

CITY OF GLENDALE

Glendale, Wisconsin

FINANCIAL STATEMENTS

Including Independent Auditors' Report

As of and for the Year Ended December 31, 2014

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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, 2014, and the related notes to the financial statements, which collectively comprise the City of Glendale's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Glendale, Wisconsin, as of December 31, 2014 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 budgetary comparison schedules and the schedule of funding progress as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Supplementary Information

Our audit for the year ended December 31, 2014 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Glendale's basic financial statements. The combining and individual fund financial statements and the schedules for the year ended December 31, 2014 as listed in the table of contents as listed in the table of contents are presented for purposes of additional analysis and are 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, 2014 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 combining and individual fund financial statements and the schedules as listed in the table of contents are fairly stated in all material respects, in relation to the basic financial statements as a whole for the year ended December 31, 2014.

To the City Council
City of Glendale

Other Matters (continued)

Supplementary Information (continued)

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, 2013 (not presented herein), and have issued our report thereon dated September 22, 2014, 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, 2013 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 2013 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2013 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 is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended December 31, 2013.

Bahn Tilly Virehow Krause, LLP

Milwaukee, Wisconsin
September 24, 2015

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BASIC FINANCIAL STATEMENTS

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CITY OF GLENDALE

STATEMENT OF NET POSITION As of December 31, 2014

	Governmental Activities	Business-type Activities	Totals
ASSETS			
Cash and investments	\$ 12,231,646	\$ 3,931,998	\$ 16,163,644
Receivables (net)			
Taxes	24,833,756	-	24,833,756
Accounts	138,469	1,173,529	1,311,998
Special assessments	14,341,185	-	14,341,185
Delinquent personal property taxes	32,528	-	32,528
Accrued interest	102,133	-	102,133
Due from other governments	537,864	40,747	578,611
Internal balances	934,101	(934,101)	-
Inventories	-	68,944	68,944
Prepaid items	269,709	-	269,709
Restricted cash and investments	17,356,190	533,700	17,889,890
Deposit with insurance company	658,835	-	658,835
Other assets	-	1,671	1,671
Capital assets (net of accumulated depreciation)			
Land	3,238,894	52,186	3,291,080
Other capital assets	27,801,304	22,181,800	49,983,104
Total Assets	102,476,614	27,050,474	129,527,088
LIABILITIES			
Accounts payable and other accrued liabilities	1,403,394	987,386	2,390,780
Accrued interest	1,442,505	51,365	1,493,870
Noncurrent Liabilities			
Due within one year	10,097,644	1,216,286	11,313,930
Due in more than one year	133,607,675	5,221,106	138,828,781
Total Liabilities	146,551,218	7,476,143	154,027,361
DEFERRED INFLOW OF RESOURCES			
Unearned revenue	23,633,986	-	23,633,986
NET POSITION			
Net investment in capital assets	14,236,131	16,701,038	27,560,207
Restricted for			
Emergency fund	-	43,991	43,991
Maintenance	-	232,454	232,454
Equipment replacement	-	257,255	257,255
Environmental TIF	505,291	-	505,291
Debt service	15,387,911	-	15,387,911
Unrestricted (deficit)	(97,837,923)	2,339,593	(92,121,368)
TOTAL NET POSITION (DEFICIT)	\$ (67,708,590)	\$ 19,574,331	\$ (48,134,259)

CITY OF GLENDALE

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2014

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General government	\$ 3,569,535	724,551	\$ 234,419	\$ -
Public safety	8,636,272	859,200	-	-
Public works	5,151,582	705,649	1,225,457	-
Health and human services	597,661	-	-	-
Culture, education and recreation	457,571	-	-	-
Conservation and development	625,641	-	361,564	-
Interest and fiscal charges	5,784,478	-	-	-
Total Governmental Activities	<u>24,822,740</u>	<u>2,289,400</u>	<u>1,821,440</u>	<u>-</u>
Business-type Activities				
Water Utility	3,389,566	2,597,865	-	-
Sewer Utility	1,587,393	1,866,246	195,380	-
Storm Water Utility	982,481	740,440	-	-
Total Business-type Activities	<u>5,959,440</u>	<u>5,204,551</u>	<u>195,380</u>	<u>-</u>
Total	<u>\$ 30,782,180</u>	<u>\$ 7,493,951</u>	<u>\$ 2,016,820</u>	<u>\$ -</u>

General Revenues

Taxes

 Property taxes, levied for general purposes

 Property taxes, levied for debt service

 Property taxes, levied for TIF districts

 Property taxes, levied for other

Intergovernmental revenues not restricted to specific programs

Investment income

Miscellaneous

Transfers

 Total General Revenues and Transfers

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
\$ (2,610,565)	\$ -	\$ (2,610,565)
(7,777,072)	-	(7,777,072)
(3,220,476)	-	(3,220,476)
(597,661)	-	(597,661)
(457,571)	-	(457,571)
(264,077)	-	(264,077)
<u>(5,784,478)</u>	<u>-</u>	<u>(5,784,478)</u>
<u>(20,711,900)</u>	<u>-</u>	<u>(20,711,900)</u>
-	(791,701)	(791,701)
-	474,233	474,233
-	<u>(242,041)</u>	<u>(242,041)</u>
-	<u>(559,509)</u>	<u>(559,509)</u>
<u>(20,711,900)</u>	<u>(559,509)</u>	<u>(21,271,409)</u>
9,311,156	-	9,311,156
2,854,427	-	2,854,427
11,218,819	-	11,218,819
766,901	-	766,901
974,429	-	974,429
1,689,858	70,313	1,760,171
41,762	-	41,762
<u>448,822</u>	<u>(448,822)</u>	<u>-</u>
<u>27,306,174</u>	<u>(378,509)</u>	<u>26,927,665</u>
6,594,274	(938,018)	5,656,256
<u>(74,302,864)</u>	<u>20,512,349</u>	<u>(53,790,515)</u>
<u>\$ (67,708,590)</u>	<u>\$ 19,574,331</u>	<u>\$ (48,134,259)</u>

CITY OF GLENDALE

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2014

	<u>General</u>	<u>Debt Service</u>	<u>General Capital Projects</u>
ASSETS			
Cash and investments	\$ 3,859,516	\$ 18,421	\$ 3,379,391
Receivables (net)			
Taxes	7,435,766	2,865,624	-
Accounts	98,991	-	-
Special assessments	-	-	-
Delinquent personal property taxes	32,528	-	-
Accrued interest	55,901	-	-
Due from other governments	273,484	34,710	229,670
Due from other funds	820,358	49,867	1,185,785
Prepaid items	211,920	-	-
TOTAL ASSETS	<u>\$ 12,788,464</u>	<u>\$ 2,968,622</u>	<u>\$ 4,794,846</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 337,497	\$ -	\$ 698,461
Accrued liabilities	222,412	-	-
Deposits	17,161	-	-
Due to other funds	-	-	1,169,223
Total Liabilities	<u>577,070</u>	<u>-</u>	<u>1,867,684</u>
Deferred Inflows of Resources			
Unearned revenues	7,435,766	2,865,624	-
Unavailable revenues	6,336	34,710	31,067
Total Deferred Inflows of Resources	<u>7,442,102</u>	<u>2,900,334</u>	<u>31,067</u>
Fund Balances			
Nonspendable	244,448	-	-
Restricted	-	68,288	2,896,095
Committed	-	-	-
Unassigned (deficit)	4,524,844	-	-
Total Fund Balances	<u>4,769,292</u>	<u>68,288</u>	<u>2,896,095</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 12,788,464</u>	<u>\$ 2,968,622</u>	<u>\$ 4,794,846</u>

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

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

Internal Service fund net position

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
\$ 1,589,927	\$ 1,500,531	\$ 2,349,684	\$ 14,765,027	\$ 1,770,698	\$ 29,233,195
1,199,770	2,855,471	2,180,720	5,954,008	2,342,397	24,833,756
-	-	-	-	39,478	138,469
14,341,185	-	-	-	-	14,341,185
-	-	-	-	-	32,528
-	2,639	13,333	30,260	-	102,133
-	-	-	-	-	537,864
-	-	-	-	91,538	2,147,548
-	-	-	-	57,789	269,709
<u>\$ 17,130,882</u>	<u>\$ 4,358,641</u>	<u>\$ 4,543,737</u>	<u>\$ 20,749,295</u>	<u>\$ 4,301,900</u>	<u>\$ 71,636,387</u>

\$ -	\$ -	\$ -	\$ 28,647	\$ 66,016	\$ 1,130,621
-	-	-	-	-	222,412
2,275	-	-	-	8,174	27,610
-	-	-	-	44,224	1,213,447
<u>2,275</u>	<u>-</u>	<u>-</u>	<u>28,647</u>	<u>118,414</u>	<u>2,594,090</u>

-	2,855,471	2,180,720	5,954,008	2,342,397	23,633,986
15,540,955	-	-	-	-	15,613,068
<u>15,540,955</u>	<u>2,855,471</u>	<u>2,180,720</u>	<u>5,954,008</u>	<u>2,342,397</u>	<u>39,247,054</u>

-	-	-	-	57,789	302,237
1,587,652	1,503,170	2,363,017	14,766,640	505,291	23,690,153
-	-	-	-	1,278,009	1,278,009
-	-	-	-	-	4,524,844
<u>1,587,652</u>	<u>1,503,170</u>	<u>2,363,017</u>	<u>14,766,640</u>	<u>1,841,089</u>	<u>29,795,243</u>

<u>\$ 17,130,882</u>	<u>\$ 4,358,641</u>	<u>\$ 4,543,737</u>	<u>\$ 20,749,295</u>	<u>\$ 4,301,900</u>	
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31,040,198
990,725

15,613,068

(145,147,824)

\$ (67,708,590)

