

City of Madison, WI

A vibrant street scene in Madison, WI, featuring a sidewalk with colorful circular art, a pink flamingo sculpture, and a rainbow graphic. The background shows a city street with trees, buildings, and a clear blue sky. The foreground is dominated by a large, stylized pink flamingo sculpture standing on a sidewalk. To the left of the flamingo, the sidewalk is decorated with numerous colorful circular art pieces in shades of pink, yellow, blue, and green. A rainbow graphic with a purple circle and a dark blue arc is positioned in the lower left and center of the image.

2024

Annual Comprehensive Financial Report (ACFR)

As of and for the Year Ended
December 31, 2024

Satya Rhodes-Conway, Mayor

CITY OF MADISON
Madison, Wisconsin

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

As of and for the Year Ended
December 31, 2024

Prepared By:
FINANCE DEPARTMENT STAFF

CITY OF MADISON

ANNUAL COMPREHENSIVE FINANCIAL REPORT As of and for the Year Ended December 31, 2024

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INTRODUCTORY SECTION



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June 24, 2025

To the Residents, Honorable Mayor, and Common Council of the City of Madison:

Finance Department staff is pleased to present the City of Madison's Annual Comprehensive Financial Report as of and for the year ended December 31, 2024.

FORMAL TRANSMITTAL

Legal Requirements

Wisconsin Statutes and the Wisconsin Administrative Code require cities with a population of 25,000 or greater within the state to prepare and publish financial statements fairly presenting financial position and operating results at the close of each fiscal year. The statements must conform to various requirements, including, most notably, generally accepted accounting principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB). Furthermore, an independent firm of licensed certified public accountants must annually audit the statements (see Independent Audit below). Pursuant to these requirements, the Annual Comprehensive Financial Report of the City of Madison as of and for the year ended December 31, 2024, is hereby submitted.

Assumption of Responsibility

Management and preparers of the Annual Comprehensive Financial Report take responsibility for complying with all reporting requirements. For all disclosures made, we are accountable for:

1. The accuracy of the data offered,
2. The fairness of the presentation, and
3. The inclusiveness of all requisite data.

We believe the data presented is, to the best of our abilities, complete and reliable in all material respects and has been stated in a way that fairly represents the City's financial position and results of operations. We have made all necessary disclosures in this report to allow the users to gain an understanding of the City's financial activities.

The information presented in this Annual Comprehensive Financial Report is divided into three main sections: introductory, financial, and statistical. The introductory section of the report includes this transmittal letter, and information regarding the organization of the City. The transmittal letter is designed to complement the Management Discussion & Analysis (MD & A) and should be read in conjunction with the financial statements (the MD & A begins on page 16).

The financial section of the report includes the MD & A, the basic financial statements, note disclosures to the financial statements, and combining and individual fund financial statements. Lastly, the statistical section of the report includes various financial and demographic data that is presented on a multi-year basis.

Internal Controls

In order to provide reasonable assurance to the above representations, management has established and maintained a structure of internal controls.

Specifically, these controls are designed to ensure that:

1. City assets are safeguarded from loss, theft or misuse, and
2. Adequate accounting data is accurately captured for preparation of financial statements in conformity with GAAP.

The system of internal controls has been designed to provide reasonable, but not absolute assurance that the financial statements will be free from material misstatement. The controls have been implemented in a cost-effective manner, so as not to allow their costs to exceed their benefits. To the best knowledge and belief of management, the system of internal controls is functioning appropriately; the data presented is complete and reliable in all material respects and is reported in a manner that presents fairly the financial position and result of the City's operations.

Budgetary Controls

The City of Madison maintains budgetary controls in order to ensure compliance with legal provisions embodied in the annual budget approved by the Common Council. Budget to actual comparison schedules are provided within both the required supplementary informational and the supplementary informational tabs in the Annual Comprehensive Financial Report. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is at the total agency expenditure level.

The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Appropriations of the operating budget lapse at year end unless carried over. Carryover encumbrances are adopted as part of the following year's budget through a formal resolution.

Independent Audits

As mentioned above, state law requires the City's financial records to be audited annually by independent, licensed certified public accountants. The City of Madison has retained Baker Tilly US, LLP to perform its annual audits. Baker Tilly US, LLP concluded, based upon its audit procedures, that the City's annual financial report for the fiscal year ended December 31, 2024, was fairly presented in accordance with GAAP. The auditor's opinion is included in the financial section of this report.

PROFILE OF GOVERNMENT

Demographic Profile

The City of Madison, with a population as of October 2024 at 291,037, is the second largest city in Wisconsin. It is located approximately 150 miles northwest of Chicago and 75 miles west of Milwaukee. Besides being the state capital, Madison is also the county seat of Dane County.

Incorporated in 1846, Madison has since grown to encompass approximately 84.9 square miles of land. It is the home of the University of Wisconsin system's flagship campus, with an enrollment of over 52,000 students. Madison is often cited in national rankings as one of the country's best places to reside.

Form of Government

The City operates under a Mayor-Council form of government. The Mayor is the chief executive officer of the City and has the general supervisory authority over all City officers and heads of departments in the performance of their representative duties. Further, the Mayor is authorized under Wisconsin Statutes and City Ordinances to appoint department heads and makes appointments to various boards, committees and commissions, subject to Council confirmation.

The Mayor is elected to a four-year term and the twenty members of the Common Council are elected to two-year terms. The Common Council President serves a one-year term, and is elected by the other members of the Council (a list of principal officials begins on page 10).

Financial Statements-Functions/Programs Classifications

The City of Madison provides a full range of services typical to Municipal governments, including:

- General government – Assessor, Attorney, City Clerk, City Council, Civil Rights, Employee Assistance Program, Finance/City Treasurer, Human Resources, Information Technology, Mayor, and Municipal Court
- Public safety – Fire, Police, and Public Health Madison Dane County
- Public works and transportation – City Engineering, Streets, Traffic Engineering, Transportation, Water, Sewer, Stormwater, Metro Transit, and Parking Utilities
- Planning and development – Building Inspection, Community Development, Economic Development, and Planning
- Culture and recreation – Golf Courses, Library, Monona Terrace Community and Convention Center, and Parks

Component Units

In addition to the primary government operations of the City, the basic financial statements include the Community Development Authority of the City of Madison, Business Improvement District, Olbrich Botanical Society and Olbrich Botanical Society Foundation, Madison Public Library Foundation, and Madison Parks Foundation.

Readers should note that the Statistical Section focuses on the primary government, rather than the entire financial reporting entity. Therefore, component units are excluded from the Statistical Section, except on the schedule of Legal Debt Margin Information, as certain debt of component units is applicable to the City's legal debt margin.

Budget

Wisconsin budget law requires the City of Madison to prepare an annual budget and to hold a public hearing. The budget document must list anticipated revenues from all sources and the proposed appropriations for each department. The budget is also required to show, for comparative purposes, the actual revenues and expenditures for the preceding year and the estimated revenues and expenditures for the current year based on at least six months of actual experience. Any outstanding indebtedness and anticipated surplus is shown as well.

State budget law does not identify the content of the budget beyond that described above. After preparing the budget, the Finance Department publishes a summary of the budget in the newspaper of record, a statement as to where a detailed budget is available for public inspection and a notice as to when and where a public hearing will be held. According to Wisconsin statutes, the notice must be published fifteen days prior to the public hearing, which is held at a meeting of the Common Council.

ECONOMIC CONDITION

Local Economy

As of December 31, 2024, the City's unemployment rate was 2.3%, below the state and below national rates of 3.0%, and 3.8% respectively. Per capita and median income tracked well above the state average, despite the high student population, indicating the area's quality of available jobs. Locally assessed real estate increased by 9.3% between 2023 and 2024.

Long-Term Financial Planning

The City's sound financial operations are expected to remain solid, supported by growing revenue from strong fiscal management and ongoing development, which somewhat offsets the City's limited revenue raising flexibility. In conjunction with the City's most recent general obligation debt issuance, Moody's Investors Service affirmed the City's Aaa bond rating, the highest quality rating available.

In its rating letter, Moody's lauded the City's strong and diverse economic base, solid demographic trends, and solid financial position with stable operations. Additionally, the City benefits from a significant institutional presence derived from its status as the state capital and site of the University of Wisconsin's flagship campus, and Moody's believes the City will experience continued financial stability.

The City's debt profile is expected to remain manageable with 91.0% of its outstanding general obligation debt scheduled to retire within ten years.

Relevant Financial Policies

The local share of the City's capital program is financed primarily with 10-year general obligation promissory notes, unlike many communities, which borrow over a greater repayment term. This policy helps reduce the interest costs to taxpayers and maintain the City's Aaa bond rating. It is also the practice of the City to maintain an unassigned General Fund Balance equal to 15% of the adopted General Fund operating budget to help ensure the availability of adequate resources to address potential future emergencies. To avoid the creation of future structural budget deficits, it is the policy of the City of Madison to refrain from using one-time revenue sources to fund ongoing operating expenses.

Major Initiatives

| | |
|--------------------|---|
| General government | The City Assessor has fully migrated to their new software platform as of January 1, 2025, ahead of the original schedule. The data conversion and valuation components of the system are being refined with a high level of confidence in outcomes. Additionally, the City's Finance Department has completed preliminary steps to pilot a bidding and evaluation module within the ERP solution in 2024, so that bidders may submit proposals electronically early in fiscal year 2025. Further, Treasury is implementing and planning to go-live with new business license software for improved tracking and reporting of room tax collections city-wide. The project is on track to go live in the second quarter of 2025. |
|--------------------|---|

Public safety

Public Health of Madison and Dane County (PHMDC) is a local health joint venture that serves over 575,000 people in more than 60 cities, villages, and towns throughout Dane County. Their mission is to work with the community to enhance, protect, and promote the health of the environment and the well-being of residents. During 2024, PHMDC received more than \$6.5 million in state and federal funding. This included \$2.5 million from the US Department of Treasury for continued COVID-19 response and recovery efforts, as well as \$1.9 million from the U.S. Department of Health, and \$2.0 million from the U.S. Department of Agriculture. These funds are used to address four distinct public health focuses, Community Health, Environmental Health, Policy, Planning and Evaluation, and Operations / Office of the Director.

