

CITY OF GLENDALE

Glendale, Wisconsin

FINANCIAL STATEMENTS

Including Independent Auditors' Report

As of and for the Year Ended December 31, 2019

CITY OF GLENDALE

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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, 2019, 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.

To the City Council
City of Glendale

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, 2019 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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, 2019 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, 2019 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, 2019 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, 2019.

To the City Council
City of Glendale

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, 2018 (not presented herein), and have issued our report thereon dated August 25, 2020, 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, 2018 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 2018 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2018 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, 2018.

Baker Tilly US, LLP

Milwaukee, Wisconsin
August 23, 2021

BASIC FINANCIAL STATEMENTS

CITY OF GLENDALE

STATEMENT OF NET POSITION As of December 31, 2019

	Governmental Activities	Business-type Activities	Totals
ASSETS			
Cash and investments	\$ 17,004,049	\$ 3,210,260	\$ 20,214,309
Receivables (net)			
Taxes	15,310,379	-	15,310,379
Accounts	815,409	1,350,702	2,166,111
Delinquent personal property taxes	47,737	-	47,737
Accrued interest	5,181	-	5,181
Due from other governments	374,666	32,677	407,343
Internal balances	195,226	(195,226)	-
Inventories	-	82,353	82,353
Prepaid items	146,596	13,409	160,005
Restricted assets			
Cash and investments	2,728,000	614,484	3,342,484
Deposit with insurance company	658,835	-	658,835
Other assets	-	1,056	1,056
Capital assets			
Land	1,180,655	52,186	1,232,841
Other capital assets, net of accumulated depreciation	22,289,106	26,681,630	48,970,736
Total Assets	60,755,839	31,843,531	92,599,370
DEFERRED OUTFLOWS OF RESOURCES			
Pension related amounts	4,418,068	247,398	4,665,466
OPEB related amounts	1,322,670	4,582	1,327,252
Total Deferred Inflows of Resources	5,740,738	251,980	5,992,718
LIABILITIES			
Accounts payable and other accrued liabilities	1,700,926	484,109	2,185,035
Accrued interest	331,331	74,856	406,187
Due to other governments	1,290,176	-	1,290,176
Noncurrent Liabilities			
Due within one year	7,077,313	1,230,717	8,308,030
Due in more than one year	53,053,083	8,380,576	61,433,659
Total Liabilities	63,452,829	10,170,258	73,623,087
DEFERRED INFLOWS OF RESOURCES			
Pension related amounts	2,196,780	127,966	2,324,746
OPEB related amounts	6,581,450	12,166	6,593,616
Unearned revenue	15,310,379	-	15,310,379
Total Deferred Inflows of Resources	24,088,609	140,132	24,228,741
NET POSITION			
Net investment in capital assets	10,457,807	18,235,406	28,693,213
Restricted for			
Emergency fund	-	76,749	76,749
Maintenance	-	537,735	537,735
TIF Purposes	7,120,331	-	7,120,331
Debt service	2,728,000	-	2,728,000
Unrestricted (deficit)	(41,351,000)	2,935,231	(38,415,769)
TOTAL NET POSITION (DEFICIT)	\$ (21,044,862)	\$ 21,785,121	\$ 740,259

See accompanying notes to the financial statements.

CITY OF GLENDALE

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2019

<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	\$ 3,501,401	\$ 601,883	\$ 150	\$ -
Public safety	10,775,563	1,080,074	88,314	-
Public works	16,181,883	1,146,271	1,196,500	-
Health and human services	692,508	-	-	-
Culture, education and recreation	1,653,980	52,686	4,508	71,400
Conservation and development	3,007,411	80,753	1,049,215	-
Interest and fiscal charges	5,182,947	-	-	-
Total Governmental Activities	<u>40,995,693</u>	<u>2,961,667</u>	<u>2,338,687</u>	<u>71,400</u>
Business-type Activities				
Water Utility	2,640,295	3,306,488	-	-
Sewer Utility	1,691,617	2,053,899	88,413	-
Storm Water Utility	766,671	1,148,850	-	-
Total Business-type Activities	<u>5,098,583</u>	<u>6,509,237</u>	<u>88,413</u>	<u>-</u>
 Total	 <u>\$ 46,094,276</u>	 <u>\$ 9,470,904</u>	 <u>\$ 2,427,100</u>	 <u>\$ 71,400</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

Miscellaneous

Transfers

 Total General Revenues and Transfers

Special Item (see Note V.F)

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
\$ (2,899,368)	\$ -	\$ (2,899,368)
(9,607,175)	-	(9,607,175)
(13,839,112)	-	(13,839,112)
(692,508)	-	(692,508)
(1,525,386)	-	(1,525,386)
(1,877,443)	-	(1,877,443)
(5,182,947)	-	(5,182,947)
<u>(35,623,939)</u>	<u>-</u>	<u>(35,623,939)</u>
-	666,193	666,193
-	450,695	450,695
-	382,179	382,179
<u>-</u>	<u>1,499,067</u>	<u>1,499,067</u>
<u>(35,623,939)</u>	<u>1,499,067</u>	<u>(34,124,872)</u>
9,725,993	-	9,725,993
2,869,965	-	2,869,965
11,632,604	-	11,632,604
916,736	-	916,736
1,101,420	-	1,101,420
1,413,622	76,292	1,489,914
94,569	-	94,569
451,122	(451,122)	-
<u>28,206,031</u>	<u>(374,830)</u>	<u>27,831,201</u>
<u>31,590,936</u>	<u>-</u>	<u>31,590,936</u>
24,173,028	1,124,237	25,297,265
<u>(45,217,890)</u>	<u>20,660,884</u>	<u>(24,557,006)</u>
<u>\$ (21,044,862)</u>	<u>\$ 21,785,121</u>	<u>\$ 740,259</u>

See accompanying notes to the financial statements.

CITY OF GLENDALE

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2019

	<u>General</u>	<u>Debt Service</u>	<u>General Capital Projects</u>
ASSETS			
Cash and investments	\$ 5,560,624	\$ 97,217	\$ 2,995,318
Receivables (net)			
Taxes	9,297,419	2,997,372	-
Accounts	152,296	-	598,200
Delinquent personal property taxes	47,737	-	-
Accrued interest	5,181	-	-
Due from other governments	-	-	368,395
Due from other funds	530,686	-	-
Prepaid items	81,889	-	-
TOTAL ASSETS	<u>\$ 15,675,832</u>	<u>\$ 3,094,589</u>	<u>\$ 3,961,913</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 412,791	\$ -	\$ 752,066
Accrued liabilities	234,941	-	-
Deposits	131,008	-	-
Due to other funds	-	-	-
Due to other governments	-	-	-
Total Liabilities	<u>778,740</u>	<u>-</u>	<u>752,066</u>
Deferred Inflows of Resources			
Unearned revenues	9,297,419	2,997,372	-
Unavailable revenues	515,621	-	746,984
Total Deferred Inflows of Resources	<u>9,813,040</u>	<u>2,997,372</u>	<u>746,984</u>
Fund Balances			
Nonspendable	129,626	-	-
Restricted	-	97,217	2,462,863
Committed	-	-	-
Unassigned (deficit)	4,954,426	-	-
Total Fund Balances	<u>5,084,052</u>	<u>97,217</u>	<u>2,462,863</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 15,675,832</u>	<u>\$ 3,094,589</u>	<u>\$ 3,961,913</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

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
\$ -	\$ 1,761,862	\$ 2,874,777	\$ 4,343,720	\$ 1,743,890	\$ 19,377,408
-	-	1,945,017	395,571	675,000	15,310,379
-	-	-	14,358	50,555	815,409
-	-	-	-	-	47,737
-	-	-	-	-	5,181
-	-	-	-	6,271	374,666
-	-	-	-	195,226	725,912
-	-	-	-	64,707	146,596
<u>\$ -</u>	<u>\$ 1,761,862</u>	<u>\$ 4,819,794</u>	<u>\$ 4,753,649</u>	<u>\$ 2,735,649</u>	<u>\$ 36,803,288</u>

\$ -	\$ 8,000	\$ -	\$ 98,166	\$ 42,378	\$ 1,313,401
-	-	-	-	620	235,561
-	-	-	-	6,290	137,298
-	463,686	-	-	67,000	530,686
-	1,290,176	-	-	-	1,290,176
-	1,761,862	-	98,166	116,288	2,216,946

-	-	1,945,017	395,571	675,000	15,310,379
-	-	-	14,358	6,271	1,283,234
-	-	1,945,017	409,929	681,271	16,593,613

-	-	-	-	64,707	194,333
-	-	2,874,777	4,245,554	-	9,680,411
-	-	-	-	1,942,734	1,942,734
-	-	-	-	(69,351)	4,885,075
-	-	2,874,777	4,245,554	1,938,090	16,702,553

<u>\$ -</u>	<u>\$ 1,761,862</u>	<u>\$ 4,819,794</u>	<u>\$ 4,753,649</u>	<u>\$ 2,735,649</u>	
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23,469,761
998,809
5,740,738
(8,778,230)
1,283,234
(60,461,727)
\$ (21,044,862)