CITY OF GLENDALE

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

For the Year Ended December 31, 2014

	General	Debt Service	General Capital Projects
REVENUES			
Taxes	\$ 7,442,687	\$ 2,854,427	\$ -
Intergovernmental	2,144,942	-	291,942
Licenses and permits	564,441	-	-
Fines, forfeitures and penalties	378,138	-	-
Public charges for services	553,636	-	-
Special assessments	-	-	-
Investment income	419,586	-	97,260
Miscellaneous	104,311	11,570	-
Total Revenues	<u>11,607,741</u>	<u>2,865,997</u>	<u>389,202</u>
EXPENDITURES			
Current			
General government	3,403,530	-	-
Public safety	7,367,432	-	-
Public works	1,693,289	-	-
Health and human services	-	-	-
Culture, recreation and education	-	-	-
Conservation and development	88,458	-	-
Capital outlay	-	-	2,527,850
Debt service			
Principal	-	26,901,729	-
Interest and fees	-	5,765,203	18,000
Total Expenditures	<u>12,552,709</u>	<u>32,666,932</u>	<u>2,545,850</u>
Excess (deficiency) of revenues over expenditures	<u>(944,968)</u>	<u>(29,800,935)</u>	<u>(2,156,648)</u>
OTHER FINANCING SOURCES (USES)			
Debt premium	-	-	74,163
Debt issued	-	-	1,664,651
Transfers in	1,515,324	29,796,035	-
Transfers out	-	-	-
Total Other Financing Sources (Uses)	<u>1,515,324</u>	<u>29,796,035</u>	<u>1,706,414</u>
Net Change in Fund Balances	570,356	(4,900)	(450,234)
FUND BALANCES - Beginning of Year	<u>4,198,936</u>	<u>73,188</u>	<u>3,346,329</u>
FUND BALANCES - END OF YEAR	<u>\$ 4,769,292</u>	<u>\$ 68,288</u>	<u>\$ 2,896,095</u>

<u>Parking Capital Projects</u>	<u>TIF #6 Capital Projects</u>	<u>TIF #7 Capital Projects</u>	<u>TIF #8 Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Totals</u>
\$ -	\$ 2,842,528	\$ 2,008,141	\$ 5,933,473	\$ 3,070,047	\$ 24,151,303
-	35,611	302,438	21,102	64,076	2,860,111
-	-	-	-	-	564,441
-	-	-	-	-	378,138
-	-	-	-	421,355	974,991
945,000	-	-	-	4,505	949,505
803,633	38,789	118,628	542,073	9,028	2,028,997
-	-	-	-	83,293	199,174
<u>1,748,633</u>	<u>2,916,928</u>	<u>2,429,207</u>	<u>6,496,648</u>	<u>3,652,304</u>	<u>32,106,660</u>
-	-	-	-	-	3,403,530
-	-	-	-	387,569	7,755,001
-	-	-	-	228,914	1,922,203
-	-	-	-	597,661	597,661
-	-	-	-	451,748	451,748
-	-	-	-	534,758	623,216
-	7,714	7,714	189,344	273,392	3,006,014
-	-	-	-	-	26,901,729
258,025	-	-	-	-	6,041,228
<u>258,025</u>	<u>7,714</u>	<u>7,714</u>	<u>189,344</u>	<u>2,474,042</u>	<u>50,702,330</u>
<u>1,490,608</u>	<u>2,909,214</u>	<u>2,421,493</u>	<u>6,307,304</u>	<u>1,178,262</u>	<u>(18,595,670)</u>
-	-	-	-	-	74,163
16,710,000	-	-	-	-	18,374,651
-	-	-	-	-	31,311,359
<u>(18,359,555)</u>	<u>(3,068,223)</u>	<u>(2,743,569)</u>	<u>(5,612,688)</u>	<u>(1,078,502)</u>	<u>(30,862,537)</u>
<u>(1,649,555)</u>	<u>(3,068,223)</u>	<u>(2,743,569)</u>	<u>(5,612,688)</u>	<u>(1,078,502)</u>	<u>18,865,236</u>
(158,947)	(159,009)	(322,076)	694,616	99,760	269,566
<u>1,746,599</u>	<u>1,662,179</u>	<u>2,685,093</u>	<u>14,072,024</u>	<u>1,741,329</u>	<u>29,525,677</u>
<u>\$ 1,587,652</u>	<u>\$ 1,503,170</u>	<u>\$ 2,363,017</u>	<u>\$ 14,766,640</u>	<u>\$ 1,841,089</u>	<u>\$ 29,795,243</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, 2014

Net change in fund balances - total governmental funds	\$ 269,566
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>	
<p>Governmental funds report capital outlays as expenditures. However in the statement of net position the cost of these assets are capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.</p>	
Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide statements	3,006,014
Some items reported as capital outlay were not capitalized	(1,982,532)
Depreciation is reported in the government-wide financial statements	(1,504,876)
Net book value of assets retired	(25,926)
<p>Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p>	
Debt issued	(18,374,651)
Principal repaid	26,901,729
<p>Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.</p>	
Special assessments	(1,077,815)
Due from other governments	(11,570)
Grant receivable	(52,673)
Other	(1,650)
Internal service fund change in net position	(3,967)
<p>Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>	
Compensated absences	60,259
Debt premium amortization (net)	118,778
Net other post employment obligation	(864,384)
Accrued interest	137,972
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 6,594,274</u>

CITY OF GLENDALE

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 As of December 31, 2014

	Business-type Activities - Enterprise Funds			Totals	Governmental Activities - Internal Service Fund
	Water Utility	Sewer Utility	Storm Water Utility		
ASSETS					
Current Assets					
Cash and investments	\$ 482,342	\$ 2,801,359	\$ 648,297	\$ 3,931,998	\$ 354,641
Receivables					
Accounts	985,234	-	-	985,234	-
Due from other governments	40,747	-	-	40,747	-
Accrued utility revenue	188,295	-	-	188,295	-
Due from other funds	549,470	636,676	496,297	1,682,443	-
Inventories	68,944	-	-	68,944	-
Total Current Assets	<u>2,315,032</u>	<u>3,438,035</u>	<u>1,144,594</u>	<u>6,897,661</u>	<u>354,641</u>
Noncurrent Assets					
Restricted Assets					
Cash and investments	276,445	257,255	-	533,700	-
Deposit with insurance company	-	-	-	-	658,835
Capital assets					
Land and non-depreciable assets	52,186	-	-	52,186	-
Other capital assets	25,067,497	4,249,848	5,893,134	35,210,479	-
Less: Accumulated depreciation	(9,443,615)	(1,795,846)	(1,789,218)	(13,028,679)	-
Other Assets					
Non-utility property - net value	1,671	-	-	1,671	-
Total Noncurrent Assets	<u>15,954,184</u>	<u>2,711,257</u>	<u>4,103,916</u>	<u>22,769,357</u>	<u>658,835</u>
Total Assets	<u>18,269,216</u>	<u>6,149,292</u>	<u>5,248,510</u>	<u>29,667,018</u>	<u>1,013,476</u>

	Business-type Activities - Enterprise Funds			Totals	Governmental
	Water Utility	Sewer Utility	Storm Water Utility		Activities - Internal Service Fund
LIABILITIES					
Current Liabilities					
Accounts payable	455,042	170,498	344,751	970,291	22,751
Accrued payroll	9,200	3,379	4,516	17,095	-
Due to other funds	2,601,818	14,726	-	2,616,544	-
Current portion of long-term debt	482,660	379,904	345,111	1,207,675	-
Compensated absences	8,611	-	-	8,611	-
Accrued interest payable	21,526	16,621	13,218	51,365	-
Total Current Liabilities	<u>3,578,857</u>	<u>585,128</u>	<u>707,596</u>	<u>4,871,581</u>	<u>22,751</u>
Noncurrent Liabilities					
Bonds and notes payable	2,103,386	1,900,862	1,209,866	5,214,114	-
Compensated absences	6,992	-	-	6,992	-
Total Noncurrent Liabilities	<u>2,110,378</u>	<u>1,900,862</u>	<u>1,209,866</u>	<u>5,221,106</u>	<u>-</u>
Total Liabilities	<u>5,689,235</u>	<u>2,485,990</u>	<u>1,917,462</u>	<u>10,092,687</u>	<u>22,751</u>
NET POSITION					
Net investment in capital assets	13,090,022	760,569	2,850,447	16,701,038	-
Restricted for					
Emergency fund	43,991	-	-	43,991	-
Maintenance	232,454	-	-	232,454	-
Equipment replacement	-	257,255	-	257,255	-
Unrestricted (deficit)	<u>(786,486)</u>	<u>2,645,478</u>	<u>480,601</u>	<u>2,339,593</u>	<u>990,725</u>
TOTAL NET POSITION	<u>\$ 12,579,981</u>	<u>\$ 3,663,302</u>	<u>\$ 3,331,048</u>	<u>\$ 19,574,331</u>	<u>\$ 990,725</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, 2014

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water Utility	Sewer Utility	Storm Water Utility	Total	
OPERATING REVENUES					
Charges for services and sales	\$ 2,597,865	\$ 1,866,246	\$ 740,440	\$ 5,204,551	\$ -
Other operating revenues	-	-	-	-	78,499
Total Operating Revenues	<u>2,597,865</u>	<u>1,866,246</u>	<u>740,440</u>	<u>5,204,551</u>	<u>78,499</u>
OPERATING EXPENSES					
Operation and maintenance	2,818,238	1,442,593	844,375	5,105,206	82,466
Depreciation	491,727	56,207	75,374	623,308	-
Total Operating Expenses	<u>3,309,965</u>	<u>1,498,800</u>	<u>919,749</u>	<u>5,728,514</u>	<u>82,466</u>
Operating income (loss)	<u>(712,100)</u>	<u>367,446</u>	<u>(179,309)</u>	<u>(523,963)</u>	<u>(3,967)</u>
NONOPERATING REVENUES (EXPENSES)					
Investment income (loss)	2,493	49,863	17,957	70,313	-
Grant revenue	-	195,380	-	195,380	-
Other expense	-	-	-	-	-
Interest expense	(79,601)	(88,593)	(62,166)	(230,360)	-
Loss on disposal of capital assets	-	-	(566)	(566)	-
Total Nonoperating Revenues (Expenses)	<u>(77,108)</u>	<u>156,650</u>	<u>(44,775)</u>	<u>34,767</u>	<u>-</u>
Income (Loss) Before Transfers	<u>(789,208)</u>	<u>524,096</u>	<u>(224,084)</u>	<u>(489,196)</u>	<u>(3,967)</u>
TRANSFERS					
Transfers out - tax equivalent	(448,822)	-	-	(448,822)	-
CHANGE IN NET POSITION	<u>(1,238,030)</u>	<u>524,096</u>	<u>(224,084)</u>	<u>(938,018)</u>	<u>(3,967)</u>
NET POSTION - Beginning of Year	<u>13,818,011</u>	<u>3,139,206</u>	<u>3,555,132</u>	<u>20,512,349</u>	<u>994,692</u>
NET POSITION - END OF YEAR	<u>\$ 12,579,981</u>	<u>\$ 3,663,302</u>	<u>\$ 3,331,048</u>	<u>\$ 19,574,331</u>	<u>\$ 990,725</u>

