards* 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 and *Government Auditing Standards*, 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 Section and Statistical Section but does not include the basic financial statements and our auditors' 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.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 3, 2024 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Baker Tilly US, LLP". The signature is written in a cursive, flowing style.

Madison, Wisconsin  
June 3, 2024

# City of Middleton

Management's Discussion and Analysis  
December 31, 2023  
(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, 2023. 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 \$203,386,043 (net position) as of December 31, 2023. Of this amount, \$152,183,919 represents the City's net investment in capital assets and \$33,673,753 is restricted for various purposes. The City's unrestricted net position is \$17,528,371.
- At the end of 2023, the City's governmental activities reported a positive balance in unrestricted net position of \$2,892,224. Continued strong tax increment revenue in Tax Increment Financing Districts (TIDs) #3 and #5 contributed to the increase along with an increase in investment income due to higher interest rates.
- In 2021 and 2022, the City received a total of \$2,096,930 in general 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. These funds are accounted for in a special revenue fund. At the end of 2023, there was \$1,344,935 remaining in unexpended funds.
- During 2023 the City received \$1,446,692 from the Federal Emergency Management Agency (FEMA) and Wisconsin Emergency Management (WEM) and \$565,088 from the Wisconsin Department of Natural Resources (WDNR) to reimburse the stormwater utility for costs incurred in response to flooding in the community in 2018.
- At the end of the current fiscal year, the general fund had \$7,558,734 of unassigned fund balance which is equal to 30.0% of the subsequent year's budgeted general fund expenditures excluding one-time 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.

# City of Middleton

## Management's Discussion and Analysis

December 31, 2023

(Unaudited)

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.

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 2023, the City of Middleton utilized twenty-two 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, and Capital Projects Fund, which are considered to be major funds. Data from the other seventeen 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.

# City of Middleton

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Management's Discussion and Analysis  
December 31, 2023  
(Unaudited)

## 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.

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 four major enterprise funds: Water Utility, Sewer Utility, Pleasant View Golf Course, and Stormwater Utility. 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 2023, total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$203,386,043.

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 \$96,738,621 or 72.6% of governmental net position. Including governmental and business-type activities, \$152,183,919 or 74.8% of total net position is represented by capital assets. The percentage of governmental activities net position represented by capital assets increased from 68.3% to 72.6% from 2022 to 2023. This increase is primarily due to construction in progress for the expansion and reconstruction of Pleasant View Road. For business-type activities there was a decrease from 83.2% to

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79.1% primarily due to increases in the total net position of the Pleasant View Golf Course and stormwater utility.

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.

An additional portion of the City's total net position (\$33,673,753 or 16.6%) represents resources that are subject to external restrictions in how they may be used. This portion decreased from the prior year due to a reduction in a restricted pension asset and a decrease in the net position for TID #3.

## Financial Analysis of the City as a Whole

The City as a whole had a positive unrestricted net position of \$17,528,371 at the close of 2023. Included in this total is a positive unrestricted net position for governmental activities of \$2,892,224. Continued strong revenue in the City's TIDs and higher investment income contributed to the positive unrestricted net position. Business-type activities had a positive unrestricted net position of \$14,636,147 at the close of 2023.

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

### Statement of Net Position Years Ended December 31, 2023 and 2022 (Amounts expressed in thousands)

	Governmental Activities		Business Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 91,684	\$ 95,861	\$16,080	\$ 13,514	\$ 107,763	\$ 109,375
Capital assets	123,326	108,889	55,445	54,310	178,771	163,199
Total assets	215,009	204,750	71,525	67,824	286,534	272,574
Deferred outflows of resources	16,635	13,022	1,208	1,084	17,843	14,105
Current and other liabilities	6,925	5,956	815	1,234	7,740	7,190
Non-current liabilities	45,895	42,439	686	564	46,581	43,003
Total liabilities	52,820	48,396	1,501	1,798	54,321	50,193
Deferred inflows of resources	45,520	48,894	1,151	1,823	46,670	50,717
Net position:						
Net investment in capital assets	96,739	82,234	55,445	54,310	152,184	136,544
Restricted	33,674	43,471	-	528	33,674	43,999
Unrestricted	2,892	(5,222)	14,636	10,448	17,528	5,226
Total net position	<b>\$133,305</b>	<b>\$ 120,483</b>	<b>\$ 70,081</b>	<b>\$ 65,286</b>	<b>\$ 203,386</b>	<b>\$ 185,769</b>

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## Changes in Net Position

Net position of the City of Middleton increased by \$17,617,199 (9.5%) in 2023. Of this increase, 72.8% was from governmental activities and 27.2% was from business-type activities.

### Governmental Activities

Governmental activities increased the City's net position by \$12,821,897. This increase was primarily a result of additional property tax collections for the City's TIDs and higher investment income.

### Business-Type Activities

Business-type activities increased the City's net position by \$4,795,302. A significant portion of this increase is from \$2,011,781 in stormwater utility capital grants and contributions received from FEMA, WEM, and the WDNR to reimburse costs incurred in response to flooding in the community in 2018.

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, 2023 and 2022**  
 (Amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
<b>Revenues:</b>						
Program Revenues:						
Charges for services	\$ 4,541	\$ 4,238	\$ 11,532	\$ 11,544	\$ 16,073	\$ 15,782
Operating grants	1,542	1,855	-	-	1,542	1,855
Capital grants/ contributions	6,834	3,270	2,649	1,804	9,484	5,074
General Revenues:						
Property taxes, levied for general purposes	20,562	19,292	-	-	20,562	19,292
Property taxes, levied for tax increment districts	13,054	12,776	-	-	13,054	12,776
Room taxes	2,177	1,966	-	-	2,177	1,966
Intergovernmental, not for specific programs	2,432	2,382	-	-	2,432	2,382
Investments	2,799	(206)	483	(24)	3,282	(230)
Gain on sale of property	1	7	-	19	1	26
Miscellaneous	77	40	27	30	104	70
Total revenues	<u>54,020</u>	<u>45,620</u>	<u>14,691</u>	<u>13,373</u>	<u>68,711</u>	<u>58,993</u>

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	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
<b>Expenses:</b>						
General government	3,380	2,968	-	-	3,380	2,968
Public safety	11,376	9,187	-	-	11,376	9,187
Public works	9,609	9,778	-	-	9,609	9,778
Health & human services	658	540	-	-	658	540
Leisure activities	4,786	4,237	-	-	4,786	4,237
Conservation/development	11,009	7,127	-	-	11,009	7,127
Interest on long-term debt	940	1,084	-	-	940	1,084
Water utility	-	-	2,395	2,050	2,395	2,050
Sewer utility	-	-	3,410	3,381	3,410	3,381
Pleasant View golf course	-	-	2,849	2,525	2,849	2,525
Storm water utility	-	-	466	348	466	348
Nonmajor enterprise funds	-	-	217	156	217	156
Total expenses	<u>41,758</u>	<u>34,920</u>	<u>9,336</u>	<u>8,460</u>	<u>51,094</u>	<u>43,380</u>
<b>Increase (decrease) in net position before transfers</b>	12,262	10,700	5,356	4,913	17,617	15,613
Net Transfers	<u>560</u>	<u>244</u>	<u>(560)</u>	<u>(244)</u>	<u>-</u>	<u>-</u>
Change in net position	12,822	10,944	4,795	4,669	17,617	15,613
Net position-beginning	<u>120,483</u>	<u>109,538</u>	<u>65,286</u>	<u>60,617</u>	<u>185,769</u>	<u>170,156</u>
Net position-ending	<u>\$ 133,305</u>	<u>\$ 120,483</u>	<u>\$ 70,081</u>	<u>\$ 65,286</u>	<u>\$ 203,386</u>	<u>\$ 185,769</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, 2023, the City's governmental funds had a combined ending fund balance of \$47,824,639. Of this balance, \$198,400 is nonspendable and \$36,435,424 is restricted. The remaining balance of \$11,190,815 includes \$5,623,280 assigned for specific purposes and \$5,567,535 that is unassigned.

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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, 2023 is \$13,380,414 of which \$198,400 was nonspendable, \$5,623,280 was assigned, and \$7,558,734 was unassigned. The General Fund assigned fund balance consisted of the following items as of December 31, 2023:



The General Fund had an increase in fund balance of \$2,150,404. 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, 2023, totaled \$465,655, an increase of \$34,985. The City levied \$5,475,000 in property taxes for debt service in 2023. Principal and interest payments totaled \$6,169,860. The debt service fund also recognized \$359,565 for the issuance premium on the 2023 general obligation note issue and received transfers from the City's safety impact fee and economic development grant funds totaling \$315,000. 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 decreased from \$28,255,267 to \$24,047,485 in 2023. This decrease in fund balance was primarily due to a large capital expenditure for the expansion and reconstruction of Pleasant View Road. Total revenues of the TID were \$12,225,387 including \$9,963,593 in tax increment collections. Total expenditures of the district were \$16,433,169 in 2023. This includes \$731,124 for administration and professional services, \$3,753,487 for economic development incentive payments, and \$11,948,558 for capital outlay.

## TIF District No. 5

The fund balance for the TID #5 fund decreased by \$913,886 to a deficit of \$1,991,199 in 2023. This decrease was due to additional project costs including the acquisition of property. TID #5 revenues were \$3,383,273 in 2023 including \$3,090,812 in tax increment collections. Expenditures in 2023 included \$3,567,373 for administration and economic development and \$73,776 for capital outlay. There were also debt service payments totaling \$656,010 in 2023.

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## Capital Projects Funds

The total fund balance for the City's Capital Projects Fund was \$2,537,328 as of December 31, 2023. Capital improvement projects expenditures for 2023 totaled \$5,619,268. Major expenditures for the year included the following projects:

• Pheasant Branch Creek Trails & Bridges	\$1,889,153
• North Mendota Trail East Segment	\$609,563
• Street Resurfacing Projects	\$551,997
• Middleton Springs Drive Reconstruction	\$339,896
• Street Surface Treatments	\$233,237

## 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 2023 General Fund final budget included revenues of \$23,763,386 and other financing sources of \$625,629, for a total of \$24,389,015. Budgeted expenditures were \$23,500,911 with \$1,520,845 of other financing uses for a total of \$25,021,756. There was a budgeted deficit of \$632,741 with a planned use of fund balance.

Actual revenues and other financing sources were \$25,747,455 which was \$1,358,440 above budget. There was a positive variance of \$1,424,705 from expenditures and other financing uses with an actual amount of \$23,597,051. The combined variances of actuals to budget were a positive \$2,783,145. While the final budget included the planned use of \$632,741 of fund balance, the actual result was an increase in fund balance of \$2,150,404. Some of the significant variances in the General Fund were as follows:

## Revenues and Other Financing Sources

- Taxes were \$93,456 over budget primarily due to higher than anticipated room tax collections. Room tax collections were up 10.8% compared to 2022 as hotel stays continued to increase following reductions in 2020 and 2021 during the COVID-19 pandemic. The general fund portion of room tax collections was \$53,195 above the 2023 budget estimate.
- Intergovernmental revenues were \$90,373 over the final budget. The City received \$27,351 in law enforcement aid that was not budgeted. State shared revenues were \$29,208 higher than budget due to an adjustment in the utility aid calculation. County aid for signals and senior citizen programs were also above budget by \$12,603 and \$9,504 respectively.
- Licenses and permits were \$194,959 over budget. An increase in building activity in 2023 contributed to combined revenues over budget of \$116,816 for building, electrical, plumbing, and fire permits and plan review fees. Other miscellaneous fee revenue was also \$49,408 higher than budgeted due to additional administrative and engineering fees from new development.
- Fines and forfeitures revenue decreased 1.7% from 2023 and was \$35,081 under budget as court activity has not yet returned to pre-pandemic levels.

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- Public charges for services were \$232,436 above budget due largely due to increased seasonal recreation fees, event & trip income, and Hubbard Activity Center revenue which collectively were \$109,459 above budget. Ambulance billing fees were \$42,751 higher than budgeted due to an increase in fees and additional run volume. Senior center program, trip, and class revenues were also \$57,769 above budget due to increased offerings and participation.
- Interdepartmental charges were on budget with \$1,113,832 in revenue.
- Special assessments revenue was \$29,890 above budget due to additional assessable costs in the sidewalk replacement project.
- Interest rates were significantly higher in 2023 which contributed to net investment income that was \$754,963 higher than budget.
- Miscellaneous revenues were \$38,030 above budget. This is primarily due to rental income from a cellular carrier least at Lakeview Park which provided \$36,034 in revenue that was not budgeted in 2023.
- Transfer in from other funds was \$41,521 under budget due to a lower than anticipated Payment in Lieu of Taxes (PILOT) calculation for the City's water utility as a result in a reduction in local property tax rates.
- Sale of city property included a gain of \$935 from the sale of miscellaneous equipment.

### Expenditures and Other Financing Uses

- General government expenditures were \$814,403 under budget. The 2023 approved budget included an emergency contingency of \$500,000 which was not spent contributing to expenditures that were under budget. HRA account transfers for the payment of accrued sick leave for former employees were \$76,937 lower than budgeted due to fewer in retirements from general fund departments in 2023. Information technology expenditures were also \$69,074 under budget in 2023 due to savings in subscription costs and fewer equipment replacements.
- Expenditures for public safety were \$561,008 lower than budgeted. Several vacancies in the police department resulted in expenditures for that department that were under budget by \$312,433. Expenditures for the Middleton Fire District and the EMS department were lower than budgeted by \$138,159 and \$11,833, respectively. Unspent capital amounts budgeted for these departments were added to assigned fund balance for public safety capital reserves.
- Public works expenditures were \$39,975 under budget. Lower expenditures for storm sewer maintenance contributed to the savings with costs \$36,710 under budget. There were additional savings in several other areas including engineering and administration, snow removal, and sidewalk maintenance which helped to cover overages in street maintenance, fleet maintenance, and street lighting.
- Expenditures for health and human services (senior center) were under budget by \$7,973. There were savings in personnel costs due to vacancies from employee turnover.
- Leisure activities expenditures were \$15,586 under budget. Additional operating costs for recreation administration were offset by savings in recreation facilities and public lands budgets.
- Expenditures for conservation and development were \$105,897 lower than budgeted. This was primarily due to pruning expenses that were \$89,153 under budget. These funds are included in the assigned fund balance for carryover and will be available for use in 2024.

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## Capital Assets and Debt Administration

### Capital Assets

At the end of 2023, the City had invested \$152,183,919 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.

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Land & Right-of-Way	\$ 32,621	\$ 30,388	\$ 6,416	\$ 6,416	\$ 39,038	\$ 36,805
Buildings & improvements	28,796	24,700	15,181	12,621	43,976	37,321
Equipment & furnishings	4,732	4,490	694	747	5,426	5,238
<i>Streets</i>	30,897	29,274	-	-	30,897	29,274
<i>Storm Sewers</i>	5,514	5,711	-	-	5,514	5,711
<i>Traffic Signals</i>	573	623	-	-	573	623
<i>Sidewalks</i>	4,281	4,365	-	-	4,281	4,365
<i>Bridges</i>	2,315	2,317	-	-	2,315	2,317
<i>Fiber Optic</i>	67	84	-	-	67	84
<i>Rail Spur</i>	93	225	-	-	93	225
<i>Water Utility</i>	-	-	22,361	20,977	22,361	20,977
<i>Sewer Utility</i>	-	-	10,750	10,236	10,750	10,236
Infrastructure	43,741	42,600	33,110	31,213	76,851	73,814
Construction in Progress	13,435	6,711	44	3,312	13,479	10,023
Total capital assets	<u>\$123,326</u>	<u>\$108,889</u>	<u>\$ 55,445</u>	<u>\$ 54,310</u>	<u>\$ 178,771</u>	<u>\$163,199</u>

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## Governmental Activities

Total capital assets net of depreciation from governmental activities increased by \$14,436,592 in 2023. Major capital assets events during the current fiscal year included the following:

- \$10,299,931 in construction in progress for the Pleasant View Road reconstruction project.
- \$2,723,027 in land improvements for the Pheasant Branch Creek trail network and bridges project.
- \$2,233,171 for land purchased along the Pheasant Branch Creek at Parmenter Street.
- \$2,141,721 for land improvements for the Stone Horse Green plaza project in downtown Middleton.
- \$1,332,878 for street infrastructure for the reconstruction of Middleton Beach Road project.

## Business-Type Activities

Total capital assets net of depreciation from business-type activities increased by \$1,135,528. This includes \$64,477 for the water utility, \$128,015 for the sewer utility, and \$1,251,055 for the Pleasant View Golf Course. Capital assets net of depreciation decreased for the stormwater utility by \$246,385 and by \$61,634 for the nonmajor enterprise funds. Major capital assets events during the current fiscal year included the following:

- \$1,231,693 in water utility transmission and distribution main additions for the Middleton Beach Road and Aurora St., Elm St., and Parmenter St. reconstruction projects.
- \$387,909 in sewer utility collection system additions for main and force main work as part of the Middleton Beach Road and Aurora St., Elm St., and Parmenter St. reconstruction projects.
- \$1,529,581 in land improvements additions for the Pleasant View Golf Course from course enhancements.
- \$508,819 in land improvements of the stormwater utility for work on the Pheasant Branch Creek main channel and south fork streambank enhancement projects.

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 \$36,635,122 which is all backed by the full faith and credit of the city.

### City of Middleton Outstanding Debt For the Years Ended December 31, 2023 and 2022 (Amounts expressed in thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
General obligation bonds and notes	\$ 36,635	\$ 37,680	\$ -	\$ -	\$ 36,635	\$ 37,680
Revenue bonds	-	-	-	-	-	-
Total outstanding debt	<u>\$ 36,635</u>	<u>\$ 37,680</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,635</u>	<u>\$ 37,680</u>

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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, 2023, is \$256,845,365 of which the City has utilized 14.3% for its current outstanding general obligation debt.

The City of Middleton's total outstanding debt decreased by \$1,045,192 (2.8%) during the current fiscal year. The City issued \$4,600,000 of new general obligation debt and made principal payments totaling \$5,645,192 in 2023. 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.

#### Key Economic Factors

- The City's equalized property valuation has increased from \$2.8 billion to \$5.1 billion over the past ten years, an increase of 81.0%.
- Middleton's estimated population has increased from 18,323 to 23,476 between 2014 and 2023, an increase of 28.1%.
- Unemployment remains low in Dane County at 2.0% in 2023, below the State of Wisconsin rate of 3.0% and the national rate of 3.7%.
- Per capita adjusted gross income in the City of Middleton was \$69,050 in 2022. That is an increase of \$3,599 (5.5%) since 2021.
- The City maintains an Aa1 bond rating from Moody's Investors Service, based in part on the strong economic climate of the City.

#### 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. These funds must be obligated by December 31, 2024, with final payments made by December 31, 2026. At the end of 2023 the City had spent \$751,995 of the general ARPA with \$1,344,935 in funds remaining.

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.

#### 2024 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 2024 fiscal year General Fund budget includes \$25,234,199 in projected revenues and other financing sources and \$25,234,199 in projected expenditures and other financing uses. There is the planned use of assigned fund balance and surplus funds in the amount of \$415,182 for carryovers and the use of assigned fund balance for compensated absences activity.

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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 continued to increase during 2023 and have exceeded pre-pandemic levels. Higher levels of interest rates in 2023 compared to the prior year contributed to a significant general fund surplus in 2023. The City has continued to budget investment income conservatively in 2024 at the same level that was budgeted in 2023.

Personnel expenditures for wages and benefits continue to increase due to employee turnover and higher levels of inflation. Operating costs are increasing faster than the growth in property tax revenues which are generally limited to the percentage change in net new construction. The budget includes a 3.5% increase in cost-of-living wage adjustments for employees. All eligible City employees are contributing toward the cost of the pension program through the Wisconsin Retirement System. Health insurance premiums increased by 6.4% in 2024. For the 2023 tax year, collectable in 2024, the percentage change in net new construction was 1.14% and the general fund property tax levy increase was limited to \$258,467. The City will receive an additional \$541,269 in municipal aid (shared revenue) in 2024 through additional funding included in 2023 Wisconsin Act 12. Future revenue projections reflect a gap in estimated allowable property tax levy compared to what would be needed to fund services after 2025, even after the inclusion of additional state shared revenues.

