

CITY OF GLENDALE

Glendale, Wisconsin

FINANCIAL STATEMENTS

Including Independent Auditors' Report

As of and for the Year Ended December 31, 2017

CITY OF GLENDALE

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INDEPENDENT AUDITORS' REPORT

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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, 2017, 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, 2017 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note I, the City of Glendale adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective January 1, 2017. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

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.

To the City Council
City of Glendale

Other Matters (continued)

Supplementary Information

Our audit for the year ended December 31, 2017 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, 2017 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, 2017 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, 2017.

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, 2016 (not presented herein), and have issued our report thereon dated September 26, 2017, 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, 2016 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 2016 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2016 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 for the year ended December 31, 2016.

Baker Tilly Virchow Krause, LLP

Milwaukee, Wisconsin
September 27, 2018

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BASIC FINANCIAL STATEMENTS

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CITY OF GLENDALE

STATEMENT OF NET POSITION
As of December 31, 2017

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>
ASSETS			
Cash and investments	\$ 14,249,342	\$ 2,432,878	\$ 16,682,220
Receivables (net)			
Taxes	25,704,928	-	25,704,928
Accounts	1,500,292	1,415,481	2,915,773
Special assessments	10,641,185	-	10,641,185
Delinquent personal property taxes	19,157	-	19,157
Accrued interest	105,883	-	105,883
Due from other governments	3,892	21,196	25,088
Internal balances	962,813	(962,813)	-
Inventories	-	64,801	64,801
Prepaid items	279,470	14,348	293,818
Restricted assets			
Cash and investments	16,200,193	871,657	17,071,850
Deposit with insurance company	658,835	-	658,835
Other assets	-	1,302	1,302
Capital assets (net of accumulated depreciation)			
Land	3,514,894	52,186	3,567,080
Construction in progress	396,541	-	396,541
Other capital assets	28,883,474	25,034,103	53,917,577
Total Assets	<u>103,120,899</u>	<u>28,945,139</u>	<u>132,066,038</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related amounts	2,833,112	185,901	3,019,013
OPEB related amounts	<u>677,737</u>	-	<u>677,737</u>
Total Deferred Outflows of Resources	<u>3,510,849</u>	<u>185,901</u>	<u>3,696,750</u>
LIABILITIES			
Accounts payable and other accrued liabilities	1,193,487	695,325	1,888,812
Accrued interest	1,007,937	78,541	1,086,478
Noncurrent Liabilities			
Due within one year	13,290,540	1,135,848	14,426,388
Due in more than one year	<u>120,387,513</u>	<u>7,257,517</u>	<u>127,645,030</u>
Total Liabilities	<u>135,879,477</u>	<u>9,167,231</u>	<u>145,046,708</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related amounts	1,082,068	78,857	1,160,925
OPEB related amounts	495,630	-	495,630
Unearned revenue	<u>24,181,995</u>	-	<u>24,181,995</u>
Total Deferred Inflows	<u>25,759,693</u>	<u>78,857</u>	<u>25,838,550</u>
NET POSITION			
Net investment in capital assets	15,479,484	17,795,765	30,563,894
Restricted for			
Emergency fund	-	80,841	80,841
Maintenance	-	387,686	387,686
Equipment replacement	-	403,130	403,130
Debt service	12,086,192	-	12,086,192
Unrestricted (deficit)	<u>(82,573,098)</u>	<u>1,217,530</u>	<u>(78,644,213)</u>
TOTAL NET POSITION (DEFICIT)	<u>\$ (55,007,422)</u>	<u>\$ 19,884,952</u>	<u>\$ (35,122,470)</u>

CITY OF GLENDALE

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2017

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental Activities				
General government	\$ 1,483,061	\$ 554,492	\$ -	\$ -
Public safety	10,950,311	1,116,549	38,617	-
Public works	4,535,624	642,136	1,151,572	-
Health and human services	673,077	-	-	-
Culture, education and recreation	1,040,896	36,925	-	772
Conservation and development	999,211	-	392,269	-
Interest and fiscal charges	4,000,490	-	-	-
Total Governmental Activities	<u>23,682,670</u>	<u>2,350,102</u>	<u>1,582,458</u>	<u>772</u>
Business-type Activities				
Water Utility	2,418,432	3,337,370	-	-
Sewer Utility	1,842,538	1,981,187	-	-
Storm Water Utility	987,403	1,121,168	-	-
Total Business-type Activities	<u>5,248,373</u>	<u>6,439,725</u>	<u>-</u>	<u>-</u>
 Total	 <u>\$ 28,931,043</u>	 <u>\$ 8,789,827</u>	 <u>\$ 1,582,458</u>	 <u>\$ 772</u>

General Revenues

Taxes

Property taxes, levied for general purposes

Property taxes, levied for debt service

Property taxes, levied for TIF districts

Property taxes, levied for other

Intergovernmental revenues not restricted to specific programs

Investment income

Transfers

Total General Revenues and Transfers

Change in net position

NET POSITION (DEFICIT) - Beginning of Year (as restated)

NET POSITION (DEFICIT) - END OF YEAR

Net (Expenses) Revenues and
Changes in Net Position

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>
\$ (928,569)	\$ -	\$ (928,569)
(9,795,145)	-	(9,795,145)
(2,741,916)	-	(2,741,916)
(673,077)	-	(673,077)
(1,003,199)	-	(1,003,199)
(606,942)	-	(606,942)
<u>(4,000,490)</u>	<u>-</u>	<u>(4,000,490)</u>
<u>(19,749,338)</u>	<u>-</u>	<u>(19,749,338)</u>
-	918,938	918,938
-	138,649	138,649
-	133,765	133,765
<u>-</u>	<u>1,191,352</u>	<u>1,191,352</u>
<u>(19,749,338)</u>	<u>1,191,352</u>	<u>(18,557,986)</u>
9,646,959	-	9,646,959
2,869,965	-	2,869,965
11,013,386	-	11,013,386
739,855	-	739,855
938,392	-	938,392
720,128	21,049	741,177
<u>458,084</u>	<u>(458,084)</u>	<u>-</u>
<u>26,386,769</u>	<u>(437,035)</u>	<u>25,949,734</u>
6,637,431	754,317	7,391,748
<u>(61,644,853)</u>	<u>19,130,635</u>	<u>(42,514,218)</u>
<u>\$ (55,007,422)</u>	<u>\$ 19,884,952</u>	<u>\$ (35,122,470)</u>

CITY OF GLENDALE

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2017

	General	Debt Service	General Capital Projects
ASSETS			
Cash and investments	\$ 4,479,331	\$ 66,660	\$ 3,624,148
Receivables (net)			
Taxes	9,146,228	2,869,965	-
Accounts	111,190	-	1,341,686
Special assessments	-	-	-
Delinquent personal property taxes	19,157	-	-
Accrued interest	54,255	-	-
Due from other governments	-	-	3,892
Due from other funds	470,096	-	439,696
Prepaid items	219,253	-	-
TOTAL ASSETS	\$ 14,499,510	\$ 2,936,625	\$ 5,409,422
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 336,047	\$ -	\$ 544,722
Accrued liabilities	251,497	-	-
Deposits	7,842	-	-
Due to other funds	-	-	168,625
Total Liabilities	595,386	-	713,347
Deferred Inflows of Resources			
Unearned revenues	9,146,228	2,869,965	-
Unavailable revenues	10,831	-	1,341,686
Total Deferred Inflows of Resources	9,157,059	2,869,965	1,341,686
Fund Balances			
Nonspendable	238,410	-	-
Restricted	-	66,660	3,354,389
Committed	-	-	-
Unassigned (deficit)	4,508,655	-	-
Total Fund Balances	4,747,065	66,660	3,354,389
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 14,499,510	\$ 2,936,625	\$ 5,409,422

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 OPEB do not relate to current financial resources and are not reported in the governmental funds.

Deferred inflows of resources related to pensions and OPEB 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

Parking Capital Projects	TIF #6 Capital Projects	TIF #7 Capital Projects	TIF #8 Capital Projects	Nonmajor Governmental Funds	Totals
\$ 1,579,895	\$ 2,342,984	\$ 2,912,695	\$ 13,804,303	\$ 1,284,878	\$ 30,094,894
1,522,933	2,979,794	2,250,790	6,322,218	613,000	25,704,928
-	-	-	-	47,416	1,500,292
10,641,185	-	-	-	-	10,641,185
-	-	-	-	-	19,157
2,049	2,639	10,673	36,267	-	105,883
-	-	-	-	-	3,892
-	-	-	-	230,305	1,140,097
-	-	-	-	60,217	279,470
<u>\$ 13,746,062</u>	<u>\$ 5,325,417</u>	<u>\$ 5,174,158</u>	<u>\$ 20,162,788</u>	<u>\$ 2,235,816</u>	<u>\$ 69,489,798</u>
\$ -	\$ -	\$ -	\$ 2,339	\$ 33,337	\$ 916,445
-	-	-	-	135	251,632
2,275	-	-	-	4,304	14,421
-	-	-	-	8,659	177,284
<u>2,275</u>	<u>-</u>	<u>-</u>	<u>2,339</u>	<u>46,435</u>	<u>1,359,782</u>
-	2,979,794	2,250,790	6,322,218	613,000	24,181,995
12,164,118	-	-	-	-	13,516,635
<u>12,164,118</u>	<u>2,979,794</u>	<u>2,250,790</u>	<u>6,322,218</u>	<u>613,000</u>	<u>37,698,630</u>
-	-	-	-	60,217	298,627
1,579,669	2,345,623	2,923,368	13,838,231	-	24,107,940
-	-	-	-	1,528,020	1,528,020
-	-	-	-	(11,856)	4,496,799
<u>1,579,669</u>	<u>2,345,623</u>	<u>2,923,368</u>	<u>13,838,231</u>	<u>1,576,381</u>	<u>30,431,386</u>
<u>\$ 13,746,062</u>	<u>\$ 5,325,417</u>	<u>\$ 5,174,158</u>	<u>\$ 20,162,788</u>	<u>\$ 2,235,816</u>	
					32,794,909
					1,002,487
					3,510,849
					(1,577,698)
					13,516,635
					<u>(134,685,990)</u>
					<u>\$ (55,007,422)</u>

CITY OF GLENDALE

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 GOVERNMENTAL FUNDS
 For the Year Ended December 31, 2017

