

CITY OF BARABOO

Baraboo, Wisconsin

FINANCIAL STATEMENTS

Including Independent Auditors' Report

As of and for the Year Ended December 31, 2018



CITY OF BARABOO

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INDEPENDENT AUDITORS' REPORT

To the City Council
City of Baraboo
Baraboo, 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 Baraboo, Wisconsin, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City of Baraboo'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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control over financial reporting relevant to the City of Baraboo's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the City of Baraboo'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 of Baraboo, Wisconsin, as of December 31, 2018 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note I, the City of Baraboo adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective January 1, 2018. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we will issue a report on our consideration of the City of Baraboo'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 the City of Baraboo's 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 of Baraboo's internal control over financial reporting and compliance.

Baker Tilly Virchow Krause, LLP

Madison, Wisconsin
August 7, 2019

City of Baraboo
Management's Discussion and Analysis (Unaudited)
For the Year Ended December 31, 2018

The management of the City of Baraboo, Wisconsin presents this narrative overview and analysis to facilitate both short and long-term analysis of the financial activities of the City for the fiscal year ended December 31, 2018. This Management Discussion and Analysis (MD&A) is based on currently known facts, decisions, and conditions which existed as of the date of the independent auditors' report. We encourage readers to consider the information presented here in conjunction with the City's financial statements, which follow this section.

Financial Highlights

Primary Government

- Total assets and deferred outflows are roughly \$134.4 million and total liabilities and deferred inflows are roughly \$52.2 million, resulting in a net position of roughly \$82.1 million. This \$82.2 million increased over prior year by roughly \$600 thousand, or roughly 0.8 percent.
- The net position of roughly \$82.1 million is comprised of approximately \$60.8 million in the City's net investment in capital assets, roughly \$8.7 million for restricted purposes and roughly \$12.7 million is classified as unrestricted – a decrease of roughly \$1.7 million.
- Long-term obligations are roughly \$38.5 million which is an increase over prior year of roughly \$5.3 million, or roughly 15.9 percent. Of the total long-term obligations, bonds, notes, and leases payable new debt was roughly \$7.6 million and retirements was roughly \$3.3 million.
- The City implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* as of January 1, 2018. See Note III.I. for details of the restatement to net position.
- The City transferred operations of the airport to a newly created entity, the Baraboo-Wisconsin Dells Regional Airport, effective January 1, 2018. This transaction is shown as a special item in 2018. Additional details can be found in Note IV.J.

Governmental Funds

- The City's governmental fund balances is a combined balance of roughly \$15.6 million, an increase of roughly \$2 million over prior year. Unassigned fund balance is roughly \$2.9 million, or roughly 18 percent of the combined fund balance.
- The General Fund unassigned fund balance is roughly \$3.8 million. This fund balance is roughly 34 percent of General Fund expenditures. In comparison, the prior year unassigned fund balance was roughly \$3.8 million and roughly 35 percent of General Fund expenditures.

Overview of the Financial Statements

This MD&A is intended to serve as an introduction to the City's basic financial statements. The City's annual report consists of three components: 1) the basic government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required and non-required supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements report information about the City as a whole, and are designed to provide readers with a broad overview of the City's finances, using accounting methods in a manner similar to a private-sector business.

City of Baraboo
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended December 31, 2018

Government-Wide Financial Statements (Continued)

The government-wide financial statements of the City are divided into three categories:

Governmental Activities (Primary government) – The governmental activities of the City include general government (general administration), public safety (police, fire and ambulance services), public works (Engineer, street maintenance, street lighting, taxi, airport and garbage collection), health and human services (animal control and cemetery), culture, recreation and education (parks, library, recreation, zoo and UW campus), and conservation and development (forestry, planning, community and economic development). Property and other taxes, intergovernmental revenues, charges for services, and operating and capital grants from Federal and State agencies finance most of these activities.

Business-type Activities (Primary government) – The City charges fees to customers to help cover the costs of certain services it provides. The water, sewer and stormwater utilities are reported here.

Component units – The City includes two other entities in its report: the Business Improvement District and the Community Development Authority. Although legally separated, these component units are important because the City is financially accountable for them.

The two government-wide statements are as follows:

Statement of Net Position – The statement of net position presents financial information on all of the City's assets and deferred outflows of resources, liabilities, and deferred inflows with the difference between them reported as net position. Over time, increases or decreases in net position may serve as one indicator of whether the financial position of the City of Baraboo is improving or deteriorating.

Statement of Activities – The statement of activities presents financial information on how the City's net position changed during the current fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flow. 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 vacation and sick leave).

Both of these statements assist assessing the overall condition of the City, but one also needs to consider additional nonfinancial factors such as changes in the City's property tax base and the condition of the City's capital assets (buildings, infrastructure and equipment).

The government-wide financial statements can be found on pages 1 – 2 of this report.

Fund Financial Statements

The fund financial statements provide more detailed information about the City's most significant funds, but not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required to be established by State law and bond covenants. The City also establishes many other funds to help it control and manage resources for particular purposes (e.g., like capital projects, or to show that it is properly using certain taxes (Library), or grants (Community Development, taxi and Health and Human Services).

City of Baraboo
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended December 31, 2018

Fund Financial Statements (Continued)

The City has three types of 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 at the end of the fiscal year. Consequently, the governmental fund statements provide a short-term view and help determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, a reconciliation is provided that explains the relationship or differences between the governmental funds and governmental activities. This reconciliation is reported on page 6.

The City maintains 36 individual governmental funds of which three are considered major funds. Information is separately presented for the City's major funds in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances. The General Fund, General Debt Service, and Capital Projects are considered the City's major funds.

Financial data from the other 33 governmental funds are combined into a single, aggregated presentation. Individual fund financial data for each of the non-major governmental funds is provided in the form of combining statements in the supplementary information section of this report starting on page 73 and continues to page 79.

The City adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided in this MD&A for the General Fund to demonstrate compliance with this budget.

The governmental fund financial statements can be found on pages 3 - 6.

Proprietary Funds – Services, for which the City charges customers a fee, are generally reported in 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, only in more detail. The City uses enterprise funds to account for its Water Utility, Sewer Utility and Stormwater Utility Funds, all of which are considered to be major funds of the City. **Internal service funds** are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its liability insurance and unfunded pension liability. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

The proprietary fund financial statements can be found on pages 7 – 10 of this report.

Agency Funds – Agency funds are used to account for the assets held for distribution by the City as an agent for another entity for which the City has custodial responsibility and accounts for the flow of assets. The City is the agent for collection of property taxes within the City for all taxing jurisdictions including the Baraboo School District, MATC and Sauk County. Agency funds are not reflected in the government-wide financial statements because those funds are not available to support the City's own programs. The accounting used for agency funds follows the accrual basis and does not have a measurement focus. The City has four agency funds, the Tax Collection Fund, UW Campus Fund, Friends of the Library Fund, and the Airport Fund. The City is the trustee for these funds and it is also responsible for ensuring that the assets reported in these funds are used only for their intended purposes.

The agency fund financial statements can be found on page 11 of this report.

City of Baraboo
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended December 31, 2018

Fund Financial Statements (Continued)

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 13 - 65 of this report.

Other information – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Baraboo's general fund budget and the City's progress in funding its obligation to provide retirement and other postemployment benefits to its employees.

Required supplementary information can be found on pages 66 - 72 of this report.

Financial Analysis

Net position – As noted earlier, net position may serve as a useful indicator of a government's financial position over time. The City's net position includes the net investment in capital assets, restricted net position, and unrestricted net position.

According to the table below, the 2018 net investment in capital assets was roughly \$61.7 million. These assets reflect the City's investment in capital assets (land, buildings, equipment, other improvements and infrastructure) less any related debt still outstanding used to acquire those assets. The City uses this capital to provide services to citizens; consequently, these assets are not 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 to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following table presents a summary of the City's Net Position at December 31, 2018 and 2017.

City of Baraboo Net Position

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 31,848,133	\$ 28,544,611	\$ 6,574,688	\$ 5,846,484	\$ 38,422,821	\$ 34,391,095
Capital assets	65,248,477	65,235,006	27,906,383	25,502,718	93,154,860	90,737,724
Total assets	97,096,610	93,779,617	34,481,071	31,349,202	131,577,681	125,128,819
Deferred outflows of resources	2,481,547	2,827,766	319,991	381,530	2,801,538	3,209,296
Total assets and deferred outflows	99,578,157	96,607,383	34,801,062	31,730,732	134,379,219	128,338,115
Current liabilities	1,329,812	1,429,786	103,149	52,338	1,432,961	1,482,124
Long-term liabilities	33,455,934	30,111,583	5,063,959	3,113,749	38,519,893	33,225,332
Total liabilities	34,785,746	31,541,369	5,167,108	3,166,087	39,952,854	34,707,456
Deferred inflows of resources	11,917,689	10,646,710	361,564	193,272	12,279,253	10,839,982
Total liabilities and deferred inflows	46,703,435	42,188,079	5,528,672	3,359,359	52,232,107	45,547,438
Net investment in capital assets	38,165,294	39,445,020	23,566,209	22,754,535	61,731,503	62,199,555
Restricted	7,359,840	6,295,932	1,303,199	1,032,899	8,663,039	7,328,831
Unrestricted	7,349,588	8,678,352	4,402,982	4,583,939	11,752,570	13,262,291
Total net position	\$ 52,874,722	\$ 54,419,304	\$ 29,272,390	\$ 28,371,373	\$ 82,147,112	\$ 82,790,677

The table above excludes the adjustment of total net position in Note I. D. 11.

Financial Analysis (Continued)

Normal Impacts

There are five basic (normal) transactions that will affect the comparability of the Statement of Net Position summary presentation:

- Net Results of Activities – If positive, may increase current assets and unrestricted net position. If negative, may decrease current assets and unrestricted net position.
- Borrowing of Capital – will increase current assets and long-term debt.
- Spending Borrowed Proceeds on New Capital – will reduce current assets and increase capital assets. There is a second impact, an increase in the City's investment in capital assets and an increase in related net debt which will not change the net investment in capital assets.
- Principal Payment on Debt – will 1) reduce current assets and reduce long-term debt and 2) reduce unrestricted net position and increase net investment in capital assets.
- Reduction of Capital Assets through Depreciation – will reduce capital assets and net investment in capital assets.

Current Year Impacts

The City reported positive balances in all three categories of net position. Total primary government net position depicted above was roughly \$82.1 million at December 31, 2018. Total net position increased over prior year by roughly \$600 thousand, or 0.8 percent. The increase was attributed to an increase in total assets and deferred outflows of roughly \$6 million offset by an increase in total liabilities and deferred inflows of roughly \$6.7 million.

According to the table on the previous page, unrestricted net position, which may be used to finance the day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements, was positive, at roughly \$11.8 million, a decrease of roughly \$1.5 million. Restricted net position, those restricted for special purposes such as; capital projects, debt service, and various grant related activities, was positive at roughly \$8.7 million, an increase of roughly \$1.3 million, or 18.2 percent.

City of Baraboo
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended December 31, 2018

Financial Analysis (Continued)

A summary of the City's 2018 Changes in Net Position is presented below:

City of Baraboo Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues						
Program revenues:						
Charges for services	\$ 1,249,033	\$ 1,254,412	\$ 4,153,091	\$ 4,110,375	\$ 5,402,124	\$ 5,364,787
Operating grants and contributions	2,183,175	1,370,352	-	-	2,183,175	1,370,352
Capital grants and contributions	463,808	902,604	497,820	14,540	961,628	917,144
General revenues:						
Taxes:						
Property taxes	9,637,745	9,097,487	-	-	9,637,745	9,097,487
Other taxes	175,571	184,222	-	-	175,571	184,222
Intergovernmental:						
Revenues not restricted to specific programs	1,811,123	1,804,545	-	-	1,811,123	1,804,545
Investment income	398,987	399,542	58,661	30,214	457,648	429,756
Gain on disposal of assets	252,502	-	-	-	252,502	-
Other	440,584	464,237	-	-	440,584	464,237
Total revenue	16,612,528	15,477,401	4,709,572	4,155,129	21,322,100	19,632,530
Expenses:						
General government	1,457,021	1,460,690	-	-	1,457,021	1,460,690
Public safety	5,088,739	5,117,227	-	-	5,088,739	5,117,227
Public works	4,156,257	3,797,905	-	-	4,156,257	3,797,905
Health and social services	30,123	30,247	-	-	30,123	30,247
Culture, recreation and education	2,890,013	2,612,160	-	-	2,890,013	2,612,160
Conservation and development	1,045,726	329,385	-	-	1,045,726	329,385
Interest and fiscal charges	876,009	1,122,945	-	-	876,009	1,122,945
Water	-	-	1,553,507	1,441,948	1,553,507	1,441,948
Wastewater	-	-	1,307,115	1,282,548	1,307,115	1,282,548
Stormwater	-	-	485,335	553,077	485,335	553,077
Total expenses	15,543,888	14,470,559	3,345,957	3,277,573	18,889,845	17,748,132
Increase in net position before transfers and special item	1,068,640	1,006,842	1,363,615	877,556	2,432,255	1,884,398
Transfers	312,568	294,606	(312,568)	(294,606)	-	-
Special Item: loss on disposal of airport operations	(1,805,605)	-	-	-	(1,805,605)	-
Change in net position	(424,397)	1,301,448	1,051,047	582,950	626,650	1,884,398
Net position - beginning before restatement	54,419,304	53,117,856	28,371,373	27,788,423	82,790,677	80,906,279
Net Position - beginning restated amount	(1,120,185)	-	(150,030)	-	(1,270,215)	-
Net Position - beginning as restated	53,299,119	53,117,856	28,221,343	27,788,423	81,520,462	80,906,279
Net position - ending	\$52,874,722	\$54,419,304	\$29,272,390	\$28,371,373	\$82,147,112	\$82,790,677

Revenue Normal Impacts

There are four basic (normal) factors affecting revenues:

- Economic Conditions – which can reflect a declining, stable, or growing economic environment and has a substantial impact on property, sales, income, utility tax revenues as well as public spending habits for building permits, elective user fees and volumes of consumption.
- Increase/Decrease in the City Approved Rates – while certain tax rates are set by statute for levy limit and expenditure restraint, the City has borrowing authority which does not impact rate limits.

City of Baraboo
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended December 31, 2018

Financial Analysis (Continued)

Revenue Normal Impacts (Continued)

- Changing Patterns in Intergovernmental and Grant Revenue – (both recurring and nonrecurring) – certain recurring revenue (state shared revenues, etc.) may experience significant changes periodically while non-recurring (or one-time) grants are less predictable and often distorting in their impact on year-to-date comparison.
- Market Impact on Investment Income – the City's investment portfolio is managed utilizing investments of various maturities. Changes in market conditions will cause investment income to fluctuate due to the related appreciation or depreciation of these assets.

Revenue Current Year Impacts

Governmental Activities – At December 31, 2018, governmental activities net position was roughly \$52.8 million, a decrease of roughly \$1.5 million, or 2.8 percent over prior year including the impact of the restatement. Total governmental activities' revenue for the current year was roughly \$16.6 million compared to roughly \$15.5 million in 2017, an increase of roughly \$1.1 million, or 7 percent. The increase was attributed to the following:

- The City's largest single revenue source, property taxes amounted to roughly \$9.6 million. Compared to prior year, property taxes increased by roughly \$500 thousand, or 5.9 percent.
- Operating and capital grants and contributions increased over prior year by roughly \$400 thousand, or 16 percent. The increase is primarily attributable to Public Works WISDNR petroleum cleanup for 325 Lynn of \$300 thousand and Knowles-Nelson Stewardship Program of \$70 thousand.

Business-type Activities – At December 31, 2018, business-type activities net position was roughly \$29.3 million, an increase of roughly \$900 thousand, or 3 percent including the impact of the restatement. Total business-type activities' revenue for the current year was roughly \$4.7 million compared to roughly \$4.2 million in 2017, an increase of roughly \$600 thousand, or 13 percent. The increase was attributed to the following:

- Charges for services for business-type activities increased by roughly \$50 thousand.
- Capital grants and contributions increased roughly \$500 thousand.
- Investment income increased by roughly \$30 thousand.

Expenditure Normal Impacts

There are three basic (normal) factors affecting expenditures:

- Changes in Authorized Personnel – changes in service demand may cause the City to increase/decrease authorized staffing.
- Salary Increase (annual adjustments and merit) – the ability to attract and retain human and intellectual resources requires the City to strive to approach a competitive salary range position in the market place.
- Inflation – while overall inflation appears to be reasonably modest, the City is a major consumer of certain commodities such as supplies, fuels and parts. Some functions may experience unusual commodity-specific increases.

Expenditure Current Year Impacts

Governmental Activities – At December 31, 2018, total governmental activities' expenditures were roughly \$15.5 million compared to roughly \$14.5 in 2017, an increase of roughly \$1.1 million, or 7.4 percent. The increase was attributed to the following:

City of Baraboo
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended December 31, 2018

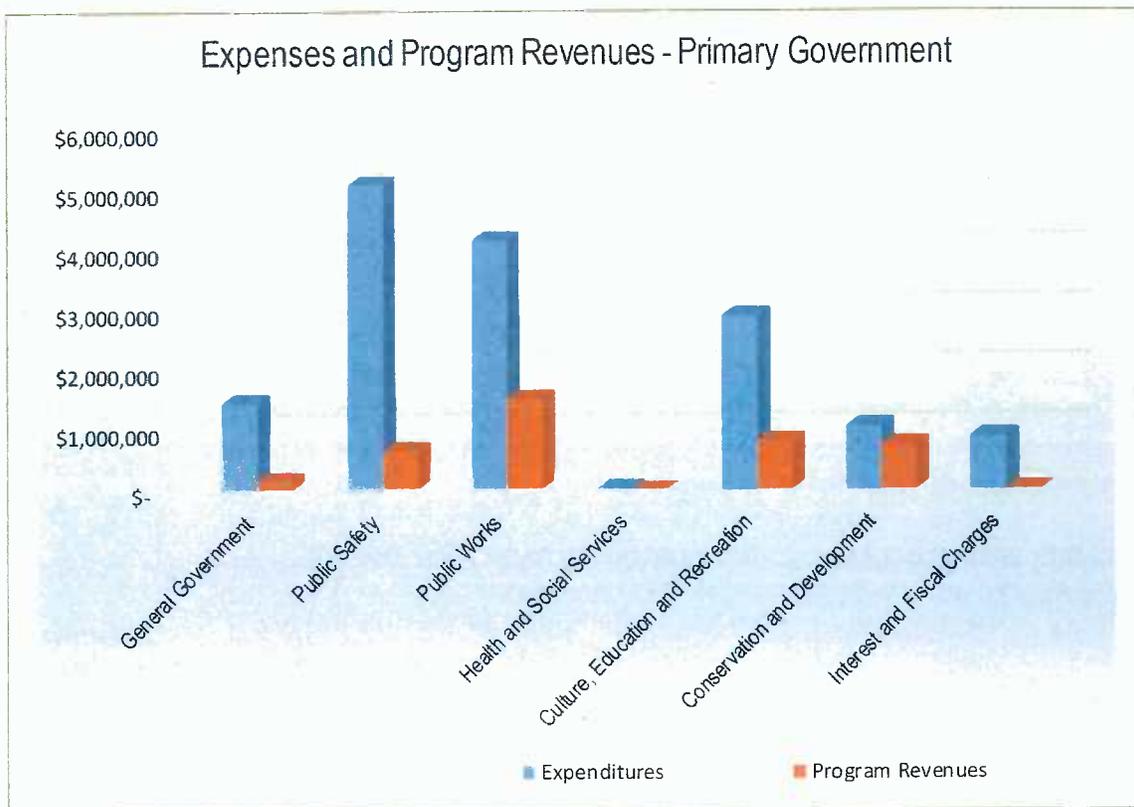
Financial Analysis (Continued)

Expenditure Current Year Impacts (Continued)

- Public works increased over prior year by roughly \$400 thousand, or 9 percent
- Culture, recreation and education increased over prior year by roughly \$300 thousand, or 11 percent
- Conservation and development increased over prior year by roughly \$700 thousand, or 217 percent
- Interest and fiscal charges decreased over prior year by roughly \$300 thousand, or 22 percent.

Business-type Activities – At December 31, 2018, business-type activities' expenditures were roughly \$3.3 million compared to roughly \$3.3 million in 2017.

The following graph shows a comparison between the expenses by governmental activity type and the revenues generated that are specific to those activities.



	2018	
	Expenditures	Program Revenues
General Government	\$ 1,457,021	\$ 175,883
Public Safety	5,088,739	655,968
Public Works	4,156,257	1,512,535
Health and Social Services	30,123	-
Culture, Education and Recreation	2,890,013	805,795
Conservation and Development	1,045,726	745,835
Interest and Fiscal Charges	876,009	-
Total	<u>\$ 15,543,888</u>	<u>\$ 3,896,016</u>

City of Baraboo
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended December 31, 2018

Financial Analysis (Continued)

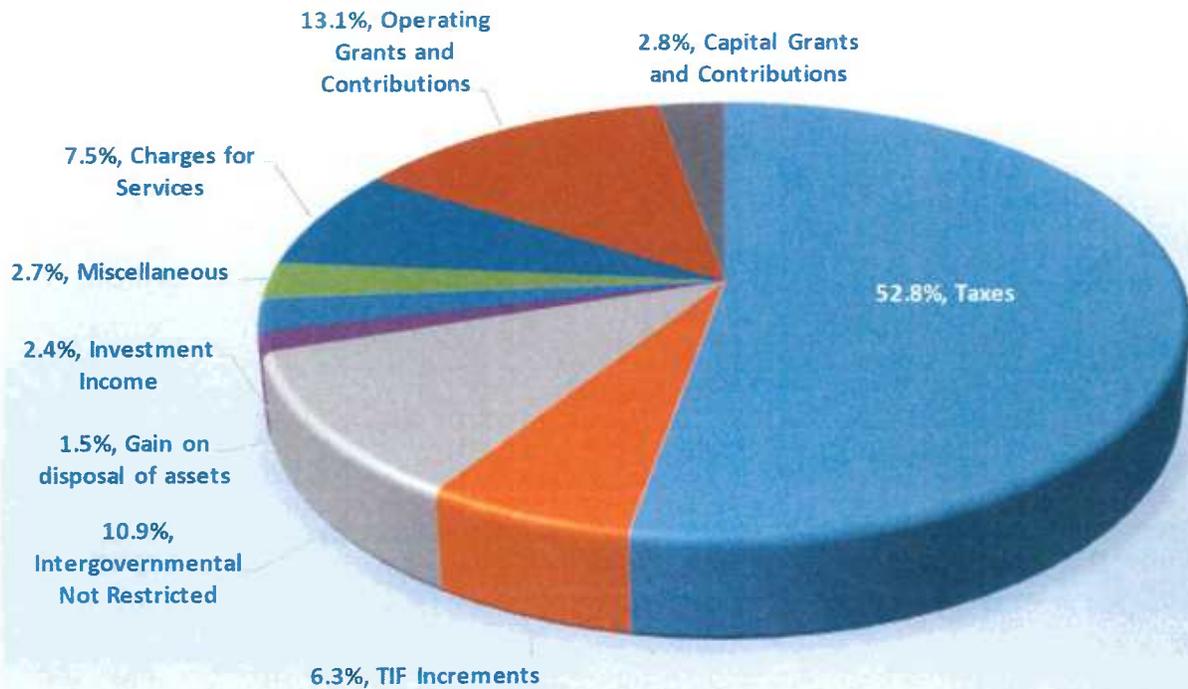
Expenditure Current Year Impacts (Continued)

The cost of all governmental activities this year was roughly \$15.5 million. However, the amount that taxpayers paid for these activities was roughly \$8.8 million. Some of the cost was paid by:

- Those who directly benefited from the programs of roughly \$1.3 million.
- Other governments and organizations that subsidized certain programs with grants of roughly \$2.7 million.