## 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, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
<b>Assets</b>				
Cash and investments	\$ 51,735,394	\$ 12,135,816	\$ 63,871,210	\$ 700,390
Receivables (net):				
Taxes	35,808,043	-	35,808,043	-
Special assessments	124,627	1,908,646	2,033,273	-
Accounts	1,858,055	2,022,916	3,880,971	1,800
Lease receivable	834,249	463,709	1,297,958	-
Loans	88,166	-	88,166	27,490
Accrued interest	257,661	-	257,661	-
Internal balances	818,809	(818,809)	-	-
Inventories	41,098	66,240	107,338	-
Prepaid items	117,521	-	117,521	-
Property held for future use	-	301,087	301,087	-
Capital assets:				
Land	9,494,362	6,416,264	15,910,626	154,000
Construction in progress	13,435,093	44,147	13,479,240	-
Right of way	23,127,067	-	23,127,067	-
Land improvements	15,741,776	6,708,396	22,450,172	-
Improvements other than buildings	-	9,340,573	9,340,573	-
Buildings and improvements	30,685,032	2,252,500	32,937,532	2,933,497
Machinery and equipment	12,044,209	1,687,644	13,731,853	-
Infrastructure	62,129,852	-	62,129,852	-
Plant in service	-	54,447,628	54,447,628	-
Less accumulated depreciation	(43,331,577)	(25,451,854)	(68,783,431)	(1,498,104)
Total assets	<u>215,009,437</u>	<u>71,524,903</u>	<u>286,534,340</u>	<u>2,319,073</u>
<b>Deferred Outflows of Resources</b>				
Unamortized loss on refunding	546,214	-	546,214	-
Pension related amounts	16,088,303	1,208,146	17,296,449	-
Total deferred outflows of resources	<u>16,634,517</u>	<u>1,208,146</u>	<u>17,842,663</u>	<u>-</u>
<b>Liabilities</b>				
Accounts payable	3,617,163	768,988	4,386,151	13,956
Other accrued liabilities	503,059	40,214	543,273	-
Accrued interest	377,356	-	377,356	-
Due to other governments	30,544	-	30,544	-
Deposits	1,051,842	-	1,051,842	-
Unearned revenue	1,344,935	5,636	1,350,571	-
Noncurrent liabilities:				
Net pension liability	4,295,763	325,703	4,621,466	-
Due within one year	6,709,562	92,933	6,802,495	-
Due in more than one year	34,889,309	267,617	35,156,926	-
Total liabilities	<u>52,819,533</u>	<u>1,501,091</u>	<u>54,320,624</u>	<u>13,956</u>
<b>Deferred Inflows of Resources</b>				
Property taxes levied for next period	35,698,985	-	35,698,985	-
Pension related amounts	9,005,637	694,698	9,700,335	-
Lease related amounts	815,201	455,815	1,271,016	-
Total deferred inflows of resources	<u>45,519,823</u>	<u>1,150,513</u>	<u>46,670,336</u>	<u>-</u>
<b>Net Position</b>				
Net investment in capital assets	96,738,621	55,445,298	152,183,919	1,589,393
Restricted for:				
Community development	24,217,941	-	24,217,941	-
Library	900,757	-	900,757	-
Impact fees	3,389,335	-	3,389,335	-
Tourism	3,248,170	-	3,248,170	-
Senior center	152,063	-	152,063	-
Debt service	88,299	-	88,299	-
Subdividers' deposits	1,432,212	-	1,432,212	-
Transit services	120,137	-	120,137	-
Public safety	82,923	-	82,923	-
Youth activities	41,916	-	41,916	-
Unrestricted	2,892,224	14,636,147	17,528,371	715,724
Total net position	<u>\$ 133,304,598</u>	<u>\$ 70,081,445</u>	<u>\$ 203,386,043</u>	<u>\$ 2,305,117</u>

See notes to financial statements

**City of Middleton**

Statement of Activities

Year Ended December 31, 2023

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	
<b>Primary Government</b>								
Governmental activities:								
General government	\$ 3,380,012	\$ 705,658	\$ -	\$ -	\$ (2,674,354)	\$ -	\$ (2,674,354)	\$ -
Public safety	11,375,749	2,359,021	262,707	2,625	(8,751,396)	-	(8,751,396)	-
Public works	9,609,165	413,870	55,336	3,834,530	(5,305,429)	-	(5,305,429)	-
Health and human services	657,654	83,469	167,329	-	(406,856)	-	(406,856)	-
Leisure activities	4,785,937	657,815	1,055,266	799,110	(2,273,746)	-	(2,273,746)	-
Conservation and economic development	11,009,354	320,940	1,500	2,198,182	(8,488,732)	-	(8,488,732)	-
Interest and fiscal charges	940,289	-	-	-	(940,289)	-	(940,289)	-
Total governmental activities	41,758,160	4,540,773	1,542,138	6,834,447	(28,840,802)	-	(28,840,802)	-
Business-type activities:								
Water utility	2,394,536	3,146,486	-	-	-	751,950	751,950	-
Sewer utility	3,410,266	3,653,062	-	-	-	242,796	242,796	-
Pleasant View golf course	2,848,621	3,687,777	-	615,426	-	1,454,582	1,454,582	-
Stormwater utility	465,686	900,217	-	2,011,781	-	2,446,312	2,446,312	-
Middleton utility district	-	-	-	-	-	-	-	-
Airport	216,398	144,776	-	21,896	-	(49,726)	(49,726)	-
Total business-type activities	9,335,507	11,532,318	-	2,649,103	-	4,845,914	4,845,914	-
Total primary government	\$ 51,093,667	\$ 16,073,091	\$ 1,542,138	\$ 9,483,550	(28,840,802)	4,845,914	(23,994,888)	-
<b>Component Unit, Business-Type Activities</b>								
Community Development Authority	\$ 254,029	\$ -	\$ -	\$ -	-	-	-	(254,029)
<b>General Revenues</b>								
Taxes:								
Property taxes, levied for general purposes					15,086,817	-	15,086,817	-
Property taxes, levied for debt service					5,475,000	-	5,475,000	-
Property taxes, levied for TIF purposes					13,054,405	-	13,054,405	-
Room taxes					2,177,315	-	2,177,315	-
Intergovernmental revenues not restricted to specific programs					2,432,056	-	2,432,056	120,000
Investment income (loss)					2,799,317	482,840	3,282,157	26,854
Gain on sale of capital assets					500	-	500	-
Miscellaneous					77,067	26,770	103,837	53,056
<b>Transfers</b>					560,222	(560,222)	-	-
Total general revenues and transfers					41,662,699	(50,612)	41,612,087	199,910
Change in net position					12,821,897	4,795,302	17,617,199	(54,119)
<b>Net Position, Beginning</b>					120,482,701	65,286,143	185,768,844	2,359,236
<b>Net Position, Ending</b>					\$ 133,304,598	\$ 70,081,445	\$ 203,386,043	\$ 2,305,117

See notes to financial statements

**City of Middleton**

Balance Sheet  
 Governmental Funds  
 December 31, 2023

	Capital Projects Funds				Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
	General	Debt Service	TIF District No. 3	TIF District No. 5			
<b>Assets</b>							
Cash and investments	\$ 14,197,865	\$ 469,455	\$ 20,106,543	\$ 2,254,488	\$ 2,632,106	\$ 11,674,691	\$ 51,335,148
Receivables (net):							
Taxes	15,401,182	5,725,000	10,864,736	3,861,952	-	-	35,852,870
Special assessments	14,954	-	64,846	-	-	-	79,800
Loans	-	-	-	-	-	88,166	88,166
Accrued interest	257,661	-	-	-	-	-	257,661
Other	564,361	-	543,093	-	167,974	533,477	1,808,905
Lease receivable	327,455	-	-	506,794	-	-	834,249
Inventories	41,098	-	-	-	-	-	41,098
Prepaid items	117,521	-	-	-	-	-	117,521
Advances to other funds	-	-	5,148,999	-	-	-	5,148,999
<b>Total assets</b>	<b>\$ 30,922,097</b>	<b>\$ 6,194,455</b>	<b>\$ 36,728,217</b>	<b>\$ 6,623,234</b>	<b>\$ 2,800,080</b>	<b>\$ 12,296,334</b>	<b>\$ 95,564,417</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>							
Liabilities:							
Accounts payable	\$ 1,385,489	\$ 3,800	\$ 1,751,150	\$ 4,349	\$ 262,752	\$ 209,215	\$ 3,616,755
Other accrued liabilities	429,130	-	-	-	-	73,929	503,059
Deposits	719	-	-	5,990	-	1,045,133	1,051,842
Due to other governmental units	30,544	-	-	-	-	-	30,544
Due to other funds	81,191	-	-	-	-	-	81,191
Unearned revenue	-	-	-	-	-	1,344,935	1,344,935
Advances from other funds	-	-	-	4,248,999	-	-	4,248,999
<b>Total liabilities</b>	<b>1,927,073</b>	<b>3,800</b>	<b>1,751,150</b>	<b>4,259,338</b>	<b>262,752</b>	<b>2,673,212</b>	<b>10,877,325</b>
Deferred inflows of resources:							
Property tax levied for next period	15,247,297	5,725,000	10,864,736	3,861,952	-	-	35,698,985
Lease related amounts	322,058	-	-	493,143	-	-	815,201
Unavailable revenue	45,255	-	64,846	-	-	238,166	348,267
<b>Total deferred inflows of resources</b>	<b>15,614,610</b>	<b>5,725,000</b>	<b>10,929,582</b>	<b>4,355,095</b>	<b>-</b>	<b>238,166</b>	<b>36,862,453</b>
Fund balances:							
Nonspendable:							
Noncurrent receivables	39,781	-	-	-	-	-	39,781
Inventories	41,098	-	-	-	-	-	41,098
Prepaid items	117,521	-	-	-	-	-	117,521
Restricted:							
Assigned	5,623,280	465,655	24,047,485	-	2,537,328	9,384,956	36,435,424
Unassigned (deficit)	7,558,734	-	-	(1,991,199)	-	-	5,567,535
<b>Total fund balances</b>	<b>13,380,414</b>	<b>465,655</b>	<b>24,047,485</b>	<b>(1,991,199)</b>	<b>2,537,328</b>	<b>9,384,956</b>	<b>47,824,639</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 30,922,097</b>	<b>\$ 6,194,455</b>	<b>\$ 36,728,217</b>	<b>\$ 6,623,234</b>	<b>\$ 2,800,080</b>	<b>\$ 12,296,334</b>	

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.	123,325,814
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.	348,267
Internal service funds are reported in the statement of net position as governmental funds.	448,988
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.	(41,430,013)
The net pension liability does not relate to current liabilities and is not reported in the governmental funds.	(4,295,763)
Deferred outflows of resources relate to pensions do not relate to current financial resources and are not reported in the governmental funds.	16,088,303
Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	(9,005,637)

**Net Position of Governmental Activities** **\$ 133,304,598**

See notes to financial statements

**City of Middleton**

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds  
 Year Ended December 31, 2023

	General	Debt Service	Capital Projects TIF District No. 3	Capital Projects TIF District No. 5	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>							
Taxes	\$ 15,841,620	\$ 5,475,000	\$ 9,963,593	\$ 3,090,812	\$ -	\$ 1,524,120	\$ 35,895,145
Intergovernmental	3,305,941	-	1,057,728	87,254	1,612,327	3,613,654	9,676,904
Licenses and permits	1,078,871	-	-	2,000	-	15,022	1,095,893
Fines, forfeitures and penalties	219,919	-	-	-	-	-	219,919
Public charges for services	2,163,446	-	-	-	-	995,725	3,159,171
Interdepartmental charges for services	1,113,832	-	-	-	-	-	1,113,832
Special assessments	86,890	-	-	-	-	-	86,890
Investment income	1,255,763	55,280	1,181,276	120,941	-	214,544	2,827,804
Contributions	-	-	-	-	-	91,620	91,620
Miscellaneous	96,130	-	22,790	82,266	-	135,531	336,717
<b>Total revenues</b>	<b>25,162,412</b>	<b>5,530,280</b>	<b>12,225,387</b>	<b>3,383,273</b>	<b>1,612,327</b>	<b>6,590,216</b>	<b>54,503,895</b>
<b>Expenditures</b>							
Current:							
General government	3,135,093	-	731,124	-	-	28,273	3,894,490
Public safety	10,322,902	-	-	-	-	28,415	10,351,317
Public works	5,141,288	-	-	-	-	-	5,141,288
Health and human services	560,741	-	-	-	-	84,617	645,358
Leisure activities	1,831,738	-	-	-	-	2,896,575	4,728,313
Conservation and development	964,307	-	3,753,487	3,567,373	-	3,230,695	11,515,862
Capital outlay	-	-	11,948,558	73,776	5,619,268	718,754	18,360,356
Debt service:							
Principal retirement	-	5,080,192	-	565,000	-	-	5,645,192
Interest and fiscal charges	-	1,089,668	-	91,010	-	-	1,180,678
<b>Total expenditures</b>	<b>21,956,069</b>	<b>6,169,860</b>	<b>16,433,169</b>	<b>4,297,159</b>	<b>5,619,268</b>	<b>6,987,329</b>	<b>61,462,854</b>
Excess (deficiency) of revenues over expenditures	3,206,343	(639,580)	(4,207,782)	(913,886)	(4,006,941)	(397,113)	(6,958,959)
<b>Other Financing Sources (Uses)</b>							
Long-term debt issued	-	-	-	-	4,600,000	-	4,600,000
Premium on debt	-	359,565	-	-	-	-	359,565
Sale of capital assets	935	-	-	-	52,081	-	53,016
Transfers in	584,108	315,000	-	-	42,652	1,647,941	2,589,701
Transfers out	(1,640,982)	-	-	-	-	(388,497)	(2,029,479)
<b>Total other financing sources (uses)</b>	<b>(1,055,939)</b>	<b>674,565</b>	<b>-</b>	<b>-</b>	<b>4,694,733</b>	<b>1,259,444</b>	<b>5,572,803</b>
<b>Net change in fund balance</b>	<b>2,150,404</b>	<b>34,985</b>	<b>(4,207,782)</b>	<b>(913,886)</b>	<b>687,792</b>	<b>862,331</b>	<b>(1,386,156)</b>
<b>Fund Balances (Deficit), Beginning</b>	<b>11,230,010</b>	<b>430,670</b>	<b>28,255,267</b>	<b>(1,077,313)</b>	<b>1,849,536</b>	<b>8,522,625</b>	<b>49,210,795</b>
<b>Fund Balances (Deficit), Ending</b>	<b>\$ 13,380,414</b>	<b>\$ 465,655</b>	<b>\$ 24,047,485</b>	<b>\$ (1,991,199)</b>	<b>\$ 2,537,328</b>	<b>\$ 9,384,956</b>	<b>\$ 47,824,639</b>

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, 2023

**Net Change in Fund Balances, Total Governmental Funds** \$ (1,386,156)

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	18,360,356
Some items are reported as capital outlay but are not capitalized	(7,426)
Depreciation is reported in the government-wide statements	(3,863,822)
Net book value of assets retired	(52,516)

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.	52,273
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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	(170)
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Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds	3,669,432
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Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds	5,960,304
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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	(4,600,000)
Debt retired	5,645,192
Landfill post-closure liability	53,848
Premium debt issued	(359,565)

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	(214,635)
Amortization of loss on refunding	(56,497)
Amortization of debt premium	315,737
Accrued interest on debt	(18,851)
Net pension liability	(10,675,607)

**Change in Net Position of Governmental Activities** \$ 12,821,897

**City of Middleton**

Statement of Net Position  
 Proprietary Funds  
 December 31, 2023

	Business-Type Activities - Enterprise Funds					Total Enterprise Funds	Governmental Activities - Internal Service Funds
	Water Utility	Sewer Utility	Pleasant View Golf Course	Stormwater	Nonmajor Enterprise		
<b>Assets and Deferred Outflows of Resources</b>							
Current assets:							
Cash and investments	\$ 4,385,785	\$ 2,004,906	\$ 1,449,520	\$ 3,126,575	\$ 1,169,030	\$ 12,135,816	\$ 400,246
Accounts receivable	771,320	942,707	70,162	227,640	11,087	2,022,916	49,150
Lease receivable	41,563	-	-	-	22,378	63,941	-
Due from other funds	58,748	15,012	-	7,431	-	81,191	-
Inventories	-	-	66,240	-	-	66,240	-
<b>Total current assets</b>	<b>5,257,416</b>	<b>2,962,625</b>	<b>1,585,922</b>	<b>3,361,646</b>	<b>1,202,495</b>	<b>14,370,104</b>	<b>449,396</b>
Noncurrent assets:							
Capital assets:							
Land	222,277	66,830	1,476,500	1,935,149	2,715,508	6,416,264	-
Construction in progress	-	-	-	44,147	-	44,147	-
Land improvements	-	-	-	5,675,547	1,032,849	6,708,396	-
Improvements other than buildings	-	-	9,340,573	-	-	9,340,573	-
Buildings and improvements	-	-	1,507,208	-	745,292	2,252,500	-
Machinery and equipment	-	-	1,218,041	-	469,603	1,687,644	-
Plant in service	36,125,226	18,322,402	-	-	-	54,447,628	-
Accumulated depreciation	(13,764,589)	(7,572,790)	(2,094,687)	(1,529,851)	(489,937)	(25,451,854)	-
Other assets:							
Lease receivable	52,278	-	-	-	347,490	399,768	-
Special assessments	-	1,908,646	-	-	-	1,908,646	-
Property held for future use	301,087	-	-	-	-	301,087	-
<b>Total noncurrent assets</b>	<b>22,936,279</b>	<b>12,725,088</b>	<b>11,447,635</b>	<b>6,124,992</b>	<b>4,820,805</b>	<b>58,054,799</b>	<b>-</b>
<b>Total assets</b>	<b>28,193,695</b>	<b>15,687,713</b>	<b>13,033,557</b>	<b>9,486,638</b>	<b>6,023,300</b>	<b>72,424,903</b>	<b>449,396</b>
Deferred outflows of resources:							
Pension related amounts	336,148	339,537	532,461	-	-	1,208,146	-
<b>Total deferred outflows of resources</b>	<b>336,148</b>	<b>339,537</b>	<b>532,461</b>	<b>-</b>	<b>-</b>	<b>1,208,146</b>	<b>-</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 28,529,843</b>	<b>\$ 16,027,250</b>	<b>\$ 13,566,018</b>	<b>\$ 9,486,638</b>	<b>\$ 6,023,300</b>	<b>\$ 73,633,049</b>	<b>\$ 449,396</b>
<b>Liabilities, Deferred Inflows of Resources and Net Position</b>							
Current liabilities:							
Accounts payable	\$ 36,543	\$ 605,479	\$ 99,377	\$ 20,625	\$ 6,964	\$ 768,988	\$ 408
Other accrued liabilities	14,668	4,222	21,324	-	-	40,214	-
Compensated absences	26,249	9,358	57,326	-	-	92,933	-
Unearned revenue	-	-	-	-	5,636	5,636	-
Current portion of advances from other funds	-	-	450,000	-	-	450,000	-
<b>Total current liabilities</b>	<b>77,460</b>	<b>619,059</b>	<b>628,027</b>	<b>20,625</b>	<b>12,600</b>	<b>1,357,771</b>	<b>408</b>
Noncurrent liabilities:							
Compensated absences	65,558	21,055	181,004	-	-	267,617	-
Advances from other funds	-	-	450,000	-	-	450,000	-
Net pension liability	93,290	93,290	139,123	-	-	325,703	-
<b>Total noncurrent liabilities</b>	<b>158,848</b>	<b>114,345</b>	<b>770,127</b>	<b>-</b>	<b>-</b>	<b>1,043,320</b>	<b>-</b>
<b>Total liabilities</b>	<b>236,308</b>	<b>733,404</b>	<b>1,398,154</b>	<b>20,625</b>	<b>12,600</b>	<b>2,401,091</b>	<b>408</b>
Deferred inflows of resources:							
Pension related amounts	219,961	175,627	299,110	-	-	694,698	-
Lease related amounts	92,381	-	-	-	363,434	455,815	-
<b>Total deferred inflows of resources</b>	<b>312,342</b>	<b>175,627</b>	<b>299,110</b>	<b>-</b>	<b>363,434</b>	<b>1,150,513</b>	<b>-</b>
Net position:							
Net investment in capital assets	22,582,914	10,816,442	11,447,635	6,124,992	4,473,315	55,445,298	-
Unrestricted	5,398,279	4,301,777	421,119	3,341,021	1,173,951	14,636,147	448,988
<b>Total net position</b>	<b>27,981,193</b>	<b>15,118,219</b>	<b>11,868,754</b>	<b>9,466,013</b>	<b>5,647,266</b>	<b>70,081,445</b>	<b>448,988</b>
<b>Total liabilities, deferred inflows of resources and net position</b>	<b>\$ 28,529,843</b>	<b>\$ 16,027,250</b>	<b>\$ 13,566,018</b>	<b>\$ 9,486,638</b>	<b>\$ 6,023,300</b>	<b>\$ 73,633,049</b>	<b>\$ 449,396</b>

See notes to financial statements

**City of Middleton**

Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds  
 Year Ended December 31, 2023

	Business-Type Activities - Enterprise Funds					Total Enterprise Funds	Governmental Activities - Internal Service Fund
	Water Utility	Sewer Utility	Pleasant View Golf Course	Stormwater	Nonmajor Enterprise		
<b>Operating Revenues</b>							
Charges for services	\$ 3,011,212	\$ 3,652,388	\$ 3,687,777	\$ 900,217	\$ 144,776	\$ 11,396,370	\$ 454,900
Miscellaneous operating income	135,274	674	-	-	-	135,948	-
Total operating revenues	3,146,486	3,653,062	3,687,777	900,217	144,776	11,532,318	454,900
<b>Operating Expenses</b>							
Operations and maintenance	1,669,559	3,006,248	2,608,636	181,908	119,869	7,586,220	578,505
Depreciation	724,977	404,018	239,985	283,778	96,529	1,749,287	-
Total operating expenses	2,394,536	3,410,266	2,848,621	465,686	216,398	9,335,507	578,505
Operating income (loss)	751,950	242,796	839,156	434,531	(71,622)	2,196,811	(123,605)
<b>Nonoperating Revenues</b>							
Investment income	197,036	84,393	69,460	75,584	56,367	482,840	75,627
Miscellaneous nonoperating income	11,938	-	-	1,267	13,565	26,770	47,808
Total nonoperating revenues	208,974	84,393	69,460	76,851	69,932	509,610	123,435
Income before contributions and transfers	960,924	327,189	908,616	511,382	(1,690)	2,706,421	(170)
<b>Contributions and Transfers</b>							
Capital contributions	-	-	615,426	2,011,781	21,896	2,649,103	-
Transfers in	14,994	-	-	-	-	14,994	-
Transfers (out)	-	(14,994)	(117,768)	-	-	(132,762)	-
Transfers (out), tax equivalent	(442,454)	-	-	-	-	(442,454)	-
Change in net position	533,464	312,195	1,406,274	2,523,163	20,206	4,795,302	(170)
<b>Total Net Position, Beginning</b>	<u>27,447,729</u>	<u>14,806,024</u>	<u>10,462,480</u>	<u>6,942,850</u>	<u>5,627,060</u>	<u>65,286,143</u>	<u>449,158</u>
<b>Total Net Position, Ending</b>	<u>\$ 27,981,193</u>	<u>\$ 15,118,219</u>	<u>\$ 11,868,754</u>	<u>\$ 9,466,013</u>	<u>\$ 5,647,266</u>	<u>\$ 70,081,445</u>	<u>\$ 448,988</u>

