



Comprehensive Annual Financial Report (CAFR)



As of and for the Year Ended
December 31, 2018



CITY OF FITCHBURG, WISCONSIN

Fitchburg, Wisconsin

COMPREHENSIVE ANNUAL FINANCIAL REPORT

As of and for the Year Ended

December 31, 2018

Prepared By:

FINANCE DEPARTMENT
Misty Dodge, Finance Director

CITY OF FITCHBURG, WISCONSIN

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June 4, 2019

To the Honorable Mayor, Members of the City Council, and Residents of the City of Fitchburg:

The Comprehensive Annual Financial Report for the City of Fitchburg for the year ended December 31, 2018, is hereby submitted. This report consists of management's representations concerning the finances of the City of Fitchburg. Consequently, management assumes full responsibility for the completeness and reliability of the information contained in this report based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The City Council retained the accounting firm of Baker Tilly to perform an audit of the City's financial statements. Baker Tilly has issued an unmodified ("clean") opinion on the City of Fitchburg's financial statements for the year ended December 31, 2018. The independent auditor's report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

Profile of the Government

The City first incorporated as a town in 1847 and then as a city in 1983. It is located in the northwestern corner of Dane County, in the south-central part of Wisconsin, 10 miles south of the state capitol in Madison. The City currently has a land area of approximately 35 square miles and an estimated population for 2018 of 28,316. The City is empowered to levy a property tax on both real and personal property located within its boundaries. The City also has the power by state statute to extend its corporate limits by annexation, which is done periodically when deemed appropriate by the City Council. The City is also preparing for the dissolution of the Town of Madison, of which some of the parcels will become part of the City of Fitchburg and the remainder will go to the City of Madison.

The City has operated under a Mayor-Council form of government since its incorporation as a City. Policymaking and legislative authority is vested in the City Council, which consists of a mayor and an eight-member council. This governing council is responsible, among other things, for passing ordinances, adopting the budget, and hiring the City's Administrator. The City Administrator is responsible for carrying out the policies and ordinances of the governing council and for overseeing the day-to-day operations of the City government. The mayor is responsible for appointing committees, boards, and commissions, subject to the approval of the City Council. The mayor and the council are elected on a non-partisan basis. Council members are elected from within their respective districts to two-year terms that will be staggered starting in 2020. The mayor is elected at large to three-year terms starting in 2020 (previously two-year terms).

Early in its history, Fitchburg attracted European immigrants with the largest being Irish settlers looking for farmland. By the 1860's, Irish settlers constituted a third of Fitchburg's population. As the years passed, the City grew in population and business prospered. Today, Fitchburg is ideally nestled between urban Madison and the scenic farmlands for which Wisconsin is famous. With its close proximity to Madison, Fitchburg continues to attract visitors, new businesses, and new residents with its natural beauty, favorable location, diverse and thriving businesses and industries, fine services, and year-round recreational activities.

The City provides a full range of services including police and fire protection; sanitation services; the construction and maintenance of streets, highways, and other infrastructure; and recreational activities and cultural events. In addition to the general activities, the City Council exercises control over the wastewater, water, and stormwater utilities and, therefore, they have been included as an integral part of the City's financial statements.

The annual budget serves as the foundation for the City's financial planning and controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of the general fund, special revenue funds (exception of new park improvement fund), debt service fund, and internal service funds are included in the annual appropriated budget. Project-length budgets are prepared for capital project funds (exceptions are TID Numbers 11, 12, and 13, which are new). The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the function level.

Local Economy

The City is affected locally by the national economy. Over the long-term, the City will continue to experience significant residential and commercial growth in the years ahead as development continues to grow. Fitchburg has easy access to the State Capitol, University of Wisconsin-Madison Campus, east and west sides of Madison and the Interstates 39/90/94. In 2017, the City had net new construction growth of 2.835% or \$84 million.

The Fitchburg economy comprises targeted industry clusters including: agriculture, advanced manufacturing, life sciences, information technology, and headquarter, regional, and back-office operations.

The Fitchburg Technology Neighborhood, dedicates more than 2,000 acres for high quality technology businesses in mixed-use commercial and residential settings connected by parks, open space and multi-modal transportation, creating the ideal place for technology companies to call home. The neighborhood consists of three developments: Fitchburg Center, Fitchburg Technology Campus/RDC Fitchburg Technology Campus Phase II, and Uptown Fitchburg.

The City is also expecting continued industrial development with two Sub-Zero/Wolf expansions and two Promega expansions, which are expected to bring a significant number of jobs to the City.

The City is covered by three school districts. The City's 2018 overall net property tax rate per \$1,000 in assessed value is \$21.52 for properties within the Madison School District, \$21.81 for the Oregon School District, and \$23.21 for the Verona School District.

Long-term Financial Planning

The City continues to focus on how to improve Fitchburg's services and vitality. The City has committed to improving Fitchburg through various actions and continues to improve their long-term financial planning efforts.

Fitchburg is a growing community and recognizes that balancing urban and rural interests requires planning for managed and orderly growth while looking for infill and redevelopment opportunities. Fitchburg's Comprehensive Plan, adopted in 2009 with annual minor amendments, is used to manage and direct growth in areas identified in the plan as desirable for future urban development. Prior to any urban service adjustment being considered or undertaken, a plan shall be accomplished for the neighborhood area in which the urban service adjustment may be taken. Neighborhood Plans, which analyze and plan for all elements of the built environment, are adopted into the Comprehensive Plan.

To date, the City has six neighborhood plans or area plans adopted into the City's long-range Comprehensive Plan. These plans contain detailed recommendations for land use, transportation, recreation, utilities, and environmental considerations. The Comprehensive Plan, and the detailed neighborhood plans, direct community development decisions by the city officials.

The City's Zoning Ordinance is one regulatory tool to implement the Comprehensive Land Use Plan. In 2010 Fitchburg became the first municipality in the state of Wisconsin to adopt SmartCode zoning, a form-based zoning district used to create Traditional Neighborhood Development (TND). The code works to maximize efficiency in land use by allowing for increased density as well as diverse types of building forms and uses within a walkable area, and also works to create an environment that is pedestrian and bike friendly.

The City has six active Tax Increment Districts (TID) to assist with redevelopment and community development projects. During 2018, two existing districts were amended and three new districts were created:

- Tax Increment District 4 is an industrial district that was amended to include additional project costs. The amendment provided for additional expenditures of \$.7 million within ½ mile of the district boundaries and an additional \$.8 million for rail crossing and intersection improvements within the existing district for a revised total of \$118.5 million in project costs. The additional costs are not expected to result in a shift in the projected district closure of eight years earlier than maximum life.
- Tax Increment District 10, a rehabilitation-conservation TID, was created in 2015 to help stimulate the redevelopment of approximately 4.75 acres along North Fish Hatchery Road. In 2018, this district was expanded to include nearly 200 acres of land and increase the TID project costs. This district encompasses one of the main corridors of the City and one of the primary project costs within the \$52 million total are for the reconstruction of North Fish Hatchery Road and related intersection improvements and road extensions.
- Tax Increment District 11, a rehabilitation – conservation district, was created to help stimulate the redevelopment of a site that had a waste disposal operation active between 1984 and 2015 or 2016. The TID funding of approximately \$11.1 million are for onsite and offsite infrastructure and rehabilitation costs and development incentives. When the district is terminated it is expected to bring approximately \$119 million of value onto the tax rolls.
- Tax Increment District 12, an industrial district, was also created in 2018 to enable one of the country's premier biotechnical corporations, the Promega Company, a long time corporate resident of the City, to significantly expand its operations in Wisconsin and construct a research and development facility. Overall the estimated costs within the district are estimated to be \$190 million with the district funding approximately \$14.8 million. The development incentives are for structured parking, energy efficiency systems costs, relocation, and several infrastructure projects. When the district is terminated it is expected to bring approximately \$103 million of value onto the tax rolls based on an estimate of 60% of actual expenses being taxable.
- Tax Increment District 13, a mixed-use district, was created in 2018 to help stimulate the development of approximately 65 acres of land in the northeast part of the City. Project costs are estimated at \$23.6 million and include several infrastructure projects and development incentives for infrastructure, sustainability initiatives, underground parking, and a potential parking structure. When the district terminates, a value of approximately \$143 million is expected to be added to the tax rolls.

In addition to the efforts detailed above, the City annually updates and adopts a ten-year capital improvement plan. This plan focuses on the strategic initiatives of the City and addresses the City's capital needs over ten years. A Financial Management Plan is also presented by the City's financial advisors and includes estimated impacts of both capital and operating needs over ten years and the impact on the City's tax rate. These documents assist the Council in setting the priorities of the City as well as determining how we will finance the needs of the City in the future.

Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the city for its comprehensive annual financial report for the fiscal year ended December 31, 2017. This was the third consecutive year that the City has achieved this

prestigious award. In order to be awarded a Certificate of Achievement, the city must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report was made possible through the dedicated services of the Finance Department staff, other City departments, and our independent auditors. We express our appreciation to all those that assisted and contributed to the preparation of this report. We also thank the Mayor, the City Council, and the City Administrator – without their leadership and continuing support, preparation of this report would not have been possible.

Sincerely,

A handwritten signature in cursive script that reads "Misty Dodge".

Misty Dodge, CPA, CPFO
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

City of Fitchburg
Wisconsin

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2017

Christopher P. Morrill

Executive Director/CEO

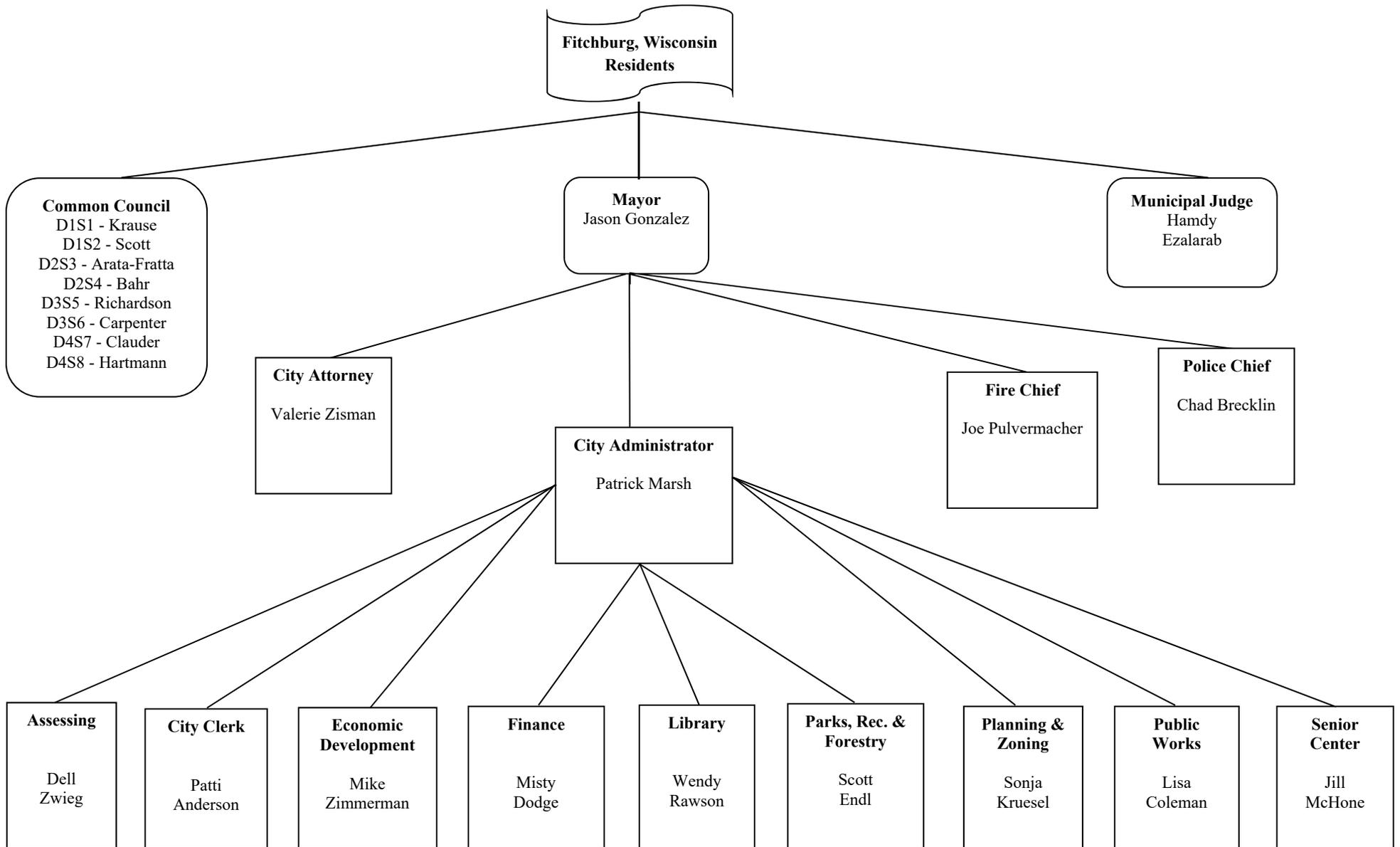
**City of Fitchburg, Wisconsin
List of Elected and Appointed Officials
December 31, 2018**

ELECTED OFFICIALS

Mayor		Jason Gonzalez
Council Member	District 1	Dorothy Krause
	District 1	Anne Scott
	District 2	Julia Arata-Fratta
	District 2	Dan Bahr
	District 3	Aaron Richardson
	District 3	Dan Carpenter
	District 4	Tom Clauder
	District 4	Tony Hartmann
Municipal Court Judge		Hamdy Ezalarab

APPOINTED OFFICIALS

Administrator	Patrick Marsh
Attorney	Valerie Zisman
Finance Director	Misty Dodge
Clerk	Patti Anderson
Police Chief	Chad Brecklin
Fire Chief	Joseph Pulvermacher
Public Works Director/City Engineer	Lisa Coleman
Library Director	Wendy Rawson
Senior Center Director	Jill McHone
Parks and Recreation Director	Scott Endl
City Assessor	Dell Zwieg
Economic Development Director	Michael Zimmerman
City Planner	Sonja Kruesel



INDEPENDENT AUDITORS' REPORT

To the City Council
City of Fitchburg, Wisconsin
Fitchburg, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Fitchburg, Wisconsin, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City of Fitchburg, Wisconsin'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 did not audit the financial statements of the Fitch-Rona EMS District, in which the City of Fitchburg has an equity interest, which represents 0.31 percent, 0.54 percent and 1.29 percent respectively, of assets, net position and revenues of the governmental activities. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Fitch-Rona EMS District, is based solely on the report of the other auditors. 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 Fitchburg, Wisconsin'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 Fitchburg, Wisconsin'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, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Fitchburg, Wisconsin, as of December 31, 2018 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Fitchburg, Wisconsin's basic financial statements. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Baker Tilly Virchow Krause, LLP

Madison, Wisconsin
June 4, 2019

CITY OF FITCHBURG, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED For the Year Ended December 31, 2018

As management of the City of Fitchburg, we offer readers of the financial statements of the city this narrative overview and analysis of the financial activities of the City of Fitchburg for the fiscal year ended December 31, 2018. We encourage the reader to consider the information presented here in conjunction with the city's financial statements.

FINANCIAL HIGHLIGHTS

When revenues exceed expenses, the result is an increase in net position. When expenses exceed revenues, the result is a decrease in net position. This relationship between revenues and expenses is considered the city's results of operations. Changes in net position are one indicator of financial health or financial position. Over time, increases or decreases in net position as measured in the Statement of Activities are one indicator of improving or deteriorating financial health.

- > The assets and deferred outflows of resources of the City of Fitchburg exceeded its liabilities and deferred inflows of resources as of December 31, 2018 by \$195,541,507 (net position). Of this amount, \$15,970,170 (unrestricted net position) may be used to meet the city's ongoing obligations to citizens and creditors, \$21,945,365 is restricted for specific purposes (restricted net position) and \$157,625,972 is the net investment in capital assets, including all infrastructure.
- > The City of Fitchburg's total net position increased by \$23,964,069 over the previous year's net position. Net position relating to Governmental Activities increased by \$18,670,910 while net position relating to Business-type Activities increased by \$5,293,159.
- > As of December 31, 2018, the city's governmental funds reported combined fund balances of \$40,839,270, an increase of \$3,962,290 from 2017.
- > Unassigned fund balance for the general fund was \$4,176,374 or 21.7 percent of 2018 general fund expenditures. Unassigned fund balance decreased from 2017 due to a large increase in the assignment of fund balance for employee retirement benefits.
- > The 3 percent debt limit set by local ordinance as of December 31, 2018 was \$94,058,166. Total general obligation debt outstanding at the end of the year was \$50,890,000 (54.1 percent of the allowable limit).

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the city's basic financial statements. These financial statements consist of two parts: Management's Discussion and Analysis (this section) and the basic financial statements. The basic financial statements include two kinds of statements that present different views of the city:

- > The first two statements are government-wide financial statements that provide both long-term and short-term information about the city's overall financial status.
- > The remaining statements are fund financial statements that focus on individual parts of city government, reporting the city's operations in more detail than the government-wide statements.

These financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by sections of required and not required supplementary information that further explain and support the information in the financial statements. The final section is a statistical section that provides up to ten years of historical data to provide context to the financial statements. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

CITY OF FITCHBURG, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED For the Year Ended December 31, 2018

OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

GOVERNMENT-WIDE STATEMENTS

The government-wide statements report information about the city as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the city's net position and how they have changed. Net Position – the difference between the city's assets and deferred outflows of resources and liabilities and deferred inflows of resources – is one way to measure the city's financial health, or position. Over time, increases or decreases in the city's net position are an indicator of whether its financial health is improving or deteriorating. To assess the overall health of the city you need to consider additional non-financial factors such as changes in the city's property tax base and the condition of the city's roads.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenues and expenses reported in this statement for some items will only result in cash flows in future fiscal periods.

The government-wide financial statements include the City of Fitchburg (primary government) and the Fitchburg Community and Economic Development Authority (component unit). The Fitchburg Community and Economic Development Authority is a separate legal entity for which the city is financially accountable. Financial information for the component unit is presented as a discreet column in the financial statements. The Fitchburg Community and Economic Development Authority does not issue separate financial statements.

FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The city, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the city can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

CITY OF FITCHBURG, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED For the Year Ended December 31, 2018

OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

FUND FINANCIAL STATEMENTS (cont.)

The city maintains eighteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the general debt service fund, the general capital projects fund, the TID No. 4 fund, and the TID No. 6 fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The city adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget. Budgetary comparison schedules have also been provided for all special revenue funds that have an annual adopted budget.

Proprietary Funds – The city maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water, sewer, and stormwater utilities. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for the management of its technology and insurance/risk management functions. Because these services are predominantly to benefit governmental rather than business-type functions, they have been included within the governmental activities in the government-wide financial statements. Proprietary fund financial statements present the same type of information as the government-wide financial statements, only in more detail.

Agency Funds – Agency funds are used to account for resources held for the benefit of parties outside the government. Agency funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the city's own programs. The accounting used for agency funds is much like that used for proprietary funds.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information – In addition to the basic financial statements and accompanying notes, required supplementary information presents a detailed budgetary comparison schedule for the general fund to demonstrate compliance with the budget. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

An analysis of the city's financial position begins with a review of the Statement of Net Position and the Statement of Activities. These two statements report the city's net position and changes therein. It should be noted that the financial position could also be affected by non-financial factors, including economic conditions, population growth, and changes in the regulatory environment.

CITY OF FITCHBURG, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED For the Year Ended December 31, 2018

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (cont.)

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the city, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$195,541,507 at the close of 2018.

General capital assets (e.g., land, construction in progress, land improvements, buildings, machinery, infrastructure, and equipment) for the governmental activities of the city (less any outstanding debt used to acquire those assets) equals \$91,354,057 or 75.1 percent of governmental net position. Including governmental and business-type activities, 80.6 percent of total net position is represented by capital assets. The dollar values of net investment in capital assets increased due to several large capital projects occurring in 2018 (see further discussion below). The percentages of total net position, however, are comparable to last year. The city uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the city's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the city's total net position (\$21,945,365 or 11.2 percent) represents resources that are subject to external restrictions on how they may be used. This portion increased significantly from last year due to the continued accumulation of resources in the City's TID activities to fund future project plan payments.

The remaining balance of unrestricted net position (\$15,970,170 or 8.2 percent) may be used to meet the government's ongoing obligations to citizens or creditors.

At the end of the current fiscal year, the city reported positive balances in all three categories of net position, for the city as a whole, as well as for its governmental and business-type activities individually.

A summary of the city's Statement of Net Position is presented below in Table 1.

**Table 1
Condensed Statements of Net Position**

	Governmental Activities	Business-type Activities	2018 Totals	Governmental Activities	Business-type Activities	2017 Totals
Current and other assets	\$ 79,988,421	\$ 9,050,080	\$ 89,038,501	\$ 71,624,563	\$ 5,949,492	\$ 77,574,055
Capital assets	131,468,130	67,917,196	199,385,326	116,949,958	63,697,880	180,647,838
Total Assets	<u>211,456,551</u>	<u>76,967,276</u>	<u>288,423,827</u>	<u>188,574,521</u>	<u>69,647,372</u>	<u>258,221,893</u>
Total Deferred Outflows of Resources	<u>4,782,136</u>	<u>211,621</u>	<u>4,993,757</u>	<u>5,350,375</u>	<u>286,830</u>	<u>5,637,205</u>
Long-term liabilities outstanding	48,601,582	110,499	48,712,081	49,313,997	146,344	49,460,341
Other liabilities	9,823,497	2,891,839	12,715,336	8,628,374	1,038,156	9,666,530
Total Liabilities	<u>58,425,079</u>	<u>3,002,338</u>	<u>61,427,417</u>	<u>57,942,371</u>	<u>1,184,500</u>	<u>59,126,871</u>
Total Deferred Inflows of Resources	<u>36,200,858</u>	<u>247,802</u>	<u>36,448,660</u>	<u>33,040,685</u>	<u>114,104</u>	<u>33,154,789</u>
Net Position						
Net investment in capital assets	91,354,057	67,917,196	157,625,972	76,784,970	63,697,880	138,382,329
Restricted	21,210,088	735,277	21,945,365	16,998,508	753,313	17,751,821
Unrestricted	<u>9,048,605</u>	<u>5,276,284</u>	<u>15,970,170</u>	<u>9,158,362</u>	<u>4,184,405</u>	<u>15,443,288</u>
Total Net Position	<u>\$ 121,612,750</u>	<u>\$ 73,928,757</u>	<u>\$ 195,541,507</u>	<u>\$ 102,941,840</u>	<u>\$ 68,635,598</u>	<u>\$ 171,577,438</u>

The total column reflects a capital debt adjustment. See Note I.D.10. for further information.

CITY OF FITCHBURG, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED For the Year Ended December 31, 2018

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (cont.)

As previously noted, the Statement of Net Position shows the change in financial position of net position. The specific nature or source of these changes becomes more evident in the Condensed Statement of Activities shown below.

GOVERNMENTAL ACTIVITIES

Governmental activities increased the city's net position by \$18,670,910. This increase is primarily a result of developer and other government contributions of capital assets. The increase is also from property taxes levied to re-pay the principal portion of long-term debt and to finance capital projects capitalized within the statements.

BUSINESS-TYPE ACTIVITIES

Business-type activities increased the city's net position by \$5,293,159. This increase is also primarily a result of developer, other government, and governmental activities contributions of capital assets.

As previously noted, the Statement of Net Position shows the change in financial position of net position. The specific nature or source of these changes then becomes more evident in the Statement of Activities as shown in Table 2.

**Table 2
Condensed Statement of Activities**

	Governmental Activities	Business-type Activities	2018 Totals	Governmental Activities	Business-type Activities	2017 Totals
Revenues:						
Program Revenues						
Charges for services	\$ 2,882,718	\$ 6,677,671	\$ 9,560,389	\$ 3,166,148	\$ 6,383,289	\$ 9,549,437
Operating grants and contributions	2,214,463	-	2,214,463	2,190,691	-	2,190,691
Capital grants and contributions	10,924,956	3,633,124	14,558,080	11,605,782	7,317,485	18,923,267
General Revenues						
Property taxes	29,792,121	-	29,792,121	27,576,882	-	27,576,882
Other taxes	50,060	-	50,060	66,906	-	66,906
Intergovernmental	2,369,108	-	2,369,108	1,736,587	-	1,736,587
Other revenues	3,044,019	284,310	3,328,329	1,394,936	130,682	1,525,618
Total Revenues	<u>51,277,445</u>	<u>10,595,105</u>	<u>61,872,550</u>	<u>47,737,932</u>	<u>13,831,456</u>	<u>61,569,388</u>
Expenses:						
General government	3,876,129	-	3,876,129	3,700,734	-	3,700,734
Public safety	12,763,729	-	12,763,729	12,011,684	-	12,011,684
Public works	4,871,127	-	4,871,127	7,302,138	-	7,302,138
Health and human services	557,844	-	557,844	502,086	-	502,086
Culture, education, and recreation	3,952,097	-	3,952,097	4,516,517	-	4,516,517
Conservation and development	4,744,902	-	4,744,902	1,895,179	-	1,895,179
Interest and fiscal charges	1,203,649	-	1,203,649	1,284,925	-	1,284,925
Water and sewer utilities	-	4,680,560	4,680,560	-	4,509,427	4,509,427
Stormwater utility	-	1,258,444	1,258,444	-	1,100,895	1,100,895
Total Expenses	<u>31,969,477</u>	<u>5,939,004</u>	<u>37,908,481</u>	<u>31,213,263</u>	<u>5,610,322</u>	<u>36,823,585</u>
Increase in Net Position Before Transfers	19,307,968	4,656,101	23,964,069	16,524,669	8,221,134	24,745,803
Transfers	(637,058)	637,058	-	685,513	(685,513)	-
Change in Net Position	<u>18,670,910</u>	<u>5,293,159</u>	<u>23,964,069</u>	<u>17,210,182</u>	<u>7,535,621</u>	<u>24,745,803</u>
Net Position – Beginning of Year	<u>102,941,840</u>	<u>68,635,598</u>	<u>171,577,438</u>	<u>85,731,658</u>	<u>61,099,977</u>	<u>146,831,635</u>
Net Position – End of Year	<u>\$ 121,612,750</u>	<u>\$ 73,928,757</u>	<u>\$ 195,541,507</u>	<u>\$ 102,941,840</u>	<u>\$ 68,635,598</u>	<u>\$ 171,577,438</u>

CITY OF FITCHBURG, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED For the Year Ended December 31, 2018

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

GOVERNMENTAL FUNDS

The focus of the City of Fitchburg's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the city's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the government's net resources available for spending at the end of the fiscal year.

