



# Comprehensive Annual Financial Report

For the Fiscal Year Ended December 31, 2019



© roel rocero



City of Middleton, Wisconsin

# **CITY OF MIDDLETON**

Middleton, Wisconsin

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

Including Independent Auditors' Report

As of and for the Year Ended December 31, 2019

Prepared by:

Finance Department  
William Burns, Finance Director

# CITY OF MIDDLETON

## COMPREHENSIVE ANNUAL FINANCIAL REPORT As of and for the Year Ended December 31, 2019

### TABLE OF CONTENTS

---

	<u>Page</u>
<b>INTRODUCTORY SECTION</b>	
Transmittal Letter	i – iii
Directory of Officials	iv
Organization Chart	v
Certificate of Achievement for Excellence in Financial Reporting	vi
<b>FINANCIAL SECTION</b>	
<b><i>INDEPENDENT AUDITORS' REPORT</i></b>	vii – ix
<b><i>REQUIRED SUPPLEMENTARY INFORMATION</i></b>	
Management's Discussion and Analysis	x – xxii
<b><i>BASIC FINANCIAL STATEMENTS</i></b>	
Government-wide Financial Statements	
Statement of Net Position	1
Statement of Activities	2 – 3
Fund Financial Statements	
Balance Sheet – Governmental Funds	4 – 5
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	6 – 7
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	8
Statement of Net Position – Proprietary Funds	9 – 10
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds	11
Statement of Cash Flows – Proprietary Funds	12 – 13
Statement of Fiduciary Net Position – Fiduciary Funds	14
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	15
Notes to the Financial Statements	16 – 61

# CITY OF MIDDLETON

## COMPREHENSIVE ANNUAL FINANCIAL REPORT As of and for the Year Ended December 31, 2019

### TABLE OF CONTENTS (cont.)

---

	<u>Page</u>
<b>FINANCIAL SECTION (cont.)</b>	
<b><i>REQUIRED SUPPLEMENTARY INFORMATION</i></b>	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	62
Schedule of Proportionate Share of the Net Pension (Asset) Liability – Wisconsin Retirement System	63
Schedule of Employer Contributions – Wisconsin Retirement System	63
Notes to Required Supplementary Information	64
<b><i>SUPPLEMENTARY INFORMATION</i></b>	
Detailed Schedule of Revenues and Other Financing Sources – Budget and Actual – General Fund	65 – 66
Detailed Schedule of Expenditures and Other Financing Uses – Budget and Actual – General Fund	67 – 68
Other Major Funds	
Schedules of Revenues, Expenditures, and Changes in Fund Balances (Deficit) – Budget and Actual	
Debt Service Fund – Major Fund	69
TIF District No. 3 – Capital Projects Fund (Major Fund)	70
TIF District No. 5 – Capital Projects Fund (Major Fund)	71
Combining Balance Sheet – Capital Projects Fund (Major Fund)	72
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Capital Projects Fund (Major Fund)	73
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Capital Projects Fund – (Major Fund)	74

# CITY OF MIDDLETON

## COMPREHENSIVE ANNUAL FINANCIAL REPORT As of and for the Year Ended December 31, 2019

### TABLE OF CONTENTS (cont.)

---

	<u>Page</u>
<b>FINANCIAL SECTION</b> (cont.)	
<b>SUPPLEMENTARY INFORMATION</b> (cont.)	
Nonmajor Governmental Funds	
Combining Balance Sheet – Nonmajor Governmental Funds	75 – 76
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	77 – 78
Schedules of Revenues, Expenditures, and Changes in Fund Balances (Deficit) – Budget and Actual	
Special Revenue Funds	
Subdividers' Deposits	79
Lost and Damaged Books	80
Library Endowment	81
Library Fund	82
Safety Impact Fee and Other	83
Economic Development Grant	84
Tourism Commission	85
Police Activities	86
EMS Activities	87
Public Land Activities	88
Youth Center Activities	89
Senior Center Activities	90
Combining Statement of Net Position – Nonmajor Proprietary Funds	91
Combining Statement of Revenues, Expenses, and Changes in Net Position – Nonmajor Proprietary Funds	92
Combining Statement of Cash Flows – Nonmajor Proprietary Funds	93
Combining Statement of Fiduciary Net Position – Custodial Funds	94
Combining Statement of Changes in Fiduciary Net Position – Custodial Funds	95
Statement of Cash Flows – Component Unit	96

# CITY OF MIDDLETON

## COMPREHENSIVE ANNUAL FINANCIAL REPORT As of and for the Year Ended December 31, 2019

### TABLE OF CONTENTS (cont.)

---

	<u>Page</u>
<b>STATISTICAL SECTION</b>	
Statistical Section – Table of Contents	97
Financial Trends:	
Net Position by Component	98
Changes in Net Position	99 – 100
Fund Balances of Governmental Funds	101
Changes in Fund Balances of Governmental Funds	102 – 103
Revenue Capacity:	
Assessed Value and Estimated Actual Value of Taxable Property	104
Direct and Overlapping Property Tax Rates	105
Principal Property Tax Payers	106
Property Tax Levies and Collections	107
Debt Capacity:	
Ratios of Outstanding Debt by Type	108
Ratios of Net General Bonded Debt Outstanding	109
Direct and Overlapping Governmental Activities Debt	110
Legal Debt Margin Information	111
Demographic and Economic Information:	
Demographic and Economic Statistics	112
Principal Employers	113
Operating Information:	
City Government Employees by Function/Program	114
Operating Indicators by Function/Program	115
Capital Asset Statistics by Function/Program	116



# CITY OF MIDDLETON

CITY OF MIDDLETON  
7426 HUBBARD AVENUE  
MIDDLETON, WI 53562-3118

PH 608.821-8350  
E-MAIL: [bburns@ci.middleton.wi.us](mailto:bburns@ci.middleton.wi.us)  
WEB: [www.CityofMiddleton.us](http://www.CityofMiddleton.us)

June 17, 2020

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

The Comprehensive Annual Financial Report (CAFR) for the City of Middleton (City) for the year ended December 31, 2019 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 Virchow Krause to perform an audit of the City's financial statements. Baker Tilly Virchow Krause 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, 2019. 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 20,713 according to the Wisconsin Department of Administration. The City operates under a mayor-council form of government. Policymaking and legislative authority is vested with the city council, which consists of a mayor and an eight-member council.

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

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

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

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

## **Factors Affecting the City's Economic Condition**

### Local Economy

Middleton benefits from its proximity to the City of Madison which is the location of the state capital and the flagship University of Wisconsin campus. Over the past five years, Middleton's total equalized value has increased by an average of 6.3% per year adding \$922 million in additional value. The City has made a commitment to the diversification of its tax base with significant non-residential development including corporate headquarters for American Girl, Capital Brewery, Electronic Theatre Controls (ETC), Spectrum Brands, University of Wisconsin Health, Fiskars, and Standard Imaging. According to U.S. Census data, Middleton is a net provider of jobs to the region with twice as many workers commuting to Middleton for work compared to Middleton residents working in other communities. Unemployment in the Dane County region has historically been lower than the state and federal levels. The average Dane County unemployment rate was 2.3% in 2019. The City maintains an Aa1 bond rating from Moody's Investors Service, based in part on the relatively strong economic conditions for the City.

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. In 2019, TID #3 had a value increment of \$578 million making it the second largest active TID in Wisconsin. Several subtraction amendments have also returned over \$344 million to the City's general tax base. An additional subtraction is being planned in 2020. 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 \$70 million in 2019. Several approved projects are planned to add over \$50 million of additional value in this TID over the next couple years.

On March 17, 2020 the Middleton City Council approved a declaration of emergency in response to the COVID-19 pandemic. While there have been some additional costs for the City associated with the pandemic, the largest financial impact in 2020 is anticipated to be from reduced revenues. As of May 19, 2020 the City Council has authorized the use of \$83,043 in general contingency funds for pandemic related expenditures for election administration, remote working, cleaning & disinfection of city facilities, and personal protective equipment. General fund revenues are forecast to be \$817,950 below budget in 2020. The largest anticipated decrease is in room tax collections which are projected to be under budget by \$425,000 in the general fund and up to \$1,000,000 in the tourism fund. The City's largest general fund revenue sources are property taxes, intergovernmental revenues, and interfund payments. Those sources, which represent about 80% of the general fund revenue budget, are expected to remain stable in 2020. The City is also looking at options to reduce expenditures in response to the financial challenges of the pandemic.

### Financial Planning

The City updates its five-year capital improvement plan each year as part of the budget process. This plan identifies capital needs for all of 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. Recently, the City has developed a comprehensive financial planning model that includes operating budgets, debt services, and capital projects. This model was implemented in order to assist the City in evaluating the long-term impacts of budgetary decisions and in developing strategies in response to state imposed levy limits. The budgetary philosophy of the City has been to one of stability in budgets, tax rates, and user fees.

### 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. These policies impact the City's financial condition and are reflected in the financial statements in several ways. 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 2019 the City was able to add \$1,250,000 to its unassigned fund balance bringing the total to \$6,084,396 which is 29.1% of the subsequent year's budgeted expenditures excluding transfers.

Another example is the City's debt management policy which provides guidance to help ensure that long-term debt is utilized in a fiscally prudent manner. Included in the policy is an objective of above average principal retirement and limiting the term of non-facility debt in order to maintain the flexibility to meet future long-term needs. Currently 90% of the City's debt is scheduled to be paid within ten years. In addition, the City has only utilized 22% 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 Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2018. This was the first year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

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

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

Respectfully submitted,



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

# Comprehensive Annual Financial Report

For the Fiscal Year Ended December 31, 2019



## City of Middleton, Wisconsin

7426 Hubbard Avenue  
Middleton, Wisconsin 53562

### ELECTED OFFICIALS

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

### ADMINISTRATION

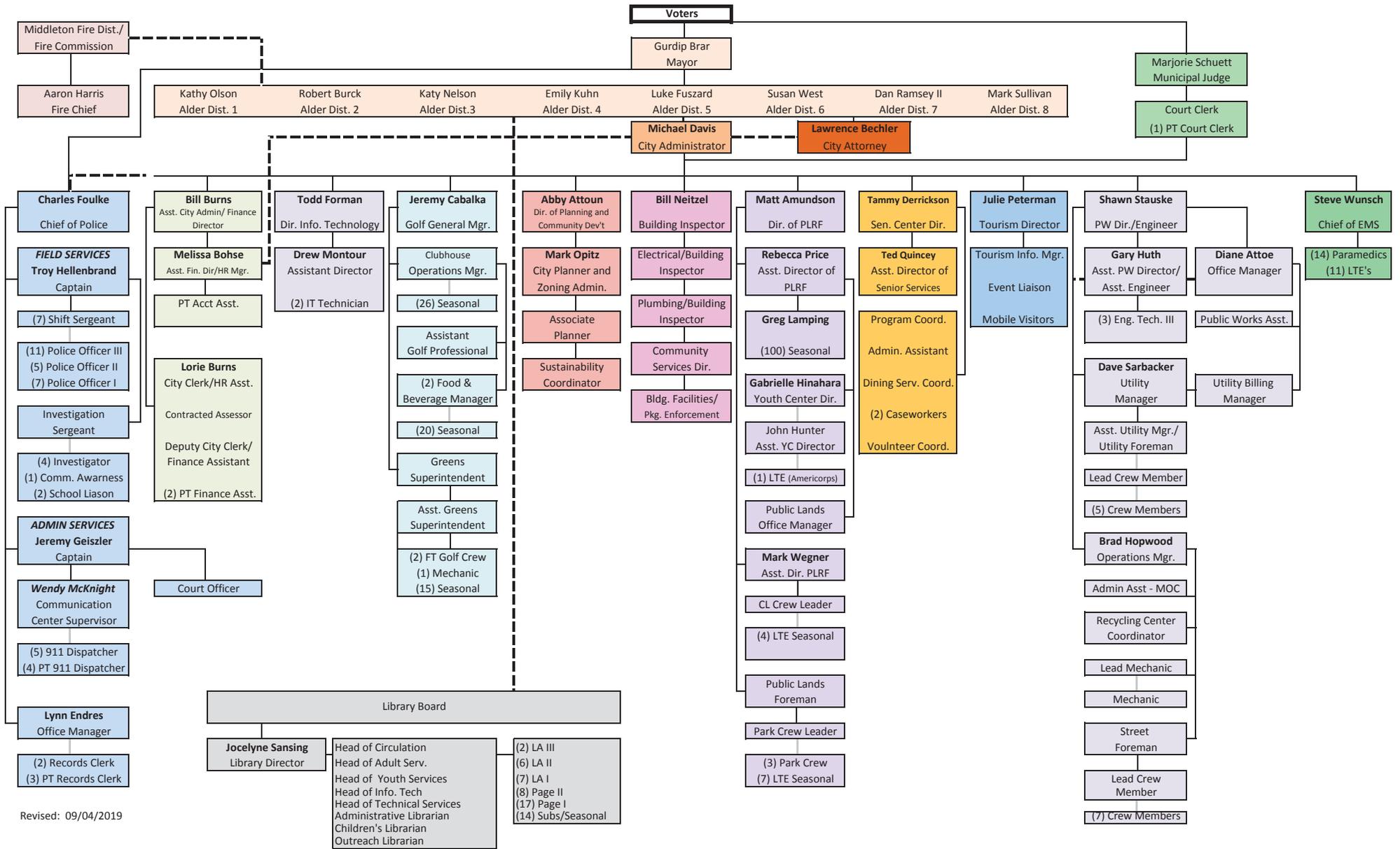
Mike Davis	City Administrator
Bill Burns	Assistan Administrator/Finance Director
Matt Amundson	Director of Public Lands, Recreation & Forestry
Abby Attoun	Director of Community Development
Jeremy Calbaka	Golf Course General Manager
Todd Forman	Director of Information Technology
Charles Foulke	Chief of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

### OFFICIALS ISSUING REPORT

Bill Burns	Assistant Administrator/Finance Director
Melissa Bohse	Assistant Finance Director/Human Resources Manager

Officials as of the report date of December 31, 2019

# City of Middleton Organizational Chart



Revised: 09/04/2019



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Middleton  
Wisconsin**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2018**

*Christopher P. Morill*

Executive Director/CEO

## INDEPENDENT AUDITORS' REPORT

To the Mayor and Common Council  
City of Middleton  
Middleton, Wisconsin

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Middleton, Wisconsin, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City of Middleton's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City of Middleton's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the City of Middleton's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Middleton, Wisconsin, as of December 31, 2019 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in Note I, the City of Middleton adopted the provisions of Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*, effective January 1, 2019. Our opinions are not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

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

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Middleton'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*

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

*Baker Tilly Virchow Krause, LLP*

Madison, Wisconsin  
June 17, 2020

## **MANAGEMENT'S DISCUSSION AND ANALYSIS (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, 2019. 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 \$142,122,890 (net position) as of December 31, 2019. Of this amount, \$122,852,058 represents the City's net investment in capital assets and \$20,698,282 is restricted for various purposes. The City's unrestricted net position has a deficit of \$1,427,450.
- ◆ At the end of 2019, the City's governmental activities reported a negative balance in unrestricted net position of \$6,300,271. This is due in part to expenditures for project costs in Tax Increment Financing Districts (TIDs) #3 and #5. These costs include significant non-capitalized redevelopment expenditures, which will be recovered through future tax increments.
- ◆ In 2019, the City received payments from the Federal Emergency Management Agency (FEMA) and the State of Wisconsin totaling \$451,324 for the reimbursement of flood recovery and response costs following a significant rain event in August of 2018.
- ◆ At the end of the current fiscal year, the general fund had \$6,084,396 of unassigned fund balance which is equal to 29.1% of the subsequent year's budgeted general fund expenditures excluding transfers.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the City of Middleton's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

### **Government-wide Financial Statements**

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

The *Statement of Net Position* presents information on all of the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City, as a whole, is improving or deteriorating.

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

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

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 I-A, 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 non-major 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 2019, the City of Middleton utilized nineteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service Fund, Tax Increment Financing Districts #3 and #5 funds, and Capital Projects Fund, which are considered to be major funds. Data from the other fourteen non-major funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

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

## **Proprietary funds**

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

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

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

## **Fiduciary Funds**

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

## **Notes to the financial statements**

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

## **Other information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. The combining statements referred to earlier in connection with non-major 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 non-financial 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 2019, total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$142,122,890.

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 \$72,622,109 or 83.5% of governmental net position. Including governmental and business-type activities, \$122,852,058 or 86.4% of total net position is represented by capital assets. The dollar values of net investment in capital assets increased due to several large capital projects occurring in 2019 (see further discussion below). The percentage of governmental activities net position represented by capital assets decreased from 83.7% to 83.5% from 2018 to 2019. For business-type activities there was an increase from 90.0% to 91.2%

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 (\$20,698,282 or 14.6%) represents resources that are subject to external restrictions in how they may be used. This portion increased from the prior year due to the continued accumulation of resources in the City's TID activities to fund future project plan payments.

The City as a whole had a negative unrestricted net position of \$1,427,450 at the close of 2019. Included in this total is a negative unrestricted net position for governmental activities of \$6,300,271. The primary reason for the negative net position is the issuance of debt to finance non-capitalized improvements and development incentives in the City's TIDs that will be repaid through future tax increment collections. Business-type activities had a positive unrestricted net position of \$4,872,821 at the close of 2019.

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

**NET POSITION**  
**For the Years Ended December 31, 2019 and 2018**  
(amounts expressed in thousands)

	Governmental Activities		Business Type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 63,970	\$ 59,602	\$ 7,059	\$ 6,736	\$ 71,028	\$ 66,339
Capital assets	103,178	100,842	50,230	48,055	153,408	148,897
Total assets	<u>167,148</u>	<u>160,444</u>	<u>57,289</u>	<u>54,791</u>	<u>224,436</u>	<u>215,236</u>
Deferred outflows of resources	<u>7,841</u>	<u>4,296</u>	<u>654</u>	<u>388</u>	<u>8,496</u>	<u>4,683</u>
Current liabilities	4,173	2,848	1,783	834	8,929	3,682
Noncurrent liabilities	<u>49,327</u>	<u>49,639</u>	<u>730</u>	<u>534</u>	<u>47,084</u>	<u>50,173</u>
Total liabilities	<u>53,500</u>	<u>52,487</u>	<u>2,513</u>	<u>1,368</u>	<u>56,013</u>	<u>53,855</u>
Deferred inflows of resources	<u>34,469</u>	<u>31,611</u>	<u>327</u>	<u>394</u>	<u>34,796</u>	<u>32,005</u>
Net position:						
Net investment in capital assets	72,622	67,485	50,230	48,055	122,852	115,540
Restricted	20,698	20,070	-	194	20,698	20,264
Unrestricted	<u>(6,300)</u>	<u>(6,913)</u>	<u>4,873</u>	<u>5,168</u>	<u>(1,427)</u>	<u>(1,745)</u>
Total net position	<u>\$ 87,020</u>	<u>\$ 80,642</u>	<u>\$ 55,103</u>	<u>\$ 53,417</u>	<u>\$ 142,123</u>	<u>\$ 134,058</u>

## **Changes in Net Position**

Net position of the City of Middleton increased by \$8,064,464 (6.0%) in 2019. Of this increase, 79.1% was from governmental activities and 20.9% was from business-type activities.

### ***Governmental Activities***

Governmental activities increased the City's net position by \$6,378,298. This increase was primarily a result of additional property tax collections for the City's TIDs, an increase in capital grants & contributions, and additional investment income.

### ***Business-Type Activities***

Business-type activities increased the City's net position by \$1,686,166. This increase is primarily due to revenues from charges for services in excess of expenses. While charges for services increased by \$640,436 (7.8%) from 2018 to 2019 to result in a positive variance in net position.

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

**CHANGE IN NET POSITION**  
**For the Years Ended December 31, 2019 and 2018**  
(amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
<b>Revenues:</b>						
Program Revenues:						
Charges for services	\$ 3,527	\$ 3,659	\$ 8,873	\$ 8,233	\$ 12,401	\$ 11,892
Operating grants	1,371	1,201	-	-	1,370	1,201
Capital grants/ contributions	2,360	2,004	510	135	2,876	2,139
General Revenues:						
General Property Taxes	17,491	17,017	-	-	17,491	17,017
Property Taxes, TIF	9,778	10,066	-	-	9,778	10,066
Room taxes	1,987	2,177	-	-	1,987	2,177
Other taxes	6	5	-	-	6	5
Intergovernmental	1,647	1,135	-	-	1,647	1,135
Investments	1,050	657	136	97	1,186	753
Gain on sale of property	43	169	-	-	43	169
Miscellaneous	222	75	285	133	501	209
Total revenues	<u>39,482</u>	<u>38,165</u>	<u>9,804</u>	<u>8,598</u>	<u>49,286</u>	<u>46,763</u>
<b>Expenses:</b>						
General government	3,234	2,781	-	-	3,228	2,781
Public safety	9,966	9,305	-	-	9,966	9,305
Public works	4,956	5,101	-	-	4,956	5,101
Human services	664	531	-	-	664	531
Leisure activities	4,874	3,495	-	-	4,880	3,495
Conservation/devel.	8,454	9,653	-	-	8,454	9,653
Interest on LT debt	1,421	1,081	-	-	1,421	1,081
Water utility	-	-	2,127	1,923	2,127	1,923
Sewer utility	-	-	3,039	2,835	3,039	2,835
Golf Course	-	-	2,076	2,084	2,076	2,084
Nonmajor enterprise funds	-	-	410	413	410	413
Total expenses	<u>33,569</u>	<u>31,946</u>	<u>7,652</u>	<u>7,254</u>	<u>41,221</u>	<u>39,201</u>
Increase (decrease) in net position before transfers	5,913	6,219	2,152	1,344	8,065	7,562
Net Transfers	466	460	(466)	(460)	-	-
Change in net position	6,378	6,679	1,686	884	8,065	7,562
Net position-beginning- as restated	<u>80,642</u>	<u>73,963</u>	<u>53,417</u>	<u>52,533</u>	<u>134,058</u>	<u>126,496</u>
Net position-ending	<u>\$ 87,020</u>	<u>\$ 80,642</u>	<u>\$ 55,103</u>	<u>\$ 53,417</u>	<u>\$ 142,123</u>	<u>\$ 134,058</u>

## 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, 2019, the City's governmental funds had a combined ending fund balance of \$29,010,294. Of this balance, \$2,341,589 is non-spendable and \$22,304,594 is restricted. The remaining balance of \$4,364,111 includes \$2,155,511 assigned for specific purposes and \$2,208,600 that is unassigned.

### 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, 2019 is \$10,581,496 of which \$2,341,589 was non-spendable, \$2,155,511 was assigned, and \$6,084,396 was unassigned. The General Fund assigned fund balance consisted of the following items as of December 31, 2019:

• Compensated absences (sick accrual)	\$1,164,890
• Public safety reserve (Fire)	\$825,621
• Public safety reserve (EMS)	\$140,000
• Other/revaluation	\$25,000

The General Fund had an increase in fund balance of \$38,667. 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, 2019 totaled \$136,460, an increase of \$68,082. The City levied \$4,682,218 in property taxes for debt service in 2019. Principal and interest payments totaled \$5,196,463. The debt service fund also recognized \$751,978 for the issuance premium on the 2019 general obligation note issues and received a transfer from the City's impact fee fund in the amount of \$150,000. Debt service payments for the City's tax TIDs were reported in the individual funds rather than the debt service fund.

### TIF District No. 3

The fund balance for the TID #3 Fund increased from \$12,205,377 to \$13,640,790 in 2019. Revenues were \$9,930,779 including \$8,898,277 in tax increment collections. Expenditures in 2019 included \$1,553,579 for administration and professionals services, \$3,506,731 for economic development incentive payments, and \$1,380,675 for capital outlay. There were also debt service payments totaling \$2,092,231 in 2019.

### TIF District No. 5

The fund balance for the TID #5 Fund increased by \$2,891 to a deficit of \$3,875,796 in 2019. TID #5 revenues were \$996,223 including \$879,540 in tax increment collections. Expenditures in 2019 included \$193,659 for administration and economic development and \$158,181 for capital outlay. There were also debt service payments totaling \$641,492 in 2019.

## Capital Projects Funds

The total fund balance for the City's Capital Projects Fund was \$1,534,698 as of December 31, 2019. Capital improvement projects expenditures for 2019 totaled \$4,028,673. Major expenditures for the year included the following projects:

• Maywood Avenue Reconstruction	\$705,451
• Bristol Street Reconstruction	\$690,000
• Street Mill & Overlay Projects	\$296,920
• Wheeled Loader Replacement	\$283,819
• Tandem Axle Patrol Truck Replacement	\$244,852
• Middleton Hills Boardwalk	\$123,604
• 911 System Upgrades	\$120,847
• Police Mobile Radio Replacements	\$107,789

## Proprietary Funds

The City's proprietary 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 2019 General Fund budget included revenues of \$20,620,215 and other financing sources of \$525,000, for a total of \$21,145,215. Budgeted expenditures were \$20,406,363 with \$1,396,484 of other financing uses for a total of \$21,802,847. There was a budgeted deficit of \$(657,632).

Actual revenues and other financing sources were \$22,137,033 resulting in a favorable variance of \$991,818 to the budget. There was a negative variance of \$295,519 from expenditures and other financing uses with an actual amount of \$22,098,366. The combined variances of actuals to budget were a positive \$696,299. While the adopted budget included the planned use of \$850,582 of fund balance, the actual result was an increase in fund balance of \$38,667.

