

CITY OF GLENDALE

Glendale, Wisconsin

FINANCIAL STATEMENTS

Including Independent Auditors' Report

As of and for the Year Ended December 31, 2018

CITY OF GLENDALE

TABLE OF CONTENTS As of and for the Year Ended December 31, 2018

	<u>Page</u>
Independent Auditors' Report	1 – 3
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	4
Statement of Activities	5 – 6
Fund Financial Statements	
Balance Sheet – Governmental Funds	7 – 8
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	9 – 10
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	11
Statement of Net Position – Proprietary Funds	12 – 13
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds	14
Statement of Cash Flows – Proprietary Funds	15 – 16
Statement of Fiduciary Net Position – Fiduciary Funds	17
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	18
Index to Notes to Financial Statements	19
Notes to Financial Statements	20 – 67

CITY OF GLENDALE

TABLE OF CONTENTS (cont.) As of and for the Year Ended December 31, 2018

	<u>Page</u>
Required Supplementary Information	
Budgetary Comparison Schedule (NON-GAAP) – General Fund	68
Schedule of Changes in the Total OPEB Liability	69
Schedule of Proportionate Share of the Net Pension Liability (Asset) – Wisconsin Retirement System	70
Schedule of Employer Contributions – Wisconsin Retirement System	70
Notes to Required Supplementary Information	71
Supplementary Information	
Combining Balance Sheet – Non-Major Governmental Funds	72 – 73
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Governmental Funds	74 – 75
Schedule of Revenues – Actual and Budget (Non-GAAP) – General Fund	76– 77
Schedule of Departmental Expenditures – Actual and Budget – General Fund	78
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Non-GAAP) – Debt Service Fund	79
Schedule of Operations and Maintenance Expense – Enterprise Fund – Water Utility – 2018 and 2017	80
Combining Schedule of Changes in Assets and Liabilities – Agency Fund	81

INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

To the City Council
City of Glendale
Glendale, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Glendale, Wisconsin, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City of Glendale'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 Glendale'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 Glendale'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, each major fund, and the aggregate remaining fund information of the City of Glendale, Wisconsin, as of December 31, 2018 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit for the year ended December 31, 2018 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Glendale's basic financial statements. The supplementary information for the year ended December 31, 2018 as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended December 31, 2018 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole for the year ended December 31, 2018.

We have also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the City of Glendale as of and for the year ended December 31, 2017 (not presented herein), and have issued our report thereon dated September 27, 2018, which contained unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information. The schedule of operations and maintenance expense as listed in the table of contents for the year ended December 31, 2017 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 2017 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2017 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of operations and maintenance expense as listed in the table of contents is fairly stated in all material respects in relation to the basic financial statements as a whole on the basis of accounting described in Note I for the year ended December 31, 2017.

Baker Tilly US, LLP

Baker Tilly US, LLP (formerly known as Baker Tilly Virchow Krause, LLP)
Milwaukee, Wisconsin
August 25, 2020

BASIC FINANCIAL STATEMENTS

CITY OF GLENDALE

STATEMENT OF NET POSITION As of December 31, 2018

	Governmental Activities	Business-type Activities	Totals
ASSETS			
Cash and investments	\$ 21,403,307	\$ 2,446,228	\$ 23,849,535
Receivables (net)			
Taxes	25,758,427	-	25,758,427
Accounts	1,456,979	1,394,252	2,851,231
Special assessments	9,386,185	-	9,386,185
Delinquent personal property taxes	9,356	-	9,356
Accrued interest	99,516	-	99,516
Due from other governments	-	201,548	201,548
Internal balances	508,250	(508,250)	-
Inventories	-	86,551	86,551
Prepaid items	148,976	11,299	160,275
Restricted assets			
Cash and investments	16,200,193	963,361	17,163,554
Net pension asset	1,301,624	61,953	1,363,577
Deposit with insurance company	658,835	-	658,835
Other assets	-	1,179	1,179
Capital assets			
Land	3,514,794	52,186	3,566,980
Construction in progress	1,539,964	61,031	1,600,995
Other capital assets, net of accumulated depreciation	<u>27,639,164</u>	<u>25,667,442</u>	<u>53,306,606</u>
Total Assets	<u>109,625,570</u>	<u>30,438,780</u>	<u>140,064,350</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related amounts	2,497,869	171,835	2,669,704
OPEB related amounts	<u>1,419,960</u>	-	<u>1,419,960</u>
Total Deferred Inflows of Resources	<u>3,917,829</u>	<u>171,835</u>	<u>4,089,664</u>
LIABILITIES			
Accounts payable and other accrued liabilities	1,480,620	832,229	2,312,849
Accrued interest	874,605	74,004	948,609
Noncurrent Liabilities			
Due within one year	17,307,522	1,120,916	18,428,438
Due in more than one year	<u>111,949,430</u>	<u>7,771,122</u>	<u>119,720,552</u>
Total Liabilities	<u>131,612,177</u>	<u>9,798,271</u>	<u>141,410,448</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related amounts	2,533,036	151,460	2,684,496
OPEB related amounts	394,067	-	394,067
Unearned revenue	<u>24,222,009</u>	-	<u>24,222,009</u>
Total Deferred Inflows of Resources	<u>27,149,112</u>	<u>151,460</u>	<u>27,300,572</u>
NET POSITION			
Net investment in capital assets	22,250,909	18,031,092	37,831,588
Restricted for			
Emergency fund	-	80,049	80,049
Maintenance	-	480,182	480,182
Equipment replacement	-	403,130	403,130
Pensions	1,301,624	61,953	1,363,577
Debt service	10,848,437	-	10,848,437
Unrestricted (deficit)	<u>(79,618,860)</u>	<u>1,604,478</u>	<u>(75,563,969)</u>
TOTAL NET POSITION (DEFICIT)	<u>\$ (45,217,890)</u>	<u>\$ 20,660,884</u>	<u>\$ (24,557,006)</u>

See accompanying notes to the financial statements.

CITY OF GLENDALE

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2018

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental Activities				
General government	\$ 1,593,596	\$ 670,110	\$ -	\$ -
Public safety	11,042,640	1,138,490	15,524	-
Public works	5,111,275	753,907	1,245,593	-
Health and human services	707,859	-	-	-
Culture, education and recreation	857,561	40,182	-	928,000
Conservation and development	426,493	-	398,035	-
Interest and fiscal charges	3,209,217	-	-	-
Total Governmental Activities	<u>22,948,641</u>	<u>2,602,689</u>	<u>1,659,152</u>	<u>928,000</u>
Business-type Activities				
Water Utility	2,394,113	3,356,953	-	-
Sewer Utility	2,116,690	2,042,346	184,947	-
Storm Water Utility	1,032,306	1,139,105	-	-
Total Business-type Activities	<u>5,543,109</u>	<u>6,538,404</u>	<u>184,947</u>	<u>-</u>
 Total	 <u>\$ 28,491,750</u>	 <u>\$ 9,141,093</u>	 <u>\$ 1,844,099</u>	 <u>\$ 928,000</u>

General Revenues

Taxes

 Property taxes, levied for general purposes

 Property taxes, levied for debt service

 Property taxes, levied for TIF districts

 Property taxes, levied for other

 Intergovernmental revenues not restricted to specific programs

 Investment income

Transfers

Total General Revenues and Transfers

Change in net position

NET POSITION (DEFICIT) - Beginning of Year

NET POSITION (DEFICIT) - END OF YEAR

See accompanying notes to the financial statements.

Net (Expenses) Revenues and Changes in Net Position		
Governmental Activities	Business-type Activities	Totals
\$ (923,486)	\$ -	\$ (923,486)
(9,888,626)	-	(9,888,626)
(3,111,775)	-	(3,111,775)
(707,859)	-	(707,859)
110,621	-	110,621
(28,458)	-	(28,458)
(3,209,217)	-	(3,209,217)
<u>(17,758,800)</u>	<u>-</u>	<u>(17,758,800)</u>
-	962,840	962,840
-	110,603	110,603
-	106,799	106,799
-	<u>1,180,242</u>	<u>1,180,242</u>
<u>(17,758,800)</u>	<u>1,180,242</u>	<u>(16,578,558)</u>
9,773,796	-	9,773,796
2,869,965	-	2,869,965
11,555,011	-	11,555,011
855,489	-	855,489
922,078	-	922,078
1,115,756	51,927	1,167,683
456,237	(456,237)	-
<u>27,548,332</u>	<u>(404,310)</u>	<u>27,144,022</u>
9,789,532	775,932	10,565,464
<u>(55,007,422)</u>	<u>19,884,952</u>	<u>(35,122,470)</u>
<u>\$ (45,217,890)</u>	<u>\$ 20,660,884</u>	<u>\$ (24,557,006)</u>

See accompanying notes to the financial statements.

CITY OF GLENDALE

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2018

	<u>General</u>	<u>Debt Service</u>	<u>General Capital Projects</u>
ASSETS			
Cash and investments	\$ 4,798,020	\$ 79,248	\$ 9,473,987
Receivables (net)			
Taxes	9,099,178	2,869,965	-
Accounts	155,127	-	1,219,886
Special assessments	-	-	-
Delinquent personal property taxes	9,356	-	-
Accrued interest	61,179	-	-
Due from other funds	518,521	-	129,417
Prepaid items	94,042	-	-
	<u>\$ 14,735,423</u>	<u>\$ 2,949,213</u>	<u>\$ 10,823,290</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 405,156	\$ -	\$ 706,564
Accrued liabilities	260,016	-	-
Deposits	14,105	-	-
Due to other funds	-	-	342,038
Total Liabilities	<u>679,277</u>	<u>-</u>	<u>1,048,602</u>
Deferred Inflows of Resources			
Unearned revenues	9,099,178	2,869,965	-
Unavailable revenues	28,370	-	1,219,886
Total Deferred Inflows of Resources	<u>9,127,548</u>	<u>2,869,965</u>	<u>1,219,886</u>
Fund Balances			
Nonspendable	103,398	-	-
Restricted	-	79,248	8,554,802
Committed	-	-	-
Unassigned	4,825,200	-	-
Total Fund Balances	<u>4,928,598</u>	<u>79,248</u>	<u>8,554,802</u>
	<u>\$ 14,735,423</u>	<u>\$ 2,949,213</u>	<u>\$ 10,823,290</u>

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

Capital assets used in governmental funds are not
financial resources and therefore are not reported in the funds. See Note II. A.

Internal Service fund net position

The net pension asset does not relate to current financial resources
and is not reported in the governmental funds.

Deferred outflows of resources related to pensions and OPEBs do not relate to current financial resources
and are not reported in the governmental funds.

Deferred inflows of resources related to pensions and OPEBs do not relate to current financial resources
and are not reported in the governmental funds.

Some receivables that are not current available are reported as unavailable revenues in the fund financial
statements but are recognized as revenue when earned in the government-wide statements.

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.

NET POSITION (DEFICIT) OF GOVERNMENTAL ACTIVITIES

See accompanying notes to the financial statements.

Parking Capital Projects	TIF #6 Capital Projects	TIF #7 Capital Projects	TIF #8 Capital Projects	Nonmajor Governmental Funds	Totals
\$ 1,579,324	\$ 2,774,253	\$ 2,394,446	\$ 14,601,002	\$ 1,548,580	\$ 37,248,860
1,536,418	3,291,560	2,430,831	5,910,213	620,262	25,758,427
-	-	-	27,029	54,937	1,456,979
9,386,185	-	-	-	-	9,386,185
-	-	-	-	-	9,356
2,049	-	-	36,288	-	99,516
-	-	-	-	230,119	878,057
-	-	-	-	54,934	148,976
<u>\$ 12,503,976</u>	<u>\$ 6,065,813</u>	<u>\$ 4,825,277</u>	<u>\$ 20,574,532</u>	<u>\$ 2,508,832</u>	<u>\$ 74,986,356</u>
\$ -	\$ -	\$ -	\$ 13,737	\$ 32,871	\$ 1,158,328
-	-	-	-	135	260,151
2,275	-	-	-	5,265	21,645
-	-	-	-	27,769	369,807
<u>2,275</u>	<u>-</u>	<u>-</u>	<u>13,737</u>	<u>66,040</u>	<u>1,809,931</u>
-	3,291,560	2,430,831	5,910,213	620,262	24,222,009
10,922,603	-	-	-	-	12,170,859
<u>10,922,603</u>	<u>3,291,560</u>	<u>2,430,831</u>	<u>5,910,213</u>	<u>620,262</u>	<u>36,392,868</u>
-	-	-	-	54,934	158,332
1,579,098	2,774,253	2,394,446	14,650,582	-	30,032,429
-	-	-	-	1,800,202	1,800,202
-	-	-	-	(32,606)	4,792,594
<u>1,579,098</u>	<u>2,774,253</u>	<u>2,394,446</u>	<u>14,650,582</u>	<u>1,822,530</u>	<u>36,783,557</u>
<u>\$ 12,503,976</u>	<u>\$ 6,065,813</u>	<u>\$ 4,825,277</u>	<u>\$ 20,574,532</u>	<u>\$ 2,508,832</u>	
					32,693,922
					972,979
					1,301,624
					3,917,829
					(2,927,103)
					12,170,859
					<u>(130,131,557)</u>
					<u>\$ (45,217,890)</u>

See accompanying notes to the financial statements.