At December 31, 2018, the city's governmental funds reported combined fund balances of \$40,839,270. Approximately 8.4 percent of this amount, \$3,431,196 constitutes unassigned fund balance, which is available to meet the city's current and future needs. The remaining \$37,408,074 is non-spendable for noncurrent asset balances, or restricted, committed, or assigned for specific purposes of the city. The percentage of unassigned fund balance decreased from last year due to a large increase in the assignment of fund balance within the general fund for employee retirement benefits, an increase in restricted fund balance in TID 6 accumulated to fund future project plan costs, and a deficit in the five newer tax increment districts.

General Fund

The city's general fund is the chief operating fund of the city. The total general fund balance is \$8,520,695, an increase of \$1,286,391 or 17.8%. This increase in fund balance is primarily due to positive variances in budgeted revenues and expenditures. See budget section below for additional details.

The city evaluates general fund balance by measuring the unassigned general fund balance as a percentage of the current year's general fund revenues. For 2018, unassigned fund balance is \$4,176,374 and the 2018 general fund revenues were \$20,076,210, resulting in an unassigned fund balance of 20.8 percent of revenues. Although the amount remains within the City's financial policy, this is a decrease from 2017 and is primarily the result of the large fund balance assignment discussed above.

General Debt Service Fund

The city's debt service fund accounts for the accumulation of resources for, and payment of, general long-term debt principal, interest, and related costs. As of the end of 2018, the restricted fund balance of \$202,894 is premium on debt issued in 2017 and 2018 that will be used to make interest payments in 2019. The rest of the fund balance of \$403,355 is assigned for future debt service.

General Capital Projects Fund

The city's capital projects fund accounts for financial resources that are restricted, or committed to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The fund balance of \$12,936,802 is an increase of \$1,605,938 or 14.2 percent over the previous year. The increase is due primarily to unspent bond proceeds received in 2018 that will be spent in 2019 and the sale of a fire station no longer used that will be used to fund the new fire station construction in 2019.

TID No. 4 Capital Projects Fund

TID No. 4 is currently the city's largest tax incremental district. This TID was amended for boundaries and project plan costs three times, including one project plan amendment in early 2018. The 2011 boundary amendment added Nine Springs. This portion of the TID is a traditional TID with the city's major financial involvement being an interchange at Highway 14. Funds were borrowed in 2010, 2011 and 2012 for the interchange. An additional amount was borrowed in 2015 for railroad crossings. The entire fund balance of \$8,747,151 is restricted for TID activities and is comparable to last year.

CITY OF FITCHBURG, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED For the Year Ended December 31, 2018

FINANCIAL ANALYSIS OF THE CITY'S FUNDS (cont.)

GOVERNMENTAL FUNDS (cont.)

TID No. 6 Capital Projects Fund

TID No. 6 is currently the city's second largest tax incremental district. This TID was amended once to add the Arrowhead area. The majority of the City's obligations for the amendment were spent in 2014 with the construction of Spoke and Sprocket Drives. Funds were borrowed in 2015 to reimburse the TID for those constructions costs. The entire fund balance of \$7,088,194 is restricted for TID activities and has increased from last year due to the accumulation of resources to pay for two large projects expected in 2019 and 2020.

Nonmajor Governmental Funds

Fund balance of nonmajor governmental funds is \$2,940,179, which is nonspendable, restricted, or committed for future projects and expenditures. This balance includes negative fund balances of \$78,884 for TID No. 10, \$30,602 for TID No. 11, \$21,303 for TID No. 12, and \$22,954 for TID No. 13 due to the districts being new and having a small amount of implementation/administration costs that have not yet been recovered. The negative fund balance of \$591,435 in TID No. 9 is due to an infrastructure project constructed in 2018 that will be funded by future years' tax increments. Funds have been advanced by the general fund with a charge for interest.

Proprietary Funds

The City of Fitchburg's proprietary fund financial statements provide the same type of information found in the government-wide financial statements, but in more detail. Factors concerning the finances of these funds have already been addressed in the discussion of the city's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

The 2018 adopted General Fund budget was amended during the year. The total original appropriations, including transfers out, were \$20,247,117 and final appropriations were \$20,444,117. The \$197,000 increase was primarily due to the carryover of unspent budget appropriations from 2017 into 2018. There were other budget amendments approved that either did not affect total expenditures or had a smaller effect.

Actual expenditures and other financing uses were \$19,507,747 resulting in a favorable variance of \$936,370. Total revenues and other funding sources were \$20,794,138, which is \$773,733 more than amended budget. The overall operating result of the general fund was a gain of \$1,286,391 and was primarily due to:

- Building and related permit revenues in excess of budget, primarily due to the favorable economic climate and several large projects that began construction in 2018.
- Investment income in excess of budget by \$124,582 due to conservative budgeting and an increase in investment returns.
- Waived disability premium costs.
- Favorable variances in the fire department vehicle repairs and maintenance due to fewer than expected repairs being needed during the year.
- Vacancies in the public works department that resulted in unspent wages/benefits and unfinished projects.
- Budgeted transfer of \$276,712 from general fund unassigned fund balance to general capital projects due to the gap in state aid received in 2018.

CITY OF FITCHBURG, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED For the Year Ended December 31, 2018

CAPITAL ASSETS

At the end of 2018, the city had invested a total of \$199,385,326 in capital assets. This investment in capital assets includes land, buildings and improvements, machinery and equipment, and infrastructure.

**Table 3
Capital Assets**

	Governmental Activities	Business-type Activities	2018 Totals	Governmental Activities	Business-type Activities	2017 Totals
Land and other assets not being depreciated	\$ 41,892,403	\$ 8,460,274	\$ 50,352,677	\$ 33,375,555	\$ 7,800,335	\$ 41,175,890
Land improvements	412,878	-	412,878	412,878	-	412,878
Building and improvements	36,731,323	4,039,642	40,770,965	37,409,714	3,736,462	41,146,176
Machinery and equipment	16,077,686	3,219,373	19,297,059	15,189,868	3,199,438	18,389,306
Roads, paths, and sidewalks	69,421,337	-	69,421,337	62,209,876	-	62,209,876
Utility plant	-	74,636,162	74,636,162	-	69,862,011	69,862,011
Intangible	-	197,057	197,057	-	197,057	197,057
Total Capital Assets	<u>164,535,627</u>	<u>90,552,508</u>	<u>255,088,135</u>	<u>148,597,891</u>	<u>84,795,303</u>	<u>233,393,194</u>
Less: Accumulated Depreciation	<u>(33,067,497)</u>	<u>(22,635,312)</u>	<u>(55,702,809)</u>	<u>(31,647,933)</u>	<u>(21,097,423)</u>	<u>(52,745,356)</u>
Net Capital Assets	<u>\$ 131,468,130</u>	<u>\$ 67,917,196</u>	<u>\$ 199,385,326</u>	<u>\$ 116,949,958</u>	<u>\$ 63,697,880</u>	<u>\$ 180,647,838</u>

More information on net capital assets can be found in the notes to the financial statements, Note III. D.

GOVERNMENTAL ACTIVITIES

Total capital assets from governmental activities increased \$14,518,172. Major capital asset events during the current fiscal year included the following:

- > Additional costs for the east fire station in progress.
- > Reconstruction of Lacy Road, which included costs over several years and a large contribution from the state and federal governments.
- > Design costs for Fish Hatchery Road reconstruction project.
- > Two new pumpers for the fire department.
- > Contributions from developers for parkland and infrastructure.
- > Renovation project for Nine Springs Golf Course Clubhouse.

BUSINESS -TYPE ACTIVITIES

Total utility capital assets increased \$1,029,030 for water; \$1,160,739 for sewer; and \$2,029,547 for storm water. Major capital asset events during the current fiscal year included the following:

- > Water work in process at year-end includes Glacier Valley (future improvements), NE Water Main Loop, and Verona Road Relocates.
- > Sewer work in process at year-end includes Rolfsmeyer Road and Lift Station #1.
- > Storm water work in process includes Area H and CIP project 4714 for drainage and flooding.
- > There were 121 water services added and 106 sanitary sewer services added during 2018.
- > There were 13,353 feet of water main added in 2018, so total footage increased to 562,699 feet, which equates to just over 106.6 miles of water main.

CITY OF FITCHBURG, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED For the Year Ended December 31, 2018

LONG-TERM DEBT

As of December 31, 2018, the city had \$50,890,000 of long-term bonds and notes outstanding, including utilities. All of the city's external debt is for general obligation issues. This is a decrease of \$535,000 from 2017 due scheduled payments on the existing debt of \$5,075,000; a current refunding for \$3,625,000; a pre-payment of debt for \$1,115,000; and the issuance of \$9,280,000 in new debt during 2018.

In accordance with Wisconsin Statutes, total general obligation indebtedness of the city may not exceed five percent of the equalized value of taxable property within the city's jurisdiction. The debt limit as of December 31, 2018 was \$156,763,610. The city was at 32.7 percent of the legal debt limit.

The city has chosen to further restrict its borrowing, not to exceed 3 percent of the equalized value of taxable property. The city's internal debt limit as of December 31, 2018 was \$94,058,166 and the city had used 54.1 percent. This amount is lower than last year due to the pre-payments and current refunding discussed above, as well as the growth in the City's equalized value.

Also see notes to the financial statements, Note III.F.

CURRENTLY KNOWN FACTS/ECONOMIC CONDITIONS

All currently known facts and economic conditions were considered in preparing the 2019 city budget.

During 2003, TID No. 4 was created as an industrial TID and was amended the first time in 2005. Various projects were authorized with development incentives funded by future tax increments. As of the date of the financial statements there is one outstanding municipal revenue obligations (issued in 2017) related to specific portions of the development in TID No. 4. This obligation does not constitute a charge upon any funds of the City. In the event that future tax increments are not sufficient to pay off the obligation, the obligation terminates with no further liability to the city. Since the amount of future payments is contingent on the collection of future TID increments, these obligations are not reported as liabilities in our financial statements. During 2018 payments were able to be made based on the payment schedules. The municipal revenue obligation issued in 2014 was pre-paid, in full, during 2018.

During 2006, TID No. 6 was created for the Orchard Pointe area. As of the date of the financial statements there are no outstanding municipal revenue obligations.

During 2011, the City received approval for a second amendment to TID No. 4. This amendment involves a developer agreement with Green Tech and Tech Lands for development of the Nine Springs Property. The City's main investment in the amended TID has been the construction of an interchange at Highway 14, which was completed in 2012.

During 2013, the City received approval for an amendment to TID No. 6. This amendment involves the construction of Spoke and Sprocket Drives with the intention to spur development in the Arrowhead area. The construction of those two roads was substantially completed in 2014. As of the date of the financial statements there is one outstanding rent guarantee for a project. This obligation does not constitute a charge upon any funds of the City. In the event that future tax increments are not sufficient to pay off the obligation, the obligation terminates with no further liability to the City. Since the amount of future payments is contingent on the collection of future TID increments, these obligations are not reported as liabilities in our financial statements. During 2018 only a partial payment was able to be made based on the available increment.

CITY OF FITCHBURG, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED For the Year Ended December 31, 2018

CURRENTLY KNOWN FACTS/ECONOMIC CONDITIONS (cont.)

During 2015, the City created two additional tax incremental districts. TID No. 9 was approved to assist in the expansion of an existing major employer through a future municipal revenue obligation. TID No. 10 was approved to help stimulate redevelopment of a major business corridor with a planned hotel/conference center/restaurant project that is also expected to be supported through a future municipal revenue obligation. As of the date of the financial statements, one large project was completed within TID No. 9 that was supported by a grant awarded by the State of Wisconsin. Only minimal administrative and implementation costs have been incurred by TID No. 10.

During 2016 the City amended TID No. 9 because the expansion project was increased in size and scope. This expansion required additional infrastructure costs, including costs within a ½ mile of the TID boundaries. Increment from the expanded project is expected to fund the additional costs. As of the date of the financial statements there is one outstanding municipal revenue obligations (issued in 2018) related to specific portions of the development in TID No. 9. This obligation does not constitute a charge upon any funds of the City. In the event that future tax increments are not sufficient to pay off the obligation, the obligation terminates with no further liability to the city. Since the amount of future payments is contingent on the collection of future TID increments, these obligations are not reported as liabilities in our financial statements. During 2018 payments were able to be made based on the payment schedules.

During 2018, the City created three additional tax incremental districts. TID No. 11 was approved to assist in the redevelopment of a previously active waste site that is expected to be supported through a future municipal revenue obligation. TID No. 12 was approved to assist with the expansion of an existing major employer through a future municipal revenue obligation. TID No. 13 was approved to help stimulate development in the northeast section of the City through future municipal revenue obligations. As of the date of the financial statements, there are no outstanding municipal revenue obligations for any of the three new TIDs.

During 2018 the City amended TID No. 4 to include additional infrastructure costs. The additional costs will be funded directly by the TID and are not expected to delay the early closure of the TID. TID No. 10 was also amended to expand the boundaries and add project costs for one of the City's main corridors. This TID is expected to be financed partially through municipal revenue obligations and partially through future general obligation debt for the major road reconstruction project.

REQUESTS FOR INFORMATION

The financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the city's finances. If you have questions about this report or need any additional information, contact the city Finance Director at (608) 270-4252, Monday through Friday, 8:00 a.m. – 4:30 p.m.

CITY OF FITCHBURG, WISCONSIN

STATEMENT OF NET POSITION As of December 31, 2018

	Governmental Activities	Business-type Activities	Totals	Component Unit
ASSETS				
Cash and investments	\$ 42,466,261	\$ 7,814,815	\$ 50,281,076	\$ 788,971
Receivables (net)				
Taxes receivable	31,171,210	-	31,171,210	-
Delinquent personal property taxes	8,909	-	8,909	-
Accounts	634,858	1,973,184	2,608,042	112,355
Loans	-	-	-	71,589
Special assessments	191,220	42,377	233,597	-
Delinquent special assessments	6,288	-	6,288	-
Accrued interest	25,777	-	25,777	-
Land contract	18,277	-	18,277	-
Internal balances	1,554,540	(1,554,540)	-	-
Due from other governmental units	105	-	105	-
Inventories	-	37,555	37,555	-
Prepaid items	598,500	1,412	599,912	8,254
Investment in joint venture	658,927	-	658,927	-
Restricted cash and investments	70,219	614,944	685,163	-
Restricted net pension asset	2,583,330	120,333	2,703,663	-
Capital Assets				
Land	36,353,408	6,111,645	42,465,053	-
Intangible plant - land	-	1,144,385	1,144,385	-
Construction in progress	5,538,995	1,204,244	6,743,239	-
Other capital assets, net of depreciation	89,575,727	59,456,922	149,032,649	-
Total Assets	<u>211,456,551</u>	<u>76,967,276</u>	<u>288,423,827</u>	<u>981,169</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows - pension	4,782,136	211,621	4,993,757	-
Total Deferred Outflows of Resources	<u>4,782,136</u>	<u>211,621</u>	<u>4,993,757</u>	<u>-</u>
LIABILITIES				
Accounts payable	3,066,820	1,447,206	4,514,026	115,443
Accrued and other liabilities	1,010,438	73,451	1,083,889	-
Due to other governmental units	12,581	-	12,581	-
Deposits	501,695	1,343,922	1,845,617	-
Unearned revenues	48,863	-	48,863	-
Noncurrent Liabilities				
Due within one year	5,183,100	27,260	5,210,360	-
Due in more than one year	48,601,582	110,499	48,712,081	-
Total Liabilities	<u>58,425,079</u>	<u>3,002,338</u>	<u>61,427,417</u>	<u>115,443</u>
DEFERRED INFLOWS OF RESOURCES				
Property taxes levied for future period	31,107,599	-	31,107,599	-
Deferred inflows - pension	5,093,259	247,802	5,341,061	-
Total Deferred Inflows of Resources	<u>36,200,858</u>	<u>247,802</u>	<u>36,448,660</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	91,354,057	67,917,196	157,625,972	-
Restricted for				
Room tax	-	-	-	124,044
Pension	2,583,330	120,333	2,703,663	-
Park and recreational fees	2,065,687	-	2,065,687	-
Impact fees	-	614,944	614,944	-
Library	492,056	-	492,056	-
Loan programs	87,267	-	87,267	-
Senior and other projects	68,548	-	68,548	-
Park projects	72,452	-	72,452	-
TID activities	15,835,345	-	15,835,345	-
Future capital projects funded by donations	5,403	-	5,403	-
Unrestricted	<u>9,048,605</u>	<u>5,276,284</u>	<u>15,970,170</u>	<u>741,682</u>
TOTAL NET POSITION	<u>\$ 121,612,750</u>	<u>\$ 73,928,757</u>	<u>\$ 195,541,507</u>	<u>\$ 865,726</u>

See accompanying notes to financial statements.

CITY OF FITCHBURG, WISCONSIN

STATEMENT OF ACTIVITIES For the Year Ended December 31, 2018

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	\$ 3,876,129	\$ 791,335	\$ 54,180	\$ -
Public safety	12,763,729	646,742	213,425	-
Public works	4,871,127	984,145	1,859,212	10,916,041
Health and human services	557,844	-	9,569	-
Culture, education and recreation	3,952,097	422,196	35,051	8,915
Conservation and development	4,744,902	38,300	13,824	-
Interest and fiscal charges	1,203,649	-	29,202	-
Total Governmental Activities	31,969,477	2,882,718	2,214,463	10,924,956
Business-type Activities				
Water	1,960,385	2,811,034	-	1,621,644
Sewer	2,720,175	2,691,083	-	604,635
Stormwater	1,258,444	1,175,554	-	1,406,845
Total Business-type Activities	5,939,004	6,677,671	-	3,633,124
Total Primary Government	\$ 37,908,481	\$ 9,560,389	\$ 2,214,463	\$ 14,558,080
Component Unit				
Community development authority	\$ 479,723	\$ -	\$ -	\$ -

General Revenues

 Taxes

 Property taxes, levied for general purposes

 Property taxes, levied for debt service

 Property taxes, levied for capital assets

 Property taxes, levied for the library

 Property taxes, levied for TIF districts

 Other taxes

 Intergovernmental revenues not restricted to specific programs

 Investment income

 Gain on disposal of assets

 Miscellaneous

Transfers

 Total General Revenues and Transfers

Change in net position

NET POSITION - Beginning of Year

NET POSITION - END OF YEAR

See accompanying notes to financial statements.

Net (Expenses) Revenues and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Totals	Component Unit
\$ (3,030,614)	\$ -	\$ (3,030,614)	\$ -
(11,903,562)	-	(11,903,562)	-
8,888,271	-	8,888,271	-
(548,275)	-	(548,275)	-
(3,485,935)	-	(3,485,935)	-
(4,692,778)	-	(4,692,778)	-
(1,174,447)	-	(1,174,447)	-
<u>(15,947,340)</u>	<u>-</u>	<u>(15,947,340)</u>	<u>-</u>
-	2,472,293	2,472,293	-
-	575,543	575,543	-
-	<u>1,323,955</u>	<u>1,323,955</u>	-
-	<u>4,371,791</u>	<u>4,371,791</u>	-
<u>(15,947,340)</u>	<u>4,371,791</u>	<u>(11,575,549)</u>	<u>-</u>
-	-	-	(479,723)
14,942,720	-	14,942,720	-
4,358,568	-	4,358,568	-
1,654,865	-	1,654,865	-
1,784,887	-	1,784,887	-
7,051,081	-	7,051,081	-
50,060	-	50,060	456,630
2,369,108	-	2,369,108	-
1,271,509	254,466	1,525,975	17,451
689,388	-	689,388	-
1,083,122	29,844	1,112,966	6,782
<u>(637,058)</u>	<u>637,058</u>	<u>-</u>	<u>-</u>
<u>34,618,250</u>	<u>921,368</u>	<u>35,539,618</u>	<u>480,863</u>
18,670,910	5,293,159	23,964,069	1,140
<u>102,941,840</u>	<u>68,635,598</u>	<u>171,577,438</u>	<u>864,586</u>
<u>\$ 121,612,750</u>	<u>\$ 73,928,757</u>	<u>\$ 195,541,507</u>	<u>\$ 865,726</u>

See accompanying notes to financial statements.

CITY OF FITCHBURG, WISCONSIN

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2018

	General	General Debt Service	General Capital Projects
ASSETS			
Cash and investments	\$ 7,554,456	\$ 606,249	\$ 14,554,641
Receivables (net)			
Taxes receivable	15,339,695	4,024,534	1,803,070
Delinquent personal property taxes	8,909	-	-
Accounts	435,354	-	27,796
Interest	20,490	-	5,287
Special assessments	-	140,369	50,851
Delinquent special assessments	6,288	-	-
Land contract	18,277	-	-
Due from other governments	105	-	-
Due from other funds	945,444	-	-
Advances to other funds	648,000	-	839,096
Prepaid items	220,263	-	-
Restricted cash and investments	64,816	-	5,403
TOTAL ASSETS	\$ 25,262,097	\$ 4,771,152	\$ 17,286,144
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 427,909	\$ -	\$ 2,285,595
Accrued liabilities	733,148	-	-
Due to other governments	12,581	-	-
Deposits	224,540	-	209,826
Advances from other funds	-	-	-
Unearned revenues	48,863	-	-
Total Liabilities	1,447,041	-	2,495,421
Deferred Inflows of Resources			
Property taxes levied for future period	15,276,084	4,024,534	1,803,070
Unavailable revenues	18,277	140,369	50,851
Total Deferred Inflows of Resources	15,294,361	4,164,903	1,853,921
Fund Balances			
Nonspendable	883,460	-	-
Restricted	64,816	202,894	5,695,883
Committed	-	-	-
Assigned	3,396,045	403,355	7,240,919
Unassigned (deficit)	4,176,374	-	-
Total Fund Balances	8,520,695	606,249	12,936,802
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 25,262,097	\$ 4,771,152	\$ 17,286,144

See accompanying notes to financial statements.

<u>TID No. 4</u>	<u>TID No. 6</u>	<u>Nonmajor Governmental Funds</u>	<u>Totals</u>
\$ 8,748,436	\$ 7,150,224	\$ 3,802,312	\$ 42,416,318
4,496,179	2,143,382	3,364,350	31,171,210
-	-	-	8,909
-	-	117,473	580,623
-	-	-	25,777
-	-	-	191,220
-	-	-	6,288
-	-	-	18,277
-	-	-	105
-	-	-	945,444
-	-	-	1,487,096
-	-	573	220,836
-	-	-	70,219
<u>\$ 13,244,615</u>	<u>\$ 9,293,606</u>	<u>\$ 7,284,708</u>	<u>\$ 77,142,322</u>
\$ 1,285	\$ 62,030	\$ 259,493	\$ 3,036,312
-	-	4,871	738,019
-	-	-	12,581
-	-	67,329	501,695
-	-	648,000	648,000
-	-	-	48,863
<u>1,285</u>	<u>62,030</u>	<u>979,693</u>	<u>4,985,470</u>
4,496,179	2,143,382	3,364,350	31,107,599
-	-	486	209,983
<u>4,496,179</u>	<u>2,143,382</u>	<u>3,364,836</u>	<u>31,317,582</u>
-	-	573	884,033
8,747,151	7,088,194	2,721,149	24,520,087
-	-	963,635	963,635
-	-	-	11,040,319
-	-	(745,178)	3,431,196
<u>8,747,151</u>	<u>7,088,194</u>	<u>2,940,179</u>	<u>40,839,270</u>
<u>\$ 13,244,615</u>	<u>\$ 9,293,606</u>	<u>\$ 7,284,708</u>	<u>\$ 77,142,322</u>

See accompanying notes to financial statements.

CITY OF FITCHBURG, WISCONSIN

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION As of December 31, 2018

Total Fund Balances - Governmental Funds	\$ 40,839,270
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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.