	<u>General</u>	<u>Debt Service</u>	<u>General Capital Projects</u>
REVENUES			
Taxes	\$ 9,079,814	\$ 2,869,965	\$ -
Intergovernmental	2,038,058	-	238,261
Licenses and permits	721,964	-	-
Fines, forfeitures and penalties	473,674	-	-
Public charges for services	411,286	-	-
Special assessments	-	-	-
Investment income	123,555	-	36,638
Miscellaneous	128,981	11,570	107,927
Total Revenues	<u>12,977,332</u>	<u>2,881,535</u>	<u>382,826</u>
EXPENDITURES			
Current			
General government	1,339,704	-	-
Public safety	10,196,799	-	-
Public works	2,026,972	-	-
Health and human services	91,529	-	-
Culture, recreation and education	450,977	-	-
Conservation and development	128,703	-	-
Capital outlay	-	-	3,896,249
Debt service			
Principal	-	29,079,111	-
Interest and fees	-	3,965,623	65,800
Total Expenditures	<u>14,234,684</u>	<u>33,044,734</u>	<u>3,962,049</u>
Excess (deficiency) of revenues over expenditures	<u>(1,257,352)</u>	<u>(30,163,199)</u>	<u>(3,579,223)</u>
OTHER FINANCING SOURCES (USES)			
Debt premium	-	-	56,444
Debt issued	-	-	4,825,000
Transfers in	1,396,398	30,161,794	-
Transfers out	-	-	-
Total Other Financing Sources (Uses)	<u>1,396,398</u>	<u>30,161,794</u>	<u>4,881,444</u>
Net Change in Fund Balances	139,046	(1,405)	1,302,221
FUND BALANCES - Beginning of Year	<u>4,608,019</u>	<u>68,065</u>	<u>2,052,168</u>
FUND BALANCES - END OF YEAR	<u>\$ 4,747,065</u>	<u>\$ 66,660</u>	<u>\$ 3,354,389</u>

<u>Parking Capital Projects</u>	<u>TIF #6 Capital Projects</u>	<u>TIF #7 Capital Projects</u>	<u>TIF #8 Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Totals</u>
\$ -	\$ 2,802,496	\$ 2,172,649	\$ 6,038,240	\$ 1,307,000	\$ 24,270,164
-	59,816	310,096	22,357	66,835	2,735,423
-	-	-	-	-	721,964
-	-	-	-	-	473,674
-	-	-	-	645,270	1,056,556
695,909	-	-	-	-	695,909
312,640	16,086	51,135	151,576	-	691,630
-	-	-	-	52,886	301,364
<u>1,008,549</u>	<u>2,878,398</u>	<u>2,533,880</u>	<u>6,212,173</u>	<u>2,071,991</u>	<u>30,946,684</u>
-	-	-	-	-	1,339,704
-	-	-	-	51,296	10,248,095
-	-	-	-	135,994	2,162,966
-	-	-	-	574,238	665,767
-	-	-	-	61,869	512,846
-	-	-	-	183,575	312,278
-	3,132	3,132	152,340	14,858	4,069,711
-	-	-	-	-	29,079,111
-	-	-	221,808	-	4,253,231
-	<u>3,132</u>	<u>3,132</u>	<u>374,148</u>	<u>1,021,830</u>	<u>52,643,709</u>
<u>1,008,549</u>	<u>2,875,266</u>	<u>2,530,748</u>	<u>5,838,025</u>	<u>1,050,161</u>	<u>(21,697,025)</u>
-	-	-	-	-	56,444
-	-	-	17,985,000	-	22,810,000
539,091	-	-	-	3,579	32,100,862
(1,553,815)	(2,159,483)	(2,282,535)	(24,691,453)	(955,492)	(31,642,778)
<u>(1,014,724)</u>	<u>(2,159,483)</u>	<u>(2,282,535)</u>	<u>(6,706,453)</u>	<u>(951,913)</u>	<u>23,324,528</u>
(6,175)	715,783	248,213	(868,428)	98,248	1,627,503
<u>1,585,844</u>	<u>1,629,840</u>	<u>2,675,155</u>	<u>14,706,659</u>	<u>1,478,133</u>	<u>28,803,883</u>
<u>\$ 1,579,669</u>	<u>\$ 2,345,623</u>	<u>\$ 2,923,368</u>	<u>\$ 13,838,231</u>	<u>\$ 1,576,381</u>	<u>\$ 30,431,386</u>

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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, 2017

Net change in fund balances - total governmental funds	\$ 1,627,503
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>	
<p>Governmental funds report capital outlays as expenditures. However in the statement of net position the cost of these assets are capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.</p>	
Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide statements	4,069,711
Some items reported as capital outlay were not capitalized	(1,640,895)
Depreciation is reported in the government-wide financial statements	(1,527,326)
Net book value of assets retired	(108,228)
<p>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.</p>	
Debt issued	(22,810,000)
Principal repaid	29,079,111
<p>Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.</p>	
Special assessments	(713,597)
Due from other governments	(11,570)
Grant receivable	(214,183)
Sponsor receivables	(102,500)
Other	(29,313)
Internal service fund change in net position	5,646
Parking structure special assessment adjustment	(539,091)
<p>Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>	
Compensated absences	73,672
Debt premium amortization (net)	102,675
Net other post employment obligation	45,130
Deferred outflows of resources related to OPEB	110,676
Deferred inflows of resources related to OPEB	(495,630)
Net pension liability	340,389
Deferred outflows of resources related to pensions	(1,080,985)
Deferred inflows of resources related to pensions	362,615
Accrued interest	93,621
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 6,637,431</u>

CITY OF GLENDALE

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 As of December 31, 2017

	Business-type Activities - Enterprise Funds			Totals	Governmental Activities - Internal Service Fund
	Water Utility	Sewer Utility	Storm Water Utility		
ASSETS					
Current Assets					
Cash and investments	\$ 549,572	\$ 1,746,772	\$ 136,534	\$ 2,432,878	\$ 354,641
Receivables					
Accounts	1,168,778	-	-	1,168,778	-
Due from other governments	21,196	-	-	21,196	-
Accrued utility revenue	246,703	-	-	246,703	-
Due from other funds	-	713,185	526,040	1,239,225	-
Prepays	4,589	742	9,017	14,348	-
Inventories	64,801	-	-	64,801	-
Total Current Assets	<u>2,055,639</u>	<u>2,460,699</u>	<u>671,591</u>	<u>5,187,929</u>	<u>354,641</u>
Noncurrent Assets					
Restricted Assets					
Cash and investments	468,527	403,130	-	871,657	-
Deposit with insurance company	-	-	-	-	658,835
Capital assets					
Land and non-depreciable assets	52,186	-	-	52,186	-
Other capital assets	29,256,952	4,338,443	6,211,741	39,807,136	-
Less: Accumulated depreciation	(10,782,153)	(1,967,219)	(2,023,661)	(14,773,033)	-
Other Assets					
Non-utility property - net value	1,302	-	-	1,302	-
Total Noncurrent Assets	<u>18,996,814</u>	<u>2,774,354</u>	<u>4,188,080</u>	<u>25,959,248</u>	<u>658,835</u>
Total Assets	<u>21,052,453</u>	<u>5,235,053</u>	<u>4,859,671</u>	<u>31,147,177</u>	<u>1,013,476</u>
DEFERRED OUTFLOW OF RESOURCES					
Pension related amounts	54,795	74,995	56,111	185,901	-

	Business-type Activities - Enterprise Funds			Totals	Governmental Activities - Internal Service Fund
	Water Utility	Sewer Utility	Storm Water Utility		
LIABILITIES					
Current Liabilities					
Accounts payable	235,884	286,297	160,630	682,811	10,989
Accrued payroll	8,389	3,176	949	12,514	-
Due to other funds	2,202,038	-	-	2,202,038	-
Current portion of long-term debt	511,647	321,128	294,631	1,127,406	-
Compensated absences	8,442	-	-	8,442	-
Accrued interest payable	53,446	13,414	11,681	78,541	-
Total Current Liabilities	<u>3,019,846</u>	<u>624,015</u>	<u>467,891</u>	<u>4,111,752</u>	<u>10,989</u>
Noncurrent Liabilities					
Bonds and notes payable	4,643,962	1,527,280	1,053,606	7,224,848	-
Compensated absences	9,619	-	-	9,619	-
Net pension liability	14,481	2,193	6,376	23,050	-
Total Noncurrent Liabilities	<u>4,668,062</u>	<u>1,529,473</u>	<u>1,059,982</u>	<u>7,257,517</u>	<u>-</u>
Total Liabilities	<u>7,687,908</u>	<u>2,153,488</u>	<u>1,527,873</u>	<u>11,369,269</u>	<u>10,989</u>
DEFERRED INFLOW OF RESOURCES					
Pension related amounts	<u>20,354</u>	<u>33,070</u>	<u>25,433</u>	<u>78,857</u>	<u>-</u>
NET POSITION					
Net investment in capital assets	13,371,376	1,265,963	3,158,426	17,795,765	-
Restricted for					
Emergency fund	80,841	-	-	80,841	-
Maintenance	387,686	-	-	387,686	-
Equipment replacement	-	403,130	-	403,130	-
Unrestricted (deficit)	<u>(440,917)</u>	<u>1,454,397</u>	<u>204,050</u>	<u>1,217,530</u>	<u>1,002,487</u>
TOTAL NET POSITION	<u>\$ 13,398,986</u>	<u>\$ 3,123,490</u>	<u>\$ 3,362,476</u>	<u>\$ 19,884,952</u>	<u>\$ 1,002,487</u>

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CITY OF GLENDALE

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS
 For the Year Ended December 31, 2017**

	Business-type Activities - Enterprise Funds			Total	Governmental Activities - Internal Service Fund
	Water Utility	Sewer Utility	Storm Water Utility		
OPERATING REVENUES					
Charges for services and sales	\$ 3,337,370	\$ 1,981,187	\$ 1,121,168	\$ 6,439,725	\$ -
Other operating revenues	-	-	-	-	83,697
Total Operating Revenues	<u>3,337,370</u>	<u>1,981,187</u>	<u>1,121,168</u>	<u>6,439,725</u>	<u>83,697</u>
OPERATING EXPENSES					
Operation and maintenance	1,689,302	1,732,591	868,945	4,290,838	78,051
Depreciation	611,489	57,614	79,704	748,807	-
Total Operating Expenses	<u>2,300,791</u>	<u>1,790,205</u>	<u>948,649</u>	<u>5,039,645</u>	<u>78,051</u>
 Operating income (loss)	<u>1,036,579</u>	<u>190,982</u>	<u>172,519</u>	<u>1,400,080</u>	<u>5,646</u>
NONOPERATING REVENUES (EXPENSES)					
Investment income	2,954	17,405	690	21,049	-
Interest expense	(117,641)	(52,333)	(38,551)	(208,525)	-
Gain (loss) on disposal of capital assets	-	-	(203)	(203)	-
 Total Nonoperating Revenues (Expenses)	<u>(114,687)</u>	<u>(34,928)</u>	<u>(38,064)</u>	<u>(187,679)</u>	<u>-</u>
 Income (Loss) Before Transfers	<u>921,892</u>	<u>156,054</u>	<u>134,455</u>	<u>1,212,401</u>	<u>5,646</u>
TRANSFERS					
Transfers out - tax equivalent	(458,084)	-	-	(458,084)	-
 CHANGE IN NET POSITION	<u>463,808</u>	<u>156,054</u>	<u>134,455</u>	<u>754,317</u>	<u>5,646</u>
NET POSTION - Beginning of Year	<u>12,935,178</u>	<u>2,967,436</u>	<u>3,228,021</u>	<u>19,130,635</u>	<u>996,841</u>
 NET POSITION - END OF YEAR	<u>\$ 13,398,986</u>	<u>\$ 3,123,490</u>	<u>\$ 3,362,476</u>	<u>\$ 19,884,952</u>	<u>\$ 1,002,487</u>