During 2024, PHMDC continued to build and maintain strong community relationships. This was accomplished by working with partners to keep people who use drugs safe, healthy, alive, and thriving; ensuring food safety; providing clinic services at area dairy farms; and collaborating to make vaccinations available at schools. More than 6,450 immunizations were given in 2024, an average of 25 vaccines every business day. PHMDC also engaged with communities to better meet the needs of residents. This included funding partners to expand public health work; creating empowered neighborhoods resistant to crime; and fostering meaningful partnerships that make community interactions more impactful. In 2024, PHMDC granted \$524,000 to community organizations.

PHMDC also created and improved programs and services by supporting access to reproductive and sexual health services; creating accessible, community-centered communications; and implementing Medicaid billing to help prevent and investigate childhood lead poisoning. During 2024, PHMDC screened 1,730 people for sexually transmitted infections, and supported 307 birth control appointments, which is up from 113 in 2023.

Centering equity in work was a major focus of PHMDC during 2024. This included centering people with lived experience by gathering data from 279 clients in the syringe services program; compensating people with lived experience to participate in Fetal Infant Morality Review; and partnering with the Latino community to offer licensing trainings in Spanish. Furthermore, eight bilingual positions were hired in 2024, including two full-time medical interpreters, and 308 documents were translated into 16 languages. 2024 also saw a focus in equity by incorporating data to drive action and support health. This was highlighted by using dashboards to make data more accessible to the public, using data to understand Dane County Drug Overdose Deaths, and disaggregating race data in the Dane County Youth assessment.

PHMDC continues to respond to physical health and environmental outbreaks and emergencies. During 2024, almost 6,500 communicable diseases were reported, including 429 pertussis cases. PHMDC employees also responded to animal hoarding situations, extreme weather events, and spills of oil and sanitary sewers.

The services PHMDC provides would not be possible without the continued acquisition of grant funds. Pre-pandemic, PHMDC managed approximately \$2.5 million of grant funding annually, mid-pandemic that amount jumped to an average of \$6.6 million, and currently, PHMDC is managing approximately \$7.1 million. This funding is essential for the enhancement, protection, and promotion of environment health and the well-being of Dane County residents.

Public works
and transportation

During 2024, Metro launched its East-West Bus Rapid Transit (BRT) line. This BRT system brings significant improvements to reduced travel times with dedicated lanes, greater comfort in larger and fully covered wait stations, and increased capacity with larger 60 ft. long electric buses. Metro placed 62 new all-electric buses and associated charging systems into service in fiscal year 2024.

To speed up boarding on both its bus rapid transit and local route systems, Metro Transit staff implemented new fare technology in 2024. This features smart cards, customer online accounts, and the ability to use smartphones when boarding to pay for fares. Metro Transit's fare technology was also updated to make it easier for passengers to ride the buses including more accessibility for low-income riders through fare capping processes.

Further, Metro Transit staff opened a second operational facility on Hanson Road. The project included retrofitting a former FedEx site with the addition of a wash bay, service lanes, utilities to accommodate electric vehicles, and lifts for maintenance of the 60-foot BRT buses. The location also includes training/conference space, dispatch, and administration areas.

City Engineering reconstructed 3.5 miles and resurfaced 3.7 miles of streets this year. Seal coating was completed on approximately 43 miles of city-owned roads, and about 35 miles of roads were crack sealed. The City of Madison Streets Program is rated every two years using the Pavement Surface Evaluation and Rating (PASER) system developed by the University of Wisconsin. By the close of the fiscal year, about 83.8% of the City's 837 miles of streets were rated 6 or higher (out of 10), ranging from good to excellent for pavement conditions.

Approximately 5.5 miles of new bike lanes and bike paths were constructed in 2024. This included Hammersley Ave (Gilbert Rd to Beltline), including new protected bike facilities; the Autumn Ridge Multi-use path (Milwaukee St to Commercial Ave) and pedestrian and bicycle bridge over Hwy 30; and a multi-use path along Mineral Point Road from the Beltline.

The Stormwater Utility continued making progress towards its total suspended solids (TSS) and total phosphorus (TP) reduction goals during the year in addition to continuing with flood management objectives. These included land acquisition of one property for a large regional pond, with plans to acquire another property in 2025. Both new ponds are currently programmed for construction in the next 5 years, while an existing large regional pond will be reconstructed in 2026-2027. In 2024 a large greenway reconstruction project was completed to help address flooding in the Spring Harbor neighborhood. The Old Sauk Trails area received FEMA flood mitigation funding, was kicked-off in late 2024, and will continue through 2025. Total phosphorus reductions necessary to meet the citywide Rock River - Total Maximum Daily Load (TMDL) mandate continued to be addressed by the Utility's participation in the YAHARA WINS Adaptive Management Program. All of the 22 watershed studies have either started or are completed and it's anticipated that all but one large study area will be completed in 2025.

During fiscal year 2024, the Sanitary Sewer Utility bid out over 20,434 feet of sanitary sewer mains for cured-in-place pipe (CIP) sewer lining. This is the least costly and disruptive method to improve the service life of pipe, while increasing capacity and reducing treatment costs.

Planning
and development

The Sewer Utility replaces sewer mains and laterals based upon their age and/or condition. In 2024, just over 10,277 feet of sewer main was replaced, with the highlighted projects being the East Wilson Street and Doty Street and the Doncaster and Beverly Danbury Reconstruction Assessment District. Finally, the Truax Lift Station (a wastewater pumping station) was replaced in 2024.

The Lake Street Garage was demolished in 2024 as part of the State Street Campus Garage redevelopment project. The construction of the parking structure segment of the development was completed in early 2025, and the new garage is expected to open in the summer of 2026.

To provide alternative payment options for both on- and off-street parking systems, the Parking Utility introduced a Pay by Text option for parking meter payments, which provided customers with an alternative to coin or app payment methods.

Culture and recreation

The Parks Division saw continued growth in both park usage and programming throughout 2024. A total of 273 permits were issued for special events across park spaces. The Warner Park Community and Recreation Center's Kids Need Opportunity at Warner (KNOW) Program significantly expanded its programming hours from the previous year, reaching a total of 1,100 hours. Olbrich Botanical Gardens and Goodman Pool both boasted an 8% increase in attendance over 2023. The Parks Volunteer Program recorded an impressive 29,666 hours of volunteer service, contributing to a wide range of park events. The Parks Alive program, now in its third year, hosted 37 events, marking a 42% increase from 2023. The Glen Golf Park also experienced a 67% rise in community events, totaling 25 events for the year. Additionally, golf enthusiasts enjoyed the earliest opening day on record, with the course opening on February 25, 2024.

Parks Operations made significant strides in land management, focusing on woodland restoration and prescribed burns to enhance park ecosystems. The Park's Conservation Team more than doubled the acres burned this year, effectively managing invasive species and fostering the growth of native vegetation.

In the summer of 2024, the landscaping at the main entrance of the Madison Parks Division's Lakeside Office was transformed into a gravel garden. Drought-tolerant gravel gardens serve as a model for sustainable landscaping practices and provide habitats for many pollinators. The project served as a cross-training, team-building exercise as the Parks Division staff learned about the technique and participated in multiple planting parties to plant 10,000+ native grasses and perennials.

In 2024, Parks acquired 77 acres of new parkland, including the long-awaited Marty Farm expansion of Elver Park. After a brief hiatus, Ride the Drive made its triumphant return, supported by a generous \$10,000 grant from the Madison Parks Foundation. The event, which took place across six parks, featured 62 vendors and attracted more than 12,000 participants.

The Madison Public Library staff revised the schedule for the Imagination Center at Reindahl Park. The design phase was completed in the fall of 2024. It was bid in early spring 2025, with construction taking place in 2025 for a grand opening in September of 2026. Lastly, the remaining neighborhood libraries have been upgraded with LED lighting, and design work has begun on the LED lighting project upgrade at Central Library which is planned to be completed by the end of fiscal year 2026.

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Madison's Annual Comprehensive Financial Report prepared for the fiscal year ended December 31, 2023. A facsimile of the certificate is included on page 9. This was the sixteenth year the City received this prestigious award.

In order to be awarded a Certificate of Achievement the City was required to publish an easily readable and efficiently organized Annual Comprehensive Financial Report satisfying both GAAP and applicable legal requirements.

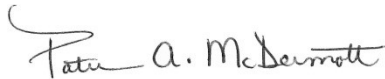
A Certificate of Achievement is valid annually. The City believes that its current Annual Comprehensive Financial Report meets the Certificate of Achievement Program's requirements and looks forward to submitting this 2024 Annual Comprehensive Financial Report to the GFOA to determine its eligibility for award.

The issuing of this report on a timely basis is due to the hard work and dedication of the Accounting Services staff of the Finance Department. The 2024 Annual Comprehensive Financial Report was electronically produced in its entirety by accountants within our department.

Respectfully submitted,



David Schmiedicke
Finance Director



Patricia A. McDermott, CPA
Accounting Manager

City of Madison-Mission

The City of Madison provides the highest quality service for the common good of all residents and visitors.

Our Values

Equity, civic engagement, well-being, shared prosperity, and stewardship.