The overall result of the general fund was a gain of \$38,667. Some of the significant variances in the General Fund were as follows:

## Revenues

- ◆ Taxes were \$78,961 under budget primarily due to lower than anticipated room tax collections. Declines in business travel and renovation work at the City's largest hotel contributed to the decrease.
- ◆ Intergovernmental revenues were \$474,632 over budget. This is primarily due to FEMA and State of Wisconsin assistance received for the reimbursement of costs from the 2018 flooding event in the amount of \$451,324.
- ◆ Licenses and permits were \$24,670 under budget. In 2019, the City began performing some plan reviews for commercial construction. As a new service, it was difficult to estimate the amount of collections. The City budgeted \$100,000 for commercial plan review and actual revenues were \$49,300 in 2019.
- ◆ Fines and forfeitures were \$19,994 under budget due primarily to a reduction in collected court costs.
- ◆ Public charges for services were \$40,575 higher than budget largely due to higher recreation program participation for the Aquatic Center, Hubbard Activity Center, and summer programs.
- ◆ Interdepartmental charges were \$49,377 above budget due to a reimbursement from Madison Metro for excess funds collected related to the bus transportation system.

- ◆ Special assessments revenue was \$78,977 above budget. The City completed additional sidewalk projects in 2019 since there was difficulty finding a contractor in 2018 and work that had been planned in that year was carried forward to 2019.
- ◆ Investment income was \$510,786 higher than budget. The budget was prepared based on conservative estimates. The city was able to benefit from increasing short-term interest rates in the first half of 2019 and its laddered portfolio structure mitigated reductions in interest rates in the fourth quarter.
- ◆ Miscellaneous revenues were \$14,939 above budget. An insurance recovery for an equipment breakdown on the Middleton Aquatic Center contributed to the additional revenue.
- ◆ Transfer In from other funds was \$59,333 under budget due to a lower than anticipated Payment in Lieu of Taxes (PILOT) calculation for the City's water utility as a result of a reduction in tax rates.
- ◆ Sale of city property at a gain of \$5,490 from the sale of EMS equipment.

### **Expenditures**

- ◆ General Government expenditures were \$603,740 over budget. In 2019 the City recorded \$1,264,223 in expenditures related to compensated absences for prior employees. These funds had been held by the City in escrow accounts for the former employees with expenditures recognized as reimbursements were made for qualifying medical expenses. During 2019 the City transitioned to a third part administrator that administers these funds in employee accounts. The City recorded an expenditure for the full amount of funds transferred to the third party administrator. Going forward, the City has no further obligations for compensated absences for former employees. In addition, the City's budgeted emergency contingency of \$500,000 was not utilized in 2019.
- ◆ Expenditures for Public Safety were \$366,000 lower than budgeted. The capital contribution for the Middleton Fire District was budgeted at \$190,650. However there were no capital expenditures for the Fire District in 2019 and this amount was added to assigned fund balance for future Fire District capital equipment. There were also savings from vacancies in the Police Department that contributed to savings of \$161,407.
- ◆ Public Works expenditures were \$78,629 over budget. This is due to \$126,578 in expenditures related to the recovery from the 2018 flooding. The City utilized FEMA and state assistance as well as assigned fund balance to cover these costs.
- ◆ Expenditures for Health and Human Services (Senior Center) were over budget by \$22,566. These costs are related to additional trip and programming costs for the Middleton Senior Center and are partially offset by revenues in excess of the budgeted amount.
- ◆ Leisure Activities expenditures were \$89,052 over budget. This is due to flood response and recovery costs of \$180,781. FEMA and state assistance as well as assigned fund balance were used to cover these costs.
- ◆ Expenditures for Conservation and Development were \$132,468 lower than budgeted due to savings in Forestry from reduced tree pruning and savings in the Planning department from personnel vacancies.
- ◆ Transfers Out to Other Funds were at the budgeted level of \$1,396,484. This includes the planned General Fund operating support for the Library and Youth Center funds.

## Capital Assets and Debt Administration

### Capital Assets

At the end of 2019, the City had invested \$153,408,204 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	
	2019	2018	2019	2018	2019	2018
Land & Right-of-Way	\$ 30,913	\$ 30,915	\$ 5,247	\$ 5,247	\$ 36,160	\$ 36,162
Buildings & improvements	25,107	25,222	11,611	10,624	36,718	35,846
Equipment & furnishings	4,153	3,600	437	455	4,590	4,055
<i>Streets</i>	28,155	26,236			28,155	26,236
<i>Storm Sewers</i>	6,301	6,284			6,301	6,284
<i>Traffic Signals</i>	845	878			845	878
<i>Sidewalks</i>	3,281	3,113			3,281	3,113
<i>Bridges</i>	2,568	2,652			2,568	2,652
<i>Fiber Optic</i>	90	92			90	92
<i>Rail Spur</i>	251	267			251	267
<i>Water Utility</i>	-	-	21,230	20,405	21,230	20,405
<i>Sewer Utility</i>	-	-	11,122	11,279	11,122	11,279
Infrastructure	41,491	39,521	32,352	31,684	73,843	71,205
Construction in Progress	1,514	1,584	583	46	2,097	1,630
Total capital assets	<u>\$ 103,178</u>	<u>\$ 100,842</u>	<u>\$ 50,230</u>	<u>\$ 48,055</u>	<u>\$ 153,408</u>	<u>\$ 148,897</u>

### Governmental Activities

Total capital assets net of depreciation from governmental activities increased by \$2,336,409 in 2019. Major capital assets events during the current fiscal year included to following:

- ◆ \$2,780,963 for street infrastructure additions including the reconstruction of Maywood Avenue, Bristol Street, and the University Avenue and Parmenter Street intersection as well as developer-financed improvements for the Redtail Ackers subdivision.
- ◆ \$1,449,633 for various machinery and equipment additions including the purchase of a wheeled loader and a tandem axle patrol truck.
- ◆ \$914,473 for construction in progress for work on various projects including design of the Pleasant View Road reconstruction, next generation 911 system, downtown plaza design, and Lakeview Park shelter design.
- ◆ \$470,621 for construction of the shelter building at Taylor Park.
- ◆ \$288,440 for land improvements to Taylor Park including the installation of pickle ball courts.
- ◆ 271,963 for sidewalk & path infrastructure for the Redtail Ackers subdivision and City trail system additions.

### **Business-Type Activities**

Total capital assets net of depreciation from business-type activities increased by \$824,914 for water, \$134,724 for the Pleasant View Golf Course, and \$835,076 for non-major funds. Total net capital assets decreased by \$157,158 for sewer. Major capital assets events during the current fiscal year included to following:

- ◆ \$1,499,025 in water utility asset additions for items including a new pick-up trucks, new meters, hydrants, and transmission mains and services replaced as part of the North Avenue, Bristol Street, Maywood Avenue, and University Avenue projects.
- ◆ \$174,881 in sewer utility asset additions for collection mains for the Redtail Acker development, Maywood Avenue force main, and the utility's share of a pick-up truck.
- ◆ \$285,987 in asset additions for the Pleasant View Golf Course including a parking lot expansion and cart path additions.
- ◆ \$1,025,476 in non-major funds including the reconstruction and expansion of the Donna Drive pond, Pheasant Branch Creek repairs at Park Street, and Baskerville Harbor improvements within the storm water utility.

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

### **Long-Term Debt**

At the end of the current fiscal year, the City of Middleton had total bonded debt outstanding of \$41,879,202 which is all backed by the full faith and credit of the city.

#### **CITY OF MIDDLETON OUTSTANDING DEBT For the Years Ended December 31, 2019 and 2018 (amounts expressed in thousands)**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
General obligation bonds and notes	\$ 41,879	\$ 44,314	\$ -	\$ -	\$ 41,879	\$ 44,314
Total outstanding debt	<u>\$ 41,879</u>	<u>\$ 44,314</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,879</u>	<u>\$ 44,314</u>

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, 2019 is \$191,475,505 of which the City has utilized 21.9% for its current outstanding general obligation debt.

The City of Middleton's total outstanding debt decreased by \$2,435,224 (5.5%) during the current fiscal year. The City issued \$9,640,000 of new general obligation debt and had principal payments and retirements from refunding totaling \$11,985,000 in 2019. See Note IV. E. 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 seven 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 seven hotels with nearly 1,000 hotel rooms.

### ***Key Economic Factors***

- ◆ The City's equalized property valuation has increased from \$2.7 billion to \$3.8 billion over the past ten years, an increase of 41.9%. Middleton's equalized property value is the second highest in Dane County, behind only the City of Madison.
- ◆ Middleton's estimated population has increased from 17,442 to 20,713 between 2010 and 2019, an increase of 18.8%
- ◆ Unemployment remains very low in Dane County at 2.3% in 2019, below the State of Wisconsin rate of 3.3% and the national rate of 3.6%.
- ◆ Per capita adjusted gross income in the City of Middleton was \$60,881 in 2019. That is an increase of \$16,929 (38.5%) since 2010.
- ◆ The City maintains an Aa1 bond rating from Moody's Investors Service, based in part on the strong economic climate of the City.

### ***August 2018 Flooding***

On August 20-21, 2018 the City of Middleton experienced a 1,000-year storm event with nearly 12 inches of rain in a 16 hour period. The high volume of rainfall in a condensed period caused significant flooding in the Middleton business park and in the Pheasant Branch Creek corridor which runs through the center of the city. The damages in the City of Middleton were included in a federal major disaster declaration made on October 18, 2018. This declaration allows for public and private sector assistance from the Federal Emergency Management Association (FEMA).

The City reported \$6.5 million in estimated public damages to FEMA. Federal and state assistance is available to cover 87.5% of approved project costs. The City received \$451,324 in federal and state aid in 2019. FEMA has prepared cost estimates for the remaining unobligated projects of \$3,542,744. The potential federal and state share for these projects is \$3,099,901.

On April 2, 2019 City of Middleton voters approved a referendum allowing for a temporary increase in the City's storm water utility fees to pay for flood recovery projects. The additional fees are projected to generate an additional \$2.8 million in revenue over a five year period.

### ***COVID-19 Pandemic***

In December 2019, a novel strain of coronavirus was reported in Wuhan, Hubei province, China. In the first several months of 2020, the virus, SARS-CoV-2, and resulting disease, COVID-19, spread to the United States, including to areas impacting the City. The City's evaluation of the effects of these events is ongoing; however, we anticipate this situation could negatively impact revenues particularly in the areas of hotel room tax collections, recreation programming and investment income.

The extent of the impact of COVID-19 on the City's operational and financial performance will depend on future developments, including the duration and spread of the outbreak and related governmental or other regulatory actions. See Note V.G. for a related subsequent event disclosure

## ***Grant Awards***

In 2019, the City has received awards for five grants from the Wisconsin Department of Natural resources totaling \$697,964. These grants can be used for streambank restoration for various sections of the Pheasant Branch Creek Corridor and Conservancy that were damaged in the August 2018 flooding. There is a 50% matching requirement for these grants. The local share will be funded with storm water utility funds.

On March 6, 2020, the City of Middleton was awarded a \$1 million grant from the State of Wisconsin Multimodal Local Supplement program. This grant will reimburse the City for up to 19.2% of the cost of reconstructing and expanding Parmenter Street north of Century Avenue. This project will upgrade this section of the road from a rural to an urban cross section and provided expanded capacity. The City share for this project will be funded by Tax Increment Financing and will provide improved access to development areas in TID #5.

## ***2020 Approved Budget***

The City of Middleton adopts operating budgets for its governmental funds (general, special revenue, debt service, and capital projects) and enterprise funds (water, sewer, and stormwater utilities, golf course, airport, and special utility district). The 2020 fiscal year General Fund budget includes \$22,351,056 in projected revenues and other financing sources and \$22,351,056 in projected expenditures and other financing uses. Included in these amounts is the planned use of assigned fund balance and surplus funds in the amount of \$710,000. The 2020 approved budget does not include the planned use of any unassigned fund balance.

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 steady due to the strength of the local economy and continued construction activity. Yields on the City's investment portfolio began decreasing in the fourth quarter of 2019 following reductions in the federal funds rate and lower short-term interest rates.

Expenditures for salaries, which represent the single largest operating cost, continue to be moderate given low inflation in the economy and active labor relations efforts. The 2020 budget includes a modest increase (2.0%) in wage adjustments. All eligible City employees are contributing toward the cost of the pension program through the Wisconsin Retirement System. Health care costs increased by 5.9% in the 2020 budget.

## **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  
As of December 31, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Totals	
<b>ASSETS</b>				
Cash and investments	\$ 27,755,884	\$ 7,225,773	\$ 34,981,657	\$ 630,482
Receivables (net)				
Taxes	31,040,317	-	31,040,317	-
Special assessments	4,479	1,997,873	2,002,352	-
Accounts	766,705	1,506,777	2,273,482	-
Loans	-	-	-	57,490
Accrued interest	44,238	-	44,238	-
Internal balances	4,023,445	(4,023,445)	-	-
Inventories	-	50,774	50,774	-
Prepaid items	334,433	-	334,433	-
Property held for future use	-	301,087	301,087	-
Capital Assets				
Land	10,942,602	5,246,905	16,189,507	154,000
Construction in progress	1,514,264	582,739	2,097,003	-
Right of way	19,970,094	-	19,970,094	-
Land improvements	9,403,059	3,159,027	12,562,086	-
Improvements other than buildings	-	7,802,504	7,802,504	-
Buildings and improvements	28,608,035	2,426,500	31,034,535	2,933,497
Machinery and equipment	9,602,774	1,242,997	10,845,771	-
Infrastructure	55,346,187	-	55,346,187	-
Plant in service	-	49,628,884	49,628,884	-
Less: Accumulated depreciation	(32,208,760)	(19,859,607)	(52,068,367)	(1,198,872)
Total Assets	<u>167,147,756</u>	<u>57,288,788</u>	<u>224,436,544</u>	<u>2,576,597</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Unamortized loss on refunding	451,529	-	451,529	-
Pension related amounts	7,389,875	654,234	8,044,109	-
Total Deferred Outflows of Resources	<u>7,841,404</u>	<u>654,234</u>	<u>8,495,638</u>	<u>-</u>
<b>LIABILITIES</b>				
Accounts payable	2,689,808	1,735,124	4,424,932	825
Other accrued liabilities	325,555	27,671	353,226	-
Accrued interest	284,028	-	284,028	-
Due to other governments	24,611	-	24,611	-
Deposits	849,056	-	849,056	-
Unearned revenue	-	20,346	20,346	-
Noncurrent Liabilities				
Net pension liability	2,741,772	230,917	2,972,689	-
Due within one year	6,933,519	94,454	7,027,973	-
Due in more than one year	39,651,771	404,700	40,056,471	-
Total Liabilities	<u>53,500,120</u>	<u>2,513,212</u>	<u>56,013,332</u>	<u>825</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes levied for next period	30,677,315	-	30,677,315	-
Pension related amounts	3,791,605	327,040	4,118,645	-
Total Deferred Inflows of Resources	<u>34,468,920</u>	<u>327,040</u>	<u>34,795,960</u>	<u>-</u>
<b>NET POSITION</b>				
Net investment in capital assets	72,622,109	50,229,949	122,852,058	1,888,625
Restricted for				
Community development	14,020,201	-	14,020,201	-
Library	685,497	-	685,497	-
Impact fees	2,492,318	-	2,492,318	-
Tourism	2,304,662	-	2,304,662	-
Senior center	166,668	-	166,668	-
Subdividers' deposits	999,051	-	999,051	-
Public safety	21,897	-	21,897	-
Youth activities	7,988	-	7,988	-
Unrestricted (deficit)	(6,300,271)	4,872,821	(1,427,450)	687,147
<b>TOTAL NET POSITION</b>	<u>\$ 87,020,120</u>	<u>\$ 55,102,770</u>	<u>\$ 142,122,890</u>	<u>\$ 2,575,772</u>

See accompanying notes to financial statements.

**CITY OF MIDDLETON**

STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2019

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
Governmental Activities				
General government	\$ 3,234,108	\$ 700,377	\$ -	\$ -
Public safety	9,966,272	1,732,918	143,695	1,600
Public works	4,956,324	333,205	55,219	2,093,167
Health and human services	663,526	46,316	97,997	-
Leisure activities	4,874,284	581,273	1,063,282	110,546
Conservation and economic development	8,453,985	133,395	10,275	35,020
Interest and fiscal charges	1,420,639	-	-	119,249
Total Governmental Activities	<u>33,569,138</u>	<u>3,527,484</u>	<u>1,370,468</u>	<u>2,359,582</u>
Business-type Activities				
Water utility	2,127,031	2,567,361	-	368,779
Sewer utility	3,039,452	2,600,054	-	106,697
Pleasant View golf course	2,075,750	2,874,278	-	-
Stormwater utility	219,437	713,297	-	34,435
Middleton utility district	2,946	-	-	-
Airport	187,527	118,054	-	-
Total Business-type Activities	<u>7,652,143</u>	<u>8,873,044</u>	<u>-</u>	<u>509,911</u>
Total Primary Government	<u>\$ 41,221,281</u>	<u>\$ 12,400,528</u>	<u>\$ 1,370,468</u>	<u>\$ 2,869,493</u>
Component Unit - Business-type Activities				
Community Development Authority	<u>\$ 185,381</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

General Revenues

Taxes

- Property taxes, levied for general purposes
- Property taxes, levied for debt service
- Property taxes, levied for TIF purposes
- Room taxes
- Other taxes

Intergovernmental revenues not restricted to specific programs

- Investment income
- Gain on sale of capital assets
- Miscellaneous

Transfers

Total General Revenues and Transfers

**Change in net position**

NET POSITION - Beginning of Year

**NET POSITION - END OF YEAR**

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Totals	
\$ (2,533,731)	\$ -	\$ (2,533,731)	\$ -
(8,088,059)	-	(8,088,059)	-
(2,474,733)	-	(2,474,733)	-
(519,213)	-	(519,213)	-
(3,119,183)	-	(3,119,183)	-
(8,275,295)	-	(8,275,295)	-
(1,301,390)	-	(1,301,390)	-
<u>(26,311,604)</u>	<u>-</u>	<u>(26,311,604)</u>	<u>-</u>
-	809,109	809,109	-
-	(332,701)	(332,701)	-
-	798,528	798,528	-
-	528,295	528,295	-
-	(2,946)	(2,946)	-
-	(69,473)	(69,473)	-
<u>-</u>	<u>1,730,812</u>	<u>1,730,812</u>	<u>-</u>
<u>(26,311,604)</u>	<u>1,730,812</u>	<u>(24,580,792)</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(185,381)</u>
12,809,196	-	12,809,196	-
4,682,218	-	4,682,218	-
9,777,817	-	9,777,817	-
1,986,710	-	1,986,710	-
5,651	-	5,651	-
1,647,101	-	1,647,101	65,000
1,050,142	135,581	1,185,723	13,012
43,340	-	43,340	-
222,060	285,440	507,500	28,685
465,667	(465,667)	-	-
<u>32,689,902</u>	<u>(44,646)</u>	<u>32,645,256</u>	<u>106,697</u>
6,378,298	1,686,166	8,064,464	(78,684)
<u>80,641,822</u>	<u>53,416,604</u>	<u>134,058,426</u>	<u>2,654,456</u>
<u>\$ 87,020,120</u>	<u>\$ 55,102,770</u>	<u>\$ 142,122,890</u>	<u>\$ 2,575,772</u>

See accompanying notes to financial statements.

**CITY OF MIDDLETON**

BALANCE SHEET - GOVERNMENTAL FUNDS  
As of December 31, 2019

	<u>General</u>	<u>Debt Service</u>
<b>ASSETS</b>		
Cash and investments	\$ 8,998,912	\$ 140,260
Receivables (net)		
Taxes	13,236,918	4,885,000
Special assessments	4,479	-
Accrued interest	44,238	-
Other	425,875	-
Prepaid items	334,433	-
Advances to other funds	1,949,411	-
	<u>24,994,266</u>	<u>5,025,260</u>
<b>TOTAL ASSETS</b>	<b>\$ 24,994,266</b>	<b>\$ 5,025,260</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>		
Liabilities		
Accounts payable	\$ 867,775	\$ 3,800
Other accrued liabilities	281,891	-
Deposits	-	-
Due to other governmental units	24,611	-
Due to other funds	70,256	-
Advances from other funds	-	-
Total Liabilities	<u>1,244,533</u>	<u>3,800</u>
Deferred Inflows of Resources		
Property tax levied for next period	13,128,154	4,885,000
Unavailable revenue	40,083	-
Total Deferred Inflows of Resources	<u>13,168,237</u>	<u>4,885,000</u>
Fund Balances		
Nonspendable:		
Noncurrent receivables	57,745	-
Advances	1,949,411	-
Prepaid items	334,433	-
Restricted	-	136,460
Assigned	2,155,511	-
Unassigned (deficit)	6,084,396	-
Total Fund Balances	<u>10,581,496</u>	<u>136,460</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 24,994,266</b>	<b>\$ 5,025,260</b>

Capital Projects Funds				
TIF District No. 3	TIF District No. 5	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
\$ 7,327,309	\$ 812,689	\$ 2,271,025	\$ 7,910,031	\$ 27,460,226
11,546,309	1,372,090	-	-	31,040,317
-	-	-	-	4,479
-	-	-	-	44,238
-	-	22,000	318,331	766,206
-	-	-	-	334,433
6,823,289	-	-	-	8,772,700
<u>\$ 25,696,907</u>	<u>\$ 2,184,779</u>	<u>\$ 2,293,025</u>	<u>\$ 8,228,362</u>	<u>\$ 68,422,599</u>
\$ 699,200	\$ 5,729	\$ 758,327	\$ 346,753	\$ 2,681,584
-	-	-	43,664	325,555
-	3,757	-	845,299	849,056
-	-	-	-	24,611
-	-	-	-	70,256
-	4,678,999	-	-	4,678,999
699,200	4,688,485	758,327	1,235,716	8,630,061
11,292,071	1,372,090	-	-	30,677,315
64,846	-	-	-	104,929
11,356,917	1,372,090	-	-	30,782,244
-	-	-	-	57,745
-	-	-	-	1,949,411
-	-	-	-	334,433
13,640,790	-	1,534,698	6,992,646	22,304,594
-	-	-	-	2,155,511
-	(3,875,796)	-	-	2,208,600
13,640,790	(3,875,796)	1,534,698	6,992,646	29,010,294
<u>\$ 25,696,907</u>	<u>\$ 2,184,779</u>	<u>\$ 2,293,025</u>	<u>\$ 8,228,362</u>	

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

Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds.	103,178,255
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 IV.B.	104,929
Internal service funds are reported in the statement of net position as governmental funds.	287,933
Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds. See Note II.A	(46,417,789)
The net pension liability does not relate to current liabilities and is not reported in the governmental funds.	(2,741,772)
Deferred outflows of resources relate to pensions do not relate to current financial resources and are not reported in the governmental funds.	7,389,875
Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	(3,791,605)
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<u>\$ 87,020,120</u>

See accompanying notes to financial statements.

