

# **CITY OF GLENDALE**

Glendale, Wisconsin

## **FINANCIAL STATEMENTS**

Including Independent Auditors' Report

As of and for the Year Ended December 31, 2016

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# CITY OF GLENDALE

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# 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, 2016, 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, 2016 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Required Supplementary Information*

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

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

To the City Council  
City of Glendale

***Other Matters (continued)***

*Supplementary Information*

Our audit for the year ended December 31, 2016 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, 2016 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, 2016 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, 2016.

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, 2015 (not presented herein), and have issued our report thereon dated September 26, 2016, 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, 2015 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 2015 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2015 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, 2015.

*Baker Tilly Virchow Krause, LLP*

Milwaukee, Wisconsin  
September 26, 2017

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## **BASIC FINANCIAL STATEMENTS**

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# CITY OF GLENDALE

## STATEMENT OF NET POSITION As of December 31, 2016

	Governmental Activities	Business-type Activities	Totals
<b>ASSETS</b>			
Cash and investments	\$ 11,653,683	\$ 3,063,631	\$ 14,717,314
Receivables (net)			
Taxes	24,508,585	-	24,508,585
Accounts	1,614,754	1,400,155	3,014,909
Special assessments	12,420,276	-	12,420,276
Delinquent personal property taxes	15,051	-	15,051
Accrued interest	90,192	-	90,192
Due from other governments	287,671	85,625	373,296
Internal balances	2,325,831	(2,325,831)	-
Inventories	-	14,685	14,685
Prepaid items	280,710	62,965	343,675
Restricted assets			
Cash and investments	16,927,483	765,880	17,693,363
Deposit with insurance company	658,835	-	658,835
Other assets	-	1,425	1,425
Capital assets (net of accumulated depreciation)			
Land	3,514,894	52,186	3,567,080
Construction in progress	2,880,777	531,603	3,412,380
Other capital assets	25,605,976	23,598,691	49,204,667
Total Assets	<u>102,784,718</u>	<u>27,251,015</u>	<u>130,035,733</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related amounts	<u>3,914,097</u>	<u>268,819</u>	<u>4,182,916</u>
<b>LIABILITIES</b>			
Accounts payable and other accrued liabilities	2,333,715	937,113	3,270,828
Accrued interest	1,101,558	59,921	1,161,479
Noncurrent Liabilities			
Due within one year	11,062,527	1,054,257	12,116,784
Due in more than one year	119,735,166	6,234,901	125,970,067
Total Liabilities	<u>134,232,966</u>	<u>8,286,192</u>	<u>142,519,158</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension related amounts	1,444,683	103,007	1,547,690
Unearned revenue	23,521,743	-	23,521,743
Total Deferred Inflows of Resources	<u>24,966,426</u>	<u>103,007</u>	<u>25,069,433</u>
<b>NET POSITION</b>			
Net investment in capital assets	13,749,196	18,161,797	28,943,282
Restricted for			
Emergency fund	-	49,645	49,645
Maintenance	-	313,105	313,105
Equipment replacement	-	403,130	403,130
Debt service	14,906,812	-	14,906,812
Unrestricted (deficit)	<u>(81,156,585)</u>	<u>202,958</u>	<u>(77,985,916)</u>
<b>TOTAL NET POSITION (DEFICIT)</b>	<u><u>\$ (52,500,577)</u></u>	<u><u>\$ 19,130,635</u></u>	<u><u>\$ (33,369,942)</u></u>

**CITY OF GLENDALE**

STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2016

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities</b>				
General government	\$ 1,558,169	\$ 614,586	\$ -	\$ -
Public safety	11,034,069	844,027	-	-
Public works	5,062,270	600,824	1,346,462	-
Health and human services	923,169	-	-	-
Culture, education and recreation	467,365	2,095	-	1,570,586
Conservation and development	1,735,654	-	492,598	-
Interest and fiscal charges	3,997,352	-	-	-
<b>Total Governmental Activities</b>	<b>24,778,048</b>	<b>2,061,532</b>	<b>1,839,060</b>	<b>1,570,586</b>
<b>Business-type Activities</b>				
Water Utility	2,649,012	3,399,309	-	-
Sewer Utility	2,573,339	1,908,567	-	-
Storm Water Utility	867,740	979,322	-	-
<b>Total Business-type Activities</b>	<b>6,090,091</b>	<b>6,287,198</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>\$ 30,868,139</b>	<b>\$ 8,348,730</b>	<b>\$ 1,839,060</b>	<b>\$ 1,570,586</b>

General Revenues

Taxes

Property taxes, levied for general purposes

Property taxes, levied for debt service

Property taxes, levied for TIF districts

Property taxes, levied for other

Intergovernmental revenues not restricted to specific programs

Investment income

Miscellaneous

Transfers

Total General Revenues and Transfers

**Change in net position**

NET POSITION (DEFICIT) - Beginning of Year

**NET POSITION (DEFICIT) - END OF YEAR**

Net (Expenses) Revenues and  
Changes in Net Position

Governmental Activities	Business-type Activities	Totals
\$ (943,583)	\$ -	\$ (943,583)
(10,190,042)	-	(10,190,042)
(3,114,984)	-	(3,114,984)
(923,169)	-	(923,169)
1,105,316	-	1,105,316
(1,243,056)	-	(1,243,056)
(3,997,352)	-	(3,997,352)
<u>(19,306,870)</u>	<u>-</u>	<u>(19,306,870)</u>
-	750,297	750,297
-	(664,772)	(664,772)
-	111,582	111,582
<u>-</u>	<u>197,107</u>	<u>197,107</u>
<u>(19,306,870)</u>	<u>197,107</u>	<u>(19,109,763)</u>
9,600,477	-	9,600,477
2,900,876	-	2,900,876
11,056,379	-	11,056,379
761,149	-	761,149
875,943	-	875,943
815,094	52,757	867,851
-	43,212	43,212
458,413	(458,413)	-
<u>26,468,331</u>	<u>(362,444)</u>	<u>26,105,887</u>
7,161,461	(165,337)	6,996,124
<u>(59,662,038)</u>	<u>19,295,972</u>	<u>(40,366,066)</u>
<u>\$ (52,500,577)</u>	<u>\$ 19,130,635</u>	<u>\$ (33,369,942)</u>

**CITY OF GLENDALE**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
As of December 31, 2016

	<u>General</u>	<u>Debt Service</u>	<u>General Capital Projects</u>
<b>ASSETS</b>			
Cash and investments	\$ 3,433,584	\$ 68,065	\$ 2,890,502
Receivables (net)			
Taxes	9,081,542	2,869,965	-
Accounts	129,514	-	1,444,186
Special assessments	-	-	-
Delinquent personal property taxes	15,051	-	-
Accrued interest	68,062	-	-
Due from other governments	-	11,570	276,101
Due from other funds	1,386,158	-	738,352
Prepaid items	<u>223,383</u>	<u>-</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 14,337,294</u></b>	<b><u>\$ 2,949,600</u></b>	<b><u>\$ 5,349,141</u></b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
Liabilities			
Accounts payable	\$ 371,386	\$ -	\$ 1,638,604
Accrued liabilities	227,522	-	-
Deposits	5,506	-	-
Due to other funds	-	-	-
Total Liabilities	<u>604,414</u>	<u>-</u>	<u>1,638,604</u>
Deferred Inflows of Resources			
Unearned revenues	9,084,717	2,869,965	-
Unavailable revenues	<u>40,144</u>	<u>11,570</u>	<u>1,658,369</u>
Total Deferred Inflows of Resources	<u>9,124,861</u>	<u>2,881,535</u>	<u>1,658,369</u>
Fund Balances			
Nonspendable	688,434	-	-
Restricted	-	68,065	2,052,168
Committed	-	-	-
Unassigned (deficit)	<u>3,919,585</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>4,608,019</u>	<u>68,065</u>	<u>2,052,168</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b><u>\$ 14,337,294</u></b>	<b><u>\$ 2,949,600</u></b>	<b><u>\$ 5,349,141</u></b>

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

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

Internal Service fund net position

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

Deferred inflows of resources related to pensions do not relate to current financial resources and are not  
report 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
\$ 1,588,119	\$ 1,633,714	\$ 2,675,155	\$ 14,692,023	\$ 1,245,363	\$ 28,226,525
996,530	2,794,325	2,160,838	6,038,240	567,145	24,508,585
-	-	-	-	41,054	1,614,754
12,420,276	-	-	-	-	12,420,276
-	-	-	-	-	15,051
-	2,639	-	19,491	-	90,192
-	-	-	-	-	287,671
-	-	-	-	211,706	2,336,216
-	-	-	-	57,327	280,710
<u>\$ 15,004,925</u>	<u>\$ 4,430,678</u>	<u>\$ 4,835,993</u>	<u>\$ 20,749,754</u>	<u>\$ 2,122,595</u>	<u>\$ 69,779,980</u>

\$ -	\$ -	\$ -	\$ 4,855	\$ 60,052	\$ 2,074,897
-	-	-	-	-	227,522
2,275	-	-	-	6,880	14,661
-	-	-	-	10,385	10,385
<u>2,275</u>	<u>-</u>	<u>-</u>	<u>4,855</u>	<u>77,317</u>	<u>2,327,465</u>

-	2,800,838	2,160,838	6,038,240	567,145	23,521,743
13,416,806	-	-	-	-	15,126,889
<u>13,416,806</u>	<u>2,800,838</u>	<u>2,160,838</u>	<u>6,038,240</u>	<u>567,145</u>	<u>38,648,632</u>

-	-	-	-	57,327	745,761
1,585,844	1,629,840	2,675,155	14,706,659	-	22,717,731
-	-	-	-	1,424,385	1,424,385
-	-	-	-	(3,579)	3,916,006
<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>\$ 15,004,925</u>	<u>\$ 4,430,678</u>	<u>\$ 4,835,993</u>	<u>\$ 20,749,754</u>	<u>\$ 2,122,595</u>	
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32,001,647

996,841

3,914,097

(1,444,683)

15,126,889

(131,899,251)

\$ (52,500,577)