CITY OF GLENDALE

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS

For the Year Ended December 31, 2018

	<u>General</u>	<u>Debt Service</u>	<u>General Capital Projects</u>
REVENUES			
Taxes	\$ 9,160,797	\$ 2,869,965	\$ -
Intergovernmental	2,070,182	-	51,593
Licenses and permits	704,697	-	-
Fines, forfeitures and penalties	505,860	-	-
Public charges for services	437,121	-	-
Special assessments	-	-	-
Investment income	280,219	-	142,074
Miscellaneous	214,763	-	1,054,961
Total Revenues	<u>13,373,639</u>	<u>2,869,965</u>	<u>1,248,628</u>
EXPENDITURES			
Current			
General government	1,443,154	-	-
Public safety	10,234,615	-	-
Public works	2,245,428	-	-
Health and human services	91,584	-	-
Culture, recreation and education	492,791	-	-
Conservation and development	130,493	-	-
Capital outlay	-	-	3,119,274
Debt service			
Principal	-	14,077,297	-
Interest and fees	-	3,368,062	137,340
Total Expenditures	<u>14,638,065</u>	<u>17,445,359</u>	<u>3,256,614</u>
Excess (deficiency) of revenues over expenditures	<u>(1,264,426)</u>	<u>(14,575,394)</u>	<u>(2,007,986)</u>
OTHER FINANCING SOURCES (USES)			
Debt premium	-	8,911	144,843
Debt issued	-	1,525,000	7,120,000
Transfers in	1,445,959	13,054,071	-
Transfers out	-	-	(56,444)
Total Other Financing Sources (Uses)	<u>1,445,959</u>	<u>14,587,982</u>	<u>7,208,399</u>
Net Change in Fund Balances	181,533	12,588	5,200,413
FUND BALANCES - Beginning of Year	<u>4,747,065</u>	<u>66,660</u>	<u>3,354,389</u>
FUND BALANCES - END OF YEAR	<u>\$ 4,928,598</u>	<u>\$ 79,248</u>	<u>\$ 8,554,802</u>

See accompanying notes to the financial statements.

<u>Parking Capital Projects</u>	<u>TIF #6 Capital Projects</u>	<u>TIF #7 Capital Projects</u>	<u>TIF #8 Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Totals</u>
\$ -	\$ 2,979,794	\$ 2,252,999	\$ 6,322,218	\$ 1,468,489	\$ 25,054,262
-	60,696	314,654	22,685	61,419	2,581,229
-	-	-	-	-	704,697
-	-	-	-	-	505,860
-	-	-	-	650,870	1,087,991
1,240,000	-	-	-	-	1,240,000
307,746	44,714	53,278	232,750	3,589	1,064,370
-	-	-	27,030	106,190	1,402,944
<u>1,547,746</u>	<u>3,085,204</u>	<u>2,620,931</u>	<u>6,604,683</u>	<u>2,290,557</u>	<u>33,641,353</u>
-	-	-	-	-	1,443,154
-	-	-	-	35,209	10,269,824
-	-	-	-	139,877	2,385,305
-	-	-	-	616,275	707,859
-	-	-	-	89,136	581,927
-	-	-	-	156,919	287,412
-	3,167	3,167	143,115	17,270	3,285,993
-	-	-	-	-	-
-	-	-	-	-	14,077,297
-	-	-	-	-	3,505,402
-	<u>3,167</u>	<u>3,167</u>	<u>143,115</u>	<u>1,054,686</u>	<u>36,544,173</u>
<u>1,547,746</u>	<u>3,082,037</u>	<u>2,617,764</u>	<u>6,461,568</u>	<u>1,235,871</u>	<u>(2,902,820)</u>
-	-	-	-	-	153,754
-	-	-	-	-	8,645,000
-	-	-	-	-	14,500,030
<u>(1,548,317)</u>	<u>(2,653,407)</u>	<u>(3,146,686)</u>	<u>(5,649,217)</u>	<u>(989,722)</u>	<u>(14,043,793)</u>
<u>(1,548,317)</u>	<u>(2,653,407)</u>	<u>(3,146,686)</u>	<u>(5,649,217)</u>	<u>(989,722)</u>	<u>9,254,991</u>
(571)	428,630	(528,922)	812,351	246,149	6,352,171
<u>1,579,669</u>	<u>2,345,623</u>	<u>2,923,368</u>	<u>13,838,231</u>	<u>1,576,381</u>	<u>30,431,386</u>
<u>\$ 1,579,098</u>	<u>\$ 2,774,253</u>	<u>\$ 2,394,446</u>	<u>\$ 14,650,582</u>	<u>\$ 1,822,530</u>	<u>\$ 36,783,557</u>

See accompanying notes to the financial statements.

CITY OF GLENDALE

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, 2018

Net change in fund balances - total governmental funds	\$ 6,352,171
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However in the statement of net position the cost of these assets are capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.

Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide statements	3,285,993
Some items reported as capital outlay were not capitalized	(1,728,069)
Depreciation is reported in the government-wide financial statements	(1,638,346)
Net book value of assets retired	(20,565)

Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Debt issued	(8,645,000)
Principal repaid	14,077,298

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.

Special assessments	(1,241,515)
Due from other governments	(3,208)
Sponsor receivables	(121,800)
Other	20,747

Internal service fund change in net position	(29,508)
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Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Compensated absences	92,790
Debt premium amortization (net)	9,097
Other post employment obligation	(1,459,174)
Net pension asset/liability	1,647,714
Deferred outflows of resources related to pensions and OPEBs	406,980
Deferred inflows of resources related to pensions and OPEBs	(1,349,405)
Accrued interest	133,332

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 9,789,532</u>
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See accompanying notes to the financial statements.

CITY OF GLENDALE

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 As of December 31, 2018

	Business-type Activities - Enterprise Funds			Totals	Governmental Activities - Internal Service Fund
	Water Utility	Sewer Utility	Storm Water Utility		
ASSETS					
Current Assets					
Cash and investments	\$ 995,098	\$ 1,399,904	\$ 51,226	\$ 2,446,228	\$ 354,641
Receivables					
Accounts	1,148,431	-	164	1,148,595	-
Due from other governments	16,601	184,947	-	201,548	-
Accrued utility revenue	245,657	-	-	245,657	-
Due from other funds	-	737,930	696,794	1,434,724	-
Prepays	3,425	612	7,262	11,299	-
Inventories	86,551	-	-	86,551	-
Total Current Assets	<u>2,495,763</u>	<u>2,323,393</u>	<u>755,446</u>	<u>5,574,602</u>	<u>354,641</u>
Noncurrent Assets					
Restricted Assets					
Cash and investments	560,231	403,130	-	963,361	-
Net pension asset	41,512	6,964	13,477	61,953	-
Deposit with insurance company	-	-	-	-	658,835
Capital assets					
Land and intangibles	52,186	-	-	52,186	-
Construction in progress	61,031	-	-	61,031	-
Property and equipment	30,287,133	4,338,443	6,432,011	41,057,587	-
Less: Accumulated depreciation	(11,238,795)	(2,024,833)	(2,126,517)	(15,390,145)	-
Other Assets					
Non-utility property - net value	1,179	-	-	1,179	-
Total Noncurrent Assets	<u>19,764,477</u>	<u>2,723,704</u>	<u>4,318,971</u>	<u>26,807,152</u>	<u>658,835</u>
Total Assets	<u>22,260,240</u>	<u>5,047,097</u>	<u>5,074,417</u>	<u>32,381,754</u>	<u>1,013,476</u>
DEFERRED OUTFLOW OF RESOURCES					
Pension related amounts	<u>75,027</u>	<u>63,546</u>	<u>33,262</u>	<u>171,835</u>	<u>-</u>

See accompanying notes to the financial statements.

	Business-type Activities - Enterprise Funds			Totals	Governmental
	Water Utility	Sewer Utility	Storm Water Utility		Activities - Internal Service Fund
LIABILITIES					
Current Liabilities					
Accounts payable	246,626	271,217	298,352	816,195	40,497
Accrued payroll	9,206	3,856	2,972	16,034	-
Due to other funds	1,942,974	-	-	1,942,974	-
Current portion of long-term debt	646,342	325,124	138,104	1,109,570	-
Compensated absences	11,346	-	-	11,346	-
Accrued interest payable	51,674	10,767	11,563	74,004	-
Total Current Liabilities	<u>2,908,168</u>	<u>610,964</u>	<u>450,991</u>	<u>3,970,123</u>	<u>40,497</u>
Noncurrent Liabilities					
Bonds and notes payable	<u>5,406,526</u>	<u>1,201,914</u>	<u>1,162,682</u>	<u>7,771,122</u>	-
Total Noncurrent Liabilities	<u>5,406,526</u>	<u>1,201,914</u>	<u>1,162,682</u>	<u>7,771,122</u>	-
Total Liabilities	<u>8,314,694</u>	<u>1,812,878</u>	<u>1,613,673</u>	<u>11,741,245</u>	<u>40,497</u>
DEFERRED INFLOW OF RESOURCES					
Pension related amounts	<u>98,212</u>	<u>31,280</u>	<u>21,968</u>	<u>151,460</u>	-
NET POSITION					
Net investment in capital assets	13,108,687	1,454,702	3,467,703	18,031,092	-
Restricted for					
Emergency fund	80,049	-	-	80,049	-
Maintenance	480,182	-	-	480,182	-
Equipment replacement	-	403,130	-	403,130	-
Pensions	41,512	6,964	13,477	61,953	-
Unrestricted (deficit)	<u>211,931</u>	<u>1,401,689</u>	<u>(9,142)</u>	<u>1,604,478</u>	<u>972,979</u>
TOTAL NET POSITION	<u>\$ 13,922,361</u>	<u>\$ 3,266,485</u>	<u>\$ 3,472,038</u>	<u>\$ 20,660,884</u>	<u>\$ 972,979</u>

See accompanying notes to the financial statements.

CITY OF GLENDALE

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION PROPRIETARY FUNDS

For the Year Ended December 31, 2018

	Business-type Activities - Enterprise Funds			Total	Governmental
	Water Utility	Sewer Utility	Storm Water Utility		Internal Service Fund
OPERATING REVENUES					
Charges for services and sales	\$ 3,356,953	\$ 2,042,346	\$ 1,139,105	\$ 6,538,404	\$ -
Other operating revenues	-	-	-	-	84,135
Total Operating Revenues	<u>3,356,953</u>	<u>2,042,346</u>	<u>1,139,105</u>	<u>6,538,404</u>	<u>84,135</u>
OPERATING EXPENSES					
Operation and maintenance	1,698,119	2,014,308	895,612	4,608,039	113,643
Depreciation	556,653	57,614	102,856	717,123	-
Total Operating Expenses	<u>2,254,772</u>	<u>2,071,922</u>	<u>998,468</u>	<u>5,325,162</u>	<u>113,643</u>
Operating income (loss)	<u>1,102,181</u>	<u>(29,576)</u>	<u>140,637</u>	<u>1,213,242</u>	<u>(29,508)</u>
NONOPERATING REVENUES (EXPENSES)					
Investment income	16,772	32,392	2,763	51,927	-
Grant revenue	-	184,947	-	184,947	-
Interest expense	(139,341)	(44,768)	(33,838)	(217,947)	-
Total Nonoperating Revenues (Expenses)	<u>(122,569)</u>	<u>172,571</u>	<u>(31,075)</u>	<u>18,927</u>	<u>-</u>
Income (Loss) Before Transfers	<u>979,612</u>	<u>142,995</u>	<u>109,562</u>	<u>1,232,169</u>	<u>(29,508)</u>
TRANSFERS					
Transfers out - tax equivalent	<u>(456,237)</u>	<u>-</u>	<u>-</u>	<u>(456,237)</u>	<u>-</u>
CHANGE IN NET POSITION	<u>523,375</u>	<u>142,995</u>	<u>109,562</u>	<u>775,932</u>	<u>(29,508)</u>
NET POSTION - Beginning of Year	<u>13,398,986</u>	<u>3,123,490</u>	<u>3,362,476</u>	<u>19,884,952</u>	<u>1,002,487</u>
NET POSITION - END OF YEAR	<u>\$ 13,922,361</u>	<u>\$ 3,266,485</u>	<u>\$ 3,472,038</u>	<u>\$ 20,660,884</u>	<u>\$ 972,979</u>

See accompanying notes to the financial statements.

CITY OF GLENDALE

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended December 31, 2018

	Business-type Activities - Enterprise Funds			Totals	Governmental
	Water Utility	Sewer Utility	Storm Water Utility		Activities - Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 3,423,683	\$ 2,202,548	\$ 968,187	\$ 6,594,418	\$ -
Receipts from other funds	-	-	-	-	84,135
Paid to suppliers for goods and services	(1,572,065)	(1,874,309)	(590,881)	(4,037,255)	(84,135)
Paid to employees for services	(392,754)	(153,767)	(163,700)	(710,221)	-
Net Cash Flows From Operating Activities	<u>1,458,864</u>	<u>174,472</u>	<u>213,606</u>	<u>1,846,942</u>	<u>-</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Payments to city for tax equivalent	(456,237)	-	-	(456,237)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(1,238,315)	-	(220,270)	(1,458,585)	-
Debt issued	1,461,317	11,359	382,324	1,855,000	-
Debt retired	(564,058)	(332,729)	(429,775)	(1,326,562)	-
Grant received	-	(184,947)	-	(184,947)	-
Interest paid	(141,113)	(47,415)	(33,956)	(222,484)	-
Net Cash Flows From Capital and Related Financing Activities	<u>(482,169)</u>	<u>(553,732)</u>	<u>(301,677)</u>	<u>(1,337,578)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment income received	16,772	32,392	2,763	51,927	-
Net Change in Cash and Cash Equivalents	537,230	(346,868)	(85,308)	105,054	-
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>1,018,099</u>	<u>2,149,902</u>	<u>136,534</u>	<u>3,304,535</u>	<u>354,641</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,555,329</u>	<u>\$ 1,803,034</u>	<u>\$ 51,226</u>	<u>\$ 3,409,589</u>	<u>\$ 354,641</u>

See accompanying notes to the financial statements.