**CITY OF MIDDLETON**

STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2019

	General	Debt Service	Capital Projects TIF District No. 3
<b>REVENUES</b>			
Taxes	\$ 13,455,214	\$ 4,682,218	\$ 8,898,277
Intergovernmental	2,776,544	119,249	686,483
Licenses and permits	970,041	-	-
Fines, forfeitures and penalties	255,006	-	-
Public charges for services	1,487,983	-	-
Interdepartmental charges for services	1,679,936	-	-
Special assessments	135,977	-	177,030
Investment income	828,736	2,208	165,989
Contributions	-	-	-
Miscellaneous	76,439	-	3,000
<b>Total Revenues</b>	<u>21,665,876</u>	<u>4,803,675</u>	<u>9,930,779</u>
<b>EXPENDITURES</b>			
Current			
General government	4,158,517	-	1,553,579
Public safety	9,355,673	-	-
Public works	4,103,709	-	-
Health and human services	531,747	-	-
Leisure activities	1,811,017	-	-
Conservation and development	741,219	-	3,506,731
Capital Outlay	-	-	1,380,675
Debt Service			
Principal retirement	-	3,980,000	1,965,000
Interest and fiscal charges	-	1,216,463	127,231
<b>Total Expenditures</b>	<u>20,701,882</u>	<u>5,196,463</u>	<u>8,533,216</u>
 Excess (deficiency) of revenues over expenditures	 <u>963,994</u>	 <u>(392,788)</u>	 <u>1,397,563</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Long-term debt issued	-	5,560,434	-
Payment to refunding escrow	-	(6,001,542)	-
Premium on debt	-	751,978	-
Sale of capital assets	5,490	-	37,850
Transfers in	465,667	150,000	-
Transfers (out)	(1,396,484)	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>(925,327)</u>	<u>460,870</u>	<u>37,850</u>
 <b>Net Change in Fund Balance</b>	 38,667	 68,082	 1,435,413
 FUND BALANCES (DEFICIT) - Beginning of Year	 <u>10,542,829</u>	 <u>68,378</u>	 <u>12,205,377</u>
 <b>FUND BALANCES (DEFICIT) - END OF YEAR</b>	 <u>\$ 10,581,496</u>	 <u>\$ 136,460</u>	 <u>\$ 13,640,790</u>

<u>Capital Projects</u>			<u>Nonmajor</u>	<u>Total</u>
<u>TIF District</u>	<u>Capital</u>		<u>Governmental</u>	<u>Governmental</u>
<u>No. 5</u>	<u>Projects</u>		<u>Funds</u>	<u>Funds</u>
\$ 879,540	\$ -	\$ 1,390,443	\$ 29,305,692	
51,374	-	941,929	4,575,579	
-	-	-	970,041	
-	-	-	255,006	
-	-	169,941	1,657,924	
-	-	-	1,679,936	
-	-	51,312	364,319	
17,543	-	72,542	1,087,018	
-	-	268,323	268,323	
47,766	22,000	31,214	180,419	
<u>996,223</u>	<u>22,000</u>	<u>2,925,704</u>	<u>40,344,257</u>	
-	-	146,187	5,858,283	
-	-	-	9,355,673	
-	-	-	4,103,709	
-	-	17,627	549,374	
-	-	2,509,657	4,320,674	
193,659	-	1,034,298	5,475,907	
158,181	4,028,673	231,224	5,798,753	
370,224	-	-	6,315,224	
271,268	-	-	1,614,962	
<u>993,332</u>	<u>4,028,673</u>	<u>3,938,993</u>	<u>43,392,559</u>	
2,891	(4,006,673)	(1,013,289)	(3,048,302)	
-	4,079,566	-	9,640,000	
-	-	-	(6,001,542)	
-	-	-	751,978	
-	-	-	43,340	
-	-	1,652,270	2,267,937	
-	(46,814)	(358,972)	(1,802,270)	
-	<u>4,032,752</u>	<u>1,293,298</u>	<u>4,899,443</u>	
2,891	26,079	280,009	1,851,141	
<u>(3,878,687)</u>	<u>1,508,619</u>	<u>6,712,637</u>	<u>27,159,153</u>	
<u>\$ (3,875,796)</u>	<u>\$ 1,534,698</u>	<u>\$ 6,992,646</u>	<u>\$ 29,010,294</u>	

See accompanying 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 For the Year Ended December 31, 2019

Net change in fund balances - total governmental funds	\$ 1,851,141
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>	
<p>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.</p>	
Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements	5,798,753
Some items are reported as capital outlay but are not capitalized	(582,041)
Contributed capital assets are reported as revenues in the government-wide financial statements	538,307
Depreciation is reported in the government-wide statements	(3,401,662)
<p>The gain/loss on disposal of capital assets is reported on the statement of activities as a reduction/increase of expense.</p>	
	(16,948)
<p>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.</p>	
	(167,605)
<p>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</p>	
	69,740
<p>Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds</p>	
	3,340,799
<p>Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds</p>	
	599,065
<p>Debt and lease proceeds 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.</p>	
Debt issued	(9,640,000)
Debt retired	12,075,224
Landfill post-closure liability	62,371
Premium debt issued	(751,978)
Net pension liability	(4,960,514)
<p>Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>	
Compensated absences	1,127,781
Amortization of loss on refunding	205,087
Amortization of debt premium	179,873
Accrued interest on debt	50,905
	1,563,646
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$ 6,378,298</b>

See accompanying notes to financial statements.

**CITY OF MIDDLETON**

STATEMENT OF NET POSITION - PROPRIETARY FUNDS  
As of December 31, 2019

	Business-type Activities - Enterprise Funds				Total Enterprise Funds	Governmental Activities - Internal Service Funds
	Water Utility	Sewer Utility	Pleasant View Golf Course	Nonmajor Enterprise		
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>						
Current Assets						
Cash and investments	\$ 3,898,713	\$ 1,653,507	\$ 531,070	\$ 1,142,483	\$ 7,225,773	\$ 295,658
Accounts receivable	638,578	646,129	-	222,070	1,506,777	499
Due from other funds	50,178	15,340	-	4,738	70,256	-
Inventories	-	-	50,774	-	50,774	-
Total Current Assets	<u>4,587,469</u>	<u>2,314,976</u>	<u>581,844</u>	<u>1,369,291</u>	<u>8,853,580</u>	<u>296,157</u>
Noncurrent Assets						
Capital Assets						
Land	222,277	66,830	1,476,500	3,481,298	5,246,905	-
Construction in progress	-	-	-	582,739	582,739	-
Land improvements	-	-	-	3,159,027	3,159,027	-
Improvements other than buildings	-	-	7,802,504	-	7,802,504	-
Buildings and improvements	-	-	1,681,208	745,292	2,426,500	-
Machinery and equipment	-	-	987,260	255,737	1,242,997	-
Plant in service	32,241,071	17,387,813	-	-	49,628,884	-
Accumulated depreciation	(11,011,018)	(6,265,657)	(1,668,402)	(914,530)	(19,859,607)	-
Other Assets						
Special assessments	-	1,997,873	-	-	1,997,873	-
Property held for future use	301,087	-	-	-	301,087	-
Total Noncurrent Assets	<u>21,753,417</u>	<u>13,186,859</u>	<u>10,279,070</u>	<u>7,309,563</u>	<u>52,528,909</u>	<u>-</u>
Total Assets	<u>26,340,886</u>	<u>15,501,835</u>	<u>10,860,914</u>	<u>8,678,854</u>	<u>61,382,489</u>	<u>296,157</u>
Deferred Outflows of Resources						
Pension related amounts	251,024	113,087	290,123	-	654,234	-
Total Deferred Outflows of Resources	<u>251,024</u>	<u>113,087</u>	<u>290,123</u>	<u>-</u>	<u>654,234</u>	<u>-</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 26,591,910</u>	<u>\$ 15,614,922</u>	<u>\$ 11,151,037</u>	<u>\$ 8,678,854</u>	<u>\$ 62,036,723</u>	<u>\$ 296,157</u>

	Business-type Activities - Enterprise Funds				Total Enterprise Funds	Governmental Activities - Internal Service Funds
	Water Utility	Sewer Utility	Pleasant View Golf Course	Nonmajor Enterprise		
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>						
Current Liabilities						
Accounts payable	\$ 163,615	\$ 527,996	\$ 61,546	\$ 981,967	\$ 1,735,124	\$ 8,224
Other accrued liabilities	7,592	5,368	14,711	-	27,671	-
Compensated absences	38,838	17,082	38,534	-	94,454	-
Unearned revenue	-	-	-	20,346	20,346	-
Total Current Liabilities	<u>210,045</u>	<u>550,446</u>	<u>114,791</u>	<u>1,002,313</u>	<u>1,877,595</u>	<u>8,224</u>
Noncurrent Liabilities						
Compensated absences	163,002	96,486	145,212	-	404,700	-
Advances from other funds	-	-	4,093,701	-	4,093,701	-
Net pension liability	93,575	43,030	94,312	-	230,917	-
Total Noncurrent Liabilities	<u>256,577</u>	<u>139,516</u>	<u>4,333,225</u>	<u>-</u>	<u>4,729,318</u>	<u>-</u>
Total Liabilities	<u>466,622</u>	<u>689,962</u>	<u>4,448,016</u>	<u>1,002,313</u>	<u>6,606,913</u>	<u>8,224</u>
Deferred Inflows of Resources						
Pension related amounts	127,560	57,531	141,949	-	327,040	-
<b>NET POSITION</b>						
Net investment in capital assets	21,452,330	11,188,986	10,279,070	7,309,563	50,229,949	-
Unrestricted (deficit)	4,545,398	3,678,443	(3,717,998)	366,978	4,872,821	287,933
Total Net Position	<u>25,997,728</u>	<u>14,867,429</u>	<u>6,561,072</u>	<u>7,676,541</u>	<u>55,102,770</u>	<u>287,933</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>	<u>\$ 26,591,910</u>	<u>\$ 15,614,922</u>	<u>\$ 11,151,037</u>	<u>\$ 8,678,854</u>	<u>\$ 62,036,723</u>	<u>\$ 296,157</u>

See accompanying notes to financial statements.

**CITY OF MIDDLETON**

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN  
NET POSITION - PROPRIETARY FUNDS  
For the Year Ended December 31, 2019

	Business-Type Activities - Enterprise Funds				Total Enterprise Funds	Governmental Activities - Internal Service Fund
	Water Utility	Sewer Utility	Pleasant View Golf Course	Nonmajor Enterprise		
<b>OPERATING REVENUES</b>						
Charges for services	\$ 2,567,361	\$ 2,600,054	\$ 2,874,278	\$ 831,351	\$ 8,873,044	\$ 438,100
Miscellaneous operating income	117,175	1,946	-	-	119,121	-
Total Operating Revenues	<u>2,684,536</u>	<u>2,602,000</u>	<u>2,874,278</u>	<u>831,351</u>	<u>8,992,165</u>	<u>438,100</u>
<b>OPERATING EXPENSES</b>						
Operations and maintenance	1,475,944	2,684,389	1,924,487	219,510	6,304,330	437,456
Depreciation	651,087	355,063	151,263	190,400	1,347,813	-
Total Operating Expenses	<u>2,127,031</u>	<u>3,039,452</u>	<u>2,075,750</u>	<u>409,910</u>	<u>7,652,143</u>	<u>437,456</u>
Operating Income (Loss)	<u>557,505</u>	<u>(437,452)</u>	<u>798,528</u>	<u>421,441</u>	<u>1,340,022</u>	<u>644</u>
<b>NONOPERATING REVENUES</b>						
Investment income	76,562	28,696	7,668	22,655	135,581	40,373
Miscellaneous nonoperating income	20,816	-	24,417	121,086	166,319	28,723
Total Nonoperating Revenues	<u>97,378</u>	<u>28,696</u>	<u>32,085</u>	<u>143,741</u>	<u>301,900</u>	<u>69,096</u>
Income (Loss) Before Contributions and Transfers	654,883	(408,756)	830,613	565,182	1,641,922	69,740
Capital contributions	368,779	106,697	-	34,435	509,911	-
Transfers in	16,334	-	-	-	16,334	-
Transfers (out)	-	(16,334)	-	-	(16,334)	-
Transfers - tax equivalent	<u>(465,667)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(465,667)</u>	<u>-</u>
Change in Net Position	574,329	(318,393)	830,613	599,617	1,686,166	69,740
TOTAL NET POSITION - Beginning of Year	<u>25,423,399</u>	<u>15,185,822</u>	<u>5,730,459</u>	<u>7,076,924</u>	<u>53,416,604</u>	<u>218,193</u>
<b>TOTAL NET POSITION - END OF YEAR</b>	<u>\$ 25,997,728</u>	<u>\$ 14,867,429</u>	<u>\$ 6,561,072</u>	<u>\$ 7,676,541</u>	<u>\$ 55,102,770</u>	<u>\$ 287,933</u>

See accompanying notes to financial statements.

**CITY OF MIDDLETON**

STATEMENT OF CASH FLOWS -  
 PROPRIETARY FUNDS  
 For the Year Ended December 31, 2019

	Business-type Activities - Enterprise Funds				Total Enterprise Funds	Governmental Activities- Internal Service Funds
	Water Utility	Sewer Utility	Pleasant View Golf Course	Nonmajor Enterprise Funds		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Received from customers	\$ 2,604,668	\$ 2,574,341	\$ 2,898,695	\$ 776,011	\$ 8,853,715	\$ 466,324
Paid to suppliers for good and services	(815,278)	(2,438,442)	(1,100,441)	(245,963)	(4,600,124)	(429,885)
Paid to employees	(547,671)	(266,742)	(860,329)	-	(1,674,742)	-
Net Cash Flows From Operating Activities	<u>1,241,719</u>	<u>(130,843)</u>	<u>937,925</u>	<u>530,048</u>	<u>2,578,849</u>	<u>36,439</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Advances for cash deficits	-	-	(400,000)	-	(400,000)	-
Paid to municipality for tax equivalent	(465,667)	-	-	-	(465,667)	-
Transfers in	16,334	-	-	-	16,334	-
Transfers out	-	(16,334)	-	-	(16,334)	-
Net Cash Flows From Noncapital Financing Activities	<u>(449,333)</u>	<u>(16,334)</u>	<u>(400,000)</u>	<u>-</u>	<u>(865,667)</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Acquisition of and construction of capital assets	(1,130,246)	(68,184)	(279,193)	(560,863)	(2,038,486)	-
Capital contributions	-	78,291	-	-	78,291	-
Special assessments received	-	11,186	-	-	11,186	-
Interest paid on long-term debt	-	-	(24,417)	-	(24,417)	-
Net Cash Flows From Capital and Related Financing Activities	<u>(1,130,246)</u>	<u>21,293</u>	<u>(303,610)</u>	<u>(560,863)</u>	<u>(1,973,426)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Investment income	<u>76,562</u>	<u>28,696</u>	<u>7,668</u>	<u>22,655</u>	<u>135,581</u>	<u>40,373</u>
Net Cash Flows From Investing Activities	<u>76,562</u>	<u>28,696</u>	<u>7,668</u>	<u>22,655</u>	<u>135,581</u>	<u>40,373</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(261,298)	(97,188)	241,983	(8,160)	(124,663)	76,812
CASH AND CASH EQUIVALENTS - Beginning	<u>4,160,011</u>	<u>1,750,695</u>	<u>289,087</u>	<u>1,150,643</u>	<u>7,350,436</u>	<u>218,846</u>
<b>CASH AND CASH EQUIVALENTS - ENDING</b>	<u>\$ 3,898,713</u>	<u>\$ 1,653,507</u>	<u>\$ 531,070</u>	<u>\$ 1,142,483</u>	<u>\$ 7,225,773</u>	<u>\$ 295,658</u>

	Business-type Activities - Enterprise Funds				Total Enterprise Funds	Governmental Activities- Internal Service Funds
	Water Utility	Sewer Utility	Pleasant View Golf Course	Nonmajor Enterprise Funds		
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES</b>						
Operating income (loss)	\$ 557,505	\$ (437,452)	\$ 798,528	\$ 421,441	\$ 1,340,022	\$ 644
Adjustments to Reconcile Operating Income to Net Cash Provided From Operating Activities						
Nonoperating income	20,816	-	24,417	121,086	166,319	28,723
Depreciation expense	651,087	355,063	151,263	190,400	1,347,813	-
Depreciation charged to clearing and other utilities	23,024	(23,024)	-	-	-	-
Changes in Assets, Liabilities, and Deferred Inflows and Outflows						
Materials and supplies	-	-	(50,774)	-	(50,774)	-
Accounts receivable	(120,323)	5,897	-	(150,139)	(264,565)	(499)
Other accounts receivable	(3,561)	(9,535)	-	-	(13,096)	-
Due from other funds	178	(996)	-	(1,263)	(2,081)	-
Accounts payable	99,018	(34,018)	(21,032)	(26,453)	17,515	7,571
Compensated absences	(24,156)	(4,423)	(6,516)	-	(35,095)	-
Other current liabilities	2,403	1,213	3,458	-	7,074	-
Unearned revenues	-	-	-	(25,024)	(25,024)	-
Pension related deferrals and liabilities	35,728	16,432	38,581	-	90,741	-
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u>\$ 1,241,719</u>	<u>\$ (130,843)</u>	<u>\$ 937,925</u>	<u>\$ 530,048</u>	<u>\$ 2,578,849</u>	<u>\$ 36,439</u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS</b>						
Cash and investments	\$ 3,898,713	\$ 1,653,507	\$ 531,070	\$ 1,142,483	\$ 7,225,773	\$ 295,658
Total Cash and Investments	3,898,713	1,653,507	531,070	1,142,483	7,225,773	295,658
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 3,898,713</u>	<u>\$ 1,653,507</u>	<u>\$ 531,070</u>	<u>\$ 1,142,483</u>	<u>\$ 7,225,773</u>	<u>\$ 295,658</u>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>						
Developer financed additions to utility plant	\$ 368,779	\$ 106,697	\$ -	\$ -	\$ 475,476	\$ -
Capital contributions	\$ -	\$ -	\$ -	\$ 34,435	\$ 34,435	\$ -

See accompanying notes to financial statements.

# CITY OF MIDDLETON

## STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS As of December 31, 2019

---

	<u>Custodial Funds</u>
<b>ASSETS</b>	
Cash and investments	\$ 27,147,916
Taxes receivable	<u>17,359,949</u>
Total Assets	<u>44,507,865</u>
<b>LIABILITIES</b>	
Accounts payable	22,381
Accrued liabilities	65,239
Due to other governmental units	<u>44,207,976</u>
Total Liabilities	<u>44,295,596</u>
<b>NET POSITION</b>	
Restricted	<u>\$ 212,269</u>

See accompanying notes to financial statements.

## CITY OF MIDDLETON

### STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS For the Year Ended December 31, 2019

---

	<u>Custodial Funds</u>
<b>ADDITIONS</b>	
Property taxes collected for other governments	\$ 28,174,662
Contributions	1,834,140
Miscellaneous	<u>64,368</u>
 Total Additions	 <u>30,073,170</u>
<b>DEDUCTIONS</b>	
Property taxes distributed to other governments	28,174,662
Public fire protection	<u>1,495,450</u>
 Total Deductions	 <u>29,670,112</u>
 <b>Change in Fiduciary Net Position</b>	  403,058
 TOTAL NET POSITION (DEFICIT) - Beginning of Year, as restated	  <u>(190,789)</u>
 <b>TOTAL NET POSITION - END OF YEAR</b>	  <u>\$ 212,269</u>

See accompanying notes to financial statements.

# CITY OF MIDDLETON

## INDEX TO NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

---

<b>NOTE</b>	<b>Page</b>
I. Summary of Significant Accounting Policies	18
A. Reporting Entity	18
B. Government-Wide and Fund Financial Statements	19
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	21
D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity	23
1. Deposits and Investments	23
2. Receivables	25
3. Inventories and Prepaid Items	26
4. Capital Assets	26
5. Deferred Outflows of Resources	28
6. Basis for Existing Rates – Proprietary Funds	28
7. Compensated Absences	28
8. Long-Term Obligations/Conduit Debt	29
9. Claims and Judgments	29
10. Deferred Inflows of Resources	29
11. Equity Classifications	29
12. Pension	31
II. Reconciliation of Government-Wide and Fund Financial Statements	31
A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Statement of Net Position	31
III. Stewardship, Compliance, and Accountability	32
A. Budgetary Information	32
B. Excess Expenditures and Other Financing Uses Over Appropriations	32
C. Deficit Balances	32
D. Limitations on the City's Tax Levy	33
IV. Detailed Notes on All Funds	33
A. Deposits and Investments	33
B. Receivables	37
C. Capital Assets	38
D. Interfund Receivables/Payables, Advances and Transfers	42
E. Long-Term Obligations	44
F. Governmental Activities Net Position/Fund Balances	47
G. Business-type Activities/Net Position	49
H. Restatement of Net Position	49
I. Component Unit	49

## CITY OF MIDDLETON

### INDEX TO NOTES TO FINANCIAL STATEMENTS (cont.) As of and for the Year Ended December 31, 2019

---

<b>NOTE (cont.)</b>	<u>Page</u>
V. Other Information	50
A. Employees' Retirement System	50
B. Risk Management	56
C. Commitments and Contingencies	56
D. Joint Ventures	57
E. Effect of New Accounting Standards on Current-Period Financial Statements	58
F. Tax Abatement	59
G. Subsequent Events	61

# CITY OF MIDDLETON

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

---

### **NOTE I – 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).

#### **A. 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 IV. I. 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, 2019. Separate financial statements of the Middleton Community Development Authority are not issued.

# CITY OF MIDDLETON

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

---

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

---

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

In January 2017, the GASB issued statement No. 84, *Fiduciary Activities*. This statement establishes criteria for identifying fiduciary activities of all state and local governments for accounting and financial reporting purposes and how those activities should be reported. This standard was implemented January 1, 2019.

In March 2018, the GASB issued statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This statement defines debt for purposes of disclosure in notes to financial statements and establishes additional financial statement note disclosure requirements related to debt obligations of governments, including direct borrowings and direct placements. This standard was implemented January 1, 2019.

#### **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.

# CITY OF MIDDLETON

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

---

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

---

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

##### ***Fund Financial Statements*** (cont.)

Separate financial statements are provided for governmental funds, proprietary funds, and agency 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 funds:

- General Fund – accounts for the City’s primary operating activities. It is used to account for all financial resources except those required to be accounted for in another fund.
- 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.
- 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.
- Capital Projects Fund – accounts for proceeds from long-term borrowing and other resources to be used for the acquisition or construction of capital assets.

The City reports the following major enterprise funds:

- Water Utility – accounts for operations of the water system.
- Sewer Utility – accounts for operations of the sewer system.
- Pleasant View Golf Course – accounts for operations of the Pleasant View Golf Course.

The City reports the following nonmajor governmental and enterprise funds:

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

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

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

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

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

# CITY OF MIDDLETON

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

---

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

---

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

##### ***Fund Financial Statements*** (cont.)

In addition, the City reports the following fund types:

Internal Service Fund – used to account for risk management services provided to other departments or agencies of the government, or to other governments on a cost-reimbursement basis.

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

Tax Roll  
Fire District

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

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

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water, 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.

# CITY OF MIDDLETON

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

---

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

---

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

##### ***Fund Financial Statements*** (cont.)

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

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and unavailable revenues.

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

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

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

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

##### ***All Financial Statements***

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

# CITY OF MIDDLETON

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

---

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

---

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

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

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

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

- a. Time deposits in any credit union, bank, savings bank or trust company.
- b. Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, the University of Wisconsin Hospitals and Clinics Authority, or the Wisconsin Aerospace Authority.
- c. Bonds or securities issued or guaranteed by the federal government.
- d. The local government investment pool.
- e. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- f. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- g. Repurchase agreements with public depositories, with certain conditions.

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 IV.A., 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.

# CITY OF MIDDLETON

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

---

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

---

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

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

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 IV.A. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on 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, 2019, 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 As of and for the Year Ended December 31, 2019

---

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

---

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

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

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, 2019, the City’s share of the WISC’s assets was substantially equal to the amount reported in these statements.

The Madison Community Foundation (the “Foundation”) is a community endowment fund. The Foundation is not registered with the Securities and Exchange Commission. It constitutes a contractual agreement between the City and the Foundation with respect to investment of City assets. The Foundation reports the fair value of its underlying assets annually. At December 31, 2019, the fair value of the Foundation’s assets was substantially equal to the City’s share as reported in Note IV. A.

See Note IV. A. for further information.

##### ***2. Receivables***

###### *Property Taxes*

Property taxes are levied in December on the assessed value as of the prior January 1. In addition to property taxes for the City, taxes are collected for and remitted to the state and county governments as well as the local school district and technical college district. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as receivables and due to other taxing units on the accompanying statement of fiduciary net position.

Property tax calendar – 2019 tax roll:

Lien date and levy date	December 2019
Tax bills mailed	December 2019
Payment in full, or	January 31, 2020
First installment due	January 31, 2020
Second installment due	July 31, 2020
Personal property taxes in full	January 31, 2020
Tax sale – 2019 delinquent real estate taxes	October 2022

###### *Uncollectible Accounts*

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

# CITY OF MIDDLETON

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

---

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

---

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

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

###### *Interfund Transactions*

During the course of operations transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as “due to and from other funds.” Long-term interfund loans (noncurrent portion) are reported as “advances from and to other funds.” Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

In the governmental fund financial statements, advances to other funds are offset equally by a nonspendable fund balance account which indicates that they do not constitute expendable available financial resources and therefore are not available for appropriation or by a restricted, committed, or assigned fund balance account, if the funds will ultimately be restricted, committed, or assigned when the advance is repaid.

##### **3. 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.

##### **4. 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.

# CITY OF MIDDLETON

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

---

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

---

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

##### **4. Capital Assets (cont.)**

##### **Government –Wide Statements (cont.)**

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. No interest was capitalized during the current year. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	40 Years
Land Improvements	30 Years
Machinery and Equipment	3 – 15 Years
Infrastructure	20 – 50 Years
Water Plant	
Source of Supply	34 Years
Pumping	22 – 31 Years
Water Treatment	22 – 30 Years
Transmission and Distribution	18 – 77 Years
General	4 – 17 Years
Sewer Plant	
Collecting System	30 – 77 Years
Collecting System Pumping	20 – 40 Years
General	7 – 40 Years

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

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

# CITY OF MIDDLETON

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

---

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

---

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

##### **5. Deferred Outflows of Resources**

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

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

##### **6. Basis for Existing Rates – Proprietary Funds**

###### *Water Utility*

Current water rates were approved by the Public Service Commission and became effective September 15, 2018.

###### *Sanitary Sewer*

Current wastewater rates were approved by the Common Council on November 5, 2019 and effective December 15, 2019.

###### *Stormwater Utility*

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

##### **7. Compensated Absences**

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

All vested vacation 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, 2019 are determined on the basis of current salary rates and include salary related payments.

# CITY OF MIDDLETON

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

---

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

---

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

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

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 \$5.3 million, made up of two issuances.

##### ***9. 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.

##### ***10. Deferred Inflows of Resources***

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

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

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

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

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on 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.

# CITY OF MIDDLETON

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

---

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

---

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

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

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

- c. Unrestricted net position – All other net positions that do not meet the definition of “restricted” or “net investment in capital assets.”

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

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

Governmental fund balances are displayed as follows:

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

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, 2019, the General Fund maintained \$6,084,396 or 29.1% of the subsequent year’s budgeted expenditures excluding transfers.

# CITY OF MIDDLETON

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

---

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

---

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

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

###### **Fund Statements (cont.)**

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

See Note IV. F. for further information.

##### **12. Pension**

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

---

### NOTE II – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

---

#### **A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE STATEMENT OF NET POSITION**

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds.” The details of this \$46,417,789 difference in liabilities are as follows:

Bonds and notes payable	\$ 41,879,202
Landfill post-closure liability	471,979
Compensated absences	3,041,118
Accrued interest	284,028
Unamortized debt premiums	1,192,991
Unamortized loss on refunding	<u>(451,529)</u>
Net Adjustment to Reduce Fund Balance – Total Governmental Funds to Arrive at Net Position – Governmental Activities	<u>\$ 46,417,789</u>

# CITY OF MIDDLETON

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

### **NOTE III – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

#### **A. BUDGETARY INFORMATION**

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note I. A budget has been adopted for all of the funds except Next Chapter and Library Gift. 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.