CITY OF GLENDALE

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended December 31, 2017

	Business-type Activities - Enterprise Funds			Totals	Governmental
	Water Utility	Sewer Utility	Storm Water Utility		Activities - Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 3,383,409	\$ 1,867,643	\$ 981,720	\$ 6,232,772	\$ -
Receipts from other funds	-	-	-	-	83,697
Paid to suppliers for goods and services	(2,268,426)	(1,999,851)	(552,690)	(4,820,967)	(83,697)
Paid to employees for services	(425,604)	(129,104)	(182,570)	(737,278)	-
Net Cash Flows From Operating Activities	<u>689,379</u>	<u>(261,312)</u>	<u>246,460</u>	<u>674,527</u>	<u>-</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Payments to city for tax equivalent	(458,084)	-	-	(458,084)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(1,586,376)	-	(113,137)	(1,699,513)	-
Debt issued	1,885,000	65,000	225,000	2,175,000	-
Debt retired	(444,540)	(331,813)	(271,697)	(1,048,050)	-
Interest paid	(100,501)	(53,542)	(35,862)	(189,905)	-
Net Cash Flows From Capital and Related Financing Activities	<u>(246,417)</u>	<u>(320,355)</u>	<u>(195,696)</u>	<u>(762,468)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment income received	<u>2,954</u>	<u>17,405</u>	<u>690</u>	<u>21,049</u>	<u>-</u>
Net Change in Cash and Cash Equivalents	(12,168)	(564,262)	51,454	(524,976)	-
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>1,030,267</u>	<u>2,714,164</u>	<u>85,080</u>	<u>3,829,511</u>	<u>354,641</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,018,099</u>	<u>\$ 2,149,902</u>	<u>\$ 136,534</u>	<u>\$ 3,304,535</u>	<u>\$ 354,641</u>

	Business-type Activities - Enterprise Funds			Total	Governmental
	Water Utility	Sewer Utility	Storm Water Utility		Activities - Internal Service Fund
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES:					
Operating income (loss)	\$ 1,036,579	\$ 190,982	\$ 172,519	\$ 1,400,080	\$ 5,646
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities:					
Depreciation	611,489	57,614	79,704	748,807	-
Depreciation charged to other funds	46,817	-	-	46,817	-
Change in assets and liabilities					
Accounts receivable	(15,326)	-	-	(15,326)	-
Due from other governments	-	-	43,408	43,408	-
Inventories	(1,836)	-	-	(1,836)	-
Due from other funds	21,021	(113,544)	(182,856)	(275,379)	-
Prepayments	(1,386)	288	1,435	337	-
Accounts payable	21,996	(386,912)	123,481	(241,435)	(5,646)
Other current liabilities	117	(247)	(219)	(349)	-
Due to other funds	(1,066,618)	-	-	(1,066,618)	-
Compensated absences	3,149	-	-	3,149	-
Pension related deferrals and liabilities	33,377	(9,493)	8,988	32,872	-
NET CASH FLOWS FROM OPERATING ACTIVITIES	\$ 689,379	\$ (261,312)	\$ 246,460	\$ 674,527	\$ -
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS					
Cash and investments - statement of net position	\$ 549,572	\$ 1,746,772	\$ 136,534	\$ 2,432,878	\$ 354,641
Restricted Cash and investments - statement of net position	468,527	403,130	-	871,657	-
CASH AND CASH EQUIVALENTS	\$ 1,018,099	\$ 2,149,902	\$ 136,534	\$ 3,304,535	\$ 354,641
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES					
None					

CITY OF GLENDALE

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
As of December 31, 2017**

	Retirees Health Insurance Benefit Trust	<u>Agency Fund</u> Tax Collection Fund
ASSETS		
Cash and investments	\$ 256,642	\$ 16,216,652
Taxes receivable	-	<u>19,912,302</u>
TOTAL ASSETS	<u>256,642</u>	<u>36,128,954</u>
LIABILITIES		
Due to other governments	-	36,053,344
Deposits	-	<u>75,610</u>
TOTAL LIABILITIES	-	<u>36,128,954</u>
NET POSITION		
Held for retirement benefits	<u>\$ 256,642</u>	<u>\$ -</u>

CITY OF GLENDALE

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Year Ended December 31, 2017**

	<u>Retirees Health Insurance Benefit Trust</u>
ADDITIONS	
Contributions	\$ 17,363
DEDUCTIONS	
Expenses	<u>41,562</u>
Change in net position	(24,199)
Net Position - Beginning of year	<u>280,841</u>
NET POSITION - END OF YEAR	<u>\$ 256,642</u>

CITY OF GLENDALE

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CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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, 2017

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

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

In June 2015, the GASB issued statement No. 75 – *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57 *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB*. This standard as implemented January 1, 2017.

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, 2017

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 (TID) No. 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 (TID) No. 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 (TID) No. 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, 2017

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).

Special Assessments	Central Dispatch
Grant Funds	Library
Humane Society	July 4 th Celebration
Human Services	Public Safety Capital Improvements
Environmental Fund	Police Acquisition
DARE Fund	Hotel Room Tax
Park	

In addition, the city reports the following fund types:

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

General Liability Self Insurance

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

Retirees Health Insurance Benefit Trust

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

Tax Collection Fund

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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, 2017

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, 2017

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 maturing in three years or less.
- 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.

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, 2017, 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, 2017

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 – 2017 tax roll:

Lien date and levy date	November 2017
Tax bills mailed	December 2017
Payment in full, or	January 31, 2018
First installment due	January 31, 2018
Second installment due	March 31, 2018
Third installment due	May 31, 2018
Personal property taxes in full	January 31, 2018
Tax deed by county – 2017	
Delinquent real estate taxes	October 2020

Accounts receivable have been shown net of an allowance for uncollectible accounts of \$596,726. 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, 2017

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, 2017

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, 2017 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.

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.

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.

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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

Government-Wide Statements

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

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

The net position section includes an adjustment for capital assets owned by the business-type activities column, but financed by debt of the governmental activities column. The amount is a reduction of "net investment in capital assets", and an increase in "unrestricted" net position, shown only in the total column. The adjustment totaled \$2,711,355.

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, 2017

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

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, 2017

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

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

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. The details of this reconciliation include the following items:

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

Special assessments	\$ 12,164,118
Sponsor receivables	1,341,686
Other	<u>10,831</u>
Combined Adjustment for Other Long-term Assets	<u>\$ 13,516,635</u>

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

Land	\$ 3,514,894
Construction in progress	396,541
Buildings	26,665,078
Machinery and equipment	4,647,429
Roads and bridges	22,770,090
Less: Accumulated depreciation	<u>(25,199,123)</u>
Combined Adjustment for Capital Assets	<u>\$ 32,794,909</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	\$ 112,068,708
Compensated absences	1,390,601
Net other postemployment benefits obligation	19,226,405
Net pension liability	346,090
Accrued Interest	1,007,937
Unamortized debt premium	<u>646,249</u>
Combined Adjustment for Long-Term Liabilities	<u>\$ 134,685,990</u>

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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

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, 2017.

<u>Funds</u>	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Excess Expenditures Over Budget</u>
Human Services special revenue fund	\$ 544,145	\$ 574,238	\$ 30,093
Special Assessment special revenue fund	13,600	13,641	41
TIF#8 capital projects fund	24,936,282	25,065,600	129,318

The Human Service special revenue fund incurred unbudgeted expenditures related to additional employee retirements. The TIF #8 capital projects fund transferred funds per a developer agreement for which no budget amendment was adopted.

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

B. LIMITATIONS ON THE CITY'S TAX LEVY

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

C. DEFICIT BALANCE

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

As of December 31, 2017, the Park special revenue fund held a deficit balance of \$11,856 due to current year expenditures exceeding current year revenues.

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

NOTE IV – DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

The city's deposits and investments at year end were comprised of the following:

	Carrying Value	Statement Balances	Associated Risks
Demand Deposits	\$ 17,254,370	\$ 14,554,519	Custodial credit
U.S. Agencies	29,025,709	29,025,709	Custodial credit, Credit, Interest rate, Concentration of credit risk
Local government bonds	3,377,774	3,377,774	Custodial credit, Credit, Interest rate, Concentration of credit risk
LGIP	99,334	99,334	Credit
Cash held by others	468,527	-	N/A
Petty cash	1,650	-	N/A
Total Deposits and Investments	\$ 50,227,364	\$ 47,057,336	
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 16,682,220		
Restricted cash and investments	17,071,850		
Per statement of fiduciary net position			
Retiree Health Insurance Benefit Trust	256,642		
Agency	16,216,652		
Total Deposits and Investments	\$ 50,227,364		

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts), and \$250,000 for demand deposit accounts (interest-bearing and noninterest-bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts.

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

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2017

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

A. DEPOSITS AND INVESTMENTS (cont.)

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

The City's investments are categorized are as follows:

Investment Type	December 31, 2017			
	Level 1	Level 2	Level 3	Total
U.S. Agencies	\$ -	\$ 29,025,709	\$ -	\$ 29,025,709
Local government bonds	-	3,377,774	-	3,377,774
Total	<u>\$ -</u>	<u>\$ 32,403,483</u>	<u>\$ -</u>	<u>\$ 32,403,483</u>

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, 2017, \$14,304,519 of the city's total bank balances were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	<u>\$ 14,304,519</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, 2017

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, 2017, the city's investments were rated as follows:

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

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

Concentration of Credit Risk

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

At December 31, 2017, the investment portfolio was concentrated as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Percentage of Portfolio</u>
Federal Home Loan Mortgage Corporation	Debt security	42.0%
Federal National Mortgage Association	Debt security	22.2%
Federal Home Loan Bank	Debt security	18.0%

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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

A. DEPOSITS AND INVESTMENTS (cont.)

Interest Rate Risk

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

As of December 31, 2017, the city's investments were as follows:

Investment	Maturity Date	Call Date	Fair Value
Federal Home Loan Mortgage Corporation	3/13/20	3/13/16	\$ 991,210
Federal Home Loan Mortgage Corporation	2/26/21	2/26/17	2,973,870
Federal Home Loan Mortgage Corporation	6/27/19	None	994,670
Federal Home Loan Mortgage Corporation	12/29/22	3/29/18	2,996,850
Federal Home Loan Mortgage Corporation	8/10/18	2/10/18	2,714,264
Federal Home Loan Mortgage Corporation	6/12/20	3/12/18	2,989,320
Federal National Mortgage Association	11/27/19	2/27/18	1,532,826
Federal National Mortgage Association	10/24/19	None	1,483,935
Federal National Mortgage Association	7/28/21	1/28/17	1,981,220
Federal National Mortgage Association	7/26/19	1/26/17	2,229,907
Federal Home Loan Bank	12/13/19	Anytime	986,330
Federal Home Loan Bank	2/6/20	Anytime	1,479,795
Federal Home Loan Bank	11/25/22	5/25/18	2,393,832
Federal Home Loan Bank	9/25/18	None	994,470
Federal Farm Credit Bank	1/3/20	Anytime	2,283,210
Local government bond	4/1/18	None	314,814
Local government bond	4/1/19	None	312,971
Local government bond	4/1/20	None	317,699
Local government bond	4/1/21	None	325,921
Local government bond	4/1/22	None	331,044
Local government bond	12/1/19	None	247,285
Local government bond	11/1/18	None	572,533
Local government bond	4/1/18	None	201,026
Local government bond	4/1/19	None	579,101
Local government bond	4/1/18	None	175,380
Total			<u>\$ 32,403,483</u>

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

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2017

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

B. RECEIVABLES

All of the receivables are expected to be collected within one year except for \$19,157 of delinquent personal property taxes reported in the General Fund and \$10,641,185 of special assessments reported in the Parking Capital Projects Fund.