See notes to financial statements

**City of Middleton**

Statement of Cash Flows -  
 Proprietary Funds  
 Year Ended December 31, 2023

	Business-Type Activities - Enterprise Funds				Nonmajor Enterprise Funds	Total Enterprise Funds	Governmental Activities- Internal Service Funds
	Water Utility	Sewer Utility	Pleasant View Golf Course	Stormwater			
<b>Cash Flows From Operating Activities</b>							
Received from customers	\$ 3,150,691	\$ 3,503,209	\$ 3,627,220	\$ 899,137	\$ 109,287	\$ 11,289,544	\$ 515,533
Paid to suppliers for good and services	(1,187,441)	(2,840,123)	(1,337,520)	(181,908)	(126,191)	(5,673,183)	(578,097)
Paid to employees	(596,798)	(266,361)	(1,165,718)	-	-	(2,028,877)	-
Net cash flows from operating activities	1,366,452	396,725	1,123,982	717,229	(16,904)	3,587,484	(62,564)
<b>Cash Flows From Noncapital Financing Activities</b>							
Advances for cash deficits	-	-	(400,000)	-	-	(400,000)	-
Paid to municipality for tax equivalent	(442,454)	-	-	-	-	(442,454)	-
Transfers in (out)	14,994	(14,994)	(117,768)	-	-	(117,768)	-
Net cash flows from noncapital financing activities	(427,460)	(14,994)	(517,768)	-	-	(960,222)	-
<b>Cash Flows From Capital and Related Financing Activities</b>							
Acquisition of and construction of capital assets	(831,796)	(489,690)	(1,491,040)	(370,246)	(34,895)	(3,217,667)	-
Capital contributions	-	-	615,426	2,011,781	21,896	2,649,103	-
Special assessments received	-	76,944	-	-	-	76,944	-
Net cash flows from capital and related financing activities	(831,796)	(412,746)	(875,614)	1,641,535	(12,999)	(491,620)	-
<b>Cash Flows From Investing Activities</b>							
Investment income	197,036	84,393	69,460	75,584	51,208	477,681	75,627
Net cash flows from investing activities	197,036	84,393	69,460	75,584	51,208	477,681	75,627
Net increase (decrease) in cash and cash equivalents	304,232	53,378	(199,940)	2,434,348	21,305	2,613,323	13,063
<b>Cash and Cash Equivalents, Beginning</b>	<b>4,081,553</b>	<b>1,951,528</b>	<b>1,649,460</b>	<b>692,227</b>	<b>1,147,725</b>	<b>9,522,493</b>	<b>387,183</b>
<b>Cash and Cash Equivalents, Ending</b>	<b>\$ 4,385,785</b>	<b>\$ 2,004,906</b>	<b>\$ 1,449,520</b>	<b>\$ 3,126,575</b>	<b>\$ 1,169,030</b>	<b>\$ 12,135,816</b>	<b>\$ 400,246</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash From Operating Activities</b>							
Operating income (loss)	\$ 751,950	\$ 242,796	\$ 839,156	\$ 434,531	\$ (71,622)	\$ 2,196,811	\$ (123,605)
Adjustments to reconcile operating income (loss) to net cash provided from operating activities:							
Nonoperating income	11,938	-	-	1,267	13,565	26,770	47,808
Depreciation expense	724,977	404,018	239,985	283,778	96,529	1,749,287	-
Depreciation charged to clearing and other utilities	42,342	(42,342)	-	-	-	-	-
Changes in assets, liabilities and deferred inflows and outflows:							
Materials and supplies	-	-	(3,090)	-	-	(3,090)	-
Accounts receivable	(49,498)	(109,095)	-	(3,008)	7,515	(154,086)	12,825
Other accounts receivable	(2,497)	-	(60,557)	-	-	(63,054)	-
Lease receivable	41,334	-	-	-	21,992	63,326	-
Due from other funds	2,577	1,584	-	661	-	4,822	-
Accounts payable	744	(35,322)	4,011	-	(6,322)	(36,889)	408
Compensated absences	2,396	(97,689)	47,973	-	-	(47,320)	-
Other current liabilities	(153,576)	(2,981)	1,899	-	-	(154,658)	-
Unearned revenues	-	-	-	-	(50,825)	(50,825)	-
Lease related deferred inflow of resources	(41,991)	-	-	-	(27,736)	(69,727)	-
Pension related deferrals and liabilities	35,756	35,756	54,605	-	-	126,117	-
Net cash flows from operating activities	\$ 1,366,452	\$ 396,725	\$ 1,123,982	\$ 717,229	\$ (16,904)	\$ 3,587,484	\$ (62,564)
<b>Reconciliation of Cash and Cash Equivalents to the Statement of Net Position, Proprietary Funds</b>							
Cash and investments	\$ 4,385,785	\$ 2,004,906	\$ 1,449,520	\$ 3,126,575	\$ 1,169,030	\$ 12,135,816	\$ 400,246

See notes to financial statements

# City of Middleton

## Statement of Fiduciary Net Position

### Fiduciary Funds

December 31, 2023

	<b>Custodial Funds</b>
<b>Assets</b>	
Cash and investments	\$ 20,829,526
Taxes receivable	<u>29,805,934</u>
Total assets	<u>50,635,460</u>
<b>Liabilities</b>	
Accounts payable	66,215
Accrued liabilities	67,397
Due to other governmental units	<u>50,477,899</u>
Total liabilities	<u>50,611,511</u>
<b>Net Position</b>	
Restricted	<u><u>\$ 23,949</u></u>

See notes to financial statements

## City of Middleton

### Statement of Changes in Fiduciary Net Position

#### Fiduciary Funds

Year Ended December 31, 2023

	<b>Custodial Funds</b>
<b>Additions</b>	
Property taxes collected for other governments	\$ 34,004,281
Contributions	1,780,088
Miscellaneous	<u>35,750</u>
Total additions	<u>35,820,119</u>
<b>Deductions</b>	
Property taxes distributed to other governments	34,004,281
Public fire protection	<u>2,118,611</u>
Total deductions	<u>36,122,892</u>
Change in fiduciary net position	(302,773)
<b>Total Net Position, Beginning</b>	<u>326,722</u>
<b>Total Net Position, Ending</b>	<u><u>\$ 23,949</u></u>

See notes to financial statements

# City of Middleton

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# City of Middleton

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Notes to Financial Statements  
December 31, 2023

## 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, 2023. Separate financial statements of the Middleton Community Development Authority are not issued.

## Government-Wide and Fund Financial Statements

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement establishes accounting and financial reporting requirements related to subscription-based information technology agreements (SBITAs) for government end users. This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. This standard was implemented January 1, 2023; however, the applicable agreements were not material to the financial statements.

### Government-Wide Financial Statements

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

### **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.

Stormwater accounts for operations of the stormwater system.

## City of Middleton

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Notes to Financial Statements  
December 31, 2023

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	Economic Development Grant
Lost and Damaged Books	Tourism Commission
Library Gift	Police Activities
SCLS Foundation	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
Transit Services	

### 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.

## City of Middleton

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Notes to Financial Statements  
December 31, 2023

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.

## City of Middleton

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Notes to Financial Statements  
December 31, 2023

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, 2023, the fair value of the City's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

# City of Middleton

Notes to Financial Statements  
December 31, 2023

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, 2023, the City's share of the WISC's assets was substantially equal to the amount reported in these statements.

The Madison Community and Southern Central Library System Foundations (the Foundations) are community endowment funds. The Foundations are not registered with the Securities and Exchange Commission. They constitute a contractual agreement between the City and the Foundations with respect to investment of City assets. The Foundations reports the fair value of its underlying assets annually. At December 31, 2023, the fair value of each Foundation's assets were 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 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 - 2023 tax roll:

Lien date and levy date	December 2023
Tax bills mailed	December 2023
Payment in full, or	January 31, 2024
First installment due	January 31, 2024
Second installment due	July 31, 2024
Personal property taxes in full	January 31, 2024
Tax sale - 2023 delinquent real estate taxes	October 2026

### 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".

## City of Middleton

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Notes to Financial Statements  
December 31, 2023

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, 2023

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 represent a consumption of net assets that applies to future periods 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**

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 21, 2023 and became effective December 15, 2023.

**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, 2023 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 \$4,308,258, made up of two issuances.

**Leases**

The City is a lessor because it leases capital assets to other entities. As a lessor, the City reports a lease receivable and corresponding deferred inflow of resources in both the fund financial statements and government-wide financial statements. The City continues to report and depreciate the capital assets being leased as capital assets of the primary government. The City does not have a policy for lease receivables. While the government is a lessor it is not the principal operation for any fund involved.

## 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 represent an acquisition of net assets that applies to future periods 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.

## City of Middleton

Notes to Financial Statements  
December 31, 2023

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- 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.

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, 2023, the General Fund maintained \$7,558,734 or 30% 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

The fiduciary net position of the Wisconsin Retirement System (WRS) has been determined using the flow of economic resources measurement focus and accrual basis of accounting. This includes for purposes of measuring the following:

- Net Pension Liability (Asset),
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions,
- Pension Expense (Revenue).

Information about the fiduciary net position of the WRS and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by the WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

# City of Middleton

Notes to Financial Statements  
December 31, 2023

## 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 \$41,430,013 difference in liabilities are as follows:

Bonds and notes payable	\$ 36,635,122
Landfill post-closure liability	309,749
Compensated absences	3,272,655
Accrued interest	377,356
Unamortized debt premiums	1,381,345
Unamortized loss on refunding	<u>(546,214)</u>
Net adjustment to reduce fund balance, total governmental funds to arrive at net position, governmental activities	<u>\$ 41,430,013</u>

## 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 SCLS Foundation, Next Chapter, Library Endowment, Library Gift and Transit Services special revenue funds. 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, 2023.

	<u>Excess</u>
Debt service	\$ 189,662
TIF District No. 5	2,307,153
Library	299,320
Economic development grant	2,127,692
Police activities	12,306
Senior center activities	54,617
EMS Activities	60,037

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.

## City of Middleton

Notes to Financial Statements  
December 31, 2023

### Deficit Balances

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

As of December 31, 2023, the following individual funds held a deficit balance:

<u>Fund</u>	<u>Amount</u>	<u>Reason</u>
TIF District No. 5	\$ 1,991,199	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.

### 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 net 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.

## City of Middleton

Notes to Financial Statements  
December 31, 2023

### 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	\$ 33,616,505	\$ 34,423,486	Custodial credit
Certificates of deposit (negotiable)	7,959,279	7,959,279	Custodial credit, credit, interest rate, concentration of credit
State and local bonds	586,060	586,060	Custodial credit, credit, interest rate, concentration of credit
U.S. agencies implicitly guaranteed	23,523,510	23,523,510	Custodial credit, credit, interest rate, concentration of credit
U.S. treasuries	2,972,580	2,972,580	Custodial credit, interest rate
External investment pools	486,155	486,155	Credit
LGIP	15,544,043	15,544,043	Credit, interest rate
Wisconsin Investment Services: Cooperative Investment Pool (WISC)	12,604	12,604	Credit
Total cash and investments	<u>\$ 84,700,736</u>	<u>\$ 85,507,717</u>	
Reconciliation to financial statements: Per statement of net position Unrestricted cash and investments	\$ 63,871,210		
Per statement of fiduciary net position, Fiduciary funds	<u>20,829,526</u>		
Total cash and investments	<u>\$ 84,700,736</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.

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 \$407,898 and \$78,257 in endowment funds at the Madison Community Foundation and South Central Library System Foundation, respectively, which are pooled with all other investments of the Foundations. The City, at its discretion, has the ability to transact with the Foundations for deposit and withdrawal of funds.

## City of Middleton

Notes to Financial Statements  
December 31, 2023

As of December 31, 2023, the City maintains letters of credit in the amount of \$6,000,000.

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, 2023			
	Level 1	Level 2	Level 3	Total
U.S. treasuries	\$ 2,972,580	\$ -	\$ -	\$ 2,972,580
State and local bonds	-	586,060	-	586,060
U.S. agencies implicitly guaranteed	-	23,523,510	-	23,523,510
Certificates of deposit (negotiable)	-	7,959,279	-	7,959,279
Total	\$ 2,972,580	\$ 32,068,849	\$ -	\$ 35,041,429

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

Investment Type	Valuation Method
U.S. treasuries	Value by a pricing service that uses matrix pricing or a yield of a similar investment type
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.

As of December 31, 2023, \$96,706 of the City's total bank balances were exposed to custodial credit risk.

#### 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.

As of December 31, 2023, the City does not have any investments exposed to custodial credit risk.

## City of Middleton

Notes to Financial Statements  
December 31, 2023

### 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, 2023, the City's investments were rated as follows:

<u>Investment Type</u>	<u>Standard &amp; Poor's</u>	<u>Moody's Investor Service</u>
<b>U.S. Agencies Implicitly Guaranteed</b>	AA+	Aaa
<b>State and Local Bonds</b>	N/A	Aa1, Aa3
<b>Wisconsin Investment Series Cooperative Investment Pool (WISC)</b>	AAAm	N/A

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, 2023, 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	\$ 23,523,510	\$ 4,945,540	\$ 18,577,970
U.S. treasuries	2,972,580	1,987,860	984,720
Certificates of deposit (negotiable)	7,959,279	4,842,807	3,116,472
State and local bonds	586,060	95,685	490,375
Total	<u>\$ 35,041,429</u>	<u>\$ 11,871,892</u>	<u>\$ 23,169,537</u>

As of December 31, 2023, the LGIP investments have an average maturity of 17 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, 2023, of the City's total portfolio, 11.6% was invested in a Federal Farm Credit Banks government issue, 28.6% was invested in a Federal Home Loan Bank government issue and 5.8% was invested in Federal Home Loan Mortgage Corp issue.

## City of Middleton

Notes to Financial Statements  
December 31, 2023

### Receivables

All receivable balances are expected to be collected within one year with the exception of, \$79,800 in special assessments, \$39,781 of delinquent personal property taxes, \$88,166 in loan receivables and \$687,821 in lease 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	\$ -	\$ 35,698,985
Special assessments/special charges not yet due	110,101	-
Loan receivable	88,166	-
Grant receivable	150,000	-
Lease receivable	-	815,201
American Rescue Plan Act grant	-	1,344,935
	<hr/>	<hr/>
Total unavailable/unearned revenue for governmental funds	<u>\$ 348,267</u>	<u>\$ 37,859,121</u>
Unearned revenue included in liabilities		\$ 1,344,935
Unearned revenue included in deferred inflows		35,698,985
Unearned revenue related to leases		<u>815,201</u>
Total unearned revenue for governmental funds		<u>\$ 37,859,121</u>

## City of Middleton

Notes to Financial Statements  
December 31, 2023

### Capital Assets

Capital asset activity for the year ended December 31, 2023 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
Capital assets not being depreciated:				
Land	\$ 7,261,191	\$ 2,233,171	\$ -	\$ 9,494,362
Right-of-ways	23,127,067	-	-	23,127,067
Construction in progress	6,710,653	11,296,341	4,571,901	13,435,093
	<u>37,098,911</u>	<u>13,529,512</u>	<u>4,571,901</u>	<u>46,056,522</u>
Total capital assets not being depreciated				
Capital assets being depreciated:				
Land improvements	10,276,326	5,465,450	-	15,741,776
Buildings	30,635,224	49,808	-	30,685,032
Machinery and equipment	11,376,203	1,234,749	566,743	12,044,209
Streets, infrastructure	37,598,464	2,616,783	456,465	39,758,782
Storm sewers, infrastructure	9,831,261	-	-	9,831,261
Traffic signals, infrastructure	1,932,259	28,529	-	1,960,788
Sidewalks, infrastructure	6,621,348	-	-	6,621,348
Bridges, infrastructure	3,355,742	-	-	3,355,742
Fiber optic, infrastructure	96,013	-	-	96,013
Rail spur, infrastructure	505,918	-	-	505,918
	<u>112,228,758</u>	<u>9,395,319</u>	<u>1,023,208</u>	<u>120,600,869</u>
Total capital assets being depreciated				
Less accumulated depreciation for:				
Land improvements	(6,315,836)	(629,947)	-	(6,945,783)
Buildings	(9,895,833)	(789,603)	-	(10,685,436)
Machinery and equipment	(6,885,838)	(940,140)	514,227	(7,311,751)
Streets, infrastructure	(8,324,257)	(993,970)	456,465	(8,861,762)
Storm sewers, infrastructure	(4,120,170)	(196,625)	-	(4,316,795)
Traffic signals, infrastructure	(1,308,878)	(78,432)	-	(1,387,310)
Sidewalks, infrastructure	(2,256,008)	(83,894)	-	(2,339,902)
Bridges, infrastructure	(1,038,931)	(1,920)	-	(1,040,851)
Fiber optic, infrastructure	(12,153)	(16,864)	-	(29,017)
Rail spur, infrastructure	(280,543)	(132,427)	-	(412,970)
	<u>(40,438,447)</u>	<u>(3,863,822)</u>	<u>970,692</u>	<u>(43,331,577)</u>
Total accumulated depreciation				
Capital assets being depreciated, net of depreciation	<u>71,790,311</u>	<u>5,531,497</u>	<u>52,516</u>	<u>77,269,292</u>
Total capital assets, net of depreciation	<u>\$ 108,889,222</u>	<u>\$ 19,061,009</u>	<u>\$ 4,624,417</u>	<u>\$ 123,325,814</u>

# City of Middleton

Notes to Financial Statements  
December 31, 2023

Depreciation expense was charged to functions as follows:

## Governmental Activities

General government	\$ 158,228
Public safety	640,489
Public works	2,046,620
Conservation and economic development	219,005
Leisure activities	799,480
	<u>3,863,822</u>

Total governmental activities depreciation expense \$ 3,863,822

<b>Business-Type Activities</b>	<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
Construction in progress	1,319,142	-	1,319,142	-
	<u>1,541,419</u>	<u>-</u>	<u>1,319,142</u>	<u>222,277</u>
Total capital assets not being depreciated				
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	27,802,911	1,950,240	136,906	29,616,245
Administrative and general assets	2,413,233	200,698	18,165	2,595,766
	<u>34,129,359</u>	<u>2,150,938</u>	<u>155,071</u>	<u>36,125,226</u>
Total capital assets being depreciated				
Less accumulated depreciation for:				
Source of supply	(594,549)	(22,664)	-	(617,213)
Pumping	(2,312,773)	(110,185)	-	(2,422,958)
Treatment	(343,242)	-	-	(343,242)
Transmission and distribution	(8,590,946)	(510,382)	136,906	(8,964,422)
Administrative and general assets	(1,310,831)	(124,088)	18,165	(1,416,754)
	<u>(13,152,341)</u>	<u>(767,319)</u>	<u>155,071</u>	<u>(13,764,589)</u>
Total accumulated depreciation				
Capital assets being depreciated, net of depreciation	<u>20,977,018</u>	<u>1,383,619</u>	<u>-</u>	<u>22,360,637</u>
Total capital assets, net of depreciation	<u>\$ 22,518,437</u>	<u>\$ 1,383,619</u>	<u>\$ 1,319,142</u>	<u>\$ 22,582,914</u>

# City of Middleton

Notes to Financial Statements  
December 31, 2023

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>
<b>Sewer Utility</b>				
Capital assets not being depreciated:				
Land and land rights	\$ 66,830	\$ -	\$ -	\$ 66,830
Construction in progress	385,162	-	385,162	-
Total capital assets not being depreciated	451,992	-	385,162	66,830
Capital assets being depreciated:				
Collection system	14,722,776	387,909	44,719	15,065,966
Collection system pumping	1,726,367	109,606	-	1,835,973
Administrative and general assets	1,049,180	377,338	6,055	1,420,463
Total capital assets being depreciated	17,498,323	874,853	50,774	18,322,402
Less accumulated depreciation for:				
Collection system	(4,880,392)	(194,491)	44,719	(4,950,164)
Collection system pumping	(1,576,327)	(70,537)	-	(1,646,864)
Administrative and general assets	(885,169)	(96,648)	6,055	(975,762)
Total accumulated depreciation	(7,261,888)	(361,676)	50,774	(7,572,790)
Capital assets being depreciated, net of depreciation	10,236,435	513,177	-	10,749,612
Total capital assets, net of depreciation	<u>\$ 10,688,427</u>	<u>\$ 513,177</u>	<u>\$ 385,162</u>	<u>\$ 10,816,442</u>
<b>Pleasant View Golf Course</b>				
Capital assets not being depreciated:				
Land and land rights	\$ 1,476,500	\$ -	\$ -	\$ 1,476,500
Construction in progress	70,597	-	70,597	-
Total capital assets not being depreciated	1,547,097	-	70,597	1,476,500
Capital assets being depreciated:				
Land improvements	7,810,722	1,529,851	-	9,340,573
Buildings	1,507,208	-	-	1,507,208
Equipment	1,186,255	31,786	-	1,218,041
Total capital assets being depreciated	10,504,185	1,561,637	-	12,065,822
Less accumulated depreciation for:				
Land improvements	(525,862)	(96,116)	-	(621,978)
Buildings	(671,286)	(49,951)	-	(721,237)
Equipment	(657,554)	(93,918)	-	(751,472)
Total accumulated depreciation	(1,854,702)	(239,985)	-	(2,094,687)
Capital assets being depreciated, net of depreciation	8,649,483	1,321,652	-	9,971,135
Total capital assets, net of depreciation	<u>\$ 10,196,580</u>	<u>\$ 1,321,652</u>	<u>\$ 70,597</u>	<u>\$ 11,447,635</u>

## City of Middleton

Notes to Financial Statements  
December 31, 2023

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<u>Stormwater</u>				
Capital assets not being depreciated:				
Land and land rights	\$ 1,935,149	\$ -	\$ -	\$ 1,935,149
Construction in progress	515,573	6,842	478,268	44,147
Total capital assets not being depreciated	<u>2,450,722</u>	<u>6,842</u>	<u>478,268</u>	<u>1,979,296</u>
Capital assets being depreciated:				
Land improvements	<u>5,166,728</u>	<u>508,819</u>	<u>-</u>	<u>5,675,547</u>
Total capital assets being depreciated	<u>5,166,728</u>	<u>508,819</u>	<u>-</u>	<u>5,675,547</u>
Less accumulated depreciation for:				
Land improvements	<u>(1,246,073)</u>	<u>(283,778)</u>	<u>-</u>	<u>(1,529,851)</u>
Total accumulated depreciation	<u>(1,246,073)</u>	<u>(283,778)</u>	<u>-</u>	<u>(1,529,851)</u>
Capital assets being depreciated, net of depreciation	<u>3,920,655</u>	<u>225,041</u>	<u>-</u>	<u>4,145,696</u>
Total capital assets, net of depreciation	<u>\$ 6,371,377</u>	<u>\$ 231,883</u>	<u>\$ 478,268</u>	<u>\$ 6,124,992</u>