Land	36,353,408
Construction in progress	5,538,995
Other capital assets, net of depreciation	89,575,727

Some receivables that are not currently available are reported as unavailable revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements.	209,983
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The net pension asset does not relate to current financial resources and is not reported in the governmental funds.	2,583,330
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Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	4,782,136
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Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	(5,093,259)
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Internal service funds are reported in the statement of net position as governmental activities.	220,587
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The city's equity interest in joint ventures is reported on the statement of net position.	658,927
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Some liabilities, including long-term debt, are not due and payable in the current period and therefore, are not reported in the funds.

Bonds and notes payable	(50,890,000)
Vested compensated absences	(2,441,694)
Accrued interest	(271,672)
Unamortized premium on debt	(452,988)

NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 121,612,750</u>
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CITY OF FITCHBURG, WISCONSIN

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

For the Year Ended December 31, 2018

	General	General Debt Service	General Capital Projects	TID No. 4
REVENUES				
Taxes	\$ 14,992,780	\$ 4,358,568	\$ 1,538,763	\$ 4,343,241
Intergovernmental	2,846,900	29,202	691,270	641,991
Licenses and permits	890,543	-	-	-
Fines, forfeitures and penalties	297,295	-	-	-
Public charges for services	363,337	-	-	-
Special assessments	3,922	795,101	73,981	-
Investment income	224,582	334,825	334,533	165,304
Intergovernmental charges for services	16,140	-	-	-
Miscellaneous	440,711	62,650	241,749	-
Total Revenues	20,076,210	5,580,346	2,880,296	5,150,536
EXPENDITURES				
Current				
General government	2,915,323	-	-	-
Public safety	11,441,975	-	-	-
Public works	2,169,292	-	-	-
Health and human services	626,077	-	-	-
Culture, recreation and education	1,473,610	-	-	-
Conservation and development	604,758	-	-	3,525,883
Capital Outlay	-	-	8,684,998	46,269
Debt Service				
Principal	-	9,815,000	-	-
Interest and fiscal charges	-	1,418,068	57,017	-
Total Expenditures	19,231,035	11,233,068	8,742,015	3,572,152
Excess (deficiency) of revenues over expenditures	845,175	(5,652,722)	(5,861,719)	1,578,384
OTHER FINANCING SOURCES (USES)				
General obligation debt issued	-	3,327,100	5,952,900	-
Premium on debt issued	-	244,964	-	-
Property sales	2,484	-	1,188,527	-
Transfers in	715,444	1,873,268	326,230	-
Transfers out	(276,712)	-	-	(1,492,255)
Total Other Financing Sources (Uses)	441,216	5,445,332	7,467,657	(1,492,255)
Net Change in Fund Balances	1,286,391	(207,390)	1,605,938	86,129
FUND BALANCES - Beginning of Year	7,234,304	813,639	11,330,864	8,661,022
FUND BALANCES - END OF YEAR	\$ 8,520,695	\$ 606,249	\$ 12,936,802	\$ 8,747,151

See accompanying notes to financial statements.

TID No. 6	Nonmajor Governmental Funds	Totals
\$ 2,385,326	\$ 2,223,503	\$ 29,842,181
73,703	355,258	4,638,324
-	316,507	1,207,050
-	-	297,295
-	1,035,222	1,398,559
-	-	873,004
126,252	85,979	1,271,475
-	-	16,140
-	105,840	850,950
<u>2,585,281</u>	<u>4,122,309</u>	<u>40,394,978</u>
-	-	2,915,323
-	10,136	11,452,111
-	976,452	3,145,744
-	11,828	637,905
-	2,222,193	3,695,803
4,009	76,154	4,210,804
333,607	1,441,363	10,506,237
-	-	9,815,000
-	10,095	1,485,180
<u>337,616</u>	<u>4,748,221</u>	<u>47,864,107</u>
<u>2,247,665</u>	<u>(625,912)</u>	<u>(7,469,129)</u>
-	-	9,280,000
-	-	244,964
-	-	1,191,011
-	-	2,914,942
<u>(378,500)</u>	<u>(52,031)</u>	<u>(2,199,498)</u>
<u>(378,500)</u>	<u>(52,031)</u>	<u>11,431,419</u>
1,869,165	(677,943)	3,962,290
<u>5,219,029</u>	<u>3,618,122</u>	<u>36,876,980</u>
<u>\$ 7,088,194</u>	<u>\$ 2,940,179</u>	<u>\$ 40,839,270</u>

See accompanying notes to financial statements.

CITY OF FITCHBURG, WISCONSIN

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended December 31, 2018

Net change in fund balances - total governmental funds	\$	3,962,290
Amounts reported for governmental activities in the statement of activities are different because:		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of net position the cost of these assets is 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 financial statements		10,506,237
Some items reported as capital outlay were not capitalized		(1,228,011)
Depreciation is reported in the government-wide financial statements		(2,915,970)
Net book value of assets retired		(648,121)
Contributed capital assets are reported as revenues in the government-wide financial statements.		10,156,539
Net capital asset contributions by governmental activities to business-type activities		(1,352,502)
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.		(176,478)
<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		(9,280,000)
Principal repaid		9,815,000
<p>Governmental funds report debt premiums and discounts as other financing sources (uses) or expenditures. However, in the statement of net position, these are reported as additions to or deductions from long-term debt. These are allocated over the period the debt is outstanding in the statement of activities and are reported as interest expense.</p>		
Amortization of premium		27,446
<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>		
Vested compensated absences		(10,483)
Accrued interest on debt		9,120
Net pension liability		3,280,076
Deferred outflows of resources related to pensions		(568,239)
Deferred inflows of resources related to pensions		(2,922,930)
The proportionate share of the change in net position related to joint ventures reported in the statement of activities neither provides nor uses current financial resources and is not reported in the fund financial statements.		(56,172)
Internal service funds are used by management to charge technology and insurance costs to individual funds. The change in net position of the internal service fund reported with governmental activities.		73,108
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u>18,670,910</u>

See accompanying notes to financial statements.

CITY OF FITCHBURG, WISCONSIN

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

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water Utility	Sewer Utility	Stormwater Utility	Totals	
ASSETS					
Current Assets					
Cash and investments	\$ 4,007,149	\$ 1,534,708	\$ 2,272,958	\$ 7,814,815	\$ 49,943
Accounts receivable	871,110	794,869	307,205	1,973,184	54,235
Inventories	33,848	3,707	-	37,555	-
Prepaid items	456	206	750	1,412	377,664
Total Current Assets	4,912,563	2,333,490	2,580,913	9,826,966	481,842
Noncurrent Assets					
Restricted Assets					
Impact fees	614,944	-	-	614,944	-
Net pension asset	68,578	19,964	31,791	120,333	-
Capital Assets					
Land and land rights	368,843	110,910	5,631,892	6,111,645	-
Construction in progress	295,733	856,415	52,096	1,204,244	-
Intangible plant	78,859	132,162	933,364	1,144,385	-
Capital assets being depreciated	38,318,312	19,466,321	24,307,601	82,092,234	-
Less: Accumulated depreciation	(10,236,211)	(4,172,467)	(8,226,634)	(22,635,312)	-
Other Assets					
Special assessments	23,954	18,423	-	42,377	-
Total Noncurrent Assets	29,533,012	16,431,728	22,730,110	68,694,850	-
Total Assets	34,445,575	18,765,218	25,311,023	78,521,816	481,842
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows - pension	112,803	43,199	55,619	211,621	-
Total Deferred Outflows of Resources	112,803	43,199	55,619	211,621	-

See accompanying notes to financial statements.

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water Utility	Sewer Utility	Stormwater Utility	Totals	
LIABILITIES					
Current Liabilities					
Accounts payable	\$ 792,774	\$ 627,652	26,780	\$ 1,447,206	\$ 30,508
Accrued wages	1,170	567	556	2,293	747
Deposits held from developers	-	1,343,922	-	1,343,922	-
Accrued interest	-	-	5,287	5,287	-
Due to other funds	715,444	-	-	715,444	230,000
Compensated absences	19,069	6,709	1,482	27,260	-
Current portion of advances	-	-	55,940	55,940	-
Total Current Liabilities	<u>1,528,457</u>	<u>1,978,850</u>	<u>90,045</u>	<u>3,597,352</u>	<u>261,255</u>
Noncurrent Liabilities					
Long-Term Debt					
Advances from other funds	-	-	783,156	783,156	-
Compensated absences	51,275	47,728	11,496	110,499	-
Other Liabilities					
Customer advances for construction	-	-	65,871	65,871	-
Total Noncurrent Liabilities	<u>51,275</u>	<u>47,728</u>	<u>860,523</u>	<u>959,526</u>	<u>-</u>
Total Liabilities	<u>1,579,732</u>	<u>2,026,578</u>	<u>950,568</u>	<u>4,556,878</u>	<u>261,255</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows - pension	<u>151,072</u>	<u>31,365</u>	<u>65,365</u>	<u>247,802</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>151,072</u>	<u>31,365</u>	<u>65,365</u>	<u>247,802</u>	<u>-</u>
NET POSITION					
Net investment in capital assets	28,825,536	16,393,341	22,698,319	67,917,196	-
Restricted for					
Impact fees	614,944	-	-	614,944	-
Pension	68,578	19,964	31,791	120,333	-
Unrestricted	<u>3,318,516</u>	<u>337,169</u>	<u>1,620,599</u>	<u>5,276,284</u>	<u>220,587</u>
TOTAL NET POSITION	<u>\$ 32,827,574</u>	<u>\$ 16,750,474</u>	<u>\$ 24,350,709</u>	<u>\$ 73,928,757</u>	<u>\$ 220,587</u>

See accompanying notes to financial statements.

CITY OF FITCHBURG, WISCONSIN

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION PROPRIETARY FUNDS For the Year Ended December 31, 2018

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water Utility	Sewer Utility	Stormwater Utility	Totals	
OPERATING REVENUES					
Public charges for services	\$ 2,811,034	\$ 2,691,083	\$ 1,175,554	\$ 6,677,671	\$ -
Intergovernmental charges for services	-	-	-	-	1,345,124
Total Operating Revenues	<u>2,811,034</u>	<u>2,691,083</u>	<u>1,175,554</u>	<u>6,677,671</u>	<u>1,345,124</u>
OPERATING EXPENSES					
Operation and maintenance	1,261,075	2,411,280	590,559	4,262,914	-
Depreciation expense	699,310	308,895	637,137	1,645,342	-
Information technology	-	-	-	-	893,084
Property and liability insurance	-	-	-	-	217,321
Other insurance	-	-	-	-	216,932
Total Operating Expenses	<u>1,960,385</u>	<u>2,720,175</u>	<u>1,227,696</u>	<u>5,908,256</u>	<u>1,327,337</u>
Operating Income	<u>850,649</u>	<u>(29,092)</u>	<u>(52,142)</u>	<u>769,415</u>	<u>17,787</u>
NONOPERATING REVENUES (EXPENSES)					
Investment income	162,552	52,086	39,828	254,466	34
Interest expense	-	-	(30,748)	(30,748)	-
Miscellaneous revenues	12,379	7,579	9,886	29,844	55,287
Total Nonoperating Revenues (Expenses)	<u>174,931</u>	<u>59,665</u>	<u>18,966</u>	<u>253,562</u>	<u>55,321</u>
Income Before Contributions and Transfers	<u>1,025,580</u>	<u>30,573</u>	<u>(33,176)</u>	<u>1,022,977</u>	<u>73,108</u>
CONTRIBUTIONS AND TRANSFERS					
Capital contributions	1,621,644	604,635	1,406,845	3,633,124	-
Capital contributions - municipality	131,495	8,301	1,212,706	1,352,502	-
Transfers out	(715,444)	-	-	(715,444)	-
Total Contributions and Transfers	<u>1,037,695</u>	<u>612,936</u>	<u>2,619,551</u>	<u>4,270,182</u>	<u>-</u>
Change in Net Position	2,063,275	643,509	2,586,375	5,293,159	73,108
NET POSITION - Beginning of Year	<u>30,764,299</u>	<u>16,106,965</u>	<u>21,764,334</u>	<u>68,635,598</u>	<u>147,479</u>
NET POSITION - END OF YEAR	<u>\$ 32,827,574</u>	<u>\$ 16,750,474</u>	<u>\$ 24,350,709</u>	<u>\$ 73,928,757</u>	<u>\$ 220,587</u>

See accompanying notes to financial statements.

CITY OF FITCHBURG, WISCONSIN

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

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water Utility	Sewer Utility	Stormwater Utility	Totals	
CASH FLOWS FROM OPERATING ACTIVITIES					
Received from customers	\$ 2,766,069	\$ 2,554,119	\$ 1,164,256	\$ 6,484,444	\$ 1,398,061
Paid to suppliers for goods and services	(929,808)	(2,272,482)	(394,815)	(3,597,105)	(1,192,344)
Paid to employees for services	(377,118)	(122,804)	(180,188)	(680,110)	(496,981)
Net Cash Flows From Operating Activities	<u>1,459,143</u>	<u>158,833</u>	<u>589,253</u>	<u>2,207,229</u>	<u>(291,264)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment income	<u>162,552</u>	<u>52,086</u>	<u>39,828</u>	<u>254,466</u>	<u>34</u>
Net Cash Flows From Investing Activities	<u>162,552</u>	<u>52,086</u>	<u>39,828</u>	<u>254,466</u>	<u>34</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Paid to municipality for tax equivalent	(685,513)	-	-	(685,513)	-
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>230,000</u>
Net Cash Flows From Noncapital Financing Activities	<u>(685,513)</u>	<u>-</u>	<u>-</u>	<u>(685,513)</u>	<u>230,000</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Interest paid	-	-	(33,044)	(33,044)	-
Payments on advance	-	-	(55,940)	(55,940)	-
Special assessments received	219,470	41,926	-	261,396	-
Acquisition and construction of capital assets	(59,780)	(880,101)	(47,134)	(987,015)	-
Capital contributions received	448,762	-	-	448,762	-
Customer advance received	<u>-</u>	<u>1,323,922</u>	<u>-</u>	<u>1,323,922</u>	<u>-</u>
Net Cash Flows From Capital and Related Financing Activities	<u>608,452</u>	<u>485,747</u>	<u>(136,118)</u>	<u>958,081</u>	<u>-</u>
Net Change in Cash and Cash Equivalents	<u>1,544,634</u>	<u>696,666</u>	<u>492,963</u>	<u>2,734,263</u>	<u>(61,230)</u>
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>3,077,459</u>	<u>838,042</u>	<u>1,779,995</u>	<u>5,695,496</u>	<u>111,173</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 4,622,093</u>	<u>\$ 1,534,708</u>	<u>\$ 2,272,958</u>	<u>\$ 8,429,759</u>	<u>\$ 49,943</u>

See accompanying notes to financial statements.

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water Utility	Sewer Utility	Stormwater Utility	Totals	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES					
Operating income (loss)	\$ 850,649	\$ (29,092)	\$ (52,142)	\$ 769,415	\$ 17,787
Nonoperating revenue	12,379	7,579	9,886	29,844	55,287
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities					
Depreciation	699,310	308,895	637,137	1,645,342	-
Depreciation charged to sewer	44,392	-	-	44,392	-
Changes in assets, deferred outflows, liabilities and deferred inflows					
Accounts receivable	(101,736)	(144,543)	(21,184)	(267,463)	(2,350)
Prepays	(212)	(25)	(78)	(315)	(377,475)
Inventories	(2,363)	1,712	-	(651)	-
Accounts payable	(42,509)	(1,641)	12,598	(31,552)	28,408
Compensated absences	(25,172)	(5,785)	1,514	(29,443)	-
Accrued wages	(13,098)	3,223	-	(9,875)	(12,921)
Other current liabilities	-	-	(4,385)	(4,385)	-
Pension related deferrals and assets	37,503	18,510	5,907	61,920	-
NET CASH FLOWS FROM OPERATING ACTIVITIES	\$ 1,459,143	\$ 158,833	\$ 589,253	\$ 2,207,229	\$ (291,264)
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS					
Cash and investments	\$ 4,007,149	\$ 1,534,708	\$ 2,272,958	\$ 7,814,815	\$ 49,943
Restricted cash and investments	614,944	-	-	614,944	-
CASH AND CASH EQUIVALENTS	\$ 4,622,093	\$ 1,534,708	\$ 2,272,958	\$ 8,429,759	\$ 49,943
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES					
City and developer financed additions to plant	\$ 1,304,377	\$ 612,936	\$ 2,619,551		\$ -
Capital costs assessed to customers	\$ 213,076	\$ 41,926	\$ -		\$ -
Capital related payables	\$ 727,259	\$ 133,259	\$ -		\$ -

See accompanying notes to financial statements.

CITY OF FITCHBURG, WISCONSIN

**STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUND**

As of December 31, 2018

	<u>Agency Fund</u>
ASSETS	
Cash and investments	\$ 28,097,464
Tax roll receivable	<u>16,194,060</u>
TOTAL ASSETS	<u>\$ 44,291,524</u>
LIABILITIES	
Due to other taxing units	<u>\$ 44,291,524</u>
TOTAL LIABILITIES	<u>\$ 44,291,524</u>

See accompanying notes to financial statements.

CITY OF FITCHBURG, WISCONSIN

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CITY OF FITCHBURG, WISCONSIN

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

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Fitchburg, 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; and, (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.

Discretely Presented Component Unit

Community and Economic Development Authority

The government-wide financial statements include the Community and Economic Development Authority ("CDA") as a component unit. The CDA is a legally separate organization. The board of the CDA is appointed by the mayor. Wisconsin Statutes provide for circumstances whereby the city can impose its will on the CDA, and also create a potential financial benefit to or burden on the city. See Note III.H. As a component unit, the CDA's financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended December 31, 2018. The CDA does not issue separate financial statements.

CITY OF FITCHBURG, WISCONSIN

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

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

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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 city 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 balance, 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 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.

Separate financial statements are provided for governmental funds, 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.

CITY OF FITCHBURG, WISCONSIN

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

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

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

Fund Financial Statements (cont.)

The city reports the following 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.
- General 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 expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.
- Tax Incremental District (TID) No. 4 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. 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.

The city reports the following major enterprise funds:

- Water Utility - accounts for operations of the water system
- Sewer Utility - accounts for operations of the wastewater system
- Stormwater Utility - accounts for operations of the stormwater system.

The city reports the following nonmajor 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).

Recycling and Refuse Collection	Park Dedication
Park Improvement	Cable TV
Cemetery	Library Services
Grants and Donations	Affordable Housing

- Capital Projects Funds - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Tax Incremental District (TID) No. 9	Tax Incremental District (TID) No. 10
Tax Incremental District (TID) No. 11	Tax Incremental District (TID) No. 12
Tax Incremental District (TID) No. 13	

CITY OF FITCHBURG, WISCONSIN

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

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

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

Fund Financial Statements (cont.)

In addition, the city reports the following fund type:

Internal Service Funds - 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.

Technology
Insurance

Agency Fund - 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

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 deferred inflows. 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, wastewater, and stormwater 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.

CITY OF FITCHBURG, WISCONSIN

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

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

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

Fund Financial Statements (cont.)

Property taxes are recorded in the year levied as receivables and deferred inflows. 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 to 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 before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are 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. At December 31, 2018, there were \$3,484,460 of unrecorded assessments which are not recorded as receivables because collection is subject to certain events occurring in the future and no formal repayment schedule has been established.

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 fund financial statements 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 Water Utility, the Sewer Utility and the Stormwater Utility are charges to customers for sales and services. Special assessments are recorded as receivables and contribution revenue when levied. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

All Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

CITY OF FITCHBURG, WISCONSIN

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

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

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

1. Deposits and Investments

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

Investment of city funds is restricted by Wisconsin state statutes. Available investments are limited to:

- a. Time deposits in any credit union, bank, savings bank or trust company.
- b. Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, the University of Wisconsin Hospitals and Clinics Authority, or the Wisconsin Aerospace Authority.
- c. Bonds or securities issued or guaranteed by the federal government.
- d. The local government investment pool.
- e. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- f. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- g. Repurchase agreements with public depositories, with certain conditions.

The city has adopted an investment policy. That policy contains the following guidelines for allowable investments.

Custodial credit risk - A maximum of \$500,000 may be invested at any one financial institution, except the Local Government Investment Pool, unless properly collateralized by federal government securities having a market value of 100% of the investment or collateralization shall have been waived by the City Council.

Concentration of credit risk - With the exception of U.S. Treasury securities and the Local Government Investment Pool, no more than 40% of the city's total investment portfolio should be invested in a single security type or with a single financial institution for extended periods of time.

Credit risk - Investment types will be limited to those authorized and the investment portfolio should be diversified to minimize the impact of potential losses in any individual investment.

Interest rate risk - The investment portfolio should be structured so that security maturities match cash requirements for ongoing operations, and operating funds should primarily be invested in shorter-term investments.

At December 31, 2018, the city has deposits which do not meet the custodial credit risk investment policy guidelines and are uninsured and uncollateralized. See Note III.A.

CITY OF FITCHBURG, WISCONSIN

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

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

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

1. Deposits and Investments (cont.)

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on methods and inputs as outlined in Note III.A. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances. The difference between the bank statement balance and carrying value is due to outstanding checks and/or deposits in transit.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2018, the fair value of the city's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

The Madison Community Foundation ("the Foundation") is a community endowment fund. The Foundation is not registered with the Securities and Exchange Commission. It constitutes a contractual agreement between the city and the Foundation with respect to investment of city assets. The Foundation reports the fair value of its underlying assets annually. At December 31, 2018, the fair value of the Foundation's assets was substantially equal to the city's share as reported in Note III. A.

See Note III. A. for further information.

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 assets and liabilities - agency fund.

Property tax calendar - 2018 tax roll:

Lien date and levy date	December 2018
Tax bills mailed	December 2018
Real property taxes payment in full, or	January 31, 2019
Real property taxes first installment due	January 31, 2019
Real property taxes second installment due	July 31, 2019
Personal property taxes in full	January 31, 2019
Tax sale - 2018 delinquent real estate taxes	October 2021

CITY OF FITCHBURG, WISCONSIN

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

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

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

2. Receivables (cont.)

Accounts receivable have been shown net of an allowance for uncollectible accounts. 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, or stormwater 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 governmental-wide financial statements as internal balances.

In the governmental fund financial statements, advances to other funds are offset equally by a nonspendable fund balance account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation or by a restricted fund balance account, if the funds will ultimately be restricted when the advance is repaid.

3. Inventories and Prepaid Items

Governmental fund inventory items 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 weighted average, 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.

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.

CITY OF FITCHBURG, WISCONSIN

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

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

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

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 \$10,000 for general capital assets and \$10,000 for infrastructure assets, and an estimated useful life in excess of one year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. No interest was capitalized during the current year. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method. The range of estimated useful lives by type of asset is as follows:

Buildings	50 Years
Land improvements	30 Years
Machinery and equipment	5 - 15 Years
Utility systems	15 - 100 Years
Infrastructure	15 - 50 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.

6. Deferred Outflows of Resources

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

CITY OF FITCHBURG, WISCONSIN

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

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

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

7. *Compensated Absences*

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

All vested vacation and sick leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, and are payable with expendable resources.

The city provides postemployment health insurance benefits for eligible employees. Eligibility is based on retirement from the city. The benefits are based on contractual agreements with employee groups, local ordinances, or employee benefit policies. Employees may convert a maximum 1,120 hours of accumulated sick leave value for health care premiums. The cost of those premiums is recognized as an expenditure as the premiums are paid. The entire cost is paid by the city. Funding for those costs is provided out of the current operating budget of the city. The contributions are financed on a pay as you go basis. Total expenditures for such premiums during the year were \$142,134. The number of participants currently eligible to receive benefits is twelve. The total value of convertible accrued sick leave at year-end to be paid in the future is \$239,515 and is included in the government-wide statement of net position.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2018, are determined on the basis of current salary rates and include salary related payments.

8. *Long-Term Obligations/Conduit Debt*

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

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

For the government-wide statements and proprietary fund statements, bond premiums and discounts are amortized over the life of the issue using the straight-line or effective interest method. The balance at year-end is shown as an increase or decrease in the liability section of the statement of net position.

The city has approved Midwest Disaster Area Bonds for the benefit of private business enterprises. They 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. The total amount of bonds outstanding at the end of the year is approximately \$42,362,551, made up of two issues.

CITY OF FITCHBURG, WISCONSIN

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

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

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

9. Deferred Inflows of Resources

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

10. Equity Classifications

Government-Wide Statements

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

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt 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 positions that do not meet the definitions 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 the 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. A reconciliation of this adjustment is as follows:

	Governmental Activities	Business-type Activities	Adjustment	Total
Net investment in capital assets	\$ 91,354,057	\$ 67,917,196	\$ (1,645,281)	\$ 157,625,972
Unrestricted	9,048,605	5,276,284	1,645,281	15,970,170

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 balances are 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.

CITY OF FITCHBURG, WISCONSIN

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

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

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

10. Equity Classifications (cont.)

Fund Statements (cont.)

- b. Restricted - Consists of fund balances 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. 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 (resolution) 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 do not meet the criteria to be classified as restricted or committed. The Council may take official action to assign amounts. 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 exceed amounts restricted, committed, or assigned for those purposes.

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

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.

The city has a formal minimum fund balance policy to maintain its general fund unassigned fund balance between 15 and 25% of total general fund annual revenues plus the amount of state shared revenue received during the previous year. The balance at year-end was \$4,176,374, or 20.8%.

See Note III. G. for further information.