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

	<u>Unavailable</u>	<u>Unearned</u>
Property taxes receivable for subsequent year	\$ -	\$ 24,181,995
Special assessment placed on tax roll	1,522,933	-
Special assessments not yet due	10,641,185	-
Sponsor receivables	1,341,686	-
Reimbursement due from other governments	3,208	-
Other	<u>7,623</u>	<u>-</u>
 Total Unearned/Unavailable Revenue for Governmental Funds	 <u>\$ 13,516,635</u>	 <u>\$ 24,181,995</u>

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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

C. RESTRICTED ASSETS

The following represent the balances of the restricted assets:

Long Term Debt Accounts

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

Deposits with North Shore Water Commission

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

Equipment Replacement Account

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

Following is a list of restricted assets at December 31, 2017:

	Restricted Assets	Restricted Assets Not Funded by Revenues	Restricted Net Position
Water deposit - Emergency	\$ 80,841	\$ -	\$ 80,841
Water deposit - Maintenance	387,686	-	387,686
Sewer equipment replacement	403,130	-	403,130
Reserve - TIF #6 CDA Lease Revenue Bonds	1,455,500	1,455,500	-
Reserve - TIF #7 CDA Lease Revenue Bonds	2,728,000	2,728,000	-
Reserve - TIF #8 CDA Lease Revenue Bonds	4,806,858	4,806,858	-
Reserve - Parking CDA Lease Revenue Bonds	1,553,815	1,553,815	-
Stabilization - TIF #8	5,656,020	5,656,020	-
 Total	 \$ 17,071,850	 \$ 16,200,193	 \$ 871,657

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2017

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

D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2017 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 3,514,894	\$ -	\$ -	\$ 3,514,894
Construction in progress	<u>2,880,777</u>	<u>396,541</u>	<u>2,880,777</u>	<u>396,541</u>
Total Capital Assets Not Being Depreciated	<u>6,395,671</u>	<u>396,541</u>	<u>2,880,777</u>	<u>3,911,435</u>
Capital assets being depreciated				
Buildings	23,005,364	3,722,714	63,000	26,665,078
Machinery and equipment	4,011,260	771,258	135,089	4,647,429
Roads and bridges	<u>22,351,010</u>	<u>419,080</u>	<u>-</u>	<u>22,770,090</u>
Total Capital Assets Being Depreciated	<u>49,367,634</u>	<u>4,913,052</u>	<u>198,089</u>	<u>54,082,597</u>
Less: Accumulated depreciation for				
Buildings	8,029,751	550,411	1,575	8,578,587
Machinery and equipment	3,236,799	222,876	88,286	3,371,389
Roads and bridges	<u>12,495,108</u>	<u>754,039</u>	<u>-</u>	<u>13,249,147</u>
Total Accumulated Depreciation	<u>23,761,658</u>	<u>1,527,326</u>	<u>89,861</u>	<u>25,199,123</u>
Net Capital Assets Being Depreciated	<u>25,605,976</u>	<u>3,385,726</u>	<u>108,228</u>	<u>28,883,474</u>
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 32,001,647</u>	<u>\$ 3,782,267</u>	<u>\$ 2,989,005</u>	<u>\$ 32,794,909</u>

Depreciation expense was charged to functions as follows:

Governmental Activities	
General government	\$ 52,768
Public safety	126,682
Public works, which includes the depreciation of roads and bridges	<u>1,347,876</u>
Total Governmental Activities Depreciation Expense	<u>\$ 1,527,326</u>

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2017

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

D. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Business-Type Activities				
<u>Water</u>				
Capital assets not being depreciated:				
Land and land rights	\$ 47,014	\$ -	\$ -	\$ 47,014
Intangible assets	5,172	-	-	5,172
Construction in progress	<u>531,603</u>	-	<u>531,603</u>	-
 Total Capital Assets Not Being Depreciated	 <u>583,789</u>	 -	 <u>531,603</u>	 <u>52,186</u>
Capital assets being depreciated:				
Source of supply	754,238	-	-	754,238
Pumping	1,113,021	830,331	-	1,943,352
Treatment	3,445,100	27,681	11,692	3,461,089
Transmission and distribution	20,670,323	1,147,624	117,672	21,700,275
Administrative and general assets	<u>1,307,840</u>	<u>112,466</u>	<u>22,308</u>	<u>1,397,998</u>
Total Capital Assets Being Depreciated	<u>27,290,522</u>	<u>2,118,102</u>	<u>151,672</u>	<u>29,256,952</u>
Less: Accumulated depreciation for				
Source of supply	466,378	13,061	-	479,439
Pumping	991,000	63,686	-	1,054,686
Treatment	2,471,639	100,681	11,692	2,560,628
Transmission and distribution	5,206,924	390,333	117,672	5,479,585
Administrative and general assets	<u>1,139,578</u>	<u>90,545</u>	<u>22,308</u>	<u>1,207,815</u>
Total Accumulated Depreciation	<u>10,275,519</u>	<u>658,306</u>	<u>151,672</u>	<u>10,782,153</u>
 Net Water Plant	 <u>\$ 17,598,792</u>	 <u>\$ 1,459,796</u>	 <u>\$ 531,603</u>	 <u>\$ 18,526,985</u>

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2017

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	257,255	-	-	257,255
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	1,769,978	40,810	-	1,810,788
Collection system pumping	139,627	16,804	-	156,431
Total Accumulated Depreciation	<u>1,909,605</u>	<u>57,614</u>	<u>-</u>	<u>1,967,219</u>
Net Sewer Plant	<u>\$ 2,428,838</u>	<u>\$ (57,614)</u>	<u>\$ -</u>	<u>\$ 2,371,224</u>
<u>Storm Water</u>				
Capital assets being depreciated				
Collection system	\$ 5,891,305	\$ 113,137	\$ 616	\$ 6,003,826
Collection system pumping	207,915	-	-	207,915
Total Capital Assets Being Depreciated	<u>6,099,220</u>	<u>113,137</u>	<u>616</u>	<u>6,211,741</u>
Less: Accumulated depreciation for				
Collection system	1,881,996	58,913	413	1,940,496
Collection system pumping	62,374	20,791	-	83,165
Total Accumulated Depreciation	<u>1,944,370</u>	<u>79,704</u>	<u>413</u>	<u>2,023,661</u>
Net Storm Water Plant	<u>\$ 4,154,850</u>	<u>\$ 33,433</u>	<u>\$ 203</u>	<u>\$ 4,188,080</u>
Business-Type Capital Assets, Net of Accumulated Depreciation	<u>\$ 24,182,480</u>	<u>\$ 1,435,615</u>	<u>\$ 531,806</u>	<u>\$ 25,086,289</u>

Depreciation expense was charged to functions as follows:

Business-type Activities	
Water	\$ 611,489
Sewer	57,614
Storm water	<u>79,704</u>
Total Business-type Activities Depreciation Expense	<u>\$ 748,807</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, 2017

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	\$ 8,659
General	Water Utility	461,437
General Capital Projects	Water Utility	439,696
Environment Fund	Water Utility	230,305
Sewer Utility	Water Utility	656,423
Sewer Utility	General Capital Projects	56,762
Storm Water Utility	Water Utility	414,177
Storm Water Utility	General Capital Projects	<u>111,863</u>
Total - Fund Financial Statements		2,379,322
Less: Fund eliminations		<u>(1,079,259)</u>
Total Internal Balances - Government-Wide Statement of Net Position		<u>\$ 962,813</u>
<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Governmental Activities	Business-Type Activities	\$ 1,131,438
Business-Type Activities	Governmental Activities	<u>(168,625)</u>
Total Government-Wide Financial Statements		<u>\$ 962,813</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, 2017

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	\$ 475,623	City portion of room tax
General	Water Utility	458,084	Tax equivalent
General	Environmental Fund	441,712	Garbage collection
General	Central Dispatch	8,744	Close fund
General	Library	4,691	Close fund
General	Humane Society	7,502	Close fund
General	Special Assessments	41	Close fund
Public Safety Improvements	Humane Society	3,579	Close fund
Debt Service	Special Assessments	13,600	Current debt payments
Debt Service	TIF #6 Capital Projects	2,159,483	Current debt payments
Debt Service	TIF #7 Capital Projects	2,282,535	Current debt payments
Debt Service	TIF #8 Capital Projects	24,152,362	Current debt payments
Debt Service	Parking Capital Projects	1,553,815	Current debt payments
Parking Capital Projects	TIF #8 Capital Projects	<u>539,091</u>	Special assessment adjustment
Total - Fund Financial Statements		32,100,862	
Less: Fund eliminations		<u>(31,642,778)</u>	
Total Transfers - Government-Wide Statement of Activities		<u>\$ 458,084</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, 2017

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

F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2017 was as follows:

	Beginning Balance (Restated)	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable:					
General obligation debt	\$ 26,619,700	\$ 4,825,000	\$ 3,566,951	\$ 27,877,749	\$ 4,222,594
Lease revenue bonds	90,850,000	17,985,000	25,380,000	83,455,000	8,485,000
Notes payable	868,119	-	132,160	735,959	127,810
Premiums (net of discounts)	<u>748,924</u>	<u>56,445</u>	<u>159,120</u>	<u>646,249</u>	<u>-</u>
Sub-totals	<u>119,086,743</u>	<u>22,866,445</u>	<u>29,238,231</u>	<u>112,714,957</u>	<u>12,835,404</u>
Other Liabilities					
Vested compensated absences	1,464,273	482,430	556,102	1,390,601	455,136
Net pension liability	686,479	-	340,389	346,090	-
Net OPEB Liability	<u>19,271,535</u>	<u>1,119,124</u>	<u>1,164,254</u>	<u>19,226,405</u>	<u>-</u>
Total Other Liabilities	<u>21,422,287</u>	<u>1,601,554</u>	<u>2,060,745</u>	<u>20,963,096</u>	<u>455,136</u>
Total Government Activities Long-Term Liabilities	<u>\$ 140,509,030</u>	<u>\$ 24,467,999</u>	<u>\$ 31,298,976</u>	<u>\$ 133,678,053</u>	<u>\$ 13,290,540</u>
	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Business-type Activities					
Bonds and Notes Payable:					
General obligation debt	\$ 7,225,300	\$ 2,175,000	\$ 1,048,049	\$ 8,352,251	\$ 1,127,406
Other Liabilities					
Vested compensated absences	14,912	9,355	6,206	18,061	8,442
Net pension liability (asset)	<u>48,946</u>	<u>-</u>	<u>25,896</u>	<u>23,050</u>	<u>-</u>
Total Other Liabilities	<u>63,858</u>	<u>9,355</u>	<u>32,102</u>	<u>41,111</u>	<u>8,442</u>
Total Business-type Activities Long-Term Liabilities	<u>\$ 7,289,158</u>	<u>\$ 2,184,355</u>	<u>\$ 1,080,151</u>	<u>\$ 8,393,362</u>	<u>\$ 1,135,848</u>

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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, 2017, was \$109,424,130. Total general obligation debt outstanding at year end was \$36,230,000.