#### **B. 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, 2019.

	Excess
General Fund	\$ 295,519
Debt Service	6,201,882
Lost and Damaged Books	84,668
Library Endowment	18,168
EMS Activities	13,275

The legal level of budget control is the function 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.

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

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

As of December 31, 2019, the following nonmajor individual fund held a deficit balance:

Fund	Amount	Reason
TIF District No. 5	3,875,796	Expenditures exceeding funding

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

## CITY OF MIDDLETON

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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

##### **D. LIMITATIONS ON THE CITY'S TAX LEVY**

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

#### **NOTE IV – DETAILED NOTES ON ALL FUNDS**

##### **A. 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:

	Carrying Value	Bank and Investment Balances	Associated Risks
Deposits and cash on hand	\$ 34,580,255	\$ 30,362,405	Custodial credit
Certificates of deposit (negotiable)	1,731,909	1,731,909	Custodial credit, credit, interest rate, concentration of credit
State and local bonds	310,140	310,140	Custodial credit, credit, interest rate, concentration of credit
U.S. agencies implicitly guaranteed	6,956,386	6,956,386	Custodial credit, credit, interest rate, concentration of credit
U.S. treasuries	999,880	999,880	Custodial credit, interest rate
Mutual funds – other than bond funds	7,116	7,116	N/A
Madison Community Foundation	427,620	427,620	Credit, interest rate
LGIP	2,057,567	2,057,567	Credit
Wisconsin Investment Services Cooperative Investment Pool (WISC)	15,058,700	15,058,700	Credit
Total Cash and Investments	\$ 62,129,573	\$ 57,911,723	
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 34,981,657		
Per statement of fiduciary net position			
– Fiduciary Funds	27,147,916		
Total Cash and Investments	\$ 62,129,573		

# CITY OF MIDDLETON

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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

#### A. DEPOSITS AND INVESTMENTS (cont.)

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 \$239,868 in an endowment fund at the Madison Community Foundation, which is pooled with all other investments of the Foundation. The City, at its discretion, has the ability to transact with the Foundation for deposit and withdrawal of funds.

The City maintains collateral agreements with its banks. As of December 31, 2019, the bank had pledged various government securities in the amount of \$10,600,000 to secure the City's deposits.

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, 2019			
	Level 1	Level 2	Level 3	Total
Mutual funds – other than bond funds	\$ 7,116	\$ -	\$ -	\$ 7,116
U.S. treasuries	999,880	-	-	999,880
State and local bonds	-	310,140	-	310,140
U.S. agencies implicitly guaranteed	-	6,956,386	-	6,956,386
Certificates of deposit (negotiable)	-	1,731,909	-	1,731,909
Totals	<u>\$ 1,006,996</u>	<u>\$ 8,998,435</u>	<u>\$ -</u>	<u>\$ 10,005,431</u>

# CITY OF MIDDLETON

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

---

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

---

#### **A. DEPOSITS AND INVESTMENTS** (cont.)

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

<u>Investment Type</u>	<u>Valuation Method</u>
Mutual funds – other than bond funds	Net asset value
U.S. treasuries	Institutional bond quotes – evaluations based on various market and industry inputs
State and local bonds	Institutional bond quotes – evaluations based on various market and industry inputs
U.S. agencies – implicitly guaranteed	Institutional bond quotes – evaluations based on various market and industry inputs
Certificates of deposit (negotiable)	Institutional bond quotes – evaluations based on various market and industry inputs

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

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

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

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

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

## CITY OF MIDDLETON

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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

##### A. DEPOSITS AND INVESTMENTS (cont.)

###### **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, 2019, the City's investments were rated as follows:

Investment Type	Standard & Poor's	Moody's Investor Service
<b>U.S. Agencies Implicitly Guaranteed</b>		
Tennessee Valley Authority	AA+	Aaa
Federal Home Loan Bank	AA+	Aaa
Federal National Mortgage Association	AA+	Aaa
Franklin American Mortgage Company	AA+	Aaa
Federal Farm Credit Bank	AA+	Aaa
<b>State and Local Bonds</b>	AA	A1
<b>Wisconsin Investment Series Cooperative Investment Pool (WISC)</b>	AAAm	

The City also had investments which are not rated:

LGIP  
Madison Community Foundation  
Certificates of Deposit (negotiable)

###### **Interest Rate Risk**

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

As of December 31, 2019, the City's investments were as follows:

Investment Type	Fair Value	Less Than 1 Year	1 – 5 Years
U.S. Agencies Implicitly Guaranteed	\$ 6,956,386	\$ 6,003,668	\$ 952,718
U.S. Treasuries	999,880	999,880	-
Certificates of Deposit (negotiable)	1,731,909	248,347	1,483,562
State and local bonds	310,140	310,140	-
<b>Totals</b>	<b>\$ 9,998,315</b>	<b>\$ 7,652,035</b>	<b>\$ 2,436,280</b>

As of December 31, 2019, the LGIP investments have an average maturity of 18 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, 2019, of the City's total portfolio, 6% was invested in FHLB's, 7% in FFCB's, and 5% in FNMA's.

# CITY OF MIDDLETON

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

---

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

---

#### **B. RECEIVABLES**

All receivable balances are expected to be collected within one year with the exception of \$104,929 in special assessments and \$57,745 of delinquent personal property taxes.

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	\$ -	\$ 30,677,315
Special assessments/special charges not yet due	76,975	-
Miscellaneous unavailable amounts	<u>27,954</u>	<u>-</u>
Total Unavailable/Unearned Revenue for Governmental Funds	<u>\$ 104,929</u>	<u>\$ 30,677,315</u>

**CITY OF MIDDLETON**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2019

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

**C. CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2019 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	\$ 10,944,889	\$ -	\$ 2,287	\$ 10,942,602
Right-of-ways	19,970,094	-	-	19,970,094
Construction work in progress	<u>1,584,381</u>	<u>914,473</u>	<u>984,590</u>	<u>1,514,264</u>
Total Capital Assets Not Being Depreciated	<u>32,499,364</u>	<u>914,473</u>	<u>986,877</u>	<u>32,426,960</u>
Capital assets being depreciated				
Land improvements	8,877,825	555,234	30,000	9,403,059
Buildings	28,098,872	509,163	-	28,608,035
Machinery and equipment	8,397,902	1,449,634	244,762	9,602,774
Streets – infrastructure	31,912,272	2,780,963	229,456	34,463,779
Storm sewers – infrastructure	9,623,110	214,037	5,886	9,831,261
Traffic signals – infrastructure	1,878,437	44,142	-	1,922,579
Sidewalks – infrastructure	4,944,212	271,963	21,525	5,194,650
Bridges – infrastructure	3,355,742	-	-	3,355,742
Fiber optic – infrastructure	96,013	-	-	96,013
Rail spur – infrastructure	<u>482,163</u>	<u>-</u>	<u>-</u>	<u>482,163</u>
Total Capital Assets Being Depreciated	<u>97,666,548</u>	<u>5,825,136</u>	<u>531,629</u>	<u>102,960,055</u>
Less: Accumulated depreciation for				
Land improvements	(4,736,767)	(469,896)	30,000	(5,176,663)
Buildings	(7,017,984)	(709,238)	-	(7,727,222)
Machinery and equipment	(4,797,911)	(881,627)	230,101	(5,449,437)
Streets – infrastructure	(5,676,241)	(861,594)	229,456	(6,308,379)
Storm sewers – infrastructure	(3,339,556)	(196,625)	5,886	(3,530,295)
Traffic signals – infrastructure	(1,000,879)	(76,903)	-	(1,077,782)
Sidewalks – infrastructure	(1,831,437)	(103,893)	21,525	(1,913,805)
Bridges – infrastructure	(703,355)	(83,894)	-	(787,249)
Fiber optic – infrastructure	(4,473)	(1,920)	-	(6,393)
Rail spur – infrastructure	<u>(215,463)</u>	<u>(16,072)</u>	<u>-</u>	<u>(231,535)</u>
Total Accumulated Depreciation	<u>(29,324,066)</u>	<u>(3,401,662)</u>	<u>516,968</u>	<u>(32,208,760)</u>
Capital Assets Being Depreciated, Net of Depreciation	<u>68,342,482</u>	<u>2,423,474</u>	<u>14,661</u>	<u>70,751,295</u>
 Total Capital Assets, Net of Depreciation	 <u>\$ 100,841,846</u>	 <u>\$ 3,337,947</u>	 <u>\$ 1,001,538</u>	 <u>\$ 103,178,255</u>

**CITY OF MIDDLETON**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2019

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

**C. CAPITAL ASSETS (cont.)**

Depreciation expense was charged to functions as follows:

**Governmental Activities**

General government	\$ 53,939
Public safety	532,817
Public works	1,856,429
Conservation and economic development	218,632
Leisure activities	<u>739,845</u>
Total Governmental Activities Depreciation Expense	<u><u>\$ 3,401,662</u></u>

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Water Utility</u>				
Capital assets not being depreciated				
Land and land rights	\$ 222,277	\$ -	\$ -	\$ 222,277
		-		
Capital assets being depreciated				
Source of supply	781,509	-	-	781,509
Pumping	2,788,464	-	-	2,788,464
Treatment	343,242	-	-	343,242
Transmission and distribution	24,643,567	1,411,339	112,743	25,942,163
Administrative and general assets	2,323,007	87,686	25,000	2,385,693
Total Capital Assets Being Depreciated	<u>30,879,789</u>	<u>1,499,025</u>	<u>137,743</u>	<u>32,241,071</u>
Less: Accumulated depreciation for				
Source of supply	(503,893)	(22,664)	-	(526,557)
Pumping	(1,872,033)	(110,185)	-	(1,982,218)
Treatment	(343,242)	-	-	(343,242)
Transmission and distribution	(6,810,519)	(415,813)	112,743	(7,113,589)
Administrative and general assets	(944,963)	(125,449)	25,000	(1,045,412)
Total Accumulated Depreciation	<u>(10,474,650)</u>	<u>(674,111)</u>	<u>137,743</u>	<u>(11,011,018)</u>
Capital Assets Being Depreciated, Net of Depreciation	<u>20,405,139</u>	<u>824,914</u>	<u>-</u>	<u>21,230,053</u>
Total Capital Assets, Net of Depreciation	<u><u>\$ 20,627,416</u></u>	<u><u>\$ 824,914</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 21,452,330</u></u>

**CITY OF MIDDLETON**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2019

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

**C. CAPITAL ASSETS (cont.)**

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Sewer Utility</u>				
Capital assets not being depreciated				
Land and land rights	\$ 66,830	\$ -	\$ -	\$ 66,830
Capital assets being depreciated				
Collection system	14,462,871	164,105	6,638	14,620,338
Collection system pumping	1,726,367	-	-	1,726,367
Administrative and general assets	1,030,332	10,776	-	1,041,108
Total Capital Assets Being Depreciated	<u>17,219,570</u>	<u>174,881</u>	<u>6,638</u>	<u>17,387,813</u>
Less: Accumulated depreciation	<u>(5,940,256)</u>	<u>(332,039)</u>	<u>6,638</u>	<u>(6,265,657)</u>
Capital Assets Being Depreciated, Net of Depreciation	<u>11,279,314</u>	<u>(157,158)</u>	<u>-</u>	<u>11,122,156</u>
Total Capital Assets, Net of Depreciation	<u>\$ 11,346,144</u>	<u>\$ (157,158)</u>	<u>\$ -</u>	<u>\$ 11,188,986</u>
	Beginning Balance	Additions	Deletions	Ending Balance
<u>Pleasant View Golf Course</u>				
Capital assets not being depreciated				
Land and land rights	\$ 1,476,500	\$ -	\$ -	\$ 1,476,500
Construction in progress	6,794	-	6,794	-
Total Capital Assets Not Being Depreciated	<u>1,483,294</u>	<u>-</u>	<u>6,794</u>	<u>1,476,500</u>
Capital assets being depreciated				
Land improvements	7,516,517	285,987	-	7,802,504
Buildings	1,681,208	-	-	1,681,208
Equipment	1,017,078	-	29,818	987,260
Total Capital Assets Being Depreciated	<u>10,214,803</u>	<u>285,987</u>	<u>29,818</u>	<u>10,470,972</u>
Less: Accumulated depreciation for				
Land improvements	(348,718)	(44,890)	-	(393,608)
Buildings	(580,232)	(54,301)	-	(634,533)
Equipment	(618,007)	(52,072)	29,818	(640,261)
Total Accumulated Depreciation	<u>(1,546,957)</u>	<u>(151,263)</u>	<u>29,818</u>	<u>(1,668,402)</u>
Capital Assets Being Depreciated, Net of Depreciation	<u>8,667,846</u>	<u>134,724</u>	<u>-</u>	<u>8,802,570</u>
Total Capital Assets, Net of Depreciation	<u>\$ 10,151,140</u>	<u>\$ 134,724</u>	<u>\$ 6,794</u>	<u>\$ 10,279,070</u>

## CITY OF MIDDLETON

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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

#### C. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Nonmajor Enterprise Funds</u>				
Capital assets not being depreciated				
Land and land rights	\$ 3,481,298	\$ -	\$ -	\$ 3,481,298
Construction in progress	38,850	543,889	-	582,739
Total Capital Assets Not Being Depreciated	3,520,148	543,889	-	4,064,037
Capital assets being depreciated				
Land improvements	2,181,751	977,276	-	3,159,027
Buildings	745,292	-	-	745,292
Vehicles and equipment	207,537	48,200	-	255,737
Total Capital Assets Being Depreciated	3,134,580	1,025,476	-	4,160,056
Less: Accumulated depreciation for				
Land improvements	(479,068)	(157,952)	-	(637,020)
Buildings	(93,160)	(18,632)	-	(111,792)
Vehicles and equipment	(151,902)	(13,816)	-	(165,718)
Total Accumulated Depreciation	(724,130)	(190,400)	-	(914,530)
Capital Assets Being Depreciated, Net of Depreciation	2,410,450	835,076	-	3,245,526
 Total Capital Assets, Net of Depreciation	\$ 5,930,598	\$ 1,378,965	\$ -	\$ 7,309,563
 Total Business-Type Activities Capital Assets, Net of Depreciation	\$ 48,055,298	\$ 2,181,445	\$ 6,794	\$ 50,229,949

Depreciation expense was charged to functions as follows:

#### Business-type Activities

Water utility	\$ 651,087
Sewer utility	355,063
Pleasant View Golf Course	151,263
Nonmajor enterprise funds	190,400
Total Business-type Activities Depreciation Expense	\$ 1,347,813

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  
As of and for the Year Ended December 31, 2019

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

***D. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS***

***Interfund Receivables/Payables***

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Enterprise fund – Water Utility	General	\$ 50,178
Enterprise fund – Sewer Utility	General	15,340
Nonmajor enterprise fund	General	<u>4,738</u>
Sub-Total – Fund Financial Statements		70,256
Less: Interfund advances		<u>(4,093,701)</u>
Total – Government-Wide Financial Statements		<u>\$ (4,023,445)</u>

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Governmental activities	Business-type activities	\$ (4,093,701)
Business-type activities	Governmental activities	<u>70,256</u>
Total – Government-Wide Financial Statements		<u>\$ (4,023,445)</u>

All of these amounts are due within one year.

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

***Advances***

The following is a schedule of interfund advances:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Amount Not Due Within One Year</u>
General	Pleasant View Golf Course	\$ 1,949,411	\$ 1,549,411
TIF District No. 3	TIF District No. 5	4,678,999	2,048,999
TIF District No. 3	Pleasant View Golf Course	<u>2,144,290</u>	<u>2,144,290</u>
Sub-Totals – Fund Financial Statements		8,772,700	<u>\$ 5,742,700</u>
Less: Eliminations		<u>(4,678,999)</u>	
Total – Government-Wide Financial Statements		<u>\$ 4,093,701</u>	

**CITY OF MIDDLETON**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2019

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

**D. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS (cont.)**

**Advances (cont.)**

The General Fund and TIF District No. 3 have 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 the General Fund is intended to be fully repaid by 2024, and the outstanding advance due to TIF District No. 3 is intended to be fully repaid by 2029. The principal purpose of these advances is to finance costs internally rather than borrowing externally. For the statement of net position, interfund balances which are owed within the governmental activities or business-type activities are netted and eliminated. A formal repayment schedule has not been established.

**Transfers**

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
Nonmajor governmental fund	General fund	\$ 1,307,784	Operating budget support
Nonmajor governmental fund	General fund	88,700	Operating budget support
Nonmajor governmental funds	Nonmajor governmental funds	208,972	Transfer of surplus funds for Next Chapter project
Nonmajor governmental fund	Capital projects	46,814	Transfer of surplus funds for Next Chapter project
Debt service fund	Nonmajor governmental fund	150,000	Transfer impact fees for debt service
Water utility	Sewer utility	16,334	Tax equivalent charged to sewer
General fund	Water utility	<u>465,667</u>	Tax equivalent
Total – Fund Financial Statements		2,284,271	
Less: Fund Eliminations		<u>(1,818,604)</u>	
Total Transfers – Government-wide Statement of Activities		<u>\$ 465,667</u>	

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

## CITY OF MIDDLETON

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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

##### ***E. LONG-TERM OBLIGATIONS***

Long-term obligations activity for the year ended December 31, 2019 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	\$ 40,885,000	\$ 9,050,000	\$ 11,985,000	\$ 37,950,000	\$ 6,200,000
General obligation debt from direct borrowings and direct placements	3,429,426	590,000	90,224	3,929,202	93,418
Debt premium	620,886	751,978	179,873	1,192,991	-
Landfill post-closure liability	534,350	-	62,371	471,979	-
Sub-Totals	<u>45,469,662</u>	<u>10,391,978</u>	<u>12,317,468</u>	<u>43,544,172</u>	<u>6,293,418</u>
Other Liabilities:					
Vested compensated absences	4,168,899	1,147,198	2,274,979	3,041,118	640,101
Total Governmental Activities Long-Term Liabilities	<u>\$ 49,638,561</u>	<u>\$ 11,539,176</u>	<u>\$ 14,592,447</u>	<u>\$ 46,585,290</u>	<u>\$ 6,933,519</u>
<b>BUSINESS-TYPE ACTIVITIES</b>					
Other Liabilities:					
Vested compensated absences	\$ 534,249	\$ 69,345	\$ 104,440	\$ 499,154	\$ 94,454
Total Business-type Activities Long-Term Liabilities	<u>\$ 534,249</u>	<u>\$ 69,345</u>	<u>\$ 104,440</u>	<u>\$ 499,154</u>	<u>\$ 94,454</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 \$3,829,510,100. The debt limit as of December 31, 2019, was \$191,475,505. Total general obligation debt outstanding at year-end was \$41,879,202.

**CITY OF MIDDLETON**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2019

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

**E. LONG-TERM OBLIGATIONS (cont.)**

**General Obligation Debt (cont.)**

Governmental Activities	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/19
General Obligation Debt					
2010 General Obligation Refunding Bonds	04/15/10	09/01/29	1.45 – 8.50%	\$ 10,110,000	\$ 545,000
2010 Taxable General Obligation Refunding Bonds	11/23/10	09/01/20	0.85 – 3.75%	6,580,000	855,000
2010 General Obligation Refunding Bonds	11/23/10	09/01/20	2.00 – 4.00%	4,625,000	630,000
2012 General Obligation Promissory Notes	05/12/12	09/01/20	2.00 – 2.25%	2,015,000	270,000
2012 General Obligation Promissory Notes	12/28/12	09/01/21	1.00 – 2.00%	4,500,000	1,540,000
2012 General Obligation Refunding Bonds	12/28/12	09/01/32	1.05 – 3.80%	5,110,000	4,285,000
2013 General Obligation Promissory Notes	12/23/13	02/01/23	2.00 – 3.00%	4,000,000	1,995,000
2014 General Obligation Promissory Notes	12/09/14	08/01/22	2.00 – 3.00%	2,000,000	775,000
2015 General Obligation Promissory Notes	12/08/15	09/01/30	2.00 – 3.00%	6,500,000	6,500,000
2015 General Obligation Promissory Notes	12/08/15	02/01/23	2.00%	3,000,000	1,745,000
2016 General Obligation Refunding Bonds	05/23/16	02/01/27	2.00%	3,900,000	3,440,000
2016 State Trust Fund Loan – Direct borrowing/placement	03/14/16	03/15/34	3.75%	2,100,000	1,839,202
2017 General Obligation Promissory Notes	04/11/17	03/01/27	2.00 – 3.00%	4,000,000	3,245,000
2018 State Trust Fund Loan – Direct borrowing/placement	02/09/18	03/15/35	4.00%	1,500,000	1,500,000
2018 General Obligation Promissory Notes	06/05/18	09/01/26	3.00%	3,500,000	3,075,000
2019 General Obligation Promissory Notes	05/30/19	03/01/27	1.65 – 2.00%	3,490,000	3,490,000
2019 General Obligation Refunding Bonds	11/15/19	09/01/29	3.00 – 4.00%	5,560,000	5,560,000
2019 State Trust Fund Loan Direct borrowing/placement	12/30/19	3/15/24	3.25%	590,000	<u>590,000</u>
Total Governmental Activities – General Obligation Debt					<u>\$ 41,879,202</u>

## CITY OF MIDDLETON

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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

#### **E. LONG-TERM OBLIGATIONS** (cont.)

##### **General Obligation Debt** (cont.)

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Governmental Activities General Obligation Debt from Direct Placement or Borrowing</u>		<u>Governmental Activities General Obligation Debt</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 93,418	\$ 129,323	\$ 6,200,000	\$ 1,048,207
2021	309,600	148,635	4,350,000	906,765
2022	324,703	133,532	4,170,000	799,273
2023	336,344	121,891	3,820,000	681,938
2024	348,104	110,131	3,450,000	577,738
2025 – 2029	1,080,915	406,630	13,270,000	1,811,343
2030 – 2034	1,306,376	181,169	2,690,000	351,639
2035	129,742	5,190	-	5,190
Totals	<u>\$ 3,929,202</u>	<u>\$ 1,236,501</u>	<u>\$ 37,950,000</u>	<u>\$ 6,182,093</u>

##### **Other Debt Information**

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

See Note V. D. for information regarding the landfill liability.

The City's outstanding State Trust Fund Loans from direct borrowings related to governmental activities of \$3,929,202 contain clauses that any delinquent payments are subject to a penalty of one percent per month and shall be deducted from any state payments that are due to the City.

On November 15, 2019 the city issued \$5,560,000 in General Obligation Promissory Notes with an average coupon rate of 3.43% to advance refund \$5,760,000 of bonds outstanding with an average coupon rate of 5.58%. The net proceeds along with a premium on the issuance were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds. As a result, the refunded bonds are considered defeased and the liability for those bonds has been removed from the statement of net position.

The cash flow requirements on the refunded debt prior to the advance refunding was \$7,121,419 from 2020 through 2029. The cash flow requirements on the refunding bonds are \$6,703,779 from 2020 through 2029. The advance refunding resulted in total savings of \$417,640 and an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$379,326.

