

City of Appleton, Wisconsin
COMPREHENSIVE ANNUAL FINANCIAL REPORT
December 31, 2018

Finance Department

Anthony D. Saucerman, CPA, Director of Finance
Jeri A. Ohman, CPA, Deputy Director of Finance
Kelli K. Rindt, CPA, Enterprise Accounting Manager
John F. Hoft-March, CMA, Budget Manager
Katie Paplham, Accounting Supervisor

City of Appleton, Wisconsin

DECEMBER 31, 2018

Table of Contents

INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	4
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements	
Statement of Net Position	20
Statement of Activities	21
Fund Financial Statements	
Balance Sheet - Governmental Funds	23
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	25
Statement of Net Position - Proprietary Funds	27
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	31
Statement of Cash Flows - Proprietary Funds	33
Statement of Fiduciary Net Position - Tax Collection Agency Fund	37
Combining Statement of Net Position - Component Units	38
Combining Statement of Activities - Component Units	39
Notes to Basic Financial Statements	41
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	82
Schedule of Changes in Total OPEB Liability and Related Ratios	83
Schedule of Proportionate Share of Net Pension Liability (Asset) - Wisconsin Retirement System	84
Schedule of Contributions - Wisconsin Retirement System	84
Notes to Required Supplementary Information	85
SUPPLEMENTARY INFORMATION	
General Fund	
Detailed Comparison of Budgeted and Actual Revenues and Other Financing Sources	86
Detailed Comparison of Budgeted and Actual Expenditures and Other Financing Uses	89
Combining Balance Sheet - Nonmajor Governmental Funds	90
Combining Balance Sheet - Nonmajor Special Revenue Funds	91

City of Appleton, Wisconsin

DECEMBER 31, 2018

Combining Balance Sheet - Nonmajor Capital Project Funds	95
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	98
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds	99
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Project Funds	103
Combining Statement of Net Position - Nonmajor Enterprise Funds	106
Combining Statement of Revenues, Expenses and Changes in Net Position - Nonmajor Enterprise Funds	107
Combining Statement of Cash Flows - Nonmajor Enterprise Funds	108
Combining Statement of Net Position - Internal Service Funds	109
Combining Statement of Revenues, Expenses and Change in Net Position - Internal Service Funds	110
Combining Statement of Cash Flows - Internal Service Funds	111
Statement of Changes in Assets and Liabilities - Agency Fund	113
STATISTICAL SECTION	
Net Position by Component	114
Changes in Net Position	115
Program Revenues by Function/Program	117
Fund Balances, Governmental Funds	118
Changes in Fund Balance, Governmental Funds	119
Assessed Value and Actual Value of all Taxable Property	120
Property Tax Rates - Direct and Overlapping Governments	121
Principal Taxpayers - Current Year and Nine Years Prior	125
Property Tax Levies and Collections	126
Direct and Overlapping Sales Tax Rates	127
Outstanding Debt by Type	128
General Obligation Debt	129
Computation of Direct and Overlapping Debt	130
Legal Debt Margin Calculation	131
Mortgage Revenue Bond Coverage	132
Demographic Statistics	135
Principal Employers - Current Year and Nine Years Prior	136
Budgeted Full-Time-Equivalent Personnel Positions	137
Operating Indicators by Function/Program	138
Capital Assets Statistics by Function/Program	139

City of Appleton, Wisconsin

DECEMBER 31, 2018

ADDITIONAL INDEPENDENT AUDITORS' REPORT FOR BASIC FINANCIAL STATEMENTS

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	140
---	-----

SINGLE AUDIT

Independent Auditors' Report on Compliance for Each Major Federal and State Program and on Internal Control Over Compliance Required by the Uniform Guidance and the <i>State Single Audit Guidelines</i>	142
Schedule of Expenditures of Federal Awards	144
Schedule of Expenditures of State Awards	148
Notes to the Schedules of Expenditures of Federal and State Awards	148
Schedule of Findings and Questioned Costs	150
Schedule of Prior Year Audit Findings and Corrective Action Plan	153
Settlement of DHS Cost Reimbursement Award (Supplementary Information)	154



Independent auditors' report

To the Honorable Mayor and Common Council
City of Appleton, Wisconsin

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Appleton, Wisconsin (the "City") as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 auditors consider internal control relevant to the City'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's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

OPINIONS

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City 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.

EMPHASIS OF MATTER

As discussed in Note 5.A.7 to the financial statements, in 2018 the Redevelopment Authority, a component unit of the City, recorded a prior period adjustment of \$263,098. Our opinions are not modified with respect to this matter.

CHANGE IN ACCOUNTING PRINCIPLE

As discussed in Note 4.I to the financial statements, in 2018 the City adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinions are not modified with respect to this matter.

OTHER MATTERS**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 19, the budgetary comparison information on page 82, and the schedules relating to pensions and other postemployment benefits on pages 83 through 84 be presented to supplement the basic financial statements. Such information, although not 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.

Prior Year Summarized Financial Information

The 2017 financial statements were audited by Schenck SC, whose practice became part of CliftonLarsonAllen LLP as of January 1, 2019, and whose report dated June 22, 2018, expressed unmodified opinions on those respective financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information from which the prior year summarized financial information was derived.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The financial information listed in the table of contents as supplementary information and statistical section are presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedules of expenditures of federal and state awards are presented for purposes of additional analysis, as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration, are also not a required part of the basic financial statements.

The supplementary information and schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 and schedules of expenditures of federal and state awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Schenck SC previously audited, in accordance with auditing standards generally accepted in the United States of America, the City of Appleton, Wisconsin's basic financial statements for the year ended December 31, 2017, which are not presented with the accompanying financial statements and expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units each major fund and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Appleton, Wisconsin's basic financial statements as a whole. The 2017 actual amounts in the general fund budgetary comparison information and the combining enterprise fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare used to prepare the 2017 basic financial statements. The report of Schenck SC stated that the information has been subjected to the auditing procedures applied in the audit of those 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 their opinion, the 2017 actual amounts in the general fund budgetary comparison information and combining enterprise fund financial statements were fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

The statistical section 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.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2019, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Green Bay, Wisconsin
June 18, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

City of Appleton, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Appleton, Wisconsin, we offer readers of the City's financial statement this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2017. We encourage readers to consider the information presented here in conjunction with the City's financial statements.

Financial Highlights

- The assets and deferred outflows of resources of the City of Appleton exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$650,502,534. Of this amount, \$71,704,628 may be used to meet the City's obligations to citizens and creditors. The remaining amount is either subject to external restrictions on the utilization of the funds, or is invested in infrastructure capital assets.
- At the close of the fiscal year, the City of Appleton's governmental funds reported combined ending fund balances of \$35,119,395, an increase of \$4,841,694 from the 2017 balance of \$30,277,701. The increase was attributable mainly to funding for certain infrastructure and other capital projects being received in 2018 while the corresponding projects were delayed until 2019. It is expected the funds will be expended in 2019 when project costs are incurred. Additionally, the City's TIF District #3 has matured providing positive annual results which allow the deficit fund balance in that fund to be substantially reduced each year.
- In accordance with GASB Statement No. 68 which require governmental entities participating in the Wisconsin Retirement System (WRS) to report their proportionate share of the plan's activity and net pension asset or liability, \$10,924,121 has been recorded as a net pension asset at December 31, 2018. As of the December 31, 2017 measurement date used for the 2018 financial statements, WRS reported total resources available to provide pension benefits of \$104.4 billion. They also reported a total liability for pensions of \$101.4 billion, resulting in a net pension asset of \$3 billion. The City's proportionate share of this asset is \$10,924,121.
- During 2018, the City issued \$13,840,000 of general obligation debt and retired \$6,700,000 of general obligation bonds and notes, resulting in an outstanding balance of \$57,745,000 at December 31, 2018. The major capital projects funded with the amount borrowed in 2018 include the reconstruction of South Oneida Street, the renovation of Jones Park, and the demolition of the City Center parking ramp. Under Wisconsin State Statutes Chapter 67, the City of Appleton's aggregate general obligation indebtedness may not exceed 5% of the equalized value of taxable property located in the City. The net amount of debt that is applicable to the statutory limit is \$56,043,804 (\$57,745,000 less reserves on hand) which is 20.59% of the legal limit of \$272,171,760, well under the statutory limit.
- The Exhibition Center Capital Projects Fund was established in 2016 to account for the costs of constructing a 30,000 square-foot exhibition center which was attached via skywalk to a local downtown hotel. The project was to be funded by a bond issue by the Appleton Redevelopment Authority (ARA), a component unit of the City, in their role as a conduit issuer on behalf of ten area communities who pledged a portion of their hotel room taxes to pay debt service on the bonds. The City was to be reimbursed for their investment in the cost of construction of the Exhibition Center upon issuance of the ARA bonds. The Exhibition Center opened in 2018 and on May 1, 2018, the ARA issued \$31,865,000 of lease revenue bonds and reimbursed the City in full for the funds previously advanced.
- The employment base in Appleton and the Fox Cities remains competitive and stable. Unemployment rates remain low (2.5% as of December, 2018) and resident income levels are above average, with median family income estimated at 105.3% of the US average. The City's overall equalized value increased \$220 million (4.22%) from 2017 to \$5.4 billion as of January 1, 2018.

City of Appleton, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

GOVERNMENT-WIDE STATEMENTS

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a format similar to a private sector business.

The *Statement of Net Position* presents information on all of the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position serve as a useful indicator of whether the financial position of the City is improving or deteriorating. To assess the overall health of the City, consideration must also be given to additional non-financial factors such as changes in the City's property tax base and the condition of the City's infrastructure.

The *Statement of Activities* presents information showing how the City's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government; public safety; public works; education and recreation; and community development.

The major business-type activities of the City include Valley Transit and the Water, Stormwater, and Wastewater Utilities.

The government-wide financial statements include not only the City of Appleton itself (known as the primary government), but also two component units, the Appleton Redevelopment Authority and the Business Improvement District, that are separate legal entities for which the City of Appleton is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 20 to 22 of this report.

City of Appleton, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS

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.

The City maintains 41 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 which is considered to be a major fund. 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 basic governmental fund financial statements can be found on pages 23 to 26 of this report.

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 Wastewater, Water, Stormwater and Parking Utilities, Valley Transit and Reid Golf Course. The City uses internal service funds to account for its fleet management, facilities maintenance, insurance, and post-employment benefit programs. The services provided by these funds predominately benefit the government rather than the public. They have been included within the governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for Valley Transit and the Water, Wastewater and Stormwater Utilities since they are considered to be major funds of the City.

City of Appleton, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS

Data from the other enterprise funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major enterprise funds is provided in the form of combining statements elsewhere in this report. All internal service funds are also combined into a single, aggregated column in the proprietary fund financial statements. Individual fund information is provided in the Supplementary Section of this report.

The basic proprietary fund financial statements can be found on pages 27 to 36 of this report.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary 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 fiduciary funds is much like that used for proprietary funds. The City uses a fiduciary fund to account for its property tax collection activities. The basic fiduciary fund financial statements can be found on page 37 of this report.

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. The notes to the financial statements can be found on pages 41 to 81 of this report.

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 as well as a schedule of funding progress for the City's post-employment benefits plan and employer contributions to the plan, and schedules of the City's proportionate share of the Wisconsin Retirement System net pension liability and employer annual contributions to the plan. These schedules and the related notes can be found on pages 82 to 88 of this report. The combining statements referred to earlier in connection with nonmajor governmental funds, proprietary funds, and other information related to the individual funds are presented following the required supplementary information. Combining and individual statements and schedules can be found on pages 89 to 112 of this report.

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.

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 of Appleton, assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$650,502,534 as of December 31, 2018.

The largest portion of the City's net position (approximately 83%) reflects its investment in capital assets less any outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, they are not liquid and available for future spending. Although the City's investment in its 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 the capital assets themselves cannot be used to liquidate these liabilities.

City of Appleton, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF APPLETON'S NET POSITION

	Governmental Activities 2018	Business- Type Activities 2018	Totals
Current and Other Assets	\$ 125,041,564	\$ 83,259,379	\$ 208,300,943
Capital Assets	<u>374,172,378</u>	<u>319,083,032</u>	<u>693,255,410</u>
Total Assets	<u>499,213,942</u>	<u>402,342,411</u>	<u>901,556,353</u>
Deferred Outflows of Resources	<u>17,195,380</u>	<u>5,970,630</u>	<u>23,166,010</u>
Other Liabilities	9,205,932	4,261,022	13,466,954
Long-Term Liabilities	<u>73,037,849</u>	<u>116,339,631</u>	<u>189,377,480</u>
Total Liabilities	<u>82,243,781</u>	<u>120,600,653</u>	<u>202,844,434</u>
Deferred Inflows of Resources	<u>67,503,514</u>	<u>3,871,881</u>	<u>71,375,395</u>
Net Position:			
Net Investment in Capital Assets	319,649,060	217,488,772	537,137,832
Restricted	19,443,354	22,216,720	41,660,074
Unrestricted	<u>27,569,613</u>	<u>44,135,015</u>	<u>71,704,628</u>
Total Net Position	<u>\$ 366,662,027</u>	<u>\$ 283,840,507</u>	<u>\$ 650,502,534</u>

	Governmental Activities 2017	Business- Type Activities 2017	Totals
Current and Other Assets	\$ 115,328,894	\$ 77,428,718	\$ 192,757,612
Capital Assets	<u>402,444,763</u>	<u>320,990,024</u>	<u>723,434,787</u>
Total Assets	<u>517,773,657</u>	<u>398,418,742</u>	<u>916,192,399</u>
Deferred Outflows of Resources	<u>18,957,482</u>	<u>6,779,761</u>	<u>25,737,243</u>
Other Liabilities	14,956,690	4,773,969	19,730,659
Long-Term Liabilities	<u>64,373,460</u>	<u>124,714,056</u>	<u>189,087,516</u>
Total Liabilities	<u>79,330,150</u>	<u>129,488,025</u>	<u>208,818,175</u>
Deferred Inflows of Resources	<u>54,695,038</u>	<u>1,714,512</u>	<u>56,409,550</u>
Net Position:			
Net Investment in Capital Assets	356,166,240	211,019,686	567,185,926
Restricted	10,380,712	10,767,596	21,148,308
Unrestricted	<u>36,158,999</u>	<u>52,208,684</u>	<u>88,367,683</u>
Total Net Position	<u>\$ 402,705,951</u>	<u>\$ 273,995,966</u>	<u>\$ 676,701,917</u>

City of Appleton, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS

An additional portion of the City's net position (approximately 6.4%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of \$71,704,628 may be used to meet the government's ongoing obligation to its citizens and creditors.

Analysis of the City's Operations - The following table provides a summary of the City's operations for the year ended December 31, 2018. Governmental activities decreased the City of Appleton's net position by \$33,969,449 while business-type activities increased the City's net position by \$10,637,369.

CITY OF APPLETON CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	Governmental Activities 2018	Business- Type Activities 2018	Totals
Revenues:			
Program Revenues:			
Charges for services	\$ 8,365,514	\$ 48,599,261	\$ 56,964,775
Operating grants and contributions	5,941,653	7,608,663	13,550,316
Capital grants and contributions	1,333,280	1,827,395	3,160,675
General Revenues:			
Property taxes	45,392,038	-	45,392,038
Other taxes	2,176,780	-	2,176,780
Intergovernmental	11,569,281	-	11,569,281
Investment income	1,326,962	872,251	2,199,213
Gain (loss) on sale of assets	166,055	-	166,055
Miscellaneous	382,032	7,706	389,738
Total Revenues	<u>76,653,595</u>	<u>58,915,276</u>	<u>135,568,871</u>
Expenses:			
General government	8,351,464	-	8,351,464
Public safety	33,196,999	-	33,196,999
Public works	20,954,662	-	20,954,662
Education and recreation	13,334,961	-	13,334,961
Community development	36,202,163	-	36,202,163
Interest and fiscal charges	1,047,481	-	1,047,481
Water Utility	-	14,699,970	14,699,970
Wastewater Utility	-	11,098,233	11,098,233
Valley Transit	-	9,879,574	9,879,574
Stormwater Utility	-	7,004,763	7,004,763
Other non-major proprietary funds	-	3,130,681	3,130,681
Total Expenses	<u>113,087,730</u>	<u>45,813,221</u>	<u>158,900,951</u>
Increase (decrease) in net position before transfers	(36,434,135)	13,102,055	(23,332,080)
Transfers	2,464,686	(2,464,686)	-
Increase (decrease) in net position	(33,969,449)	10,637,369	(23,332,080)
Net Position – January 1, 2018 (as restated)	<u>400,631,476</u>	<u>273,203,138</u>	<u>673,834,614</u>
Net Position – December 31, 2018	<u>\$ 366,662,027</u>	<u>\$ 283,840,507</u>	<u>\$ 650,502,534</u>

City of Appleton, Wisconsin

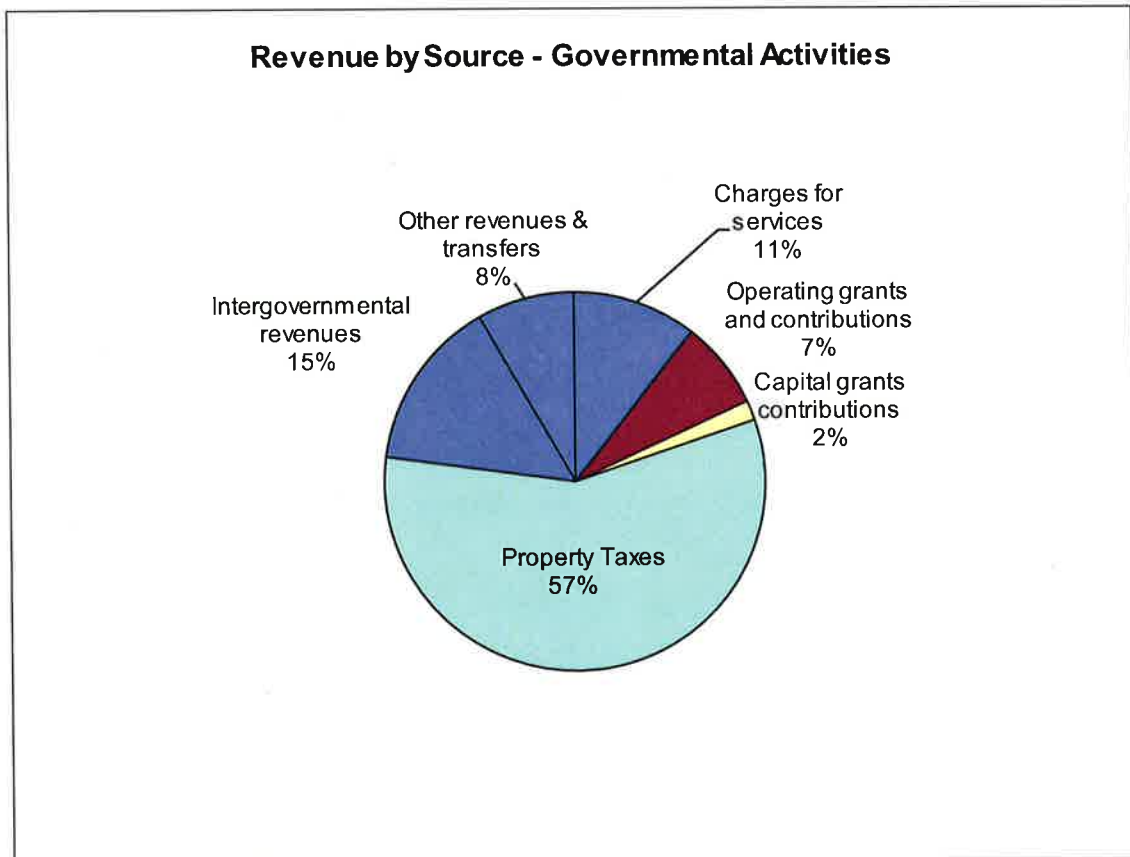
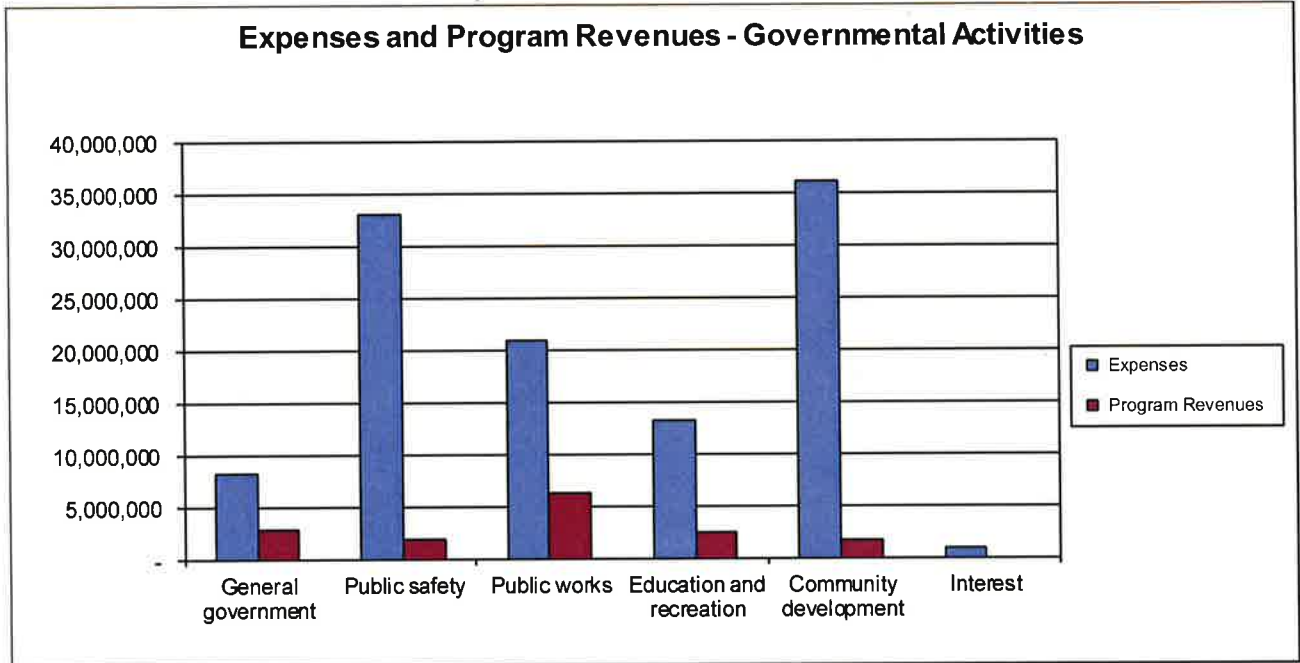
MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF APPLETON CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (cont.)

	Governmental Activities 2017	Business- Type Activities 2017	Totals
Revenues:			
Program Revenues:			
Charges for services	\$ 6,757,109	\$ 47,881,677	\$ 54,638,786
Operating grants and contributions	5,777,912	6,908,975	12,686,887
Capital grants and contributions	31,749,588	3,060,842	34,810,430
General Revenues:			
Property taxes	43,643,932	-	43,643,932
Other taxes	2,899,637	-	2,899,637
Intergovernmental	11,498,209	-	11,498,209
Investment income	891,771	519,177	1,410,948
Gain on sale of assets	179,507	-	179,507
Miscellaneous	482,150	17,898	500,048
Total Revenues	103,879,815	58,388,569	162,268,384
Expenses:			
General government	9,000,925	-	9,000,925
Public safety	33,166,399	-	33,166,399
Public works	16,478,720	-	16,478,720
Education and recreation	11,292,372	-	11,292,372
Community development	7,569,648	-	7,569,648
Interest and fiscal charges	902,403	-	902,403
Water Utility	-	14,627,223	14,627,223
Wastewater Utility	-	10,788,112	10,788,112
Valley Transit	-	9,587,671	9,587,671
Stormwater Utility	-	7,576,951	7,576,951
Other non-major proprietary funds	-	2,784,861	2,784,861
Total Expenses	78,410,467	45,364,818	123,775,285
Increases in net position before transfers	25,469,348	13,023,751	38,493,099
Transfers	2,621,836	(2,621,836)	-
Increase in net position	28,091,184	10,401,915	38,493,099
Net Position – January 1, 2016	374,614,767	263,594,051	638,208,818
Net Position – December 31, 2016	\$ 402,705,951	\$ 273,995,966	\$ 676,701,917

City of Appleton, Wisconsin

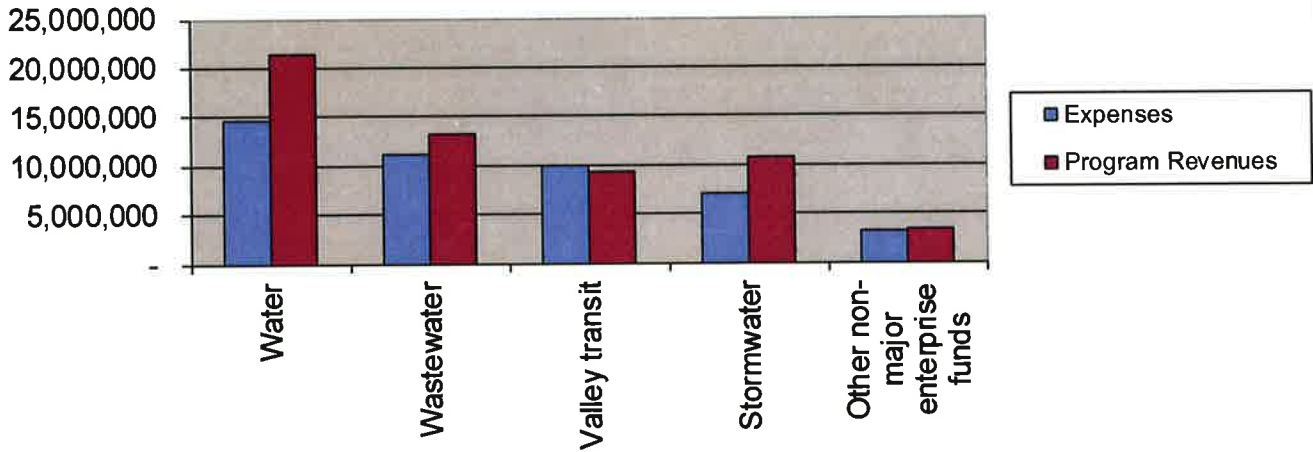
MANAGEMENT'S DISCUSSION AND ANALYSIS



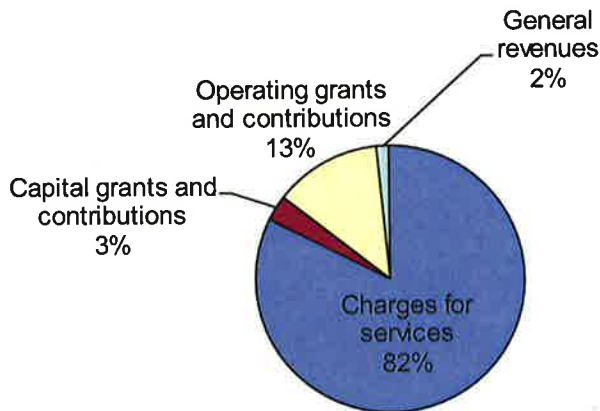
City of Appleton, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS

Expenses and Program Revenues - Business-type Activities



Revenues by Source - Business-type Activities



City of Appleton, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS

GOVERNMENTAL FUNDS

The focus of the City of Appleton's governmental funds is to provide information on current inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, 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 the end of current fiscal year, the City of Appleton's governmental funds reported combined ending fund balances of \$35,119,395. In accordance with Governmental Accounting Standards Board Statement No. 54 – Fund Balance Reporting and Governmental Fund Type Definitions, the City has classified the governmental fund balance as follows: 1) nonspendable \$8,669,423; 2) restricted \$9,097,900; 3) committed \$1,310,091; 4) assigned \$17,702,121; and 5) unassigned (\$1,660,140). Nonspendable funds include amounts that cannot be spent because they are not in spendable form (inventories or prepaid expenses, for example), or are legally required to remain intact. Restricted funds consist of amounts that have externally enforceable limitations placed on their use by creditors, grantors, contributors, or other governments, or by law through constitutional provisions or enabling legislation. Committed funds include amounts that are constrained for specific purposes through formal action of the highest level of decision making authority, usually the City Council. Assigned funds consist of spendable amounts that are intended to be used for specific purposes but are not considered restricted or committed. Unassigned funds include the residual balance within the general fund which has not been classified within the other categories. Unassigned fund balance may also include deficit balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

The \$1,660,140 unassigned deficit noted above represents \$9,737,733 of positive unassigned general fund balance offset by an \$11,396,680 deficit in TIF funds and \$1,193 reimbursement receivable in the Police Grant fund. The TIF deficits are expected to be recovered through future tax increments in the districts, and the grant deficit is related to the timing of grant reimbursements and is expected to be recovered in 2019.

General Fund: The general fund is the main operating fund of the City. The general fund has a detailed reserve policy that ensures the financial stability of the City of Appleton. The reserve policy stipulates that the total unreserved fund balance (excluding designations for debt service) will be 25% of the following year's budgeted appropriations. It also calls for a designated balance for debt service of 25% of the ensuing year's debt service requirements. 75% of any excess funds over these amounts will be used for the reduction of long-term liabilities. Use of the remaining excess funds is subject to recommendation from the Finance Committee and final Council approval. This policy has allowed the City to keep its outstanding debt well below the legal debt limit. The City is currently at 20.59% of the limit and has a general obligation debt per capita of \$750.

For the year ended December 31, 2018, general fund revenues and transfers in totaled \$63,262,144 while expenses and transfers out were \$61,790,796 resulting in an increase of \$1,471,348 for the year. The increase was primarily related to the delay in public works road projects that were funded in 2018 but delayed until 2019. Additionally, vacancies throughout the year provided savings in personnel costs, an unanticipated payment from the State for a road project provided additional revenue, and positive budget expense variances throughout the general fund departments attributed to the year-end surplus.

City of Appleton, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS

PROPRIETARY FUNDS

The City of Appleton's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Water Utility: Water Utility operating income was \$8,043,952 in 2018, or a 6.08% rate of return on the net investment rate base. This compares to operating income of \$8,108,877 in 2017, or a 6.17% rate of return. There was a slight increase in operating revenues, due to an increase in consumption by the wholesale customers. Operation and maintenance expense decreased slightly from the prior year, this was due to a large tower painting project that was completed in 2017. However, this decrease was offset by amortized loss for the early retirement of the membrane equipment no longer being used in the treatment process. The total loss of \$2,738,673 will be amortized over four years. Operating expenses included \$113,000 in costs for a Lake Intake and Water Distribution studies and an increase in chemical expense of \$93,000 from the prior year that was offset by a \$92,000 decrease in utility expense from the prior year.

Wastewater Utility: The Wastewater Utility recorded operating income of \$2,434,246 in 2018 compared to operating income of \$1,777,254 in 2017. Operating revenues continued to increase due to the addition of \$874,000 in fees generated from special hauled waste disposal. The increase in operating revenues were offset by a slight increase in operating expenses; this is due to an increase in depreciation expense from the addition of a lift station to the collection system and the upgrade of chemical treatment systems at the treatment plant. Operating expenses included \$34,000 in receiving stations repairs and \$35,000 to replace numerous tank scrapers.

Stormwater Utility: Stormwater Utility operating income was \$4,185,960 in 2018 compared to operating income of \$3,438,277 in 2017. Operating revenue increased due an increase in the number of equivalent runoff units (ERU's) due to new building additions within the City, as well as the review of commercial property measurements in 2018. Stormwater Utility charges are based on the number of ERU's. Operating expenses for 2018 decreased 10% or \$640,000 from 2017. The decrease in expense in 2018 is due to less lateral and mini-storm sewer work completed as part of the infrastructure projects.

Valley Transit: Operating revenues increased \$66,890 in 2018 due to an increase in ridership in both the fixed route (1.5%) and ADA paratransit services (10.3%).

Operating expenses increased by \$180,070, mostly due to an increase in the cost of contracted services, materials and supplies, and purchased transportation services. The increase in contracted service costs relate to the costs of providing security around the Transit Center, marketing and promotional services, and an increase in both vehicle and equipment repair costs. Additionally, Valley Transit experienced an increase in bus maintenance and parts costs due to the continued maintenance of an aging fleet.

City of Appleton, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS

GENERAL FUND BUDGETARY HIGHLIGHTS

The final amended General Fund budget had total appropriations (including transfers) of \$2,468,674 more than the original budget. The total original appropriations, including those for transfers out, were \$63,018,852, while the final appropriations were \$65,487,526. A large part of the increase, \$2,065,559, was related to contingency funds established in the past that were carried over from 2017 into 2018 to safeguard against uncertainties in the economy. This contingency fund consists of reserves for fuel costs (\$137,315) and wage increases (\$676,839), an amount to guard against future potential State aid reductions (\$849,107), and an overall general contingency fund for unforeseen emergencies or catastrophic events (\$402,298).

The remaining increase in the 2018 Budget of \$403,115 was related to \$177,755 of unexpended 2017 budget funds carried over to pay for expenses that were incurred in 2018. Additionally, various budget increases were approved by the City Council throughout the year totaling \$225,360. The majority of these increases were related to expenses incurred in response to donations or grants received by the City during the year to fund public safety, library, and park and recreation programs.

CAPITAL ASSETS

At the end of 2018, the City had invested a total of \$693,255,410 in capital assets (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, machinery and equipment, infrastructure and construction work in progress. Major capital asset events during the current fiscal year included the following:

Business-type Activities

Water: Transmission and distribution capital outlay accounted for \$3 million of expenses and will continue to be a focus due to an aging distribution system. Additionally, a \$100,000 project to upgrade VFD drives to distribution pumps was completed in 2018.

Wastewater: Additions included \$1.1 million in improvements to the wastewater collection system. Additionally, a \$775,000 project to add a new lift station to the Northwest area of the City and \$513,000 in projects to upgrade chemical feed systems were completed.

Stormwater: Improvements necessary to continue our efforts in the management of stormwater in the City accounted for \$6.3 million in capital outlay for additions and upgrades to mains and infrastructure in order to comply with stormwater management regulations. Additionally, a \$2.1 million project was completed to add a stormwater pond and lift station near Northland Avenue.

Valley Transit: Net capital assets increased \$99,087 during 2018 as the result of capital purchases of \$896,168 financed by federal capital grants and local match dollars, offset by depreciation expense of \$632,834, and the loss on disposal of an asset not fully depreciated of \$164,247. Capital investments in 2018 consisted of one bus at a cost of \$447,098, the replacement of the vehicle locator system (\$253,680), and the refurbishing of the bus wash system (\$96,465), HVAC system (\$30,585), and maintenance pit (\$68,340).

City of Appleton, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental Activities

The largest change in 2018 in the governmental capital assets shown on the following page is due to the completion of construction of the Fox Cities Exhibition Center and the transfer of ownership to the Appleton Redevelopment Authority (ARA). At the end of 2017, the Center was still under construction and the construction costs (approximately \$31.8 million) were recorded in construction in progress and the land cost (approximately \$2 million) was included in land. With the completion of the project in 2018 and transfer of ownership to the ARA, the cost of the Exhibition Center building and land was transferred to ARA.

Maintaining existing infrastructure, always a high priority of the City, accounted for the largest general fixed asset expenditure, with approximately \$5.6 million invested in various street, bridge and sidewalk projects throughout the City. In conjunction with the maintenance of infrastructure, proper maintenance of City facilities is important to their longevity and safe operation. Investments made to various facilities in 2018 included a roof replacement at the City's Fire Station # 5 (\$133,600), renovations to the locker room at the City's Municipal Services Building (\$333,469), and completion of the upgrade of the HVAC system at the City's Parks, Recreation and Facilities Management building (\$50,967). Additionally, work continued on the eventual replacement of the Appleton Public Library building, with planning and design work in 2018 (\$169,300), recorded as construction work in progress.

Investments in equipment in 2018 included replacement of the storage area network (SAN) for data security (\$499,302), replacement of the pneumatic tube system at City Hall (\$21,954), replacement of a robotic work station that enables public works surveying staff to work singly (\$36,680), and the purchase of a robot for use by the Police SWAT team (\$62,765). Additionally, work continues on the project to replace existing legacy mainframe computer systems with an enterprise resource planning (ERP) system and computer assisted mass appraisal (CAMA) system (\$27,080), and the purchase of a new Fire Department records management system (\$58,827).

Finally, quality of life enhancements continue to be a major point of focus for the City. The largest investment was for work on the renovation of Jones Park adjacent to the newly opened Fox Cities Exhibition Center. Work in 2018 included construction of a new pavilion, playground, and other amenities (\$3,873,367 as construction work in progress). Completion of the project is expected in the summer of 2019. Another major quality of life investment is improved access to the river front at Telulah Park and work on the river front trail (\$988,907, also work in progress). Other projects included improvements to Kiwanis, Linwood, Telulah, and Vulcan Parks (\$277,919), clearing of land purchased in 2017 as an addition to Appleton Memorial Park (\$72,136), and continued renovations to the Scheig Center in Appleton Memorial Park (\$108,319).

City of Appleton, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS

CAPITAL ASSETS AT YEAR-END NET OF ACCUMULATED DEPRECIATION

	Governmental Activities 2018	Business-Type Activities 2018	Totals
Land	\$ 9,569,552	\$ 11,965,325	\$ 21,534,877
Right-of-ways	76,474,530	-	76,474,530
Land improvements	38,721,202	-	38,721,202
Intangible assets	270,418	1,873,497	2,143,915
Improvements	13,127,282	-	13,127,282
Buildings	48,395,471	171,589,056	219,984,527
Equipment, furniture and fixtures	48,540,342	89,006,500	137,546,842
Infrastructure	-	267,889,101	267,889,101
Streets	187,946,495	-	187,946,495
Sidewalks	34,078,483	-	34,078,483
Traffic signals	7,098,234	-	7,098,234
Bridges	49,755,101	-	49,755,101
Construction in progress	11,226,442	2,869,140	14,095,582
Accumulated depreciation	(151,031,174)	(226,109,587)	(377,140,761)
Totals	\$ 374,172,378	\$ 319,083,032	\$ 693,255,410

	Governmental Activities 2017	Business-Type Activities 2017	Totals
Land	\$ 11,557,416	\$ 11,916,990	\$ 23,474,406
Right-of-ways	76,429,958	-	76,429,958
Land improvements	38,721,202	-	38,721,202
Intangible assets	270,418	1,538,628	1,809,046
Improvements	12,847,014	-	12,847,014
Buildings	48,292,119	169,853,647	218,145,766
Equipment, furniture and fixtures	45,971,706	96,333,742	142,305,448
Infrastructure	-	257,882,521	257,882,521
Streets	185,567,161	-	185,567,161
Sidewalks	33,556,244	-	33,556,244
Traffic signals	6,188,194	-	6,188,194
Bridges	49,755,101	-	49,755,101
Construction in progress	37,071,724	6,251,732	43,323,456
Accumulated depreciation	(143,783,494)	(222,787,236)	(366,570,730)
Totals	\$ 402,444,763	\$ 320,990,024	\$ 723,434,787

City of Appleton, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS

Long-Term Debt

During 2018, the City issued \$13,840,000 of general obligation debt and retired \$6,700,000 of general obligation bonds and notes, resulting in an outstanding balance of \$57,745,000 at December 31, 2018. Additionally, the City issued \$8,245,000 of revenue bonds while retiring \$16,325,000 of bonds resulting in an outstanding balance of \$107,080,000.