The following pie chart shows the City's revenues by source for the primary government governmental activities for 2018.

Program and General Revenues by Source - Primary Government

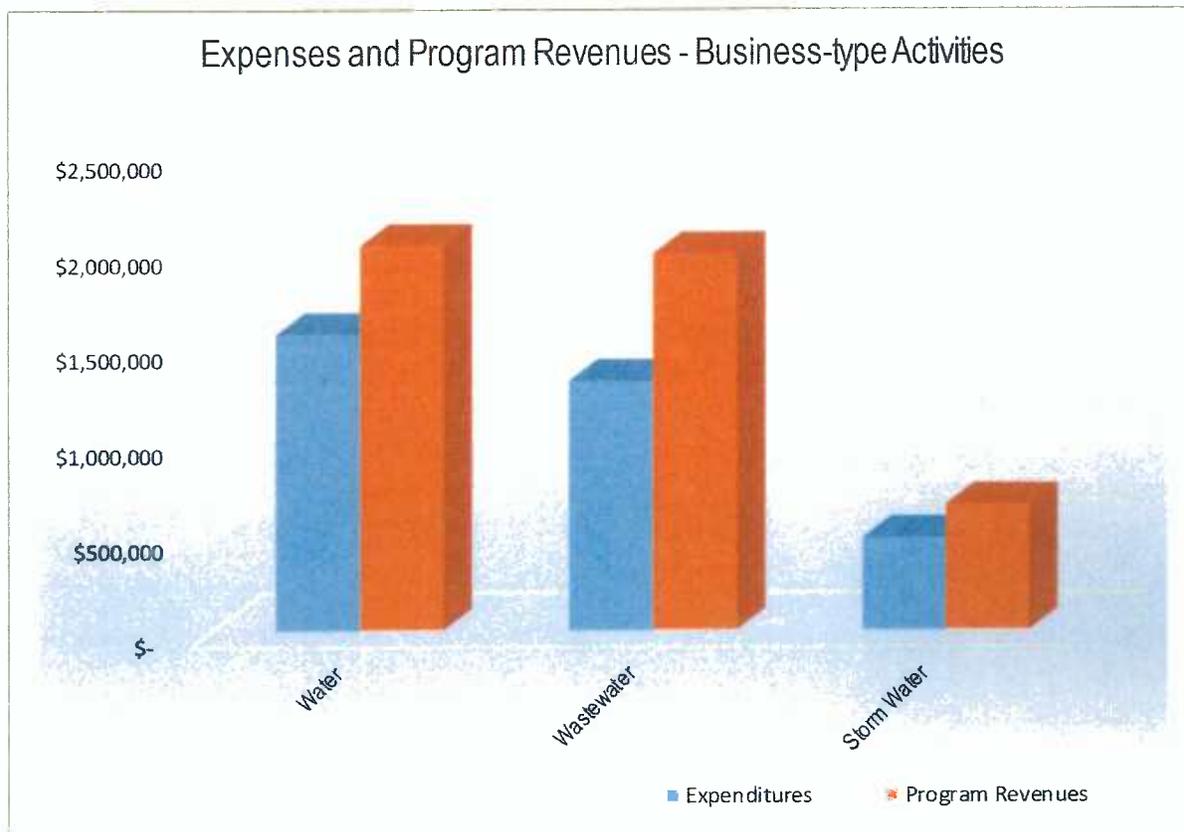


Revenue Source	Amount
Taxes	\$ 8,769,400
TIF Increments	1,043,916
Intergovernmental Not Restricted	1,811,123
Gain on disposal of assets	252,502
Investment Income	398,987
Miscellaneous	440,584
Charges for Services	1,249,033
Operating Grants and Contributions	2,183,175
Capital Grants and Contributions	463,808
Total	<u>\$ 16,612,528</u>

City of Baraboo
 Management's Discussion and Analysis (Unaudited) (Continued)
 For the Year Ended December 31, 2018

Financial Analysis (Continued)

The following graph shows a comparison between the expenses by business-type activities and the revenues generated that are specific to those activities.



	2018	
	Expenditures	Program Revenues
Water	\$ 1,553,507	\$ 2,016,460
Wastewater	1,307,115	1,973,353
Storm Water	485,335	661,098
Total	\$ 3,345,957	\$ 4,650,911

The cost of all business-type activities this year was roughly \$3.3 million. Business-type activities are not supported by taxes. The expenditures are supported by:

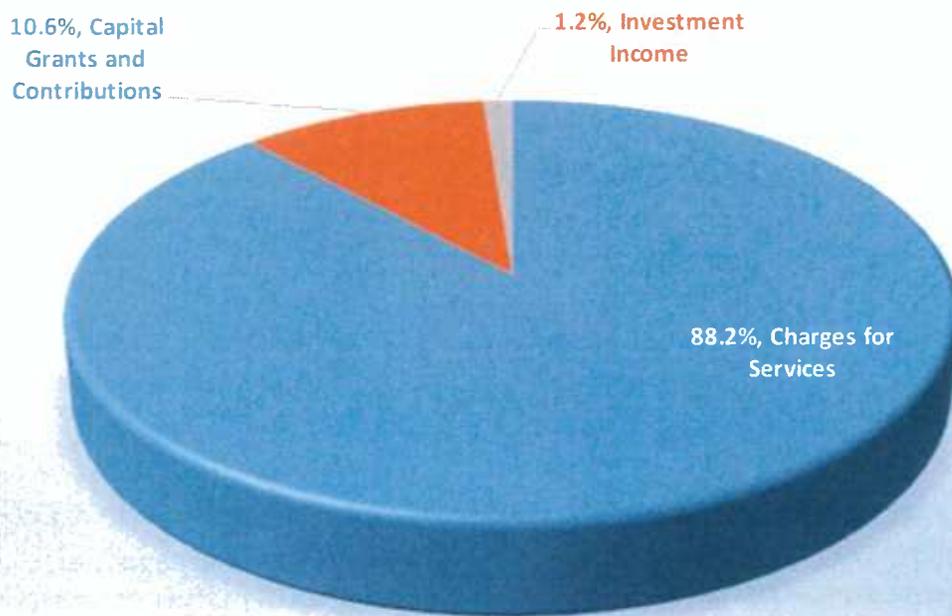
- Those who directly benefited from the programs of roughly \$4.2 million.
- Other governments and organizations that subsidized certain programs with grants of roughly \$500 thousand.
- Investment income of roughly \$60 thousand

City of Baraboo
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended December 31, 2018

Financial Analysis (Continued)

The following pie chart shows the City's revenues by source for the primary government business-type activities for 2018.

Program and General Revenue by Source - Business-type Activities

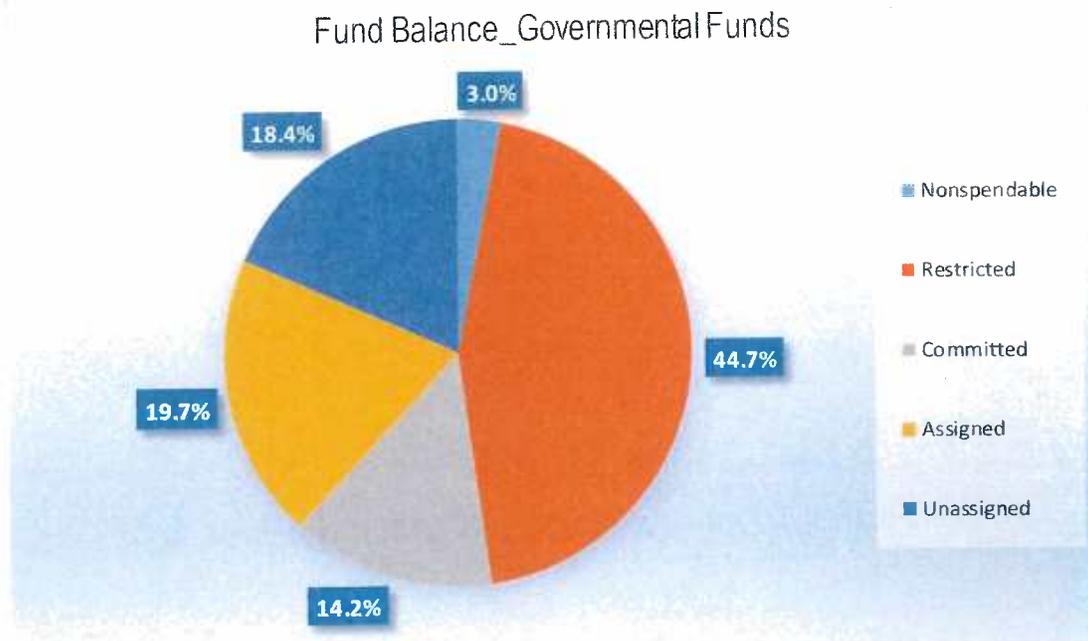


Revenue Source	Amount
Charges for Services	\$ 4,153,091
Capital Grants and Contributions	497,820
Investment Income	58,661
Total	<u>\$ 4,709,572</u>

City of Baraboo
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended December 31, 2018

Financial Analysis (Continued)

At December 31, 2018, total fund balance for all governmental funds was \$15,581,442, an increase of \$2,061,796 over prior year. Below is a pie chart for the fund balance for all governmental funds:



Type	Amount
Nonspendable	\$ 480,273
Restricted	6,963,437
Committed	2,212,779
Assigned	3,062,071
Unassigned	2,862,882
	\$15,581,442

Financial Analysis of the City's Major Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As the City completed the year 2018, its governmental funds reported a combined fund balance of roughly \$15.6 million, an increase of roughly \$2.1 million, or 15.3 percent over prior year. Unassigned fund balance was roughly \$2.9 million, and is available for spending at the government's discretion. The remaining roughly \$12.7 million is for nonspendable, restricted, committed and assigned purposes, thus not available for new spending.

The General Fund is the chief operating fund of the City. At December 31, 2018, unassigned fund balance of the General Fund was roughly \$3.8 million. As a measure of the General Fund's liquidity, it is useful to compare both unassigned fund balance to total expenditures. Unassigned fund balance represents 33.8 percent of total General Fund expenditures.

City of Baraboo
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended December 31, 2018

Financial Analysis of the City's Major Funds (Continued)

The following schedule presents the governmental funds summary of revenues for the years ended December 31, 2018 and 2017:

Revenues by Source	2018	Percent of Total	2017	Amount of Increase/ (Decrease)	Percent of Increase/ (Decrease)
Taxes	9,813,316	61.92	9,281,709	531,607	5.70
Intergovernmental	3,725,550	23.50	3,409,483	316,067	9.30
Licenses and permits	304,229	1.92	325,194	(20,965)	(6.40)
Fines, forfeits and penalties	100,007	0.63	87,270	12,737	14.60
Public charges for services	652,275	4.11	532,935	119,340	22.40
Intergovernmental charges for services	228,526	1.44	235,232	(6,706)	(2.90)
Special assessments	194,115	1.22	214,807	(20,692)	(9.60)
Investment income	224,232	1.41	376,376	(152,144)	(40.40)
Miscellaneous	610,920	3.85	966,115	(355,195)	(36.80)
Total revenues	15,853,170	100.00	15,429,121	424,049	2.70

Total revenues increased roughly \$400 thousand, or 2.7 percent over prior year. Taxes, intergovernmental, Fines, forfeits and penalties, and Public charges for services make up the increases over prior year of roughly \$1 million offset by decreases attributed to Licenses and permits, Special assessments, Investment income and Miscellaneous roughly \$600 thousand. The roughly \$300 thousand increase in intergovernmental was primarily attributable to Public Works WISDNR petroleum cleanup for 325 Lynn.

The following schedule presents the governmental funds summary of expenditures for the years ended December 31, 2018 and 2017:

Expenditure by Function	2018	Percent of Total	2017	Amount of Increase/ (Decrease)	Percent of Increase/ (Decrease)
General government	\$ 1,417,353	7.25	\$ 1,282,426	\$ 134,927	10.52
public safety	4,757,227	24.35	4,762,982	(5,755)	(0.12)
Public works	3,368,794	17.24	3,055,076	313,718	10.27
Health and human services	30,123	0.15	30,247	(124)	(0.41)
Culture, recreation and education	2,553,872	13.07	2,567,031	(13,159)	(0.51)
Conservation and development	956,246	4.89	274,643	681,603	248.18
Capital outlay	3,288,247	16.86	10,076,222	(6,787,975)	(67.37)
Debt Service:					
Principal	2,333,474	11.94	2,400,292	(66,818)	(2.78)
Interest and fiscal charges	831,224	4.25	883,345	(52,121)	(5.90)
Total expenditures	\$ 19,536,560	100.00	\$ 25,332,264	\$ (5,795,704)	(22.88)

City of Baraboo
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended December 31, 2018

Financial Analysis of the City's Major Funds (Continued)

Total expenditures decreased roughly \$5.8 million, or 22.9 percent over prior year. General government, Public Works, and Conservation and development increased in aggregate of roughly \$1.1 million. This increase was offset by an aggregate decrease of roughly \$6.9 million in Public Safety, Health and human services, Culture, recreation and education, Capital outlay and debt service. Capital decreased roughly \$6.8 million over prior year primarily due to the new public safety building expenditures recorded in 2017. Debt Service principal decreased roughly \$67 thousand over prior year primarily attributable to a regularly scheduled payments.

The Debt Service Fund total fund balance at year-end was roughly \$100 thousand, all of which is restricted for the payment of debt service. The fund balance decreased over prior year by roughly \$180 thousand, or 62.5 percent.

Capital Projects Fund total fund balance at year-end was roughly \$2.5 million all of which is restricted or assigned for capital projects. The fund balance increased over prior year by roughly \$1.6 million, or 170 percent.

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

General Fund Budgetary Highlights

The following schedule is an overview of the budget. The schedule shows the City's original budget, amended or final budget and compares the final budget to the actual results:

	Original Budget	Amended or Final Budget	Actual	Variance with Final Budget Positive/ (Negative)	Variance with Final Budget Positive/ (Negative) as a Percentage
Revenues	\$ 11,231,968	\$ 11,309,157	\$ 11,478,437	\$ 169,280	101.50
Expenditures	11,901,980	12,128,580	11,277,336	851,244	93.00
Net revenue/(Expenditures)	(670,012)	(819,423)	201,101	1,020,524	
Other financing sources and (uses)					
Sales of City property	23,300	50,091	28,282	(21,809)	56.50
Transfers in - tax equivalent	313,000	313,000	312,568	(432)	99.90
Transfers in	91,675	118,138	91,180	(26,958)	77.20
Transfers out	(268,566)	(268,566)	(268,566)		100.00
Net change in fund balance	\$ (510,603)	\$ (606,760)	\$ 364,565	\$ 971,325	

During the year, the City spent 93 percent of the final amount appropriated in the General Fund. Revenues exceeded budget by 1.5 percent.

Capital Asset and Debt Administration

Capital Assets – The City's investment in capital assets for its governmental and business-type activities as of December 31, 2018, was roughly \$93.2 million (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements, buildings, machinery and equipment, infrastructure and intangibles.

City of Baraboo
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended December 31, 2018

Capital Asset and Debt Administration (Continued)

The following schedule is the primary government capital assets (net of depreciation) by activity as of December 31, 2018 and 2017:

Primary Government Capital Assets (Net of Depreciation)

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Construction in Progress	\$ 514,427	\$ 9,391,076	\$ 2,755,222	\$ 182,559	\$ 3,269,649	\$ 9,573,635
Land	8,138,509	8,600,642	279,834	279,834	8,418,343	8,880,476
Land Improvements	1,459,737	2,387,657	-	-	1,459,737	2,387,657
Buildings	23,119,643	13,139,997	-	-	23,119,643	13,139,997
Machinery and Equipment	6,049,633	5,566,230	6,978,365	7,020,947	13,027,998	12,587,177
Infrastructure	25,966,528	26,149,404	17,829,633	17,962,648	43,796,161	44,112,052
Intangibles	-	-	63,329	56,730	63,329	56,730
Total	\$ 65,248,477	\$ 65,235,006	\$ 27,906,383	\$ 25,502,718	\$ 93,154,860	\$ 90,737,724

The City's capital assets, net of accumulated depreciation, for the governmental activities remained relatively unchanged over prior year.

The City's business-type activities capital assets increased roughly \$2.4 million, or 9.4 percent over prior year. While there was an increase in construction in progress of roughly \$2.6 million, the increase was offset by decreases in machinery and equipment and infrastructure in aggregate of roughly \$200 thousand.

Major capital asset additions during the current fiscal year included the following:

	Governmental	Business-Type	Total
Land	\$ -	\$ -	\$ -
Construction in progress	514,427	2,755,222	3,269,649
Land improvements	143,991	-	143,991
Buildings	10,758,780	-	10,758,780
Machinery and equipment	1,233,550	776,749	2,010,299
Infrastructure	520,433	25,810	546,243
Intangibles	-	6,600	6,600
Total	\$ 13,171,181	\$ 3,564,381	\$ 16,735,562

Additional information on the City of Baraboo's capital assets can be found in Note III.D. of this report.

City of Baraboo
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended December 31, 2018

Capital Asset and Debt Administration (Continued)

Long-term Debt – The City's total general obligation and revenue bond debt outstanding at December 31, 2018 was roughly \$23 million. This debt is backed by the full faith and credit of the City. The following schedule is the primary government outstanding debt by issue as of December 31, 2018 and 2017:

			Primary Government Outstanding Debt General Obligation and Revenue Bonds					
			Governmental Activities		Business-type Activities		Total	
Issue Date	Maturity	Issue	2018	2017	2018	2017	2018	2017
2011	2021	Baraboo State Bank	\$ 349,064	\$ 411,119	\$ -	\$ -	\$ 349,064	\$ 411,119
2008	2026	Board of Commissioners of Public Lands Trust Fund_2008	33,194	50,969	-	-	33,194	50,969
2006	2026	State of Wisconsin Environmental Improvement Fund_4153-03	-	-	1,333,754	1,483,612	1,333,754	1,483,612
2010	2025	Series 2010B	-	-	-	-	-	-
2010	2030	Series 2010A	1,265,000	1,340,000	-	-	1,265,000	1,340,000
2012	2026	Series 2012A	3,190,000	3,440,000	455,000	665,000	3,645,000	4,105,000
2013	2023	Community First Bank Note_2013	129,479	154,315	-	-	129,479	154,315
2013	2026	Series 2013A	1,625,000	1,925,000	-	-	1,625,000	1,925,000
2013	2025	Series 2013B	940,000	1,065,000	-	-	940,000	1,065,000
2014	2028	Series 2014A	2,430,000	2,635,000	125,000	185,000	2,555,000	2,820,000
2015	2035	Series 2015A	2,650,000	2,765,000	-	-	2,650,000	2,765,000
2016	2035	Series 2016A	3,330,000	4,065,000	370,000	415,000	3,700,000	4,480,000
2017	2022	Baraboo State Bank LOC	510,000	460,000	-	-	510,000	460,000
2016	2017	Promissory Note	-	-	-	-	-	-
2018	2038	Series 2018A	1,790,000	-	250,000	-	2,040,000	-
2018	2037	State of Wisconsin Environmental Improvement Fund_4153-04	-	-	2,024,320	-	2,024,320	-
Total			\$ 18,241,737	\$ 18,311,403	\$ 4,558,074	\$ 2,748,612	\$ 22,799,811	\$ 21,060,015

The City of Baraboo's bond rating is Aa3 from Moody's Investors Services.

The State imposes a legal limit of 5 percent of total equalized assessed valuation on the amount of general bond indebtedness. The City further limits their indebtedness, by ordinance, to 60 percent of the State limit. As of December 31, 2018, the City's indebtedness was roughly \$6.5 million less than the City self-imposed limit and \$23 million less than the State limit.

Additional information on the City of Baraboo's long-term debt can be found in Note III.F. of this report.

Economic Factors and Next Year's Budget and Rates

The City of Baraboo's economy is diversified with manufacturing, retail and food services as its primary base. While the national economy is showing signs of recovery, the local economic environment and the impact it has on the City's available revenue continues to present a challenge. The City must continue to carefully balance its priorities to maintain the quality of services and public infrastructure.

The City's goal in developing the 2019 budget was to continue offering citizens basic services, economic development efforts, and fiscal stability. Development and adoption of the 2019 budget was premised on maintaining staffing and service levels equivalent to 2018 and making significant capital investment.

City of Baraboo
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended December 31, 2018

Economic Factors and Next Year's Budget and Rates (Continued)

Budgeted revenues for the General Fund are roughly \$12.5 million, including roughly \$15 thousand for transfers in and roughly \$761 thousand for applied fund balance.

Budgeted expenditures in the General Fund are \$12.5 million, including \$203 thousand for transfers out. Major spending changes by account type for 2019 are:

- Salaries and wages increased roughly \$395 thousand as a result of contract increases and a 2% wage increase.
- Fringe Benefits increased roughly \$13 thousand due to increases to wages, insurance and pension funding.
- Contractual and supply accounts increased roughly \$54 thousand primarily due to an increase in contractual services.
- Supplies and expenses decreased roughly \$4.
- Capital outlay decreased roughly \$232 thousand primarily due to a decrease in vehicle and equipment purchases.