CITY OF GLENDALE

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended December 31, 2014

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water Utility	Sewer Utility	Storm Water Utility	Totals	
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 2,946,220	\$ 2,150,063	\$ 588,088	\$ 5,684,371	\$ -
Receipts from other funds	-	-	-	-	78,499
Paid to suppliers for goods and services	(1,480,083)	(1,352,073)	(627,940)	(3,460,096)	(78,499)
Paid to employees for services	(264,835)	(132,127)	(121,469)	(518,431)	-
Net Cash Flows From Operating Activities	<u>1,201,302</u>	<u>665,863</u>	<u>(161,321)</u>	<u>1,705,844</u>	<u>-</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Payments to city for tax equivalent	(448,822)	-	-	(448,822)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(604,417)	(220,270)	(436,979)	(1,261,666)	-
Debt issued	378,501	408,750	308,098	1,095,349	-
Debt retired	(544,712)	(171,281)	(211,183)	(927,176)	-
Interest paid	(96,481)	(71,972)	(48,948)	(217,401)	-
Net Cash Flows From Capital and Related Financing Activities	<u>(867,109)</u>	<u>(54,773)</u>	<u>(389,012)</u>	<u>(1,310,894)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment income received	2,493	49,863	17,957	70,313	-
Net Change in Cash and Cash Equivalents	(112,136)	660,953	(532,376)	16,441	-
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>870,923</u>	<u>2,397,661</u>	<u>1,180,673</u>	<u>4,449,257</u>	<u>354,641</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 758,787</u>	<u>\$ 3,058,614</u>	<u>\$ 648,297</u>	<u>\$ 4,465,698</u>	<u>\$ 354,641</u>

	Business-type Activities - Enterprise Funds			Total	Governmental
	Water Utility	Sewer Utility	Storm Water Utility		Activities - Internal Service Fund
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES:					
Operating income (loss)	\$ (712,100)	\$ 367,446	\$ (179,309)	\$ (523,963)	\$ (3,967)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities:					
Miscellaneous	-	195,380	-	195,380	-
Depreciation	491,727	56,207	75,374	623,308	-
Depreciation charged to other funds	31,927	-	-	31,927	-
Change in assets and liabilities					
Accounts receivable	104,450	-	-	104,450	-
Inventories	(699)	-	-	(699)	-
Due from other funds	243,905	88,437	(152,352)	179,990	-
Accounts payable	161,940	(57,947)	93,725	197,718	3,967
Accrued payroll	3,271	1,614	1,241	6,126	-
Due to other funds	869,877	14,726	-	884,603	-
Compensated absences	7,004	-	-	7,004	-
NET CASH FLOWS FROM OPERATING ACTIVITIES	\$ 1,201,302	\$ 665,863	\$ (161,321)	\$ 1,705,844	\$ -
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS					
Cash and investments - statement of net position	\$ 482,342	\$ 2,801,359	\$ 648,297	\$ 3,931,998	\$ 354,641
Restricted Cash and investments - statement of net position	276,445	257,255	-	533,700	-
CASH AND CASH EQUIVALENTS	\$ 758,787	\$ 3,058,614	\$ 648,297	\$ 4,465,698	\$ 354,641

CITY OF GLENDALE

STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS As of December 31, 2014

	Retirees Health Insurance Benefit Trust	Agency Fund Tax Collection Fund
ASSETS		
Cash and investments	\$ 142,590	\$ 19,937,233
Taxes receivable	-	13,822,797
TOTAL ASSETS	<u>142,590</u>	<u>33,760,030</u>
LIABILITIES		
Due to other governments	-	33,726,122
Deposits	-	33,908
TOTAL LIABILITIES	<u>-</u>	<u>33,760,030</u>
NET POSITION		
Held for retirement benefits	<u>\$ 142,590</u>	<u>\$ -</u>

CITY OF GLENDALE

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS For the Year Ended December 31, 2014

	Retirees Health Insurance Benefit Trust
ADDITIONS	
Contributions	\$ 71,391
DEDUCTIONS	
Expenses	<u>27,868</u>
Change in net position	43,523
Net Position - Beginning of year	<u>99,067</u>
NET POSITION - END OF YEAR	<u>\$ 142,590</u>

CITY OF GLENDALE

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CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Glendale, Wisconsin (the city) conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

A. REPORTING ENTITY

This report includes all of the funds of the city. The reporting entity for the city consists of the primary government and its component unit. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if (1) it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization, (2) it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government, (3) the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. Certain legally separate, tax exempt organizations should also be reported as a component unit if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government or its component units, is entitled to, or has the ability to access, a majority of the economic resources received or held by the separate organization; and (3) the economic resources received or held by an individual organization that the primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to the primary government.

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

Blended Component Unit

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

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

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

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

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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

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

Fund Financial Statements (cont.)

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

The city reports the following major governmental funds:

- General Fund – accounts for the city's primary operating activities. It is used to account for and report all financial resources except those accounted for and reported in another fund.
- Debt Service Fund – used to account for and report financial resources that are restricted, committed, or assigned to expenditure for the payment of general long-term debt principal, interest, and related costs, other than enterprise debt.
- General Capital Projects Fund – used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital improvement projects.
- Parking Capital Projects Fund – used to account for and report financial resources that are restricted, committed, or assigned to expenditure for the east parking structure capital improvement project.
- Tax Incremental District (TID) No. 6 Capital Projects Fund – used to account for and report financial resources that are restricted, committed, or assigned to expenditures outlined in the TID project plan.
- Tax Incremental District (TID) No. 7 Capital Projects Fund – used to account for and report financial resources that are restricted, committed, or assigned to expenditures outlined in the TID project plan.
- Tax Incremental District (TID) No. 8 Capital Projects Fund – used to account for and report financial resources that are restricted, committed, or assigned to expenditures outlined in the TID project plan.

The city reports the following major enterprise funds:

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

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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

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

Fund Financial Statements (cont.)

The city reports the following non-major governmental funds:

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

Special Assessments	Central Dispatch
Grant Funds	Library
Humane Society	July 4 th Celebration
Human Services	Public Safety Capital Improvements
Environmental Fund	Police Acquisition
DARE Fund	Hotel Room Tax
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, 2014

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

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

Government-Wide Financial Statements

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the city's water, sewer and storm water utilities and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the city considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

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

Intergovernmental aids and grants are recognized as revenues in the period the city is entitled the resources and the amounts are available. Amounts owed to the city which are not available are recorded as receivables and unavailable revenues. Amounts received prior to the entitlement period are also recorded as deferred inflows.

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

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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

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

Fund Financial Statements (cont.)

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

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

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

All Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities 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, 2014

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

D. ASSETS, 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 quoted market prices. 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, 2014, 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, 2014

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

D. ASSETS, 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 – 2014 tax roll:

Lien date and levy date	November 2014
Tax bills mailed	December 2014
Payment in full, or	January 31, 2015
First installment due	January 31, 2015
Second installment due	March 31, 2015
Third installment due	May 31, 2015
Personal property taxes in full	January 31, 2014
Tax deed by county – 2014	
Delinquent real estate taxes	October 2017

Accounts receivable have been shown net of an allowance for uncollectible accounts of \$558,876. 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, 2014

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

D. ASSETS, 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, 2014

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

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

6. 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, 2014 are determined on the basis of current salary rates and include salary related payments.

7. 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.

8. Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position 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, 2014

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

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

9. 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 \$3,376,962.

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

Fund Statements

Governmental fund equity is classified as fund balance and displayed as follows:

- a. Nonspendable - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. Restricted - Consists of fund balances with constraints place on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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

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

9. Equity Classifications (cont.)

Fund Statements (cont.)

- c. Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (ordinance, resolution, motion) of the city council. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the city council that originally created the commitment.
- d. Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed. Fund balance may be assigned through the following; 1) The city has adopted a financial policy authorizing the city administrator to assign amounts for a specific purpose. 2) All remaining positive spendable amounts in governmental funds, other than the general fund, that are neither restricted nor committed. Assignments may take place after the end of the reporting period.
- e. Unassigned - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceeds amounts restricted, committed, or assigned for those purposes.

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

Under 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.

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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

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

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

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

Special assessments	\$ 15,540,955
Reimbursement due from other governments	65,777
Other	<u>6,336</u>
Combined Adjustment for Other Long-term Assets	<u>\$ 15,613,068</u>

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

Land	\$ 3,238,894
Buildings	23,048,164
Machinery and equipment	4,014,519
Roads and bridges	21,536,168
Less: Accumulated depreciation	<u>(20,797,547)</u>
Combined Adjustment for Capital Assets	<u>\$ 31,040,198</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	\$ 133,623,982
Compensated absences	1,556,400
Net other postemployment benefits obligation	7,914,803
Accrued Interest	1,442,505
Unamortized debt premium	<u>610,134</u>
Combined Adjustment for Long-Term Liabilities	<u>\$ 145,147,824</u>

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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, 2014.