Under Wisconsin State Statutes Chapter 67, the City of Appleton's aggregate indebtedness may not exceed 5% of the equalized value of taxable property located in the City. The net amount of debt that is applicable to the statutory limit is \$56,043,804 (\$57,745,000 less reserves on hand) which is 20.59% of the legal limit of \$272,171,760. Furthermore, City policy limits aggregate debt to 40% of the legal limit. The net debt outstanding at December 31, 2018 is 51.5% of the 40% policy limit.

CITY OF APPLETON'S OUTSTANDING DEBT - GENERAL OBLIGATION AND REVENUE BONDS

	Governmental Activity 2018	Business-Type Activity 2018	Totals
General obligation bonds and notes payable	\$ 56,705,000	\$ 1,040,000	\$ 57,745,000
Revenue bonds	-	107,080,000	107,080,000
Total Outstanding General Obligation and Revenue Bonds	\$ 56,705,000	\$ 108,120,000	\$ 164,825,000
	Governmental Activity 2017	Business-Type Activity 2017	Totals
General obligation bonds and notes payable	\$ 49,445,000	\$ 1,160,000	\$ 50,605,000
Revenue bonds	-	115,160,000	115,160,000
Total Outstanding General Obligation and Revenue Bonds	\$ 49,445,000	\$ 116,320,000	\$ 165,765,000

Additional information on the City of Appleton's long-term debt can be found in footnote 4.F. of this report.

Currently Known Facts/Economic Conditions

The City's tax base continues to experience steady growth, and benefits from a diverse mix of stable employers. While historically the local economy was dominated by the paper and manufacturing industries, the City's largest employers, Affinity Health Systems, Thrivent Financial, and the Appleton Area School District highlight the City's transition to an economy driven by service providers.

The promotion of commercial and industrial development remains one of the City's top priorities. This has been accomplished through the creation of several TIF Districts, which have allowed the City to install the infrastructure necessary to stimulate development while maintaining an adequate supply of industrial park land and developable sites. In TIF 6, the City's Southpoint Commerce Park is poised for development with over 100 acres of fully improved industrial sites. These parcels, coupled with a large selection of residential lots in new subdivisions along with continuing development of the downtown and riverfront, position the City of Appleton for healthy growth for years to come.

City of Appleton, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 of Appleton, Attn: Anthony D. Saucerman, CPA, Finance Director at 1-920-832-6440 or at tony.saucerman@appleton.org.

General information relating to the City of Appleton, Wisconsin, can be found at the City's website, www.appleton.org.

BASIC FINANCIAL STATEMENTS

City of Appleton, Wisconsin

STATEMENT OF NET POSITION DECEMBER 31, 2018 WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2017

	Governmental Activities	Business-type Activities	Totals		Component Units
			2018	2017	
ASSETS					
Cash and investments	\$ 44,009,341	\$ 47,250,440	\$ 91,259,781	\$ 58,450,914	\$ 263,548
Receivables					
Taxes and special charges	50,944,822	-	50,944,822	48,286,979	-
Accounts	935,892	4,550,886	5,486,778	5,847,602	-
Special assessments	200,053	211,363	411,416	458,790	77,340
Developer loans	1,675,884	-	1,675,884	2,131,543	-
Housing loans, net	6,391,644	-	6,391,644	6,483,281	-
Accrued interest	346,965	-	346,965	264,204	-
Other	137,728	5,712,639	5,850,367	6,268,791	-
Internal balances	1,339,501	(1,339,501)	-	-	-
Due from other governments	291,978	1,481,265	1,773,243	2,276,905	-
Due from component unit	-	-	-	29,840,455	-
Inventories	891,975	611,588	1,503,563	1,721,064	-
Prepaid items	54,396	46,282	100,678	58,111	-
Investment in WMIC	2,020,950	-	2,020,950	2,020,950	-
Business park land	6,812,949	10,082	6,823,031	6,922,648	408,433
Regulatory asset - early retirement loss	-	2,054,005	2,054,005	-	-
Restricted assets					
Cash and investments	-	20,651,795	20,651,795	21,639,727	4,769,036
Accrued interest	-	81,900	81,900	85,648	-
Net pension asset	8,987,486	1,936,635	10,924,121	-	-
Capital assets, nondepreciable	136,173,461	16,707,962	152,881,423	183,669,385	2,060,000
Capital assets, depreciable	237,998,917	302,375,070	540,373,987	539,765,402	31,881,798
Total assets	499,213,942	402,342,411	901,556,353	916,192,399	39,460,155
DEFERRED OUTFLOWS OF RESOURCES					
Loss on advance refunding	78,548	2,265,984	2,344,532	2,781,377	-
Pension related amounts	16,416,446	3,534,772	19,951,218	22,955,866	-
Other postemployment related amounts	700,386	169,874	870,260	-	-
Total deferred outflows of resources	17,195,380	5,970,630	23,166,010	25,737,243	-
LIABILITIES					
Accounts payable	1,924,312	1,414,378	3,338,690	10,203,231	10,964
Other accrued liabilities	2,002,814	222,625	2,225,439	2,148,807	-
Claims payable	4,837,000	-	4,837,000	4,837,000	-
Due to other governments	-	1,167,949	1,167,949	1,113,962	-
Accrued interest payable	424,928	460,882	885,810	856,728	327,976
Special deposits	16,878	500	17,378	16,231	-
Unearned revenues	-	994,688	994,688	554,665	-
Long-term obligations					
Due within one year	11,662,580	6,233,772	17,896,352	17,007,614	-
Landfill post closure care	1,530,000	-	1,530,000	1,620,000	-
Due in more than one year	55,935,723	109,157,620	165,093,343	166,290,412	31,865,000
Net pension liability	-	-	-	2,975,209	-
Other postemployment benefits	3,909,546	948,239	4,857,785	1,194,316	-
Total liabilities	82,243,781	120,600,653	202,844,434	208,818,175	32,203,940
DEFERRED INFLOWS OF RESOURCES					
Unearned revenue	49,549,198	-	49,549,198	46,879,627	198,468
Pension related amounts	17,841,158	3,844,436	21,685,594	9,529,923	-
Other postemployment related amounts	113,158	27,445	140,603	-	-
Total deferred inflows of resources	67,503,514	3,871,881	71,375,395	56,409,550	198,468
NET POSITION					
Net investment in capital assets	319,649,060	217,488,772	537,137,832	567,185,926	2,076,798
Restricted	19,443,354	22,216,720	41,660,074	21,148,308	4,769,036
Unrestricted	27,569,613	44,135,015	71,704,628	88,367,683	211,913
Total net position	\$ 366,662,027	\$ 283,840,507	\$ 650,502,534	\$ 676,701,917	\$ 7,057,747

The notes to the basic financial statements are an integral part of this statement.

City of Appleton, Wisconsin

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018
WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2017**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
General government	\$ 8,351,464	\$ 2,971,357	\$ 21,811	\$ -
Public safety	33,196,999	1,195,929	689,356	-
Public works	20,954,662	2,506,907	3,077,165	828,653
Culture and recreation	13,334,961	1,369,012	1,164,080	34,029
Conservation and development	36,202,163	322,309	989,241	470,598
Interest and fiscal charges	1,047,481	-	-	-
Total governmental activities	<u>113,087,730</u>	<u>8,365,514</u>	<u>5,941,653</u>	<u>1,333,280</u>
BUSINESS-TYPE ACTIVITIES				
Water utility	14,699,970	21,047,773	-	410,927
Wastewater utility	11,098,233	12,798,908	-	399,455
Transit utility	9,879,574	1,639,401	7,606,393	-
Stormwater utility	7,004,763	9,708,955	-	1,017,013
Other non-major enterprise funds	3,130,681	3,404,224	2,270	-
Total business-type activities	<u>45,813,221</u>	<u>48,599,261</u>	<u>7,608,663</u>	<u>1,827,395</u>
Total primary government	<u>\$ 158,900,951</u>	<u>\$ 56,964,775</u>	<u>\$ 13,550,316</u>	<u>\$ 3,160,675</u>
Component units	<u>\$ 2,792,372</u>	<u>\$ 196,773</u>	<u>\$ 754,000</u>	<u>\$ 34,482,167</u>

General revenues

Taxes

Property taxes, levied for general purposes

Property taxes, levied for debt service

Property taxes, levied for capital projects

Other taxes

Federal and state grants and other contributions
not restricted to specific functions

Investment return

Miscellaneous

Gain on sale of asset

Transfers

Total general revenues and transfers

Change in net position

Net position - January 1, as originally reported

Prior period adjustment

Cumulative effect of change in accounting principle

Net position - January 1, as restated

Net position - December 31

The notes to the basic financial statements are an integral part of this statement.

**Net (Expense) Revenue
and Changes in Net Position**

Governmental Activities	Business-type Activities	Totals		Component Units
		2018	2017	
\$ (5,358,296)	\$ -	\$ (5,358,296)	\$ (7,682,344)	\$ -
(31,311,714)	-	(31,311,714)	(31,291,735)	-
(14,541,937)	-	(14,541,937)	(9,395,243)	-
(10,767,840)	-	(10,767,840)	(8,953,042)	-
(34,420,015)	-	(34,420,015)	24,098,909	-
(1,047,481)	-	(1,047,481)	(902,403)	-
<u>(97,447,283)</u>	<u>-</u>	<u>(97,447,283)</u>	<u>(34,125,858)</u>	<u>-</u>
-	6,758,730	6,758,730	7,125,160	-
-	2,100,130	2,100,130	1,821,631	-
-	(633,780)	(633,780)	(35,600)	-
-	3,721,205	3,721,205	2,807,655	-
-	275,813	275,813	767,830	-
<u>-</u>	<u>12,222,098</u>	<u>12,222,098</u>	<u>12,486,676</u>	<u>-</u>
<u>(97,447,283)</u>	<u>12,222,098</u>	<u>(85,225,185)</u>	<u>(21,639,182)</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,640,568</u>
37,931,668	-	37,931,668	37,341,289	-
2,218,990	-	2,218,990	2,431,082	-
5,241,380	-	5,241,380	3,871,561	-
2,176,780	-	2,176,780	2,899,637	3,669,157
11,569,281	-	11,569,281	11,498,209	-
1,326,962	872,251	2,199,213	1,410,948	49,003
382,032	7,706	389,738	500,048	-
166,055	-	166,055	179,507	-
2,464,686	(2,464,686)	-	-	-
<u>63,477,834</u>	<u>(1,584,729)</u>	<u>61,893,105</u>	<u>60,132,281</u>	<u>3,718,160</u>
<u>(33,969,449)</u>	<u>10,637,369</u>	<u>(23,332,080)</u>	<u>38,493,099</u>	<u>36,358,728</u>
402,705,951	273,995,966	676,701,917	638,208,818	(29,564,079)
-	-	-	-	263,098
<u>(2,074,475)</u>	<u>(792,828)</u>	<u>(2,867,303)</u>	<u>-</u>	<u>-</u>
<u>400,631,476</u>	<u>273,203,138</u>	<u>673,834,614</u>	<u>638,208,818</u>	<u>(29,300,981)</u>
<u>\$ 366,662,027</u>	<u>\$ 283,840,507</u>	<u>\$ 650,502,534</u>	<u>\$ 676,701,917</u>	<u>\$ 7,057,747</u>

City of Appleton, Wisconsin

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2018
WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2017**

	General	Other Governmental Funds	Totals	
			2018	2017
ASSETS				
Cash and investments	\$ 24,957,515	\$ 16,909,370	\$ 41,866,885	\$ 27,273,141
Receivables				
Taxes and special charges	37,050,977	13,893,845	50,944,822	48,286,979
Accounts	698,602	179,962	878,564	2,247,554
Special assessments	68,045	132,008	200,053	233,415
Developer loans	804,634	-	804,634	892,480
Housing loans, net	-	6,391,644	6,391,644	6,483,281
Notes receivable - component unit	-	871,250	871,250	1,239,063
Accrued interest payable	346,965	-	346,965	264,204
Other	5,608	120,739	126,347	165,037
Due from other funds	2,172,912	40,481	2,213,393	2,364,728
Advance to other funds	12,627,889	-	12,627,889	14,776,599
Due from other governments	13,729	269,546	283,275	659,840
Due from component unit	-	-	-	14,840,455
Inventories	835,694	-	835,694	922,307
Prepaid items	43,581	-	43,581	9,107
Total assets	\$ 79,626,151	\$ 38,808,845	\$ 118,434,996	\$ 120,658,190
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 538,773	\$ 1,299,684	\$ 1,838,457	\$ 7,654,398
Other accrued liabilities	1,907,996	47,090	1,955,086	1,910,140
Claims payable	2,937,000	-	2,937,000	2,937,000
Due to other funds	1,066,718	209,554	1,276,272	1,435,832
Advance from other funds	-	12,482,889	12,482,889	14,626,599
Special deposits	16,878	-	16,878	16,231
Total liabilities	6,467,365	14,039,217	20,506,582	28,580,200
Deferred inflows of resources				
Unearned and unavailable revenue	41,509,112	21,299,907	62,809,019	61,800,289
Fund balances				
Nonspendable	8,669,423	-	8,669,423	9,766,708
Restricted	-	9,097,900	9,097,900	7,526,119
Committed	81,918	1,228,173	1,310,091	1,447,054
Assigned	13,160,600	4,541,521	17,702,121	17,619,725
Unassigned	9,737,733	(11,397,873)	(1,660,140)	(6,081,905)
Total fund balances	31,649,674	3,469,721	35,119,395	30,277,701
Total liabilities, deferred inflows of resources, and fund balances	\$ 79,626,151	\$ 38,808,845	\$ 118,434,996	\$ 120,658,190

The notes to the basic financial statements are an integral part of this statement.

City of Appleton, Wisconsin

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2018
WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2017**

RECONCILIATION TO THE STATEMENT OF NET POSITION	<u>2018</u>	<u>2017</u>
Total fund balances as shown on previous page	\$ 35,119,395	\$ 30,277,701
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.	360,988,035	390,161,503
Business park land held for resale is reported in the funds as expenditures and revenues. However, in the statement of net position, the costs of these assets are capitalized	6,812,949	6,912,566
Other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds.	13,259,821	14,920,662
Net position of the internal service fund is reported in the statement of net position as governmental activities	14,356,940	12,784,923
Some deferred outflows and inflows of resources reflect changes in long-term liabilities and are not reported in the funds.		
Deferred outflows related to pensions	15,725,273	18,070,666
Deferred inflows related to pensions	(17,088,525)	(7,486,781)
Deferred outflows related to other postemployment benefits	664,967	-
Deferred inflows related to other postemployment benefits	(107,435)	-
Long-term assets are not considered available; therefore, are not reported in the funds		
Net pension asset	8,608,347	-
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds and notes payable	(56,833,375)	(49,570,624)
Premium on debt	(3,125,726)	(2,312,499)
Compensated absences	(7,265,402)	(6,799,633)
Employee benefits	(59,911)	(64,046)
Net pension liability	-	(2,337,347)
Postemployment benefits liability	(2,517,518)	-
Post-closure care costs liability	(1,530,000)	(1,620,000)
Loss on advance refunding	78,548	94,438
Accrued interest on long-term obligations	(424,356)	(325,578)
Net position of governmental activities as reported on the statement of net position (see page 20)	<u>\$ 366,662,027</u>	<u>\$ 402,705,951</u>

The notes to the basic financial statements are an integral part of this statement.

City of Appleton, Wisconsin

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018
WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2017**

	General	Other Governmental Funds	Totals	
			2018	2017
REVENUES				
Taxes	\$ 35,293,341	\$ 12,275,477	\$ 47,568,818	\$ 46,543,569
Special assessments	376,997	448,664	825,661	703,144
Intergovernmental	15,779,073	2,034,001	17,813,074	47,099,618
Licenses and permits	1,116,996	-	1,116,996	1,202,535
Fines and forfeits	265,875	-	265,875	255,440
Public charges for services	1,711,913	1,153,882	2,865,795	2,842,908
Investment income	2,798,782	278,567	3,077,349	2,620,393
Miscellaneous	1,569,308	3,947,789	5,517,097	6,249,706
Total revenues	58,912,285	20,138,380	79,050,665	107,517,313
EXPENDITURES				
Current				
General government	7,042,801	401,390	7,444,191	8,330,045
Public safety	30,974,572	308,867	31,283,439	31,068,651
Public works	12,899,557	3,415,551	16,315,108	17,454,222
Culture and recreation	8,314,427	85,779	8,400,206	8,437,946
Conservation and development	1,690,337	1,533,597	3,223,934	3,125,873
Debt service				
Principal	-	6,577,249	6,577,249	5,582,624
Interest and fiscal charges	-	2,051,359	2,051,359	2,125,377
Capital outlay	-	17,268,503	17,268,503	49,999,793
Total expenditures	60,921,694	31,642,295	92,563,989	126,124,531
Excess of revenues under expenditures	(2,009,409)	(11,503,915)	(13,513,324)	(18,607,218)
OTHER FINANCING SOURCES (USES)				
Long-term debt issued	-	13,840,000	13,840,000	14,170,000
Premium on debt issued	-	1,256,719	1,256,719	790,738
Payment to advance refunding escrow agent	-	-	-	(4,994,438)
Proceeds from sale of capital assets	19	470,829	470,848	260,140
Transfers in	4,349,840	3,266,879	7,616,719	7,412,128
Transfers out	(869,102)	(3,960,166)	(4,829,268)	(4,602,033)
Total other financing sources (uses)	3,480,757	14,874,261	18,355,018	13,036,535
Net change in fund balances	1,471,348	3,370,346	4,841,694	(5,570,683)
Fund balances - January 1	30,178,326	99,375	30,277,701	35,848,384
Fund balances - December 31	\$ 31,649,674	\$ 3,469,721	\$ 35,119,395	\$ 30,277,701

The notes to the basic financial statements are an integral part of this statement.

City of Appleton, Wisconsin

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018
WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>2018</u>	<u>2017</u>
RECONCILIATION TO THE STATEMENT OF ACTIVITIES		
Net change in fund balances as shown on previous page	\$ 4,841,694	\$ (5,570,683)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital assets reported as capital outlay in governmental fund statements	13,094,361	51,373,768
Capital assets contributed to the Redevelopment Authority	(31,827,357)	-
Contributed capital assets	176,872	1,453,511
Depreciation expense reported in the statement of activities	(7,901,130)	(7,548,067)
Net book value of disposals	(2,815,831)	(671,893)
Business park land	-	(1,497,948)
Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the statement of activities when earned.	(1,660,841)	(2,406,136)
Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Long-term debt issued	(13,840,000)	(14,170,000)
Premiums issued on long-term debt	(1,256,719)	(790,738)
Principal repaid	6,577,249	10,482,624
Loss on advance refunding	-	94,438
Some expenses reported 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:		
Accrued interest on long-term debt	(98,778)	(2,676)
Amortization of premiums, discounts and loss on advance refunding	427,602	334,381
Landfill post-closure costs	90,000	90,000
Compensated absences and other benefits	(461,634)	(286,480)
Net pension asset	8,608,347	-
Net pension liability	-	2,229,210
Other postemployment benefits	2,337,347	-
Deferred outflows of resources related to pensions	(2,345,393)	(7,253,065)
Deferred inflows of resources related to pensions	(9,601,744)	2,212,392
Other postemployment benefits	(608,352)	-
Deferred outflows of resources related to other postemployment benefits	664,967	-
Deferred inflows of resources related to other postemployment benefits	(107,435)	-
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.	<u>1,737,326</u>	<u>18,546</u>
Change in net position of governmental activities as reported in the statement of activities (see pages 21 - 22)	<u>\$ (33,969,449)</u>	<u>\$ 28,091,184</u>

The notes to the basic financial statements are an integral part of this statement.

City of Appleton, Wisconsin

**STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 DECEMBER 31, 2018
 WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2017**

	Enterprise Funds			
	Water Utility	Wastewater Utility	Valley Transit	Stormwater Utility
ASSETS				
Current assets				
Cash and investments	\$ 13,606,513	\$ 18,261,389	\$ 430,688	\$ 13,807,672
Receivables				
Customer accounts	1,240,043	1,598,553	372,688	1,300,198
Special assessments	-	164,332	-	47,031
Other	3,592,185	1,005,132	-	1,115,322
Due from other funds	486,710	344,194	-	195,333
Due from other governments				
Federal government	-	-	1,228,407	-
State government	-	-	247,556	-
Local government	1,785	-	3,517	-
Due from component unit	-	-	-	-
Inventories	317,973	110,776	182,839	-
Prepaid items	-	-	46,282	-
Restricted assets				
Cash and investments	21,985	1,874,019	-	3,058,657
Total current assets	<u>19,267,194</u>	<u>23,358,395</u>	<u>2,511,977</u>	<u>19,524,213</u>
Noncurrent assets				
Restricted assets				
Cash and investments	5,207,909	5,074,719	1,602,314	3,812,192
Accrued interest	30,764	32,692	-	18,444
Total restricted assets	<u>5,238,673</u>	<u>5,107,411</u>	<u>1,602,314</u>	<u>3,830,636</u>
Other assets				
Regulatory asset - early retirement loss	2,054,005	-	-	-
Investment in WMIC	-	-	-	-
Assets held for resale	10,082	-	-	-
Net pension asset	388,960	593,693	527,112	309,041
Total other assets	<u>2,453,047</u>	<u>593,693</u>	<u>527,112</u>	<u>309,041</u>
Capital assets				
Nondepreciable	1,726,029	2,466,073	891,831	9,618,499
Depreciable	117,676,956	81,815,946	2,941,796	93,445,910
Total capital assets	<u>119,402,985</u>	<u>84,282,019</u>	<u>3,833,627</u>	<u>103,064,409</u>
Total assets	<u>146,361,899</u>	<u>113,341,518</u>	<u>8,475,030</u>	<u>126,728,299</u>
DEFERRED OUTFLOWS OF RESOURCES				
Loss on advance refunding	1,283,914	-	-	982,070
Pension related amounts	693,693	1,094,860	958,045	568,185
Other postemployment related amounts	43,861	34,289	58,046	19,755
Total deferred outflows of resources	<u>2,021,468</u>	<u>1,129,149</u>	<u>1,016,091</u>	<u>1,570,010</u>

The notes to the basic financial statements are an integral part of this statement.

Nonmajor Funds	Totals		Governmental Activities - Internal Service Funds	
	2018	2017	2018	2017
\$ 1,144,178	\$ 47,250,440	\$ 29,107,876	\$ 2,142,456	\$ 2,069,897
39,404	4,550,886	3,598,230	68,709	13,355
-	211,363	225,375	-	-
-	5,712,639	6,092,217	-	-
-	1,026,237	1,032,998	-	-
-	1,228,407	689,996	-	-
-	247,556	709,436	8,703	-
-	5,302	217,633	-	-
-	-	15,000,000	-	-
-	611,588	720,318	56,281	78,439
-	46,282	27,374	10,815	21,630
-	4,954,661	6,183,237	-	-
<u>1,183,582</u>	<u>65,845,361</u>	<u>63,604,690</u>	<u>2,286,964</u>	<u>2,183,321</u>
-	15,697,134	15,456,490	-	-
-	81,900	85,648	-	-
-	<u>15,779,034</u>	<u>15,542,138</u>	-	-
-	2,054,005	-	-	-
-	-	-	2,020,950	2,020,950
-	10,082	10,082	-	-
117,829	1,936,635	-	379,139	-
<u>117,829</u>	<u>4,000,722</u>	<u>10,082</u>	<u>2,400,089</u>	<u>2,020,950</u>
2,005,530	16,707,962	19,707,350	-	-
6,494,462	302,375,070	301,282,674	13,184,343	12,283,260
<u>8,499,992</u>	<u>319,083,032</u>	<u>320,990,024</u>	<u>13,184,343</u>	<u>12,283,260</u>
<u>9,801,403</u>	<u>404,708,149</u>	<u>400,146,934</u>	<u>17,871,396</u>	<u>16,487,531</u>
-	2,265,984	2,686,939	-	-
219,989	3,534,772	4,092,822	691,173	792,378
13,923	169,874	-	35,419	-
<u>233,912</u>	<u>5,970,630</u>	<u>6,779,761</u>	<u>726,592</u>	<u>792,378</u>

City of Appleton, Wisconsin

**STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 DECEMBER 31, 2018
 WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2017**

	Enterprise Funds			
	Water Utility	Wastewater Utility	Valley Transit	Stormwater Utility
LIABILITIES				
Current liabilities				
Accounts payable	\$ 166,535	\$ 575,055	\$ 347,491	\$ 276,503
Other accrued liabilities	62,158	44,235	70,886	27,560
Claims payable	-	-	-	-
Due to other funds	1,963,358	-	-	-
Due to other governments	-	-	1,167,949	-
Accrued interest payable	-	-	-	-
Compensated absences	221,903	142,846	207,716	83,364
Special deposits	-	-	500	-
Unearned revenue	-	-	600,044	-
Advance from other funds	-	-	-	-
Current portion of long-term debt	-	-	-	-
Payable from restricted assets				
Current portion of long-term debt	625,199	991,628	-	3,724,211
Accrued interest payable	-	41,267	-	412,343
Total current liabilities	3,039,153	1,795,031	2,394,586	4,523,981
Long-term obligations, less current portion				
Advance from other funds	-	-	-	-
General obligation debt	-	-	-	-
Revenue bonds	47,985,000	10,775,000	-	44,115,000
Debt premium	2,111,694	443,166	-	2,471,674
Compensated absences	67,248	91,601	87,671	90,586
Net pension liability	-	-	-	-
Other postemployment benefits	244,832	191,397	324,014	110,272
Total long-term liabilities	50,408,774	11,501,164	411,685	46,787,532
Total liabilities	53,447,927	13,296,195	2,806,271	51,311,513
DEFERRED INFLOWS OF RESOURCES				
Pension related amounts	772,129	1,178,547	1,046,376	613,480
Other postemployment related amounts	7,086	5,540	9,378	3,192
Total deferred inflows of resources	779,215	1,184,087	1,055,754	616,672
NET POSITION				
Net investment in capital assets	75,172,915	73,474,452	3,833,627	57,547,786
Restricted	5,649,618	7,533,856	2,129,426	6,785,991
Unrestricted	13,333,692	18,982,077	(333,957)	12,036,347
Total net position	\$ 94,156,225	\$ 99,990,385	\$ 5,629,096	\$ 76,370,124

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds
 Net position of business-type activities as reported on the statement of net position (see page 20)

The notes to the basic financial statements are an integral part of this statement.

Nonmajor Funds	Totals		Governmental Activities - Internal Service Funds	
	2018	2017	2018	2017
\$ 27,348	\$ 1,392,932	\$ 2,376,544	\$ 85,826	\$ 172,289
39,232	244,071	198,396	47,757	40,271
-	-	-	1,900,000	1,900,000
-	1,963,358	1,911,842	-	50,052
-	1,167,949	1,113,962	-	-
7,272	7,272	7,782	572	748
111,905	767,734	735,103	178,704	210,005
-	500	-	-	-
394,644	994,688	554,665	-	-
5,000	5,000	5,000	-	-
125,000	125,000	120,000	12,500	27,751
-	5,341,038	5,273,067	-	-
-	453,610	522,620	-	-
<u>710,401</u>	<u>12,463,152</u>	<u>12,818,981</u>	<u>2,225,359</u>	<u>2,401,116</u>
140,000	140,000	145,000	-	-
915,000	915,000	1,040,000	94,125	106,625
-	102,875,000	111,035,000	-	-
-	5,026,534	5,571,004	-	-
3,980	341,086	404,618	28,560	28,051
-	-	535,264	-	102,598
<u>77,724</u>	<u>948,239</u>	<u>-</u>	<u>1,392,028</u>	<u>1,194,316</u>
<u>1,136,704</u>	<u>110,245,859</u>	<u>118,730,886</u>	<u>1,514,713</u>	<u>1,431,590</u>
<u>1,847,105</u>	<u>122,709,011</u>	<u>131,549,867</u>	<u>3,740,072</u>	<u>3,832,706</u>
233,904	3,844,436	1,714,512	752,633	328,630
2,249	27,445	-	5,723	-
<u>236,153</u>	<u>3,871,881</u>	<u>1,714,512</u>	<u>758,356</u>	<u>328,630</u>
7,459,992	217,488,772	211,019,686	13,077,718	12,148,884
117,829	22,216,720	10,767,596	379,139	-
374,236	44,392,395	51,875,034	642,703	969,689
<u>\$ 7,952,057</u>	<u>284,097,887</u>	<u>273,662,316</u>	<u>\$ 14,099,560</u>	<u>\$ 13,118,573</u>
	(257,380)	333,650		
	<u>\$ 283,840,507</u>	<u>\$ 273,995,966</u>		

City of Appleton, Wisconsin

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2018

WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2017

	Enterprise Funds			
	Water Utility	Wastewater Utility	Valley Transit	Stormwater Utility
OPERATING REVENUES				
Charges for services	\$ 20,441,887	\$ 9,140,058	\$ 1,533,078	\$ 9,626,251
Other	605,886	3,659,792	106,323	82,704
Total operating revenues	<u>21,047,773</u>	<u>12,799,850</u>	<u>1,639,401</u>	<u>9,708,955</u>
OPERATING EXPENSES				
Operation and maintenance	8,255,383	7,417,075	9,152,309	2,944,035
Depreciation	4,063,770	2,948,529	632,834	2,578,960
Amortization of deferred loss on early asset retirement	684,668	-	-	-
Total operating expenses	<u>13,003,821</u>	<u>10,365,604</u>	<u>9,785,143</u>	<u>5,522,995</u>
Operating income (loss)	<u>8,043,952</u>	<u>2,434,246</u>	<u>(8,145,742)</u>	<u>4,185,960</u>
NONOPERATING REVENUES (EXPENSES)				
Investment income	278,749	291,561	42,600	243,982
Subsidies from other governmental units	-	-	7,041,102	-
Gain (loss) on disposal of capital assets	-	-	(164,247)	111,712
Interest and fiscal charges	(1,951,448)	(424,193)	-	(1,624,376)
Debt issuance costs	(7,000)	(83,596)	-	(79,583)
Amortization of prior losses on refunding of bonds	(273,727)	-	-	(147,228)
Amortization of debt discount/premium	716,132	17,256	-	414,828
Other	19,334	-	-	-
Total nonoperating revenues (expenses)	<u>(1,217,960)</u>	<u>(198,972)</u>	<u>6,919,455</u>	<u>(1,080,665)</u>
Income (loss) before contributions and transfers	6,825,992	2,235,274	(1,226,287)	3,105,295
Capital contributions	410,927	399,455	565,291	1,017,013
Transfers in	-	-	674,022	-
Transfers out - tax equivalent	(1,896,891)	-	-	-
Transfers out	(15,800)	(183,117)	-	(12,500)
Change in net position	<u>5,324,228</u>	<u>2,451,612</u>	<u>13,026</u>	<u>4,109,808</u>
Net position - January 1, as originally reported	89,036,702	97,698,801	5,886,980	72,352,515
Cumulative effect of change in accounting principle	<u>(204,705)</u>	<u>(160,028)</u>	<u>(270,910)</u>	<u>(92,199)</u>
Net position - January 1, as restated	<u>88,831,997</u>	<u>97,538,773</u>	<u>5,616,070</u>	<u>72,260,316</u>
Net position - December 31	<u>\$ 94,156,225</u>	<u>\$ 99,990,385</u>	<u>\$ 5,629,096</u>	<u>\$ 76,370,124</u>

Change in net position reported above

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds

Change in net position of business-type activities as reported on the statement of activities (see pages 21 - 22)

The notes to the basic financial statements are an integral part of this statement.

Nonmajor Funds	Totals		Governmental Activities - Internal Service Funds	
	2018	2017	2018	2017
\$ 2,925,824	\$ 43,667,098	\$ 43,672,337	\$ 7,204,810	\$ 7,087,883
480,670	4,935,375	4,212,535	69,861	75,590
3,406,494	48,602,473	47,884,872	7,274,671	7,163,473
2,376,976	30,145,778	30,625,841	7,050,383	7,078,081
655,157	10,879,250	11,190,390	2,505,627	2,386,197
-	684,668	-	-	-
3,032,133	41,709,696	41,816,231	9,556,010	9,464,278
374,361	6,892,777	6,068,641	(2,281,339)	(2,300,805)
15,359	872,251	519,177	7,522	2,546
-	7,041,102	6,905,780	-	-
-	(52,535)	(39,965)	324,776	178,855
(29,595)	(4,029,612)	(4,138,367)	(2,463)	(3,160)
-	(170,179)	(97,389)	-	-
-	(420,955)	(365,847)	-	-
-	1,148,216	1,084,901	-	-
-	19,334	17,898	13,855	5,219
(14,236)	4,407,622	3,886,188	343,690	183,460
360,125	11,300,399	9,954,829	(1,937,649)	(2,117,345)
-	2,392,686	3,060,842	3,406,710	2,332,230
-	674,022	690,956	-	-
-	(1,896,891)	(1,841,497)	-	-
(1,030,400)	(1,241,817)	(1,471,295)	(322,765)	(188,259)
(670,275)	11,228,399	10,393,835	1,146,296	26,626
8,687,318	273,662,316	263,268,481	13,118,573	13,091,947
(64,986)	(792,828)	-	(165,309)	-
8,622,332	272,869,488	263,268,481	12,953,264	13,091,947
<u>\$ 7,952,057</u>	<u>\$ 284,097,887</u>	<u>\$ 273,662,316</u>	<u>\$ 14,099,560</u>	<u>\$ 13,118,573</u>
	\$ 11,228,399	\$ 10,393,835		
	(591,030)	8,080		
	<u>\$ 10,637,369</u>	<u>\$ 10,401,915</u>		

City of Appleton, Wisconsin

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2018

WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2017

	Enterprise Funds			
	Water Utility	Wastewater Utility	Valley Transit	Stormwater Utility
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 21,239,826	\$ 12,519,852	\$ 1,547,391	\$ 9,452,938
Cash paid for employee wages and benefits	(2,748,679)	(2,454,274)	(2,884,270)	(1,442,306)
Cash paid to suppliers	(6,039,893)	(4,628,090)	(6,229,387)	(1,815,990)
Net cash provided (used) by operating activities	12,451,254	5,437,488	(7,566,266)	6,194,642
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Tax equivalent paid to municipality	(1,896,891)	-	-	-
Loan advanced to component unit	-	15,000,000	-	-
Intergovernmental operating subsidies	-	-	7,231,188	-
Nonoperating revenue	19,334	-	-	-
Change in due to/from other funds	51,516	-	-	-
Transfer in (out)	(15,800)	(183,117)	674,022	(12,500)
Net cash provided (used) by noncapital financing activities	(1,841,841)	14,816,883	7,905,210	(12,500)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	(2,895,499)	(2,590,724)	(896,168)	(3,997,522)
Sale of capital assets	-	-	-	250,549
Contributed capital - federal	-	-	565,291	-
Special assessments billed	-	(270,472)	-	(46,736)
Special assessments received	-	265,212	-	66,008
Proceeds from issued long-term debt	-	5,245,000	-	3,000,000
Premium issued on long-term debt	-	430,992	-	160,725
Debt issuance costs	-	(83,596)	-	(79,583)
Principal paid on long-term debt	(6,585,000)	(6,505,000)	-	(3,235,000)
Principal paid on advance	-	-	-	-
Interest paid on long-term debt	(1,958,448)	(473,571)	-	(1,644,008)
Net cash provided (used) by capital and related financing activities	(11,438,947)	(3,982,159)	(330,877)	(5,525,567)
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income	366,042	375,537	42,600	331,471
Interest received on special assessments	-	9,744	-	3,794
Investments sold and matured	425,843	858,324	-	279,625
Purchases of investments	(532,491)	(912,012)	-	(375,362)
Net cash provided by investing and related financing activities	259,394	331,593	42,600	239,528
Change in cash and cash equivalents	(570,140)	16,603,805	50,667	896,103
Cash and cash equivalents - January 1	14,292,494	3,696,064	1,982,335	16,016,793
Cash and cash equivalents - December 31	<u>\$ 13,722,354</u>	<u>\$ 20,299,869</u>	<u>\$ 2,033,002</u>	<u>\$ 16,912,896</u>

The notes to the basic financial statements are an integral part of this statement.