# CITY OF MIDDLETON

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

---

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

---

#### ***F. GOVERNMENTAL ACTIVITIES NET POSITION/FUND BALANCES***

Governmental activities net position reported on the government wide statement of net position at December 31, 2019 includes the following:

#### ***Governmental Activities***

Net investment in capital assets	
Land	\$ 10,942,602
Right-of-way	19,970,094
Construction work in progress	1,514,264
Other capital assets, net of accumulated depreciation	70,751,295
Less: Related long-term capital debt outstanding	(30,803,094)
Less: Unamortized debt premium	(1,192,991)
Add: Unamortized loss on debt refunding	451,529
Add: Unspent debt proceeds	988,410
Total Net Investment in Capital Assets	<u>72,622,109</u>
Restricted	
Community development	14,020,201
Library	685,497
Impact fees	2,492,318
Tourism	2,304,662
Senior center	166,668
Subdividers' deposits	999,051
Public safety	21,897
Youth activities	7,988
Total Restricted	<u>20,698,282</u>
Unrestricted (deficit)	<u>(6,300,271)</u>
Total Governmental Activities Net Position	<u>\$ 87,020,120</u>

**CITY OF MIDDLETON**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2019

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

**F. GOVERNMENTAL ACTIVITIES NET POSITION/FUND BALANCES (cont.)**

Governmental fund balances reported on the fund financial statements at December 31, 2019 include the following:

**Governmental Funds**

	General Fund	Debt Service	TIF District No. 3	TIF District No. 5	Capital Projects	Nonmajor	Total
<b>Nonspendable</b>							
Prepaid items	\$ 334,433	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 334,433
Advances to other funds	1,949,411	-	-	-	-	-	1,949,411
Noncurrent receivables	57,745	-	-	-	-	-	57,745
Sub-total	<u>2,341,589</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,341,589</u>
<b>Restricted</b>							
EMS	-	-	-	-	-	20,135	20,135
Police activities	-	-	-	-	-	1,762	1,762
Subdividers' deposits	-	-	-	-	-	999,051	999,051
Debt service	-	136,460	-	-	-	-	136,460
Community development	-	-	13,640,790	-	-	1,910,704	15,551,494
Library	-	-	-	-	-	685,497	685,497
Capital improvements	-	-	-	-	1,534,698	-	1,534,698
Safety impact fees	-	-	-	-	-	896,179	896,179
Tourism	-	-	-	-	-	2,304,662	2,304,662
Youth activities	-	-	-	-	-	7,988	7,988
Senior Center	-	-	-	-	-	166,668	166,668
Sub-total	<u>-</u>	<u>136,460</u>	<u>13,640,790</u>	<u>-</u>	<u>1,534,698</u>	<u>6,992,646</u>	<u>22,304,594</u>
<b>Assigned</b>							
Compensated absences	1,164,890	-	-	-	-	-	1,164,890
Public safety – Fire	825,621	-	-	-	-	-	825,621
Public safety – EMS	140,000	-	-	-	-	-	140,000
Other/reevaluation	25,000	-	-	-	-	-	25,000
Sub-total	<u>2,155,511</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,155,511</u>
<b>Unassigned (deficit)</b>	<u>6,084,396</u>	<u>-</u>	<u>-</u>	<u>(3,875,796)</u>	<u>-</u>	<u>-</u>	<u>2,208,600</u>
Total Fund Balances	<u>\$ 10,581,496</u>	<u>\$ 136,460</u>	<u>\$ 13,640,790</u>	<u>\$ (3,875,796)</u>	<u>\$ 1,534,698</u>	<u>\$ 6,992,646</u>	<u>\$ 29,010,294</u>

# CITY OF MIDDLETON

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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

#### **G. BUSINESS-TYPE ACTIVITIES/NET POSITION**

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

	Water Utility	Sewer Utility	Pleasant View Golf Course	Nonmajor Enterprise Funds
Land	\$ 222,277	\$ 66,830	\$ 1,476,500	\$ 3,481,298
CWIP	-	-	-	582,739
Buildings	-	-	1,681,208	745,292
Improvements	-	-	7,802,504	3,159,027
Machinery and equipment	-	-	987,260	255,737
Plant in service	32,241,071	17,387,813	-	-
Accumulated depreciation	(11,011,018)	(6,265,657)	(1,668,402)	(914,530)
 Total Net Investment in Capital Assets	 \$ 21,452,330	 \$ 11,188,986	 \$ 10,279,070	 \$ 7,309,563

#### **H. RESTATEMENT OF NET POSITION**

Net position has been restated to implement GASB No. 84. Refer to Note I.B for additional information related to this standard. The details of the restatement are as follows:

Fire District Custodial Fund Net Position – December 31, 2018 (as reported as an agency fund)	\$ -
Add: Beginning net position (deficit) upon applying the implementation of GASB No. 84	(190,789)
Net Position - December 31, 2018 (as restated)	\$ (190,789)

#### **I. 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.

a. **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.

b. **Deposits and Investments**

As of December 31, 2019, the CDA's total cash balance is \$630,482. 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.

## CITY OF MIDDLETON

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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

##### I. COMPONENT UNIT (cont.)

##### Community Development Authority (cont.)

##### c. 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, 2019, the CDA has an outstanding loans receivable balance of \$57,490.

##### d. Capital Assets

	Beginning Balance	Additions	Deletions	Ending Balance	Useful Lives
Land	\$ 154,000	\$ -	\$ -	\$ 154,000	-
Buildings	2,933,497	-	-	2,933,497	40 years
Less: Accumulated depreciation	(1,124,064)	(74,808)	-	(1,198,872)	-
<b>Totals</b>	<b>\$ 1,963,433</b>	<b>\$ (74,808)</b>	<b>\$ -</b>	<b>\$ 1,888,625</b>	

#### NOTE V – OTHER INFORMATION

##### A. EMPLOYEES' RETIREMENT SYSTEM

**Plan description.** The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1,200 hours a year (880 hours 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 Comprehensive Annual Financial Report (CAFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>.

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

**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.

# CITY OF MIDDLETON

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

---

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

---

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

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

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

The WRS also provides death and disability benefits for employees.

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

Year	Core Fund Adjustment	Variable Fund Adjustment
2009	(2.1)%	(42)%
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5)
2017	2.0	4
2018	2.4	17

# CITY OF MIDDLETON

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

---

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

---

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

**Contributions.** Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for General category employees and Executives and Elected Officials. Starting January 1, 2016, the Executives and Elected Officials category merged into the General Employee category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$885,106 in contributions from the City.

Contribution rates as of December 31, 2018 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Executives & Elected Officials)	6.7%	6.7%
Protective with Social Security	6.7%	10.7%
Protective without Social Security	6.7%	14.9%

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

At December 31, 2019, the City reported a liability of \$2,972,689 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. 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, 2018, the City's proportion was 0.08355681%, which was an increase of 0.00230251% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the City recognized pension expense of \$2,006,298.

## CITY OF MIDDLETON

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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

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

At December 31, 2019, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,315,274	\$ 4,092,573
Changes in assumption	501,086	-
Net differences between projected and actual earnings on pension plan investments	4,341,409	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	26,072
Employer contributions subsequent to the measurement date	886,340	-
Totals	\$ 8,044,109	\$ 4,118,645

\$886,340 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31:	Deferred Outflows of Resources and Deferred Inflows of Resources (Net)
2020	\$ 1,096,303
2021	273,224
2022	481,614
2023	1,187,983
2024	-

## CITY OF MIDDLETON

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

---

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

---

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

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

Actuarial Valuation Date:	December 31, 2017
Measurement Date of Net Pension Liability (Asset)	December 31, 2018
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table
Post-retirement Adjustments*:	1.9%

*\* No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.9% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.*

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. Based on this experience study, actuarial assumptions used to measure the Total Pension Liability changed from prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, mortality and separation rates. The total pension liability for December 31, 2018 is based upon a roll-forward of the liability calculated from the December 31, 2017 actuarial valuation.

## CITY OF MIDDLETON

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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

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

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

Core Fund Asset Class	Current Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global Equities	49%	8.1%	5.5%
Fixed Income	24.5	4.0	1.5
Inflation Sensitive Assets	15.5	3.8	1.3
Real Estate	9	6.5	3.9
Private Equity/Debt	8	9.4	6.7
Multi-Asset	4	6.7	4.1
Total Core Fund	110	7.3	4.7
Variable Fund Asset Class			
U.S. Equities	70	7.6	5.0
International Equities	30	8.5	5.9
Total Variable Fund	100	8.0	5.4

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

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

**Single discount rate.** A single discount rate of 7.00% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.00% and a long-term bond rate of 3.71%. Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

# CITY OF MIDDLETON

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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

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

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

	1% Decrease to Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase to Discount Rate (8.00%)
City's proportionate share of the net pension liability (asset)	\$11,813,778	\$2,972,689	\$(3,601,346)

**Pension plan fiduciary net position.** Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://etf.wi.gov/publications/cafr.htm>.

At December 31, 2019, the City reported a payable to the pension plan, which represents contractually required contributions outstanding as of the end of the year.

#### B. 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.

#### C. 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.

# CITY OF MIDDLETON

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

---

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

---

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

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 2019, these costs amount to approximately \$1.277 million. Review by the Wisconsin Department of Revenue or the overlapping taxation districts could result in a portion of these expenditures being disallowed.

#### ***Developer Agreements***

The City has entered into various development agreements in connection with the Tax Incremental Districts. Under the terms of these agreements, the City has made commitments for development incentives or reimbursements. As of January 1, 2019, the City had outstanding commitments of \$45.5 million. During the year, the City committed to an additional \$9 million, and satisfied \$3.4 million. As of December 31, 2019, the City has remaining commitments of \$51,151,333 pending satisfaction of the underlying agreements.

#### **D. 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 2019 percentages as follows:

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

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 offers 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, 2019 is a deficit of \$838,850. 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 \$471,979 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 \$93,740 to the District in 2019. 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.

# CITY OF MIDDLETON

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

---

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

---

#### **D. JOINT VENTURES (cont.)**

##### ***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 \$951,307 to the District in 2019 for operating expenses. 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.

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

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

- > Statement No. 87, *Leases*
- > Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- > Statement No. 91, *Conduit Debt Obligations*
- > Statement No. 92, *Omnibus*
- > Statement No. 93, *Replacement of Interbank Offered Rates*
- > Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*

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

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

## CITY OF MIDDLETON

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

---

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

---

##### ***F. 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.

As of December 31, 2019, 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.

**CITY OF MIDDLETON**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2019

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

**F. TAX ABATEMENT (cont.)**

Project	Agreement Date	District	Type	12/31/2018	Additions	Payments	12/31/2019
COSTCO (Discovery Springs)	02/07/2007	TID #3	Developer financed	\$ 285,671	\$ 7,990	\$ (159,320)	\$ 134,341
Infrared (Spectrum)	04/27/2012	TID #3	Developer financed	916,410	49,917	(655,890)	310,437
ACS (Nursery Drive)	02/19/2013	TID #3	Developer financed	186,975	-	(50,365)	136,610
Hung Springs (Mead & Hunt)	06/25/2013	TID #3	Developer financed	1,302,036	73,644	(225,280)	1,150,400
Parmenter Circle	07/01/2014	TID #3 / TID #5	Developer financed	1,124,557	23,453	(164,312)	983,698
Esser Place (WTS Paradigm)	07/15/2014	TID #3	Developer financed	299,100	-	-	299,100
Latitude Graphics	10/07/2014	TID #5	Developer financed	22,436	-	-	22,436
Tribeca Phase III	11/17/2014	TID #5	Developer financed	220,995	-	(80,062)	140,933
Fiskars	05/05/2015	N/A	Developer financed	2,557,009	-	(384,528)	2,172,481
Primrose Day Care	12/21/2015	TID #3	Developer financed	253,043	8,224	(51,114)	210,153
Middleton Station	10/04/2016	TID #3	Developer financed	918,832	38,657	(76,107)	881,382
Market West Apartments	05/18/2016	TID #3	Developer financed	5,879,044	168,774	(535,470)	5,512,348
Infrared Expansion (Spectrum)	06/07/2016	TID #3	Developer financed	447,420	-	(225,598)	221,822
Cardinal Row	06/07/2016	TID #5	Developer financed	622,197	-	(33,806)	588,391
PPD (Vanta) Greenway	06/09/2016	TID #3	Developer financed	1,206,686	59,220	(225,007)	1,040,899
Middleton Center Phase 1	07/05/2016	TID #3	Developer financed	2,707,140	1,107,339	(349,546)	3,464,933
Middleton Center Phase 2	07/05/2016	TID #3	Developer financed	3,124,270	801,584	-	3,925,854
Middleton Center Phase 3	07/05/2016	TID #3	Developer financed	1,448,490	-	-	1,448,490
Laser Express	09/20/2016	TID #3	Developer financed	1,466,263	65,283	(101,823)	1,429,723
Gammex	11/01/2016	TID #3	Developer financed	156,000	-	(39,176)	116,824
Electronic Theater Controls (ETC)	03/07/2017	TID #3	Developer financed	3,614,090	(404,787)	-	3,209,303
SACO Foods	08/2017	TID #3	Developer financed	315,000	-	-	315,000
Cascade Development (Holiday Inn Express)	10/2017	TID #3	Developer financed	645,000	-	-	645,000
Pheasant Creek, LLC (Stagecoach)	02/06/2018	TID #5	Developer financed	1,600,000	-	-	1,600,000
Timbra Holdings, LLC (Treysta/Middleton Market)	02/20/2018	TID #5	Developer financed	8,487,500	-	-	8,487,500
SBH-Madison, LLC (Miramont)	05/05/2018	TID #3	Developer financed	1,188,200	-	-	1,188,200
Live Site, LLC (Hy Cite)	06/05/2018	TID #3	Developer financed	3,144,803	-	-	3,144,803
Stardust Investments, LLC	07/11/2018	TID #5	Developer financed	544,243	-	-	544,243
Nikki & Hanna, LLC	07/17/2018	TID #3	Developer financed	348,084	(348,084)	-	-
Whispering Pines, LLC	08/21/2018	TID #3	Developer financed	471,696	-	-	471,696
Deming Investors, LLC (Chartwell- Midwest, LLC)	4/29/2019	TID #3	Developer financed	-	900,000	-	900,000
Conservancy Bend Residences, LLC	9/30/2019	TID #5	Developer financed	-	6,454,234	-	6,454,234
				<u>\$ 45,503,290</u>	<u>\$ 9,005,448</u>	<u>\$ (3,357,405)</u>	<u>\$ 51,151,333</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

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

---

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

---

#### **G. SUBSEQUENT EVENTS**

In December 2019, a novel strain of coronavirus was reported in Wuhan, Hubei province, China. In the first several months of 2020, the virus, SARS-CoV-2, and resulting disease, COVID-19, spread to the United States, including to areas impacting the City. As of the date above, the City's evaluation of the effects of these events is ongoing; however, it is anticipated that this situation could negatively impact revenues particularly in the areas of hotel room tax collections, recreation programming and investment income.

The extent of the impact of COVID-19 on the City's operational and financial performance will depend on future developments, including the duration and spread of the outbreak and related governmental or other regulatory actions.

On February 18, 2020, the City approved a resolution for the sale of the \$3,395,000 in general obligation promissory notes. On March 31, 2020, the City revised the timeline for the sale of these capital bonds. On June 16, 2020, the City amended their 2020 capital projects budget to include the \$875,000 for two flood control projects at Tiedeman and Graber Ponds and to include this amount in the 2020 general capital borrowing. The revised sale amount is \$4,270,000.

On June 16, 2020, the City authorized the issuance of approximately \$7,120,000 general obligation refunding bonds to advance refund the 2012 taxable general obligation refunding bonds, and the 2016 and 2018 state trust fund loans.

The planned sale date for both issuances is July 7, 2020.

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF MIDDLETON**

GENERAL FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 For the Year Ended December 31, 2019

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 13,534,175	\$ 13,534,175	\$ 13,455,214	\$ (78,961)
Intergovernmental	2,301,912	2,301,912	2,776,544	474,632
Licenses and permits	894,711	994,711	970,041	(24,670)
Fines, forfeitures and penalties	275,000	275,000	255,006	(19,994)
Public charges for services	1,447,408	1,447,408	1,487,983	40,575
Interdepartmental charges for services	1,630,559	1,630,559	1,679,936	49,377
Special assessments	57,000	57,000	135,977	78,977
Investment income	205,000	317,950	828,736	510,786
Miscellaneous	61,500	61,500	76,439	14,939
Total Revenues	<u>20,407,265</u>	<u>20,620,215</u>	<u>21,665,876</u>	<u>1,045,661</u>
<b>EXPENDITURES</b>				
Current				
General government	3,554,777	3,554,777	4,158,517	(603,740)
Public safety	9,701,673	9,721,673	9,355,673	366,000
Public works	4,025,080	4,025,080	4,103,709	(78,629)
Health and human services	509,181	509,181	531,747	(22,566)
Leisure activities	1,721,965	1,721,965	1,811,017	(89,052)
Conservation and development	873,687	873,687	741,219	132,468
Total Expenditures	<u>20,386,363</u>	<u>20,406,363</u>	<u>20,701,882</u>	<u>(295,519)</u>
Excess (deficiency) of revenues over expenditures	<u>20,902</u>	<u>213,852</u>	<u>963,994</u>	<u>750,142</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of city property	-	-	5,490	5,490
Transfer in	525,000	525,000	465,667	(59,333)
Transfers (out)	(1,396,484)	(1,396,484)	(1,396,484)	-
Total Other Financing Sources (Uses)	<u>(871,484)</u>	<u>(871,484)</u>	<u>(925,327)</u>	<u>(53,843)</u>
Net Change in Fund Balance	(850,582)	(657,632)	38,667	696,299
FUND BALANCE - Beginning of Year	<u>10,542,829</u>	<u>10,542,829</u>	<u>10,542,829</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 9,692,247</u>	<u>\$ 9,885,197</u>	<u>\$ 10,581,496</u>	<u>\$ 696,299</u>

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

**CITY OF MIDDLETON**

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION (ASSET) LIABILITY -  
WISCONSIN RETIREMENT SYSTEM  
For the Year Ended December 31, 2019

Fiscal Year Ending	Proportion of the Net Pension (Asset) Liability	Proportionate Share of the Net Pension (Asset) Liability	Covered Payroll	Proportionate Share of the Net Pension (Asset) Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/19	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%

SCHEDULE OF EMPLOYER CONTRIBUTIONS - WISCONSIN RETIREMENT SYSTEM  
For the Year Ended December 31, 2019

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/19	\$ 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 independent auditors' report and accompanying notes to the required supplementary information.

## CITY OF MIDDLETON

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended December 31, 2019

#### ***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>
<u>General Fund</u>			
Current Expenditures			
Council	\$ 68,200	\$ 68,340	\$ 140
Boards and commissions	19,600	21,852	2,252
General administration – sick leave	210,000	1,395,566	1,185,566
Legal counsel	226,000	268,787	42,787
Illegal taxes and refunds	10,080	11,727	1,647
Communication center	550,492	552,102	1,610
Public fire protection	245,243	261,413	16,170
EMS	1,985,061	1,995,302	10,241
Street maintenance	857,415	990,836	133,421
Fleet maintenance	345,396	364,813	19,417
Sidewalk maintenance	140,000	159,941	19,941
Snow removal	82,500	110,767	28,267
Storm sewers	55,000	57,072	2,072
Mass transit	424,891	428,484	3,593
Senior center	509,181	531,590	22,409
Recreation administration	394,821	432,002	37,181
Public lands	1,029,598	1,098,527	68,929

The legal level of budget control is the function 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.* Actuarial assumptions are based upon an experience study conducted in 2018 using experience from 2015 – 2017. Based on the experience study conducted in 2018, actuarial assumptions used to develop Total Pension Liability changed, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, mortality and separation rates.

**SUPPLEMENTARY INFORMATION**

**CITY OF MIDDLETON**

GENERAL FUND  
 DETAILED SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
 BUDGET AND ACTUAL  
 For the Year Ended December 31, 2019

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>TAXES</b>				
General property tax	\$ 12,808,075	\$ 12,808,075	\$ 12,808,074	\$ (1)
Omitted taxes	-	-	1,122	1,122
Fees in lieu of taxes	44,100	44,100	44,100	-
Ag conversion	-	-	5,651	5,651
Room tax	680,000	680,000	596,267	(83,733)
Interest and penalties on taxes	2,000	2,000	-	(2,000)
Total Taxes	<u>13,534,175</u>	<u>13,534,175</u>	<u>13,455,214</u>	<u>(78,961)</u>
<b>INTERGOVERNMENTAL REVENUES</b>				
State shared revenues	279,238	279,238	282,326	3,088
State aid - road allotment	1,116,569	1,116,569	1,116,057	(512)
State aid - exempt computer aid	261,905	261,905	261,905	-
State aid - personal property	102,106	102,106	102,107	1
State aid - expenditure restraint	204,415	204,415	204,415	-
State aid - fire insurance dues	120,227	120,227	136,830	16,603
State aid - police school liaison officer	87,076	87,076	83,443	(3,633)
FEMA public assistance	-	-	451,324	451,324
Federal and state aid - other	61,795	61,795	64,333	2,538
County aid - signals	8,000	8,000	6,008	(1,992)
County aid - senior citizens	60,581	60,581	67,796	7,215
Total Intergovernmental Revenues	<u>2,301,912</u>	<u>2,301,912</u>	<u>2,776,544</u>	<u>474,632</u>
<b>LICENSES AND PERMITS</b>				
Liquor and malt beverage licenses	45,000	45,000	70,669	25,669
Operators' licenses	20,000	20,000	18,451	(1,549)
Alarm licenses	9,000	9,000	13,301	4,301
Cigarette licenses	600	600	1,700	1,100
Dog and cat licenses	3,500	3,500	5,050	1,550
Cable TV franchise license	272,500	272,500	264,106	(8,394)
Other miscellaneous licenses	2,350	2,350	5,231	2,881
Building permits	300,000	380,000	323,966	(56,034)
Electrical permits	70,000	70,000	58,586	(11,414)
Plumbing permits	70,000	90,000	70,038	(19,962)
Erosion control permits	20,000	20,000	31,730	11,730
Other permits	9,000	9,000	18,210	9,210
Other miscellaneous fees	24,161	24,161	34,286	10,125
Zoning permits	20,600	20,600	24,419	3,819
Park reservation permits	28,000	28,000	30,298	2,298
Total Licenses and Permits	<u>894,711</u>	<u>994,711</u>	<u>970,041</u>	<u>(24,670)</u>
<b>FINES, FORFEITURES AND PENALTIES</b>				
Court penalties	150,000	150,000	150,816	816
Court costs	85,000	85,000	69,085	(15,915)
Parking violations	40,000	40,000	35,105	(4,895)
Total Fines, Forfeitures and Penalties	<u>275,000</u>	<u>275,000</u>	<u>255,006</u>	<u>(19,994)</u>

**CITY OF MIDDLETON**

GENERAL FUND  
 DETAILED SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES (cont.)  
 BUDGET AND ACTUAL  
 For the Year Ended December 31, 2019

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>CHARGES FOR SERVICES</b>				
Clerk fees	\$ 15,000	\$ 15,000	\$ 19,771	\$ 4,771
Police department fees	9,000	9,000	5,995	(3,005)
Ambulance services	959,245	959,245	929,016	(30,229)
Plan commission charges	12,000	12,000	9,231	(2,769)
Senior citizens	33,700	33,700	46,316	12,616
Swimming pool	195,000	195,000	202,770	7,770
Aquatic concession revenue	31,248	31,248	28,217	(3,031)
Summer recreation	117,015	117,015	103,539	(13,476)
Seasonal recreation	-	-	42,264	42,264
Hubbard art center program	60,000	60,000	70,501	10,501
Public works charges	-	-	15,934	15,934
Administration reimbursements - recycling	14,000	14,000	13,829	(171)
Donations	1,200	1,200	600	(600)
Total Charges for Services	<u>1,447,408</u>	<u>1,447,408</u>	<u>1,487,983</u>	<u>40,575</u>
<b>INTERDEPARTMENT CHARGES FOR SERVICES</b>				
Administration reimbursements - utilities	135,000	135,000	135,000	-
Administration reimbursements - metro	-	-	49,377	49,377
Administration reimbursements - TIF	1,276,530	1,276,530	1,276,530	-
Administration reimbursements - landfill	5,000	5,000	5,000	-
Administration reimbursements - fire district	2,600	2,600	2,600	-
EMS fixed cost abatement	211,429	211,429	211,429	-
Total Interdepartmental Charges for Services	<u>1,630,559</u>	<u>1,630,559</u>	<u>1,679,936</u>	<u>49,377</u>
<b>SPECIAL ASSESSMENTS</b>				
Curb, gutter and sidewalks	<u>57,000</u>	<u>57,000</u>	<u>135,977</u>	<u>78,977</u>
<b>INVESTMENT INCOME</b>				
Investment income	<u>205,000</u>	<u>317,950</u>	<u>828,736</u>	<u>510,786</u>
<b>MISCELLANEOUS REVENUES</b>				
Credit card rebate	45,000	45,000	44,295	(705)
Donations	-	-	100	100
Sale of materials	500	500	-	(500)
Interlocking ignition device	-	-	1,399	1,399
Other miscellaneous	16,000	16,000	30,645	14,645
Total Miscellaneous Revenues	<u>61,500</u>	<u>61,500</u>	<u>76,439</u>	<u>14,939</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers In	525,000	525,000	465,667	(59,333)
Sale of city property	-	-	5,490	5,490
Total Other Financing Sources	<u>525,000</u>	<u>525,000</u>	<u>471,157</u>	<u>(53,843)</u>
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<u>\$ 20,932,265</u>	<u>\$ 21,145,215</u>	<u>\$ 22,137,033</u>	<u>\$ 991,818</u>

**CITY OF MIDDLETON**

GENERAL FUND  
 DETAILED SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
 BUDGET AND ACTUAL  
 For the Year Ended December 31, 2019

CURRENT EXPENDITURES	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>GENERAL GOVERNMENT</b>				
Council	\$ 68,200	\$ 68,200	\$ 68,340	\$ (140)
Boards and commissions	19,600	19,600	21,852	(2,252)
General administration	187,866	187,866	187,363	503
Municipal court	103,833	103,833	89,929	13,904
Finance	793,038	793,038	763,050	29,988
General administration - sick leave	210,000	210,000	131,343	78,657
HRA account transfer	-	-	1,264,223	(1,264,223)
Information technology	788,390	788,390	779,808	8,582
Legal counsel	226,000	226,000	268,787	(42,787)
Buildings and grounds	68,100	68,100	55,735	12,365
Illegal taxes and tax refunds	10,080	10,080	11,727	(1,647)
General contingency	25,000	25,000	20,869	4,131
Risk management and insurance	355,000	355,000	355,000	-
Elections	75,400	75,400	72,845	2,555
Miscellaneous	624,270	624,270	67,646	556,624
Total General Government	3,554,777	3,554,777	4,158,517	(603,740)
<b>PUBLIC SAFETY</b>				
Police department	5,190,576	5,190,576	5,029,169	161,407
Communication center	550,492	550,492	552,102	(1,610)
Fire suppression	1,141,957	1,141,957	951,307	190,650
Public fire protection	245,243	245,243	261,413	(16,170)
EMS	1,965,061	1,985,061	1,995,302	(10,241)
Building inspector	437,022	437,022	426,014	11,008
Community services	94,149	94,149	89,719	4,430
Emergency preparedness	62,500	62,500	38,570	23,930
Crossing guard	14,673	14,673	12,077	2,596
Total Public Safety	9,701,673	9,721,673	9,355,673	366,000
<b>PUBLIC WORKS</b>				
Engineering and administration	877,831	877,831	869,980	7,851
Street maintenance	857,415	857,415	990,836	(133,421)
Fleet maintenance	345,396	345,396	364,813	(19,417)
City garage	89,820	89,820	80,642	9,178
Sidewalk maintenance	140,000	140,000	159,941	(19,941)
Snow removal	82,500	82,500	110,767	(28,267)
Traffic signs and markings	64,500	64,500	61,360	3,140
Street lighting	145,000	145,000	115,325	29,675
Storm sewers	55,000	55,000	57,072	(2,072)
Mass transit	424,891	424,891	428,484	(3,593)
Garbage collection	545,000	545,000	490,033	54,967
Sanitary landfill	93,740	93,740	93,740	-
Recycling	303,987	303,987	280,716	23,271
Total Public Works	4,025,080	4,025,080	4,103,709	(78,629)