# City of Middleton

Notes to Financial Statements  
December 31, 2023

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Nonmajor Enterprise Funds</b>				
Capital assets not being depreciated:				
Land and land rights	\$ 2,715,508	\$ -	\$ -	\$ 2,715,508
Construction in progress	1,021,549	-	1,021,549	-
<b>Total capital assets not being depreciated</b>	<b>3,737,057</b>	<b>-</b>	<b>1,021,549</b>	<b>2,715,508</b>
Capital assets being depreciated:				
Land improvements	11,300	1,021,549	-	1,032,849
Buildings	745,292	-	-	745,292
Vehicles and equipment	434,708	34,895	-	469,603
<b>Total capital assets being depreciated</b>	<b>1,191,300</b>	<b>1,056,444</b>	<b>-</b>	<b>2,247,744</b>
Less accumulated depreciation for:				
Land improvements	(9,605)	(51,642)	-	(61,247)
Buildings	(167,688)	(18,632)	-	(186,320)
Vehicles and equipment	(216,115)	(26,255)	-	(242,370)
<b>Total accumulated depreciation</b>	<b>(393,408)</b>	<b>(96,529)</b>	<b>-</b>	<b>(489,937)</b>
<b>Capital assets being depreciated, net of depreciation</b>	<b>797,892</b>	<b>959,915</b>	<b>-</b>	<b>1,757,807</b>
<b>Total capital assets, net of depreciation</b>	<b>\$ 4,534,949</b>	<b>\$ 959,915</b>	<b>\$ 1,021,549</b>	<b>\$ 4,473,315</b>
<b>Total business-type activities capital assets, net of depreciation</b>	<b>\$ 54,309,770</b>	<b>\$ 4,410,246</b>	<b>\$ 3,274,718</b>	<b>\$ 55,445,298</b>

Depreciation expense was charged to functions as follows:

### Business-Type Activities

Water	\$ 724,977
Sewer utility	404,018
Pleasant View Golf Course	239,985
Stormwater	283,778
Nonmajor enterprise funds	96,529

**Total business-type activities depreciation expense**      **\$ 1,749,287**

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, 2023

## 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:

Receivable Fund	Payable Fund	Amount
Enterprise fund, water utility	General	\$ 58,748
Enterprise fund, sewer utility	General	15,012
Enterprise fund, stormwater	General	7,431
Subtotal, fund financial statements		81,191
Less interfund advances		(900,000)
Total, government-wide financial statements		<u>\$ (818,809)</u>
Governmental activities	Business-type activities	\$ (900,000)
Business-type activities	Governmental activities	81,191
Total, government-wide financial statements		<u>\$ (818,809)</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:

Receivable Fund	Payable Fund	Amount	Amount Not Due Within One Year
TIF District No. 3	TIF District No. 5	\$ 4,248,999	\$ 2,200,000
TIF District No. 3	Pleasant View Golf Course	900,000	450,000
Subtotal, fund financial statements		5,148,999	<u>\$ 2,650,000</u>
Less eliminations		(4,248,999)	
Total, government-wide financial statements		<u>\$ 900,000</u>	

## City of Middleton

Notes to Financial Statements

December 31, 2023

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 2025. 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	\$ 1,520,845	Operating budget support
General fund	Nonmajor governmental funds	23,886	Transfer of EMS Flex Grant for payroll
Capital projects fund	Nonmajor governmental funds	42,652	Transfer of EMS FAP and ARPA funds for capital purchases
Debt service fund	Nonmajor governmental fund	315,000	Transfer for debt service
Nonmajor governmental fund	Nonmajor governmental fund	6,959	To closeout Next Chapter fund
Water utility	Sewer utility	14,994	Tax equivalent charged to sewer
Nonmajor governmental fund	General fund	120,137	To create Transit Services fund
General fund	Pleasant view golf course	117,768	Tax equivalent
General fund	Water utility	442,454	Tax equivalent
	Total, fund financial statements	2,604,695	
	Less fund eliminations	(2,044,473)	
	Total transfers, government-wide statement of activities	\$ 560,222	

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, 2023

## Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>Governmental Activities</b>					
Bonds and notes payable:					
General obligation debt	\$ 37,145,000	\$ 4,600,000	\$ 5,420,000	\$ 36,325,000	\$ 5,615,000
General obligation debt from direct borrowings and direct placements	535,314	-	225,192	310,122	231,929
Debt premium	1,337,517	359,565	315,737	1,381,345	-
Landfill post-closure liability	363,597	-	53,848	309,749	90,260
Subtotal	<u>39,381,428</u>	<u>4,959,565</u>	<u>6,014,777</u>	<u>38,326,216</u>	<u>5,937,189</u>
Other liabilities:					
Vested compensated absences	<u>3,058,020</u>	<u>1,316,357</u>	<u>1,101,722</u>	<u>3,272,655</u>	<u>772,373</u>
Total governmental activities long-term liabilities	<u>\$ 42,439,448</u>	<u>\$ 6,275,922</u>	<u>\$ 7,116,499</u>	<u>\$ 41,598,871</u>	<u>\$ 6,709,562</u>
<b>Business-Type Activities</b>					
Other liabilities:					
Vested compensated absences	<u>\$ 563,842</u>	<u>\$ 76,024</u>	<u>\$ 279,316</u>	<u>\$ 360,550</u>	<u>\$ 92,933</u>
Total business-type activities long-term liabilities	<u>\$ 563,842</u>	<u>\$ 76,024</u>	<u>\$ 279,316</u>	<u>\$ 360,550</u>	<u>\$ 92,933</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 \$5,136,907,300. The debt limit as of December 31, 2023, was \$256,845,365. Total general obligation debt outstanding at year-end was \$36,635,122.

# City of Middleton

Notes to Financial Statements  
December 31, 2023

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/23</u>
<b>Governmental Activities</b>					
General obligation debt:					
2015 General Obligation Promissory Notes	12/08/15	09/01/30	2.00-3.00%	\$ 6,500,000	\$ 5,685,000
2016 General Obligation Refunding Bonds	05/23/16	02/01/27	2.00%	3,900,000	1,785,000
2017 General Obligation Promissory Notes	04/11/17	03/01/27	2.00-3.00%	4,000,000	1,715,000
2018 General Obligation Promissory Notes	06/05/18	09/01/26	3.00%	3,500,000	1,410,000
2019 General Obligation Promissory Notes	05/30/19	03/01/27	1.65-2.00%	3,490,000	1,815,000
2019 General Obligation Refunding Bonds	11/15/19	09/01/29	3.00-4.00%	5,560,000	3,875,000
2019 State Trust Fund Loan Direct borrowing/placement	12/30/19	03/15/24	3.25%	590,000	155,654
2020 State Trust Fund Loan Direct borrowing/placement	12/15/20	03/15/25	2.50%	300,000	154,468
2020 Taxable General Obligation Refunding Bonds	07/28/20	09/01/35	0.43-2.15%	7,055,000	5,975,000
2020 General Obligation Promissory Note	07/28/20	03/01/28	2.00-3.00%	4,270,000	2,810,000
2021 General Obligation Promissory Note	08/17/21	03/01/29	2.00-3.00%	3,750,000	2,945,000
2022 General Obligation Promissory Note	03/17/22	03/01/30	3.00-4.00%	4,000,000	3,710,000
2023 General Obligation Promissory Note	03/28/23	09/01/31	5.00%	4,600,000	<u>4,600,000</u>
Total governmental activities, general obligation debt					<u>\$ 36,635,122</u>

# City of Middleton

Notes to Financial Statements

December 31, 2023

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
2024	\$ 231,929	\$ 8,945	\$ 5,615,000	\$ 1,038,675
2025	78,193	1,955	5,870,000	858,055
2026	-	-	5,765,000	675,343
2027	-	-	5,440,000	506,878
2028	-	-	4,080,000	367,165
2029-2033	-	-	9,185,000	536,830
2034-2035	-	-	370,000	10,428
Total	\$ 310,122	\$ 10,900	\$ 36,325,000	\$ 3,993,374

## 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 \$310,122 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, 2023, \$7,150,000 of the bonds outstanding are considered defeased.

Years ending December 31:	
2024	\$ 920,000
2025	950,000
2026	985,000
2027	1,015,000
2028	1,050,000
2029	1,085,000
2030	370,000
2031	380,000
2032	395,000
Total	\$ 7,150,000

# City of Middleton

Notes to Financial Statements  
December 31, 2023

## Lease Disclosures

### Lessor - Lease Receivables

<u>General Fund</u>				<u>Receivable Balance 12/31/23</u>
<u>Lease Receivables Description</u>	<u>Date of Inception</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	
American Tower	01/11/2010	04/10/2034	1.54 %	\$ 327,455

The General Fund recognized \$25,386 of lease revenue during the fiscal year.

The General Fund recognized \$5,252 of interest revenue during the fiscal year.

<u>TIF District No. 5</u>				<u>Receivable Balance 12/31/23</u>
<u>Lease Receivables Description</u>	<u>Date of Inception</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	
Auto Color 2604	06/30/2023	07/31/2028	2.68 %	\$ 53,610
Auto Color 2606	06/30/2023	07/31/2028	2.68 %	53,610
Auto Color 2608	06/30/2023	07/31/2028	2.68 %	53,610
Auto Color 2610	06/30/2023	07/31/2028	2.68 %	198,504
Flynn Audit LLC	03/01/2023	02/29/2028	2.68 %	147,460
Total				<u>\$ 506,794</u>

TIF District No. 5 recognized \$48,419 of lease revenue during the fiscal year.

TIF District No. 5 recognized \$6,315 of interest revenue during the fiscal year.

<u>Airport</u>				<u>Receivable Balance 12/31/23</u>
<u>Lease Receivables Description</u>	<u>Date of Inception</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	
Morey Field Farmland	01/01/2022	12/31/2024	0.43 %	\$ 5,764
Solar Agreement	07/08/2019	12/31/2045	1.68	299,483
Terminal Land	01/01/2004	12/31/2028	0.98	64,621
Total				<u>\$ 369,868</u>

The Airport recognized \$21,992 of lease revenue during the fiscal year.

The Airport recognized \$5,838 of interest revenue during the fiscal year.

<u>Water Utility</u>				<u>Receivable Balance 12/31/23</u>
<u>Lease Receivables Description</u>	<u>Date of Inception</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	
AT&T cell tower	03/13/2001	03/12/2026	0.55 %	\$ 93,841

The Water Utility recognized \$41,334 of lease revenue during the fiscal year.

The Water Utility recognized \$642 of interest revenue during the fiscal year.

## City of Middleton

Notes to Financial Statements  
December 31, 2023

### Regulated Leases

The City maintains certain regulated leases that, in accordance with GASB No. 87, do not recognize a lease receivable or a deferred inflow of resources. Regulated leases are subject to external laws, regulations or legal rulings. The following summarizes these regulated leases:

#### Hangars

On various dates, the City entered into four 15-year and thirty-six 25-year lease agreements with tenants for the use of the airport's hangars. In 2023, \$109,924 in hangar revenue was recorded in the Airport fund.

### Governmental Activities Net Position/Fund Balances

Governmental activities net position reported on the government wide statement of net position at December 31, 2023 includes the following:

#### Governmental Activities

Net investment in capital assets:	
Land	\$ 9,494,362
Right-of-way	23,127,067
Construction work in progress	13,435,093
Other capital assets, net of accumulated depreciation	77,269,292
Less long-term debt outstanding	(36,635,122)
Less unamortized debt premium	(1,381,345)
Add noncapital debt outstanding	9,296,859
Add unamortized loss on debt refunding	546,214
Add unspent debt proceeds	<u>1,586,201</u>
Total net investment in capital assets	<u>\$ 96,738,621</u>

# City of Middleton

Notes to Financial Statements  
December 31, 2023

Governmental fund balances reported on the fund financial statements at December 31, 2023 include the following:

	General Fund	Debt Service	TIF District No. 3	TIF District No. 5	Capital Projects	Nonmajor	Total
<b>Governmental Funds</b>							
Nonspendable:							
Prepaid items	\$ 117,521	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 117,521
Inventories	41,098	-	-	-	-	-	41,098
Noncurrent receivables	39,781	-	-	-	-	-	39,781
Subtotal	<u>198,400</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>198,400</u>
Restricted:							
EMS	-	-	-	-	-	35,860	35,860
Police activities	-	-	-	-	-	47,063	47,063
Subdividers' deposits	-	-	-	-	-	1,432,212	1,432,212
Debt service	-	465,655	-	-	-	-	465,655
Community development	-	-	24,047,485	-	-	2,324,805	26,372,290
Library	-	-	-	-	-	900,756	900,756
Capital improvements	-	-	-	-	2,537,328	-	2,537,328
Safety impact fees	-	-	-	-	-	1,081,974	1,081,974
Tourism	-	-	-	-	-	3,248,170	3,248,170
Youth activities	-	-	-	-	-	41,916	41,916
Transit services	-	-	-	-	-	120,137	120,137
Senior center	-	-	-	-	-	152,063	152,063
Subtotal	<u>-</u>	<u>465,655</u>	<u>24,047,485</u>	<u>-</u>	<u>2,537,328</u>	<u>9,384,956</u>	<u>36,435,424</u>
Assigned:							
Carryovers	359,153	-	-	-	-	-	359,153
Revaluation	200,000	-	-	-	-	-	200,000
Civic campus	150,000	-	-	-	-	-	150,000
Technology	350,000	-	-	-	-	-	350,000
Transit	100,000	-	-	-	-	-	100,000
Compensated absences	2,617,244	-	-	-	-	-	2,617,244
Public safety, Fire	1,386,883	-	-	-	-	-	1,386,883
Public safety, EMS	460,000	-	-	-	-	-	460,000
Subtotal	<u>5,623,280</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,623,280</u>
Unassigned (deficit)							
	<u>7,558,734</u>	<u>-</u>	<u>-</u>	<u>(1,991,199)</u>	<u>-</u>	<u>-</u>	<u>5,611,922</u>
Total fund balances	<u>\$ 13,380,414</u>	<u>\$ 465,655</u>	<u>\$ 24,047,485</u>	<u>\$ (1,991,199)</u>	<u>\$ 2,537,328</u>	<u>\$ 9,384,956</u>	<u>\$ 47,824,639</u>

# City of Middleton

Notes to Financial Statements

December 31, 2023

## Business-Type Activities/Net Position

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

	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Pleasant View Golf Course</u>	<u>Stormwater</u>	<u>Nonmajor Enterprise Funds</u>
Land	\$ 222,277	\$ 66,830	\$ 1,476,500	\$ 1,935,149	\$ 2,715,508
CWIP	-	-	-	44,147	-
Buildings	-	-	1,507,208	-	745,292
Improvements	-	-	9,340,573	5,675,547	1,032,849
Machinery and equipment	-	-	1,218,041	-	469,603
Plant in service	36,125,226	18,322,402	-	-	-
Accumulated depreciation	(13,764,589)	(7,572,790)	(2,094,687)	(1,529,851)	(489,937)
Total net investment in capital assets	<u>\$ 22,582,914</u>	<u>\$ 10,816,442</u>	<u>\$ 11,447,635</u>	<u>\$ 6,124,992</u>	<u>\$ 4,473,315</u>

## 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, 2023, the CDA's total cash balance is \$700,390. 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, 2023, the CDA has an outstanding loans receivable balance of \$27,490.

# City of Middleton

Notes to Financial Statements

December 31, 2023

## 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>(1,423,296)</u>	<u>(74,808)</u>	<u>-</u>	<u>(1,498,104)</u>	-
Total	<u>\$ 1,664,201</u>	<u>\$ (74,808)</u>	<u>\$ -</u>	<u>\$ 1,589,393</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>.

Additionally, ETF issued a standalone Wisconsin Retirement System Financial Report, which can also be found using the link above.

#### 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.

## City of Middleton

Notes to Financial Statements  
December 31, 2023

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.

### 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>
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
2021	5.1	13.0
2022	7.4	15.0

### 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 was 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 \$1,043,030 in contributions from the City.

Contribution rates as of December 31, 2023 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (executives & elected officials)	6.50 %	6.50 %
General (including teachers, executives and elected officials)	6.50	6.50
Protective with social security	6.50	12.00
Protective without social security	6.50	16.40

## City of Middleton

Notes to Financial Statements

December 31, 2023

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

At December 31, 2023, the City reported a liability (asset) of \$4,621,466 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021 rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2022, the City's proportion was 0.08723530%, which was an increase of 0.00152878% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the City recognized pension expense of \$2,215,020.

At December 31, 2023, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between projected and actual experience	\$ 7,360,566	\$ 9,670,131
Changes in assumption	908,771	-
Net differences between projected and actual earnings on pension plan investments	7,850,806	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	7,533	30,204
Employer contributions subsequent to the measurement date	1,168,773	-
Total	<u>\$ 17,296,449</u>	<u>\$ 9,700,335</u>

\$1,168,773 reported as deferred outflows of resources 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 in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<b>Deferred Outflows of Resources and Deferred Inflows of Resources (Net)</b>
Years ending December 31:	
2024	\$ 260,919
2025	1,329,916
2026	1,362,778
2027	3,473,728

## City of Middleton

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Notes to Financial Statements  
December 31, 2023

### Actuarial Assumptions

The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2021
Measurement Date of Net Pension Liability (Asset):	December 31, 2022
Experience Study:	January 1, 2018 – December 31, 2020 Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Wage Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table
Postretirement Adjustments*:	1.7%

- \* No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.7% 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 2022 that covered a three-year period from January 1, 2018 to December 31, 2020. The Total Pension Liability for December 31, 2022 is based upon a roll-forward of the liability calculated from the December 31, 2021 actuarial valuation.

## City of Middleton

Notes to Financial Statements  
December 31, 2023

### 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:

<b>Asset Allocation Targets and Expected Returns* as of December 31, 2022</b>			
<b>Core Fund Asset Class</b>	<b>Asset Allocation %</b>	<b>Long-Term Expected Nominal Rate of Return %</b>	<b>Long-Term Expected Real Rate of Return %**</b>
Public Equity	48	7.6	5
Public Fixed Income	25	5.3	2.7
Inflation Sensitive	19	3.6	1.1
Real Estate	8	5.2	2.6
Private Equity/Debt	15	9.6	6.9
Total Core Fund***	115	7.4	4.8
<b>Variable Fund Asset</b>			
U.S. Equities	70	7.2	4.6
International Equities	30	8.1	5.5
Total Variable Fund	100	7.7	5.1

\* Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations

\*\* New England Pension Consultants' Long-Term U.S. CPI (Inflation) Forecast: 2.5%

\*\*\* The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. This results in an asset allocation beyond 100%. Currently, an asset allocation target of 15% policy leverage is used subject to an allowable range of up to 20%.

**Single Discount Rate**

A single discount rate of 6.8% was used to measure the total pension liability, for the current and prior year. This single discount rate was based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 4.05%. (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, 2022. 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 6.8% expected rate of return implies that a dividend of approximately 1.7% 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 6.8%, 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 (5.8%) or 1-percentage-point higher (7.8%) than the current rate:

	<b>1% Decrease to Discount Rate (5.80%)</b>	<b>Current Discount Rate (6.80%)</b>	<b>1% Increase to Discount Rate (7.80%)</b>
City's proportionate share of the net pension liability/(asset)	\$ 15,338,500	\$ 4,621,466	\$ (2,750,931)

**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, 2023, 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

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Notes to Financial Statements  
December 31, 2023

## 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 2023, these costs amount to \$625,000. 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, 2023, the City had outstanding commitments of \$47.1 million. During the year, the City committed to an additional \$16.7 million and satisfied \$4.6 million. As of December 31, 2023, the City has remaining commitments of \$59.2 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 2023 percentages as follows:

City of Middleton	56 %
Village of Shorewood Hills	5
Village of Waunakee	39

## City of Middleton

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Notes to Financial Statements  
December 31, 2023

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, 2023 is a deficit of \$551,389. 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 \$309,749 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 \$89,950 to the District in 2023. 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 \$1,087,746 to the District in 2023 for operating expenses and \$61,950 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. 100, *Accounting Changes and Error Corrections—an Amendment of GASB Statement No. 62*
- Statement No. 101, *Compensated Absences*
- Statement No. 102, *Certain Risk Disclosures*

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, 2023

As of December 31, 2023, 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	12/31/2022	Additions/ Adjustments	Payments	12/31/2023
Hung Springs (Mead & Hunt)	6/25/2013	TID #3	Developer Financed	\$ 765,760	\$ 43,067	\$ (171,170)	\$ 637,126
Parmenter Circle	7/1/2014	TID #3	Developer Financed	565,022	23,802	(169,746)	419,079
Esser Place (WTS Paradigm)	7/15/2014	TID #3	Developer Financed	191,329	-	(47,462)	143,867
Discuss Development, Inc. (Fiskars)	5/5/2015	TID #3	Developer Financed	910,627	-	(325,192)	585,435
TCM Enterprises, LLC (Primrose)	12/21/2015	TID #3	Developer Financed	72,535	3,613	(49,412)	26,736
Middleton Station	10/4/2016	TID #3	Developer Financed	728,045	30,287	(92,541)	665,792
Market West Apartments	5/18/2016	TID #3	Developer Financed	4,372,985	190,014	(606,593)	3,956,405
Cardinal Row	6/7/2016	TID #5	Developer Financed	473,810	-	(41,401)	432,409
PPD (Vanta) Greenway	6/9/2016	TID #3	Developer Financed	80,755	1,747	(82,502)	-
Middleton Center Phase 1	7/5/2016	TID #3	Developer Financed	2,793,449	33,578	(315,340)	2,511,687
Middleton Center Phase 2	7/5/2016	TID #3	Developer Financed	3,283,588	(78,698)	(373,447)	2,831,443
Middleton Center Phase 3	7/5/2016	TID #3	Developer Financed	1,429,311	68,473	(147,060)	1,350,724
Faust Ventures, LLC (Laser Express)	9/20/2016	TID #3	Developer Financed	1,301,192	57,812	(114,613)	1,244,391
Gammex	11/1/2016	TID #3	Developer Financed	48,849	-	(22,214)	26,636
Electronic Theater Controls (ETC)	3/7/2017	TID #3	Developer Financed	2,499,866	-	(83,697)	2,416,169
Deming Prairie Properties, LLC (SACO Foods)	9/7/2017	TID #3	Developer Financed	152,297	-	(46,444)	105,853
Cascade Development (Holiday Inn Express)	10/16/2017	TID #3	Developer Financed	555,000	22,137	(88,088)	489,049
Pheasant Creek, LLC (Stagecoach)	2/6/2018	TID #5	Developer Financed	1,517,627	66,823	(99,478)	1,484,972
Middleton Market, LLC (Treyستا/Aviary)	2/20/2018	TID #5	Developer Financed	6,662,001	131,487	(483,791)	6,309,698
SBH-Madison, LLC (Miramont)	5/5/2018	TID #3	Developer Financed	907,947	-	(139,953)	767,993
Pleasant Green Development, Inc. (Hy Cite)	6/5/2018	TID #3	Developer Financed	2,484,606	(425,000)	(276,083)	1,783,523
Stardust Investments, LLC (Goodwill)	7/11/2018	TID #5	Developer Financed	415,656	-	(39,480)	376,177
2882 Pleasant View Rd., LLC (Whispering Pines)	8/21/2018	TID #3	Developer Financed	313,777	16,759	(154,550)	175,985
Deming Investors, LLC (Chartwell-Midwest, LLC)	4/29/2019	TID #3	Developer Financed	694,198	-	(96,792)	597,406
Conservancy Bend Residences, LLC	9/30/2019	TID #5	Developer Financed	4,010,648	-	(154,424)	3,851,223
Conservancy Bend Townhomes, LLC	9/30/2019	TID #5	Developer Financed	2,399,986	-	-	2,399,986
Deming Way Hotel Assoc., LLC (Towne Place Stes)	1/21/2020	TID #3	Developer Financed	1,158,813	-	(123,431)	1,035,383
TRRE, LLC (Cardinal View Senior Housing)	5/5/2020	TID #5	Developer Financed	785,971	41,672	(89,039)	738,604
Deming Prairie Properties, LLC (SACO Expansion)	7/21/2020	TID #3	Developer Financed	270,598	15,552	(45,041)	241,108
Impact Parmenter, LLC (The Trotta)	12/14/2020	TID #5	Developer Financed	2,828,589	27,146	(159,100)	2,696,634
38Ten Parmenter, LLC	11/16/2021	TID #5	Developer Financed	995,000	-	-	995,000
T5 Properties LLC (6100 Lake Street)	4/15/2022	TID #5	Developer Financed	1,444,569	(179,309)	-	1,265,260
Pleasant Acres, LLC (Belle Farm Phase 1)	8/15/2023	TID #5	Developer Financed	-	12,368,775	-	12,368,775
38Ten Parmenter II, LLC	10/12/2022	TID #5	Developer Financed	-	1,350,000	-	1,350,000
Greenway Project, LLC (Ponds Redevelopment)	5/4/2023	TID #3	Developer Financed	-	2,881,030	-	2,881,030
				<u>\$ 47,114,406</u>	<u>\$ 16,690,767</u>	<u>\$ (4,643,615)</u>	<u>\$ 59,161,558</u>

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.