	Business-type Activities - Enterprise Funds			Total	Governmental
	Water Utility	Sewer Utility	Storm Water Utility		Activities - Internal Service Fund
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES:					
Operating income (loss)	\$ 1,102,181	\$ (29,576)	\$ 140,637	\$ 1,213,242	\$ (29,508)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities:					
Non-operating income	-	184,947	-	184,947	-
Depreciation	556,653	57,614	102,856	717,123	-
Depreciation charged to other funds	47,215	-	-	47,215	-
Change in assets and liabilities					
Accounts receivable	21,393	-	(164)	21,229	-
Inventories	(21,750)	-	-	(21,750)	-
Due from other funds	4,595	(24,745)	(170,754)	(190,904)	-
Prepayments	1,164	130	1,755	3,049	-
Accounts payable	10,742	(15,080)	137,722	133,384	29,508
Other current liabilities	817	680	2,023	3,520	-
Due to other funds	(259,064)	-	-	(259,064)	-
Compensated absences	(6,715)	-	-	(6,715)	-
Pension related deferrals and asset/liability	1,633	502	(469)	1,666	-
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 1,458,864</u>	<u>\$ 174,472</u>	<u>\$ 213,606</u>	<u>\$ 1,846,942</u>	<u>\$ -</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS					
Cash and investments - statement of net position	\$ 995,098	\$ 1,399,904	\$ 51,226	\$ 2,446,228	\$ 354,641
Restricted Cash and investments - statement of net position	<u>560,231</u>	<u>403,130</u>	<u>-</u>	<u>963,361</u>	<u>-</u>
CASH AND CASH EQUIVALENTS	<u>\$ 1,555,329</u>	<u>\$ 1,803,034</u>	<u>\$ 51,226</u>	<u>\$ 3,409,589</u>	<u>\$ 354,641</u>

See accompanying notes to the financial statements.

CITY OF GLENDALE

STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS As of December 31, 2018

	Retirees Health Insurance Benefit Trust	<u>Agency Fund</u> Tax Collection Fund
ASSETS		
Cash and investments	\$ 203,702	\$ 18,872,332
Taxes receivable	-	<u>16,506,047</u>
TOTAL ASSETS	<u>203,702</u>	<u>35,378,379</u>
LIABILITIES		
Due to other governments	-	35,322,392
Deposits	-	<u>55,987</u>
TOTAL LIABILITIES	-	<u>35,378,379</u>
NET POSITION		
Held for retirement benefits	<u>\$ 203,702</u>	<u>\$ -</u>

See accompanying notes to the financial statements.

CITY OF GLENDALE

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Year Ended December 31, 2018

	Retirees Health Insurance Benefit Trust
ADDITIONS	
Contributions	\$ -
DEDUCTIONS	
Expenses	<u>52,940</u>
Change in net position	(52,940)
Net Position - Beginning of year	<u>256,642</u>
NET POSITION - END OF YEAR	<u><u>\$ 203,702</u></u>

See accompanying notes to financial statements.

CITY OF GLENDALE

INDEX TO NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE	<u>Page</u>
I. Summary of Significant Accounting Policies	20
A. Reporting Entity	20
B. Government-Wide and Fund Financial Statements	21
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	24
D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity	26
1. Deposits and Investments	26
2. Receivables	27
3. Inventories and Prepaid Items	27
4. Restricted Assets	28
5. Capital Assets	28
6. Deferred Outflows of Resources	29
7. Compensated Absences	29
8. Long-Term Obligations/Conduit Debt	29
9. Deferred Inflows of Resources	30
10. Equity Classifications	30
11. Pension	32
12. Postemployment Benefits Other Than Pensions (OPEB)	32
13. Basis for existing rates	32
II. Reconciliation of Government-Wide and Fund Financial Statements	33
A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Statement of Net Position	33
III. Stewardship, Compliance, and Accountability	34
A. Excess Expenditures Over Appropriations	34
B. Limitations on the City's Tax Levy	34
C. Deficit Balance	34
D. Continuing Disclosure Compliance	34
IV. Detailed Notes on All Funds	35
A. Deposits and Investments	35
B. Receivables	39
C. Restricted Assets	40
D. Capital Assets	41
E. Interfund Receivables/Payables and Transfers	44
F. Long-Term Obligations	46
G. Net Position/Fund Balances	53
V. Other Information	55
A. Employees' Retirement System	55
B. Risk Management	60
C. Commitments and Contingencies	61
D. Joint Ventures	62
E. Other Postemployment Benefits	63
F. Subsequent Events	66
G. Effect of New Accounting Standards on Current-Period Financial Statements	67

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Glendale, Wisconsin (the 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 it is able to impose its will on that organization, (2) it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government, (3) the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. Certain legally separate, tax exempt organizations should also be reported as a component unit if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government or its component units, is entitled to, or has the ability to access, a majority of the economic resources received or held by the separate organization; and (3) the economic resources received or held by an individual organization that the primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to the primary government.

Component units are reported using one of two methods, discrete presentation or blending. Generally, component units should be discretely presented in a separate column in the financial statements. A component unit should be reported as part of the primary government using the blending method if it meets any one of the following criteria: (1) the primary government and the component unit have substantively the same governing body and a financial benefit or burden relationship exists, (2) the primary government and the component unit have substantively the same governing body and management of the primary government has operational responsibility for the component unit, (3) the component unit serves or benefits, exclusively or almost exclusively, the primary government rather than its citizens, or (4) the total debt of the component unit will be paid entirely or almost entirely from resources of the primary government. This report does not include any discretely presented component units.

Blended Component Unit

The Glendale Community Development Authority (CDA) serves all the citizens of the government and is governed by a board comprised of the mayor and citizens appointed by the mayor to serve four year terms. The rates for user charges and bond issuance authorizations are approved by the city council and the government is legally obligated to provide resources in case there are deficiencies in debt service payments and resources are not available from other remedies. The Glendale CDA debt and transactions are reported within the city's TIF and parking capital projects funds.

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

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

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

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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

The city reports the following major governmental funds:

General Fund – accounts for the city’s primary operating activities. It is used to account for and report all financial resources except those accounted for and reported in another fund.

Debt Service Fund – used to account for and report financial resources that are restricted, committed, or assigned to expenditure for the payment of general long-term debt principal, interest, and related costs, other than enterprise debt.

General Capital Projects Fund – used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital improvement projects.

Parking Capital Projects Fund – used to account for and report financial resources that are restricted, committed, or assigned to expenditure for the east parking structure capital improvement project.

Tax Incremental District (TIF) #6 Capital Projects Fund – used to account for and report financial resources that are restricted, committed, or assigned to expenditures outlined in the TID project plan.

Tax Incremental District (TIF) #7 Capital Projects Fund – used to account for and report financial resources that are restricted, committed, or assigned to expenditures outlined in the TID project plan.

Tax Incremental District (TIF) #8 Capital Projects Fund – used to account for and report financial resources that are restricted, committed, or assigned to expenditures outlined in the TID project plan.

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

Storm Water Utility – accounts for operations of the storm water system

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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

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

Fund Financial Statements (cont.)

The city reports the following non-major governmental 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).

Grant Funds	July 4 th Celebration
Human Services	Environmental Fund
Police Acquisition	DARE Fund
Hotel Room Tax	Park

In addition, the city reports the following fund types:

Internal Service Fund are used to account for and report the financing of goods or services provided by one department or agency to other departments or agencies of the city, or to other governmental units, on a cost-reimbursement basis.

General Liability Self Insurance

Pension (and Other Employee Benefit) trust fund are used to account for and report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, other postemployment benefit plans, or other employee benefit plans.

Retirees Health Insurance Benefit Trust

Agency Fund are used to account for and report assets held by the city in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units.

Tax Collection Fund

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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

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

Government-Wide Financial Statements

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and unearned revenue. 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 storm water utilities 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, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

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

Intergovernmental aids and grants are recognized as revenues in the period the city is entitled 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 prior to the entitlement period are also 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.

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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

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

Fund Financial Statements (cont.)

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

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

The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary 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 GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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 Wisconsin 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.

Additional restrictions may arise from local charters, ordinances, resolutions, and grant resolutions.

The city's investment policy follows the state statute for allowable investments. The city has not adopted a policy specifically addressing Custodial Credit Risk, Credit Risk, Interest Rate Risk, or Concentration of Credit Risk.

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 statement 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, 2018, the fair value of the city's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note IV.A. for further information.

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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

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 – 2018 tax roll:

Lien date and levy date	November 2018
Tax bills mailed	December 2018
Payment in full, or	January 31, 2019
First installment due	January 31, 2019
Second installment due	March 31, 2019
Third installment due	May 31, 2019
Personal property taxes in full	January 31, 2019
Tax deed by county – 2018	
Delinquent real estate taxes	October 2021

Accounts receivable have been shown net of an allowance for uncollectible accounts of \$605,200. Delinquent real estate taxes as of July 31 are paid in full by the county, which assumes the collection thereof. No provision for uncollectible accounts receivable has been made for the water, sewer, and storm water utilities because they have the right by law to place substantially all delinquent bills on the tax roll, and other delinquent bills are generally not significant.

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

3. Inventories and Prepaid Items

Governmental fund inventories are charged to expenditure accounts when purchased. Year-end inventory was not significant. Proprietary fund inventories are generally used for construction and/or for operation and maintenance work. They are not for resale. They are valued at cost based on a first-in first-out (FIFO) basis, and charged to construction and/or operation and maintenance expense when used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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

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

4. Restricted Assets

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

5. Capital Assets

Government –Wide Statements

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$1,000 for general capital assets and \$10,000 for infrastructure assets, and an estimated useful life in excess of 1 year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. 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. The range of estimated useful lives by type of asset is as follows:

Buildings	40 Years
Machinery and Equipment	5-20 Years
Utility System	4-100 Years
Infrastructure	25-100 Years

Fund Financial Statements

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

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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

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

6. Deferred Outflows of Resources

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

7. Compensated Absences

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

All vested vacation 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, and are payable with expendable 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, 2018 are determined on the basis of current salary rates and include salary related payments.

8. Long-Term Obligations/Conduit Debt

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable, vested accrued compensated absences, and net other post employment benefits obligation.

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

For the government-wide statements and proprietary fund statements, bond premiums and discounts are amortized over the life of the issue using the 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 revenue bonds (IRB) for the benefit of private business enterprises. IRB's are secured by mortgages or revenue agreements on the associated projects, and do not constitute indebtedness of the city. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. At the end of the year there were several series of Industrial Revenue Bonds outstanding. The aggregate principal amount payable for the issues could not be determined.

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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.)

9. Deferred Inflows of Resources

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

10. Equity Classifications

Government–Wide Statements

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

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

The net position section includes an adjustment for capital assets owned by the business-type activities column, but financed by debt of the governmental activities column. The amount is a reduction of “net investment in capital assets”, and an increase in “unrestricted” net position, shown only in the total column. The adjustment totaled \$2,450,413.

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 equity is classified as fund balance and 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 place on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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

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

10. Equity Classifications (cont.)

Fund Statements (cont.)

- 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 (ordinance, resolution, motion) of the city council. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the city council that originally created the commitment.
- d. Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed. Fund balance may be assigned through the following; 1) The city has adopted a financial policy authorizing the city administrator to assign amounts for a specific purpose. 2) All remaining positive spendable amounts in governmental funds, other than the general fund, that are neither restricted nor committed. 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 exceeds amounts restricted, committed, or assigned for those purposes.

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.

Under a TIF #8 developer agreement, the Council established a stabilization fund beginning with the fiscal year 2004. The stabilization fund is contained as a restricted balance within the TIF #8 Capital Projects Fund. The stabilization fund shall not be used unless current year TIF #8 revenues are less than current year scheduled debt service payments. Additions to the stabilization fund are required if stabilization funds are used. In the event a draw is made on the stabilization fund, the developer may be special assessed that amount the following year. The balance in the stabilization fund at year end was \$5,656,020.

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

Fiduciary fund equity is classified as held in trust for retirement benefits on the statement of fiduciary net position. Various restrictions apply and the city believes it is in compliance with all significant restrictions.

See Note IV. G. for further information.

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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. 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.

12. Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the city health insurance OPEB Plan has been determined on the same basis they are reported by the plan. For this purpose, the city OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

13. Basis for Existing Rates

Water Utility

Current water rates were approved by the Public Service Commission of Wisconsin and went into effect on January 1, 2018.

Sewer Utility

Current sewer rates were approved by the council and went into effect on January 1, 2017.

Stormwater Utility

Current stormwater rates were approved by the council and went into effect on June 17, 2015.

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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. The details of this reconciliation include the following items:

One element of that reconciliation explains that other long term assets that are not available to pay for current period expenditures and therefore are deferred in the funds.

Special assessments	\$ 10,922,603
Sponsor receivables	1,219,886
Other	<u>28,370</u>
Combined Adjustment for Other Long-term Assets	<u>\$ 12,170,859</u>

Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds.

Land	\$ 3,514,794
Construction in progress	1,539,964
Buildings	25,686,090
Machinery and equipment	4,725,953
Roads and bridges	22,770,090
Less: Accumulated depreciation	<u>(25,542,969)</u>
Combined Adjustment for Capital Assets	<u>\$ 32,693,922</u>

Long-term liabilities applicable to the city's governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities—both current and long-term—are reported in the statement of net position.

Bonds and notes payable	\$ 106,636,410
Compensated absences	1,297,811
Net other postemployment benefits obligation	20,685,579
Accrued Interest	874,605
Unamortized debt premium	<u>637,152</u>
Combined Adjustment for Long-Term Liabilities	<u>\$ 130,131,557</u>

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE III – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. EXCESS EXPENDITURES OVER APPROPRIATIONS

The following funds had an excess of actual expenditures (including transfers out) over appropriations for the year ended December 31, 2018.