CITY OF FITCHBURG, WISCONSIN

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

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

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

11. Pension

For purposes of measuring the net pension (asset) liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

12. Basis for Existing Rates

Water Utility

Current water rates were approved by the Public Service Commission of Wisconsin on May 26, 2016. Effective on June 8, 2016.

Sewer Utility

Current sewer rates were approved by the City Council and they are updated every year based on treatment cost. The new rates are effective on January 1 of each year. In 2018 the sewer utility approved new rates effective January 1st for changes in treatment costs, and also approved new rates for other operational changes effective April 1, 2018.

Stormwater Utility

Current stormwater rates were approved by the City Council effective January 1, 2014.

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

A budget has been adopted for the general fund, certain special revenue, debt service and certain capital projects funds. A budget has not been formally adopted for Park improvement, TID No. 11, TID No. 12 and TID No. 13. Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds.

CITY OF FITCHBURG, WISCONSIN

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

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (cont.)

B. EXCESS EXPENDITURES AND OTHER FINANCING USES OVER APPROPRIATIONS

Funds	Budgeted Expenditures	Actual Expenditures	Excess Expenditures Over Budget
General debt service	\$ 7,865,199	\$ 11,233,068	\$ 3,367,869
TID No. 4	4,921,932	5,064,407	142,475
Cemetery	-	12	12
Grants and donations	39,946	42,890	2,944

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

C. DEFICIT BALANCES

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

As of December 31, 2018, the following individual funds held a deficit balance:

Fund	Amount	Reason
TID No. 9	\$ 591,435	Expenditures in excess of revenues
TID No. 10	78,884	Expenditures in excess of revenues
TID No. 11	30,602	Expenditures in excess of revenues
TID No. 12	21,303	Expenditures in excess of revenues
TID No. 13	22,954	Expenditures in excess of revenues

TIF district deficits are anticipated to be funded with future incremental taxes levied over the life of the districts, which is 27 years for the districts created before October 1, 1995, and 23 years for districts created thereafter through September 30, 2004. Beginning October 1, 2004, the life of new districts varies by type of district (20-27 years) and may be extended in some cases.

D. 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 net 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 FITCHBURG, WISCONSIN

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

NOTE III - 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
Deposits	\$ 34,492,394	\$ 35,041,483	Custodial credit
Certificates of deposit (negotiable)	3,124,994	3,124,994	Credit, custodial credit, concentration of credit, and interest rate
U.S. agencies-implicitly guaranteed	2,909,300	2,909,300	Credit, custodial credit, concentration of credit, and interest rate
LGIP	39,187,531	39,187,531	Credit
Madison Community Foundation	137,705	137,705	Interest rate and credit
Petty cash	750	-	N/A
Total Deposits and Investments	<u>\$ 79,852,674</u>	<u>\$ 80,401,013</u>	
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 50,281,076		
Restricted cash and investments	685,163		
Cash and investments - component unit	788,971		
Per statement of assets and liabilities -			
agency fund			
Agency Fund	28,097,464		
Total Deposits and Investments	<u>\$ 79,852,674</u>		

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. Deposits in the credit union are insured by the National Credit Union Administration in the amount of \$250,000 for all share draft accounts and \$250,000 for all share certificate and regular share accounts.

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

The Securities Investor Protection Corporation (SIPC), created by the Securities Investor Protection Act of 1970, is an independent government-sponsored corporation (not an agency of the U.S. government).

CITY OF FITCHBURG, WISCONSIN

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

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

SIPC membership provides account protection up to a maximum of \$500,000 per customer, of which \$100,000 may be in cash. \$500,000 of the city's investments are covered by SIPC. Additionally, through Lloyds of London, accounts have additional securities coverage of \$99.5 million per customer, subject to a \$500 million aggregate firm limit. \$5,534,294 of the city's investments are covered by Lloyds of London. The city categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The valuation methods for recurring fair value measurements are as follows:

- > U.S. agencies implicitly guaranteed - quoted market prices
- > Certificates of deposit (negotiable) - quoted market prices

Investment Type	December 31, 2018			
	Level 1	Level 2	Level 3	Total
U.S. agencies implicitly guaranteed	\$ -	\$ 2,909,300	\$ -	\$ 2,909,300
Certificates of deposit (negotiable)	-	3,124,994	-	3,124,994
Total	\$ -	\$ 6,034,294	\$ -	\$ 6,034,294

Custodial Credit Risk

Deposits

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

As of December 31, 2018, \$10,245,204 of the city's total bank balances were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 10,245,204
Total	\$ 10,245,204

Credit Risk

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

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

Investment Type	Standard & Poors	Not Rated
U.S. agencies implicitly guaranteed	AA+	
Certificates of deposit (negotiable)		Not rated

CITY OF FITCHBURG, WISCONSIN

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

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Credit Risk (cont.)

The city also held investments in the following external pools which are not rated:

LGIP

Madison Community Foundation

Interest Rate Risk

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

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

Investment Type	Fair Value	Maturity (In Years)		
		Less than 1	2-5	6-10
Certificates of deposit (negotiable)	\$ 3,124,994	\$ 932,811	\$ 2,192,183	\$ -
U.S. agencies implicitly guaranteed	<u>2,909,300</u>	<u>-</u>	<u>856,574</u>	<u>2,052,726</u>
Totals	<u>\$ 6,034,294</u>	<u>\$ 932,811</u>	<u>\$ 3,048,757</u>	<u>\$ 2,052,726</u>

The average maturity for the \$137,705 held in the Madison Community Foundation was not available.

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

CITY OF FITCHBURG, WISCONSIN

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

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

B. RECEIVABLES

Receivables as of year-end for the government's individual major funds and nonmajor and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General Fund</u>
Receivables	
Taxes	\$ 15,339,695
Delinquent personal property taxes	185,028
Accounts	2,874,205
Delinquent special assessments	6,288
Land contract	18,277
Interest	20,490
Gross receivables	18,443,983
Less: Allowance for uncollectibles	(2,614,970)
Net Total Receivables	<u>\$ 15,829,013</u>

All of the receivables on the balance sheet are expected to be collected within one year, except for \$8,909 of delinquent personal property taxes, \$6,288 of delinquent special assessments, and the land contract of \$18,277.

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>Unearned</u>	<u>Unavailable</u>
Property taxes receivable for subsequent year	\$ 31,107,599	\$ -
Special assessments not yet due	-	191,220
Land contract	-	18,277
Grant receivable	-	486
Other unearned revenues	48,863	-
Total Unearned/Unavailable Revenue for Governmental Funds	<u>\$ 31,156,462</u>	<u>\$ 209,983</u>
Unearned revenue included in liabilities	\$ 48,863	
Unearned revenue included in deferred inflows	31,107,599	
Total Unearned Revenue for Governmental Funds	<u>\$ 31,156,462</u>	

CITY OF FITCHBURG, WISCONSIN

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

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

C. RESTRICTED ASSETS

The following represent the balances of the restricted assets:

Impact Fee Account

The city has received impact fees which must be spent in accordance with the local ordinance and state statutes. Any unspent funds must be refunded to the current property owner.

Net Pension Asset

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

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

	<u>Restricted Assets</u>
Impact fee account	\$ 614,944
Net pension asset - governmental activities	2,583,330
Net pension asset - business-type activities	120,333
Donor-restricted for park projects	64,816
Donor-restricted for other	<u>5,403</u>
Total	<u><u>\$ 3,388,826</u></u>

CITY OF FITCHBURG, WISCONSIN

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

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS

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

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 29,755,833	\$ 6,597,575	\$ -	\$ 36,353,408
Construction in progress	3,619,722	10,172,547	8,253,274	5,538,995
Total Capital Assets Not Being Depreciated	<u>33,375,555</u>	<u>16,770,122</u>	<u>8,253,274</u>	<u>41,892,403</u>
Capital assets being depreciated				
Land improvements	412,878	-	-	412,878
Buildings and improvements	37,409,714	345,509	1,023,900	36,731,323
Machinery and equipment	15,189,868	1,791,948	904,130	16,077,686
Infrastructure	62,209,876	7,427,958	216,497	69,421,337
Total Capital Assets Being Depreciated	<u>115,222,336</u>	<u>9,565,415</u>	<u>2,144,527</u>	<u>122,643,224</u>
Total Capital Assets	<u>148,597,891</u>	<u>26,335,537</u>	<u>10,397,801</u>	<u>164,535,627</u>
Less: Accumulated depreciation for				
Land improvements	(367,019)	(2,373)	-	(369,392)
Buildings and improvements	(10,593,038)	(717,242)	900,012	(10,410,268)
Machinery and equipment	(7,338,844)	(1,043,296)	528,879	(7,853,261)
Infrastructure	(13,349,032)	(1,153,059)	67,515	(14,434,576)
Total Accumulated Depreciation	<u>(31,647,933)</u>	<u>(2,915,970)</u>	<u>1,496,406</u>	<u>(33,067,497)</u>
Net Capital Assets Being Depreciated	<u>83,574,403</u>	<u>6,649,445</u>	<u>648,121</u>	<u>89,575,727</u>
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$116,949,958</u>	<u>\$23,419,567</u>	<u>\$ 8,901,395</u>	<u>\$131,468,130</u>

Depreciation/amortization expense was charged to functions as follows:

Governmental Activities	
General government	\$ 698,595
Public safety	695,619
Public works, which includes the depreciation of infrastructure	1,211,537
Culture, education and recreation	<u>310,219</u>
Total Governmental Activities Depreciation Expense	<u>\$ 2,915,970</u>

CITY OF FITCHBURG, WISCONSIN

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

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

Business-type Activities

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Water</u>				
Capital assets not being depreciated/amortized				
Land and land rights	\$ 359,093	\$ 9,750	\$ -	\$ 368,843
Intangible plant	45,841	33,018	-	78,859
Construction in progress	<u>872,434</u>	<u>799,663</u>	<u>1,376,364</u>	<u>295,733</u>
Total Capital Assets Not Being Depreciated/Amortized	<u>1,277,368</u>	<u>842,431</u>	<u>1,376,364</u>	<u>743,435</u>
Capital assets being depreciated				
Buildings and improvements	1,303,037	10,845	-	1,313,882
Machinery and equipment	2,213,936	55,754	37,293	2,232,397
Infrastructure	<u>32,598,138</u>	<u>2,240,071</u>	<u>66,176</u>	<u>34,772,033</u>
Total Capital Assets Being Depreciated	<u>36,115,111</u>	<u>2,306,670</u>	<u>103,469</u>	<u>38,318,312</u>
Total Capital Assets	<u>37,392,479</u>	<u>3,149,101</u>	<u>1,479,833</u>	<u>39,061,747</u>
Less: Accumulated depreciation for				
Buildings and improvements	(585,327)	(41,871)	-	(627,198)
Machinery and equipment	(1,822,052)	(53,630)	37,293	(1,838,389)
Infrastructure	<u>(7,188,594)</u>	<u>(648,206)</u>	<u>66,176</u>	<u>(7,770,624)</u>
Total Accumulated Depreciation	<u>(9,595,973)</u>	<u>(743,707)</u>	<u>103,469</u>	<u>(10,236,211)</u>
Net Capital Assets Being Depreciated	<u>26,519,138</u>	<u>1,562,963</u>	<u>-</u>	<u>28,082,101</u>
Net Water Capital Assets	<u>\$ 27,796,506</u>	<u>\$ 2,405,394</u>	<u>\$ 1,376,364</u>	<u>\$ 28,825,536</u>

CITY OF FITCHBURG, WISCONSIN

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

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

Business-type Activities (cont.)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<u>Sewer</u>				
Capital assets not being depreciated/amortized				
Land and land rights	\$ 110,910	\$ -	\$ -	\$ 110,910
Intangible plant	90,744	41,418	-	132,162
Construction in progress	<u>128,346</u>	<u>728,069</u>	-	<u>856,415</u>
Total Capital Assets Not Being Depreciated/Amortized	<u>330,000</u>	<u>769,487</u>	-	<u>1,099,487</u>
Capital assets being depreciated/amortized				
Machinery and equipment	668,846	1,474	-	670,320
Infrastructure	17,909,772	698,672	9,500	18,598,944
Intangible	<u>197,057</u>	-	-	<u>197,057</u>
Total Capital Assets Being Depreciated/Amortized	<u>18,775,675</u>	<u>700,146</u>	<u>9,500</u>	<u>19,466,321</u>
Total Capital Assets	<u>19,105,675</u>	<u>1,469,633</u>	<u>9,500</u>	<u>20,565,808</u>
Less: Accumulated depreciation/amortization for				
Machinery and equipment	(326,406)	(69,302)	-	(395,708)
Infrastructure	(3,408,055)	(236,636)	9,500	(3,635,191)
Intangible	<u>(138,612)</u>	<u>(2,956)</u>	-	<u>(141,568)</u>
Total Accumulated Depreciation/Amortization	<u>(3,873,073)</u>	<u>(308,894)</u>	<u>9,500</u>	<u>(4,172,467)</u>
Net Capital Assets Being Depreciated/Amortized	<u>14,902,602</u>	<u>391,252</u>	-	<u>15,293,854</u>
Net Sewer Capital Assets	<u>\$ 15,232,602</u>	<u>\$ 1,160,739</u>	<u>\$ -</u>	<u>\$ 16,393,341</u>

CITY OF FITCHBURG, WISCONSIN

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

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

Business-type Activities (cont.)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<u>Stormwater</u>				
Capital assets not being depreciated/amortized				
Land and land rights	\$ 5,258,218	\$ 373,674	\$ -	\$ 5,631,892
Intangible plant	912,412	20,952	-	933,364
Construction in progress	<u>22,337</u>	<u>29,759</u>	-	<u>52,096</u>
Total Capital Assets Not Being Depreciated/Amortized	<u>6,192,967</u>	<u>424,385</u>	-	<u>6,617,352</u>
Capital assets being depreciated				
Buildings and improvements	2,433,425	293,935	1,600	2,725,760
Machinery and equipment	316,656	-	-	316,656
Infrastructure	<u>19,354,101</u>	<u>1,948,366</u>	<u>37,282</u>	<u>21,265,185</u>
Total Capital Assets Being Depreciated	<u>22,104,182</u>	<u>2,242,301</u>	<u>38,882</u>	<u>24,307,601</u>
Total Capital Assets	<u>28,297,149</u>	<u>2,666,686</u>	<u>38,882</u>	<u>30,924,953</u>
Less: Accumulated depreciation for				
Buildings and improvements	(490,601)	(51,592)	1,600	(540,593)
Machinery and equipment	(146,858)	(35,173)	-	(182,031)
Infrastructure	<u>(6,990,918)</u>	<u>(550,374)</u>	<u>37,282</u>	<u>(7,504,010)</u>
Total Accumulated Depreciation	<u>(7,628,377)</u>	<u>(637,139)</u>	<u>38,882</u>	<u>(8,226,634)</u>
Net Capital Assets Being Depreciated	<u>14,475,805</u>	<u>1,605,162</u>	-	<u>16,080,967</u>
Net Stormwater Capital Assets	<u>\$ 20,668,772</u>	<u>\$ 2,029,547</u>	<u>\$ -</u>	<u>\$ 22,698,319</u>
Business-type Capital Assets, Net of Accumulated Depreciation	<u>\$ 63,697,880</u>	<u>\$ 5,595,680</u>	<u>\$ 1,376,364</u>	<u>\$ 67,917,196</u>

Depreciation/amortization expense was charged to functions as follows:

Business-type Activities

Water	\$ 699,310
Sewer	308,895
Storm	<u>637,137</u>
Total Business-type Activities Depreciation Expense	<u>\$ 1,645,342</u>

CITY OF FITCHBURG, WISCONSIN

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

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

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

E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS

Interfund Receivables/Payables

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 fund	Water utility	\$ 715,444	\$ -
General fund	Insurance fund	<u>230,000</u>	-
Total - Fund Financial Statements		945,444	
Less: Government-wide eliminations		(230,000)	
Add: Interfund advances		<u>839,096</u>	
Total Internal Balances - Government-Wide Statement of Net Position		<u><u>\$ 1,554,540</u></u>	

The principal purpose of the interfunds between the general fund and the utility is for payment in lieu of taxes. All remaining balances resulted from 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.

Advances

The general fund is advancing funds to TID No. 9, TID No. 10, TID No. 11, TID No.12 and TID No.13 funds. The amount advanced is determined by the deficit cash balance. No repayment schedule has been established.

The General Capital Projects fund is advancing funds to the Stormwater Utility. The purpose of the advance is for acquisition of land for the Stormwater Utility. Interest is being accrued at 2.00 - 3.125%. A repayment schedule has been established and requires the Stormwater Utility to make quarterly principal payments of \$13,985, plus accrued interest, until the advance is repaid.

CITY OF FITCHBURG, WISCONSIN

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

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

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

Advances (cont.)

The following is a schedule of interfund advances:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Amount Not Due Within One Year</u>
General fund	TID. No. 9	\$ 460,000	\$ 460,000
General fund	TID. No. 10	120,000	120,000
General fund	TID. No. 11	26,000	26,000
General fund	TID. No. 12	22,000	22,000
General fund	TID. No. 13	20,000	20,000
General Capital Projects	Stormwater Utility	<u>839,096</u>	783,156
Total - Fund Financial Statements		1,487,096	
Less: Fund eliminations		<u>(648,000)</u>	
Total - Interfund Advances		<u><u>\$ 839,096</u></u>	

Transfers

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
General Fund	Water Utility	\$ 715,444	Tax-equivalent
General Debt Service	TID. No. 4	1,492,255	Debt repayment
General Debt Service	TID. No. 6	378,500	Debt repayment
General Debt Service	Recycling and Refuse	2,513	Rent
General Capital Projects	General Fund	276,712	Capital projects
General Capital Projects	Park Dedication	24,518	Capital projects
General Capital Projects	Cable TV	<u>25,000</u>	Capital projects
Total - Fund Financial Statements		2,914,942	
Less: Fund eliminations		(2,199,498)	
Less: Capital asset contributions from governmental activities to business-type activities		<u>(1,352,502)</u>	
Total Transfers - Government-Wide Statement of Activities		<u><u>\$ (637,058)</u></u>	

CITY OF FITCHBURG, WISCONSIN

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

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

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

Transfers (cont.)

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.

F. LONG-TERM OBLIGATIONS

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

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General obligation debt	\$ 51,425,000	\$ 9,280,000	\$ 9,815,000	\$ 50,890,000	\$ 4,750,000
Premiums	480,434	-	27,446	452,988	-
Sub-totals	<u>51,905,434</u>	<u>9,280,000</u>	<u>9,842,446</u>	<u>51,342,988</u>	<u>4,750,000</u>
Other Liabilities					
Vested compensated absences	2,431,211	142,617	132,134	2,441,694	433,100
Net pension liability	696,746	-	696,746	-	-
Total Other Liabilities	<u>3,127,957</u>	<u>142,617</u>	<u>828,880</u>	<u>2,441,694</u>	<u>433,100</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 55,033,391</u>	<u>\$ 9,422,617</u>	<u>\$ 10,671,326</u>	<u>\$ 53,784,682</u>	<u>\$ 5,183,100</u>
Business-type Activities					
Other Liabilities					
Vested compensated absences	\$ 160,493	\$ -	\$ 22,734	\$ 137,759	\$ 27,260
Net pension liability	<u>26,654</u>	<u>-</u>	<u>26,654</u>	<u>-</u>	<u>-</u>
Total Business-type Activities Long-Term Liabilities	<u>\$ 187,147</u>	<u>\$ -</u>	<u>\$ 49,388</u>	<u>\$ 137,759</u>	<u>\$ 27,260</u>

In accordance with Wisconsin Statutes, total general obligation indebtedness of the city may not exceed 5% of the equalized value of taxable property within the city's jurisdiction. The debt limit as of December 31, 2018, was \$156,763,610. Total general obligation debt outstanding at year-end was \$50,890,000.

In addition to the liabilities above, information on the net pension liability (asset) is provided in Note IV.

CITY OF FITCHBURG, WISCONSIN

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

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

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. Debt issued in the form of tax-exempt bonds is subject to federal arbitrage regulations.

Governmental Activities

<u>General Obligation Debt</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2018</u>
2011 general obligation promissory notes	12/13/11	12/1/21	2.00-2.10%	\$ 1,190,000	\$ 165,000
2011 general obligation bonds	12/13/11	12/1/27	2.00-2.850%	5,395,000	4,325,000
2012 general obligation promissory note	3/21/12	3/1/22	1.00-2.00%	6,195,000	1,785,000
2012 general obligation corporate purpose bonds	3/21/12	3/1/29	2.00-3.00%	15,350,000	11,615,000
2013 general obligation promissory notes	11/14/13	11/1/23	0.40-2.35%	1,040,000	640,000
2015 general obligation promissory notes	4/14/15	4/1/25	1.00-2.00%	3,240,000	2,255,000
2015 general obligation corporate purpose bonds	4/14/15	4/1/35	2.00-3.00%	5,085,000	4,075,000
2016 general obligation promissory notes	6/15/16	6/1/26	1.25-2.00%	4,465,000	3,565,000
2016 general obligation fire station bonds	6/15/16	6/1/36	2.00-2.60%	5,235,000	4,845,000
2017 general obligation promissory notes	10/12/17	10/1/27	2.00-3.00%	1,055,000	910,000
2017 general obligation corporate purpose bonds	10/12/17	10/1/37	3.00%	7,935,000	7,430,000
2018 general obligation promissory notes	3/14/18	3/1/28	3.00%	1,745,000	1,745,000
2018 general obligation corporate purpose bonds	3/14/18	3/1/38	3.00 - 3.375%	7,535,000	<u>7,535,000</u>
Total Governmental Activities - General Obligation Debt					<u><u>\$ 50,890,000</u></u>

CITY OF FITCHBURG, WISCONSIN

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

NOTE III - 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	
	Principal	Interest
2019	\$ 4,750,000	\$ 1,234,192
2020	4,580,000	1,131,278
2021	4,645,000	1,030,836
2022	4,690,000	925,778
2023	4,430,000	820,706
2024-2028	17,525,000	2,582,750
2029-2033	5,995,000	1,043,970
2034-2038	4,275,000	294,809
Totals	<u>\$ 50,890,000</u>	<u>\$ 9,064,319</u>

Other Debt Information

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

Current Refunding

On March 14, 2018, the city issued \$3,325,000 in general obligation bonds with an average coupon rate of 3-3.375% to refund \$3,625,000 of outstanding bonds with an average coupon rate of 0.70-5.25%. The net proceeds along with existing funds of the city were used to prepay the outstanding debt.

The cash flow requirements on the refunded debt prior to the current refunding was \$4,227,326 from 2018 through 2030. The cash flow requirements on the refunding bonds are \$4,049,289 from 2018 through 2030. 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 \$84,073.

CITY OF FITCHBURG, WISCONSIN

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

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

G. NET POSITION/FUND BALANCES

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

Governmental Activities

Net Investment in Capital Assets	
Land	\$ 36,353,408
Construction in progress	5,538,995
Other capital assets, net of accumulated depreciation	89,575,727
Less: Long-term debt outstanding	(50,890,000)
Plus: Unspent capital related debt proceeds	5,690,480
Plus: Noncapital debt proceeds	5,538,435
Less: Unamortized debt premium	<u>(452,988)</u>
Total Net Investment in Capital Assets	<u>\$ 91,354,057</u>

CITY OF FITCHBURG, WISCONSIN

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

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

G. NET POSITION/FUND BALANCES (cont.)

Governmental Funds

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

	<u>General Fund</u>	<u>General Debt Service</u>	<u>General Capital Projects</u>	<u>TID No. 4</u>	<u>TID No. 6</u>	<u>Nonmajor Funds</u>	<u>Totals</u>
Fund Balances							
Nonspendable:							
Delinquent personal property taxes	\$ 8,909	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,909
Delinquent special assessments	6,288	-	-	-	-	-	6,288
Advances to other funds	648,000	-	-	-	-	-	648,000
Prepaid items	<u>220,263</u>	-	-	-	-	573	<u>220,836</u>
Sub-total	<u>883,460</u>	-	-	-	-	573	<u>884,033</u>
Restricted for:							
Debt service	-	202,894	-	-	-	-	202,894
Capital projects	-	-	5,695,883	-	-	-	5,695,883
Park and recreational improvement fees	-	-	-	-	-	2,065,687	2,065,687
Library	-	-	-	-	-	492,011	492,011
TID activities	-	-	-	8,747,151	7,088,194	-	15,835,345
Park projects	64,816	-	-	-	-	7,636	72,452
Senior programs	-	-	-	-	-	39,710	39,710
Other projects	-	-	-	-	-	9,217	9,217
Affordable Housing	-	-	-	-	-	87,267	87,267
K9 unit	-	-	-	-	-	19,621	19,621
Sub-total	<u>64,816</u>	<u>202,894</u>	<u>5,695,883</u>	<u>8,747,151</u>	<u>7,088,194</u>	<u>2,721,149</u>	<u>24,520,087</u>
Committed to:							
Recycling and refuse	-	-	-	-	-	474,938	474,938
Cable TV	-	-	-	-	-	446,672	446,672
Cemetery	-	-	-	-	-	42,025	42,025
Sub-total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>963,635</u>	<u>963,635</u>
Assigned to:							
Debt service	-	403,355	-	-	-	-	403,355
Capital projects	-	-	7,240,919	-	-	-	7,240,919
Payment in lieu of taxes	715,444	-	-	-	-	-	715,444
Employee retirement	1,701,070	-	-	-	-	-	1,701,070
Next year's budget	335,905	-	-	-	-	-	335,905
Shared revenue	488,000	-	-	-	-	-	488,000
Carryovers	<u>155,626</u>	-	-	-	-	-	<u>155,626</u>
Sub-total	<u>3,396,045</u>	<u>403,355</u>	<u>7,240,919</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,040,319</u>
Unassigned (deficit):	<u>4,176,374</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(745,178)</u>	<u>3,431,196</u>
Total Fund Balances (Deficit)	<u>\$ 8,520,695</u>	<u>\$ 606,249</u>	<u>\$ 12,936,802</u>	<u>\$ 8,747,151</u>	<u>\$ 7,088,194</u>	<u>\$ 2,940,179</u>	<u>\$ 40,839,270</u>

CITY OF FITCHBURG, WISCONSIN

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

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

G. NET POSITION/FUND BALANCES (cont.)

Business-type Activities

Net Investment in Capital Assets	
Land	\$ 6,111,645
Construction in progress	1,204,244
Intangible plant - land	1,144,385
Other capital assets, net of accumulated depreciation	<u>59,456,922</u>
Total Net Investment in Capital Assets	<u>\$ 67,917,196</u>

H. COMPONENT UNIT

COMMUNITY AND ECONOMIC DEVELOPMENT AUTHORITY

This report contains the Community and Economic Development Authority (CDA), which is included as a component unit.