**CITY OF MIDDLETON**

GENERAL FUND  
 DETAILED SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES (cont.)  
 For the Year Ended December 31, 2019

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>HEALTH AND HUMAN SERVICES</b>				
Senior center	\$ 509,181	\$ 509,181	\$ 531,747	\$ (22,566)
<b>LEISURE ACTIVITIES</b>				
Recreation facilities	303,546	303,546	286,520	17,026
Recreation administration	388,821	388,821	426,127	(37,306)
Public lands	1,029,598	1,029,598	1,098,370	(68,772)
Total Leisure Activities	1,721,965	1,721,965	1,811,017	(89,052)
<b>CONSERVATION AND DEVELOPMENT</b>				
Forestry	283,938	283,938	223,425	60,513
Water resources	25,080	25,080	22,898	2,182
Conservancy lands	144,584	144,584	114,075	30,509
Planning	420,085	420,085	380,821	39,264
Total Conservation and Development	873,687	873,687	741,219	132,468
<b>OTHER FINANCING USES</b>				
Transfers out	1,396,484	1,396,484	1,396,484	-
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<b>\$ 21,782,847</b>	<b>\$ 21,802,847</b>	<b>\$ 22,098,366</b>	<b>\$ (295,519)</b>

**OTHER MAJOR FUNDS**

**CITY OF MIDDLETON**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL -  
 DEBT SERVICE (MAJOR FUND)  
 For the Year Ended December 31, 2019

	Original and Final Budget	Actual	Variance With Final Budget
<b>REVENUES</b>			
Taxes	\$ 4,682,218	\$ 4,682,218	\$ -
Intergovernmental	117,863	119,249	1,386
Investment income	-	2,208	2,208
Total Revenues	<u>4,800,081</u>	<u>4,803,675</u>	<u>3,594</u>
<b>EXPENDITURES</b>			
Debt Service			
Principal retirement	3,980,000	3,980,000	-
Interest and fiscal charges	1,016,123	1,216,463	(200,340)
Total Expenditures	<u>4,996,123</u>	<u>5,196,463</u>	<u>(200,340)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(196,042)</u>	<u>(392,788)</u>	<u>(196,746)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Long-term debt issued	-	5,560,434	5,560,434
Payment to refunding escrow	-	(6,001,542)	(6,001,542)
Premium on debt	-	751,978	751,978
Transfer in	150,000	150,000	-
Total Other Financing Sources (Uses)	<u>150,000</u>	<u>460,870</u>	<u>310,870</u>
Net Change in Fund Balance	(46,042)	68,082	114,124
FUND BALANCE - Beginning of Year	<u>68,378</u>	<u>68,378</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 22,336</u>	<u>\$ 136,460</u>	<u>\$ 114,124</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)  
For the Year Ended December 31, 2019

	Original and Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Taxes	\$ 9,400,000	\$ 8,898,277	\$ (501,723)
Intergovernmental	678,199	686,483	8,284
Special assessments	177,030	177,030	-
Investment income	44,784	165,989	121,205
Miscellaneous	-	3,000	3,000
Total Revenues	<u>10,300,013</u>	<u>9,930,779</u>	<u>(369,234)</u>
<b>EXPENDITURES</b>			
Current			
General government	1,661,530	1,553,579	107,951
Conservation and development	6,199,726	3,506,731	2,692,995
Capital outlay	2,430,000	1,380,675	1,049,325
Debt Service			
Principal retirement	1,965,000	1,965,000	-
Interest and fiscal charges	127,231	127,231	-
Total Expenditures	<u>12,383,487</u>	<u>8,533,216</u>	<u>3,850,271</u>
Excess of revenues over expenditures	<u>(2,083,474)</u>	<u>1,397,563</u>	<u>3,481,037</u>
<b>OTHER FINANCING SOURCES</b>			
Sale of city property	-	37,850	37,850
Net Change in Fund Balance	(2,083,474)	1,435,413	3,518,887
FUND BALANCE - Beginning of Year	<u>12,205,377</u>	<u>12,205,377</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 10,121,903</u>	<u>\$ 13,640,790</u>	<u>\$ 3,518,887</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)  
For the Year Ended December 31, 2019

	Original and Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Taxes	\$ 905,000	\$ 879,540	\$ (25,460)
Intergovernmental	50,885	51,374	489
Investment income	-	17,543	17,543
Miscellaneous	-	47,766	47,766
Total Revenues	<u>955,885</u>	<u>996,223</u>	<u>40,338</u>
<b>EXPENDITURES</b>			
Current			
Conservation and development	1,634,118	193,659	1,440,459
Capital Outlay	100,000	158,181	(58,181)
Debt Service			
Principal	370,224	370,224	-
Interest and fiscal charges	258,178	271,268	(13,090)
Total Expenditures	<u>2,362,520</u>	<u>993,332</u>	<u>1,369,188</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,406,635)</u>	<u>2,891</u>	<u>1,409,526</u>
<b>OTHER FINANCING SOURCES</b>			
Sale of city property	<u>2,630,000</u>	<u>-</u>	<u>(2,630,000)</u>
Net Change in Fund Balances	1,223,365	2,891	(1,220,474)
FUND BALANCE (DEFICIT) - Beginning of Year	<u>(3,878,687)</u>	<u>(3,878,687)</u>	<u>-</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ (2,655,322)</u>	<u>\$ (3,875,796)</u>	<u>\$ (1,220,474)</u>

**CITY OF MIDDLETON**

COMBINING BALANCE SHEET - CAPITAL PROJECTS FUND (MAJOR FUND)  
As of December 31, 2019

	<u>General Capital Projects</u>	<u>Public Works Capital Construction</u>	<u>Public Lands Capital Construction</u>	<u>Total Capital Projects Fund</u>
<b>ASSETS</b>				
Cash and investments	\$ 1,265,027	\$ 219,100	\$ 786,898	\$ 2,271,025
Other receivables	<u>7,000</u>	<u>-</u>	<u>15,000</u>	<u>22,000</u>
 TOTAL ASSETS	 <u>\$ 1,272,027</u>	 <u>\$ 219,100</u>	 <u>\$ 801,898</u>	 <u>\$ 2,293,025</u>
 <b>LIABILITIES AND FUND BALANCE</b>				
Liabilities				
Accounts payable	<u>\$ 176,214</u>	<u>\$ 177,865</u>	<u>\$ 404,248</u>	<u>\$ 758,327</u>
 Fund Balance				
Restricted	<u>1,095,813</u>	<u>41,235</u>	<u>397,650</u>	<u>1,534,698</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 1,272,027</u>	 <u>\$ 219,100</u>	 <u>\$ 801,898</u>	 <u>\$ 2,293,025</u>

**CITY OF MIDDLETON**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - CAPITAL PROJECTS FUND (MAJOR FUND)  
For the Year Ended December 31, 2019

	General Capital Projects	Public Works Capital Construction	Public Lands Capital Construction	Total Capital Projects Fund
<b>REVENUES</b>				
Miscellaneous	\$ 7,000	\$ -	\$ 15,000	\$ 22,000
Total Revenues	<u>7,000</u>	<u>-</u>	<u>15,000</u>	<u>22,000</u>
<b>EXPENDITURES</b>				
Capital outlay	616,503	2,482,081	930,089	4,028,673
Total Expenditures	<u>616,503</u>	<u>2,482,081</u>	<u>930,089</u>	<u>4,028,673</u>
Deficiency of revenues over expenditures	<u>(609,503)</u>	<u>(2,482,081)</u>	<u>(915,089)</u>	<u>(4,006,673)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Long-term debt issued	911,766	2,189,543	978,257	4,079,566
Transfers out	<u>(46,814)</u>	<u>-</u>	<u>-</u>	<u>(46,814)</u>
Total Other Financing Sources (Uses)	<u>864,952</u>	<u>2,189,543</u>	<u>978,257</u>	<u>4,032,752</u>
Net Change in Fund Balance	255,449	(292,538)	63,168	26,079
FUND BALANCE - Beginning of Year	<u>840,364</u>	<u>333,773</u>	<u>334,482</u>	<u>1,508,619</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,095,813</u>	<u>\$ 41,235</u>	<u>\$ 397,650</u>	<u>\$ 1,534,698</u>

**CITY OF MIDDLETON**

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -  
CAPITAL PROJECTS FUND (MAJOR FUND)  
For the Year Ended December 31, 2019

	Original and Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Miscellaneous	\$ 136,700	\$ 22,000	\$ (114,700)
Total Revenues	<u>136,700</u>	<u>22,000</u>	<u>(114,700)</u>
<b>EXPENDITURES</b>			
Capital Outlay	<u>5,651,754</u>	<u>4,028,673</u>	<u>1,623,081</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,515,054)</u>	<u>(4,006,673)</u>	<u>1,508,381</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Long-term debt issued	3,489,566	4,079,566	590,000
Transfers in	300,000	-	(300,000)
Transfers (out)	-	(46,814)	(46,814)
Total Other Financing Sources (Uses)	<u>3,789,566</u>	<u>4,032,752</u>	<u>243,186</u>
Net Change in Fund Balance	(1,725,488)	26,079	1,751,567
FUND BALANCE - Beginning of Year	<u>1,508,619</u>	<u>1,508,619</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ (216,869)</u>	<u>\$ 1,534,698</u>	<u>\$ 1,751,567</u>

**NONMAJOR GOVERNMENTAL FUNDS**

**CITY OF MIDDLETON**

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS  
As of December 31, 2019

	<u>Subdividers' Deposits</u>	<u>Lost and Damaged Books</u>	<u>Library Endowment</u>	<u>Next Chapter</u>	<u>Library Fund</u>
<b>ASSETS</b>					
Cash and investments	\$ 1,910,023	\$ 4,879	\$ 397,993	\$ 77,384	\$ 253,887
Other receivables	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u>\$ 1,910,023</u>	<u>\$ 4,879</u>	<u>\$ 397,993</u>	<u>\$ 77,384</u>	<u>\$ 253,887</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities					
Accounts payable	\$ 65,673	\$ 553	\$ -	\$ -	\$ 11,610
Other accrued liabilities	-	-	-	-	36,483
Deposits	<u>845,299</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>910,972</u>	<u>553</u>	<u>-</u>	<u>-</u>	<u>48,093</u>
Fund Balances					
Restricted	<u>999,051</u>	<u>4,326</u>	<u>397,993</u>	<u>77,384</u>	<u>205,794</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 1,910,023</u>	<u>\$ 4,879</u>	<u>\$ 397,993</u>	<u>\$ 77,384</u>	<u>\$ 253,887</u>

Safety Impact Fee and Other	Economic Development Grant	Tourism Commission	Police Activities	EMS Activities	Public Land Activities	Youth Center Activities	Senior Center Activities	Total Nonmajor Governmental Funds
\$ 896,179	\$ 314,565	\$ 2,228,207	\$ 1,762	\$ 13,270	\$ 1,634,868	\$ 10,238	\$ 166,776	\$ 7,910,031
-	-	311,466	-	6,865	-	-	-	318,331
<u>\$ 896,179</u>	<u>\$ 314,565</u>	<u>\$ 2,539,673</u>	<u>\$ 1,762</u>	<u>\$ 20,135</u>	<u>\$ 1,634,868</u>	<u>\$ 10,238</u>	<u>\$ 166,776</u>	<u>\$ 8,228,362</u>
\$ -	\$ -	\$ 229,816	\$ -	\$ -	\$ 38,729	\$ 264	\$ 108	\$ 346,753
-	-	5,195	-	-	-	1,986	-	43,664
-	-	-	-	-	-	-	-	845,299
-	-	235,011	-	-	38,729	2,250	108	1,235,716
<u>896,179</u>	<u>314,565</u>	<u>2,304,662</u>	<u>1,762</u>	<u>20,135</u>	<u>1,596,139</u>	<u>7,988</u>	<u>166,668</u>	<u>6,992,646</u>
<u>\$ 896,179</u>	<u>\$ 314,565</u>	<u>\$ 2,539,673</u>	<u>\$ 1,762</u>	<u>\$ 20,135</u>	<u>\$ 1,634,868</u>	<u>\$ 10,238</u>	<u>\$ 166,776</u>	<u>\$ 8,228,362</u>

**CITY OF MIDDLETON**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2019

	Subdividers' Deposits	Lost and Damaged Books	Library Gift	Library Endowment	Next Chapter	Library
<b>REVENUES</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	888,910
Public charges for services	10,213	20,504	-	-	-	21,581
Licenses and permits	4,988	-	-	-	-	-
Investment income	-	955	251	33,572	646	8,191
Contributions	-	-	351	119,330	-	-
Miscellaneous	-	-	-	-	-	10
Total Revenues	<u>15,201</u>	<u>21,459</u>	<u>602</u>	<u>152,902</u>	<u>646</u>	<u>918,692</u>
<b>EXPENDITURES</b>						
Current						
General government	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-
Leisure activities	-	3,131	76	3,715	179,048	2,041,870
Conservation and development	-	-	-	-	-	-
Capital Outlay	7,813	-	-	-	-	-
Total Expenditures	<u>7,813</u>	<u>3,131</u>	<u>76</u>	<u>3,715</u>	<u>179,048</u>	<u>2,041,870</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,388</u>	<u>18,328</u>	<u>526</u>	<u>149,187</u>	<u>(178,402)</u>	<u>(1,123,178)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	255,786	1,307,784
Transfers (out)	-	(101,537)	(24,542)	(44,453)	-	(38,440)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(101,537)</u>	<u>(24,542)</u>	<u>(44,453)</u>	<u>255,786</u>	<u>1,269,344</u>
Net Change in Fund Balance	7,388	(83,209)	(24,016)	104,734	77,384	146,166
FUND BALANCE (DEFICIT) - Beginning of Year	<u>991,663</u>	<u>87,535</u>	<u>24,016</u>	<u>293,259</u>	<u>-</u>	<u>59,628</u>
FUND BALANCE - END OF YEAR	<u>\$ 999,051</u>	<u>\$ 4,326</u>	<u>\$ -</u>	<u>\$ 397,993</u>	<u>\$ 77,384</u>	<u>\$ 205,794</u>

Safety Impact Fee and Other	Economic Development Grant	Tourism Commission	Police Activities	EMS Activities	Public Land Activities	Youth Center Activities	Senior Center Activities	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 1,390,443	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,390,443
-	-	-	1,722	6,865	-	28,652	15,780	941,929
-	-	-	-	-	117,643	-	-	169,941
46,324	-	-	-	-	-	-	-	51,312
19,519	7,321	-	-	-	-	-	2,087	72,542
-	-	-	-	-	120,038	14,183	14,421	268,323
-	-	10,924	-	20,280	-	-	-	31,214
<u>65,843</u>	<u>7,321</u>	<u>1,401,367</u>	<u>1,722</u>	<u>27,145</u>	<u>237,681</u>	<u>42,835</u>	<u>32,288</u>	<u>2,925,704</u>
-	-	146,187	-	-	-	-	-	146,187
-	-	-	-	-	-	-	17,627	17,627
-	-	-	-	-	159,983	121,834	-	2,509,657
-	-	1,032,292	-	-	2,006	-	-	1,034,298
-	-	-	-	18,275	205,136	-	-	231,224
-	-	<u>1,178,479</u>	-	<u>18,275</u>	<u>367,125</u>	<u>121,834</u>	<u>17,627</u>	<u>3,938,993</u>
<u>65,843</u>	<u>7,321</u>	<u>222,888</u>	<u>1,722</u>	<u>8,870</u>	<u>(129,444)</u>	<u>(78,999)</u>	<u>14,661</u>	<u>(1,013,289)</u>
-	-	-	-	-	-	88,700	-	1,652,270
<u>(150,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(358,972)</u>
<u>(150,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>88,700</u>	<u>-</u>	<u>1,293,298</u>
(84,157)	7,321	222,888	1,722	8,870	(129,444)	9,701	14,661	280,009
<u>980,336</u>	<u>307,244</u>	<u>2,081,774</u>	<u>40</u>	<u>11,265</u>	<u>1,725,583</u>	<u>(1,713)</u>	<u>152,007</u>	<u>6,712,637</u>
<u>\$ 896,179</u>	<u>\$ 314,565</u>	<u>\$ 2,304,662</u>	<u>\$ 1,762</u>	<u>\$ 20,135</u>	<u>\$ 1,596,139</u>	<u>\$ 7,988</u>	<u>\$ 166,668</u>	<u>\$ 6,992,646</u>

**CITY OF MIDDLETON**

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -  
SUBDIVIDERS' DEPOSITS - SPECIAL REVENUE FUND  
For the Year Ended December 31, 2019

	Original and Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Public charges for services	\$ 150,000	\$ 10,213	\$ (139,787)
Licenses and permits	-	4,988	4,988
Total Revenues	<u>150,000</u>	<u>15,201</u>	<u>(134,799)</u>
<b>EXPENDITURES</b>			
Capital Outlay	<u>150,000</u>	<u>7,813</u>	<u>142,187</u>
Excess of revenues over expenditures	<u>-</u>	<u>7,388</u>	<u>7,388</u>
Net Change in Fund Balance	-	7,388	7,388
FUND BALANCE - Beginning	<u>991,663</u>	<u>991,663</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 991,663</u>	<u>\$ 999,051</u>	<u>\$ 7,388</u>

**CITY OF MIDDLETON**

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -  
LOST AND DAMAGED BOOKS - SPECIAL REVENUE FUND

For the Year Ended December 31, 2019

	Original and Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Public charges for services	\$ 20,000	\$ 20,504	\$ 504
Investment income	-	955	955
Total Revenues	<u>20,000</u>	<u>21,459</u>	<u>1,459</u>
<b>EXPENDITURES</b>			
Current			
Leisure activities	<u>20,000</u>	<u>3,131</u>	<u>16,869</u>
Excess of revenues over expenditures	<u>-</u>	<u>18,328</u>	<u>18,328</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	<u>-</u>	<u>(101,537)</u>	<u>(101,537)</u>
Net Change in Fund Balance	-	(83,209)	(83,209)
FUND BALANCE - Beginning of Year	<u>87,535</u>	<u>87,535</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 87,535</u>	<u>\$ 4,326</u>	<u>\$ (83,209)</u>

**CITY OF MIDDLETON**

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -  
LIBRARY ENDOWMENT - SPECIAL REVENUE FUND  
For the Year Ended December 31, 2019

	Original and Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Investment income	\$ 20,000	\$ 33,572	\$ 13,572
Contributions	10,000	119,330	109,330
Total Revenues	<u>30,000</u>	<u>152,902</u>	<u>122,902</u>
<b>EXPENDITURES</b>			
Current			
Leisure activities	<u>30,000</u>	<u>3,715</u>	<u>26,285</u>
Excess of revenues over expenditures	<u>-</u>	<u>149,187</u>	<u>149,187</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	<u>-</u>	<u>(44,453)</u>	<u>(44,453)</u>
Net Change in Fund Balance	-	104,734	104,734
FUND BALANCE - Beginning of Year	<u>293,259</u>	<u>293,259</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 293,259</u>	<u>\$ 397,993</u>	<u>\$ 104,734</u>

**CITY OF MIDDLETON**

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -  
LIBRARY FUND - SPECIAL REVENUE FUND  
For the Year Ended December 31, 2019

	Original and Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Intergovernmental	\$ 902,127	\$ 888,910	\$ (13,217)
Public charges for services	17,000	21,581	4,581
Investment income	-	8,191	8,191
Miscellaneous	-	10	10
Total Revenues	<u>919,127</u>	<u>918,692</u>	<u>(435)</u>
<b>EXPENDITURES</b>			
Current			
Leisure activities	2,206,911	2,041,870	165,041
Capital Outlay	<u>20,000</u>	-	<u>20,000</u>
Total Expenditures	<u>2,226,911</u>	<u>2,041,870</u>	<u>185,041</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,307,784)</u>	<u>(1,123,178)</u>	<u>184,606</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	1,307,784	1,307,784	-
Transfers out	-	<u>(38,440)</u>	<u>(38,440)</u>
Total Other Financing Sources (Uses)	<u>1,307,784</u>	<u>1,269,344</u>	<u>(38,440)</u>
Net Change in Fund Balance	-	146,166	146,166
FUND BALANCE - Beginning of Year	<u>59,628</u>	<u>59,628</u>	-
FUND BALANCE - END OF YEAR	<u>\$ 59,628</u>	<u>\$ 205,794</u>	<u>\$ 146,166</u>

**CITY OF MIDDLETON**

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -  
SAFETY IMPACT FEE AND OTHER - SPECIAL REVENUE FUND  
For the Year Ended December 31, 2019

	Original and Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Licenses and permits	\$ 200,000	\$ 46,324	\$ (153,676)
Investment income	(1,000)	19,519	20,519
Total Revenues	<u>199,000</u>	<u>65,843</u>	<u>(133,157)</u>
<b>EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>199,000</u>	<u>65,843</u>	<u>(133,157)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	<u>(150,000)</u>	<u>(150,000)</u>	<u>-</u>
Net Change in Fund Balance	49,000	(84,157)	(133,157)
FUND BALANCE - Beginning of Year	<u>980,336</u>	<u>980,336</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,029,336</u>	<u>\$ 896,179</u>	<u>\$ (133,157)</u>

**CITY OF MIDDLETON**

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -  
ECONOMIC DEVELOPMENT GRANT - SPECIAL REVENUE FUND  
For the Year Ended December 31, 2019

	Original and Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Investment income	\$ 1,000	\$ 7,321	\$ 6,321
<b>EXPENDITURES</b>	306,000	-	306,000
Excess (deficiency) of revenues over expenditures	(305,000)	7,321	312,321
Net Change in Fund Balance	(305,000)	7,321	312,321
FUND BALANCE - Beginning	307,244	307,244	-
FUND BALANCE - ENDING	\$ 2,244	\$ 314,565	\$ 312,321

**CITY OF MIDDLETON**

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -  
TOURISM COMMISSION - SPECIAL REVENUE FUND  
For the Year Ended December 31, 2019

	Original and Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Taxes	\$ 1,600,000	\$ 1,390,443	\$ (209,557)
Miscellaneous	-	10,924	10,924
Total Revenues	<u>1,600,000</u>	<u>1,401,367</u>	<u>(198,633)</u>
<b>EXPENDITURES</b>			
Current			
General government	329,081	146,187	182,894
Conservation and development	<u>1,224,143</u>	<u>1,032,292</u>	<u>191,851</u>
Total Expenditures	<u>1,553,224</u>	<u>1,178,479</u>	<u>374,745</u>
Excess of revenues over expenditures	<u>46,776</u>	<u>222,888</u>	<u>176,112</u>
Net Change in Fund Balance	46,776	222,888	176,112
FUND BALANCE - Beginning of Year	<u>2,081,774</u>	<u>2,081,774</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 2,128,550</u>	<u>\$ 2,304,662</u>	<u>\$ 176,112</u>

**CITY OF MIDDLETON**

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -  
POLICE ACTIVITIES - SPECIAL REVENUE FUND  
For the Year Ended December 31, 2019

---

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>			
Intergovernmental	\$ 5,000	\$ 1,722	\$ (3,278)
<b>EXPENDITURES</b>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Excess of revenues over expenditures	<u>-</u>	<u>1,722</u>	<u>1,722</u>
Net Change in Fund Balance	-	1,722	1,722
FUND BALANCE - Beginning	<u>40</u>	<u>40</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 40</u>	<u>\$ 1,762</u>	<u>\$ 1,722</u>

**CITY OF MIDDLETON**

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -  
EMS ACTIVITIES - SPECIAL REVENUE FUND  
For the Year Ended December 31, 2019

	Original and Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Intergovernmental	\$ 5,000	\$ 6,865	\$ 1,865
Miscellaneous	-	20,280	20,280
Total Revenues	<u>5,000</u>	<u>27,145</u>	<u>22,145</u>
<b>EXPENDITURES</b>			
Capital Outlay	<u>5,000</u>	<u>18,275</u>	<u>(13,275)</u>
Excess of revenues over expenditures	<u>-</u>	<u>8,870</u>	<u>8,870</u>
Net Change in Fund Balance	-	8,870	8,870
FUND BALANCE - Beginning	<u>11,265</u>	<u>11,265</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 11,265</u>	<u>\$ 20,135</u>	<u>\$ 8,870</u>

**CITY OF MIDDLETON**

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -  
PUBLIC LAND ACTIVITIES - SPECIAL REVENUE FUND  
For the Year Ended December 31, 2019

	Original and Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Public charges for services	\$ 300,000	\$ 117,643	\$ (182,357)
Contributions	-	120,038	120,038
Total Revenues	<u>300,000</u>	<u>237,681</u>	<u>(62,319)</u>
<b>EXPENDITURES</b>			
Current			
Leisure activities	700,000	159,983	540,017
Conservation and development	-	2,006	(2,006)
Capital Outlay	-	205,136	(205,136)
Total Expenditures	<u>700,000</u>	<u>367,125</u>	<u>332,875</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(400,000)</u>	<u>(129,444)</u>	<u>270,556</u>
Net Change in Fund Balance	(400,000)	(129,444)	270,556
FUND BALANCE - Beginning	<u>1,725,583</u>	<u>1,725,583</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 1,325,583</u>	<u>\$ 1,596,139</u>	<u>\$ 270,556</u>