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Madison
Wisconsin**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2023

Christopher P. Morrill

Executive Director/CEO

CITY OF MADISON

LIST OF PRINCIPAL OFFICIALS

MEMBERS OF THE COMMON COUNCIL

Name

| | |
|--|---------------------|
| John W. Duncan | Alder, District #1 |
| Will Ochowicz | Alder, District #2 |
| Derek Field | Alder, District #3 |
| Michael E. Verveer | Alder, District #4 |
| Regina M. Vidaver, Council President | Alder, District #5 |
| Davy Mayer | Alder, District #6 |
| Badri Lankella | Alder, District #7 |
| MGR Govindarajan, Council Vice President | Alder, District #8 |
| Joann Pritchett | Alder, District #9 |
| Yannette Figueroa Cole | Alder, District #10 |
| Bill Tishler | Alder, District #11 |
| Julia Matthews | Alder, District #12 |
| Tag Evers | Alder, District #13 |
| Isadore Knox, Jr. | Alder, District #14 |
| Dina Nina Martinez-Rutherford | Alder, District #15 |
| Sean O'Brien | Alder, District #16 |
| Sabrina V. Madison | Alder, District #17 |
| Carmella Glenn | Alder, District #18 |
| John P. Guequierre | Alder, District #19 |
| Barbara Harrington-McKinney | Alder, District #20 |

ELECTED OFFICIALS

| | |
|---------------------|-----------------|
| Satya Rhodes-Conway | Mayor |
| Daniel P. Koval | Municipal Judge |

CITY STAFF ISSUING REPORT

| | |
|----------------------------|---------------------------------|
| David P. Schmiedicke | Finance Director/City Treasurer |
| Patricia A. McDermott, CPA | Accounting Services Manager |

CITY OF MADISON

LIST OF PRINCIPAL OFFICIALS

NONELECTED OFFICIALS

Mayoral Assistants

Sam Munger
Christine Baumel
Katie Crawley
Dr. Linda Vakunta
Reuben Sanon
Jessica Price

Chief of Staff
Deputy Mayor
Deputy Mayor
Deputy Mayor
Deputy Mayor
Sustainability and Resilience Manager

Common Council

Karen Kapusta-Pofahl, PhD, MPA

Chief of Staff

Michelle Drea
Michael Haas
Michael Haas, Interim
David Schmiedicke
Norman Davis
Arlyn Gonzalez
Chris Carbon
Erin Hillson
Sarah Edgerton
Tana Elias
Connie Thompson
John Patterson, Interim
Janel Heinrich
Jim Wolfe
Mahanth Joishy
Eric Knepp
Charles Romines
Yang Tao
Stefanie Cox
Eric Knepp, Interim
Krishna Kumar
Matt Wachter

City Assessor
City Attorney
City Clerk
Finance Director/City Treasurer
Civil Rights Director
Employee Assistance Program Administrator
Fire Chief
Human Resources Director
Information Technology Director
Library Director
Monona Terrace Director
Police Chief
Public Health Director
City Engineer
Fleet Service Superintendent
Park Superintendent
Street Superintendent
City Traffic Engineer
Parking Division Manager
Metro Transit General Manager
Water Utility General Manager
Planning & Community &
Economic Development Director
Community Development
Division Director
Economic Development
Division Director
CDA Executive Director
Building Inspection Division Director
Planning Division Director
Transportation Director

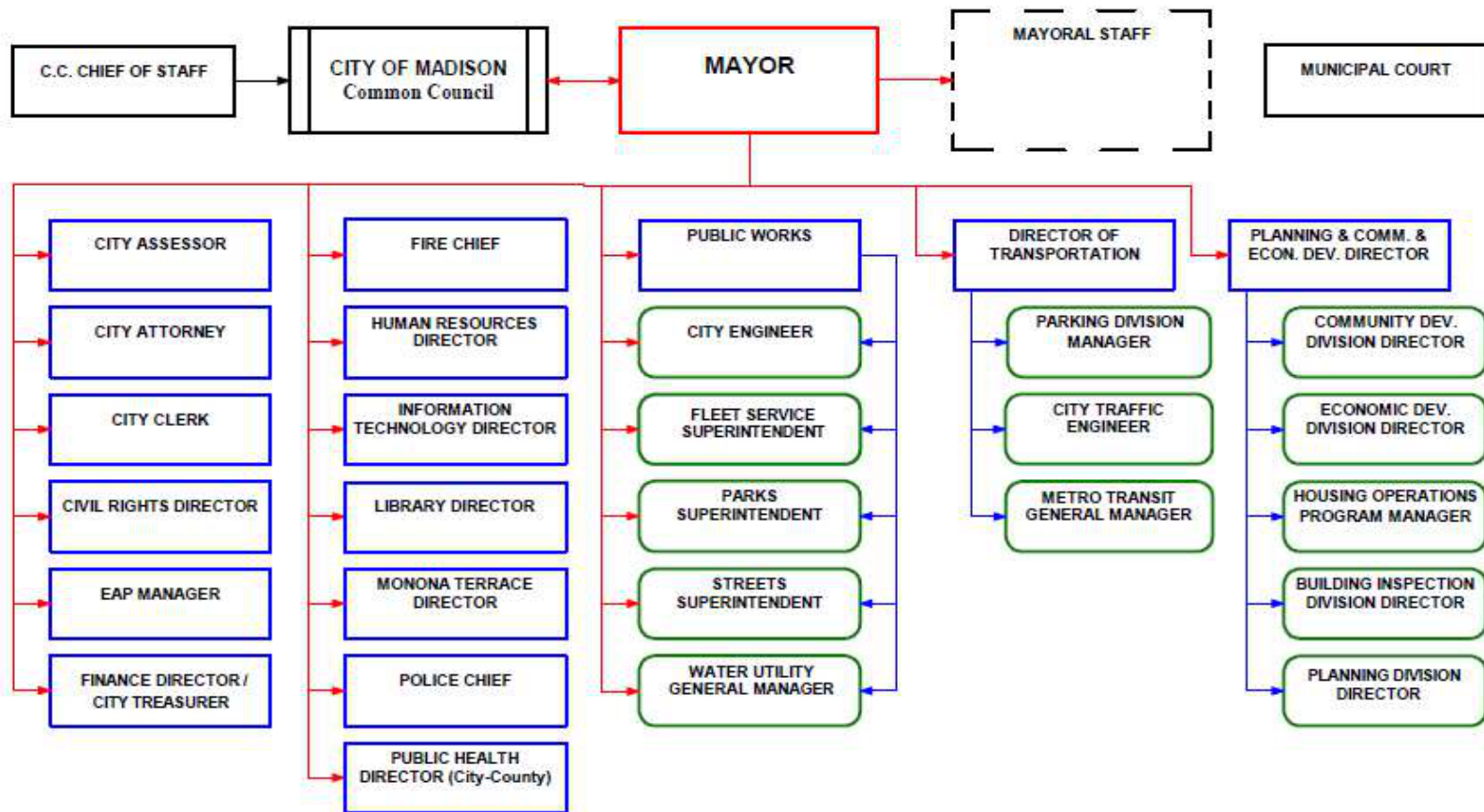
James O'Keefe

Matthew Mikolajewski

Chad Ruppel
Matt Tucker
Meagan Tuttle
Christof Spieler

CITY OF MADISON

ORGANIZATION OF CITY OF MADISON GOVERNMENT



FINANCIAL SECTION

Independent Auditors' Report

To the City Council of the
City of Madison

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Madison, Wisconsin, (the City), as of and for the year ended December 31, 2024 and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City as of December 31, 2024 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.

We did not audit the financial statements of the Library Foundation, Madison Parks Foundation, Olbrich Society and Foundation, the limited liability corporations (LLCs) presented as component units of the Community Development Authority of the City of Madison (CDA), Village on Park and MRCDC presented as major funds of the CDA and Monona Shores and CDA 95-1 presented as nonmajor funds of the CDA, which represent 85 percent, 77 percent and 48 percent, respectively, of the assets, net position and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors, whose reports have been furnished to us and our opinions, insofar as it relates to the amounts included for the Library Foundation, Madison Parks Foundation, Olbrich Society and Foundation, the limited liability corporations (LLCs) presented as component units of the Community Development Authority of the City of Madison (CDA), Village on Park and MRCDC presented as major funds of the CDA and Monona Shores and CDA 95-1 presented as nonmajor funds of the CDA are based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (GAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the Olbrich Botanical Society and Olbrich Botanical Society Foundation, the Library Foundation, Madison Parks Foundation, Monona Shores, Village on Park, CDA 95-1, MRCDC and the LLCs of the CDA were not audited in accordance with *Government Auditing Standards*.

Emphasis of Matters

As discussed in Note IV.K to the financial statements, net positions of the CDA and aggregate discretely presented component units as of December 31, 2023 have been restated to correct a material misstatement due to errors related to CDA Triangle Redevelopment project capital asset additions. Net positions of business-type activities and Transit Utility as of December 31, 2023 have been restated to correct a material misstatement due to errors related to bus disposals and local subsidy calculations. Our opinions are not modified with respect to these matters.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and GAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

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 is the responsibility of management and, 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'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 by us and other auditors. In our opinion, based on our audit, the procedures performed as described above and the report of the other auditors, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the Introductory Section and Statistical Section but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2025 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the City'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's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Baker Tilly US, LLP". The signature is written in a cursive, flowing style.

Madison, Wisconsin
June 24, 2025

**CITY OF MADISON, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
UNAUDITED**

This discussion and analysis of the City of Madison's financial performance is intended to provide a narrative overview and analysis of the City's operational activities for the fiscal year ended December 31, 2024, with comparative data for the fiscal year ended December 31, 2023. This section is designed to assist the reader in focusing on significant financial issues, and to identify changes in the City's financial position including adopted budget plans. Please consider it in conjunction with the City's financial statements that follow.