<u>Funds</u>	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Excess Expenditures Over Budget</u>
Human Services Fund	\$ 538,893	\$ 616,275	\$ 77,382
Grant Funds	138,987	139,877	890

The city controls expenditures at the department level for the General Fund and at fund level for all other funds. Some individual departments in the General Fund experienced expenditures which exceeded appropriations. The detail of those items can be found in the city's year-end budget to actual report.

B. 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.

C. DEFICIT BALANCE

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

As of December 31, 2018, the Park special revenue fund held a deficit balance of \$32,368 due to current year expenditures exceeding current year revenues. The City plans to fund this deficit with future contributions and/or tax levies.

D. CONTINUING DISCLOSURE COMPLIANCE

The City is not in compliance with their continuing disclosure agreements for the year ended December 31, 2018. Those agreements state the City is to provide the annual financial reports within 270 days of the end of each fiscal year. The City did file a continuing disclosure notice on the Electronic Municipal Market Access (EMMA) website regarding this.

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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 deposits and investments at year end were comprised of the following:

	Carrying Value	Statement Balances	Associated Risks
Demand Deposits	\$ 24,834,199	\$ 24,959,713	Custodial credit
U.S. Agencies	25,315,281	25,315,281	Custodial credit, Credit, Interest rate, Concentration of credit risk
Local government bonds	2,108,789	2,108,789	Custodial credit, Credit, Interest rate, Concentration of credit risk
LGIP	7,268,973	7,268,973	Credit
Cash held by others	560,231	-	N/A
Petty cash	1,650	-	N/A
 Total Deposits and Investments	 \$ 60,089,123	 \$ 59,652,756	
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 23,849,535		
Restricted cash and investments	17,163,554		
Per statement of fiduciary net position			
Retiree Health Insurance Benefit Trust	203,702		
Agency	18,872,332		
 Total Deposits and Investments	 \$ 60,089,123		

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 accounts (interest-bearing and noninterest-bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts.

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

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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

A. DEPOSITS AND INVESTMENTS (cont.)

The city categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The valuation method for recurring fair value measurements of investments is the quoted market prices approach.

The City's investments are categorized are as follows:

Investment Type	December 31, 2018			
	Level 1	Level 2	Level 3	Total
U.S. Agencies	\$ -	\$ 25,315,281	\$ -	\$ 25,315,281
Local government bonds	-	2,108,789	-	2,108,789
Total	\$ -	\$ 27,424,070	\$ -	\$ 27,424,070

Custodial Credit Risk

Deposits

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

As of December 31, 2018, \$24,709,713 of the city's total bank balances were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 24,709,713
--------------------------------	---------------

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 GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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 obligation.

As of December 31, 2018, the city's investments were rated as follows:

<u>Investment Type</u>	<u>Percentage of Total</u>	<u>Moody's Investor Service</u>
U.S. Agencies	100%	AAA
Local government bonds	100%	AA

The city also had investments in the LGIP which is not rated.

Concentration of Credit Risk

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

At December 31, 2018, the investment portfolio was concentrated as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Percentage of Portfolio</u>
Federal Home Loan Mortgage Corporation	U.S. Agencies	31.5%
Federal National Mortgage Association	U.S. Agencies	20.9%
Federal Home Loan Bank	U.S. Agencies	14.0%

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2018

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

A. DEPOSITS AND INVESTMENTS (cont.)

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, 2018, the city’s investments were as follows:

Investment	Maturity Date	Call Date	Fair Value
Federal Home Loan Mortgage Corporation	3/13/20	3/13/16	\$ 989,010
Federal Home Loan Mortgage Corporation	2/26/21	2/26/19	2,986,500
Federal Home Loan Mortgage Corporation	6/27/19	None	994,080
Federal Home Loan Mortgage Corporation	12/29/22	3/29/19	2,983,710
Federal Home Loan Mortgage Corporation	6/12/20	3/12/19	2,988,750
Federal National Mortgage Association	11/27/19	2/27/19	1,531,819
Federal National Mortgage Association	10/24/19	None	1,483,350
Federal National Mortgage Association	7/28/21	1/28/19	1,972,540
Federal National Mortgage Association	7/26/19	1/26/19	2,245,702
Federal Home Loan Bank	12/13/19	Anytime	988,610
Federal Home Loan Bank	2/6/20	Anytime	1,481,205
Federal Home Loan Bank	11/25/22	2/25/19	2,389,992
Federal Farm Credit Bank	1/3/20	Anytime	2,280,013
Local government bond	4/1/19	None	314,115
Local government bond	4/1/20	None	316,016
Local government bond	4/1/21	None	323,806
Local government bond	4/1/22	None	328,504
Local government bond	12/1/19	None	247,543
Local government bond	4/1/19	None	578,805
 Total			 <u>\$ 27,424,070</u>

See Note I.D.1. for further information on deposit and investment policies.

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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

B. RECEIVABLES

All of the receivables are expected to be collected within one year except for \$9,356 of delinquent personal property taxes reported in the General Fund and \$9,386,185 of special assessments reported in the Parking Capital Projects Fund.

Governmental funds report *unavailable or unearned revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *unavailable revenue and unearned revenue* reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Property taxes receivable for subsequent year	\$ -	\$ 24,222,009
Special assessment placed on tax roll	1,536,418	-
Special assessments not yet due	9,386,185	-
Sponsor receivables	1,219,886	-
Other	<u>28,370</u>	<u>-</u>
 Total Unearned/Unavailable Revenue for Governmental Funds	 <u>\$ 12,170,859</u>	 <u>\$ 24,222,009</u>

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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

C. RESTRICTED ASSETS

The following represent the balances of the restricted assets:

Long Term Debt Accounts

Reserve – Used to report resources set aside to make up potential future deficiencies in the reserve account. This reserve is to be used only if sufficient resources are not available to finance the annual debt service. If used, the city is obligated to replenish the account. This includes any remaining capitalized interest from the borrowing.

Deposits with North Shore Water Commission

The water utility established separate emergency and maintenance accounts with the North Shore Water Commission. The commission has custody of these accounts and is authorized to draw on the accounts as needed.

Equipment Replacement Account

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

Net Pension Asset

Restricted assets have been reported in connection with the net pension asset balance since this balance must be used to fund employee benefits.

Following is a list of restricted assets at December 31, 2018:

	Restricted Assets	Restricted Assets Not Funded by Revenues	Restricted Net Position
Water deposit - Emergency	\$ 80,049	\$ -	\$ 80,049
Water deposit - Maintenance	480,182	-	480,182
Sewer equipment replacement	403,130	-	403,130
Reserve - TIF #6 CDA Lease Revenue Bonds	1,455,500	1,455,500	-
Reserve - TIF #7 CDA Lease Revenue Bonds	2,728,000	2,728,000	-
Reserve - TIF #8 CDA Lease Revenue Bonds	4,806,858	4,806,858	-
Reserve - Parking CDA Lease Revenue Bonds	1,553,815	1,553,815	-
Stabilization - TIF #8	5,656,020	5,656,020	-
Net pension asset	1,363,577	-	1,363,577
 Total	 \$ 18,527,131	 \$ 16,200,193	 \$ 2,326,938

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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

D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2018 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 3,514,894	\$ -	\$ 100	\$ 3,514,794
Construction in progress	396,541	1,143,423	-	1,539,964
Total Capital Assets Not Being Depreciated	3,911,435	1,143,423	100	5,054,758
Capital assets being depreciated				
Buildings	26,665,078	-	978,988	25,686,090
Machinery and equipment	4,647,429	414,501	335,977	4,725,953
Roads and bridges	22,770,090	-	-	22,770,090
Total Capital Assets Being Depreciated	54,082,597	414,501	1,314,965	53,182,133
Less: Accumulated depreciation for				
Buildings	8,578,587	641,901	978,988	8,241,500
Machinery and equipment	3,371,389	225,647	315,512	3,281,524
Roads and bridges	13,249,147	770,798	-	14,019,945
Total Accumulated Depreciation	25,199,123	1,638,346	1,294,500	25,542,969
Net Capital Assets Being Depreciated	28,883,474	(1,223,845)	20,465	27,639,164
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	\$ 32,794,909	\$ (80,422)	\$ 20,565	\$ 32,693,922

Depreciation expense was charged to functions as follows:

Governmental Activities	
General government	\$ 11,561
Public safety	114,934
Public works, which includes the depreciation of roads and bridges	1,360,928
Culture, recreation and education	150,923
Total Governmental Activities Depreciation Expense	\$ 1,638,346

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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

D. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Business-Type Activities				
<u>Water</u>				
Capital assets not being depreciated:				
Land and land rights	\$ 47,014	\$ -	\$ -	\$ 47,014
Intangible assets	5,172	-	-	5,172
Construction in progress	-	61,031	-	61,031
Total Capital Assets Not Being Depreciated	52,186	61,031	-	113,217
Capital assets being depreciated:				
Source of supply	754,238	-	-	754,238
Pumping	1,943,352	4,817	4,820	1,943,349
Treatment	3,461,089	51,974	9,475	3,503,588
Transmission and distribution	21,700,275	1,086,298	87,808	22,698,765
Administrative and general assets	1,397,998	34,334	45,139	1,387,193
Total Capital Assets Being Depreciated	29,256,952	1,177,423	147,242	30,287,133
Less: Accumulated depreciation for				
Source of supply	479,439	13,061	-	492,500
Pumping	1,054,686	63,257	4,820	1,113,123
Treatment	2,560,628	95,613	9,475	2,646,766
Transmission and distribution	5,479,585	407,186	87,808	5,798,963
Administrative and general assets	1,207,815	24,767	45,139	1,187,443
Total Accumulated Depreciation	10,782,153	603,884	147,242	11,238,795
Net Water Plant	\$ 18,526,985	\$ 634,570	\$ -	\$ 19,161,555

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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

D. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Business-Type Activities				
<u>Sewer</u>				
Capital assets being depreciated				
Collection system	\$ 4,081,188	\$ -	\$ -	\$ 4,081,188
Collection system pumping	<u>257,255</u>	<u>-</u>	<u>-</u>	<u>257,255</u>
Total Capital Assets Being Depreciated	<u>4,338,443</u>	<u>-</u>	<u>-</u>	<u>4,338,443</u>
Less: Accumulated depreciation for				
Collection system	1,810,788	40,810	-	1,851,598
Collection system pumping	<u>156,431</u>	<u>16,804</u>	<u>-</u>	<u>173,235</u>
Total Accumulated Depreciation	<u>1,967,219</u>	<u>57,614</u>	<u>-</u>	<u>2,024,833</u>
Net Sewer Plant	<u>\$ 2,371,224</u>	<u>\$ (57,614)</u>	<u>\$ -</u>	<u>\$ 2,313,610</u>
<u>Storm Water</u>				
Capital assets being depreciated				
Collection system	\$ 6,003,826	\$ -	\$ -	\$ 6,003,826
Collection system pumping	<u>207,915</u>	<u>220,270</u>	<u>-</u>	<u>428,185</u>
Total Capital Assets Being Depreciated	<u>6,211,741</u>	<u>220,270</u>	<u>-</u>	<u>6,432,011</u>
Less: Accumulated depreciation for				
Collection system	1,940,496	60,038	-	2,000,534
Collection system pumping	<u>83,165</u>	<u>42,818</u>	<u>-</u>	<u>125,983</u>
Total Accumulated Depreciation	<u>2,023,661</u>	<u>102,856</u>	<u>-</u>	<u>2,126,517</u>
Net Storm Water Plant	<u>\$ 4,188,080</u>	<u>\$ 117,414</u>	<u>\$ -</u>	<u>\$ 4,305,494</u>
Business-Type Capital Assets, Net of Accumulated Depreciation	<u>\$ 25,086,289</u>	<u>\$ 694,370</u>	<u>\$ -</u>	<u>\$ 25,780,659</u>

Depreciation expense was charged to functions as follows:

Business-type Activities	
Water	\$ 556,653
Sewer	57,614
Storm water	<u>102,856</u>
Total Business-type Activities Depreciation Expense	<u>\$ 717,123</u>

Depreciation expense may be different from business-type activity capital asset additions because of joint metering, salvage, cost of removal, internal allocations, or costs associated with the disposal of assets.