Nonmajor Funds	Totals		Governmental Activities - Internal Service Funds	
	2018	2017	2018	2017
\$ 3,709,112	\$ 48,469,119	\$ 46,905,775	\$ 7,219,317	\$ 8,501,065
(1,130,506)	(10,660,035)	(11,511,021)	(2,494,528)	(2,218,722)
(1,209,711)	(19,923,071)	(17,392,093)	(4,586,473)	(5,439,547)
<u>1,368,895</u>	<u>17,886,013</u>	<u>18,002,661</u>	<u>138,316</u>	<u>842,796</u>
-	(1,896,891)	(1,841,497)	-	-
-	15,000,000	(15,000,000)	-	-
-	7,231,188	6,489,297	-	-
-	19,334	17,898	5,152	23,109
-	51,516	706	(50,052)	(800,275)
(1,030,400)	(567,795)	(780,339)	(322,765)	(188,259)
<u>(1,030,400)</u>	<u>19,837,352</u>	<u>(11,113,935)</u>	<u>(367,665)</u>	<u>(965,425)</u>
(12,077)	(10,391,990)	(16,573,112)	-	-
-	250,549	(39,965)	324,776	178,855
-	565,291	1,073,780	-	-
-	(317,208)	(494,161)	-	-
-	331,220	450,092	-	-
-	8,245,000	5,000,000	-	-
-	591,717	251,480	-	-
-	(163,179)	(76,889)	-	-
(120,000)	(16,445,000)	(10,500,000)	(27,751)	(27,376)
(5,000)	(5,000)	(5,000)	-	-
(30,105)	(4,106,132)	(4,342,701)	(2,639)	(3,323)
<u>(167,182)</u>	<u>(21,444,732)</u>	<u>(25,256,476)</u>	<u>294,386</u>	<u>148,156</u>
15,359	1,131,009	1,159,521	7,522	2,546
-	13,538	9,732	-	-
-	1,563,792	15,198,225	-	-
-	(1,819,865)	(5,425,085)	-	-
<u>15,359</u>	<u>888,474</u>	<u>10,942,393</u>	<u>7,522</u>	<u>2,546</u>
186,672	17,167,107	(7,425,357)	72,559	28,073
957,506	36,945,192	44,370,549	2,069,897	2,041,824
<u>\$ 1,144,178</u>	<u>\$ 54,112,299</u>	<u>\$ 36,945,192</u>	<u>\$ 2,142,456</u>	<u>\$ 2,069,897</u>

City of Appleton, Wisconsin

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2018

WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2017

	Enterprise Funds			
	Water Utility	Wastewater Utility	Valley Transit	Stormwater Utility
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ 8,043,952	\$ 2,434,246	\$ (8,145,742)	\$ 4,185,960
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Amorization of deferred loss on early asset retirement	684,668	-	-	-
Depreciation	4,063,770	2,948,529	632,834	2,578,960
Depreciation charged to sewer utility	205,370	-	-	-
Change in liability (asset) and deferred outflows and inflows of resources				
Pension	58,718	60,106	64,218	28,176
Other postemployment benefits	3,352	2,620	4,436	1,510
Change in operating assets and liabilities				
Customer accounts receivable	115,463	(683,954)	(213,841)	(154,750)
Other accounts receivable	76,889	403,956	-	(101,267)
Due from other funds	(26,812)	14,430	-	19,143
Due from other governments	(299)	-	-	-
Inventories and prepaid items	12,623	15,630	61,569	-
Accounts payable	(739,490)	231,316	(97,917)	(376,977)
Other accrued liabilities	(3,954)	9,090	13,571	2,368
Customer deposits	-	-	500	-
Unearned revenue	-	-	121,831	-
Compensated absences	(42,996)	1,519	(7,725)	11,519
Net cash provided (used) by operating activities	<u>\$ 12,451,254</u>	<u>\$ 5,437,488</u>	<u>\$ (7,566,266)</u>	<u>\$ 6,194,642</u>
Reconciliation of cash and cash equivalents to the statement of net position				
Cash and cash equivalents in current assets	\$ 13,606,513	\$ 18,261,389	\$ 430,688	\$ 13,807,672
Restricted cash and investments				
Current	21,985	1,874,019	-	3,058,657
Non-current	5,207,909	5,074,719	1,602,314	3,812,192
Less: Non-cash investments	(5,114,053)	(4,910,258)	-	(3,765,625)
Total cash and cash equivalents	<u>\$ 13,722,354</u>	<u>\$ 20,299,869</u>	<u>\$ 2,033,002</u>	<u>\$ 16,912,896</u>
Noncash capital and related financing activities				
Contributed capital assets	\$ 410,927	\$ 399,455	\$ -	\$ 1,017,013
Unrealized losses on investments	(85,769)	(92,173)	-	(90,606)
	<u>\$ 325,158</u>	<u>\$ 307,282</u>	<u>\$ -</u>	<u>\$ 926,407</u>

The notes to the basic financial statements are an integral part of this statement.

Nonmajor Funds	Totals		Governmental Activities - Internal Service Funds	
	2018	2017	2018	2017
\$ 374,361	\$ 6,892,777	\$ 6,068,641	\$ (2,281,339)	\$ (2,300,805)
-	684,668	-	-	-
655,157	10,879,250	11,190,390	2,505,627	2,386,197
-	205,370	198,291	-	-
4,857	216,075	685,583	43,471	122,417
1,064	12,982	-	2,707	188,588
(15,574)	(952,656)	(618,966)	(55,354)	1,337,592
-	379,578	(143,211)	-	-
-	6,761	9,074	-	-
-	(299)	57,785	-	-
-	89,822	41,895	32,973	(4,528)
(544)	(983,612)	769,409	(86,463)	(892,986)
24,600	45,675	3,938	7,486	(1,270)
-	500	-	-	-
318,192	440,023	(274,705)	-	-
6,782	(30,901)	14,537	(30,792)	7,591
<u>\$ 1,368,895</u>	<u>\$ 17,886,013</u>	<u>\$ 18,002,661</u>	<u>\$ 138,316</u>	<u>\$ 842,796</u>
\$ 1,144,178	\$ 47,250,440	\$ 29,107,876	\$ 2,142,456	\$ 2,069,897
-	4,954,661	6,183,237	-	-
-	15,697,134	15,456,490	-	-
-	(13,789,936)	(13,802,411)	-	-
<u>\$ 1,144,178</u>	<u>\$ 54,112,299</u>	<u>\$ 36,945,192</u>	<u>\$ 2,142,456</u>	<u>\$ 2,069,897</u>
\$ -	\$ 1,827,395	\$ 3,060,842	\$ 3,406,710	\$ 2,332,230
-	(268,548)	(578,921)	-	-
<u>\$ -</u>	<u>\$ 1,558,847</u>	<u>\$ 2,481,921</u>	<u>\$ 3,406,710</u>	<u>\$ 2,332,230</u>

City of Appleton, Wisconsin

**STATEMENT OF FIDUCIARY NET POSITION
TAX COLLECTION AGENCY FUND
DECEMBER 31, 2018
WITH COMPARATIVE AMOUNTS AS OF DECEMBER 31, 2017**

	<u>2018</u>	<u>2017</u>
ASSETS		
Current assets		
Cash and investments	\$ 61,100,039	\$ 62,710,616
Receivables		
Taxes	<u>13,507,264</u>	<u>10,353,932</u>
Total assets	<u>\$ 74,607,303</u>	<u>\$ 73,064,548</u>
LIABILITIES		
Current liabilities		
Accounts payable	\$ 87,870	\$ 70,490
Due to other governments	<u>74,519,433</u>	<u>72,994,058</u>
Total liabilities	<u>\$ 74,607,303</u>	<u>\$ 73,064,548</u>

The notes to the basic financial statements are an integral part of this statement.

City of Appleton, Wisconsin

COMBINING STATEMENT OF NET POSITION COMPONENT UNITS DECEMBER 31, 2018

	Business Improvement District	Appleton Redevelopment Authority	Totals
ASSETS			
Cash and investments	\$ 146,412	\$ 117,136	\$ 263,548
Receivables			
Special assessments	77,340	-	77,340
Assets held for resale	-	408,433	408,433
Restricted assets			
Cash and investments	-	4,769,036	4,769,036
Capital assets, nondepreciable	-	2,060,000	2,060,000
Capital assets, depreciable	-	31,881,798	31,881,798
	<u>223,752</u>	<u>39,236,403</u>	<u>39,460,155</u>
Total assets			
LIABILITIES			
Accounts payable	10,964	-	10,964
Accrued interest payable	-	327,976	327,976
Long-term obligations			
Due in more than one year	-	31,865,000	31,865,000
	<u>10,964</u>	<u>32,192,976</u>	<u>32,203,940</u>
Total liabilities			
DEFERRED INFLOWS OF RESOURCES			
Unearned revenue	198,468	-	198,468
NET POSITION			
Net investment in capital assets	-	2,076,798	2,076,798
Restricted	-	4,769,036	4,769,036
Unrestricted	14,320	197,593	211,913
	<u>\$ 14,320</u>	<u>\$ 7,043,427</u>	<u>\$ 7,057,747</u>
Total net position			

The notes to the basic financial statements are an integral part of this statement.

City of Appleton, Wisconsin

**COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Business Improvement District	\$ 194,839	\$ 196,751	\$ -	\$ -
Appleton Redevelopment Authority	2,597,533	22	754,000	34,482,167
Total component units	<u><u>\$ 2,792,372</u></u>	<u><u>\$ 196,773</u></u>	<u><u>\$ 754,000</u></u>	<u><u>\$ 34,482,167</u></u>
General revenues				
Taxes				
Other taxes				
Investment income				
Total general revenues				
Change in net position				
Net position - January 1, as originally stated				
Prior period adjustment				
Net position - January 1, as restated				
Net position - December 31				

The notes to the basic financial statements are an integral part of this statement.

**Net (Expense) Revenue
and Changes in Net Position**

<u>Business Improvement District</u>	<u>Appleton Redevelopment Authority</u>	<u>Totals</u>
\$ 1,912	\$ -	\$ 1,912
-	32,638,656	32,638,656
<u>1,912</u>	<u>32,638,656</u>	<u>32,640,568</u>
-	3,669,157	3,669,157
1,761	47,242	49,003
<u>1,761</u>	<u>3,716,399</u>	<u>3,718,160</u>
<u>3,673</u>	<u>36,355,055</u>	<u>36,358,728</u>
10,647	(29,574,726)	(29,564,079)
-	263,098	263,098
<u>10,647</u>	<u>(29,311,628)</u>	<u>(29,300,981)</u>
<u>\$ 14,320</u>	<u>\$ 7,043,427</u>	<u>\$ 7,057,747</u>

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of Appleton, Wisconsin (the "City"), have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the City are described below:

A. REPORTING ENTITY

The City is a municipal corporation governed by an elected Mayor and fifteen member board. In accordance with GAAP, the basic financial statements are required to include the City (the primary government) and any separate component units that have a significant operational or financial relationship with the City. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (a) it is able to impose its will on that organization, or (b) there is potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government.

The City has identified the following component units that are required to be included in the basic financial statements in accordance with standards established by GASB Statement No. 61.

Business Improvement District

The Business Improvement District of the City of Appleton ("District") is a legally separate organization. The board of the District is appointed by the mayor of Appleton and approved by City Council. Wisconsin Statutes provide for circumstances whereby the City can impose its will on the District, and also create a potential financial benefit to or burden on the City. See Note 5.A. As a component unit, the District'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. Separately issued financial statements of the Business Improvement District of the City of Appleton may be obtained from Appleton Downtown Incorporated which is located at 333 W. College Avenue, Appleton, WI 54912.

Redevelopment Authority of the City of Appleton

The Redevelopment Authority of the City of Appleton ("Redevelopment Authority") is a legally separate organization. The board of the Redevelopment Authority is appointed by the mayor of Appleton and approved by City Council. Wisconsin Statutes provide for circumstances whereby the City can impose its will on the Redevelopment Authority, and also create a potential financial benefit to or burden on the City. See Note 5.A. As a component unit, the Redevelopment Authority'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. Separately issued financial statements of the Redevelopment Authority of the City of Appleton may be obtained from Redevelopment Authority's office, which is located at 100 North Appleton Street, Appleton, WI 54911.

B. RELATED ORGANIZATIONS

The City's officials are responsible for appointing board members of the City of Appleton Housing Authority, but the City's accountability for this organization does not extend beyond making the appointments.

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

C. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which are primarily supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for 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 are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *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. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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. Governmental funds include general, special revenue, debt service and capital projects funds. Proprietary funds include enterprise and internal service funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

General Fund

This is the City's main operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

The City reports the following major enterprise funds:

Water Utility

This fund accounts for all activities necessary to provide water service to residents and businesses of the City.

Wastewater Utility

This fund accounts for all activities necessary to provide wastewater treatment services to residents and businesses of the City.

Valley Transit

This fund accounts for all activities necessary to provide bus transit service to residents and businesses of the City and surrounding communities.

Storm Water Utility

This fund accounts for all activities necessary to provide storm water management services to residents and businesses of the City.

Additionally the City reports the following fund types:

Internal service funds account for central equipment acquisition, operation, and maintenance, insurance and risk protection services, facilities management and postemployment benefits provided to other departments or agencies of the City on a cost reimbursement basis.

Agency fund accounts for assets held by the City in a trustee capacity.

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter 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 generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Only the portion of special assessments receivable collected during the current year are recorded as revenue. All other revenue items are considered to be measurable and available only when cash is received by the City.

Revenues susceptible to accrual include intergovernmental grants, intergovernmental charges for services, city ordinance forfeitures, public charges for services and interest. Other revenues such as licenses and permits, other fines and forfeits and miscellaneous revenues are recognized when received in cash or when measurable and available.

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

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, and fees and fines, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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 City's proprietary funds are charges to customers for services. Operating expenses for proprietary funds include the costs of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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.

E. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION OR FUND BALANCE

1. Cash and Investments

Cash and investments are combined in the financial statements. Cash deposits consist of demand and time deposits with financial institutions and are carried at cost. Investments are stated at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. For purposes of the statement of cash flows, all cash deposits and highly liquid investments (including restricted assets) with a maturity of three months or less from date of acquisition are considered to be cash equivalents.

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

2. **Property Taxes and Special Charges Receivable**

Property taxes and special charges consist of taxes on real estate and personal property and user charges assessed against City properties. They are levied during December of the prior year and become an enforceable lien on property the following January 1. Property taxes are payable in various options depending on the type and amount. Personal property taxes and special charges are payable on or before January 31 in full. Real estate taxes are payable in full by January 31 or in four installments on or before January 31, March 31, May 31, and July 31. Real estate taxes not paid by July 31 are purchased by the County as part of the August tax settlement. Delinquent personal property taxes remain the collection responsibility of the City.

The City bills and collects its own property taxes and also collects taxes levied by the Appleton School District, Freedom Area School District, Hortonville Area School District, Kimberly Area School District, Menasha Area School District, Outagamie County, Calumet County, Winnebago County, and Fox Valley Technical College. Collection and remittances of taxes for other entities are accounted for in the tax collection agency fund.

3. **Accounts Receivable**

Accounts receivable are recorded at gross amounts with uncollectible amounts recognized under the direct write-off method. An allowance for doubtful accounts has been established for certain deferred housing loans in the amount of \$462,126.

4. **Special Assessments**

Assessments against property owners for public improvements are generally not subject to full settlement in the year levied. Special assessments are placed on tax rolls on an installment basis. Revenue from special assessments recorded in governmental funds is recognized as collections are made or as current installments are placed on tax rolls. Installments placed on the 2018 tax roll are recognized as revenue in 2018. Special assessments are subject to collection procedures.

5. **Interfund Receivables and Payables**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" and "due to other funds" in the fund financial statements. Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds". Noncurrent portions of the interfund receivables for the governmental funds are offset by nonspendable fund balance since they do not constitute expendable available financial resources and therefore are not available for appropriation.

The amount reported on the statement of net position for internal balances represents the residual balance outstanding between the governmental and business-type activities.

6. **Inventories**

Inventories are recorded at cost, which approximates market, using the first-in, first-out method. Inventories consist of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are consumed rather than when purchased.

Inventories of governmental funds in the fund financial statements are offset by nonspendable fund balance to indicate that they do not represent spendable available financial resources.

7. **Prepaid Items**

Payments made to vendors that will benefit periods beyond the end of the current fiscal year are recorded as prepaid items and are accounted for on the consumption method.

Prepaid items of governmental funds in the fund financial statements are offset by nonspendable fund balance to indicate that they do not represent spendable available financial resources.

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

8. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$10,000 or higher and an estimated useful life in excess of a year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the City are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements, including parking ramps	15 - 70
Equipment, furniture, and vehicles	3 - 25
Infrastructure	40 - 100
Intangibles	10

Annual depreciation expense for the enterprise funds reported on the statement of cash flows may exceed depreciation expense reported on the statement of revenues, expenses and changes in net position. The difference results from depreciation expense applicable to transportation and certain other operating equipment of the water utility enterprise fund being charged to operating expense accounts other than the depreciation expense account. This accounting procedure is required by the Public Service Commission of the State of Wisconsin.

9. Regulatory Asset

During 2018, the City identified capital assets that are no longer in service due to a change in the water treatment process. The assets were recorded at a cost of \$9,022,244 and had accumulated depreciation of \$6,283,571, resulting in a net loss of \$2,738,673. The City subsequently requested the Public Service Commission of Wisconsin (PSC) allow the City to recover these costs in future year. The PSC subsequently authorized the City to amortize this cost over 4 years and allowed an annual amortized expense of \$684,668 to be included in the City's water utility expenses beginning in 2018. The City expects that that PSC will continue to include this amortization in its expenses through 2021, and will amortize the asset in accordance with the PSC order.

10. Business Park Land

Business park land consists of land and improvements held for resale and are valued at cost of acquisition, demolition, and site improvements. Properties include both land intended for resale and land designated as a public area. Business park land is recorded at lower of cost or market value.

11. 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 vacation and sick leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds in the fund financial statements only if they have matured, for example, as a result of employee resignations and retirements, or if they represent additional amounts the City has funded.

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

12. Deferred Outflows/Inflows of Resources

Deferred outflows of resources are a consumption of net position by the government that is applicable to a future reporting period. Deferred inflows of resources are an acquisition of net position by the government that is applicable to a future reporting period. The recognition of those outflows and inflows as expenses or expenditures and revenues are deferred until the future periods to which the outflows and inflows are applicable.

Governmental funds may report deferred inflows of resources for unavailable revenues. The City reports unavailable revenues for delinquent property taxes, special assessments and notes and loans receivable. These inflows are recognized as revenues in the government-wide financial statements.

13. Long-term Obligations

In the government-wide financial statements, and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

14. Pensions

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

15. Other Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's Other Postemployment Benefit Plan (the "Plan") and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

16. Fund Equity

Governmental Fund Financial Statements

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- ▶ **Nonspendable fund balance.** Amounts that are not in spendable form (such as inventory, prepaid items, or long-term receivables) or are legally or contractually required to remain intact.
- ▶ **Restricted fund balance.** Amounts that are constrained for specific purposes by external parties (such as grantor or bondholders), through constitutional provisions, or by enabling legislation.

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

- ▶ **Committed fund balance.** Amounts that are constrained for specific purposes by action of the City Council. These constraints can only be removed or changed by the City Council using the same action that was used to create them.
- ▶ **Assigned fund balance.** Amounts that are constrained for specific purposes by action of City management. The City Council has authorized, through the adoption of a fund balance policy, the City's finance director to assign fund balance. Residual amounts in any governmental fund, other than the General Fund, are also reported as assigned.
- ▶ **Unassigned fund balance.** Amounts that are available for any purpose. Positive unassigned amounts are only reported in the General Fund.

The City has adopted a fund balance spend-down policy regarding the order in which fund balance will be utilized. Where applicable, the policy requires restricted funds to be spent first, followed by committed funds, and then assigned funds. Unassigned funds would be spent last.

Government-Wide and Proprietary Fund Statements

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

- ▶ **Net investment in capital assets.** Amount of capital assets, net of accumulated depreciation, and capital related deferred outflows of resources less outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets and any capital related deferred inflows of resources.
- ▶ **Restricted net position.** Amount of net position that is subject to restrictions that are imposed 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.
- ▶ **Unrestricted net position.** Net position that is neither classified as restricted nor as net investment in capital assets.

F. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

G. PRIOR YEAR INFORMATION

Comparative amounts for the prior year have been presented in the basic financial statements to provide an understanding of changes in the City's financial position and operations. The comparative amounts may be summarized in total and not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended December 31, 2017, from which the summarized information was derived.

H. RECLASSIFICATIONS

Certain amounts in the prior year financial statements have been reclassified to conform with the presentation in the current year financial statements with no change in previously reported net position, changes in net position, fund balance or changes in fund balance.

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

NOTE 2: RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Statement of Net Position

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net position - governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that "capital assets used in governmental funds are not current financial resources and, therefore, are not reported in the funds." The detail of this difference is as follows:

Capital assets per statement of net position	
Land	\$ 124,765,284
Construction in progress	11,226,442
Intangible assets	181,735
Depreciable capital assets, net of depreciation	<u>237,998,917</u>
Subtotal	<u>374,172,378</u>
Less: Internal service fund capital assets	<u>(13,184,343)</u>
Net adjustment for capital assets	<u>\$ 360,988,035</u>

NOTE 3: STEWARDSHIP AND COMPLIANCE

A. BUDGETS AND BUDGETARY ACCOUNTING

The City follows these procedures in establishing the budgetary data reflected in the basic financial statements:

1. Prior to the end of July, the department heads submit to the mayor proposed budgets, including expenditures and applicable revenue projections.
2. The mayor and staff then develop the budget and service plan and submit it to the common council at the first council meeting in October. The executive budget includes proposed expenditures and the means of financing them. Copies of the document are made available for public review.
3. Public hearings are conducted to obtain taxpayer comments.
4. The budget is adopted formally by resolution of the common council at the first finance committee meeting in November.
5. Activities of the general fund, special revenue funds, the debt service fund, capital projects funds, permanent fund, enterprise funds, and internal service funds are budgeted. The budget as adopted shows total expenditures/expenses by individual fund. Expenditures/expenses cannot legally exceed appropriations at this level without two-thirds common council approval. Council policies include additional budgetary controls beyond this legal level.
6. Under council policy, new appropriations up to \$15,000 require written approval by the mayor, countersigned by the Director of Finance, and reported to the Finance Committee as an informational item if funded by grants, user fees, or other non-tax revenues. New appropriations in excess of \$15,000 and those funded by taxes or debt also require the approval of the Finance Committee and two-thirds of the common council.
7. Formal budgetary integration is employed as a management control device during the year for all funds. A comparison of budget and actual is included in the accompanying financial statements for the major funds. The budget presentations are at the function level, whereas the legal level of control is at the total expenditures level.
8. All budgets adopted conform to generally accepted accounting principles (GAAP). Budget amounts are as originally adopted or as amended. Individual amendments were legally authorized as described above.
9. Budgets for all governmental funds, except grant-funded special revenue funds, lapse at year end. Reappropriations of any funds are made by council action.

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

The City did not have any material violation of legal or contractual provisions for the fiscal year ended December 31, 2018.

B. EXCESS OF EXPENDITURES OVER BUDGET APPROPRIATIONS

For the year ended December 31, 2018, there were no expenditure accounts of the governmental funds had actual expenditures in excess of budget appropriations.

C. DEFICIT FUND EQUITY

The following funds reported deficit fund balance as of December 31, 2018:

Funds	Deficit Fund Balance
Special Revenue Funds	
Tax Incremental District No. 3	\$ 5,649,231
Police grants	1,193
Capital Project Funds	
Tax Incremental District No. 6	5,153,436
Tax Incremental District No. 8	166,598
Tax Incremental District No. 11	419,132
Tax Incremental District No. 12	8,283

TIF District deficits are anticipated to be funded with future incremental taxes levied over the life of the districts, which is 27 years for districts created before October 1, 1995 and 23 years for districts created 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. The police grants fund deficit is anticipated to be funded with grant revenues.

D. PROPERTY TAX LEVY LIMIT

Wisconsin state statutes provide for a limit on the property tax levies for all Wisconsin cities, villages, towns and counties. For the 2018 and 2019 budget years, Wisconsin Statutes limit the increase in the maximum allowable tax levy to the change in the City's January 1 equalized value as a result of net new construction. The actual limit for the City for the 2018 budget was 1.46%. The actual limit for the City for the 2019 budget was 1.58%. Debt service for debt authorized after July 1, 2005 is exempt from the levy limit. In addition, Wisconsin statutes allow the limit to be adjusted for the increase in debt service authorized prior to July 1, 2005 and in certain other situations.

NOTE 4: DETAILED NOTES ON ALL FUNDS

A. CASH AND INVESTMENTS

The City maintains various cash and investment accounts, including pooled funds that are available for use by all funds. Each fund's portion of these accounts is displayed on the financial statements as "Cash and investments".

Invested cash consists of deposits and investments that are restricted by Wisconsin Statutes to the following:

Time deposits; repurchase agreements; securities issued by federal, state and local governmental entities; statutorily authorized commercial paper and corporate securities; and the Wisconsin local government investment pool.

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

The carrying amount of the City's cash and investments totaled \$173,011,615 on December 31, 2018 as summarized below:

Petty cash and cash on hand	\$ 46,493
Deposits with financial institutions	43,017,967
Investments	129,947,155
	<u>\$ 173,011,615</u>

Reconciliation to the basic financial statements:

Government-wide statement of net position	
Cash and investments	\$ 91,259,781
Restricted cash and investments	20,651,795
Fiduciary fund statement of net position	
Cash and investments	61,100,039
	<u>\$ 173,011,615</u>

Fair Value Measurements

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 observable inputs; Level 3 inputs are significant unobservable inputs. The City has the following fair value measurements as of December 31, 2018:

	Fair Value Measurements Using:		
	Level 1	Level 2	Level 3
Investments			
Money market mutual funds	\$ 743,394	\$ -	\$ -
U.S. Treasury securities	7,759,044	1,298,861	-
FNMA	-	19,014,490	-
FHLMC	-	20,533,150	-
FFCB	-	11,366,994	-
FHLB	-	15,883,292	-
GNMA	-	32,919	-
	<u>\$ 8,502,438</u>	<u>\$ 68,129,706</u>	<u>\$ -</u>

Deposits and investments of the City are subject to various risks. Presented below is a discussion of the City's deposits and investments and the related risks.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Wisconsin statutes require repurchase agreements to be fully collateralized by bonds or securities issued or guaranteed by the federal government or its instrumentalities. The City requires all deposits to be either insured or collateralized.

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

Deposits with financial institutions within the State of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for the combined amount of all time and savings deposits and \$250,000 for interest-bearing and noninterest-bearing demand deposits per official custodian per insured depository institution. The State of Wisconsin has a State Guarantee Fund which provides a maximum of \$400,000 per public depository above the amount provided by an agency of the U.S. Government. However, due to the relatively small size of the State Guarantee Fund in relation to the Fund's total coverage, total recovery of insured losses may not be available. This coverage has been considered in determining custodial credit risk.

As of December 31, 2018, \$32,547,642 of the City's deposits with financial institutions were in excess of federal and state depository insurance limits. All amounts were collateralized with securities held by the pledging financial institution or its trust department or agent by not in the City's name.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Wisconsin statutes limit investment in securities to the top two ratings assigned by nationally recognized statistical rating organizations. The City's investment policy requires a custody agreement for all securities managed by the City's investment manager. The custody agreement must contain language that documents that all securities are held at a minimum of uninsured, but collateral held by the pledging financial institution trust department or agent not in the City's name. Presented below is the actual rating as of the year-end for each investment type.

Investment Type	Amount	Exempt from Disclosure	Aa	Not Rated
U.S. Treasury bonds	\$ 9,057,905	\$9,057,905	\$ -	\$ -
Money market mutual funds	743,394	-	-	743,394
Wisconsin local government investment pool	53,315,011	-	-	53,315,011
FNMA	19,014,490	-	17,456,042	1,558,448
FHLMC	20,533,150	-	19,958,738	574,412
FFCB	11,366,994	-	11,366,994	-
FHLB	15,883,292	-	15,883,292	-
GNMA	32,919	-	-	32,919
Totals	<u>\$129,947,155</u>	<u>\$9,057,905</u>	<u>\$64,665,066</u>	<u>\$56,224,184</u>

At December 31, 2018, the City had no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City investments.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City's investment policy requires investment in shorter-term securities, money market mutual funds, or similar investment pools as a means of managing its exposure to fair value losses arising from increasing interest rates.

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

Investment Type	Amount	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
U.S. Treasury notes	\$ 9,057,905	\$ -	\$ -	\$ 8,251,226	\$ 806,679
Wisconsin local government investment pool	53,315,011	53,315,011	-	-	-
FNMA	19,014,490	-	501,053	14,204,460	4,308,977
FHLMC	20,533,150	-	8,521,250	11,548,142	463,758
FFCB	11,366,994	-	535,823	4,362,224	6,468,947
FHLB	15,883,292	-	-	9,607,787	6,275,505
GNMA	32,919	-	-	-	32,919
Money market funds	-	-	-	-	-
Totals	<u>\$ 129,203,761</u>	<u>\$ 53,315,011</u>	<u>\$ 9,558,126</u>	<u>\$ 47,973,839</u>	<u>\$ 18,356,785</u>

Wisconsin Local Government Investment Pool

The City has investments in the Wisconsin local government investment pool of \$53,315,011 at year-end. 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 carrying value.

B. RESTRICTED ASSETS

Restricted assets on December 31, 2018 totaled \$20,733,695 and consisted of cash and investments of \$20,651,795 and accrued interest of \$81,900 held for the following purposes:

Funds	Cash and Investments	Accrued Interest	Total Restricted Assets
Water utility			
Bond reserve fund	\$ 5,229,894	\$ 30,764	\$ 5,260,658
Sewer utility			
Bond reserve account	1,478,636	-	1,478,636
Bond redemption fund	1,874,019	11,720	1,885,739
DNR replacement fund	3,596,083	20,972	3,617,055
	<u>6,948,738</u>	<u>32,692</u>	<u>6,981,430</u>
Storm water utility			
Bond reserve account	3,812,192	18,444	3,830,636
Bond redemption fund	3,054,387	-	3,054,387
Construction account	4,270	-	4,270
	<u>6,870,849</u>	<u>18,444</u>	<u>6,889,293</u>
Valley Transit			
Capital equipment replacement	1,602,314	-	1,602,314
Total	<u>\$ 20,651,795</u>	<u>\$ 81,900</u>	<u>\$ 20,733,695</u>

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

C. CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, nondepreciable:				
Land	\$ 11,557,416	\$ 72,136	\$ 2,060,000	\$ 9,569,552
Right of ways	76,429,958	44,572	-	76,474,530
Improvements	38,721,202	-	-	38,721,202
Intangible assets	181,735	-	-	181,735
Construction in progress	37,071,724	6,817,518	32,662,800	11,226,442
Total capital assets, nondepreciable	<u>163,962,035</u>	<u>6,934,226</u>	<u>34,722,800</u>	<u>136,173,461</u>
Capital assets, depreciable:				
Intangible assets	88,683	-	-	88,683
Improvements	12,847,014	280,268	-	13,127,282
Buildings	48,292,119	136,326	32,974	48,395,471
Equipment, furniture and fixtures	45,971,706	4,866,610	2,297,974	48,540,342
Streets	185,567,161	3,212,259	832,925	187,946,495
Sidewalk	33,556,244	838,203	315,964	34,078,483
Traffic signals	6,188,194	1,043,338	133,298	7,098,234
Bridges	49,755,101	-	-	49,755,101
Subtotals	<u>382,266,222</u>	<u>10,377,004</u>	<u>3,613,135</u>	<u>389,030,091</u>
Less accumulated depreciation for:				
Intangible assets	11,842	5,921	-	17,763
Improvements	4,460,089	380,008	-	4,840,097
Buildings	16,852,302	968,281	23,082	17,797,501
Equipment, furniture and fixtures	20,297,738	3,066,835	2,297,974	21,066,599
Streets	78,274,200	4,488,406	591,453	82,171,153
Sidewalk	12,937,014	848,891	135,537	13,650,368
Traffic signals	2,000,331	150,866	111,032	2,040,165
Bridges	8,949,978	497,550	-	9,447,528
Subtotals	<u>143,783,494</u>	<u>10,406,758</u>	<u>3,159,078</u>	<u>151,031,174</u>
Total capital assets, depreciable, net	<u>238,482,728</u>	<u>(29,754)</u>	<u>454,057</u>	<u>237,998,917</u>
Governmental activities capital assets, net	<u>\$402,444,763</u>	<u>\$ 6,904,472</u>	<u>\$35,176,857</u>	<u>374,172,378</u>
Less: Capital related debt				51,476,140
Less: Debt premium				3,125,726
Add: Deferred charge on refunding				<u>78,548</u>
Net investment in capital assets				<u>\$319,649,060</u>

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, nondepreciable:				
Land	\$ 11,916,990	\$ 48,335	\$ -	\$ 11,965,325
Intangible assets	1,538,628	334,869	-	1,873,497
Construction in progress	6,251,732	2,255,201	5,637,793	2,869,140
Total capital assets, nondepreciable	<u>19,707,350</u>	<u>2,638,405</u>	<u>5,637,793</u>	<u>16,707,962</u>
Capital assets, depreciable:				
Buildings and land improvements	169,853,647	2,043,358	307,949	171,589,056
Machinery and equipment	96,333,742	2,654,316	9,981,558	89,006,500
Infrastructure	257,882,521	10,521,101	514,521	267,889,101
Subtotals	<u>524,069,910</u>	<u>15,218,775</u>	<u>10,804,028</u>	<u>528,484,657</u>
Less accumulated depreciation for:				
Buildings and land improvements	107,277,823	4,413,447	294,246	111,397,024
Machinery and equipment	64,934,301	2,810,578	7,078,642	60,666,237
Infrastructure	50,575,112	3,860,595	389,381	54,046,326
Subtotals	<u>222,787,236</u>	<u>11,084,620</u>	<u>7,762,269</u>	<u>226,109,587</u>
Total capital assets, depreciable, net	<u>301,282,674</u>	<u>4,134,155</u>	<u>3,041,759</u>	<u>302,375,070</u>
Business-type activities capital assets, net	<u>\$320,990,024</u>	<u>\$ 6,772,560</u>	<u>\$ 8,679,552</u>	319,083,032
Less: Capital related debt				97,697,672
Less: Debt premium				6,162,572
Add: Deferred charge on refunding				<u>2,265,984</u>
Net investment in capital assets				<u>\$217,488,772</u>

Depreciation expense was charged to functions of the City as follows:

Governmental activities	
General government	\$ 279,996
Public safety	617,925
Public works	6,181,800
Culture and recreation	821,410
Subtotal	<u>7,901,131</u>
Capital assets held by City's internal service fund are charged to various functions based on their usage of the assets	
Total depreciation expense - governmental activities	<u>2,505,627</u> <u>\$ 10,406,758</u>
Business-type activities	
Water utility	\$ 4,063,770
Wastewater utility	2,948,529
Valley Transit	632,834
Stormwater	2,578,960
Parking	590,178
Reid Municipal Golf Course	64,979
Total depreciation expense - business-type activities	<u>10,879,250</u>
Depreciation charged to other functions and costs of removal	<u>205,370</u>
Total increase in accumulated depreciation	<u>\$ 11,084,620</u>

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

D. INTERFUND RECEIVABLE, PAYABLES, AND TRANSFERS

Interfund receivables and payables between individual funds of the City, as reported in the fund financial statements, as of December 31, 2018 are detailed below:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General fund	\$ 2,172,912	\$ 1,066,718
Special Revenue Funds		
Sanitation & recycling program	40,481	-
Community development block grant	-	118,778
Police grants	-	10,510
Wheel tax	-	73,652
Continuum of care	-	4,943
Emergency shelter	-	1,671
Enterprise Funds		
Water utility	486,710	1,963,358
Wastewater utility	344,194	-
Storm water utility	195,333	-
	<u>\$ 3,239,630</u>	3,239,630
Government-wide adjustments		
Fund eliminations		(4,981,511)
Advance to Reid Municipal Golf Course		145,000
Internal service fund allocation		257,380
Internal balances - government-wide statement of net position		<u>\$ (1,339,501)</u>

The outstanding balances between funds result mainly 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.

In 1999, the City approved charging interest on the advances to the Tax Incremental Districts at 5%, compounded annually. Accumulated interest is shown as deferred revenue in the general fund and charged to expenditures annually in the payable fund. The advances will be repaid as monies are available.

In 2002, the City advanced the Reid Municipal Golf Course \$495,000 to fund capital improvements. Interest was being charged at 5%. During 2011, the City council approved retroactively charging 0% interest on the advance. Previous interest payments made on the advance were applied to the principal balance during 2011. A repayment schedule has been established.

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

During 2015, the City prepared projections estimating the TIF districts and the Reid Municipal Golf Course's ability to repay the interfund advances (principal and interest) from the general fund and the parking utility. As of this analysis, the following allowance has been established:

Interfund advances for the year ended December 31, 2018 were as follows:

Receivable Fund	Payable Fund	Principal	Interest	Total Advance	Amount Not Due Within One Year
General	Special Revenue - Tax Incremental District No. 3	\$ 1,055,862	\$ 4,936,565	\$ 5,992,427	\$ 5,992,427
General	Capital Project - Tax Incremental District No. 6	5,134,952	581,268	5,716,220	6,216,220
General	Capital Project - Tax Incremental District No. 8	300,000	115,902	415,902	415,902
General	Capital Project - Tax Incremental District No. 11	341,000	8,576	349,576	349,576
General	Capital Project - Tax Incremental District No. 12	8,500	264	8,764	8,764
General	Enterprise - Reid Municipal Golf Course	145,000	-	145,000	140,000
Subtotal - fund financial statements		<u>\$ 6,985,314</u>	<u>\$ 5,642,575</u>	12,627,889	<u>\$ 13,122,889</u>
Less: fund eliminations				(12,482,889)	
Total - government-wide statements				<u>\$ 145,000</u>	

The principal purpose of these advances is due to expenditures/expenses exceeding revenues.

The following repayment schedule has been established. No interest is being charged.

Years	General Fund Advance to Reid Golf Course
2019	\$ 5,000
2025	60,000
2026	80,000
Totals	<u>\$ 145,000</u>

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

Interfund transfers for the year ended December 31, 2018 were as follows:

<u>Transfers from</u>	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Valley Transit</u>	<u>Total</u>
Governmental activities:				
General fund	\$ -	\$ 195,080	\$ 674,022	\$ 869,102
Nonmajor governmental funds	2,216,332	1,743,834	-	3,960,166
Business-type activities:				
Water utility enterprise fund	1,910,691	2,000	-	1,912,691
Wastewater utility enterprise fund	183,117	-	-	183,117
Stormwater utility enterprise fund	12,500	-	-	12,500
Parking utility enterprise fund	9,300	1,000,000	-	1,009,300
Reid golf course enterprise fund	17,900	3,200	-	21,100
Internal Service Funds	-	322,765	-	322,765
Total transfers to:	<u>\$ 4,349,840</u>	<u>\$ 3,266,879</u>	<u>\$ 674,022</u>	8,290,741
Less: Government-wide eliminations				<u>(5,826,055)</u>
Total Government-wide Statement of Activities				<u>\$ 2,464,686</u>

Transfers are used to: (1) move unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; (2) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; and (3) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service funds as debt service payments become due.