In December 2018, the City Council approved the proposed budget. This budget allows the City to maintain the necessary fund and cash balances, as well as allowing the 2020 budget process to begin on a sound financial footing.

Requests for information

This financial report is designed to provide a general overview of the City of Baraboo's finances for all those with an interest in the Government's finances and to demonstrate the City's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, 101 South Boulevard, Baraboo, Wisconsin, 53913.

CITY OF BARABOO

STATEMENT OF NET POSITION
As of December 31, 2018

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Major	Nonmajor
				Community Development Authority	Business Improvement District
ASSETS					
Cash and investments	\$ 16,489,986	\$ 3,892,645	\$ 20,382,631	\$ 234,382	\$ 67,994
Receivables (net)					
Taxes	9,669,218	-	9,669,218	-	-
Delinquent personal property taxes	40,726	-	40,726	-	-
Accounts	293,239	913,831	1,207,070	26,627	750
Special assessments	47,659	-	47,659	-	8,864
Loans	2,147,834	-	2,147,834	-	-
Lease	-	-	-	12,334,304	-
Accrued interest	65,336	11,988	77,324	112,550	-
Due from other governmental units	252,431	-	252,431	-	-
Due from component units	39,435	-	39,435	-	-
Due from primary government	-	-	-	502	-
Internal balances	(317,602)	317,602	-	-	-
Inventories and prepaid items	110,045	124,269	234,314	-	-
Restricted					
Cash and investments	-	1,154,639	1,154,639	67,894	-
Net pension asset	1,127,807	159,714	1,287,521	28,870	-
Investment in mutual insurance company	320,000	-	320,000	-	-
Investment in joint ventures	1,562,019	-	1,562,019	-	-
Capital assets					
Land and right of way	8,138,509	279,834	8,418,343	201,364	-
Construction in progress	514,427	2,755,222	3,269,649	-	-
Other capital assets, net of accumulated depreciation	56,595,541	24,871,327	81,466,868	2,833,031	-
Total Assets	97,096,610	34,481,071	131,577,681	15,839,524	77,608
DEFERRED OUTFLOWS OF RESOURCES					
Unamortized loss on debt refunding	372,217	12,044	384,261	-	-
Pension related amounts	2,072,693	300,326	2,373,019	52,344	-
OPEB related amounts	36,637	7,621	44,258	1,531	-
Total Deferred Outflows of Resources	2,481,547	319,991	2,801,538	53,875	-
LIABILITIES					
Accounts payable	340,550	81,115	421,665	25,241	10,561
Accrued liabilities	797,066	22,034	819,100	115,732	-
Liabilities payable from restricted assets	-	-	-	42,983	-
Due to other governmental units	186,694	-	186,694	-	-
Due to component units	502	-	502	-	-
Due to primary government	-	-	-	38,539	896
Deposits	5,000	-	5,000	-	-
Noncurrent liabilities					
Due within one year	2,915,959	649,563	3,565,522	213,645	-
Due in more than one year	30,539,975	4,414,396	34,954,371	12,319,035	-
Total Liabilities	34,785,746	5,167,108	39,952,854	12,755,175	11,457
DEFERRED INFLOWS OF RESOURCES					
Unearned antenna rent	-	44,035	44,035	-	-
Pension related amounts	2,223,217	311,546	2,534,763	56,891	-
OPEB related amounts	47,354	5,983	53,337	1,139	-
Property taxes levied for next period	9,647,118	-	9,647,118	-	-
Total Deferred Inflows of Resources	11,917,689	361,564	12,279,253	58,030	-
NET POSITION					
Net investment in capital assets	38,165,294	23,566,209	60,799,476	2,933,925	-
Restricted for:					
Debt service	-	146,322	146,322	-	-
Grant activities	2,885,755	-	2,885,755	-	-
Trust activities	1,209,129	-	1,209,129	-	-
Special purposes	2,137,149	-	2,137,149	-	-
Equipment replacement	-	997,163	997,163	-	-
Pension	1,127,807	159,714	1,287,521	28,870	-
Unrestricted	7,349,588	4,402,982	12,684,597	117,399	66,151
TOTAL NET POSITION	\$ 52,874,722	\$ 29,272,390	\$ 82,147,112	\$ 3,080,194	\$ 66,151

See accompanying notes to financial statements.

CITY OF BARABOO

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2018

Functions/Programs	Net (Expenses) Revenues and Changes in Net Position									
	Program Revenues					Primary Government			Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Major Community Development Authority	Nonmajor Business Improvement District	
Primary Government										
Governmental Activities										
General government	\$ 1,457,021	\$ 173,661	\$ 2,222	\$ -	(1,281,138)	\$ -	(1,281,138)	\$ -	\$ -	
Public safety	5,088,739	354,653	163,389	137,926	(4,432,771)	-	(4,432,771)	-	-	
Public works	4,156,257	307,737	956,416	248,382	(2,643,722)	-	(2,643,722)	-	-	
Health and human services	30,123	-	-	-	(30,123)	-	(30,123)	-	-	
Culture, recreation and education	2,890,013	388,138	417,657	-	(2,084,218)	-	(2,084,218)	-	-	
Conservation and development	1,045,726	24,844	643,491	77,500	(299,891)	-	(299,891)	-	-	
Interest and fiscal charges	876,009	-	-	-	(876,009)	-	(876,009)	-	-	
Total Governmental Activities	15,543,888	1,249,033	2,183,175	463,808	(11,647,872)	-	(11,647,872)	-	-	
Business-type Activities										
Water	1,553,507	1,907,935	-	108,525	-	462,953	462,953	-	-	
Sewer	1,307,115	1,584,058	-	389,295	-	666,238	666,238	-	-	
Stormwater	485,335	661,098	-	-	-	175,763	175,763	-	-	
Total Business-type Activities	3,345,957	4,153,091	-	497,820	-	1,304,954	1,304,954	-	-	
Total Primary Government	\$ 18,889,845	\$ 5,402,124	\$ 2,183,175	\$ 961,628	(11,647,872)	1,304,954	(10,342,918)	-	-	
Component Units										
Community Development Authority	\$ 1,189,380	\$ 387,332	\$ 47,330	\$ 144,939	-	-	-	(609,779)	-	(23,441)
Business Improvement District	72,180	46,900	1,839	-	-	-	-	(609,779)	-	(23,441)
Total Component Units	\$ 1,261,560	\$ 434,232	\$ 49,169	\$ 144,939	-	-	-	(609,779)	-	(23,441)
General Revenues										
Taxes										
Property taxes, levied for general purposes					7,088,136		7,088,136			
Property taxes, levied for debt service					1,505,693		1,505,693			
Property taxes, levied for TIF district					1,043,916		1,043,916			
Other taxes					175,571		175,571			
Intergovernmental revenues not restricted to specific programs					1,811,123		1,811,123			
Investment income					398,987		398,987			
Gain on disposal of assets					252,502		252,502			
Miscellaneous					440,584		440,584			
Transfers					312,568		312,568			
Total General Revenues and Transfers					13,029,080		(253,907)	469,377		
Special item - loss on disposal of airport operations					(1,805,605)		(1,805,605)			
Change in net position					(424,387)		1,051,047	(140,402)		(23,441)
NET POSITION - Beginning of Year (as restated)					53,299,119		28,221,343	3,220,596		89,592
NET POSITION - ENDING					\$ 52,874,722		\$ 29,272,390	\$ 3,080,194		\$ 66,151

See accompanying notes to financial statements.

CITY OF BARABOO

BALANCE SHEET - GOVERNMENTAL FUNDS
As of December 31, 2018

	General	General Debt Service	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	\$ 5,483,798	\$ 107,607	\$ 2,475,163	\$ 8,294,774	\$ 16,361,342
Receivables					
Taxes	6,938,318	1,438,225	150,050	1,142,625	9,669,218
Delinquent taxes	40,726	-	-	-	40,726
Accounts (net)	161,242	-	-	118,395	279,637
Special assessments	-	-	-	47,659	47,659
Loans	-	-	-	2,147,834	2,147,834
Interest	11,136	-	-	54,200	65,336
Due from other funds	304,600	-	-	715	305,315
Due from component units	39,435	-	-	-	39,435
Due from other governments	33,724	-	59,113	159,594	252,431
Inventories	106,403	-	-	-	106,403
Prepaid items	3,642	-	-	-	3,642
Advances to other funds	329,502	-	-	-	329,502
TOTAL ASSETS	\$ 13,452,526	\$ 1,545,832	\$ 2,684,326	\$ 11,965,796	\$ 29,648,480
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 171,819	\$ -	\$ -	\$ 144,612	\$ 316,431
Accrued liabilities	536,540	-	-	-	536,540
Due to other governments	53,884	-	72,344	60,466	186,694
Due to other funds	22,100	-	-	240,562	262,662
Due to component unit	133	-	-	-	133
Deposits	5,000	-	-	-	5,000
Advances from other funds	-	-	-	715,938	715,938
Total Liabilities	789,476	-	72,344	1,161,578	2,023,398
Deferred Inflows of Resources					
Property taxes levied for next period	6,916,218	1,438,225	150,050	1,142,625	9,647,118
Unavailable revenue	-	-	-	2,396,522	2,396,522
Total Deferred Inflows of Resources	6,916,218	1,438,225	150,050	3,539,147	12,043,640
Fund Balances					
Nonspendable	480,273	-	-	-	480,273
Restricted	-	107,607	1,985,720	4,870,110	6,963,437
Committed	882,179	-	-	1,330,600	2,212,779
Assigned	569,260	-	476,212	2,016,599	3,062,071
Unassigned (deficit)	3,815,120	-	-	(952,238)	2,862,882
Total Fund Balances	5,746,832	107,607	2,461,932	7,265,071	15,581,442
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 13,452,526	\$ 1,545,832	\$ 2,684,326	\$ 11,965,796	\$ 29,648,480

See accompanying notes to financial statements.

CITY OF BARABOO

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

Total fund balances for governmental funds	\$ 15,581,442
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund statements.	
Land and right of way	8,138,509
Construction in progress	514,427
Other capital assets, net of accumulated depreciation	56,595,541
Some receivables that are not currently available are reported as unavailable revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements.	
Special assessments not yet due	166,054
Receivables not available within 60 days after year-end	82,634
Loans receivable	2,147,834
The net pension asset does not relate to current financial resources and is not reported in the governmental funds.	1,127,807
Deferred outflows of resources related to pensions and OPEB do not relate to current financial resources and are not reported in the governmental funds.	2,109,330
Deferred inflows of resources related to pensions and OPEB do not relate to current financial resources and are not reported in the governmental funds.	(2,270,571)
The City's equity interest in joint ventures is reported on the statement of net position.	1,562,019
Governmental funds report premiums and discounts associated with the issuance of long-term debt as other financing sources and uses, but these items are amortized over the life of the debt issue on the statement of activities. Similarly, losses on refundings of debt are recorded as expenditures in the governmental funds, but amortized over the life of the debt issuance on the statement of activities.	
Unamortized loss on debt refunding	372,217
Unamortized premium on debt issuance	(146,171)
Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities - both current and long-term - are reported in the statement of net position.	
Bonds and notes payable	(18,241,737)
Capital lease payable	(12,334,304)
Compensated absences	(1,524,186)
Accrued interest	(260,526)
OPEB liability	(1,209,536)
Less: internal service fund long-term liabilities and accrued interest	352,477
Internal service fund net position is reported in the statement of net position	111,462
NET POSITION OF GOVERNMENTAL ACTIVITIES AS REPORTED ON THE STATEMENT OF POSITION	\$ 52,874,722

See accompanying notes to financial statements.

CITY OF BARABOO

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

	General	General Debt Service	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 7,263,707	\$ 1,505,693	\$ -	\$ 1,043,916	\$ 9,813,316
Intergovernmental	2,941,449	-	77,500	706,601	3,725,550
Licenses and permits	304,229	-	-	-	304,229
Fines, forfeitures and penalties	100,007	-	-	-	100,007
Public charges for services	236,734	-	-	415,541	652,275
Intergovernmental charges for services	228,526	-	-	-	228,526
Special assessments	-	-	-	194,115	194,115
Investment income	158,278	-	-	65,954	224,232
Miscellaneous	245,507	42,600	-	322,813	610,920
Total Revenues	11,478,437	1,548,293	77,500	2,748,940	15,853,170
EXPENDITURES					
Current					
General government	1,398,209	-	-	19,144	1,417,353
Public safety	4,732,791	-	-	24,436	4,757,227
Public works	2,510,002	-	-	858,792	3,368,794
Health and human services	30,123	-	-	-	30,123
Culture, recreation and education	2,395,778	-	-	158,094	2,553,872
Conservation and development	198,386	-	-	757,860	956,246
Capital Outlay	12,047	-	3,125,804	150,396	3,288,247
Debt Service					
Principal	-	1,444,835	-	888,639	2,333,474
Interest and fiscal charges	-	267,484	411,857	151,883	831,224
Total Expenditures	11,277,336	1,712,319	3,537,661	3,009,244	19,536,560
Excess (deficiency) of revenues over expenditures	201,101	(164,026)	(3,460,161)	(260,304)	(3,683,390)
OTHER FINANCING SOURCES (USES)					
Sale of city property	28,282	-	100,000	257,227	385,509
Debt issued	-	-	2,300,000	-	2,300,000
Premium on debt issued	-	-	37,740	-	37,740
Capital leases issued	-	-	2,603,941	-	2,603,941
Transfer in - tax equivalent	312,568	-	-	-	312,568
Transfers in	91,180	-	-	577,524	668,704
Transfers out	(268,566)	(14,956)	(30,781)	(354,401)	(668,704)
Total Other Financing Sources (Uses)	163,464	(14,956)	5,010,900	480,350	5,639,758
SPECIAL ITEM					
Gain on disposal of airport operations	-	-	-	105,428	105,428
Net Change in Fund Balance	364,565	(178,982)	1,550,739	325,474	2,061,796
FUND BALANCES - Beginning	5,382,267	286,589	911,193	6,939,597	13,519,646
FUND BALANCES - ENDING	\$ 5,746,832	\$ 107,607	\$ 2,461,932	\$ 7,265,071	\$ 15,581,442

See accompanying notes to financial statements.

CITY OF BARABOO

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

Net change in fund balances - total governmental funds	\$ 2,061,796
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Amounts reported for governmental activities in the statement of activities are different because:

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

Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide statements	3,288,247
Some items reported as operating expenditures in the fund financial statements but are capitalized in the government-wide statements	491,858
Depreciation is reported in the government-wide statements	(1,735,048)
Net book value of assets retired	(2,031,586)

Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements, but are recognized as revenue when earned in the government-wide financial statements.	199,094
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Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Principal repaid	2,333,474
Debt issued	(2,300,000)
Capital lease issued	(2,603,941)

Governmental funds report premiums associated with the issuance of long-term debt as other financing sources and uses, but these items are amortized over the life of the debt issue on the statement of activities. Similarly, losses on debt refundings are recorded as expenditures in the governmental funds, but amortized over the life of the debt issue on the statement of activities.

Amortization of losses on debt refunding	(85,254)
Premium on debt issued	(37,740)
Amortization of premium on debt	32,736

Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Compensated absences	76,308
Accrued interest on debt and capital lease	7,733
Net pension liability/asset	1,430,100
Deferred outflows/inflows of resources related to pensions	(1,567,445)
Deferred outflows/inflows related to OPEBs	(10,717)
OPEB liability	(89,351)

Internal service funds are used by management to charge self insurance costs to individual funds. The change in net position of the internal service fund is reported with governmental activities.	115,339
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NET CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES

\$ (424,397)

CITY OF BARABOO

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

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water Utility	Sewer Utility	Stormwater Utility	Total	
ASSETS					
CURRENT ASSETS					
Cash and investments	\$ 1,830,995	\$ 1,167,286	\$ 630,014	\$ 3,628,295	\$ 128,644
Receivables					
Accounts	374,846	376,077	162,908	913,831	13,602
Interest	3,911	7,485	592	11,988	-
Due from other funds	7,600	11,208	4,759	23,567	-
Inventories	56,313	10,852	57,104	124,269	-
Restricted Assets - redemption account	-	157,476	-	157,476	-
Total Current Assets	<u>2,273,665</u>	<u>1,730,384</u>	<u>855,377</u>	<u>4,859,426</u>	<u>142,246</u>
NONCURRENT ASSETS					
Restricted Assets - replacement account	-	997,163	-	997,163	-
Capital Assets					
Land	77,143	72,298	130,393	279,834	-
Construction work in progress	-	2,755,222	-	2,755,222	-
Property and equipment	16,310,024	13,229,161	10,809,347	40,348,532	-
Accumulated depreciation	(6,406,684)	(6,643,994)	(2,426,527)	(15,477,205)	-
Other Assets					
Depreciation account	-	206,025	-	206,025	-
Replacement account	-	-	58,325	58,325	-
Advances to other funds	160,838	79,010	146,588	386,436	26,181
Investment in mutual insurance company	-	-	-	-	320,000
Net pension asset	71,094	59,672	28,948	159,714	-
Total Noncurrent Assets	<u>10,212,415</u>	<u>10,754,557</u>	<u>8,747,074</u>	<u>29,714,046</u>	<u>346,181</u>
Total Assets	<u>12,486,080</u>	<u>12,484,941</u>	<u>9,602,451</u>	<u>34,573,472</u>	<u>488,427</u>
DEFERRED OUTFLOWS OF RESOURCES					
Unamortized loss on debt refunding	-	-	12,044	12,044	-
Pension related amounts	136,961	111,510	51,855	300,326	-
OPEB related amounts	3,025	4,385	211	7,621	-
Total Deferred Outflows	<u>139,986</u>	<u>115,895</u>	<u>64,110</u>	<u>319,991</u>	<u>-</u>
LIABILITIES					
Current Liabilities					
Accounts payable	4,239	74,399	2,477	81,115	24,119
Compensated absences	49,471	40,869	5,174	95,514	-
Accrued interest	1,639	-	9,241	10,880	3,413
Due to other funds	36,952	23,820	5,448	66,220	-
Due to component units	-	-	-	-	369
Current portion of general obligation debt and notes payable	145,000	-	165,000	310,000	92,390
Liabilities Payable From Restricted Assets					
Current maturities of revenue bonds	-	244,049	-	244,049	-
Accrued interests	-	11,154	-	11,154	-
Total Current Liabilities	<u>237,301</u>	<u>394,291</u>	<u>187,340</u>	<u>818,932</u>	<u>120,291</u>
Noncurrent Liabilities					
Revenue bonds	-	3,114,025	-	3,114,025	-
Advances from other funds	20,695	5,486	-	26,181	-
General obligation debt payable	180,000	-	710,000	890,000	256,674
Compensated absences	109,308	102,826	14,310	226,444	-
Unamortized premium on debt issuance	2,465	-	15,617	18,082	-
OPEB liability	74,558	90,019	1,268	165,845	-
Total Noncurrent Liabilities	<u>387,026</u>	<u>3,312,356</u>	<u>741,195</u>	<u>4,440,577</u>	<u>256,674</u>
Total Liabilities	<u>624,327</u>	<u>3,706,647</u>	<u>928,535</u>	<u>5,259,509</u>	<u>376,965</u>
DEFERRED INFLOWS OF RESOURCES					
Unearned antenna rent	44,035	-	-	44,035	-
Pension related amounts	133,705	118,889	58,952	311,546	-
OPEB related amounts	2,769	3,196	18	5,983	-
Total Deferred Inflows of Resources	<u>180,509</u>	<u>122,085</u>	<u>58,970</u>	<u>361,564</u>	<u>-</u>
NET POSITION					
Net investment in capital assets	9,653,018	6,054,613	7,858,578	23,566,209	-
Restricted for:					
Debt service	-	146,322	-	146,322	-
Pension	71,094	59,672	28,948	159,714	-
Equipment replacement	-	997,163	-	997,163	-
Unrestricted	2,097,118	1,514,334	791,530	4,402,982	111,462
TOTAL NET POSITION	<u>\$ 11,821,230</u>	<u>\$ 8,772,104</u>	<u>\$ 8,679,056</u>	<u>\$ 29,272,390</u>	<u>\$ 111,462</u>

See accompanying notes to financial statements.

CITY OF BARABOO

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

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water Utility	Sewer Utility	Stormwater Utility	Total	
OPERATING REVENUES					
Charges for service	\$ 1,814,993	\$ 1,570,003	\$ 653,752	\$ 4,038,748	\$ 171,408
Miscellaneous	91,225	14,055	7,346	112,626	-
Total Operating Revenues	<u>1,906,218</u>	<u>1,584,058</u>	<u>661,098</u>	<u>4,151,374</u>	<u>171,408</u>
OPERATING EXPENSES					
Operation and maintenance	1,061,639	898,509	297,534	2,257,682	58,265
Depreciation	400,610	366,729	155,447	922,786	-
Total Operating Expenses	<u>1,462,249</u>	<u>1,265,238</u>	<u>452,981</u>	<u>3,180,468</u>	<u>58,265</u>
Operating Income	<u>443,969</u>	<u>318,820</u>	<u>208,117</u>	<u>970,906</u>	<u>113,143</u>
NONOPERATING REVENUES (EXPENSES)					
Merchandising and jobbing	1,717	-	-	1,717	-
Grant proceeds for lead lateral services	86,546	-	-	86,546	-
Investment income	20,619	27,735	10,307	58,661	13,722
Interest expense	(7,302)	(41,877)	(24,653)	(73,832)	(11,526)
Amortization of premium on debt	2,590	-	-	2,590	-
Lead service lateral expenses	(86,546)	-	-	(86,546)	-
Amortization of loss on debt refunding	-	-	(7,701)	(7,701)	-
Total Nonoperating Revenues (Expenses)	<u>17,624</u>	<u>(14,142)</u>	<u>(22,047)</u>	<u>(18,565)</u>	<u>2,196</u>
Income Before Contributions and Transfers	<u>461,593</u>	<u>304,678</u>	<u>186,070</u>	<u>952,341</u>	<u>115,339</u>
CONTRIBUTIONS AND TRANSFERS					
Capital contributions	21,979	389,295	-	411,274	-
Transfers	(312,568)	-	-	(312,568)	-
Total Contributions and Transfers	<u>(290,589)</u>	<u>389,295</u>	<u>-</u>	<u>98,706</u>	<u>-</u>
Change in Net Position	171,004	693,973	186,070	1,051,047	115,339
TOTAL NET POSITION (DEFICIT) - Beginning (as restated)	<u>11,650,226</u>	<u>8,078,131</u>	<u>8,492,986</u>	<u>28,221,343</u>	<u>(3,877)</u>
TOTAL NET POSITION - ENDING	<u>\$ 11,821,230</u>	<u>\$ 8,772,104</u>	<u>\$ 8,679,056</u>	<u>\$ 29,272,390</u>	<u>\$ 111,462</u>

See accompanying notes to financial statements.