**CITY OF MIDDLETON**

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL -  
YOUTH CENTER ACTIVITIES - SPECIAL REVENUE FUND  
For the Year Ended December 31, 2019

	Original and Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Intergovernmental	\$ 27,385	\$ 28,652	\$ 1,267
Contributions	12,750	14,183	1,433
Total Revenues	<u>40,135</u>	<u>42,835</u>	<u>2,700</u>
<b>EXPENDITURES</b>			
Current			
Leisure activities	<u>128,835</u>	<u>121,834</u>	<u>7,001</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(88,700)</u>	<u>(78,999)</u>	<u>9,701</u>
<b>OTHER FINANCING SOURCES</b>			
Transfers in	<u>88,700</u>	<u>88,700</u>	<u>-</u>
Net Change in Fund Balance	-	9,701	9,701
FUND BALANCE (DEFICIT) - Beginning of Year	<u>(1,713)</u>	<u>(1,713)</u>	<u>-</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ (1,713)</u>	<u>\$ 7,988</u>	<u>\$ 9,701</u>

**CITY OF MIDDLETON**

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -  
SENIOR CENTER ACTIVITIES - SPECIAL REVENUE FUND  
For the Year Ended December 31, 2019

	Original and Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Intergovernmental	\$ 50,000	\$ 15,780	\$ (34,220)
Investment income	-	2,087	2,087
Contributions	-	14,421	14,421
Total Revenues	<u>50,000</u>	<u>32,288</u>	<u>(17,712)</u>
<b>EXPENDITURES</b>			
Current			
Health and human services	<u>50,000</u>	<u>17,627</u>	<u>32,373</u>
Excess of revenues over expenditures	<u>-</u>	<u>14,661</u>	<u>14,661</u>
Net Change in Fund Balance	-	14,661	14,661
FUND BALANCE - Beginning	<u>152,007</u>	<u>152,007</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 152,007</u>	<u>\$ 166,668</u>	<u>\$ 14,661</u>

## CITY OF MIDDLETON

### COMBINING STATEMENT OF NET POSITION - NONMAJOR PROPRIETARY FUNDS

As of December 31, 2019

	Enterprise Funds			Nonmajor Enterprise Funds
	Stormwater Utility	Middleton Utility District	Airport	
<b>ASSETS</b>				
Current Assets				
Cash and investments	\$ 812,575	\$ 31,459	\$ 298,449	\$ 1,142,483
Accounts receivable	221,479	-	591	222,070
Due from other funds	4,738	-	-	4,738
Total Current Assets	1,038,792	31,459	299,040	1,369,291
Noncurrent Assets				
Capital Assets				
Land	1,935,149	-	1,546,149	3,481,298
Construction in progress	582,739	-	-	582,739
Land improvements	3,147,727	-	11,300	3,159,027
Buildings and improvements	-	-	745,292	745,292
Machinery and equipment	-	-	255,737	255,737
Accumulated depreciation	(629,110)	-	(285,420)	(914,530)
Total Noncurrent Assets	5,036,505	-	2,273,058	7,309,563
TOTAL ASSETS	\$ 6,075,297	\$ 31,459	\$ 2,572,098	\$ 8,678,854
<b>LIABILITIES AND NET POSITION</b>				
Current Liabilities				
Accounts payable	\$ 974,067	\$ -	\$ 7,900	\$ 981,967
Unearned revenue	-	-	20,346	20,346
Total Current Liabilities	974,067	-	28,246	1,002,313
<b>NET POSITION</b>				
Net investment in capital assets	5,036,505	-	2,273,058	7,309,563
Unrestricted	64,725	31,459	270,794	366,978
Total Net Position	5,101,230	31,459	2,543,852	7,676,541
TOTAL LIABILITIES AND NET POSITION	\$ 6,075,297	\$ 31,459	\$ 2,572,098	\$ 8,678,854

## CITY OF MIDDLETON

### COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - NONMAJOR PROPRIETARY FUNDS For the Year Ended December 31, 2019

	Enterprise Funds			Totals
	Stormwater Utility	Middleton Utility District	Airport	
<b>OPERATING REVENUES</b>				
Charges for services	\$ 713,297	\$ -	\$ 118,054	\$ 831,351
<b>OPERATING EXPENSES</b>				
Operation and maintenance	62,050	2,946	154,514	219,510
Depreciation	157,387	-	33,013	190,400
Total Operating Expenses	<u>219,437</u>	<u>2,946</u>	<u>187,527</u>	<u>409,910</u>
Operating Income (Loss)	<u>493,860</u>	<u>(2,946)</u>	<u>(69,473)</u>	<u>421,441</u>
<b>NONOPERATING REVENUES</b>				
Investment income	15,917	697	6,041	22,655
Miscellaneous nonoperating income	-	-	121,086	121,086
Total Nonoperating Revenues	<u>15,917</u>	<u>697</u>	<u>127,127</u>	<u>143,741</u>
Income Before Contributions	509,777	(2,249)	57,654	565,182
Capital contributions	<u>34,435</u>	<u>-</u>	<u>-</u>	<u>34,435</u>
Change in Net Position	544,212	(2,249)	57,654	599,617
TOTAL NET POSITION - Beginning of Year	<u>4,557,018</u>	<u>33,708</u>	<u>2,486,198</u>	<u>7,076,924</u>
TOTAL NET POSITION - END OF YEAR	<u>\$ 5,101,230</u>	<u>\$ 31,459</u>	<u>\$ 2,543,852</u>	<u>\$ 7,676,541</u>

**CITY OF MIDDLETON**

COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR PROPRIETARY FUNDS  
For the Year Ended December 31, 2019

	Enterprise Funds			Totals
	Stormwater	Middleton Utility District	Airport	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Received from customers	\$ 562,486	\$ -	\$ 213,525	\$ 776,011
Paid to suppliers for goods and services	(77,083)	(2,946)	(165,934)	(245,963)
Net Cash Flows From Operating Activities	<u>485,403</u>	<u>(2,946)</u>	<u>47,591</u>	<u>530,048</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of and construction of capital assets	(512,663)	-	(48,200)	(560,863)
Net Cash Flows From Capital and Related Financing Activities	<u>(512,663)</u>	<u>-</u>	<u>(48,200)</u>	<u>(560,863)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment income	15,917	697	6,041	22,655
Net Cash Flows From Investing Activities	<u>15,917</u>	<u>697</u>	<u>6,041</u>	<u>22,655</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(11,343)	(2,249)	5,432	(8,160)
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>823,918</u>	<u>33,708</u>	<u>293,017</u>	<u>1,150,643</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 812,575</u>	<u>\$ 31,459</u>	<u>\$ 298,449</u>	<u>\$ 1,142,483</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ 493,860	\$ (2,946)	\$ (69,473)	\$ 421,441
Nonoperating income	-	-	121,086	121,086
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:				
Depreciation expense	157,387	-	33,013	190,400
Change in assets and liabilities:				
Accounts receivable	(149,548)	-	(591)	(150,139)
Due from other funds	(1,263)	-	-	(1,263)
Accounts payable	(15,033)	-	(11,420)	(26,453)
Unearned revenue	-	-	(25,024)	(25,024)
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 485,403</u>	<u>\$ (2,946)</u>	<u>\$ 47,591</u>	<u>\$ 530,048</u>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>				
Capital contributions	<u>\$ 34,435</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,435</u>

**CITY OF MIDDLETON**

COMBINING STATEMENT OF FIDUCIARY NET POSITION  
CUSTODIAL FUNDS  
As of December 31, 2019

	<u>Tax Collection</u>	<u>Fire District</u>	<u>Totals</u>
<b>ASSETS</b>			
Cash and investments	\$ 26,848,027	\$ 299,889	\$ 27,147,916
Taxes receivable	<u>17,359,949</u>	<u>-</u>	<u>17,359,949</u>
 Total Assets	 <u>44,207,976</u>	 <u>299,889</u>	 <u>44,507,865</u>
<b>LIABILITIES</b>			
Accounts payable	-	22,381	22,381
Accrued liabilities	-	65,239	65,239
Due to other governmental units	<u>44,207,976</u>	<u>-</u>	<u>44,207,976</u>
 Total Liabilities	 <u>44,207,976</u>	 <u>87,620</u>	 <u>44,295,596</u>
<b>NET POSITION</b>			
Restricted	<u>\$ -</u>	<u>\$ 212,269</u>	<u>\$ 212,269</u>

## CITY OF MIDDLETON

### COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION CUSTODIAL FUNDS

For the Year Ended December 31, 2019

	<u>Tax Collection</u>	<u>Fire District</u>	<u>Totals</u>
<b>ADDITIONS</b>			
Property taxes collected for other governments	\$ 28,174,662	\$ -	\$ 28,174,662
Contributions	-	1,834,140	1,834,140
Miscellaneous	-	64,368	64,368
	<u>28,174,662</u>	<u>1,898,508</u>	<u>30,073,170</u>
<b>DEDUCTIONS</b>			
Property taxes distributed to other governments	28,174,662	-	28,174,662
Public fire protection	-	1,495,450	1,495,450
	<u>28,174,662</u>	<u>1,495,450</u>	<u>29,670,112</u>
Change in Fiduciary Net Position	-	403,058	403,058
TOTAL NET POSITION (DEFICIT) - Beginning of Year, as restated	<u>-</u>	<u>(190,789)</u>	<u>(190,789)</u>
TOTAL NET POSITION - END OF YEAR	<u>\$ -</u>	<u>\$ 212,269</u>	<u>\$ 212,269</u>

**COMMUNITY DEVELOPMENT AUTHORITY  
OF THE CITY OF MIDDLETON**

STATEMENT OF CASH FLOWS  
COMPONENT UNIT  
For the Year Ended December 31, 2019

---

**CASH FLOWS FROM OPERATING ACTIVITIES**

Received from customers	\$ 95,485
Paid to suppliers for goods and services	<u>(113,456)</u>
Net Cash Flows From Operating Activities	<u>(17,971)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Investment income	<u>13,012</u>
Net Cash Flows From Investing Activities	<u>13,012</u>

Net Decrease in Cash and Cash Equivalents (4,959)

CASH AND CASH EQUIVALENTS - Beginning of Year 635,441

CASH AND CASH EQUIVALENTS - END OF YEAR \$ 630,482

## **STATISTICAL SECTION**

**CITY OF MIDDLETON, WISCONSIN  
 STATISTICAL SECTION  
 TABLE OF CONTENTS  
 For the Year Ended December 31, 2019**

---

This section of the City of Middleton’s Comprehensive Annual 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><b>Contents</b></u>	<u><b>Pages</b></u>
<b>Financial Trends – Tables 1 - 4</b>	98 – 103
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>	104 – 107
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>	108 – 111
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>	112– 113
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>	114 – 116
These schedules contain service and infrastructure data to help the reader understand how the City’s financial report related to the services the City provides and the activities it performs.	

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

**Table 1**

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Governmental activities										
Net investment in capital assets	\$ 72,622,109	\$ 67,484,502	\$ 59,300,227	\$ 44,205,346	\$ 42,289,738	\$ 40,190,979	\$ 34,367,993	\$ 25,305,516	\$ 31,784,434	\$ 26,852,456
Restricted	20,698,282	20,070,132	18,006,381	16,207,298	12,928,495	10,822,454	11,489,077	8,692,927	5,026,548	2,143,636
Unrestricted	(6,300,271)	(6,912,812)	(3,343,866)	9,130,412	7,595,832	4,427,136	5,056,636	10,398,364	5,447,129	6,168,519
Total governmental activities net position	<u>87,020,120</u>	<u>80,641,822</u>	<u>73,962,742</u>	<u>69,543,056</u>	<u>62,814,065</u>	<u>55,440,569</u>	<u>50,913,706</u>	<u>44,396,807</u>	<u>42,258,111</u>	<u>35,164,611</u>
Business-type activities										
Net investment in capital assets	50,229,949	48,055,298	47,430,785	47,875,591	41,296,083	35,939,954	33,777,825	31,978,016	31,776,305	30,753,530
Restricted	-	193,794	-	60,820	243,140	60,820	60,820	55,165	55,165	55,165
Unrestricted	4,872,821	5,167,512	5,671,824	3,084,004	5,232,480	5,764,851	5,985,906	5,679,801	5,374,078	5,947,953
Total business-type activities net position	<u>55,102,770</u>	<u>53,416,604</u>	<u>53,102,609</u>	<u>51,020,415</u>	<u>46,771,703</u>	<u>41,765,625</u>	<u>39,824,551</u>	<u>37,712,982</u>	<u>37,205,548</u>	<u>36,756,648</u>
Primary government										
Net investment in capital assets	122,852,058	115,539,800	106,731,012	92,080,937	83,585,821	76,130,933	68,145,818	57,283,532	63,560,739	57,605,986
Restricted	20,698,282	20,263,926	18,006,381	16,268,118	13,171,635	10,883,274	11,549,897	8,748,092	5,081,713	2,198,801
Unrestricted	(1,427,450)	(1,745,300)	2,327,958	12,214,416	12,828,312	10,191,987	11,042,542	16,078,165	10,821,207	12,116,472
Total primary government net position	<u>\$ 142,122,890</u>	<u>\$ 134,058,426</u>	<u>\$ 127,065,351</u>	<u>\$ 120,563,471</u>	<u>\$ 109,585,768</u>	<u>\$ 97,206,194</u>	<u>\$ 90,738,257</u>	<u>\$ 82,109,789</u>	<u>\$ 79,463,659</u>	<u>\$ 71,921,259</u>

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

**Table 2**

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Expenses</b>										
<b>Governmental Activities:</b>										
General Government	\$ 3,234,108	\$ 2,780,653	\$ 3,440,019	\$ 3,373,515	\$ 3,576,763	\$ 3,499,140	\$ 4,235,573	\$ 4,523,508	\$ 4,492,490	\$ 2,492,179
Public Safety	9,966,272	9,305,380	10,045,808	9,708,266	8,768,029	8,857,148	9,318,550	8,370,063	8,596,721	8,785,916
Public Works	4,956,324	5,100,582	5,338,976	5,661,834	4,413,417	5,387,692	4,175,004	4,412,170	4,374,018	5,020,491
Health and Human Services	663,526	531,435	604,866	523,561	458,109	467,424	437,254	434,778	660,176	158,318
Leisure Activities	4,874,284	3,494,719	4,918,071	4,279,623	5,712,480	5,105,093	5,001,318	4,806,093	5,302,560	4,741,367
Conservation and Economic Development	8,453,985	9,652,513	4,333,647	5,713,888	4,889,708	1,843,956	816,021	2,890,340	2,467,418	1,613,009
Interest and Fiscal Charges	1,420,639	1,080,954	1,294,086	1,430,035	1,487,334	1,455,644	1,285,861	2,347,693	2,370,898	3,156,069
<b>Total Governmental Activities</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>25,269,581</b>	<b>27,784,645</b>	<b>28,264,281</b>	<b>25,967,349</b>
<b>Business-type Activities:</b>										
Water	2,127,031	1,923,367	1,894,175	1,707,466	1,665,644	1,663,981	1,521,927	1,656,283	1,395,899	1,522,331
Sewer	3,039,452	2,834,608	2,794,819	2,798,438	2,248,664	2,218,802	2,216,007	1,898,574	1,829,965	1,697,356
Pleasant View Golf Course	2,075,750	2,083,603	2,025,692	1,845,233	1,561,830	1,651,439	1,702,459	1,844,019	1,716,697	1,769,506
Nonmajor Enterprise Funds	409,910	412,714	236,361	404,080	259,925	-	-	-	-	-
<b>Total Business-type Activities</b>	<b>7,652,143</b>	<b>7,254,292</b>	<b>6,951,047</b>	<b>6,755,217</b>	<b>5,736,063</b>	<b>5,534,222</b>	<b>5,440,393</b>	<b>5,398,876</b>	<b>4,942,561</b>	<b>4,989,193</b>
<b>Total Expenses</b>	<b>\$ 41,221,281</b>	<b>\$ 39,200,528</b>	<b>\$ 36,926,520</b>	<b>\$ 37,445,939</b>	<b>\$ 35,041,903</b>	<b>\$ 32,150,319</b>	<b>\$ 30,709,974</b>	<b>\$ 33,183,521</b>	<b>\$ 33,206,842</b>	<b>\$ 30,956,542</b>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
<b>Charges for Services</b>										
General Government	700,377	674,106	252,282	262,789	241,765	241,434	243,220	1,640,879	1,620,302	192,663
Public Safety	1,732,918	2,014,061	2,166,381	2,474,315	2,177,110	1,906,784	1,846,772	1,508,641	2,333,240	1,096,310
Public Works	333,205	214,838	120,485	232,199	111,507	45,414	130,417	120,161	97,673	343,020
Health and Human Services	46,316	46,444	36,296	32,442	28,453	28,414	28,995	21,783	23,703	-
Leisure Activities	581,273	558,158	441,749	409,688	379,749	374,183	430,584	439,759	301,471	366,942
Conservation and Economic Development	133,395	151,652	199,475	631,904	363,097	499,054	193,813	208,504	381,932	22,363
Operating Grants and Contributions	1,370,468	1,200,663	2,710,128	1,785,109	2,432,652	2,440,921	2,770,483	2,946,476	2,942,587	2,446,856
Capital Grants and Contributions	2,359,582	2,003,839	945,985	1,694,137	620,068	595,666	786,066	908,544	520,543	220,005
<b>Total Governmental Activities</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>\$ 6,430,350</b>	<b>\$ 7,794,747</b>	<b>\$ 8,221,451</b>	<b>\$ 4,688,159</b>
<b>Business-type Activities:</b>										
<b>Charges for Services</b>										
Water	2,567,361	2,579,779	2,668,978	2,684,956	2,317,608	2,225,334	2,202,387	2,290,946	2,110,739	1,822,183
Sewer	2,600,054	2,646,621	2,486,160	2,343,986	2,162,934	2,022,849	1,966,351	1,885,048	1,678,783	1,576,970
Pleasant View Golf Course	2,874,278	2,602,147	2,591,046	2,430,426	2,105,814	1,860,169	1,832,607	1,881,715	1,743,935	1,799,560
Nonmajor Enterprise Funds	831,351	404,061	883,286	390,632	136,580	-	-	-	-	-
Capital Grants and Contributions	509,911	135,440	216,924	1,213,827	1,371,232	593,153	1,918,147	179,207	184,994	177,358
<b>Total Business-type Activities</b>	<b>9,382,955</b>	<b>8,368,048</b>	<b>8,846,394</b>	<b>9,063,827</b>	<b>8,094,168</b>	<b>6,701,505</b>	<b>7,919,492</b>	<b>6,236,916</b>	<b>5,718,451</b>	<b>5,376,071</b>
<b>Total Program Revenues</b>	<b>\$ 16,640,489</b>	<b>\$ 15,231,809</b>	<b>\$ 15,719,175</b>	<b>\$ 16,586,410</b>	<b>\$ 14,448,569</b>	<b>\$ 12,833,375</b>	<b>\$ 14,349,842</b>	<b>\$ 14,031,663</b>	<b>\$ 13,939,902</b>	<b>\$ 10,064,230</b>
<b>Net (Expense) Revenue</b>										
Governmental Activities	\$ (26,311,604)	\$ (25,082,475)	\$ (23,102,692)	\$ (23,168,139)	\$ (22,951,439)	\$ (20,484,227)	\$ (18,839,231)	\$ (19,989,898)	\$ (20,042,830)	\$ (21,279,190)
Business-type Activities	1,730,812	1,113,756	1,895,347	2,308,610	2,358,105	1,167,283	2,479,099	838,040	775,890	386,878
<b>Total Net (Expense) Revenue</b>	<b>\$ (24,580,792)</b>	<b>\$ (23,968,719)</b>	<b>\$ (21,207,345)</b>	<b>\$ (20,859,529)</b>	<b>\$ (20,593,334)</b>	<b>\$ (19,316,944)</b>	<b>\$ (16,360,132)</b>	<b>\$ (19,151,858)</b>	<b>\$ (19,266,940)</b>	<b>\$ (20,892,312)</b>

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

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Revenues										
Governmental Activities:										
Property Taxes	\$ 27,269,231	\$ 27,083,632	\$ 23,713,395	\$ 25,556,528	\$ 24,784,036	\$ 22,922,386	\$ 22,254,410	\$ 19,007,908	\$ 20,431,794	\$ 20,456,016
Other Taxes	1,992,361	2,182,423	1,966,016	1,957,750	1,972,947	1,753,466	1,639,784	1,741,269	1,678,652	1,504,959
Intergovernmental - Unrestricted	1,647,101	1,134,969	1,471,975	1,160,158	1,602,903	821,534	733,100	592,244	836,548	1,180,841
Public Gifts and/or Grants	-	-	-	-	-	-	-	-	-	63,680
Investment Income	1,050,142	656,575	314,935	170,210	106,838	108,978	199,791	170,893	268,769	529,597
Gain (Loss) on Sale of Capital Assets	43,340	168,676	28,358	2,659,850	-	-	1,605	232,617	2,414,956	-
Miscellaneous	222,060	74,796	160,547	596,707	433,314	154,809	114,547	108,952	160,483	415,496
Transfers In (Out)	465,667	460,484	(132,848)	(1,904,073)	(2,274,762)	(750,083)	412,893	381,958	381,498	379,913
<b>Total General Revenues and Transfers</b>	<b>32,689,902</b>	<b>31,761,555</b>	<b>27,522,378</b>	<b>30,197,130</b>	<b>26,625,276</b>	<b>25,011,090</b>	<b>25,356,130</b>	<b>22,235,841</b>	<b>26,172,700</b>	<b>24,530,502</b>
Business-type Activities:										
Investment Income	135,581	96,675	46,359	11,387	12,521	23,708	45,363	51,352	54,509	160,741
Miscellaneous	285,440	133,419	-	-	-	-	-	-	-	-
Transfers In (Out)	(465,667)	(460,484)	132,848	1,904,073	2,274,762	750,083	(412,893)	(381,958)	(381,498)	(379,913)
<b>Total Business-type Activities</b>	<b>(44,646)</b>	<b>(230,390)</b>	<b>179,207</b>	<b>1,915,460</b>	<b>2,287,283</b>	<b>773,791</b>	<b>(367,530)</b>	<b>(330,606)</b>	<b>(326,989)</b>	<b>(219,172)</b>
<b>Total Primary Government</b>	<b>\$ 32,645,256</b>	<b>\$ 31,531,165</b>	<b>\$ 27,701,585</b>	<b>\$ 32,112,590</b>	<b>\$ 28,912,559</b>	<b>\$ 25,784,881</b>	<b>\$ 24,988,600</b>	<b>\$ 21,905,235</b>	<b>\$ 25,845,711</b>	<b>\$ 24,311,330</b>
Change in Net Assets										
Governmental Activities	\$ 6,378,298	\$ 6,679,080	\$ 4,419,686	\$ 7,028,991	\$ 3,673,837	\$ 4,526,863	\$ 6,516,899	\$ 2,245,943	\$ 6,129,870	\$ 3,251,312
Business Activities	1,686,166	883,366	2,074,554	4,224,070	4,645,388	1,941,074	2,111,569	507,434	448,901	167,706
<b>Total Change in Net Assets</b>	<b>\$ 8,064,464</b>	<b>\$ 7,562,446</b>	<b>\$ 6,494,240</b>	<b>\$ 11,253,061</b>	<b>\$ 8,319,225</b>	<b>\$ 6,467,937</b>	<b>\$ 8,628,468</b>	<b>\$ 2,753,377</b>	<b>\$ 6,578,771</b>	<b>\$ 3,419,018</b>

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

**Table 3**

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Fund										
Nonspendable	\$ 2,341,589	\$ 2,927,799	\$ 2,656,519	\$ 2,857,944	\$ 2,775,698	\$ 2,631,468	\$ 2,822,815	\$ 2,805,956	\$ 2,927,135	\$ 2,968,928
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	2,155,511	2,780,632	2,814,251	4,083,717	3,179,261	1,856,034	2,966,360	2,571,060	1,508,797	-
Unassigned	6,084,396	4,834,398	5,310,690	5,134,962	4,853,363	4,590,217	3,656,420	3,519,147	3,418,827	305,747
Total General Fund	<u>\$ 10,581,496</u>	<u>\$ 10,542,829</u>	<u>\$ 10,781,460</u>	<u>\$ 12,076,623</u>	<u>\$ 10,808,322</u>	<u>\$ 9,077,719</u>	<u>\$ 9,445,595</u>	<u>\$ 8,896,163</u>	<u>\$ 7,854,759</u>	<u>\$ 3,274,675</u>
All Other Governmental Funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 433,150	\$ 2,288,873	\$ -
Restricted	22,304,594	20,496,724	18,374,458	15,751,251	11,080,164	12,928,560	14,556,430	14,045,654	4,243,638	1,643,978
Committed	-	-	66,714	45,395	169,109	132,997	145,283	-	-	-
Assigned	-	-	-	-	-	-	-	2,603,355	2,885,817	-
Unassigned (Deficit)	(3,875,796)	(3,880,400)	(798,818)	(8,002)	-	-	-	-	(2,246,580)	8,085,400
Total All Other Governmental Funds	<u>\$ 18,428,798</u>	<u>\$ 16,616,324</u>	<u>\$ 17,642,354</u>	<u>\$ 15,788,644</u>	<u>\$ 11,249,273</u>	<u>\$ 13,061,557</u>	<u>\$ 14,701,713</u>	<u>\$ 17,082,159</u>	<u>\$ 7,171,748</u>	<u>\$ 9,729,378</u>

**Notes:**

Sources: 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.