E. DEFERRED INFLOWS OF RESOURCES

Governmental activities and governmental funds defer revenue recognition in connection with resources that have been received, but not yet earned. Governmental funds also defer revenue recognition related to receivables that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of unavailable revenue were as follows:

	<u>Unearned</u>	<u>Unavailable</u>	<u>Total</u>
Property taxes receivable	\$ 49,470,568	\$ -	\$ 49,470,568
Interest on advances	-	5,645,198	5,645,198
Interest income	-	123,572	123,572
Developer loans	-	871,250	871,250
Rehabilitation loans	-	6,391,644	6,391,644
Accounts receivable	-	25,000	25,000
Special assessments not yet due	-	203,157	203,157
Grant drawdowns prior to meeting all eligibility requirements	78,629	-	78,629
Total	<u>\$ 49,549,197</u>	13,259,821	<u>\$ 62,809,018</u>
Reconciliation to government-wide financial statements		<u>(13,259,821)</u>	
Total		<u>\$ -</u>	

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

F. LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations of the City for the year ended December 31, 2018:

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
Governmental activities:					
General obligation debt					
Bonds - General	\$ 1,030,000	\$ -	\$ 735,000	\$ 295,000	\$ 180,000
Notes - General	48,280,624	13,840,000	5,817,249	56,303,375	6,872,500
Notes - Internal service	134,376	-	27,751	106,625	12,500
Total general obligation debt	<u>49,445,000</u>	<u>13,840,000</u>	<u>6,580,000</u>	<u>56,705,000</u>	<u>7,065,000</u>
Promissory note	260,000	-	25,000	235,000	25,000
Debt premium	2,312,499	1,256,719	443,492	3,125,726	627,773
Compensated absences					
General	6,799,633	3,982,436	3,516,667	7,265,402	3,661,822
Internal service	238,056	179,212	210,004	207,264	178,704
Landfill liability	1,620,000	-	90,000	1,530,000	90,000
Disability benefits	64,046	-	4,135	59,911	14,281
Governmental activities Long-term obligations	<u>\$ 60,739,234</u>	<u>\$19,258,367</u>	<u>\$10,869,298</u>	<u>\$ 69,128,303</u>	<u>\$11,662,580</u>
Business-type activities:					
General obligation debt					
Bonds	\$ 515,000	\$ -	\$ 60,000	\$ 455,000	\$ 60,000
Notes	645,000	-	60,000	585,000	65,000
Total general obligation debt	<u>1,160,000</u>	<u>-</u>	<u>120,000</u>	<u>1,040,000</u>	<u>125,000</u>
Revenue bonds	115,160,000	8,245,000	16,325,000	107,080,000	4,205,000
Debt premium	6,719,071	591,717	1,148,216	6,162,572	1,136,038
Compensated absences	1,139,721	704,202	735,103	1,108,820	767,735
Business-type activities Long-term obligations	<u>\$124,178,792</u>	<u>\$ 9,540,919</u>	<u>\$18,328,319</u>	<u>\$115,391,392</u>	<u>\$ 6,233,773</u>

Total interest paid during the year on long-term debt totaled \$5,347,503.

The water revenue bond debt service payments are primarily due on January 1st and July 1st. The utility makes the January 1st payment on December 31st of the prior year. Therefore, no current principal amount is shown on the statement of net position.

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/18</u>
Governmental Activities					
General obligation refunding bonds					
Series 2012B	08/30/12	04/01/20	0.40-3.00%	\$ 2,920,000	\$ 295,000
General obligation notes					
Series 2009A	08/05/09	04/01/19	2.50-3.125%	5,735,000	895,000
Series 2012A	11/07/12	04/01/22	2.00-3.00%	5,460,000	2,185,000
Series 2014A	09/10/14	04/01/24	1.50-2.375%	6,525,000	4,790,000
Series 2015A	10/28/15	04/01/25	2.00-3.00%	5,775,000	4,835,000
Series 2016	10/04/16	04/01/26	2.00-4.00%	18,920,000	16,175,000
Series 2018	10/09/18	04/01/28	4.00-5.00%	13,840,000	13,840,000
General obligation refunding notes					
Series 2017	10/02/17	04/01/27	2.00-3.00%	14,170,000	13,690,000
Total governmental activities					<u>56,705,000</u>
Business-type Activities					
General obligation refunding bonds					
Series 2012B	08/30/12	04/01/20	0.40-3.00%	735,000	455,000
General obligation notes					
Series 2016	10/04/16	04/01/26	2.00-4.00%	705,000	585,000
					<u>1,040,000</u>
Total outstanding general obligation debt					<u>\$57,745,000</u>

Annual principal and interest maturities of the outstanding general obligation debt of \$57,745,000 on December 31, 2018 are detailed below:

Year Ended December 31,	Governmental Activities		Business-type Activities		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 7,065,000	\$ 1,668,493	\$ 125,000	\$ 27,925	\$ 7,190,000	\$ 1,696,418
2020	6,975,000	1,511,873	140,000	25,383	7,115,000	1,537,256
2021	6,510,000	1,331,164	145,000	21,825	6,655,000	1,352,989
2022	6,535,000	1,137,504	150,000	17,400	6,685,000	1,154,904
2023	6,495,000	914,881	150,000	12,525	6,645,000	927,406
2024-2028	23,125,000	1,587,859	330,000	12,750	23,455,000	1,600,609
	<u>\$ 56,705,000</u>	<u>\$ 8,151,774</u>	<u>\$ 1,040,000</u>	<u>\$ 117,808</u>	<u>\$ 57,745,000</u>	<u>\$ 8,269,582</u>

For governmental activities, the other long-term liabilities are generally funded by the general fund.

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

Estimated payments of accumulated employee benefits and other commitments are not included in the repayment schedule. Amounts available to service the general obligation debt and other long-term obligations include the following:

General fund - general obligation debt	\$ 2,229,705
General fund - compensated absences	5,078,538
Debt service fund - general obligation debt	1,701,196
Special revenue fund - Tuchscherer disability	<u>18,073</u>
 Total available	 <u>\$ 9,027,512</u>

Legal Margin for New Debt

The City's legal margin for creation of additional general obligation debt on December 31, 2018 was \$216,127,956 as follows:

Equalized valuation of the City		\$ 5,443,435,200
Statutory limitation percentage		<u>(x) 5%</u>
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes		272,171,760
Total outstanding general obligation debt applicable to debt limitation	\$ 57,745,000	
Less: Amounts available for financing general obligation debt		
Debt service fund	<u>1,701,196</u>	
Net outstanding general obligation debt applicable to debt limitation		<u>56,043,804</u>
Legal margin for new debt		<u>\$ 216,127,956</u>

In addition to the debt service fund, the City has assigned fund balance in the general fund of \$2,229,705 which may be used for debt service requirements.

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

Revenue Bonds

Revenue bonds outstanding on December 31, 2018 totaled \$107,080,000 and were comprised of the following issues:

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/18</u>
Water Utility					
Water System Revenue Bonds					
Series 2011	08/24/11	01/01/31	2.00-4.20%	\$ 3,170,000	\$ 2,245,000
Series 2012	08/08/12	01/01/32	2.00-3.25%	2,510,000	1,865,000
Series 2013	08/07/13	01/01/33	2.00-4.50%	7,180,000	5,755,000
Series 2014	09/10/14	07/01/34	2.00-4.00%	3,850,000	3,215,000
Water System Revenue Refunding Bonds					
Series 2015	10/28/15	01/01/35	2.00-4.00%	22,735,000	19,605,000
Series 2016	10/04/16	01/01/36	2.00-4.00%	23,830,000	15,300,000
Total Water Utility					<u>47,985,000</u>
Wastewater Utility					
Sewerage System Revenue Bonds					
Series 2010	05/22/10	05/01/30	2.00-4.00%	4,935,000	3,600,000
Series 2011	08/24/11	05/01/31	2.00-4.25%	3,735,000	2,820,000
Sewerage System Revenue Refunding Bonds					
Series 2018	10/09/18	05/01/28	2.00-5.00%	5,245,000	5,245,000
Total Wastewater Utility					<u>11,665,000</u>
Stormwater Utility					
Stormwater System Revenue Bonds					
Series 2009	12/30/09	04/01/29	2.00-4.45%	10,720,000	360,000
Series 2012	08/08/12	04/01/32	2.00-4.00%	13,190,000	7,815,000
Series 2013	08/07/13	04/01/33	2.00-4.50%	6,440,000	5,425,000
Series 2014	08/07/13	04/01/34	2.00-4.00%	3,450,000	3,035,000
Series 2017	10/02/17	04/01/38	2.00-4.00%	5,000,000	5,000,000
Series 2018	10/09/18	04/01/39	2.50-4.00%	3,000,000	3,000,000
Stormwater System Revenue Refunding Bonds					
Series 2015	10/28/15	04/01/35	2.00-4.00%	9,425,000	8,395,000
Series 2016	10/04/16	01/01/36	2.00-4.00%	14,935,000	14,400,000
Total Stormwater Utility					<u>47,430,000</u>
Total outstanding revenue bonds					<u>\$107,080,000</u>

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

Annual principal and interest maturities of the outstanding revenue bonds of \$107,080,000 on December 31, 2018 are detailed below:

Year Ended December 31,	Business-type Activities		
	Principal	Interest	Total
2019	\$ 4,205,000	\$ 2,177,773	\$ 6,382,773
2020	11,180,000	3,685,649	14,865,649
2021	11,280,000	3,277,373	14,557,373
2022	11,475,000	3,504,142	14,979,142
2023	7,545,000	2,497,592	10,042,592
2024-2028	36,130,000	8,189,146	44,319,146
2029-2033	19,140,000	2,770,568	21,910,568
2034-2038	5,895,000	407,556	6,302,556
2039	230,000	4,600	234,600
	<u>\$ 107,080,000</u>	<u>\$ 26,514,399</u>	<u>\$ 133,594,399</u>

Utility Revenues Pledged

Revenue bonds are payable only from revenues derived from the operation of the water, wastewater, and stormwater utilities and do not constitute debt which with faith and credit or taxing powers of the City are pledged. The utilities have pledged future utility revenues, net of specified operating expenses, to repay the revenue bonds through 2036, 2031, and 2039, respectively. Proceeds from the bonds provided financing for the construction or acquisition of capital assets used by the utilities. A summary of net customer revenues and remaining principal and interest due on revenue bonds follows:

	Water Utility	Wastewater Utility	Stormwater Utility
Net Customer Revenues			
Charges for services	\$ 20,441,887	\$ 9,140,058	\$ 9,626,251
Other income	605,886	3,659,792	82,704
Total operating revenues	21,047,773	12,799,850	9,708,955
Less: operating expenses	8,255,383	7,417,075	2,944,035
Net customer revenues	<u>\$ 12,792,390</u>	<u>\$ 5,382,775</u>	<u>\$ 6,764,920</u>
Debt Service			
Principal	\$ 6,585,000	\$ 890,000	\$ 3,235,000
Interest	1,885,715	511,581	1,694,136
Total debt service	<u>\$ 8,470,715</u>	<u>\$ 1,401,581</u>	<u>\$ 4,929,136</u>
Remaining principal and interest	<u>\$ 57,468,927</u>	<u>\$ 14,521,725</u>	<u>\$ 61,603,747</u>

There are various requirements associated with each of the City's bond issues. The City believes they are in compliance with all significant bond issue requirements.

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

Promissory Note

During 2012, the Appleton Redevelopment Authority received a \$300,000 Wisconsin DNR Ready for Reuse Loan. In order for the Appleton Redevelopment Authority to be approved for this loan, the City of Appleton was required to issue an obligation under Chapter 67 of the Wisconsin State Statutes. During 2017, the property funded with the loan was sold, and the obligation to make payments over to the DNR Ready for Reuse Loan payments reverted back to the City. No interest is being charged. The repayment schedule is as follows:

Year Ended December 31,	Principal
2019	\$ 25,000
2020	35,000
2021	35,000
2022	45,000
2023	45,000
2024	50,000
	<u>\$ 235,000</u>

Other Debt Information

Estimated payments of other long-term liabilities are not included in the debt service requirement schedules. The compensated absences liability, landfill liability, disability benefits liability will be liquidated primarily by the general fund.

A statutory mortgage lien upon the City's utility system and any additions, improvements and extensions thereto is created by Section 66.0621 of the Wisconsin Statutes as provided for in the ordinances creating the revenue bond issues. The City's system and the earnings of the system remain subject to the lien until payment in full of the principal and interest on the bonds.

Capital Lease

In 1998, the City entered into a lease/development agreement with Appleton Ice Incorporated. As part of the agreement, the City leased approximately 2.5 acres of land to Appleton Ice Incorporated to be used for the Appleton Family Ice Arena. The lease was paid off during 2018. The gross amount of these assets under capital leases is \$1,210,000.

Closure and Postclosure Care Cost

State and federal laws and regulations require the City to place a final cover on its Mackville Landfill, which no longer receives solid waste, and to perform certain maintenance and monitoring functions at the site for 40 years after closure. Construction of the cover was completed at December 31, 2002. The City does have postclosure care responsibility at the Mackville Landfill. As of December 31, 2018, a \$1,530,000 liability was estimated based on what it would cost to perform all postclosure care in 2018 and thereafter. Actual costs may be higher due to inflation, changes in technology or changes in regulations. The City incurred approximately \$128,070 of closure costs in 2018.

G. CONDUIT DEBT OBLIGATIONS

From time to time, the City has issued Industrial Revenue Bonds to provide financial assistance to private sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2018, there were three series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of \$36,635,000.

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

H. PENSION PLAN

1. 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 1200 hours a year (880 hours for teachers and school district educational support employees) 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>.

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.

Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and executive service retirement plan participants, if hired on or before December 31, 2017) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

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

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

The WRS also provides death and disability benefits for employees.

2. 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:

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

<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

3. 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, including teachers, and executives and elected officials. Starting on January 1, 2016, the executives and elected officials category was merged into the general employee category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remaining amount 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 year ended December 31, 2018, the WRS recognized \$3,887,066 in contributions from the City.

Contribution rates for the reporting period are:

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

4. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2018, the City reported an asset of \$10,924,121 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 liability (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 0.36792471%, which was an increase of 0.00380421% from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the City recognized pension expense of \$4,694,816.

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

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	\$ 13,879,368	\$ 6,492,308
Net differences between projected and actual earnings on pension plan investments	-	-
Changes in assumptions	2,158,393	15,014,188
Changes in proportion and differences between employer contributions and proportionate share of contributions	26,391	179,098
Employer contributions subsequent to the measurement date	3,887,066	-
Total	\$ 19,951,218	\$ 21,685,594

\$3,887,066 reported as deferred outflows related to pension resulting from the City'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,	Expense
2019	\$ 1,138,174
2020	(151,413)
2021	(3,785,201)
2022	(2,849,102)
2023	26,100
Total	\$ (5,621,442)

5. 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
Asset valuation method:	Fair Market Value
Long-term expected rate of return:	7.2%
Discount rate:	7.2%
Salary increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.6%
Mortality	Wisconsin 2012 Mortality Table
Post-retirement adjustments*	2.1%

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

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

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.

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:

	Current Asset Allocation %	Long-term Expected Nominal Rate of Return %	Long-term Expected Real Rate of Return %
<u>Core Fund Asset Class</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 members 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 Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

Sensitivity of the City's proportionate share of the net pension liability (asset) to changes in the discount rate. The following presents the City's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.2 percent, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	<u>1% Decrease to Discount Rate (6.20%)</u>	<u>Current Discount Rate (7.20%)</u>	<u>1% Increase to Discount Rate (8.20%)</u>
City's proportionate share of the net pension liability (asset)	\$ 28,264,413	\$ (10,924,121)	\$ (40,708,633)

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>.

6. Payables to the Pension Plan

At December 31, 2018, the City reported a payable of \$529,432 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2018.

I. OTHER POSTEMPLOYMENT BENEFITS

The City has adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* for the year ended December 31, 2018. This statement revised and established new financial reporting requirements for governments that provide their employees with postemployment benefits. Financial statements for the year ended December 31, 2017 have not been restated.

The cumulative effect of this change was to decrease the December 31, 2017 net position by \$2,867,303 as follows:

Other postemployment liability		
OPEB asset balance previously reported	\$ 1,194,316	
Actuarially determined balance	4,061,619	
Change in other postemployment liability		<u>\$ (2,867,303)</u>

Single-employer Defined Postemployment Benefit Plan

Plan Description

The City administers a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The City's group health insurance plan provides coverage to active employees and retirees (or other qualified terminated employees) at blended premium rates. This results in another postemployment benefit (OPEB) for retirees, commonly referred to as an implicit rate subsidy. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided

Employees and their eligible dependents can elect to continue medical coverage into retirement on the City's group plan on a pay-all basis. The City does not pay any portion of the cost of coverage. Coverage continues until the retiree reaches Medicare eligibility given that the required contributions are paid.

Employees Covered by Benefit Terms

At December 31, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	65
Active employees	564
	<u>629</u>

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

Contributions

All retired plan members and beneficiaries currently receiving benefits are required to pay the entire cost of insurance premiums based on the employee group and their retirement date.

Total OPEB Liability

The City's total OPEB liability was measured as of December 31, 2018, and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation as of January 1, 2018.

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

Inflation:	3.0%
Salary increases:	4.0%
Investment rate of return:	3.64%
Healthcare cost trend rates:	5.5% for 2018 decreasing to an ultimate rate of 4.5% by 2028

Mortality rates are the same as those used in the December 31, 2017 Wisconsin Retirement System's (WRS) actuarial valuation report.

The actuarial assumptions used in the December 31, 2017 valuation were based on the "Wisconsin Retirement System 2014 - 2014 Experience Study".

The long-term expected rate of return on OPEB plan investments was valued at 3.64%. A blend of expected earnings on City funds and the current yield for 20 year tax-exempt AA Municipal bond rate or higher as of the measurement date was used for all years of benefit payments.

Discount Rate. The discount rate used to measure the total OPEB liability was 3.64%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates.

Changes in the Total OPEB Liability

	Total OPEB Liability (a)
Balance at January 1, 2018	<u>\$ 4,061,619</u>
Changes for the year:	
Service cost	264,768
Interest	129,126
Difference between expected and actual experience	807,779
Changes of assumptions changes or inputs	77,784
Benefit payments	(414,239)
Other changes	(69,052)
Net changes	<u>796,166</u>
Balance at December 31, 2018	<u>\$ 4,857,785</u>

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.64%) or 1-percentage-point higher (4.64%) than the current rate:

	1% Decrease to Discount Rate (2.64%)	Current Discount Rate (3.64%)	1% Increase to Discount Rate (4.64%)
Total OPEB liability	\$ 4,581,411	\$ 4,857,785	\$ 5,152,417

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.5% decreasing to 3.5%) or 1-percentage-point higher (6.5% decreasing to 5.5%) than the current healthcare cost trend rates:

	1% Decrease (4.5% increasing to 3.5%)	Healthcare Cost Trend Rates (5.5% increasing to 4.5%)	1% Increase (6.5% increasing to 5.5%)
Total OPEB liability	\$ 5,313,156	\$ 4,857,785	\$ 4,463,111

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

For the year ended December 31, 2018, the City recognized OPEB expense of \$480,749. At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 721,853	\$ -
Changes in assumptions	148,407	140,603
Total	<u>\$ 870,260</u>	<u>\$ 140,603</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in other postemployment benefits expense as follows:

Year Ended December 31,	Expense
2019	\$ 86,854
2020	86,854
2021	86,854
2022	86,854
2023	86,854
Thereafter	295,387
Total	<u>\$ 729,657</u>

Payable to the OPEB Plan

At December 31, 2018, the City reported a payable of \$0 for the outstanding amount of contribution to the Plan required for the year ended December 31, 2018.

Plan Financial Report

The Plan does not prepare a separate standalone financial report.

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

J. FUND EQUITY

Government-wide and Proprietary Fund Statements

Net position of the governmental activities reported on the government-wide statement of net position at December 31, 2018 include the following:

Net investment in capital assets	
Land	\$ 124,765,284
Intangible assets	181,735
Construction in progress	11,226,442
Other capital assets, net of accumulated depreciation/amortization	237,998,917
Less: Related long-term debt outstanding (excluding unspent capital related debt proceeds)	(51,476,140)
Less: Unamortized debt premium	(3,125,726)
Add: Unamortized loss on refunding	78,548
Total net investment in capital assets	<u>319,649,060</u>
Restricted	
Debt service	1,276,840
TIF development activity	1,807,443
Housing rehabilitation	6,601,824
Special purposes	
Hazardous materials	352,834
Future claims	18,073
Health grants	34,891
Room tax	8,831
Parks	355,132
Net pension asset	8,987,486
Total restricted	<u>19,443,354</u>
Unrestricted	<u>27,569,613</u>
Total governmental activities net position	<u>\$ 366,662,027</u>

Nonspendable Fund Balance

In the fund financial statements, portions of the governmental fund balances are amounts that cannot be spent because they are either 1) not in spendable form or 2) legally or contractually required to be maintained intact. At December 31, 2018, nonspendable fund balance was as follows:

General Fund	
Nonspendable	
Inventories and prepaid items	\$ 879,275
Advance to other funds (principal portion)	6,985,514
Developer loans	804,634
Total General Fund Nonspendable Fund Balance	<u>\$ 8,669,423</u>

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

Restricted Fund Balance

In the fund financial statements, portions of governmental fund balances are not available for appropriation or are legally restricted for use for a specific purpose. At December 31, 2018, restricted fund balance was as follows:

Special Revenue Funds

Restricted for

Rental Energy Grants	\$ 8,951
Community Development Block grant	7,887
Hazardous materials Level A - public safety	352,834
Health grants	34,891
Continuum of care - housing rehabilitation	2,315
HOME Homeowner - housing rehabilitation	109,737
Housing rehabilitation grant - housing rehabilitation	70,969
Business and neighborhood revitalization grant	6,117
Lead hazard control grant - housing rehabilitation	4,204
Tuchscherer disability - future claims	18,073
Room tax	8,831
Emergency shelter	14,241
Library grants	79,139
Peabody Estate - parks	66,861
Lutz Park - parks	139,321
Park purpose open space - parks	20,563
Union Spring Park - parks	2,584
Project city park - parks	6,076
Miracle League baseball - parks	26,347
Total special revenue funds	<u>979,941</u>

Debt Service Fund

Restricted for

Retirement of long-term debt	<u>1,701,196</u>
------------------------------	------------------

Capital Projects Funds

Restricted for

Tax incremental district no. 7	814,082
Tax incremental district no. 9	196,937
Tax incremental district no. 10	91,772
Public safety facilities - unspent bond proceeds	32,232
Public works equipment - unspent bond proceeds	2,755,944
Facilities capital projects - unspent bond proceeds	2,342,198
City center facilities - unspent bond proceeds	31,999
Information technology - unspent bond proceeds	151,599
Total capital projects funds	<u>6,416,763</u>

Total Restricted Fund Balance	<u>\$ 9,097,900</u>
-------------------------------	---------------------

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

Committed Fund Balance

In the fund financial statements, portions of government fund balances are committed by City Council action. At December 31, 2018, governmental fund balance was committed as follows:

General Fund		
Committed for		
Encumbrances	\$	81,918
Special Revenue Fund		
Committed for		
Sanitation and recycling		<u>1,228,173</u>
Total Committed Fund Balance	\$	<u><u>1,310,091</u></u>

Assigned Fund Balance

Portions of governmental fund balances have been assigned to represent tentative management plans that are subject to change. At December 31, 2018, fund balance was assigned as follows:

General Fund		
PILOT applied to the 2018 budget	\$	1,963,358
Carryover appropriations		2,901,592
Compensated absences		5,078,538
Health insurance		987,407
Debt service		<u>2,229,705</u>
Subtotal		<u>13,160,600</u>
Capital Projects Funds		
Assigned for subsequent year's expenditures		
Capital Improvements		
Subdivision development projects		1,275,242
Industrial park land		571,287
Public safety facilities		9,930
CEA replacement		2,602,466
Community development		78,363
Information technology		<u>4,233</u>
Subtotal		<u>4,541,521</u>
Total	\$	<u><u>17,702,121</u></u>

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

Net Position

Net position of the business-type activities reported on the government-wide statement of net position at December 31, 2018 include the following:

Net investment in capital assets	
Land	\$ 11,965,325
Intangible assets	1,873,497
Construction in progress	2,869,140
Other capital assets, net of accumulated depreciation/amortization	302,375,070
Less: Related long-term debt outstanding (excluding unspent capital related debt proceeds)	(108,120,000)
Less: Unamortized debt premium	(6,162,572)
Add: Unamortized loss on refunding	2,265,984
Add: Borrowed reserve and depreciation fund	10,422,328
Total net investment in capital assets	<u>217,488,772</u>
Restricted	
Debt service	15,077,418
DNR replacement fund	3,596,083
Capital replacement fund	1,606,584
Net pension asset	1,936,635
Total restricted	<u>22,216,720</u>
Unrestricted	<u>44,135,015</u>
Total business-type activities net position	<u>\$283,840,507</u>

NOTE 5: OTHER INFORMATION

A. COMPONENT UNITS

This report also contains financial information for the Business Improvement District of the City of Appleton (the "Business Improvement District") and the Redevelopment Authority of the City of Appleton (the "Redevelopment Authority"), which are included as discretely presented component units in the statement of net position and the statement of activities.

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

Business Improvement District (BID)

1. Basis of Accounting/Measurement Focus

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

2. Cash and Investments

At year end, the carrying amount of the BID's deposits was \$146,412 and is part of the City's commingled cash.

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

Redevelopment Authority

1. *Basis of Accounting/Measurement Focus*

The Redevelopment Authority follows the accrual basis of accounting and the flow of economic resources measurement focus.

2. *Cash and Investments*

At year end, the carrying amount of the Redevelopment Authority's deposits was \$117,136 and is part of the City's commingled cash.

3. *Restricted Cash and Investments*

At year end, the Redevelopment Authority held accounts with Associated Trust related to the issuance of Taxable Lease Revenue Bonds for the construction of the Fox Cities Exhibition Center. The City of Appleton signed a Pledge and Security agreement with Associated Trust along with the member municipalities of the Fox Cities Tourism Zone authorizing Associated Trust to manage the collection and distributions of Hotel Room Taxes in the appropriate allocations set forth by the Agreement dated May 1, 2018. Cash and Investments held at Associated Trust in the name of the Redevelopment Authority as of December 31, 2018 are segregated into the following accounts:

<u>Associated Trust Investment Accounts</u>	<u>Cash and Investments</u>
Bond Reserve fund	\$ 2,440,770
Room Tax Stabilization fund	906,891
Debt Service fund	1,398,604
Capitalized Interest fund	22,771
	<u>\$ 4,769,036</u>

The segregation of these funds is stipulated by the Indenture of Trust Agreement between the Redevelopment Authority and Associated Trust dated May 1, 2018. Descriptions and purposes for the restriction on the balances of the funds noted above are as follows:

<u>Funds</u>	<u>Restricted Purpose</u>
Bond Reserve	To make up deficiencies in the debt service fund
Room Tax Stabilization	To make up deficiencies in the debt service fund
Debt Service	For payment of principal and interest on bonds when due
Capitalized Interest	Transfer to Debt Service Fund on interest payment dates

4. *Land Held for Resale*

Land held for resale consists of land and improvements and is valued at cost of acquisition, demolition and site improvements. Properties include both land intended for resale and land designated as a public area. Land held for resale is recorded at the lower of cost or market value.

5. *Capital Assets*

In 2018, the City of Appleton completed the construction of the Fox Cities Exhibition Center. Upon completion of the project, all improvements and the related land were transferred to the Redevelopment Authority for operation of the facilities as specified in the Exhibition Center Cooperation Agreement.

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

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

	Beginning Balance	Increases	Decreases	Ending Balance
Appleton Redevelopment Authority				
Capital assets, nondepreciable:				
Land	\$ -	\$ 2,060,000	\$ -	\$ 2,060,000
Capital assets, depreciable:				
Buildings and improvements	-	32,422,167	-	32,422,167
Less accumulated depreciation for:				
Buildings and improvements	-	540,369	-	540,369
Total capital assets, depreciable, net	-	31,881,798	-	31,881,798
Governmental activities capital assets, net	\$ -	\$33,941,798	\$ -	33,941,798
Less: Capital related debt				31,865,000
Net investment in capital assets				\$ 2,076,798

6. Taxable Lease Revenue Bonds

On May 1, 2018, the Redevelopment Authority issued \$31,865,000 of Taxable Lease Revenue Bonds, Series 2018, in order to reimburse the City of Appleton for construction costs related to the Fox Cities Exhibition Center. Details of this outstanding obligation of the Redevelopment Authority as of December 31, 2018 are as follows:

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
Governmental activities:					
Taxable Lease Revenue Bonds	\$ -	\$31,865,000	\$ -	\$31,865,000	\$ -

Interest paid by the Redevelopment Authority on these Taxable Lease Revenue Bonds during the year totaled \$546,626.

Annual principal and interest maturities of the outstanding revenue bonds of \$31,865,000 on December 31, 2018 are detailed below:

Year Ended December 31,	Principal	Interest
2019	\$ -	\$ 1,311,903
2020	100,000	1,310,504
2021	100,000	1,307,659
2022	125,000	1,304,282
2023	150,000	1,299,988
2024-2028	1,370,000	6,384,083
2029-2033	2,620,000	6,013,481
2034-2038	4,770,000	5,281,482
2039-2043	6,595,000	4,131,701
2044-2051	16,035,000	2,820,084
	<u>\$31,865,000</u>	<u>\$31,165,167</u>

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

7. *Prior Period Adjustment*

During 2017, the Redevelopment Authority purchased a property located at 222 North Oneida Street with the plans for development and resale. The costs of this property when purchased were misclassified as expenditures for the Redevelopment Authority when they should have been classified as Properties Held for Resale. A prior period adjustment was made related to this which increased Properties Held for Resale and Net Position of the Redevelopment Authority by \$263,098.

B. TAX INCREMENTAL FINANCING DISTRICTS

The City has established separate capital projects funds for 12 Tax Incremental District (TID) created by the City in accordance with Section 66.1105 of the Wisconsin Statutes, with 8 TID's currently active. At the time each District was created, the property tax base within the District was "frozen" and incremental taxes resulting from increases to the property tax base are used to finance District improvements, including principal and interest on long-term debt issued by the City to finance such improvements. Except for certain exceptions under Section 66.1105(6)(am)1, the Statutes allow five years prior to the termination date for a tax incremental district to incur project costs eligible for financing from tax increments. It is the intention of the City to recover all project costs and debt service payments due prior to termination of the respective districts.

C. TAX ABATEMENTS

The City has created tax incremental financing districts (the "Districts") in accordance with Wisconsin State Statute 66.1105, *Tax Increment Law*. As part of the project plan for the Districts, the City entered into agreements with developers for a creation of tax base within the Districts. The agreements require the City to make annual repayments of property taxes collected within the Districts to the developers, based upon the terms of the agreements. As tax abatements, those developer payments and the related property tax revenues are not reported as revenues or expenditures in the financial statements.

For the year ended December 31, 2018, the City abated property taxes totaling \$1,409,581 under this program, including the following tax abatement agreements that each exceeded 10% of the total amount abated:

- ▶ A property tax abatement of \$447,353 to a developer within Tax Incremental District No. 6.
- ▶ A property tax abatement of \$19,046 to a developer within Tax Incremental District No. 6.
- ▶ A property tax abatement of \$436,210 to a developer within Tax Incremental District No. 7.
- ▶ A property tax abatement of \$67,947 to a developer within Tax Incremental District No. 8.
- ▶ A property tax abatement of \$406,328 to a developer within Tax Incremental District No. 8.
- ▶ A property tax abatement of \$32,697 to a developer within Tax Incremental District No. 9.

D. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters, environmental pollution, injuries to employees and workers' compensation. The City is self-insured for health and dental coverage and for workers' compensation. The cost of providing these risk management services is allocated by charging a "premium" to each fund based on historical estimates of the amounts needed to pay prior and current year claims and administration costs. The charge considers recent trends in actual claims experience of the City as a whole and makes provision for losses relating to catastrophes. "Premiums" are allocated by fund based on estimated current-year payroll, property values and other appropriate factors.

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

Risk Management Fund

All funds of the City participate in the Risk Management Fund. For 2018, the Risk Management Fund provided coverage for up to \$500,000 for each worker's compensation claim; \$200,000 for each general, automobile, police professional or public officials liability claim up to \$800,000 in a year; and \$1,000-10,000 for each property damage claim. Deductibles range from \$1,000 to \$25,000 based on coverage. The City purchases commercial insurance for claims in excess of coverage provided by the fund and other risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

A total reserve for claims losses at December 31, 2018 of \$1,900,000 has been recorded and is expected to be paid within one year. The reserve liability includes expenses and losses expected to arise from claims outstanding as of December 31, 2018 and amounts expected to arise from claims which have been incurred but have not been reported to the City as of December 31, 2018. The reserve is based on a 2018 actuarial study and actual claims activity in recent years. A liability for a claim is established if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss is reasonably estimable. The City does not allocate overhead costs or other nonincremental costs to the claims liability. The study took into account settled claims, the frequency of claims, industry averages and other economic and social factors. Because actual claims liabilities depend on such complex factors as inflation and damage awards, the process used to compute claims liability does not necessarily result in an exact amount. At December 31, 2018, the City has a net position of \$307,046 in the risk management fund for self-insured activities not covered by the reserves established. This amount is included in unrestricted net position.

Changes in the claims payable follow:

	Liability January 1	Current Year Claims and Changes in Estimates	Claims Payments	Liability December 31
2017	\$ 1,900,000	\$ 554,448	\$ 554,448	\$ 1,900,000
2018	1,900,000	447,443	447,443	1,900,000

Health Care

The City provides health and dental care benefits to employees through a self-funded plan with specific insurance coverage. The plans are administered by United Health Care and Delta Dental. Insurance premiums, based on historical cost, are paid into the general fund from all other City funds and are available to pay claims, administrative costs, and stop loss insurance.

Under this program, the City pays up to a maximum of \$250,000 annually for each covered employee's and each covered dependent's health care costs. The City has purchased excess loss insurance for claims in excess of this amount. Expected claims are calculated at the end of each plan year by the third party administrator based on the number of single and family contracts covered and the expected claims. Administrative costs for 2018 totaled approximately \$324,304.

The estimated liability for self-funded losses is based on reported claims for the year and those received subsequent to year end. The City does not allocate overhead costs or other nonincremental costs to the claims liability. The estimated liability for self-insured losses for this program, which is expected to be paid within one year, consisted of the following at December 31, 2018:

Reported and known claims	\$ 744,617
Incurred but not reported claims	2,192,383
Total	<u>\$ 2,937,000</u>

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

Changes in the claims payable follow:

	Liability January 1	Current Year Claims and Changes in Estimates	Claims Payments	Liability December 31
2017	\$ 2,937,000	\$ 10,156,551	\$ 10,156,551	\$ 2,937,000
2018	2,937,000	8,993,986	8,993,986	2,937,000

Transit Mutual Insurance Corporation of Wisconsin

Transit Mutual Insurance Corporation of Wisconsin (TMi) is a municipal mutual insurance corporation, which insures auto liability and vehicle physical damage for municipally-owned transit systems in Wisconsin. Each insured property is an owner of the mutual insurance corporation. The City insures its transit systems' auto liability and physical damage with TMi and is an owner of the corporation.

In 2018, TMi issued to the City an auto liability insurance policy with a \$250,000 per person policy limit and a \$7,000,000 per accident policy limit. Of the per accident policy limit, TMi insures \$2,500,000 and reinsures \$4,500,000 with Great American Insurance. In addition, the City's policy provides for \$25,000 per person and \$50,000 per accident in uninsured/underinsured motorist insurance.

The physical damage policy issued by TMi to the City provides collision and comprehensive coverage for the lesser of the agreed value or the cost of repairs minus a \$500 per accident deductible for private passenger and service units and a \$1,000 per accident deductible for bus units.

Management of TMi consists of a board of directors comprised of one representative for each member. The City does not exercise any control over the activities of the corporation beyond its representation on the board of directors.

Premiums are determined in advance of each premium year, which begins on January 1. TMi is an assessable mutual; accordingly, the board of directors may require that supplemental contributions be made by members to ensure adequate funds are available to meet the obligations acceptable to the premium year. Members are required by Wisconsin statute and TMi bylaws to fund any deficit attributable to a premium year during which they were a member. TMi was incorporated in 1985 and began issuing insurance policies in 1986; there has never been a member assessment beyond the annual premiums. In 2017 and 2018, Transit Mutual returned surplus to Valley Transit pursuant to its surplus management policy; in addition, dividends were paid to Valley Transit in 2017 and 2018.

The City's share of this corporation is 4.97% for auto liability and 2.21% of physical damage liability. A list of other members and their share of participation is available in the TMi report which is available from TMi, PO Box 1135, Appleton, WI 54915-1483 or by email from contact@transitmutual.com.

Municipal Mutual Insurance

- ▶ Wisconsin Municipal Insurance Commission (WMIC)
- ▶ Cities and Villages Mutual Insurance Company (CVMIC)

CVMIC is a municipal mutual insurance company established on September 14, 1987 under Section 611.23 of the Wisconsin Statutes. CVMIC provides liability insurance coverage to the cities and villages which make up the membership of the WMIC that was established under Section 66.30 of the Wisconsin Statutes governing intergovernmental cooperation commissions.

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

CVMIC insures the municipalities up to \$5,000,000 per occurrence above the self-insured retention amount selected by each individual city or village. CVMIC also provides excess insurance of \$5,000,000 over the CVMIC layer thru a group purchase program paid proportionately by members for a total limit of \$10,000,000 per occurrence. Members pay premiums based on their self-insured retention amount, claims experience and population.

Management of CVMIC and WMIC consists of a board of directors and officers elected by the membership from each class of participants based on population. The board of directors hires the company executive director who in turn hires the management staff of CVMIC. The City does not exercise any control over the activities of CVMIC and WMIC beyond the election of the officer and board.

Financial statements of CVMIC can be obtained directly from CVMIC's offices. The City's Mutual Member Participation Calculation for 2018 is calculated at 3.820%. This calculation is based on premiums, claims and self-insured retention of the City as compared to the entire membership. The City's participation portion of available funds would be distributed upon dissolution. WMIC is not required to have an audit.