CITY OF BARABOO

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

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water Utility	Sewer Utility	Stormwater Utility	Total	
CASH FLOWS FROM OPERATING ACTIVITIES					
Received from customers	\$ 1,664,360	\$ 1,515,003	\$ 660,548	\$ 3,839,911	\$ -
Received from city for services	289,307	-	-	289,307	180,974
Paid to suppliers for goods and services	(633,435)	(562,686)	(100,734)	(1,296,855)	(80,646)
Paid to and on behalf of employees for services	(408,389)	(321,453)	(184,244)	(914,086)	-
Net Cash Flows From Operating Activities	911,843	630,864	375,570	1,918,277	100,328
CASH FLOWS FROM INVESTING ACTIVITIES					
Marketable securities purchased	(713,806)	(806,589)	-	988,575	-
Investments sold and matured	501,739	486,836	-	52,787	13,722
Investment income	18,670	23,906	10,211	1,041,362	13,722
Net Cash Flows From Investing Activities	(193,397)	(295,847)	10,211	1,041,362	13,722
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Debt retired	-	-	-	-	(62,055)
Interest paid	-	-	-	-	(21,176)
Advances to/from other funds	-	-	-	-	8,052
Paid to municipality for tax equivalent	(312,568)	-	-	(312,568)	-
Net Cash Flows From Noncapital Financing Activities	(312,568)	-	-	(312,568)	(75,179)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Debt retired	(145,000)	(149,858)	(170,000)	(464,858)	-
Debt issued	-	2,024,320	250,000	2,274,320	-
Interest paid on long-term debt and advances	(8,025)	(36,571)	(18,601)	(63,197)	-
Acquisition and construction of capital assets	(207,346)	(2,842,209)	(227,064)	(3,276,619)	-
Capital contributions	24,176	389,295	-	413,471	-
Net Cash Flows From Capital and Related Financing Activities	(336,195)	(615,023)	(165,665)	(1,116,883)	-
Net Change in Cash and Cash Equivalents	69,683	(280,006)	220,116	9,793	38,871
CASH AND CASH EQUIVALENTS - Beginning of Year	573,270	1,383,893	468,223	2,425,386	89,773
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 642,953	\$ 1,103,887	\$ 688,339	\$ 2,435,179	\$ 128,644

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water Utility	Sewer Utility	Stormwater Utility	Total	
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES					
Operating income	\$ 443,969	\$ 318,820	208,117	\$ 970,906	\$ 113,143
Nonoperating revenue	1,717	-	-	1,717	-
Adjustments to Reconcile Operating Income to Net Cash					
Flows from Operating Activities					
Depreciation	400,610	366,729	155,448	922,787	-
Depreciation charged to other funds	38,512	(38,512)	-	-	-
Changes in Assets, Deferred Outflows, Liabilities, and Deferred Inflows					
Accounts receivable	4,935	(26,262)	393	(20,934)	9,566
Due to/from other funds	4,153	(3,587)	(547)	19	-
Inventories	(1,781)	(1,257)	5,385	2,347	-
Accounts payable	(4,780)	(2,144)	1,725	(5,199)	(22,381)
Compensated absences	11,951	4,496	1,469	17,916	-
Pension and OPEB related deferrals and liabilities/assets	10,460	12,581	3,580	26,621	-
Unearned revenue	2,097	-	-	2,097	-
NET CASH FLOWS FROM OPERATING ACTIVITIES	\$ 911,843	\$ 630,864	\$ 375,570	\$ 1,918,277	\$ 100,328
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS					
Cash and equivalents	\$ 1,830,995	\$ 1,167,286	\$ 630,014	\$ 3,628,295	\$ 128,644
Redemption account	-	157,476	-	157,476	-
Depreciation account	-	206,025	-	206,025	-
Replacement account	-	997,163	58,325	1,055,488	-
Total Cash and Investments	1,830,995	2,527,950	688,339	5,047,284	128,644
Less: Noncash equivalents	(1,188,042)	(1,424,063)	-	(2,612,105)	-
CASH AND CASH EQUIVALENTS	\$ 642,953	\$ 1,103,887	\$ 688,339	\$ 2,435,179	\$ 128,644
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES					
Developer financed additions to utility plant	\$ 2,590	\$ -	\$ -	\$ 2,590	\$ -
Amortization	\$ -	\$ -	\$ (7,101)	\$ (7,101)	\$ -

See accompanying notes to financial statements.

CITY OF BARABOO

STATEMENT OF ASSETS AND LIABILITIES AGENCY FUNDS As of December 31, 2018

	<u>Agency Funds</u>
ASSETS	
Cash and investments	\$ 7,739,934
Taxes receivable	4,463,336
Prepaid items	7,953
Due from other governments	<u>58,468</u>
TOTAL ASSETS	<u>\$ 12,269,691</u>
LIABILITIES	
Accounts payable	\$ 10,313
Due to component unit	8,864
Due to other governments	12,227,542
Due to other entities	<u>22,972</u>
TOTAL LIABILITIES	<u>\$ 12,269,691</u>

See accompanying notes to financial statements.

CITY OF BARABOO

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CITY OF BARABOO

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

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. REPORTING ENTITY

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

Component units are reported using one of two methods, discrete presentation or blending. Generally, component units should be discretely presented in a separate column in the financial statements. A component unit should be reported as part of the primary government using the blending method if it meets any one of the following criteria: (1) the primary government and the component unit have substantively the same governing body and a financial benefit or burden relationship exists, (2) the primary government and the component unit have substantively the same governing body and management of the primary government has operational responsibility for the component unit, (3) the component unit serves or benefits, exclusively or almost exclusively, the primary government rather than its citizens, or (4) the total debt of the component unit will be paid entirely or almost entirely from resources of the primary government.

Discretely Presented Component Units

Community Development Authority

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

CITY OF BARABOO

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

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

A. REPORTING ENTITY (cont.)

Discretely Presented Component Units (cont.)

Business Improvement District

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

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

In June 2015, the GASB issued statement No. 75 - *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended*, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB*. This standard was implemented January 1, 2018.

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

CITY OF BARABOO

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

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

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

Fund Financial Statements (cont.)

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

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

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

The City reports the following major governmental funds:

- General – accounts for the City's primary operating activities. It is used to account for all financial resources except those required to be accounted for in another fund.
- General Debt Service – accounts for resources accumulated and payments made for principal and interest on long-term debt other than TID or enterprise fund debt.
- Capital Projects – accounts for the financial resources to be used for the acquisition or construction of equipment and/or major capital facilities.

The City reports the following major enterprise funds:

- Water Utility – accounts for operations of the water system
- Sewer Utility – accounts for operations of the sewer system
- Stormwater Utility – accounts for operations of the stormwater system

The City reports the following nonmajor governmental funds:

Special Revenue Funds - used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

Economic Development	Alma Waite	Library Building
Community Development	Library	Capital Catalyst
Block Grant	Parks	1979 Community Development
Park Development	Fire Department Retirement	Block Grant
Impact Fees	Ochsner Park House	Economic Development Grant
Public Safety Impact Fees	Library Impact Fees	Wisconsin Community
Flood Aid	Façade Improvement Program	Development Block Grant
Lead Service Grant	BID Pocket Park	TIF Incentive
Taxi Grant	Kuenzi Estate	

CITY OF BARABOO

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

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

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

Fund Financial Statements (cont.)

Capital Projects Funds - used to account for financial resources to be used for the acquisition or construction of equipment and/or major capital facilities.

Tax Incremental District (TID) No. 6	Special Assessment Projects
Tax Incremental District (TID) No. 7	Urban Development
Tax Incremental District (TID) No. 8	Land Development
Tax Incremental District (TID) No. 9	Capital Equipment
Fire Equipment	Airport Capital Improvement
Emergency Management Equipment	

In addition, the City reports the following fund types:

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governmental units, on a cost-reimbursement basis.

Liability Insurance

Unfunded Pension Liability

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

Tax Collection Fund
UW Campus

Friends of the Library
Airport

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

Government-Wide Financial Statements

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

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

CITY OF BARABOO

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

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

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

Government-Wide Financial Statements (cont.)

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

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

Intergovernmental aids and grants are recognized as revenues in the period the City is entitled the resources and the amounts are available. Amounts owed to the City which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time requirements) are met and recorded as liabilities. Amounts received in advance of making time requirements are recorded as deferred inflows.

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

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

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

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

All Financial Statements

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

CITY OF BARABOO

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

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

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

1. Deposits and Investments

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

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

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

Additional restrictions may arise from local charters, ordinances, resolutions and grant resolutions.

The City has adopted an investment policy. That policy follows the state statute for allowable investments.

The City's investment policy addresses custodial credit risk. The City's deposits must be collateralized at 102% of the value of the principal and accrued interest. The collateral must be held by an independent third party.

Concentration of credit risk is also addressed by the City's investment policy. With the exception of U.S. Treasury Securities and authorized investment pools, no more than 50% of the City's total investment portfolio will be invested in a single security type with a single financial institution. The City's policy also addresses interest rate risk. The City will not directly invest in securities maturing more than five years from the date of purchase. The City has adopted weighted average maturity limitations (which often range from 90 days to three years).

The other risks disclosed in Note III.A. are not specifically addressed in the City's investment policy.

CITY OF BARABOO

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

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

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

1. Deposits and Investments (cont.)

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

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

See Note III.A. for further information.

2. Receivables

Property taxes are levied in December on the assessed value as of the prior January 1. In addition to property taxes for the City, taxes are collected for and remitted to the state and county governments as well as the local school district and technical college district. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as receivables and due to other taxing units on the accompanying agency fund statement of assets and liabilities.

Property Tax Calendar - 2018 Tax Roll:

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

Accounts receivable have been shown net of an allowance for uncollectible accounts. Delinquent real estate taxes as of July 31 are paid in full by the county, which assumes the collection thereof. No provision for uncollectible accounts receivable has been made for the water, sewer, and stormwater utilities because they have the right by law to place substantially all delinquent bills on the tax roll, and other delinquent bills are generally not significant.

CITY OF BARABOO

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

2. Receivables (cont.)

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as internal balances.

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

The City has received federal and state grant funds for economic development and housing rehabilitation loan programs to various businesses and individuals. The City records a loan receivable when the loan has been made and funds have been disbursed. The amount recorded as economic development and housing rehabilitation loans receivable has not been reduced by an allowance for uncollectible accounts.

It is the City's policy to record unavailable revenue for the net amount of the receivable balance. As loans are repaid, revenue is recognized. When new loans are made from the repayments, expenditures are recorded. Interest received from loan repayments is recognized as revenue when received in cash. Any unspent loan repayments at year-end are presented as assigned fund balance in the fund financial statements.

3. Inventories and Prepaid Items

Governmental fund inventories, if material, are recorded at cost based on the FIFO method using the consumption method of accounting. Proprietary fund inventories are generally used for construction and/or for operation and maintenance work. They are not for resale. They are valued at cost based on weighted average, and charged to construction and/or operation and maintenance expense when used. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net position.

CITY OF BARABOO

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

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

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

5. Capital Assets

Government-Wide Statements

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$3,000 for general capital assets and \$25,000 for infrastructure assets, and an estimated useful life in excess of one year. All capital assets are valued at historical cost, or estimated historical cost, if actual amounts are unavailable. Donated capital assets are recorded at their estimated fair value at the date of donation.

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

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

Buildings	30 - 75 Years
Land improvements	30 Years
Machinery and equipment	3 - 15 Years
Utility system	15 - 100 Years
Infrastructure	20 - 50 Years

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

6. Other Assets

Equity interests in joint ventures are presented as assets in the government-wide financial statements. See Note IV.E.

The City has set aside a depreciation account in the sewer utility to fund plant renewals and replacement or to make up potential future deficiencies in the redemption account.

The stormwater utility has a replacement account to set aside funds for future equipment replacement needs.

CITY OF BARABOO

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

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

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

7. Deferred Outflows of Resources

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

A deferred charge on refunding arises from the advance refunding of debt. The difference between the cost of the securities placed in trust for future payments of the refunded debt and the net carrying value of that debt is deferred and amortized as a component of interest expense over the shorter of the term of the refunding issue or the original term of the refunded debt. The unamortized amount is reported as a deferred outflow of resources in the government-wide and proprietary fund financial statements.

8. Compensated Absences

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

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

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

9. Long-Term Obligations/Conduit Debt

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

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

CITY OF BARABOO

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

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

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

9. Long-Term Obligations/Conduit Debt (cont.)

For the government-wide statements and proprietary fund statements, bond premiums and discounts are deferred and amortized over the life of the issue using the straight-line or effective interest method. Gains or losses on prior refundings are amortized over the remaining life of the old debt, or the life of the new debt, whichever is shorter. The balance at year end for both premiums/discounts and gains/losses, as applicable, is shown as an increase or decrease in the liability section of the statement of net position.

The City has approved the issuance of industrial revenue bonds ("IRB") for the benefit of private business enterprises. IRB's are secured by mortgages or revenue agreements on the associated projects, and do not constitute indebtedness of the City. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The total amount of IRB's outstanding at the end of the year is approximately \$5,225,000, made up of one issue.

10. Deferred Inflows of Resources

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

11. Equity Classifications

Government-Wide Statements

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

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

CITY OF BARABOO

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

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

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

11. Equity Classifications (cont.)

Government-Wide Statements (cont.)

The net position section includes an adjustment for capital assets owned by the business-type activities column, but financed by the debt of the governmental activities column. The amount is a reduction of "net investment in capital assets," and an increase in "unrestricted" net position, shown only in the total column. A reconciliation of this adjustment is as follows:

	Governmental Activities		Business-type Activities		Adjustment		Total
Net investment in capital assets	\$ 38,165,294	\$	23,566,209	\$	(932,027)	\$	60,799,476
Unrestricted	7,349,588		4,402,982		932,027		12,684,597

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

Fund Statements

Governmental fund balances are displayed as follows:

- a. Nonspendable - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. Restricted - Consists of fund balances with constraints placed on their use either by:
 - 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or
 - 2) law through constitutional provisions or enabling legislation.
- c. Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the City Council. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the City Council that originally created the commitment.
- d. Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed. Fund balance may be assigned through the following: 1) The City has adopted a financial policy authorizing the Director of Finance to assign amounts for a specific purpose and 2) all remaining positive spendable amounts in governmental funds, other than the general fund, that are neither restricted nor committed. Assignments may take place after the end of the reporting period.

CITY OF BARABOO

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

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

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

11. Equity Classifications (cont.)

Fund Statements (cont.)

- e. Unassigned - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

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

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

12. Basis for Existing Rates

Water Utility

Current water rates were approved by the Public Service Commission of Wisconsin on October 3, 2016, and placed into effect by the water utility on January 1, 2017. The rates were designed to provide a 2% return.

Sewer Utility

Current sewer rates were approved by the City and placed into effect with the first quarter billing of 2018.

Stormwater Utility

Current stormwater rates were approved by the City and placed into effect on January 1, 2012.

13. Pension

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

14. 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 City's health insurance OPEB Plan has been determined on the same basis as reported by the City's OPEB Plan. For this purpose, the City's OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

CITY OF BARABOO

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

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

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

14. Postemployment Benefits Other Than Pensions (OPEB) (cont.)

The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIFs fiduciary net position have been determined on the same basis as they are reported by LRLIF. 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.

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

A budget has been adopted for the general fund, general debt service fund, special revenue funds including: taxi, park development, public safety, parks, and Alma Waite, the capital projects fund, and special assessment capital projects fund. Budgets have not been formally adopted for other special revenue and capital projects funds not listed above. Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds.

B. DEFICIT BALANCES

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year-end. As of December 31, 2018, the following individual funds held a deficit balance:

<u>Fund</u>	<u>Amount</u>	<u>Reason</u>
Flood Aid	\$ 53,985	Excess expenditures over revenues
Tax Incremental District #7	292,875	Excess expenditures over revenues
Tax Incremental District #8	546,328	Excess expenditures over revenues
Urban Development	59,050	Excess expenditures over revenues
Unfunded Pension Liability	259,998	Excess expenses over revenues

These fund deficits are anticipated to be funded with future contributions, general tax revenues, or long-term borrowing.

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

C. LIMITATIONS ON THE CITY'S TAX LEVY

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

CITY OF BARABOO

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

NOTE III - DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the statement of net position and balance sheet as cash and investments. In addition, investments are separately held by several of the City's funds.

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

	Carrying Value	Bank and Investment Balances	Associated Risks
Deposits	\$ 20,992,680	\$ 20,929,051	Custodial credit
U.S. Agencies – explicitly guaranteed	1,012,547	1,012,547	Custodial credit, interest rate
U.S. Agencies – implicitly guaranteed	1,819,803	1,819,803	Custodial credit, credit, interest rate, concentration of credit
Mutual funds – other than bond funds	1,029,412	1,029,412	N/A
Mutual funds – bond funds	103,137	103,137	Credit, interest rate
LGIP	4,318,425	4,318,425	Credit
Petty cash	1,200	-	N/A
Total Deposits and Investments	\$ 29,277,204	\$ 29,212,375	

Reconciliation to financial statements:

Per statement of net position	
Unrestricted cash and investments	\$ 20,382,631
Restricted cash and investments	1,154,639
Per statement of assets and liabilities – Agency funds	7,739,934
Total Deposits and Investments	\$ 29,277,204

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

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

CITY OF BARABOO

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

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

A. DEPOSITS AND INVESTMENTS (cont.)

The City maintains collateral agreements with its banks. At December 31, 2018, the banks had pledged various government securities in the amount of \$10,674,666 to secure the City's deposits.

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

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

- > Mutual funds are readily priced in active markets
- > U.S. Agencies are priced at month-end using "round lot" pricing from similar observable inputs

Investment Type	December 31, 2018			Total
	Level 1	Level 2	Level 3	
U.S. Agencies – explicitly guaranteed	\$ -	\$ 1,012,547	\$ -	\$ 1,012,547
U.S. Agencies – implicitly guaranteed	-	1,819,803	-	1,819,803
Mutual Funds – other than bond funds	1,029,412	-	-	1,029,412
Mutual Funds – bond funds	103,137	-	-	103,137
Totals	\$ 1,132,549	\$ 2,832,350	\$ -	\$ 3,964,899

Custodial Credit Risk

Deposits

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

The City does not have any deposits exposed to custodial credit risk.

Investments

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

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

CITY OF BARABOO

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

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

A. DEPOSITS AND INVESTMENTS (cont.)

Credit Risk

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

At December 31, 2018, the City's investments were rated as follows:

Investment Type	Moody's Investor Services	Standard and Poor's
U.S. Agencies - implicitly guaranteed	AAA	AA+

The City had investments in mutual bond funds and the external Wisconsin Local Government Investment Pool which are not rated.

Interest Rate Risk

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

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

Type of Investment	Fair Value	Investment Maturities (in Years)	
		1-4	More Than 4
U.S. Agencies – explicitly guaranteed	\$ 1,012,547	\$ -	\$ 1,012,547
U.S. Agencies – implicitly guaranteed	1,819,803	1,389,784	430,019
Mutual funds – bond funds	103,137	-	103,137
Totals	\$ 2,935,487	\$ 1,389,784	\$ 1,545,703

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investments in a single issuer. At December 31, 2018, the investment portfolio included 12% of investments in FHLMC.

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

CITY OF BARABOO

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

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

B. RECEIVABLES

All of the receivables on the balance sheet are expected to be collected within one year with the exception of: delinquent personal property taxes of \$40,726 reported in the general fund and loans of \$2,147,834 reported in nonmajor governmental funds.

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

	<u>Unavailable</u>	<u>Unearned</u>	<u>Total</u>
Property taxes receivable	\$ -	\$ 9,647,118	\$ 9,647,118
Special assessments not yet due	166,054	-	166,054
Loans receivable	2,147,834	-	2,147,834
Other receivables	<u>82,634</u>	<u>-</u>	<u>82,634</u>
 Total Unavailable/Unearned Revenue for Governmental Funds	 <u>\$ 2,396,522</u>	 <u>\$ 9,647,118</u>	 <u>\$ 12,043,640</u>

For economic development loans, the City is limited by the Wisconsin Department of Administration to the amount of program income from economic development loans that it may retain and loan to other businesses and the amount of time for which funds may be held without use. Program income includes the principal and interest received from economic development loans repayments.

At December 31, 2018, the City has not exceeded the maximum amount that it may retain or time established. When it does, a liability to the state will be recorded.

C. RESTRICTED ASSETS

The following represent the balances of the restricted assets:

Long-Term Debt Accounts

Redemption used to segregate resources accumulated for debt service payments over the next twelve months.

Net Pension Asset

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

CITY OF BARABOO

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

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

C. RESTRICTED ASSETS (cont.)

Equipment Replacement Account

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

The following is a list of business-type activities restricted cash and investments at December 31, 2018:

	Restricted Assets
Bond redemption	\$ 157,476
Equipment replacement account	997,163
Total Restricted Assets	\$ 1,154,639

D. CAPITAL ASSETS

	Beginning Balance	Additions	Disposals*	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 8,600,642	\$ -	\$ 462,133	\$ 8,138,509
Construction in progress	9,391,076	514,427	9,391,076	514,427
Total Capital Assets Not Being Depreciated	17,991,718	514,427	9,853,209	8,652,936
Capital assets being depreciated				
Land improvements	4,568,175	143,991	2,131,085	2,581,081
Buildings	17,596,433	10,758,780	443,417	27,911,796
Machinery and equipment	10,682,289	1,233,550	855,207	11,060,632
Infrastructure	38,082,660	520,433	122,718	38,480,375
Total Capital Assets Being Depreciated	70,929,557	12,656,754	3,552,427	80,033,884
Total Capital Assets	88,921,275	13,171,181	13,405,636	88,686,820
Less: Accumulated depreciation for				
Land improvements	(2,180,518)	(77,480)	1,136,654	(1,121,344)
Buildings	(4,456,436)	(453,583)	117,866	(4,792,153)
Machinery and equipment	(5,116,059)	(545,931)	650,991	(5,010,999)
Infrastructure	(11,933,256)	(658,054)	77,463	(12,513,847)
Total Accumulated Depreciation	(23,686,269)	(1,735,048)	1,982,974	(23,438,343)
Net Capital Assets Being Depreciated	47,243,288	10,921,706	1,569,453	56,595,541
Total Capital Assets, Net of Accumulated Depreciation	\$ 65,235,006	\$ 11,436,133	\$ 11,422,662	\$ 65,248,477

* Disposals include the removal of capital assets related to the airport operations. See Note IV.J.