**CITY OF GLENDALE**

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

For the Year Ended December 31, 2016

	General	Debt Service	General Capital Projects
<b>REVENUES</b>			
Taxes	\$ 7,605,654	\$ 2,900,876	\$ -
Intergovernmental	1,981,807	-	327,555
Licenses and permits	546,415	-	-
Fines, forfeitures and penalties	438,605	-	-
Public charges for services	376,255	-	-
Special assessments	-	-	-
Investment income	61,324	-	71,345
Miscellaneous	<u>77,449</u>	<u>11,570</u>	<u>128,495</u>
Total Revenues	<u>11,087,509</u>	<u>2,912,446</u>	<u>527,395</u>
<b>EXPENDITURES</b>			
Current			
General government	1,450,048	-	-
Public safety	9,212,305	-	-
Public works	1,986,859	-	-
Health and human services	-	-	-
Culture, recreation and education	-	-	-
Conservation and development	127,169	-	-
Capital outlay	-	-	4,960,319
Debt service			
Principal	-	10,978,526	-
Interest and fees	-	4,216,004	46,800
Total Expenditures	<u>12,776,381</u>	<u>15,194,530</u>	<u>5,007,119</u>
Excess (deficiency) of revenues over expenditures	<u>(1,688,872)</u>	<u>(12,282,084)</u>	<u>(4,479,724)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Debt premium	-	-	178,476
Debt issued	-	-	4,250,000
Transfers in	1,556,477	12,280,370	-
Transfers out	-	-	-
Total Other Financing Sources (Uses)	<u>1,556,477</u>	<u>12,280,370</u>	<u>4,428,476</u>
<b>Net Change in Fund Balances</b>	<b>(132,395)</b>	<b>(1,714)</b>	<b>(51,248)</b>
FUND BALANCES - Beginning of Year	<u>4,740,414</u>	<u>69,779</u>	<u>2,103,416</u>
<b>FUND BALANCES - END OF YEAR</b>	<b><u>\$ 4,608,019</u></b>	<b><u>\$ 68,065</u></b>	<b><u>\$ 2,052,168</u></b>

<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>
\$ -	\$ 2,845,712	\$ 2,197,413	\$ 6,013,254	\$ 2,755,972	\$ 24,318,881
-	65,290	404,846	22,462	68,212	2,870,172
-	-	-	-	-	546,415
-	-	-	-	-	438,605
-	-	-	-	601,936	978,191
734,222	-	-	-	-	734,222
320,857	19,847	37,680	259,086	83	770,222
-	-	-	-	46,084	263,598
<u>1,055,079</u>	<u>2,930,849</u>	<u>2,639,939</u>	<u>6,294,802</u>	<u>3,472,287</u>	<u>30,920,306</u>
-	-	-	-	-	1,450,048
-	-	-	-	406,956	9,619,261
-	-	-	-	238,504	2,225,363
-	-	-	-	923,169	923,169
-	-	-	-	467,365	467,365
-	-	-	-	693,292	820,461
-	4,980	4,980	282,567	158,575	5,411,421
-	-	-	-	-	10,978,526
-	-	-	-	-	4,262,804
-	<u>4,980</u>	<u>4,980</u>	<u>282,567</u>	<u>2,887,861</u>	<u>36,158,418</u>
<u>1,055,079</u>	<u>2,925,869</u>	<u>2,634,959</u>	<u>6,012,235</u>	<u>584,426</u>	<u>(5,238,112)</u>
-	-	-	-	-	178,476
-	-	-	-	-	4,250,000
490,778	-	-	-	-	14,327,625
(1,551,165)	(2,827,784)	(2,227,072)	(6,151,627)	(1,111,564)	(13,869,212)
<u>(1,060,387)</u>	<u>(2,827,784)</u>	<u>(2,227,072)</u>	<u>(6,151,627)</u>	<u>(1,111,564)</u>	<u>4,886,889</u>
(5,308)	98,085	407,887	(139,392)	(527,138)	(351,223)
<u>1,591,152</u>	<u>1,531,755</u>	<u>2,267,268</u>	<u>14,846,051</u>	<u>2,005,271</u>	<u>29,155,106</u>
<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>

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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, 2016

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Net change in fund balances - total governmental funds	\$ (351,223)
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Amounts reported for governmental activities in the statement of activities are different because:

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

Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide statements	5,411,421
Some items reported as capital outlay were not capitalized	(1,945,636)
Depreciation is reported in the government-wide financial statements	(1,527,255)
Net book value of assets retired	(39,594)

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

Debt issued	(4,250,000)
Principal repaid	10,978,526

Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.

Special assessments	(736,471)
Due from other governments	(11,570)
Grant receivable	(145,293)
Sponsor receivables	1,444,186
Other	32,762

Internal service fund change in net position	(16,635)
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Parking structure special assessment adjustment	(490,778)
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Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Compensated absences	10,012
Debt premium amortization (net)	(24,744)
Net other post employment obligation	(819,711)
Net pension liability	(1,754,195)
Deferred outflows of resources related to pensions	2,730,622
Deferred inflows of resources related to pensions	(1,444,683)
Accrued interest	111,720

<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 7,161,461</u></b>
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**CITY OF GLENDALE**

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 As of December 31, 2016

	Business-type Activities - Enterprise Funds			Totals	Governmental
	Water Utility	Sewer Utility	Storm Water Utility		Activities - Internal Service Fund
<b>ASSETS</b>					
Current Assets					
Cash and investments	\$ 667,517	\$ 2,311,034	\$ 85,080	\$ 3,063,631	\$ 354,641
Receivables					
Accounts	1,155,475	-	-	1,155,475	-
Due from other governments	42,217	-	43,408	85,625	-
Accrued utility revenue	244,680	-	-	244,680	-
Due from other funds	-	599,641	343,184	942,825	-
Prepays	3,203	1,030	10,452	14,685	-
Inventories	62,965	-	-	62,965	-
Total Current Assets	<u>2,176,057</u>	<u>2,911,705</u>	<u>482,124</u>	<u>5,569,886</u>	<u>354,641</u>
Noncurrent Assets					
Restricted Assets					
Cash and investments	362,750	403,130	-	765,880	-
Deposit with insurance company	-	-	-	-	658,835
Capital assets					
Land and non-depreciable assets	52,186	-	-	52,186	-
Construction in progress	531,603	-	-	531,603	-
Other capital assets	27,290,522	4,338,443	6,099,220	37,728,185	-
Less: Accumulated depreciation	(10,275,519)	(1,909,605)	(1,944,370)	(14,129,494)	-
Other Assets					
Non-utility property - net value	1,425	-	-	1,425	-
Total Noncurrent Assets	<u>17,962,967</u>	<u>2,831,968</u>	<u>4,154,850</u>	<u>24,949,785</u>	<u>658,835</u>
Total Assets	<u>20,139,024</u>	<u>5,743,673</u>	<u>4,636,974</u>	<u>30,519,671</u>	<u>1,013,476</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>					
Pension related amounts	105,744	82,413	80,662	268,819	-

	Business-type Activities - Enterprise Funds			Totals	Governmental
	Water Utility	Sewer Utility	Storm Water Utility		Activities - Internal Service Fund
<b>LIABILITIES</b>					
Current Liabilities					
Accounts payable	\$ 213,887	\$ 673,211	\$ 37,152	\$ 924,250	\$ 16,635
Accrued payroll	8,272	3,423	1,168	12,863	-
Due to other funds	3,268,656	-	-	3,268,656	-
Current portion of long-term debt	444,541	331,812	271,698	1,048,051	-
Compensated absences	6,206	-	-	6,206	-
Accrued interest payable	36,306	14,623	8,992	59,921	-
Total Current Liabilities	<u>3,977,868</u>	<u>1,023,069</u>	<u>319,010</u>	<u>5,319,947</u>	<u>16,635</u>
Noncurrent Liabilities					
Bonds and notes payable	3,270,609	1,783,407	1,123,233	6,177,249	-
Compensated absences	8,706	-	-	8,706	-
Net pension liability	16,881	16,806	15,259	48,946	-
Total Noncurrent Liabilities	<u>3,296,196</u>	<u>1,800,213</u>	<u>1,138,492</u>	<u>6,234,901</u>	<u>-</u>
Total Liabilities	<u>7,274,064</u>	<u>2,823,282</u>	<u>1,457,502</u>	<u>11,554,848</u>	<u>16,635</u>
<b>DEFERRED INFLOW OF RESOURCES</b>					
Pension related amounts	<u>35,526</u>	<u>35,368</u>	<u>32,113</u>	<u>103,007</u>	<u>-</u>
<b>NET POSITION</b>					
Net investment in capital assets	13,883,642	1,126,982	3,151,173	18,161,797	-
Restricted for					
Emergency fund	49,645	-	-	49,645	-
Maintenance	313,105	-	-	313,105	-
Equipment replacement	-	403,130	-	403,130	-
Unrestricted (deficit)	<u>(1,311,214)</u>	<u>1,437,324</u>	<u>76,848</u>	<u>202,958</u>	<u>996,841</u>
<b>TOTAL NET POSITION</b>	<u>\$ 12,935,178</u>	<u>\$ 2,967,436</u>	<u>\$ 3,228,021</u>	<u>\$ 19,130,635</u>	<u>\$ 996,841</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, 2016