<u>Funds</u>	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Excess Expenditures Over Budget</u>
July 4th Celebration special revenue fund	\$ 20,500	\$ 21,510	\$ 1,010
Hotel Room Tax special revenue fund	700,000	766,901	66,901
Public Safety Capital Improvements special revenue fund	164,916	256,867	91,951
Central Dispatch special revenue fund	340,000	352,281	12,281
Humane Society special revenue fund	30,000	31,254	1,254
Library special revenue fund	430,044	430,238	194
Environmental TIF #1 special revenue fund	350,000	383,545	33,545

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. DEFICIT BALANCES

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year end. As of December 31, 2014, there were no such funds.

C. 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, 2014

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	\$ 24,409,315	\$ 24,430,419	Custodial credit
U.S. Agencies	26,393,494	26,393,494	Custodial credit, Credit, Interest rate, Concentration of credit risk
Local government bonds	2,411,239	2,411,239	Custodial credit, Credit, Interest rate, Concentration of credit risk
LGIP	642,214	642,214	Credit
Cash held by others	276,445	-	N/A
Petty cash	650	-	N/A
 Total Deposits and Investments	 \$ 54,133,357	 \$ 53,877,366	
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 16,163,644		
Restricted cash and investments	17,889,890		
Per statement of fiduciary net position			
Private purpose trust	142,590		
Agency	19,937,233		
 Total Deposits and Investments	 \$ 54,133,357		

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, 2014

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

A. DEPOSITS AND INVESTMENTS (cont.)

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, 2014, \$23,930,419 of the city's total bank balances were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ <u>23,930,419</u>
--------------------------------	----------------------

Investments

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

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

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, 2014, 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, 2014, the investment portfolio was concentrated as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Percentage of Portfolio</u>
Federal Home Bank Loan	Debt security	39.3%
Federal National Mortgage Association	Debt security	23.4%
Federal Home Loan Mortgage Corporation	Debt security	16.9%

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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, 2014, the city's investments were as follows:

Investment	Maturity Date	Call Date	Fair Value
Federal Home Loan Mortgage Corporation	3/13/20	3/13/15	\$ 988,860
Federal Home Loan Mortgage Corporation	2/19/19	2/19/16	999,410
Federal Home Loan Mortgage Corporation	6/26/20	9/26/15	1,004,940
Federal Home Loan Mortgage Corporation	1/23/19	1/23/15	1,000,930
Federal Home Loan Mortgage Corporation	6/27/19	None	985,280
Federal Farm Credit Bank	3/26/20	Anytime	1,971,280
Federal Farm Credit Bank	4/23/20	Anytime	977,900
Federal National Mortgage Association	2/14/19	2/14/15	498,150
Federal National Mortgage Association	11/27/19	2/27/15	982,660
Federal National Mortgage Association	6/26/20	3/26/15	992,500
Federal National Mortgage Association	10/24/19	None	1,473,195
Federal National Mortgage Association	10/29/19	1/29/15	980,210
Federal National Mortgage Association	12/4/19	3/4/15	1,954,600
Federal Home Loan Bank	8/15/19	Anytime	927,122
Federal Home Loan Bank	11/15/19	Anytime	2,940,300
Federal Home Loan Bank	12/13/19	Anytime	973,310
Federal Home Loan Bank	2/21/18	2/21/15	381,847
Federal Home Loan Bank	2/6/20	2/6/15	1,436,220
Federal Home Loan Bank	4/10/19	1/10/15	986,580
Federal Home Loan Bank	1/30/20	Anytime	1,957,380
Federal Home Loan Bank	9/25/18	3/25/15	985,540
Federal Home Loan Bank	12/18/17	Anytime	995,280
Local government bond	12/1/19	None	248,885
Local government bond	4/1/17	None	256,090
Local government bond	11/1/18	None	620,855
Local government bond	4/1/18	None	208,128
Local government bond	4/1/15	None	165,754
Local government bond	4/1/16	None	172,980
Local government bond	4/1/17	None	173,658
Local government bond	4/1/18	None	179,800
Local government bond	4/1/15	None	282,274
Local government bond	11/1/15	None	102,815
Total			<u>\$ 28,804,733</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, 2014

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

B. RECEIVABLES

All of the receivables are expected to be collected within one year except for \$32,528 of delinquent personal property taxes reported in the General Fund and \$14,341,185 of special assessments reported in the Parking Capital Projects Fund.

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

	<u>Unavailable</u>	<u>Unearned</u>
Property taxes receivable for subsequent year	\$ -	\$ 23,623,966
Special assessment placed on tax roll	1,199,770	-
Special assessments not yet due	14,341,185	-
Reimbursement due from other governments	65,777	-
Other	<u>6,336</u>	<u>10,020</u>
 Total Unearned/Unavailable Revenue for Governmental Funds	 <u>\$ 15,613,068</u>	 <u>\$ 23,633,986</u>

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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, 2014:

	Restricted Assets	Restricted Assets Not Funded by Revenues	Restricted Net Position
Water deposit - Emergency	\$ 43,991	\$ -	\$ 43,991
Water deposit - Maintenance	232,454	-	232,454
Sewer equipment replacement	257,255	-	257,255
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	3,972,855	3,972,855	-
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	\$ 17,889,890	\$ 17,356,190	\$ 533,700

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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

D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2014 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 3,149,694	\$ 89,200	\$ -	\$ 3,238,894
Total Capital Assets Not Being Depreciated	3,149,694	89,200	-	3,238,894
Capital assets being depreciated				
Buildings	22,942,364	105,800	-	23,048,164
Machinery and equipment	3,870,273	215,058	70,812	4,014,519
Roads and bridges	20,922,744	613,424	-	21,536,168
Total Capital Assets Being Depreciated	47,735,381	934,282	70,812	48,598,851
Less: Accumulated depreciation for				
Buildings	6,383,248	548,837	-	6,932,085
Machinery and equipment	2,722,341	233,952	44,886	2,911,407
Roads and bridges	10,231,968	722,087	-	10,954,055
Total Accumulated Depreciation	19,337,557	1,504,876	44,886	20,797,547
Net Capital Assets Being Depreciated	28,397,824	(570,594)	25,926	27,801,304
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	\$ 31,547,518	\$ (481,394)	\$ 25,926	\$ 31,040,198

Depreciation expense was charged to functions as follows:

Governmental Activities	
General government	\$ 606,456
Public safety	110,493
Public works, which includes the depreciation of roads and bridges	787,927
Total Governmental Activities Depreciation Expense	\$ 1,504,876

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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

D. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Business-Type Activities				
<u>Water</u>				
Capital assets not being depreciated:				
Land and land rights	\$ 47,014	\$ -	\$ -	\$ 47,014
Intangible assets	5,172	-	-	5,172
Total Capital Assets Not Being Depreciated	<u>52,186</u>	<u>-</u>	<u>-</u>	<u>52,186</u>
Capital assets being depreciated:				
Source of supply	745,867	8,371	-	754,238
Pumping	991,725	72,902	4,231	1,060,396
Treatment	3,429,122	2,857	3,807	3,428,172
Transmission and distribution	18,166,424	502,321	76,262	18,592,483
Administrative and general assets	1,223,863	8,345	-	1,232,208
Total Capital Assets Being Depreciated	<u>24,557,001</u>	<u>594,796</u>	<u>84,300</u>	<u>25,067,497</u>
Less: Accumulated depreciation for				
Source of supply	427,269	12,987	-	440,256
Pumping	886,513	39,364	4,231	921,646
Treatment	2,201,653	112,496	3,807	2,310,342
Transmission and distribution	4,425,578	333,884	76,262	4,683,200
Administrative and general assets	1,063,265	24,906	-	1,088,171
Total Accumulated Depreciation	<u>9,004,278</u>	<u>523,637</u>	<u>84,300</u>	<u>9,443,615</u>
Net Water Plant	<u>\$ 15,604,909</u>	<u>\$ 71,159</u>	<u>\$ -</u>	<u>\$ 15,676,068</u>

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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

D. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Business-Type Activities				
<u>Sewer</u>				
Capital assets being depreciated				
Collection system	\$ 3,940,363	\$ 52,230	\$ -	\$ 3,992,593
Collection system pumping	89,215	168,040	-	257,255
Total Capital Assets Being Depreciated	<u>4,029,578</u>	<u>220,270</u>	<u>-</u>	<u>4,249,848</u>
Less: Accumulated depreciation for				
Collection system	1,650,424	39,403	-	1,689,827
Collection system pumping	89,215	16,804	-	106,019
Total Accumulated Depreciation	<u>1,739,639</u>	<u>56,207</u>	<u>-</u>	<u>1,795,846</u>
Net Sewer Plant	<u>\$ 2,289,939</u>	<u>\$ 164,063</u>	<u>\$ -</u>	<u>\$ 2,454,002</u>
<u>Storm Water</u>				
Capital assets being depreciated				
Collection system	\$ 5,458,391	\$ 229,064	\$ 2,236	\$ 5,685,219
Collection system pumping	-	207,915	-	207,915
Total Capital Assets Being Depreciated	<u>5,458,391</u>	<u>436,979</u>	<u>2,236</u>	<u>5,893,134</u>
Less: Accumulated depreciation for				
Collection system	1,715,514	54,583	1,670	1,768,427
Collection system pumping	-	20,792	-	20,792
Total Accumulated Depreciation	<u>1,715,514</u>	<u>75,375</u>	<u>1,670</u>	<u>1,789,219</u>
Net Storm Water Plant	<u>\$ 3,742,877</u>	<u>\$ 174,481</u>	<u>\$ 566</u>	<u>\$ 3,916,792</u>
Business-Type Capital Assets, Net of Accumulated Depreciation	<u>\$ 21,637,725</u>	<u>\$ 409,718</u>	<u>\$ 566</u>	<u>\$ 22,046,877</u>

Depreciation expense was charged to functions as follows:

Business-type Activities	
Water	\$ 491,727
Sewer	56,207
Storm water	75,375
Total Business-type Activities Depreciation Expense	<u>\$ 623,309</u>

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

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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	\$ 17,660	\$ -
General	Environment Fund	26,564	-
General	Water Utility	776,134	-
Debt Service	Water Utility	49,867	-
General Capital Projects	Water Utility	1,185,785	-
Environment Fund	Water Utility	91,538	-
Water Utility	General Capital Projects	534,744	-
Water Utility	Sewer Utility	14,726	-
Sewer Utility	Water Utility	335,799	-
Sewer Utility	General Capital Projects	300,877	-
Storm Water Utility	Water Utility	162,695	-
Storm Water Utility	General Capital Projects	333,602	-
Total - Fund Financial Statements		3,829,991	-
Less: Fund eliminations		(557,444)	-
Less: Government-wide eliminations		(2,338,446)	-
Total Internal Balances - Government-Wide Statement of Net Position		\$ 934,101	\$ -
<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	
Governmental Activities	Business-Type Activities	\$ 2,103,324	
Business-Type Activities	Governmental Activities	(1,169,223)	
Total Government-Wide Financial Statements		\$ 934,101	

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.