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, 2019

	<u>General</u>	<u>Debt Service</u>	<u>General Capital Projects</u>
REVENUES			
Taxes	\$ 9,105,731	\$ 2,869,965	\$ -
Intergovernmental	2,184,660	-	132,813
Licenses and permits	749,066	-	-
Fines, forfeitures and penalties	443,451	-	-
Public charges for services	410,201	-	-
Special assessments	-	-	-
Investment income	475,670	-	146,794
Miscellaneous	149,639	-	254,095
Total Revenues	<u>13,518,418</u>	<u>2,869,965</u>	<u>533,702</u>
EXPENDITURES			
Current			
General government	1,515,353	-	-
Public safety	10,395,615	-	-
Public works	2,254,120	-	-
Health and human services	95,240	-	-
Culture, recreation and education	460,781	-	-
Conservation and development	136,527	-	-
Capital outlay	-	-	7,424,334
Debt service			
Principal	-	72,530,498	-
Interest and fees	-	5,786,165	64,300
Total Expenditures	<u>14,857,636</u>	<u>78,316,663</u>	<u>7,488,634</u>
Excess (deficiency) of revenues over expenditures	<u>(1,339,218)</u>	<u>(75,446,698)</u>	<u>(6,954,932)</u>
OTHER FINANCING SOURCES (USES)			
Debt premium	-	-	179,388
Debt issued	-	-	1,030,000
Transfers in	1,494,672	75,464,667	-
Transfers out	-	-	(346,395)
Total Other Financing Sources (Uses)	<u>1,494,672</u>	<u>75,464,667</u>	<u>862,993</u>
SPECIAL ITEM			
Developer contribution	-	-	-
Net Change in Fund Balances	155,454	17,969	(6,091,939)
FUND BALANCES - Beginning of Year	<u>4,928,598</u>	<u>79,248</u>	<u>8,554,802</u>
FUND BALANCES - END OF YEAR	<u>\$ 5,084,052</u>	<u>\$ 97,217</u>	<u>\$ 2,462,863</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>
\$ -	\$ 3,291,560	\$ 2,430,831	\$ 5,910,213	\$ 1,536,998	\$ 25,145,298
-	108,040	356,921	120,568	66,034	2,969,036
-	-	-	-	-	749,066
-	-	-	-	-	443,451
-	-	-	-	670,674	1,080,875
10,641,185	-	-	-	-	10,641,185
312,752	17,899	54,552	345,706	8,192	1,361,565
298,153	-	-	80,754	73,771	856,412
<u>11,252,090</u>	<u>3,417,499</u>	<u>2,842,304</u>	<u>6,457,241</u>	<u>2,355,669</u>	<u>43,246,888</u>
-	1,753,861	-	-	-	3,269,214
-	-	-	-	95,813	10,491,428
-	-	-	-	142,719	2,396,839
-	-	-	-	597,268	692,508
-	-	-	-	148,651	609,432
-	-	-	-	181,584	318,111
-	11,204	3,389	308,245	30,524	7,777,696
-	-	-	-	-	72,530,498
-	-	105,334	-	-	5,955,799
-	<u>1,765,065</u>	<u>108,723</u>	<u>308,245</u>	<u>1,196,559</u>	<u>104,041,525</u>
<u>11,252,090</u>	<u>1,652,434</u>	<u>2,733,581</u>	<u>6,148,996</u>	<u>1,159,110</u>	<u>(60,794,637)</u>
-	-	842,187	-	-	1,021,575
-	-	6,620,000	-	-	7,650,000
-	-	-	46,873	-	77,006,212
<u>(12,831,188)</u>	<u>(4,426,687)</u>	<u>(9,715,437)</u>	<u>(48,191,833)</u>	<u>(1,043,550)</u>	<u>(76,555,090)</u>
<u>(12,831,188)</u>	<u>(4,426,687)</u>	<u>(2,253,250)</u>	<u>(48,144,960)</u>	<u>(1,043,550)</u>	<u>9,122,697</u>
-	-	-	31,590,936	-	31,590,936
<u>(1,579,098)</u>	<u>(2,774,253)</u>	<u>480,331</u>	<u>(10,405,028)</u>	<u>115,560</u>	<u>(20,081,004)</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>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,874,777</u>	<u>\$ 4,245,554</u>	<u>\$ 1,938,090</u>	<u>\$ 16,702,553</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, 2019

Net change in fund balances - total governmental funds	\$ (20,081,004)
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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	7,777,696
Some items reported as capital outlay were not capitalized	(1,147,780)
Depreciation is reported in the government-wide financial statements	(1,647,151)
Net book value of assets retired	(14,206,926)

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	(7,650,000)
Debt issued by joint venture that is the responsibility of City	(186,535)
Principal repaid	72,530,498
Debt premium on current year issuance	(1,021,575)

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.

TIF closure receivable	463,686
Special assessments	(10,922,603)
Reimbursement due from other governments	294,498
Sponsor receivables	(767,400)
Other	44,194

Internal service fund change in net position	25,830
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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	342,565
Debt premium amortization (net)	229,577
Other post employment obligations	6,493,422
Net pension liability	(2,913,020)
Deferred outflows of resources related to pensions and OPEBs	1,822,908
Deferred inflows of resources related to pensions and OPEBs	(5,851,127)
Accrued interest	<u>543,275</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 24,173,028</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, 2019

	Business-type Activities - Enterprise Funds			Totals	Governmental Activities - Internal Service Fund
	Water Utility	Sewer Utility	Storm Water Utility		
ASSETS					
Current Assets					
Cash and investments	\$ 304,155	\$ 2,358,989	\$ 547,116	\$ 3,210,260	\$ 354,641
Receivables					
Accounts	1,104,682	-	-	1,104,682	-
Due from other governments	32,677	-	-	32,677	-
Accrued utility revenue	246,020	-	-	246,020	-
Due from other funds	-	560,073	354,741	914,814	-
Prepays	3,729	517	9,163	13,409	-
Inventories	82,353	-	-	82,353	-
Total Current Assets	<u>1,773,616</u>	<u>2,919,579</u>	<u>911,020</u>	<u>5,604,215</u>	<u>354,641</u>
Noncurrent Assets					
Restricted Assets					
Cash and investments	614,484	-	-	614,484	-
Deposit with insurance company	-	-	-	-	658,835
Capital assets					
Land and intangibles	52,186	-	-	52,186	-
Property and equipment	31,968,998	4,338,443	6,432,011	42,739,452	-
Less: Accumulated depreciation	(11,746,002)	(2,082,447)	(2,229,373)	(16,057,822)	-
Other Assets					
Non-utility property - net value	1,056	-	-	1,056	-
Total Noncurrent Assets	<u>20,890,722</u>	<u>2,255,996</u>	<u>4,202,638</u>	<u>27,349,356</u>	<u>658,835</u>
Total Assets	<u>22,664,338</u>	<u>5,175,575</u>	<u>5,113,658</u>	<u>32,953,571</u>	<u>1,013,476</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflow related to life OPEB	3,039	1,020	523	4,582	-
Deferred outflow related to pension	96,502	83,868	67,028	247,398	-
Total Deferred Outflows of Resources	<u>99,541</u>	<u>84,888</u>	<u>67,551</u>	<u>251,980</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	149,361	225,512	96,108	470,981	14,667
Accrued payroll	9,113	2,580	1,435	13,128	-
Due to other funds	1,110,040	-	-	1,110,040	-
Current portion of long-term debt	773,419	296,407	150,264	1,220,090	-
Compensated absences	10,627	-	-	10,627	-
Accrued interest payable	58,800	8,192	7,864	74,856	-
Total Current Liabilities	<u>2,111,360</u>	<u>532,691</u>	<u>255,671</u>	<u>2,899,722</u>	<u>14,667</u>
Noncurrent Liabilities					
Bonds and notes payable	6,353,107	905,506	1,012,419	8,271,032	-
Net life OPEB liability	24,779	8,304	4,152	37,235	-
Net pension liability	49,645	8,345	14,319	72,309	-
Total Noncurrent Liabilities	<u>6,427,531</u>	<u>922,155</u>	<u>1,030,890</u>	<u>8,380,576</u>	<u>-</u>
Total Liabilities	<u>8,538,891</u>	<u>1,454,846</u>	<u>1,286,561</u>	<u>11,280,298</u>	<u>14,667</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflow related to life OPEB	8,096	2,713	1,357	12,166	-
Deferred inflow related to pension	54,335	38,785	34,846	127,966	-
Total Deferred Inflows of Resources	<u>62,431</u>	<u>41,498</u>	<u>36,203</u>	<u>140,132</u>	<u>-</u>
NET POSITION					
Net investment in capital assets	13,148,656	1,616,156	3,470,594	18,235,406	-
Restricted for					
Emergency fund	76,749	-	-	76,749	-
Maintenance	537,735	-	-	537,735	-
Unrestricted	399,417	2,147,963	387,851	2,935,231	998,809
TOTAL NET POSITION	<u>\$ 14,162,557</u>	<u>\$ 3,764,119</u>	<u>\$ 3,858,445</u>	<u>\$ 21,785,121</u>	<u>\$ 998,809</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, 2019

	Business-type Activities - Enterprise Funds			Total	Governmental
	Water Utility	Sewer Utility	Storm Water Utility		Internal Service Fund
OPERATING REVENUES					
Charges for services and sales	\$ 3,306,488	\$ 2,053,899	\$ 1,148,850	\$ 6,509,237	\$ -
Other operating revenues	-	-	-	-	88,522
Total Operating Revenues	<u>3,306,488</u>	<u>2,053,899</u>	<u>1,148,850</u>	<u>6,509,237</u>	<u>88,522</u>
OPERATING EXPENSES					
Operation and maintenance	1,878,893	1,598,747	631,558	4,109,198	62,692
Depreciation	591,171	57,614	102,856	751,641	-
Total Operating Expenses	<u>2,470,064</u>	<u>1,656,361</u>	<u>734,414</u>	<u>4,860,839</u>	<u>62,692</u>
Operating income	<u>836,424</u>	<u>397,538</u>	<u>414,436</u>	<u>1,648,398</u>	<u>25,830</u>
NONOPERATING REVENUES (EXPENSES)					
Investment income	25,125	46,939	4,228	76,292	-
Grant revenue	-	88,413	-	88,413	-
Interest expense	(170,231)	(35,256)	(32,257)	(237,744)	-
Total Nonoperating Revenues (Expenses)	<u>(145,106)</u>	<u>100,096</u>	<u>(28,029)</u>	<u>(73,039)</u>	<u>-</u>
Income Before Transfers	<u>691,318</u>	<u>497,634</u>	<u>386,407</u>	<u>1,575,359</u>	<u>25,830</u>
TRANSFERS					
Transfers out - tax equivalent	(451,122)	-	-	(451,122)	-
CHANGE IN NET POSITION	<u>240,196</u>	<u>497,634</u>	<u>386,407</u>	<u>1,124,237</u>	<u>25,830</u>
NET POSTION - Beginning 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>
NET POSITION - END OF YEAR	<u>\$ 14,162,557</u>	<u>\$ 3,764,119</u>	<u>\$ 3,858,445</u>	<u>\$ 21,785,121</u>	<u>\$ 998,809</u>

See accompanying notes to the financial statements.