	Business-type Activities - Enterprise Funds			Total	Governmental
	Water Utility	Sewer Utility	Storm Water Utility		Activities - Internal Service Fund
<b>OPERATING REVENUES</b>					
Charges for services and sales	\$ 3,399,309	\$ 1,908,567	\$ 979,322	\$ 6,287,198	\$ -
Other operating revenues	-	-	-	-	89,449
Total Operating Revenues	<u>3,399,309</u>	<u>1,908,567</u>	<u>979,322</u>	<u>6,287,198</u>	<u>89,449</u>
<b>OPERATING EXPENSES</b>					
Operation and maintenance	2,040,011	2,456,904	750,339	5,247,254	106,084
Depreciation	<u>526,124</u>	<u>57,548</u>	<u>78,638</u>	<u>662,310</u>	-
Total Operating Expenses	<u>2,566,135</u>	<u>2,514,452</u>	<u>828,977</u>	<u>5,909,564</u>	<u>106,084</u>
Operating income (loss)	<u>833,174</u>	<u>(605,885)</u>	<u>150,345</u>	<u>377,634</u>	<u>(16,635)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment income	1,822	50,752	183	52,757	-
Grant revenue	-	-	43,212	43,212	-
Interest expense	(82,877)	(58,850)	(38,305)	(180,032)	-
Gain (loss) on disposal of capital assets	-	(37)	(458)	(495)	-
Total Nonoperating Revenues (Expenses)	<u>(81,055)</u>	<u>(8,135)</u>	<u>4,632</u>	<u>(84,558)</u>	<u>-</u>
Income (Loss) Before Transfers	<u>752,119</u>	<u>(614,020)</u>	<u>154,977</u>	<u>293,076</u>	<u>(16,635)</u>
<b>TRANSFERS</b>					
Transfers out - tax equivalent	<u>(458,413)</u>	-	-	<u>(458,413)</u>	-
<b>CHANGE IN NET POSITION</b>	293,706	(614,020)	154,977	(165,337)	(16,635)
NET POSTION - Beginning of Year	<u>12,641,472</u>	<u>3,581,456</u>	<u>3,073,044</u>	<u>19,295,972</u>	<u>1,013,476</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 12,935,178</u>	<u>\$ 2,967,436</u>	<u>\$ 3,228,021</u>	<u>\$ 19,130,635</u>	<u>\$ 996,841</u>

**CITY OF GLENDALE**

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 For the Year Ended December 31, 2016

	Business-type Activities - Enterprise Funds			Totals	Governmental
	Water Utility	Sewer Utility	Storm Water Utility		Activities - Internal Service Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers	\$ 3,360,152	\$ 1,807,799	\$ 1,100,170	\$ 6,268,121	\$ -
Receipts from other funds	-	-	-	-	89,449
Paid to suppliers for goods and services	(1,734,815)	(1,863,580)	(848,463)	(4,446,858)	(89,449)
Paid to employees for services	(284,257)	(124,267)	(143,976)	(552,500)	-
Net Cash Flows From Operating Activities	<u>1,341,080</u>	<u>(180,048)</u>	<u>107,731</u>	<u>1,268,763</u>	<u>-</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Payments to city for tax equivalent	(458,413)	-	-	(458,413)	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition and construction of capital assets	(1,454,091)	(6,975)	(107,928)	(1,568,994)	-
Debt issued	1,595,000	20,000	135,000	1,750,000	-
Debt retired	(498,236)	(405,643)	(314,932)	(1,218,811)	-
Interest paid	(70,122)	(66,748)	(44,853)	(181,723)	-
Net Cash Flows From Capital and Related Financing Activities	<u>(427,449)</u>	<u>(459,366)</u>	<u>(332,713)</u>	<u>(1,219,528)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Investment income received	1,822	50,752	183	52,757	-
<b>Net Change in Cash and Cash Equivalents</b>	457,040	(588,662)	(224,799)	(356,421)	-
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>573,227</u>	<u>3,302,826</u>	<u>309,879</u>	<u>4,185,932</u>	<u>354,641</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 1,030,267</u>	<u>\$ 2,714,164</u>	<u>\$ 85,080</u>	<u>\$ 3,829,511</u>	<u>\$ 354,641</u>

	Business-type Activities - Enterprise Funds			Total	Governmental
	Water Utility	Sewer Utility	Storm Water Utility		Activities - Internal Service Fund
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Operating income (loss)	\$ 833,174	\$ (605,885)	\$ 150,345	\$ 377,634	\$ (16,635)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities:					
Depreciation	526,124	57,548	78,638	662,310	-
Depreciation charged to other funds	43,629		-	43,629	-
Change in assets, deferred outflows, liabilities and deferred inflows					
Accounts receivable	(188,400)	27,345	-	(161,055)	-
Inventories	9,625		-	9,625	-
Due from other funds	110,691	(128,113)	120,848	103,426	-
Prepayments	(3,203)	(1,030)	(10,452)	(14,685)	-
Accounts payable	(92,130)	458,440	(230,581)	135,729	16,635
Other current liabilities	(3,420)	78	(6,084)	(9,426)	-
Due to other funds	100,224	-	-	100,224	-
Compensated absences	(1,651)	-	-	(1,651)	-
Pension related deferrals and liabilities	6,417	11,569	5,017	23,003	-
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u>\$ 1,341,080</u>	<u>\$ (180,048)</u>	<u>\$ 107,731</u>	<u>\$ 1,268,763</u>	<u>\$ -</u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS</b>					
Cash and investments - statement of net position	\$ 667,517	\$ 2,311,034	\$ 85,080	\$ 3,063,631	\$ 354,641
Restricted Cash and investments - statement of net position	<u>362,750</u>	<u>403,130</u>	<u>-</u>	<u>765,880</u>	<u>-</u>
<b>CASH AND CASH EQUIVALENTS</b>	<u>\$ 1,030,267</u>	<u>\$ 2,714,164</u>	<u>\$ 85,080</u>	<u>\$ 3,829,511</u>	<u>\$ 354,641</u>

# CITY OF GLENDALE

## STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS As of December 31, 2016

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	Retirees Health Insurance Benefit Trust	<u>Agency Fund</u> Tax Collection Fund
<b>ASSETS</b>		
Cash and investments	\$ 280,841	\$ 17,521,535
Taxes receivable	-	<u>17,684,746</u>
<b>TOTAL ASSETS</b>	<u>280,841</u>	<u>\$ 35,206,281</u>
<b>LIABILITIES</b>		
Due to other governments	-	\$ 35,158,354
Deposits	-	<u>47,927</u>
<b>TOTAL LIABILITIES</b>	-	<u>\$ 35,206,281</u>
<b>NET POSITION</b>		
Held for retirement benefits	<u>\$ 280,841</u>	

# CITY OF GLENDALE

## STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS For the Year Ended December 31, 2016

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	Retirees Health Insurance Benefit Trust
<b>ADDITIONS</b>	
Contributions	\$ 157,735
<b>DEDUCTIONS</b>	
Expenses	<u>47,272</u>
Change in net position	110,463
Net Position - Beginning of year	<u>170,378</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 280,841</u></u>

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# CITY OF GLENDALE

## INDEX TO NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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# CITY OF GLENDALE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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### **NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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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, 2016

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

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

In February 2015, the GASB issued statement No. 72 – *Fair Value Measurement and Application*. This statement addresses accounting and financial reporting issues related to fair value measurements. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This standard was implemented January 1, 2016.

#### ***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, 2016

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

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#### ***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, 2016

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

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#### **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 <sup>th</sup> Celebration
Human Services	Public Safety Capital Improvements
Environmental Fund	Police Acquisition
DARE Fund	Hotel Room Tax
Environmental TIF #1	

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, 2016

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

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#### ***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, 2016

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

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#### **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, 2016

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

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#### ***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, 2016, 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, 2016

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

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#### ***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 – 2016 tax roll:

Lien date and levy date	November 2016
Tax bills mailed	December 2016
Payment in full, or	January 31, 2017
First installment due	January 31, 2017
Second installment due	March 31, 2017
Third installment due	May 31, 2017
Personal property taxes in full	January 31, 2017
Tax deed by county – 2016	
Delinquent real estate taxes	October 2019

Accounts receivable have been shown net of an allowance for uncollectible accounts of \$583,888. 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, 2016

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

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#### ***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 fair 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, 2016

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### 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, 2016 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, 2016

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

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#### ***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 \$2,967,711.

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, 2016

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

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#### ***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, 2016

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

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#### ***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	\$ 13,416,806
Sponsor receivables	1,444,186
Reimbursement due from other governments	225,753
Other	<u>40,144</u>
Combined Adjustment for Other Long-term Assets	<u>\$ 15,126,889</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	2,880,777
Buildings	23,005,364
Machinery and equipment	4,011,260
Roads and bridges	22,351,010
Less: Accumulated depreciation	<u>(23,761,658)</u>
Combined Adjustment for Capital Assets	<u>\$ 32,001,647</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	\$ 118,337,819
Compensated absences	1,464,273
Net other postemployment benefits obligation	9,560,198
Net pension liability	686,479
Accrued Interest	1,101,558
Unamortized debt premium	<u>748,924</u>
Combined Adjustment for Long-Term Liabilities	<u>\$ 131,899,251</u>

# CITY OF GLENDALE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

### **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, 2016.

Funds	Budgeted Expenditures	Actual Expenditures	Excess Expenditures Over Budget
Central Dispatch special revenue fund	\$ 356,000	\$ 363,518	\$ 7,518
Public Safety Capital Improvements special revenue fund	130,276	144,858	14,582
Human Services special revenue fund	732,746	893,305	160,559
Environmental TIF #1 special revenue fund	380,000	572,276	192,276
Debt Service Fund	15,960,574	16,595,067	634,493
TIF#6 capital projects fund	2,205,006	2,832,764	627,758
TIF#8 capital projects fund	5,860,849	6,434,194	573,345

The excess of expenditures over budget for the Debt Service Fund was the result of a current debt call by the city for which no budget amendment was adopted. The debt call was financed by a transfer of available resources from the Tax Incremental District No. 6 Capital Projects Fund which transferred additional funds to the Debt Service Fund.

The Human Service special revenue fund incurred unbudgeted expenditures related to unplanned employee retirements. The Environmental TIF#1 special revenue fund closed and the remaining unbudgeted funds were disbursed. 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.