FINANCIAL HIGHLIGHTS

- With total assets over \$3.6 billion, and total liabilities of more than \$1.2 billion, deferred inflows of resources of just under \$570.9 million, and deferred outflows of resources over \$259.8 million, the total net position of the City of Madison increased by over \$246.1 million from the previous year to nearly \$2.1 billion. Of this amount, nearly \$1.7 billion represented the City's net investment in capital assets, most of which do not generate revenues for their use or sale and were computed less unamortized premium and discount of over \$61.0 million for 2024. Just over \$191.5 million was held for restricted purposes with nearly \$203.7 million as unrestricted net position. The unrestricted net position is generally used to meet the City's ongoing obligations to residents and creditors. Noteworthy, the net pension liability of nearly \$97.8 million from 2023 was valued as a net pension liability of nearly \$27.7 million at year end, or a decrease of nearly \$70.1 million. Pension related deferred outflows of resources totaled more than \$99.6 million more than the pension related deferred inflows of resources. Restricting amounts for debt service, impact fees, other grants, other restricted special revenue funds, and tax incremental district (TID) activities, largely decreased the unrestricted net position when compared to the prior year. However, the unrestricted net position for both governmental and business-type activities remained positive at year end.
- The primary government reported a little over \$511.5 million in program revenues to cover approximately \$699.9 million in expenses with the remaining general revenues of taxes, intergovernmental revenues not restricted to specific programs, investment income, and other miscellaneous sources offsetting the difference of over \$434.5 million, resulting in a surplus of approximately \$246.1 million.
- As of December 31, 2024, the governmental funds reported combined ending fund balances of more than \$378.9 million. This amount is broken down as follows: just under \$109.1 million of this balance is available for spending at the council's discretion (unassigned fund balance), at the end of the year management assigned and committed over \$46.5 million for specific purposes with approximately \$216.1 million restricted due to external constraints or regulations defining specific uses such as grants, state statutes, and tax-exempt financing. The nonspendable fund balance includes inventories, prepaid items, and trust activities which totaled nearly \$7.2 million at year end. The nonspendable fund balance is legally or contractually required to be intact and not expected to be easily converted to cash.

At the end of the fiscal year, over \$110.6 million of unassigned fund balance remained within the general fund or approximately 27.0% of the adopted 2025 general fund expenditures, which is above the City's stated target ratio of 15.0%.

The primary reason for the increase in unassigned fund balance was a result of adding more than \$19.7 million more in revenues when compared to expenditures during the fiscal year. The unassigned fund balance was also increased by the following: a decrease in assigned fund balance of more than \$6.9 million at year end due to increases in the premium stabilization fund for the life insurance and disability benefit programs of about \$2.0 million for a to-market investment adjustment, a decrease of fund balance application of \$8.4 million for the 2025 Adopted Operating Budget, and a decrease of almost \$1.0 million in the assignment of compensated absences. During the year, employees largely used or were paid out vacation balances to return to pre-COVID-19 policy directives of carrying forward only two weeks into a subsequent fiscal period.

- In order to recover from the negative public health and economic impacts caused by the COVID-19 pandemic, the City of Madison was awarded multiple grants from the United States Treasury. The City was awarded \$47.2 million of federal funding through the Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) component of the American Rescue Plan (ARP) Act. The City adopted a plan to use these funds to address critical community issues, support an equitable recovery, and continue to provide government services. Approximately \$22.8 million was allocated to community investments in five priority areas: violence prevention and youth engagement, homelessness support, affordable housing, neighborhood and small business revitalization, and emerging needs. The remaining \$24.4 million of CSLFRF funding is planned to address deficits in the operating budgets due to pandemic-related revenue losses. Since 2021, the City has amended the original plan to expedite spending down the awards, minimizing the risk of potential efforts to “claw back” unspent monies, and meeting the U.S. Treasury deadlines to fully obligate funds by December 31, 2024. As of December 31, 2024, twelve community investment projects were completed, and the remaining seven projects were completed by more than fifty percent. A total of \$13.9 million was expended and there were \$1.6 million of open obligations. The remaining \$31.7 million of CSLFRF funding was used to address deficits in operating budgets due to pandemic-related revenue losses.

Further, the United States Treasury also created the Emergency Rental Assistance (ERA) Program, which made funding available to assist households unable to pay rent or utilities. The City of Madison was awarded a total of \$89.0 million through this program. As of year-end, \$74.3 million was distributed to the community. The United States Department of Transportation awarded the City of Madison a combined \$108.5 million of COVID 19 Federal Transit funding through the Coronavirus Aid, Relief, and Economic Security (CARES) Act, the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act, and the American Rescue Plan (ARP) Act. During 2024, the City of Madison also expended \$71.5 million of a \$110.6 million award from the United States Department of Transportation, Capital Investment Grant, Small Starts Program, to implement a Bus Rapid Transit (BRT) project running east-west through downtown and the University of Wisconsin Madison campus.

- The room tax fund transferred over \$6.8 million to the general fund in 2024. In 2022, we returned to normal operations, with 30.0% of room tax revenues being transferred to the general fund; the remaining 70.0% is held in the room tax fund for expenditures at the direction of the City’s Room Tax Commission.
- Intergovernmental revenues increased from the prior year by about \$3.2 million, largely due to increases of approximately \$3.0 million in the shared revenue payment, and about \$700,000 in highway aid payments for municipal services, which were then offset by a roughly \$560,000 decrease in expenditure restraint payments.

- Additionally, general fund licenses and permits were more than \$1.1 million above budgeted amounts during the year, increasing by almost \$900,000 when compared to the prior year. This was almost entirely due to increased building permit revenues during the year.
- Further, fines and forfeitures were above budget by almost \$1.5 million and increased by just over \$1.4 million from 2023. This was due to parking violations increasing by approximately \$1.0 million and an increase in uniform citations of almost \$350,000 at year end.
- Investment income was higher than the final 2024 adopted budget by nearly \$17.6 million and was down slightly by around \$731,000 when compared to fiscal year 2023. Investment income revenues include any to-market adjustments for the City's investment portfolio, and life insurance reserves at year end, which when computed, totaled a gain of over \$5.3 million. Interest rates averaged 3.8% in 2023 due to the Federal Reserve raising interest rates to fight inflation. In 2024 there were a couple of interest rate deductions, however interest rates remained elevated and averaged approximately 4.4% for fiscal year 2024.
- Outstanding General Obligation bonds and notes as of December 31, 2024, totaled nearly \$653.0 million (excluding the joint venture), with approximately \$549.5 million related to governmental activities. Business-type activities closed the year with over \$288.0 million in revenue bonds and general obligation debt.
- At December 31, 2024, the City reported a liability of nearly \$27.7 million, for its proportionate share of the Wisconsin Retirement System's net pension liability. The net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022, rolled forward to December 31, 2023. Net differences between projected and actual earnings on pension plan investments largely contributed to a roughly \$70.1 million decrease in the net liability at year end.
- Other post-employment benefits accrued liability for the primary government was nearly \$84.2 million at year-end; an increase of approximately 2.5%, or about \$2.0 million when compared to the prior year. The obligation was based on an actuarial valuation as of December 31, 2024. Approximately 67.1% or about \$56.5 million was related to an implicit rate subsidy associated with allowing current and projected future retirees to purchase health insurance at the same blended premium rate as active employees. The explicit rate subsidy, or the difference between the amounts required by the retiree based on the blended premium rate, and the actual cash contributed by the city, was over \$27.7 million or roughly 32.9% for 2024.
- In June 2022, the GASB issued statement No. 100, Accounting Changes and Error Corrections. This statement establishes accounting and financial reporting requirements for (a) accounting changes and (b) the correction of an error in previously issued financial statements (error correction). This standard was implemented January 1, 2024. The new standard was used to report error corrections both for Metro Transit and the Community Development Authority. See Note IV.K Error Corrections on page 169 following this discussion and analysis.
- City Finance department staff implemented GASB Statement No. 101 Compensated Absences. Overall, the City experienced a reduction of about \$9.0 million in total liabilities for compensated absences during the year. This was due to a reduction in how much vacation leave time employees were allowed to carry forward to fiscal year 2025 when compared to prior years, and for the changes in the compensated absences calculations for accrued sick leaves.

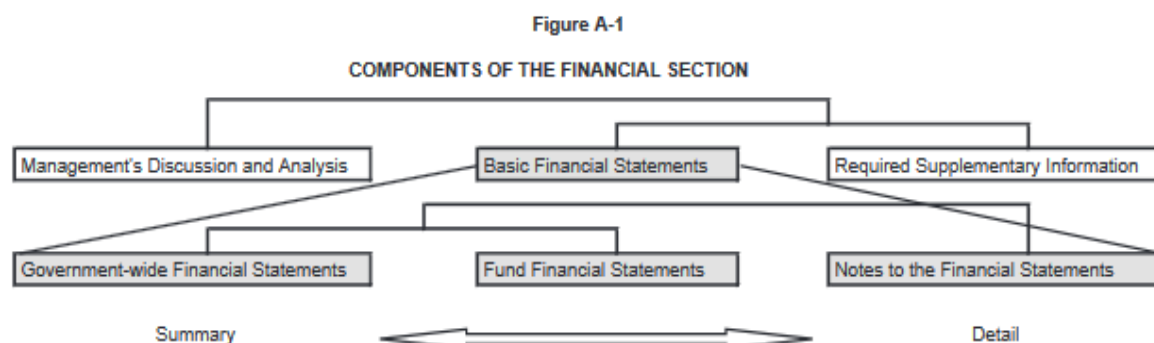
Noteworthy, the new GASB Statement No. 101 allows governments to disclose only the net change in the liability at year end. Therefore, increases or decreases indicated in Note IV F. Long-Term Obligations (beginning on page 108) represent the overall net change in the ending balance.