CITY OF GLENDALE

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

	Business-type Activities - Enterprise Funds			Totals	Governmental Activities - Internal Service Fund
	Water Utility	Sewer Utility	Storm Water Utility		
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 3,376,558	\$ 2,320,169	\$ 1,491,067	\$ 7,187,794	\$ -
Receipts from other funds	-	-	-	-	88,522
Paid to suppliers for goods and services	(2,356,518)	(1,455,825)	(620,934)	(4,433,277)	(88,522)
Paid to employees for services	(387,379)	(177,319)	(204,412)	(769,110)	-
Net Cash Flows From Operating Activities	<u>632,661</u>	<u>687,025</u>	<u>665,721</u>	<u>1,985,407</u>	<u>-</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Payments to city for tax equivalent	(451,122)	-	-	(451,122)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(1,753,907)	-	-	(1,753,907)	-
Debt issued	1,720,000	-	-	1,720,000	-
Debt retired	(646,342)	(325,125)	(138,103)	(1,109,570)	-
Grant received	-	184,947	-	184,947	-
Interest paid	(163,105)	(37,831)	(35,956)	(236,892)	-
Net Cash Flows From Capital and Related Financing Activities	<u>(843,354)</u>	<u>(178,009)</u>	<u>(174,059)</u>	<u>(1,195,422)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment income received	<u>25,125</u>	<u>46,939</u>	<u>4,228</u>	<u>76,292</u>	<u>-</u>
Net Change in Cash and Cash Equivalents	<u>(636,690)</u>	<u>555,955</u>	<u>495,890</u>	<u>415,155</u>	<u>-</u>
CASH AND CASH EQUIVALENTS - Beginning 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>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 918,639</u>	<u>\$ 2,358,989</u>	<u>\$ 547,116</u>	<u>\$ 3,824,744</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 TO NET CASH FLOWS FROM OPERATING ACTIVITIES:					
Operating income	\$ 836,424	\$ 397,538	\$ 414,436	\$ 1,648,398	\$ 25,830
Adjustments to Reconcile Operating Income to Net Cash Flows From Operating Activities:					
Non-operating income	-	88,413	-	88,413	-
Depreciation	591,171	57,614	102,856	751,641	-
Depreciation charged to other funds	49,232	-	-	49,232	-
Change in assets and liabilities					
Accounts receivable	43,387	-	164	43,551	-
Inventories	4,198	-	-	4,198	-
Due from other funds	(16,076)	177,857	342,053	503,834	-
Prepayments	(304)	95	(1,901)	(2,110)	-
Accounts payable	(97,265)	(45,705)	(202,244)	(345,214)	(25,830)
Other current liabilities	(93)	(1,276)	(1,537)	(2,906)	-
Due to other funds	(832,934)	-	-	(832,934)	-
Compensated absences	(719)	-	-	(719)	-
Pension/OPEB related balances	55,640	12,489	11,894	80,023	-
NET CASH FLOWS FROM OPERATING ACTIVITIES	\$ 632,661	\$ 687,025	\$ 665,721	\$ 1,985,407	\$ -
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS					
Cash and investments - statement of net position	\$ 304,155	\$ 2,358,989	\$ 547,116	\$ 3,210,260	\$ 354,641
Restricted Cash and investments - statement of net position	614,484	-	-	614,484	-
CASH AND CASH EQUIVALENTS	\$ 918,639	\$ 2,358,989	\$ 547,116	\$ 3,824,744	\$ 354,641

See accompanying notes to the financial statements.

CITY OF GLENDALE

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

	Retirees Health Insurance Benefit Trust	<u>Agency Fund</u> Tax Collection Fund
ASSETS		
Cash and investments	\$ 180,836	\$ 15,959,901
Taxes receivable	-	<u>20,685,090</u>
TOTAL ASSETS	<u>180,836</u>	<u>36,644,991</u>
LIABILITIES		
Due to other governments	-	<u>36,644,991</u>
TOTAL LIABILITIES	<u>-</u>	<u>36,644,991</u>
NET POSITION		
Held for retirement benefits	<u>\$ 180,836</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, 2019

	Retirees Health Insurance Benefit Trust
ADDITIONS	
Contributions	\$ -
DEDUCTIONS	
Expenses	<u>22,866</u>
Change in net position	(22,866)
Net Position - Beginning of year	<u>203,702</u>
NET POSITION - END OF YEAR	<u><u>\$ 180,836</u></u>

See accompanying notes to financial statements.

CITY OF GLENDALE

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CITY OF GLENDALE

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

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of 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, 2019

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, 2019

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

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

Fund Financial Statements (cont.)

Separate financial statements are provided for governmental funds 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, 2019

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 is 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 is 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 is 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, 2019

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, 2019

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, 2019

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

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

1. Deposits and Investments

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

Investment of city funds is restricted by 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, 2019, the fair value of the city's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note IV.A. for further information.

CITY OF GLENDALE

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

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

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

2. Receivables

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

Property tax calendar – 2019 tax roll:

Lien date and levy date	November 2019
Tax bills mailed	December 2019
Payment in full, or	January 31, 2020
First installment due	January 31, 2020
Second installment due	March 31, 2020
Third installment due	May 31, 2020
Personal property taxes in full	January 31, 2020
Tax deed by county – 2019	
Delinquent real estate taxes	October 2022

Accounts receivable have been shown net of an allowance for uncollectible accounts of \$693,109. 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, 2019

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

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

4. 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, 2019

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

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

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, 2019 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, 2019

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

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

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.”

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.
- 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.

CITY OF GLENDALE

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

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

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

10. Equity Classifications (cont.)

Fund Statements (cont.)

- 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 was contained as a restricted balance within the TIF #8 Capital Projects Fund. The stabilization fund of \$5,656,020 was applied in 2019 toward the defeasance of all outstanding TIF #8 bonds. The balance of the stabilization fund at December 31, 2019 was \$0.

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.

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.

CITY OF GLENDALE

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

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

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

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.

The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIFs fiduciary net position have been determined on the same basis as they are reported by LRLIF. 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.

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, 2019

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.

City portion of TIF #6 closure	\$ 463,686
Sponsor receivables	452,486
Reimbursement due from other governments	294,498
Other	<u>72,564</u>
Combined Adjustment for Other Long-term Assets	<u>\$ 1,283,234</u>

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

Land	\$ 1,180,655
Buildings	15,041,001
Machinery and equipment	5,519,029
Infrastructure	22,961,624
Less: Accumulated depreciation	<u>(21,232,548)</u>
Combined Adjustment for Capital Assets	<u>\$ 23,469,761</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	\$ 41,942,447
Compensated absences	955,246
Total Health OPEB liability	13,816,990
Net pension liability	1,611,396
Net life OPEB liability	375,167
Accrued Interest	331,331
Unamortized debt premium	<u>1,429,150</u>
Combined Adjustment for Long-Term Liabilities	<u>\$ 60,461,727</u>

CITY OF GLENDALE

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

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, 2019.

Funds	Budgeted Expenditures	Actual Expenditures	Excess Expenditures Over Budget
Grant Funds	\$ 141,767	\$ 142,719	\$ 952
July 4th Celebration	33,000	59,742	26,742
DARE Fund	40,000	85,921	45,921
Park Fund	45,827	88,909	43,082
Police Acquisition Fund	-	9,892	9,892
Environmental Fund	475,000	484,741	9,741
Debt Service Fund	25,462,672	78,316,663	52,853,991
Parking Capital Projects	1,548,438	12,831,189	11,282,751
TIF #6 Capital Projects	4,493,348	6,191,753	1,698,405
TIF #8 Capital Projects	5,795,557	48,500,078	42,704,521

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.

The excess expenditures in the Debt Service Fund, Parking Capital Projects, TIF #6 Capital Projects, and TIF #8 Capital Projects relate to payments for retiring and defeasing debt.

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, 2019, the Park special revenue fund held a deficit balance of \$69,351 due to current year expenditures exceeding current year revenues. The City plans to fund this deficit with future contributions and/or tax levies.

CITY OF GLENDALE

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

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

D. CONTINUING DISCLOSURE COMPLIANCE

The City is not in compliance with their continuing disclosure agreements for the year ended December 31, 2019. Those agreements state the City is to provide the annual financial reports within 270 days of the end of each fiscal year.

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	\$ 22,598,617	\$ 22,648,378	Custodial credit
			Custodial credit, Credit, Interest rate,
Local government bonds	986,802	986,802	Concentration of credit
LGIP	15,495,977	15,495,977	Credit
Cash held by others	614,484	-	N/A
Petty cash	1,650	-	N/A
 Total Deposits and Investments	 \$ 39,697,530	 \$ 39,131,157	
 Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 20,214,309		
Restricted cash and investments	3,342,484		
Per statement of fiduciary net position			
Retiree Health Insurance Benefit Trust	180,836		
Agency	15,959,901		
 Total Deposits and Investments	 \$ 39,697,530		

CITY OF GLENDALE

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

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

A. DEPOSITS AND INVESTMENTS (cont.)

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts), and \$250,000 for demand deposit 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.

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, 2019			
	Level 1	Level 2	Level 3	Total
Local government bonds	\$ -	\$ 986,802	\$ -	\$ 986,802

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, 2019, \$22,398,378 of the city's total bank balances were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	<u>\$ 22,398,378</u>
--------------------------------	----------------------

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, 2019

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

A. DEPOSITS AND INVESTMENTS (cont.)

Credit Risk

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

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

Investment Type	Percentage of Total	Moody's Investor Service
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, 2019, the investment portfolio was concentrated as follows:

Issuer	Investment Type	Percentage of Portfolio
Village of Brown Deer	Government Bond	100%

Interest Rate Risk

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

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

Investment	Maturity Date	Call Date	Fair Value
Local government bond	4/1/20	None	\$ 319,881
Local government bond	4/1/21	None	330,152
Local government bond	4/1/22	None	336,769
Total			\$ 986,802

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, 2019

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

B. RECEIVABLES

All of the receivables are expected to be collected within one year except for \$47,737 of delinquent personal property taxes reported in the General 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:

	Unavailable	Unearned
Property taxes receivable for subsequent year	\$ -	\$ 15,310,379
City portion of TIF #6 closure	463,686	-
Sponsor receivables	452,486	-
Reimbursement due from other governments	294,498	-
Other	72,564	-
Total Unearned/Unavailable Revenue for Governmental Funds	\$ 1,283,234	\$ 15,310,379

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.