## CITY OF GLENDALE

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

#### 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	\$ 24,306,271	\$ 25,153,282	Custodial credit
U.S. Agencies	22,156,925	22,156,925	Custodial credit, Credit, Interest rate, Concentration of credit risk
Local government bonds	3,289,772	3,289,772	Custodial credit, Credit, Interest rate, Concentration of credit risk
LGIP	96,685	96,685	Credit
Cash held by others	362,750	-	N/A
Petty cash	650	-	N/A
 Total Deposits and Investments	 \$ 50,213,053	 \$ 50,696,664	
 Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 14,717,314		
Restricted cash and investments	17,693,363		
Per statement of fiduciary net position			
Private purpose trust	280,841		
Agency	17,521,535		
 Total Deposits and Investments	 \$ 50,213,053		

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, 2016

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

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#### 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, 2016			
	Level 1	Level 2	Level 3	Total
U.S. Agencies	\$ -	\$ 22,156,925	\$ -	\$ 22,156,925
Local government bonds	-	3,289,772	-	3,289,772
Total	\$ -	\$ 25,446,697	\$ -	\$ 25,446,697

#### ***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, 2016, \$24,903,282 of the city's total bank balances were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	<u>\$ 24,903,282</u>
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##### **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, 2016

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

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#### 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, 2016, 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, 2016, the investment portfolio was concentrated as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Percentage of Portfolio</u>
Federal National Mortgage Association	Debt security	41.8%
Federal Home Loan Mortgage Corporation	Debt security	31.3%
Federal Home Loan Bank	Debt security	13.6%

## CITY OF GLENDALE

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

#### 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, 2016, 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	\$ 1,002,400
Federal Home Loan Mortgage Corporation	2/26/21	2/26/17	2,988,000
Federal Home Loan Mortgage Corporation	6/27/19	None	1,003,900
Federal Home Loan Mortgage Corporation	9/30/19	3/30/17	2,999,700
Federal National Mortgage Association	2/24/21	2/24/17	4,960,500
Federal National Mortgage Association	10/24/19	None	1,494,600
Federal National Mortgage Association	7/28/21	1/28/17	1,984,400
Federal National Mortgage Association	7/26/19	1/26/17	2,247,525
Federal Home Loan Bank	12/13/19	Anytime	991,900
Federal Home Loan Bank	2/6/20	Anytime	1,487,100
Federal Home Loan Bank	9/25/18	None	996,900
Local government bond	4/1/17	None	39,988
Local government bond	4/1/18	None	315,195
Local government bond	4/1/19	None	314,861
Local government bond	4/1/20	None	318,742
Local government bond	4/1/21	None	329,802
Local government bond	4/1/22	None	334,300
Local government bond	12/1/19	None	249,408
Local government bond	4/1/17	None	242,275
Local government bond	11/1/18	None	591,842
Local government bond	4/1/18	None	205,408
Local government bond	4/1/17	None	170,384
Local government bond	4/1/18	None	177,567
Total			<u>\$ 25,446,697</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, 2016

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

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#### **B. RECEIVABLES**

All of the receivables are expected to be collected within one year except for \$15,051 of delinquent personal property taxes reported in the General Fund and \$12,420,276 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	\$ -	\$ 23,512,055
Special assessment placed on tax roll	996,530	-
Special assessments not yet due	12,420,276	-
Sponsor receivables	1,444,186	-
Reimbursement due from other governments	225,753	-
Other	<u>40,144</u>	<u>9,688</u>
 Total Unearned/Unavailable Revenue for Governmental Funds	 <u>\$ 15,126,889</u>	 <u>\$ 23,521,743</u>

# CITY OF GLENDALE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

### 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, 2016:

	Restricted Assets	Restricted Assets Not Funded by Revenues	Restricted Net Position
Water deposit - Emergency	\$ 49,645	\$ -	\$ 49,645
Water deposit - Maintenance	313,105	-	313,105
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	3,544,148	3,544,148	-
Reserve - TIF #8 CDA Lease Revenue Bonds	1,990,000	1,990,000	-
Reserve - Parking CDA Lease Revenue Bonds	1,553,815	1,553,815	-
Stabilization - TIF #8	5,656,020	5,656,020	-
 Total	\$ 17,693,363	\$ 16,927,483	\$ 765,880

## CITY OF GLENDALE

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

#### **D. CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2016 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities</b>				
Capital assets not being depreciated:				
Land	\$ 3,425,894	\$ 89,000	\$ -	\$ 3,514,894
Construction in progress	-	2,880,777	-	2,880,777
	<u>3,425,894</u>	<u>2,969,777</u>	<u>-</u>	<u>6,395,671</u>
Total Capital Assets Not Being Depreciated	<u>3,425,894</u>	<u>2,969,777</u>	<u>-</u>	<u>6,395,671</u>
Capital assets being depreciated				
Buildings	22,942,364	63,000	-	23,005,364
Machinery and equipment	3,991,307	126,279	106,326	4,011,260
Roads and bridges	22,044,281	306,729	-	22,351,010
Total Capital Assets Being Depreciated	<u>48,977,952</u>	<u>496,008</u>	<u>106,326</u>	<u>49,367,634</u>
Less: Accumulated depreciation for				
Buildings	7,480,918	548,833	-	8,029,751
Machinery and equipment	3,074,612	228,919	66,732	3,236,799
Roads and bridges	11,745,605	749,503	-	12,495,108
Total Accumulated Depreciation	<u>22,301,135</u>	<u>1,527,255</u>	<u>66,732</u>	<u>23,761,658</u>
Net Capital Assets Being Depreciated	<u>26,676,817</u>	<u>(1,031,247)</u>	<u>39,594</u>	<u>25,605,976</u>
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 30,102,711</u>	<u>\$ 1,938,530</u>	<u>\$ 39,594</u>	<u>\$ 32,001,647</u>

Depreciation expense was charged to functions as follows:

<b>Governmental Activities</b>	
General government	\$ 52,352
Public safety	133,613
Public works, which includes the depreciation of roads and bridges	<u>1,341,290</u>
Total Governmental Activities Depreciation Expense	<u>\$ 1,527,255</u>

## CITY OF GLENDALE

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

##### D. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Business-Type Activities</b>				
<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	-	531,603	-	531,603
Total Capital Assets Not Being Depreciated	52,186	531,603	-	583,789
Capital assets being depreciated:				
Source of supply	754,238	-	-	754,238
Pumping	1,085,352	35,898	8,229	1,113,021
Treatment	3,405,901	39,216	17	3,445,100
Transmission and distribution	19,389,947	1,364,201	83,825	20,670,323
Administrative and general assets	1,280,936	31,104	4,200	1,307,840
Total Capital Assets Being Depreciated	25,916,374	1,470,419	96,271	27,290,522
Less: Accumulated depreciation for				
Source of supply	453,317	13,061	-	466,378
Pumping	954,418	44,811	8,229	991,000
Treatment	2,359,183	112,473	17	2,471,639
Transmission and distribution	4,919,158	371,591	83,825	5,206,924
Administrative and general assets	1,115,961	27,817	4,200	1,139,578
Total Accumulated Depreciation	9,802,037	569,753	96,271	10,275,519
Net Water Plant	\$ 16,166,523	\$ 1,432,269	\$ -	\$ 17,598,792

## CITY OF GLENDALE

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

##### D. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Business-Type Activities</b>				
<u>Sewer</u>				
Capital assets being depreciated				
Collection system	\$ 4,074,520	\$ 6,975	\$ 307	\$ 4,081,188
Collection system pumping	257,255	-	-	257,255
Total Capital Assets Being Depreciated	4,331,775	6,975	307	4,338,443
Less: Accumulated depreciation for				
Collection system	1,729,504	40,744	270	1,769,978
Collection system pumping	122,823	16,804	-	139,627
Total Accumulated Depreciation	1,852,327	57,548	270	1,909,605
Net Sewer Plant	\$ 2,479,448	\$ (50,573)	\$ 37	\$ 2,428,838
<u>Storm Water</u>				
Capital assets being depreciated				
Collection system	\$ 5,784,745	\$ 107,928	\$ 1,368	\$ 5,891,305
Collection system pumping	207,915	-	-	207,915
Total Capital Assets Being Depreciated	5,992,660	107,928	1,368	6,099,220
Less: Accumulated depreciation for				
Collection system	1,825,059	57,847	910	1,881,996
Collection system pumping	41,583	20,791	-	62,374
Total Accumulated Depreciation	1,866,642	78,638	910	1,944,370
Net Storm Water Plant	\$ 4,126,018	\$ 29,290	\$ 458	\$ 4,154,850
Business-Type Capital Assets, Net of Accumulated Depreciation	\$ 22,771,989	\$ 1,410,986	\$ 495	\$ 24,182,480

Depreciation expense was charged to functions as follows:

<b>Business-type Activities</b>	
Water	\$ 526,124
Sewer	57,548
Storm water	78,638
Total Business-type Activities Depreciation Expense	\$ 662,310

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, 2016

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

##### ***E. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS***

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

Receivable Fund	Payable Fund	Amount	Amount Not Due Within One Year
General	Hotel Room Tax	\$ 4,497	\$ -
General	Public Safety Capital Improvement	3,579	-
General	Environment Fund	2,309	-
General	Water Utility	1,375,773	450,000
General Capital Projects	Water Utility	738,352	-
Environment Fund	Water Utility	211,706	-
Sewer Utility	Water Utility	599,641	-
Storm Water Utility	Water Utility	343,184	-
Total - Fund Financial Statements		3,279,041	450,000
Less: Fund eliminations		(953,210)	-
Total Internal Balances - Government-Wide Statement of Net Position		\$ 2,325,831	\$ 450,000
<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	
Governmental Activities	Business-Type Activities	\$ 2,325,831	
Business-Type Activities	Governmental Activities	-	
Total Government-Wide Financial Statements		\$ 2,325,831	

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, 2016

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

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

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
General	Hotel Room Tax	\$ 590,939	City portion of room tax
General	Water Utility	413,413	Tax equivalent
General	Water Utility	45,000	Tax equivalent
General	Environmental Fund	457,931	Garbage collection
General	Environmental TIF #1	49,194	TIF closeout distribution
Debt Service	Special Assessments	13,500	Current debt payments
Debt Service	TIF #6 Capital Projects	2,827,784	Current debt payments
Debt Service	TIF #7 Capital Projects	2,227,072	Current debt payments
Debt Service	TIF #8 Capital Projects	5,660,849	Current debt payments
Debt Service	Parking Capital Projects	1,551,165	Current debt payments
Parking Capital Projects	TIF #8 Capital Projects	<u>490,778</u>	Special assessment adjustment
Total - Fund Financial Statements		14,327,625	
Less: Fund eliminations		<u>(13,869,212)</u>	
Total Transfers - Government-Wide Statement of Activities		<u>\$ 458,413</u>	
<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	
Governmental Activities	Business-Type Activities	<u>\$ 458,413</u>	
Total Government-wide Financial Statements		<u>\$ 458,413</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, 2016