In addition to the basic financial statements and the preceding notes to financial statements which apply, the following additional disclosures are considered necessary for a fair presentation.

a. Basis of Accounting/Measurement Focus

The CDA follows the full accrual basis of accounting and the flow of economic resources measurement focus.

b. Deposits and Investments

At year-end, the carrying amount of the CDA's deposits was \$788,971 and is part of the city's commingled cash. See Note III. A.

c. Loans Receivable

In 1999, the city established a revolving loan fund by providing \$375,000 of development incentive money to the CDA. At December 31, 2018, the CDA's loans receivable balance was \$194,908 and its allowance for doubtful accounts was \$123,319, leaving a net receivable balance of \$71,589.

CITY OF FITCHBURG, WISCONSIN

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

NOTE IV - OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

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

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

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

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

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

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

The WRS also provides death and disability benefits for employees.

CITY OF FITCHBURG, WISCONSIN

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

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Post-retirement adjustments. The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the "floor") set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2008	6.6%	0%
2009	(2.1)	(42)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5)
2017	2.0	4

CITY OF FITCHBURG, WISCONSIN

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

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

During the reporting period, the WRS recognized \$971,445 in contributions from the city.

Contribution rates for the plan year reported as of December 31, 2018 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Executives & Elected Officials)	6.8%	6.8%
Protective with Social Security	6.8%	10.6%
Protective without Social Security	6.8%	14.9%

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

At December 31, 2018, the city reported an asset of \$2,703,663 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2017, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2016 rolled forward to December 31, 2017. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The city's proportion of the net pension asset was based on the city's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2017, the city's proportion was 0.09105945%, which was an increase of 0.00329365% from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the city recognized pension expense of \$1,246,604.

CITY OF FITCHBURG, WISCONSIN

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

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,435,071	\$ 1,606,813
Changes in assumptions	534,191	-
Net differences between projected and actual earnings on pension plan investments	-	3,715,934
Changes in proportion and differences between employer contributions and proportionate share of contributions	20,745	18,314
Employer contributions subsequent to the measurement date	1,003,750	-
Totals	\$ 4,993,757	\$ 5,341,061

\$1,003,750 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31:	Deferred Outflows of Resources and Deferred Inflows of Resources (net)
2019	\$ 297,202
2020	(19,264)
2021	(931,050)
2022	(704,405)
2023	6,463

CITY OF FITCHBURG, WISCONSIN

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

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Actuarial assumptions. The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

CITY OF FITCHBURG, WISCONSIN

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

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

<u>Core Fund Asset Class</u>	<u>Current Asset Allocation %</u>	<u>Long-Term Expected Nominal Rate of Return %</u>	<u>Long-Term Expected Real Rate of Return %</u>
Global Equities	50%	8.2%	5.3%
Fixed Income	24.5	4.2	1.4
Inflation Sensitive Assets	15.5	3.8	1.0
Real Estate	8	6.5	3.6
Private Equity/Debt	8	9.4	6.5
Multi-Asset	4	6.5	3.6
Total Core Fund	110	7.3	4.4
<u>Variable Fund Asset Class</u>			
U.S Equities	70	7.5	4.6
International Equities	30	7.8	4.9
Total Variable Fund	100	7.9	5.0

New England Pension Consultants long-term US CPI (Inflation) Forecast: 2.75%
Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations

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

CITY OF FITCHBURG, WISCONSIN

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

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

	1% Decrease to Discount Rate (6.20%)	Current Discount Rate (7.20%)	1% Increase to Discount Rate (8.20%)
City's proportionate share of the net pension (asset)/liability	\$6,995,299	\$(2,703,663)	\$(10,075,174)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://etf.wi.gov/publications/cafr.htm>.

At December 31, 2018, the city reported a payable to the pension plan which represents contractually required contributions outstanding as of the end of the year.

B. RISK MANAGEMENT

The city is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

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 less than 1%.

CITY OF FITCHBURG, WISCONSIN

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

NOTE IV - 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 city pays an annual premium to CVMIC for its general liability insurance, which provides coverage up to \$5,000,000 per occurrence, less the city's retained liability. The city's retained liability is limited to \$37,500 per occurrence and an annual aggregate limit of \$150,000. An actuarially determined estimate for outstanding losses and incurred but not reported losses is recorded in CVMIC's balance sheet in liability reserves. The amount related to the city is \$0.

C. COMMITMENTS AND CONTINGENCIES

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

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

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

The city has active construction projects as of December 31, 2018. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures.

CITY OF FITCHBURG, WISCONSIN

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

NOTE IV - OTHER INFORMATION (cont.)

C. COMMITMENTS AND CONTINGENCIES (cont.)

The city has the following encumbrances outstanding at year-end expected to be honored upon performance by the vendor:

General Fund	\$	750,917
General Capital Projects		5,358,078
TID No. 4		913,414

In 2018, the city issued a municipal revenue obligation as part of a development agreement. The amount of the obligation was \$3,250,000, and is payable to the developer solely from tax increments collected from a specific portion of the development in TID No. 9. Payments are scheduled through the year 2035, and carry an interest rate of 6%. The obligation does not constitute a charge upon any funds of the city. In the event that future tax increments are not sufficient to pay off the obligation, the obligation terminates with no further liability to the city. Since the amount of future payments is contingent on the collection of future TIF increments, the obligation is not reported as a liability in the accompanying financial statements. The balance of the commitment outstanding, including interest at year-end, was \$3,574,055.

D. JOINT VENTURES

FitchRona EMS District

The City of Fitchburg, City of Verona, and Town of Verona jointly operate the local EMS District, which is called the FitchRona EMS District.

The district adopts its own budget. Net operating costs including debt service are shared by the three communities based on the ratio of equalized values. The department is governed by the FitchRona EMS Commission. The board consists of the citizens from each community. City of Fitchburg representatives are appointed by the mayor (2 members) and city council (1 member). The city made a payment to the district in 2018 of \$477,428.

Financial information of the district is available directly from the district's office.

The city's equity interest in the district is equal to its percentage share of participation. The equity interest is reported in the governmental activities column of the government-wide statement of net position. Changes in the equity interest are reported on the statement of activities.

CITY OF FITCHBURG, WISCONSIN

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

NOTE IV - OTHER INFORMATION (cont.)

D. JOINT VENTURES (cont.)

Multijurisdictional Public Safety Information System Commission (MPSISC)

The City of Fitchburg, City of Sun Prairie, City of Middleton, City of Verona, and City of Monona jointly operate the Multijurisdictional Public Safety Information System Commission. On March 20, 2003, the City of Middleton, City of Fitchburg, and City of Sun Prairie executed an intergovernmental agreement under authority of Section 66.0301 of the Wisconsin Statutes. The City of Verona and the City of Monona joined the commission in 2009. The commission adopts its own budget. Net operating costs including debt service are shared by the five communities based on the agreed upon formula. The department is governed by the Intermunicipal Commission. The commission consists of one representative from each community. The city's share of the joint costs was \$164,509 in 2018. The transactions of the commission are not reflected in these financial statements.

The city does not have an equity interest in this joint venture.

Town of Madison Cooperative Plan

On November 8, 2002, the Town of Madison, City of Fitchburg, and City of Madison executed an intergovernmental agreement under authority of Section 66.0301 of the Wisconsin Statutes.

The term and implementation phases within the plan recognize and attempt to balance the competing desires of the cities, the town and existing town property owners and residents. The plan provides for the eventual dissolution of the Town after a protected period of up to 20 years, but allows early annexations within several areas to address near-term problems and opportunities.

The plan shall terminate on October 30, 2022, or at such earlier time as the town may cease to exist as a separate entity in accordance with the terms of this plan. A complete copy of the City of Madison, City of Fitchburg and Town of Madison Cooperative Plan can be obtained at the Town of Madison, 2120 Fish Hatchery Road, Madison, WI 53713.

E. TAX ABATEMENT

Tax abatements are a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

The city is disclosing all abatement agreements individually.

CITY OF FITCHBURG, WISCONSIN

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

NOTE IV - OTHER INFORMATION (cont.)

E. TAX ABATEMENT (cont.)

The city, through its Tax Incremental Financing Districts, has entered into agreements with developers in the form of tax incremental financing incentive payments to stimulate economic development. The incentives are authorized through the TID project plans. The developers pay property taxes as they become due, and after meeting the criteria established in the development agreements, are entitled to future incentive payments that directly correlate to the taxes paid.

<u>Agreement Description</u>	<u>Calculation Method</u>	<u>Developer Commitment</u>	<u>2018 Payments</u>
In 2017, the city issued a municipal revenue obligation in the amount of \$1,500,000, and is payable solely from tax increments collected from a specific portion of the development in TID No. 4. Payments are scheduled through 2026 at an interest rate of 5%. The balance of the commitment outstanding, including accrued interest at year-end was \$1,267,810.	Increment on specific property	Construction of facility	\$ 227,390
In 2014, the city issued a municipal revenue obligation in the amount of \$4,000,000, and was payable solely from tax increments collected from a specific portion of the development in TID No. 4. This obligation was paid in full in 2018.	2/3 increment on specific property	Construction of facility	3,296,000

CITY OF FITCHBURG, WISCONSIN

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

NOTE IV - OTHER INFORMATION (cont.)

F. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS

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

- > Statement No. 83, *Certain Asset Retirement Obligations*
- > Statement No. 84, *Fiduciary Activities*
- > Statement No. 87, *Leases*
- > Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*
- > Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- > Statement No. 90, *Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61*

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

G. SUBSEQUENT EVENTS

In March 2019, \$7,425,000 of 2012 general obligation corporate purpose bonds were refunded using existing TID No. 4 funds.

In March 2019, the city has approved a developer agreement which includes issuance of revenue bond obligation in the amount of \$13,804,000 for TID No. 9.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF FITCHBURG, WISCONSIN

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
TAXES				
General property taxes	\$ 14,951,960	\$ 14,951,960	\$ 14,942,720	\$ (9,240)
Mobile home lottery credit and parking fees	4,500	4,500	3,926	(574)
Public accommodation (room) taxes	34,300	34,300	34,370	70
Other taxes	13,690	13,690	9,255	(4,435)
Interest and penalties on taxes	4,250	4,250	2,509	(1,741)
Total Taxes	<u>15,008,700</u>	<u>15,008,700</u>	<u>14,992,780</u>	<u>(15,920)</u>
INTERGOVERNMENTAL REVENUES				
State shared revenues	488,000	488,000	491,762	3,762
Payments for municipal services	40,000	40,000	85,052	45,052
State aid - general transportation aids	1,700,000	1,700,000	1,755,291	55,291
Aid on certain lands equivalent to property taxes	29,000	29,000	30,223	1,223
Fire insurance tax (2% fire dues)	114,750	114,750	113,994	(756)
Other state shared taxes	194,650	194,650	208,044	13,394
State aid - other law enforcement	69,200	69,200	90,826	21,626
Federal aid - parks/urban forestry	10,750	10,750	-	(10,750)
Other local government grants - operating	65,000	65,000	69,979	4,979
Other fed - operating	1,800	1,800	1,729	(71)
Total Intergovernmental Revenues	<u>2,713,150</u>	<u>2,713,150</u>	<u>2,846,900</u>	<u>133,750</u>
LICENSES AND PERMITS				
Business and occupational licenses	33,425	33,425	38,023	4,598
Other nonbusiness licenses	9,630	9,630	14,422	4,792
Building permits	300,000	350,000	591,331	241,331
Zoning permits and fees	90,000	90,000	211,203	121,203
Other regulatory permits and fees	9,640	9,640	35,564	25,924
Total Licenses and Permits	<u>442,695</u>	<u>492,695</u>	<u>890,543</u>	<u>397,848</u>
FINES AND FORFEITURES				
Law and ordinance violations	296,000	296,000	297,295	1,295
PUBLIC CHARGES FOR SERVICES				
General government	14,000	14,000	30,573	16,573
Public safety	25,000	25,000	39,271	14,271
Engineering	15,000	15,000	5,352	(9,648)
Senior program fees	51,400	51,400	43,852	(7,548)
Recreation programs	165,000	165,000	190,060	25,060
Park rental	37,000	37,000	53,952	16,952
Other public charges for services	300	300	277	(23)
Mass transit fares	16,000	16,000	-	(16,000)
Total Public Charges for Services	<u>323,700</u>	<u>323,700</u>	<u>363,337</u>	<u>39,637</u>

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

CITY OF FITCHBURG, WISCONSIN

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
SPECIAL ASSESSMENTS				
Interest on delinquent special assessments	\$ 500	\$ 500	\$ 3,922	\$ 3,422
INVESTMENT INCOME				
Investment income	100,000	100,000	224,582	124,582
INTERGOVERNMENTAL CHARGES FOR SERVICES				
Local - emergency services (law enforcement share)	16,140	16,140	16,140	-
MISCELLANEOUS				
Rent	22,000	22,000	17,472	(4,528)
WPRA ticket commission	100	100	169	69
Reimbursement from stormwater Maintenance facility reimbursement from utility	45,000	45,000	45,284	284
	1,000	1,000	1,703	703
Transfer from CEDA	46,055	46,055	46,055	-
Administrative charges to utilities	79,900	79,900	79,900	-
Administrative charge to library	110,500	110,500	110,500	-
Administrative charge to cable	19,600	19,600	19,600	-
Brush collection reimbursement	20,000	20,000	20,000	-
Senior advertising sales	1,900	1,900	1,801	(99)
Reimbursement from TIFs	20,000	20,000	7,429	(12,571)
Donations	7,600	7,600	13,262	5,662
Other miscellaneous	5,865	5,865	11,774	5,909
Insurance recoveries - other	20,000	20,000	24,718	4,718
P Card rebate	15,000	15,000	38,007	23,007
Workers compensation reimbursement	-	-	3,037	3,037
Total Miscellaneous	<u>414,520</u>	<u>414,520</u>	<u>440,711</u>	<u>26,191</u>
Total Revenues	<u>19,315,405</u>	<u>19,365,405</u>	<u>20,076,210</u>	<u>710,805</u>

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

CITY OF FITCHBURG, WISCONSIN

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
EXPENDITURES				
GENERAL GOVERNMENT				
Mayor and city council	\$ 78,095	\$ 78,095	\$ 75,854	\$ 2,241
Administrator	267,696	278,995	263,894	15,101
Municipal court	174,591	174,591	166,102	8,489
Clerk	423,209	423,209	440,552	(17,343)
Legal	183,106	183,106	155,349	27,757
Treasury	416,247	416,317	377,456	38,861
Assessment of property	482,320	482,320	471,514	10,806
Other buildings - safety	49,850	49,850	40,761	9,089
Other buildings - fire	-	-	10,434	(10,434)
Other buildings - maintenance	55,625	55,625	34,759	20,866
Police evidence processing facility	11,000	11,000	11,959	(959)
Other buildings - fire station # 2	86,400	86,400	32,752	53,648
Office supplies	14,000	14,000	9,759	4,241
Miscellaneous	80,611	80,611	15,708	64,903
Employee retirement reserve	149,000	149,000	132,134	16,866
Contingency	12,500	12,500	-	12,500
New city hall	393,962	443,962	419,733	24,229
Bad debt expense	3,000	3,000	1,272	1,728
Human resources	213,776	213,776	194,365	19,411
Sustainability	<u>91,392</u>	<u>91,392</u>	<u>60,966</u>	<u>30,426</u>
Total General Government	<u>3,186,380</u>	<u>3,247,749</u>	<u>2,915,323</u>	<u>332,426</u>
PUBLIC SAFETY				
Police	7,616,476	7,616,476	7,585,541	30,935
Fire protection	2,936,599	2,936,599	2,825,916	110,683
Building inspection	372,184	372,184	346,866	25,318
Ambulance	477,428	477,428	477,428	-
Sealer of weights and measures	3,600	3,600	3,600	-
Dane Com	186,520	186,520	183,233	3,287
Other public safety	<u>1,600</u>	<u>31,600</u>	<u>19,391</u>	<u>12,209</u>
Total Public Safety	<u>11,594,407</u>	<u>11,624,407</u>	<u>11,441,975</u>	<u>182,432</u>
PUBLIC WORKS				
Mass transit	552,000	552,000	490,071	61,929
Public works/highway administration	<u>1,892,935</u>	<u>2,014,984</u>	<u>1,679,221</u>	<u>335,763</u>
Total Public Works	<u>2,444,935</u>	<u>2,566,984</u>	<u>2,169,292</u>	<u>397,692</u>
HEALTH AND HUMAN SERVICES				
Senior citizens program	<u>608,138</u>	<u>608,138</u>	<u>626,077</u>	<u>(17,939)</u>

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

CITY OF FITCHBURG, WISCONSIN

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
CULTURE, EDUCATION AND RECREATION				
Parks	\$ 1,045,436	\$ 1,045,436	\$ 1,033,943	\$ 11,493
Community center	99,649	99,649	72,268	27,381
Recreation programs and events	<u>344,527</u>	<u>344,527</u>	<u>367,399</u>	<u>(22,872)</u>
Total Culture, Education and Recreation	<u>1,489,612</u>	<u>1,489,612</u>	<u>1,473,610</u>	<u>16,002</u>
CONSERVATION AND DEVELOPMENT				
Zoning	393,784	399,363	355,207	44,156
Economic development	<u>253,149</u>	<u>231,152</u>	<u>249,551</u>	<u>(18,399)</u>
Total Conservation and Development	<u>646,933</u>	<u>630,515</u>	<u>604,758</u>	<u>25,757</u>
Total Expenditures	<u>19,970,405</u>	<u>20,167,405</u>	<u>19,231,035</u>	<u>936,370</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(655,000)</u>	<u>(802,000)</u>	<u>845,175</u>	<u>1,647,175</u>
OTHER FINANCING SOURCES (USES)				
Property sales	-	-	2,484	2,484
Transfers in	655,000	655,000	715,444	60,444
Transfers out	<u>(276,712)</u>	<u>(276,712)</u>	<u>(276,712)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>378,288</u>	<u>378,288</u>	<u>441,216</u>	<u>62,928</u>
Net Change in Fund Balance	(276,712)	(423,712)	1,286,391	1,710,103
FUND BALANCE - Beginning of Year	<u>7,234,304</u>	<u>7,234,304</u>	<u>7,234,304</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 6,957,592</u></u>	<u><u>\$ 6,810,592</u></u>	<u><u>\$ 8,520,695</u></u>	<u><u>\$ 1,710,103</u></u>

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

CITY OF FITCHBURG, WISCONSIN

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

<u>Fiscal Year Ending</u>	<u>Proportion of the Net Pension Liability (Asset)</u>	<u>Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
12/31/18	0.09105945%	\$ (2,703,663)	\$ 11,262,161	24.01%	102.93%
12/31/17	0.08776580%	723,400	10,840,607	6.67%	99.12%
12/31/16	0.08657502%	1,406,827	10,331,881	13.62%	98.20%
12/31/15	0.08786894%	(2,158,302)	10,010,948	21.56%	102.74%

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

<u>Fiscal Year Ending</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/18	\$ 1,003,750	\$ 1,003,750	\$ -	\$ 11,668,150	8.60%
12/31/17	973,591	973,591	-	11,262,161	8.64%
12/31/16	862,383	862,383	-	10,840,607	7.96%
12/31/15	838,381	838,381	-	10,331,881	8.11%

This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

CITY OF FITCHBURG, WISCONSIN

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended December 31, 2018

BUDGETARY INFORMATION

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

The budgeted amounts presented include any amendments made. The department heads may authorize transfers of up to 5% and no more than \$5,000 of their department budget within their respective departments, with mayoral approval. Transfers between departments and changes to the overall budget must be approved by a two-thirds council action.

Appropriations lapse at year-end unless specifically carried over. Carryovers to the following year were \$155,626. Budgets are adopted at the department level of expenditure.

WISCONSIN RETIREMENT SYSTEM

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

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

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

Changes in assumptions. There were no changes in assumptions.

SUPPLEMENTARY INFORMATION

CITY OF FITCHBURG, WISCONSIN

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL DEBT SERVICE FUND For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 4,358,568	\$ 4,358,568	\$ 4,358,568	\$ -
Intergovernmental	60,990	60,990	29,202	(31,788)
Special assessments	154,640	791,781	795,101	3,320
Investment income	14,000	301,105	334,825	33,720
Miscellaneous	61,419	62,650	62,650	-
Total Revenues	<u>4,649,617</u>	<u>5,575,094</u>	<u>5,580,346</u>	<u>5,252</u>
EXPENDITURES				
Debt Service				
Principal	5,290,000	6,405,000	9,815,000	(3,410,000)
Interest and fiscal charges	1,449,522	1,460,199	1,418,068	42,131
Total Expenditures	<u>6,739,522</u>	<u>7,865,199</u>	<u>11,233,068</u>	<u>(3,367,869)</u>
Deficiency of revenues over expenditures	<u>(2,089,905)</u>	<u>(2,290,105)</u>	<u>(5,652,722)</u>	<u>(3,362,617)</u>
OTHER FINANCING SOURCES				
General obligation debt issued	-	-	3,327,100	3,327,100
Premium on debt issued	60,000	60,000	244,964	184,964
Transfers in	1,772,226	1,873,268	1,873,268	-
Total Other Financing Sources	<u>1,832,226</u>	<u>1,933,268</u>	<u>5,445,332</u>	<u>3,512,064</u>
Net Change in Fund Balance	(257,679)	(356,837)	(207,390)	149,447
FUND BALANCE - Beginning	<u>813,639</u>	<u>813,639</u>	<u>813,639</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 555,960</u>	<u>\$ 456,802</u>	<u>\$ 606,249</u>	<u>\$ 149,447</u>

CITY OF FITCHBURG, WISCONSIN

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL CAPITAL PROJECTS FUND For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 1,538,763	\$ 1,538,763	\$ 1,538,763	\$ -
Intergovernmental	1,926,350	1,926,350	691,270	(1,235,080)
Special assessments	47,835	63,835	73,981	10,146
Investment income	-	-	334,533	334,533
Miscellaneous	-	357,915	241,749	(116,166)
Total Revenues	<u>3,512,948</u>	<u>3,886,863</u>	<u>2,880,296</u>	<u>(1,006,567)</u>
EXPENDITURES				
Capital Outlay	11,110,192	12,867,176	8,684,998	4,182,178
Debt Service				
Interest and fiscal charges	-	-	57,017	(57,017)
Total Expenditures	<u>11,110,192</u>	<u>12,867,176</u>	<u>8,742,015</u>	<u>4,125,161</u>
Deficiency of revenues over expenditures	<u>(7,597,244)</u>	<u>(8,980,313)</u>	<u>(5,861,719)</u>	<u>3,118,594</u>
OTHER FINANCING SOURCES				
Debt issued	7,959,350	8,206,850	5,952,900	(2,253,950)
Property sales	(842,000)	158,000	1,188,527	1,030,527
Transfers in	469,894	605,463	326,230	(279,233)
Total Other Financing Sources	<u>7,587,244</u>	<u>8,970,313</u>	<u>7,467,657</u>	<u>(1,502,656)</u>
Net Change in Fund Balance	(10,000)	(10,000)	1,605,938	1,615,938
FUND BALANCE - Beginning	<u>11,330,864</u>	<u>11,330,864</u>	<u>11,330,864</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 11,320,864</u>	<u>\$ 11,320,864</u>	<u>\$ 12,936,802</u>	<u>\$ 1,615,938</u>