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 Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2017
Refunding Bonds	04/02/07	04/01/27	5.40%	\$ 730,000	\$ 730,000
Promissory Notes	04/03/08	04/01/18	3.25 - 4.00%	901,600	109,480
Refunding Notes (TIF 7)	06/03/09	04/01/19	4.00%	2,380,000	2,380,000
Promissory Notes	04/12/10	04/01/20	1.55 - 4.65%	2,165,900	830,199
Refunding Notes (TIF 7)	08/30/10	04/01/20	3.25%	1,580,000	1,580,000
Promissory Notes	05/02/11	04/01/21	2.50 - 4.00%	2,077,000	1,429,895
Promissory Notes	04/04/12	04/04/22	2.00 - 3.00%	1,559,100	1,005,063
Refunding Bonds (WRS)	04/04/12	04/01/18	0.60 - 1.85%	2,265,000	390,000
Refunding Bonds (TIF 6)	04/04/12	04/01/19	0.60 - 2.15%	2,420,000	1,180,000
Refunding Bonds (TIF 7)	04/04/12	04/01/20	0.60 - 2.40%	2,170,000	1,055,000
Refunding Bonds (TIF 8)	04/04/12	04/01/22	0.60 - 2.90%	7,515,000	3,955,000
Promissory Notes	04/22/13	04/01/23	2.00%	3,909,692	2,056,267
Promissory Notes	04/21/14	04/01/24	2.00 - 3.00%	1,664,651	931,845
Promissory Notes	04/13/15	04/01/25	2.00 - 3.00%	1,820,000	1,485,000
Promissory Notes	04/04/16	04/01/26	2.00 - 3.00%	4,250,000	3,935,000
Promissory Notes	04/17/17	04/01/27	2.10 - 3.00%	2,125,000	2,125,000
Promissory Notes	04/17/17	04/01/27	2.00 - 2.95%	2,700,000	2,700,000
Total Governmental Activities – General Obligation Debt					<u>\$ 27,877,749</u>

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2017

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

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

Business-type Activities	Date of	Final	Interest	Original	Balance
General Obligation Debt	Issue	Maturity	Rates	Indebted- ness	December 31, 2017
<u>Water Utility</u>					
Promissory Notes	04/03/08	04/01/18	3.25 - 4.00%	\$ 675,920	\$ 82,076
Promissory Notes	04/12/10	04/01/20	1.55 - 4.65%	202,400	77,580
Promissory Notes	05/02/11	04/01/21	2.50 - 4.00%	368,000	253,347
Promissory Notes	04/04/12	04/01/22	2.00 - 3.00%	607,500	391,621
Promissory Notes	04/22/13	04/01/23	2.00%	744,520	303,600
Promissory Notes	04/21/14	04/01/24	2.00 - 3.00%	378,501	211,878
Promissory Notes	04/13/15	04/01/25	2.00 - 3.00%	515,000	419,307
Promissory Notes	04/04/16	04/01/26	2.00 - 3.00%	1,595,000	1,531,200
Promissory Notes	04/17/17	04/01/27	2.10 - 3.00%	1,885,000	1,885,000
Total Water Utility					<u>5,155,609</u>
<u>Sewer Utility</u>					
Promissory Notes	04/03/08	04/01/18	3.25 - 4.00%	260,400	31,620
Promissory Notes	04/12/10	04/01/20	1.55 - 4.65%	44,800	17,172
Promissory Notes	05/02/11	04/01/21	2.50 - 4.00%	450,000	309,799
Promissory Notes	04/04/12	04/01/22	2.00 - 3.00%	501,300	323,159
Promissory Notes	04/22/13	04/01/23	2.00%	806,028	365,133
Promissory Notes	04/21/14	04/01/24	2.00 - 3.00%	408,750	228,810
Promissory Notes	04/13/15	04/01/25	2.00 - 3.00%	600,000	488,515
Promissory Notes	04/04/16	04/01/26	2.00 - 3.00%	20,000	19,200
Promissory Notes	04/17/17	04/01/27	2.10 - 3.00%	65,000	65,000
Total Sewer Utility					<u>1,848,408</u>
<u>Storm Water Utility</u>					
Promissory Notes	04/03/08	04/01/18	3.25 - 4.00%	962,080	116,824
Promissory Notes	04/12/10	04/01/20	1.55 - 4.65%	521,900	200,048
Promissory Notes	05/02/11	04/01/21	2.50 - 4.00%	90,000	61,960
Promissory Notes	04/04/12	04/01/22	2.00 - 3.00%	132,100	85,157
Promissory Notes	04/22/13	04/01/23	2.00%	174,760	60,000
Promissory Notes	04/21/14	04/01/24	2.00 - 3.00%	308,098	172,467
Promissory Notes	04/13/15	04/01/25	2.00 - 3.00%	365,000	297,178
Promissory Notes	04/04/16	04/01/26	2.00 - 3.00%	135,000	129,600
Promissory Notes	04/17/17	04/01/27	2.10 - 3.00%	225,000	225,000
Total Storm Water Utility					<u>1,348,234</u>
Total Business-type Activities General Obligation Debt					<u>\$ 8,352,251</u>

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2017

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>
2018	\$ 4,222,594	\$ 757,008	\$ 1,127,406	\$ 222,890
2019	6,277,161	560,321	1,047,839	169,425
2020	5,079,022	395,363	1,080,978	142,018
2021	2,954,395	282,640	1,015,605	113,305
2222	2,671,545	206,022	923,455	87,158
2023 - 2027	<u>6,673,032</u>	<u>370,200</u>	<u>3,156,968</u>	<u>155,910</u>
Totals	<u>\$ 27,877,749</u>	<u>\$ 2,571,554</u>	<u>\$ 8,352,251</u>	<u>\$ 890,706</u>

CDA Lease Revenue Debt

Lease revenue bonds are payable only from revenues derived from TIF increment and other revenues of TIF #6, TIF #7, and TIF #8. These bonds are backed by a moral obligation of the city and are not backed by the full faith and credit of the city. The 2004 lease revenue bond proceeds are for the Bayshore Town Center east parking structure, with revenue derived from special assessments. The 2004 lease revenue bonds were refinanced in 2014 to reduce future interest costs. The bonds are secured by an obligation of the city to make payments under a lease between the CDA and the city. The lease generally provides for payments by the city to the CDA in amounts equal to the principal and interest payments on the bonds on the dates such payments are due. Annual principal and interest payments on the bonds are expected to require 100% of net revenues. The total principal and interest remaining to be paid on the bonds is \$96,900,225. Lease payments to the CDA and principal and interest payments on the outstanding lease revenue bonds amounted to \$30,687,286 for the year. Total net revenues (excess of revenues and other financing sources over expenditures and other financing uses excluding transfers out) amounted to \$31,157,091 for the year.

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2017

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, 2017 consists of the following:

Governmental Activities	Date of	Final	Interest	Original	Balance
Revenue Debt	Issue	Maturity	Rates	Indebted- ness	December 31, 2017
Lease Revenue Bonds (Parking)	07/15/14	10/01/27	.45 - 2.95%	\$ 16,710,000	\$ 13,435,000
Lease Revenue Bonds (TIF#8)	08/03/15	10/01/27	2.30 - 2.85%	11,765,000	11,765,000
Lease Revenue Bonds (TIF#8)	08/03/15	10/01/23	1.30 - 3.65%	19,705,000	14,835,000
Lease Revenue Bonds (TIF#8)	07/19/17	10/01/29	1.70 - 3.65%	17,985,000	17,985,000
Lease Revenue Bonds (TIF#6)	08/01/11	10/01/19	1.00 - 4.00%	14,555,000	5,630,000
Lease Revenue Bonds (TIF#7)	08/01/11	09/01/21	1.00 - 3.85%	11,135,000	7,095,000
Lease Revenue Bonds (TIF#7)	08/01/12	09/01/22	1.00 - 2.75%	16,545,000	<u>12,710,000</u>
Total Governmental Activities – CDA Lease Revenue Debt					<u>\$ 83,455,000</u>

Debt service requirements to maturity are as follows:

Years	Governmental Activities CDA Lease Revenue Debt	
	Principal	Interest
2018	\$ 8,485,000	\$ 2,500,616
2019	10,315,000	2,185,246
2020	10,495,000	1,912,814
2021	10,315,000	1,606,371
2022	10,395,000	1,317,132
2023-2027	27,805,000	3,558,594
2028-2029	<u>5,645,000</u>	<u>364,452</u>
Totals	<u>\$ 83,455,000</u>	<u>\$ 13,445,225</u>

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2017

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, 2017 consists of the following:

Governmental Activities				Original	Balance
Notes Payable	Date of Issue	Final Maturity	Interest Rates	Indebted-ness	December 31, 2017
Village of Whitefish Bay	11/09/10	04/01/22	2.0 - 3.0%	\$ 1,011,341	\$ 469,104
Village of Bayside	04/26/12	08/01/23	0.6 - 2.3%	478,693	<u>266,855</u>
Total Governmental Activities – Notes Payable					<u>\$ 735,959</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Governmental Activities Notes Payable</u>	
	<u>Principal</u>	<u>Interest</u>
2018	\$ 127,810	\$ 30,275
2019	132,024	24,797
2020	137,642	18,967
2021	143,259	12,823
2022	148,877	6,336
2023	<u>46,347</u>	<u>2,006</u>
Totals	<u>\$ 735,959</u>	<u>\$ 95,204</u>

Other Debt Information

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

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

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2017

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

F. LONG-TERM OBLIGATIONS (cont.)

Current Refunding

On July 19, 2017, the Glendale Community Development Authority issued \$17,985,000 in lease revenue refunding bonds Series 2017A (with interest rates of 1.70 % to 3.65%) along with \$727,291 contributed by the City to current refund \$18,720,000 of outstanding lease revenue bonds dated September 21, 2005 (interest rates 6.22% to 6.97%).

The cash flow requirement on the refunded debt prior to the current refunding was \$31,291,512 from 2018 through 2029. The cash flow requirements on the 2017 refunding bonds are \$23,148,198 from 2018 through 2029. The current refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$4,898,947.