The City pays an annual premium to CVMIC for its general liability insurance as noted. The City's self-insured retention amount annually is \$200,000 per occurrence and \$800,000 in the aggregate.

The City's equity portion of available funds in CVMIC will be distributed only upon CVMIC's dissolution. The original investment is reported at \$2,020,950 in the insurance internal service fund. This investment has been fully repaid (both principal and interest) by CVMIC.

E. 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 is only reported in governmental fund types 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 other various pending claims and legal proceedings. Although the outcome of such matters cannot be forecast 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.

Two former City employees are entitled to monthly disability benefits from the City for the rest of their lives. Disability payments total \$1,190 per month. The City's policy is to fund disability expenditures as benefit payments become due. The liability for future payments is presently reflected as a liability on the Statement of Net Position.

The City and the utilities have active construction projects as of December 31, 2018. Work that has been completed but not yet paid for (including contract retainages) is reflected as accounts payable and expenses.

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

The City has the following encumbrance outstanding at year end and expected to be honored upon performance by the vendor:

Enterprise Funds	
Water utility	\$ 896,431
Wastewater utility	3,627,073
Stormwater utility	83,429
Parking utility	267,109
Valley Transit utility	1,034,945
Special Revenue Funds	
Sanitation	28,261
Capital Project Funds	
TIF No. 11	2,212,556
TIF No. 12	14,000
Information technology	136,318
DPW	599,117
CEA replacement	388,215
Facilities	2,204,816
General Fund	214,724
	<u>\$ 11,706,994</u>

The City has issued municipal revenue obligations as part of developer agreements. The obligations are payable solely to the developer from tax increments collected on specific portions of the development in the City's TIF districts. 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.

F. UPCOMING ACCOUNTING PRONOUNCEMENTS

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. The Statement establishes criteria for identifying fiduciary activities and addresses financial reporting for these activities. This statement is effective for reporting periods beginning after June 15, 2018. The City is currently evaluating the impact this standard will have on the financial statements when adopted.

In June 2017, the GASB issued Statement No. 87, *Leases*. The Statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. This statement is effective for reporting periods beginning after December 15, 2019. The City is currently evaluating the impact this standard will have on the financial statements when adopted.

REQUIRED SUPPLEMENTARY INFORMATION

City of Appleton, Wisconsin

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2018
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2017**

	Budget		Actual	Variance	2017 Actual
	Original	Final		Final Budget - Positive (Negative)	
REVENUES					
Taxes	\$ 35,275,750	\$ 35,275,750	\$ 35,293,341	\$ 17,591	\$ 34,767,096
Special assessments	300,954	300,954	376,997	76,043	273,744
Intergovernmental	15,529,222	15,591,222	15,779,073	187,851	15,562,109
Licenses and permits	1,146,500	1,146,500	1,116,996	(29,504)	1,202,535
Fines and forfeits	340,000	340,000	265,875	(74,125)	255,440
Public charges for services	1,662,613	1,662,613	1,711,913	49,300	1,550,557
Investment income	2,965,411	2,965,411	2,798,782	(166,629)	2,459,973
Miscellaneous	1,324,452	1,484,813	1,569,308	84,495	1,638,391
Total revenues	58,544,902	58,767,263	58,912,285	145,022	57,709,845
EXPENDITURES					
Current					
General government	7,759,329	9,747,888	7,042,801	2,705,087	7,242,302
Public safety	30,851,820	31,043,536	30,974,572	68,964	30,607,510
Public works	13,491,875	13,542,797	12,899,557	643,240	14,105,324
Culture and recreation	8,361,443	8,532,220	8,314,427	217,793	8,437,946
Conservation and development	1,765,176	1,765,176	1,690,337	74,839	1,721,628
Total expenditures	62,229,643	64,631,617	60,921,694	3,709,923	62,114,710
Excess of revenues over (under) expenditures	(3,684,741)	(5,864,354)	(2,009,409)	3,854,945	(4,404,865)
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of capital assets	2,000	2,000	19	(1,981)	1,157
Transfers in	4,471,950	4,471,950	4,349,840	(122,110)	3,724,748
Transfers out	(789,209)	(855,909)	(869,102)	(13,193)	(723,956)
Total other financing sources (uses)	3,684,741	3,618,041	3,480,757	(137,284)	3,001,949
Net change in fund balance	-	(2,246,313)	1,471,348	3,717,661	(1,402,916)
Fund balance - January 1	30,178,326	30,178,326	30,178,326	-	31,581,242
Fund balance - December 31	\$ 30,178,326	\$ 27,932,013	\$ 31,649,674	\$ 3,717,661	\$ 30,178,326

The notes to the required supplementary information are an integral part of this statement.

City of Appleton, Wisconsin

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS LAST 10 FISCAL YEARS *

	<u>2018</u>
Total OPEB liability	
Service cost	\$ 264,768
Interest	129,126
Changes of benefit terms	-
Differences between expected and actual experience	807,779
Changes of assumptions	77,784
Benefit payments	(414,239)
Other changes	<u>(69,052)</u>
Net change in total OPEB liability	796,166
Total OPEB liability - beginning	<u>4,061,619</u>
Total OPEB liability - ending	<u>\$ 4,857,785</u>
Covered-employee payroll	\$ 39,405,798
County's total OPEB liability as a percentage of covered-employee payroll	12.33%

* The amounts presented for each fiscal year were determined as of the current fiscal year end. Amounts for prior years were not available.

See notes to required supplementary information.

City of Appleton, Wisconsin

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) WISCONSIN RETIREMENT SYSTEM LAST 10 FISCAL YEARS

<u>Plan 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 (plan year)</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 (Asset)</u>
12/31/14	0.35168290%	\$ (8,638,294)	\$ 39,160,783	22.06%	102.74%
12/31/15	0.35716023%	5,803,784	41,437,908	14.01%	98.20%
12/31/16	0.36096444%	2,975,209	41,016,384	7.25%	99.12%
12/31/17	0.36792471%	(10,924,121)	41,706,138	26.19%	102.93%

SCHEDULE OF CONTRIBUTIONS WISCONSIN RETIREMENT SYSTEM LAST 10 FISCAL YEARS

<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 (fiscal year)</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/15	\$ 3,535,167	\$ 3,535,167	\$ -	\$ 41,437,908	8.53%
12/31/16	3,449,998	3,449,998	-	41,016,384	8.41%
12/31/17	3,794,993	3,794,993	-	41,706,138	9.10%
12/31/18	3,887,066	3,887,066	-	42,848,353	9.07%

City of Appleton, Wisconsin

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION DECEMBER 31, 2018

A. 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 3A of the notes to the basic financial statements. The budget presentations are at the function level, whereas the legal level of control is at the total expenditure level.

B. WISCONSIN RETIREMENT SYSTEM

There were no changes of benefit terms for any participating employer in the WRS.

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

C. OTHER POSTEMPLOYMENT BENEFIT PLANS

The City of Appleton, Wisconsin implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the fiscal year ended December 31, 2018. The City is required to present the last ten fiscal years of data; however accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

Single-employer Defined Postemployment Benefit Plan

In addition to changes required by GASB Statement No. 75, the actuarial valuation updated starting per capita costs and health care trend. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

SUPPLEMENTARY INFORMATION

City of Appleton, Wisconsin

GENERAL FUND

DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES AND OTHER FINANCING SOURCES FOR THE YEAR ENDED DECEMBER 31, 2018 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2017

	Budget		Actual	Variance	2017 Actual
	Original	Final		Final Budget - Positive (Negative)	
Taxes					
General property	\$ 34,835,750	\$ 34,835,750	\$ 34,835,754	\$ 4	\$ 34,322,323
Payment in lieu of taxes	440,000	440,000	457,587	17,587	444,773
Total taxes	<u>35,275,750</u>	<u>35,275,750</u>	<u>35,293,341</u>	<u>17,591</u>	<u>34,767,096</u>
Special assessments					
Asphalt paving	31,132	31,132	28,456	(2,676)	51,612
Concrete paving	95,956	95,956	137,577	41,621	59,198
Sidewalks	8,866	8,866	54,633	45,767	9,358
Snow removal	75,000	75,000	69,469	(5,531)	65,622
Weed cutting	16,000	16,000	13,032	(2,968)	17,051
Street light revenue	73,000	73,000	69,521	(3,479)	68,659
Miscellaneous	1,000	1,000	4,309	3,309	2,244
Total special assessments	<u>300,954</u>	<u>300,954</u>	<u>376,997</u>	<u>76,043</u>	<u>273,744</u>
Intergovernmental					
State					
State shared taxes	9,760,445	9,760,445	9,777,572	17,127	9,766,465
Tax exempt computer aid	400,000	400,000	411,955	11,955	405,987
Highway aid - connection streets	225,000	225,000	229,300	4,300	228,046
State tax disparity act	1,168,238	1,168,238	1,168,238	-	1,117,306
Local streets aid	2,608,891	2,608,891	2,606,821	(2,070)	2,313,635
Fire insurance dues	210,000	210,000	219,294	9,294	219,064
Miscellaneous state aids	75,200	137,200	290,604	153,404	425,813
Local					
Miscellaneous local aids	7,500	7,500	7,500	-	7,500
Library grants and aids	1,062,448	1,062,448	1,062,448	-	1,066,420
Health grants	11,500	11,500	5,341	(6,159)	11,873
Total intergovernmental	<u>15,529,222</u>	<u>15,591,222</u>	<u>15,779,073</u>	<u>187,851</u>	<u>15,562,109</u>
Licenses and permits					
Licenses					
Amusement devices	7,800	7,800	8,422	622	8,260
Cigarette	5,200	5,200	5,400	200	5,400
Health	148,500	148,500	151,995	3,495	139,694
Liquor and malt beverages	85,000	85,000	108,495	23,495	115,068
Operators	45,000	45,000	57,270	12,270	74,095
Commercial solicitation	4,000	4,000	3,960	(40)	3,685
Taxi cab/limousine	1,500	1,500	1,530	30	1,560
Taxi driver	1,800	1,800	2,710	910	2,550
Sundry	6,250	6,250	6,450	200	6,365
Secondhand/pawnbroker	1,000	1,000	1,710	710	2,145
Special events	25,000	25,000	24,475	(525)	29,682
Dog	20,000	20,000	15,966	(4,034)	16,638
Cat	8,000	8,000	5,795	(2,205)	6,257
Weights and measures	59,050	59,050	56,779	(2,271)	62,491
Street vendor license	-	-	20	20	-

City of Appleton, Wisconsin

GENERAL FUND

DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES AND OTHER FINANCING SOURCES FOR THE YEAR ENDED DECEMBER 31, 2018 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2017

	Budget		Actual	Variance	2017 Actual
	Original	Final		Final Budget - Positive (Negative)	
Permits					
Building	360,500	360,500	338,768	(21,732)	361,674
Electrical	150,000	150,000	115,548	(34,452)	138,576
Heating	70,000	70,000	74,082	4,082	70,651
Plumbing and sewer	65,000	65,000	50,851	(14,149)	67,269
Burning	28,000	28,000	28,076	76	28,558
Trailer parking	9,000	9,000	8,847	(153)	7,637
State building	2,000	2,000	2,360	360	2,115
Signs	5,000	5,000	5,185	185	5,280
Street occupancy	8,600	8,600	9,102	502	8,547
Street excavating and patching	28,000	28,000	30,080	2,080	34,583
Sundry	2,300	2,300	2,900	600	3,755
Storage of flammable liquid	-	-	220	220	-
Total licenses and permits	<u>1,146,500</u>	<u>1,146,500</u>	<u>1,116,996</u>	<u>(29,504)</u>	<u>1,202,535</u>
Fines and forfeits					
Court fines and penalties	<u>340,000</u>	<u>340,000</u>	<u>265,875</u>	<u>(74,125)</u>	<u>255,440</u>
Public charges for services					
Legal services	58,300	58,300	117	(58,183)	23,778
Mayor	12,500	12,500	7,350	(5,150)	13,076
Finance	4,000	4,000	3,603	(397)	4,159
Library	70,000	70,000	49,213	(20,787)	59,202
Community development	800	800	605	(195)	3,445
Parks and recreation	800,704	800,704	915,042	114,338	792,355
Public Works					
Street division	38,339	38,339	37,967	(372)	2,771
Traffic	42,000	42,000	51,448	9,448	71,132
Forestry	-	-	45	45	183
Inspection department	55,000	55,000	52,647	(2,353)	58,193
Health department	68,810	68,810	70,964	2,154	68,366
Police department	475,660	475,660	477,528	1,868	413,602
Fire department	36,500	36,500	45,384	8,884	40,295
Total public charges for services	<u>1,662,613</u>	<u>1,662,613</u>	<u>1,711,913</u>	<u>49,300</u>	<u>1,550,557</u>
Investment income					
Investment income	2,855,411	2,855,411	2,702,208	(153,203)	2,349,074
Interest on taxes	110,000	110,000	96,574	(13,426)	110,899
Total investment income	<u>2,965,411</u>	<u>2,965,411</u>	<u>2,798,782</u>	<u>(166,629)</u>	<u>2,459,973</u>

City of Appleton, Wisconsin

GENERAL FUND

DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES AND OTHER FINANCING SOURCES
FOR THE YEAR ENDED DECEMBER 31, 2018

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2017

	Budget		Actual	Variance Final Budget - Positive (Negative)	2017 Actual
	Original	Final			
Miscellaneous					
Fees and commissions	803,480	803,480	777,558	(25,922)	742,897
Zoning and subdivision fees	18,000	18,000	19,425	1,425	17,425
Property inquiry fees	79,000	79,000	74,418	(4,582)	72,590
Miscellaneous revenue	44,825	44,825	75,447	30,622	52,770
Rental of city property	47,400	47,400	51,187	3,787	48,546
Insurance proceeds	-	-	-	-	2,003
Donation and memorials	14,350	51,202	80,283	29,081	35,261
Damage to city property	46,000	46,000	57,040	11,040	51,686
Other reimbursements	164,695	288,204	324,943	36,739	508,455
Leases	104,702	104,702	106,917	2,215	103,647
Refunds of prior year expenditures	-	-	-	-	886
Board of appeals	2,000	2,000	2,090	90	2,225
Total miscellaneous	<u>1,324,452</u>	<u>1,484,813</u>	<u>1,569,308</u>	<u>84,495</u>	<u>1,638,391</u>
Total revenues	<u>58,544,902</u>	<u>58,767,263</u>	<u>58,912,285</u>	<u>145,022</u>	<u>57,709,845</u>
Other financing sources					
Proceeds from sale of capital assets	2,000	2,000	19	(1,981)	1,157
Transfers in	<u>4,471,950</u>	<u>4,471,950</u>	<u>4,349,840</u>	<u>(122,110)</u>	<u>3,724,748</u>
Total other financing sources	<u>4,473,950</u>	<u>4,473,950</u>	<u>4,349,859</u>	<u>(124,091)</u>	<u>3,725,905</u>
Total revenues and other financing sources	<u><u>\$ 63,018,852</u></u>	<u><u>\$ 63,241,213</u></u>	<u><u>\$ 63,262,144</u></u>	<u><u>\$ 20,931</u></u>	<u><u>\$ 61,435,750</u></u>

City of Appleton, Wisconsin

**GENERAL FUND
 DETAILED COMPARISON OF BUDGETED AND ACTUAL EXPENDITURES AND OTHER FINANCING USES
 FOR THE YEAR ENDED DECEMBER 31, 2018
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2017**

	Budget		Actual	Variance	2017 Actual
	Original	Final		Final Budget - Positive (Negative)	
General Government					
Common council	\$ 152,253	\$ 152,253	\$ 140,821	\$ 11,432	\$ 138,907
Mayor	504,247	525,347	525,312	35	415,226
Legal service	1,196,712	1,196,712	1,071,421	125,291	985,231
Finance	891,652	891,652	834,341	57,311	888,669
Information technology	1,845,318	1,845,318	1,802,473	42,845	1,844,846
Human resources	706,403	706,403	692,479	13,924	764,140
Other general government	2,462,744	4,430,203	1,975,954	2,454,249	2,205,283
Total general government	<u>7,759,329</u>	<u>9,747,888</u>	<u>7,042,801</u>	<u>2,705,087</u>	<u>7,242,302</u>
Public Safety					
Health services	1,200,317	1,200,317	1,170,545	29,772	1,182,648
Police	17,594,100	17,708,964	17,699,084	9,880	17,536,486
Fire	12,057,403	12,134,255	12,104,943	29,312	11,888,376
Total public safety	<u>30,851,820</u>	<u>31,043,536</u>	<u>30,974,572</u>	<u>68,964</u>	<u>30,607,510</u>
Public Works	<u>13,491,875</u>	<u>13,542,797</u>	<u>12,899,557</u>	<u>643,240</u>	<u>14,105,324</u>
Culture and Recreation					
Library	4,628,812	4,795,589	4,633,206	162,383	4,822,428
Parks and recreation	3,732,631	3,736,631	3,681,221	55,410	3,615,518
Total culture and recreation	<u>8,361,443</u>	<u>8,532,220</u>	<u>8,314,427</u>	<u>217,793</u>	<u>8,437,946</u>
Community and Development	<u>1,765,176</u>	<u>1,765,176</u>	<u>1,690,337</u>	<u>74,839</u>	<u>1,721,628</u>
Total expenditures	<u>62,229,643</u>	<u>64,631,617</u>	<u>60,921,694</u>	<u>3,709,923</u>	<u>62,114,710</u>
Other financing uses					
Transfers out	<u>789,209</u>	<u>855,909</u>	<u>869,102</u>	<u>(13,193)</u>	<u>723,956</u>
Total expenditures and other financing uses	<u><u>\$ 63,018,852</u></u>	<u><u>\$ 65,487,526</u></u>	<u><u>\$ 61,790,796</u></u>	<u><u>\$ 3,696,730</u></u>	<u><u>\$ 62,838,666</u></u>

City of Appleton, Wisconsin

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS DECEMBER 31, 2018

	Special Revenue Funds	Capital Projects Funds	Debt Service	Total Nonmajor Governmental Funds
ASSETS				
Cash and investments	\$ 2,408,411	\$ 12,799,763	\$ 1,701,196	\$ 16,909,370
Receivables				
Taxes and special charges	3,130,314	4,281,807	6,481,724	13,893,845
Accounts	177,178	2,784	-	179,962
Special assessments	-	132,008	-	132,008
Housing loans, net	6,391,644	-	-	6,391,644
Notes receivable - component unit	-	871,250	-	871,250
Other	120,739	-	-	120,739
Due from other funds	40,481	-	-	40,481
Due from other governments	269,546	-	-	269,546
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 12,538,313</u>	<u>\$ 18,087,612</u>	<u>\$ 8,182,920</u>	<u>\$ 38,808,845</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 139,350	\$ 1,160,334	\$ -	\$ 1,299,684
Other accrued liabilities	38,706	8,384	-	47,090
Due to other funds	209,554	-	-	209,554
Advance from other funds	5,992,427	6,490,462	-	12,482,889
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>6,380,037</u>	<u>7,659,180</u>	<u>-</u>	<u>14,039,217</u>
Deferred inflows of resources				
Unearned and unavailable revenue	9,600,586	5,217,597	6,481,724	21,299,907
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Fund balances				
Restricted	979,941	6,416,763	1,701,196	9,097,900
Committed	1,228,173	-	-	1,228,173
Assigned	-	4,541,521	-	4,541,521
Unassigned	(5,650,424)	(5,747,449)	-	(11,397,873)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>(3,442,310)</u>	<u>5,210,835</u>	<u>1,701,196</u>	<u>3,469,721</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 12,538,313</u>	<u>\$ 18,087,612</u>	<u>\$ 8,182,920</u>	<u>\$ 38,808,845</u>

City of Appleton, Wisconsin

COMBINING BALANCE SHEET NONMAJOR SPECIAL REVENUE FUNDS DECEMBER 31, 2018

	Community Development Block Grant	Rental Energy Grants	Sanitation & Recycling Program	Tax Incremental District No. 3	Health Grants	Police Grants	Hazardous Materials Level A
ASSETS							
Cash and investments	\$ -	\$ 8,951	\$ 1,075,837	\$ 302,686	\$ 92,196	\$ -	\$ 352,815
Receivables							
Taxes and special charges	-	-	2,044,968	1,085,346	-	-	-
Accounts	-	-	111,755	40,510	1,000	-	208
Special assessments	-	-	-	-	-	-	-
Housing loans, net	-	-	-	-	-	-	-
Notes receivable - component unit	-	-	-	-	-	-	-
Other	-	-	120,739	-	-	-	-
Due from other funds	-	-	40,481	-	-	-	-
Due from other governments	126,827	-	-	-	20,531	11,661	-
Total assets	\$ 126,827	\$ 8,951	\$ 3,393,780	\$ 1,428,542	\$ 113,727	\$ 11,661	\$ 353,023
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Liabilities							
Accounts payable	\$ -	\$ -	\$ 84,399	\$ -	\$ -	\$ 2,344	\$ 189
Other accrued liabilities	162	-	36,240	-	208	-	-
Due to other funds	118,778	-	-	-	-	10,510	-
Advance from other funds	-	-	-	5,992,427	-	-	-
Total liabilities	118,940	-	120,639	5,992,427	208	12,854	189
Deferred inflows of resources							
Unearned and unavailable revenue	-	-	2,044,968	1,085,346	78,628	-	-
Fund balances							
Restricted	7,887	8,951	-	-	34,891	-	352,834
Committed	-	-	1,228,173	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	(5,649,231)	-	(1,193)	-
Total fund balances	7,887	8,951	1,228,173	(5,649,231)	34,891	(1,193)	352,834
Total liabilities, deferred inflows of resources, and fund balances	\$ 126,827	\$ 8,951	\$ 3,393,780	\$ 1,428,542	\$ 113,727	\$ 11,661	\$ 353,023

City of Appleton, Wisconsin

COMBINING BALANCE SHEET NONMAJOR SPECIAL REVENUE FUNDS DECEMBER 31, 2018

	Room Tax	Wheel Tax	Continuum of Care	HOME Homeowner	Housing Rehabilitation Grant	Business and Neighborhood Revitalization Grant	Emergency Shelter
ASSETS							
Cash and investments	\$ 5,746	\$ -	\$ -	\$ 109,737	\$ 90,633	\$ 6,117	\$ -
Receivables							
Taxes and special charges	-	-	-	-	-	-	-
Accounts	23,655	-	-	-	50	-	-
Special assessments	-	-	-	-	-	-	-
Housing loans, net	-	-	-	891,726	5,301,462	-	-
Notes receivable - component unit	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Due from other governments	-	73,652	8,421	-	12,542	-	15,912
Total assets	\$ 29,401	\$ 73,652	\$ 8,421	\$ 1,001,463	\$ 5,404,687	\$ 6,117	\$ 15,912
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Liabilities							
Accounts payable	\$ 20,570	\$ -	\$ 1,163	\$ -	\$ 30,685	\$ -	\$ -
Other accrued liabilities	-	-	-	-	1,571	-	-
Due to other funds	-	73,652	4,943	-	-	-	1,671
Advance from other funds	-	-	-	-	-	-	-
Total liabilities	20,570	73,652	6,106	-	32,256	-	1,671
Deferred inflows of resources							
Unearned and unavailable revenue	-	-	-	891,726	5,301,462	-	-
Fund balances							
Restricted	8,831	-	2,315	109,737	70,969	6,117	14,241
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	8,831	-	2,315	109,737	70,969	6,117	14,241
Total liabilities, deferred inflows of resources, and fund balances	\$ 29,401	\$ 73,652	\$ 8,421	\$ 1,001,463	\$ 5,404,687	\$ 6,117	\$ 15,912

City of Appleton, Wisconsin

COMBINING BALANCE SHEET NONMAJOR SPECIAL REVENUE FUNDS DECEMBER 31, 2018

	Lead Hazard Control Grant	Tuchscherer Disability	Peabody Estate	Lutz Park	Park Purpose Open Space	Union Spring Park
ASSETS						
Cash and investments	\$ 4,204	\$ 18,073	\$ 66,861	\$ 139,321	\$ 20,563	\$ 2,584
Receivables						
Taxes and special charges	-	-	-	-	-	-
Accounts	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-
Housing loans, net	198,456	-	-	-	-	-
Notes receivable - component unit	-	-	-	-	-	-
Other	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-
Total assets	\$ 202,660	\$ 18,073	\$ 66,861	\$ 139,321	\$ 20,563	\$ 2,584
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other accrued liabilities	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Advance from other funds	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-
Deferred inflows of resources						
Unearned and unavailable revenue	198,456	-	-	-	-	-
Fund balances						
Restricted	4,204	18,073	66,861	139,321	20,563	2,584
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	4,204	18,073	66,861	139,321	20,563	2,584
Total liabilities, deferred inflows of resources, and fund balances	\$ 202,660	\$ 18,073	\$ 66,861	\$ 139,321	\$ 20,563	\$ 2,584

City of Appleton, Wisconsin

COMBINING BALANCE SHEET NONMAJOR SPECIAL REVENUE FUNDS DECEMBER 31, 2018

	Project City Park	Miracle League Baseball	Library Grant	Total Nonmajor Special Revenue Funds
ASSETS				
Cash and investments	\$ 6,076	\$ 26,347	\$ 79,664	\$ 2,408,411
Receivables				
Taxes and special charges	-	-	-	3,130,314
Accounts	-	-	-	177,178
Special assessments	-	-	-	-
Housing loans, net	-	-	-	6,391,644
Notes receivable - component unit	-	-	-	-
Other	-	-	-	120,739
Due from other funds	-	-	-	40,481
Due from other governments	-	-	-	269,546
Total assets	<u>\$ 6,076</u>	<u>\$ 26,347</u>	<u>\$ 79,664</u>	<u>\$ 12,538,313</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ 139,350
Other accrued liabilities	-	-	525	38,706
Due to other funds	-	-	-	209,554
Advance from other funds	-	-	-	5,992,427
Total liabilities	<u>-</u>	<u>-</u>	<u>525</u>	<u>6,380,037</u>
Deferred inflows of resources				
Unearned and unavailable revenue	-	-	-	9,600,586
Fund balances				
Restricted	6,076	26,347	79,139	979,941
Committed	-	-	-	1,228,173
Assigned	-	-	-	-
Unassigned	-	-	-	(5,650,424)
Total fund balances	<u>6,076</u>	<u>26,347</u>	<u>79,139</u>	<u>(3,442,310)</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 6,076</u>	<u>\$ 26,347</u>	<u>\$ 79,664</u>	<u>\$ 12,538,313</u>

City of Appleton, Wisconsin

COMBINING BALANCE SHEET NONMAJOR CAPITAL PROJECTS FUNDS DECEMBER 31, 2018

	Subdivision Development Projects	Industrial Park Land	Tax Incremental District No. 6	Tax Incremental District No. 7	Tax Incremental District No. 8	Tax Incremental District No. 9
ASSETS						
Cash and investments	\$ 1,206,911	\$ 571,524	\$ 562,784	\$ 814,082	\$ 249,304	\$ 196,937
Receivables						
Taxes and special charges	67,468	-	2,526,866	490,919	1,014,802	18,769
Accounts	2,784	-	-	-	-	-
Special assessments	132,008	-	-	-	-	-
Housing loans, net	-	-	-	-	-	-
Notes receivable - component unit	-	-	-	-	871,250	-
Other	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-
Total assets	<u>\$ 1,409,171</u>	<u>\$ 571,524</u>	<u>\$ 3,089,650</u>	<u>\$ 1,305,001</u>	<u>\$ 2,135,356</u>	<u>\$ 215,706</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities						
Accounts payable	\$ -	\$ 237	\$ -	\$ -	\$ -	\$ -
Other accrued liabilities	1,921	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Advance from other funds	-	-	5,716,220	-	415,902	-
Total liabilities	<u>1,921</u>	<u>237</u>	<u>5,716,220</u>	<u>-</u>	<u>415,902</u>	<u>-</u>
Deferred inflows of resources						
Unearned and unavailable revenue	132,008	-	2,526,866	490,919	1,886,052	18,769
Fund balances						
Restricted	-	-	-	814,082	-	196,937
Committed	-	-	-	-	-	-
Assigned	1,275,242	571,287	-	-	-	-
Unassigned	-	-	(5,153,436)	-	(166,598)	-
Total fund balances	<u>1,275,242</u>	<u>571,287</u>	<u>(5,153,436)</u>	<u>814,082</u>	<u>(166,598)</u>	<u>196,937</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,409,171</u>	<u>\$ 571,524</u>	<u>\$ 3,089,650</u>	<u>\$ 1,305,001</u>	<u>\$ 2,135,356</u>	<u>\$ 215,706</u>

City of Appleton, Wisconsin

COMBINING BALANCE SHEET NONMAJOR CAPITAL PROJECTS FUNDS DECEMBER 31, 2018

	Tax Incremental District No. 10	Tax Incremental District No. 11	Tax Incremental District No. 12	Public Safety Facilities	Public Works Equipment	CEA Replacement
ASSETS						
Cash and investments	\$ 91,772	\$ 8,567	\$ 481	\$ 63,162	\$ 3,060,615	\$ 2,602,466
Receivables						
Taxes and special charges	-	162,983	-	-	-	-
Accounts	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-
Housing loans, net	-	-	-	-	-	-
Notes receivable - component unit	-	-	-	-	-	-
Other	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-
Total assets	<u>\$ 91,772</u>	<u>\$ 171,550</u>	<u>\$ 481</u>	<u>\$ 63,162</u>	<u>\$ 3,060,615</u>	<u>\$ 2,602,466</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities						
Accounts payable	\$ -	\$ 76,931	\$ -	\$ 21,000	\$ 303,787	\$ -
Other accrued liabilities	-	1,192	-	-	884	-
Due to other funds	-	-	-	-	-	-
Advance from other funds	-	349,576	8,764	-	-	-
Total liabilities	<u>-</u>	<u>427,699</u>	<u>8,764</u>	<u>21,000</u>	<u>304,671</u>	<u>-</u>
Deferred inflows of resources						
Unearned and unavailable revenue	-	162,983	-	-	-	-
Fund balances						
Restricted	91,772	-	-	32,232	2,755,944	-
Committed	-	-	-	-	-	-
Assigned	-	-	-	9,930	-	2,602,466
Unassigned	-	(419,132)	(8,283)	-	-	-
Total fund balances	<u>91,772</u>	<u>(419,132)</u>	<u>(8,283)</u>	<u>42,162</u>	<u>2,755,944</u>	<u>2,602,466</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 91,772</u>	<u>\$ 171,550</u>	<u>\$ 481</u>	<u>\$ 63,162</u>	<u>\$ 3,060,615</u>	<u>\$ 2,602,466</u>

City of Appleton, Wisconsin

COMBINING BALANCE SHEET NONMAJOR CAPITAL PROJECTS FUNDS DECEMBER 31, 2018

	Community Development	Facilities Capital Projects	City Center Facilities	Exhibition Center	Information Technology	Total Nonmajor Capital Projects Funds
ASSETS						
Cash and investments	\$ 158,363	\$ 3,024,964	\$ 31,999	\$ -	\$ 155,832	\$ 12,799,763
Receivables						
Taxes and special charges	-	-	-	-	-	4,281,807
Accounts	-	-	-	-	-	2,784
Special assessments	-	-	-	-	-	132,008
Housing loans, net	-	-	-	-	-	-
Notes receivable - component unit	-	-	-	-	-	871,250
Other	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-
Total assets	\$ 158,363	\$ 3,024,964	\$ 31,999	\$ -	\$ 155,832	\$ 18,087,612
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 80,000	\$ 678,379	\$ -	\$ -	\$ -	\$ 1,160,334
Other accrued liabilities	-	4,387	-	-	-	8,384
Due to other funds	-	-	-	-	-	-
Advance from other funds	-	-	-	-	-	6,490,462
Total liabilities	80,000	682,766	-	-	-	7,659,180
Deferred inflows of resources						
Unearned and unavailable revenue	-	-	-	-	-	5,217,597
Fund balances						
Restricted	-	2,342,198	31,999	-	151,599	6,416,763
Committed	-	-	-	-	-	-
Assigned	78,363	-	-	-	4,233	4,541,521
Unassigned	-	-	-	-	-	(5,747,449)
Total fund balances	78,363	2,342,198	31,999	-	155,832	5,210,835
Total liabilities, deferred inflows of resources, and fund balances	\$ 158,363	\$ 3,024,964	\$ 31,999	\$ -	\$ 155,832	\$ 18,087,612

City of Appleton, Wisconsin

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2018

	Special Revenue Funds	Capital Projects Funds	Debt Service	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ 4,815,107	\$ 2,218,990	\$ 5,241,380	\$ 12,275,477
Special assessments	-	448,664	-	448,664
Intergovernmental	1,356,906	677,095	-	2,034,001
Public charges for services	1,153,882	-	-	1,153,882
Investment income	42,788	235,779	-	278,567
Miscellaneous	485,829	3,400,600	61,360	3,947,789
Total revenues	<u>7,854,512</u>	<u>6,981,128</u>	<u>5,302,740</u>	<u>20,138,380</u>
EXPENDITURES				
Current				
General government	392,728	8,662	-	401,390
Public safety	308,867	-	-	308,867
Public works	3,415,551	-	-	3,415,551
Culture and recreation	85,779	-	-	85,779
Conservation and development	1,365,791	167,806	-	1,533,597
Debt service				
Principal	-	-	6,577,249	6,577,249
Interest and fiscal charges	337,121	340,396	1,373,842	2,051,359
Capital outlay	72,135	17,196,368	-	17,268,503
Total expenditures	<u>5,977,972</u>	<u>17,713,232</u>	<u>7,951,091</u>	<u>31,642,295</u>
Excess of revenues over (under) expenditures	<u>1,876,540</u>	<u>(10,732,104)</u>	<u>(2,648,351)</u>	<u>(11,503,915)</u>
OTHER FINANCING SOURCES (USES)				
Long-term debt issued	-	13,840,000	-	13,840,000
Premium on debt issued	-	-	1,256,719	1,256,719
Proceeds from sale of capital assets	-	470,829	-	470,829
Transfers in	1,066,700	452,945	1,747,234	3,266,879
Transfers out	(1,418,207)	(2,541,959)	-	(3,960,166)
Total other financing sources (uses)	<u>(351,507)</u>	<u>12,221,815</u>	<u>3,003,953</u>	<u>14,874,261</u>
Net change in fund balances	1,525,033	1,489,711	355,602	3,370,346
Fund balances - January 1	<u>(4,967,343)</u>	<u>3,721,124</u>	<u>1,345,594</u>	<u>99,375</u>
Fund balances - December 31	<u>\$ (3,442,310)</u>	<u>\$ 5,210,835</u>	<u>\$ 1,701,196</u>	<u>\$ 3,469,721</u>

City of Appleton, Wisconsin

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS FOR THE YEAR ENDED DECEMBER 31, 2018

	Community Development Block Grant	Rental Energy Grants	Sanitation & Recycling Program	Tax Incremental District No. 3	Health Grants	Police Grants	Hazardous Materials Level A
REVENUES							
Taxes	\$ -	\$ -	\$ 2,044,968	\$ 1,088,456	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Intergovernmental	372,349	-	77	5,019	157,490	123,910	81,169
Public charges for services	-	-	1,129,277	-	17,000	-	2,505
Investment income (loss)	-	-	23,260	9,707	-	-	4,902
Miscellaneous	-	-	88	-	-	-	20
Total revenues	<u>372,349</u>	<u>-</u>	<u>3,197,670</u>	<u>1,103,182</u>	<u>174,490</u>	<u>123,910</u>	<u>88,596</u>
EXPENDITURES							
Current							
General government	-	-	-	1,702	-	-	-
Public safety	-	-	-	-	134,158	118,652	56,057
Public works	-	-	3,415,551	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Conservation and development	362,840	-	-	-	-	-	-
Debt service							
Interest and fiscal charges	-	-	-	337,121	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total expenditures	<u>362,840</u>	<u>-</u>	<u>3,415,551</u>	<u>338,823</u>	<u>134,158</u>	<u>118,652</u>	<u>56,057</u>
Excess of revenues over (under) expenditures	<u>9,509</u>	<u>-</u>	<u>(217,881)</u>	<u>764,359</u>	<u>40,332</u>	<u>5,258</u>	<u>32,539</u>
OTHER FINANCING SOURCES (USES)							
Long-term debt issued	-	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	1,000,000	-	-	-
Transfers out	-	-	(1,000)	(125,875)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(1,000)</u>	<u>874,125</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>9,509</u>	<u>-</u>	<u>(218,881)</u>	<u>1,638,484</u>	<u>40,332</u>	<u>5,258</u>	<u>32,539</u>
Fund balances - January 1	<u>(1,622)</u>	<u>8,951</u>	<u>1,447,054</u>	<u>(7,287,715)</u>	<u>(5,441)</u>	<u>(6,451)</u>	<u>320,295</u>
Fund balances - December 31	<u>\$ 7,887</u>	<u>\$ 8,951</u>	<u>\$ 1,228,173</u>	<u>\$ (5,649,231)</u>	<u>\$ 34,891</u>	<u>\$ (1,193)</u>	<u>\$ 352,834</u>

City of Appleton, Wisconsin

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS FOR THE YEAR ENDED DECEMBER 31, 2018

	Room Tax	Wheel Tax	Continuum of Care	HOME Homeowner	Housing Rehabilitation Grant	Business and Neighborhood Revitalization Grant	Emergency Shelter
REVENUES							
Taxes	\$ 408,351	\$ 1,270,332	\$ -	\$ -	\$ -	\$ 3,000	\$ -
Special assessments	-	-	-	-	-	-	-
Intergovernmental	-	-	229,728	-	191,376	-	195,788
Public charges for services	-	-	-	-	-	-	-
Investment income (loss)	-	-	-	-	518	-	-
Miscellaneous	-	-	-	50,071	334,588	-	-
Total revenues	408,351	1,270,332	229,728	50,071	526,482	3,000	195,788
EXPENDITURES							
Current							
General government	384,635	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Conservation and development	-	-	232,413	67,606	476,562	3,091	179,264
Debt service							
Interest and fiscal charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total expenditures	384,635	-	232,413	67,606	476,562	3,091	179,264
Excess of revenues over (under) expenditures	23,716	1,270,332	(2,685)	(17,535)	49,920	(91)	16,524
OTHER FINANCING SOURCES (USES)							
Long-term debt issued	-	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	(21,000)	(1,270,332)	-	-	-	-	-
Total other financing sources (uses)	(21,000)	(1,270,332)	-	-	-	-	-
Net change in fund balances	2,716	-	(2,685)	(17,535)	49,920	(91)	16,524
Fund balances - January 1	6,115	-	5,000	127,272	21,049	6,208	(2,283)
Fund balances - December 31	\$ 8,831	\$ -	\$ 2,315	\$ 109,737	\$ 70,969	\$ 6,117	\$ 14,241