- The City of Madison achieved its Aaa bond rating from the Moody's Investors Service. City management staff have maintained this Aaa bond rating annually since 1973, or for the past 51 years.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City of Madison's basic financial statements. The City of Madison's basic financial statements are comprised of three components:

1. Government-wide financial statements-provide for both long-term and current period information about the City's overall financial status,
2. Fund financial statements-focus on individual components of City government, reporting operations in more detail than the government-wide statements. These statements are comprised of governmental, proprietary, and fiduciary funds:
 - Governmental fund statements report how services were financed in the past year as well as what remains for future spending,
 - Proprietary fund statements present current year and long-term financial information,
 - Custodial fund statements provide financial information to which the City is solely an agent for the benefit of others to whom the resources belong.
3. Notes to the financial statements-provide additional information that is essential to understanding the government-wide and fund financial statements. Figure A-1 below shows how portions of required components of the comprehensive annual report are related to one another.



This report also contains other supplementary information in addition to the basic financial statements.

Further explanation of the basic financial statement sections follows:

Government-Wide Financial Statements

The two *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances in a manner similar to private-sector business entities. The government-wide financial statements can be found on pages 44 through 47 of this report.

The *Statement of Net Position* presents information on all of the City of Madison's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the net amount reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial health of the City is improving or deteriorating.

For the City of Madison, the primary deferred outflows of resources are for unamortized loss on advance refunding, pension related, and other post-employment benefits related amounts, with deferred inflows of resources mostly for property taxes/assessments levied in 2024, but will not be collected until 2025, for pension related, other post-employment benefits amounts, unamortized gain on refunding, and for lease related amounts.

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

Both of the *government-wide financial statements* distinguish those functions of the municipality that are principally supported by taxes and intergovernmental revenues, known as *governmental activities*, from other functions that are intended to recover all or a significant portion of their costs through user fees and service charges, called *business-type activities*.

The governmental activities of the City of Madison include general government, public safety, public works and transportation, planning and development, culture and recreation, and interest and fiscal charges.

The *business-type activities* of the city include a water utility, sewer utility, stormwater utility, parking utility, transit, convention center, and golf courses.

In addition to these various direct operations of the City, or *primary government*, the government-wide financial statements also include financial information related to legally separate entities for which the City has financial responsibility, known as *discretely presented component units*. The discretely presented component units are reported in a separate column to emphasize that they are legally separate.

The discretely presented component units are; the Community Development Authority (CDA) of the City of Madison which includes as component units, Allied Drive Redevelopment, LLC; Truax Park Redevelopment, Phase I, LLC; Truax Park Redevelopment Phase 2, LLC; and Burr Oaks Senior Housing, LLC; the Business Improvement District (BID); the Olbrich Botanical Society and Olbrich Botanical Society Foundation (OBS and OBSF); and the Madison Public Library Foundation, Inc. (MPLF); and the Madison Parks Foundation (MPF). These entities are described in Note IV-J page 131 following the financial statements.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives.

The City of Madison, like other governmental entities, uses fund accounting to ensure and demonstrate compliance with various finance related legal requirements. All of the funds of the City of Madison can be divided into three categories: *governmental funds*, *proprietary funds*, and *custodial 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 statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. The governmental fund financial statements can be found beginning on page 48 of this report.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the municipality's near-term financing decisions.

Both the governmental fund *balance sheet* and the governmental fund *statement of revenues, expenditures, and changes in fund balances* provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Madison maintains nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Library Fund, Other Grants Fund, Debt Service Fund, and Capital Projects Fund. These are considered to be major funds or funds for which separate reporting has been determined to be helpful in fulfilling other legal reporting requirements.

Data from the other governmental funds are combined into a single, aggregated presentation. Disaggregated fund data for these other four governmental funds is provided in the form of combining statements in the supplementary information section beginning on page 202.

Proprietary Funds maintained by the City of Madison are of two different types: *enterprise funds* and *internal service funds* that generally report on services for which the City charges customers a fee. *Enterprise funds* are used to report those functions presented as business-type activities in the government-wide financial statements. The *proprietary fund financial statements* can be found beginning on page 56 of this report.

The City's fund financial statements present separate major enterprise fund information for the Water Utility, Sewer Utility, Stormwater Utility, and Transit Utility. The Parking Utility, Convention Center and Golf operations are presented as nonmajor Enterprise Funds beginning on page 211.

Internal service funds are used to account for enterprise-like operations that provide services, on a user fee basis, primarily or exclusively to departmental customers within the governmental entity itself, rather than to external customers. Because these funds predominately benefit governmental rather than business-type functions, they have been included within the governmental activities of the government-wide financial statements.

The City of Madison uses internal service funds to account for its property and liability insurance, worker's compensation and fleet service functions. These internal functions are reported in a single, aggregated proprietary fund in the statement of net position-proprietary funds.

These are presented separately in the combining statement of net position internal service funds presentation beginning on page 216 and are included with other governmental activities in the government-wide financial statements.

Custodial funds are used to account for resources held for the benefit of parties outside the government. Custodial funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City of Madison’s own programs.

The accounting for these funds is similar to that used for proprietary funds. The City of Madison uses custodial funds to account for taxes collected for the benefit of overlapping tax jurisdictions and investments made on behalf of the local school district. City staff also serve as the fiscal agent to account for the Board of Education, Board of Health, and the Metropolitan Unified Fiber Network Consortium operations. The fiduciary custodial funds financial statements can be found beginning on page 66 of this report.

Notes to the Financial Statements

The notes to the financial statements provide additional details that are 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 beginning on page 71 of this report.

Supplementary and Statistical Information

Compliance with the City’s annual operating budget for the year ended December 31, 2024, is reported as required supplementary information in the *Schedule of Revenues and Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP) - General Fund, and Library Fund*, which begins on page 191.

Following the basic government-wide, and fund financial statements, accompanying notes, and required supplementary information, additional supplementary and statistical information has been provided as part of this report.

The supplementary information on pages 202-230 includes combining statements for the nonmajor governmental, nonmajor enterprise, internal service, custodial and component unit funds, schedules of revenues and expenditures and changes in fund balances-budget and actual for all governmental funds for which a budget has been adopted, the sewer remediation revenue bond covenant analysis, and capital projects schedules.

The statistical section beginning on page 231 presents various classes of detailed information as a context for understanding the City’s overall financial condition as presented in the financial statements, notes to the financial statements and required supplementary information.

GOVERNMENT-WIDE FINANCIAL STATEMENTS ANALYSIS

Statement of Net Position

The City of Madison’s statement of net position at December 31, 2024, and 2023, are summarized in the table below.

The change in net position improved by over \$246.1 million during the year, to a little less than \$2.1 billion by the close of the year, or up about 13.2% of that of the prior year.

The upward change in net position is mostly attributable to the city generating approximately \$511.5 million in program revenues, recognizing over \$434.5 million in total general revenues and transfers to support expenses that increased by just under \$18.0 million from the prior year, to approximately \$699.9 million.

Additionally, the primary government investments in capital assets such as land, infrastructure, and plant in service capitalized for both the governmental and business-type activities. The net investment in capital assets comprises the majority, or roughly 81.1% of the primary government's total net position.

Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Most capital assets are used to provide services to residents and are not available for future spending. See page 40 of this report for information related to capital assets.

City of Madison
Summary Statement of Net Position
(in thousands)

| | Governmental Activities | | Business-Type Activities | | Total Primary Government | |
|---|-------------------------|---------------------|--------------------------|---------------------|--------------------------|---------------------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Assets: | | | | | | |
| Current and Other Assets | \$ 934,880 | \$ 934,419 | \$ 209,712 | \$ 196,961 | \$ 1,144,592 | \$ 1,131,380 |
| Capital Assets (net) | 1,260,558 | 1,227,017 | 1,241,910 | 986,666 | 2,502,468 | 2,213,683 |
| Total Assets | <u>\$ 2,195,438</u> | <u>\$ 2,161,436</u> | <u>\$ 1,451,622</u> | <u>\$ 1,183,627</u> | <u>\$ 3,647,060</u> | <u>\$ 3,345,063</u> |
| Deferred Outflows of Resources | <u>\$ 212,906</u> | <u>\$ 313,831</u> | <u>\$ 46,925</u> | <u>\$ 67,977</u> | <u>\$ 259,831</u> | <u>\$ 381,808</u> |
| Liabilities: | | | | | | |
| Current Liabilities | \$ 108,010 | \$ 118,453 | \$ 56,161 | \$ 63,231 | \$ 164,171 | \$ 181,684 |
| Noncurrent Liabilities | 746,396 | 772,514 | 330,961 | 325,772 | 1,077,357 | 1,098,286 |
| Total Liabilities | <u>\$ 854,406</u> | <u>\$ 890,967</u> | <u>\$ 387,122</u> | <u>\$ 389,003</u> | <u>\$ 1,241,528</u> | <u>\$ 1,279,970</u> |
| Deferred Inflows of Resources | <u>\$ 520,276</u> | <u>\$ 536,976</u> | <u>\$ 50,605</u> | <u>\$ 61,582</u> | <u>\$ 570,881</u> | <u>\$ 598,558</u> |
| Net Position: | | | | | | |
| Net investment in capital assets | \$ 807,221 | \$ 777,314 | \$ 951,423 | \$ 701,718 | \$ 1,699,245 | \$ 1,479,032 |
| Restricted | 164,102 | 181,753 | 27,440 | 24,916 | 191,542 | 206,669 |
| Unrestricted | 62,339 | 88,257 | 81,957 | 74,385 | 203,695 | 162,642 |
| Total Net Position | <u>\$ 1,033,662</u> | <u>\$ 1,047,324</u> | <u>\$ 1,060,820</u> | <u>\$ 801,019</u> | <u>\$ 2,094,482</u> | <u>\$ 1,848,343</u> |
| Total Net Position as a % of Total Liabilities and Deferred Inflows of Resources | 75% | 73% | 242% | 178% | 116% | 99% |
| Unrestricted Net Position as a % of Total Liabilities and Deferred Inflows of Resources | 5% | 6% | 19% | 17% | 11% | 9% |

The net position table displayed above 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. Approximately 9.1% or more than \$191.5 million of the primary government's total net position represents resources that are subject to other restrictions as to how they may be used either by external groups, such as contributors, or due to laws or regulations of other governments or grantors as a result of legal limitations established through constitutional provisions or enabling legislation. The year concluded with the primary government's total unrestricted net position at approximately \$203.7 million.