CITY OF FITCHBURG, WISCONSIN

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - TID NO 4 FUND For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 4,132,000	\$ 4,132,000	\$ 4,343,241	\$ 211,241
Intergovernmental	641,986	641,986	641,991	5
Investment income	8,000	8,000	165,304	157,304
Total Revenues	<u>4,781,986</u>	<u>4,781,986</u>	<u>5,150,536</u>	<u>368,550</u>
EXPENDITURES				
Current				
Conservation and development	4,315,390	4,315,390	3,525,883	789,507
Capital outlay	481,500	505,500	46,269	459,231
Total Expenditures	<u>4,796,890</u>	<u>4,820,890</u>	<u>3,572,152</u>	<u>1,248,738</u>
Excess of revenues over expenditures	<u>(14,904)</u>	<u>(38,904)</u>	<u>1,578,384</u>	<u>1,617,288</u>
OTHER FINANCING USES				
Transfers out	-	(101,042)	(1,492,255)	(1,391,213)
Total Other Financing Uses	<u>-</u>	<u>(101,042)</u>	<u>(1,492,255)</u>	<u>(1,391,213)</u>
Net Change in Fund Balance	(14,904)	(139,946)	86,129	226,075
FUND BALANCE - Beginning	<u>8,661,022</u>	<u>8,661,022</u>	<u>8,661,022</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 8,646,118</u>	<u>\$ 8,521,076</u>	<u>\$ 8,747,151</u>	<u>\$ 226,075</u>

CITY OF FITCHBURG, WISCONSIN

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - TID NO 6 FUND For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 2,073,000	\$ 2,073,000	\$ 2,385,326	\$ 312,326
Intergovernmental	73,700	73,700	73,703	3
Investment income	2,000	2,000	126,252	124,252
Total Revenues	<u>2,148,700</u>	<u>2,148,700</u>	<u>2,585,281</u>	<u>436,581</u>
EXPENDITURES				
Current				
Conservation and development	-	-	4,009	(4,009)
Capital outlay	389,000	2,389,000	333,607	2,055,393
Total Expenditures	<u>389,000</u>	<u>2,389,000</u>	<u>337,616</u>	<u>2,051,384</u>
Excess of revenues over expenditures	<u>1,759,700</u>	<u>(240,300)</u>	<u>2,247,665</u>	<u>2,487,965</u>
OTHER FINANCING USES				
Transfers out	(378,500)	(378,500)	(378,500)	-
Total Other Financing Uses	<u>(378,500)</u>	<u>(378,500)</u>	<u>(378,500)</u>	<u>-</u>
Net Change in Fund Balance	1,381,200	(618,800)	1,869,165	2,487,965
FUND BALANCE - Beginning	<u>5,219,029</u>	<u>5,219,029</u>	<u>5,219,029</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 6,600,229</u>	<u>\$ 4,600,229</u>	<u>\$ 7,088,194</u>	<u>\$ 2,487,965</u>

CITY OF FITCHBURG, WISCONSIN

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

		<u>Special Revenue Funds</u>	
		<u>Recycling and Refuse Collection</u>	<u>Park Dedication</u>
ASSETS			
Cash and investments		\$ 500,608	\$ 2,066,738
Taxes receivable		912,839	-
Accounts receivable		1,943	-
Prepaid items		<u>-</u>	<u>-</u>
TOTAL ASSETS		<u>\$ 1,415,390</u>	<u>\$ 2,066,738</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities			
Accounts payable		\$ 220	\$ 185
Accrued liabilities		446	-
Deposits		26,461	32,959
Advances from other funds		<u>-</u>	<u>-</u>
Total Liabilities		<u>27,127</u>	<u>33,144</u>
Deferred Inflows of Resources			
Property taxes levied for future period		912,839	-
Unavailable revenues		<u>486</u>	<u>-</u>
Total Deferred Inflows of Resources		<u>913,325</u>	<u>-</u>
Fund Balances (Deficit)			
Nonspendable		-	-
Restricted		-	2,033,594
Committed		474,938	-
Unassigned (deficit)		<u>-</u>	<u>-</u>
Total Fund Balances (deficit)		<u>474,938</u>	<u>2,033,594</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		<u>\$ 1,415,390</u>	<u>\$ 2,066,738</u>

Special Revenue Funds

Park Improvement	Cable TV	Cemetery	Library Services	Grants and Donations	Affordable Housing Fund
\$ 32,093	\$ 378,007	\$ 42,025	\$ 504,495	\$ 76,184	\$ 92,685
-	-	-	1,835,488	-	-
-	84,207	-	1,226	-	-
-	528	-	45	-	-
<u>\$ 32,093</u>	<u>\$ 462,742</u>	<u>\$ 42,025</u>	<u>\$ 2,341,254</u>	<u>\$ 76,184</u>	<u>\$ 92,685</u>
\$ -	\$ 14,773	\$ -	\$ 10,054	\$ -	\$ 5,418
-	769	-	3,656	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>15,542</u>	<u>-</u>	<u>13,710</u>	<u>-</u>	<u>5,418</u>
-	-	-	1,835,488	-	-
-	-	-	-	-	-
-	-	-	1,835,488	-	-
-	528	-	45	-	-
32,093	-	-	492,011	76,184	87,267
-	446,672	42,025	-	-	-
-	-	-	-	-	-
<u>32,093</u>	<u>447,200</u>	<u>42,025</u>	<u>492,056</u>	<u>76,184</u>	<u>87,267</u>
<u>\$ 32,093</u>	<u>\$ 462,742</u>	<u>\$ 42,025</u>	<u>\$ 2,341,254</u>	<u>\$ 76,184</u>	<u>\$ 92,685</u>

CITY OF FITCHBURG, WISCONSIN

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

		<u>Capital Project Funds</u>	
		<u>TID No. 9</u>	<u>TID No. 10</u>
	ASSETS		
Cash and investments		\$ 71,134	\$ 34,159
Taxes receivable		616,023	-
Accounts receivable		-	30,097
Prepaid items		<u>-</u>	<u>-</u>
TOTAL ASSETS		<u>\$ 687,157</u>	<u>\$ 64,256</u>
	LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
Liabilities			
Accounts payable		\$ 202,569	\$ 23,140
Accrued liabilities		-	-
Deposits		-	-
Advances from other funds		<u>460,000</u>	<u>120,000</u>
Total Liabilities		<u>662,569</u>	<u>143,140</u>
Deferred Inflows of Resources			
Property taxes levied for future period		616,023	-
Unavailable revenues		<u>-</u>	<u>-</u>
Total Deferred Inflows of Resources		<u>616,023</u>	<u>-</u>
Fund Balances (Deficit)			
Nonspendable		-	-
Restricted		-	-
Committed		-	-
Unassigned (deficit)		<u>(591,435)</u>	<u>(78,884)</u>
Total Fund Balances (deficit)		<u>(591,435)</u>	<u>(78,884)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		<u>\$ 687,157</u>	<u>\$ 64,256</u>

Capital Project Funds			Total Nonmajor Governmental Funds
TID No. 11	TID No. 12	TID No. 13	
\$ 3,307	\$ 697	\$ 180	\$ 3,802,312
-	-	-	3,364,350
-	-	-	117,473
-	-	-	573
<u>\$ 3,307</u>	<u>\$ 697</u>	<u>\$ 180</u>	<u>\$ 7,284,708</u>

\$ -	\$ -	\$ 3,134	\$ 259,493
-	-	-	4,871
7,909	-	-	67,329
<u>26,000</u>	<u>22,000</u>	<u>20,000</u>	<u>648,000</u>
<u>33,909</u>	<u>22,000</u>	<u>23,134</u>	<u>979,693</u>
-	-	-	3,364,350
-	-	-	486
-	-	-	3,364,836
-	-	-	573
-	-	-	2,721,149
-	-	-	963,635
<u>(30,602)</u>	<u>(21,303)</u>	<u>(22,954)</u>	<u>(745,178)</u>
<u>(30,602)</u>	<u>(21,303)</u>	<u>(22,954)</u>	<u>2,940,179</u>
<u>\$ 3,307</u>	<u>\$ 697</u>	<u>\$ 180</u>	<u>\$ 7,284,708</u>

CITY OF FITCHBURG, WISCONSIN

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

	Special Revenue Funds		
	Recycling and Refuse Collection	Park Dedication	Park Improvement
REVENUES			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	105,864	-	-
Licenses and permits	-	-	-
Public charges for services	900,890	51,550	31,720
Investment income	15,344	38,811	373
Miscellaneous	35,258	-	-
Total Revenues	1,057,356	90,361	32,093
EXPENDITURES			
Current			
Public safety	-	-	-
Public works	976,452	-	-
Health and human services	-	-	-
Culture, recreation and education	-	-	-
Conservation and development	-	-	-
Capital Outlay	-	51,580	-
Debt Service			
Interest and fiscal charges	-	-	-
Total Expenditures	976,452	51,580	-
Excess (deficiency) of revenues over expenditures	80,904	38,781	32,093
OTHER FINANCING SOURCES (USES)			
Transfers out	(2,513)	(24,518)	-
Total Other Financing Sources (Uses)	(2,513)	(24,518)	-
Net Change in Fund Balances	78,391	14,263	32,093
FUND BALANCES (DEFICIT) - Beginning of Year	396,547	2,019,331	-
FUND BALANCES (DEFICIT) - END OF YEAR	\$ 474,938	\$ 2,033,594	\$ 32,093

Special Revenue Funds					Capital Project Funds	
Cable TV	Cemetery	Library Services	Grants and Donations	Affordable Housing Fund	TID No. 9	TID No. 10
\$ -	\$ -	\$ 1,784,887	\$ -	\$ -	\$ 438,616	\$ -
-	-	29,373	5,244	-	214,777	-
316,507	-	-	-	-	-	-
5,997	16,305	28,760	-	-	-	-
7,757	656	19,179	-	1,797	1,762	80
575	-	40,001	30,006	-	-	-
<u>330,836</u>	<u>16,961</u>	<u>1,902,200</u>	<u>35,250</u>	<u>1,797</u>	<u>655,155</u>	<u>80</u>
-	-	-	10,136	-	-	-
-	-	-	-	-	-	-
-	12	-	11,816	-	-	-
366,804	-	1,848,275	7,114	-	-	-
-	-	-	13,824	22,923	10,384	12,931
-	-	-	-	-	1,317,560	18,215
-	-	-	-	-	7,100	2,063
<u>366,804</u>	<u>12</u>	<u>1,848,275</u>	<u>42,890</u>	<u>22,923</u>	<u>1,335,044</u>	<u>33,209</u>
<u>(35,968)</u>	<u>16,949</u>	<u>53,925</u>	<u>(7,640)</u>	<u>(21,126)</u>	<u>(679,889)</u>	<u>(33,129)</u>
<u>(25,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(25,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(60,968)	16,949	53,925	(7,640)	(21,126)	(679,889)	(33,129)
<u>508,168</u>	<u>25,076</u>	<u>438,131</u>	<u>83,824</u>	<u>108,393</u>	<u>88,454</u>	<u>(45,755)</u>
<u>\$ 447,200</u>	<u>\$ 42,025</u>	<u>\$ 492,056</u>	<u>\$ 76,184</u>	<u>\$ 87,267</u>	<u>\$ (591,435)</u>	<u>\$ (78,884)</u>

CITY OF FITCHBURG, WISCONSIN

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

	Capital Project Funds		
	TID No. 11	TID No. 12	TID No. 13
REVENUES			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Licenses and permits	-	-	-
Public charges for services	-	-	-
Investment income	128	89	3
Miscellaneous	-	-	-
Total Revenues	128	89	3
EXPENDITURES			
Current			
Public safety	-	-	-
Public works	-	-	-
Health and human services	-	-	-
Culture, recreation and education	-	-	-
Conservation and development	8,066	4,682	3,344
Capital Outlay	18,265	16,255	19,488
Debt Service			
Interest and fiscal charges	352	455	125
Total Expenditures	26,683	21,392	22,957
Excess (deficiency) of revenues over expenditures	(26,555)	(21,303)	(22,954)
OTHER FINANCING SOURCES (USES)			
Transfers out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	(26,555)	(21,303)	(22,954)
FUND BALANCES (DEFICIT) - Beginning of Year	(4,047)	-	-
FUND BALANCES (DEFICIT) - END OF YEAR	\$ (30,602)	\$ (21,303)	\$ (22,954)

Total
Nonmajor
Governmental
Funds

\$ 2,223,503
355,258
316,507
1,035,222
85,979
105,840
4,122,309

10,136
976,452
11,828
2,222,193
76,154
1,441,363

10,095
4,748,221

(625,912)

(52,031)
(52,031)

(677,943)

3,618,122

\$ 2,940,179

CITY OF FITCHBURG, WISCONSIN

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - RECYCLING AND REFUSE COLLECTION FUND For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 103,638	\$ 103,638	\$ 105,864	\$ 2,226
Public charges for services	909,457	909,457	900,890	(8,567)
Investment income	1,500	1,500	15,344	13,844
Miscellaneous	15,200	15,200	35,258	20,058
Total Revenues	<u>1,029,795</u>	<u>1,029,795</u>	<u>1,057,356</u>	<u>27,561</u>
EXPENDITURES				
Current				
Public works	1,004,522	1,004,522	976,452	28,070
Total Expenditures	<u>1,004,522</u>	<u>1,004,522</u>	<u>976,452</u>	<u>28,070</u>
Excess of revenues over expenditures	<u>25,273</u>	<u>25,273</u>	<u>80,904</u>	<u>55,631</u>
OTHER FINANCING SOURCES (USES)				
Property sales	500	500	-	(500)
Transfers out	(2,513)	(2,513)	(2,513)	-
Total Other Financing Sources (Uses)	<u>(2,013)</u>	<u>(2,013)</u>	<u>(2,513)</u>	<u>(500)</u>
Net Change in Fund Balance	23,260	23,260	78,391	55,131
FUND BALANCE - Beginning	<u>396,547</u>	<u>396,547</u>	<u>396,547</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 419,807</u>	<u>\$ 419,807</u>	<u>\$ 474,938</u>	<u>\$ 55,131</u>

CITY OF FITCHBURG, WISCONSIN

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - PARK DEDICATION FUND For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Public charges for services	\$ -	\$ -	\$ 51,550	\$ 51,550
Investment income	-	-	38,811	38,811
Total Revenues	-	-	90,361	90,361
EXPENDITURES				
Current				
Culture, recreation, and education	159,194	413,048	51,580	361,468
Total Expenditures	159,194	413,048	51,580	361,468
Excess (deficiency) of revenues over expenditures	(159,194)	(413,048)	38,781	451,829
OTHER FINANCING USES				
Transfers out	-	-	(24,518)	(24,518)
Total Other Financing Uses	-	-	(24,518)	(24,518)
Net Change in Fund Balance	(159,194)	(413,048)	14,263	427,311
FUND BALANCE - Beginning	2,019,331	2,019,331	2,019,331	-
FUND BALANCE - ENDING	\$ 1,860,137	\$ 1,606,283	\$ 2,033,594	\$ 427,311

CITY OF FITCHBURG, WISCONSIN

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CABLE TV FUND For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Licenses and permits	\$ 315,000	\$ 315,000	\$ 316,507	\$ 1,507
Public charges for services	10,000	10,000	5,997	(4,003)
Investment income	1,000	1,000	7,757	6,757
Miscellaneous	500	500	575	75
Total Revenues	<u>326,500</u>	<u>326,500</u>	<u>330,836</u>	<u>4,336</u>
EXPENDITURES				
Current				
Culture, recreation, and education	<u>403,955</u>	<u>403,955</u>	<u>366,804</u>	<u>37,151</u>
Total Expenditures	<u>403,955</u>	<u>403,955</u>	<u>366,804</u>	<u>37,151</u>
Deficiency of revenues over expenditures	<u>(77,455)</u>	<u>(77,455)</u>	<u>(35,968)</u>	<u>41,487</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(25,000)</u>	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(25,000)</u>	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>
Net Change in Fund Balance	(102,455)	(102,455)	(60,968)	41,487
FUND BALANCE - Beginning	<u>508,168</u>	<u>508,168</u>	<u>508,168</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 405,713</u>	<u>\$ 405,713</u>	<u>\$ 447,200</u>	<u>\$ 41,487</u>

CITY OF FITCHBURG, WISCONSIN

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - CEMETERY FUND
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Fines, forfeitures and penalties	\$ 2,000	\$ 2,000	\$ 16,305	\$ 14,305
Investment income	-	-	656	656
Total Revenues	<u>2,000</u>	<u>2,000</u>	<u>16,961</u>	<u>14,961</u>
EXPENDITURES				
Current				
Public works	-	-	12	(12)
Total Expenditures	<u>-</u>	<u>-</u>	<u>12</u>	<u>(12)</u>
Excess of revenues over expenditures	<u>2,000</u>	<u>2,000</u>	<u>16,949</u>	<u>14,949</u>
FUND BALANCE - Beginning	<u>25,076</u>	<u>25,076</u>	<u>25,076</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 27,076</u>	<u>\$ 27,076</u>	<u>\$ 42,025</u>	<u>\$ 14,949</u>

CITY OF FITCHBURG, WISCONSIN

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - LIBRARY FUND
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 1,784,887	\$ 1,784,887	\$ 1,784,887	\$ -
Intergovernmental	29,373	29,373	29,373	-
Public charges for services	28,700	28,700	28,760	60
Investment income	1,500	1,500	19,179	17,679
Miscellaneous	<u>36,257</u>	<u>36,257</u>	<u>40,001</u>	<u>3,744</u>
Total Revenues	<u>1,880,717</u>	<u>1,880,717</u>	<u>1,902,200</u>	<u>21,483</u>
EXPENDITURES				
Current				
Culture, recreation, and education	<u>1,891,717</u>	<u>1,891,717</u>	<u>1,848,275</u>	<u>43,442</u>
Total Expenditures	<u>1,891,717</u>	<u>1,891,717</u>	<u>1,848,275</u>	<u>43,442</u>
Excess (deficiency) of revenues over expenditures	(11,000)	(11,000)	53,925	64,925
FUND BALANCE - Beginning	<u>438,131</u>	<u>438,131</u>	<u>438,131</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 427,131</u>	<u>\$ 427,131</u>	<u>\$ 492,056</u>	<u>\$ 64,925</u>

CITY OF FITCHBURG, WISCONSIN

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GRANT/DONATION FUND For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 5,244	\$ 5,244
Miscellaneous	5,100	5,100	30,006	24,906
Total Revenues	<u>5,100</u>	<u>5,100</u>	<u>35,250</u>	<u>30,150</u>
EXPENDITURES				
Current				
Public safety	-	-	10,136	(10,136)
Health and human services	38,945	38,945	11,816	27,129
Culture, recreation, and education	1,000	1,000	7,114	(6,114)
Conservation and development	-	-	13,824	(13,824)
Total Expenditures	<u>39,945</u>	<u>39,945</u>	<u>42,890</u>	<u>(2,945)</u>
Excess (deficiency) of revenues over expenditures	<u>(34,845)</u>	<u>(34,845)</u>	<u>(7,640)</u>	<u>27,205</u>
FUND BALANCE - Beginning	<u>83,824</u>	<u>83,824</u>	<u>83,824</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 48,979</u>	<u>\$ 48,979</u>	<u>\$ 76,184</u>	<u>\$ 27,205</u>

CITY OF FITCHBURG, WISCONSIN

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - AFFORDABLE HOUSING FUND For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment income	\$ -	\$ -	\$ 1,797	\$ 1,797
Total Revenues	<u>-</u>	<u>-</u>	<u>1,797</u>	<u>1,797</u>
EXPENDITURES				
Current				
Conservation and development	87,008	115,338	22,923	92,415
Total Expenditures	<u>87,008</u>	<u>115,338</u>	<u>22,923</u>	<u>92,415</u>
Deficiency of revenues over expenditures	<u>(87,008)</u>	<u>(115,338)</u>	<u>(21,126)</u>	<u>94,212</u>
FUND BALANCE - Beginning	<u>108,393</u>	<u>108,393</u>	<u>108,393</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 21,385</u>	<u>\$ (6,945)</u>	<u>\$ 87,267</u>	<u>\$ 94,212</u>

CITY OF FITCHBURG, WISCONSIN

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - TID NO 9 FUND
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 391,720	\$ 391,720	\$ 438,616	\$ 46,896
Intergovernmental	214,774	214,774	214,777	3
Investment income	-	-	1,762	1,762
Total Revenues	<u>606,494</u>	<u>606,494</u>	<u>655,155</u>	<u>48,661</u>
EXPENDITURES				
Current				
Conservation and development	-	-	10,384	(10,384)
Capital Outlay	1,247,694	1,764,694	1,317,560	447,134
Debt Service				
Interest and fiscal charges	-	-	7,100	(7,100)
Total Expenditures	<u>1,247,694</u>	<u>1,764,694</u>	<u>1,335,044</u>	<u>429,650</u>
Excess of revenues over expenditures	<u>(641,200)</u>	<u>(1,158,200)</u>	<u>(679,889)</u>	<u>478,311</u>
OTHER FINANCING USES				
Transfers out	(5,000)	(5,000)	-	5,000
Total Other Financing Uses	<u>(5,000)</u>	<u>(5,000)</u>	<u>-</u>	<u>5,000</u>
Net Change in Fund Balance	(646,200)	(1,163,200)	(679,889)	483,311
FUND BALANCE - Beginning	<u>88,454</u>	<u>88,454</u>	<u>88,454</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ (557,746)</u>	<u>\$ (1,074,746)</u>	<u>\$ (591,435)</u>	<u>\$ 483,311</u>

CITY OF FITCHBURG, WISCONSIN

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - TID NO 10 FUND
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment income	\$ -	\$ -	\$ 80	\$ 80
Total Revenues	-	-	80	80
EXPENDITURES				
Current				
Conservation and development	-	-	12,931	(12,931)
Capital Outlay	1,765,000	1,765,000	18,215	1,746,785
Debt Service				
Interest and fiscal charges	-	-	2,063	(2,063)
Total Expenditures	1,765,000	1,765,000	33,209	1,731,791
Deficiency of revenues over expenditures	(1,765,000)	(1,765,000)	(33,129)	1,731,871
OTHER FINANCING USES				
Transfers out	(1,000)	(1,000)	-	1,000
Total Other Financing Sources (Uses)	(1,000)	(1,000)	-	1,000
Net Change in Fund Balance	(1,766,000)	(1,766,000)	(33,129)	1,732,871
FUND BALANCE (DEFICIT) - Beginning	(45,755)	(45,755)	(45,755)	-
FUND BALANCE (DEFICIT) - ENDING	\$ (1,811,755)	\$ (1,811,755)	\$ (78,884)	\$ 1,732,871

CITY OF FITCHBURG, WISCONSIN

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
As of December 31, 2018

	<u>Technology</u>	<u>Insurance</u>	<u>Totals</u>
ASSETS			
Current Assets			
Cash and investments	\$ 47,452	\$ 2,491	\$ 49,943
Receivables			
Accounts	54,235	-	54,235
Prepaid items	-	377,664	377,664
Total Current Assets	<u>101,687</u>	<u>380,155</u>	<u>481,842</u>
Total Assets	<u>101,687</u>	<u>380,155</u>	<u>481,842</u>
LIABILITIES			
Current Liabilities			
Accounts payable	3,425	27,083	30,508
Accrued wages	747	-	747
Due to other funds	-	230,000	230,000
Total Current Liabilities	<u>4,172</u>	<u>257,083</u>	<u>261,255</u>
Total Liabilities	<u>4,172</u>	<u>257,083</u>	<u>261,255</u>
NET POSITION			
Unrestricted	<u>97,515</u>	<u>123,072</u>	<u>220,587</u>
TOTAL NET POSITION	<u><u>\$ 97,515</u></u>	<u><u>\$ 123,072</u></u>	<u><u>\$ 220,587</u></u>

CITY OF FITCHBURG, WISCONSIN

COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2018

	<u>Technology</u>	<u>Insurance</u>	<u>Totals</u>
OPERATING REVENUES			
Intergovernmental charges for services	\$ 923,880	\$ 421,244	\$ 1,345,124
Total Operating Revenues	<u>923,880</u>	<u>421,244</u>	<u>1,345,124</u>
OPERATING EXPENSES			
Information technology	893,084	-	893,084
Property and liability insurance	-	217,321	217,321
Other insurance	-	<u>216,932</u>	<u>216,932</u>
Total Operating Expenses	<u>893,084</u>	<u>434,253</u>	<u>1,327,337</u>
Operating Income (Loss)	<u>30,796</u>	<u>(13,009)</u>	<u>17,787</u>
NONOPERATING REVENUES			
Investment income	34	-	34
Miscellaneous revenues	<u>8,223</u>	<u>47,064</u>	<u>55,287</u>
Total Nonoperating Revenues	<u>8,257</u>	<u>47,064</u>	<u>55,321</u>
Change in net position	39,053	34,055	73,108
NET POSITION - Beginning of Year	<u>58,462</u>	<u>89,017</u>	<u>147,479</u>
NET POSITION - END OF YEAR	<u>\$ 97,515</u>	<u>\$ 123,072</u>	<u>\$ 220,587</u>

CITY OF FITCHBURG, WISCONSIN

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2018

	<u>Technology</u>	<u>Insurance</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Received from customers	\$ 929,753	\$ 468,308	\$ 1,398,061
Paid to suppliers for goods and services	(406,169)	(786,175)	(1,192,344)
Paid to employees for services	(496,981)	-	(496,981)
Net Cash Flows From Operating Activities	<u>26,603</u>	<u>(317,867)</u>	<u>(291,264)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	<u>34</u>	-	<u>34</u>
Net Cash Flows From Investing Activities	<u>34</u>	-	<u>34</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Due to other funds	-	<u>230,000</u>	<u>230,000</u>
Net Cash Flows From Noncapital Financing Activities	<u>-</u>	<u>230,000</u>	<u>230,000</u>
Net Change in Cash and Cash Equivalents	26,637	(87,867)	(61,230)
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>20,815</u>	<u>90,358</u>	<u>111,173</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 47,452</u>	<u>\$ 2,491</u>	<u>\$ 49,943</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ 30,796	\$ (13,009)	\$ 17,787
Nonoperating revenue	8,223	47,064	55,287
Changes in assets and liabilities			
Accounts receivable	(2,350)	-	(2,350)
Prepaid items	189	(377,664)	(377,475)
Accounts payable	2,666	25,742	28,408
Accrued wages	(12,921)	-	(12,921)
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 26,603</u>	<u>\$ (317,867)</u>	<u>\$ (291,264)</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES			
None			

CITY OF FITCHBURG, WISCONSIN

STATEMENT OF CASH FLOWS COMPONENT UNIT For the Year Ended December 31, 2018

	Component Unit
CASH FLOWS FROM OPERATING ACTIVITIES	
Received from customers	\$ 421,080
Paid to suppliers for goods and services	<u>(445,463)</u>
Net Cash Flows From Operating Activities	<u>(24,383)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment income	<u>17,451</u>
Net Cash Flows From Investing Activities	<u>17,451</u>
Net Change in Cash and Cash Equivalents	(6,932)
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>795,903</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 788,971</u></u>
RECONCILIATION OF OPERATING LOSS TO NET CASH FLOWS FROM OPERATING ACTIVITIES	
Operating loss	\$ (23,093)
Nonoperating revenue	6,782
Changes in assets and liabilities	
Accounts receivables	(42,332)
Prepays	1
Accounts payable	<u>34,259</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u><u>\$ (24,383)</u></u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES	
None	

City of Fitchburg, Wisconsin

Statistical Section

Table of Contents

This section of the City of Fitchburg's comprehensive annual financial report presents detailed information as context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the city's overall financial condition through multi-year comparative data.