City of Appleton, Wisconsin

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS FOR THE YEAR ENDED DECEMBER 31, 2018

	Lead Hazard Control Grant	Tuchscherer Disability	Peabody Estate	Lutz Park	Park Purpose Open Space	Union Spring Park
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Public charges for services	-	-	-	-	5,100	-
Investment income (loss)	-	272	947	1,975	710	37
Miscellaneous	2,844	-	-	-	-	-
Total revenues	2,844	272	947	1,975	5,810	37
EXPENDITURES						
Current						
General government	-	6,391	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Conservation and development	44,015	-	-	-	-	-
Debt service						
Interest and fiscal charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	72,135	-
Total expenditures	44,015	6,391	-	-	72,135	-
Excess of revenues over (under) expenditures	(41,171)	(6,119)	947	1,975	(66,325)	37
OTHER FINANCING SOURCES (USES)						
Long-term debt issued	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balances	(41,171)	(6,119)	947	1,975	(66,325)	37
Fund balances - January 1	45,375	24,192	65,914	137,346	86,888	2,547
Fund balances - December 31	\$ 4,204	\$ 18,073	\$ 66,861	\$ 139,321	\$ 20,563	\$ 2,584

City of Appleton, Wisconsin

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS FOR THE YEAR ENDED DECEMBER 31, 2018

	Project City Park	Miracle League Baseball	Library Grant	Total Nonmajor Special Revenue Funds
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 4,815,107
Special assessments	-	-	-	-
Intergovernmental	-	-	-	1,356,906
Public charges for services	-	-	-	1,153,882
Investment income (loss)	87	373	-	42,788
Miscellaneous	-	-	98,218	485,829
Total revenues	<u>87</u>	<u>373</u>	<u>98,218</u>	<u>7,854,512</u>
EXPENDITURES				
Current				
General government	-	-	-	392,728
Public safety	-	-	-	308,867
Public works	-	-	-	3,415,551
Culture and recreation	-	-	85,779	85,779
Conservation and development	-	-	-	1,365,791
Debt service				
Interest and fiscal charges	-	-	-	337,121
Capital outlay	-	-	-	72,135
Total expenditures	<u>-</u>	<u>-</u>	<u>85,779</u>	<u>5,977,972</u>
Excess of revenues over (under) expenditures	<u>87</u>	<u>373</u>	<u>12,439</u>	<u>1,876,540</u>
OTHER FINANCING SOURCES (USES)				
Long-term debt issued	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Transfers in	-	-	66,700	1,066,700
Transfers out	-	-	-	(1,418,207)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>66,700</u>	<u>(351,507)</u>
Net change in fund balances	87	373	79,139	1,525,033
Fund balances - January 1	5,989	25,974	-	(4,967,343)
Fund balances - December 31	<u>\$ 6,076</u>	<u>\$ 26,347</u>	<u>\$ 79,139</u>	<u>\$ (3,442,310)</u>

City of Appleton, Wisconsin

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR CAPITAL PROJECTS FUNDS FOR THE YEAR ENDED DECEMBER 31, 2018

	Subdivision Development Projects	Industrial Park Land	Tax Incremental District No. 6	Tax Incremental District No. 7	Tax Incremental District No. 8	Tax Incremental District No. 9
REVENUES						
Taxes	\$ 300,000	\$ -	\$ 1,739,450	\$ 90,969	\$ 56,779	\$ 31,792
Special assessments	448,664	-	-	-	-	-
Intergovernmental	-	-	65,150	61,206	3,050	72,050
Public charges for services	-	-	-	-	-	-
Investment income (loss)	36,888	8,856	26,145	13,299	51,816	2,712
Miscellaneous	-	29,087	2,990	-	367,813	-
Total revenues	<u>785,552</u>	<u>37,943</u>	<u>1,833,735</u>	<u>165,474</u>	<u>479,458</u>	<u>106,554</u>
EXPENDITURES						
Current						
General government	-	-	1,702	1,702	1,703	1,704
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Conservation and development	-	-	141,150	-	-	-
Debt service						
Interest and fiscal charges	-	-	310,811	-	20,795	-
Capital outlay	781,877	263,380	39,701	-	23	-
Total expenditures	<u>781,877</u>	<u>263,380</u>	<u>493,364</u>	<u>1,702</u>	<u>22,521</u>	<u>1,704</u>
Excess of revenues over (under) expenditures	<u>3,675</u>	<u>(225,437)</u>	<u>1,340,371</u>	<u>163,772</u>	<u>456,937</u>	<u>104,850</u>
OTHER FINANCING SOURCES (USES)						
Long-term debt issued	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	470,829	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	(925,000)	-	(1,133,725)	(15,850)	(467,384)	-
Total other financing sources (uses)	<u>(925,000)</u>	<u>-</u>	<u>(662,896)</u>	<u>(15,850)</u>	<u>(467,384)</u>	<u>-</u>
Net change in fund balances	<u>(921,325)</u>	<u>(225,437)</u>	<u>677,475</u>	<u>147,922</u>	<u>(10,447)</u>	<u>104,850</u>
Fund balances - January 1	<u>2,196,567</u>	<u>796,724</u>	<u>(5,830,911)</u>	<u>666,160</u>	<u>(156,151)</u>	<u>92,087</u>
Fund balances - December 31	<u>\$ 1,275,242</u>	<u>\$ 571,287</u>	<u>\$ (5,153,436)</u>	<u>\$ 814,082</u>	<u>\$ (166,598)</u>	<u>\$ 196,937</u>

City of Appleton, Wisconsin

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR CAPITAL PROJECTS FUNDS FOR THE YEAR ENDED DECEMBER 31, 2018

	Tax Incremental District No. 10	Tax Incremental District No. 11	Tax Incremental District No. 12	Public Safety Facilities	Public Works Equipment	CEA Replacement
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Intergovernmental	5,041	-	-	-	-	-
Public charges for services	-	-	-	-	-	-
Investment income (loss)	1,294	133	131	260	24,147	24,240
Miscellaneous	-	-	-	-	316,914	2,545,858
Total revenues	6,335	133	131	260	341,061	2,570,098
EXPENDITURES						
Current						
General government	1,704	147	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Conservation and development	-	19,506	7,150	-	-	-
Debt service						
Interest and fiscal charges	-	8,551	239	-	-	-
Capital outlay	-	390,036	-	171,510	3,553,137	3,406,950
Total expenditures	1,704	418,240	7,389	171,510	3,553,137	3,406,950
Excess of revenues over (under) expenditures	4,631	(418,107)	(7,258)	(171,250)	(3,212,076)	(836,852)
OTHER FINANCING SOURCES (USES)						
Long-term debt issued	-	-	-	152,765	4,799,057	250,000
Proceeds from sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	452,945
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	152,765	4,799,057	702,945
Net change in fund balances	4,631	(418,107)	(7,258)	(18,485)	1,586,981	(133,907)
Fund balances - January 1	87,141	(1,025)	(1,025)	60,647	1,168,963	2,736,373
Fund balances - December 31	\$ 91,772	\$ (419,132)	\$ (8,283)	\$ 42,162	\$ 2,755,944	\$ 2,602,466

City of Appleton, Wisconsin

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR CAPITAL PROJECTS FUNDS FOR THE YEAR ENDED DECEMBER 31, 2018

	Community Development	Facilities Capital Projects	City Center Facilities	Exhibition Center	Information Technology	Total Nonmajor Capital Projects Funds
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,218,990
Special assessments	-	-	-	-	-	448,664
Intergovernmental	-	-	-	470,598	-	677,095
Public charges for services	-	-	-	-	-	-
Investment income (loss)	2,389	41,378	-	1,324	767	235,779
Miscellaneous	-	101,095	-	36,843	-	3,400,600
Total revenues	2,389	142,473	-	508,765	767	6,981,128
EXPENDITURES						
Current						
General government	-	-	-	-	-	8,662
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Conservation and development	-	-	-	-	-	167,806
Debt service						
Interest and fiscal charges	-	-	-	-	-	340,396
Capital outlay	100,389	7,240,616	-	508,765	739,984	17,196,368
Total expenditures	100,389	7,240,616	-	508,765	739,984	17,713,232
Excess of revenues over (under) expenditures	(98,000)	(7,098,143)	-	-	(739,217)	(10,732,104)
OTHER FINANCING SOURCES (USES)						
Long-term debt issued	-	8,024,103	114,075	-	500,000	13,840,000
Proceeds from sale of capital assets	-	-	-	-	-	470,829
Transfers in	-	-	-	-	-	452,945
Transfers out	-	-	-	-	-	(2,541,959)
Total other financing sources (uses)	-	8,024,103	114,075	-	500,000	12,221,815
Net change in fund balances	(98,000)	925,960	114,075	-	(239,217)	1,489,711
Fund balances - January 1	176,363	1,416,238	(82,076)	-	395,049	3,721,124
Fund balances - December 31	\$ 78,363	\$ 2,342,198	\$ 31,999	\$ -	\$ 155,832	\$ 5,210,835

City of Appleton, Wisconsin

**COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2018
WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2017**

	Parking Utility	Reid Municipal Golf Course	Totals	
			2018	2017
ASSETS				
Current assets				
Cash and investments	\$ 845,142	\$ 299,036	\$ 1,144,178	\$ 957,506
Receivables				
Customer accounts	38,278	1,126	39,404	23,830
Total current assets	883,420	300,162	1,183,582	981,336
Other assets				
Net pension asset	73,869	43,960	117,829	-
Capital assets				
Nondepreciable	1,614,767	390,763	2,005,530	1,993,455
Depreciable	5,642,339	852,123	6,494,462	7,149,617
Total capital assets	7,257,106	1,242,886	8,499,992	9,143,072
Total assets	8,214,395	1,587,008	9,801,403	10,124,408
DEFERRED OUTFLOWS OF RESOURCES				
Pension related amounts	136,233	83,756	219,989	237,828
Other postemployment related amounts	10,617	3,306	13,923	-
Total deferred outflows of resources	146,850	87,062	233,912	237,828
LIABILITIES				
Current liabilities				
Accounts payable	27,161	187	27,348	27,892
Other accrued liabilities	36,865	2,367	39,232	14,632
Accrued interest payable	4,238	3,034	7,272	7,782
Compensated absences	105,056	6,849	111,905	61,566
Advance from other funds	-	5,000	5,000	5,000
Unearned revenue	367,917	26,727	394,644	76,452
Current portion of long-term debt	60,000	65,000	125,000	120,000
Total current liabilities	601,237	109,164	710,401	313,324
Long-term obligations, less current portion				
Advance from other funds	-	140,000	140,000	145,000
General obligation debt	525,000	390,000	915,000	1,040,000
Compensated absences	3,980	-	3,980	47,537
Net pension liability	-	-	-	30,705
Other postemployment benefits	59,265	18,459	77,724	-
Total long-term liabilities	588,245	548,459	1,136,704	1,263,242
Total liabilities	1,189,482	657,623	1,847,105	1,576,566
DEFERRED INFLOWS OF RESOURCES				
Pension related amounts	146,638	87,266	233,904	98,352
Other postemployment related amounts	1,715	534	2,249	-
Total deferred inflows of resources	148,353	87,800	236,153	98,352
NET POSITION				
Net investment in capital assets	6,672,106	787,886	7,459,992	7,983,072
Restricted	73,869	43,960	117,829	-
Unrestricted	277,435	96,801	374,236	704,246
Total net position	\$ 7,023,410	\$ 928,647	\$ 7,952,057	\$ 8,687,318

City of Appleton, Wisconsin

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018
WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2017**

	Parking Utility	Reid Municipal Golf Course	Totals	
			2018	2017
OPERATING REVENUES				
Charges for services	\$ 2,183,669	\$ 742,155	\$ 2,925,824	\$ 3,077,986
Other	404,151	76,519	480,670	474,705
Total operating revenues	<u>2,587,820</u>	<u>818,674</u>	<u>3,406,494</u>	<u>3,552,691</u>
OPERATING EXPENSES				
Operation and maintenance	1,679,417	697,559	2,376,976	2,166,916
Depreciation and amortization	<u>590,178</u>	<u>64,979</u>	<u>655,157</u>	<u>608,980</u>
Total operating expenses	<u>2,269,595</u>	<u>762,538</u>	<u>3,032,133</u>	<u>2,775,896</u>
Operating income	<u>318,225</u>	<u>56,136</u>	<u>374,361</u>	<u>776,795</u>
NONOPERATING REVENUES (EXPENSES)				
Investment income (loss)	12,150	3,209	15,359	13,362
Interest and fiscal charges	<u>(17,250)</u>	<u>(12,345)</u>	<u>(29,595)</u>	<u>(31,517)</u>
Total nonoperating revenues (expenses)	<u>(5,100)</u>	<u>(9,136)</u>	<u>(14,236)</u>	<u>(18,155)</u>
Income before transfers	313,125	47,000	360,125	758,640
Transfers out	<u>(1,009,300)</u>	<u>(21,100)</u>	<u>(1,030,400)</u>	<u>(1,257,200)</u>
Change in net position	<u>(696,175)</u>	<u>25,900</u>	<u>(670,275)</u>	<u>(498,560)</u>
Net position - January 1, as originally reported	7,769,137	918,181	8,687,318	9,185,878
Cumulative effect of change in accounting principle	<u>(49,552)</u>	<u>(15,434)</u>	<u>(64,986)</u>	<u>-</u>
Net position - January 1, as restated	<u>7,719,585</u>	<u>902,747</u>	<u>8,622,332</u>	<u>9,185,878</u>
Net position - December 31	<u>\$ 7,023,410</u>	<u>\$ 928,647</u>	<u>\$ 7,952,057</u>	<u>\$ 8,687,318</u>

City of Appleton, Wisconsin

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018
WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2017**

	Parking Utility	Reid Municipal Golf Course	Totals	
			2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 2,876,533	\$ 832,579	\$ 3,709,112	\$ 3,170,191
Cash paid for employee wages and benefits	(788,441)	(342,065)	(1,130,506)	(1,103,872)
Cash paid to suppliers	(850,774)	(358,937)	(1,209,711)	(1,062,999)
Net cash provided by operating activities	<u>1,237,318</u>	<u>131,577</u>	<u>1,368,895</u>	<u>1,003,320</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfer out	<u>(1,009,300)</u>	<u>(21,100)</u>	<u>(1,030,400)</u>	<u>(1,257,200)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	(12,077)	-	(12,077)	(59,913)
Principal paid on long-term debt	(60,000)	(60,000)	(120,000)	(120,000)
Principal paid on advance	-	(5,000)	(5,000)	(5,000)
Interest paid on long-term debt	(17,550)	(12,555)	(30,105)	(31,908)
Net cash used by capital and related financing activities	<u>(89,627)</u>	<u>(77,555)</u>	<u>(167,182)</u>	<u>(216,821)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	<u>12,150</u>	<u>3,209</u>	<u>15,359</u>	<u>13,362</u>
Change in cash and cash equivalents	<u>150,541</u>	<u>36,131</u>	<u>186,672</u>	<u>(457,339)</u>
Cash and cash equivalents - January 1	<u>694,601</u>	<u>262,905</u>	<u>957,506</u>	<u>1,414,845</u>
Cash and cash equivalents - December 31	<u>\$ 845,142</u>	<u>\$ 299,036</u>	<u>\$ 1,144,178</u>	<u>\$ 957,506</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income	\$ 318,225	\$ 56,136	\$ 374,361	\$ 776,795
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation	590,178	64,979	655,157	608,980
Change in liability (asset) and deferred outflows and inflows of resources				
Pension	6,539	(1,682)	4,857	36,304
Other postemployment benefits	811	253	1,064	-
Change in operating assets and liabilities				
Accounts receivables	(18,964)	3,390	(15,574)	(5,039)
Accounts payable	3,461	(4,005)	(544)	(34,880)
Other accrued liabilities	23,742	858	24,600	1,823
Unearned revenue	307,677	10,515	318,192	(377,461)
Compensated absences	5,649	1,133	6,782	(3,202)
Net cash provided by operating activities	<u>\$ 1,237,318</u>	<u>\$ 131,577</u>	<u>\$ 1,368,895</u>	<u>\$ 1,003,320</u>
Reconciliation of cash and cash equivalents to the statement of net position				
Cash and cash equivalents in current assets	<u>\$ 845,142</u>	<u>\$ 299,036</u>	<u>\$ 1,144,178</u>	<u>\$ 957,506</u>
Noncash capital and related financing activities				
None				

City of Appleton, Wisconsin

COMBINING STATEMENT OF NET POSITION INTERNAL SERVICE FUNDS DECEMBER 31, 2018

	Central Equipment Agency	Risk Management	Facilities Management	Post- employment Benefits	Total
ASSETS					
Current assets					
Cash and investments	\$ 359,062	\$ 232,264	\$ 86,885	\$ 1,464,245	\$ 2,142,456
Receivables					
Accounts	68,159	550	-	-	68,709
Due from other governments	8,703	-	-	-	8,703
Inventories	56,281	-	-	-	56,281
Prepaid items	-	10,815	-	-	10,815
Total current assets	<u>492,205</u>	<u>243,629</u>	<u>86,885</u>	<u>1,464,245</u>	<u>2,286,964</u>
Other assets					
Investment in WMIC	-	2,020,950	-	-	2,020,950
Net pension asset	204,695	47,627	126,817	-	379,139
Total other assets	<u>204,695</u>	<u>2,068,577</u>	<u>126,817</u>	<u>-</u>	<u>2,400,089</u>
Capital assets					
Depreciable	<u>13,184,343</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,184,343</u>
Total assets	<u>13,881,243</u>	<u>2,312,206</u>	<u>213,702</u>	<u>1,464,245</u>	<u>17,871,396</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension related amounts	371,433	86,459	233,281	-	691,173
Other postemployment related amounts	16,970	5,135	13,314	-	35,419
Total deferred outflows of resources	<u>388,403</u>	<u>91,594</u>	<u>246,595</u>	<u>-</u>	<u>726,592</u>
LIABILITIES					
Current liabilities					
Accounts payable	43,662	8,439	33,725	-	85,826
Other accrued liabilities	24,390	5,265	18,102	-	47,757
Claims payable	-	1,900,000	-	-	1,900,000
Accrued interest payable	572	-	-	-	572
Compensated absences	99,497	11,387	67,820	-	178,704
Current portion of long-term debt	12,500	-	-	-	12,500
Total current liabilities	<u>180,621</u>	<u>1,925,091</u>	<u>119,647</u>	<u>-</u>	<u>2,225,359</u>
Long-term obligations, less current portion					
General obligation debt	94,125	-	-	-	94,125
Compensated absences	28,560	-	-	-	28,560
Other postemployment benefits	94,727	28,661	74,324	1,194,316	1,392,028
Total noncurrent liabilities	<u>217,412</u>	<u>28,661</u>	<u>74,324</u>	<u>1,194,316</u>	<u>1,514,713</u>
Total liabilities	<u>398,033</u>	<u>1,953,752</u>	<u>193,971</u>	<u>1,194,316</u>	<u>3,740,072</u>
DEFERRED INFLOWS OF RESOURCES					
Pension related amounts	406,342	94,545	251,746	-	752,633
Other postemployment related amounts	2,742	830	2,151	-	5,723
Total deferred inflows of resources	<u>409,084</u>	<u>95,375</u>	<u>253,897</u>	<u>-</u>	<u>758,356</u>
NET POSITION					
Net investment in capital assets	13,077,718	-	-	-	13,077,718
Restricted	204,695	47,627	126,817	-	379,139
Unrestricted	180,116	307,046	(114,388)	269,929	642,703
Total net position	<u>\$ 13,462,529</u>	<u>\$ 354,673</u>	<u>\$ 12,429</u>	<u>\$ 269,929</u>	<u>\$ 14,099,560</u>

City of Appleton, Wisconsin

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION INTERNAL SERVICE FUNDS FOR THE YEAR ENDED DECEMBER 31, 2018

	Central Equipment Agency	Risk Management	Facilities Management	Post- employment Benefits	Total
OPERATING REVENUES					
Charges for services	\$ 2,861,755	\$ 1,633,035	\$ 2,710,020	\$ -	\$ 7,204,810
Other	1,356	58,630	9,875	-	69,861
Total operating revenues	2,863,111	1,691,665	2,719,895	-	7,274,671
OPERATING EXPENSES					
Operation and maintenance	2,878,462	1,394,617	2,777,304	-	7,050,383
Depreciation and amortization	2,505,627	-	-	-	2,505,627
Total operating expenses	5,384,089	1,394,617	2,777,304	-	9,556,010
Operating income (loss)	(2,520,978)	297,048	(57,409)	-	(2,281,339)
NONOPERATING REVENUES (EXPENSES)					
Investment income	5,755	1,856	(89)	-	7,522
Gain (loss) on disposal of capital assets	324,776	-	-	-	324,776
Interest and fiscal charges	(2,463)	-	-	-	(2,463)
Other	-	-	13,855	-	13,855
Total nonoperating revenues (expenses)	328,068	1,856	13,766	-	343,690
Income (loss) before contributions and transfers	(2,192,910)	298,904	(43,643)	-	(1,937,649)
Capital contributions	3,406,710	-	-	-	3,406,710
Transfers out	(322,765)	-	-	-	(322,765)
Change in net position	891,035	298,904	(43,643)	-	1,146,296
Net position - January 1, as originally reported	12,650,696	79,733	118,215	269,929	13,118,573
Cumulative effect of change in accounting principle	(79,202)	(23,964)	(62,143)	-	(165,309)
Net position - January 1, as restated	12,571,494	55,769	56,072	269,929	12,953,264
Net position - December 31	\$ 13,462,529	\$ 354,673	\$ 12,429	\$ 269,929	\$ 14,099,560

City of Appleton, Wisconsin

COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS FOR THE YEAR ENDED DECEMBER 31, 2018

	Central Equipment Agency	Risk Management	Facilities Management	Post- employment Benefits	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 2,800,576	\$ 1,698,846	\$ 2,719,895	\$ -	\$ 7,219,317
Cash paid for employee wages and benefits	(1,188,256)	(391,669)	(914,603)	-	(2,494,528)
Cash paid to suppliers	(1,650,521)	(1,026,717)	(1,909,235)	-	(4,586,473)
Net cash provided (used) by operating activities	(38,201)	280,460	(103,943)	-	138,316
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Nonoperating revenues	(8,703)	-	13,855	-	5,152
Change in due to/from other funds	-	(50,052)	-	-	(50,052)
Transfer in (out)	(322,765)	-	-	-	(322,765)
Net cash provided (used) by noncapital financing activities	(331,468)	(50,052)	13,855	-	(367,665)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Sale of capital assets	324,776	-	-	-	324,776
Principal paid on long-term debt	(27,751)	-	-	-	(27,751)
Interest paid on long-term debt	(2,639)	-	-	-	(2,639)
Net cash provided by capital and related financing activities	294,386	-	-	-	294,386
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	5,755	1,856	(89)	-	7,522
Change in cash and cash equivalents	(69,528)	232,264	(90,177)	-	72,559
Cash and cash equivalents - January 1	428,590	-	177,062	1,464,245	2,069,897
Cash and cash equivalents - December 31	<u>\$ 359,062</u>	<u>\$ 232,264</u>	<u>\$ 86,885</u>	<u>\$ 1,464,245</u>	<u>\$ 2,142,456</u>

City of Appleton, Wisconsin

COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS FOR THE YEAR ENDED DECEMBER 31, 2018

	Central Equipment Agency	Risk Management	Facilities Management	Post- employment Benefits	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES					
Operating income (loss)	\$ (2,520,978)	\$ 297,048	\$ (57,409)	\$ -	\$ (2,281,339)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities					
Depreciation	2,505,627	-	-	-	2,505,627
Change in liability (asset) and deferred outflows and inflows of resources					
Pension	27,846	5,756	9,869	-	43,471
Other postemployment benefits	1,297	392	1,018	-	2,707
Change in operating assets and liabilities					
Accounts receivables	(62,535)	7,181	-	-	(55,354)
Inventories and prepaid items	22,158	10,815	-	-	32,973
Accounts payable	(18,887)	2,273	(69,849)	-	(86,463)
Other accrued liabilities	3,681	561	3,244	-	7,486
Compensated absences	3,590	(43,566)	9,184	-	(30,792)
Net cash provided (used) by operating activities	<u>\$ (38,201)</u>	<u>\$ 280,460</u>	<u>\$ (103,943)</u>	<u>\$ -</u>	<u>\$ 138,316</u>
Reconciliation of cash and cash equivalents to the statement of net position					
Cash and cash equivalents in current assets	<u>\$ 359,062</u>	<u>\$ 232,264</u>	<u>\$ 86,885</u>	<u>\$ -</u>	<u>\$ 2,142,456</u>
Noncash capital and related financing activities					
Contributed capital assets	<u>\$ 3,406,710</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,406,710</u>

City of Appleton, Wisconsin

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES TAX COLLECTION AGENCY FUND FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Balance January 1, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 2018</u>
ASSETS				
Cash and cash equivalents	\$ 62,710,616	\$ 61,100,039	\$ 62,710,616	\$ 61,100,039
Receivables				
Taxes	10,353,932	13,507,264	10,353,932	13,507,264
Total assets	<u>\$ 73,064,548</u>	<u>\$ 74,607,303</u>	<u>\$ 73,064,548</u>	<u>\$ 74,607,303</u>
LIABILITIES				
Accounts payable	\$ 70,490	\$ 87,870	\$ 70,490	\$ 87,870
Due to other governments	72,994,058	74,519,433	72,994,058	74,519,433
Total liabilities	<u>\$ 73,064,548</u>	<u>\$ 74,607,303</u>	<u>\$ 73,064,548</u>	<u>\$ 74,607,303</u>

STATISTICAL SECTION

Schedule 1
City of Appleton
Net Position by Component
(accrual basis of accounting)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Governmental Activities										
Invested in Capital Assets, net of related debt	\$ 292,088,865	\$ 301,042,119	\$ 304,733,210	\$ 306,228,924	\$ 309,789,370	\$ 311,002,481	\$ 317,294,433	\$ 337,111,131	\$ 356,166,240	\$ 319,649,060
Restricted	6,778,453	7,014,412	8,193,931	10,030,642	8,784,010	10,320,311	16,722,531	10,875,022	10,380,712	19,443,354
Unrestricted	<u>20,215,128</u>	<u>15,672,956</u>	<u>23,726,812</u>	<u>29,431,129</u>	<u>29,867,808</u>	<u>30,042,223</u>	<u>37,652,618</u>	<u>26,628,614</u>	<u>36,158,999</u>	<u>27,569,613</u>
Total Governmental Activities Net Position	319,082,446	323,729,487	336,653,953	345,690,695	348,441,188	351,365,015	371,669,582	374,614,767	402,705,951	366,662,027
Business-type Activities										
Invested in Capital Assets, net of related debt	181,388,463	181,147,366	184,841,387	183,532,977	184,439,245	202,937,976	201,093,139	213,741,324	211,019,686	217,488,772
Restricted	14,656,581	11,541,965	9,893,897	12,373,494	11,061,314	9,391,974	10,372,275	9,183,575	10,767,596	22,216,720
Unrestricted	<u>19,762,345</u>	<u>28,025,987</u>	<u>33,541,714</u>	<u>39,547,284</u>	<u>43,996,538</u>	<u>35,428,417</u>	<u>45,777,259</u>	<u>40,669,152</u>	<u>52,208,684</u>	<u>44,135,015</u>
Total Business-type Activities Net Position	215,807,389	220,715,318	228,276,998	235,453,755	239,497,097	247,758,367	257,242,673	263,594,051	273,995,966	283,840,507
Primary Government										
Invested in Capital Assets, net of related debt	471,187,897	480,204,886	487,906,774	488,423,709	493,234,053	513,303,524	518,126,723	550,852,455	567,185,926	537,137,832
Restricted	21,435,034	18,556,377	18,087,828	22,404,136	19,845,324	19,712,285	27,094,806	20,058,597	21,148,308	41,660,074
Unrestricted	<u>42,266,904</u>	<u>45,683,542</u>	<u>58,936,349</u>	<u>70,316,605</u>	<u>74,858,908</u>	<u>66,107,573</u>	<u>83,690,726</u>	<u>67,297,766</u>	<u>88,367,683</u>	<u>71,704,628</u>
Total Primary Government Net Position	<u>\$ 534,889,835</u>	<u>\$ 544,444,805</u>	<u>\$ 564,930,951</u>	<u>\$ 581,144,450</u>	<u>\$ 587,938,285</u>	<u>\$ 599,123,382</u>	<u>\$ 628,912,255</u>	<u>\$ 638,208,818</u>	<u>\$ 676,701,917</u>	<u>\$ 650,502,534</u>

Schedule 2
City of Appleton
Changes in Net Position
(accrual basis of accounting)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Expenses										
Governmental Activities:										
General Government	\$ 9,803,592	\$ 13,706,195	\$ 9,109,045	\$ 8,716,117	\$ 8,408,466	\$ 12,886,169	\$ 9,888,959	\$ 8,555,458	\$ 9,000,938	\$ 8,351,465
Public Safety	26,793,172	28,042,633	27,370,398	27,503,588	31,862,833	29,125,321	29,359,348	32,408,683	33,166,391	33,197,000
Public Works	15,845,722	16,995,311	21,159,672	19,736,896	22,586,195	19,683,637	19,143,986	16,603,103	16,478,718	20,954,662
Education & Recreation	9,505,050	9,215,036	7,337,247	7,327,066	7,936,225	8,284,600	8,367,690	9,045,104	11,292,369	13,334,961
Community Development	2,362,625	3,647,803	3,525,353	2,272,772	2,743,633	3,569,399	4,126,206	7,183,902	7,569,648	36,202,162
Interest	2,624,393	2,428,491	2,201,902	1,996,256	2,014,417	1,719,014	1,602,888	861,000	902,403	1,047,481
Total Governmental Activities	<u>66,934,554</u>	<u>74,035,469</u>	<u>70,703,617</u>	<u>67,552,695</u>	<u>75,551,769</u>	<u>75,268,140</u>	<u>72,489,077</u>	<u>74,657,250</u>	<u>78,410,467</u>	<u>113,087,731</u>
Business-type Activities										
Water	14,218,376	14,456,132	14,960,496	15,311,621	16,302,030	15,118,304	15,713,959	16,270,281	14,627,223	14,699,970
Wastewater	11,004,780	11,039,780	10,792,194	9,915,016	10,244,112	10,323,873	10,578,004	10,387,814	10,788,112	11,098,233
Valley Transit	7,869,264	8,237,666	8,292,425	8,189,269	8,773,289	9,355,275	9,121,137	9,220,991	9,587,671	9,879,574
Stormwater	5,754,175	6,322,301	6,042,858	6,472,284	6,811,514	7,182,067	7,533,937	7,771,485	7,576,951	7,004,763
Other non-major enterprise funds	2,190,096	2,295,987	1,919,267	2,171,030	2,242,132	2,297,108	2,729,519	2,656,613	2,784,861	3,130,681
Total Business-type Activities	<u>41,036,691</u>	<u>42,351,866</u>	<u>42,007,240</u>	<u>42,059,220</u>	<u>44,373,077</u>	<u>44,276,627</u>	<u>45,676,556</u>	<u>46,307,184</u>	<u>45,364,818</u>	<u>45,813,221</u>
Total - Primary Government	<u>\$ 107,971,245</u>	<u>\$ 116,387,335</u>	<u>\$ 112,710,857</u>	<u>\$ 109,611,915</u>	<u>\$ 119,924,846</u>	<u>\$ 119,544,767</u>	<u>\$ 118,165,633</u>	<u>\$ 120,964,434</u>	<u>\$ 123,775,285</u>	<u>\$ 158,900,952</u>
Program Revenues										
Governmental Activities:										
Charges for Service	\$ 5,736,414	\$ 5,229,374	\$ 5,561,599	\$ 5,569,974	\$ 6,483,565	\$ 11,465,846	\$ 8,178,939	\$ 10,707,541	\$ 6,757,109	\$ 8,365,514
Operating Grants & Contributions	6,242,490	6,666,648	6,440,559	5,221,263	5,148,710	5,176,021	4,759,479	5,544,498	5,777,912	5,941,653
Capital Grants & Contributions	15,244,780	6,432,635	10,254,959	6,130,651	9,124,671	2,136,172	3,732,097	756,451	31,749,588	1,333,280
Total Governmental Activities	<u>27,223,684</u>	<u>18,328,657</u>	<u>22,257,117</u>	<u>16,921,888</u>	<u>20,756,946</u>	<u>18,778,039</u>	<u>16,670,515</u>	<u>17,008,490</u>	<u>44,284,609</u>	<u>15,640,447</u>
Business-type Activities										
Charges for Service										
Water	18,483,569	18,155,384	20,334,751	20,932,453	20,316,037	20,374,553	20,994,942	21,523,370	21,015,480	21,047,773
Wastewater	8,705,216	8,439,730	9,687,803	10,601,634	10,486,298	10,942,593	11,163,377	11,613,454	12,144,187	12,798,908
Valley Transit	1,452,588	1,383,740	1,512,804	1,485,517	1,547,558	1,563,356	1,593,398	1,612,259	1,572,511	1,639,401
Stormwater	6,291,673	6,776,766	7,196,739	7,251,853	8,146,867	9,067,717	9,207,428	9,608,937	9,600,003	9,708,955
Other non-major enterprise funds	2,716,563	2,480,431	2,820,305	2,878,553	2,835,778	3,140,100	3,299,997	3,254,263	3,549,496	3,404,224
Operating Grants & Contributions	5,499,174	5,856,887	5,911,742	5,815,980	6,204,695	6,645,898	6,423,200	6,443,052	6,908,975	7,608,663
Capital Grants & Contributions	2,290,162	3,923,537	2,383,154	1,773,549	1,296,144	2,114,336	1,614,633	1,063,521	3,060,842	1,827,395
Total Business-type Activities	<u>45,438,945</u>	<u>47,016,475</u>	<u>49,847,298</u>	<u>50,739,539</u>	<u>50,833,377</u>	<u>53,848,553</u>	<u>54,296,975</u>	<u>55,118,856</u>	<u>57,851,494</u>	<u>58,035,319</u>
Total - Primary Government	<u>\$ 72,662,629</u>	<u>\$ 65,345,132</u>	<u>\$ 72,104,415</u>	<u>\$ 67,661,427</u>	<u>\$ 71,590,323</u>	<u>\$ 72,626,592</u>	<u>\$ 70,967,490</u>	<u>\$ 72,127,346</u>	<u>\$ 102,136,103</u>	<u>\$ 73,675,766</u>
Net (Expense)/Revenue										
Governmental Activities	(39,710,870)	(55,706,812)	(48,446,500)	(50,630,807)	(54,794,823)	(56,490,101)	(55,818,562)	(57,648,760)	(34,125,858)	(97,447,284)
Business-Type Activities	4,402,254	4,664,609	7,840,058	8,680,319	6,460,300	9,571,926	8,620,419	8,811,672	12,486,676	12,222,098
Total Primary Government Net Position	<u>\$ (35,308,616)</u>	<u>\$ (51,042,203)</u>	<u>\$ (40,606,442)</u>	<u>\$ (41,950,488)</u>	<u>\$ (48,334,523)</u>	<u>\$ (46,918,175)</u>	<u>\$ (47,198,143)</u>	<u>\$ (48,837,088)</u>	<u>\$ (21,639,182)</u>	<u>\$ (85,225,186)</u>

Schedule 2 (cont)
City of Appleton
Changes in Net Position
(accrual basis of accounting)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General Revenues & Other Changes in Net Position										
Governmental Activities:										
Taxes										
Property Taxes	41,920,273	40,296,877	40,724,725	41,605,012	41,155,010	41,592,801	42,370,280	42,580,102	43,643,932	45,392,038
Other Taxes	743,076	862,279	840,215	801,134	838,567	879,474	2,221,892	2,843,219	2,899,637	2,176,780
Intergovernmental revenues not restricted to specific programs	14,309,349	13,916,622	13,873,673	12,320,048	12,207,975	12,194,949	12,128,645	11,403,088	11,498,209	11,569,281
Investment income	1,562,496	2,703,110	2,936,126	1,997,644	1,041,540	1,956,537	1,564,038	687,460	891,771	1,326,963
Gain(Loss) on the sale of assets	298,632	208,401	297,709	358,693	128,766	163,000	581,314	87,399	179,507	166,055
Miscellaneous	116,175	190,944	92,842	94,767	93,731	93,078	109,739	139,077	482,150	382,032
Transfers	2,178,788	2,175,620	2,605,676	2,490,251	2,079,727	2,534,089	2,761,647	2,853,600	2,621,836	2,464,686
Total general revenues and transfers	<u>61,128,789</u>	<u>60,353,853</u>	<u>61,370,966</u>	<u>59,667,549</u>	<u>57,545,316</u>	<u>59,413,928</u>	<u>61,737,555</u>	<u>60,593,945</u>	<u>62,217,042</u>	<u>63,477,835</u>
Business-type Activities										
Investment income	475,003	2,412,385	2,310,471	977,420	(350,702)	1,211,173	487,109	374,788	519,177	872,251
Gain(Loss) on the sale of assets	255	-	-	4,100	(3,362)	-	16,203	-	-	-
Miscellaneous	49	6,555	16,827	5,169	16,833	12,260	18,906	18,518	17,898	7,706
Transfers	(2,178,788)	(2,175,620)	(2,605,676)	(2,490,251)	(2,079,727)	(2,534,089)	(2,761,647)	(2,853,600)	(2,621,836)	(2,464,686)
Total Business-type Activities	<u>(1,703,481)</u>	<u>243,320</u>	<u>(278,378)</u>	<u>(1,503,562)</u>	<u>(2,416,958)</u>	<u>(1,310,656)</u>	<u>(2,239,429)</u>	<u>(2,460,294)</u>	<u>(2,084,761)</u>	<u>(1,584,729)</u>
Total Primary Government	<u>\$ 59,425,308</u>	<u>\$ 60,597,173</u>	<u>\$ 61,092,588</u>	<u>\$ 58,163,987</u>	<u>\$ 55,128,358</u>	<u>\$ 58,103,272</u>	<u>\$ 59,498,126</u>	<u>\$ 58,133,651</u>	<u>\$ 60,132,281</u>	<u>\$ 61,893,106</u>
Cumulative Effect of Change in Accounting Principle										
Governmental Activities:										
Business-type Activities										
Total Primary Government										<u>\$ (2,074,475)</u>
Business-type Activities										
Total Primary Government										<u>(792,828)</u>
Total Primary Government										<u>\$ (2,867,303)</u>
Change in Net Position										
Governmental Activities:	\$ 21,417,919	\$ 4,647,041	\$ 12,924,466	\$ 9,036,742	\$ 2,750,493	\$ 2,923,827	\$ 5,918,993	\$ 2,945,185	\$ 28,091,184	\$ (36,043,924)
Business-type Activities	2,698,773	4,907,929	7,561,680	7,176,757	4,043,342	8,261,270	6,380,990	6,351,378	10,401,915	9,844,541
Total Primary Government	<u>\$ 24,116,692</u>	<u>\$ 9,554,970</u>	<u>\$ 20,486,146</u>	<u>\$ 16,213,499</u>	<u>\$ 6,793,835</u>	<u>\$ 11,185,097</u>	<u>\$ 12,299,983</u>	<u>\$ 9,296,563</u>	<u>\$ 38,493,099</u>	<u>\$ (26,199,383)</u>