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

#### F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2016 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>Governmental Activities</b>					
Bonds and Notes Payable:					
General obligation debt	\$ 26,645,889	\$ 4,250,000	\$ 4,276,189	\$ 26,619,700	\$ 3,566,949
Lease revenue bonds	97,425,000	-	6,575,000	90,850,000	6,890,000
Notes payable	995,456	-	127,337	868,119	130,851
Premiums (net of discounts)	724,180	178,476	153,732	748,924	-
Sub-totals	125,790,525	4,428,476	11,132,258	119,086,743	10,587,800
Other Liabilities					
Vested compensated absences	1,474,285	728,346	738,358	1,464,273	474,727
Net pension liability (asset)	(1,067,716)	1,754,195	-	686,479	-
Net OPEB Liability	8,740,487	1,386,772	567,061	9,560,198	-
Total Other Liabilities	9,147,056	3,869,313	1,305,419	11,710,950	474,727
Total Government Activities Long-Term Liabilities	\$ 134,937,581	\$ 8,297,789	\$ 12,437,677	\$ 130,797,693	\$ 11,062,527
	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>Business-type Activities</b>					
Bonds and Notes Payable:					
General obligation debt	\$ 6,694,111	\$ 1,750,000	\$ 1,218,811	\$ 7,225,300	\$ 1,048,051
Other Liabilities					
Vested compensated absences	16,563	7,361	9,012	14,912	6,206
Net pension liability (asset)	(63,767)	112,713	-	48,946	-
Total Other Liabilities	(47,204)	120,074	9,012	63,858	6,206
Total Business-type Activities Long-Term Liabilities	\$ 6,646,907	\$ 1,870,074	\$ 1,227,823	\$ 7,289,158	\$ 1,054,257

# CITY OF GLENDALE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

### 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, 2016, was \$105,460,305. Total general obligation debt outstanding at year end was \$33,845,000.

#### **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.

<b>Governmental Activities</b>	Date of Issue	Final Maturity	Interest Rates	Original Indebted- ness	Balance December 31, 2016
General Obligation Debt					
Promissory Notes	04/02/07	04/01/17	4.00%	\$ 1,727,000	\$ 221,059
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	215,740
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	1,092,173
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	1,756,926
Promissory Notes	04/04/12	04/04/22	2.00 - 3.00%	1,559,100	1,194,382
Refunding Bonds (WRS)	04/04/12	04/01/18	0.60 - 1.85%	2,265,000	775,000
Refunding Bonds (TIF 6)	04/04/12	04/01/19	0.60 - 2.15%	2,420,000	1,435,000
Refunding Bonds (TIF 7)	04/04/12	04/01/20	0.60 - 2.40%	2,170,000	1,285,000
Refunding Bonds (TIF 8)	04/04/12	04/01/22	0.60 - 2.90%	7,515,000	4,700,000
Promissory Notes	04/22/13	04/01/23	2.00%	3,909,692	2,425,200
Promissory Notes	04/21/14	04/01/24	2.00 - 3.00%	1,664,651	1,004,220
Promissory Notes	04/13/15	04/01/25	2.00 - 3.00%	1,820,000	1,575,000
Promissory Notes	04/04/16	04/01/26	2.00 - 3.00%	4,250,000	4,250,000
 Total Governmental Activities – General Obligation Debt					 <u>\$ 26,619,700</u>

## CITY OF GLENDALE

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

#### F. LONG-TERM OBLIGATIONS (cont.)

#### General Obligation Debt (cont.)

Business-type Activities	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2016
<u>Water Utility</u>					
Promissory Notes	04/02/07	04/01/17	4.00%	\$ 417,750	\$ 53,471
Promissory Notes	04/03/08	04/01/18	3.25 - 4.00%	675,920	161,738
Promissory Notes	04/12/10	04/01/20	1.55 - 4.65%	202,400	102,061
Promissory Notes	05/02/11	04/01/21	2.50 - 4.00%	368,000	311,290
Promissory Notes	04/04/12	04/01/22	2.00 - 3.00%	607,500	465,389
Promissory Notes	04/22/13	04/01/23	2.00%	744,520	354,200
Promissory Notes	04/21/14	04/01/24	2.00 - 3.00%	378,501	228,335
Promissory Notes	04/13/15	04/01/25	2.00 - 3.00%	515,000	443,666
Promissory Notes	04/04/16	04/01/26	2.00 - 3.00%	1,595,000	1,595,000
Total Water Utility					<u>3,715,150</u>
<u>Sewer Utility</u>					
Promissory Notes	04/02/07	04/01/17	4.00%	207,500	26,560
Promissory Notes	04/03/08	04/01/18	3.25 - 4.00%	260,400	62,310
Promissory Notes	04/12/10	04/01/20	1.55 - 4.65%	44,800	22,591
Promissory Notes	05/02/11	04/01/21	2.50 - 4.00%	450,000	380,653
Promissory Notes	04/04/12	04/01/22	2.00 - 3.00%	501,300	384,031
Promissory Notes	04/22/13	04/01/23	2.00%	806,028	455,600
Promissory Notes	04/21/14	04/01/24	2.00 - 3.00%	408,750	246,582
Promissory Notes	04/13/15	04/01/25	2.00 - 3.00%	600,000	516,892
Promissory Notes	04/04/16	04/01/26	2.00 - 3.00%	20,000	20,000
Total Sewer Utility					<u>2,115,219</u>
<u>Storm Water Utility</u>					
Promissory Notes	04/02/07	04/01/17	4.00%	147,750	18,911
Promissory Notes	04/03/08	04/01/18	3.25 - 4.00%	962,080	230,212
Promissory Notes	04/12/10	04/01/20	1.55 - 4.65%	521,900	263,174
Promissory Notes	05/02/11	04/01/21	2.50 - 4.00%	90,000	76,131
Promissory Notes	04/04/12	04/01/22	2.00 - 3.00%	132,100	101,198
Promissory Notes	04/22/13	04/01/23	2.00%	174,760	70,000
Promissory Notes	04/21/14	04/01/24	2.00 - 3.00%	308,098	185,863
Promissory Notes	04/13/15	04/01/25	2.00 - 3.00%	365,000	314,442
Promissory Notes	04/04/16	04/01/26	2.00 - 3.00%	135,000	135,000
Total Storm Water Utility					<u>1,394,931</u>
Total Business-type Activities General Obligation Debt					<u>\$ 7,225,300</u>

# CITY OF GLENDALE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

### 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>
2017	\$ 3,566,949	\$ 706,005	\$ 1,048,051	\$ 189,904
2018	3,787,594	583,795	1,077,406	142,682
2019	5,892,161	453,221	977,839	116,355
2020	4,694,022	297,450	990,978	91,348
2021	2,569,395	194,590	855,605	66,385
2022 - 2026	6,019,579	312,127	2,275,421	108,218
2027	90,000	2,430	-	-
Totals	<u>\$ 26,619,700</u>	<u>\$ 2,549,618</u>	<u>\$ 7,225,300</u>	<u>\$ 714,892</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 \$115,174,404. Lease payments to the CDA and principal and interest payments on the outstanding lease revenue bonds amounted to \$10,073,850 for the year. Total net revenues (excess of revenues and other financing sources over expenditures and other financing uses excluding transfers out) amounted to \$13,411,447 for the year.

**CITY OF GLENDALE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2016

**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, 2016 consists of the following:

<b>Governmental Activities</b>	Date of	Final	Interest	Original	Balance
Revenue Debt	Issue	Maturity	Rates	Indebted- ness	December 31, 2016
Lease Revenue Bonds (Parking)	07/15/14	10/01/27	.45 - 2.95%	\$ 16,710,000	\$ 14,670,000
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	17,350,000
Lease Revenue Bonds (TIF#8)	06/26/07	10/01/29	6.22 - 6.97%	19,900,000	18,720,000
Lease Revenue Bonds (TIF#6)	08/01/11	10/01/19	1.00 - 4.00%	14,555,000	7,265,000
Lease Revenue Bonds (TIF#7)	08/01/11	09/01/21	1.00 - 3.85%	11,135,000	7,750,000
Lease Revenue Bonds (TIF#7)	08/01/12	09/01/22	1.00 - 2.75%	16,545,000	<u>13,330,000</u>
Total Governmental Activities – CDA Lease Revenue Debt					<u>\$ 90,850,000</u>

Debt service requirements to maturity are as follows:

Years	Governmental Activities CDA Lease Revenue Debt	
	Principal	Interest
2017	\$ 6,890,000	\$ 3,240,861
2018	7,910,000	3,089,129
2019	9,625,000	2,887,180
2020	9,800,000	2,617,012
2021	9,610,000	2,314,673
2022-2026	30,330,000	7,874,699
2027-2029	<u>16,685,000</u>	<u>2,300,850</u>
Totals	<u>\$ 90,850,000</u>	<u>\$ 24,324,404</u>

**CITY OF GLENDALE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2016

**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, 2016 consists of the following:

<b>Governmental Activities</b>				Original	Balance
Notes Payable	Date of Issue	Final Maturity	Interest Rates	Indebted-ness	December 31, 2016
Village of Whitefish Bay	11/09/10	04/01/22	2.0 - 3.0%	\$ 1,011,341	\$ 551,544
Village of Bayside	04/26/12	08/01/23	0.6 - 2.3%	478,693	<u>316,575</u>
Total Governmental Activities – Notes Payable					<u>\$ 868,119</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	Governmental Activities Notes Payable	
	<u>Principal</u>	<u>Interest</u>
2017	\$ 130,851	\$ 18,766
2018	133,665	16,370
2019	135,072	13,617
2020	137,886	10,588
2021	140,700	7,252
2022-2023	<u>189,945</u>	<u>4,603</u>
Totals	<u>\$ 868,119</u>	<u>\$ 71,196</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, 2016

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

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#### **G. NET POSITION/FUND BALANCES**

Net position reported on the government wide statement of net position at December 31, 2016 includes the following:

#### **Governmental Activities**

Net Investment in Capital Assets	
Land	\$ 3,514,894
Construction in progress	2,880,777
Other capital assets, net of accumulated depreciation	25,605,976
Less: Capital related long-term debt outstanding	(20,761,378)
Plus: Unspent capital related debt proceeds	<u>2,508,927</u>
Total Net Investment in Capital Assets	13,749,196
Restricted for debt service	14,906,812
Unrestricted (deficit)	<u>(81,156,585)</u>
Total Governmental Activities Net Position (Deficit)	<u>\$ (52,500,577)</u>