## City of Middleton

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Notes to Financial Statements  
December 31, 2023

### **Subsequent Event**

On April 23, 2024, the City issued \$4,000,000 of general obligation promissory notes with a 4.00-5.00% interest rate to fund 2024 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, 2023

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Taxes</b>				
General property tax	\$ 15,076,229	\$ 15,076,229	\$ 15,076,229	\$ -
Omitted taxes	10,835	10,835	10,588	(247)
Fees in lieu of taxes	59,100	59,100	84,872	25,772
Ag conversion	-	-	10,780	10,780
Room tax	600,000	600,000	653,195	53,195
Interest and penalties on taxes	2,000	2,000	5,956	3,956
Total taxes	15,748,164	15,748,164	15,841,620	93,456
<b>Intergovernmental Revenues</b>				
State shared revenues	297,350	297,350	326,558	29,208
State aid, video service provider	52,821	52,821	52,821	-
State aid, pandemic relief	-	-	1,500	1,500
State aid, road allotment	1,138,573	1,138,573	1,138,913	340
State aid, exempt computer aid	261,905	261,905	261,905	-
State aid, personal property	119,689	119,689	119,689	-
State aid, expenditure restraint	109,516	109,516	109,516	-
State aid, fire insurance dues	165,000	165,000	174,988	9,988
State aid, law enforcement	-	-	27,351	27,351
Police school liaison officer	87,062	87,062	86,022	(1,040)
Federal and state aid, other	667,147	883,301	884,220	919
County aid, signals	6,000	6,000	18,603	12,603
County aid, senior citizens	83,002	94,351	103,855	9,504
Total intergovernmental revenues	2,988,065	3,215,568	3,305,941	90,373
<b>Licenses and Permits</b>				
Liquor and malt beverage licenses	45,000	45,000	55,696	10,696
Operators' licenses	20,000	20,000	11,293	(8,707)
Alarm licenses	13,000	13,000	15,521	2,521
Cigarette licenses	2,100	2,100	1,700	(400)
Dog licenses	5,000	5,000	6,901	1,901
Cable TV franchise license	215,701	215,701	202,273	(13,428)
Other miscellaneous licenses	2,350	2,350	5,042	2,692
Building permits and plan review	328,000	328,000	393,823	65,823
Electrical permits and plan review	46,000	46,000	62,037	16,037
Plumbing permits and plan review	62,000	62,000	88,793	26,793
Erosion control permits	18,000	18,000	43,042	25,042
Other permits	44,000	44,000	49,135	5,135
Other miscellaneous fees	24,161	24,161	73,569	49,408
Zoning permits	20,600	20,600	26,722	6,122
Park reservation permits	38,000	38,000	43,324	5,324
Total licenses and permits	883,912	883,912	1,078,871	194,959
<b>Fines, Forfeitures and Penalties</b>				
Court penalties	150,000	150,000	111,315	(38,685)
Court costs	70,000	70,000	57,416	(12,584)
Parking violations	35,000	35,000	51,188	16,188
Total fines, forfeitures and penalties	255,000	255,000	219,919	(35,081)

See notes to required supplementary information

## City of Middleton

General Fund

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

Year Ended December 31, 2023

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Charges for Services</b>				
Clerk fees	\$ 17,000	\$ 17,000	\$ 13,663	\$ (3,337)
Police special services	-	-	89	89
Police department fees	9,000	9,000	2,168	(6,832)
Ambulance services	1,370,188	1,436,095	1,478,846	42,751
Plan commission charges	15,000	15,000	45,138	30,138
Senior citizens	25,700	25,700	83,469	57,769
Swimming pool	200,000	200,000	200,397	397
Aquatic concession revenue	30,000	30,000	31,531	1,531
Seasonal recreation	130,015	130,015	217,772	87,772
Event / trip revenue	-	-	5,487	5,487
Hubbard art center program	50,000	50,000	66,200	16,200
Public works charges	3,000	3,000	3,033	33
Administration reimbursements, recycling	14,000	14,000	15,638	1,638
Donations	1,200	1,200	-	(1,200)
Total charges for services	1,865,103	1,931,010	2,163,446	232,436
<b>Interdepartment Charges for Services</b>				
Administration reimbursements, utilities	242,000	242,000	242,000	-
Administration reimbursements, TIF	625,000	625,000	625,000	-
Administration reimbursements, landfill	5,000	5,000	5,000	-
Administration reimbursements, fire district	2,600	2,600	2,600	-
EMS fixed cost abatement	261,660	239,232	239,232	-
Total interdepartmental charges for services	1,136,260	1,113,832	1,113,832	-
<b>Special Assessments</b>				
Curb, gutter and sidewalks	57,000	57,000	86,890	29,890
<b>Investment Income</b>				
Investment income	500,800	500,800	1,255,763	754,963
<b>Miscellaneous Revenues</b>				
Credit card rebate	50,000	50,000	50,607	607
Rent	-	-	36,034	36,034
Sale of materials	100	100	-	(100)
Other miscellaneous	8,000	8,000	9,489	1,489
Total miscellaneous revenues	58,100	58,100	96,130	38,030
Total revenues	23,492,404	23,763,386	25,162,412	1,399,026

See notes to required supplementary information

## City of Middleton

General Fund

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

Year Ended December 31, 2023

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Current Expenditures</b>				
<b>General Government</b>				
Council	\$ 68,643	\$ 68,643	\$ 67,119	\$ 1,524
Boards and commissions	20,350	20,350	28,763	(8,413)
General administration	285,205	285,205	247,764	37,441
Municipal court	102,910	102,910	98,985	3,925
Finance	941,168	941,168	907,511	33,657
HRA account transfer	250,000	250,000	173,063	76,937
Information technology	832,010	832,010	762,936	69,074
Legal counsel	250,320	285,320	272,695	12,625
Buildings and grounds	61,300	61,300	70,143	(8,843)
Illegal taxes and tax refunds	11,461	11,461	2,263	9,198
Group insurance	25,000	25,000	22,145	2,855
Risk management and insurance	350,000	350,000	350,000	-
Elections	41,200	41,200	41,797	(597)
Miscellaneous	674,580	674,929	89,909	585,020
Total general government	3,914,147	3,949,496	3,135,093	814,403
<b>Public Safety</b>				
Police department	5,972,462	5,972,462	5,660,029	312,433
Communication center	641,960	641,960	593,341	48,619
Fire suppression	1,287,855	1,287,855	1,149,696	138,159
EMS	2,311,044	2,319,174	2,307,341	11,833
Building inspector	447,286	447,286	481,938	(34,652)
Community services	125,173	125,173	46,120	79,053
Emergency preparedness	74,500	74,500	70,122	4,378
Crossing guard	15,500	15,500	14,315	1,185
Total public safety	10,875,780	10,883,910	10,322,902	561,008
<b>Public Works</b>				
Engineering and administration	991,156	991,156	941,601	49,555
Street maintenance	916,273	916,273	930,759	(14,486)
Fleet maintenance	402,940	402,940	485,099	(82,159)
City garage	89,400	89,400	112,654	(23,254)
Sidewalk maintenance	130,000	130,000	111,204	18,796
Snow removal	85,200	85,200	36,211	48,989
Traffic signs and markings	75,300	75,300	70,812	4,488
Street lighting	142,500	142,500	172,594	(30,094)
Storm sewers	89,500	89,500	52,790	36,710
Mass transit	1,139,666	1,239,666	1,236,833	2,833
Garbage collection	585,000	585,000	562,804	22,196
Sanitary landfill	90,230	90,230	89,950	280
Recycling	344,098	344,098	337,977	6,121
Total public works	5,081,263	5,181,263	5,141,288	39,975

See notes to required supplementary information

**City of Middleton**

General Fund

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

Year Ended December 31, 2023

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Health and Human Services</b>				
Senior center	\$ 558,470	\$ 568,714	\$ 560,741	\$ 7,973
<b>Leisure Activities</b>				
Recreation facilities	325,346	339,608	296,348	43,260
Recreation administration	468,411	468,411	505,633	(37,222)
Public lands	1,039,305	1,039,305	1,029,757	9,548
Total leisure activities	1,833,062	1,847,324	1,831,738	15,586
<b>Conservation and Development</b>				
Forestry	292,689	292,689	223,295	69,394
Water resources	30,080	30,080	30,544	(464)
Conservancy lands	264,833	264,833	236,497	28,336
Planning	482,602	482,602	473,971	8,631
Total conservation and development	1,070,204	1,070,204	964,307	105,897
Total expenditures	23,332,926	23,500,911	21,956,069	1,544,842
Excess of revenues over expenditures	159,478	262,475	3,206,343	2,943,868
<b>Other Financing Sources (Uses)</b>				
Sale of city property	-	-	935	935
Transfers in	611,367	625,629	584,108	(41,521)
Transfers out	(1,520,845)	(1,520,845)	(1,640,982)	(120,137)
Total other financing sources (uses)	(909,478)	(895,216)	(1,055,939)	(160,723)
Net change in fund balance	(750,000)	(632,741)	2,150,404	2,783,145
<b>Fund Balance, Beginning</b>	11,230,010	11,230,010	11,230,010	-
<b>Fund Balance, Ending</b>	\$ 10,480,010	\$ 10,597,269	\$ 13,380,414	\$ 2,783,145

See notes to required supplementary information

## City of Middleton

Schedule of Proportionate Share of the Net Pension (Asset) Liability -  
Wisconsin Retirement System  
Year Ended December 31, 2023

<u>Fiscal Year Ending</u>	<u>Proportion of the Net Pension (Asset) Liability</u>	<u>Proportionate Share of the Net Pension (Asset) Liability</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net Pension (Asset) Liability as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
12/31/23	0.08723530%	\$ 4,621,466	\$ 11,800,421	39.16%	95.72%
12/31/22	0.08570652%	(6,908,103)	11,449,752	60.33%	106.02%
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, 2023

<u>Fiscal Year Ending</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/23	\$ 1,168,773	\$ 1,168,773	\$ -	\$ 12,391,114	9.43%
12/31/22	1,043,032	1,043,032	-	11,800,422	8.84%
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, 2023

### 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>
<b>General Fund</b>			
Current expenditures:			
Boards and commissions	\$ 20,350	\$ 28,763	\$ 8,413
Buildings and grounds	61,300	70,143	8,843
Elections	41,200	41,797	597
Building inspector	447,286	481,938	34,652
Street maintenance	916,273	930,759	14,486
Fleet maintenance	402,940	485,099	82,159
City garage	89,400	112,654	23,254
Street lighting	142,500	172,594	30,094
Recreation administration	468,411	505,633	37,222
Water resources	30,080	30,544	464

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.* Based on a three-year experience study conducted in 2021 covering January 1, 2018 through December 31, 2020, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-end December 31, 2022, including the following:

- Lowering the long-term expected rate of return from 7.0% to 6.8%
- Lowering the discount rate from 7.0% to 6.8%
- Lowering the price inflation rate from 2.5% to 2.4%
- Lowering the post-retirement adjustments from 1.9% to 1.7%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table

Based on a three-year experience study conducted in 2018 covering January 1, 2015 through December 31, 2017, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-ended December 31, 2018, including the following:

- Lowering the long-term expected rate of return from 7.2% to 7.0%
- Lowering the discount rate from 7.2% to 7.0%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Lowering the post-retirement adjustments from 2.1% to 1.9%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table

## **SUPPLEMENTARY INFORMATION**

**OTHER MAJOR FUNDS**

## City of Middleton

Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual - Debt Service (Major Fund)  
Year Ended December 31, 2023

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
<b>Revenues</b>			
Taxes	\$ 5,475,000	\$ 5,475,000	\$ -
Investment income	-	55,280	55,280
Total revenues	<u>5,475,000</u>	<u>5,530,280</u>	<u>55,280</u>
<b>Expenditures</b>			
Debt service:			
Principal retirement	5,080,192	5,080,192	-
Interest and fiscal charges	<u>900,006</u>	<u>1,089,668</u>	<u>(189,662)</u>
Total expenditures	<u>5,980,198</u>	<u>6,169,860</u>	<u>(189,662)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(505,198)</u>	<u>(639,580)</u>	<u>(134,382)</u>
<b>Other Financing Sources</b>			
Premium on debt	-	359,565	359,565
Transfer in	<u>315,000</u>	<u>315,000</u>	<u>-</u>
Total other financing sources	<u>315,000</u>	<u>674,565</u>	<u>359,565</u>
Net change in fund balance	(190,198)	34,985	225,183
<b>Fund Balance, Beginning</b>	<u>430,670</u>	<u>430,670</u>	<u>-</u>
<b>Fund Balance, Ending</b>	<u>\$ 240,472</u>	<u>\$ 465,655</u>	<u>\$ 225,183</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, 2023

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
<b>Revenues</b>				
Taxes	\$ 10,873,685	\$ 10,873,685	\$ 9,963,593	\$ (910,092)
Intergovernmental	1,947,728	1,947,728	1,057,728	(890,000)
Investment income	75,000	75,000	1,181,276	1,106,276
Miscellaneous	-	9,115	22,790	13,675
Total revenues	<u>12,896,413</u>	<u>12,905,528</u>	<u>12,225,387</u>	<u>(680,141)</u>
<b>Expenditures</b>				
Current:				
General government	900,000	900,000	731,124	168,876
Conservation and development	7,711,563	7,692,429	3,753,487	3,938,942
Capital outlay	<u>20,558,985</u>	<u>20,587,234</u>	<u>11,948,558</u>	<u>8,638,676</u>
Total expenditures	<u>29,170,548</u>	<u>29,179,663</u>	<u>16,433,169</u>	<u>12,746,494</u>
Net change in fund balance	(16,274,135)	(16,274,135)	(4,207,782)	12,066,353
<b>Fund Balance, Beginning</b>	<u>28,255,267</u>	<u>28,255,267</u>	<u>28,255,267</u>	<u>-</u>
<b>Fund Balance, Ending</b>	<u>\$ 11,981,132</u>	<u>\$ 11,981,132</u>	<u>\$ 24,047,485</u>	<u>\$ 12,066,353</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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
<b>Revenues</b>				
Taxes	\$ 3,162,825	\$ 3,162,825	\$ 3,090,812	\$ (72,013)
Intergovernmental	87,254	87,254	87,254	-
Licenses and permits	-	-	2,000	2,000
Investment income	5,000	5,000	120,941	115,941
Miscellaneous	-	-	82,266	82,266
Total revenues	<u>3,255,079</u>	<u>3,255,079</u>	<u>3,383,273</u>	<u>128,194</u>
<b>Expenditures</b>				
Current:				
Conservation and development	1,154,146	1,154,146	3,567,373	(2,413,227)
Capital outlay	149,850	179,850	73,776	106,074
Debt service:				
Principal	565,000	565,000	565,000	-
Interest and fiscal charges	91,010	91,010	91,010	-
Total expenditures	<u>1,960,006</u>	<u>1,990,006</u>	<u>4,297,159</u>	<u>(2,307,153)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,295,073</u>	<u>1,265,073</u>	<u>(913,886)</u>	<u>(2,178,959)</u>
Net change in fund balances	1,295,073	1,265,073	(913,886)	(2,178,959)
<b>Fund Balance (Deficit), Beginning</b>	<u>(1,077,313)</u>	<u>(1,077,313)</u>	<u>(1,077,313)</u>	<u>-</u>
<b>Fund Balance (Deficit), Ending</b>	<u>\$ 217,760</u>	<u>\$ 187,760</u>	<u>\$ (1,991,199)</u>	<u>\$ (2,178,959)</u>

**City of Middleton**

Combining Balance Sheet - Capital Projects Fund (Major Fund)

December 31, 2023

	<b>General Capital Projects</b>	<b>Public Works Capital Construction</b>	<b>Public Lands Capital Construction</b>	<b>Total Capital Projects Fund</b>
<b>Assets</b>				
Cash and investments	\$ 1,229,365	\$ 839,447	\$ 563,294	\$ 2,632,106
Other receivables	45,390	122,584	-	167,974
Total assets	<u>\$ 1,274,755</u>	<u>\$ 962,031</u>	<u>\$ 563,294</u>	<u>\$ 2,800,080</u>
<b>Liabilities and Fund Balance</b>				
Liabilities:				
Accounts payable	\$ 138,786	\$ 123,966	\$ -	\$ 262,752
Fund balance:				
Restricted	1,135,969	838,065	563,294	2,537,328
Total liabilities and fund balance	<u>\$ 1,274,755</u>	<u>\$ 962,031</u>	<u>\$ 563,294</u>	<u>\$ 2,800,080</u>

**City of Middleton**

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

Capital Projects Fund (Major Fund)

Year Ended December 31, 2023

	<b>General Capital Projects</b>	<b>Public Works Capital Construction</b>	<b>Public Lands Capital Construction</b>	<b>Total Capital Projects Fund</b>
<b>Revenues</b>				
Intergovernmental	\$ 73,786	\$ 638,541	\$ 900,000	\$ 1,612,327
Total revenues	<u>73,786</u>	<u>638,541</u>	<u>900,000</u>	<u>1,612,327</u>
<b>Expenditures</b>				
Capital outlay	<u>737,545</u>	<u>2,508,996</u>	<u>2,372,727</u>	<u>5,619,268</u>
Total expenditures	<u>737,545</u>	<u>2,508,996</u>	<u>2,372,727</u>	<u>5,619,268</u>
Deficiency of revenues over expenditures	<u>(663,759)</u>	<u>(1,870,455)</u>	<u>(1,472,727)</u>	<u>(4,006,941)</u>
<b>Other Financing Sources</b>				
Long-term debt issued	811,601	1,722,844	2,065,555	4,600,000
Sale of capital assets	24,136	27,945	-	52,081
Transfer in	<u>42,652</u>	<u>-</u>	<u>-</u>	<u>42,652</u>
Total other financing sources	<u>878,389</u>	<u>1,750,789</u>	<u>2,065,555</u>	<u>4,694,733</u>
Net change in fund balance	214,630	(119,666)	592,828	687,792
<b>Fund Balance (Deficit), Beginning</b>	<u>921,339</u>	<u>957,731</u>	<u>(29,534)</u>	<u>1,849,536</u>
<b>Fund Balance, Ending</b>	<u>\$ 1,135,969</u>	<u>\$ 838,065</u>	<u>\$ 563,294</u>	<u>\$ 2,537,328</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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
<b>Revenues</b>				
Intergovernmental	\$ 165,126	\$ 165,126	\$ 1,612,327	\$ 1,447,201
Miscellaneous	15,000	15,000	-	(15,000)
Total revenues	<u>180,126</u>	<u>180,126</u>	<u>1,612,327</u>	<u>1,432,201</u>
<b>Expenditures</b>				
Capital outlay	<u>3,524,126</u>	<u>7,923,274</u>	<u>5,619,268</u>	<u>2,304,006</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,344,000)</u>	<u>(7,743,148)</u>	<u>(4,006,941)</u>	<u>3,736,207</u>
<b>Other Financing Sources</b>				
Long-term debt issued	4,600,000	4,600,000	4,600,000	-
Sale of capital assets	-	-	52,081	52,081
Transfers in	<u>-</u>	<u>-</u>	<u>42,652</u>	<u>42,652</u>
Total other financing sources	<u>4,600,000</u>	<u>4,600,000</u>	<u>4,694,733</u>	<u>94,733</u>
Net change in fund balance	1,256,000	(3,143,148)	687,792	3,830,940
<b>Fund Balance, Beginning</b>	<u>1,849,536</u>	<u>1,849,536</u>	<u>1,849,536</u>	<u>-</u>
<b>Fund Balance, Ending</b>	<u>\$ 3,105,536</u>	<u>\$ (1,293,612)</u>	<u>\$ 2,537,328</u>	<u>\$ 3,830,940</u>