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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

E. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS

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

Receivable Fund	Payable Fund	Amount
General	Park	\$ 27,769
General	Water Utility	490,752
General Capital Projects	Water Utility	129,417
Environment Fund	Water Utility	230,119
Sewer Utility	Water Utility	669,809
Sewer Utility	General Capital Projects	68,121
Storm Water Utility	Water Utility	422,877
Storm Water Utility	General Capital Projects	273,917
Total - Fund Financial Statements		2,312,781
Less: Fund eliminations		(1,804,531)
Total Internal Balances - Government-Wide Statement of Net Position		\$ 508,250
Receivable Fund	Payable Fund	Amount
Governmental Activities	Business-Type Activities	\$ 850,288
Business-Type Activities	Governmental Activities	(342,038)
Total Government-Wide Financial Statements		\$ 508,250

The principal purpose of these interfunds is to account for the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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

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

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
General	Hotel Room Tax	\$ 545,722	City portion of room tax
General	Water Utility	456,237	Tax equivalent
General	Environmental Fund	444,000	Garbage collection
Debt Service	General Capital Projects	56,444	Premium allocation
Debt Service	TIF #6 Capital Projects	2,653,407	Current debt payments
Debt Service	TIF #7 Capital Projects	3,146,686	Current debt payments
Debt Service	TIF #8 Capital Projects	5,649,217	Current debt payments
Debt Service	Parking Capital Projects	<u>1,548,317</u>	Current debt payments
Sub-Total		14,500,030	
Less: Fund eliminations		<u>(14,043,793)</u>	
Total Transfers - Government-Wide Statement of Activities		<u>\$ 456,237</u>	
Fund Transferred To	Fund Transferred From	Amount	
Governmental Activities	Business-Type Activities	<u>\$ 456,237</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 GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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

F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2018 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable:					
General obligation debt	\$ 27,877,749	\$ 8,645,000	\$ 5,458,441	\$ 31,064,308	\$ 6,405,429
Lease revenue bonds	83,455,000	-	8,485,000	74,970,000	10,315,000
Notes payable	735,959	-	133,857	602,102	134,736
Premiums (net of discounts)	646,249	153,755	162,852	637,152	-
Sub-totals	112,714,957	8,798,755	14,240,150	107,273,562	16,855,165
Other Liabilities					
Vested compensated absences	1,390,601	531,184	623,974	1,297,811	452,357
Net pension liability	346,090	-	346,090	-	-
Net OPEB liability	19,226,405	2,136,911	677,737	20,685,579	-
Total Other Liabilities	20,963,096	2,668,095	1,647,801	21,983,390	452,357
Total Government Activities Long-Term Liabilities	\$ 133,678,053	\$ 11,466,850	\$ 15,887,951	\$ 129,256,952	\$ 17,307,522
	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Business-type Activities					
Bonds and Notes Payable:					
General obligation debt	\$ 8,352,251	\$ 1,855,000	\$ 1,326,559	\$ 8,880,692	\$ 1,109,570
Other Liabilities					
Vested compensated absences	18,061	11,346	18,061	11,346	11,346
Net pension liability	23,050	-	23,050	-	-
Total Other Liabilities	41,111	11,346	41,111	11,346	11,346
Total Business-type Activities Long-Term Liabilities	\$ 8,393,362	\$ 1,866,346	\$ 1,367,670	\$ 8,892,038	\$ 1,120,916

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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

F. LONG-TERM OBLIGATIONS (cont.)

In accordance with Wisconsin Statutes, total general obligation indebtedness of the city may not exceed 5% of the equalized value of taxable property within the city's jurisdiction. The debt limit as of December 31, 2018, was \$113,409,000. Total general obligation debt outstanding at year end was \$39,945,000.

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.

Governmental Activities	Date of	Final	Interest	Original	Balance
<u>General Obligation Debt</u>	<u>Issue</u>	<u>Maturity</u>	<u>Rates</u>	<u>Indebted-</u> <u>ness</u>	<u>December 31,</u> <u>2018</u>
Refunding Notes (TIF 7)	06/03/09	04/01/19	4.00%	\$ 2,380,000	\$ 2,380,000
Refunding Notes (TIF 7)	08/30/10	04/01/20	3.25%	1,580,000	1,580,000
Promissory Notes	05/02/11	04/01/21	2.50 - 4.00%	2,077,000	1,092,425
Promissory Notes	04/04/12	04/04/22	2.00 - 3.00%	1,559,100	815,744
Refunding Bonds (TIF 6)	04/04/12	04/01/19	0.60 - 2.15%	2,420,000	430,000
Refunding Bonds (TIF 7)	04/04/12	04/01/20	0.60 - 2.40%	2,170,000	820,000
Refunding Bonds (TIF 8)	04/04/12	04/01/22	0.60 - 2.90%	7,515,000	3,200,000
Promissory Notes	04/22/13	04/01/23	2.00%	3,909,692	1,673,734
Promissory Notes	04/21/14	04/01/24	2.00 - 3.00%	1,664,651	847,405
Promissory Notes	04/13/15	04/01/25	2.00 - 3.00%	1,820,000	1,390,000
Promissory Notes	04/04/16	04/01/26	2.00 - 3.00%	4,250,000	3,800,000
Promissory Notes	04/17/17	04/01/27	2.10 - 3.00%	2,125,000	1,960,000
Promissory Notes	04/17/17	04/01/27	2.00 - 2.95%	2,700,000	2,430,000
Refunding Notes	06/28/18	04/01/22	3.00 - 4.00%	555,000	555,000
Refunding Notes - taxable	06/28/18	04/01/20	2.60 - 2.80%	775,000	775,000
Promissory Notes	06/28/18	04/01/28	3.00 - 4.00%	7,315,000	7,315,000
Total Governmental Activities – General Obligation Debt					<u>\$ 31,064,308</u>

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

Business-type Activities	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2018
<u>General Obligation Debt</u>					
<u>Water Utility</u>					
Promissory Notes	05/02/11	04/01/21	2.50 - 4.00%	\$ 368,000	\$ 193,552
Promissory Notes	04/04/12	04/01/22	2.00 - 3.00%	607,500	317,853
Promissory Notes	04/22/13	04/01/23	2.00%	744,520	253,000
Promissory Notes	04/21/14	04/01/24	2.00 - 3.00%	378,501	192,679
Promissory Notes	04/13/15	04/01/25	2.00 - 3.00%	515,000	393,210
Promissory Notes	04/04/16	04/01/26	2.00 - 3.00%	1,595,000	1,376,257
Promissory Notes	04/17/17	04/01/27	2.10 - 3.00%	1,885,000	1,865,000
Refunding Notes	06/28/18	04/01/22	3.00 - 4.00%	51,317	51,317
Promissory Notes	06/28/18	04/01/28	3.00 - 4.00%	1,410,000	1,410,000
Total Water Utility					<u>6,052,868</u>
<u>Sewer Utility</u>					
Promissory Notes	05/02/11	04/01/21	2.50 - 4.00%	450,000	236,684
Promissory Notes	04/04/12	04/01/22	2.00 - 3.00%	501,300	262,287
Promissory Notes	04/22/13	04/01/23	2.00%	806,028	273,266
Promissory Notes	04/21/14	04/01/24	2.00 - 3.00%	408,750	208,076
Promissory Notes	04/13/15	04/01/25	2.00 - 3.00%	600,000	458,109
Promissory Notes	04/04/16	04/01/26	2.00 - 3.00%	20,000	17,257
Promissory Notes	04/17/17	04/01/27	2.10 - 3.00%	65,000	60,000
Refunding Notes	06/28/18	04/01/22	3.00 - 4.00%	11,359	11,359
Total Sewer Utility					<u>1,527,038</u>
<u>Storm Water Utility</u>					
Promissory Notes	05/02/11	04/01/21	2.50 - 4.00%	90,000	47,339
Promissory Notes	04/04/12	04/01/22	2.00 - 3.00%	132,100	69,116
Promissory Notes	04/22/13	04/01/23	2.00%	174,760	50,000
Promissory Notes	04/21/14	04/01/24	2.00 - 3.00%	308,098	156,839
Promissory Notes	04/13/15	04/01/25	2.00 - 3.00%	365,000	278,682
Promissory Notes	04/04/16	04/01/26	2.00 - 3.00%	135,000	116,486
Promissory Notes	04/17/17	04/01/27	2.10 - 3.00%	225,000	200,000
Refunding Notes	06/28/18	04/01/22	3.00 - 4.00%	132,324	132,324
Promissory Notes	06/28/18	04/01/28	3.00 - 4.00%	250,000	250,000
Total Storm Water Utility					<u>1,300,786</u>
Total Business-type Activities General Obligation Debt					<u>\$ 8,880,692</u>

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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

F. 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</u>		<u>Business-type Activities General Obligation Debt</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 6,405,429	\$ 838,765	\$ 1,109,570	\$ 236,803
2020	5,039,910	607,037	1,090,090	193,061
2021	3,264,395	492,241	1,310,605	159,709
2022	3,181,545	404,859	1,233,455	124,571
2023	1,945,181	339,053	1,064,819	94,017
2024 - 2028	<u>11,227,848</u>	<u>969,857</u>	<u>3,072,153</u>	<u>139,968</u>
Totals	<u>\$ 31,064,308</u>	<u>\$ 3,651,812</u>	<u>\$ 8,880,692</u>	<u>\$ 948,129</u>

CDA Lease Revenue Debt

Lease revenue bonds are payable only from revenues derived from TIF increment and other revenues of TIF #6, TIF #7, and TIF #8. These bonds are backed by a moral obligation of the city and are not backed by the full faith and credit of the city. The 2004 lease revenue bond proceeds are for the Bayshore Town Center east parking structure, with revenue derived from special assessments. The 2004 lease revenue bonds were refinanced in 2014 to reduce future interest costs. The bonds are secured by an obligation of the city to make payments under a lease between the CDA and the city. The lease generally provides for payments by the city to the CDA in amounts equal to the principal and interest payments on the bonds on the dates such payments are due. Annual principal and interest payments on the bonds are expected to require 100% of net revenues. The total principal and interest remaining to be paid on the bonds is \$85,914,609. Lease payments to the CDA and principal and interest payments on the outstanding lease revenue bonds amounted to \$12,997,627 for the year. Total net revenues (excess of revenues and other financing sources over expenditures and other financing uses excluding transfers out) amounted to \$13,858,564 for the year.

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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

F. LONG-TERM OBLIGATIONS (cont.)

CDA Lease Revenue Debt (cont.)

Lease revenue debt payable at December 31, 2018 consists of the following:

Governmental Activities Revenue Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebted- ness	Balance December 31, 2018
Lease Revenue Bonds (Parking)	07/15/14	10/01/27	0.45 - 2.95%	\$ 16,710,000	\$ 12,195,000
Lease Revenue Bonds (TIF#8)	08/03/15	10/01/27	2.30 - 2.85%	11,765,000	11,765,000
Lease Revenue Bonds (TIF#8)	08/03/15	10/01/23	1.30 - 3.65%	19,705,000	12,275,000
Lease Revenue Bonds (TIF#8)	07/19/17	10/01/29	1.70 - 3.65%	17,985,000	17,165,000
Lease Revenue Bonds (TIF#6)	08/01/11	10/01/19	1.00 - 4.00%	14,555,000	3,930,000
Lease Revenue Bonds (TIF#7)	08/01/11	09/01/21	1.00 - 3.85%	11,135,000	5,570,000
Lease Revenue Bonds (TIF#7)	08/01/12	09/01/22	1.00 - 2.75%	16,545,000	<u>12,070,000</u>
Total Governmental Activities – CDA Lease Revenue Debt					<u>\$ 74,970,000</u>

Debt service requirements to maturity are as follows:

Years	Governmental Activities CDA Lease Revenue Debt	
	Principal	Interest
2019	\$ 10,315,000	\$ 2,185,246
2020	10,495,000	1,912,814
2021	10,315,000	1,606,371
2022	10,395,000	1,317,132
2023	5,350,000	1,013,683
2024-2028	23,760,000	2,750,953
2029	<u>4,340,000</u>	<u>158,410</u>
Totals	<u>\$ 74,970,000</u>	<u>\$ 10,944,609</u>

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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

F. LONG-TERM OBLIGATIONS (cont.)

Notes Payable

Notes payable to the Village of Whitefish Bay and the Village of Bayside for a portion of various fire department projects of the North Shore Fire Department are payable from future property tax levies or other general revenues of the city. These notes are not backed by the full faith and credit of the city. Notes payable at December 31, 2018 consists of the following:

Governmental Activities					Original	Balance
Notes Payable	Date of Issue	Final Maturity	Interest Rates		Indebted- ness	December 31, 2018
Village of Whitefish Bay	11/09/10	04/01/22	2.00 - 3.00%	\$	1,011,341	\$ 376,138
Village of Bayside	04/26/12	08/01/23	0.6 - 2.3%		478,693	<u>225,964</u>
Total Governmental Activities – Notes Payable						<u>\$ 602,102</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	Governmental Activities Notes Payable	
	<u>Principal</u>	<u>Interest</u>
2019	\$ 134,736	\$ 13,583
2020	137,543	10,561
2021	140,350	7,236
2022	143,157	3,528
2023	<u>46,316</u>	<u>1,066</u>
Totals	<u>\$ 602,102</u>	<u>\$ 35,974</u>

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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

F. LONG-TERM OBLIGATIONS (cont.)

Other Debt Information

Estimated payments of compensated absences and other post employment benefits are not included in the debt service requirement schedules. The compensated absences and other post employment benefits liability attributable to governmental activities will be liquidated primarily by the general fund.

There are a number of limitations and restrictions contained in the various bond indentures and loan agreements. The city believes it is in compliance with all significant limitations and restrictions, including federal arbitrage regulations.

On June 28, 2018, the City of Glendale issued \$750,000 of refunding bonds as part of a \$9,725,000 General Obligation Promissory Notes issue (with interest rates of 3.00% to 4.00%) for a current refunding of \$760,000 of bonds related to the April 12, 2010 issue.

The cash flow requirement on the refunded debt was \$798,792 from 2018 through 2020. The cash flow requirements on the 2018 bonds are \$823,463 from 2019 through 2022. The refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$3,865.

Defeased Debt

On June 28, 2018, the City of Glendale issued \$775,000 of General Obligation Promissory Notes (with interest rates of 2.60 % to 2.80%) to defease refunding bonds dated April 2, 2007.

The cash flow requirement on the refunded debt prior to the defeasance was \$869,670 from 2018 through 2027. The cash flow requirements on the 2018 bonds are \$799,431 from 2018 through 2020. The defeasance resulted in an economic loss (difference between the present values of the debt service payments on the old and new debt) of \$90,987.

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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

G. NET POSITION/FUND BALANCES

Net position reported on the government wide statement of net position at December 31, 2018 includes the following:

Governmental Activities

Net Investment in Capital Assets	
Land	\$ 3,514,894
Construction in progress	1,539,964
Other capital assets, net of accumulated depreciation	27,639,164
Less: Capital related long-term debt outstanding	(19,459,154)
Plus: Unspent capital related debt proceeds	<u>9,016,041</u>
 Total Net Investment in Capital Assets	 <u><u>\$ 22,250,909</u></u>

Business-type Activities

Net Investment in Capital Assets	
Land	\$ 52,186
Construction in progress	61,031
Other capital assets, net of accumulated depreciation	25,667,442
Less: Capital related long-term debt outstanding	(8,880,692)
Plus: Unspent capital related debt proceeds	<u>1,131,125</u>
 Total Net Investment in Capital Assets	 <u><u>\$ 18,031,092</u></u>

Governmental fund balances reported on the fund financial statements at December 31, 2018 include the following:

Nonspendable

Major Funds

General Fund

Prepaid items	\$ 94,042
Non-current receivables	9,356

Non-major Funds

Special Revenue Fund

Human Services - Prepaid items	54,227
DARE Fund - Prepaid items	469
Park Fund - Prepaid items	238
Total	<u><u>\$ 158,332</u></u>

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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

G. GOVERNMENTAL ACTIVITIES NET POSITION/FUND BALANCES (cont.)

Governmental Activities (cont.)