CITY OF GLENDALE

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

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

C. RESTRICTED ASSETS (cont.)

Following is a list of restricted assets at December 31, 2019:

	Restricted Assets	Restricted Net Position
Water deposit - Emergency	\$ 76,749	\$ 76,749
Water deposit - Maintenance	537,735	537,735
Reserve - TIF #7 CDA Lease Revenue Bonds	2,728,000	2,728,000
Total	\$ 3,342,484	\$ 3,342,484

D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2019 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 3,514,794	\$ -	\$ 2,334,139	\$ 1,180,655
Construction in progress	1,539,964	-	1,539,964	-
Total Capital Assets Not Being Depreciated	5,054,758	-	3,874,103	1,180,655
Capital assets being depreciated				
Buildings	25,686,090	6,873,959	17,519,048	15,041,001
Machinery and equipment	4,725,953	1,104,387	311,311	5,519,029
Infrastructure	22,770,090	191,534	-	22,961,624
Total Capital Assets Being Depreciated	53,182,133	8,169,880	17,830,359	43,521,654
Less: Accumulated depreciation for				
Buildings	8,241,500	641,904	5,693,691	3,189,713
Machinery and equipment	3,281,524	248,156	263,881	3,265,799
Infrastructure	14,019,945	757,091	-	14,777,036
Total Accumulated Depreciation	25,542,969	1,647,151	5,957,572	21,232,548
Net Capital Assets Being Depreciated	27,639,164	6,522,729	11,872,787	22,289,106
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	\$ 32,693,922	\$ 6,522,729	\$ 15,746,890	\$ 23,469,761

CITY OF GLENDALE

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

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

D. CAPITAL ASSETS (cont.)

Depreciation expense was charged to functions as follows:

Governmental Activities

General government	\$ 8,155
Public safety	132,590
Public works, which includes the depreciation of infrastructure	1,448,554
Culture, recreation and education	<u>57,852</u>

Total Governmental Activities Depreciation Expense \$ 1,647,151

	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	<u>61,031</u>	<u>-</u>	<u>61,031</u>	<u>-</u>
Total Capital Assets Not Being Depreciated	<u>113,217</u>	<u>-</u>	<u>61,031</u>	<u>52,186</u>
Capital assets being depreciated:				
Source of supply	754,238	-	-	754,238
Pumping	1,943,349	27,451	-	1,970,800
Treatment	3,503,588	41,018	19,083	3,525,523
Transmission and distribution	22,698,765	1,727,532	102,142	24,324,155
Administrative and general assets	<u>1,387,193</u>	<u>19,060</u>	<u>11,971</u>	<u>1,394,282</u>
Total Capital Assets Being Depreciated	<u>30,287,133</u>	<u>1,815,061</u>	<u>133,196</u>	<u>31,968,998</u>
Less: Accumulated depreciation for				
Source of supply	492,500	13,061	-	505,561
Pumping	1,113,123	73,973	-	1,187,096
Treatment	2,646,766	96,660	19,083	2,724,343
Transmission and distribution	5,798,963	431,905	102,142	6,128,726
Administrative and general assets	<u>1,187,443</u>	<u>24,804</u>	<u>11,971</u>	<u>1,200,276</u>
Total Accumulated Depreciation	<u>11,238,795</u>	<u>640,403</u>	<u>133,196</u>	<u>11,746,002</u>
Net Water Plant	<u>\$ 19,161,555</u>	<u>\$ 1,174,658</u>	<u>\$ 61,031</u>	<u>\$ 20,275,182</u>

CITY OF GLENDALE

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

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	1,851,598	40,810	-	1,892,408
Collection system pumping	<u>173,235</u>	<u>16,804</u>	<u>-</u>	<u>190,039</u>
Total Accumulated Depreciation	<u>2,024,833</u>	<u>57,614</u>	<u>-</u>	<u>2,082,447</u>
Net Sewer Plant	<u>\$ 2,313,610</u>	<u>\$ (57,614)</u>	<u>\$ -</u>	<u>\$ 2,255,996</u>
<u>Storm Water</u>				
Capital assets being depreciated				
Collection system	\$ 6,003,826	\$ -	\$ -	\$ 6,003,826
Collection system pumping	<u>428,185</u>	<u>-</u>	<u>-</u>	<u>428,185</u>
Total Capital Assets Being Depreciated	<u>6,432,011</u>	<u>-</u>	<u>-</u>	<u>6,432,011</u>
Less: Accumulated depreciation for				
Collection system	2,000,534	60,038	-	2,060,572
Collection system pumping	<u>125,983</u>	<u>42,818</u>	<u>-</u>	<u>168,801</u>
Total Accumulated Depreciation	<u>2,126,517</u>	<u>102,856</u>	<u>-</u>	<u>2,229,373</u>
Net Storm Water Plant	<u>\$ 4,305,494</u>	<u>\$ (102,856)</u>	<u>\$ -</u>	<u>\$ 4,202,638</u>
Business-Type Capital Assets, Net of Accumulated Depreciation	<u>\$ 25,780,659</u>	<u>\$ 1,014,188</u>	<u>\$ 61,031</u>	<u>\$ 26,733,816</u>

Depreciation expense was charged to functions as follows:

Business-type Activities	
Water	\$ 591,171
Sewer	57,614
Storm water	<u>102,856</u>
Total Business-type Activities Depreciation Expense	<u>\$ 751,641</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, 2019

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:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Park	\$ 67,000
General	TIF #6 Capital Projects	463,686
Environment Fund	Water Utility	195,226
Sewer Utility	Water Utility	560,073
Storm Water Utility	Water Utility	<u>354,741</u>
Total - Fund Financial Statements		1,640,726
Less: Fund eliminations		<u>(1,445,500)</u>
Total Internal Balances - Government-Wide Statement of Net Position		<u>\$ 195,226</u>
<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Governmental Activities	Business-Type Activities	<u>\$ 195,226</u>

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, 2019

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	\$ 589,333	City portion of room tax
General	Water Utility	451,122	Tax equivalent
General	Environmental Fund	454,217	Garbage collection
Debt Service	General Capital Projects	346,395	Premium allocation
Debt Service	TIF #6 Capital Projects	4,426,687	Current debt payments
Debt Service	TIF #7 Capital Projects	9,715,437	Current debt payments
Debt Service	TIF #8 Capital Projects	48,191,833	Current debt payments
Debt Service	Parking Capital Projects	12,784,315	Current debt payments
TIF #8 Capital Projects	Parking Capital Projects	<u>46,873</u>	Fund closure
Sub-Total		77,006,212	
Less: Fund eliminations		<u>(76,555,090)</u>	
Total Transfers - Government-Wide Statement of Activities		<u>\$ 451,122</u>	
<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	
Governmental Activities	Business-Type Activities	<u>\$ 451,122</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, 2019

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

F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2019 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable:					
General obligation debt	\$ 31,064,308	\$ 7,650,000	\$ 8,835,429	\$ 29,878,879	\$ 4,449,909
Lease revenue bonds	74,970,000	-	63,560,000	11,410,000	2,095,000
Notes payable	602,102	186,535	135,069	653,568	137,445
Premiums (net of discounts)	637,152	1,021,575	229,577	1,429,150	-
Sub-totals	107,273,562	8,858,110	72,760,075	43,371,597	6,682,354
Other Liabilities					
Vested compensated absences	1,297,811	444,108	786,673	955,246	394,959
Net pension liability	-	1,611,396	-	1,611,396	-
Net life OPEB liability	-	375,167	-	375,167	-
Total Health OPEB liability	20,685,579	1,188,647	8,057,236	13,816,990	-
Total Other Liabilities	21,983,390	3,619,318	8,843,909	16,758,799	394,959
Total Government Activities Long-Term Liabilities	\$ 129,256,952	\$ 12,477,428	\$ 81,603,984	\$ 60,130,396	\$ 7,077,313
	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Business-type Activities					
Bonds and Notes Payable:					
General obligation debt	\$ 8,880,692	\$ 1,720,000	\$ 1,109,570	\$ 9,491,122	\$ 1,220,091
Other Liabilities					
Vested compensated absences	11,346	10,627	11,346	10,627	10,627
Net pension liability	-	72,309	-	72,309	-
Net life OPEB liability	-	37,235	-	37,235	-
Total Other Liabilities	11,346	120,171	11,346	120,171	10,627
Total Business-type Activities Long-Term Liabilities	\$ 8,892,038	\$ 1,840,171	\$ 1,120,916	\$ 9,611,293	\$ 1,230,718

CITY OF GLENDALE

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

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, 2019, was \$102,605,825. Total general obligation debt outstanding at year end was \$39,370,000.

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
General Obligation Debt	Issue	Maturity	Rates	Indebted- ness	December 31, 2019
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	744,519
Promissory Notes	04/04/12	04/04/22	2.00 - 3.00%	1,559,100	620,857
Refunding Bonds (TIF 7)	04/04/12	04/01/20	0.60 - 2.40%	2,170,000	415,000
Promissory Notes	04/22/13	04/01/23	2.00%	3,909,692	1,277,599
Promissory Notes	04/21/14	04/01/24	2.00 - 3.00%	1,664,651	750,904
Promissory Notes	04/13/15	04/01/25	2.00 - 3.00%	1,820,000	1,205,000
Promissory Notes	04/04/16	04/01/26	2.00 - 3.00%	4,250,000	3,450,000
Promissory Notes	04/17/17	04/01/27	2.10 - 3.00%	2,125,000	1,845,000
Promissory Notes	04/17/17	04/01/27	2.00 - 2.95%	2,700,000	2,160,000
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	310,000
Promissory Notes	06/28/18	04/01/28	3.00 - 4.00%	7,315,000	7,315,000
Refunding Notes (TIF 7)	03/27/19	04/01/28	3.00 - 5.00%	6,620,000	6,620,000
Promissory Notes	08/05/19	04/01/29	3.00%	1,030,000	1,030,000
Total Governmental Activities – General Obligation Debt					<u>\$ 29,878,879</u>