**NONMAJOR GOVERNMENTAL FUNDS**

**City of Middleton**

Combining Balance Sheet - Nonmajor Governmental Funds  
December 31, 2023

	<u>Subdividers' Deposits</u>	<u>Lost and Damaged Books</u>	<u>Library Gift</u>	<u>SCLS Foundation</u>	<u>Library Endowment</u>	<u>Next Chapter</u>	<u>Library Fund</u>	<u>Safety Impact Fee and Other</u>	<u>Economic Development Grant</u>
<b>Assets</b>									
Cash and investments	\$ 2,526,721	\$ 25,388	\$ 3,780	\$ 78,258	\$ 341,539	\$ -	\$ 535,633	\$ 1,081,974	\$ 17,444
Loans, net of allowance	-	-	-	-	-	-	-	-	88,166
Other receivables	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 2,526,721</u>	<u>\$ 25,388</u>	<u>\$ 3,780</u>	<u>\$ 78,258</u>	<u>\$ 341,539</u>	<u>\$ -</u>	<u>\$ 535,633</u>	<u>\$ 1,081,974</u>	<u>\$ 105,610</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>									
Liabilities:									
Accounts payable	\$ 49,376	\$ -	\$ 560	\$ -	\$ -	\$ -	\$ 31,241	\$ -	\$ -
Other accrued liabilities	-	-	-	-	-	-	52,041	-	-
Deposits	1,045,133	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-
Total liabilities	<u>1,094,509</u>	<u>-</u>	<u>560</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>83,282</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:									
Unavailable revenue	-	-	-	-	-	-	-	-	88,166
Fund balances:									
Restricted	<u>1,432,212</u>	<u>25,388</u>	<u>3,220</u>	<u>78,258</u>	<u>341,539</u>	<u>-</u>	<u>452,351</u>	<u>1,081,974</u>	<u>17,444</u>
Total fund balances	<u>1,432,212</u>	<u>25,388</u>	<u>3,220</u>	<u>78,258</u>	<u>341,539</u>	<u>-</u>	<u>452,351</u>	<u>1,081,974</u>	<u>17,444</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,526,721</u>	<u>\$ 25,388</u>	<u>\$ 3,780</u>	<u>\$ 78,258</u>	<u>\$ 341,539</u>	<u>\$ -</u>	<u>\$ 535,633</u>	<u>\$ 1,081,974</u>	<u>\$ 105,610</u>

**City of Middleton**

Combining Balance Sheet - Nonmajor Governmental Funds  
December 31, 2023

	<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>Transit Services</u>	<u>Total Nonmajor Governmental Funds</u>
<b>Assets</b>									
Cash and investments	\$ 2,981,008	\$ 57,912	\$ 35,860	\$ 2,308,081	\$ 27,493	\$ 158,970	\$ 1,374,493	\$ 120,137	\$ 11,674,691
Loans, net of allowance	-	-	-	-	-	-	-	-	88,166
Other receivables	364,977	-	-	150,000	18,500	-	-	-	533,477
Total assets	<u>\$ 3,345,985</u>	<u>\$ 57,912</u>	<u>\$ 35,860</u>	<u>\$ 2,458,081</u>	<u>\$ 45,993</u>	<u>\$ 158,970</u>	<u>\$ 1,374,493</u>	<u>\$ 120,137</u>	<u>\$ 12,296,334</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>									
Liabilities:									
Accounts payable	\$ 90,210	\$ -	\$ -	\$ 720	\$ 643	\$ 6,907	\$ 29,558	\$ -	\$ 209,215
Other accrued liabilities	7,605	10,849	-	-	3,434	-	-	-	73,929
Deposits	-	-	-	-	-	-	-	-	1,045,133
Unearned revenue	-	-	-	-	-	-	1,344,935	-	1,344,935
Total liabilities	<u>97,815</u>	<u>10,849</u>	<u>-</u>	<u>720</u>	<u>4,077</u>	<u>6,907</u>	<u>1,374,493</u>	<u>-</u>	<u>2,673,212</u>
Deferred inflows of resources:									
Unavailable revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>150,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>238,166</u>
Fund balances:									
Restricted	<u>3,248,170</u>	<u>47,063</u>	<u>35,860</u>	<u>2,307,361</u>	<u>41,916</u>	<u>152,063</u>	<u>-</u>	<u>120,137</u>	<u>9,384,956</u>
Total fund balances	<u>3,248,170</u>	<u>47,063</u>	<u>35,860</u>	<u>2,307,361</u>	<u>41,916</u>	<u>152,063</u>	<u>-</u>	<u>120,137</u>	<u>9,384,956</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,345,985</u>	<u>\$ 57,912</u>	<u>\$ 35,860</u>	<u>\$ 2,458,081</u>	<u>\$ 45,993</u>	<u>\$ 158,970</u>	<u>\$ 1,374,493</u>	<u>\$ 120,137</u>	<u>\$ 12,296,334</u>

**City of Middleton**

Combining Statement of Revenues, Expenditures and Changes in Fund Balances -  
 Nonmajor Governmental Funds  
 Year Ended December 31, 2023

	<u>Subdividers' Deposits</u>	<u>Lost and Damaged Books</u>	<u>Library Gift</u>	<u>SCLS Foundation</u>	<u>Library Endowment</u>	<u>Next Chapter</u>	<u>Library</u>	<u>Safety Impact Fee and Other</u>	<u>Economic Development Grant</u>
<b>Revenues</b>									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	954,646	-	2,127,692
Public charges for services	260,867	4,823	-	-	-	-	12,294	-	-
Licenses and permits	9,611	-	-	-	-	-	-	5,411	-
Investment income	-	1,098	146	8,916	34,443	-	24,070	50,695	721
Contributions	-	-	1,741	15,137	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	6,455	-	100,000
<b>Total revenues</b>	<u>270,478</u>	<u>5,921</u>	<u>1,887</u>	<u>24,053</u>	<u>34,443</u>	<u>-</u>	<u>997,465</u>	<u>56,106</u>	<u>2,228,413</u>
<b>Expenditures</b>									
Current:									
General government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-	-	-	-
Leisure activities	-	1,422	8,561	884	3,516	-	2,687,229	-	-
Conservation and development	-	-	-	-	-	-	-	-	2,127,692
Capital outlay	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>1,422</u>	<u>8,561</u>	<u>884</u>	<u>3,516</u>	<u>-</u>	<u>2,687,229</u>	<u>-</u>	<u>2,127,692</u>
Excess (deficiency) of revenues over (under) expenditures	<u>270,478</u>	<u>4,499</u>	<u>(6,674)</u>	<u>23,169</u>	<u>30,927</u>	<u>-</u>	<u>(1,689,764)</u>	<u>56,106</u>	<u>100,721</u>
<b>Other Financing Sources (Uses)</b>									
Transfers in	-	-	6,959	-	-	-	1,409,912	-	-
Transfers (out)	-	-	-	-	-	(6,959)	-	(215,000)	(100,000)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>6,959</u>	<u>-</u>	<u>-</u>	<u>(6,959)</u>	<u>1,409,912</u>	<u>(215,000)</u>	<u>(100,000)</u>
<b>Net change in fund balance</b>	<u>270,478</u>	<u>4,499</u>	<u>285</u>	<u>23,169</u>	<u>30,927</u>	<u>(6,959)</u>	<u>(279,852)</u>	<u>(158,894)</u>	<u>721</u>
<b>Fund Balance, Beginning</b>	<u>1,161,734</u>	<u>20,889</u>	<u>2,935</u>	<u>55,089</u>	<u>310,612</u>	<u>6,959</u>	<u>732,203</u>	<u>1,240,868</u>	<u>16,723</u>
<b>Fund Balance, Ending</b>	<u>\$ 1,432,212</u>	<u>\$ 25,388</u>	<u>\$ 3,220</u>	<u>\$ 78,258</u>	<u>\$ 341,539</u>	<u>\$ -</u>	<u>\$ 452,351</u>	<u>\$ 1,081,974</u>	<u>\$ 17,444</u>

**City of Middleton**

Combining Statement of Revenues, Expenditures and Changes in Fund Balances -  
 Nonmajor Governmental Funds  
 Year Ended December 31, 2023

	<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>Transit Services</u>	<u>Total Nonmajor Governmental Funds</u>
<b>Revenues</b>									
Taxes	\$ 1,524,120	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,524,120
Intergovernmental	1,500	-	30,888	-	41,923	45,272	411,733	-	3,613,654
Public charges for services	-	-	-	717,741	-	-	-	-	995,725
Licenses and permits	-	-	-	-	-	-	-	-	15,022
Investment income	-	-	-	88,158	-	6,297	-	-	214,544
Contributions	-	-	-	36,436	13,304	25,002	-	-	91,620
Miscellaneous	1,422	25,305	2,349	-	-	-	-	-	135,531
Total revenues	<u>1,527,042</u>	<u>25,305</u>	<u>33,237</u>	<u>842,335</u>	<u>55,227</u>	<u>76,571</u>	<u>411,733</u>	<u>-</u>	<u>6,590,216</u>
<b>Expenditures</b>									
Current:									
General government	-	-	-	-	-	-	28,273	-	28,273
Public safety	-	14,916	13,499	-	-	-	-	-	28,415
Health and human services	-	-	-	-	-	84,617	-	-	84,617
Leisure activities	-	-	-	40,573	154,390	-	-	-	2,896,575
Conservation and development	1,103,003	-	-	-	-	-	-	-	3,230,695
Capital outlay	-	7,390	-	327,904	-	-	383,460	-	718,754
Total expenditures	<u>1,103,003</u>	<u>22,306</u>	<u>13,499</u>	<u>368,477</u>	<u>154,390</u>	<u>84,617</u>	<u>411,733</u>	<u>-</u>	<u>6,987,329</u>
Excess (deficiency) of revenues over (under) expenditures	<u>424,039</u>	<u>2,999</u>	<u>19,738</u>	<u>473,858</u>	<u>(99,163)</u>	<u>(8,046)</u>	<u>-</u>	<u>-</u>	<u>(397,113)</u>
<b>Other Financing Sources (Uses)</b>									
Transfers in	-	-	-	-	110,933	-	-	120,137	1,647,941
Transfers (out)	-	-	(66,538)	-	-	-	-	-	(388,497)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(66,538)</u>	<u>-</u>	<u>110,933</u>	<u>-</u>	<u>-</u>	<u>120,137</u>	<u>1,259,444</u>
Net change in fund balance	424,039	2,999	(46,800)	473,858	11,770	(8,046)	-	120,137	862,331
<b>Fund Balance, Beginning</b>	<u>2,824,131</u>	<u>44,064</u>	<u>82,660</u>	<u>1,833,503</u>	<u>30,146</u>	<u>160,109</u>	<u>-</u>	<u>-</u>	<u>8,522,625</u>
<b>Fund Balance, Ending</b>	<u>\$ 3,248,170</u>	<u>\$ 47,063</u>	<u>\$ 35,860</u>	<u>\$ 2,307,361</u>	<u>\$ 41,916</u>	<u>\$ 152,063</u>	<u>\$ -</u>	<u>\$ 120,137</u>	<u>\$ 9,384,956</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, 2023

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
<b>Revenues</b>			
Public charges for services	\$ 50,000	\$ 260,867	\$ 210,867
Licenses and permits	-	9,611	9,611
Total revenues	<u>50,000</u>	<u>270,478</u>	<u>220,478</u>
<b>Expenditures</b>			
Capital outlay	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Total expenditures	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Net change in fund balance	-	270,478	270,478
<b>Fund Balance, Beginning</b>	<u>1,161,734</u>	<u>1,161,734</u>	<u>-</u>
<b>Fund Balance, Ending</b>	<u>\$ 1,161,734</u>	<u>\$ 1,432,212</u>	<u>\$ 270,478</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, 2023

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
<b>Revenues</b>			
Public charges for services	\$ 25,000	\$ 4,823	\$ (20,177)
Investment income	-	1,098	1,098
Total revenues	<u>25,000</u>	<u>5,921</u>	<u>(19,079)</u>
<b>Expenditures</b>			
Current:			
Leisure activities	<u>25,000</u>	<u>1,422</u>	<u>23,578</u>
Net change in fund balance	-	4,499	4,499
<b>Fund Balance, Beginning</b>	<u>20,889</u>	<u>20,889</u>	<u>-</u>
<b>Fund Balance, Ending</b>	<u>\$ 20,889</u>	<u>\$ 25,388</u>	<u>\$ 4,499</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, 2023

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
<b>Revenues</b>			
Intergovernmental	\$ 957,997	\$ 954,646	\$ (3,351)
Public charges for services	14,000	12,294	(1,706)
Investment income	-	24,070	24,070
Miscellaneous	6,000	6,455	455
	<u>977,997</u>	<u>997,465</u>	<u>19,468</u>
Total revenues			
<b>Expenditures</b>			
Current:			
Leisure activities	2,387,909	2,687,229	(299,320)
	<u>2,387,909</u>	<u>2,687,229</u>	<u>(299,320)</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	(1,409,912)	(1,689,764)	(279,852)
<b>Other Financing Sources</b>			
Transfers in	1,409,912	1,409,912	-
	<u>1,409,912</u>	<u>1,409,912</u>	<u>-</u>
Total other financing sources			
Net change in fund balance	-	(279,852)	(279,852)
<b>Fund Balance, Beginning</b>	<u>732,203</u>	<u>732,203</u>	<u>-</u>
<b>Fund Balance, Ending</b>	<u>\$ 732,203</u>	<u>\$ 452,351</u>	<u>\$ (279,852)</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, 2023

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
<b>Revenues</b>			
Licenses and permits	\$ 60,000	\$ 5,411	\$ (54,589)
Investment income	2,500	50,695	48,195
Total revenues	<u>62,500</u>	<u>56,106</u>	<u>(6,394)</u>
<b>Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>62,500</u>	<u>56,106</u>	<u>(6,394)</u>
<b>Other Financing Uses</b>			
Transfers out	<u>(215,000)</u>	<u>(215,000)</u>	<u>-</u>
Net change in fund balance	<u>(152,500)</u>	<u>(158,894)</u>	<u>(6,394)</u>
<b>Fund Balance, Beginning</b>	<u>1,240,868</u>	<u>1,240,868</u>	<u>-</u>
<b>Fund Balance, Ending</b>	<u>\$ 1,088,368</u>	<u>\$ 1,081,974</u>	<u>\$ (6,394)</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, 2023

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
<b>Revenues</b>			
Intergovernmental	\$ -	\$ 2,127,692	\$ 2,127,692
Investment income	-	721	721
Miscellaneous	100,000	100,000	-
	<u>100,000</u>	<u>2,228,413</u>	<u>2,128,413</u>
<b>Expenditures</b>			
Current:			
Conservation and development	-	2,127,692	(2,127,692)
	<u>-</u>	<u>2,127,692</u>	<u>(2,127,692)</u>
Excess of revenues over expenditures	100,000	100,721	721
<b>Other Financing Uses</b>			
Transfers out	(100,000)	(100,000)	-
	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>
Net change in fund balance	-	721	721
<b>Fund Balance, Beginning</b>	<u>16,723</u>	<u>16,723</u>	<u>-</u>
<b>Fund Balance, Ending</b>	<u>\$ 16,723</u>	<u>\$ 17,444</u>	<u>\$ 721</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, 2023

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
<b>Revenues</b>			
Taxes	\$ 1,260,000	\$ 1,524,120	\$ 264,120
Intergovernmental	-	1,500	1,500
Miscellaneous	-	1,422	1,422
	<u>1,260,000</u>	<u>1,527,042</u>	<u>267,042</u>
Total revenues	1,260,000	1,527,042	267,042
<b>Expenditures</b>			
Current:			
General government	200	-	200
Conservation and development	1,363,943	1,103,003	260,940
	<u>1,364,143</u>	<u>1,103,003</u>	<u>261,140</u>
Total expenditures	1,364,143	1,103,003	261,140
Net change in fund balance	(104,143)	424,039	528,182
<b>Fund Balance, Beginning</b>	<u>2,824,131</u>	<u>2,824,131</u>	<u>-</u>
<b>Fund Balance, Ending</b>	<u>\$ 2,719,988</u>	<u>\$ 3,248,170</u>	<u>\$ 528,182</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, 2023

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
<b>Revenues</b>			
Miscellaneous	\$ 10,000	\$ 25,305	\$ 15,305
Total revenues	<u>10,000</u>	<u>25,305</u>	<u>15,305</u>
<b>Expenditures</b>			
Current:			
Public safety	5,000	14,916	(9,916)
Capital outlay	<u>5,000</u>	<u>7,390</u>	<u>(2,390)</u>
Total expenditures	<u>10,000</u>	<u>22,306</u>	<u>(12,306)</u>
Net change in fund balance	-	2,999	2,999
<b>Fund Balance, Beginning</b>	<u>44,064</u>	<u>44,064</u>	<u>-</u>
<b>Fund Balance, Ending</b>	<u>\$ 44,064</u>	<u>\$ 47,063</u>	<u>\$ 2,999</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, 2023

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
<b>Revenues</b>			
Intergovernmental	\$ 20,000	\$ 30,888	\$ 10,888
Miscellaneous	-	2,349	2,349
Total revenues	<u>20,000</u>	<u>33,237</u>	<u>13,237</u>
<b>Expenditures</b>			
Current:			
Public safety	<u>20,000</u>	<u>13,499</u>	<u>6,501</u>
Total expenditures	<u>20,000</u>	<u>13,499</u>	<u>6,501</u>
Excess of revenues over expenditures	<u>-</u>	<u>19,738</u>	<u>19,738</u>
<b>Other Financing Uses</b>			
Transfers out	<u>-</u>	<u>(66,538)</u>	<u>(66,538)</u>
Net change in fund balance	<u>-</u>	<u>(46,800)</u>	<u>(46,800)</u>
<b>Fund Balance, Beginning</b>	<u>82,660</u>	<u>82,660</u>	<u>-</u>
<b>Fund Balance, Ending</b>	<u>\$ 82,660</u>	<u>\$ 35,860</u>	<u>\$ (46,800)</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, 2023

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
<b>Revenues</b>			
Public charges for services	\$ 300,000	\$ 717,741	\$ 417,741
Investment income	-	88,158	88,158
Contributions	-	36,436	36,436
	<u>300,000</u>	<u>842,335</u>	<u>542,335</u>
Total revenues	<u>300,000</u>	<u>842,335</u>	<u>542,335</u>
<b>Expenditures</b>			
Current:			
Leisure activities	-	40,573	(40,573)
Capital outlay	389,000	327,904	61,096
	<u>389,000</u>	<u>368,477</u>	<u>20,523</u>
Total expenditures	<u>389,000</u>	<u>368,477</u>	<u>20,523</u>
Net change in fund balance	(89,000)	473,858	562,858
<b>Fund Balance, Beginning</b>	<u>1,833,503</u>	<u>1,833,503</u>	<u>-</u>
<b>Fund Balance, Ending</b>	<u>\$ 1,744,503</u>	<u>\$ 2,307,361</u>	<u>\$ 562,858</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, 2023

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
<b>Revenues</b>			
Intergovernmental	\$ 41,021	\$ 41,923	\$ 902
Contributions	12,750	13,304	554
Total revenues	<u>53,771</u>	<u>55,227</u>	<u>1,456</u>
<b>Expenditures</b>			
Current:			
Leisure activities	<u>184,704</u>	<u>154,390</u>	<u>30,314</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(130,933)</u>	<u>(99,163)</u>	<u>31,770</u>
<b>Other Financing Sources</b>			
Transfers in	<u>130,933</u>	<u>110,933</u>	<u>(20,000)</u>
Net change in fund balance	-	11,770	11,770
<b>Fund Balance, Beginning</b>	<u>30,146</u>	<u>30,146</u>	<u>-</u>
<b>Fund Balance, Ending</b>	<u>\$ 30,146</u>	<u>\$ 41,916</u>	<u>\$ 11,770</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, 2023

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
<b>Revenues</b>			
Intergovernmental	\$ 25,000	\$ 45,272	\$ 20,272
Investment income	5,000	6,297	1,297
Contributions	-	25,002	25,002
	<u>30,000</u>	<u>76,571</u>	<u>46,571</u>
<b>Expenditures</b>			
Current:			
Health and human services	<u>30,000</u>	<u>84,617</u>	<u>(54,617)</u>
	-	(8,046)	(8,046)
<b>Fund Balance, Beginning</b>	<u>160,109</u>	<u>160,109</u>	<u>-</u>
<b>Fund Balance, Ending</b>	<u>\$ 160,109</u>	<u>\$ 152,063</u>	<u>\$ (8,046)</u>

**City of Middleton**

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -  
 American Rescue Plan - Special Revenue Fund  
 Year Ended December 31, 2023

	<u>Original</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
<b>Revenues</b>				
Intergovernmental	\$ 1,357,691	\$ 1,383,991	\$ 411,733	\$ (972,258)
Total revenues	<u>1,357,691</u>	<u>1,383,991</u>	<u>411,733</u>	<u>(972,258)</u>
<b>Expenditures</b>				
Current:				
General government	51,500	206,500	28,273	178,227
Leisure activities	25,000	25,000	-	25,000
Capital outlay	<u>1,281,191</u>	<u>1,293,494</u>	<u>383,460</u>	<u>910,034</u>
Total expenditures	<u>1,357,691</u>	<u>1,524,994</u>	<u>411,733</u>	<u>1,113,261</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(141,003)</u>	<u>-</u>	<u>141,003</u>
<b>Other Financing Uses</b>				
Transfers out	<u>-</u>	<u>(14,262)</u>	<u>-</u>	<u>14,262</u>
Net change in fund balance	<u>-</u>	<u>(155,265)</u>	<u>-</u>	<u>155,265</u>
<b>Fund Balance, Beginning</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance, Ending</b>	<u>\$ -</u>	<u>\$ (155,265)</u>	<u>\$ -</u>	<u>\$ 155,265</u>

**NONMAJOR PROPRIETARY FUNDS**

## City of Middleton

### Combining Statement of Net Position - Nonmajor Proprietary Funds

December 31, 2023

	<u>Enterprise Funds</u>		<u>Nonmajor Enterprise Funds</u>
	<u>Middleton Utility District</u>	<u>Airport</u>	
<b>Assets</b>			
Current assets:			
Cash and investments	\$ 449,517	\$ 719,513	\$ 1,169,030
Accounts receivable	-	11,087	11,087
Lease receivable	-	22,378	22,378
	<u>449,517</u>	<u>752,978</u>	<u>1,202,495</u>
Total current assets			
Noncurrent assets:			
Capital assets:			
Land	-	2,715,508	2,715,508
Land improvements	-	1,032,849	1,032,849
Buildings and improvements	-	745,292	745,292
Machinery and equipment	-	469,603	469,603
Accumulated depreciation	-	(489,937)	(489,937)
Other assets:			
Lease receivable	-	347,490	347,490
	<u>-</u>	<u>4,820,805</u>	<u>4,820,805</u>
Total noncurrent assets			
	<u>-</u>	<u>4,820,805</u>	<u>4,820,805</u>
Total assets			
	<u>\$ 449,517</u>	<u>\$ 5,573,783</u>	<u>\$ 6,023,300</u>
<b>Liabilities, Deferred Inflows of Resources and Net Position</b>			
Current liabilities:			
Accounts payable	\$ -	\$ 6,964	\$ 6,964
Unearned revenue	-	5,636	5,636
	<u>-</u>	<u>12,600</u>	<u>12,600</u>
Total current liabilities			
	<u>-</u>	<u>12,600</u>	<u>12,600</u>
Deferred inflows of resources:			
Lease related amounts	-	363,434	363,434
	<u>-</u>	<u>363,434</u>	<u>363,434</u>
Net position:			
Net investment in capital assets	-	4,473,315	4,473,315
Unrestricted	449,517	724,434	1,173,951
	<u>449,517</u>	<u>5,197,749</u>	<u>5,647,266</u>
Total net position			
	<u>449,517</u>	<u>5,197,749</u>	<u>5,647,266</u>
Total liabilities, deferred inflows of resources and net position			
	<u>\$ 449,517</u>	<u>\$ 5,573,783</u>	<u>\$ 6,023,300</u>