For the statement of net position, interfund balances which are owed within the governmental activities or business-type activities are netted and eliminated.

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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

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

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
General	Hotel Room Tax	\$ 615,688	City portion of room tax
General	Water Utility	403,822	Tax equivalent
General	Water Utility	45,000	Tax equivalent
General	Environmental Fund	450,814	Garbage collection
Debt Service	Special Assessments	12,000	Current debt payments
Debt Service	TIF #6 Capital Projects	3,068,223	Current debt payments
Debt Service	TIF #7 Capital Projects	2,743,569	Current debt payments
Debt Service	TIF #8 Capital Projects	5,612,688	Current debt payments
Debt Service	Parking Capital Projects	<u>18,359,555</u>	Current debt payments
Total - Fund Financial Statements		31,311,359	
Less: Fund eliminations		<u>(30,862,537)</u>	
Total Transfers - Government-Wide Statement of Activities		<u>\$ 448,822</u>	
Fund Transferred To	Fund Transferred From	Amount	
Governmental Activities	Business-Type Activities	<u>\$ 448,822</u>	
Total Government-wide Financial Statements		<u>\$ 448,822</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.

For the statement of activity, interfund transfers within the governmental activities or business-type activities are netted and eliminated.

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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

F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2014 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable:					
General obligation debt	\$ 31,816,388	\$ 1,664,651	\$ 4,377,825	\$ 29,103,214	\$ 3,577,326
Lease revenue bonds	109,090,000	16,710,000	22,400,000	103,400,000	5,930,000
Notes payable	1,244,672	-	123,904	1,120,768	125,312
Premiums (net of discounts)	728,912	74,163	192,941	610,134	-
Sub-totals	142,879,972	18,448,814	27,094,670	134,234,116	9,632,638
Other Liabilities					
Vested compensated absences	1,616,659	538,867	599,126	1,556,400	465,006
Net OPEB Liability	7,050,419	1,341,341	476,957	7,914,803	-
Total Other Liabilities	8,667,078	1,880,208	1,076,083	9,471,203	465,006
Total Government Activities Long-Term Liabilities	\$ 151,547,050	\$ 20,329,022	\$ 28,170,753	\$ 143,705,319	\$ 10,097,644
	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Business-type Activities					
Bonds and Notes Payable:					
General obligation debt	\$ 6,253,612	\$ 1,095,349	\$ 927,175	\$ 6,421,786	\$ 1,207,675
Other Liabilities					
Vested compensated absences	8,599	15,603	8,599	15,603	8,611
Total Business-type Activities Long-Term Liabilities	\$ 6,262,211	\$ 1,110,952	\$ 935,774	\$ 6,437,389	\$ 1,216,286

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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, 2014, was \$102,300,410. Total general obligation debt outstanding at year end was \$35,525,000.

General Obligation Debt

All general obligation notes and bonds payable are backed by the full faith and credit of the city. Notes and bonds in the governmental funds will be retired by future property tax levies or tax increments accumulated by the debt service fund. Business-type activities debt is payable by revenues from user fees of those funds or, if the revenues are not sufficient, by future tax levies.

Governmental Activities	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2014
General Obligation Debt					
Promissory Notes	04/02/07	04/01/17	4.00%	\$ 1,727,000	\$ 635,538
Refunding Bonds	04/02/07	04/01/27	5.40%	730,000	730,000
Refunding Notes (TIF 6)	10/01/07	10/01/17	4.20%	1,335,000	1,335,000
Promissory Notes	04/03/08	04/01/18	3.25 - 4.00%	901,600	416,990
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	1,597,673
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	2,077,000
Promissory Notes	04/04/12	04/04/22	2.00 - 3.00%	1,559,100	1,559,100
Refunding Bonds (WRS)	04/04/12	04/01/18	0.60 - 1.85%	2,265,000	1,535,000
Refunding Bonds (TIF 6)	04/04/12	04/01/19	0.60 - 2.15%	2,420,000	1,940,000
Refunding Bonds (TIF 7)	04/04/12	04/01/20	0.60 - 2.40%	2,170,000	1,740,000
Refunding Bonds (TIF 8)	04/04/12	04/01/22	0.60 - 2.90%	7,515,000	6,155,000
Promissory Notes	04/22/13	04/01/23	2.00%	3,909,692	3,757,262
Promissory Notes	04/21/14	04/01/24	2.00 - 3.00%	1,664,651	1,664,651
Total Governmental Activities – General Obligation Debt					\$ 29,103,214

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

Business-type Activities				Original	Balance
General Obligation Debt	Date of	Final	Interest	Indebted-	December 31,
	Issue	Maturity	Rates	ness	2014
<u>Water Utility</u>					
Promissory Notes	04/02/07	04/01/17	4.00%	\$ 417,750	\$ 153,731
Promissory Notes	04/03/08	04/01/18	3.25 - 4.00%	675,920	312,613
Promissory Notes	04/12/10	04/01/20	1.55 - 4.65%	202,400	149,300
Promissory Notes	05/02/11	04/01/21	2.50 - 4.00%	368,000	368,000
Promissory Notes	04/04/12	04/01/22	2.00 - 3.00%	607,500	607,500
Promissory Notes	04/22/13	04/01/23	2.00%	744,520	616,401
Promissory Notes	04/21/14	04/01/24	2.00 - 3.00%	378,501	378,501
Total Water Utility					<u>2,586,046</u>
<u>Sewer Utility</u>					
Promissory Notes	04/02/07	04/01/17	4.00%	207,500	76,360
Promissory Notes	04/03/08	04/01/18	3.25 - 4.00%	260,400	120,435
Promissory Notes	04/12/10	04/01/20	1.55 - 4.65%	44,800	33,047
Promissory Notes	05/02/11	04/01/21	2.50 - 4.00%	450,000	450,000
Promissory Notes	04/04/12	04/01/22	2.00 - 3.00%	501,300	501,300
Promissory Notes	04/22/13	04/01/23	2.00%	806,028	690,874
Promissory Notes	04/21/14	04/01/24	2.00 - 3.00%	408,750	408,750
Total Sewer Utility					<u>2,280,766</u>
<u>Storm Water Utility</u>					
Promissory Notes	04/02/07	04/01/17	4.00%	147,750	54,371
Promissory Notes	04/03/08	04/01/18	3.25 - 4.00%	962,080	444,962
Promissory Notes	04/12/10	04/01/20	1.55 - 4.65%	521,900	384,980
Promissory Notes	05/02/11	04/01/21	2.50 - 4.00%	90,000	90,000
Promissory Notes	04/04/12	04/01/22	2.00 - 3.00%	132,100	132,100
Promissory Notes	04/22/13	04/01/23	2.00%	174,760	140,463
Promissory Notes	04/21/14	04/01/24	2.00 - 3.00%	308,098	308,098
Total Storm Water Utility					<u>1,554,974</u>
Total Business-type Activities General Obligation Debt					<u>\$ 6,421,786</u>

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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:

Years	Governmental Activities General Obligation Debt		Business-type Activities General Obligation Debt	
	Principal	Interest	Principal	Interest
2015	\$ 3,577,326	\$ 738,112	\$ 1,207,675	\$ 173,686
2016	3,396,188	660,006	1,013,812	134,309
2017	4,496,949	595,996	908,051	107,009
2018	3,557,594	468,069	832,406	81,658
2019	5,357,162	345,146	622,838	61,330
2020 - 2024	8,457,995	423,081	1,837,004	90,737
2025 - 2027	260,000	21,330	-	-
Totals	<u>\$ 29,103,214</u>	<u>\$ 3,251,740</u>	<u>\$ 6,421,786</u>	<u>\$ 648,729</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 \$141,609,480. Lease payments to the CDA and principal and interest payments on the outstanding lease revenue bonds amounted to \$10,728,598 for the year. Total net revenues (excess of revenues and other financing sources over expenditures and other financing uses excluding transfers out) amounted to \$13,591,416 for the year.