CITY OF BARABOO

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

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

D. CAPITAL ASSETS (cont.)

Depreciation expense was charged to functions as follows:

Governmental Activities

General governmental	\$ 31,633
Public safety	325,036
Public works, which includes the depreciation of infrastructure	890,820
Culture, education and recreation	<u>487,559</u>

Total Governmental Activities Depreciation Expense \$ 1,735,048

	Beginning Balance	Additions	Disposals	Ending Balance
Business-type Activities				
Capital assets not being depreciated				
Land	\$ 279,834	\$ -	\$ -	\$ 279,834
Construction work in progress	<u>182,559</u>	<u>2,755,222</u>	<u>182,559</u>	<u>2,755,222</u>
Total Capital Assets Not Being Depreciated	<u>462,393</u>	<u>2,755,222</u>	<u>182,559</u>	<u>3,035,056</u>
Capital assets being depreciated				
Machinery and equipment – stormwater	773,125	203,265	-	976,390
Infrastructure – stormwater	9,803,843	25,155	-	9,828,998
Source of supply – water	517,881	-	-	517,881
Pumping – water	2,104,992	13,240	16,500	2,101,732
Water treatment	83,656	-	1,500	82,156
Transmission and distribution – water	12,746,441	199,196	19,873	12,925,764
Collection system and pumping – sewer	380,179	-	-	380,179
Collecting system – sewer	3,938,465	655	-	3,939,120
Treatment and disposal – sewer	8,246,829	155,698	576,930	7,825,597
Intangibles	56,730	6,600	-	63,330
General	1,559,908	205,350	57,873	1,707,385
Total Capital Assets Being Depreciated	<u>40,212,049</u>	<u>809,159</u>	<u>672,676</u>	<u>40,348,532</u>
Total Capital Assets	<u>40,674,442</u>	<u>3,564,381</u>	<u>855,235</u>	<u>43,383,588</u>
Less: Accumulated depreciation for Water, sewer, and stormwater plant	<u>(15,171,724)</u>	<u>(922,786)</u>	<u>617,305</u>	<u>(15,477,205)</u>
Net Capital Assets Being Depreciated	<u>25,040,325</u>	<u>(113,627)</u>	<u>55,371</u>	<u>24,871,327</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>\$ 25,502,718</u>	<u>\$ 2,641,595</u>	<u>\$ 237,930</u>	<u>\$ 27,906,383</u>

CITY OF BARABOO

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

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

D. CAPITAL ASSETS (cont.)

Depreciation expense was charged to functions as follows:

Business-type Activities	\$ 400,610
Water	366,729
Sewer	155,447
Stormwater	155,447
Total Business-type Activities Depreciation Expense	\$ 922,786

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

E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES, AND TRANSFERS

Interfund Receivables/Payables

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

Receivable Fund	Payable Fund	Amount
General	Nonmajor governmental funds	\$ 238,380
General	Sewer Utility	23,820
Water Utility	Nonmajor governmental funds	864
Sewer Utility	General	10,605
Stormwater Utility	General	4,759
General	Stormwater Utility	5,448
Water Utility	General	6,736
General	Water Utility	36,952
Sewer Utility	Nonmajor governmental funds	603
Nonmajor governmental funds	Nonmajor governmental funds	715
Total - Fund Financial Statements		328,882
Less: Fund eliminations		(286,229)
Add: Interfund advances		(360,255)
Total Internal Balances - Government-Wide Statement of Net Position		\$ (317,602)
Receivable Fund	Payable Fund	Amount
Governmental Activities	Business-type Activities	\$ 92,401
Business-type Activities	Governmental Activities	(410,003)
Total Government-Wide Financial Statements		\$ (317,602)

CITY OF BARABOO

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

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

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

Interfund Receivables/Payables (cont.)

All amounts are due within one year.

The principal purpose of these interfunds resulted from the time lag between the dates that: (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Advances

The general and utility funds are advancing amounts to TID No. 7 and No. 8 until sufficient TID increments are generated. The amount advanced is determined by the deficiency of revenues over expenditures and other financing sources since the funds' inceptions. No repayment schedules have been established. Various other funds have advances to other funds as detailed below. Interest may be charged on some of these advances. No repayment schedules have been established.

The following is a schedule of interfund advances:

Receivable Fund	Payable Fund	Amount	Amount Not Due Within One Year
General	TID No. 8	\$ 152,767	\$ 152,767
General	Urban Development	57,507	57,507
Water Utility	TID No. 7	57,838	57,838
Water Utility	TID No. 8	103,000	103,000
Sewer Utility	TID No. 8	79,010	79,010
Stormwater Utility	TID No. 8	146,588	146,588
Unfunded Pension Liability	Water Utility	20,695	20,695
Unfunded Pension Liability	Sewer Utility	5,486	5,486
General	TID No. 7	119,228	119,228
Total – Fund Financial Statements		742,119	
Less: Fund eliminations		(329,502)	
Less: government-wide fund eliminations		(772,872)	
Total – Interfund Advances		\$ (360,255)	

CITY OF BARABOO

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

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

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

Transfers

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
General	Water Utility	\$ 312,568	Tax equivalent
General	Nonmajor Governmental Funds	76,224	Various operating uses
General	General Debt Service	14,956	Reallocate levy
Nonmajor Governmental Funds	General	268,566	Annual contributions to the capital funds; fire benefits
Nonmajor Governmental Funds	Capital Projects	30,781	Contribution for sidewalk reconstruction
Nonmajor Governmental Funds	Nonmajor Governmental Funds	<u>278,177</u>	Donations
Total - Fund Financial Statements		981,272	
Less: Fund eliminations		<u>(668,704)</u>	
Total Transfers - Government-Wide Statement of Activities		<u>\$ 312,568</u>	

Generally, transfers are used to: (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

CITY OF BARABOO

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

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

F. LONG-TERM OBLIGATIONS

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

	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities					
Bonds and Notes Payable					
General obligation debt	\$ 18,311,403	\$ 2,711,119	\$ 2,780,785	\$ 18,241,737	\$ 2,236,172
Lease Payable	9,756,226	2,603,941	25,863	12,334,304	172,200
Premium on debt	141,167	37,740	32,736	146,171	49,758
Sub-totals	<u>28,208,796</u>	<u>5,352,800</u>	<u>2,839,384</u>	<u>30,722,212</u>	<u>2,458,130</u>
Other Liabilities					
Vested compensated absences	1,600,494	451,297	527,605	1,524,186	457,829
Net pension liability	302,293	-	302,293	-	-
OPEB liability	1,120,185	89,351	-	1,209,536	-
Total Other Liabilities	<u>3,022,972</u>	<u>540,648</u>	<u>829,898</u>	<u>2,733,722</u>	<u>457,829</u>
 Total Governmental Activities Long-Term Obligations	 <u>\$ 31,231,768</u>	 <u>\$ 5,893,448</u>	 <u>\$ 3,669,282</u>	 <u>\$ 33,455,934</u>	 <u>\$ 2,915,959</u>
	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Business-type Activities					
Bonds and Notes Payable					
General obligation debt	\$ 1,265,000	\$ 250,000	\$ 315,000	\$ 1,200,000	\$ 310,000
Revenue bonds	1,483,612	2,024,320	149,858	3,358,074	244,049
Premium on debt	19,316	5,323	6,557	18,082	-
Sub-totals	<u>2,767,928</u>	<u>2,279,643</u>	<u>471,415</u>	<u>4,576,156</u>	<u>554,049</u>
Other Liabilities					
Vested compensated absences	294,448	116,643	89,133	321,958	95,514
Pension and benefits reserve	1,862	-	1,862	-	-
Net pension liability	49,511	-	49,511	-	-
OPEB liability	150,030	15,815	-	165,845	-
Total Other Liabilities	<u>495,851</u>	<u>132,458</u>	<u>140,506</u>	<u>487,803</u>	<u>95,514</u>
 Total Business-type Activities Long-Term Obligations	 <u>\$ 3,263,779</u>	 <u>\$ 2,412,101</u>	 <u>\$ 611,921</u>	 <u>\$ 5,063,959</u>	 <u>\$ 649,563</u>

CITY OF BARABOO

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

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

F. LONG-TERM OBLIGATIONS (cont.)

In accordance with Wisconsin Statutes, total general obligation indebtedness of the City may not exceed 5% of the equalized value of taxable property within the City's jurisdiction. The debt limit as of December 31, 2018, was \$43,015,335. Total general obligation debt outstanding at year-end was \$19,542,207, which includes the \$100,470 state trust fund loan recorded in the CDA.

General Obligation Debt

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

Governmental Activities General Obligation Debt	Date of Issue	Interest Rates	Date of Maturity	Original Indebtedness	Balance 12/31/18
State trust fund loan	12/03/08	4.75%	03/15/26	\$ 229,057	\$ 33,194
Taxable general obligation corporate purpose bonds	12/27/10	1.75 - 6.10%	12/01/30	1,690,000	1,265,000
General obligation refunding bonds	04/19/12	2.00 - 2.65%	04/01/26	4,535,000	3,190,000
General obligation corporate purpose bonds	03/06/13	0.30 - 2.10%	02/01/25	1,545,000	940,000
Taxable general obligation refunding bonds	03/06/13	0.40 - 2.95%	08/01/26	2,660,000	1,625,000
General obligation promissory note	05/01/13	1.45%	05/01/23	250,000	129,479
General obligation corporate purpose bonds	08/12/14	0.08 - 3.05%	09/01/28	2,795,000	2,430,000
General obligation UW system campus bonds	04/01/15	2.78%	04/01/35	3,040,000	2,650,000
General obligation corporate purpose bonds	07/21/16	2.00 - 2.50%	12/01/35	4,875,000	3,330,000
General obligation promissory note	12/1/17	2.70%	01/31/22	970,000	510,000
General Obligation Corporate purpose bonds	02/01/18	3.00%	02/01/38	1,790,000	1,790,000
General Obligation Promissory note	01/24/18	2.95%	09/01/25	411,119	349,064
Total Governmental Activities – General Obligation Debt					<u>\$ 18,241,737</u>

CITY OF BARABOO

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

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

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

Business-Type Activities General Obligation Debt	Date of Issue	Interest Rates	Date of Maturity	Original Indebtedness	Balance 12/31/18
General obligation refunding bonds	04/19/12	2.00 - 2.65%	03/01/21	\$ 1,630,000	\$ 455,000
General obligation corporate purpose bonds	08/12/14	0.80 - 3.05%	12/01/20	200,000	125,000
General obligation corporate purpose bonds	07/21/16	2.00 - 2.50%	12/01/35	420,000	370,000
General obligation Corporate purpose bonds	02/01/18	3.00%	02/01/38	250,000	250,000
Total Business-Type Activities – General Obligation Debt					<u>\$ 1,200,000</u>

Debt service requirements to maturity are as follows:

Years	Governmental Activities General Obligation Debt		Business-type Activities General Obligation Debt	
	Principal	Interest	Principal	Interest
2019	\$ 2,236,172	\$ 472,468	\$ 310,000	\$ 27,073
2020	1,953,272	409,135	335,000	17,288
2021	1,936,612	366,991	110,000	12,778
2022	1,759,277	325,341	70,000	10,340
2023	1,771,104	283,439	70,000	8,840
2024 – 2028	5,285,000	872,670	155,000	28,930
2029 – 2033	2,250,000	326,303	75,000	17,325
2034 – 2038	1,050,000	52,360	75,000	5,940
Totals	<u>\$ 18,241,737</u>	<u>\$ 3,108,707</u>	<u>\$ 1,200,000</u>	<u>\$ 128,514</u>

Revenue Debt

Business-type activities revenue bonds are payable only from revenues derived from the operation of the sewer utility.

CITY OF BARABOO

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

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

F. LONG-TERM OBLIGATIONS (cont.)

Revenue Debt (cont.)

The sewer utility has pledged future sewer revenues, net of specified operating expenses, to repay \$3,768,399 in revenue bonds issued in 2006. Proceeds from the bonds provided financing for the sewer utility. The bonds are payable solely from utility revenues and are payable through 2037. Annual principal and interest payments on the bonds are expected to require 12.6% of gross revenues. The total principal and interest remaining to be paid on the bonds is \$3,845,071. Principal and interest paid for the current year and total customer gross revenues were \$186,429 and \$1,611,793 respectively.

Revenue debt payable at December 31, 2018, consists of the following:

Business-type Activities Revenue Debt

Sewer Utility	Date of Issue	Interest Rates	Date of Maturity	Original Indebtedness	Balance 12/31/18
Clean Water Fund Loan	06/28/06	2.365%	05/01/26	\$ 2,914,814	\$ 1,333,754
Clean Water Fund Loan	04/11/18	1.76%	05/01/37	2,024,320	<u>2,024,320</u>
Total					<u>\$ 3,358,074</u>

Debt service requirements to maturity are as follows:

Years	Business-type Activities Revenue Debt		Total
	Principal	Interest	
2019	\$ 244,049	\$ 64,436	\$ 308,485
2020	249,272	59,279	308,551
2021	254,610	53,884	308,494
2022	260,063	48,371	308,434
2023	265,636	42,737	308,373
2024 – 2028	1,041,855	133,584	1,175,439
2029 – 2033	558,956	67,497	626,453
2034 – 2037	483,633	17,209	500,842
Totals	<u>\$ 3,358,074</u>	<u>\$ 486,997</u>	<u>\$ 3,845,071</u>

CITY OF BARABOO

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

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

F. LONG-TERM OBLIGATIONS (cont.)

Other Debt Information

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

A statutory mortgage lien upon the sewer utility's system and any additions, improvements and extensions thereto is created by Section 66.066 of the Wisconsin Statutes as provided for in the ordinances creating the revenue bond issue. The sewer utility'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.

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

Current Refunding

On January 24, 2018, the City issued \$411,119 in general obligation notes with an average coupon rate of 2.95% to refund \$411,119 of outstanding general obligation notes with an average coupon rate of 3.75%. The net proceeds along with existing funds of the City were used to prepay the outstanding debt. This debt is recorded within an internal service fund of the City.

The cash flow requirements on the refunded debt prior to the current refunding were \$461,074 from 2018 through 2021. The cash flow requirements on the refunding notes are \$459,876 from 2018 through 2025. The current refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$618.

CITY OF BARABOO

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

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

G. LEASE DISCLOSURES

The City of Baraboo has entered into an agreement with the Community Development Authority of the City of Baraboo (CDA) for the public safety and administration building. In 2018, the CDA issued lease revenue bonds totaling \$12,380,000.

The future minimum lease obligations and the net present value on the minimum lease payments as of December 31, 2018, are as follows:

Years	Governmental Activities	
	Principal	Interest
2019	\$ 172,200	\$ 338,082
2020	177,000	333,281
2021	182,000	328,345
2022	187,000	323,271
2023	192,300	318,056
2024-2028	1,044,700	1,506,815
2029-2033	1,198,700	1,352,542
2034-2038	1,375,400	1,176,106
2039-2043	1,578,100	973,365
2044-2048	1,810,900	740,724
2049-2053	2,077,700	473,784
2054-2058	2,338,304	167,504
Totals	<u>\$ 12,334,304</u>	<u>\$ 8,031,875</u>

CITY OF BARABOO

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

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

H. NET POSITION/FUND BALANCES

Net investment in capital assets reported on the government wide statement of Net Position at December 31, 2018, is calculated as follows:

Governmental Activities

Net investment in capital assets	
Land	\$ 8,138,509
Construction in progress	514,427
Other capital assets, net of accumulated depreciation	56,595,541
Less: Long-term debt outstanding	(18,241,737)
Less: Capital lease outstanding	(12,334,304)
Less: Unamortized debt premium	(146,171)
Plus: Unamortized loss on debt refunding	372,217
Plus: Unspent capital related debt proceeds	1,985,720
Plus: Noncapital debt outstanding	<u>1,281,092</u>
Total Net Investment in Capital Assets	<u>\$ 38,165,294</u>

Business-type Activities

Net Investment in Capital Assets	
Land	\$ 279,834
Construction in progress	2,755,222
Plant in service	40,348,532
Less: Accumulated depreciation	(15,477,205)
Less: Capital-related long-term debt outstanding	(4,558,074)
Less: Unamortized premium	18,082
Plus: Unamortized loss on debt refunding	12,044
Plus: Unspent proceeds	<u>223,938</u>
Total Net Investment in Capital Assets	<u>\$ 23,566,209</u>

CITY OF BARABOO

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

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

H. NET POSITION/FUND BALANCES (cont.)

Governmental Funds

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

FUND BALANCES	General	General Debt Service	Capital Projects	Nonmajor Governmental Funds	Totals
Nonspendable:					
Inventories	\$ 106,403	\$ -	\$ -	\$ -	\$ 106,403
Prepaid items	3,642	-	-	-	3,642
Advances	329,502	-	-	-	329,502
Delinquent items	40,726	-	-	-	40,726
Total Nonspendable	<u>480,273</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>480,273</u>
Restricted for:					
Debt service	-	107,607	-	-	107,607
Community development block grant	-	-	-	456,855	456,855
Park development impact fees	-	-	-	149,154	149,154
Public safety impact fees	-	-	-	190,490	190,490
Taxi grant	-	-	-	1,509	1,509
Alma Waite	-	-	-	1,176,109	1,176,109
Library	-	-	-	1,801,463	1,801,463
Facade Improvement Program	-	-	-	40,007	40,007
BID pocket park	-	-	-	1,942	1,942
Kuenzi estate	-	-	-	33,020	33,020
Capital catalyst	-	-	-	26,658	26,658
Economic development grants	-	-	-	5,728	5,728
TIF project plans	-	-	-	987,175	987,175
Capital projects (unspent debt)	-	-	1,985,720	-	1,985,720
Total Restricted	<u>-</u>	<u>107,607</u>	<u>1,985,720</u>	<u>4,870,110</u>	<u>6,963,437</u>
Committed to:					
Economic development	-	-	-	141,066	141,066
Parks	-	-	-	124,316	124,316
Fire department retirement	-	-	-	111,152	111,152
Ochsner Park house	-	-	-	18,211	18,211
Applied to subsequent budget	742,636	-	-	-	742,636
Carryforwards – open contracts	139,543	-	-	-	139,543
Library building	-	-	-	935,855	935,855
Total Committed	<u>882,179</u>	<u>-</u>	<u>-</u>	<u>1,330,600</u>	<u>2,212,779</u>
Assigned to:					
Employee separation	398,794	-	-	-	398,794
Airport operations	81,360	-	-	-	81,360
Bicycle safety	726	-	-	-	726
Police	19,176	-	-	-	19,176
Fire	15,152	-	-	-	15,152
Library	39,964	-	-	-	39,964
Economic development	14,088	-	-	-	14,088
Future capital projects	-	-	476,212	86,966	563,178
Land development	-	-	-	59,207	59,207
Capital equipment	-	-	-	1,870,426	1,870,426
Total Assigned	<u>569,260</u>	<u>-</u>	<u>476,212</u>	<u>2,016,599</u>	<u>3,062,071</u>
Unassigned (deficit):	3,815,120	-	-	(952,238)	2,862,882
Total	<u>\$ 5,746,832</u>	<u>\$ 107,607</u>	<u>\$ 2,461,932</u>	<u>\$ 7,265,071</u>	<u>\$ 15,581,442</u>

CITY OF BARABOO

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

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

I. RESTATEMENT OF NET POSITION

Net position has been restated to implement GASB No. 75. Refer to Note.1.B. for additional information related to this standard. The details of this restatement are as follows:

	Governmental Activities	Business-type Activities	Water Utility	Sewer Utility	Stormwater Utility
Net Position – December 31, 2017 (as reported)	\$ 54,419,304	\$ 28,371,373	\$ 11,718,228	\$ 8,159,207	\$ 8,493,938
Less: Health insurance related OPEB liability	(945,442)	(113,725)	(53,599)	(60,126)	-
Less: Life insurance related OPEB liability	(174,743)	(36,305)	(14,403)	(20,950)	(952)
Net position – December 31, 2017 (as restated)	<u>\$ 53,299,119</u>	<u>\$ 28,221,343</u>	<u>\$ 11,650,226</u>	<u>\$ 8,078,131</u>	<u>\$ 8,492,986</u>
		Community Development Authority	Donohue Terrace	Corson Square	
Net Position – December 31, 2018 (as reported)		\$ 3,249,297	\$ 950,960	\$ 2,298,337	
Less: Health insurance related OPEB liability		(21,559)	(12,202)	(9,357)	
Less: Life insurance related OPEB liability		(7,142)	(3,571)	(3,571)	
Net position – December 31, 2018 (as restated)		<u>\$ 3,220,596</u>	<u>\$ 935,187</u>	<u>\$ 2,285,409</u>	

CITY OF BARABOO

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

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

J. COMPONENT UNITS

Community Development Authority

This report contains the Community Development Authority ("CDA"), which is included as a component unit. Financial information is presented as a discrete column in the statement of net position and statement of activities.

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

a. Basis of Accounting/Measurement Focus

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

b. Deposits and Investments

	<u>Carrying Value</u>	<u>Statement Balances</u>	<u>Associated Risks</u>
Deposits	\$ 252,130	\$ 290,813	Custodial credit risk
LGIP	49,796	49,796	Credit
Petty cash	350	-	Not applicable
 Total Deposits and Investments	 <u>\$ 302,276</u>	 <u>\$ 340,609</u>	

Reconciliation to statement of net position:

Unrestricted cash and investments	\$ 234,382
Restricted cash and investments	<u>67,894</u>
 Total Deposits and Investments	 <u>\$ 302,276</u>

Custodial Credit Risk

Deposits

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

The CDA does not have any deposits exposed to custodial credit risk.