Restricted	
Major Funds	
Debt Service - Debt Service	\$ 79,248
General Capital Projects - Projects	8,554,802
Parking Capital Projects - Parking	1,579,098
TIF #6 Capital Projects - TIF Purposes	2,774,253
TIF #7 Capital Projects - TIF Purposes	2,394,446
TIF #8 Capital Projects - TIF Purposes	<u>14,650,582</u>
Total	<u>\$ 30,032,429</u>
Committed	
Non-major Fund	
Special Revenue Funds	
Grant Funds	\$ 109,973
July 4th Celebration	22,697
Human Services	760,395
Environmental Fund	517,913
Police Acquisition	23,880
DARE Fund	131,839
Hotel Room Tax	<u>233,505</u>
Total	<u>\$ 1,800,202</u>
Unassigned (deficit)	
Major Funds	
General Fund	\$ 4,825,200
Non-major Fund	
Special Revenue Fund	
Park (deficit)	<u>(32,606)</u>
Total	<u>\$ 4,792,594</u>

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE V – OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

General Information about the Pension Plan

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. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1,200 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

EFT issues a standalone Comprehensive Annual Financial Report (CAFR), which can be found at <http://etf.goc/pulications/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 credible service to be vested.

Benefits Provided. Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and State executive participants, if hired on or before 12/31/2016) are entitled to receive an unreduced retirement benefit. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor.

Final average earnings are the average of the employee's three highest years' earnings. Creditable service is the creditable current and prior service expressed in years of decimal equivalents of partial years for which a participant receives earnings and makes contributions as required. The formula factor is a standard percentage based on employment category.

Employees may retire at age 55 (50 for protective occupation employees) and received reduced benefits. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and forfeit all rights to any subsequent benefit.

The WRS also provides death and disability benefits for employees.

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE V – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Post-retirement adjustments. The Employee Trust Fund 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
2008	6.6%	0%
2009	(2.1)	(42)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5)
2017	2.0	4

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 \$430,595 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)	6.8%	6.8%
Protective with Social Security	6.8%	10.6%
Protective without Social Security	6.8%	14.9%

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE V – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Pension Liabilities (Assets), Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2018, the city reported a liability (asset) of (\$1,363,577) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2017, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2016 rolled forward to December 31, 2017. 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 (asset) was based on the city's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2017, the city's proportion was 0.04592532 %, which was an increase of 0.00113976% from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the city recognized pension expense of \$742,481.

At December 31, 2018, the city reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of of Resources
Differences between expected and actual experience	\$ 1,732,458	\$ 810,386
Changes in assumptions	269,416	-
Net differences between projected and actual earnings on pension plan investments	-	1,874,110
Changes in proportion and differences between employer contributions and proportionate share of contributions	34,270	-
Employer contributions subsequent to the measurement date	633,560	-
Total	\$ 2,669,704	\$ 2,684,496

\$633,560 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, 2019. Other amounts reported as deferred outflows of resources related to pension will be recognized in pension expense as follows:

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE V – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

December 31:	Deferred Outflows/Inflows of Resources (net)
2019	\$ 165,762
2020	(182)
2021	(463,579)
2022	(353,623)
2023	3,270

Actuarial assumptions. The total pension liability (asset) 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, 2016
Measurement Date of Net Pension Liability (Asset)	December 31, 2017
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return	7.2%
Discount Rate:	7.2%
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% -5.6%
Mortality:	Wisconsin 2012 Mortality Table
Post-retirement Adjustments*	2.1%

**No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 2.1% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.*

Actuarial assumptions are based upon an experience study conducted in 2015 using experience from 2012-2014. The total pension liability (asset) for December 31, 2017 is based upon a roll-forward of the liability calculated from the December 31, 2016 actuarial valuation.

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

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE V – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

<u>Variable Fund Asset Class</u>	<u>Current Asset Allocation %</u>	<u>Destination Target Asset Allocation %</u>	<u>Long-Term Expected Nominal Rate of Return %</u>	<u>Long-Term Expected Real Rate of Return %</u>
Global Equities	50%	45%	8.3%	5.4%
Fixed Income	24.5	37.0	4.2	1.4
Inflation Sensitive Assets	15.5	20.0	4.3	1.5
Real Estate	8.0	7.0	6.5	3.6
Private Equity/Debt	8.0	7.0	9.4	6.5
Multi-Asset	4.0	4.0	6.6	3.7
Total Core Fund	110	120	7.4	4.5
<u>Core Fund Asset Class</u>				
US Equities	70	70	7.6	4.7
International Equities	30	30	8.5	5.6
Total Variable Fund	100	100	7.9	5.0

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.75%

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

Single discount rate. A single discount rate of 7.20% was used to measure the total pension liability (asset). This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long term bond rate of 3.31%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability (asset).

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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 7.20 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 (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	1% Decrease to Discount Rate (6.20%)	Current Discount Rate (7.20%)	1% Increase to Discount Rate (8.20%)
The City's proportionate share of the net pension liability (asset)	<u>\$ 3,528,039</u>	<u>\$ (1,363,577)</u>	<u>\$ (5,081,357)</u>

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://ef.wi.gov/publications/cafr.htm>.

At December 31, 2018, 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; workers compensation; and health care of its employees. The city purchases commercial insurance and participates in a public entity risk pool called CVMIC to provide coverage for losses from theft of, damage to, or destruction of assets; and errors and omission. However, other risks, such as torts; workers compensation; and health care of its employees are accounted for and financed by the city in the general fund. CVMIC activity is accounted for in an internal service fund.

Public Entity Risk Pool

Wisconsin Municipal Insurance Commission (WMIC) Cities and Villages Mutual Insurance Company (CVMIC)

The WMIC is an intergovernmental cooperation commission created by contract under Section 66.30 of the Wisconsin Statutes. It was created in August 1987 for the purpose of facilitating the organization, establishment and capitalization of the CVMIC, and has numerous cities and villages as members.

The CVMIC is a municipal mutual insurance company established on September 14, 1987 under Section 611.23 of the Wisconsin Statutes. The CVMIC provides liability insurance coverage to the cities and villages which make up the membership of the WMIC.

The CVMIC is self-insured up to a maximum of \$2,000,000 of each insurance risk. Losses paid by CVMIC plus administrative expenses will be recovered through premiums to the participating pool of municipalities. The city's share of such losses is approximately 1.41914%.

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE V – OTHER INFORMATION (cont.)

B. RISK MANAGEMENT (cont.)

Public Entity Risk Pool (cont.)

Wisconsin Municipal Insurance Commission (WMIC)

Cities and Villages Mutual Insurance Company (CVMIC) (cont.)

Management of each organization consists of a board of directors or officers comprised of representatives elected by each of three classes of participants based on population. The city does not exercise any control over the activities of the agencies beyond the election of the officers and board.

Financial statements of WMIC and CVMIC can be obtained directly from CVMIC's offices.

The initial investment in WMIC is refundable upon withdrawal from the commission and has been reported at the original amount of \$658,835 in the insurance internal service fund.

The city pays an annual premium to the mutual for its general liability insurance, which provides coverage up to \$10,000,000 per occurrence, less the city's retained liability. The city's retained liability is limited to \$25,000 per occurrence and an annual aggregate limit of \$100,000. A total liability of approximately \$40,497 at December 31, 2018 was recorded as claims payable in the internal service fund statement of net position. Changes in the fund's claims loss liability follow:

<u>Year</u>	<u>Beginning Balance</u>	<u>Incurred Claims</u>	<u>Claims Paid/ Settled</u>	<u>Ending Balance</u>
2018	\$ 10,989	\$ 29,508	\$ -	\$ 40,497
2017	16,635	-	5,646	10,989

C. COMMITMENTS AND CONTINGENCIES

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

From time to time, the city is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the city attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the city's financial position or results of operations.

The city has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

The city has active construction projects as of December 31, 2018. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures, expenses or construction in progress. Contractual commitments to complete these projects amounted to \$4,774,643 as of December 31, 2018.

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE V – OTHER INFORMATION (cont.)

D. JOINT VENTURES

North Shore Water Commission

The City of Glendale, Village of Fox Point and the Village of Whitefish Bay jointly operate the local supply and filtration system, which is called the North Shore Water Commission (NSWC), and provides water supply and filtration. The communities share in the operation proportionately based upon water sold to each participant.

The governing body is made up of citizens from each municipality. Local representatives are appointed by the municipalities. The governing body has authority to adopt its own budget and control the financial affairs of the commission.

Debt is being repaid with resources of the water utility and is secured by the assets and revenues of NSWC. The transactions of the Commission are not reflected in these financial statements. \$608,246 of operating costs, which represents the city's share for the North Shore Water Commission for 2018, is included in the water utility financial statements. The city believes that the Commission will continue to provide services in the future at similar rates. Financial information of the North Shore Water Commission as of December 31, 2018 is available directly from the NSWC office.

North Shore Fire Department

By agreement dated December 30, 1994, the North Shore Fire Department (NSFD) was created. The NSFD, which provides a unified integrated fire and emergency medical service, began operations on January 1, 1996. The NSFD was created pursuant to the provisions of Wisconsin Statutes 61.65 and 66.30. Participants are the City of Glendale, Village of Fox Point, Village of Shorewood, Village of Brown Deer, Village of River Hills, Village of Whitefish Bay and Village of Bayside. The NSFD is operated by a Board of Directors consisting of seven members, which includes the mayor and village presidents of each participating municipality. The affirmative vote of a majority of the members of the Board of Directors is required on most matters.

The powers of the Board of Directors include authorizing repair, maintenance and renewal of physical assets and recommending adoptions of the department's budget. The capital and operating budget of the department must receive approval of at least five of the seven participating municipalities.

Also established by the agreement is a Joint Fire Commission that has the powers related to appointments, promotions, suspensions, removals, dismissals, reemployment, compensation, rest days, etc.

Each participating municipality's annual financial contribution to the NSFD's operations and capital budget shall be based on its prorated share of population, equalized valuation and usage to all the municipalities. For the 2008 to 2012 NSFD budgets, the communities agreed to use the formula factors for 2007. The city accounts for its share of the operations of the North Shore Fire Department in the general fund. The city's share of the operations for 2018 was \$3,455,760. The city's share of the 2018 capital budget was \$44,260. The NSFD total 2019 approved budget is \$15.30 million dollars of which the city's portion is approximately \$3.57 million. Complete 2018 financial information is available from the Department at 4401 West River Lane, Brown Deer, WI 53223.

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE V – OTHER INFORMATION (cont.)

D. JOINT VENTURE (cont.)

North Shore Library

The City of Glendale and the Villages of Fox Point, Bayside, and River Hills operate the North Shore Library under a Joint Library Agreement dated January 1, 1985. Under the joint agreement, a Joint Library Board is created to operate the North Shore Library. The Joint Library Board is composed of ten members: five members from Glendale, two members each from Fox Point and Bayside, one member from River Hills, and the Superintendent of Schools for Nicolet School District. The Joint Library Board has the powers to repair, maintain, and renew physical assets of the library and to prepare and adopt a budget for the library's operating expenses and a budget for the library's capital improvement expenses. The operating budget must be approved by at least three of the four municipalities. In addition, the Joint Library Board has the power to appoint the Library Director and such other assistants and employees as it deems necessary. Operating and capital expenses are shared proportionately based upon population estimates published in October.

The city's share of operations in 2018 was \$459,997. The city accounts for its share of the operations of the North Shore Library in the general fund. The city believes that the library will continue to provide services in the future at similar rates. Some library capital expenditures are also included in the general fund. Complete 2018 financial information is available from the Village of Fox Point.

Milwaukee Area Domestic Animal Control Commission

The city is a member of the Milwaukee Area Domestic Animal Control Commission along with eighteen other communities within Milwaukee County. The Commission was created by an agreement signed in 1997 pursuant to the provisions of Section 66.30 of the Wisconsin Statutes. The Commission was established to provide a jointly-operated animal control services facility for dogs and cats. The Commission is governed by an eighteen member Board consisting of one representative from each municipality, each having one vote. Formulas for the sharing of operating and debt costs, and for the distribution of assets upon termination of participation, are provided within the agreement. In 1997, the Commission borrowed \$2.5 million at 4.40-5.00% due annually from 1998 through 2014, for the purchase of land and the construction of a facility. The city's share of that borrowing was approximately \$82,000. The city's share of operations in 2018 was \$23,427, which is recorded in the general fund.

E. OTHER POSTEMPLOYMENT BENEFITS

General Information about the OPEB Plan

The city is part of a defined benefit healthcare plan called Wisconsin Public Employers' Group Health Insurance. This plan provides health insurance contributions for eligible retirees and their spouses through the city's group health insurance plan, which covers both active and retired members. Benefit provisions are established through collective bargaining agreements and state that eligible retirees and their spouses at established contribution rates. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Contribution requirements are established through collective bargaining agreements and may be amended only through negotiations between the city and the union. The city contributions various amounts toward retiree health insurance based on agreements in place when each former employee retired. Active employees paid \$95 per month for single coverage or \$234 per month for family coverage in 2018.