G. NET POSITION/FUND BALANCES

Net position reported on the government wide statement of net position at December 31, 2017 includes the following:

Governmental Activities

Net Investment in Capital Assets	
Land	\$ 3,514,894
Construction in progress	396,541
Other capital assets, net of accumulated depreciation	28,883,474
Less: Capital related long-term debt outstanding	(21,120,113)
Plus: Unspent capital related debt proceeds	<u>3,804,688</u>
Total Net Investment in Capital Assets	15,479,484
Restricted for debt service	12,086,192
Unrestricted (deficit)	<u>(82,573,098)</u>
Total Governmental Activities Net Position (Deficit)	<u>\$ (55,007,422)</u>

Governmental fund balances reported on the fund financial statements at December 31, 2017 include the following:

Nonspendable	
Major Funds	
General Fund	
Prepaid items	\$ 219,253
Non-current receivables	19,157
Non-major Fund	
Special Revenue Fund	
Human Services - Prepaid items	<u>60,217</u>
	<u>\$ 298,627</u>
Total	

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2017

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

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

Governmental Activities (cont.)

Restricted

Major Funds

Debt Service - Debt Service	\$ 66,660
General Capital Projects - Projects	3,141,091
General Capital Projects - Debt Service	213,298
Parking Capital Projects - Parking	1,579,669
TIF #6 Capital Projects - TIF Purposes	2,345,623
TIF #7 Capital Projects - TIF Purposes	2,923,368
TIF #8 Capital Projects - TIF Purposes	<u>13,838,231</u>

Total \$ 24,107,940

Committed

Non-major Funds

Special Revenue Funds

Grant Funds	\$ 137,701
July 4th Celebration	19,344
Human Services	830,680
Environmental Fund	363,356
Police Acquisition	24,685
DARE Fund	71,597
Hotel Room Tax	<u>80,657</u>

Total \$ 1,528,020

Unassigned (deficit)

Major Funds

General Fund \$ 4,508,655

Non-major Fund

Park (11,856)

Total \$ 4,496,799

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

NOTE V – OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

General Information about the Pension Plan

Plan Description. The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1,200 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

EFT issues a standalone Comprehensive Annual Financial Report (CAFR), which can be found at <http://etf.goc/publications/cafr.htm>.

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

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

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

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

The WRS also provides death and disability benefits for employees.

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2017

NOTE V – OTHER INFORMATION

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:

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2007	3.0%	10%
2008	6.6	0
2009	(2.1)	(42)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5)

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

During the reporting period, the WRS recognized \$430,595 in contributions from the city.

Contribution rates as of December 31, 2017 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (executives & elected officials)	6.8%	6.8%
Protective with Social Security	6.8%	10.6%
Protective without Social Security	6.8%	14.9%

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2017

NOTE V – OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

At December 31, 2017 the city reported a liability of \$369,140 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015 rolled forward to December 31, 2017. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension liability was based on the city's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2017, the city's proportion was .044786%, which was a decrease of .0029552% from its proportion measured as of December 31, 2015.

For the year ended December 31, 2017, the city recognized pension expense of \$953,884.

At December 31, 2017, 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	\$ 140,754	\$ 1,160,925
Changes in assumptions	385,954	-
Net differences between projected and actual earnings on pension plan investments	1,837,483	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	52,504	-
Employer contributions subsequent to the measurement date	602,318	-
Total	\$ 3,019,013	\$ 1,160,925

\$602,318 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, 2018. 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, 2017

NOTE V – OTHER INFORMATION

A. EMPLOYEES’ RETIREMENT SYSTEM (cont.)

Year ended December 31:	Deferred Outflow of Resources	Deferred Inflows of of Resources
2018	\$ 878,398	\$ 370,642
2019	878,397	370,642
2020	716,414	370,642
2021	(57,323)	48,999
2022	809	-
Thereafter	-	-

Actuarial assumptions. The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date	December 31, 2015
Measurement Date of Net Pension Liability (Asset)	December 31, 2016
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return	7.2%
Discount Rate:	7.2%
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% -5.6%
Mortality:	Wisconsin 2012 Mortality Table
Post-retirement Adjustments*	2.1%

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

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

NOTE V – OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

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

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

Single discount rate. A single discount rate of 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long term bond rate of 3.78%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate.

Based on these assumptions the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2017

NOTE V – OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Sensitivity of the city's proportionate share of the net pension liability (asset) to changes in the discount rate. The following presents the city's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.20 percent, as well as what the city's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	1% Decrease to Discount Rate (6.20%)	Current Discount Rate (7.20%)	1% Increase to Discount Rate (8.20%)
The City's proportionate share of the net pension liability (asset)	\$ 4,856,273	\$ 369,140	\$ (3,086,155)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://legis.wisconsin.gov/lab/> and reference report number 15-11.

At December 31, 2017, the city reported a payable to the pension plan of \$98,795, 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, 2017

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 \$10,989 at December 31, 2017 was recorded as claims payable in the internal service fund statement of net position. Changes in the fund's claims loss liability follow:

Year	Beginning Balance	Incurred Claims	Claims Paid/ Settled	Ending Balance
2017	\$ 16,635	\$ -	\$ 5,646	\$ 10,989
2016	-	16,635	-	16,635

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, 2017. 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 \$396,637 as of December 31, 2017.

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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. \$571,027 of operating costs, which represents the city's share for the North Shore Water Commission for 2017, 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, 2017 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 2017 was \$3,391,616. The city's share of the 2017 capital budget was \$43,440. The NSFD total 2018 approved budget is \$14.96 million dollars of which the city's portion is approximately \$3.50 million. Complete 2017 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, 2017

NOTE V – OTHER INFORMATION (cont.)

D. JOINT VENTURE (cont.)

North Shore Library

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

The city's share of operations in 2017 was \$450,977. The city accounts for its share of the operations of the North Shore Library in the Library special revenue fund. The city believes that the library will continue to provide services in the future at similar rates. Complete 2017 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 2017 was \$24,379, which is recorded in the Humane Society special revenue 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 contributes various amounts toward retiree health insurance based on agreements in place when each former employee retired. Active employees paid \$93 per month for single coverage or \$231 per month for family coverage in 2017.

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

NOTE V – OTHER INFORMATION (cont.)

E. OTHER POSTEMPLOYMENT BENEFITS (cont.)

Employees covered by benefit terms

Inactive plan members or beneficiaries currently receiving benefit payments	58
Inactive plan members entitled to but not yet receiving benefit payments	-
Active plan members	61
	119

Total OPEB Liability

The City's total OPEB liability of \$19,226,405 was measured as of December 31, 2016 and was determined by an actuarial valuation as of December 31, 2016.

Actuarial assumptions and other inputs

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

Changes in the Total OPEB Liability

Balances at December 31, 2016	\$ 19,271,535
Changes for the year:	
Service cost	425,956
Interest on total OPEB liability	693,168
Effect of plan changes	-
Effect of economic/demographic gains/losses	-
Effect of assumption changes or inputs	(597,193)
Benefit payments	(567,061)
Net changes	(45,130)
Balances at December 31, 2017	\$ 19,226,405

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2017

NOTE V – OTHER INFORMATION (cont.)

E. OTHER POSTEMPLOYMENT BENEFITS (cont.)

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the city, as well as what the city's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.78%) or 1-percentage-point higher (4.78%) than the current discount rate:

	1% Decrease <u>2.78%</u>	Discount Rate <u>3.78%</u>	1% Increase <u>4.78%</u>
Total OPEB liability \$	\$ 22,342,205	\$ 19,226,405	\$ 16,729,164

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 \$	\$ 16,771,861	\$ 19,226,405	\$ 22,347,950

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

For the year ended December 31, 2017, the city recognized OPEB expense of \$1,017,561. At December 31, 2017, the city reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	\$ -	\$ (495,630)
Employer contributions subsequent to the measurement date	<u>677,737</u>	<u>-</u>
Total	<u>\$ 677,737</u>	<u>\$ (495,630)</u>

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2017

NOTE V – OTHER INFORMATION (cont.)

E. OTHER POSTEMPLOYMENT BENEFITS (cont.)

\$677,737 reported as 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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

2018		\$	(101,563)
2019			(101,563)
2020			(101,563)
2021			(101,563)
2022			(89,378)
			(89,378)
Total		\$	(495,630)

Adjustment for Changes from GASB 45 to GASB 75

The following exhibit shows the prior-period adjustment necessary to transition from GASB 45 to GASB 75 as of December 31, 2016.

Net OPEB liability on December 31, 2016 (As Reported)	\$ 9,560,198
Change in Net OPEB liability	9,711,337
Net OPEB liability on December 31, 2016 (Restated)	<u>\$ 19,271,535</u>

F. RESTATEMENT OF NET POSITION

Net position of the Governmental Activities has been restated as a result of the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which required the City to record the total postemployment benefit liability less any related trust assets of the City's other postemployment benefit plan (OPEB), and record related expenses as of the plan's actuarial valuation. The details of this restatement are as follows:

Net Position (Deficit) on December 31, 2016 (As Reported)	\$ (52,500,577)
Change in deferred outflows related to OPEB	567,061
Change in Net OPEB liability	<u>(9,711,337)</u>
Net Position (Deficit) on December 31, 2016 (Restated)	<u>\$ (61,644,853)</u>

G. SUBSEQUENT EVENTS

On June 28, 2018, the city issued \$9,725,000 General Obligation Promissory Notes with an interest rate of 3.00 to 4.00%. This amount will be used to finance various projects within the city's 2018 Capital Improvement Program.

On June 28, 2018, the city issued \$775,000 General Obligation Promissory Notes with an interest rate of 2.60 to 2.80%. This amount was used to defease Refunding Bonds dated April 2, 2007.

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

NOTE V – OTHER INFORMATION (cont.)