Investments

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

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

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

CITY OF BARABOO

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

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

J. COMPONENT UNITS (cont.)

Community Development Authority (cont.)

b. Deposits and Investments (cont.)

Credit Risk

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

The CDA held investments in the external Wisconsin Local Government Investment Pool which is not rated.

c. Restricted Assets

The CDA has established restricted cash and investment accounts to satisfy statutory and debt requirements. Following is a list of restricted assets at December 31, 2018:

	Donahue Terrace Apartments	Corson Square	Admin Building	Total
Security deposits	\$ 22,309	\$ 19,464	\$ -	\$ 41,773
Reserve account	-	-	26,121	26,121
Totals	\$ 22,309	\$ 19,464	\$ 26,121	\$ 67,894

In addition, the net pension asset of \$28,870 was restricted to fund future employee benefits.

d. Capital Assets

	Beginning Balance	Additions	Disposals	Ending Balance	Useful Lives (Years)
Land	\$ 201,364	\$ -	\$ -	\$ 201,364	N/A
Land Improvements	307,620			307,620	20
Buildings	5,755,038	44,971		5,800,009	70-100
Equipment	613,099			613,099	5-15
Less: Accumulated depreciation	(3,756,433)	(131,264)		(3,887,697)	
Totals	\$ 3,120,688	\$ (86,293)	\$ -	\$ 3,034,395	

CITY OF BARABOO

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

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

J. COMPONENT UNITS (cont.)

Community Development Authority (cont.)

e. Long-Term Obligations

	Beginning Balance	Increase	Decrease	Ending Balance	Amounts Due Within One Year
Bonds and Notes Payable					
General obligation debt	\$ 131,420	\$ -	\$ 30,950	\$ 100,470	\$ 32,188
Premium on debt	141,402	-	141,402	-	-
Revenue bonds	13,725,000	12,380,000	13,725,000	12,380,000	172,200
Sub-totals	13,997,822	12,380,000	13,897,352	12,480,470	204,388
Other Liabilities					
Compensated absences	18,640	1,784	-	20,424	9,257
Net pension liability	6,902	-	6,902	-	-
OPEB liability	28,701	3,085	-	31,786	-
Total Other Liabilities	54,243	4,869	6,902	52,210	9,257
Total Long-Term Obligations	\$ 14,052,065	\$ 12,384,869	\$ 13,904,254	\$ 12,532,680	\$ 213,645

General Obligation Debt

The general obligation debt payable of the CDA is made up of one state trust fund loan issued on January 5, 2016. Original indebtedness of the loan was \$160,000 with a 4% interest rate. Final maturity is March 15, 2021. The debt will be retired by future operating revenues of the CDA. Debt service requirements to maturity are as follows:

Years	Principal	Interest
2019	\$ 32,188	\$ 4,019
2020	33,468	2,739
2021	34,814	1,393
Totals	\$ 100,470	\$ 8,151

CITY OF BARABOO

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

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

J. COMPONENT UNITS (cont.)

Community Development Authority (cont.)

e. Long-Term Obligations (cont.)

Revenue Bonds

The revenue bonds payable for the CDA are made up of one issue through the USDA, dated June 28, 2018. Original indebtedness of the bonds was \$12,380,000 with 2.75% interest rate. Proceeds from the bonds provided financing for the construction of the public safety and administration building. The bonds are payable solely from the lease revenues and are payable through 2058. The total principal and interest remaining to be paid on the bonds is \$20,411,875. Interest paid for the current year was \$458,272. No principal was due in the current year. Total customer net revenues were \$327,044.

Debt service requirements to maturity are as follows:

Years	Principal	Interest
2019	\$ 172,200	\$ 338,082
2020	177,000	333,281
2021	182,000	328,345
2022	187,000	323,271
2023	192,300	318,056
2024 – 2028	1,044,700	1,506,815
2029 – 2033	1,198,700	1,352,542
2034 – 2038	1,375,400	1,176,106
2039 – 2043	1,578,100	973,365
2044 – 2048	1,810,900	740,724
2049 – 2053	2,077,700	473,784
2054 – 2058	2,384,000	167,504
Totals	<u>\$ 12,380,000</u>	<u>\$ 8,031,875</u>

Current Refunding

On June 28, 2018, the CDA issued \$12,380,000 in Community Development Lease Revenue Refunding Bonds with an average coupon rate of 2.75% to refund \$13,725,000 of outstanding interim bonds with an average coupon rate of 3.5%. The net proceeds along with existing funds of the CDA were used to prepay the outstanding debt.

The cash flow requirements on the refunded debt prior to the current refunding were \$14,205,375 from 2018 through 2019. The cash flow requirements on the refunding notes are \$34,677,052 from 2018 through 2058. The current refunding resulted in an economic loss (difference between the present values of the debt service payments on the old and new debt) of \$883,026. The refinancing allowed for extended payment terms.

f. Employee Retirement System

The employees of the City administer the CDA programs and are included in the Wisconsin Retirement System a cost-sharing, multiple-employer, defined benefit, public employee retirement system, as part of the primary government's plan. See Note IV. A.

CITY OF BARABOO

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

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

J. COMPONENT UNITS (cont.)

Community Development Authority (cont.)

g. Net Position

Net Investment in Capital Assets		\$	201,364
Land			6,720,728
Other capital assets			(3,887,697)
Less: Accumulated depreciation			(100,470)
Less: Capital related debt			<u> </u>
Net Investment in Capital Assets		\$	<u>2,933,925</u>

Business Improvement District

This report contains the Business Improvement District ("BID"), which is included as a component unit. Financial information is presented as a discrete column in the statement of net position and statement of activities. In addition to the basic financial statements and the preceding notes to financial statements which apply, the following additional disclosures are considered necessary for a fair presentation.

a. Basis of Accounting/Measurement Focus

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

b. Deposits and Investments

	<u>Carrying Value</u>	<u>Bank Balances</u>	<u>Associated Risks</u>
Deposits	\$ <u>67,994</u>	\$ <u>67,994</u>	Custodial credit risk

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a financial institution failure, the BID's deposits may not be returned to the BID. The BID does not have any deposits exposed to custodial credit risk.

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

CITY OF BARABOO

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

NOTE IV - OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

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

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

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

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

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

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

The WRS also provides death and disability benefits for employees.

CITY OF BARABOO

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

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

Year	Core Fund Adjustment	Variable Fund Adjustment
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	4.0

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

During the reporting period, the WRS recognized \$465,094 in contributions from the City and CDA. For purpose of Note IV.A. when the City is referenced it is intended to include the CDA.

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

Employee Category	Employee	Employer
General (Executives & Elected Officials)	6.8%	6.8%
Protective with Social Security	6.8%	10.5%
Protective without Social Security	6.8%	14.9%

CITY OF BARABOO

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

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

At December 31, 2018, the City reported an asset of \$1,316,391 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2017, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2016 rolled forward to December 31, 2017. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2017, the City's proportion was 0.04433609%, which was an increase of 0.0008164% from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the City recognized pension expense of \$628,436.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,672,507	\$ 782,343
Changes of actuarial assumptions	260,093	-
Net differences between projected and actual earnings on pension plan investments	-	1,809,258
Changes in proportion and differences between employer contributions and proportionate share of contributions	13,464	53
Employer contributions subsequent to the measurement date	479,299	-
Totals	\$ 2,425,363	\$ 2,591,654

CITY OF BARABOO

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

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

\$479,299 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension 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:

Years Ended December 31:	Deferred Outflows of Resources and Deferred Inflows of Resources (Net)
2019	\$ 148,690
2020	(6,337)
2021	(449,605)
2022	(341,494)
2023	3,156

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

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

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

CITY OF BARABOO

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

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

Core Fund Asset Class	Current Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
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	6.6	3.6
Total Core Fund	110	7.4	4.4
<u>Variable Fund Asset Class</u>			
U.S. Equities	70	7.5	4.6
International Equities	30	7.8	4.9
Total Variable Fund	100	7.9	5.0

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

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

CITY OF BARABOO

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

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

	1% Decrease to Discount Rate (6.20%)	Current Discount Rate (7.20%)	1% Increase to Discount Rate (8.20%)
City's proportionate share of the net pension liability (asset)	\$ 3,405,953	\$ (1,316,391)	\$ (4,905,518)

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

At December 31, 2018, the City reported a payable to the pension plan of \$71,131, which represents contractually required contributions outstanding as of the end of the year.

B. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers' compensation; and health care of its employees. The City participates in a public entity risk pool called to provide coverage for losses from torts, errors, and omissions. However, other risks, such as (torts; theft of, damage to, or destruction of assets; errors and omission; workers compensation; and health care of its employees) are accounted for and financed by the City in the general fund.

Public Entity Risk Pool

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

The WMIC is an intergovernmental cooperation commission created by contract under Section 66.30 of the Wisconsin Statutes. It was created in August 1987 for the purpose of facilitating the organization, establishment and capitalization of the CVMIC, and has numerous cities and villages as members.

The CVMIC is a municipal mutual insurance company established on September 19, 1987 under Section 611.23 of the Wisconsin Statutes. The CVMIC provides liability insurance coverage to the cities and villages which make up the membership of the WMIC.

CITY OF BARABOO

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

NOTE IV - OTHER INFORMATION (cont.)

B. RISK MANAGEMENT (cont.)

Public Entity Risk Pool (cont.)

The CVMIC is self-insured up to a maximum of \$2,000,000 of each insurance risk. Losses paid by CVMIC plus administrative expenses will be recovered through premiums to the participating pool of municipalities. The City's share of such losses is less than 1%.

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

Financial statements of WMIC and CVMIC are available from: Cities and Village Mutual Insurance Company, 1250 South Sunnyslope Road, Suite 105, Brookfield, WI 53005.

The initial investment in WMIC is refundable upon withdrawal from the commission and has been reported at the original amount of \$320,000 in the liability insurance internal service fund.

The City pays an annual premium to CVMIC for its general liability insurance, which provides coverage up to \$5,000,000 per occurrence, less the City's retained liability. The City's retained liability is limited to \$25,000 per occurrence and an annual aggregate limit of \$100,000. An actuarially determined estimate has been recorded for this liability, as well as for claims incurred but not reported at December 31, 2018. A total liability of \$23,955 at December 31, 2018, was recorded as claims payable, which is included in the accounts payable balance in the liability insurance internal service fund. Changes in the fund's claims loss liability follow:

Years	Beginning Balance	Incurred Claims	Claims Paid/ Settled	Ending Balance
2018	\$ 44,765	\$ 311,782	\$ 332,592	\$ 23,955
2017	-	323,747	278,982	44,765

C. COMMITMENTS AND CONTINGENCIES

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

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

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

CITY OF BARABOO

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

NOTE IV - OTHER INFORMATION (cont.)

C. COMMITMENTS AND CONTINGENCIES (cont.)

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

D. OTHER POSTEMPLOYMENT BENEFITS

References to the City within Note IV.D. are intended to include the City and CDA.

General Information About the OPEB Plan

Plan description. The City's defined benefit OPEB plan, Retiree Benefits Plan (RBP), provides health benefit plans for employees and retired former employees (and their dependents) of the City. RBP is a single-employer defined benefit OPEB plan administered by the City. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the City Council. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits provided. RBP provides healthcare coverage to active employees and retirees at blended premium rates. This results in another postemployment benefit for the retirees, commonly referred to as an implicit rate subsidy. Retirees participating in the plan contribute 100% of the blended premium. The City, by paying the blended premium for active employees, contributes the difference between the blended premium and the age adjusted premium towards retiree benefits.

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

Inactive plan members or beneficiaries currently receiving benefit payments	4
Active plan members	89
Total	93

Total OPEB Liability

The City's total OPEB liability of \$1,116,643 was measured as of December 31, 2018, and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	4.10%
Salary increases	3.5%
Healthcare cost trend rates	7.5% then decreasing by 0.5% per year to an ultimate rate of 4.0%
Retirees' share of benefit-related costs	100% of blended premium

CITY OF BARABOO

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

NOTE IV - OTHER INFORMATION (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (cont.)

Total OPEB Liability (cont.)

The discount rate was based on 20-year Bond Buyer GO Index.

Mortality rates are based on the Wisconsin 2012 Mortality Table.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study for the period 2012-2014 conducted in 2015 using Wisconsin Retirement Systems (WRS).

Changes in the Total OPEB Liability

	Total OPEB Liability
Balances at December 31, 2017	\$ 1,080,726
Changes for the year:	
Service cost	88,481
Interest	36,586
Changes in assumptions or other inputs	(54,776)
Benefit payments	(34,374)
Net Changes	35,917
Balances at December 31, 2018	\$ 1,116,643

Changes of assumptions and other inputs reflect a change in the discount rate from 3.44 percent in 2017 to 4.10 percent in 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 (3.10 percent) or 1-percentage-point higher (5.10 percent) than the current discount rate:

	1% Decrease 3.10%	Discount Rate 4.10%	1% Increase 5.10%
Total OPEB liability	\$ 1,205,294	\$ 1,116,643	\$ 1,034,307

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 (7.0 percent decreasing to 3.0 percent) or 1-percentage-point higher (9.0 percent decreasing to 5.0 percent) than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	\$ 991,952	\$ 1,116,643	\$ 1,265,392

CITY OF BARABOO

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

NOTE IV - OTHER INFORMATION (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (cont.)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

At December 31, 2018, the City reported a liability of \$290,524 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2017, and the total OPEB liability used to calculate the net OPEB liability 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 OPEB liability was based on the City's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2017, the City's proportion was 0.0965600%, which was an increase of 0.00594100% from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the City recognized OPEB expense of \$32,471.

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	\$ -	\$ 4,093
Net differences between projected and actual earnings on pension plan investments	3,345	-
Changes in assumptions	28,074	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	12,508	-
Employer contributions subsequent to the measurement date	1,862	-
Totals	\$ 45,789	\$ 4,093

CITY OF BARABOO

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

NOTE IV - OTHER INFORMATION (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (cont.)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs (cont.)

\$1,862 reported as deferred outflows related to OPEB resulting from the LRLIF Employer's contributions subsequent to the measurement date will be recognized as a \$1,862 of the net OPEB liability in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ended December 31:	Deferred Outflows of Resources and Deferred Inflows of Resources (Net)
2019	\$ 6,425
2020	6,425
2021	6,425
2022	6,425
2023	5,589
Thereafter	8,545

Actuarial assumptions. The total OPEB liability in the January 1, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2017
Measurement Date of Net OPEB Liability:	December 31, 2017
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield:	3.44%
Long-Term Expected Rate of Return:	5.0%
Discount Rate:	3.63%
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.6%
Mortality:	Wisconsin 2012 Mortality Table

CITY OF BARABOO

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

NOTE IV - OTHER INFORMATION (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (cont.)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs (cont.)

Long-term expected return on plan assets. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Investments for the LRLIF are held with Securian, the insurance carrier. Interest is calculated and credited to the LRLIF based on the rate of return for a segment of the insurance carriers' general fund, specifically 10-year A-Bonds (as a proxy, and not tied to any specific investments). The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were originally invested and the rate of return for that year. Investment interest is credited based on the aggregate rate of return and assets are not adjusted to fair market value. Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto.

Local OPEB Life Insurance Asset Allocation Targets and Expected Returns As of December 31, 2017

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return %
U.S. Government Bonds	Barclays Government	1%	1.13%
U.S. Credit Bonds	Barclays Credit	65	2.61
U.S. Long Credit Bonds	Barclays Long Credit	3	3.08
U.S. Mortgages	Barclays MBS	31	2.19
Inflation			2.3
Long-Term Expected Rate of Return			5.0

Single discount rate. A single discount rate of 3.63% was used to measure the total OPEB liability. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient.

Sensitivity of the City's proportionate share of the net OPEB liability to changes in the discount rate. The following presents the City's proportionate share of the net OPEB liability calculated using the discount rate of 3.63 percent, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.63 percent) or 1-percentage-point higher (4.63 percent) than the current rate

	1% Decrease to Discount Rate (2.63%)	Current Discount Rate (3.63%)	1% Increase to Discount Rate (4.63%)
City's proportionate share of the net OPEB liability	\$ 410,620	\$ 290,524	\$ 198,362

CITY OF BARABOO

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

NOTE IV - OTHER INFORMATION (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (cont.)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs (cont.)

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

E. JOINT VENTURES

Baraboo Ambulance District

The City of Baraboo and seven other villages and towns jointly operate the local EMS District, which is called the Baraboo Ambulance District. The communities share in the annual operation of the district. The 2018 share of operations was:

City of Baraboo	67%
Seven villages and towns	33%

The district adopts its own budget. Net operating costs including debt service are shared by the three communities based on the ratio of population. The department is governed by the Baraboo EMS Commission. The board consists of the citizens from each community. City of Baraboo representatives are appointed by the mayor with council approval. The City made a payment to the district in 2018 of \$275,839. Financial information of the district may be obtained directly from the district's office.

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

UW Campus

The City of Baraboo and Sauk County jointly own and maintain the buildings of the UW Campus. They share the cost on an annual basis, respectively. The buildings owned by the City of Baraboo are part of the City's capital assets on the statement of net position. The debt outstanding on the purchase of the assets is included in the City's long-term liabilities on the statement of net position. Summary financial information of the joint operation is not available. Total expenditures by the City in 2018 were \$102,500 in the general fund.

The City accounts for its share of operating costs in the general fund. The City has an equity interest in the organization equal to its percentage share of participation. The City's equity interest is reported as capital assets in the governmental activities amounts.

Baraboo-Wisconsin Dells Regional Airport (Airport)

The City of Baraboo and Village of Lake Delton (Village) jointly own and operate the Airport. The Airport adopts its own budget. The Airport Commission includes representation from each community appointed by the governing bodies of the City and Village. Contributions for operations and capital are contributed in equal amounts on an annual basis. The City does not have an equity interest in the joint venture. The Airport is reported as an agency fund of the City. Additional financial information of the Airport may be obtained directly from the Airport.

CITY OF BARABOO

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

NOTE IV - OTHER INFORMATION (cont.)

F. ECONOMIC DEPENDENCY

The water utility has one significant customer who was responsible for 20% of operating revenues.

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

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

- > Statement No. 83, *Certain Asset Retirement Obligations*
- > Statement No. 84, *Fiduciary Activities*
- > Statement No. 87, *Leases*
- > Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*
- > Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- > Statement No. 90, *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61*
- > Statement No. 91, *Conduit Debt Obligations*

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

H. DEVELOPER AGREEMENT

The City and Developer entered into a developer agreement that guaranteed specific development values at essential milestones. The debt repayment schedules were timed with anticipated development in order to meet annual debt obligations without use of general tax levy outside of the TID. The developer agreement made provisions for development that fell short of expectations and was insufficient to cover the annual debt payments. The Developer is required to contribute an additional \$118,395 in 2018 toward the scheduled debt payments. Contributions through 2018 related to this agreement were \$416,508.

I. SUBSEQUENT EVENTS

The sewer utility implemented new sewer rates effective for the first quarter billing of 2019.

In May 2019, the sewer utility submitted its final draw request on the 2018 clean water fund debt. The sewer utility requested, and received \$373,000 in loan proceeds and \$66,000 in grant proceeds.

J. SPECIAL ITEM – DISPOSAL OF AIRPORT OPERATIONS

Effective January 1, 2018, the city transferred operations of the airport to a newly created entity, the Baraboo-Wisconsin Dells Regional Airport. This new entity is the result of an agreement between the City of Baraboo and the Village of Lake Delton, Wisconsin. The city's governmental activities transferred \$1,911,033 in capital assets net of accumulated depreciation to the newly created entity as of the effective date of the agreement. In addition, the city's nonmajor governmental funds and governmental activities transferred existing current liabilities of \$105,428 to the newly created entity as of January 1, 2018. These transactions are shown as special items in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BARABOO

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

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
REVENUES				
TAXES				
Property taxes	\$ 7,088,135	\$ 7,088,135	\$ 7,088,136	\$ 1
Managed forest land taxes	42	42	139	97
Mobile home fees	106,514	106,514	102,347	(4,167)
Room tax	7,800	7,800	8,328	528
Payment in lieu of taxes	64,086	64,086	64,538	452
Interest and penalties on taxes	500	500	219	(281)
Total Taxes	7,267,077	7,267,077	7,263,707	(3,370)
INTERGOVERNMENTAL				
Shared taxes	1,728,085	1,728,085	1,654,779	(73,306)
Exempt computer aid	47,228	47,228	47,228	-
Municipal services	84,887	84,887	89,425	4,538
DNR grant	1,000	1,000	-	(1,000)
Police grant	18,480	18,480	29,961	11,481
General highways	604,475	604,475	603,995	(480)
Connecting highways	70,684	70,684	70,684	-
Recycling grant	30,000	30,000	35,066	5,066
Forestry grant	-	-	280	280
SCLS aid	261,436	263,658	261,436	(2,222)
Library aid	10,941	10,941	11,075	134
Medical transport aid	-	-	74,515	74,515
Other local government grants	6,500	6,500	7,222	722
Fire grant	56,850	56,850	55,783	(1,067)
Total Intergovernmental Revenues	2,920,566	2,922,788	2,941,449	18,661
LICENSES AND PERMITS				
Beverage licenses	21,290	21,290	21,711	421
Television license	158,000	158,000	159,185	1,185
Other licenses	34,438	34,438	35,397	959
Permits	72,500	72,500	87,936	15,436
Total Licenses and Permits	286,228	286,228	304,229	18,001
FINES, FORFEITURES AND PENALTIES				
Court fines and penalties	50,000	50,000	54,771	4,771
Parking violations	32,000	32,000	45,236	13,236
Total Fines, Forfeitures and Penalties	82,000	82,000	100,007	18,007
PUBLIC CHARGES FOR SERVICES				
General government	6,910	6,910	9,307	2,397
Publication fees	700	700	615	(85)
Police	2,500	2,500	4,396	1,896
Fire protection fees	300	300	3,568	3,268
Weather radios	54	54	51	(3)
Public works	24,000	24,971	26,150	1,179
Dog park fees	5,700	5,119	5,119	-
Library	27,000	27,000	25,569	(1,431)
Parks	10,800	10,171	10,172	1
Zoo	5,000	4,994	4,994	-
Development review fees	-	-	275	275
Trees	-	9,403	6,073	(3,330)
Recreation programs	134,100	129,267	140,445	11,178
Total Public Charges for Service	217,064	221,389	236,734	15,345