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE V – OTHER INFORMATION (cont.)

E. OTHER POSTEMPLOYMENT BENEFITS (cont.)

Employees covered by benefit terms

Inactive plan members or beneficiaries currently receiving benefit payments	58
Active plan members	61
	<u>119</u>

Total OPEB Liability

The City's total OPEB liability of \$20,685,579 was measured as of December 31, 2017 and was determined by an actuarial valuation as of December 31, 2016.

Actuarial assumptions and other inputs

The total OPEB liability in the actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified. The discount rate of 3.78% was based on the 20-year Bond Buyer GO Index (20 Year Tax-Exempt Municipal Bond Yield). Salary increases including inflation as well as mortality assumptions were based on the results of an actuarial experience study for the period 2012-2014 for the Wisconsin Retirement System (WRS). Health care trend rates were based on the "Getzen" model published by the Society of Actuaries. Trend rates used for pre-65 employees were 8.6% - 2017, 3.5% - 2018, 7.9% - 2019, 4.9% - 2020, 5.5% - 2030, 5.5% - 2040, 5.1% - 2050, 4.9% - 2060, 4.3% - 2070 and 4.0% - 2074. Trend rates used for post-65 employees were 10.0% - 2017, 3.5% - 2018, 8.6% - 2019, 5.2% - 2020, 5.0% - 2030, 5.6% - 2040, 5.7% - 2050, 5.3% - 2060, 4.6% - 2070, 4.2% - 2080, 4.2% - 2090 and 4.0% - 2091. Actuarial cost method was Entry Age Normal.

Changes in the Total OPEB Liability

Balances at December 31, 2017	<u>\$ 19,226,405</u>
Changes for the year:	
Service cost	417,626
Interest on total OPEB liability	729,854
Effect of plan changes	-
Effect of economic/demographic gains/losses	-
Effect of assumption changes or inputs	989,431
Benefit payments	<u>(677,737)</u>
Net changes	<u>1,459,174</u>
Balances at December 31, 2018	<u>\$ 20,685,579</u>

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE V – OTHER INFORMATION (cont.)

E. OTHER POSTEMPLOYMENT BENEFITS (cont.)

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the city, as well as what the city's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.44%) or 1-percentage-point higher (4.44%) than the current discount rate:

	1% Decrease 2.44%	Discount Rate 3.44%	1% Increase 4.44%
Total OPEB liability	\$ 24,075,979	\$ 20,685,579	\$ 17,971,913

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rate.

Medical inflation was based on the "Getzen" model published by the Society of Actuaries for purposes of evaluating long term medical trend. The following presents the total OPEB liability of the city, as well as what the city's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend	1% Increase
Total OPEB liability	\$ 17,866,850	\$ 20,685,579	\$ 24,289,991

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows or Resources Related to OPEB

For the year ended December 31, 2018, the city recognized OPEB expense of \$1,214,188. At December 31, 2018, the city reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	\$ 821,160	\$ 394,067
Employer contributions subsequent to the measurement date.	598,800	-
Total	\$ 1,419,960	\$ 394,067

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE V – OTHER INFORMATION (cont.)

E. OTHER POSTEMPLOYMENT BENEFITS (cont.)

\$598,800 reported as net deferred outflows related to OPEB resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

2019	\$	66,708
2020		66,708
2021		66,708
2022		78,893
2023		<u>148,076</u>
Total	\$	<u>427,093</u>

F. SUBSEQUENT EVENTS

On March 27, 2019, the city issued \$6,620,000 General Obligation Refunding Bonds with an interest rate of 3.00 to 5.00%. This amount was used to refund \$5,570,000 of TIF #7 Community Development Refunding Lease Revenue Bonds (Series 2011B dated August 1, 2011) as well as \$1,770,000 of TIF #7 debt related to the General Promissory Notes (Series 2009C dated June 3, 2009).

On August 5, 2019, the city issued \$2,750,000 General Obligation Promissory Notes with an interest rate of 3.00 to 4.00%. This amount will be used to finance various projects within the city's 2019 Capital Improvement Program.

On August 29, 2019, the City of Glendale and Glendale Community Development Authority defeased \$55,830,000 of TIF #8 related debt. This included \$12,195,000 for the July 15, 2014 Parking Lease Revenue Bonds, \$11,765,000 for the August 3, 2015 Lease Revenue Bonds (Series A), \$12,275,000 for the August 3, 2015 Lease Revenue Funds (Series B), \$17,165,000 for the July 19, 2017 Lease Revenue Bonds, and \$2,430,000 for the TIF #8 part of the General Obligation Refunding Bonds dated April 4, 2012.

Funds for the defeasance came from TIF #8 2019 increment collections, the TIF #8 stabilization fund, debt services reserve fund related to defeased issues, and a developer contribution. The developer contributed \$41,318,891 toward the defeasance which included paying the special assessment (receiving ownership) of the east parking structure and also changed TIF #8 to a pay-as-you-go TIF until 2033.

On July 13, 2020 the Common Council of the City of Glendale approved an application to borrow \$8,832,146 from the Wisconsin Board of Commissioners of Public Lands (BCPL) Municipal Obligation Loan program. The BCPL approved the City's application on August 4th, 2020. Funds will be used to pay off the 2012 Community Development Authority TIF #7 bonds.

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE V – OTHER INFORMATION (cont.)

G. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT PERIOD FINANCIAL STATEMENTS

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

- > Statement No. 83, *Certain Asset Retirement Obligations*
- > Statement No. 84, *Fiduciary Activities*
- > Statement No. 87, *Leases*
- > Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*
- > Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- > Statement No. 90, *Majority Equity Interests*
- > 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*
- > Statement No. 96, *Subscription-Based Information Technology Arrangements*
- > Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*

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

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

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF GLENDALE

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE (NON-GAAP)
GENERAL FUND
For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Taxes	\$ 9,592,735	\$ 9,592,735	\$ 9,617,034	\$ 24,299
Intergovernmental	2,059,375	2,059,375	2,070,182	10,807
Licenses and permits	665,350	665,350	704,697	39,347
Fines, forfeitures and penalties	430,000	430,000	505,860	75,860
Public charges for services	506,051	506,051	437,121	(68,930)
Investment income	150,000	150,000	280,219	130,219
Miscellaneous	136,215	136,215	214,763	78,548
Total Revenues	<u>13,539,726</u>	<u>13,539,726</u>	<u>13,829,876</u>	<u>290,150</u>
EXPENDITURES				
Current				
General government	1,530,032	1,530,032	1,443,154	86,878
Public safety	10,132,993	10,132,993	10,234,615	(101,622)
Public works	2,332,812	2,332,812	2,245,428	87,384
Health and human services	92,294	92,294	91,584	710
Culture, recreation and education	460,900	460,900	492,791	(31,891)
Conservation and development	130,401	130,401	130,493	(92)
Total Expenditures	<u>14,679,432</u>	<u>14,679,432</u>	<u>14,638,065</u>	<u>41,367</u>
Excess (deficiency) of revenues over expenditures	<u>(1,139,706)</u>	<u>(1,139,706)</u>	<u>(808,189)</u>	<u>331,517</u>
OTHER FINANCING SOURCES				
Transfers in	<u>1,075,000</u>	<u>1,075,000</u>	<u>989,722</u>	<u>(85,278)</u>
Net Changes in Fund Balance	(64,706)	(64,706)	181,533	246,239
FUND BALANCE - Beginning of Year	<u>4,747,065</u>	<u>4,747,065</u>	<u>4,747,065</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 4,682,359</u>	<u>\$ 4,682,359</u>	<u>\$ 4,928,598</u>	<u>\$ 246,239</u>

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

CITY OF GLENDALE

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY

For the Year Ended December 31, 2018

	<u>2017</u>	<u>2018</u>
Total OPEB Liability		
Service cost	\$ 425,956	\$ 417,626
Interest	693,168	729,854
Changes of benefit terms	-	-
Differences between expected and actual experience	-	-
Changes of assumptions	(597,193)	989,431
Benefit payments	<u>(567,061)</u>	<u>(677,737)</u>
Net Change in Total OPEB Liability	(45,130)	1,459,174
Total OPEB Liability - Beginning	<u>19,271,535</u>	<u>19,226,405</u>
Total OPEB Liability - Ending	<u>\$ 19,226,405</u>	<u>\$ 20,685,579</u>

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

CITY OF GLENDALE

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) - WISCONSIN RETIREMENT SYSTEM For the Year Ended December 31, 2018

WRS Fiscal Year End Date	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/17	0.04592532%	\$ (1,363,577)	\$ 5,230,424	26.07%	102.93%
12/31/16	0.04478600%	369,140	5,135,855	7.19%	99.12%
12/31/15	0.04525747%	735,425	5,029,012	14.62%	98.20%
12/31/14	0.04606501%	(1,131,172)	4,892,989	23.12%	102.74%

SCHEDULE OF EMPLOYER CONTRIBUTIONS - WISCONSIN RETIREMENT SYSTEM For the Year Ended December 31, 2018

City's Fiscal Year End Date	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/18	\$ 633,560	\$ 633,560	\$ -	\$ 5,333,314	11.88%
12/31/17	602,318	602,318	-	5,230,424	11.52%
12/31/16	479,700	479,700	-	5,135,730	9.34%
12/31/15	501,659	501,659	-	4,889,012	10.26%

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

CITY OF GLENDALE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION As of and for the Year Ended December 31, 2018

BUDGETARY INFORMATION

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note I. C. except the actual (non-GAAP) revenues presented reflect actual (GAAP) revenues adjusted for the payment in lieu of taxes for the water utility which is reported as a transfer under GAAP.

OPEB PLAN

The data presented in the Schedule of Changes in the Total OPEB Liability was taken from the reports issued by the actuary.

Contributions to the OPEB plan are not based on covered-employee payroll; therefore covered-employee payroll and the related ratio of Total OPEB Liability as a percentage of covered-employee payroll is not presented.

The City is required to present the last ten fiscal years data; however, the standards allow the City to present as many years as are available until ten fiscal years are presented.

Changes of benefit terms. There were no changes of benefit terms.

Changes of assumptions. There were no changes in the assumptions.

WISCONSIN RETIREMENT SYSTEM

The amounts presented 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 data; however, the standards allow the City to present as many years as are available until ten fiscal years are presented.

Changes of benefit terms. There were no changes of benefit terms for any participating employer in Wisconsin Retirement System.

Changes of assumptions. There were no changes in assumptions.

SUPPLEMENTARY INFORMATION

CITY OF GLENDALE

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
As of December 31, 2018

	Special Revenue Funds			
	Grant Funds	July 4th Celebration	Human Services	Environmental Fund
ASSETS				
Cash and investments	\$ 122,123	\$ 22,697	\$ 760,601	\$ 287,794
Receivables				
Taxes	55,456	20,000	544,806	-
Accounts	-	-	5,059	-
Due from other funds	-	-	-	230,119
Prepaid items	-	-	54,227	-
TOTAL ASSETS	<u>\$ 177,579</u>	<u>\$ 42,697</u>	<u>\$ 1,364,693</u>	<u>\$ 517,913</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 12,150	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-
Deposits	-	-	5,265	-
Due to other funds	-	-	-	-
Total Liabilities	<u>12,150</u>	<u>-</u>	<u>5,265</u>	<u>-</u>
Deferred Inflows of Resources				
Unearned revenues	<u>55,456</u>	<u>20,000</u>	<u>544,806</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>55,456</u>	<u>20,000</u>	<u>544,806</u>	<u>-</u>
Fund Balances				
Nonspendable	-	-	54,227	-
Committed	109,973	22,697	760,395	517,913
Unassigned (deficit)	-	-	-	-
Total Fund Balances	<u>109,973</u>	<u>22,697</u>	<u>814,622</u>	<u>517,913</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 177,579</u>	<u>\$ 42,697</u>	<u>\$ 1,364,693</u>	<u>\$ 517,913</u>

<u>Special Revenue Funds</u>				Total
<u>Police Acquisition</u>	<u>DARE Fund</u>	<u>Hotel Room Tax</u>	<u>Park</u>	<u>Nonmajor Governmental Funds</u>
\$ 23,880	\$ 144,569	\$ 186,916	\$ -	\$ 1,548,580
-	-	-	-	620,262
-	-	49,853	25	54,937
-	-	-	-	230,119
-	469	-	238	54,934
<u>\$ 23,880</u>	<u>\$ 145,038</u>	<u>\$ 236,769</u>	<u>\$ 263</u>	<u>\$ 2,508,832</u>
\$ -	\$ 12,730	\$ 3,264	\$ 4,727	\$ 32,871
-	-	-	135	135
-	-	-	-	5,265
-	-	-	27,769	27,769
-	12,730	3,264	32,631	66,040
-	-	-	-	620,262
-	-	-	-	620,262
-	469	-	238	54,934
23,880	131,839	233,505	-	1,800,202
-	-	-	(32,606)	(32,606)
<u>23,880</u>	<u>132,308</u>	<u>233,505</u>	<u>(32,368)</u>	<u>1,822,530</u>
<u>\$ 23,880</u>	<u>\$ 145,038</u>	<u>\$ 236,769</u>	<u>\$ 263</u>	<u>\$ 2,508,832</u>

CITY OF GLENDALE

NONMAJOR GOVERNMENTAL FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES For the Year Ended December 31, 2018