CITY OF GLENDALE

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

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, 2019
<u>Water Utility</u>					
Promissory Notes	05/02/11	04/01/21	2.50 - 4.00%	\$ 368,000	\$ 131,910
Promissory Notes	04/04/12	04/01/22	2.00 - 3.00%	607,500	241,916
Promissory Notes	04/22/13	04/01/23	2.00%	744,520	202,400
Promissory Notes	04/21/14	04/01/24	2.00 - 3.00%	378,501	170,737
Promissory Notes	04/13/15	04/01/25	2.00 - 3.00%	515,000	339,274
Promissory Notes	04/04/16	04/01/26	2.00 - 3.00%	1,595,000	1,193,972
Promissory Notes	04/17/17	04/01/27	2.10 - 3.00%	1,885,000	1,825,000
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	1,250,000
Promissory Notes	08/05/19	04/01/29	3.00 - 4.00%	1,720,000	1,720,000
Total Water Utility					<u>7,126,526</u>
<u>Sewer Utility</u>					
Promissory Notes	05/02/11	04/01/21	2.50 - 4.00%	450,000	161,307
Promissory Notes	04/04/12	04/01/22	2.00 - 3.00%	501,300	199,624
Promissory Notes	04/22/13	04/01/23	2.00%	806,028	180,001
Promissory Notes	04/21/14	04/01/24	2.00 - 3.00%	408,750	184,380
Promissory Notes	04/13/15	04/01/25	2.00 - 3.00%	600,000	395,271
Promissory Notes	04/04/16	04/01/26	2.00 - 3.00%	20,000	14,971
Promissory Notes	04/17/17	04/01/27	2.10 - 3.00%	65,000	55,000
Refunding Notes	06/28/18	04/01/22	3.00 - 4.00%	11,359	11,359
Total Sewer Utility					<u>1,201,913</u>
<u>Storm Water Utility</u>					
Promissory Notes	05/02/11	04/01/21	2.50 - 4.00%	90,000	32,264
Promissory Notes	04/04/12	04/01/22	2.00 - 3.00%	132,100	52,605
Promissory Notes	04/22/13	04/01/23	2.00%	174,760	40,000
Promissory Notes	04/21/14	04/01/24	2.00 - 3.00%	308,098	138,978
Promissory Notes	04/13/15	04/01/25	2.00 - 3.00%	365,000	240,455
Promissory Notes	04/04/16	04/01/26	2.00 - 3.00%	135,000	101,057
Promissory Notes	04/17/17	04/01/27	2.10 - 3.00%	225,000	175,000
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>1,162,683</u>
Total Business-type Activities General Obligation Debt					<u>\$ 9,491,122</u>

CITY OF GLENDALE

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

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>
	2020	\$ 4,449,909	\$ 861,074	\$ 1,220,090
2021	2,454,395	758,886	1,390,605	210,609
2022	2,351,545	694,474	1,313,455	172,671
2023	1,945,181	640,703	1,154,819	138,717
2024	1,942,848	591,408	1,027,152	108,402
2025 - 2029	<u>16,735,001</u>	<u>1,358,524</u>	<u>3,385,001</u>	<u>197,616</u>
Totals	<u>\$ 29,878,879</u>	<u>\$ 4,905,069</u>	<u>\$ 9,491,122</u>	<u>\$ 1,083,837</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 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 \$12,103,716. Lease payments to the CDA and principal and interest payments on the outstanding lease revenue bonds amounted to \$75,118,272 for the year. Total net revenues (excess of revenues, other financing sources and special item (see Note V. F) over expenditures and other financing uses excluding transfers out) amounted to \$53,424,910 for the year.

CITY OF GLENDALE

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

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, 2019 consists of the following:

Governmental Activities					
Revenue Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2019
Lease Revenue Bonds (TIF#7)	08/01/12	09/01/22	1.00 - 2.75%	\$ 16,545,000	<u>\$ 11,410,000</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	Governmental Activities CDA Lease Revenue Debt	
	<u>Principal</u>	<u>Interest</u>
2020	\$ 2,095,000	\$ 300,292
2021	4,100,000	250,012
2022	<u>5,215,000</u>	<u>143,412</u>
Totals	<u>\$ 11,410,000</u>	<u>\$ 693,716</u>

CITY OF GLENDALE

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

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, 2019 consists of the following:

Governmental Activities						
Notes Payable	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2019	
Village of Whitefish Bay	11/09/10	04/01/22	2.00 - 3.00%	\$ 1,011,341	\$ 286,110	
Village of Bayside	04/26/12	08/01/23	0.6 - 2.3%	478,693	180,923	
Village of Whitefish Bay	05/01/19	05/01/39	3.00%	186,535	186,535	
Total Governmental Activities – Notes Payable					<u>\$ 653,568</u>	

Debt service requirements to maturity are as follows:

Years	Governmental Activities Notes Payable	
	Principal	Interest
2020	\$ 137,445	\$ 13,308
2021	140,250	12,827
2022	143,055	9,121
2023	46,283	6,660
2024	11,220	5,428
2025-2029	63,115	21,563
2030-2034	56,100	12,623
2035-2039	56,100	4,208
Totals	<u>\$ 653,568</u>	<u>\$ 85,738</u>

CITY OF GLENDALE

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

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, net pension liability 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.

Current Refunding

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 for a current refunding of \$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).

The cash flow requirement on the refunded debt was \$7,664,734 from 2019 through 2021. The cash flow requirements on the 2019 bonds are \$8,720,575 from 2019 through 2028. The refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$95,035.

Defeased Debt

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 special item (see Note V. F.) 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. The developer contribution included \$9,386,185 to payoff the Parking Capital Projects fund special assessment outstanding, \$295,878 of Parking Capital Projects fund Miscellaneous Revenue toward the parking structure bond defeasance, \$31,590,936 of TIF #8 Capital Projects fund debt service required to defease TIF #8 debt, and \$45,982 of TIF #8 Capital Projects fund investment earnings during the developer agreement approval process.

As of December 31, 2019, the City has \$51,630,000 of bonds outstanding that are considered defeased. The bonds mature between 2020 and 2029.

CITY OF GLENDALE

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

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, 2019 includes the following:

Governmental Activities

Net Investment in Capital Assets	
Land	\$ 1,180,655
Other capital assets, net of accumulated depreciation	22,289,106
Less: Capital related long-term debt outstanding	(15,240,110)
Plus: Unspent capital related debt proceeds	<u>2,228,156</u>
Total Net Investment in Capital Assets	<u>\$ 10,457,807</u>

Business-type Activities

Net Investment in Capital Assets	
Land	\$ 52,186
Other capital assets, net of accumulated depreciation	26,681,630
Less: Capital related long-term debt outstanding	<u>(8,498,410)</u>
Total Net Investment in Capital Assets	<u>\$ 18,235,406</u>

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

Nonspendable

Major Funds	
General Fund	
Prepaid items	\$ 81,889
Non-current receivables	47,737
Non-major Funds	
Special Revenue Fund	
Human Services - Prepaid items	<u>64,707</u>
Total	<u><u>\$ 194,333</u></u>

CITY OF GLENDALE

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

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

G. NET POSITION/FUND BALANCES (cont.)

Governmental Activities (cont.)

Restricted	
Major Funds	
Debt Service - Debt Service	\$ 97,217
General Capital Projects - Projects	2,462,863
TIF #7 Capital Projects - Debt Service	2,728,000
TIF #7 Capital Projects - TIF Purposes	146,777
TIF #8 Capital Projects - TIF Purposes	<u>4,245,554</u>
Total	<u>\$ 9,680,411</u>
Committed	
Non-major Fund	
Special Revenue Funds	
Grant Funds	\$ 85,316
July 4th Celebration	16,714
Human Services	697,453
Environmental Fund	659,032
Police Acquisition	13,988
DARE Fund	84,647
Hotel Room Tax	<u>385,584</u>
Total	<u>\$ 1,942,734</u>
Unassigned (deficit)	
Major Funds	
General Fund	\$ 4,954,426
Non-major Fund	
Special Revenue Fund	
Park (deficit)	<u>(69,351)</u>
Total	<u>\$ 4,885,075</u>

CITY OF GLENDALE

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

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, which can be found at <https://etf.wi.gov/resource/comprehensive-annual-financial-report-2019>.

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 executive service retirement participants, if hired on or before 12/31/2016) are entitled to retirement benefit based on a formula factor, their average earnings, and creditable service.

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

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

The WRS also provides death and disability benefits for employees.

CITY OF GLENDALE

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

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
2009	(2.1)%	(42.0)%
2010	(1.3)	22.0
2011	(1.2)	11.0
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0

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 \$498,996 in contributions from the city.

Contribution rates as of December 31, 2019 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (executives & elected officials)	6.7%	6.7%
Protective with Social Security	6.7%	10.7%
Protective without Social Security	6.7%	14.9%

CITY OF GLENDALE

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

NOTE V – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

At December 31, 2019, the city reported a liability of \$1,683,705 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension liability was based on the city's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2018, the city's proportion was 0.04732586%, which was an increase of 0.00140054% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the city recognized pension expense of \$1,325,330.

At December 31, 2019, 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	\$ 1,311,351	\$ 2,317,998
Changes in assumptions	283,811	-
Net differences between projected and actual earnings on pension plan investments	2,458,936	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	16,023	6,748
Employer contributions subsequent to the measurement date	595,345	-
Total	\$ 4,665,466	\$ 2,324,746

\$595,345 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 in the year ended December 31, 2020. 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, 2019

NOTE V – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Year ended December 31:	Deferred Outflows of Resources and Deferred Outflows/Inflows of Resources (net):
2020	\$ 638,120
2021	160,829
2022	274,256
2023	672,170

Actuarial assumptions. The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

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, 2019

NOTE V – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

<u>Core Fund Asset Class</u>	<u>Current Asset Allocation %</u>	<u>Long-Term Expected Nominal Rate of Return %</u>	<u>Long-Term Expected Real Rate of Return %</u>
Global Equities	49.0%	8.1%	5.5%
Fixed Income	24.5	4.0	1.5
Inflation Sensitive Assets	15.5	3.8	1.3
Real Estate	9.0	6.5	3.9
Private Equity/Debt	8.0	9.4	6.7
Multi-Asset	4.0	6.7	4.1
Total Core Fund	110	7.3	4.7
<u>Variable Fund Asset Class</u>			
US Equities	70	7.6	5.0
International Equities	30	8.5	5.9
Total Variable Fund	100	8.0	5.4

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.50%
Asset allocations are managed within established ranges, target percentages may differ from actual monthly allocations.