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

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

- > Statement No. 80, *Blending Requirements for Certain Component Units – an Amendment of GASB Statement No. 14*
- > Statement No. 81, *Irrevocable Split-Interest Agreements*
- > Statement No. 83, *Certain Asset Retirement Obligations*
- > Statement No. 84, *Fiduciary Activities*
- > Statement No. 85, *Omnibus 2017*
- > Statement No. 86, *Certain Debt Extinguishment Issues*
- > Statement No. 87, *Leases*

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, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Taxes	\$ 9,495,586	\$ 9,495,586	\$ 9,537,898	\$ 42,312
Intergovernmental	1,919,189	1,919,189	2,038,058	118,869
Licenses and permits	560,850	560,850	721,964	161,114
Fines, forfeitures and penalties	395,000	395,000	473,674	78,674
Public charges for services	373,094	373,094	411,286	38,192
Investment income	165,000	165,000	123,555	(41,445)
Miscellaneous	137,447	137,447	128,981	(8,466)
Total Revenues	<u>13,046,166</u>	<u>13,046,166</u>	<u>13,435,416</u>	<u>389,250</u>
EXPENDITURES				
Current				
General government	1,509,517	1,587,414	1,339,704	247,710
Public safety	7,544,585	9,934,424	10,196,799	(262,375)
Public works	1,740,007	2,126,082	2,026,972	99,110
Health and human services	450,052	116,698	91,529	25,169
Culture, recreation and education	91,279	451,860	450,977	883
Conservation and development	91,279	130,154	128,703	1,451
Total Expenditures	<u>11,426,719</u>	<u>14,346,632</u>	<u>14,234,684</u>	<u>111,948</u>
Excess (deficiency) of revenues over expenditures	<u>1,619,447</u>	<u>(1,300,466)</u>	<u>(799,268)</u>	<u>501,198</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>1,075,668</u>	<u>1,075,668</u>	<u>938,314</u>	<u>(137,354)</u>
Net Changes in Fund Balance	2,695,115	(224,798)	139,046	363,844
FUND BALANCE - Beginning of Year	<u>4,608,019</u>	<u>4,608,019</u>	<u>4,608,019</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 7,303,134</u>	<u>\$ 4,383,221</u>	<u>\$ 4,747,065</u>	<u>\$ 363,844</u>

CITY OF GLENDALE

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY

For the Year Ended December 31, 2017

	<u>2017</u>
Total OPEB Liability	
Service cost	\$ 425,956
Interest	693,168
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions	(597,193)
Benefit payments	<u>(567,061)</u>
Net Change in Total OPEB Liability	(45,130)
Total OPEB Liability - Beginning	<u>19,271,535</u>
Total OPEB Liability - Ending	<u>\$ 19,226,405</u>

CITY OF GLENDALE

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) -
WISCONSIN RETIREMENT SYSTEM
For the Year Ended December 31, 2017

<u>Fiscal Year Ending</u>	<u>Proportion of the Net Pension Liability (Asset)</u>	<u>Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
12/31/15	0.04606501%	\$ (1,131,172)	\$ 4,892,989	23.12%	102.74%
12/31/16	0.04525747%	735,425	5,029,012	14.62%	98.20%
12/31/17	0.04478600%	369,140	5,135,855	7.19%	99.12%

SCHEDULE OF EMPLOYER CONTRIBUTIONS - WISCONSIN RETIREMENT SYSTEM
For the Year Ended December 31, 2017

<u>Fiscal Year Ending</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/15	\$ 501,659	\$ 501,659	\$ -	\$ 4,889,012	10.26%
12/31/16	479,700	479,700	-	5,135,730	9.34%
12/31/17	602,318	602,318	-	5,230,424	11.52%

CITY OF GLENDALE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION As of and for the Year Ended December 31, 2017

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.

General property taxes revenue was reduced by \$12,833 to increase the allowance for previous years' uncollectible taxes.

OPEB PLAN

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

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

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

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

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

WISCONSIN RETIREMENT SYSTEM

The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

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

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

Changes of assumptions. Demographic assumptions have been updated based upon the most recent WRS experience study. Estimated annual claim costs were added to reflect anticipated experience pursuant to a review of the medical provisions and current premiums. The medical trend rates were changed to reflect anticipated experience under the most recent Getzen model application.

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SUPPLEMENTARY INFORMATION

CITY OF GLENDALE

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
As of December 31, 2017

	Special Revenue Funds			
	Special Assessments	Central Dispatch	Grant Funds	Library
ASSETS				
Cash and investments	\$ -	\$ -	\$ 149,110	\$ -
Receivables				
Taxes	-	-	50,000	-
Accounts	-	-	-	-
Due from other funds	-	-	-	-
Prepaid items	-	-	-	-
TOTAL ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 199,110</u>	<u>\$ -</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ -	\$ 11,409	\$ -
Accrued payroll	-	-	-	-
Deposits	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>11,409</u>	<u>-</u>
Deferred Inflows of Resources				
Unearned revenues	-	-	50,000	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>50,000</u>	<u>-</u>
Fund Balances (Deficit)				
Nonspendable	-	-	-	-
Committed	-	-	137,701	-
Unassigned (deficit)	-	-	-	-
Total Fund Balances (Deficit)	<u>-</u>	<u>-</u>	<u>137,701</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 199,110</u>	<u>\$ -</u>

Special Revenue Funds

<u>Humane Society</u>	<u>July 4th Celebration</u>	<u>Human Services</u>	<u>Public Safety Capital Improvements</u>	<u>Environmental Fund</u>	<u>Police Acquisition</u>
\$ -	\$ 19,344	\$ 833,635	\$ -	\$ 134,814	\$ 24,685
-	23,000	540,000	-	-	-
-	-	1,349	-	-	-
-	-	-	-	230,305	-
-	-	60,217	-	-	-
<u>\$ -</u>	<u>\$ 42,344</u>	<u>\$ 1,435,201</u>	<u>\$ -</u>	<u>\$ 365,119</u>	<u>\$ 24,685</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,763	\$ -
-	-	-	-	-	-
-	-	4,304	-	-	-
-	-	-	-	-	-
-	-	4,304	-	1,763	-
-	23,000	540,000	-	-	-
-	23,000	540,000	-	-	-
-	-	60,217	-	-	-
-	19,344	830,680	-	363,356	24,685
-	-	-	-	-	-
-	19,344	890,897	-	363,356	24,685
<u>\$ -</u>	<u>\$ 42,344</u>	<u>\$ 1,435,201</u>	<u>\$ -</u>	<u>\$ 365,119</u>	<u>\$ 24,685</u>

CITY OF GLENDALE

**NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
As of December 31, 2017**

	<u>Special Revenue Funds</u>			Total Nonmajor Governmental Funds
	<u>DARE Fund</u>	<u>Hotel Room Tax</u>	<u>Park</u>	
ASSETS				
Cash and investments	\$ 74,567	\$ 48,723	\$ -	\$ 1,284,878
Receivables				
Taxes	-	-	-	613,000
Accounts	-	44,966	1,101	47,416
Due from other funds	-	-	-	230,305
Prepaid items	-	-	-	60,217
TOTAL ASSETS	<u>\$ 74,567</u>	<u>\$ 93,689</u>	<u>\$ 1,101</u>	<u>\$ 2,235,816</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 2,970	\$ 13,032	\$ 4,163	\$ 33,337
Accrued payroll	-	-	135	135
Deposits	-	-	-	4,304
Due to other funds	-	-	8,659	8,659
Total Liabilities	<u>2,970</u>	<u>13,032</u>	<u>12,957</u>	<u>46,435</u>
Deferred Inflows of Resources				
Unearned revenues	-	-	-	613,000
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>613,000</u>
Fund Balances (Deficit)				
Nonspendable	-	-	-	60,217
Committed	71,597	80,657	-	1,528,020
Unassigned (deficit)	-	-	(11,856)	(11,856)
Total Fund Balances (Deficit)	<u>71,597</u>	<u>80,657</u>	<u>(11,856)</u>	<u>1,576,381</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 74,567</u>	<u>\$ 93,689</u>	<u>\$ 1,101</u>	<u>\$ 2,235,816</u>

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CITY OF GLENDALE

**NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
For the Year Ended December 31, 2017**

	Special Revenue Funds			
	Special Assessments	Central Dispatch	Grant Funds	Library
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	61,445	-
Public charges for services	-	-	200	-
Investment income	-	-	-	-
Miscellaneous	-	-	783	-
Total Revenues	<u>-</u>	<u>-</u>	<u>62,428</u>	<u>-</u>
EXPENDITURES				
Current				
Public safety	-	-	-	-
Public works	-	-	135,994	-
Health and human services	-	-	-	-
Culture, recreation and education	-	-	-	-
Conservation and development	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>135,994</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(73,566)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(13,641)	(8,744)	-	(4,691)
Total Other Financing Sources (Uses)	<u>(13,641)</u>	<u>(8,744)</u>	<u>-</u>	<u>(4,691)</u>
Net Change in Fund Balances	(13,641)	(8,744)	(73,566)	(4,691)
FUND BALANCES (DEFICIT) - Beginning of Year	<u>13,641</u>	<u>8,744</u>	<u>211,267</u>	<u>4,691</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 137,701</u>	<u>\$ -</u>

Special Revenue Funds

<u>Humane Society</u>	<u>July 4th Celebration</u>	<u>Human Services</u>	<u>Public Safety Capital Improvements</u>	<u>Environmental Fund</u>	<u>Police Acquisition</u>
\$ -	\$ 23,000	\$ 544,145	\$ -	\$ -	\$ -
-	-	-	-	-	5,390
-	-	-	-	612,800	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>23,000</u>	<u>544,145</u>	<u>-</u>	<u>612,800</u>	<u>5,390</u>
-	-	-	-	-	1,690
-	-	-	-	-	-
-	-	574,238	-	-	-
-	17,743	-	-	-	-
-	-	-	-	-	-
-	-	-	-	14,858	-
<u>-</u>	<u>17,743</u>	<u>574,238</u>	<u>-</u>	<u>14,858</u>	<u>1,690</u>
<u>-</u>	<u>5,257</u>	<u>(30,093)</u>	<u>-</u>	<u>597,942</u>	<u>3,700</u>
-	-	-	3,579	-	-
<u>(11,081)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(441,712)</u>	<u>-</u>
<u>(11,081)</u>	<u>-</u>	<u>-</u>	<u>3,579</u>	<u>(441,712)</u>	<u>-</u>
(11,081)	5,257	(30,093)	3,579	156,230	3,700
<u>11,081</u>	<u>14,087</u>	<u>920,990</u>	<u>(3,579)</u>	<u>207,126</u>	<u>20,985</u>
<u>\$ -</u>	<u>\$ 19,344</u>	<u>\$ 890,897</u>	<u>\$ -</u>	<u>\$ 363,356</u>	<u>\$ 24,685</u>

CITY OF GLENDALE

NONMAJOR GOVERNMENTAL FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 For the Year Ended December 31, 2017

	Special Revenue Funds			Total
	DARE Fund	Hotel Room Tax	Park	Nonmajor Governmental Funds
REVENUES				
Taxes	\$ -	\$ 739,855	\$ -	\$ 1,307,000
Intergovernmental	-	-	-	66,835
Public charges for services	-	-	32,270	645,270
Investment income	-	-	-	-
Miscellaneous	52,103	-	-	52,886
Total revenues	<u>52,103</u>	<u>739,855</u>	<u>32,270</u>	<u>2,071,991</u>
EXPENDITURES				
Current				
Public safety	49,606	-	-	51,296
Public works	-	-	-	135,994
Health and human services	-	-	-	574,238
Recreation and education	-	-	44,126	61,869
Conservation and development	-	183,575	-	183,575
Capital outlay	-	-	-	14,858
Total expenditures	<u>49,606</u>	<u>183,575</u>	<u>44,126</u>	<u>1,021,830</u>
Excess (deficiency) of revenues over expenditures	<u>2,497</u>	<u>556,280</u>	<u>(11,856)</u>	<u>1,050,161</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	3,579
Transfers out	-	(475,623)	-	(955,492)
Total other financing sources (uses)	<u>-</u>	<u>(475,623)</u>	<u>-</u>	<u>(951,913)</u>
Net Changes in Fund Balances	2,497	80,657	(11,856)	98,248
FUND BALANCES (DEFICIT) -				
Beginning of Year	<u>69,100</u>	<u>-</u>	<u>-</u>	<u>1,478,133</u>
FUND BALANCES (DEFICIT) -				
END OF YEAR	<u>\$ 71,597</u>	<u>\$ 80,657</u>	<u>\$ (11,856)</u>	<u>\$ 1,576,381</u>