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

CITY OF BARABOO

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

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
INTERGOVERNMENTAL CHARGES FOR SERVICE				
Fire services	\$ 191,000	\$ 191,000	\$ 170,020	\$ (20,980)
General government	22,560	22,560	25,110	2,550
Water utility	11,132	11,132	11,132	-
Sewer utility	11,132	11,132	11,132	-
Stormwater utility	11,132	11,132	11,132	-
Total Intergovernmental Charges for Service	<u>246,956</u>	<u>246,956</u>	<u>228,526</u>	<u>(18,430)</u>
INVESTMENT INCOME				
Interest on investments	87,237	87,237	157,951	70,714
Interest on special assessments	1,000	1,000	77	(923)
Interest on advances to other funds	180	180	250	70
Total Investment Income	<u>88,417</u>	<u>88,417</u>	<u>158,278</u>	<u>69,861</u>
MISCELLANEOUS				
Rent	101,283	105,698	105,948	250
Insurance recoveries	12,000	38,304	35,271	(3,033)
Donations	3,300	3,300	24,993	21,693
Insurance dividends	45,000	45,000	64,810	19,810
Other miscellaneous	(37,923)	2,000	11,609	9,609
Refund of prior year expenditures	-	-	2,876	2,876
Total Miscellaneous	<u>123,660</u>	<u>194,302</u>	<u>245,507</u>	<u>51,205</u>
Total Revenues	<u>11,231,968</u>	<u>11,309,157</u>	<u>11,478,437</u>	<u>169,280</u>
EXPENDITURES				
GENERAL GOVERNMENT				
Common Council	39,464	39,464	39,422	42
Mayor	14,120	14,170	12,965	1,205
Attorney	132,945	125,743	120,710	5,033
City Clerk	343,794	311,170	294,833	16,337
Administrator	216,634	214,984	204,327	10,657
Personnel	8,370	8,370	4,867	3,503
Elections	58,247	57,063	51,514	5,549
Data processing	66,293	73,993	62,268	11,725
Independent auditing	39,050	39,050	35,595	3,455
Treasurer	101,575	90,813	82,276	8,537
Finance Director	46,386	113,223	133,406	(20,183)
Assessment of property	40,901	40,901	40,088	813
Municipal buildings	249,522	260,606	245,590	15,016
Insurance	61,717	61,717	61,717	-
Illegal taxes	1,583	6,583	5,742	841
Other	3,464	3,464	2,889	575
Total General Government	<u>1,424,065</u>	<u>1,461,314</u>	<u>1,398,209</u>	<u>63,105</u>
PUBLIC SAFETY				
Police department	2,828,430	2,828,657	2,785,961	42,696
Fire department	581,524	592,679	548,100	44,579
Administration	889,840	889,840	776,843	112,997
Hydrant rental	289,307	289,307	289,307	-
Ambulance	276,299	276,299	275,839	460
Inspection	85,322	85,322	48,730	36,592
Sealer of weights and measures	5,200	5,200	5,200	-
Emergency government	7,089	7,089	2,811	4,278
Total Public Safety	<u>4,963,011</u>	<u>4,974,393</u>	<u>4,732,791</u>	<u>241,602</u>

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

CITY OF BARABOO

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

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
PUBLIC WORKS				
Highway administration	\$ 216,818	\$ 217,268	\$ 219,724	\$ (2,456)
Shop operations	404,482	430,732	437,580	(6,848)
Machinery operation and maintenance	329,341	287,065	252,400	34,665
Buildings	122,803	122,803	128,256	(5,453)
Street maintenance	328,337	322,557	218,880	103,677
Tree and brush removal	176,816	177,419	152,431	24,988
Snow and ice control	448,699	433,599	292,509	141,090
Garages and sheds	73,910	71,910	37,532	34,378
Street lighting	138,500	129,186	122,869	6,317
Sidewalks, without street reconstruction	56,580	56,580	48,284	8,296
Parking facilities	32,779	34,099	12,177	21,922
Airport	35,813	53,813	53,813	-
Docks and harbors	38,209	41,909	40,181	1,728
Refuse and garbage collection	96,389	138,054	143,859	(5,805)
Solid waste disposal	213,000	213,000	191,614	21,386
Recycling	92,272	148,169	149,370	(1,201)
Weed and nuisance control	9,543	12,043	8,523	3,520
Total Public Works	<u>2,814,291</u>	<u>2,890,206</u>	<u>2,510,002</u>	<u>380,204</u>
HEALTH AND HUMAN SERVICES				
Animal control	1,750	1,750	1,123	627
Cemetery	29,000	29,000	29,000	-
Total Health and Human Services	<u>30,750</u>	<u>30,750</u>	<u>30,123</u>	<u>627</u>
CULTURE, RECREATION AND EDUCATION				
Library	895,440	929,320	925,565	3,755
Civic center	247,372	264,315	252,019	12,296
Parks	603,246	603,141	552,631	50,510
Recreation	197,248	210,322	185,764	24,558
Zoo	240,832	249,233	224,843	24,390
Pool	142,628	139,243	114,705	24,538
Celebration and entertainment	1,250	1,250	1,098	152
Winter recreation	-	-	178	(178)
UW campus	102,500	102,500	102,500	-
Cable television	32,000	39,805	36,475	3,330
Total Culture, Recreation and Education	<u>2,462,516</u>	<u>2,539,129</u>	<u>2,395,778</u>	<u>143,351</u>
CONSERVATION AND DEVELOPMENT				
Forestry	100,855	106,296	106,370	(74)
Zoning	752	752	121	631
Economic development	90,884	110,884	86,367	24,517
Public Housing	800	800	800	-
Planning	5,707	5,707	4,728	979
Total Conservation and Development	<u>198,998</u>	<u>224,439</u>	<u>198,386</u>	<u>26,053</u>
CAPITAL OUTLAY				
Highway and street construction	5,080	5,080	9,948	(4,868)
Sidewalk construction	3,269	3,269	2,099	1,170
Total Capital Outlay	<u>8,349</u>	<u>8,349</u>	<u>12,047</u>	<u>(3,698)</u>
Total Expenditures	<u>11,901,980</u>	<u>12,128,580</u>	<u>11,277,336</u>	<u>851,244</u>
Excess (deficiency) of revenues over expenditures	<u>(670,012)</u>	<u>(819,423)</u>	<u>201,101</u>	<u>1,020,524</u>

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

CITY OF BARABOO

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

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
OTHER FINANCING SOURCES (USES)				
Sales of city property	\$ 23,300	\$ 50,091	\$ 28,282	\$ (21,809)
Transfer in - tax equivalent	313,000	313,000	312,568	(432)
Transfers in	91,675	118,138	91,180	(26,958)
Transfer out	<u>(268,566)</u>	<u>(268,566)</u>	<u>(268,566)</u>	-
Total Other Financing Sources (Uses)	159,409	212,663	163,464	(49,199)
Net Change in Fund Balance	(510,603)	(606,760)	364,565	971,325
FUND BALANCES - Beginning	<u>5,382,267</u>	<u>5,382,267</u>	<u>5,382,267</u>	-
FUND BALANCES - ENDING	<u>\$ 4,871,664</u>	<u>\$ 4,775,507</u>	<u>\$ 5,746,832</u>	<u>\$ 971,325</u>

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

CITY OF BARABOO

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

Fiscal Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/18	0.04436090%	\$ (1,316,391)	\$ 5,710,373	-23.05%	102.93%
12/31/17	0.04351969%	358,706	5,490,903	6.53%	99.12%
12/31/16	0.04372699%	710,555	5,420,907	13.11%	98.20%
12/31/15	0.04426960%	(1,087,382)	5,317,046	-20.45%	102.74%

SCHEDULE OF EMPLOYER CONTRIBUTIONS (CITY/CDA) - WISCONSIN RETIREMENT SYSTEM For the Year Ended December 31, 2018

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/18	\$ 479,299	\$ 479,299	\$ -	\$ 5,821,834	8.23%
12/31/17	474,123	474,123	-	5,710,374	8.30%
12/31/16	434,001	434,001	-	5,490,903	7.90%
12/31/15	429,434	429,434	-	5,420,907	7.92%

SCHEDULE OF PROPORTIONATE SHARE OF THE NET LIFE INSURANCE OPEB LIABILITY (CITY/CDA) LOCAL RETIREE LIFE INSURANCE FUND For the Year Ended December 31, 2018

Fiscal Year Ending	Proportion of the Net OPEB Liability	Proportionate Share of the Net OPEB Liability	Covered Payroll	Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
12/31/18	0.09656500%	\$ 290,524	\$ 4,060,834	7.15%	44.81%

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

CITY OF BARABOO

SCHEDULE OF CHANGES IN EMPLOYER'S TOTAL OPEB LIABILITY AND RELATED RATIOS (CITY/CDA)
HEALTH INSURANCE
For the Year Ended December 31, 2018

	2018
Total OPEB Liability	
Service cost	\$ 88,481
Interest	36,586
Changes of assumptions	(54,776)
Benefit payments	(34,374)
Net Change in Total OPEB Liability	35,917
Total OPEB Liability - Beginning	1,080,726
Total OPEB Liability - Ending	\$ 1,116,643
Covered payroll	\$ 5,062,782
Total OPEB liability as a percentage of covered payroll	22.06%

Notes to Schedule:

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

Benefit changes. There were no changes to the benefits.

Changes of assumptions. A discount rate of 3.44% was used as of January 1, 2018 and 4.10% as of December 31, 2018.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

This schedule is to show information for 10 years. However, accounting standards allow the presentation of as many years as are available until 10 years are presented.

CITY OF BARABOO

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION As of and for the Year Ended December 31, 2018

BUDGETARY INFORMATION

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

The budgeted amounts presented include any amendments made. The City may authorize transfers of budgeted amounts within departments. Transfers between departments and changes to the overall budget must be approved by a two-thirds council action.

Appropriations lapse at year-end unless specifically carried over. Carryovers to the following year were \$708,803. Budgets are adopted at the department level of expenditure.

WISCONSIN RETIREMENT SYSTEM

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

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.

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

Changes in Assumptions. There were no changes in assumptions.

LOCAL RETIREE LIFE INSURANCE FUNDS

Changes in benefit terms. There were no changes of benefit terms for any participating employer in LRLIF.

Changes in Assumptions. There were no changes in assumptions.

SUPPLEMENTARY INFORMATION

CITY OF BARABOO

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

	Capital Project Funds										Total Nonmajor Governmental Funds
	Tax Incremental District #6	Tax Incremental District #7	Tax Incremental District #8	Tax Incremental District #9	Fire Equipment	Emergency Management Equipment	Special Assessment Projects	Urban Development	Land Development	Capital Equipment	
ASSETS											
Cash and investments	\$ 545,494	\$ 23	\$ -	\$ 1,033	\$ 1,312,001	\$ 18,999	\$ 131,927	\$ 20,790	\$ 59,219	\$ 586,083	\$ 8,294,774
Receivables											
Taxes	900,324	221,075	4,631	-	-	-	14,189	-	-	-	1,142,625
Accounts	-	118,395	-	-	-	-	-	-	-	-	118,395
Special assessments	2,446	-	-	-	-	-	43,304	-	-	-	47,659
Loans	-	-	-	-	-	-	-	-	-	-	2,147,834
Interest	-	-	-	-	5,718	-	-	-	-	-	54,200
Due from other funds	-	-	-	-	-	-	-	-	-	-	715
Due from other governments	-	-	44,768	-	-	-	-	-	-	-	159,594
TOTAL ASSETS	\$ 1,448,264	\$ 339,493	\$ 49,399	\$ 1,033	\$ 1,317,719	\$ 18,999	\$ 189,420	\$ 20,790	\$ 59,219	\$ 586,083	\$ 11,965,796
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES											
Liabilities											
Accounts payable	-	-	\$ 40,156	-	-	-	-	-	12	\$ 52,375	\$ 144,612
Due to other governments	-	-	-	-	-	-	44,961	-	-	-	60,466
Due to other funds	-	115,832	69,575	-	-	-	-	-	-	-	240,562
Advances from other funds	-	177,066	481,365	-	-	-	-	-	-	-	715,938
Total Liabilities	-	292,898	591,096	-	-	-	44,961	-	-	-	1,161,578
Deferred Inflows of Resources											
Property taxes levied for next period	900,324	221,075	4,631	-	-	-	14,189	-	-	-	1,142,625
Unavailable revenue	2,446	118,395	-	-	-	-	43,304	-	-	-	2,396,522
Total Deferred Inflows of Resources	902,770	339,470	4,631	-	-	-	57,493	-	-	-	3,539,147
Fund Balances											
Restricted	545,494	-	-	1,033	-	-	-	-	-	-	4,870,110
Committed	-	-	-	-	-	-	-	-	-	-	1,330,600
Assigned	-	-	-	-	1,317,719	18,999	86,966	-	59,207	533,708	2,016,589
Unassigned (deficit)	-	(292,875)	(546,328)	-	-	-	-	(59,050)	-	-	(952,238)
Total Fund Balances	545,494	(292,875)	(546,328)	1,033	1,317,719	18,999	86,966	(59,050)	59,207	533,708	7,265,071
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 1,448,264	\$ 339,493	\$ 49,399	\$ 1,033	\$ 1,317,719	\$ 18,999	\$ 189,420	\$ 20,790	\$ 59,219	\$ 586,083	\$ 11,965,796

CITY OF BARABOO

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

	Special Revenue Funds									
	Economic Development Grant	Community Development Block Grant	Park Development Impact Fees	Public Safety Impact Fees	Flood Aid	Lead Service Grant	Taxi Grant	Alma Waite	Library	
REVENUES										
Taxes	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	1,044	84,508	241,671	-	-	-
Public charges for services	-	-	42,654	82,575	-	-	275,787	-	-	-
Special assessments	-	-	-	-	-	-	-	3,770	-	-
Investment income (loss)	7,316	-	1,301	410	-	-	-	19,262	(61,942)	23,024
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Total Revenues	7,316	-	43,955	82,985	1,044	84,508	517,468	23,032	(38,918)	
EXPENDITURES										
Current										
General government	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	6,862	-	-	-	-	-
Public works	-	-	-	-	37,626	84,508	517,962	-	-	-
Culture, recreation and education	-	-	4,307	-	10,541	-	-	14,000	8,271	-
Conservation and development	-	-	-	-	-	-	-	-	-	-
Capital Outlay	165,948	-	-	32,391	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-	-
Principal	-	-	-	25,863	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-
Total Expenditures	165,948	-	4,307	58,254	55,029	84,508	517,962	14,000	8,271	
Excess (deficiency) of revenues over expenditures	(158,632)	-	39,648	24,731	(53,985)	-	(504)	9,032	(47,189)	
OTHER FINANCING SOURCES (USES)										
Sale of city property	165,000	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	8,000	-	-	-
Transfers out	-	-	-	-	-	-	-	-	(757)	-
Total Other Financing Sources (Uses)	165,000	-	-	-	-	-	8,000	-	(757)	
SPECIAL ITEM										
Special Item - gain on disposal of airport operations	-	-	-	-	-	-	-	-	-	-
Net Change in Fund Balances	6,368	-	39,648	24,731	(53,985)	-	7,496	9,032	(47,946)	
FUND BALANCES (DEFICIT) - Beginning of Year	134,698	5	109,506	165,759	-	-	(5,987)	1,167,077	1,770,204	
FUND BALANCES (DEFICIT) - END OF YEAR	\$ 141,066	\$ 5	\$ 149,154	\$ 190,490	\$ (53,985)	\$ -	\$ 1,509	\$ 1,176,109	\$ 1,722,258	

CITY OF BARABOO

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

	Special Revenue Funds									
	Parks	Fire Department Retirement	Ochsner Park House	Library Impact Fees	Facade Improvement Program	BID Pocket Park	Kuenzi Estate	Library Building	Capital Catalyst	
REVENUES										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-	-	-
Public charges for services	-	-	-	14,525	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-	-
Investment income (loss)	1,215	1,806	102	172	7	18	502	14,500	7,404	7,404
Miscellaneous	94,432	-	400	-	40,000	-	-	82,890	1,077	1,077
Total Revenues	<u>95,647</u>	<u>1,806</u>	<u>502</u>	<u>14,697</u>	<u>40,007</u>	<u>18</u>	<u>502</u>	<u>97,390</u>	<u>8,481</u>	<u>8,481</u>
EXPENDITURES										
Current										
General government	-	-	-	-	-	-	-	-	-	124
Public safety	-	17,574	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-	-
Culture, recreation and education	65,677	-	2,649	-	-	140	7,018	45,491	-	-
Conservation and development	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>65,677</u>	<u>17,574</u>	<u>2,649</u>	<u>-</u>	<u>-</u>	<u>140</u>	<u>7,018</u>	<u>45,491</u>	<u>124</u>	<u>124</u>
Excess (deficiency) of revenues over expenditures	29,970	(15,768)	(2,147)	14,697	40,007	(122)	(6,516)	51,899	8,357	8,357
OTHER FINANCING SOURCES (USES)										
Sale of city property	33,000	-	-	-	-	-	-	1,216	-	-
Transfers in	-	12,000	-	-	-	-	-	757	-	-
Transfers out	(225)	-	-	-	-	-	(3,788)	-	-	-
Total Other Financing Sources (Uses)	<u>32,775</u>	<u>12,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,788)</u>	<u>1,973</u>	<u>-</u>	<u>-</u>
SPECIAL ITEM										
Special item - gain on disposal of airport operations	-	-	-	-	-	-	-	-	-	-
Net Change in Fund Balances	62,745	(3,768)	(2,147)	14,697	40,007	(122)	(10,304)	53,872	8,357	8,357
FUND BALANCES (DEFICIT) - Beginning of Year	61,571	114,920	20,358	64,508	-	2,064	43,324	881,983	18,301	18,301
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 124,316</u>	<u>\$ 111,152</u>	<u>\$ 18,211</u>	<u>\$ 79,205</u>	<u>\$ 40,007</u>	<u>\$ 1,942</u>	<u>\$ 33,020</u>	<u>\$ 935,855</u>	<u>\$ 26,658</u>	<u>\$ 26,658</u>

CITY OF BARABOO

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

	Special Revenue Funds				Capital Project Funds				
	1979 Community Development Block Grant	Economic Development Grant	Wisconsin Community Development Block Grant	TIF Incentive	Tax Incremental District #6	Tax Incremental District #7	Tax Incremental District #8	Tax Incremental District #9	Fire Equipment
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 825,487	\$ 216,688	\$ -	\$ 1,741	\$ 55,351
Intergovernmental	-	-	-	-	13,785	5,356	304,886	-	-
Public charges for services	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	3,971	135,865	-	-	-
Investment income (loss)	26,402	3,407	10,889	2,290	12,833	-	471	6	14,281
Miscellaneous	33,972	-	36,298	1,120	-	-	-	-	-
Total Revenues	60,374	3,407	47,187	3,410	856,076	357,909	305,357	1,747	69,632
EXPENDITURES									
Current									
General government	2,587	2,483	6,052	42	5,831	675	675	675	-
Public safety	-	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-
Culture, recreation and education	-	-	-	-	-	-	-	-	-
Conservation and development	89,000	-	-	-	129	564	502,131	39	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-
Total Expenditures	91,587	2,483	6,052	42	395,785	355,221	773,658	714	-
Excess (deficiency) of revenues over expenditures	(31,213)	924	41,135	3,368	460,291	2,688	(468,301)	1,033	69,632
OTHER FINANCING SOURCES (USES)									
Sale of city property	-	-	-	-	-	-	-	-	30,000
Transfers in	-	-	-	-	-	-	277,420	-	220,000
Transfers out	-	-	-	-	(277,420)	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	(277,420)	-	277,420	-	250,000
SPECIAL ITEM									
Special item - gain on disposal of airport operations	-	-	-	-	-	-	-	-	-
Net Change in Fund Balances	(31,213)	924	41,135	3,368	182,871	2,688	(190,881)	1,033	319,632
FUND BALANCES (DEFICIT) - Beginning of Year	77,593	4,804	369,335	437,280	362,623	(295,563)	(355,447)	-	998,087
FUND BALANCES (DEFICIT) - END OF YEAR	\$ 46,380	\$ 5,728	\$ 410,470	\$ 440,648	\$ 545,494	\$ (292,875)	\$ (546,328)	\$ 1,033	\$ 1,317,719

CITY OF BARABOO

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

	Capital Project Funds						Total Nonmajor Governmental Funds
	Emergency Management Equipment	Special Assessment Projects	Urban Development	Land Development	Capital Equipment	Airport Capital Improvement	
REVENUES							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,043,916
Intergovernmental	-	-	-	-	-	-	706,601
Public charges for services	-	-	-	-	-	-	415,541
Special assessments	-	50,509	-	-	-	-	194,115
Investment income (loss)	36	1,312	-	232	1,722	-	65,954
Miscellaneous	-	-	9,600	-	-	-	322,813
Total Revenues	36	51,821	-	9,832	1,722	-	2,748,940
EXPENDITURES							
Current							
General government	-	-	-	-	-	-	19,144
Public safety	-	-	-	-	-	-	24,436
Public works	-	-	-	-	218,696	-	858,792
Culture, recreation and education	-	-	-	-	-	-	158,094
Conservation and development	-	-	49	-	-	-	757,860
Capital Outlay	-	97,215	20,790	-	-	-	150,396
Debt Service	-	-	-	-	-	-	888,639
Principal	-	-	-	-	-	-	151,883
Interest and fiscal charges	-	-	-	-	-	-	3,009,244
Total Expenditures	-	97,215	20,790	49	218,696	-	-
Excess (deficiency) of revenues over expenditures	36	(45,394)	(20,790)	9,783	(216,974)	-	(260,304)
OTHER FINANCING SOURCES (USES)							
Sale of city property	-	-	-	-	28,011	-	257,227
Transfers in	5,000	30,781	-	-	23,566	-	577,524
Transfers out	(904)	-	-	(48,857)	(22,450)	-	(354,401)
Total Other Financing Sources (Uses)	4,096	30,781	-	(48,857)	29,127	-	480,350
SPECIAL ITEM							
Special item - gain on disposal of airport operations	-	-	-	-	-	105,428	105,428
Net Change in Fund Balances	4,132	(14,613)	(20,790)	(39,074)	(187,847)	105,428	325,474
FUND BALANCES (DEFICIT) - Beginning of Year	14,867	101,579	(38,260)	98,281	721,555	(105,428)	6,939,597
FUND BALANCES (DEFICIT) - END OF YEAR	\$ 18,999	\$ 86,966	\$ (59,050)	\$ 59,207	\$ 533,708	\$ -	\$ 7,265,071