It is important to note that nearly \$82.0 million in the unrestricted net position is related to the City's business-type activities. Consequently, they generally may not be used to fund governmental activities. Additionally, total net position accounted for 116.0% of total liabilities and deferred inflows at the end of 2024, for both governmental and business-type activities. However, unrestricted net position was at approximately 5.0% of total liabilities and deferred inflows for governmental activities. The same measure was 19.0% for business-type activities and totaled 11.0% in the aggregate for the primary government.

Statement of Activities

The following table summarizes changes in net position for the primary government as well as governmental and business-type activities:

| City of Madison Summary Statement of Activities (in thousands) | | | | | | |
|--|-------------------------|---------------------|--------------------------|-------------------|--------------------------|---------------------|
| | Governmental Activities | | Business-Type Activities | | Total Primary Government | |
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 64,578 | \$ 61,026 | \$ 173,068 | \$ 172,154 | \$ 237,646 | \$ 233,180 |
| Operating grants and contributions | 55,520 | 42,285 | 41,202 | 45,495 | 96,722 | 87,780 |
| Capital grants and contributions | 119,808 | 69,769 | 57,338 | 29,340 | 177,146 | 99,109 |
| General revenues: | | | | | | |
| Property Taxes | 329,302 | 313,188 | - | - | 329,302 | 313,188 |
| Intergovernmental revenues not restricted to specific programs | 31,493 | 29,457 | - | - | 31,493 | 29,457 |
| Investment income | 31,841 | 34,115 | 6,209 | 5,869 | 38,050 | 39,984 |
| Other | 28,469 | 27,805 | 8,507 | 13,932 | 36,976 | 41,737 |
| Total revenues | <u>\$ 661,011</u> | <u>\$ 577,645</u> | <u>\$ 286,324</u> | <u>\$ 266,790</u> | <u>\$ 947,335</u> | <u>\$ 844,435</u> |
| Expenses: | | | | | | |
| General government | \$ 57,194 | \$ 46,323 | \$ - | \$ - | \$ 57,194 | \$ 46,323 |
| Public safety | 174,496 | 189,220 | - | - | 174,496 | 189,220 |
| Public works and transportation | 90,093 | 107,099 | - | - | 90,093 | 107,099 |
| Planning and development | 94,787 | 69,193 | - | - | 94,787 | 69,193 |
| Culture and recreation | 48,036 | 49,473 | - | - | 48,036 | 49,473 |
| Interest and fiscal charges | 14,236 | 10,894 | - | - | 14,236 | 10,894 |
| Water | - | - | 30,418 | 35,670 | 30,418 | 35,670 |
| Sewer | - | - | 52,986 | 47,658 | 52,986 | 47,658 |
| Stormwater | - | - | 18,969 | 18,503 | 18,969 | 18,503 |
| Parking | - | - | 15,707 | 15,706 | 15,707 | 15,706 |
| Transit | - | - | 87,335 | 75,869 | 87,335 | 75,869 |
| Convention Center | - | - | 13,086 | 12,772 | 13,086 | 12,772 |
| Golf courses | - | - | 3,853 | 3,900 | 3,853 | 3,900 |
| Total expenses | <u>\$ 478,842</u> | <u>\$ 472,202</u> | <u>\$ 222,354</u> | <u>\$ 210,078</u> | <u>\$ 701,196</u> | <u>\$ 682,280</u> |
| Excess before transfers | 182,169 | 105,443 | 63,970 | 56,712 | 246,139 | 162,155 |
| Transfers | <u>(195,831)</u> | <u>(9,984)</u> | <u>195,831</u> | <u>9,984</u> | <u>-</u> | <u>-</u> |
| Change in net position | (13,662) | 95,459 | 259,801 | 66,696 | 246,139 | 162,155 |
| Net position, beginning of year (as restated) | <u>1,047,324</u> | <u>951,865</u> | <u>801,019</u> | <u>734,323</u> | <u>1,848,343</u> | <u>1,686,188</u> |
| Net position, end of year | <u>\$ 1,033,662</u> | <u>\$ 1,047,324</u> | <u>\$ 1,060,820</u> | <u>\$ 801,019</u> | <u>\$ 2,094,482</u> | <u>\$ 1,848,343</u> |

Property tax, general revenues, and charges for services program revenues financed 81.0% of the primary government's expenses. Operating and capital grant contributions, as well as intergovernmental revenues not restricted for specific programs, are largely passed through by federal and state resources. These same resources funded over 43.6% of the City's wide range of services, or functional expenses during the year, with the largest public works.

The following narrative considers the operations of governmental and business-type activities separately.

Governmental Activities

Governmental activities for 2024 decreased net position by over \$13.6 million. Total revenues exceeded total expenses by more than \$182.1 million; however approximately \$195.8 million (net) was transferred to the business-type activities, thereby reducing the governmental activities' net position at the end of year.

Some notable changes in revenues and expenses are described below:

Revenues:

Charges for Services:

- General government increased in total by over \$421,000 from the prior year as follows:
 1. A decrease of \$80,000 in various licenses,
 2. A decrease in franchise fees of around \$150,000,
 3. An increase of \$651,000 was due to changes between year-end, unavailable revenue accruals mostly related to timing for court fee collections,
- Public safety decreased by almost \$5.7 million from 2023:
 1. Moving violations and uniform citations were up, in total, by around \$400,000,
 2. Parking violations were up by almost \$1.0 million,
 3. A decrease of about \$7.1 million was due to changes between year-end, unavailable revenue accruals mostly related to timing for public safety grants,
- Public works and transportation increased by nearly \$6.6 million for the following:
 1. Building and occupancy permit revenues were up by almost \$800,000,
 2. An increase of just under \$400,000 in Engineering services,
 3. Increase of nearly \$700,000 for Urban Forestry charges,
 4. Moreover, a \$4.7 million increase for conversion entries required for unavailable revenue accruals largely related to timing for deferred revenues for larger capital projects,
- Planning and development program revenues increased from the prior year by a little more than \$2.1 million for the following:
 1. Liquor and bartender licenses were up almost \$120,000 from 2023,
 2. Impact fee revenues were up by over \$1.7 million for newer projects in which fees were collected during the year, as planning was initiated for green space and other park improvements,
 3. Loan related charges increased by around \$300,000 when compared to the previous year,

- Culture and recreation increased by about \$95,000 from the prior year for the following:
 1. Park uses and other net fees increased by about \$50,000,
 2. Facility rentals for Madison ultimate frisbee were higher by almost \$25,000,
 3. Moreover, a \$30,000 increase for conversion entries required for unavailable revenue accruals largely related to timing for deferred revenues,

Operating Grants and Contributions:

- General government increased by nearly \$9.8 million from the prior year due to the following:
 1. American Rescue Plan Act grants increased by almost \$11.3 million from \$1.7 million in 2023, to just over \$13.0 million in 2024, the funding replaced lost revenue from the economic downturn,
 2. There was a one-time \$1.0 million election equipment grant in 2023 that was not awarded in 2024,
 3. There was a decrease of about \$200,000 resulting from grants received by the mayor's office in 2023 that expired in 2024,
- Public safety decreased by almost \$900,000 from the prior year for the following:
 1. An increase of \$150,000 in federal money related to seizures of property,
 2. A decrease of more than \$1.3 million from the Wisconsin Department of Justice for police grants when compared to the prior year,
 3. An increase of \$200,000 from fire insurance dues,
- Public works and transportation increased by just under \$985,000 for the following:
 1. An increase of \$700,000 from state transportation aids when compared to the prior year,
 2. An increase of \$300,000 from traffic engineering transportation grants during the year,
- Planning and development increased by more than \$2.9 million during 2024, which includes:
 1. An increase of \$6.6 million in housing assistance grants from 2023,
 2. A decrease of \$1.0 million from Community Development Block Grants compared to the prior year,
 3. Moreover, a \$3.1 million decrease for conversion entries required for unavailable revenue accruals largely related to timing for deferred revenues,
- Culture and recreation increased by approximately \$450,000 as a result of increased Library Foundation donations and contributions received during the year,

Capital Grants and Contributions:

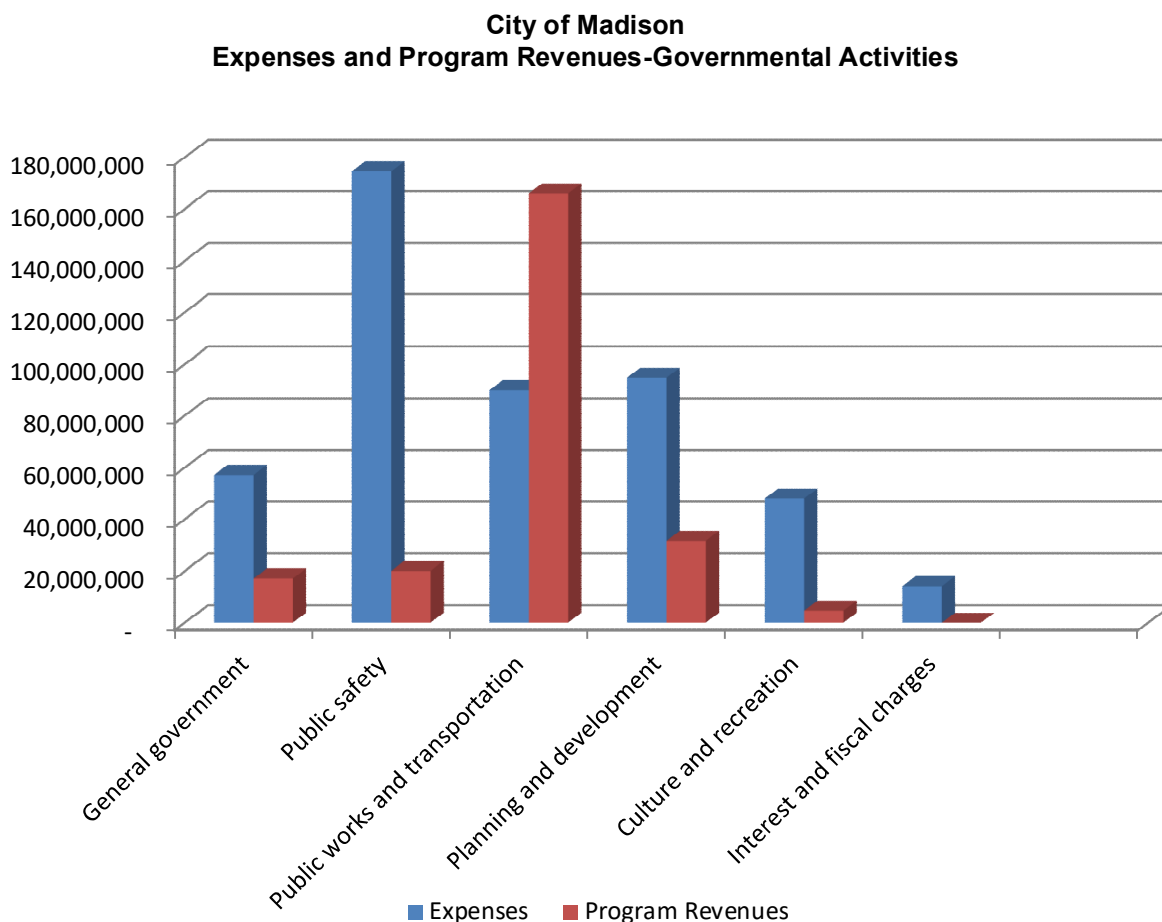
- General government capital grants decreased by \$40,000 during 2024 due to an air quality monitoring grant that was received in 2023 and not awarded again during fiscal year 2024,
- Public works and transportation increased from the prior year, by over \$50.4 million,
 1. A decrease of over \$23.5 million in capital contributions to infrastructure projects,
 2. An increase of \$75.4 million for grants related to the Bus Rapid Transit (BRT) projects that began in 2023 and were completed in 2024,
 3. A decrease of \$1.4 million in special assessment revenue,
- Planning and development capital contributions decreased by approximately \$185,000
 1. There was a Wisconsin Economic and Development Corporation grant for \$250,000 in 2024,
 2. There was a roughly \$434,000 Community Development Block Grant for capital housing in 2023 not provided during the year,

- Culture and recreation capital funding decreased from the prior year, by approximately \$156,000 as the Olbrich project was completed at the close of 2023. No further capital donations were received for this asset in fiscal year 2024,

Expenses:

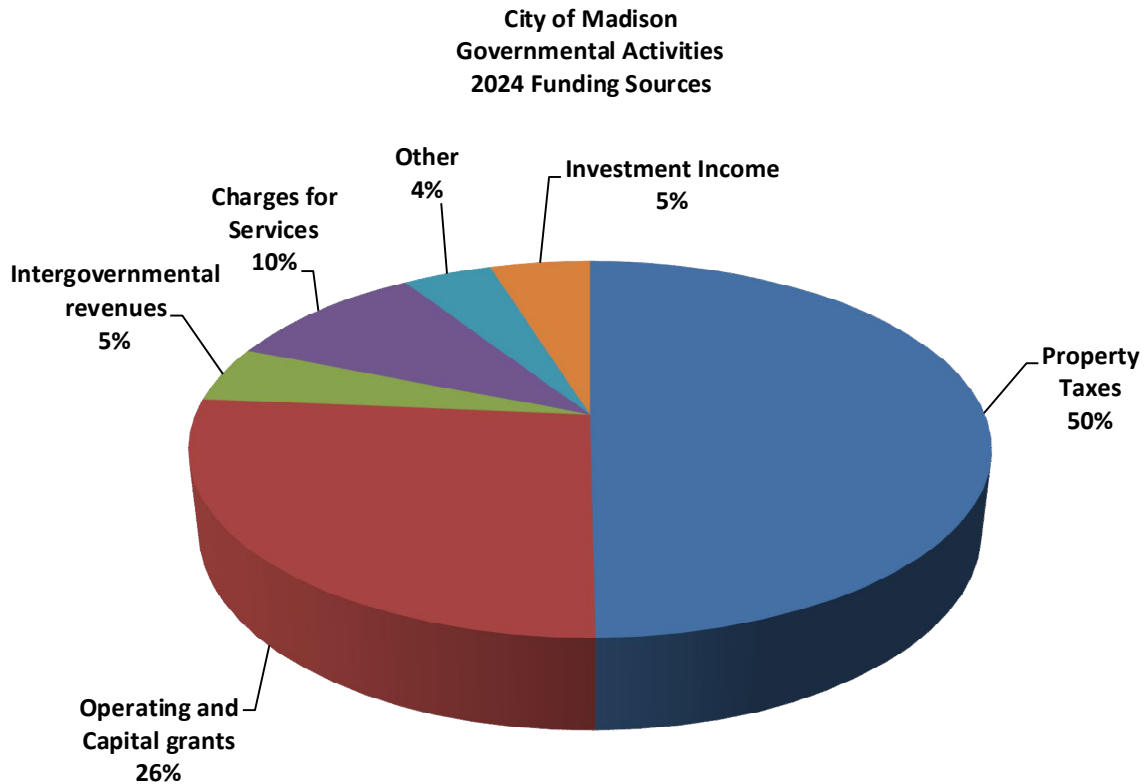
- General government expenses increased by almost \$10.9 million when compared to the prior year, including required conversion entries to full accrual from modified accrual fund statements. Most of the notable changes are for the following:
 1. City Clerk's office spending was up around \$1.8 million due to the 2024 national, state, and local elections,
 2. Salaries and benefits increased by \$2.0 million due to cost-of-living increases,
 3. An increase of \$1.6 million related to amortization of subscription-based software arrangements,
 4. An increase of \$4.0 million in grants related to the American Rescue Plan Act for replacement of revenues during the COVID-19 pandemic,
 5. Room tax grants increased by \$1.0 million as room tax receipts have fully recovered during the past couple of years,
- Public safety expenses decreased by approximately \$14.7 million when compared to 2023, including required conversion entries to full accrual from modified accrual fund statements. The fund statement changes between the years increased by about \$6.8 million and the conversion entries in aggregate netted to a decrease of almost \$21.5 million. The following list identifies larger changes between years:
 1. Salaries and overtime wages were higher by about \$650,000 for Fire and up almost \$3.5 million for Police. The increase in Fire can be primarily attributed to cost-of-living increases, while Police had an increase in overtime wages of almost \$900,000 as well as cost-of-living increases,
 2. Benefits were higher including those for annual retirements, health insurance, pensions, and FICA, totaling approximately \$3.0 million,
 3. Supplies and purchased service expenses were up by almost \$400,000,
 4. Pension expenses related to the net pension liability at year end, decreased by about \$19.1 million,
 5. Compensated absences decreased by around \$3.6 million when compared to 2023,
 6. The city portion of Public Health Madison Dane County levy support increased by \$600,000 when compared to the prior year,
- Public works and transportation expenses decreased by slightly over \$17.0 million, which is due to the changes between the fund statements and the conversion entries required for full accrual reporting of a decrease totaling \$18.4 million and increases in spending of approximately \$1.4 million. The most notable expenses were the following:
 1. Pension-related expenses were lower by over \$2.8 million,
 2. A decrease of almost \$16.6 million related to additions of capital assets,
 3. A \$650,000 decrease related to compensated absences,
 4. An increase of more than \$1.5 million in salaries and benefits,

- Planning and development expenses increased by just over \$25.6 million in 2024, when netted against the conversion entries required for full accrual reporting. The most significant expenses were the following:
 1. Affordable housing and rental assistance grants and/or loans increased by just over \$13.7 million when compared to 2023,
 2. Pension-related expenses were down by almost \$1.2 million,
 3. Contingent loans increased by almost \$4.3 million during the year,
- Culture and recreation expenses were lower by more than \$1.4 million due to the following:
 1. Compensated leave balances were used by almost \$1.1 million,
 2. Pension expenses decreased by nearly \$2.5 million at year end,
 3. Salaries and benefits were up around \$2.2 million from 2023 due to cost-of-living increases,
- Interest and fiscal charges between the years were up by approximately \$3.3 million as required interest paid, issuance costs for debt, and amortizations for premiums and/or discounts increased when compared to fiscal year 2023.



The statement of activities provides a concise picture of funding for the various activities of the city.

The following pie charts draw data from the statement of activities. For governmental services, the City is highly dependent upon the property tax for funding, deriving 50% of its revenue from this single source. Intergovernmental revenues and other operating and capital grants comprise another 31%, while charges for services and all other sources account for 19% of total governmental activity resources.