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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, 2014 consists of the following:

Governmental Activities Revenue Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebted- ness	Balance December 31, 2014
Lease Revenue Bonds (Parking)	07/15/14	10/01/27	.45 - 2.95%	\$ 16,710,000	\$ 16,710,000
Lease Revenue Bonds (TIF#8)	09/21/05	10/01/27	4.354 - 5.65%	42,465,000	33,130,000
Lease Revenue Bonds (TIF#8)	06/26/07	10/01/29	6.22 - 6.97%	19,900,000	19,135,000
Lease Revenue Bonds (TIF#6)	08/01/11	10/01/19	1.00 - 4.00%	14,555,000	10,380,000
Lease Revenue Bonds (TIF#7)	08/01/11	09/01/21	1.00 - 3.85%	11,135,000	8,715,000
Lease Revenue Bonds (TIF#7)	08/01/12	09/01/22	1.00 - 2.75%	16,545,000	<u>15,330,000</u>
Total Governmental Activities – CDA Lease Revenue Debt					<u>\$ 103,400,000</u>

Debt service requirements to maturity are as follows:

Years	Governmental Activities CDA Lease Revenue Debt	
	Principal	Interest
2015	\$ 5,930,000	\$ 4,416,793
2016	5,915,000	4,162,044
2017	6,160,000	3,975,368
2018	7,230,000	3,770,446
2019	8,995,000	3,521,207
2020-2024	37,975,000	12,870,307
2025-2029	<u>31,195,000</u>	<u>5,493,315</u>
Totals	<u>\$ 103,400,000</u>	<u>\$ 38,209,480</u>

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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, 2014 consists of the following:

Governmental Activities Notes Payable	Date of Issue	Final Maturity	Interest Rates	Original Indebted- ness	Balance December 31, 2014
Village of Whitefish Bay	11/09/10	04/01/22	2.0 - 3.0%	\$ 1,011,341	\$ 716,672
Village of Bayside	04/26/12	08/01/23	0.6 - 2.3%	478,693	<u>404,096</u>
Total Governmental Activities – Notes Payable					<u>\$ 1,120,768</u>

Debt service requirements to maturity are as follows:

Years	Governmental Activities Notes Payable	
	Principal	Interest
2015	\$ 125,312	\$ 22,902
2016	126,720	20,905
2017	130,944	18,779
2018	133,760	16,382
2019	135,168	13,626
2020-2023	<u>468,864</u>	<u>22,460</u>
Totals	<u>\$ 1,120,768</u>	<u>\$ 115,054</u>

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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

F. LONG-TERM OBLIGATIONS (cont.)

Other Debt Information

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

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

Current Refunding

On July 15, 2014, the Glendale Community Development Authority issued \$16,710,000 in lease revenue refunding bonds (with interest rates of .45% to 2.95%) to current refund \$16,630,000 of outstanding lease revenue bonds dated December 15, 2004 (interest rates 2.50% to 4.85%). This is the bond series secured by annual special assessments related to the Bayshore Town Center east parking structure.

The cash flow requirement on the refunded debt prior to the current refunding was \$22,508,343 from 2015 through 2027. The cash flow requirements on the 2014 refunding bonds are \$19,709,364 from 2015 through 2027. The current refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$2,204,603.

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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

G. NET POSITION/FUND BALANCES

Net position reported on the government wide statement of net position at December 31, 2014 includes the following:

Governmental Activities

Net Investment in Capital Assets	
Land	\$ 3,238,894
Other capital assets, net of accumulated depreciation	27,801,304
Less: Capital related long-term debt outstanding	(20,146,857)
Plus: Unspent capital related debt proceeds	<u>3,342,790</u>
Total Net Investment in Capital Assets	14,236,131
Restricted for environmental TIF	505,291
Restricted for debt service	15,387,911
Unrestricted (deficit)	<u>(97,837,923)</u>
 Total Governmental Activities Net Position (Deficit)	 <u>\$ (67,708,590)</u>

Governmental fund balances reported on the fund financial statements at December 31, 2014 include the following:

Nonspendable	
Major Funds	
General Fund	
Prepaid items	\$ 211,920
Non-current receivables	32,528
Non-major Fund	
Special Revenue Fund	
Human Services - Prepaid items	<u>57,789</u>
 Total	 <u>\$ 302,237</u>

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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

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

Governmental Activities (cont.)

Restricted

Major Funds

Debt Service - Debt Service	\$ 68,288
General Capital Projects - Projects	2,896,095
Parking Capital Projects - Parking	1,587,652
TIF #6 Capital Projects - TIF Purposes	1,503,170
TIF #7 Capital Projects - TIF Purposes	2,363,017
TIF #8 Capital Projects - TIF Purposes	14,766,640

Non-major Fund

Capital Projects Fund	
Environmental TIF#1	<u>505,291</u>

\$ 23,690,153

Committed

Non-major Funds

Special Revenue Funds

Special Assessments	\$ 45,010
Central Dispatch	7,520
Grant Funds	205,294
Library	4,390
Humane Society	10,050
July 4th Celebration	9,411
Human Services	842,237
Public Safety Capital Improvements	22,266
Environmental Fund	59,355
Police Acquisition	15,411
DARE Fund	<u>57,065</u>

Total \$ 1,278,009

Unassigned (deficit)

Major Funds

General Fund	\$ 4,524,844
Total	<u>\$ 4,524,844</u>

Total Governmental Fund Balances \$ 29,493,006

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE V – OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

All eligible city employees participate in the Wisconsin Retirement System (WRS), a cost-sharing, multiple-employer, defined benefit, public employee retirement system. All employees, initially employed by a participating WRS employer prior to July 1, 2011, expected to work over 600 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. 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.

Effective the first day of the first pay period on or after June 29, 2011 the employee required contribution was change to 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 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. Contribution rates for December 31, 2014 are:

	<u>Employee</u>	<u>Employer</u>
General	7.00%	7.00%
Executives and Elected Officials	7.75%	7.75%
Protective with Social Security	7.00%	10.10%
Protective without Social Security	7.00%	13.70%

The payroll for city employees covered by the system for the year ended December 31, 2014 was \$4,892,989; the employer's total payroll was \$5,134,153. The total required contribution for the year ended December 31, 2014 was \$868,587 or 17.75% of covered payroll. Of this amount, 100% was contributed for the current year. Total contributions for the years ending December 31, 2013 and 2012 were \$954,957 and \$849,029, respectively, equal to the required contributions for each year.

Employees who retire at or after age 65 (62 for elected officials and 54 for protective occupation employees with less than 25 years of service, 53 for protective occupation employees with more than 25 years of service) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor. Final average earnings is the average of the employee's three highest years earnings. Employees terminating covered employment and submitting application before becoming eligible for a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit. For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998 and prior to July 1, 2011 are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011 must have five years of creditable service to be vested.

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE V – OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

The WRS also provides death and disability benefits for employees. Eligibility and the amount of all benefits are determined under Chapter 40 of Wisconsin Statutes.

The WRS issues an annual financial report which may be obtained by writing to the Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931.

As of December 31, 2014 there was no pension related debt for the city.

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, 2014

NOTE V – OTHER INFORMATION (cont.)

B. RISK MANAGEMENT (cont.)

Public Entity Risk Pool (cont.)

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

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

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

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

The city pays an annual premium to the mutual for its general liability insurance, which provides coverage up to \$10,000,000 per occurrence, less the city's retained liability. The city's retained liability is limited to \$25,000 per occurrence and an annual aggregate limit of \$100,000. A total liability of approximately \$22,751 at December 31, 2014 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>
2014	\$ 18,784	\$ 3,967	\$ -	\$ 22,751
2013	18,784	-	-	18,784

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.

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE V – OTHER INFORMATION (cont.)

D. JOINT VENTURES

North Shore Water Commission

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

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

Debt is being repaid with resources of the water utility and is secured by the assets and revenues of NSWC. The transactions of the Commission are not reflected in these financial statements. \$691,476 of operating costs, which represents the city's share for the North Shore Water Commission for 2014, 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, 2014 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 2014 was \$3,272,372. The city's share of the 2014 capital budget was \$118,272. The NSFD total 2015 approved budget is \$14.25 million dollars of which the city's portion is approximately \$3.34 million. Complete 2014 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, 2014

NOTE V – OTHER INFORMATION (cont.)

D. JOINT VENTURE (cont.)

North Shore Library

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

The city's share of operations in 2014 was \$430,238. 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 2014 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 2014 was \$31,254, 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 2014.

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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	\$	1,479,057
Interest on annual required contribution		211,513
Adjustment to annual required contribution		<u>(349,229)</u>
Annual OPEB cost		1,341,341
Contributions made		<u>(476,957)</u>
Increase in net OPEB obligation		864,384
 Net OPEB Obligation - Beginning of Year		 <u>7,050,419</u>
 Net OPEB Obligation - End of Year	 \$	 <u>7,914,803</u>

The city's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2014 and the two years preceding were as follows:

Fiscal Year Ended	Annual OPEB costs	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2012	\$ 1,490,733	31.0%	\$ 6,020,340
12/31/2013	1,490,733	30.9%	7,050,419
12/31/2014	1,341,341	35.6%	7,914,803

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, 2014

NOTE V – OTHER INFORMATION (cont.)

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, 2014, was 30 years.

F. SUBSEQUENT EVENTS

On April 13, 2015, the city issued \$3,300,000 General Obligation Promissory Notes with an interest rates of 2.00 to 3.00%. This amount will be used to finance various projects within the city's 2015 Capital Improvement Program.

On June 16, 2015, the City was granted authorization to increase its water rates by the Public Service Commission of Wisconsin. The change in rates it anticipated to increase annual revenues of the Water Utility by \$771,000.

On August 3, 2015, the Glendale Community Development Authority issued \$11,765,000 of Lease Revenue Refunding Bonds, Series 2015A and \$19,705,000 of Lease Revenue Refunding Bonds, Series 2015B. The lease revenue bonds have interest rates of 1.30% to 3.65%. The proceeds will be used to refund the outstanding amounts from the 2005 Community Development Authority lease revenue bonds dated September 21, 2005.

CITY OF GLENDALE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE V – OTHER INFORMATION (cont.)

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

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

- Statement No. 68, Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27
- Statement No. 71, Pension – Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB No. 68

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, 2014

	Original and Final Budgets	Actual	Variance with Final Budget
REVENUES			
Taxes	\$ 7,910,928	\$ 7,891,509	\$ (19,419)
Intergovernmental	2,132,859	2,144,942	12,083
Licenses and permits	544,300	564,441	20,141
Fines, forfeitures and penalties	270,000	378,138	108,138
Public charges for services	548,850	553,636	4,786
Investment income	210,000	419,586	209,586
Miscellaneous	62,665	104,311	41,646
Total Revenues	<u>11,679,602</u>	<u>12,056,563</u>	<u>376,961</u>
EXPENDITURES			
Current			
General government	3,592,292	3,403,530	188,762
Public safety	7,341,928	7,367,432	(25,504)
Public works	1,714,322	1,693,289	21,033
Conservation and development	89,360	88,458	902
Total Expenditures	<u>12,737,902</u>	<u>12,552,709</u>	<u>185,193</u>
Excess (deficiency) of revenues over expenditures	<u>(1,058,300)</u>	<u>(496,146)</u>	<u>562,154</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>1,058,300</u>	<u>1,066,502</u>	<u>8,202</u>
Net Changes in Fund Balance	-	570,356	570,356
FUND BALANCE - Beginning of Year	<u>4,198,936</u>	<u>4,198,936</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 4,198,936</u>	<u>\$ 4,769,292</u>	<u>\$ 570,356</u>

CITY OF GLENDALE

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF FUNDING PROGRESS For the Year Ended December 31, 2014

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

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION As of and for the Year Ended December 31, 2014

BUDGETARY INFORMATION

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

General property taxes revenue was reduced by \$34,243 to increase the allowance for previous years' uncollectible taxes.