(2) Reflects fund balance reporting prior to the implementation of GASB Statement No. 54.

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

**Table 4**

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>REVENUES</b>										
Taxes	\$ 29,305,692	\$ 29,313,320	\$ 26,469,976	\$ 27,996,294	\$ 26,659,527	\$ 24,747,047	\$ 23,890,021	\$ 20,548,206	\$ 21,882,099	\$ 21,763,492
Intergovernmental	4,575,579	3,916,691	3,311,485	3,586,827	4,241,419	3,190,958	3,419,874	3,487,885	3,615,354	3,563,916
Licenses and Permits	970,041	993,150	1,092,585	2,052,304	1,362,251	1,299,213	1,066,160	982,890	1,305,047	613,757
Fines, Forfeitures, and Penalties	255,006	261,232	209,115	262,164	287,498	266,264	291,296	280,513	279,306	273,886
Public Charges for Services	1,657,924	1,990,814	2,225,733	2,845,384	1,951,717	1,799,282	1,868,315	1,604,915	1,601,193	1,588,929
Intergovernmental Charges for Services	1,679,936	1,742,989	1,860,547	1,946,971	1,825,802	1,933,130	1,919,130	1,537,130	1,528,130	350,600
Special Assessments	364,319	607,188	276,755	467,638	287,987	215,422	314,332	297,282	280,868	275,201
Contributions	268,323	101,499	97,104	92,877	72,150	79,764	29,495	-	-	-
Investment and Interest Income	1,087,018	659,164	322,838	241,516	188,670	194,508	299,403	299,131	397,102	524,520
Miscellaneous	180,419	265,661	118,786	262,799	197,807	331,851	524,005	297,370	609,521	377,756
Total Revenues	40,344,257	39,851,708	35,984,924	39,754,774	37,074,828	34,057,439	33,622,031	29,335,322	31,498,620	29,332,057
<b>EXPENDITURES</b>										
Current:										
General Government	5,858,283	4,777,052	4,773,175	4,891,814	4,687,066	4,749,043	5,596,888	4,374,997	4,075,997	2,830,370
Public Safety	9,355,673	9,332,638	9,142,015	8,462,228	8,235,296	8,014,769	8,291,149	7,725,228	7,787,629	7,210,788
Public Works	4,103,709	3,902,917	3,812,371	3,614,497	3,418,670	3,421,300	3,332,707	3,122,255	3,040,471	3,068,521
Health and Human Services	549,374	550,196	582,219	503,577	457,636	467,424	437,254	434,778	402,763	123,076
Leisure Activities	4,320,674	4,045,937	4,542,994	3,613,783	4,985,647	4,855,900	4,511,872	4,180,637	3,765,181	3,458,548
Conservation and Economic Development	5,475,907	6,078,455	3,548,191	5,141,006	4,766,299	752,453	790,671	2,292,530	2,446,175	1,212,377
Debt Service:	-	-	-	-	-	-	-	-	-	-
Principal	6,315,224	6,061,963	5,953,611	5,680,000	13,850,000	5,280,000	11,975,000	11,253,304	7,978,615	17,986,937
Debt Issuance Costs	-	-	-	-	170,241	74,875	62,575	57,599	39,175	175,943
Interest and Fiscal Charges	1,614,962	1,497,817	1,429,245	1,378,669	1,457,238	1,408,082	1,455,297	1,648,260	1,905,763	2,272,564
Capital Outlay	5,798,753	10,546,355	5,667,693	5,819,222	7,358,067	14,885,402	3,591,381	3,202,683	3,483,436	6,232,380
Total Expenditures	43,392,559	46,793,330	39,451,514	39,104,796	49,386,160	43,909,248	40,044,794	38,292,271	34,925,205	44,571,504
Excess (Deficiency) of Revenues over Expenditures	(3,048,302)	(6,941,622)	(3,466,590)	649,978	(12,311,332)	(9,851,809)	(6,422,763)	(8,956,949)	(3,426,585)	(15,239,447)

**City of Middleton**

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

**Table 4 (continued)**

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers In	\$ 2,267,937	\$ 3,582,401	\$ 2,654,951	\$ 10,853,679	\$ 8,303,965	\$ 8,215,745	\$ 9,842,324	\$ 11,731,611	\$ 10,581,289	\$ 9,399,890
Transfer Out	(1,802,270)	(3,117,731)	(2,830,143)	(10,503,575)	(7,840,895)	(8,965,828)	(9,429,431)	(11,319,587)	(10,199,791)	(9,019,977)
Long-Term Debt Issued	9,640,000	5,000,000	4,000,000	6,000,000	11,375,000	8,500,000	4,000,000	19,165,000	2,500,000	2,110,000
Discount on Debt Issued	-	-	-	-	-	-	-	(172,175)	-	-
Premium on Debt Issued	751,978	142,164	137,896	133,867	391,581	83,554	169,047	271,299	49,084	255,130
Refunding Bonds Issued	-	-	-	-	-	-	-	-	-	21,315,000
Proceeds from Sale of Capital Assets	43,340	70,127	62,433	2,683,656	-	306	9,809	232,617	2,518,459	127,398
Contribution from Other Municipalities	-	-	-	-	-	-	-	-	-	-
Refunding Payment to Escrow Agent	(6,001,542)	-	-	(4,009,933)	-	-	-	-	-	(11,311,372)
Total Other Financing Sources (Uses)	<u>4,899,443</u>	<u>5,676,961</u>	<u>4,025,137</u>	<u>5,157,694</u>	<u>12,229,651</u>	<u>7,833,777</u>	<u>4,591,749</u>	<u>19,908,765</u>	<u>5,449,041</u>	<u>12,876,069</u>
 Net Change in Fund Balances	 <u>\$ 1,851,141</u>	 <u>\$ (1,264,661)</u>	 <u>\$ 558,547</u>	 <u>\$ 5,807,672</u>	 <u>\$ (81,681)</u>	 <u>\$ (2,018,032)</u>	 <u>\$ (1,831,014)</u>	 <u>\$ 10,951,816</u>	 <u>\$ 2,022,456</u>	 <u>\$ (2,363,378)</u>
 Debt Services as a Percentage of Noncapital Expenditures	 20.77%	 20.36%	 21.29%	 20.60%	 36.40%	 21.48%	 36.02%	 36.08%	 29.82%	 49.22%

**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, 2010 through 2019

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
2019	\$ 1,982,330,800	\$ 1,341,793,500	\$ 99,669,700	\$ 863,100	\$ 125,108,500	\$ 3,549,765,600	\$ 6.10	\$ 3,829,510,100	92.70%
2018	1,962,851,400	1,327,324,100	94,018,800	779,000	116,177,205	3,501,150,505	5.83	3,545,571,200	98.75%
2017	1,682,991,300	1,131,175,500	81,289,700	684,900	161,624,408	3,057,765,808	6.52	3,360,068,100	91.00%
2016	1,650,435,700	1,093,251,200	84,168,500	1,152,000	147,639,823	2,976,647,223	6.35	3,143,766,900	94.68%
2015	1,621,443,200	1,050,934,000	96,489,100	1,680,500	144,111,587	2,914,658,387	6.59	2,907,335,100	100.25%
2014	1,496,032,600	960,656,400	91,263,000	1,094,300	136,767,920	2,685,814,220	6.95	2,837,344,300	94.66%
2013	1,478,766,200	944,586,400	92,798,900	752,800	123,233,439	2,640,137,739	6.55	2,763,439,000	95.54%
2012	1,484,951,800	935,904,900	92,736,100	915,200	120,156,750	2,634,664,750	6.04	2,711,639,500	97.16%
2011	1,485,717,300	936,304,367	95,987,500	915,800	118,587,085	2,637,512,052	5.65	2,652,658,000	99.43%
2010	1,475,568,000	926,635,200	95,727,800	918,900	117,785,339	2,616,635,239	5.42	2,699,486,100	96.93%

- 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, 2010 through 2019

(Per \$1,000 of Assessed Valuation)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Direct Rates:										
General Fund	4.44	4.27	4.80	4.62	6.59	6.96	6.55	6.04	5.65	5.42
Debt Service Fund	<u>1.66</u>	<u>1.56</u>	<u>1.72</u>	<u>1.73</u>	-	-	-	-	-	-
Total City Rate	6.10	5.83	6.52	6.35	6.59	6.96	6.55	6.04	5.65	5.42
Overlapping Rates										
State of Wisconsin	-	-	-	0.18	0.17	0.18	0.18	0.17	0.17	0.18
Dane County	3.13	3.00	3.45	3.30	3.14	3.29	3.26	3.09	2.89	2.80
Madison College	0.95	0.92	1.03	1.02	0.93	0.99	1.93	1.87	1.72	1.52
School Districts										
Middleton-Cross Plains	10.88	9.74	11.34	11.22	11.66	12.16	11.64	11.23	10.47	11.08
Waunakee Community	11.71	9.55	12.49	12.25	5.14	12.00	12.02	11.68	11.48	11.74
Less: State School Tax Credit	(1.58)	(1.61)	(1.83)	(1.67)	(1.65)	(1.52)	(1.51)	(1.47)	(1.45)	(1.43)
Totals by School District										
Middleton-Cross Plains	19.48	17.89	20.52	20.40	20.83	22.05	22.05	20.94	19.45	19.57
Waunakee Area	20.31	17.70	21.67	21.43	14.31	21.89	22.43	21.39	20.46	20.23

**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
- (5) The first year in which the City contained property located in the Waunakee Area School District was 2010.

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

**Table 7**

Taxpayer	2019			2010		
	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	\$ 124,560,700	1	4.074%			
Research Way LLC	48,838,300	2	1.597%			
Infrared LLC	38,899,700	3	1.272%			
Greenway Station SPE	38,515,000	4	1.260%			
Electronic Theatre Controls	34,464,400	5	1.127%	\$ 26,882,600.00	4	1.040%
MW Land Inc	32,004,000	6	1.047%			
PPD	30,386,900	7	0.994%			
Atrium Finance II	27,677,700	8	0.905%			
Fred-Ashbury Woods Limited	27,408,000	9	0.896%	24,702,900.00	6	0.956%
American Girl Brands	25,730,596	10	0.841%	22,119,300.00	8	0.856%
Greenway Office Center				125,073,900.00	1	4.838%
Greenway Center LLC				57,395,500.00	2	2.220%
J Q Hammons				27,366,400.00	3	1.059%
Bruce Company				25,757,100.00	5	0.996%
Galina Land Company				22,549,500.00	7	0.872%
LeSilve				17,027,000.00	9	0.659%
Grosse				13,810,400.00	10	0.534%
<b>TOTAL</b>	<b>\$ 428,485,296</b>		<b>14.013%</b>	<b>\$ 362,684,600.00</b>		<b>14.029%</b>

**Note:** Source: City Assessor

**City of Middleton**  
**Property Tax Levies and Collections**  
**For the fiscal years ended December 31, 2010 through 2019**

**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
2019	2020	\$ 17,985,016	\$ 12,664,160	\$ 30,649,176	n/a	n/a	n/a	n/a	n/a
2018	2019	17,490,293	9,730,078	27,220,371	\$ 27,203,623	99.9%	4,956	\$ 27,208,579	100.0%
2017	2018	17,017,467	10,038,872	27,056,339	26,970,283	99.7%	61,397	27,031,680	99.9%
2016	2017	16,592,200	7,933,858	24,526,058	24,416,183	99.6%	80,896	24,497,079	99.9%
2015	2016	16,386,140	9,574,449	25,960,589	25,858,416	99.6%	47,723	25,906,138	99.8%
2014	2015	16,002,815	9,032,662	25,035,476	24,984,854	99.8%	24,577	25,009,431	99.9%
2013	2014	15,046,561	8,032,782	23,079,343	23,048,115	99.9%	25,827	23,073,941	100.0%
2012	2013	13,581,439	8,611,683	22,193,122	22,172,045	99.9%	19,132	22,191,177	100.0%
2011	2012	13,403,494	5,525,247	18,928,741	18,868,406	99.7%	*	18,868,406	99.7%
2010	2011	12,020,000	8,336,483	20,356,484	20,311,674	99.8%	*	20,311,674	99.8%

**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.

\* Records not readily available

City of Middleton

Ratios of Outstanding Debt by Type

For the fiscal years ended December 31, 2010 through 2019

Table 9

Year	Governmental Activities	Business-type Activities			Total Primary Government	Percentage of Adjusted Gross Income	Per Capita
	General Obligation Bond/Notes	Water Utility Bond/Notes	Sewer Utility Bond/Notes	Golf Course Bonds/Notes			
2019	\$ 43,072,193	\$ -	\$ -	\$ -	\$ 43,072,193	n/a	2,079
2018	44,935,312	-	-	-	44,935,312	3.61%	2,195
2017	46,104,664	-	-	1,400,000	47,504,664	3.96%	2,357
2016	48,027,768	-	-	1,700,000	49,727,768	3.91%	2,574
2015	51,400,887	-	-	2,649,613	54,050,500	4.75%	2,873
2014	53,586,820	-	-	3,502,292	57,089,112	5.36%	3,116
2013	50,310,208	-	-	5,464,971	55,775,179	5.37%	3,074
2012	58,130,177	-	-	6,087,650	64,217,827	6.64%	3,587
2011	48,581,956	255,000	135,000	6,495,000	55,466,956	6.11%	3,160
2010	53,551,919	495,000	260,000	7,055,000	61,361,919	8.00%	3,518

- 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, 2010 through 2019**

**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>
2019	\$ 21,815,000	\$ 21,257,193	\$ 43,072,193	1.21%	2,079
2018	24,640,000	20,295,312	44,935,312	1.28%	2,195
2017	28,590,000	18,914,664	47,504,664	1.55%	2,357
2016	25,050,000	24,677,768	49,727,768	1.67%	2,574
2015	28,130,000	25,920,500	54,050,500	1.85%	2,873
2014	31,230,000	25,859,112	57,089,112	2.13%	3,116
2013	34,000,000	21,775,179	55,775,179	2.11%	3,074
2012	36,595,000	27,622,827	64,217,827	2.44%	3,587
2011	29,810,000	25,656,956	55,466,956	2.10%	3,160
2010	33,165,000	28,196,919	61,361,919	2.35%	3,518

- 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, 2019**

**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	\$ 43,072,193	100.00%	\$ 43,072,193
Dane County	438,492,158	5.45%	23,915,798
School Districts:			
Middleton Area	198,710,000	46.76%	92,925,301
Waunakee Community	75,804,991	2.86%	2,169,164
Madison Area			
Technical College	<u>179,836,161</u>	3.99%	<u>7,175,360</u>
Subtotal Overlapping	<u>892,843,310</u>		<u>126,185,624</u>
Total Direct and Overlapping Debt	<u>\$ 935,915,503</u>		<u>\$ 169,257,817</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, 2010 through 2019

Table 12

Legal Debt Margin Calculation for Fiscal Year 2019

Equalized valuation	\$	3,829,510,100
Legal debt limit (5% of equalized valuation)		191,475,505
Less: Long-term debt		<u>41,879,202</u>
Legal debt margin	\$	<u>149,596,303</u>

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Debt Limit	\$ 191,475,505	\$ 177,278,560	\$ 168,003,405	\$ 157,188,345	\$ 145,366,755	\$ 141,867,215	\$ 138,171,950	\$ 135,581,975	\$ 132,632,900	\$ 134,974,305
Total net debt applicable to limit	41,879,202	44,314,426	46,776,389	49,030,000	53,375,000	56,675,000	55,390,000	63,960,000	55,923,304	61,361,919
Legal Debt Margin	149,596,303	132,964,134	121,227,016	108,158,345	91,991,755	85,192,215	82,781,950	71,621,975	76,709,596	73,612,386
Total net debt applicable to limit as a percentage of debt limit	21.87%	25.00%	27.84%	31.19%	36.72%	39.95%	40.09%	47.17%	42.16%	45.46%

**Note:** 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, 2010 through 2019

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
2019	20,713	n/a	n/a	n/a	n/a	2.3%	3.3%
2018	20,472	\$ 1,246,346,523	\$ 60,881	\$ 40,153	\$ 31,962	2.2%	3.0%
2017	20,151	1,200,526,751	59,577	38,542	30,182	2.4	3.3
2016	19,317	1,272,689,634	65,884	37,523	29,711	2.9	4.0
2015	18,810	1,138,112,299	60,506	36,614	29,145	3.2	4.6
2014	18,323	1,064,677,170	58,106	34,798	27,671	3.7	5.4
2013	18,146	1,039,145,850	57,266	33,922	26,963	4.7	6.7
2012	17,903	966,812,380	54,003	32,092	26,271	4.9	7.0
2011	17,555	908,000,370	51,723	30,295	24,942	5.3	7.8
2010	17,442	766,606,700	43,952	29,506	24,218	5.9	8.7

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	2019			2010		
	Number of Employees (1)	Rank	Percentage of Total City Employment (2)	Number of Employees	Rank	Percentage of Total City Employment (3)
PPD (Bio-Pharmaceutical)	1,400	1	5.9%	400	6	2.2%
Middleton Cross Plains Area School District	1,179	2	5.0%	787	2	4.4%
Electronic Theatre Controls	954	3	4.0%	450	4	2.5%
Spectrum Brands Holdings	451	4	1.9%			
UW Medical Foundation	650	5	2.7%			
Springs Window Fashions	550	6	2.3%	820	1	4.5%
North Central Group	545	7	2.3%			
American Girl	451	8	1.9%	754	3	4.2%
West Corporation	400	9	1.7%			
Telephone and Data Systems, Inc. (TDS)	344	10	1.5%	350	7	1.9%
Bruce Company of Wisconsin				450	4	2.5%
Certgy, Inc.				300	8	1.7%
Capitol Indemnity Corp				172	10	1.0%
J.G. Hammons (Marriott)				200	9	1.1%

**Notes:** (1) Source - In Business Greater Madison-September 2019  
(2) Source - U.S. Census  
(3) Source - Wisconsin Business Services and Manufacturers Directory 2009

**City of Middleton**

**Table 15**

**City Government Employees by Function/Program**  
**For the fiscal years ended December 31, 2010 through 2019**  
**(full-time equivalents)**

Function/Program	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Government:										
Municipal Court	1.50	1.38	1.50	1.50	1.50	1.50	1.50	1.50	1.00	1.00
Information Technology	3.50	3.50	3.50	3.00	3.00	3.00	3.00	3.00	3.00	2.00
Administration	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.00
Finance/City Clerk	5.20	6.25	5.50	5.50	5.50	5.50	5.50	5.50	5.50	4.50
Public Safety:										
Police	50.25	49.25	48.25	48.00	45.50	45.50	46.50	46.50	47.00	47.00
Emergency Medical Services	16.00	16.00	16.00	16.00	14.00	14.00	14.50	15.50	14.00	14.00
Building Inspection	3.00	3.50	3.50	4.00	3.75	3.75	3.75	2.75	2.75	2.75
Community Services	1.50	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Public Works:										
Public Works	21.13	21.13	20.13	18.75	26.75	26.75	17.75	17.75	16.75	20.00
Health and Human Services:										
Senior Center	5.79	5.75	5.60	5.40	5.38	5.38	5.05	5.05	5.00	5.00
Leisure Activities:										
Recreation	18.13	17.75	17.75	17.50	17.55	17.55	12.75	12.75	12.75	12.75
Youth Center	1.38	1.38	1.30	1.30	1.00	1.00	1.00	1.00	1.00	-
Library	25.30	24.30	24.30	24.30	15.80	15.80	24.75	25.35	15.50	16.00
Conservation/Development:										
Planning	4.00	3.89	3.39	3.25	3.00	3.00	3.00	3.00	3.00	3.00
Forestry	2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Public Lands/Conservancy	10.10	9.95	9.95	9.35	9.35	9.35	9.00	9.00	7.00	7.00
Tourism	3.00	3.00	3.00	3.00	2.50	2.50	2.00	2.00	2.00	2.00
Water and Sewer Utilities	9.00	9.00	9.00	9.00	8.00	8.00	8.00	8.00	8.00	8.00
Golf Course	17.00	17.00	17.00	17.00	17.00	17.00	17.50	17.00	7.00	7.00
Total Employment	<u>199.28</u>	<u>196.53</u>	<u>193.17</u>	<u>190.35</u>	<u>183.08</u>	<u>183.08</u>	<u>179.05</u>	<u>179.15</u>	<u>154.75</u>	<u>155.00</u>

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

City of Middleton

Table 16

Operating Indicators by Function/Program

For the fiscal years ended December 31, 2010 through 2019

Function/Program	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Government										
Real estate parcels	6,709	6,686	6,641	6,633	6,596	6,586	6,582	6,525	6,517	6,474
Personal property accounts	800	756	761	881	851	856	861	861	906	811
Dog licenses issued	688	700	592	601	608	568	495	484	*	516
Operator licenses Issued	350	345	341	286	262	317	250	316	252	331
Public Safety										
Calls for police service	21,163	21,617	21,335	22,184	20,998	17,038	18,803	18,281	19,229	19,237
Police reports processed	11,326	11,013	11,700	12,206	11,638	7,115	8,586	8,537	8,844	9,263
Criminal arrests processed	297	298	436	366	422	362	465	618	619	640
Citations processed	2,404	2,786	2,871	3,592	4,008	3,534	5,432	5,617	6,012	5,891
Warnings processed	3,518	3,387	4,190	4,468	3,821	936	1,162	1,234	1,878	2,022
911 calls received	3,300	3,338	3,342	3,085	3,296	3,028	3,207	3,049	3,343	3,048
EMS responses	1,805	1,857	1,816	1,776	1,680	1,673	1,618	1,612	1,594	1,458
Public Works										
City roadway miles maintained	73.3	73.2	73.2	72.3	72.1	71.1	70.8	70.8	68.5	68.3
Homes receiving refuse collection	5,047	5,032	5,020	4,985	4,935	4,858	4,795	4,711	4,626	4,587
Health and Human Services										
Senior center daily participants	230	200	188	191	192	183	195	165	134	175
Case management contacts	5,376	4,853	4,847	6,426	4,965	5,520	4,297	4,487	2,980	3,348
Meals on Wheels delivered	6,952	4,428	4,691	4,906	5,061	5,311	5,585	5,855	6,061	5,863
Dining center meals served	5,562	5,038	4,534	4,910	5,465	5,823	5,952	5,539	3,864	3,287
Public Lands/Recreation										
Aquatic center attendance	26,540	27,775	30,000	34,169	34,247	30,000	37,000	38,500	*	*
Recreation program attendance	2,504	2,103	1,908	1,806	1,210	1,400	1,669	1,655	1,741	*
Hubbard Activity Center attendance	1,195	1,178	1,051	1,008	982	685	429	*	*	*
Park facility rentals	381	363	357	399	326	515	390	389	445	429
Library										
Library items circulated	704,692	730,404	733,924	675,565	710,108	718,840	769,485	776,132	769,064	803,496
Library user visits	359,482	371,703	367,266	334,192	351,363	344,515	361,994	377,218	368,396	367,954
Registered borrowers	19,936	19,834	18,676	19,414	18,880	18,555	18,041	20,752	19,180	16,900
Library event participants	47,777	40,884	41,449	32,174	30,247	25,404	20,348	19,642	19,240	16,782
Water Utility										
Number of customers	6,205	6,184	6,150	6,093	6,060	5,993	5,883	5,818	5,754	5,742
Gallons sold (millions)	664,488	702,375	714,834	720,392	699,598	698,326	718,663	778,448	697,780	693,387
Sewer										
Number of customers	5,780	5,801	5,771	5,722	5,650	5,583	5,526	5,455	5,406	5,354

Notes: (1) Source - City department records

City of Middleton

Table 17

Capital Asset Statistics by Function/Program

For the fiscal years ended December 31, 2010 through 2019

Function/Program	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Public Safety</b>										
Police stations	1	1	1	1	1	1	1	1	1	1
Police vehicles	21	21	21	21	21	22	22	22	22	*
EMS stations	1	1	1	1	1	1	1	1	1	1
Ambulances	3	3	3	3	3	3	3	3	3	3
<b>Public Works</b>										
Streets (miles)	73.3	73.2	73.2	72.3	72.1	71.1	70.8	70.8	68.5	68.3
Traffic signals	17	17	17	16	16	15	15	15	15	15
<b>Public Lands</b>										
Park acreage	558	558	516	516	499	499	499	*	*	*
Conservancy acreage	865.8	865.8	828	828	850	818	818	820	820	800
Miles of maintained trails	27.5	27.5	30.0	30.0	30.0	28.0	22.5	21.0	17.0	35.0
<b>Water Utility</b>										
Miles of water main	93.4	93.1	93.0	90.0	89.2	88.6	89.0	88.9	88.6	88.4
Number of pumping stations	8	8	8	8	8	8	8	8	8	8
Number of fire hydrants	994	991	990	990	985	967	956	927	925	923
Number of water meters	6,552	6,465	6,419	6,350	6,246	6,165	5,941	5,450	6,016	5,381
<b>Sewer Utility</b>										
Miles of sanitary sewer	81.5	81.5	81.5	81.5	80.9	81.0	78.0	78.0	78.0	77.4
Number of pumping stations	9	9	9	9	9	9	9	9	9	9
Miles of sanitary sewer	81.5	81.3	81.3	81.3	80.9	80.3	78.8	78.3	78.0	77.5

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