## City of Middleton

Combining Statement of Revenues, Expenses and Changes in Net Position -

Nonmajor Proprietary Funds

Year Ended December 31, 2023

	Enterprise Funds		
	Middleton Utility District	Airport	Total
<b>Operating Revenues</b>			
Charges for services	\$ -	\$ 144,776	\$ 144,776
Total operating revenues	-	144,776	144,776
<b>Operating Expenses</b>			
Operation and maintenance	-	119,869	119,869
Depreciation	-	96,529	96,529
Total operating expenses	-	216,398	216,398
Operating income (loss)	-	(71,622)	(71,622)
<b>Nonoperating Revenues</b>			
Investment income	18,438	37,929	56,367
Miscellaneous nonoperating income	-	13,565	13,565
Total nonoperating revenues	18,438	51,494	69,932
Income before contributions	18,438	(20,128)	(1,690)
Capital contributions	-	21,896	21,896
Change in net position	18,438	1,768	20,206
<b>Total Net Position, Beginning</b>	431,079	5,195,981	5,627,060
<b>Total Net Position, Ending</b>	\$ 449,517	\$ 5,197,749	\$ 5,647,266

## City of Middleton

Combining Statement of Cash Flows  
 Nonmajor Proprietary Funds  
 Year Ended December 31, 2023

	<b>Enterprise Funds</b>		
	<b>Middleton</b>		
	<b>Utility District</b>	<b>Airport</b>	<b>Total</b>
<b>Cash Flows From Operating Activities</b>			
Received from customers	\$ -	\$ 109,287	\$ 109,287
Paid to suppliers for goods and services	-	(126,191)	(126,191)
Net cash flows from operating activities	-	(16,904)	(16,904)
<b>Cash Flows From Capital and Related Financing Activities</b>			
Acquisition of and construction of capital assets	-	(34,895)	(34,895)
Capital contributions	-	21,896	21,896
Net cash flows from capital and related financing activities	-	(12,999)	(12,999)
<b>Cash Flows From Investing Activities</b>			
Investment income	18,438	32,770	51,208
Net cash flows from investing activities	18,438	32,770	51,208
Net increase (decrease) in cash and cash equivalents	18,438	2,867	21,305
<b>Cash and Cash Equivalents, Beginning</b>	<b>431,079</b>	<b>716,646</b>	<b>1,147,725</b>
<b>Cash and Cash Equivalents, Ending</b>	<b>\$ 449,517</b>	<b>\$ 719,513</b>	<b>\$ 1,169,030</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash From Operating Activities</b>			
Operating income (loss)	\$ -	\$ (71,622)	\$ (71,622)
Nonoperating income	-	13,565	13,565
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:			
Depreciation expense	-	96,529	96,529
Change in assets and liabilities:			
Accounts receivable	-	7,515	7,515
Lease receivable	-	21,992	21,992
Accounts payable	-	(6,322)	(6,322)
Unearned revenue	-	(50,825)	(50,825)
Lease related deferred inflow of resources	-	(27,736)	(27,736)
Net cash flows from operating activities	\$ -	\$ (16,904)	\$ (16,904)

## **FIDUCIARY FUNDS**

## City of Middleton

Combining Statement of Fiduciary Net Position

Custodial Funds

December 31, 2023

	<u>Tax Collection</u>	<u>Fire District</u>	<u>Total</u>
<b>Assets</b>			
Cash and investments	\$ 20,671,965	\$ 157,561	\$ 20,829,526
Taxes receivable	29,805,934	-	29,805,934
Total assets	<u>50,477,899</u>	<u>157,561</u>	<u>50,635,460</u>
<b>Liabilities</b>			
Accounts payable	-	66,215	66,215
Accrued liabilities	-	67,397	67,397
Due to other governmental units	50,477,899	-	50,477,899
Total liabilities	<u>50,477,899</u>	<u>133,612</u>	<u>50,611,511</u>
<b>Net Position</b>			
Restricted	<u>\$ -</u>	<u>\$ 23,949</u>	<u>\$ 23,949</u>

## City of Middleton

### Combining Statement of Changes in Fiduciary Net Position

#### Custodial Funds

Year Ended December 31, 2023

	<u>Tax Collection</u>	<u>Fire District</u>	<u>Total</u>
<b>Additions</b>			
Property taxes collected for other governments	\$ 34,004,281	\$ -	\$ 34,004,281
Contributions	-	1,780,088	1,780,088
Miscellaneous	-	35,750	35,750
	<u>34,004,281</u>	<u>1,815,838</u>	<u>35,820,119</u>
<b>Deductions</b>			
Property taxes distributed to other governments	34,004,281	-	34,004,281
Public fire protection	-	2,118,611	2,118,611
	<u>34,004,281</u>	<u>2,118,611</u>	<u>36,122,892</u>
Change in fiduciary net position	-	(302,773)	(302,773)
<b>Total Net Position, Beginning</b>	<u>-</u>	<u>326,722</u>	<u>326,722</u>
<b>Total Net Position, Ending</b>	<u>\$ -</u>	<u>\$ 23,949</u>	<u>\$ 23,949</u>

## Community Development Authority of the City of Middleton

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Statement of Cash Flows

Component Unit

Year Ended December 31, 2023

### Cash Flows From Operating Activities

Received from customers	\$ 171,256
Paid to suppliers for goods and services	<u>(194,218)</u>

Net cash flows from operating activities	<u>(22,962)</u>
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### Cash Flows From Investing Activities

Investment income	<u>26,854</u>
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Net cash flows from investing activities	<u>26,854</u>
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Net decrease in cash and cash equivalents	3,892
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<b>Cash and Cash Equivalents, Beginning</b>	<u>696,498</u>
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<b>Cash and Cash Equivalents, Ending</b>	<u><u>\$ 700,390</u></u>
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## **STATISTICAL SECTION**

**CITY OF MIDDLETON, WISCONSIN  
STATISTICAL SECTION  
TABLE OF CONTENTS  
For the Year Ended December 31, 2023**

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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>
<b>Financial Trends – Tables 1 - 4</b>	92 – 97
These schedules contain trend information to help the reader understand how the City’s financial performance and well being have changed over time.	
<b>Revenue Capacity – Tables 5 - 8</b>	98 – 101
These schedules contain information to help the reader assess the City’s most significant local revenue source, the property tax.	
<b>Debt Capacity – Tables 9 - 12</b>	102 – 105
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.	
<b>Demographic and Economic Information – Tables 13 - 14</b>	106 – 107
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.	
<b>Operating Information – Tables 15 - 17</b>	108 – 110
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**  
**For the fiscal years ended December 31, 2014 through 2023**  
**(accrual basis of accounting)**

**Table 1**

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Governmental activities</b>										
Net investment in capital assets	\$ 96,738,621	\$ 82,234,041	\$ 74,457,610	\$ 74,471,485	\$ 72,622,109	\$ 67,484,502	\$ 59,300,227	\$ 44,205,346	\$ 42,289,738	\$ 40,190,979
Restricted	33,673,753	43,471,080	40,826,314	29,195,331	20,698,282	20,070,132	18,006,381	16,207,298	12,928,495	10,822,454
Unrestricted	2,892,224	(5,222,420)	(5,745,419)	(5,633,583)	(6,300,271)	(6,912,812)	(3,343,866)	9,130,412	7,595,832	4,427,136
<b>Total governmental activities net position</b>	<b>\$ 133,304,598</b>	<b>\$ 120,482,701</b>	<b>\$ 109,538,505</b>	<b>\$ 98,033,233</b>	<b>\$ 87,020,120</b>	<b>\$ 80,641,822</b>	<b>\$ 73,962,742</b>	<b>\$ 69,543,056</b>	<b>\$ 62,814,065</b>	<b>\$ 55,440,569</b>
<b>Business-type activities</b>										
Net investment in capital assets	55,445,298	54,309,770	50,972,982	50,127,025	50,229,949	48,055,298	47,430,785	47,875,591	41,296,083	35,939,954
Restricted	-	528,259	411,505	218,815	-	193,794	-	60,820	243,140	60,820
Unrestricted	14,636,147	10,448,114	9,232,799	6,654,294	4,872,821	5,167,512	5,671,824	3,084,004	5,232,480	5,764,851
<b>Total business-type activities net position</b>	<b>\$ 70,081,445</b>	<b>\$ 65,286,143</b>	<b>\$ 60,617,286</b>	<b>\$ 57,000,134</b>	<b>\$ 55,102,770</b>	<b>\$ 53,416,604</b>	<b>\$ 53,102,609</b>	<b>\$ 51,020,415</b>	<b>\$ 46,771,703</b>	<b>\$ 41,765,625</b>
<b>Primary government</b>										
Net investment in capital assets	152,183,919	136,543,811	125,430,592	124,598,510	122,852,058	115,539,800	106,731,012	92,080,937	83,585,821	76,130,933
Restricted	33,673,753	43,999,339	41,237,819	29,414,146	20,698,282	20,263,926	18,006,381	16,268,118	13,171,635	10,883,274
Unrestricted	17,528,371	5,225,694	3,487,380	1,020,711	(1,427,450)	(1,745,300)	2,327,958	12,214,416	12,828,312	10,191,987
<b>Total primary government net position</b>	<b>\$ 203,386,043</b>	<b>\$ 185,768,844</b>	<b>\$ 170,155,791</b>	<b>\$ 155,033,367</b>	<b>\$ 142,122,890</b>	<b>\$ 134,058,426</b>	<b>\$ 127,065,351</b>	<b>\$ 120,563,471</b>	<b>\$ 109,585,768</b>	<b>\$ 97,206,194</b>

**City of Middleton**  
**Changes in Net Position**  
**For the fiscal years ended December 31, 2014 through 2023**  
**(accrual basis of accounting)**

**Table 2**

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Expenses</b>										
<b>Governmental Activities:</b>										
General Government	\$ 3,380,012	\$ 2,967,980	\$ 3,051,347	\$ 2,960,095	\$ 3,234,108	\$ 2,780,653	\$ 3,440,019	\$ 3,373,515	\$ 3,576,763	\$ 3,499,140
Public Safety	11,375,749	9,186,711	9,370,653	9,505,883	9,966,272	9,305,380	10,045,808	9,708,266	8,768,029	8,857,148
Public Works	9,609,165	9,777,726	7,091,814	6,001,492	4,956,324	5,100,582	5,338,976	5,661,834	4,413,417	5,387,692
Health and Human Services	657,654	539,545	501,467	526,658	663,526	531,435	604,866	523,561	458,109	467,424
Leisure Activities	4,785,937	4,237,379	4,094,496	4,601,984	4,874,284	3,494,719	4,918,071	4,279,623	5,712,480	5,105,093
Conservation and Economic Development	11,009,354	7,126,867	7,175,794	8,479,884	8,453,985	9,652,513	4,333,647	5,713,888	4,889,708	1,843,956
Interest and Fiscal Charges	940,289	1,083,922	864,331	1,145,503	1,420,639	1,080,954	1,294,086	1,430,035	1,487,334	1,455,644
<b>Total Governmental Activities</b>	<b>41,758,160</b>	<b>34,920,130</b>	<b>32,149,902</b>	<b>33,221,499</b>	<b>33,569,138</b>	<b>31,946,236</b>	<b>29,975,473</b>	<b>30,690,722</b>	<b>29,305,840</b>	<b>26,616,097</b>
<b>Business-type Activities:</b>										
Water	2,394,536	2,050,010	2,194,553	1,988,932	2,127,031	1,923,367	1,894,175	1,707,466	1,665,644	1,663,981
Sewer	3,410,266	3,380,873	3,337,064	3,083,549	3,039,452	2,834,608	2,794,819	2,798,438	2,248,664	2,218,802
Pleasant View Golf Course	2,848,621	2,525,298	2,545,980	2,170,893	2,075,750	2,083,603	2,025,692	1,845,233	1,561,830	1,651,439
Stormwater Utility	465,686	347,823	172,487	473,452	219,437	252,133	116,415	66,952	36,983	-
Nonmajor Enterprise Funds	216,398	155,944	200,661	174,727	190,473	160,581	119,946	337,128	222,972	-
<b>Total Business-type Activities</b>	<b>9,335,507</b>	<b>8,459,948</b>	<b>8,450,745</b>	<b>7,891,553</b>	<b>7,652,143</b>	<b>7,254,292</b>	<b>6,951,047</b>	<b>6,755,217</b>	<b>5,736,093</b>	<b>5,534,222</b>
<b>Total Expenses</b>	<b>\$ 51,093,667</b>	<b>\$ 43,380,078</b>	<b>\$ 40,600,647</b>	<b>\$ 41,113,052</b>	<b>\$ 41,221,281</b>	<b>\$ 39,200,528</b>	<b>\$ 36,926,520</b>	<b>\$ 37,445,939</b>	<b>\$ 35,041,933</b>	<b>\$ 32,150,319</b>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
<b>Charges for Services</b>										
General Government	705,658	593,110	575,086	553,753	700,377	674,106	252,282	262,789	241,765	241,434
Public Safety	2,359,021	2,508,628	1,984,869	2,670,698	1,732,918	2,014,061	2,166,381	2,474,315	2,177,110	1,906,784
Public Works	413,870	361,821	313,537	474,765	333,205	214,838	120,485	232,199	111,507	45,414
Health and Human Services	83,469	43,246	16,829	15,209	46,316	46,444	36,296	32,442	28,453	28,414
Leisure Activities	657,815	522,190	484,645	249,588	581,273	558,158	441,749	409,688	379,749	374,183
Conservation and Economic Development	320,940	209,088	90,417	91,716	133,395	151,652	199,475	631,904	363,097	499,054
Operating Grants and Contributions	1,542,138	1,854,858	1,438,287	1,304,052	1,370,468	1,200,663	2,710,128	1,785,109	2,432,652	2,440,921
Capital Grants and Contributions	6,834,447	3,269,725	2,444,675	3,084,114	2,359,582	2,003,839	945,985	1,694,137	620,068	595,666
<b>Total Governmental Activities</b>	<b>\$ 12,917,358</b>	<b>\$ 9,362,666</b>	<b>\$ 7,348,345</b>	<b>\$ 8,443,895</b>	<b>\$ 7,257,534</b>	<b>\$ 6,863,761</b>	<b>\$ 6,872,781</b>	<b>\$ 7,522,583</b>	<b>\$ 6,354,401</b>	<b>\$ 6,131,870</b>
<b>Business-type Activities:</b>										
<b>Charges for Services</b>										
Water	3,146,486	2,937,241 #	2,822,058	2,585,309	2,567,361	2,579,779	2,668,978	2,684,956	2,317,608	2,225,334
Sewer	3,653,062	3,362,816	3,444,351	2,913,326	2,600,054	2,646,621	2,486,160	2,343,986	2,162,934	2,022,849
Pleasant View Golf Course	3,687,777	3,858,472	3,849,011	3,190,653	2,874,278	2,602,147	2,591,046	2,430,426	2,105,814	1,860,169
Stormwater Utility	900,217	875,684	870,900	861,325	713,297	282,125	279,914	273,046	136,580	-
Nonmajor Enterprise Funds	144,776	509,575	148,013	134,833	118,054	121,936	611,012	142,228	-	-
Capital Grants and Contributions	2,649,103	1,804,432	10,733	260,382	509,911	135,440	216,924	1,213,827	1,371,232	593,153
<b>Total Business-type Activities</b>	<b>14,181,421</b>	<b>13,348,220</b>	<b>11,145,066</b>	<b>9,945,828</b>	<b>9,382,955</b>	<b>8,368,048</b>	<b>8,854,034</b>	<b>9,088,469</b>	<b>8,094,168</b>	<b>6,701,505</b>
<b>Total Program Revenues</b>	<b>\$ 27,098,779</b>	<b>\$ 22,710,886</b>	<b>\$ 18,493,411</b>	<b>\$ 18,389,723</b>	<b>\$ 16,640,489</b>	<b>\$ 15,231,809</b>	<b>\$ 15,726,815</b>	<b>\$ 16,611,052</b>	<b>\$ 14,448,569</b>	<b>\$ 12,833,375</b>
<b>Net (Expense) Revenue</b>										
Governmental Activities	\$ (28,840,802)	\$ (25,557,464)	\$ (24,801,557)	\$ (24,777,604)	\$ (26,311,604)	\$ (25,082,475)	\$ (23,102,692)	\$ (23,168,139)	\$ (22,951,439)	\$ (20,484,227)
Business-type Activities	4,845,914	4,888,272	2,694,321	2,054,275	1,730,812	1,113,756	1,902,987	2,333,252	2,358,075	1,167,283
<b>Total Net (Expense) Revenue</b>	<b>\$ (23,994,888)</b>	<b>\$ (20,669,192)</b>	<b>\$ (22,107,236)</b>	<b>\$ (22,723,329)</b>	<b>\$ (24,580,792)</b>	<b>\$ (23,968,719)</b>	<b>\$ (21,199,705)</b>	<b>\$ (20,834,887)</b>	<b>\$ (20,593,364)</b>	<b>\$ (19,316,944)</b>

**City of Middleton**  
**Changes in Net Position (continued)**  
**For the fiscal years ended December 31, 2014 through 2023**  
**(accrual basis of accounting)**

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Revenues										
Governmental Activities:										
Property Taxes	33,616,222	32,068,179	32,583,733	30,690,560	27,269,231	27,083,632	23,713,395	25,556,528	24,784,036	22,922,386
Other Taxes	2,177,315	1,965,800	1,175,151	580,241	1,992,361	2,182,423	1,966,016	1,957,750	1,972,947	1,753,466
Intergovernmental - Unrestricted	2,432,056	2,381,855	2,543,539	2,713,897	1,647,101	1,134,969	1,471,975	1,160,158	1,602,903	821,534
Investment Income (Loss)	2,799,317	(205,906)	433,867	824,525	1,050,142	656,575	314,935	170,210	106,838	108,978
Gain (Loss) on Sale of Capital Assets	500	7,374	67,608	71,538	43,340	168,676	28,358	2,659,850		-
Miscellaneous	77,067	39,939	189,266	414,881	222,060	74,796	160,547	596,707	433,314	154,809
Transfers In (Out)	560,222	244,419	(686,335)	495,075	465,667	460,484	(132,848)	(1,904,073)	(2,274,762)	(750,083)
Total General Revenues and Transfers	<u>41,662,699</u>	<u>36,501,660</u>	<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>
Business-type Activities:										
Investment Income	482,840	(23,923)	59,354	101,508	135,581	96,675	46,359	11,387	12,521	23,708
Gain (Loss) on Sale of Capital Assets	-	18,950	-	-	-	-	-	-	-	-
Miscellaneous	26,770	29,977	177,142	236,656	285,440	133,419	-	-	-	-
Transfers In (Out)	(560,222)	(244,419)	686,335	(495,075)	(465,667)	(460,484)	132,848	1,904,073	2,274,762	750,083
Total Business-type Activities	<u>(50,612)</u>	<u>(219,415)</u>	<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>
Total Primary Government	<u>\$ 41,612,087</u>	<u>\$ 36,282,245</u>	<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>
Change in Net Position										
Governmental Activities	\$ 12,821,897	\$ 10,944,196	\$ 11,505,272	\$ 11,013,113	\$ 6,378,298	\$ 6,679,080	\$ 4,419,686	\$ 7,028,991	\$ 3,673,837	\$ 4,526,863
Business Activities	4,795,302	4,668,857	3,617,152	1,897,364	1,686,166	883,366	2,082,194	4,248,712	4,645,358	1,941,074
Total Change in Net Position	<u>\$ 17,617,199</u>	<u>\$ 15,613,053</u>	<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>

**City of Middleton**

**Fund Balances of Governmental Funds**

For the fiscal years ended December 31, 2014 through 2023

(modified accrual basis of accounting)

**Table 3**

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund										
Nonspendable	\$ 198,400	\$ 259,828	\$ 435,886	\$ 2,042,784	\$ 2,341,589	\$ 2,927,799	\$ 2,656,519	\$ 2,857,944	\$ 2,775,698	\$ 2,631,468
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	5,623,280	4,022,584	4,070,511	2,810,516	2,155,511	2,780,632	2,814,251	4,083,717	3,179,261	1,856,034
Unassigned	7,558,734	6,947,598	6,665,188	6,220,424	6,084,396	4,834,398	5,310,690	5,134,962	4,853,363	4,590,217
Total General Fund	<u>\$ 13,380,414</u>	<u>\$ 11,230,010</u>	<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>
All Other Governmental Funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	36,435,424	39,058,098	37,718,881	28,741,066	22,304,594	20,496,724	18,374,458	15,751,251	11,080,164	12,928,560
Committed	-	-	-	-	-	-	66,714	45,395	169,109	132,997
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	(1,991,199)	(1,077,313)	(1,059,259)	(1,032,614)	(3,875,796)	(3,880,400)	(798,818)	(8,002)	-	-
Total All Other Governmental Funds	<u>\$ 34,444,225</u>	<u>\$ 37,980,785</u>	<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>

**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**  
**For the fiscal years ended December 31, 2014 through 2023**  
**(modified accrual basis of accounting)**