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

CITY OF GLENDALE

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

NOTE V – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

	1% Decrease to Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase to Discount Rate (8.00%)
The City's proportionate share of the net pension liability (asset)	<u>\$ 6,691,223</u>	<u>\$ 1,683,705</u>	<u>\$ (2,039,771)</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 <https://etf.wi.gov/resource/comprehensive-annual-financial-report-2019>.

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

B. RISK MANAGEMENT

The city is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; 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, 2019

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 \$14,667 at December 31, 2019 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>
2019	\$ 40,497	\$ 28,700	\$ 54,530	\$ 14,667
2018	10,989	29,508	-	40,497

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, 2019. 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 \$14,904 as of December 31, 2019.

CITY OF GLENDALE

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

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. \$609,523 of operating costs, which represents the city's share for the North Shore Water Commission for 2019, 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, 2019 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 2019 was \$3,522,364. The city's share of the 2019 capital budget was \$45,112. The NSFD total 2020 approved budget is \$15.61 million dollars of which the city's portion is approximately \$3.60 million. Complete 2019 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, 2019

NOTE V – OTHER INFORMATION (cont.)

D. JOINT VENTURES (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 2019 was \$460,781. 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 2019 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 2019 was \$21,328, 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 \$96 per month for single coverage or \$237 per month for family coverage in 2019.

CITY OF GLENDALE

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

NOTE V – OTHER INFORMATION (cont.)

E. OTHER POSTEMPLOYMENT BENEFITS (cont.)

Employees covered by benefit terms

Inactive plan members or beneficiaries currently receiving benefit payments	64
Active plan members	68
	132

Total OPEB Liability

The City's total OPEB liability of \$13,816,990 was measured as of December 31, 2018 and was determined by an actuarial valuation as of December 31, 2018.

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 4.10% 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 2015-2017 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 7.8% - 2019, 3.9% - 2020, 5.7% - 2021, 5.1% - 2022, 4.9% - 2030, 4.9% - 2040, 4.9% - 2050, 4.6% - 2060, 4.3% - 2070 and 3.9% - Ultimate. Trend rates used for post-65 employees were (17.3%) - 2019, 4.0% - 2020, 5.3% - 2021, 4.8% - 2022, 4.3% - 2030, 4.4% - 2040, 4.5% - 2050, 4.4% - 2060, 4.3% - 2070, 3.9% - Ultimate. Actuarial cost method was Entry Age Normal.

Changes in the Total OPEB Liability

Balances at December 31, 2018	\$ <u>20,685,579</u>
Changes for the year:	
Service cost	472,162
Interest on total OPEB liability	716,485
Effect of plan changes	-
Effect of economic/demographic gains/losses	(3,747,385)
Effect of assumption changes or inputs	(3,644,896)
Benefit payments	<u>(664,955)</u>
Net changes	<u>(6,868,589)</u>
Balances at December 31, 2019	\$ <u>13,816,990</u>

CITY OF GLENDALE

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

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 (3.10%) or 1-percentage-point higher (5.10%) than the current discount rate:

	1% Decrease 3.10%	Discount Rate 4.10%	1% Increase 5.10%
Total OPEB liability	\$ 15,482,168	\$ 13,816,990	\$ 12,430,391

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	\$ 12,536,132	\$ 13,816,990	\$ 15,390,488

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

For the year ended December 31, 2019, the city recognized OPEB expense of \$29,438. At December 31, 2019, 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
Differences between expected and actual experience	\$ -	\$ 3,125,928
Changes of assumptions or other inputs	652,889	3,332,940
Employer contributions subsequent to the measurement date	622,405	-
Total	\$ 1,275,294	\$ 6,458,868

CITY OF GLENDALE

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

NOTE V – OTHER INFORMATION (cont.)

E. OTHER POSTEMPLOYMENT BENEFITS (cont.)

\$622,405 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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31:	
2020	\$ (1,159,209)
2021	(1,159,209)
2022	(1,147,024)
2023	(1,077,841)
2024	(1,225,917)
Thereafter	<u>(36,779)</u>
Total	\$ <u>(5,805,979)</u>

LOCAL RETIREE LIFE INSURANCE FUND (LRLIF)

Plan description. The LRLIF is a multiple-employer defined benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides post-employment life insurance benefits for all eligible employees.

ETF issues a standalone Comprehensive Annual Financial Report, which can be found at <https://etf.wi.gov/resource/comprehensive-annual-financial-report-2019>.

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 or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

Benefits provided. The LRLIF plan provides fully paid up life insurance benefits for post-age 64 retired employees and pre-65 retirees who pay for their coverage.

Contributions. The Group Insurance Board approves contribution rates annually, based on recommendations from the insurance carrier. Recommended rates are based on an annual valuation, taking into consideration an estimate of the present value of future benefits and the present value future contributions. A portion of employer contributions made during a member's working lifetime funds a post-retirement benefit.

Employers are required to pay the following contribution based on employee contributions for active members to provide them with Basic Coverage after age 65. There are no employer contributions required for pre-age 65 annuitant coverage. If a member retires prior to age 65, they must continue paying the employee premiums until age 65 in order to be eligible for the benefit after age 65.

CITY OF GLENDALE

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

NOTE V – OTHER INFORMATION (cont.)

E. OTHER POSTEMPLOYMENT BENEFITS (cont.)

Contribution rates for the plan year reported as of December 31, 2019 are:

<u>Coverage Type</u>	<u>Employer Contribution</u>
50% Post Retirement Coverage	40% of employee contribution
25% Post Retirement Coverage	20% of employee contribution

Employee contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employee contribution rates in effect for the plan year are as listed below:

Life Insurance Employee Contribution Rates For the Plan Year

<u>Attained Age</u>	<u>Basic</u>
Under 30	\$0.05
30-34	0.06
34-39	0.07
40-44	0.08
45-49	0.12
50-54	0.22
55-59	0.39
60-64	0.49
65-69	0.57

During the reporting period, the LRLIF recognized \$3,079 in contributions from the employer.

OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

At December 31, 2019, the City reported a liability of \$412,402 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2018, and the total OPEB liability used to calculate the new OPEB liability was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net OPEB liability was based on the City's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2018, the City's proportion was 0.159825%, which was a decrease of 0.008069% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the City recognized OPEB expense of \$(3,773).

CITY OF GLENDALE

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

NOTE V – OTHER INFORMATION (cont.)

E. OTHER POSTEMPLOYMENT BENEFITS (cont.)

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

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 20,920
Net differences between projected and actual earnings on OPEB plan investments	9,856	-
Changes in assumptions	39,350	89,393
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	24,435
Employer contributions subsequent to the measurement date	2,752	-
Total	<u>\$ 51,958</u>	<u>\$ 134,748</u>

\$2,752 reported as deferred outflows related to OPEB resulting from the LRLIF Employer's contributions subsequent to the measurement date will be recognized as a reduction of the new OPEB liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ended December 31:</u>	<u>Deferred Outflows of Resources and Deferred Inflows of Resources (net)</u>
2020	(12,189)
2021	(12,189)
2022	(12,189)
2023	(13,574)
2024	(14,999)
Thereafter	(20,402)

CITY OF GLENDALE

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

NOTE V – OTHER INFORMATION (cont.)

E. OTHER POSTEMPLOYMENT BENEFITS (cont.)

Actuarial assumptions. The net OPEB liability in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date	January 1, 2018
Measurement Date of Net OPEB Liability	December 31, 2018
Actuarial Cost Method	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield	4.10%
Long-Term Expected Rate of Return	5.00%
Discount Rate	4.22%
Salary Increases	
Inflation	3.00%
Seniority/Merit	0.1% - 5.6%
Mortality	Wisconsin 2018 Mortality Table

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

Long-term expected return on plan assets. The long term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Investments for the LRLIF are held with Securian, the insurance carrier. Interest is calculated and credited to the LRLIF based on the rate of return for a segment of the insurance carriers' general fund, specifically 10-year A-Bonds (as a proxy, and not tied to any specific investments). The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were originally invested and the rate of return for that year. Investment interest is credited based on the aggregate rate of return and assets are not adjusted to fair market value. Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto.

CITY OF GLENDALE

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

NOTE V – OTHER INFORMATION (cont.)

E. OTHER POSTEMPLOYMENT BENEFITS (cont.)

Local OPEB Life Insurance Asset Allocation Targets and Expected Returns As of December 31, 2018

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return %
US Government Bonds	Barclays Government	1%	1.44%
US Credit Bonds	Barclays Credit	40	2.69
US Long Credit Bonds	Barclays Long Credit	4	3.01
US Mortgages	Barclays MBS	54	2.25
US Municipal Bonds	Bloomberg Barclays Muni	1	1.68
Inflation			2.30
Long-Term Expected Rate of Return			5.00

Single discount rate. A single discount rate of 4.22% was used to measure the net OPEB liability. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the net OPEB liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient.

Sensitivity of the City's proportionate share of the net OPEB liability to changes in the discount rate. The following presents the City's proportionate share of the net OPEB liability calculated using the discount rate of 4.22 percent, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.22 percent) or 1 percentage point higher (5.22 percent) than the current rate:

	1% Decrease to Discount Rate (3.22%)	Current Discount Rate (4.22%)	1% Increase to Discount Rate (5.22%)
The City's proportionate share of the net OPEB liability	\$586,670	\$412,402	\$277,995

OPEB plan fiduciary net position. Detailed information about the OPEB plan's fiduciary net position is available in separately issued financial statements available at <https://etf.wi.gov/resource/comprehensive-annual-financial-report-2019>.

F. SPECIAL ITEM

The \$31,590,936 TIF #8 Capital Projects fund special item is the developer contribution required by the City of Glendale as a condition to amend the developer agreement. The developer contribution was needed to defease the remaining TIF #8 debt.

CITY OF GLENDALE

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

NOTE V – OTHER INFORMATION (cont.)

G. SUBSEQUENT EVENTS

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 at a 2.50% rate. 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. Annual payments will be due on March 15th from 2021 to 2025.

On November 9, 2020, the Common Council of the City of Glendale approved an application to borrow \$4,280,000 from the Wisconsin Board of Commissioners of Public Lands (BCPL) Municipal Obligation Loan program at a 3.00% rate. The BCPL approved the City's application on December 1st, 2020. Funds will be used to fund the 2020 capital improvement program. Annual payments will be due on March 15th from 2022 to 2030.