CITY OF BARABOO

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

	Liability Insurance	Unfunded Pension Liability	Total
ASSETS			
Current Assets			
Cash and investments	\$ 61,977	\$ 66,667	\$ 128,644
Receivables			
Accounts	<u>13,602</u>	<u>-</u>	<u>13,602</u>
Total Current Assets	<u>75,579</u>	<u>66,667</u>	<u>142,246</u>
Noncurrent Assets			
Other Assets			
Advances to other funds	-	26,181	26,181
Investment in mutual insurance company	<u>320,000</u>	<u>-</u>	<u>320,000</u>
Total Noncurrent Assets	<u>320,000</u>	<u>26,181</u>	<u>346,181</u>
 Total Assets	 <u>395,579</u>	 <u>92,848</u>	 <u>488,427</u>
LIABILITIES			
Current Liabilities			
Accounts payable	24,119	-	24,119
Accrued interest	-	3,413	3,413
Due to component units	-	369	369
Current portion of general obligation debt and notes payable	<u>-</u>	<u>92,390</u>	<u>92,390</u>
Total Current Liabilities	<u>24,119</u>	<u>96,172</u>	<u>120,291</u>
Noncurrent Liabilities			
General obligation debt payable	<u>-</u>	<u>256,674</u>	<u>256,674</u>
Total Noncurrent Liabilities	<u>-</u>	<u>256,674</u>	<u>256,674</u>
 Total Liabilities	 <u>24,119</u>	 <u>352,846</u>	 <u>376,965</u>
NET POSITION			
Unrestricted (deficit)	<u>371,460</u>	<u>(259,998)</u>	<u>111,462</u>
 TOTAL NET POSITION	 <u>\$ 371,460</u>	 <u>\$ (259,998)</u>	 <u>\$ 111,462</u>

CITY OF BARABOO

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

	Liability Insurance	Unfunded Pension Liability	Total
OPERATING REVENUES			
Charges for service	\$ 99,269	\$ 72,139	\$ 171,408
OPERATING EXPENSES			
Operation and maintenance	58,265	-	58,265
Operating Income	41,004	72,139	113,143
NONOPERATING REVENUES (EXPENSES)			
Investment income	13,602	120	13,722
Interest expense	-	(11,526)	(11,526)
Total Nonoperating Revenues (Expenses)	13,602	(11,406)	2,196
Change in Net Position	54,606	60,733	115,339
TOTAL NET POSITION (DEFICIT) - Beginning	316,854	(320,731)	(3,877)
TOTAL NET POSITION (DEFICIT) - ENDING	\$ 371,460	\$ (259,998)	\$ 111,462

CITY OF BARABOO

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

	Liability Insurance	Unfunded Pension Liability	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Received from other funds	\$ 108,835	\$ 72,139	\$ 180,974
Payments to suppliers for goods and services	(81,015)	369	(80,646)
Net Cash Flows From Operating Activities	<u>27,820</u>	<u>72,508</u>	<u>100,328</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	<u>13,602</u>	<u>120</u>	<u>13,722</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Debt retired	-	(62,055)	(62,055)
Interest paid	-	(21,176)	(21,176)
Received on advances to other funds	-	8,052	8,052
Net Cash Flows From Noncapital Financing Activities	<u>-</u>	<u>(75,179)</u>	<u>(75,179)</u>
Net Change in Cash and Cash Equivalents	41,422	(2,551)	38,871
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>20,555</u>	<u>69,218</u>	<u>89,773</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 61,977</u>	<u>\$ 66,667</u>	<u>\$ 128,644</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income	\$ 41,004	\$ 72,139	\$ 113,143
Adjustment to reconcile operating income to net cash flows from operating activities			
Change in assets and liabilities			
Accounts receivable	9,566	-	9,566
Accounts payable	(22,750)	369	(22,381)
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 27,820</u>	<u>\$ 72,508</u>	<u>\$ 100,328</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES			
None			

CITY OF BARABOO

COMBINING STATEMENT OF ASSETS AND LIABILITIES
 AGENCY FUNDS
 As of December 31, 2018

	Tax Collection Fund	UW Campus	Friends of the Library	Airport	Total Agency Funds
ASSETS					
Cash and investments	\$ 7,387,267	\$ 223,097	\$ 24,193	\$ 105,377	\$ 7,739,934
Taxes receivable	4,463,336	-	-	-	4,463,336
Prepaid items	-	5,481	-	2,472	7,953
Due from other governments	-	-	72	58,396	58,468
TOTAL ASSETS	<u>\$ 11,850,603</u>	<u>\$ 228,578</u>	<u>\$ 24,265</u>	<u>\$ 166,245</u>	<u>\$ 12,269,691</u>
LIABILITIES					
Accounts payable	-	1,289	1,293	7,731	10,313
Due to component unit	8,864	-	-	-	8,864
Due to other governments	11,841,739	227,289	-	158,514	12,227,542
Due to other entities	-	-	22,972	-	22,972
TOTAL LIABILITIES	<u>\$ 11,850,603</u>	<u>\$ 228,578</u>	<u>\$ 24,265</u>	<u>\$ 166,245</u>	<u>\$ 12,269,691</u>

CITY OF BARABOO

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

	<u>Business Improvement District</u>	<u>Community Development Authority</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Received from customers	\$ 47,655	\$ 480,277	\$ 527,932
Payments to suppliers for goods and services	(67,280)	(294,404)	(361,684)
Paid to employees for services	-	(251,678)	(251,678)
Paid to municipality for tax equivalent	-	(26,732)	(26,732)
Net Cash Flows From Operating Activities	<u>(19,625)</u>	<u>(92,537)</u>	<u>(112,162)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investments sold and matured	-	(1,132)	(1,132)
Investment income	-	375,550	375,550
Net Cash Flows From Investing Activities	<u>-</u>	<u>374,418</u>	<u>374,418</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Advances repaid	-	(320)	(320)
Net Cash Flows From Noncapital Financing Activities	<u>-</u>	<u>(320)</u>	<u>(320)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Debt retired	-	(1,375,951)	(1,375,951)
Interest paid on long term debt and issuance costs	-	(521,277)	(521,277)
Capital lease receivable issued	-	(4,436,871)	(4,436,871)
Repayments of capital lease	-	25,863	25,863
Capital contributions	-	47,330	47,330
Capital grants received	-	144,939	144,939
Acquisition and construction of capital assets	-	(44,599)	(44,599)
Net Cash Flows From Capital and Related Financing Activities	<u>-</u>	<u>(6,160,566)</u>	<u>(6,160,566)</u>
Net Change in Cash and Cash Equivalents	(19,625)	(5,879,005)	(5,898,630)
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>87,619</u>	<u>6,139,508</u>	<u>6,227,127</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 67,994</u>	<u>\$ 260,503</u>	<u>\$ 328,497</u>

	Business Improvement District	Community Development Authority	Totals
RECONCILIATION OF OPERATING LOSS TO NET			
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating loss	\$ (23,441)	\$ (329,355)	\$ (352,796)
Adjustments to Reconcile Operating Loss to Net Cash			
Flows from Operating Activities			
Depreciation	-	131,264	131,264
Changes in Assets, Deferred Outflows, Liabilities and Deferred Inflows			
Accounts receivable	(750)	92,034	91,284
Accounts payable	4,557	13,185	17,742
Deposits	-	1,413	1,413
Due to/from primary government	9	(968)	(959)
Pension related deferrals and liabilities	-	(24,179)	(24,179)
Post employment retirement benefit	-	31,023	31,023
Other liabilities	-	(6,954)	(6,954)
NET CASH FLOWS FROM OPERATING ACTIVITIES	\$ (19,625)	\$ (92,537)	\$ (112,162)
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION			
Cash and investments	\$ 67,994	\$ 234,382	\$ 302,376
Restricted cash and investments	-	67,894	67,894
Total Cash and Investments	67,994	302,276	370,270
Less: Noncash equivalents	-	(41,773)	(41,773)
CASH AND CASH EQUIVALENTS	\$ 67,994	\$ 260,503	\$ 328,497
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES			
Amortization of the premium	\$ -	\$ 141,402	\$ 141,402
Refunded debt	\$ -	\$ 12,380,000	\$ 12,380,000

CITY OF BARABOO

COMBINING STATEMENT OF NET POSITION
COMMUNITY DEVELOPMENT AUTHORITY
As of December 31, 2018

	Major Funds			Total
	Donahue Terrace Apartments	Corson Square	Admin Building	Community Development Authority
ASSETS				
Current Assets				
Cash and investments	\$ 147,650	\$ 67,157	\$ 19,575	\$ 234,382
Accounts receivable	6,361	20,266	-	26,627
Due from primary government	225	277	-	502
Total Current Assets	<u>154,236</u>	<u>87,700</u>	<u>19,575</u>	<u>261,511</u>
Noncurrent Assets				
Restricted Assets				
Cash and investments	22,309	19,464	26,121	67,894
Net pension asset	14,232	14,638	-	28,870
Lease receivable	-	-	12,334,304	12,334,304
Accrued interest	-	-	112,550	112,550
Capital Assets				
Land	44,000	157,364	-	201,364
Capital assets, net of depreciation	<u>839,245</u>	<u>1,993,786</u>	<u>-</u>	<u>2,833,031</u>
Total Noncurrent Assets	<u>919,786</u>	<u>2,185,252</u>	<u>12,472,975</u>	<u>15,578,013</u>
Total Assets	<u>1,074,022</u>	<u>2,272,952</u>	<u>12,492,550</u>	<u>15,839,524</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension related amounts	26,794	25,550	-	52,344
OPEB related amounts	<u>763</u>	<u>768</u>	<u>-</u>	<u>1,531</u>
Total Deferred Outflows of Resources	<u>27,557</u>	<u>26,318</u>	<u>-</u>	<u>53,875</u>
LIABILITIES				
Current Liabilities				
Accounts payable	20,441	4,800	-	25,241
Accrued interest	3,182	-	112,550	115,732
Due to primary government	19,049	19,490	-	38,539
General obligation debt payable	32,188	-	-	32,188
Revenue bonds payable	-	-	172,200	172,200
Current portion of compensated absences	<u>5,351</u>	<u>3,906</u>	<u>-</u>	<u>9,257</u>
Total Current Liabilities	<u>80,211</u>	<u>28,196</u>	<u>284,750</u>	<u>393,157</u>
Noncurrent Liabilities				
Liabilities Payable from Restricted Assets				
Deposits	22,628	20,355	-	42,983
General obligation debt payable	68,282	-	-	68,282
Revenue bonds payable	-	-	12,207,800	12,207,800
Long-term portion of compensated absences	6,637	4,530	-	11,167
OPEB liability	<u>17,363</u>	<u>14,423</u>	<u>-</u>	<u>31,786</u>
Total Noncurrent Liabilities	<u>114,910</u>	<u>39,308</u>	<u>12,207,800</u>	<u>12,362,018</u>
Total Liabilities	<u>195,121</u>	<u>67,504</u>	<u>12,492,550</u>	<u>12,755,175</u>
DEFERRED INFLOWS OF RESOURCES				
Pension related amounts	26,732	30,159	-	56,891
OPEB related amounts	<u>636</u>	<u>503</u>	<u>-</u>	<u>1,139</u>
Total Deferred Inflows of Resources	<u>27,368</u>	<u>30,662</u>	<u>-</u>	<u>58,030</u>
NET POSITION				
Net investment in capital assets	782,775	2,151,150	-	2,933,925
Restricted for pensions	14,232	14,638	-	28,870
Unrestricted	<u>82,083</u>	<u>35,316</u>	<u>-</u>	<u>117,399</u>
TOTAL NET POSITION	<u>\$ 879,090</u>	<u>\$ 2,201,104</u>	<u>\$ -</u>	<u>\$ 3,080,194</u>

CITY OF BARABOO

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -
COMMUNITY DEVELOPMENT AUTHORITY
For the Year Ended December 31, 2018

	Major Funds			Total Community Development Authority
	Donahue Terrace Apartments	Corson Square	Admin Building	
OPERATING REVENUES				
Charges for service	\$ 219,330	\$ 156,624	\$ -	\$ 375,954
Miscellaneous	6,833	4,545	-	11,378
Total Operating Revenues	<u>226,163</u>	<u>161,169</u>	<u>-</u>	<u>387,332</u>
OPERATING EXPENSES				
Legal and administrative	165,151	151,815	-	316,966
Operating expenses	85,229	28,002	-	113,231
Maintenance	70,850	57,644	-	128,494
Depreciation	76,734	54,530	-	131,264
Taxes	13,452	13,280	-	26,732
Total Operating Expenses	<u>411,416</u>	<u>305,271</u>	<u>-</u>	<u>716,687</u>
Operating Loss	<u>(185,253)</u>	<u>(144,102)</u>	<u>-</u>	<u>(329,355)</u>
NONOPERATING REVENUES (EXPENSES)				
Intergovernmental revenues	132,890	59,379	-	192,269
Investment income	513	418	327,044	327,975
Interest expense	(4,247)	-	(410,696)	(414,943)
Debt issuance costs	-	-	(57,750)	(57,750)
Amortization of premium on debt	-	-	141,402	141,402
Total Nonoperating Revenues (Expenses)	<u>129,156</u>	<u>59,797</u>	<u>-</u>	<u>188,953</u>
Net Change in Net Position	<u>(56,097)</u>	<u>(84,305)</u>	<u>-</u>	<u>(140,402)</u>
TOTAL NET POSITION - Beginning of Year (as restated)	<u>935,187</u>	<u>2,285,409</u>	<u>-</u>	<u>3,220,596</u>
TOTAL NET POSITION - ENDING	<u>\$ 879,090</u>	<u>\$ 2,201,104</u>	<u>\$ -</u>	<u>\$ 3,080,194</u>

CITY OF BARABOO

**COMBINING STATEMENT OF CASH FLOWS
COMMUNITY DEVELOPMENT AUTHORITY
For the Year Ended December 31, 2018**

	Major Funds			Total Community Development Authority
	Donahue Terrace Apartments	Corson Square	Admin Building	
CASH FLOWS FROM OPERATING ACTIVITIES				
Received from customers/agencies	\$ 278,494	\$ 201,783	\$ -	\$ 480,277
Payments to suppliers for goods and services	(206,267)	(88,137)	-	(294,404)
Paid to employees for services	(104,039)	(147,639)	-	(251,678)
Paid to municipality for tax equivalent	(13,452)	(13,280)	-	(26,732)
Net Cash Flows From Operating Activities	<u>(45,264)</u>	<u>(47,273)</u>	<u>-</u>	<u>(92,537)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income	513	418	374,619	375,550
Marketable securities sold	(26)	(1,106)	-	(1,132)
Net Cash Flows From Investing Activities	<u>487</u>	<u>(688)</u>	<u>374,619</u>	<u>374,418</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Advances repaid	(195)	(125)	-	(320)
Net Cash Flows From Noncapital Financing Activities	<u>(195)</u>	<u>(125)</u>	<u>-</u>	<u>(320)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Debt retired	(30,951)	-	(1,345,000)	(1,375,951)
Interest paid on long-term debt and issuance costs	(5,256)	-	(516,021)	(521,277)
Capital lease receivable issued	-	-	(4,436,871)	(4,436,871)
Repayments of capital lease	-	-	25,863	25,863
Capital contributions	-	47,330	-	47,330
Capital grants received	132,890	12,049	-	144,939
Acquisition and construction of capital assets	(15,070)	(29,529)	-	(44,599)
Net Cash Flows From Capital and Related Financing Activities	<u>81,613</u>	<u>29,850</u>	<u>(6,272,029)</u>	<u>(6,160,566)</u>
Net Change in Cash and Cash Equivalents	<u>36,641</u>	<u>(18,236)</u>	<u>(5,897,410)</u>	<u>(5,879,005)</u>
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>111,009</u>	<u>85,393</u>	<u>5,943,106</u>	<u>6,139,508</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 147,650</u>	<u>\$ 67,157</u>	<u>\$ 45,696</u>	<u>\$ 260,503</u>

	Major Funds			Total Community Development Authority
	Donahue Terrace Apartments	Corson Square	Admin Building	
RECONCILIATION OF OPERATING LOSS TO NET FLOWS FROM OPERATING ACTIVITIES				
Operating loss	\$ (185,253)	\$ (144,102)	\$ -	\$ (329,355)
Adjustments to Reconcile Operating Loss to Net Cash Flows from Operating Activities				
Depreciation	76,734	54,530	-	131,264
Changes in Assets, Deferred Outflows, Liabilities, and Deferred Inflows				
Accounts receivable	52,823	39,211	-	92,034
Accounts payable	13,027	158	-	13,185
Deposits	(267)	1,680	-	1,413
Due to/from primary government	(2,486)	1,518	-	(968)
Pension related deferrals and liabilities/assets	(13,987)	(10,192)	-	(24,179)
OPEB related amounts	16,600	14,423	-	31,023
Other current liabilities	(2,455)	(4,499)	-	(6,954)
NET CASH FLOWS FROM OPERATING ACTIVITIES	\$ (45,264)	\$ (47,273)	\$ -	\$ (92,537)
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION				
Cash and investments	\$ 147,650	\$ 67,157	\$ 19,575	\$ 234,382
Restricted cash and investments	22,309	19,464	26,121	67,894
Total Cash and Investments	169,959	86,621	45,696	302,276
Less: Noncash equivalents	(22,309)	(19,464)	-	(41,773)
CASH AND CASH EQUIVALENTS	\$ 147,650	\$ 67,157	\$ 45,696	\$ 260,503
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Amortization of premium on debt payable	\$ -	\$ -	\$ 141,402	\$ 141,402
Refunded debt	\$ -	\$ -	\$ 12,380,000	\$ 12,380,000

CITY OF BARABOO

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

As of December 31, 2018

Special Revenue Funds

	Economic Development	Community Development Block Grant	Park Development Impact Fees	Public Safety Impact Fees	Flood Aid	Lead Service Grant	Taxi Grant	Alma Waite	Library	Parks	Fire Department Retirement	Ochsner Park House
\$ 139,193	\$ 5	\$ 149,154	\$ 190,490	\$ -	\$ -	\$ 800	\$ 9,464	\$ 1,169,933	\$ 1,722,839	\$ 124,209	\$ 110,978	\$ 20,381
-	-	-	-	-	-	-	-	2,406	-	-	-	-
-	-	-	-	-	-	-	-	1,909	-	-	-	-
231,969	-	-	-	-	-	-	-	6,176	1,362	332	174	-
1,873	-	-	-	-	75,475	-	-	-	-	-	-	-
-	-	-	-	-	-	800	38,551	-	-	-	-	-
\$ 373,035	\$ 5	\$ 149,154	\$ 190,490	\$ 75,475	\$ 800	\$ 48,015	\$ 1,180,424	\$ 1,724,201	\$ 124,541	\$ 111,152	\$ 20,381	

ASSETS

Cash and investments
 Receivables
 Taxes
 Accounts
 Special assessments
 Loans
 Interest
 Due from other funds
 Due from other governments

TOTAL ASSETS

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES

Liabilities	\$ -	\$ -	\$ -	\$ 570	\$ -	\$ 25,384	\$ -	\$ 13,962	\$ -	\$ 1,943	\$ -	\$ 2,170
Accounts payable	-	-	-	-	-	-	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	53,415	-	800	-	-	-	225	-	-
Advances from other funds	-	-	-	-	-	-	-	-	-	-	-	-
Total Liabilities	-	-	-	53,985	-	800	39,346	-	1,943	225	-	2,170

Deferred Inflows of Resources

Property taxes levied for next period
 Unavailable revenue

231,969	-	-	-	75,475	-	7,160	-	2,406	-	-	-	-
231,969	-	-	-	75,475	-	7,160	-	1,909	-	-	-	-
-	-	-	-	-	-	-	-	4,315	-	-	-	-

Total Deferred Inflows of Resources

Fund Balances

Restricted
 Committed
 Assigned
 Unassigned (deficit)
 Total Fund Balances

141,066	5	149,154	190,490	-	-	1,509	1,176,109	1,722,258	124,316	111,152	18,211
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
141,066	5	149,154	190,490	(53,985)	-	1,509	1,176,109	1,722,258	124,316	111,152	18,211
-	-	-	-	(53,985)	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-

TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES

\$ 373,035	\$ 5	\$ 149,154	\$ 190,490	\$ 75,475	\$ 800	\$ 48,015	\$ 1,180,424	\$ 1,724,201	\$ 124,541	\$ 111,152	\$ 20,381
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CITY OF BARABOO

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

	Special Revenue Funds									
	Library Impact Fees	Facade Improvement Program	BID Pocket Park	Kuenzi Estate	Library Building	Capital Catalyst	1979 Community Development Block Grant	Economic Development Grant	Wisconsin Community Development Block Grant	TIF Incentive
ASSETS										
Cash and investments	\$ 79,205	\$ 40,007	\$ 1,942	\$ 32,840	\$ 935,971	\$ 2,274	\$ 37,096	\$ 2,893	\$ 409,779	\$ 440,552
Receivables	-	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-	-
Accounts	-	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	681,097	85,000	1,038,852	28,747
Loans	-	-	-	180	1,096	24,384	8,568	3,550	691	96
Interest	-	-	-	-	-	-	715	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 79,205	\$ 40,007	\$ 1,942	\$ 33,020	\$ 937,067	\$ 108,827	\$ 727,476	\$ 91,443	\$ 1,449,322	\$ 469,395
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES										
Liabilities										
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 1,212	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other governments	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	715	-	-
Advances from other funds	-	-	-	-	-	-	-	-	-	-
Total Liabilities					1,212			715		
Deferred Inflows of Resources										
Property taxes levied for next period	-	-	-	-	-	-	-	-	-	-
Unavailable revenue	-	-	-	-	-	82,169	681,096	85,000	1,038,852	28,747
Total Deferred Inflows of Resources						82,169	681,096	85,000	1,038,852	28,747
Fund Balances										
Restricted	79,205	40,007	1,942	33,020	-	26,658	46,380	5,728	410,470	440,648
Committed	-	-	-	-	935,855	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-	-	-	-	-	-
Total Fund Balances	79,205	40,007	1,942	33,020	935,855	26,658	46,380	5,728	410,470	440,648
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 79,205	\$ 40,007	\$ 1,942	\$ 33,020	\$ 937,067	\$ 108,827	\$ 727,476	\$ 91,443	\$ 1,449,322	\$ 469,395