Governmental fund balances reported on the fund financial statements at December 31, 2016 include the following:

<b>Nonspendable</b>	
Major Funds	
General Fund	
Prepaid items	\$ 223,383
Non-current receivables	15,051
Non-current interfund receivable	450,000
Non-major Fund	
Special Revenue Fund	
Human Services - Prepaid items	<u>57,327</u>
Total	<u>\$ 745,761</u>

# CITY OF GLENDALE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

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

##### Governmental Activities (cont.)

###### Restricted

###### Major Funds

Debt Service - Debt Service	\$ 68,065
General Capital Projects - Projects	1,925,768
General Capital Projects - Debt Service	126,400
Parking Capital Projects - Parking	1,585,844
TIF #6 Capital Projects - TIF Purposes	1,629,840
TIF #7 Capital Projects - TIF Purposes	2,675,155
TIF #8 Capital Projects - TIF Purposes	<u>14,706,659</u>

Total \$ 22,717,731

###### Committed

###### Non-major Funds

###### Special Revenue Funds

Special Assessments	\$ 13,641
Central Dispatch	8,744
Grant Funds	211,267
Library	4,691
Humane Society	11,081
July 4th Celebration	14,087
Human Services	863,663
Environmental Fund	207,126
Police Acquisition	20,985
DARE Fund	<u>69,100</u>

Total \$ 1,424,385

###### Unassigned (deficit)

###### Major Funds

General Fund \$ 3,919,585

###### Non-major Fund

Public Safety Capital Improvements (3,579)

Total \$ 3,916,006

Total Governmental Fund Balances \$ 28,803,883

# CITY OF GLENDALE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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### NOTE V – OTHER INFORMATION

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#### **A. EMPLOYEES' RETIREMENT SYSTEM**

##### **General Information about the Pension Plan**

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

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

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

**Benefits Provided.** Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and State executive participants) 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, 2016

### 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:

Year	Core Fund Adjustment	Variable Fund Adjustment
2006	0.8%	3%
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

**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. 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 \$427,688 in contributions from the city.

Contribution rates as of December 31, 2016 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General	6.6%	6.6%
Executives and Elected Officials	6.6%	6.6%
Protective with Social Security	6.6%	9.4%
Protective without Social Security	6.6%	13.2%

## CITY OF GLENDALE

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

#### 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, 2016 the city reported a liability of \$735,425 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014 rolled forward to December 31, 2015. 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, 2015, the city's proportion was .04525747%, which was a decrease of .00080754% from its' proportion measured as of December 31, 2014.

For the year ended December 31, 2016, the city recognized pension expense of \$958,410.

At December 31, 2016, 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	\$ 124,413	\$ 1,547,690
Changes in assumptions	514,535	-
Net differences between projected and actual earnings on pension plan investments	3,011,041	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	53,227	-
Employer contributions subsequent to the measurement date	479,700	-
Total	\$ 4,182,916	\$ 1,547,690

\$479,700 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, 2017. 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, 2016

#### NOTE V – OTHER INFORMATION

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

Year ended December 31:	Deferred Outflow of Resources	Deferred Inflows of of Resources
2017	\$ 962,452	\$ 374,544
2018	962,452	374,544
2019	962,452	374,544
2020	798,831	374,544
2021	17,029	49,514
Thereafter	-	-

**Actuarial assumptions.** The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date	December 31, 2014
Measurement Date of Net Pension Liability (Asset)	December 31, 2015
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 2012 using experience from 2009-2011. The total pension liability for December 31, 2015 is based upon a roll-forward of the liability calculated from the December 31, 2014 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, 2016

#### NOTE V – OTHER INFORMATION

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

<u>Variable Fund Asset Class</u>	<u>Current Asset Allocation %</u>	<u>Destination Target Asset Allocation %</u>	<u>Long-Term Expected Nominal Rate of Return %</u>	<u>Long-Term Expected Real Rate of Return %</u>
US Equities	27.0%	23.0%	7.6%	4.7%
International Equities	24.5	22.0	8.5	5.6
Fixed Income	27.5	37.0	4.4	1.6
Inflation Sensitive Assets	10.0	20.0	4.2	1.4
Real Estate	7.0	7.0	6.5	3.6
Private Equity/Debt	7.0	7.0	9.4	6.5
Multi-Asset	4.0	4.0	6.7	3.8
Total Core Fund	107	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 3.56%. 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, 2016

**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)	<u>\$ 5,158,286</u>	<u>\$ 735,425</u>	<u>\$ (2,718,908)</u>
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**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, 2016, the city reported a payable to the pension plan of \$85,036, 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, 2016

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

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#### **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 \$16,635 at December 31, 2016 was recorded as claims payable in the internal service fund statement of net position. Changes in the fund's claims loss liability follow:

<u>Year</u>	<u>Beginning Balance</u>	<u>Incurred Claims</u>	<u>Claims Paid/ Settled</u>	<u>Ending Balance</u>
2016	\$ -	\$ 16,635	\$ -	\$ 16,635
2015	22,751	-	22,751	-

#### **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, 2016. 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 \$1,748,373 as of December 31, 2016.

# CITY OF GLENDALE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

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#### *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. \$614,489 of operating costs, which represents the city's share for the North Shore Water Commission for 2016, 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, 2016 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 2016 was \$3,352,128. The city's share of the 2016 capital budget was \$42,932. The NSFD total 2017 approved budget is \$14.66 million dollars of which the city's portion is approximately \$3.39 million. Complete 2016 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, 2016

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

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#### *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 2016 was \$446,699. 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 2016 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 2016 was \$29,864, which is recorded in the Humane Society special revenue fund.

#### *E. OTHER POSTEMPLOYMENT BENEFITS*

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.

Contribution requirements are established through collective bargaining agreements and may be amended only through negotiations between the city and the union. The city contributions various amounts toward retiree health insurance based on agreements in place when each former employee retired. Active employees paid \$96 per month for single coverage or \$238 per month for family coverage in 2016.

## CITY OF GLENDALE

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

##### *E. OTHER POSTEMPLOYMENT BENEFITS* (cont.)

The city's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period of thirty years. The following table shows the components in the city's net OPEB obligation to the Retiree Health Plan:

Annual required contribution	\$	1,516,602
Interest on annual required contribution		262,215
Adjustment to annual required contribution		<u>(392,045)</u>
Annual OPEB cost		1,386,772
Contributions made		<u>(567,061)</u>
Increase in net OPEB obligation		819,711
 Net OPEB Obligation - Beginning of Year		 <u>8,740,487</u>
 Net OPEB Obligation - End of Year	 \$	 <u><u>9,560,198</u></u>

The city's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2016 and the two years preceding were as follows:

Fiscal Year Ended	Annual OPEB costs	Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2014	\$ 1,341,341	35.6%	\$ 7,914,803
12/31/2015	1,362,001	39.4%	8,740,487
12/31/2016	1,386,772	40.9%	9,560,198

The funded status of the plan as of December 31, 2014, the most recent actuarial valuation date, was as follows:

Actuarial accrued liability	\$	21,652,466
Actuarial value of plan assets		<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	\$	<u>21,652,466</u>
Funded ratio		0%
Covered payroll (active plan members)	\$	4,892,989
UAAL as a percentage of covered payroll		443%

# CITY OF GLENDALE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

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#### *E. OTHER POSTEMPLOYMENT BENEFITS (cont.)*

Actuarial valuations of an ongoing plan involve estimates for the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trend. Amounts determined regarding the funded status of the plan and annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 3.00% investment rate of return and an annual healthcare cost trend rate of 5.4% initially, reduced by decrements to an ultimate rate of 4.3% after 55 years. The actuarial value of Retiree Health Plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a three-year period. The plan's unfunded actuarial accrued liability is being amortized over 30 years. The amortization period at December 31, 2016, was 30 years.

#### *F. SUBSEQUENT EVENTS*

On April 17, 2017, the city issued \$7,000,000 General Obligation Promissory Notes with an interest rates of 2.10 to 3.00%. This amount will be used to finance various projects within the city's 2017 Capital Improvement Program.

On July 19, 2017, the Glendale Community Development Authority issued \$17,985,000 Lease Revenue Bonds with an interest rate of 1.70 to 3.65%. This amount was used to refinance the 2007 Lease Revenue Bond issue.

## CITY OF GLENDALE

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

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

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

- > Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*
- > Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*
- > Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*
- > 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. 82, *Pensions Issues – an Amendment of GASB Statements No. 67, No. 68, and No. 73*
- > 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, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Taxes	\$ 8,059,926	\$ 8,059,926	\$ 8,064,067	\$ 4,141
Intergovernmental	1,972,619	1,972,619	1,981,807	9,188
Licenses and permits	560,050	560,050	546,415	(13,635)
Fines, forfeitures and penalties	355,000	355,000	438,605	83,605
Public charges for services	515,750	515,750	376,255	(139,495)
Investment income	225,000	225,000	61,324	(163,676)
Miscellaneous	81,437	81,437	77,449	(3,988)
Total Revenues	<u>11,769,782</u>	<u>11,769,782</u>	<u>11,545,922</u>	<u>(223,860)</u>
<b>EXPENDITURES</b>				
Current				
General government	3,443,911	1,598,391	1,450,048	148,343
Public safety	7,544,585	9,106,676	9,212,305	(105,629)
Public works	1,740,007	1,984,761	1,986,859	(2,098)
Conservation and development	91,279	129,954	127,169	2,785
Total Expenditures	<u>12,819,782</u>	<u>12,819,782</u>	<u>12,776,381</u>	<u>43,401</u>
Excess (deficiency) of revenues over expenditures	<u>(1,050,000)</u>	<u>(1,050,000)</u>	<u>(1,230,459)</u>	<u>(180,459)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>1,050,000</u>	<u>1,050,000</u>	<u>1,098,064</u>	<u>48,064</u>
<b>Net Changes in Fund Balance</b>	-	-	(132,395)	(132,395)
FUND BALANCE - Beginning of Year	<u>4,740,414</u>	<u>4,740,414</u>	<u>4,740,414</u>	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 4,740,414</u>	<u>\$ 4,740,414</u>	<u>\$ 4,608,019</u>	<u>\$ (132,395)</u>

## CITY OF GLENDALE

REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF FUNDING PROGRESS -  
 OTHER POSTEMPLOYMENT BENEFITS  
 For the Year Ended December 31, 2016

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Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected Unit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)	
12/31/08	\$	-	\$ 24,223,534	\$ 24,223,534	0%	\$ 4,910,104	493%
12/31/11		-	21,559,033	21,559,033	0%	4,845,557	445%
12/31/14		-	21,652,466	21,652,466	0%	4,892,989	443%

**CITY OF GLENDALE**

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION ASSET -  
WISCONSIN RETIREMENT SYSTEM  
For the Year Ended December 31, 2016

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<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%

SCHEDULE OF EMPLOYER CONTRIBUTIONS - WISCONSIN RETIREMENT SYSTEM  
For the Year Ended December 31, 2015

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<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%

## CITY OF GLENDALE

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION As of and for the Year Ended December 31, 2016

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#### **BUDGETARY INFORMATION**

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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 \$9,033 to increase the allowance for previous years' uncollectible taxes.