On March 11, 2021, the federal government passed the American Rescue Plan Act to respond to the COVID-19 public health emergency and its negative economic impacts. The City's estimated award is \$1,336,408 and received 50% on June 25, 2021. The funds are to cover costs incurred by December 31, 2024.

H. 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*

CITY OF GLENDALE

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

NOTE V – OTHER INFORMATION (cont.)

H. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT PERIOD FINANCIAL STATEMENTS (cont.)

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, 2019

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Taxes	\$ 9,828,078	\$ 9,556,853	\$ (271,225)
Intergovernmental	2,215,825	2,184,660	(31,165)
Licenses and permits	688,980	749,066	60,086
Fines, forfeitures and penalties	495,000	443,451	(51,549)
Public charges for services	552,603	410,201	(142,402)
Investment income	150,000	475,670	325,670
Miscellaneous	110,880	149,639	38,759
Total Revenues	14,041,366	13,969,540	(71,826)
EXPENDITURES			
Current			
General government	1,658,391	1,515,353	143,038
Public safety	10,501,917	10,395,615	106,302
Public works	2,245,117	2,254,120	(9,003)
Health and human services	95,240	95,240	-
Culture, recreation and education	466,896	460,781	6,115
Conservation and development	138,913	136,527	2,386
Total Expenditures	15,106,474	14,857,636	248,838
Excess (deficiency) of revenues over expenditures	(1,065,108)	(888,096)	177,012
OTHER FINANCING SOURCES			
Transfers in	1,040,000	1,043,550	3,550
Net Changes in Fund Balance	(25,108)	155,454	180,562
FUND BALANCE - Beginning of Year		4,928,598	
FUND BALANCE - END OF YEAR		\$ 5,084,052	

Note: Non-GAAP component relates to placement of tax equivalent between Water Utility and General Fund. Under GAAP, placement is within Other Financing Sources. Under Non-GAAP, placement is within Revenues - Taxes.

CITY OF GLENDALE

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY

For the Year Ended December 31, 2019

	<u>2018</u>	<u>2019</u>
Total OPEB Liability		
Service cost	\$ 417,626	\$ 472,162
Interest	729,854	716,485
Changes of benefit terms	-	-
Differences between expected and actual experience	-	-
Changes of economic/demographic gains/losses	-	(3,747,385)
Changes of assumptions	989,431	(3,644,896)
Benefit payments	<u>(677,737)</u>	<u>(664,955)</u>
Net Change in Total OPEB Liability	1,459,174	(6,868,589)
Total OPEB Liability - Beginning	<u>19,226,405</u>	<u>20,685,579</u>
Total OPEB Liability - Ending	<u>\$ 20,685,579</u>	<u>\$ 13,816,990</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, 2019

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
12/31/18	0.04732586%	\$ 1,683,705	\$ 5,333,314	31.57%	96.45%
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, 2019

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
12/31/19	\$ 595,345	\$ 595,345	\$ -	\$ 5,454,442	10.91%
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

SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET) -
 LOCAL RETIREE LIFE INSURANCE FUND (LRLIF)
 For the Year Ended December 31, 2019

LRLIF Fiscal Year End Date	Proportion of the Net OPEB Liability (Asset)	Proportionate Share of the Net OPEB Liability (Asset)	Covered Payroll	Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
12/31/18	0.15982500%	\$ 412,402	\$ 5,004,000	8.24%	48.69%

SCHEDULE OF EMPLOYER CONTRIBUTIONS - OPEB
 LOCAL RETIREE LIFE INSURANCE FUND (LRLIF)
 For the Year Ended December 31, 2019

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
12/31/19	\$ 2,752	\$ 2,752	\$ -	\$ 5,454,442	0.05%

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, 2019

BUDGETARY INFORMATION

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in 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.

LOCAL RETIREE LIFE INSURANCE FUND (LRLIF)

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 LRLIF.

Changes of assumptions. Actuarial assumptions are based upon an experience study conducted in 2018 using experience from 2015-2017. Based on the experience study conducted in 2018, actuarial assumptions used to develop Total OPEB Liability changed, including the discount rate, wage inflation rate, mortality and separation rates.

CITY OF GLENDALE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION As of and for the Year Ended December 31, 2019

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

SUPPLEMENTARY INFORMATION

CITY OF GLENDALE

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

	Special Revenue Funds			
	Grant Funds	July 4th Celebration	Human Services	Environmental Fund
ASSETS				
Cash and investments	\$ 97,337	\$ 16,214	\$ 702,278	\$ 480,247
Receivables				
Taxes	65,000	20,000	560,000	-
Accounts	-	500	1,465	-
Due from other governments	-	-	-	-
Due from other funds	-	-	-	195,226
Prepaid items	-	-	64,707	-
TOTAL ASSETS	<u>\$ 162,337</u>	<u>\$ 36,714</u>	<u>\$ 1,328,450</u>	<u>\$ 675,473</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 12,021	\$ -	\$ -	\$ 16,441
Accrued payroll	-	-	-	-
Deposits	-	-	6,290	-
Due to other funds	-	-	-	-
Total Liabilities	<u>12,021</u>	<u>-</u>	<u>6,290</u>	<u>16,441</u>
Deferred Inflows of Resources				
Unearned revenues	65,000	20,000	560,000	-
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	<u>65,000</u>	<u>20,000</u>	<u>560,000</u>	<u>-</u>
Fund Balances				
Nonspendable	-	-	64,707	-
Committed	85,316	16,714	697,453	659,032
Unassigned (deficit)	-	-	-	-
Total Fund Balances	<u>85,316</u>	<u>16,714</u>	<u>762,160</u>	<u>659,032</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 162,337</u>	<u>\$ 36,714</u>	<u>\$ 1,328,450</u>	<u>\$ 675,473</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>
\$ 13,988	\$ 86,834	\$ 344,421	\$ 2,571	\$ 1,743,890
-	-	-	30,000	675,000
-	-	48,590	-	50,555
-	-	-	6,271	6,271
-	-	-	-	195,226
-	-	-	-	64,707
<u>\$ 13,988</u>	<u>\$ 86,834</u>	<u>\$ 393,011</u>	<u>\$ 38,842</u>	<u>\$ 2,735,649</u>
\$ -	\$ 2,187	\$ 7,427	\$ 4,302	\$ 42,378
-	-	-	620	620
-	-	-	-	6,290
-	-	-	67,000	67,000
-	2,187	7,427	71,922	116,288
-	-	-	30,000	675,000
-	-	-	6,271	6,271
-	-	-	36,271	681,271
-	-	-	-	64,707
13,988	84,647	385,584	-	1,942,734
-	-	-	(69,351)	(69,351)
<u>13,988</u>	<u>84,647</u>	<u>385,584</u>	<u>(69,351)</u>	<u>1,938,090</u>
<u>\$ 13,988</u>	<u>\$ 86,834</u>	<u>\$ 393,011</u>	<u>\$ 38,842</u>	<u>\$ 2,735,649</u>

CITY OF GLENDALE

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

	Special Revenue Funds			
	Grant Funds	July 4th Celebration	Human Services	Environmental Fund
REVENUES				
Taxes	\$ 55,456	\$ 20,000	\$ 544,806	\$ -
Intergovernmental	61,526	-	-	-
Public charges for services	1,080	-	-	617,668
Investment income	-	-	-	8,192
Miscellaneous	-	33,759	-	-
Total Revenues	<u>118,062</u>	<u>53,759</u>	<u>544,806</u>	<u>625,860</u>
EXPENDITURES				
Current				
Public safety	-	-	-	-
Public works	142,719	-	-	-
Health and human services	-	-	597,268	-
Culture, recreation and education	-	59,742	-	-
Conservation and development	-	-	-	-
Capital Outlay	-	-	-	30,524
Total Expenditures	<u>142,719</u>	<u>59,742</u>	<u>597,268</u>	<u>30,524</u>
Excess (deficiency) of revenues over expenditures	<u>(24,657)</u>	<u>(5,983)</u>	<u>(52,462)</u>	<u>595,336</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	-	(454,217)
Net Change in Fund Balances	(24,657)	(5,983)	(52,462)	141,119
FUND BALANCE (DEFICIT) - Beginning of Year	<u>109,973</u>	<u>22,697</u>	<u>814,622</u>	<u>517,913</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ 85,316</u>	<u>\$ 16,714</u>	<u>\$ 762,160</u>	<u>\$ 659,032</u>

<u>Special Revenue Funds</u>				<u>Total</u>
<u>Police</u>	<u>DARE</u>	<u>Hotel</u>	<u>Park</u>	<u>Nonmajor</u>
<u>Acquisition</u>	<u>Fund</u>	<u>Room Tax</u>		<u>Governmental</u>
				<u>Funds</u>
\$ -	\$ -	\$ 916,736	\$ -	\$ 1,536,998
-	-	4,508	-	66,034
-	-	-	51,926	670,674
-	-	-	-	8,192
-	38,260	1,752	-	73,771
-	38,260	922,996	51,926	2,355,669
9,892	85,921	-	-	95,813
-	-	-	-	142,719
-	-	-	-	597,268
-	-	-	88,909	148,651
-	-	181,584	-	181,584
-	-	-	-	30,524
9,892	85,921	181,584	88,909	1,196,559
(9,892)	(47,661)	741,412	(36,983)	1,159,110
-	-	(589,333)	-	(1,043,550)
(9,892)	(47,661)	152,079	(36,983)	115,560
23,880	132,308	233,505	(32,368)	1,822,530
<u>\$ 13,988</u>	<u>\$ 84,647</u>	<u>\$ 385,584</u>	<u>\$ (69,351)</u>	<u>\$ 1,938,090</u>