	Special Revenue Funds			
	Grant Funds	July 4th Celebration	Human Services	Environmental Fund
REVENUES				
Taxes	\$ 50,000	\$ 23,000	\$ 540,000	\$ -
Intergovernmental	61,419	-	-	-
Public charges for services	730	-	-	612,238
Investment income	-	-	-	3,589
Miscellaneous	-	11,075	-	-
Total Revenues	<u>112,149</u>	<u>34,075</u>	<u>540,000</u>	<u>615,827</u>
EXPENDITURES				
Current				
Public safety	-	-	-	-
Public works	139,877	-	-	-
Health and human services	-	-	616,275	-
Culture, recreation and education	-	30,722	-	-
Conservation and development	-	-	-	-
Capital Outlay	-	-	-	17,270
Total Expenditures	<u>139,877</u>	<u>30,722</u>	<u>616,275</u>	<u>17,270</u>
Excess (deficiency) of revenues over expenditures	<u>(27,728)</u>	<u>3,353</u>	<u>(76,275)</u>	<u>598,557</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	-	(444,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(444,000)</u>
Net Change in Fund Balances	<u>(27,728)</u>	<u>3,353</u>	<u>(76,275)</u>	<u>154,557</u>
FUND BALANCES -				
Beginning of Year	<u>137,701</u>	<u>19,344</u>	<u>890,897</u>	<u>363,356</u>
FUND BALANCES - END OF YEAR	<u>\$ 109,973</u>	<u>\$ 22,697</u>	<u>\$ 814,622</u>	<u>\$ 517,913</u>

<u>Special Revenue Funds</u>				Total
<u>Police Acquisition</u>	<u>DARE Fund</u>	<u>Hotel Room Tax</u>	<u>Park</u>	<u>Nonmajor Governmental Funds</u>
\$ -	\$ -	\$ 855,489	\$ -	\$ 1,468,489
-	-	-	-	61,419
-	-	-	37,902	650,870
-	-	-	-	3,589
-	95,115	-	-	106,190
-	95,115	855,489	37,902	2,290,557
805	34,404	-	-	35,209
-	-	-	-	139,877
-	-	-	-	616,275
-	-	-	58,414	89,136
-	-	156,919	-	156,919
-	-	-	-	17,270
805	34,404	156,919	58,414	1,054,686
(805)	60,711	698,570	(20,512)	1,235,871
-	-	(545,722)	-	(989,722)
-	-	(545,722)	-	(989,722)
(805)	60,711	152,848	(20,512)	246,149
24,685	71,597	80,657	(11,856)	1,576,381
<u>\$ 23,880</u>	<u>\$ 132,308</u>	<u>\$ 233,505</u>	<u>\$ (32,368)</u>	<u>\$ 1,822,530</u>

CITY OF GLENDALE

SCHEDULE OF REVENUES - ACTUAL AND BUDGET (NON-GAAP)

GENERAL FUND

For the Year Ended December 31, 2018

	Actual	Final Budget	Variance with Final Budget
TAXES			
General property taxes	\$ 9,120,462	\$ 9,128,937	\$ (8,475)
Omitted property taxes - prior years	-	-	-
Water Utility tax equivalent - current	456,237	420,000	36,237
Torah Academy tax equivalent	9,981	10,019	(38)
State property tax equivalent	21,728	23,517	(1,789)
Whitefish Bay tax equivalent	1,055	975	80
Ohr Ha Torah tax equivalent	3,787	3,801	(14)
Lubavitch tax equivalent	3,784	5,486	(1,702)
Total taxes	<u>9,617,034</u>	<u>9,592,735</u>	<u>24,299</u>
INTERGOVERNMENTAL REVENUES			
State shared revenues			
Per capita	205,465	205,465	-
Special utility	83,657	84,585	(928)
Expenditure restraint payment	325,222	343,683	(18,461)
Computer exemption payment	307,733	307,733	-
State grants			
Transportation aid - regular	1,052,315	1,053,121	(806)
Transportation aid - connecting streets	57,908	57,908	-
Other grants	37,882	6,880	31,002
Total intergovernmental revenues	<u>2,070,182</u>	<u>2,059,375</u>	<u>10,807</u>
LICENSES AND PERMITS			
Licenses			
Beverage	15,455	16,000	(545)
Food	-	-	-
Special gatherings	365	200	165
Cigarette	900	1,000	(100)
Tavern operators	10,770	14,900	(4,130)
Bicycle	285	150	135
Electrical	-	-	-
Dance hall	150	300	(150)
Sale of Christmas trees	300	300	-
Coin operated machines	2,690	3,100	(410)
Coins, stones and metals	1,000	400	600
Used car dealers	6,000	6,000	-
Transient merchant permits	1,000	1,500	(500)
Cable television	193,988	210,000	(16,012)
Arcade	1,210	1,250	(40)
Permits			
Building	246,133	272,000	(25,867)
Electrical	111,943	80,000	31,943
Plumbing	85,744	42,000	43,744
Occupancy	8,846	4,800	4,046
Utility	5,125	7,000	(1,875)
Sign	5,400	-	5,400
Erosion control	1,330	450	880
Grease trap	2,800	-	2,800
Parking	3,263	4,000	(737)
Total licenses and permits	<u>704,697</u>	<u>665,350</u>	<u>39,347</u>

CITY OF GLENDALE

SCHEDULE OF REVENUES - ACTUAL AND BUDGET (NON-GAAP) GENERAL FUND For the Year Ended December 31, 2018

	Actual	Final Budget	Variance with Final Budget
FINES, FORFEITURES AND PENALTIES			
Court fines and costs	\$ 402,036	\$ 350,000	\$ 52,036
Parking fines	41,662	35,000	6,662
False alarms	62,162	45,000	17,162
Total fines, forfeitures and penalties	<u>505,860</u>	<u>430,000</u>	<u>75,860</u>
PUBLIC CHARGES FOR SERVICES			
General government			
Space rental and/or charges for administrative services			
Water Utility, Sewer Utility, Storm Water Utility	262,252	292,000	(29,748)
Water Utility insurance	21,815	22,000	(185)
Photocopies	3,379	1,500	1,879
Publication fees	450	500	(50)
Special assessment letters	9,350	12,000	(2,650)
TIF reimbursement	13,649	70,000	(56,351)
Public safety			
School liaison officer reimbursements	72,685	74,251	(1,566)
Auxiliary police reimbursements	14,165	6,000	8,165
Overtime reimbursements	-	-	-
Bail processing	4,880	6,000	(1,120)
Health and human services			
Dog and cat license fees	4,511	4,300	211
Public works			
Sale of materials and services	24,835	10,000	14,835
Weed cutting	-	-	-
Planning			
Planned unit development fees	-	-	-
Rezoning fees	1,250	1,000	250
Board of Appeals fees	3,900	6,500	(2,600)
Total public charges for service	<u>437,121</u>	<u>506,051</u>	<u>(68,930)</u>
INVESTMENT INCOME	<u>280,219</u>	<u>150,000</u>	<u>130,219</u>
MISCELLANEOUS			
Sale of equipment	20,100	30,000	(9,900)
Sale of land	11,600	-	11,600
Interest on delinquent personal property taxes	52,898	40,000	12,898
Insurance reimbursement	75,628	20,000	55,628
Rental income	1,900	1,200	700
CVMIC dividend	24,834	24,140	694
Miscellaneous	27,803	20,875	6,928
Total miscellaneous	<u>214,763</u>	<u>136,215</u>	<u>78,548</u>
TOTAL REVENUES	<u>\$ 13,829,876</u>	<u>\$ 13,539,726</u>	<u>\$ 290,150</u>

CITY OF GLENDALE

SCHEDULE OF DEPARTMENTAL EXPENDITURES - ACTUAL AND BUDGET
GENERAL FUND
For the Year Ended December 31, 2018

	Actual	Final Budget	Variance with Final Budget
CURRENT			
General government			
Common council and mayor	\$ 39,456	\$ 39,216	\$ (240)
City administrator	212,505	214,695	2,190
Finance	117,371	130,031	12,660
City clerk	130,778	131,831	1,053
Treasurer	109,045	110,209	1,164
Human resources	100,843	96,547	(4,296)
City assessor	49,564	49,850	286
Legal	143,073	160,000	16,927
Accounting	33,088	33,000	(88)
Municipal court	181,579	192,296	10,717
Building and grounds	125,793	126,250	457
Property and liability insurance	148,686	138,295	(10,391)
Unclassified	51,373	47,600	(3,773)
Contingency	-	60,212	60,212
Total general government	<u>1,443,154</u>	<u>1,530,032</u>	<u>86,878</u>
Public safety			
Building	371,890	296,256	(75,634)
Police	5,971,725	5,945,740	(25,985)
Fire	3,500,020	3,500,017	(3)
Dispatch	385,380	385,380	-
Unclassified	5,600	5,600	-
Total public safety	<u>10,234,615</u>	<u>10,132,993</u>	<u>(101,622)</u>
Public works			
Engineering, administration and overhead	301,168	334,098	32,930
Machinery and equipment	338,618	372,514	33,896
Public works facility	61,269	57,500	(3,769)
Street lighting	244,551	228,077	(16,474)
Street and alley maintenance	228,741	234,184	5,443
Street signs	41,800	43,335	1,535
Snow removal and ice control	287,743	300,853	13,110
Roadside maintenance	177,477	178,462	985
Solid waste disposal	444,467	465,000	20,533
Yard waste	119,594	118,789	(805)
Total public works	<u>2,245,428</u>	<u>2,332,812</u>	<u>87,384</u>
Health and human services			
Health department	68,157	68,493	336
Animal control	23,427	23,801	374
Total health and human services	<u>91,584</u>	<u>92,294</u>	<u>710</u>
Culture, recreation and education	<u>492,791</u>	<u>460,900</u>	<u>(31,891)</u>
Conservation and development	<u>130,493</u>	<u>130,401</u>	<u>(92)</u>
Total Current Expenditures	<u>\$ 14,638,065</u>	<u>\$ 14,679,432</u>	<u>\$ 41,367</u>

CITY OF GLENDALE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP)
DEBT SERVICE FUND
For the Year Ended December 31, 2018

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget
REVENUES			
Taxes	\$ 2,869,965	\$ 2,869,965	\$ -
Total Revenues	<u>2,869,965</u>	<u>2,869,965</u>	<u>-</u>
EXPENDITURES			
Debt service			
Principal	22,341,259	14,077,297	8,263,962
Interest and fees	<u>3,273,999</u>	<u>3,368,062</u>	<u>(94,063)</u>
Total expenditures	<u>25,615,258</u>	<u>17,445,359</u>	<u>8,169,899</u>
Excess (deficiency) of revenues over expenditures	<u>(22,745,293)</u>	<u>(14,575,394)</u>	<u>8,169,899</u>
OTHER FINANCING SOURCES			
Debt premium	-	8,911	8,911
Transfers in	22,710,927	13,054,071	(9,656,856)
Debt issued	<u>-</u>	<u>1,525,000</u>	<u>1,525,000</u>
Total other financing sources	<u>22,710,927</u>	<u>14,587,982</u>	<u>(8,122,945)</u>
Net Changes in Fund Balance	<u>\$ (34,366)</u>	12,588	<u>\$ 46,954</u>
FUND BALANCE - Beginning of Year		<u>66,660</u>	
FUND BALANCE - END OF YEAR		<u>\$ 79,248</u>	

CITY OF GLENDALE

SCHEDULE OF OPERATIONS AND MAINTENANCE EXPENSES
ENTERPRISE FUND - WATER UTILITY
For the Year Ended December 31, 2018
(With Comparative Totals for the Year Ended December 31, 2017)

	<u>2018</u>	<u>2017</u>
SOURCE OF SUPPLY EXPENSES		
Purchased water	\$ 612,753	\$ 593,575
TRANSMISSION AND DISTRIBUTION EXPENSES		
Storage facilities	342	889
Operation supervision and engineering	169,696	188,615
Meter expenses	395	529
Customer installations	15,749	11,228
Miscellaneous	271	109
Rents	11,000	11,000
Maintenance		
Distribution reservoirs and standpipes	6,742	1,273
Mains	595,194	688,923
Services	431	3,728
Meters	8,303	7,965
Hydrants	41,315	2,741
Total Transmission and Distribution Expenses	<u>849,438</u>	<u>917,000</u>
CUSTOMERS ACCOUNT EXPENSES		
Meter reading labor	4,836	8,562
Customer records and collection expenses	86,444	75,040
Total Customer Accounts Expenses	<u>91,280</u>	<u>83,602</u>
ADMINISTRATIVE AND GENERAL EXPENSES		
Administrative and general salaries	46,422	47,294
Office supplies and expense	1,789	2,795
Outside services	56,560	7,388
Property insurance	9,188	8,697
Injuries and damages	11,279	9,097
Employee pensions and benefits	3,105	4,592
Regulatory Commission	3,330	3,588
Miscellaneous general expenses	5,475	4,174
Rents	7,500	7,500
Total Administrative and General Expenses	<u>144,648</u>	<u>95,125</u>
TOTAL OPERATION AND MAINTENANCE EXPENSES	<u>\$ 1,698,119</u>	<u>\$ 1,689,302</u>

CITY OF GLENDALE

COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES AGENCY FUNDS

For the Year Ended December 31, 2018

	<u>Balance 1-1-18</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12-31-18</u>
TAX COLLECTION FUND				
ASSETS				
Cash and investments	\$ 16,216,652	\$ 18,872,332	\$ (16,216,652)	\$ 18,872,332
Taxes receivable	<u>19,912,302</u>	<u>16,506,047</u>	<u>(19,912,302)</u>	<u>16,506,047</u>
Total Assets	<u>\$ 36,128,954</u>	<u>\$ 35,378,379</u>	<u>\$ (36,128,954)</u>	<u>\$ 35,378,379</u>
LIABILITIES				
Due to other governmental agencies	\$ 36,053,344	\$ 35,322,392	\$ (36,053,344)	\$ 35,322,392
Deposits	<u>75,610</u>	<u>55,987</u>	<u>(75,610)</u>	<u>55,987</u>
Total Liabilities	<u>\$ 36,128,954</u>	<u>\$ 35,378,379</u>	<u>\$ (36,128,954)</u>	<u>\$ 35,378,379</u>