<u>Contents</u>	<u>Pages</u>
Financial Trends - Schedules 1 - 4	
These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.	91 - 94
Revenue Capacity - Schedules 5 - 8	
These schedules contain information to help the reader assess the city's most significant local revenue source, the property tax.	95 - 98
Debt Capacity - Schedules 9 - 12	
These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.	99 - 102
Demographic and Economic Information - Schedules 13 & 14	
These schedules provide demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place and to help make comparisons over time with other governments.	103 - 104
Operating Information - Schedules 15 - 17	
These schedules contain service and infrastructure data to help the reader understand how the information in the city's financial report relates to the services the city provides and the activities it performs.	105 - 107

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant years.

City of Fitchburg, Wisconsin
Table 2 - Changes in Net Position
Last Ten Years
(accrual basis of accounting)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Expenses										
Governmental Activities										
General Government	\$ 3,876,129	\$ 3,700,734	\$ 4,214,796	\$ 3,871,581	\$ 3,219,898	\$ 4,194,646	\$ 3,712,572	\$ 4,171,270	\$ 3,873,747	\$ 4,034,316
Public Safety	12,763,729	12,011,684	11,611,091	10,335,633	10,957,835	9,707,764	9,934,613	9,848,882	9,532,990	8,980,115
Public Works	4,871,127	7,302,138	5,943,845	6,847,114	11,334,075	6,143,365	6,696,726	4,123,594	5,284,437	6,600,907
Health and Human Services	557,844	502,086	452,309	473,545	419,820	400,169	405,611	392,272	372,777	360,097
Culture, Education, and Recreation	3,952,097	4,516,517	3,876,686	4,020,494	3,524,529	3,919,726	3,766,584	5,034,454	1,610,606	1,362,914
Conservation and Development	4,744,902	1,895,179	3,263,485	1,014,751	1,311,610	55,856	5,091,478	3,786,905	1,579,305	1,412,117
Interest and Fiscal Charges	1,203,649	1,284,925	1,060,455	989,630	1,011,119	1,085,047	1,024,447	882,357	862,136	548,404
Total Governmental Activities	<u>31,969,477</u>	<u>31,213,263</u>	<u>30,422,667</u>	<u>27,552,748</u>	<u>31,778,886</u>	<u>25,506,573</u>	<u>30,632,031</u>	<u>28,239,734</u>	<u>23,115,998</u>	<u>23,298,870</u>
Business-Type Activities										
Water Utility	1,960,385	1,762,231	1,732,204	2,067,801	1,576,951	1,593,790	-	-	-	-
Sewer Utility	2,720,175	2,747,196	2,578,738	2,256,787	2,234,661	2,172,957	-	-	-	-
Utility District No. 1	-	-	-	-	-	-	3,538,650	3,342,005	3,421,216	3,207,776
Stormwater Utility	1,258,444	1,100,895	993,407	956,835	902,526	1,032,225	818,578	843,985	812,722	823,359
Total Business-Type Activities	<u>5,939,004</u>	<u>5,610,322</u>	<u>5,304,349</u>	<u>5,281,423</u>	<u>4,714,138</u>	<u>4,798,972</u>	<u>4,357,228</u>	<u>4,185,990</u>	<u>4,233,938</u>	<u>4,031,135</u>
Total Primary Government	<u>\$ 37,908,481</u>	<u>\$ 36,823,585</u>	<u>\$ 35,727,016</u>	<u>\$ 32,834,171</u>	<u>\$ 36,493,024</u>	<u>\$ 30,305,545</u>	<u>\$ 34,989,259</u>	<u>\$ 32,425,724</u>	<u>\$ 27,349,936</u>	<u>\$ 27,330,005</u>
Program Revenues										
Governmental Activities										
Charges for Services										
General Government	\$ 791,335	\$ 642,190	\$ 739,032	\$ 551,308	\$ 505,508	\$ 479,105	\$ 546,264	\$ 91,000	\$ 78,971	\$ 85,786
Public Safety	646,742	495,940	446,128	679,530	488,171	480,779	428,565	889,267	815,662	902,940
Public Works	984,145	896,671	840,560	804,677	833,943	779,170	771,541	715,641	733,364	692,037
Culture, Education, and Recreation	422,196	1,071,356	484,546	442,313	1,003,541	331,859	248,933	160,004	157,660	160,359
Other Activities	38,300	59,991	43,602	60,483	46,401	40,399	39,920	44,542	65,442	25,785
Operating Grants and Contributions	2,214,463	2,190,691	2,254,765	2,115,694	1,937,917	1,709,573	1,776,574	1,694,184	1,150,289	1,184,796
Capital Grants and Contributions	10,924,956	11,605,782	2,687,644	3,599,522	10,998,263	2,711,549	4,261,364	1,530,803	1,107,091	955,059
Total Governmental Activities	<u>16,022,137</u>	<u>16,962,621</u>	<u>7,496,277</u>	<u>8,253,527</u>	<u>15,813,744</u>	<u>6,532,434</u>	<u>8,073,161</u>	<u>5,125,441</u>	<u>4,108,479</u>	<u>4,006,762</u>
Business-Type Activities										
Charges for Services										
Water Utility	2,811,034	2,766,623	2,539,352	2,229,284	2,229,520	2,215,653	-	-	-	-
Sewer Utility	2,691,083	2,449,397	2,374,224	2,282,454	2,250,576	2,148,958	-	-	-	-
Utility District No. 1	-	-	-	-	-	-	4,436,598	4,001,334	3,737,204	3,534,962
Stormwater Utility	1,175,554	1,167,269	1,126,026	1,102,836	1,083,515	1,041,100	980,580	903,795	839,242	751,964
Operating Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Capital Grants and Contributions	3,633,124	7,317,485	1,674,275	3,044,423	2,018,146	1,102,373	1,229,477	279,833	193,740	548,500
Total Business-Type Activities	<u>10,310,795</u>	<u>13,700,774</u>	<u>7,713,877</u>	<u>8,658,997</u>	<u>7,581,757</u>	<u>6,508,084</u>	<u>6,646,655</u>	<u>5,184,962</u>	<u>4,770,186</u>	<u>4,835,426</u>
Total Primary Government	<u>\$ 26,332,932</u>	<u>\$ 30,663,395</u>	<u>\$ 15,210,154</u>	<u>\$ 16,912,524</u>	<u>\$ 23,395,501</u>	<u>\$ 13,040,518</u>	<u>\$ 14,719,816</u>	<u>\$ 10,310,403</u>	<u>\$ 8,878,665</u>	<u>\$ 8,842,188</u>
Net (Expense) Revenue										
Governmental Activities	\$ (15,947,340)	\$ (14,250,642)	\$ (22,926,390)	\$ (19,299,221)	\$ (15,965,142)	\$ (18,974,139)	\$ (22,558,870)	\$ (23,114,293)	\$ (19,007,519)	\$ (19,292,108)
Business-Type Activities	4,371,791	8,090,452	2,409,528	3,377,574	2,867,619	1,709,112	2,289,427	998,972	536,248	804,291
Total Primary Government	<u>\$ (11,575,549)</u>	<u>\$ (6,160,190)</u>	<u>\$ (20,516,862)</u>	<u>\$ (15,921,647)</u>	<u>\$ (13,097,523)</u>	<u>\$ (17,265,027)</u>	<u>\$ (20,269,443)</u>	<u>\$ (22,115,321)</u>	<u>\$ (18,471,271)</u>	<u>\$ (18,487,817)</u>
General Revenues and Other										
Changes in Net Position										
Governmental Activities										
Property Taxes	\$ 29,792,121	\$ 27,576,882	\$ 26,483,919	\$ 23,154,063	\$ 22,794,685	\$ 20,833,535	\$ 20,455,378	\$ 19,688,989	\$ 16,874,220	\$ 16,020,566
Other	4,826,129	3,883,942	4,293,765	4,016,688	3,053,106	3,619,043	927,577	3,035,810	3,824,066	2,774,378
Total Governmental Activities	<u>34,618,250</u>	<u>31,460,824</u>	<u>30,777,684</u>	<u>27,170,751</u>	<u>25,847,791</u>	<u>24,452,578</u>	<u>21,382,955</u>	<u>22,724,799</u>	<u>20,698,286</u>	<u>18,794,944</u>
Business-Type Activities	921,368	(554,831)	(584,935)	(551,233)	813,708	(425,006)	2,068,593	(483,220)	(500,174)	(414,439)
Total Primary Government	<u>\$ 35,539,618</u>	<u>\$ 30,905,993</u>	<u>\$ 30,192,749</u>	<u>\$ 26,619,518</u>	<u>\$ 26,661,499</u>	<u>\$ 24,027,572</u>	<u>\$ 23,451,548</u>	<u>\$ 22,241,579</u>	<u>\$ 20,198,112</u>	<u>\$ 18,380,505</u>
Total Change in Net Position										
Governmental Activities	\$ 18,670,910	\$ 17,210,182	\$ 7,851,294	\$ 7,871,530	\$ 9,882,649	\$ 5,478,439	\$ (1,175,915)	\$ (389,494)	\$ 1,690,767	\$ (497,164)
Business-Type Activities	5,293,159	7,535,621	1,824,593	2,826,341	3,681,327	1,284,106	4,358,020	515,752	36,074	389,852
Total Primary Government	<u>\$ 23,964,069</u>	<u>\$ 24,745,803</u>	<u>\$ 9,675,887</u>	<u>\$ 10,697,871</u>	<u>\$ 13,563,976</u>	<u>\$ 6,762,545</u>	<u>\$ 3,182,105</u>	<u>\$ 126,258</u>	<u>\$ 1,726,841</u>	<u>\$ (107,312)</u>

City of Fitchburg, Wisconsin
Table 3 - Fund Balances of Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Fund										
Post-GASB 54 Categories										
Nonspendable	\$ 883,460	\$ 332,288	\$ 385,407	\$ 405,800	\$ 311,438	\$ 329,353	\$ 305,005	\$ 332,323	\$ -	\$ -
Restricted	64,816	66,187	56,484	53,539	53,255	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	3,396,045	1,199,225	1,087,438	1,974,201	1,867,236	694,840	681,987	633,730	-	-
Unassigned	4,176,374	5,636,604	5,978,234	5,207,357	4,538,150	4,880,303	4,630,165	4,258,986	-	-
Pre-GASB 54 Categories										
Reserved	-	-	-	-	-	-	-	-	853,840	753,719
Designated	-	-	-	-	-	-	-	-	105,000	90,000
Undesignated	-	-	-	-	-	-	-	-	4,234,005	4,547,014
Total General Fund	8,520,695	7,234,304	7,507,563	7,640,897	6,770,079	5,904,496	5,617,157	5,225,039	5,192,845	5,390,733
All Other Governmental Funds										
Post-GASB 54 Categories										
Nonspendable	573	897	2,055,657	1,017,118	1,070,574	1,133,723	3,134	3,217	-	-
Restricted	24,455,271	22,159,309	15,631,826	10,905,887	6,180,758	7,960,573	8,243,629	8,314,261	-	-
Committed	963,635	929,665	886,926	924,662	821,650	757,366	743,069	826,706	-	-
Assigned	7,644,274	6,602,607	4,923,305	1,898,822	138,815	1,049,006	4,734,644	1,625,192	-	-
Unassigned/(Deficit)	(745,178)	(49,802)	(1,033,500)	(68,531)	(1,878,297)	(36,452)	(39,270)	(79,102)	-	-
Pre-GASB 54 Categories										
Reserved	-	-	-	-	-	-	-	-	9,242,300	2,643,866
Designated	-	-	-	-	-	-	-	-	-	-
Undesignated	-	-	-	-	-	-	-	-	5,723,729	10,479,092
Total Other Governmental Funds	32,318,575	29,642,676	22,464,214	14,677,958	6,333,500	10,864,216	13,685,206	10,690,274	14,966,029	13,122,958
Total Governmental Funds										
Post-GASB 54 Categories										
Nonspendable	884,033	333,185	2,441,064	1,422,918	1,382,012	1,463,076	308,139	335,540	-	-
Restricted	24,520,087	22,225,496	15,688,310	10,959,426	6,234,013	7,960,573	8,243,629	8,314,261	-	-
Committed	963,635	929,665	886,926	924,662	821,650	757,366	743,069	826,706	-	-
Assigned	11,040,319	7,801,832	6,010,743	3,873,023	2,006,051	1,743,846	5,416,631	2,258,922	-	-
Unassigned	3,431,196	5,586,802	4,944,734	5,138,826	2,659,853	4,843,851	4,590,895	4,179,884	-	-
Pre-GASB 54 Categories										
Reserved	-	-	-	-	-	-	-	-	10,096,140	3,397,585
Designated	-	-	-	-	-	-	-	-	105,000	90,000
Undesignated	-	-	-	-	-	-	-	-	9,957,734	15,026,106
Total Governmental Funds	\$ 40,839,270	\$ 36,876,980	\$ 29,971,777	\$ 22,318,855	\$ 13,103,579	\$ 16,768,712	\$ 19,302,363	\$ 15,915,313	\$ 20,158,874	\$ 18,513,691

Notes:

(1) The City implemented GASB #54 in 2011, which resulted in new fund balance categories. Prior years have not been restated.

City of Fitchburg, Wisconsin
Table 4 - Changes in Fund Balances of Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Revenues										
Taxes	\$ 29,842,181	\$ 27,643,788	\$ 26,483,919	\$ 23,154,063	\$ 22,832,142	\$ 20,872,258	\$ 20,495,750	\$ 19,728,476	\$ 16,952,782	\$ 16,085,762
Intergovernmental	4,638,324	4,755,625	4,290,824	4,018,382	5,572,311	3,561,861	4,041,750	3,748,154	2,564,925	2,910,337
Licenses and Permits	1,207,050	991,901	1,154,537	1,225,550	960,557	870,164	821,365	552,148	524,650	470,730
Fines, Forfeitures, and Penalties	297,295	267,320	232,298	326,402	284,380	303,297	314,120	288,845	305,846	418,918
Public Charges for Services	1,398,559	2,004,318	1,363,146	1,266,516	1,884,479	1,153,002	1,055,426	923,930	943,121	915,068
Special Assessments	873,004	182,765	194,832	223,762	202,637	99,191	42,677	70,230	50,326	68,641
Investment Income	1,271,475	428,537	257,761	200,208	358,024	(62,888)	277,798	176,789	221,737	346,972
Intergovernmental Charges for Service	16,140	15,240	1,992	84,790	91,579	261,246	280,251	212,156	143,461	146,438
Miscellaneous	850,950	922,991	1,015,708	1,046,697	1,288,564	1,161,651	1,260,171	1,997,391	1,631,252	806,815
Total Revenues	40,394,978	37,212,485	34,995,017	31,546,370	33,474,673	28,219,782	28,589,308	27,698,119	23,338,100	22,169,681
Expenditures										
General Government	2,915,323	3,151,199	3,076,264	3,288,940	3,281,529	3,094,802	3,202,117	3,272,931	3,092,896	3,043,454
Public Safety	11,452,111	10,882,181	10,352,561	9,659,217	9,352,979	9,117,655	9,300,777	9,049,363	8,740,223	8,353,891
Public Works	3,145,744	2,763,951	2,991,602	2,890,147	2,974,789	2,895,458	2,666,824	2,594,961	2,553,795	2,410,511
Health and Human Services	637,905	581,373	516,357	467,098	403,668	383,175	380,598	379,794	367,967	345,578
Culture, Education, and Recreation	3,695,803	3,525,224	3,700,636	3,519,171	3,354,690	3,233,577	3,295,936	2,981,085	1,358,447	1,155,323
Conservation and Development	4,210,804	981,655	571,480	555,654	497,879	470,767	456,292	484,560	591,727	486,452
Capital Outlay	10,506,237	12,581,636	11,099,099	6,252,430	13,272,961	8,692,032	19,650,936	17,100,277	10,613,367	7,036,828
Debt Service										
Principal	9,815,000 (1)	4,810,000	4,410,000	3,732,170	3,570,164	3,318,234	7,856,786	2,174,782	1,861,010	1,340,235
Interest and Fiscal Charges	1,485,180	1,290,429	1,276,750	1,170,472	1,028,711	1,276,787	1,416,162	1,133,149	583,254	454,421
Total Expenditures	47,864,107	40,567,648	37,994,749	31,535,299	37,737,370	32,482,487	48,226,428	39,170,902	29,762,686	24,626,693
Revenues Over/(Under) Expenditures	(7,469,129)	(3,355,163)	(2,999,732)	11,071	(4,262,697)	(4,262,705)	(19,637,120)	(11,472,783)	(6,424,586)	(2,457,012)
Other Financing Sources/(Uses)										
Debt Issued	9,280,000	8,990,000	9,700,000	8,325,000	-	1,040,000	22,045,000	6,585,000	7,545,000	10,295,000
Premium on Debt Issued	244,964	507,880	201,679	190,066	-	-	462,526	100,492	-	-
Property Sales	1,191,011	76,973	113,152	71,938	7,613	84,214	-	-	-	-
Transfers In	2,914,942	4,664,899	3,963,215	2,171,204	1,724,029	2,108,302	1,069,068	1,410,411	1,497,662	1,165,238
Transfers Out	(2,199,498)	(3,979,386)	(3,325,392)	(1,554,003)	(1,134,078)	(1,503,462)	(552,424)	(866,681)	(972,893)	(703,821)
Total Other Financing Sources/(Uses)	11,431,419	10,260,366	10,652,654	9,204,205	597,564	1,729,054	23,024,170	7,229,222	8,069,769	10,756,417
Net Change in Fund Balances	\$ 3,962,290	\$ 6,905,203	\$ 7,652,922	\$ 9,215,276	\$ (3,665,133)	\$ (2,533,651)	\$ 3,387,050	\$ (4,243,561)	\$ 1,645,183	\$ 8,299,405
Debt Service as a Percentage of										
Noncapital Expenditures (2)	29.3%	(1) 19.1%	18.0%	19.0%	19.0%	17.9%	23.6%	11.9%	10.7%	8.1%
Capital Expenditures as a Percentage of Total Expenditures	19.4%	21.3%	16.7%	18.0%	35.9%	21.2%	18.4%	29.1%	23.4%	10.3%

Notes:

- (1) Includes a debt pre-payment with cash-on-hand of \$1,115,000 in principal and a current refunding of \$3,410,000 in principal. Excluding those two amounts, the debt service as a percentage of noncapital expenditures is 19.9%.
(2) Total non-capital expenditures include reconciling items found on page 9 of the CAFR.

City of Fitchburg, Wisconsin

Table 5 - Assessed and Estimated Actual Value of Taxable Property⁽¹⁾
Last Ten Years

	Taxes Payable 2018 Values 1/1/17		Taxes Payable 2017 Values 1/1/16		Taxes Payable 2016 Values 1/1/15		Taxes Payable 2015 Values 1/1/14		Taxes Payable 2014 Values 1/1/13	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
	Real Property Assessed Value ⁽²⁾									
Residential	\$ 1,782,603,500	60.7%	\$ 1,709,077,100	61.8%	\$ 1,655,989,900	62.3%	\$ 1,640,615,000	63.3%	\$ 1,618,483,400	64.4%
Commercial	828,863,500	28.2%	746,769,200	27.0%	697,653,200	26.2%	656,597,400	25.3%	626,927,300	24.9%
Manufacturing	229,356,800	7.8%	215,854,500	7.8%	212,455,400	8.0%	207,412,200	8.0%	181,336,300	7.2%
Other	21,447,600	0.7%	21,158,200	0.8%	19,837,600	0.7%	18,676,400	0.7%	17,949,500	0.7%
Subtotal Real Property	<u>2,862,271,400</u>	<u>97.5%</u>	<u>2,692,859,000</u>	<u>97.3%</u>	<u>2,585,936,100</u>	<u>97.3%</u>	<u>2,523,301,000</u>	<u>97.3%</u>	<u>2,444,696,500</u>	<u>97.2%</u>
Personal Property Assessed Value ⁽²⁾	<u>74,099,700</u>	<u>2.5%</u>	<u>73,931,100</u>	<u>2.7%</u>	<u>72,035,430</u>	<u>2.7%</u>	<u>69,497,500</u>	<u>2.7%</u>	<u>69,871,900</u>	<u>2.8%</u>
Total Taxable Assessed Value	<u>\$ 2,936,371,100</u>	<u>100.0%</u>	<u>\$ 2,766,790,100</u>	<u>100.0%</u>	<u>\$ 2,657,971,530</u>	<u>100.0%</u>	<u>\$ 2,592,798,500</u>	<u>100.0%</u>	<u>\$ 2,514,568,400</u>	<u>100.0%</u>
Total City Direct Tax Rate ⁽³⁾	\$ 8.55		\$ 8.54		\$ 8.29		\$ 7.95		\$ 7.84	
Estimated Actual Taxable Value ⁽⁴⁾	2,954,018,100		2,830,645,500		2,711,401,700		2,623,964,200		2,503,773,000	
Assessed Value as a Percentage of Actual Value ⁽⁵⁾	99.4%		97.7%		98.0%		98.8%		100.4%	

	Taxes Payable 2013 Values 1/1/12		Taxes Payable 2012 Values 1/1/11		Taxes Payable 2011 Values 1/1/10		Taxes Payable 2010 Values 1/1/09		Taxes Payable 2009 Values 1/1/08	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
	Real Property Assessed Value ⁽²⁾									
Residential	\$ 1,626,712,500	66.4%	\$ 1,630,129,500	66.7%	\$ 1,628,679,100	61.3%	\$ 1,638,425,800	63.2%	\$ 1,622,892,500	64.5%
Commercial	593,346,400	24.2%	585,628,900	24.0%	622,700,300	23.4%	647,691,200	25.0%	631,160,800	25.1%
Manufacturing	141,180,500	5.8%	129,489,500	5.3%	130,182,200	4.9%	134,752,800	5.2%	131,716,000	5.2%
Other	18,245,300	0.7%	18,387,600	0.8%	19,135,600	0.7%	19,132,300	0.7%	19,038,400	0.8%
Subtotal Real Property	<u>2,379,484,700</u>	<u>97.1%</u>	<u>2,363,635,500</u>	<u>96.7%</u>	<u>2,400,697,200</u>	<u>90.3%</u>	<u>2,440,002,100</u>	<u>94.1%</u>	<u>2,404,807,700</u>	<u>95.6%</u>
Personal Property Assessed Value ⁽²⁾	<u>70,751,000</u>	<u>2.9%</u>	<u>80,510,500</u>	<u>3.3%</u>	<u>89,329,600</u>	<u>3.4%</u>	<u>99,790,699</u>	<u>3.8%</u>	<u>91,332,490</u>	<u>3.6%</u>
Total Taxable Assessed Value	<u>\$ 2,450,235,700</u>	<u>100.0%</u>	<u>\$ 2,444,146,000</u>	<u>100.0%</u>	<u>\$ 2,490,026,800</u>	<u>93.7%</u>	<u>\$ 2,539,792,799</u>	<u>97.9%</u>	<u>\$ 2,496,140,190</u>	<u>99.2%</u>
Total City Direct Tax Rate ⁽³⁾	\$ 7.56		\$ 7.58		\$ 7.13		\$ 5.95		\$ 5.84	
Estimated Actual Taxable Value ⁽⁴⁾	2,447,132,400		2,489,764,900		2,524,627,800		2,582,226,200		2,582,601,801	
Assessed Value as a Percentage of Actual Value ⁽⁵⁾	100.1%		98.2%		98.6%		98.4%		96.7%	

Notes:

- (1) Information presented in the year for which taxes were levied.
- (2) Assessed values are prepared by the City of Fitchburg Assessor.
- (3) Tax rates are expressed in rate per \$1,000 in assessed value.
- (4) Estimated actual values (equalized values) are prepared by the Wisconsin Department of Revenue, Bureau of Property Tax and include TID values.
- (5) The Wisconsin Department of Revenue does not consider any amendments to the Statement of Assessment when calculating the equalized ratio. Therefore, the percentage of actual value calculated above may differ slightly from what was printed on the tax bills.