FUNDING PROGRESS DATA

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

SUPPLEMENTARY INFORMATION

CITY OF GLENDALE

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
As of December 31, 2014

	Special Revenue Funds			
	Special Assessments	Central Dispatch	Grant Funds	Library
ASSETS				
Cash and investments	\$ 45,010	\$ 7,520	\$ 247,194	\$ 4,390
Receivables				
Taxes	-	363,765	185,801	438,843
Accounts	-	-	-	-
Due from other funds	-	-	-	-
Prepaid items	-	-	-	-
TOTAL ASSETS	<u>\$ 45,010</u>	<u>\$ 371,285</u>	<u>\$ 432,995</u>	<u>\$ 443,233</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ -	\$ 41,900	\$ -
Deposits	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>41,900</u>	<u>-</u>
Deferred Inflows of Resources				
Unearned revenues	-	363,765	185,801	438,843
Fund Balances				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	45,010	7,520	205,294	4,390
Total Fund Balances	<u>45,010</u>	<u>7,520</u>	<u>205,294</u>	<u>4,390</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 45,010</u>	<u>\$ 371,285</u>	<u>\$ 432,995</u>	<u>\$ 443,233</u>

Special Revenue Funds

Humane Society	July 4th Celebration	Human Services	Public Safety Capital Improvements	Environmental Fund	Police Acquisition
\$ 10,050	\$ 9,411	\$ 846,168	\$ 23,188	\$ -	\$ 15,411
30,000	23,000	723,000	142,299	-	-
-	-	4,243	-	-	-
-	-	-	-	91,538	-
-	-	57,789	-	-	-
<u>\$ 40,050</u>	<u>\$ 32,411</u>	<u>\$ 1,631,200</u>	<u>\$ 165,487</u>	<u>\$ 91,538</u>	<u>\$ 15,411</u>
\$ -	\$ -	\$ -	\$ 922	\$ 5,619	\$ -
-	-	8,174	-	-	-
-	-	-	-	26,564	-
-	-	8,174	922	32,183	-
<u>30,000</u>	<u>23,000</u>	<u>723,000</u>	<u>142,299</u>	<u>-</u>	<u>-</u>
-	-	57,789	-	-	-
-	-	-	-	-	-
<u>10,050</u>	<u>9,411</u>	<u>842,237</u>	<u>22,266</u>	<u>59,355</u>	<u>15,411</u>
<u>10,050</u>	<u>9,411</u>	<u>900,026</u>	<u>22,266</u>	<u>59,355</u>	<u>15,411</u>
<u>\$ 40,050</u>	<u>\$ 32,411</u>	<u>\$ 1,631,200</u>	<u>\$ 165,487</u>	<u>\$ 91,538</u>	<u>\$ 15,411</u>

CITY OF GLENDALE

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
As of December 31, 2014

	Special Revenue Funds			Total Nonmajor Governmental Funds
	DARE Fund	Hotel Room Tax	Environmental TIF #1	
ASSETS				
Cash and investments	\$ 57,065	\$ -	\$ 505,291	\$ 1,770,698
Receivables				
Taxes	-	-	435,689	2,342,397
Accounts	-	35,235	-	39,478
Due from other funds	-	-	-	91,538
Prepaid items	-	-	-	57,789
TOTAL ASSETS	<u>\$ 57,065</u>	<u>\$ 35,235</u>	<u>\$ 940,980</u>	<u>\$ 4,301,900</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ 17,575	\$ -	\$ 66,016
Deposits	-	-	-	8,174
Due to other funds	-	17,660	-	44,224
Total Liabilities	<u>-</u>	<u>35,235</u>	<u>-</u>	<u>118,414</u>
Deferred Inflows of Resources				
Unearned revenues	-	-	435,689	2,342,397
Fund Balances				
Nonspendable	-	-	-	57,789
Restricted	-	-	505,291	505,291
Committed	57,065	-	-	1,278,009
Total Fund Balances	<u>57,065</u>	<u>-</u>	<u>505,291</u>	<u>1,841,089</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 57,065</u>	<u>\$ 35,235</u>	<u>\$ 940,980</u>	<u>\$ 4,301,900</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, 2014

	Special Revenue Funds			
	Special Assessments	Central Dispatch	Grant Funds	Library
REVENUES				
Taxes	\$ -	\$ 359,605	\$ 165,000	\$ 431,048
Intergovernmental	-	-	61,663	-
Public charges for services	-	-	-	-
Special assessments	4,505	-	-	-
Investment income	251	-	-	-
Miscellaneous	-	19,411	-	-
Total Revenues	<u>4,756</u>	<u>379,016</u>	<u>226,663</u>	<u>431,048</u>
EXPENDITURES				
Current				
Public safety	-	352,281	-	-
Public works	-	-	228,914	-
Health and human services	-	-	-	-
Culture, recreation and education	-	-	-	430,238
Conservation and development	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>352,281</u>	<u>228,914</u>	<u>430,238</u>
Excess (deficiency) of revenues over expenditures	<u>4,756</u>	<u>26,735</u>	<u>(2,251)</u>	<u>810</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(12,000)	-	-	-
Total Other Financing Sources (Uses)	<u>(12,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(7,244)	26,735	(2,251)	810
FUND BALANCES (DEFICIT) -				
Beginning of Year	<u>52,254</u>	<u>(19,215)</u>	<u>207,545</u>	<u>3,580</u>
FUND BALANCES -				
END OF YEAR	<u>\$ 45,010</u>	<u>\$ 7,520</u>	<u>\$ 205,294</u>	<u>\$ 4,390</u>

Special Revenue Funds

<u>Humane Society</u>	<u>July 4th Celebration</u>	<u>Human Services</u>	<u>Public Safety Capital Improvements</u>	<u>Environmental Fund</u>	<u>Police Acquisition</u>
\$ 30,000	\$ 20,500	\$ 697,400	\$ 164,916	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	421,355	-
-	-	-	-	-	-
-	-	-	-	-	12,240
<u>30,000</u>	<u>20,500</u>	<u>697,400</u>	<u>164,916</u>	<u>421,355</u>	<u>12,240</u>
-	-	-	-	-	1,671
-	-	-	-	-	-
31,254	-	566,407	-	-	-
-	21,510	-	-	-	-
-	-	-	-	-	-
-	-	-	256,867	16,525	-
<u>31,254</u>	<u>21,510</u>	<u>566,407</u>	<u>256,867</u>	<u>16,525</u>	<u>1,671</u>
<u>(1,254)</u>	<u>(1,010)</u>	<u>130,993</u>	<u>(91,951)</u>	<u>404,830</u>	<u>10,569</u>
-	-	-	-	-	-
-	-	-	-	(450,814)	-
-	-	-	-	(450,814)	-
(1,254)	(1,010)	130,993	(91,951)	(45,984)	10,569
<u>11,304</u>	<u>10,421</u>	<u>769,033</u>	<u>114,217</u>	<u>105,339</u>	<u>4,842</u>
<u>\$ 10,050</u>	<u>\$ 9,411</u>	<u>\$ 900,026</u>	<u>\$ 22,266</u>	<u>\$ 59,355</u>	<u>\$ 15,411</u>

CITY OF GLENDALE

NONMAJOR GOVERNMENTAL FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES For the Year Ended December 31, 2014

	Special Revenue Funds			Total Nonmajor Governmental Funds
	DARE Fund	Hotel Room Tax	Environmental TIF #1	
REVENUES				
Taxes	\$ -	\$ 766,901	\$ 434,677	\$ 3,070,047
Intergovernmental	-	-	2,413	64,076
Public charges for services	-	-	-	421,355
Special assessments	-	-	-	4,505
Investment income	-	-	8,777	9,028
Miscellaneous	51,642	-	-	83,293
Total revenues	51,642	766,901	445,867	3,652,304
EXPENDITURES				
Current				
Public safety	33,617	-	-	387,569
Public works	-	-	-	228,914
Health and human services	-	-	-	597,661
Recreation and education	-	-	-	451,748
Conservation and development	-	151,213	383,545	534,758
Capital outlay	-	-	-	273,392
Total expenditures	33,617	151,213	383,545	2,474,042
Excess (deficiency) of revenues over expenditures	18,025	615,688	62,322	1,178,262
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	(615,688)	-	(1,078,502)
Total other financing sources (uses)	-	(615,688)	-	(1,078,502)
Net Changes in Fund Balances	18,025	-	62,322	99,760
FUND BALANCES (DEFICIT) -				
Beginning of Year	39,040	-	442,969	1,741,329
FUND BALANCES -				
END OF YEAR	\$ 57,065	\$ -	\$ 505,291	\$ 1,841,089

CITY OF GLENDALE

SCHEDULE OF REVENUES - ACTUAL AND BUDGET (NON-GAAP) GENERAL FUND For the Year Ended December 31, 2014