CITY OF GLENDALE

SCHEDULE OF REVENUES - ACTUAL AND BUDGET (NON-GAAP)
GENERAL FUND
For the Year Ended December 31, 2017

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance with Final Budget</u>
TAXES			
General property taxes	\$ 9,040,282	\$ 9,053,115	\$ (12,833)
Omitted property taxes - prior years	1,410	-	1,410
Water Utility tax equivalent	458,084	405,000	53,084
Torah Academy tax equivalent	10,019	10,000	19
State property tax equivalent	23,517	22,932	585
Whitefish Bay tax equivalent	1,033	975	58
Ohr Ha Torah tax equivalent	3,553	3,564	(11)
Total taxes	<u>9,537,898</u>	<u>9,495,586</u>	<u>42,312</u>
INTERGOVERNMENTAL REVENUES			
State shared revenues			
Per capita	205,467	205,465	2
Special utility	85,967	84,585	1,382
Expenditure restraint payment	343,683	343,683	-
Computer exemption payment	303,275	230,000	73,275
State grants			
Transportation aid - regular	1,008,458	991,573	16,885
Transportation aid - connecting streets	57,591	57,003	588
Other grants	33,617	6,880	26,737
Total intergovernmental revenues	<u>2,038,058</u>	<u>1,919,189</u>	<u>118,869</u>
LICENSES AND PERMITS			
Licenses			
Beverage	16,335	16,000	335
Food	100	27,100	(27,000)
Cigarette	915	1,000	(85)
Tavern operators	2,640	4,800	(2,160)
Dance hall	300	300	-
Sale of Christmas trees	300	300	-
Coin operated machines	3,025	3,100	(75)
Used car dealers	6,500	4,500	2,000
Transient merchant permits	2,000	1,000	1,000
Cable television	193,465	210,000	(16,535)
Arcade	960	1,250	(290)
Permits			
Building	321,765	170,000	151,765
Electrical	73,958	67,000	6,958
Plumbing	75,173	42,000	33,173
Occupancy	4,110	4,800	(690)
Utility	9,695	5,000	4,695
Sign	625	-	625
Erosion control	4,095	-	4,095
Well	2,345	-	2,345
Parking	3,658	2,700	958
Total licenses and permits	<u>721,964</u>	<u>560,850</u>	<u>161,114</u>

CITY OF GLENDALE

**SCHEDULE OF REVENUES - ACTUAL AND BUDGET (NON-GAAP)
GENERAL FUND
For the Year Ended December 31, 2017**

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance with Final Budget</u>
FINES, FORFEITURES AND PENALTIES			
Court fines and costs	\$ 380,680	\$ 335,000	\$ 45,680
Parking fines	42,616	30,000	12,616
False alarms	50,378	30,000	20,378
Total fines, forfeitures and penalties	<u>473,674</u>	<u>395,000</u>	<u>78,674</u>
PUBLIC CHARGES FOR SERVICES			
General government			
Space rental and/or charges for administrative services			
Water Utility, Sewer Utility, Storm Water Utility	227,843	235,000	(7,157)
Water Utility insurance	19,083	18,500	583
Photocopies	2,557	100	2,457
Special assessment letters	9,855	12,000	(2,145)
TIF reimbursement	13,505	15,000	(1,495)
Public safety			
School liaison officer reimbursements	97,882	72,794	25,088
Bail processing	6,120	-	6,120
Health and human services			
Dog and cat license fees	3,933	4,200	(267)
Public works			
Sale of materials and services	24,258	8,000	16,258
Planning			
Rezoning fees	750	1,000	(250)
Board of Appeals fees	5,500	6,500	(1,000)
Total public charges for service	<u>411,286</u>	<u>373,094</u>	<u>38,192</u>
INVESTMENT INCOME	<u>123,555</u>	<u>165,000</u>	<u>(41,445)</u>
MISCELLANEOUS			
Sale of equipment	-	25,000	(25,000)
Interest on delinquent personal property taxes	46,186	40,000	6,186
Insurance reimbursement	21,230	20,000	1,230
Rental income	1,901	1,200	701
CVMIC dividend	24,542	23,767	775
Miscellaneous	35,122	27,480	7,642
Total miscellaneous	<u>128,981</u>	<u>137,447</u>	<u>(8,466)</u>
TOTAL REVENUES	<u>\$ 13,435,416</u>	<u>\$ 13,046,166</u>	<u>\$ 389,250</u>

CITY OF GLENDALE

SCHEDULE OF DEPARTMENTAL EXPENDITURES - ACTUAL AND BUDGET
GENERAL FUND
For the Year Ended December 31, 2017

	Actual	Final Budget	Variance with Final Budget
CURRENT			
General government			
Common council and mayor	\$ 37,443	\$ 37,679	\$ 236
City administrator	212,914	213,267	353
Finance	113,731	111,498	(2,233)
City clerk	115,932	132,025	16,093
Treasurer	119,130	135,117	15,987
Human resources	106,626	168,912	62,286
City assessor	49,487	50,050	563
Legal	142,804	160,000	17,196
Accounting	32,039	33,000	961
Municipal court	148,647	142,397	(6,250)
Building and grounds	111,807	126,100	14,293
Property and liability insurance	107,618	133,131	25,513
Unclassified	41,526	47,600	6,074
Contingency	-	96,638	96,638
Total general government	<u>1,339,704</u>	<u>1,587,414</u>	<u>247,710</u>
Public safety			
Building	405,546	278,717	(126,829)
Police	5,987,746	5,849,424	(138,322)
Fire	3,435,056	3,435,054	(2)
Dispatch	362,851	365,629	2,778
Unclassified	5,600	5,600	-
Total public safety	<u>10,196,799</u>	<u>9,934,424</u>	<u>(262,375)</u>
Public works			
Engineering, administration and overhead	253,549	249,874	(3,675)
Machinery and equipment	223,050	292,688	69,638
Public works facility	48,306	56,700	8,394
Street lighting	257,780	232,803	(24,977)
Street and alley maintenance	231,978	202,477	(29,501)
Street signs	54,491	47,034	(7,457)
Snow removal and ice control	225,715	279,074	53,359
Roadside maintenance	175,831	181,972	6,141
Solid waste disposal	441,712	467,000	25,288
Yard waste	114,560	116,460	1,900
Total public works	<u>2,026,972</u>	<u>2,126,082</u>	<u>99,110</u>
Health and human services			
Health department	67,150	90,869	23,719
Animal control	24,379	25,829	1,450
Total health and human services	<u>91,529</u>	<u>116,698</u>	<u>25,169</u>
Culture, recreation and education	<u>450,977</u>	<u>451,860</u>	<u>883</u>
Conservation and development	<u>128,703</u>	<u>130,154</u>	<u>1,451</u>
TOTAL DEPARTMENTAL EXPENDITURES	<u>\$ 14,234,684</u>	<u>\$ 14,346,632</u>	<u>\$ 111,948</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, 2017

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget
REVENUES			
Taxes	\$ 2,869,965	\$ 2,869,965	\$ -
Other revenues	11,570	11,570	-
Total Revenues	<u>2,881,535</u>	<u>2,881,535</u>	<u>-</u>
EXPENDITURES			
Debt service			
Principal	30,202,893	29,079,111	1,123,782
Interest and fees	3,965,435	3,965,623	(188)
Total expenditures	<u>34,168,328</u>	<u>33,044,734</u>	<u>1,123,594</u>
Excess (deficiency) of revenues over expenditures	<u>(31,286,793)</u>	<u>(30,163,199)</u>	<u>1,123,594</u>
OTHER FINANCING SOURCES			
Transfers in	30,161,793	30,161,794	1
Debt issued	1,125,000	-	(1,125,000)
Total other financing sources	<u>31,286,793</u>	<u>30,161,794</u>	<u>(1,124,999)</u>
Net Changes in Fund Balance	<u>\$ -</u>	<u>(1,405)</u>	<u>\$ (1,405)</u>
FUND BALANCE - Beginning of Year		<u>68,065</u>	
FUND BALANCE - END OF YEAR		<u>\$ 66,660</u>	

CITY OF GLENDALE

SCHEDULE OF OPERATION AND MAINTENANCE EXPENSES
 ENTERPRISE FUND - WATER UTILITY
 For the Year Ended December 31, 2017
 (With Comparative Totals for the Year Ended December 31, 2016)

	<u>2017</u>	<u>2016</u>
SOURCE OF SUPPLY EXPENSES		
Purchased water	\$ 593,575	\$ 618,206
TRANSMISSION AND DISTRIBUTION EXPENSES		
Storage facilities	889	-
Operation supervision and engineering	188,615	167,251
Meter expenses	529	562
Customer installations	11,228	2,910
Miscellaneous	109	1,138
Rents	11,000	11,000
Maintenance		
Distribution reservoirs and standpipes	1,273	6,328
Mains	688,923	987,573
Services	3,728	6,818
Meters	7,965	10,822
Hydrants	2,741	10,244
Total Transmission and Distribution Expenses	<u>917,000</u>	<u>1,204,646</u>
CUSTOMERS ACCOUNT EXPENSES		
Meter reading labor	8,562	7,666
Customer records and collection expenses	75,040	94,436
Total Customer Accounts Expenses	<u>83,602</u>	<u>102,102</u>
ADMINISTRATIVE AND GENERAL EXPENSES		
Administrative and general salaries	47,294	50,585
Office supplies and expense	2,795	1,367
Outside services	7,388	7,619
Property insurance	8,697	8,976
Injuries and damages	9,097	11,674
Employee pensions and benefits	4,592	6,614
Regulatory Commission	3,588	3,446
Miscellaneous general expenses	4,174	17,276
Rents	7,500	7,500
Total Administrative and General Expenses	<u>95,125</u>	<u>115,057</u>
TOTAL OPERATION AND MAINTENANCE EXPENSES	<u>\$ 1,689,302</u>	<u>\$ 2,040,011</u>

CITY OF GLENDALE

COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES AGENCY FUNDS For the Year Ended December 31, 2017

	<u>Balance 1-1-17</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12-31-17</u>
TAX COLLECTION FUND				
ASSETS				
Cash and investments	\$ 17,521,535	\$ 16,216,652	\$ (17,521,535)	\$ 16,216,652
Taxes receivable	17,684,746	19,912,302	(17,684,746)	19,912,302
Total Assets	<u>\$ 35,206,281</u>	<u>\$ 36,128,954</u>	<u>\$ (35,206,281)</u>	<u>\$ 36,128,954</u>
LIABILITIES				
Due to other governmental agencies	\$ 35,158,354	\$ 36,053,344	\$ (35,158,354)	\$ 36,053,344
Deposits	47,927	75,610	(47,927)	75,610
Total Liabilities	<u>\$ 35,206,281</u>	<u>\$ 36,128,954</u>	<u>\$ (35,206,281)</u>	<u>\$ 36,128,954</u>