City of Fitchburg, Wisconsin

Table 6 - Property Tax Rates - Direct and Overlapping Governments ⁽¹⁾
(Per \$1,000 of Assessed Valuation)
Last Ten Years

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Direct Rates:										
General Fund	\$ 5.648	\$ 5.672	\$ 5.775	\$ 5.337	\$ 5.505	\$ 5.412	\$ 5.321	\$ 5.008	\$ 4.910	\$ 4.765
Library Fund	0.674	0.688	0.697	0.658	0.668	0.659	0.648	0.681	0.055	0.025
Debt Service Fund	1.646	1.612	1.513	1.484	1.379	1.220	1.188	1.049	0.575	0.612
Capital Projects Fund	0.581	0.568	0.303	0.470	0.287	0.268	0.419	0.389	0.415	0.439
Total City Rate ⁽²⁾	8.550	8.540	8.288	7.949	7.839	7.559	7.576	7.127	5.955	5.841
Overlapping Rates ⁽³⁾ :										
Dane County	3.166	3.203	3.209	3.155	3.104	3.001	2.922	2.753	2.907	2.771
State of Wisconsin	-	0.174	0.173	0.172	0.169	0.169	0.173	0.172	0.173	0.176
Madison College	0.947	0.988	0.946	0.945	1.833	1.813	1.741	1.495	1.335	1.254
School Districts ⁽⁴⁾										
Madison Schools	11.670	12.195	12.316	12.089	11.717	11.502	11.354	11.218	10.360	10.144
Oregon Schools	11.613	12.000	11.906	12.122	12.319	12.183	12.164	11.894	11.137	10.876
Verona Schools	12.872	12.259	12.364	12.181	12.328	12.762	12.544	12.440	11.898	11.999
Less: State School Tax Credit	(1.978)	(1.870)	(1.942)	(1.719)	(1.770)	(1.808)	(1.831)	(1.835)	(1.855)	(1.903)
Totals by School District:										
Madison Schools	22.355	23.230	22.990	22.591	22.892	22.236	21.935	20.930	18.875	18.283
Oregon Schools	22.297	23.035	22.580	22.624	23.494	22.917	22.745	21.606	19.652	19.015
Verona Schools	23.557	23.294	23.039	22.683	23.503	23.496	23.125	22.152	20.413	20.138

Notes:

(1) Information presented in the year for which taxes were levied.

(2) Effective for 2006 and 2007 budgets, each taxing jurisdiction is subject to levy limits of 2% or net new construction, whichever is greater. Effective 2008 and 2009 budget, levy limit was 3.86% or net new construction, whichever is greater. Effective for 2010 and 2011 budgets, the state extended levy limits for an additional two years at 3% or net new construction, whichever is greater, and allowed the carryforward of the previous two years' unused levy limit capacity. Effective for 2012, 2013, 2014, and 2015 budgets, the state extended levy limits for an additional two years at 0% or net new construction, whichever is greater, and allowed the carryforward of the previous two years' unused levy limit capacity.

(3) Overlapping rates are those of local, county, and state governments that apply to property owners within the City.

(4) Not all overlapping rates apply to all City property owners. The rates for school districts apply only to the portion of the City's property owners whose property is located within the geographic boundaries of the school district.

Source: City of Fitchburg's Treasurer's Office

City of Fitchburg, Wisconsin

Table 7 - Principal Taxpayers ⁽¹⁾
Current Year and Nine Years Ago ⁽³⁾

Taxpayer	Taxes Payable 2018 Assessed Value 1/1/17			Taxes Payable 2009 Assessed Value 1/1/08		
	Taxable Assessed Value ⁽²⁾	Rank	% of Total Taxable Assessed Value	Taxable Assessed Value ⁽²⁾	Rank	% of Total Taxable Assessed Value
Promega Corp	\$ 124,719,000	1	4.2%	\$ 30,421,800	2	1.2%
Sub Zero/Wolf	61,511,800	3	2.1%	55,849,000	1	2.2%
Fred-The Vue	62,567,000	2	2.1%			
New Fountains Partnership	35,534,500	4	1.2%	21,167,400	3	0.8%
Riva West LLC	19,867,700	5	0.7%			
Realty Income Corp	17,194,000	7	0.6%			
Orion	17,484,200	6	0.6%			
Target Corp	16,672,600	8	0.6%	19,306,100	6	0.8%
One Neck Data	16,280,700	9	0.6%			
Certco	16,185,500	10	0.6%	19,844,100	5	0.8%
Hyvee			0.0%			
Placon Corp				21,011,400	4	0.8%
Kerasotes				16,030,300	7	0.6%
Hatchery Hill Invest LLC				14,849,400	8	0.6%
Hatchery Hill 3 LLC				14,250,000	9	0.6%
Hatchery Hill Sr. Housing				7,390,000	10	0.3%
Total Principal Taxpayers	388,017,000		13.2%	220,119,500		8.8%
All Other Taxpayers	2,548,354,100		86.8%	2,276,020,690		91.2%
Total	\$ 2,936,371,100		100.0%	\$ 2,496,140,190		100.0%

Notes:

(1) Information presented in the year for which taxes were levied.

(2) Assessed values include real and personal property.

(3) Nine years prior to the current year would be taxes payable in 2008; however, that information is not accessible. Instead, information is provided for the current year and eight years prior.

City of Fitchburg, Wisconsin

Table 8 - Property Tax Levies and Collections ⁽¹⁾
Last Ten Years

Year	Total Tax Levy ⁽²⁾	Collected Within the Year of the Levy ⁽³⁾		Collections in Subsequent Years ⁽⁴⁾	Total Collections to Date	
		Amount	% of Levy		Amount	% of Levy
2018	\$ 30,885,159	\$ 30,695,768	99.4%	n/a	\$ 30,868,789	99.9%
2017	28,829,635	28,790,659	99.9%	26,786	28,817,445	100.0%
2016	27,584,921	27,548,422	99.9%	28,539	27,576,961	100.0%
2015	24,187,218	24,169,240	99.9%	7,990	24,177,230	100.0%
2014	23,963,313	23,941,368	99.9%	10,240	23,951,608	100.0%
2013	21,711,680	21,648,014	99.7%	22,788	21,670,802	99.8%
2012	21,460,340	21,395,413	99.7%	48,868	21,444,281	99.9%
2011	20,532,537	20,455,175	99.6%	26,569	20,481,744	99.8%
2010	17,799,728	17,690,573	99.4%	104,805	17,795,378	100.0%
2009	16,830,413	16,763,997	99.6%	62,745	16,826,742	100.0%

Notes:

(1) Information presented in the year for which taxes were levied.

(2) Total tax levy includes only the City portion of tax levy, TID increment, special assessments and charges, all omitted taxes for prior years, and correction of errors.

(3) The City collects only the first installment of the real estate taxes through January 31. Real estate taxes are then turned-over to the Dane County Treasurer for collection after January 31 of the fiscal year.

(4) Responsibility for the collection of delinquent personal property taxes remains with the City. Collection of delinquent special assessments is performed by the County with remittances to the City as they are collected. Collections in subsequent years include payments received by the City for delinquent personal property taxes and delinquent special assessments.

City of Fitchburg, Wisconsin
 Table 9 - Ratios of Outstanding Debt by Type ⁽¹⁾
 Last Ten Years

Year	Governmental Activities General Obligation Bonds and Notes ⁽⁴⁾	Business-Type Activities General Obligation Bonds and Notes ⁽⁴⁾	Total Primary Government	Percentage of Adjusted Gross Income ⁽²⁾	Per Capita ⁽²⁾
2018	\$ 51,342,988	\$ -	\$ 51,342,988	n/a	1,813.21
2017	51,905,434	-	51,905,434	5.7%	1,858.01
2016	47,245,000	150,000	47,395,000	5.5%	1,715.04
2015	41,955,000	275,000	42,230,000	5.0%	1,604.42
2014	37,362,170	400,000	37,762,170	4.8%	1,447.38
2013	40,932,334	500,000	41,432,334	5.8%	1,627.03
2012	43,210,568	550,000	43,760,568	6.9%	1,733.37
2011	29,022,355	575,000	29,597,355	4.9%	1,174.87
2010	24,612,137	685,495	25,297,632	4.3%	1,067.86
2009	18,928,147	814,910	19,743,057	3.5%	839.42

Notes:

- (1) Details regarding the City's outstanding debt can be found in the notes to the financial statements.
- (2) See the Table 13 - Demographic and Economic Statistics for adjusted gross income and population data.
- (3) n/a - data not available
- (4) Presented net of premiums on long-term debt.

City of Fitchburg, Wisconsin

Table 10 - Ratios of General Bonded Debt Outstanding ⁽¹⁾
Last Ten Years

Year	General Obligation Bonds ⁽²⁾	General Obligation Notes ⁽²⁾	Total General Obligation Debt ⁽²⁾	Percentage of Estimated Actual Taxable Value of Property ⁽³⁾	Per Capita ⁽⁴⁾
2018	\$ 40,245,156	\$ 11,097,832	\$ 51,342,988	1.75%	1,813.21
2017	38,633,498	13,271,936	51,905,434	1.88%	1,858.01
2016	32,700,000	14,695,000	47,395,000	1.78%	1,715.04
2015	27,030,000	15,200,000	42,230,000	1.63%	1,604.42
2014	26,365,000	11,397,170	37,762,170	1.50%	1,447.38
2013	27,915,000	13,517,334	41,432,334	1.69%	1,627.03
2012	29,250,000	14,510,568	43,760,568	1.79%	1,733.37
2011	14,100,000	15,497,355	29,597,355	1.19%	1,174.87
2010	9,360,000	15,937,632	25,297,632	1.00%	1,067.86
2009	4,785,000	14,958,057	19,743,057	0.79%	839.42

Notes:

- (1) Details regarding the City's outstanding debt can be found in the notes to the financial statements.
- (2) Includes governmental and business-type activities. Presented net of premiums on long-term debt.
- (3) See Table 8 - Assessed and Estimated Actual Value of Taxable Property for property value data.
- (4) See Table 13 - Demographic and Economic Statistics for population.

City of Fitchburg, Wisconsin

Table 11 - Computation of Direct and Overlapping Bonded Debt ⁽¹⁾
December 31, 2018

<u>Jurisdiction</u>	<u>Total Governmental Activities Debt Outstanding</u>	<u>Net Governmental Activities Debt Outstanding ⁽²⁾</u>	<u>Estimated Percentage Applicable ⁽³⁾</u>	<u>Estimated Share of Overlapping Debt</u>
Direct:				
City of Fitchburg	\$ 50,890,000	\$ 51,342,988	100.00%	\$ 51,342,988
Overlapping ⁽⁴⁾ :				
Madison School District	68,981,076	67,077,261	4.95%	3,320,324
Oregon School District	52,020,000	52,020,000	14.68%	7,636,536
Verona School District	194,550,808	188,144,316	24.57%	46,227,058
Dane County	374,640,000	370,681,279	4.56%	16,903,066
Madison College	183,595,117	183,595,117	3.33%	6,113,717
Subtotal Overlapping	<u>873,787,001</u>	<u>861,517,973</u>		<u>80,200,703</u>
Total Direct and Overlapping Debt	<u>\$ 924,677,001</u>	<u>\$ 912,860,961</u>		<u>\$ 131,543,691</u>

Notes:

(1) Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(2) Net of sinking funds or assets available in the debt service for payment of principal. Presented net of premiums on long-term debt.

(3) Applicable percentages were estimated by determining the portion of another government unit's equalized value that is within the City's geographic boundaries and dividing it by each government's total equalized valuation.

(4) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City.

City of Fitchburg, Wisconsin
 Table 12 - Computation of Legal Debt Margin
 Last Ten Years

<u>Year</u>	<u>Debt Limit</u>	<u>Total Net Debt Applicable to Limit</u>	<u>Legal Debt Margin</u>	<u>Total Net Debt Applicable to the Limit as a Percentage of Debt Limit</u>
2018	\$ 156,763,610	\$ 50,890,000	\$ 105,873,610	32.46%
2017	147,700,905	51,425,000	96,275,905	34.82%
2016	141,532,275	47,395,000	94,137,275	33.49%
2015	135,570,085	42,230,000	93,340,085	31.15%
2014	131,198,210	37,762,170	93,436,040	28.78%
2013	125,188,650	41,432,334	83,756,316	33.10%
2012	122,356,620	43,760,568	78,596,052	35.76%
2011	124,488,245	29,597,355	94,890,890	23.78%
2010	126,231,390	25,297,632	100,933,758	20.04%
2009	129,111,310	19,743,057	109,368,253	15.29%

Legal Debt Margin Calculation for 2018:

Estimated Actual Value of Real and Personal Property	<u>\$ 3,135,272,200</u>
Debt Limit - 5% of Estimated Actual Value	\$ 156,763,610 (1)
Total Bonded Debt Applicable to Limitation	<u>50,890,000</u>
Legal Debt Margin	<u>\$ 105,873,610</u>

Notes:

(1) Wisconsin State Statute 67.03 limits general obligation borrowing for general city purposes to 5% of the estimated actual value of real and personal property.

City of Fitchburg, Wisconsin
 Table 13 - Demographic and Economic Statistics
 Last Ten Years

Year	Population ⁽¹⁾	Adjusted Gross Income ⁽²⁾	Per Capita Adjusted Gross Income	School Enrollment ⁽³⁾			Dane County Unemployment Rate ⁽⁴⁾
				Madison Schools	Oregon Schools	Verona Schools	
2018	28,316	n/a	n/a	27,149	4,096	5,662	1.9%
2017	27,936	\$ 912,447,735	\$ 36,792	27,103	4,047	5,549	1.9%
2016	27,635	868,432,120	35,664	25,239	3,990	5,474	2.9%
2015	26,321	841,245,246	31,961	28,101	3,945	5,472	2.9%
2014	26,090	782,146,700	29,979	27,274	3,828	5,411	2.9%
2013	25,465	711,272,300	27,931	27,181	3,793	5,433	3.8%
2012	25,246	632,471,120	25,052	27,112	3,736	5,316	4.4%
2011	25,192	608,757,870	24,165	26,817	3,718	4,892	4.4%
2010	23,690	586,705,401	24,766	24,806	3,725	4,889	4.6%
2009	23,520	570,950,544	24,275	24,628	3,595	4,675	5.5%

Notes:

(1) The 2000 population is the official U.S. Census. Population estimates for the other years are prepared by the Wisconsin Department of Administration, Demographic Services Center.

(2) Source: Wisconsin Department of Revenue, Division of Research and Policy.

(3) Fitchburg residents are split amount three different school districts. The amounts shown above are the total enrollments, not just Fitchburg residents. Source: Department of Public Instruction; School District.

(4) Source: Wisconsin Department of Workforce Development.

n/a - data not available

Year	Median Age	Percent High School Graduates	Percent College Graduates
2018	n/a	93.0%	46.5%
2017	34.5	95.3%	49.0%
2016	34.2	91.3%	46.4%
2015	34.4	91.1%	46.0%
2014	34.6	94.9%	47.6%

Source: U.S. Bureau of the Census. Dane County Wisconsin

Note: 2018 median age not available @ 5/9/19

City of Fitchburg, Wisconsin

Table 14 - Principal Employers
Current Year and Twelve Years Ago ⁽²⁾

Employer	2018			2006 ⁽¹⁾		
	Employees	Rank	Percent of Total City Employment	Employees	Rank	Percent of Total City Employment
SubZero/Wolf	1,021	1	3.6%			
Promega	880	2	3.1%	468	1	2.0%
Agrace Hospice Care	497	3	1.8%			
Super Target	450	4	1.6%			
Thermo Fisher	425	5	1.5%	473	2	2.1%
Placon	410	6	1.4%	260	3	1.1%
Hy-Vee	406	7	1.4%			
CDW	261	8	0.9%	162	4	0.7%
City of Fitchburg	280	9	1.0%			
Tri-North Builders	250	10	0.9%			
Oakhill				150	5	0.7%
DNR				140	6	0.6%
Certco				135	7	0.6%
Wingra Stone				125	8	0.5%
General Beverage Sales Co.				110	9	0.5%
All Juice				70	10	0.3%
Total	4,880		17.2%	2,093		9.1%

Notes:

(1) Estimated based on information obtained for 2000 employer counts.

(2) Nine years prior to the current year would be 2009; however, that information is not accessible. Instead, information is provided for the current year and twelve years prior.

Source: Wisconsin Department of Workforce Development.

City of Fitchburg, Wisconsin

Table 15 - Full-Time Equivalent City Government Employees by Function
Last Ten Years

Function	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Government ⁽³⁾										
Non-Union	19.65	19.40	20.60 ⁽²⁾	23.80	20.07	19.67	5.92	5.92	5.92	5.92
Union	-	-	-	-	-	-	13.75	13.25	14.25	14.75
Public Safety										
Police										
Officers - Non-Union	10.00	10.00	10.00	10.00	9.00	8.00	8.00	8.00	8.00	8.00
Officers - Union	40.00	39.00	39.00	39.00	37.00	37.00	37.00	36.00	36.00	36.00
Civilians - Non-Union	12.00	12.00	12.00	11.50	11.50	11.50	-	-	-	-
Civilians - Union	-	-	-	-	-	-	12.00	12.00	12.00	12.00
Fire										
Full-Time Firefighters Non-Union	11.00	11.00	11.00	9.33	9.33	9.33	9.33	9.33	9.33	7.38
Full-Time Firefighters - Union	12.00	12.00	12.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Civilians	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Building Inspection	3.50	3.50	3.50	3.75	4.25	4.25	4.25	4.25	4.25	4.25
Health and Human Services										
Non-Union	5.80	5.80	5.30	5.30	5.30	4.90	2.00	2.00	2.00	2.00
Union	-	-	-	-	-	-	2.90	2.90	2.90	2.90
Public Works										
Non-Union	12.00	11.20	10.10	9.85	9.35	9.35	9.35	9.35	8.35	8.35
Union	8.00	8.00	8.00	8.00	7.00	7.00	7.00	7.00	7.00	7.00
Culture, Recreation, and Education										
Non-Union	22.60	23.35	22.35	21.35	20.35	20.35	19.35	18.85 ⁽³⁾	4.60	3.60
Union	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Conservation and Development										
Non-Union	5.00	5.00	5.00	5.00	5.00	5.00	3.00	3.00	3.00	3.00
Union	-	-	-	-	-	-	2.00	2.00	2.00	2.00
Utility District #1										
Non-Union	2.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Union	4.00	4.00	4.00	4.00	3.00	3.00	3.00	3.00	3.00	3.00
Stormwater Utility										
Non-Union	2.00	2.00	2.00	2.00	1.75	1.75	1.00	1.00	1.00	1.00
Union	-	-	-	-	-	-	0.75	0.75	0.75	0.75
Technology	5.00	5.00	5.00 ⁽²⁾	-	-	-	-	-	-	-
Total	179.55	178.25	175.85	168.88	158.90	157.10	156.60	154.60	140.35	137.90

Notes:

(1) The FTE's presented are the approved number of positions and may not agree to the number of positions filled. Schedule does not include seasonal part-time employees, pollworkers, or elected officials.

(2) Technology employees moved from general government to the internal service fund in 2016.

(3) New library operational in 2011.

Source: Annual adopted budgets

City of Fitchburg, Wisconsin

Table 16 - Operating Indicators by Function
Last Ten Years

Function	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Government										
Number of Assessable Parcels	8,212	7,938	7,939	8,152	8,118	8,099	8,102	8,125	8,244	8,142
Equalized Value - TID In	3,135,272,200	2,954,018,100	2,830,645,500	2,711,401,700	2,623,964,200	2,503,773,000	2,447,132,400	2,489,764,900	2,524,627,800	2,582,226,200
Equalized Value - TID	304,383,200	290,853,700	254,856,300	278,301,100	156,655,300	183,053,200	138,892,600	125,083,400	123,314,900	120,248,100
Net New Construction Value	83,740,200	87,645,200	81,012,600	51,214,800	75,728,200	60,774,500	31,754,200	20,992,000	19,294,700	45,499,500
Net New Construction %	2.835%	3.096%	2.988%	1.952%	3.025%	2.483%	1.275%	0.831%	0.747%	1.762%
Pet Licenses Issued	1,600	1,630	1,595	1,527	1,485	1,448	1,410	1,399	1,454	1,469
Operator licenses	349	309	215	359	466		473	367	266	262
Public Safety										
Police Department										
Calls for Police Service	25,583	18,531	19,194	20,530	19,299	19,695	21,382	21,532	20,327	20,893
Total Arrests	1,068	1,001	708	814	874	1,131	1,207	1,278	1,295	1,358
Fire Department										
Fire Responses	2,103	2,054	2,033	2,010	1,807	1,542	1,575	1,384	1,315	1,184
Fire Inspections	2,349	2,320	2,790	2,521	2,244	2,515	2,798	2,333	2,312	2,176
EMS Assists	1,169	1,202	1,220	1,226	993	739	748	583	574	486
Building Inspection Department										
Building Permits Issued	1,050	965	870	682	644	653	628	642	634	515
Property Maintenance Inspection	1,368	1,134	1,242	1,199	877	1,232	1,205	n/a	n/a	n/a
Health and Human Services										
Senior Center Clients Served	693	689	769	694	597	664	649	652	615	625
Nutrition Meals Served	14,706	15,930	13,505	12,325	11,242	11,112	10,153	8,468	9,737	8,477
Public Works										
Residential Rubbish Removals	5,469	5,424	5,353	5,319	5,239	5,219	5,189	5,180	5,166	5,064
Culture, Recreation, and Education										
Library Items Circulated	384,000	386,317	393,172	389,153	388,074	393,391	375,610	158,411	-	-
Library Card Holders	16,248	15,072	16,976	15,290	15,103	14,824	16,681	14,956	-	-
Summer Reading Program Registrations	1,309	1,081	954	1,204	890	1,024	1,198	n/a	-	-
Recreation Program Participants	3,259	3,713	3,417	3,198	4,279	4,158	3,797	3,865	3,763	3,924
FACTv										
Productions	482	221	204	288	271	286	238	206	185	n/a
Meeting covered	238	251	269	247	229	231	262	293	47	n/a
Conservation and Development										
Planning/Zoning Applications	151	145	127	169	143	171	238	143	163	164
Items Sent to Planning Commission	183	119	80	109	104	111	91	69	88	116
Utility District #1										
Average Number of Customers										
Water	6,240	6,100	6,060	6,024	5,969	5,742	6,282	6,288	6,186	6,089
Sewer	6,043	5,850	5,810	5,810	5,753	5,723	5,727	5,616	5,571	5,455
Water only	474	469	466	457	456	683	-	-	-	-
Sewer only	47	53	53	53	53	53	53	51	50	51
Total Pumped (million gallons)	710,325	704,180	707,829	699,754	706,019	727,090	780,102	722,234	721,785	753,305
Stormwater Utility										
Average Number of Customers	6,162	6,007	5,964	5,910	5,867	5,833	5,759	5,739	5,710	5,688
Technology										
Tickets Addressed	2,383	2,511	2,257	1,746	n/a	n/a	n/a	n/a	n/a	n/a

Source: Various City departments.

City of Fitchburg, Wisconsin

Table 17 - Capital Asset Statistics by Function ⁽¹⁾
Last Ten Years

Function	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Public Safety										
Police Patrol Units										
Owned	11	11	11	11	11	13	15	10	10	8
Leased	10	10	9	10	10	10	10	12	11	11
Police Stations ⁽²⁾	1	1	1	1	1	1	1	1	1	1
Fire Stations	3	3	2	2	2	2	2	2	2	2
Public Works										
Streets (center lane miles)	127.68	126.72	122.89	122.06	120.89	120.62	118.27	118.27	118.07	118.07
Culture and Recreation										
Park Acreage	728	747	610	610	609	606	584	584	584	584
Parks	52	51	43	42	41	41	37	37	37	37
Community/Senior Centers	1	1	1	1	1	1	1	1	1	1
Libraries	1	1	1	1	1	1	1	1	1	-
Utility District #1										
Sewer Main (feet)	450,869	445,530	437,859	433,584	428,960	428,764	427,830	419,527	419,472	419,472
Pump Stations/Reservoirs	4	4	4	4	4	4	4	4	4	4
Wells	6	6	6	6	6	6	6	6	6	6
Watermain (feet)	562,699	535,065	521,771	517,493	508,633	507,438	505,531	494,370	494,370	492,635
Fire Hydrants	1,171	1,158	1,120	1,119	1,098	1,097	1,090	1,058	1,058	1,058
Services	5,384	5,265	5,072	5,069	5,017	5,014	4,969	4,955	4,954	4,939
Stormwater Utility										
City owned wet detention facilities	54	54	46	44	42	40	49	44	33	33
City owned infiltration facilities	15	15	10	10	10	10	10	10	10	10

Notes:

(1) Indicators are not available for the General Government, Health & Welfare, Conservation and Development, or Technology functions.

(2) The police station is attached to City Hall.

(3) Updated the sewer mains per Dakota's calculation using GIS. Worked backwards to figure out prior years by subtracting the feet added each year.

Source: Various City departments.