**Table 4**

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>REVENUES</b>										
Taxes	\$ 35,895,145	\$ 34,096,420	\$ 33,823,017	\$ 31,320,808	\$ 29,305,692	\$ 29,313,320	\$ 26,469,976	\$ 27,996,294	\$ 26,659,527	\$ 24,747,047
Intergovernmental	9,676,904	5,881,726	5,582,225	5,352,006	4,582,579	3,916,691	3,311,485	3,586,827	4,241,419	3,190,958
Licenses and Permits	1,095,893	1,289,518	955,161	1,138,221	970,041	993,150	1,092,585	2,052,304	1,362,251	1,299,213
Fines, Forfeitures, and Penalties	219,919	223,739	210,098	164,174	255,006	261,232	209,115	262,164	287,498	266,264
Public Charges for Services	3,159,171	3,188,683	2,018,819	3,239,708	1,657,924	1,990,814	2,225,733	2,845,384	1,951,717	1,799,282
Intergovernmental Charges for Services	1,113,832	1,150,984	1,444,746	1,537,525	1,679,936	1,742,989	1,860,547	1,946,971	1,825,802	1,933,130
Special Assessments	86,890	136,209	168,259	753,736	364,319	607,188	276,755	467,638	287,987	215,422
Contributions	2,827,804	82,237	70,021	68,351	268,323	101,499	97,104	92,877	72,150	79,764
Investment and Income (Loss)	91,620	(234,280)	493,305	818,618	1,087,018	659,164	322,838	241,516	188,670	194,508
Miscellaneous	336,717	581,881	498,413	217,818	173,419	265,661	118,786	262,799	197,807	331,851
<b>Total Revenues</b>	<b>54,503,895</b>	<b>46,397,117</b>	<b>45,264,064</b>	<b>44,610,965</b>	<b>40,344,257</b>	<b>39,851,708</b>	<b>35,984,924</b>	<b>39,754,774</b>	<b>37,074,828</b>	<b>34,057,439</b>
<b>EXPENDITURES</b>										
Current:										
General Government	3,894,490	4,470,268	4,395,274	4,922,286	5,858,283	4,777,052	4,773,175	4,891,814	4,687,066	4,749,043
Public Safety	10,351,317	9,924,071	9,781,908	9,370,731	9,355,673	9,332,638	9,142,015	8,462,228	8,235,296	8,014,769
Public Works	5,141,288	4,202,684	4,135,292	4,160,818	4,103,709	3,902,917	3,812,371	3,614,497	3,418,670	3,421,300
Health and Human Services	645,358	562,639	520,086	534,898	549,374	550,196	582,219	503,577	457,636	467,424
Leisure Activities	4,728,313	4,285,526	3,961,631	3,945,285	4,320,674	4,045,937	4,542,994	3,613,783	4,985,647	4,855,900
Conservation and Economic Development	11,515,862	8,099,134	6,409,176	6,098,380	5,475,907	6,078,455	3,548,191	5,141,006	4,766,299	752,453
Debt Service:										
Principal	5,645,192	5,507,128	5,102,558	9,539,202	6,315,224	6,061,963	5,953,611	5,680,000	13,850,000	5,280,000
Debt Issuance Costs	-	-	-	-	-	-	-	-	170,241	74,875
Interest and Fiscal Charges	1,180,678	1,142,484	1,094,153	1,382,713	1,614,962	1,497,817	1,429,245	1,378,669	1,457,238	1,408,082
Capital Outlay	18,360,356	11,439,009	5,396,145	6,242,950	5,798,753	10,546,355	5,667,693	5,819,222	7,358,067	14,885,402
<b>Total Expenditures</b>	<b>61,462,854</b>	<b>49,632,943</b>	<b>40,796,223</b>	<b>46,197,263</b>	<b>43,392,559</b>	<b>46,793,330</b>	<b>39,451,514</b>	<b>39,104,796</b>	<b>49,386,160</b>	<b>43,909,248</b>
Excess (Deficiency) of Revenues over Expenditures	(6,958,959)	(3,235,826)	4,467,841	(1,586,298)	(3,048,302)	(6,941,622)	(3,466,590)	649,978	(12,311,332)	(9,851,809)

**City of Middleton**

**Changes in Fund Balances of Governmental Funds (continued)**

For the fiscal years ended December 31, 2014 through 2023

(modified accrual basis of accounting)

**Table 4**

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers In	2,589,701	2,283,714	2,303,155	2,424,258	2,267,937	3,582,401	2,654,951	10,853,679	8,303,965	8,215,745
Transfer Out	(2,029,479)	(2,039,295)	(1,820,131)	(1,929,183)	(1,802,270)	(3,117,731)	(2,830,143)	(10,503,575)	(7,840,895)	(8,965,828)
Long-Term Debt Issued	4,600,000	4,000,000	3,750,000	11,625,000	9,640,000	5,000,000	4,000,000	6,000,000	11,375,000	8,500,000
Discount on Debt Issued	-	-	-	-	-	-	-	-	-	-
Premium on Debt Issued	359,565	334,970	280,558	247,686	751,978	142,164	137,896	133,867	391,581	83,554
Proceeds from Sale of Capital Assets	53,016	36,025	67,608	2,685,218	43,340	70,127	62,433	2,683,656	-	306
Refunding Payment to Escrow Agent	-	-	-	(3,694,799)	(6,001,542)	-	-	(4,009,933)	-	-
Total Other Financing Sources (Uses)	<u>5,572,803</u>	<u>4,615,414</u>	<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>
 Net Change in Fund Balances	 <u>\$ (1,386,156)</u>	 <u>\$ 1,379,588</u>	 <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>
 Debt Services as a Percentage of Noncapital Expenditures	 15.84%	 17.41%	 17.50%	 27.34%	 21.09%	 20.86%	 21.85%	 21.21%	 36.42%	 23.04%

**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, 2014 through 2023**

Fiscal Year Ended December 31,	Residential Property	Commercial Property	Manufacturing Property	Other Real Estate Property	Personal Property	Total Taxable Assessed Value	Total Direct Tax Rate	Total Taxable Equalized Value	Ratio of Assessed to Equalized Value
2023	\$ 2,542,257,100	\$ 1,748,796,900	\$ 137,814,300	\$ 1,024,900	\$ 147,993,300	\$ 4,577,886,500	\$ 5.53	\$ 5,136,907,300	89.12%
2022	2,530,243,200	1,722,022,500	130,126,300	483,500	154,514,100	4,537,389,600	5.37	4,775,023,600	95.02%
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%

**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

Table 6

## Direct and Overlapping Property Tax Rates

For the fiscal years ended December 31, 2014 through 2023

(Per \$1,000 of Assessed Valuation)

	<u>2023</u>	<u>2022</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>
Direct Rates:										
General Fund	\$ 4.02	\$ 3.94	\$ 4.55	\$ 4.49	\$ 4.44	\$ 4.27	\$ 4.80	\$ 4.62	\$ 6.59	\$ 6.96
Debt Service Fund	<u>1.51</u>	<u>1.43</u>	<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	5.53	5.37	6.25	6.17	6.10	5.83	6.52	6.35	6.59	6.96
Overlapping Rates										
State of Wisconsin	-	-	-	-	-	-	-	0.18	0.17	0.18
Dane County	3.09	2.86	3.37	3.23	3.13	3.00	3.45	3.30	3.14	3.29
Madison College	0.74	0.76	0.94	0.97	0.95	0.92	1.03	1.02	0.93	0.99
School Districts										
Middleton-Cross Plains	9.44	9.35	11.58	11.80	10.88	9.74	11.34	11.22	11.66	12.16
Waunakee Community	10.06	10.19	12.68	12.26	11.71	9.55	12.49	12.25	5.14	12.00
Less: State School Tax Credit	(1.72)	(1.34)	(1.59)	(1.56)	(1.58)	(1.61)	(1.83)	(1.67)	(1.65)	(1.52)
Totals by School District										
Middleton-Cross Plains	17.08	17.00	20.55	20.61	19.48	17.89	20.52	20.40	20.83	22.05
Waunakee Area	17.70	17.84	21.65	21.07	20.31	17.70	21.67	21.43	14.31	21.89

**Notes:**

- (1) 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	2023			2014		
	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	\$ 115,635,600	1	2.55%	121,487,800	1	4.52%
TGA 8500-8551 Research Way LLC	53,570,300	2	1.18%			
PPD Development LP	52,262,300	3	1.15%	28,152,700	3	1.05%
Middleton Market LLC	44,765,000	4	0.99%			0.00%
Wolfsnare 3001 Deming LLC	41,964,900	5	0.92%			
Greenway Station SPE LLC	38,196,100	6	0.84%	36,504,000	2	1.36%
MW Land Inc	37,753,000	7	0.83%			
Fred-Ashbury Woods LP	29,460,000	8	0.65%	25,597,700	5	
Electronic Theater Controls	28,394,800	9	0.63%	27,342,700	4	1.02%
Eagle Drive Property Group LLC	27,416,400	10	0.60%			0.00%
Atrium Finance II LLC (Marriott)				25,531,200	6	0.95%
Infraed II LLC				24,609,000	7	0.92%
American Girl Brands LLC				21,826,100	8	0.81%
Deer Creek of Middleton LLC				18,658,000	9	0.69%
Pheasant West				17,568,000	10	0.65%
<b>TOTAL</b>	<b>\$ 469,418,400</b>		<b>10.25%</b>	<b>347,277,200</b>		<b>12.93%</b>

**Notes:** Source: City Assessor

**City of Middleton**  
**Property Tax Levies and Collections**  
**For the fiscal years ended December 31, 2013 through 2022**

**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
2023	2024	\$ 20,972,292	\$ 14,726,688	\$ 35,698,979	n/a	n/a	n/a	n/a	n/a
2022	2023	20,551,225	13,012,897	33,564,121	33,350,571	99.4%	191,749	33,542,320	99.9%
2021	2022	19,292,426	12,749,966	32,042,392	31,928,594	99.6%	101,743	32,030,337	100.0%
2020	2021	18,412,712	14,118,546	32,531,258	32,453,490	99.8%	67,818	32,521,308	100.0%
2019	2020	17,985,016	12,664,160	30,649,176	30,565,972	99.7%	64,330	30,630,303	99.9%
2018	2019	17,490,293	9,730,078	27,220,371	27,203,623	99.9%	9,389	27,213,012	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%

**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**  
**Ratios of Outstanding Debt by Type**  
**For the fiscal years ended December 31, 2014 through 2023**

**Table 9**

Year	Governmental Activities			Business-type Activities			Total Primary Government	Percentage of Adjusted Gross Income	Per Capita
	General Obligation Bonds	General Obligation Notes	Other General Obligation Debt	Water Utility Bond/Notes	Sewer Utility Bond/Notes	Golf Course Bonds/Notes			
2023	\$ 13,445,000	\$ 24,261,334	\$ 310,132	\$ -	\$ -	\$ -	\$ 38,016,466	n/a	\$ 1,619
2022	14,750,000	23,732,317	535,514	-	-	-	39,017,831	2.71%	1,694
2021	14,720,000	24,993,332	752,442	-	-	-	40,465,774	2.81%	1,842
2020	16,975,000	23,908,284	890,000	-	-	-	41,773,284	3.07%	1,984
2019	21,815,000	17,327,991	3,929,202	-	-	-	43,072,193	3.04%	2,079
2018	24,640,000	16,865,886	3,429,426	-	-	-	44,935,312	3.61%	2,195
2017	27,190,000	16,898,275	2,016,389	-	-	1,400,000	47,504,664	3.96%	2,357
2016	23,350,000	22,577,768	2,100,000	-	-	1,700,000	49,727,768	3.91%	2,574
2015	25,480,387	25,920,500	-	-	-	2,649,613	54,050,500	4.75%	2,873
2014	27,727,708	25,859,112	-	-	-	3,502,292	57,089,112	5.36%	3,116

**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.
- (4) Presented net of premiums on long term debt.

**City of Middleton**  
**Ratios Of Net General Bonded Debt Outstanding**  
**For the fiscal years ended December 31, 2014 through 2023**

**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>
2023	\$ 13,445,000	\$ 24,571,466	\$ 38,016,466	0.83%	\$ 1,619
2022	14,750,000	24,267,831	39,017,831	0.86%	1,694
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

- 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, 2023**

**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	\$ 38,016,466	100.00%	\$ 38,016,466
Dane County	681,070,000	5.18%	35,279,426
School Districts:			
Middleton Area	179,070,000	44.93%	80,456,151
Waunakee Community	146,060,000	4.02%	5,871,612
Madison Area Technical College	<u>189,585,000</u>	3.79%	<u>7,185,272</u>
Madison Metro Sewerage District	<u>127,350,711</u>	7.03%	<u>8,952,755</u>
Subtotal Overlapping	<u>1,323,135,711</u>		<u>137,745,215</u>
Total Direct and Overlapping Debt	<u>\$ 1,361,152,177</u>		<u>\$ 175,761,681</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, 2014 through 2023

**Table 12**

**Legal Debt Margin Calculation for Fiscal Year 2023**

Equalized valuation	\$ 5,136,907,300
Legal debt limit (5% of equalized valuation)	256,845,365
Less: Long-term debt	<u>36,635,121</u>
Legal debt margin	<u>\$ 220,210,244</u>

	<u>2023</u>	<u>2022</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>
Debt Limit	\$ 256,845,365	\$ 238,751,180	\$ 213,165,755	\$ 203,860,440	\$ 191,475,505	\$ 177,278,560	\$ 168,003,405	\$ 157,188,345	\$ 145,366,755	\$ 141,867,215
Total net debt applicable to limit	36,635,121	37,680,314	39,187,442	40,540,000	41,879,202	44,314,426	46,776,389	49,030,000	53,375,000	56,675,000
Legal Debt Margin	220,210,244	201,070,866	173,978,313	163,320,440	149,596,303	132,964,134	121,227,016	108,158,345	91,991,755	85,192,215
Total net debt applicable to limit as a percentage of debt limit	14.26%	15.78%	18.38%	19.89%	21.87%	25.00%	27.84%	31.19%	36.72%	39.95%

**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, 2014 through 2023

**Table 13**

Year	Population (1)	Adjusted Gross Income (2)	Per Capita Adjusted Gross Income			Unemployment Rates (3)	
			City of Middleton	Dane County	State of Wisconsin	Dane County	State of Wisconsin
2023	23,476	n/a	n/a	n/a	n/a	2.0%	3.0%
2022	23,031	\$ 1,590,286,686	\$ 69,050	\$ 46,443	\$ 38,062	1.6%	2.3%
2021	21,964	1,437,558,699	65,451	45,615	35,727	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

**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	2023			2014		
	Number of Employees (1)	Rank	Percentage of Total City Employment (2)	Number of Employees	Rank	Percentage of Total City Employment (3)
PPD (Bio-Pharmaceutical)	2,200	1	10.1%	685	1	3.8%
Middleton Cross Plains Area School District	1,157	2	5.3%			0.0%
Electronic Theatre Controls	917	3	4.2%	584	4	3.2%
UW Medical Foundation	650	4	3.0%	650	2	3.6%
Springs Window Fashions	484	5	2.2%	605	3	3.4%
Spectrum Brands	451	6	2.1%	560	5	3.1%
Hy Cite Enterprises	414	7	1.9%			0.0%
Raven Software	363	8	1.7%			0.0%
Bruce Co. of Wisconsin	350	9	1.6%			0.0%
NGC Hospitality	343	10	1.6%			0.0%
American Girl				546	6	3.0%
Veterans Health Administration				350	7	1.9%
West Corporation				340	8	1.9%
Humana				306	9	1.7%
Capitol Indemnity Corp				250	10	1.4%

**Notes:**

(1) Source - In Business Greater Madison-September 2023

(2) Source - U.S. Census

(3) Source - Official Statement 2014

# City of Middleton

Table 15

**City Government Employees by Function/Program**  
**For the fiscal years ended December 31, 2014 through 2023**  
**(full-time equivalents)**

Function/Program	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Government:										
Municipal Court	1.25	1.25	1.50	1.50	1.50	1.38	1.50	1.50	1.50	1.50
Information Technology	2.50	2.50	2.50	3.50	3.50	3.50	3.50	3.00	3.00	3.00
Administration	2.00	1.00	1.00	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Finance/City Clerk	5.60	5.60	5.60	5.20	5.20	6.25	5.50	5.50	5.50	5.50
Public Safety:										
Police	52.25	50.25	50.25	50.25	50.25	49.25	48.25	48.00	45.50	45.50
Emergency Medical Services	17.00	17.00	16.00	16.00	16.00	16.00	16.00	16.00	14.00	14.00
Building Inspection	3.00	3.00	3.00	3.00	3.00	3.50	3.50	4.00	3.75	3.75
Community Services	1.50	1.50	1.50	1.50	1.50	1.00	1.00	1.00	1.00	1.00
Public Works:										
Public Works	21.13	21.13	21.13	21.13	21.13	21.13	20.13	18.75	26.75	26.75
Health and Human Services:										
Senior Center	5.80	5.79	5.79	5.79	5.79	5.75	5.60	5.40	5.38	5.38
Leisure Activities:										
Recreation	18.13	18.13	18.13	18.13	18.13	17.75	17.75	17.50	17.55	17.55
Youth Center	2.06	2.06	1.43	1.43	1.38	1.38	1.30	1.30	1.00	1.00
Library	24.44	25.30	25.30	25.30	25.30	24.30	24.30	24.30	15.80	15.80
Conservation/Development:										
Planning	4.00	4.00	4.00	4.00	4.00	3.89	3.39	3.25	3.00	3.00
CDA	0.50	0.50	-	-	-	-	-	-	-	-
Forestry	2.00	2.00	2.00	2.00	2.00	1.00	1.00	1.00	1.00	1.00
Public Lands/Conservancy	11.10	10.10	10.10	10.10	10.10	9.95	9.95	9.35	9.35	9.35
Tourism	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	2.50	2.50
Water and Sewer Utilities	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	8.00	8.00
Golf Course	17.00	17.00	17.00	17.00	17.00	17.00	17.00	17.00	17.00	17.00
<b>Total Employment</b>	<b>203.26</b>	<b>200.11</b>	<b>198.23</b>	<b>199.33</b>	<b>199.28</b>	<b>196.53</b>	<b>193.17</b>	<b>190.35</b>	<b>183.08</b>	<b>183.08</b>

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, 2014 through 2023**

Function/Program	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Government										
Real estate parcels	6,803	6,788	6,780	6,742	6,709	6,686	6,641	6,633	6,596	6,586
Personal property accounts	867	865	845	803	800	756	761	881	851	856
Dog licenses issued	777	755	1,226	670	688	700	592	601	608	568
Operator licenses Issued	225	255	275	221	350	345	341	286	262	317
Public Safety										
Calls for police service	17,880	18,489	18,109	15,743	21,163	21,617	21,335	22,184	20,998	17,038
Police reports processed	10,032	9,392	-	12,386	11,326	11,013	11,700	12,206	11,638	7,115
Criminal arrests processed	456	366	410	427	297	298	436	366	422	362
Citations processed	2,007	2,184	2,401	1,697	2,404	2,786	2,871	3,592	4,008	3,534
Warnings processed	2,488	3,257	3,381	1,617	3,518	3,387	4,190	4,468	3,821	936
911 calls received	2,765	2,356	3,510	3,171	3,300	3,338	3,342	3,085	3,296	3,028
EMS responses	2,715	2,543	2,254	1,898	1,975	1,893	1,814	1,775	1,682	1,671
Public Works										
City roadway miles maintained	76	77	73	73	73.3	73.2	73.2	72.3	72.1	71.1
Homes receiving refuse collection	n/a	n/a	5,082	5,067	5,047	5,032	5,020	4,985	4,935	4,858
Number of refuse carts in service	5,448	5,442	n/a							
Health and Human Services										
Senior center daily participants	160	134	98	70	230	200	188	191	192	183
Case management contacts	5,585	5,578	5,523	5,127	5,376	4,853	4,847	6,426	4,965	5,520
Meals on Wheels delivered	13,217	12,928	13,550	11,858	6,952	4,428	4,691	4,906	5,061	5,311
Dining center meals served	2,206	2,404	1,059	1,197	5,562	5,038	4,534	4,910	5,465	5,823
Public Lands/Recreation										
Aquatic center attendance (Open Swim only)	n/a	31,436	16,935	21,544	26,540	27,775	30,000	34,169	34,247	30,000
Aquatic center attendance (All Programs)	60,361	n/a								
Recreation program attendance	6,861	4,744	2,581	1,844	2,504	2,103	1,908	1,806	1,210	1,400
Hubbard Activity Center attendance	1,678	1,176	1,167	872	1,195	1,178	1,051	1,008	982	685
Park facility rentals	483	1,279	309	21	381	363	357	399	326	515
Library										
Library items circulated (Physical only)	n/a	625,678	635,620	300,308	704,692	730,404	733,924	675,565	710,108	718,840
Library items circulated (Digital and Physical)	1,178,323	n/a								
Library user visits	237,119	212,045	116,161	92,357	359,482	371,703	367,266	334,192	351,363	344,515
Registered borrowers	19,333	18,602	18,689	18,778	19,936	19,834	18,676	19,414	18,880	18,555
Library event participants	32,035	36,149	32,590	32,062	47,777	40,884	41,449	32,174	30,247	25,404
Water Utility										
Number of customers	6,272	6,363	6,334	6,291	6,205	6,184	6,150	6,093	6,060	5,993
Gallons sold (millions)	711,647	660,996	700,837	652,005	664,488	702,375	714,834	720,392	699,598	698,326
Sewer										
Number of customers	6,022	5,887	5,861	5,810	5,780	5,801	5,771	5,722	5,650	5,583

**Notes:** (1) Source - City department records

**City of Middleton**

**Table 17**

**Capital Asset Statistics by Function/Program**

**For the fiscal years ended December 31, 2014 through 2023**

Function/Program	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Public Safety</b>										
Police stations	1	1	1	1	1	1	1	1	1	1
Police vehicles	22	22	21	21	21	21	21	21	21	22
EMS stations	1	1	1	1	1	1	1	1	1	1
Ambulances	3	3	3	3	3	3	3	3	3	3
<b>Public Works</b>										
Streets (miles)	76.0	76.9	73.0	72.7	73.3	73.2	73.2	72.3	72.1	71.1
Traffic signals	17	17	17	17	17	17	17	16	16	15
<b>Public Lands</b>										
Park acreage	558	558	558	558	558	558	516	516	499	499
Conservancy acreage	870.3	870.3	865.8	865.8	865.8	865.8	828	828	850	818
Miles of maintained trails	31.5	27.5	27.5	27.5	27.5	27.5	30.0	30.0	30.0	28.0
<b>Water Utility</b>										
Miles of water main	92.1	93.8	93.4	93.4	93.4	93.1	93.0	90.0	89.2	88.6
Number of pumping stations	8	8	8	8	8	8	8	8	8	8
Number of fire hydrants	1,019	1,008	1,003	1,001	994	991	990	990	985	967
Number of water meters	6,640	6,687	6,582	6,571	6,552	6,465	6,419	6,350	6,246	6,165
<b>Sewer Utility</b>										
Miles of sanitary sewer	79.7	81.5	81.5	81.5	81.5	81.3	81.3	81.3	80.9	80.3
Number of pumping stations	9	9	9	9	9	9	9	9	9	9

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