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#### **FUNDING PROGRESS DATA**

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The data presented in the Schedule of Funding Progress was taken from the reports issued by the actuary.

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#### **WISCONSIN RETIREMENT SYSTEM**

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

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

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

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

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**SUPPLEMENTARY INFORMATION**

**CITY OF GLENDALE**

NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
As of December 31, 2016

	Special Revenue Funds			
	Special Assessments	Central Dispatch	Grant Funds	Library
<b>ASSETS</b>				
Cash and investments	\$ 13,641	\$ 8,744	\$ 230,497	\$ 8,242
Receivables				
Taxes	-	-	-	-
Accounts	-	-	-	-
Due from other funds	-	-	-	-
Prepaid items	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 13,641</u>	<u>\$ 8,744</u>	<u>\$ 230,497</u>	<u>\$ 8,242</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ -	\$ -	\$ 19,230	\$ 3,551
Deposits	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>19,230</u>	<u>3,551</u>
Deferred Inflows of Resources				
Unearned revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit)				
Nonspendable	-	-	-	-
Committed	13,641	8,744	211,267	4,691
Unassigned (deficit)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>13,641</u>	<u>8,744</u>	<u>211,267</u>	<u>4,691</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 13,641</u>	<u>\$ 8,744</u>	<u>\$ 230,497</u>	<u>\$ 8,242</u>

Special Revenue Funds

Humane Society	July 4th Celebration	Human Services	Public Safety Capital Improvements	Environmental Fund	Police Acquisition
\$ 11,081	\$ 14,087	\$ 868,698	\$ -	\$ -	\$ 21,273
-	23,000	544,145	-	-	-
-	-	1,845	-	-	-
-	-	-	-	211,706	-
-	-	57,327	-	-	-
<u>\$ 11,081</u>	<u>\$ 37,087</u>	<u>\$ 1,472,015</u>	<u>\$ -</u>	<u>\$ 211,706</u>	<u>\$ 21,273</u>
\$ -	\$ -	\$ -	\$ -	\$ 2,271	\$ 288
-	-	6,880	-	-	-
-	-	-	3,579	2,309	-
-	-	6,880	3,579	4,580	288
-	23,000	544,145	-	-	-
-	-	57,327	-	-	-
11,081	14,087	863,663	-	207,126	20,985
-	-	-	(3,579)	-	-
<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>\$ 11,081</u>	<u>\$ 37,087</u>	<u>\$ 1,472,015</u>	<u>\$ -</u>	<u>\$ 211,706</u>	<u>\$ 21,273</u>

**CITY OF GLENDALE**

NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
As of December 31, 2016

	Special Revenue Funds			Total Nonmajor Governmental Funds
	DARE Fund	Hotel Room Tax	Environmental TIF #1	
<b>ASSETS</b>				
Cash and investments	\$ 69,100	\$ -	\$ -	\$ 1,245,363
Receivables				
Taxes	-	-	-	567,145
Accounts	-	39,209	-	41,054
Due from other funds	-	-	-	211,706
Prepaid items	-	-	-	57,327
<b>TOTAL ASSETS</b>	<u>\$ 69,100</u>	<u>\$ 39,209</u>	<u>\$ -</u>	<u>\$ 2,122,595</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ -	\$ 34,712	\$ -	\$ 60,052
Deposits	-	-	-	6,880
Due to other funds	-	4,497	-	10,385
Total Liabilities	-	39,209	-	77,317
Deferred Inflows of Resources				
Unearned revenues	-	-	-	567,145
Fund Balances (Deficit)				
Nonspendable	-	-	-	57,327
Committed	69,100	-	-	1,424,385
Unassigned (deficit)	-	-	-	(3,579)
Total Fund Balances	<u>69,100</u>	<u>-</u>	<u>-</u>	<u>1,478,133</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 69,100</u>	<u>\$ 39,209</u>	<u>\$ -</u>	<u>\$ 2,122,595</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, 2016

	Special Revenue Funds			
	Special Assessments	Central Dispatch	Grant Funds	Library
<b>REVENUES</b>				
Taxes	\$ -	\$ 356,000	\$ 191,801	\$ 447,000
Intergovernmental	-	-	58,336	-
Public charges for services	-	-	-	-
Investment income	83	-	-	-
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<u>83</u>	<u>356,000</u>	<u>250,137</u>	<u>447,000</u>
<b>EXPENDITURES</b>				
Current				
Public safety	-	363,518	-	-
Public works	-	-	238,504	-
Health and human services	-	-	-	-
Culture, recreation and education	-	-	-	446,699
Conservation and development	-	-	-	-
Capital Outlay	-	-	-	-
<b>Total Expenditures</b>	<u>-</u>	<u>363,518</u>	<u>238,504</u>	<u>446,699</u>
Excess (deficiency) of revenues over expenditures	<u>83</u>	<u>(7,518)</u>	<u>11,633</u>	<u>301</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(13,500)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(13,500)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<b>(13,417)</b>	<b>(7,518)</b>	<b>11,633</b>	<b>301</b>
<b>FUND BALANCES -</b>				
Beginning of Year	<u>27,058</u>	<u>16,262</u>	<u>199,634</u>	<u>4,390</u>
<b>FUND BALANCES (DEFICIT) -</b>				
<b>END OF YEAR</b>	<u>\$ 13,641</u>	<u>\$ 8,744</u>	<u>\$ 211,267</u>	<u>\$ 4,691</u>

Special Revenue Funds					
Humane Society	July 4th Celebration	Human Services	Public Safety Capital Improvements	Environmental Fund	Police Acquisition
\$ 32,000	\$ 23,000	\$ 814,746	\$ 130,276	\$ -	\$ -
-	-	-	-	-	9,876
-	-	-	-	601,936	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>32,000</u>	<u>23,000</u>	<u>814,746</u>	<u>130,276</u>	<u>601,936</u>	<u>9,876</u>
-	-	-	-	-	3,484
-	-	-	-	-	-
29,864	-	893,305	-	-	-
-	20,666	-	-	-	-
-	-	-	-	-	-
-	-	-	144,858	13,717	-
<u>29,864</u>	<u>20,666</u>	<u>893,305</u>	<u>144,858</u>	<u>13,717</u>	<u>3,484</u>
<u>2,136</u>	<u>2,334</u>	<u>(78,559)</u>	<u>(14,582)</u>	<u>588,219</u>	<u>6,392</u>
-	-	-	-	(457,931)	-
-	-	-	-	(457,931)	-
2,136	2,334	(78,559)	(14,582)	130,288	6,392
8,945	11,753	999,549	11,003	76,838	14,593
<u>\$ 11,081</u>	<u>\$ 14,087</u>	<u>\$ 920,990</u>	<u>\$ (3,579)</u>	<u>\$ 207,126</u>	<u>\$ 20,985</u>

**CITY OF GLENDALE**

NONMAJOR GOVERNMENTAL FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES  
 For the Year Ended December 31, 2016

	Special Revenue Funds			Total
	DARE Fund	Hotel Room Tax	Environmental TIF #1	Nonmajor Governmental Funds
<b>REVENUES</b>				
Taxes	\$ -	\$ 761,149	\$ -	\$ 2,755,972
Intergovernmental	-	-	-	68,212
Public charges for services	-	-	-	601,936
Investment income	-	-	-	83
Miscellaneous	46,084	-	-	46,084
Total revenues	<u>46,084</u>	<u>761,149</u>	<u>-</u>	<u>3,472,287</u>
<b>EXPENDITURES</b>				
Current				
Public safety	39,954	-	-	406,956
Public works	-	-	-	238,504
Health and human services	-	-	-	923,169
Recreation and education	-	-	-	467,365
Conservation and development	-	170,210	523,082	693,292
Capital outlay	-	-	-	158,575
Total expenditures	<u>39,954</u>	<u>170,210</u>	<u>523,082</u>	<u>2,887,861</u>
Excess (deficiency) of revenues over expenditures	<u>6,130</u>	<u>590,939</u>	<u>(523,082)</u>	<u>584,426</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	(590,939)	(49,194)	(1,111,564)
Total other financing sources (uses)	<u>-</u>	<u>(590,939)</u>	<u>(49,194)</u>	<u>(1,111,564)</u>
<b>Net Changes in Fund Balances</b>	6,130	-	(572,276)	(527,138)
FUND BALANCES - Beginning of Year	<u>62,970</u>	<u>-</u>	<u>572,276</u>	<u>2,005,271</u>
<b>FUND BALANCES (DEFICIT) - END OF YEAR</b>	<u>\$ 69,100</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,478,133</u>