Schedule 3
City of Appleton
Program Revenues by Function/Program
(accrual basis of accounting)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Function/Program										
Governmental Activities:										
General Government	\$ 1,199,330	\$ 1,154,822	\$ 1,507,939	\$ 1,380,517	\$ 1,001,379	\$ 6,018,321	\$ 1,310,772	\$ 2,976,458	\$ 1,318,594	\$ 2,993,168
Public Safety	1,758,084	2,043,891	2,056,640	1,973,360	4,411,076	1,922,914	1,964,252	1,909,582	1,874,656	1,885,285
Public Works	20,838,101	10,788,629	14,847,671	9,916,370	11,115,128	7,454,868	10,321,293	7,411,155	7,083,475	6,412,725
Education & Recreation	1,699,207	1,916,289	2,105,605	1,770,440	1,794,015	1,749,595	2,081,152	2,218,534	2,339,327	2,567,121
Community Development	1,728,962	2,425,026	1,739,262	1,881,201	2,435,348	1,632,341	993,046	2,492,761	31,668,557	1,782,148
Total Governmental Activities	<u>27,223,684</u>	<u>18,328,657</u>	<u>22,257,117</u>	<u>16,921,888</u>	<u>20,756,946</u>	<u>18,778,039</u>	<u>16,670,515</u>	<u>17,008,490</u>	<u>44,284,609</u>	<u>15,640,447</u>
Business-type Activities										
Water	18,696,899	19,117,632	20,461,743	21,014,274	20,344,681	20,554,177	21,494,126	21,879,177	21,752,383	21,458,700
Wastewater	9,123,831	9,456,505	10,599,946	11,381,389	10,814,267	11,458,660	11,772,261	11,905,485	12,609,743	13,198,363
Valley Transit	7,243,607	7,876,370	8,030,058	7,569,660	7,878,741	8,248,739	8,016,598	8,054,604	9,552,071	9,245,794
Stormwater	7,658,045	8,085,537	7,935,246	7,895,663	8,736,897	10,426,877	9,713,993	10,024,620	10,384,606	10,725,968
Other non-major enterprise funds	2,716,563	2,480,430	2,820,305	2,878,553	3,058,791	3,160,100	3,299,997	3,254,970	3,552,691	3,406,494
Total Business-type Activities	<u>45,438,945</u>	<u>47,016,474</u>	<u>49,847,298</u>	<u>50,739,539</u>	<u>50,833,377</u>	<u>53,848,553</u>	<u>54,296,975</u>	<u>55,118,856</u>	<u>57,851,494</u>	<u>58,035,319</u>
Total - Primary Government	<u>\$ 72,662,629</u>	<u>\$ 65,345,131</u>	<u>\$ 72,104,415</u>	<u>\$ 67,661,427</u>	<u>\$ 71,590,323</u>	<u>\$ 72,626,592</u>	<u>\$ 70,967,490</u>	<u>\$ 72,127,346</u>	<u>\$ 102,136,103</u>	<u>\$ 73,675,766</u>

Schedule 4
City of Appleton
Fund Balances, Governmental Funds
(modified accrual basis of accounting)

	<u>2009</u>	<u>2010</u>	<u>2011</u> ⁽¹⁾	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General Fund										
Reserved for:										
Inventories	\$ 684,658	\$ 890,237	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Prepaid items	7,155	34,111	-	-	-	-	-	-	-	-
Noncurrent receivables/advances	8,935,430	10,479,175	-	-	-	-	-	-	-	-
Encumbrances	2,257,554	2,031,468	-	-	-	-	-	-	-	-
Unreserved	19,321,315	19,362,624	-	-	-	-	-	-	-	-
Nonspendable	-	-	12,268,106	12,568,872	11,255,209	9,384,163	8,342,254	9,084,808	9,766,708	8,669,423
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	107,259	-	-	-	-	-	-	81,918
Assigned	-	-	10,027,784	9,921,339	10,983,149	10,792,122	11,828,526	9,286,118	11,700,563	13,160,600
Unassigned (Deficit)	-	-	12,578,076	14,328,372	11,261,464	11,272,648	11,429,020	13,210,316	8,711,055	9,737,733
Total General Fund	\$ 31,206,112	\$ 32,797,615	\$ 34,981,225	\$ 36,818,583	\$ 33,499,822	\$ 31,448,933	\$ 31,599,800	\$ 31,581,242	\$ 30,178,326	\$ 31,649,674
All Other Governmental Funds										
Reserved for:										
Prepaid items	\$ 52,860	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt service	391,516	184,868	-	-	-	-	-	-	-	-
Encumbrances	3,187,167	2,195,894	-	-	-	-	-	-	-	-
Trust purposes	34,043	33,652	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	1,248,662	(10,485,197)	-	-	-	-	-	-	-	-
Capital projects funds	5,136,208	6,552,711	-	-	-	-	-	-	-	-
Nonspendable	-	-	33,655	34,221	34,755	-	-	-	-	-
Restricted	-	-	1,868,147	3,165,793	2,282,659	3,495,290	3,478,831	11,424,576	7,526,119	9,097,900
Committed	-	-	928,906	980,818	1,087,732	1,026,519	1,276,478	1,485,193	1,447,054	1,228,173
Assigned	-	-	6,342,088	10,497,302	6,337,120	5,916,918	5,652,454	6,769,421	5,919,162	4,541,521
Unassigned (Deficit)	-	-	(14,674,790)	(15,940,164)	(16,932,262)	(15,800,019)	(16,001,465)	(15,412,048)	(14,792,960)	(11,397,873)
Total All Other Governmental Funds	10,050,456	(1,518,072)	(5,501,994)	(1,262,030)	(7,189,996)	(5,361,292)	(5,593,702)	4,267,142	99,375	3,469,721
Total Governmental Funds	\$ 41,256,568	\$ 31,279,543	\$ 29,479,231	\$ 35,556,553	\$ 26,309,826	\$ 26,087,641	\$ 26,006,098	\$ 35,848,384	\$ 30,277,701	\$ 35,119,395

Notes:

1. The City of Appleton adopted GASB #54 in 2011, which changes the categorizations of restrictions on fund balances.

Schedule 5
City of Appleton
Changes in Fund Balances, Governmental Funds
(modified accrual basis of accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
REVENUES										
Taxes	\$ 42,663,349	\$ 41,159,156	\$ 41,564,939	\$ 42,406,146	\$ 41,993,577	\$ 42,472,273	\$ 44,592,173	\$ 45,423,321	\$ 46,543,569	\$ 47,568,818
Intergovernmental	19,880,980	20,322,514	19,681,477	17,625,603	19,542,869	16,527,661	16,970,682	19,481,564	47,099,618	17,813,074
Licenses and permits	823,787	990,827	895,927	1,018,228	1,086,494	1,035,280	1,147,980	1,145,640	1,202,535	1,116,996
Fines and forfeitures	342,923	356,971	359,662	384,340	334,540	310,674	273,814	264,084	255,440	265,875
Special assessments	2,340,813	1,668,528	2,618,990	1,843,227	2,069,839	2,294,899	1,314,048	1,031,961	703,144	825,661
Investment income	1,198,520	2,175,324	2,263,766	1,471,859	200,720	1,150,497	1,806,564	2,388,774	2,620,393	3,077,349
Charges for services	1,850,129	1,847,220	2,264,612	2,459,518	2,552,360	2,764,761	2,775,829	2,774,166	2,842,908	2,865,795
Other	5,496,329	4,987,458	3,768,553	4,618,445	5,260,163	4,254,825	5,694,327	4,546,476	6,249,706	5,517,097
Total Revenues	<u>74,596,830</u>	<u>73,507,998</u>	<u>73,417,926</u>	<u>71,827,366</u>	<u>73,040,562</u>	<u>70,810,870</u>	<u>74,575,417</u>	<u>77,055,986</u>	<u>107,517,313</u>	<u>79,050,665</u>
EXPENDITURES										
Current:										
General government	7,244,850	13,102,235	8,143,213	7,643,472	7,297,364	7,057,221	7,501,218	7,839,058	8,330,045	7,444,191
Public safety	26,365,040	27,285,984	27,073,709	27,169,713	27,941,935	28,507,562	28,919,211	29,772,547	31,068,651	31,283,439
Public works	14,513,842	15,656,093	16,323,554	14,951,964	17,373,663	17,290,491	16,170,161	16,623,060	17,454,222	16,315,108
Education and recreation	8,871,494	8,910,684	7,146,178	7,181,076	7,375,059	7,605,818	7,806,647	8,043,834	8,437,946	8,400,206
Community development	2,635,858	3,348,654	3,052,110	2,607,382	2,981,128	3,997,318	4,098,287	3,713,108	3,125,873	3,223,934
Capital Outlay	18,061,037	8,380,704	7,595,439	6,974,759	14,281,748	9,972,321	13,292,522	19,460,632	49,999,793	17,268,503
Debt Service:										
Principal retirement	6,578,288	6,755,336	7,021,625	8,761,870	6,057,333	4,112,332	4,287,333	4,046,082	5,582,624	6,577,249
Interest and fiscal charges	2,604,636	2,527,447	2,304,241	2,235,391	1,924,256	1,767,037	1,676,117	1,757,116	2,125,377	2,051,359
Total Expenditures	<u>86,875,045</u>	<u>85,967,137</u>	<u>78,660,069</u>	<u>77,525,627</u>	<u>85,232,486</u>	<u>80,310,100</u>	<u>83,751,496</u>	<u>91,255,437</u>	<u>126,124,531</u>	<u>92,563,989</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(12,278,215)</u>	<u>(12,459,139)</u>	<u>(5,242,143)</u>	<u>(5,698,261)</u>	<u>(12,191,924)</u>	<u>(9,499,230)</u>	<u>(9,176,079)</u>	<u>(14,199,451)</u>	<u>(18,607,218)</u>	<u>(13,513,324)</u>
OTHER FINANCING SOURCES (USES)										
Debt issued	5,735,000	-	-	8,380,000	-	6,375,000	5,775,000	18,920,000	14,170,000	13,840,000
Premium on debt issued	57,086	-	-	267,514	-	46,266	222,457	1,527,653	790,738	1,256,719
Payments to escrow agents	-	-	-	-	-	-	-	-	(4,994,438)	-
Promissory note issued	-	-	500,000	300,000	-	-	-	-	-	-
Sale of city properties	93,404	34,854	11,962	102,799	10,714	7,702	21,139	411,886	260,140	470,848
Transfers in	9,752,946	16,929,723	9,727,630	9,073,938	9,285,409	6,056,499	8,314,715	6,811,499	7,412,128	7,616,719
Transfers out	(7,320,186)	(14,482,463)	(6,797,761)	(6,348,668)	(6,350,926)	(3,208,422)	(5,238,775)	(3,629,301)	(4,602,033)	(4,829,268)
Total Other Financing Sources (Uses)	<u>8,318,250</u>	<u>2,482,114</u>	<u>3,441,831</u>	<u>11,775,583</u>	<u>2,945,197</u>	<u>9,277,045</u>	<u>9,094,536</u>	<u>24,041,737</u>	<u>13,036,535</u>	<u>18,355,018</u>
Net Change in Fund Balances	<u>(3,959,965)</u>	<u>(9,977,025)</u>	<u>(1,800,312)</u>	<u>6,077,322</u>	<u>(9,246,727)</u>	<u>(222,185)</u>	<u>(81,543)</u>	<u>9,842,286</u>	<u>(5,570,683)</u>	<u>4,841,694</u>
FUND BALANCES - BEGINNING	<u>45,216,533</u>	<u>41,256,568</u>	<u>31,279,543</u>	<u>29,479,231</u>	<u>35,556,553</u>	<u>26,309,826</u>	<u>26,087,641</u>	<u>26,006,098</u>	<u>35,848,384</u>	<u>30,277,701</u>
FUND BALANCES - ENDING	<u>\$ 41,256,568</u>	<u>\$ 31,279,543</u>	<u>\$ 29,479,231</u>	<u>\$ 35,556,553</u>	<u>\$ 26,309,826</u>	<u>\$ 26,087,641</u>	<u>\$ 26,006,098</u>	<u>\$ 35,848,384</u>	<u>\$ 30,277,701</u>	<u>\$ 35,119,395</u>
Debt service as a percent of non-capital expenditures	19.2%	17.5%	17.8%	18.9%	12.2%	10.5%	9.9%	9.2%	11.5%	12.2%

**Schedule 6
City of Appleton
Assessed Value and Estimated Actual Value (Equalized Value) of Taxable Property**

<u>Levy Year</u>	<u>Fiscal Year</u>	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Industrial Property</u>	<u>Agricultural Property</u>	<u>Personal Property</u>	<u>Total Taxable Assessed Value^A</u>	<u>Total Direct Tax Rate^B</u>	<u>Estimated Actual Taxable Value^C</u>	<u>Assessed as Percent of Estimated Actual Value^D</u>
2009	2010	\$ 3,358,972,100	\$ 1,099,921,700	\$ 151,449,600	\$ 200,600	\$ 142,907,700	\$ 4,753,451,700	7.9463	\$ 4,789,062,900	99.26%
2010	2011	3,339,934,400	1,129,570,400	141,693,800	694,900	141,066,900	4,752,960,400	8.0496	4,851,596,300	97.97%
2011	2012	3,361,411,700	1,141,289,300	140,626,100	702,800	138,922,800	4,782,952,700	8.1510	4,797,103,500	99.71%
2012	2013	3,372,982,200	1,143,624,000	144,354,500	737,300	139,735,300	4,801,433,300	8.0311	4,651,408,600	103.23%
2013	2014	3,384,096,700	1,137,054,900	150,106,100	855,800	146,345,800	4,818,459,300	8.1358	4,622,312,200	104.24%
2014	2015	3,333,822,100	1,158,307,200	139,909,000	1,482,600	135,839,800	4,769,360,700	8.3495	4,696,660,500	101.55%
2015	2016	3,359,819,300	1,167,546,000	138,362,500	1,480,400	124,635,400	4,791,843,600	8.3950	4,816,754,800	99.48%
2016	2017	3,392,464,300	1,226,865,500	144,629,500	1,452,200	126,431,000	4,891,842,500	8.6205	4,938,725,300	99.05%
2017	2018	3,415,037,700	1,243,345,400	138,818,900	1,443,600	138,130,400	4,936,776,000	8.9200	5,222,923,900	94.52%
2018	2019	3,444,164,600	1,350,465,600	142,152,100	1,442,600	105,485,300	5,043,710,200	9.1618	5,443,435,200	92.66%

Notes:

^A Source: Wisconsin Department of Revenue, Final Statement of Assessment. The values shown include TIF districts.

^B Source: City of Appleton Budget and Service Plan. The rate shown is for properties in Outagamie County and served by the Appleton Area School District.

^C Source: Wisconsin Department of Revenue, Statement of Changes in Equalized Value.

^D Property in the City of Appleton is reassessed every four to five years on average, with the goal of assessing it at 100% of market value. Between major reassessments, property values are updated based on sales of comparable properties.

**Schedule 7
CITY OF APPLETON
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS**

Last Ten Fiscal Years

OUTAGAMIE COUNTY/APPLETON AREA SCHOOL DISTRICT

Per \$1,000 of Assessed Value

<u>Levy Year</u>	<u>Collection Year</u>	<u>Basic Rate</u>	<u>G.O. Debt Service</u>	<u>City of Appleton Direct Rate ⁽¹⁾</u>	<u>Appleton School District</u>	<u>FVTC</u>	<u>Outagamie County</u>	<u>State of Wisconsin</u>	<u>Gross Tax Rate</u>	<u>State Tax Credits</u>	<u>Net Tax Rate</u>
2009	2010	\$ 7.18	\$ 0.77	\$ 7.95	\$ 8.50	\$ 1.73	\$ 4.41	\$ 0.17	\$ 22.76	\$ 1.30	\$ 21.46
2010	2011	7.21	0.84	8.05	9.29	1.82	4.53	0.17	23.86	1.31	22.55
2011	2012	7.48	0.67	8.15	9.21	1.80	4.58	0.17	23.91	1.31	22.60
2012	2013	7.36	0.67	8.03	9.03	1.91	4.56	0.16	23.69	1.48	22.22 *
2013	2014	7.53	0.61	8.14	9.01	1.89	4.52	0.16	23.72	1.43	22.29
2014	2015	7.76	0.59	8.35	9.41	1.11	4.67	0.17	23.71	1.44	22.26 *
2015	2016	7.77	0.63	8.40	9.65	1.12	4.72	0.17	24.06	1.64	22.43 *
2016	2017	7.80	0.82	8.62	9.15	1.13	4.71	0.17	23.78	1.61	22.16 *
2017	2018	7.82	1.10	8.92	9.29	1.15	4.87	-	24.23	1.76	22.47
2018	2019	7.82	1.34	9.16	9.38	1.14	4.92	-	24.60	1.71	22.88 *

OUTAGAMIE COUNTY/MENASHA SCHOOL DISTRICT

Per \$1,000 of Assessed Value

<u>Levy Year</u>	<u>Collection Year</u>	<u>Basic Rate</u>	<u>G.O. Debt Service</u>	<u>City of Appleton Direct Rate ⁽¹⁾</u>	<u>Menasha School District</u>	<u>FVTC</u>	<u>Outagamie County</u>	<u>State of Wisconsin</u>	<u>Gross Tax Rate</u>	<u>State Tax Credits</u>	<u>Net Tax Rate</u>
2009	2010	\$ 7.18	\$ 0.77	\$ 7.95	\$ 9.47	\$ 1.73	\$ 4.41	\$ 0.17	\$ 23.73	\$ 1.30	\$ 22.43
2010	2011	7.21	0.84	8.05	9.73	1.82	4.53	0.17	24.30	1.31	22.99
2011	2012	7.48	0.67	8.15	9.83	1.80	4.58	0.17	24.53	1.31	23.22
2012	2013	7.36	0.67	8.03	9.57	1.91	4.56	0.16	24.23	1.48	22.76 *
2013	2014	7.53	0.61	8.14	9.94	1.89	4.52	0.16	24.65	1.43	23.22
2014	2015	7.76	0.59	8.35	10.93	1.11	4.67	0.17	25.23	1.44	23.78 *
2015	2016	7.77	0.63	8.40	11.29	1.12	4.72	0.17	25.70	1.64	24.07 *
2016	2017	7.80	0.82	8.62	11.38	1.13	4.71	0.17	26.01	1.61	24.39 *
2017	2018	7.82	1.10	8.92	12.07	1.15	4.87	-	27.01	1.76	25.25
2018	2019	7.82	1.34	9.16	12.33	1.14	4.92	-	27.55	1.71	25.84

* Net tax rate not equal to sum of components due to rounding.

(Continued)

**Schedule 7
CITY OF APPLETON
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS (Continued)**

Last Ten Fiscal Years

OUTAGAMIE COUNTY/FREEDOM SCHOOL DISTRICT

Per \$1,000 of Assessed Value

<u>Levy Year</u>	<u>Collection Year</u>	<u>Basic Rate</u>	<u>G.O. Debt Service</u>	<u>City of Appleton Direct Rate ⁽¹⁾</u>	<u>Freedom School District</u>	<u>FVTC</u>	<u>Outagamie County</u>	<u>State of Wisconsin</u>	<u>Gross Tax Rate</u>	<u>State Tax Credits</u>	<u>Net Tax Rate</u>
2009	2010	\$ 7.18	\$ 0.77	\$ 7.95	\$ 9.19	\$ 1.73	\$ 4.41	\$ 0.17	\$ 23.45	\$ 1.30	\$ 22.15
2010	2011	7.21	0.84	8.05	9.00	1.82	4.53	0.17	23.57	1.31	22.26
2011	2012	7.48	0.67	8.15	9.15	1.80	4.58	0.17	23.85	1.31	22.54
2012	2013	7.36	0.67	8.03	9.06	1.91	4.56	0.16	23.72	1.48	22.25 *
2013	2014	7.53	0.61	8.14	9.23	1.89	4.52	0.16	23.94	1.43	22.51
2014	2015	7.76	0.59	8.35	8.90	1.11	4.67	0.17	23.20	1.44	21.75 *
2015	2016	7.77	0.63	8.40	8.74	1.12	4.72	0.17	23.15	1.64	21.52 *
2016	2017	7.80	0.82	8.62	8.53	1.13	4.71	0.17	23.16	1.61	21.55
2017	2018	7.82	1.10	8.92	7.56	1.15	4.87	-	22.50	1.76	20.75 *
2018	2019	7.82	1.34	9.16	7.30	1.14	4.92	-	22.52	1.71	20.81

OUTAGAMIE COUNTY/HORTONVILLE SCHOOL DISTRICT

Per \$1,000 of Assessed Value

<u>Levy Year</u>	<u>Collection Year</u>	<u>Basic Rate</u>	<u>G.O. Debt Service</u>	<u>City of Appleton Direct Rate ⁽¹⁾</u>	<u>Hortonville School District</u>	<u>FVTC</u>	<u>Outagamie County</u>	<u>State of Wisconsin</u>	<u>Gross Tax Rate</u>	<u>State Tax Credits</u>	<u>Net Tax Rate</u>
2009	2010	\$ 7.18	\$ 0.77	\$ 7.95	\$ 8.75	\$ 1.73	\$ 4.41	\$ 0.17	\$ 23.01	\$ 1.30	\$ 21.71
2010	2011	7.21	0.84	8.05	9.38	1.82	4.53	0.17	23.95	1.31	22.65 *
2011	2012	7.48	0.67	8.15	9.27	1.80	4.58	0.17	23.97	1.31	22.66
2012	2013	7.36	0.67	8.03	8.92	1.91	4.56	0.16	23.58	1.48	22.11 *
2013	2014	7.53	0.61	8.14	8.96	1.89	4.52	0.16	23.67	1.43	22.24
2014	2015	7.76	0.59	8.35	9.84	1.11	4.67	0.17	24.14	1.44	22.69 *
2015	2016	7.77	0.63	8.40	9.85	1.12	4.72	0.17	24.26	1.64	22.63 *
2016	2017	7.80	0.82	8.62	9.29	1.13	4.71	0.17	23.92	1.61	22.31
2017	2018	7.82	1.10	8.92	8.91	1.15	4.87	-	23.85	1.76	22.09
2018	2019	7.82	1.34	9.16	8.90	1.14	4.92	-	24.12	1.71	22.41

* Net tax rate not equal to sum of components due to rounding.

Note: The 2008 Levy Years are the first years Outagamie County had property apportioned within the Hortonville School Districts.

**Schedule 7
CITY OF APPLETON
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS (Continued)**

Last Ten Fiscal Years

CALUMET COUNTY/APPLETON AREA SCHOOL DISTRICT

Per \$1,000 of Assessed Value

<u>Levy Year</u>	<u>Collection Year</u>	<u>Basic Rate</u>	<u>G.O. Debt Service</u>	<u>City of Appleton Direct Rate ⁽¹⁾</u>	<u>Appleton School District</u>	<u>FVTC</u>	<u>Calumet County</u>	<u>State of Wisconsin</u>	<u>Gross Tax Rate</u>	<u>State Tax Credits</u>	<u>Net Tax Rate</u>
2009	2010	\$ 7.10	\$ 0.77	\$ 7.87	\$ 8.42	\$ 1.71	\$ 4.17	\$ 0.17	\$ 22.34	\$ 1.27	\$ 21.08 *
2010	2011	7.17	0.83	8.00	9.24	1.81	4.48	0.17	23.70	1.22	22.47 *
2011	2012	7.44	0.66	8.10	9.15	1.79	4.46	0.17	23.67	1.23	22.45 *
2012	2013	7.33	0.66	7.99	8.98	1.90	4.38	0.16	23.41	1.24	22.17
2013	2014	7.51	0.60	8.11	8.98	1.89	4.40	0.16	23.54	1.25	22.29
2014	2015	7.76	0.59	8.35	9.45	1.11	4.51	0.17	23.59	1.26	22.33
2015	2016	7.76	0.63	8.39	9.65	1.12	4.46	0.17	23.79	1.43	22.37 *
2016	2017	7.83	0.82	8.65	9.18	1.13	4.64	0.17	23.77	1.43	22.35 *
2017	2018	7.82	1.10	8.92	9.28	1.15	5.17	-	24.52	1.55	22.97
2018	2019	7.81	1.34	9.15	9.37	1.14	5.22	-	24.88	1.49	23.38 *

CALUMET COUNTY/KIMBERLY AREA SCHOOL DISTRICT

Per \$1,000 of Assessed Value

<u>Levy Year</u>	<u>Collection Year</u>	<u>Basic Rate</u>	<u>G.O. Debt Service</u>	<u>City of Appleton Direct Rate ⁽¹⁾</u>	<u>Kimberley School District</u>	<u>FVTC</u>	<u>Calumet County</u>	<u>State of Wisconsin</u>	<u>Gross Tax Rate</u>	<u>State Tax Credits</u>	<u>Net Tax Rate</u>
2009	2010	\$ 7.10	\$ 0.77	\$ 7.87	\$ 9.39	\$ 1.71	\$ 4.17	\$ 0.17	\$ 23.31	\$ 1.27	\$ 22.04
2010	2011	7.17	0.83	8.00	10.09	1.81	4.48	0.17	24.55	1.22	23.33
2011	2012	7.44	0.66	8.10	10.22	1.79	4.46	0.17	24.74	1.23	23.51
2012	2013	7.33	0.66	7.99	10.14	1.90	4.38	0.16	24.57	1.24	23.33
2013	2014	7.51	0.60	8.11	9.88	1.89	4.40	0.16	24.44	1.25	23.19
2014	2015	7.76	0.59	8.35	9.21	1.11	4.51	0.17	23.35	1.26	22.09
2015	2016	7.76	0.63	8.39	9.76	1.12	4.46	0.17	23.90	1.43	22.48 *
2016	2017	7.83	0.82	8.65	9.62	1.13	4.64	0.17	24.21	1.43	22.79 *
2017	2018	7.82	1.10	8.92	8.82	1.15	5.17	-	24.06	1.55	22.51
2018	2019	7.81	1.34	9.15	8.38	1.14	5.22	-	23.89	1.49	22.40

* Net tax rate not equal to sum of components due to rounding.

**Schedule 7
CITY OF APPLETON
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS (Continued)**

Last Ten Fiscal Years

WINNEBAGO COUNTY/APPLETON AREA SCHOOL DISTRICT

Per \$1,000 of Assessed Value

Levy Year	Collection Year	Basic Rate	G.O. Debt Service	City of Appleton Direct Rate ⁽¹⁾	Appleton School District	FVTC	Winnebago County	State of Wisconsin	Gross Tax Rate	State Tax Credits	Net Tax Rate
2009	2010	\$ 7.10	\$ 0.76	\$ 7.86	\$ 8.40	\$ 1.71	\$ 5.54	\$ 0.17	\$ 23.68	\$ 1.45	\$ 22.23
2010	2011	7.39	0.86	8.25	9.67	1.86	5.96	0.18	25.92	1.42	24.50
2011	2012	7.40	0.66	8.06	9.10	1.78	5.62	0.17	24.73	1.29	23.43 *
2012	2013	7.60	0.69	8.29	9.31	1.97	5.71	0.17	25.45	1.31	24.14
2013	2014	7.83	0.63	8.46	9.37	1.97	5.40	0.17	25.37	1.36	24.02 *
2014	2015	7.76	0.59	8.35	10.31	1.11	5.34	0.17	25.28	1.37	23.91
2015	2016	7.74	0.63	8.37	9.62	1.12	5.28	0.17	24.56	1.59	22.97
2016	2017	7.66	0.82	8.48	9.00	1.11	5.20	0.17	23.96	1.54	22.42
2017	2018	7.67	1.08	8.75	9.11	1.13	5.30	-	24.29	1.67	22.61 *
2018	2019	7.32	1.26	8.58	8.78	1.07	4.97	-	23.40	1.64	21.77 *

WINNEBAGO COUNTY/MENASHA JOINT SCHOOL DISTRICT

Per \$1,000 of Assessed Value

Levy Year	Collection Year	Basic Rate	G.O. Debt Service	City of Appleton Direct Rate ⁽¹⁾	Menasha School District	FVTC	Winnebago County	State of Wisconsin	Gross Tax Rate	State Tax Credits	Net Tax Rate
2009	2010	\$ 7.10	\$ 0.76	\$ 7.86	\$ 9.36	\$ 1.71	\$ 5.54	\$ 0.17	\$ 24.64	\$ 1.45	\$ 23.19
2010	2011	7.39	0.86	8.25	9.95	1.86	5.96	0.18	26.20	1.42	24.79 *
2011	2012	7.40	0.66	8.06	9.71	1.78	5.62	0.17	25.34	1.29	24.04 *
2012	2013	7.60	0.69	8.29	9.85	1.97	5.71	0.17	25.99	1.31	24.67 *
2013	2014	7.83	0.63	8.46	10.34	1.97	5.40	0.17	26.34	1.36	24.98
2014	2015	7.76	0.59	8.35	10.79	1.11	5.34	0.17	25.76	1.37	24.39
2015	2016	7.74	0.63	8.37	11.30	1.12	5.28	0.17	26.24	1.59	24.64 *
2016	2017	7.66	0.82	8.48	11.19	1.11	5.20	0.17	26.15	1.54	24.61
2017	2018	7.67	1.08	8.75	11.81	1.13	5.30	-	26.99	1.67	25.32
2018	2019	7.32	1.26	8.58	11.54	1.07	4.97	-	26.16	1.64	24.53 *

* Net tax rate not equal to sum of components due to rounding.

(1) The City of Appleton has had a local ordinance that imposes restraints on the total City levy since 1997. The Tax Levy Ordinance limits the increase in the City's tax levy to the rate of change in the Consumer Price Index (CPI) plus an allowance for growth, adjusted for services transferred to other funding sources, new revenues and one time grant awards. In 2011 the State of Wisconsin imposed levy limitations on all units of local government. This limit is similar in many respects to the Tax Levy Ordinance, though not identical. The current limitation is net new construction, with no allowance for changes in the CPI. Furthermore, the State of Wisconsin, through its Expenditure Restraint Program, distributes a pool of money annually to local governments that meet certain restrictions on the growth of General Fund expenditures. In general, the Expenditure Restraint Program limits the growth of General Fund expenditures to 60% of the percentage of growth in equalized value, up to a maximum of 2%, plus the change in the CPI.

Schedule 8
City of Appleton
Principal Taxpayers, Current Year and Nine Years Prior

<u>Name</u>	<u>Nature of Business</u>	<u>2018</u>			<u>2009</u>		
		<u>Taxable</u>	<u>Percent</u>	<u>Rank</u>	<u>Taxable</u>	<u>Percent</u>	<u>Rank</u>
		<u>Assessed</u>	<u>of Total</u>		<u>Assessed</u>	<u>of Total</u>	
		<u>Value</u> ^(A)	<u>Value</u> ^(B)		<u>Value</u> ^(A)	<u>Value</u> ^(B)	
Pfefferle/Hoffman/Evans et al Partnerships	Real Estate Development	\$ 52,228,600	1.04%	1	\$ 38,884,800	0.82%	2
Thomas Wright et al	Rental Properties	50,661,700	1.00%	2	21,366,000	0.45%	6
Plank Inv/Eisenhower /Kensington Prop	Real Estate Development	46,588,900	0.92%	3	41,728,500	0.88%	1
Winters Properties et al	Real Estate Development	39,383,300	0.78%	4	37,551,900	0.79%	3
North Appleton Ambulatory Care Ctr	Medical Clinic	30,342,800	0.60%	5		0.00%	
Parkside Luxury Apartments LP/Vandeyacht	Rental Properties	29,005,700	0.58%	6		0.00%	
Riverheath	Rental Properties	27,291,100	0.54%	7		0.00%	
Thedacare	Hospital	23,981,200	0.48%	8		0.00%	
Appleton Holdings (Paper Valley Hotel)	Hotel	19,126,500	0.38%	9		0.00%	
N Gateway Dr MOB LLC	Cancer Specialists	18,377,300	0.36%	10		0.00%	
Thrivent/North Meadows	Insurance ^(C)				22,475,600	0.47%	4
Watermark Montclair	Hotel				22,057,100	0.46%	5
Appvion, Inc. (Appleton Papers)	NCR Paper Products				18,593,300	0.39%	7
Livesey	Real Estate Development				17,820,200	0.37%	8
VH Enterprise / Warehouse Specialists	Warehouse Storage				16,081,500	0.34%	9
Voith Allis, Inc.	Industrial Machines/Papermaker Felts				15,475,600	0.33%	10
		\$ 336,987,100	6.68%		\$ 252,034,500	5.30%	
	TOTAL						

(A) Per City Assessor's records.

(B) Based on the city's total January 1, 2018 and 2009 assessed valuation of \$5,043,710,200 and \$4,753,451,700, respectively, including personal property.

(C) Home office site (maximum 10 acres) is tax exempt as a fraternal organization. A voluntary contribution is made to all taxing jurisdictions.

**Schedule 9
CITY OF APPLETON
PROPERTY TAX LEVIES AND COLLECTIONS**

Last Ten Fiscal Years

Collection Year	Total Tax Levy	Collections Prior to Transfer of Roll on August 1	Percent of Levy Collected	Total Tax Collections as of December 31	Total Collections as Percent of Current Levy	Outstanding Delinquent Taxes ^(A)	Outstanding Delinquent Taxes as Percent of Current Levy
2009	\$ 34,150,080	\$ 33,354,943	97.67 %	\$ 34,125,979	99.93 %	\$ 24,101	0.07 %
2010	36,354,678	35,694,813	98.18	36,331,377	99.94	23,301	0.06
2011	37,004,526	36,382,944	98.32	36,984,655	99.95	19,871	0.05
2012	37,611,289	37,047,927	98.50	37,581,982	99.92	29,307	0.08
2013	37,260,671	36,807,857	98.78	37,233,502	99.93	27,169	0.07
2014	37,998,938	37,566,534	98.86	37,977,139	99.94	21,799	0.06
2015	38,418,146	38,049,056	99.04	38,393,867	99.94	24,279	0.06
2016	38,953,797	38,588,046	99.06	38,932,668	99.95	21,129	0.05
2017	40,741,852	40,405,500	99.17	40,722,307	99.95	19,545	0.05
2018	42,425,098	42,138,202	99.32	42,396,076	99.93	29,022	0.07

^(A) The amount of outstanding taxes represents uncollected personal property taxes at the end of the year. The portion of the delinquent taxes attributable to overlapping jurisdictions is charged back to those jurisdictions in the subsequent year. Beginning in 2012, the City can only charge back the uncollected taxes for businesses that ceased operations during the year.

**Schedule 10
City of Appleton
Direct and Overlapping Sales Tax Rates**

	<u>City Direct Rate</u>	<u>Outagamie County Direct Rate</u>	<u>Calumet County Direct Rate</u>	<u>Winnebago County Direct Rate</u>	<u>Wisconsin</u>
2009	0.0	0.0	0.0	0.0	5.0 %
2010	0.0	0.0	0.0	0.0	5.0
2011	0.0	0.0	0.0	0.0	5.0
2012	0.0	0.0	0.0	0.0	5.0
2013	0.0	0.0	0.0	0.0	5.0
2014	0.0	0.0	0.0	0.0	5.0
2015	0.0	0.0	0.0	0.0	5.0
2016	0.0	0.0	0.0	0.0	5.0
2017	0.0	0.0	0.0	0.0	5.0
2018	0.0	0.0	0.0	0.0	5.0

Note: Counties in Wisconsin have the option of levying a 0.5% sales tax but, to date, none of the counties in which Appleton is located have chosen to do so. Cities do not have the option of levying any sales tax.

**Schedule 11
City of Appleton
Outstanding Debt by Type**

Fiscal Year	Governmental Activities			Business-type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Bonds for Business-type Activities	Capital Leases	Water Revenue Bonds	Wastewater Revenue Bonds	Stormwater Revenue Bonds			
2009	\$ 46,751,834	\$ 708,509	\$ -	\$ 76,025,000	\$ 13,483,990	\$ 40,605,000	\$ 177,574,333	8.39%	\$ 2,453
2010	39,988,830	708,509	-	71,425,000	15,904,002	39,045,000	167,071,341	7.50%	2,301
2011	32,959,538	708,509	-	69,820,000	18,318,020	37,220,000	159,026,067	7.13%	2,187
2012	32,570,000	735,000	-	67,195,000	16,950,000	39,520,000	156,970,000	6.75%	2,156
2013	27,005,000	725,000	-	68,910,000	16,195,000	43,810,000	156,645,000	6.32%	2,141
2014	29,415,000	695,000	-	67,210,000	15,410,000	45,040,000	157,770,000	6.13%	2,148
2015	30,900,000	635,000	-	66,810,000	14,615,000	46,515,000	159,475,000	5.94%	2,163
2016	45,770,000	1,280,000	-	61,470,000	13,785,000	45,285,000	167,590,000	5.98%	2,256
2017	49,445,000	1,160,000	-	54,570,000	12,925,000	47,665,000	165,765,000	5.92%	2,222
2018	56,705,000	1,040,000	-	47,985,000	11,665,000	47,430,000	164,825,000	N/A	2,205

* N/A = Not Available.