	Actual	Original and Final Budgets	Variance with Final Budget
TAXES			
General property taxes	\$ 7,403,854	\$ 7,438,095	\$ (34,241)
Water Utility tax equivalent - current	403,822	390,000	13,822
Water Utility tax equivalent - past	45,000	45,000	-
Torah Academy tax equivalent	9,768	9,750	18
State property tax equivalent	24,679	24,683	(4)
Whitefish Bay tax equivalent	958	-	958
Ohr Ha Torah tax equivalent	3,428	3,400	28
Total taxes	<u>7,891,509</u>	<u>7,910,928</u>	<u>(19,419)</u>
INTERGOVERNMENTAL REVENUES			
State shared revenues			
Per capita	205,465	205,465	-
Special utility	83,445	77,575	5,870
Expenditure restraint payment	375,122	375,082	40
Computer exemption payment	310,396	310,000	396
State grants			
Election	5,700	-	5,700
Transportation aid - regular	1,108,098	1,107,822	276
Transportation aid - connecting streets	56,716	56,915	(199)
Total intergovernmental revenues	<u>2,144,942</u>	<u>2,132,859</u>	<u>12,083</u>
LICENSES AND PERMITS			
Licenses			
Beverage	25,775	16,000	9,775
Food	27,125	26,000	1,125
Cigarette	1,000	900	100
Tavern operators	10,388	11,000	(612)
Dance hall	300	300	-
Sale of Christmas trees	200	200	-
Coin operated machines	4,060	4,400	(340)
Used car dealers	4,500	4,300	200
Transient merchant permits	500	1,000	(500)
Cable television	206,251	210,000	(3,749)
Arcade	1,330	1,200	130
Permits			
Building	161,704	150,000	11,704
Electrical	63,377	65,000	(1,623)
Plumbing	45,449	45,000	449
Occupancy	4,860	4,000	860
Utility	7,440	2,500	4,940
Parking	182	2,500	(2,318)
Total licenses and permits	<u>564,441</u>	<u>544,300</u>	<u>20,141</u>

CITY OF GLENDALE

SCHEDULE OF REVENUES - ACTUAL AND BUDGET (NON-GAAP)
 GENERAL FUND
 For the Year Ended December 31, 2014

	<u>Actual</u>	<u>Original and Final Budgets</u>	<u>Variance with Final Budget</u>
FINES, FORFEITURES AND PENALTIES			
Court fines and costs	\$ 338,738	\$ 240,000	\$ 98,738
False alarms	39,400	30,000	9,400
Total fines, forfeitures and penalties	<u>378,138</u>	<u>270,000</u>	<u>108,138</u>
PUBLIC CHARGES FOR SERVICES			
General government			
Space rental and/or charges for administrative services			
Water Utility, Sewer Utility, Storm Water Utility	360,644	370,000	(9,356)
Water Utility insurance	17,830	17,000	830
Photocopies	123	150	(27)
Special assessment letters	6,336	6,000	336
TIF reimbursement	36,523	35,000	1,523
Public safety			
School liaison officer reimbursements	77,287	73,200	4,087
Auxiliary police reimbursements	840	2,500	(1,660)
Compliance code fees	30,097	25,000	5,097
Health and human services			
Dog and cat license fees	5,039	3,500	1,539
Public works			
Sale of materials and services	12,167	11,000	1,167
Planning			
Rezoning fees	-	3,000	(3,000)
Board of Appeals fees	6,750	2,500	4,250
Total public charges for service	<u>553,636</u>	<u>548,850</u>	<u>4,786</u>
INVESTMENT INCOME	<u>419,586</u>	<u>210,000</u>	<u>209,586</u>
MISCELLANEOUS			
Sale of land	24,050	-	24,050
Interest on delinquent personal property taxes	48,773	10,000	38,773
Insurance reimbursement	-	6,000	(6,000)
Rental income	1,200	2,000	(800)
CVMIC dividend	24,045	24,045	-
Miscellaneous	6,243	20,620	(14,377)
Total miscellaneous	<u>104,311</u>	<u>62,665</u>	<u>41,646</u>
TOTAL REVENUES	<u>\$ 12,056,563</u>	<u>\$ 11,679,602</u>	<u>\$ 376,961</u>

CITY OF GLENDALE

SCHEDULE OF DEPARTMENTAL EXPENDITURES - ACTUAL AND BUDGET
GENERAL FUND

For the Year Ended December 31, 2014

	<u>Actual</u>	<u>Original and Final Budgets</u>	<u>Variance with Final Budget</u>
CURRENT			
General government			
Common council and mayor	\$ 28,252	\$ 36,095	\$ 7,843
City administrator	231,511	218,000	(13,511)
Finance	84,018	84,195	177
City clerk	25,524	40,700	15,176
Treasurer	105,935	105,616	(319)
Human resources	79,424	97,105	17,681
City assessor	75,640	76,077	437
Legal	141,301	160,000	18,699
Accounting	30,271	32,250	1,979
Municipal court	137,661	99,786	(37,875)
Building and grounds	115,520	131,300	15,780
Property and liability insurance	255,061	282,349	27,288
Employee benefits	2,048,451	2,038,599	(9,852)
Unclassified	44,961	61,820	16,859
Contingency	-	128,400	128,400
Total general government	<u>3,403,530</u>	<u>3,592,292</u>	<u>188,762</u>
Public safety			
Building	244,424	225,910	(18,514)
Police	3,844,303	3,837,345	(6,958)
Fire	3,272,372	3,272,373	1
Unclassified	6,333	6,300	(33)
Total public safety	<u>7,367,432</u>	<u>7,341,928</u>	<u>(25,504)</u>
Public works			
Engineering, administration and overhead	141,831	140,238	(1,593)
Machinery and equipment	266,381	253,586	(12,795)
Public works facility	61,067	56,776	(4,291)
Street lighting	267,017	302,159	35,142
Street and alley maintenance	78,355	96,121	17,766
Street signs	16,266	26,859	10,593
Snow removal and ice control	240,811	199,771	(41,040)
Roadside maintenance	168,448	156,812	(11,636)
Solid waste disposal	453,113	482,000	28,887
Total public works	<u>1,693,289</u>	<u>1,714,322</u>	<u>21,033</u>
Conservation and development	<u>88,458</u>	<u>89,360</u>	<u>902</u>
Total Current Expenditures	<u>\$ 12,552,709</u>	<u>\$ 12,737,902</u>	<u>\$ 185,193</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, 2014

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget
REVENUES			
Taxes	\$ 2,854,427	\$ 2,854,427	\$ -
Other revenues	11,570	11,570	-
Total Revenues	<u>2,865,997</u>	<u>2,865,997</u>	<u>-</u>
EXPENDITURES			
Debt service			
Principal	11,223,634	27,828,904	(16,605,270)
Interest and fees	5,956,126	5,982,606	(26,480)
Total expenditures	<u>17,179,760</u>	<u>33,811,510</u>	<u>(16,631,750)</u>
Excess (deficiency) of revenues over expenditures	<u>(14,313,763)</u>	<u>(30,945,513)</u>	<u>(16,631,750)</u>
OTHER FINANCING SOURCES			
Transfers in	14,313,763	30,940,613	16,626,850
Total other financing sources	<u>14,313,763</u>	<u>30,940,613</u>	<u>16,626,850</u>
Net Changes in Fund Balance	<u>\$ -</u>	(4,900)	<u>\$ (4,900)</u>
FUND BALANCE - Beginning of Year		<u>73,188</u>	
FUND BALANCE - END OF YEAR		<u>\$ 68,288</u>	

CITY OF GLENDALE

SCHEDULE OF OPERATION AND MAINTENANCE EXPENSES
ENTERPRISE FUND - WATER UTILITY
For the Year Ended December 31, 2014
(With Comparative Totals for the Year Ended December 31, 2013)

	<u>2014</u>	<u>2013</u>
SOURCE OF SUPPLY EXPENSES		
Purchased water	\$ 694,941	\$ 613,753
TRANSMISSION AND DISTRIBUTION EXPENSES		
Storage facilities	1,521	107
Operation supervision and engineering	123,850	90,585
Meter expenses	1,753	2,742
Customer installations	15,434	6,602
Miscellaneous	199	-
Rents	11,000	11,000
Maintenance		
Distribution reservoirs and standpipes	406,539	8,862
Mains	1,229,858	819,904
Services	15,183	8,943
Meters	10,908	9,271
Hydrants	16,323	15,581
Total Transmission and Distribution Expenses	<u>1,832,568</u>	<u>973,597</u>
CUSTOMERS ACCOUNT EXPENSES		
Meter reading labor	6,385	6,503
Customer records and collection expenses	56,236	57,646
Total Customer Accounts Expenses	<u>62,621</u>	<u>64,149</u>
ADMINISTRATIVE AND GENERAL EXPENSES		
Administrative and general salaries	50,553	47,776
Office supplies and expense	1,703	2,525
Outside services	13,052	6,260
Property insurance	7,377	7,897
Injuries and damages	9,245	8,527
Employee pensions and benefits	104,124	78,847
Regulatory Commission	2,856	-
Miscellaneous general expenses	31,698	10,235
Rents	7,500	7,500
Total Administrative and General Expenses	<u>228,108</u>	<u>169,567</u>
TOTAL OPERATION AND MAINTENANCE EXPENSES	<u>\$ 2,818,238</u>	<u>\$ 1,821,066</u>

CITY OF GLENDALE

COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS

For the Year Ended December 31, 2014

	<u>Balance 1-1-14</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12-31-14</u>
TAX COLLECTION FUND				
ASSETS				
Cash and investments	\$ 17,879,566	\$ 19,937,233	\$ (17,879,566)	\$ 19,937,233
Taxes receivable	17,337,955	13,822,797	(17,337,955)	13,822,797
Total Assets	<u>\$ 35,217,521</u>	<u>\$ 33,760,030</u>	<u>\$ (35,217,521)</u>	<u>\$ 33,760,030</u>
LIABILITIES				
Due to other governmental agencies	\$ 35,198,569	\$ 33,726,122	\$ (35,198,569)	\$ 33,726,122
Deposits	18,952	33,908	(18,952)	33,908
Total Liabilities	<u>\$ 35,217,521</u>	<u>\$ 33,760,030</u>	<u>\$ (35,217,521)</u>	<u>\$ 33,760,030</u>