## CITY OF GLENDALE

### SCHEDULE OF REVENUES - ACTUAL AND BUDGET (NON-GAAP) GENERAL FUND For the Year Ended December 31, 2016

	Actual	Final Budget	Variance with Final Budget
<b>TAXES</b>			
General property taxes	\$ 7,564,507	\$ 7,573,542	\$ (9,035)
Omitted property taxes - prior years	3,781	-	3,781
Water Utility tax equivalent - current	413,413	405,000	8,413
Water Utility tax equivalent - past	45,000	45,000	-
Torah Academy tax equivalent	10,036	10,000	36
State property tax equivalent	22,802	22,950	(148)
Whitefish Bay tax equivalent	969	-	969
Ohr Ha Torah tax equivalent	3,559	3,434	125
Total taxes	<u>8,064,067</u>	<u>8,059,926</u>	<u>4,141</u>
<b>INTERGOVERNMENTAL REVENUES</b>			
State shared revenues			
Per capita	205,466	205,465	1
Special utility	88,110	82,266	5,844
Expenditure restraint payment	342,299	339,628	2,671
Computer exemption payment	240,068	238,300	1,768
State grants			
Transportation aid - regular	1,049,027	1,049,545	(518)
Transportation aid - connecting streets	56,837	57,415	(578)
Total intergovernmental revenues	<u>1,981,807</u>	<u>1,972,619</u>	<u>9,188</u>
<b>LICENSES AND PERMITS</b>			
Licenses			
Beverage	16,140	16,000	140
Food	26,325	27,100	(775)
Cigarette	1,000	1,000	-
Tavern operators	14,903	10,000	4,903
Dance hall	450	300	150
Sale of Christmas trees	300	200	100
Coin operated machines	3,155	4,000	(845)
Used car dealers	7,500	4,500	3,000
Transient merchant permits	500	1,000	(500)
Cable television	205,980	210,000	(4,020)
Arcade	1,210	1,450	(240)
Permits			
Building	163,088	160,000	3,088
Electrical	53,399	67,000	(13,601)
Plumbing	36,730	45,000	(8,270)
Occupancy	4,248	4,800	(552)
Utility	8,045	5,000	3,045
Parking	3,442	2,700	742
Total licenses and permits	<u>546,415</u>	<u>560,050</u>	<u>(13,635)</u>

## CITY OF GLENDALE

SCHEDULE OF REVENUES - ACTUAL AND BUDGET (NON-GAAP)  
GENERAL FUND  
For the Year Ended December 31, 2016

	Actual	Final Budget	Variance with Final Budget
<b>FINES, FORFEITURES AND PENALTIES</b>			
Court fines and costs	\$ 364,401	\$ 325,000	\$ 39,401
Parking fines	35,204	-	35,204
False alarms	39,000	30,000	9,000
Total fines, forfeitures and penalties	<u>438,605</u>	<u>355,000</u>	<u>83,605</u>
<b>PUBLIC CHARGES FOR SERVICES</b>			
General government			
Space rental and/or charges for administrative services			
Water Utility, Sewer Utility, Storm Water Utility	257,241	365,000	(107,759)
Water Utility insurance	22,027	17,800	4,227
Photocopies	111	150	(39)
Special assessment letters	13,393	8,000	5,393
TIF reimbursement	22,824	36,000	(13,176)
Public safety			
School liaison officer reimbursements	38,822	67,100	(28,278)
Auxiliary police reimbursements	197	-	197
Health and human services			
Dog and cat license fees	4,495	4,200	295
Public works			
Sale of materials and services	6,285	10,000	(3,715)
Planning			
Rezoning fees	4,010	1,000	3,010
Board of Appeals fees	6,850	6,500	350
Total public charges for service	<u>376,255</u>	<u>515,750</u>	<u>(139,495)</u>
<b>INVESTMENT INCOME</b>	<u>61,324</u>	<u>225,000</u>	<u>(163,676)</u>
<b>MISCELLANEOUS</b>			
Sale of land	-	24,050	(24,050)
Interest on delinquent personal property taxes	39,724	10,000	29,724
Insurance reimbursement	1,104	6,000	(4,896)
Rental income	1,900	2,000	(100)
CVMIC dividend	24,634	23,767	867
Miscellaneous	10,087	15,620	(5,533)
Total miscellaneous	<u>77,449</u>	<u>81,437</u>	<u>(3,988)</u>
<b>TOTAL REVENUES</b>	<u>\$ 11,545,922</u>	<u>\$ 11,769,782</u>	<u>\$ (223,860)</u>

**CITY OF GLENDALE**

SCHEDULE OF DEPARTMENTAL EXPENDITURES - ACTUAL AND BUDGET  
GENERAL FUND  
For the Year Ended December 31, 2016

	Actual	Final Budget	Variance with Final Budget
<b>CURRENT</b>			
General government			
Common council and mayor	\$ 36,881	\$ 37,593	\$ 712
City administrator	224,023	324,205	100,182
Finance	107,448	109,156	1,708
City clerk	151,209	151,469	260
Treasurer	124,709	128,916	4,207
Human resources	136,514	150,083	13,569
City assessor	49,668	50,600	932
Legal	141,985	160,000	18,015
Accounting	31,101	33,000	1,899
Municipal court	156,402	141,434	(14,968)
Building and grounds	106,250	128,300	22,050
Property and liability insurance	110,919	128,317	17,398
Employee benefits	1,510	2,000	490
Unclassified	71,429	49,000	(22,429)
Contingency	-	4,318	4,318
Total general government	<u>1,450,048</u>	<u>1,598,391</u>	<u>148,343</u>
Public safety			
Building	277,921	236,695	(41,226)
Police	5,576,657	5,511,554	(65,103)
Fire	3,352,127	3,352,127	-
Unclassified	5,600	6,300	700
Total public safety	<u>9,212,305</u>	<u>9,106,676</u>	<u>(105,629)</u>
Public works			
Engineering, administration and overhead	257,637	263,823	6,186
Machinery and equipment	243,448	293,103	49,655
Public works facility	48,314	56,700	8,386
Street lighting	240,457	237,708	(2,749)
Street and alley maintenance	181,834	214,999	33,165
Street signs	43,209	36,760	(6,449)
Snow removal and ice control	326,690	303,283	(23,407)
Roadside maintenance	187,339	178,385	(8,954)
Solid waste disposal	457,931	400,000	(57,931)
Total public works	<u>1,986,859</u>	<u>1,984,761</u>	<u>(2,098)</u>
Conservation and development	<u>127,169</u>	<u>129,954</u>	<u>2,785</u>
Total Departmental Expenditures	<u>\$ 12,776,381</u>	<u>\$ 12,819,782</u>	<u>\$ 43,401</u>

# CITY OF GLENDALE

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP) DEBT SERVICE FUND For the Year Ended December 31, 2016

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget
<b>REVENUES</b>			
Taxes	\$ 2,900,876	\$ 2,900,876	\$ -
Other revenues	11,570	11,570	-
Total Revenues	<u>2,912,446</u>	<u>2,912,446</u>	<u>-</u>
<b>EXPENDITURES</b>			
Debt service			
Principal	11,582,625	12,197,337	(614,712)
Interest and fees	4,377,949	4,397,730	(19,781)
Total expenditures	<u>15,960,574</u>	<u>16,595,067</u>	<u>(634,493)</u>
Excess (deficiency) of revenues over expenditures	<u>(13,048,128)</u>	<u>(13,682,621)</u>	<u>(634,493)</u>
<b>OTHER FINANCING SOURCES</b>			
Transfers in	13,048,128	13,680,907	632,779
Total other financing sources	<u>13,048,128</u>	<u>13,680,907</u>	<u>632,779</u>
<b>Net Changes in Fund Balance</b>	<u>\$ -</u>	(1,714)	<u>\$ (1,714)</u>
FUND BALANCE - Beginning of Year		<u>69,779</u>	
<b>FUND BALANCE - END OF YEAR</b>		<u>\$ 68,065</u>	

# CITY OF GLENDALE

SCHEDULE OF OPERATION AND MAINTENANCE EXPENSES  
ENTERPRISE FUND - WATER UTILITY  
For the Year Ended December 31, 2016  
(With Comparative Totals for the Year Ended December 31, 2015)

	<u>2016</u>	<u>2015</u>
<b>SOURCE OF SUPPLY EXPENSES</b>		
Purchased water	\$ 618,206	\$ 634,950
<b>TRANSMISSION AND DISTRIBUTION EXPENSES</b>		
Storage facilities	-	64
Operation supervision and engineering	167,251	123,833
Meter expenses	562	376
Customer installations	2,910	11,316
Miscellaneous	1,138	182
Rents	11,000	11,000
Maintenance		
Distribution reservoirs and standpipes	6,328	6,375
Mains	987,573	825,739
Services	6,818	2,381
Meters	10,822	31,186
Hydrants	10,244	11,460
Total Transmission and Distribution Expenses	<u>1,204,646</u>	<u>1,023,912</u>
<b>CUSTOMERS ACCOUNT EXPENSES</b>		
Meter reading labor	7,666	7,752
Customer records and collection expenses	94,436	54,158
Total Customer Accounts Expenses	<u>102,102</u>	<u>61,910</u>
<b>ADMINISTRATIVE AND GENERAL EXPENSES</b>		
Administrative and general salaries	50,585	49,785
Office supplies and expense	1,367	3,046
Outside services	7,619	11,764
Property insurance	8,976	7,639
Injuries and damages	11,674	9,573
Employee pensions and benefits	6,614	104,762
Regulatory Commission	3,446	1,976
Miscellaneous general expenses	17,276	21,641
Rents	7,500	7,500
Total Administrative and General Expenses	<u>115,057</u>	<u>217,686</u>
<b>TOTAL OPERATION AND MAINTENANCE EXPENSES</b>	<u>\$ 2,040,011</u>	<u>\$ 1,938,458</u>

# CITY OF GLENDALE

## COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES AGENCY FUND

For the Year Ended December 31, 2016

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	<u>Balance 1-1-16</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12-31-16</u>
<b>TAX COLLECTION FUND</b>				
<b>ASSETS</b>				
Cash and investments	\$ 18,272,094	\$ 17,521,535	\$ (18,272,094)	\$ 17,521,535
Taxes receivable	<u>16,770,458</u>	<u>17,684,746</u>	<u>(16,770,458)</u>	<u>17,684,746</u>
Total Assets	<u>\$ 35,042,552</u>	<u>\$ 35,206,281</u>	<u>\$ (35,042,552)</u>	<u>\$ 35,206,281</u>
<b>LIABILITIES</b>				
Due to other governmental agencies	\$ 35,002,700	\$ 35,158,354	\$ (35,002,700)	\$ 35,158,354
Deposits	<u>39,852</u>	<u>47,927</u>	<u>(39,852)</u>	<u>47,927</u>
Total Liabilities	<u>\$ 35,042,552</u>	<u>\$ 35,206,281</u>	<u>\$ (35,042,552)</u>	<u>\$ 35,206,281</u>