**Schedule 12
City of Appleton
General Obligation Debt**

<u>Fiscal Year</u>	<u>General Obligation Bonds ⁽¹⁾</u>	<u>Less Assets Restricted for Debt Service</u>	<u>Total Net Debt</u>	<u>Percentage of Actual Taxable Value of Property ⁽²⁾</u>	<u>Per Capita ⁽³⁾</u>
2009	\$ 47,460,343	\$ (2,570,018)	\$ 44,890,325	0.94	\$ 620
2010	40,697,339	(2,342,787)	38,354,552	0.79	528
2011	33,668,047	(1,972,070)	31,695,977	0.66	436
2012	33,305,000	(2,320,132)	30,984,868	0.67	426
2013	27,730,000	(1,503,052)	26,226,948	0.57	359
2014	30,110,000	(1,703,173)	28,406,827	0.60	387
2015	31,535,000	(1,695,673)	29,839,327	0.62	405
2016	47,050,000	(1,419,419)	45,630,581	0.92	614
2017	50,605,000	(1,345,594)	49,259,406	0.94	660
2018	57,745,000	(1,701,196)	56,043,804	1.03	750

- (1) Includes general obligation debt for business-type activities (see table 11). Details on the City's outstanding debt can be found in the notes to the financial statements.
- (2) See Schedule 6 for property value data.
- (3) See Schedule 16 for population data.

**TABLE 13
CITY OF APPLETON
COMPUTATION OF DIRECT AND OVERLAPPING
GENERAL OBLIGATION DEBT**

Jurisdiction	Net Debt Outstanding	Percentage Applicable to City of Appleton	Amount Applicable to City of Appleton
City of Appleton ^(A)	\$ 56,043,804	100.0000 %	<u>\$ 56,043,804</u>
<u>Overlapping Debt</u>			
Appleton Area School District	35,347,946	63.5000	22,445,946
Menasha Joint School District	41,755,000	3.9237	1,638,341
Kimberly Area School District	20,125,000	2.5000	503,125
Freedom Area School District	1,115,000	11.8000	131,570
Hortonville Area School District	28,205,000	0.0009	261
Fox Valley Technical College	79,125,317	13.6900	10,832,256
Outagamie County	69,613,650	29.4000	20,466,413
Calumet County	15,924,839	16.8000	2,675,373
Winnebago County	33,293,479	0.5213	<u>173,559</u>
Total Overlapping Debt			<u>58,866,844</u>
Total Direct And Overlapping Debt			<u>\$ 114,910,648</u>

^(A) Debt is shown net of amounts available for debt service.

**Schedule 14
City of Appleton
Legal Debt Margin Calculation**

Legal Debt Margin Calculation for Fiscal Year 2018:

Equalized Value of Real & Personal Property	\$ 5,443,435,200
Outagamie County	4,586,364,300
Calumet County	770,466,800
Winnebago County	86,604,100
 Legal Debt Limit (5% of equalized value)	 <u>\$ 272,171,760</u>
 Amount of Debt Applicable to Debt Limitation:	
Total General Obligation Bonds and Notes Outstanding at December 31, 2018	 \$ 57,745,000
 Less: Assets in Government Fund Types Available for Debt Service	 <u>(1,701,196)</u>
 Amount of Debt Applicable to Debt Limit	 <u>56,043,804</u>
 Remaining Legal Debt Margin	 <u>\$ 216,127,956</u>

Page 131

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt Limit	\$ 239,453,145	\$ 242,579,815	\$ 239,855,175	\$ 232,570,430	\$ 231,115,610	\$ 234,833,025	\$ 240,837,740	\$ 246,936,265	\$ 261,146,195	\$ 272,171,760
Total net debt applicable to limit	<u>44,890,325</u>	<u>38,354,552</u>	<u>31,695,977</u>	<u>30,984,868</u>	<u>26,226,948</u>	<u>28,406,827</u>	<u>29,839,327</u>	<u>45,630,581</u>	<u>49,259,406</u>	<u>56,043,804</u>
Legal Debt Margin	<u>\$ 194,562,820</u>	<u>\$ 204,225,263</u>	<u>\$ 208,159,198</u>	<u>\$ 201,585,562</u>	<u>\$ 204,888,662</u>	<u>\$ 206,426,198</u>	<u>\$ 210,998,413</u>	<u>\$ 201,305,684</u>	<u>\$ 211,886,789</u>	<u>\$ 216,127,956</u>
Total net debt applicable to limit as a percentage of debt limit	18.75%	15.81%	13.21%	13.32%	11.35%	12.10%	12.39%	18.48%	18.86%	20.59%

Schedule 15
CITY OF APPLETON
MORTGAGE REVENUE BOND COVERAGE - WATER UTILITY

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Gross Revenues</u> ⁽¹⁾	<u>Direct Operating Expenses</u> ⁽²⁾	<u>Net Revenue Available for Debt Service</u>	<u>Maximum Debt Service Requirements</u>			<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2009	\$ 18,650,289	\$ 7,466,058	\$ 11,184,231	\$ 5,015,000	\$ 3,121,486	\$ 8,136,486	1.37
2010	18,937,401	6,934,385	12,003,016	5,015,000	3,121,486	8,136,486	1.48
2011	20,939,470	7,455,689	13,483,781	5,135,000	3,237,096	8,372,096	1.61
2012	21,253,750	7,903,181	13,350,569	5,465,000	3,065,044	8,530,044	1.57
2013	20,195,484	8,250,694	11,944,790	5,465,000	3,316,279	8,781,279	1.36
2014	20,822,216	7,950,595	12,871,621	6,250,000	2,686,056	8,936,056	1.44
2015	21,151,756	8,078,526	13,073,230	6,575,000	2,587,434	9,162,434	1.43
2016	21,336,649	8,370,020	12,966,629	6,900,000	2,064,390	8,964,390	1.45
2017	21,193,216	8,373,876	12,819,340	6,900,000	2,064,390	8,964,390	1.43
2018	21,326,522	8,255,383	13,071,139	6,585,000	1,885,715	8,470,715	1.54

(Continued)

⁽¹⁾ Includes total operating revenues and investment income.

⁽²⁾ Includes total operating expenses less depreciation and payment in lieu of taxes.

Schedule 15 (Continued)
CITY OF APPLETON
MORTGAGE REVENUE BOND COVERAGE - WASTEWATER UTILITY

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Gross Revenues</u> ⁽¹⁾	<u>Direct Operating Expenses</u> ⁽²⁾	<u>Net Revenue Available for Debt Service</u>	<u>Maximum Debt Service Requirements</u>			<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2009	\$ 8,889,435	\$ 6,275,498	\$ 2,613,937	\$ 2,514,987	\$ 510,398	\$ 3,025,385	0.86
2010	9,290,578	6,445,634	2,844,944	1,320,982	626,947	1,947,929	1.46
2011	10,517,300	6,371,307	4,145,993	1,368,020	726,072	2,094,092	1.98
2012	10,970,003	6,263,377	4,706,626	785,000	640,826	1,425,826	3.30
2013	10,344,862	6,282,545	4,062,317	785,000	640,826	1,425,826	2.85
2014	11,384,987	6,504,506	4,880,481	860,000	559,084	1,419,084	3.44
2015	11,364,104	6,781,627	4,582,477	860,000	559,084	1,419,084	3.23
2016	11,751,822	6,878,487	4,873,335	860,000	559,084	1,419,084	3.43
2017	12,318,949	7,494,136	4,824,813	1,000,000	418,365	1,418,365	3.40
2018	13,091,105	7,500,365	5,590,740	890,000	463,981	1,353,981	4.13

(Continued)

(1) Includes total operating revenues and investment income.

(2) Includes total operating expenses less depreciation.

Schedule 15 (Continued)
CITY OF APPLETON
MORTGAGE REVENUE BOND COVERAGE - STORMWATER UTILITY

Last Ten Fiscal Years

Fiscal Year	Gross Revenues ⁽¹⁾	Direct Operating Expenses ⁽²⁾	Net Revenue Available for Debt Service	Maximum Debt Service Requirements			Coverage
				Principal	Interest	Total	
2009	\$ 6,376,258	\$ 2,800,619	\$ 3,575,639	\$ 2,535,000	\$ 931,565	\$ 3,466,565	1.03
2010	7,472,389	2,916,892	4,555,497	2,535,000	931,565	3,466,565	1.31
2011	7,996,827	2,551,104	5,445,723	2,535,000	931,565	3,466,565	1.57
2012	7,507,734	3,026,580	4,481,154	2,665,000	1,003,100	3,668,100	1.22
2013	8,066,016	2,706,960	5,359,056	3,055,000	1,102,066	4,157,066	1.29
2014	9,367,104	3,008,023	6,359,081	2,960,000	2,072,771	5,032,771	1.26
2015	9,325,369	3,155,156	6,170,213	3,105,000	1,694,558	4,799,558	1.29
2016	9,517,647	3,291,148	6,226,499	3,160,000	1,719,601	4,879,601	1.28
2017	9,745,561	3,608,192	6,137,369	3,370,000	1,877,764	5,247,764	1.17
2018	9,952,937	2,944,035	7,008,902	3,490,000	1,991,464	5,481,464	1.28

(1) Includes total operating revenues and investment income.

(2) Includes total operating expenses less depreciation.

**Schedule 16
CITY OF APPLETON
DEMOGRAPHIC STATISTICS**

Last Ten Fiscal Years

Fiscal Year	Appleton Population ⁽¹⁾	Personal Income ⁽²⁾	AGI Per Return ⁽³⁾	School System Enrollment ⁽⁴⁾	Total Employment ⁽⁵⁾	Annual Average Unemployment Rate ⁽⁵⁾
2009	72,400	\$ 2,117,485,336	\$ 48,751	15,002	36,154	10.8
2010	72,623	2,229,079,843	50,653	14,953	36,667	10.4
2011	72,715	2,229,979,390	50,030	14,983	36,924	9.0
2012	72,810	2,325,748,850	51,600	15,087	37,050	8.3
2013	73,150	2,480,000,000	53,720	16,042	37,186	7.9
2014	73,463	2,571,979,850	55,550	16,231	37,858	4.8
2015	73,737	2,685,661,219	57,588	16,300	38,301	4.0
2016	74,286	2,800,934,090	59,817	16,407	39,169	3.6
2017	74,598	2,801,696,751	59,707	16,304	39,574	3.2
2018	74,734	N/A *	N/A *	16,302	39,091	2.9

(1) Wisconsin Dept. of Administration estimates.

(2) Wisconsin Department of Revenue. Adjusted Gross Income for all returns filed for Appleton residents.

(3) Wisconsin Department of Revenue. Adjusted Gross Income per return.

(4) Wisconsin Department of Public Instruction.

(5) Wisconsin Department of Workforce Development; unemployment rates are annual rates for City of Appleton, not seasonally adjusted.

* N/A = Not Available

**Schedule 17
CITY OF APPLETON
PRINCIPAL EMPLOYERS
Current Year and Nine Years Prior**

<u>Company Name</u>	<u>Product or Service</u>	<u>2018</u>			<u>2009</u>		
		<u>Number of Employees *</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Number of Employees *</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Affinity Health Sys./ St. Elizabeth Hosp	Medical & Health Care Facility	5,172	1	13.2 %	1,398	5	3.9 %
Thrivent Investment Management, Inc.	Insurance	2,001	2	5.1	1,836	1	5.1
Appleton Area School District	Education	1,873	3	4.8	1,758	2	4.9
Miller Electric Manufacturing	Electric Arc Welders	1,484	4	3.8	1,500	4	4.1
Appleton Medical Center	Medical & Health Care Facility	1,434 **	5	3.7	1,250	6	3.5
Outagamie County	Government	1,250	6	3.2	1,243	7	3.4
Appvion, Inc. (Appleton Papers)	Paper Products Manufacturing	1,000	7	2.6	1,535	3	4.2
West Business Services	Communications Services	1,000	8	2.6	1,000	8	2.8
Valley Packaging Industries, Inc.	Hi-speed Packager	950	9	2.4	940	9	2.6
Wal-Mart (2 locations)	Discount Retail	685	10	1.8			
Voith Allis, Inc.	Paper Machines & Fabric Mfg.				770	10	2.1
Total		16,849		43.1 %	13,230		36.6 %
Total Employment		39,091			36,154		

* Includes Full- and Part-Time employees

** Appleton Medical Center only, part of ThedaCare group, which includes Appleton and Theda Clark Medical Centers, New London Hospital, and various clinics, home care, and rehabilitation facilities and has approximately 5,000 employees throughout the Fox River Valley.

Sources: Current - Infogroup (www.salesgenie.com), direct employer contacts and City of Appleton; Historic - Direct employer contacts and Wisconsin Manufacturers & Services Directory. Total employment from Wisconsin Department of Workforce Development.

**Schedule 18
CITY OF APPLETON
Budgeted Full-Time-Equivalent Personnel Positions**

DEPARTMENT	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government										
Legal Services ⁽¹⁾	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Finance Department	16.00	16.00	15.00	15.00	14.50	14.00	14.00	14.00	14.00	14.00
Human Resources	8.60	8.80	8.80	8.80	8.80	8.80	8.80	8.80	8.80	8.80
Information Technology	15.00	15.00	12.00	12.00	12.00	11.00	11.00	11.00	11.00	11.00
Mayor's Office	3.00	3.00	2.00	2.00	2.00	3.00	3.00	3.00	4.00	4.00
Facilities Management	8.00	8.00	10.62	10.98	10.62	10.62	10.65	11.65	11.93	11.93
Total - General Government	60.60	60.80	58.42	58.77	57.92	57.42	57.45	58.45	59.73	59.73
Community Development ⁽²⁾	17.00	16.63	19.88	19.13	19.13	19.13	19.13	19.13	18.13	18.13
Recreation/Library/Transit										
Parks & Recreation ⁽³⁾	35.87	33.87	16.25	16.22	16.73	16.88	18.93	19.27	18.99	19.08
Library	45.50	45.50	45.00	44.50	45.00	45.50	46.50	46.00	46.50	46.50
Valley Transit	53.03	52.65	52.65	51.83	54.13	53.97	54.35	54.35	56.20	56.85
Total - Recreation/Library/Transit	134.40	132.02	113.90	112.55	115.86	116.35	119.78	119.62	121.69	122.43
Public Works	153.00	150.50	156.50	154.53	153.53	154.13	154.13	154.13	154.33	154.33
Public Health & Safety										
Health Department	16.20	16.15	15.95	14.20	14.00	14.20	14.20	13.70	13.23	13.48
Fire Department										
Firefighters and Officers	83.00	84.00	84.00	84.00	84.00	84.00	84.00	84.00	84.00	84.00
Civilian & Administrative	18.00	14.50	13.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
Police Department										
Sworn	109.00	109.00	108.00	108.00	108.00	109.00	110.00	110.00	110.00	111.00
Civilian	27.00	26.50	26.00	26.00	26.00	27.00	27.00	27.00	27.00	27.00
Total - Public Health & Safety	253.20	250.15	246.95	244.20	244.00	246.20	247.20	246.70	246.23	247.48
Water & Sewer Utilities	35.00	35.00	34.00	34.00	34.00	34.00	34.00	34.00	34.00	34.00
Total Regular Employees	653.20	645.10	629.64	623.18	624.43	627.23	631.69	632.02	634.10	636.09

Source: Finance and HR Departments.

Notes:

Full time employment is considered to be 2,080 hours per year. Full time equivalencies are calculated by dividing scheduled hours of work by 2,080.

(1) The City Clerk's Office and the City Attorney's Office were merged in 2012 and are under the direction of the City Attorney. Prior periods have been restated for comparison.

(2) The Assessor's Office was merged with Community Development in 2013. Prior periods have been restated for comparison.

(3) The reduction shown above in staffing for Parks & Recreation in 2011 is the result of combining responsibility for like activities in other departments, specifically, maintenance of Parks structures was moved to the Facilities department and the forestry function, much of which takes place in the public right of way, was moved to Public Works.

**Schedule 19
City of Appleton
Operating Indicators by Function/Program**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government										
Building permits issued	552	560	572	511	537	478	524	433	407	223
Est. construction value (\$000)	101,957.4	58,369.2	40,971.6	45,387.1	86,029.6	65,563.9	140,806.5	80,795.3	115,948.4	42,437.6
School aged children vaccinated	99.5%	94.8%	97.1%	99.1%	98.8%	99.0%	99.7%	98.9%	99.0%	99.0%
Accurate weights & measures devices	92.0%	94.4%	96.5%	96.6%	96.9%	96.7%	94.2%	96.7%	97.4%	97.7%
Food-borne disease outbreaks	1	0	0	0	0	0	0	0	0	0
Police										
Calls for service	50,796	51,183	50,163	52,309	51,003	48,809	47,694	49,854	51,184	46,056
Reported Group A crimes (1)	4,370	4,194	4,046	4,603	4,469	4,229	4,125	4,363	4,414	3,980
Reported Group B crimes (1)	7,650	7,213	7,025	7,096	6,401	5,939	5,664	5,163	5,297	4,454
Fire										
Emergency response < 4 min.	66.1%	61.0%	64.0%	65.0%	63.0%	64.0%	63.0%	63.0%	66.0%	68.0%
Fire loss (\$000)	2,196.8	1,177.1	846.7	740.8	744.4	919.5	1,187.6	1,293.0	1,378.3	946.4
Fire-related deaths	0	0	0	0	0	0	0	1	0	0
Emergency calls	2,721	3,524	3,516	3,701	3,930	4,273	4,414	4,718	4,705	5,028
Public Works										
Tons of refuse collected	22,126	22,214	22,085	20,987	20,236	19,555	19,934	20,209	19,692	19,493
Tons of recycling collected	6,046	5,368	4,405	5,416	6,250	6,492	6,626	6,792	6,448	6,211
Cu. Yds. of debris - street sweeping	3,368	3,130	2,995	3,884	4,124	3,920	5,565	4,059	5,570	4,186
Cost/ton - residential auto pickup	\$ 71.21	\$ 82.20	\$ 83.34	\$ 85.81	\$ 86.01	\$ 87.50	\$ 86.82	\$ 87.57	\$ 89.14	\$ 89.72
Miles of street reconstructed	7.24	2.89	4.25	1.48	2.45	2.90	2.31	5.73	3.30	2.38
% of trees < 6" dia. pruned annually	60	60	50	50	60	50	50	50	50	50
Average pruning cycle, trees > 6" dia.	7.5 yrs	7.5 yrs	7.5 yrs	8.0 yrs	8.5 yrs	8.5 yrs	9.0 yrs	8.0 yrs	8.0 yrs	8.5 yrs
Parks & Recreation										
Sports league participants (4)	5,538	2,284	2,207	2,109	1,826	2,010	3,263	3,400	3,397	3,734
Aquatics program participants (2), (3)	2,616	2,950	3,087	3,475	3,240	3,399	3,294	6,932	3,678	4,447
Open swim attendance (3)	64,372	72,086	81,282	81,949	65,930	64,512	73,071	68,461	86,600	102,520
Rounds of golf played (6)	35,545	31,530	29,044	32,305	18,037	30,720	33,247	35,888	34,351	30,884
Public Library										
Titles in collection (5)	316,182	298,221	273,951	282,677	276,609	281,743	291,739	292,085	286,602	278,139
Materials circulated	1,564,890	1,528,776	1,511,715	1,449,140	1,376,833	1,274,136	1,166,697	1,081,882	1,015,573	954,043
Annual door count	590,528	586,677	569,898	570,743	556,874	510,874	459,780	487,795	467,884	440,696
Water										
Avg. daily consumption (000 gal.)	7,515	8,456	8,875	9,020	8,618	8,715	8,924	8,803	8,936	9,178
Peak daily consumption (000 gal.)	11,636	10,419	11,718	14,775	11,651	11,534	12,641	12,473	11,877	12,559
Number of invoices per quarter	27,336	27,507	27,650	27,725	27,897	28,192	28,316	28,480	28,640	28,649
Wastewater										
Avg. daily sewage treatment (000 gal.)	11,120	12,300	13,000	10,800	10,117	12,293	11,600	12,800	13,769	12,770
Valley Transit (7)										
Total route miles	869,611	876,760	915,688	933,924	949,830	938,471	939,354	943,299	944,423	938,611
Passengers	909,109	956,086	1,073,655	1,095,650	1,093,202	1,081,882	1,055,544	1,006,035	969,379	984,076
Cost per trip	\$ 4.86	\$ 5.50	\$ 4.92	\$ 4.75	\$ 5.04	\$ 5.42	\$ 5.42	\$ 5.73	\$ 6.27	\$ 6.28

(1) Reporting changed from Uniform Crime Report to National Incident Reporting in 2009
(2) Appleton residents only
(3) Not unduplicated
(4) Decrease due to transition of softball program to outside organization in 2010.
(5) Decrease in 2010 due to above average rate of culling associated with installation of RFID tags.
(6) Decrease in 2013 due to construction on course that limited it to 9 holes.
(7) Transit statistics include Downtown Trolley service beginning in 2017.

**Schedule 20
City of Appleton
Capital Asset Statistics by Function/Program**

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	83	83	84	84	84	85	85	85	85	85
Fire										
Stations	6	6	6	6	6	6	6	6	6	6
Fire suppression units	10	10	10	10	10	10	10	10	11	11
Public Works										
Miles of streets	339.5	340.3	342.2	342.2	343.0	343.0	343.0	343.0	344.0	345.0
Refuse packers	12	12	12	12	12	12	12	12	12	12
Single- and tri-axle dump trucks	25	25	24	26	26	26	26	26	26	27
Other heavy vehicles	21	21	21	25	25	25	25	25	25	24
Parks & Recreation										
Parks	32	32	32	32	32	34	34	34	34	34
Acreage	495.3	495.9	495.9	495.9	495.9	500.3	500.3	500.3	501.7	501.7
Swimming pools (1)	2	2	2	2	2	2	2	2	2	2
Golf courses	1	1	1	1	1	1	1	1	1	1
Water										
Miles of mains	372.3	374.5	378.2	378.3	376.7	376.8	373.3	373.0	375.3	376.2
Storage capacity (000 gallons)	7,300	7,300	7,300	7,300	7,300	7,300	7,300	7,800	12,500	13,000
Wastewater										
Miles of mains	309.4	309.6	310.0	308.3	310.3	308.4	302.3	300.4	298.4	296.3
Stormwater										
Miles of mains	297.6	298.3	301.6	302.7	304.0	304.8	306.8	308.9	308.0	309.6

(1) In addition to two City-owned pools, the Parks and Recreation department provides programming at three pools owned by the Appleton Area School District.

ADDITIONAL INDEPENDENT AUDITORS' REPORT
FOR BASIC FINANCIAL STATEMENTS



Independent auditors' report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*

To the Mayor and Common Council
City of Appleton, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Appleton, Wisconsin, (the "City") as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 18, 2019.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and on compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Green Bay, Wisconsin
June 18, 2019

SINGLE AUDIT



Independent auditors' report on compliance for each major federal and state program and on internal control over compliance required by the Uniform Guidance and the *State Single Audit Guidelines*

To the Honorable Mayor and Common Council
City of Appleton, Wisconsin

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM

We have audited City of Appleton, Wisconsin's (the "City's") compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration that could have a direct and material effect on each of the City's major federal and state programs for the year ended December 31, 2018. The City's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

MANAGEMENT'S RESPONSIBILITY

Management is responsible for compliance with the requirements of federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on compliance for each of the City's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration. Those standards, Uniform Guidance and the *State Single Audit Guidelines* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the City's compliance.

OPINION ON EACH MAJOR FEDERAL AND STATE PROGRAM

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2018.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and the *State Single Audit Guidelines*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the *State Single Audit Guidelines*. Accordingly, this report is not suitable for any other purpose.



CliftonLarsonAllen LLP

Green Bay, Wisconsin
June 18, 2019

City of Appleton, Wisconsin

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2018

Grantor Agency/Federal Program Title	CFDA Number	Pass-Through Agency
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		
Community Development Block Grant (CDBG)		
Entitlement Program	14.218	Direct Program
Program Income	14.218	Direct Program
Total CDBG		
Emergency Solutions Grant Program (ESG)	14.231	WI Department of Administration
Supportive Housing Program (SHP)	14.235	Direct Program
Total U.S. Department of Housing and Urban Development		
U.S. DEPARTMENT OF JUSTICE		
Bullet Proof Vest Partnership Program	16.607	Direct Program
Edward Byrne Memorial Justice Assistance Grant 2017	16.738	Outagamie County
Total U.S. Department of Justice		
U.S. DEPARTMENT OF TRANSPORTATION		
Federal Transit Cluster		
Federal Transit Formula Grants (Urbanized Area Formula Program)		
2016	20.507	Direct Program
2017	20.507	Direct Program
2018	20.507	Direct Program
Total Federal Transit Cluster		
Section 5339 - Grants for Buses and Bus Facilities Formula Program 2015 & 2016	20.526	Direct Program
Section 5310 - Enhanced Mobility of Seniors and Individuals with Disabilities		
2014	20.513	Direct Program
2015	20.513	Direct Program
2016 & 2017	20.513	Direct Program
State and Community Highway Safety Seatbelt Enforcement 2018	20.609	WI Department of Transportation
Total U.S. Department of Transportation		
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		
Refugee and Entrant Assistance	93.566	WI Department of Children and Families
AARA Immunizations and Vaccines	93.712	WI Department of Health Services
Preventative Health and Health Services Block Grant	93.991	WI Department of Health Services
Maternal and Child Health Services Block Grant	93.994	WI Department of Health Services
Hospital Preparedness (HPP) and Public Health Emergency Preparedness (HPP) Aligned Cooperative Agreement	93.074	WI Department of Health Services
Project Grant Cooperative Agreement for Tuberculosis for Control Programs	93.116	WI Department of Health Services
Total U.S. Department of Health and Human Services		
TOTAL EXPENDITURES OF FEDERAL AWARDS		

***The City was unable to obtain pass-through number from the respective grantor entity.*

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

Pass-Through Entity Identifying Number	(Accrued) Deferred Revenue 1/1/18	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/18	Total Expenditures	Subrecipient Payment
14.218	\$ (107,744)	\$ 532,100	\$ 139,369	\$ 563,725	\$ 197,202
14.218	-	387,503	-	387,503	-
	(107,744)	919,603	139,369	951,228	197,202
14.231	-	195,788	-	195,788	172,970
**	-	229,728	-	229,728	204,381
	(107,744)	1,345,119	139,369	1,376,744	574,553
16.607	-	6,934	-	6,934	-
16.738	-	10,074	-	10,074	-
	-	17,008	-	17,008	-
WI-2016-024-00	-	62,506	-	62,506	-
WI-2017-012-00	(625,349)	1,057,516	-	432,167	-
WI-2018-039-01-00	-	1,510,223	1,063,940	2,574,163	-
	(625,349)	2,630,245	1,063,940	3,068,836	-
WI-2006-020-00	-	-	10,702	10,702	-
WI-2016-038-00	(28,947)	28,947	-	-	-
WI-2017-017-02	(35,700)	65,425	33,890	63,615	-
WI-2018-008-00	-	143,355	119,875	263,230	-
#FG-2018-APPLETON-03332	-	53,278	-	53,278	-
	(689,996)	2,921,250	1,228,407	3,459,661	-
437004-I16-0000762-000-01	-	5,136	-	5,136	-
155020	1,552	23,974	(1,290)	24,236	-
159220	1,301	18,234	(1,401)	18,134	-
159320	-	38,585	(45)	38,540	-
155015	65,820	48,848	(70,297)	44,371	-
93.116	1,643	-	(1,643)	-	-
	70,316	134,777	(74,676)	130,417	-
	<u>\$ (727,424)</u>	<u>\$ 4,418,154</u>	<u>\$ 1,293,100</u>	<u>\$ 4,983,830</u>	<u>\$ 574,553</u>

City of Appleton, Wisconsin

SCHEDULE OF EXPENDITURES OF STATE AWARDS FOR THE YEAR ENDED DECEMBER 31, 2018

Grantor Agency/State Program Title	State I.D. Number	Pass-Through Agency	Pass-Through Entity Identifying Number
DEPARTMENT OF TRANSPORTATION			
Transit Operating Aids	395.104	Direct Program	395.104
2011			
2016			
2017			
2018			
Total Transit Operating Aids			
Paratransit Aids	395.104	Direct Program	395.104
Total Department of Transportation			
DEPARTMENT OF HEALTH SERVICES			
Lead Poisoning	435.15772	Direct Program	435.15772
DEPARTMENT OF MILITARY AFFAIRS			
Regional Emergency Response Team	465.306	Direct Program	465.306
Radiological Field Team Services	465.306	Direct Program	465.306
Total Department of Military Affairs			
DEPARTMENT OF JUSTICE			
ICAC Task Force	455.231	Direct Program	455.231
MEG Drug Enforcement	455.231	Direct Program	455.231
Total Department of Justice			
TOTAL STATE PROGRAMS			

The notes to the schedule of state financial assistance are an integral part of this schedule.

(Accrued) Deferred Revenue 1/1/18	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/18	Total Expenditures	Subrecipient Payment
\$ (223,483)	\$ 223,483	\$ -	\$ -	\$ -
(238,398)	238,398	-	-	-
(247,555)	-	247,555	-	-
-	2,577,210	-	2,577,210	-
<u>(709,436)</u>	<u>3,039,091</u>	<u>247,555</u>	<u>2,577,210</u>	<u>-</u>
-	109,246	-	109,246	109,246
<u>(709,436)</u>	<u>3,148,337</u>	<u>247,555</u>	<u>2,686,456</u>	<u>109,246</u>
<u>(1,820)</u>	<u>9,511</u>	<u>(1,875)</u>	<u>5,816</u>	<u>-</u>
-	45,075	-	45,075	-
<u>-</u>	<u>24,999</u>	<u>-</u>	<u>24,999</u>	<u>-</u>
-	70,074	-	70,074	-
<u>-</u>	<u>70,074</u>	<u>-</u>	<u>70,074</u>	<u>-</u>
-	4,090	-	4,090	-
<u>-</u>	<u>20,983</u>	<u>-</u>	<u>20,983</u>	<u>-</u>
-	25,073	-	25,073	-
<u>-</u>	<u>25,073</u>	<u>-</u>	<u>25,073</u>	<u>-</u>
<u>\$ (711,256)</u>	<u>\$ 3,252,995</u>	<u>\$ 245,680</u>	<u>\$ 2,787,419</u>	<u>\$ 109,246</u>

City of Appleton, Wisconsin

NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 1: BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards for the City are presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration.

The schedules of expenditures of federal and state awards include all federal and state awards of the City. Because the schedules present only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Revenues and expenditures in the schedules are presented in accordance with the modified accrual basis of accounting and are generally in agreement with revenues and expenditures reported in the City's 2018 fund financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and the *State Single Audit Guidelines*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Accrued revenue at year-end consists of federal and state program expenditures scheduled for reimbursement to the City in the succeeding year while unearned revenue represents advances for federal and state programs that exceed recorded City expenditures. Because of subsequent program adjustments, these amounts may differ from the prior year's ending balances.

The City has elected to charge a de minimis rate of 10% of modified total costs.

Major federal and state financial assistance programs are identified in the Schedule of Findings and Questioned Costs and are determined as follows:

Federal Programs: The City of Appleton qualifies as a low risk auditee in accordance with the Uniform Guidance. Therefore, major programs, as identified in Section 1 of the Schedule of Findings and Questioned Costs, represent those with combined expenditures exceeding 20% of total federal awards that also were deemed major programs based on the auditor's risk assessment. All other federal programs are considered non-major programs.

State Programs: Major programs represent state assistance programs with expenditures of \$250,000 or more and other state programs classified as major in the *State Single Audit Guidelines*. All other state programs required to be included in the Schedule of Expenditures of State Awards in accordance with Appendix H of the *State Single Audit Guidelines* are non-major programs.

NOTE 3: OVERSIGHT AGENCIES

The federal and state oversight agencies for the City are as follows:

Federal - U.S. Department of Transportation – Federal Transit Administration

State - Wisconsin Department of Transportation

City of Appleton, Wisconsin

NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 4: PASS THROUGH ENTITIES

Federal awards have been passed through the following entities:

WI DCF - Wisconsin Department of Children and Families

WI DHS - Wisconsin Department of Health Services

WI DMA - Wisconsin Department of Military Affairs

WI DOA - Wisconsin Department of Administration

WI DOT - Wisconsin Department of Transportation

NOTE 6: STATE OF WISCONSIN COMMUNITY AIDS REPORTING SYSTEM

The Wisconsin Departments of Health Services (DHS) and Children and Families (DCF) utilize the Community Aids Reporting System (CARS) and the System for Payments and Reports of Contracts (SPARC) for reimbursing the City for various federal and state program expenditures. The expenditures reported on the Schedules of Expenditures of Federal and State Awards for various DHS & DCF programs agree with the expenditures reported on the April 2018 CARS for the Human Services.

City of Appleton, Wisconsin

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2018

SECTION I - SUMMARY OF AUDITORS' RESULTS

BASIC FINANCIAL STATEMENTS

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
▶ Material weakness(es) identified?	No
▶ Significant deficiency(ies) identified?	None Reported
Noncompliance material to basic financial statements noted?	No

FEDERAL AND STATE AWARDS

Internal control over major program:	
▶ Material weakness(es) identified?	No
▶ Significant deficiency(ies) identified?	None reported
Type of auditors' report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance?	No
Any audit findings disclosed that are required to be reported in accordance with the <i>State Single Audit Guidelines</i> ?	No

Identification of major federal programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
	<i>Federal Transit Cluster</i>
20.507	Federal Transit Formula Grant
20.526	Bus and Bus Facilities Formula & Discretionary programs

Identification of major state programs:

<u>State ID Number</u>	<u>Name of State Program</u>
395.104	Transit Operating Aids

Audit threshold used to determine between Type A and Type B programs:

Federal Awards	\$750,000
State Awards	\$250,000

Auditee qualified as low-risk auditee Yes

City of Appleton, Wisconsin

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2018

SECTION II - FINANCIAL STATEMENT FINDINGS

There are no findings related to the basic financial statements required to be reported under governmental auditing standards generally accepted in the United States of America for the year ended December 31, 2018.

SECTION III - FEDERAL AND STATE AWARD FINDINGS AND QUESTIONED COSTS

There are no findings related to the federal and state awards for the year ended December 31, 2018.

City of Appleton, Wisconsin


SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2018

SECTION IV - OTHER ISSUES

1. Does the auditor have substantial doubt as to the auditee's ability to continue as a going concern? No

2. Does the audit report show audit issues (i.e. material non-compliance, non-material non-compliance, questioned cost, material weakness, significant deficiencies, management letter comment, excess revenue or excess reserve) related to grant/contracts with funding agencies that require audits to be in accordance with the *State Single Audit Guidelines*:
Department of Transportation No

3. Was a Management Letter or other document conveying audit comments issued as a result of this audit? Yes

4. Name and signature of partner 
David L. Maccoux, CPA

5. Date of report June 18, 2019

City of Appleton, Wisconsin

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND CORRECTIVE ACTION PLAN FOR THE YEAR ENDED DECEMBER 31, 2018

PRIOR YEAR AUDIT FINDINGS

There were no findings related to financial statements required to be reported under governmental auditing standards generally accepted in the United States of America for the year ended December 31, 2017.

There were no findings or questioned costs for federal or state awards for the year ended December 31, 2017.

CORRECTIVE ACTION PLAN

None required.

City of Appleton, Wisconsin

SETTLEMENT OF DHS COST REIMBURSEMENT AWARD FOR THE YEAR ENDED DECEMBER 31, 2018

	Childhood Lead		Maternal Child Health	
	CARS profile	CARS profile	CARS profile	CARS profile
DHS identification number	157720	159320	159322	
Award amount	\$ 9,808	\$ 34,437	\$ 4,103	
Award period	1/1/18 - 12/31/18	1/1/18 - 12/31/18	1/1/18 - 12/31/18	
Period of award within audit period	1/1/18 - 12/31/18	1/1/18 - 12/31/18	1/1/18 - 12/31/18	
Expenditures reported to DHS for payment	<u>\$ 9,457</u>	<u>\$ 34,437</u>	<u>\$ 4,103</u>	
Actual allowable cost of reward				
Program expenses				
Grants and other assistance to individuals in the US	\$ -	\$ -	\$ -	
Other salaries and wages	9,457	32,595	4,029	
Other program expenses (supplies, training, etc.)	-	1,842	74	
Total program expenses	<u>9,457</u>	<u>34,437</u>	<u>4,103</u>	
Less: Program revenue and other offsets to costs*	<u>-</u>	<u>-</u>	<u>-</u>	
Total allowable costs	<u>\$ 9,457</u>	<u>\$ 34,437</u>	<u>\$ 4,103</u>	

*Other offsets to costs consist of revenues related to the cost of services provided by the City of Appleton to other municipalities and counties for administration of the bioterrorism grants

Immunization	Preventative Health			Bioterrorism	
CARS profile 155020	CARS profile 159220	CARS profile 155800	CARS profile 155015	CARS profile 155050	
\$ 24,725	\$ 14,372	\$ 7,800	\$ 62,004	\$ 3,762	
1/1/18 - 12/31/18	10/1/16 - 12/31/18	7/1/17 - 6/30/18	7/1/17 - 6/30/19	7/1/17 - 6/30/18	
1/1/18 - 12/31/18	1/1/18 - 12/31/18	1/1/18 - 6/30/18	1/1/18 - 6/30/18	1/1/18 - 6/30/18	
<u>\$ 24,236</u>	<u>\$ 7,872</u>	<u>\$ 3,762</u>	<u>\$ 55,383</u>	<u>\$ 3,762</u>	
\$ -	\$ -	\$ -	\$ -	\$ -	
22,040	-	-	24,307	1,551	
2,196	7,872	3,762	15,825	2,211	
<u>24,236</u>	<u>7,872</u>	<u>3,762</u>	<u>40,132</u>	<u>3,762</u>	
-	-	-	(17,000)	-	
<u>\$ 24,236</u>	<u>\$ 7,872</u>	<u>\$ 3,762</u>	<u>\$ 23,132</u>	<u>\$ 3,762</u>	