CITY OF GLENDALE

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

GENERAL FUND

For the Year Ended December 31, 2019

	Actual	Final Budget	Variance with Final Budget
TAXES			
General property taxes	\$ 9,065,913	\$ 9,087,822	\$ (21,909)
Water Utility tax equivalent - current	451,122	450,000	1,122
Billboard tax equivalent	-	250,000	(250,000)
Torah Academy tax equivalent	10,191	9,981	210
State property tax equivalent	21,898	21,728	170
Whitefish Bay tax equivalent	-	975	(975)
Ohr Ha Torah tax equivalent	3,866	3,788	78
Lubavitch tax equivalent	3,863	3,784	79
Total taxes	<u>9,556,853</u>	<u>9,828,078</u>	<u>(271,225)</u>
INTERGOVERNMENTAL REVENUES			
State shared revenues			
Per capita	205,465	205,465	-
Special utility	82,607	80,310	2,297
Expenditure restraint payment	304,000	304,000	-
Computer exemption payment	315,180	307,733	7,447
Personal property aid	194,168	194,168	-
State grants			
Transportation aid - regular	998,113	1,053,121	(55,008)
Transportation aid - connecting streets	57,868	57,908	(40)
Other grants	27,259	13,120	14,139
Total intergovernmental revenues	<u>2,184,660</u>	<u>2,215,825</u>	<u>(31,165)</u>
LICENSES AND PERMITS			
Licenses			
Beverage	15,670	16,000	(330)
Special gatherings	275	200	75
Cigarette	900	900	-
Tavern operators	4,050	4,500	(450)
Bicycle	180	150	30
Dance hall	150	150	-
Sale of Christmas trees	300	200	100
Coin operated machines	2,614	2,935	(321)
Coins, stones and metals	1,000	500	500
Used car dealers	6,000	6,000	-
Transient merchant permits	500	1,500	(1,000)
Cable television	187,356	195,000	(7,644)
Arcade	740	1,400	(660)
Permits			
Building	323,855	287,000	36,855
Electrical	90,619	90,000	619
Plumbing	67,407	60,000	7,407
Occupancy	20,141	4,800	15,341
Utility	14,615	7,000	7,615
Sign	5,250	4,000	1,250
Erosion control	2,450	400	2,050
Well	-	2,345	(2,345)
Other	135	-	135
Parking	4,859	4,000	859
Total licenses and permits	<u>749,066</u>	<u>688,980</u>	<u>60,086</u>

CITY OF GLENDALE

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

GENERAL FUND

For the Year Ended December 31, 2019

	Actual	Final Budget	Variance with Final Budget
FINES, FORFEITURES AND PENALTIES			
Court fines and costs	\$ 331,567	\$ 410,000	\$ (78,433)
Parking fines	49,319	40,000	9,319
False alarms	62,565	45,000	17,565
Total fines, forfeitures and penalties	<u>443,451</u>	<u>495,000</u>	<u>(51,549)</u>
PUBLIC CHARGES FOR SERVICES			
General government			
Space rental and/or charges for administrative services			
Water Utility, Sewer Utility, Storm Water Utility	276,262	337,000	(60,738)
Water Utility insurance	18,421	22,000	(3,579)
Photocopies	2,147	2,000	147
Publication fees	865	400	465
Special assessment letters	10,520	12,000	(1,480)
TIF reimbursement	14,449	70,000	(55,551)
Public safety			
School liaison officer reimbursements	57,992	78,703	(20,711)
Auxiliary police reimbursements	1,137	6,000	(4,863)
Bail processing	4,417	6,000	(1,583)
Health and human services			
Dog and cat license fees	4,771	4,000	771
Public works			
Sale of materials and services	10,710	10,000	710
Planning			
Planning fees	205	-	205
Rezoning fees	1,000	1,000	-
Board of Appeals fees	7,305	3,500	3,805
Total public charges for services	<u>410,201</u>	<u>552,603</u>	<u>(142,402)</u>
INVESTMENT INCOME	<u>475,670</u>	<u>150,000</u>	<u>325,670</u>
MISCELLANEOUS			
Sale of equipment	21,610	15,000	6,610
Interest on delinquent personal property taxes	52,056	40,000	12,056
Insurance reimbursement	39,839	20,000	19,839
Rental income	1,602	1,200	402
CVMIC dividend	13,705	13,705	-
Miscellaneous	20,827	20,975	(148)
Total miscellaneous	<u>149,639</u>	<u>110,880</u>	<u>38,759</u>
TOTAL REVENUES	<u>\$ 13,969,540</u>	<u>\$ 14,041,366</u>	<u>\$ (71,826)</u>
OTHER FINANCING SOURCES			
Hotel Room tax transfer	589,333	600,000	(10,667)
Environmental transfer	454,217	440,000	14,217
Total other financing sources	<u>1,043,550</u>	<u>1,040,000</u>	<u>3,550</u>

CITY OF GLENDALE

SCHEDULE OF DEPARTMENTAL EXPENDITURES - ACTUAL AND BUDGET
GENERAL FUND
For the Year Ended December 31, 2019

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance with Final Budget</u>
CURRENT			
General government			
Common council and mayor	\$ 39,721	\$ 40,319	\$ 598
City administrator	176,997	180,334	3,337
Finance	198,022	198,889	867
City clerk	146,544	149,526	2,982
Treasurer	149,647	155,055	5,408
Human resources	97,389	119,146	21,757
City assessor	58,069	49,850	(8,219)
Legal	181,023	160,000	(21,023)
Accounting	22,180	33,000	10,820
Municipal court	127,368	154,717	27,349
Building and grounds	107,212	124,450	17,238
Property and liability insurance	160,685	137,305	(23,380)
Unclassified	50,496	47,700	(2,796)
Contingency	-	108,100	108,100
Total general government	<u>1,515,353</u>	<u>1,658,391</u>	<u>143,038</u>
Public safety			
Building	303,833	289,033	(14,800)
Police	6,096,165	6,217,267	121,102
Fire	3,567,476	3,567,476	-
Dispatch	422,541	422,541	-
Unclassified	5,600	5,600	-
Total public safety	<u>10,395,615</u>	<u>10,501,917</u>	<u>106,302</u>
Public works			
Engineering, administration and overhead	308,907	287,956	(20,951)
Machinery and equipment	242,921	276,228	33,307
Public works facility	71,264	64,098	(7,166)
Street lighting	305,591	230,960	(74,631)
Street and alley maintenance	215,246	248,385	33,139
Street signs	33,618	46,561	12,943
Snow removal and ice control	270,500	295,579	25,079
Roadside maintenance	232,492	209,185	(23,307)
Solid waste disposal	454,217	465,000	10,783
Yard waste	119,364	121,165	1,801
Total public works	<u>2,254,120</u>	<u>2,245,117</u>	<u>(9,003)</u>
Health and human services			
Health department	73,912	73,912	-
Animal control	21,328	21,328	-
Total health and human services	<u>95,240</u>	<u>95,240</u>	<u>-</u>
Culture, recreation and education	<u>460,781</u>	<u>466,896</u>	<u>6,115</u>
Conservation and development	<u>136,527</u>	<u>138,913</u>	<u>2,386</u>
Total Current Expenditures	<u>\$ 14,857,636</u>	<u>\$ 15,106,474</u>	<u>\$ 248,838</u>

CITY OF GLENDALE

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

	Original and Final Budget	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	22,425,165	72,530,498	(50,105,333)
Interest and fees	<u>3,037,507</u>	<u>5,786,165</u>	<u>(2,748,658)</u>
Total expenditures	<u>25,462,672</u>	<u>78,316,663</u>	<u>(52,853,991)</u>
Excess (deficiency) of revenues over expenditures	<u>(22,592,707)</u>	<u>(75,446,698)</u>	<u>(52,853,991)</u>
OTHER FINANCING SOURCES			
Transfers in	<u>22,592,707</u>	<u>75,464,667</u>	<u>52,871,960</u>
Net Changes in Fund Balance	<u>\$ -</u>	17,969	<u>\$ 17,969</u>
FUND BALANCE - Beginning of Year		<u>79,248</u>	
FUND BALANCE - END OF YEAR		<u>\$ 97,217</u>	

CITY OF GLENDALE

SCHEDULE OF OPERATIONS AND MAINTENANCE EXPENSES
 ENTERPRISE FUND - WATER UTILITY
 For the Year Ended December 31, 2019
 (With Comparative Totals for the Year Ended December 31, 2018)

	2019	2018
SOURCE OF SUPPLY EXPENSES		
Purchased water	\$ 609,523	\$ 612,753
TRANSMISSION AND DISTRIBUTION EXPENSES		
Storage facilities	87	342
Operation supervision and engineering	138,619	169,696
Meter expenses	-	395
Customer installations	22,085	15,749
Miscellaneous	764	271
Rents	11,000	11,000
Maintenance		
Distribution reservoirs and standpipes	2,904	6,742
Mains	760,022	595,194
Services	1,547	431
Meters	12,309	8,303
Hydrants	48,142	41,315
Total Transmission and Distribution Expenses	997,479	849,438
CUSTOMERS ACCOUNT EXPENSES		
Meter reading labor	2,546	4,836
Customer records and collection expenses	78,684	86,444
Total Customer Accounts Expenses	81,230	91,280
ADMINISTRATIVE AND GENERAL EXPENSES		
Administrative and general salaries	69,119	46,422
Office supplies and expense	1,770	1,789
Outside services	24,940	56,560
Property insurance	9,506	9,188
Injuries and damages	7,557	11,279
Employee pensions and benefits	55,640	3,105
Regulatory Commission	3,216	3,330
Miscellaneous general expenses	11,413	5,475
Rents	7,500	7,500
Total Administrative and General Expenses	190,661	144,648
TOTAL OPERATION AND MAINTENANCE EXPENSES	\$ 1,878,893	\$ 1,698,119

CITY OF GLENDALE

COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS

For the Year Ended December 31, 2019

	<u>Balance 1-1-19</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12-31-19</u>
TAX COLLECTION FUND				
ASSETS				
Cash and investments	\$ 18,872,332	\$ 15,959,901	\$ (18,872,332)	\$ 15,959,901
Taxes receivable	<u>16,506,047</u>	<u>20,685,090</u>	<u>(16,506,047)</u>	<u>20,685,090</u>
Total Assets	<u>\$ 35,378,379</u>	<u>\$ 36,644,991</u>	<u>\$ (35,378,379)</u>	<u>\$ 36,644,991</u>
LIABILITIES				
Due to other governmental agencies	\$ 35,322,392	\$ 36,644,991	\$ (35,322,392)	\$ 36,644,991
Deposits	<u>55,987</u>	<u>-</u>	<u>(55,987)</u>	<u>-</u>
Total Liabilities	<u>\$ 35,378,379</u>	<u>\$ 36,644,991</u>	<u>\$ (35,378,379)</u>	<u>\$ 36,644,991</u>