Business-type Activities

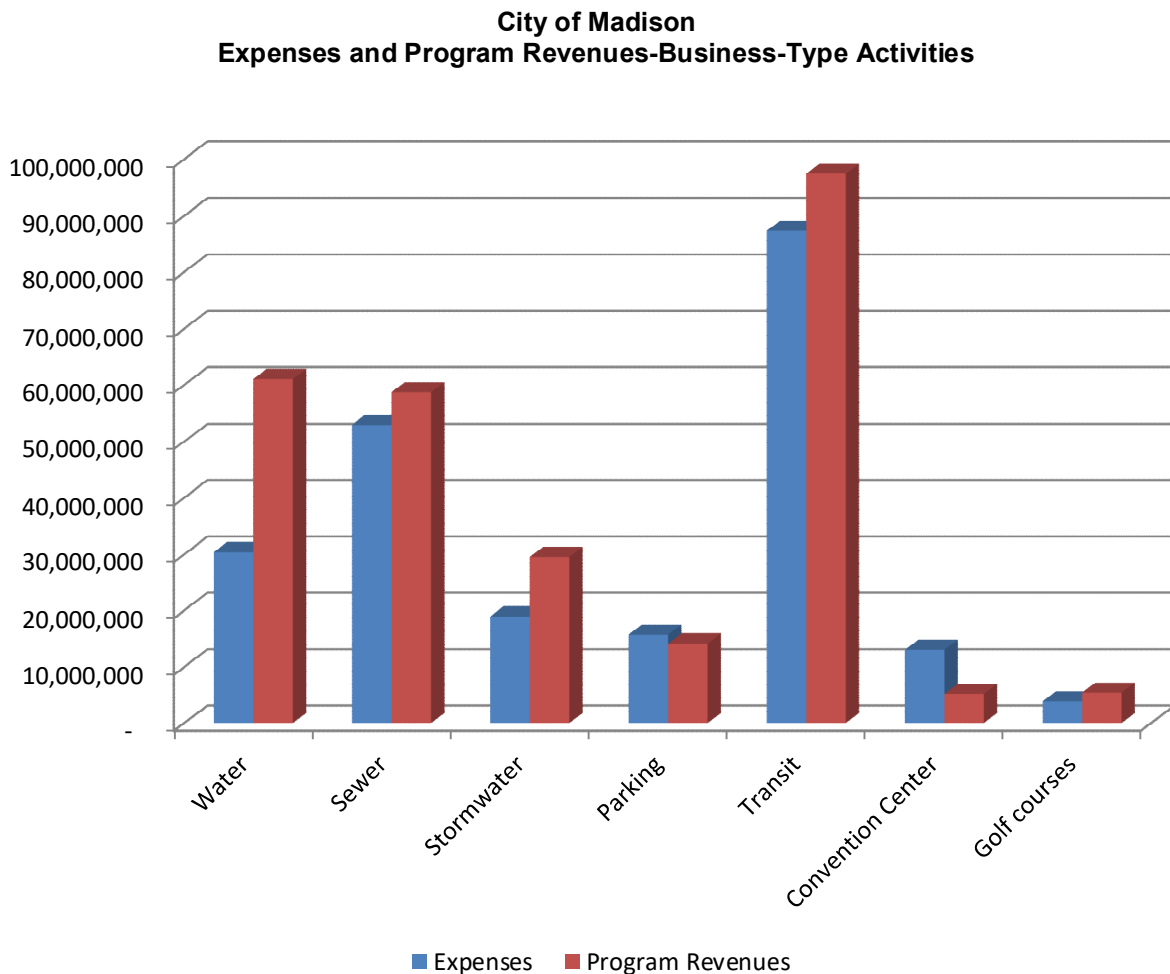
Business-type activities include the operations of the Water, Sewer, Stormwater, Parking, and Transit Utilities, the Convention Center, and Golf courses provided an increase to the City's net position of just over \$259.8 million including transfers netting more than \$195.8 million for 2024. The transfers out from the General, Special Revenue and Capital Project Funds to the business-type activities totaled almost \$174.8 million, with approximately \$5.6 million of room tax revenues funding Convention Center continuing operations and capital project improvements. The governmental activities transferred capital assets to the utilities totaling almost \$181.4 million largely for Metro's Bus Rapid Transit project.

The business-type activities remitted payments in lieu of taxes (PILOT) to the general fund totaling just over \$8.8 million. Total revenues exceeded expenses by nearly \$64.0 million prior to any transfer of funds activity by the close of 2024. See Note IV-E for interfund receivables/payables, advances and transfers beginning on page 104.

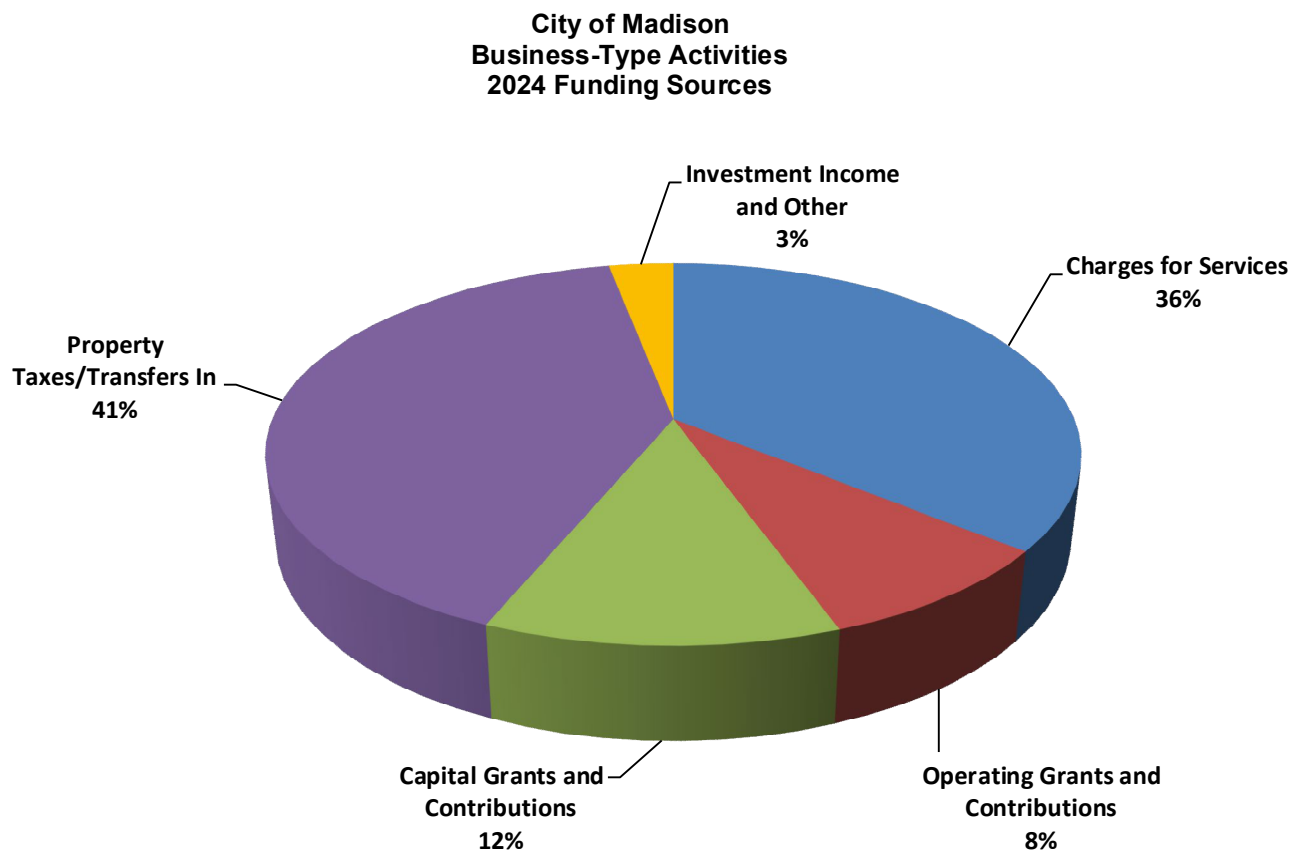
Program revenues for business-type activities increased from the prior year to over \$271.6 million. Rate increases for the Water, Sewer, and Stormwater Utilities (noted below) helped to generate over \$900,000 more when compared to the prior year, in charges for services revenues to support operating expenses.

- Water Utility's rate increase went into effect March of 2023, for about 18.2% of present revenues by the Public Service Commission. The rate increase was projected to generate approximately \$8.5 million more annually from usage or charges for services. The utility did record an additional \$8.5 million in operating revenues in 2024, mainly due to the new rate in effect for the entire year.
- Sewer Utility's volume and demand charge rates increased by 2.7% on average for 2024, up from 2.1% in 2023.
- Stormwater Utility impervious, pervious, and customer charge rates increased on average by 6.9% for 2024, when compared to the increase of 3.6% in 2023.
- The Parking Utility's last rate increase was effective as of January 1, 2024. As part of the Utility's ongoing rate review process, the special event rate was increased and implemented in the middle of the year for off-street facilities. The Utility has noted an increase in demand at many parking garages during weekdays, a trend that continues to rise as more employees have returned to hybrid work schedules.

Total operating expenses for the business-type activities increased by just over \$11.3 million at year end. Much of the increase in spending is attributable to increases for Metro Utility, including a \$6.8 million increase in depreciation due to Bus Rapid Transit system improvements.



In 2024, there was a significant increase in transfer revenue due primarily to the Bus Rapid Transit projects. This caused transfers to be the largest source of revenue for the business-type activities at 41.0%. We would normally expect charges for services to be the largest revenue source for business-type activities, however it was only 36.0% at the end of the year. State and federal contributions along with other grants were an extremely important revenue source at 20.0% during the year. Investment income comprised a smaller portion of revenue this year at approximately 3.0%, due to the large increases in transfers in revenues.



FINANCIAL ANALYSIS OF THE CITY'S MAJOR FUNDS

Governmental Funds

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

The schedule below indicates the fund balances (deficit) and the total change in fund balances as of December 31, 2024, for all major and nonmajor governmental funds:

| | Fund Balance 2024 | Fund Balance 2023 | Increase (Decrease) |
|-----------------------------|-----------------------|-----------------------|------------------------|
| Major and Nonmajor Funds: | | | |
| General | \$ 140,427,702 | \$ 120,678,931 | \$ 19,748,771 |
| Library | 2,783,199 | 2,790,757 | (7,558) |
| Other Grants | (863,365) | (3,103,008) | 2,239,643 |
| Debt Service | 22,898,656 | 21,605,290 | 1,293,366 |
| Capital Projects | 137,111,742 | 170,861,523 | (33,749,781) |
| Other Nonmajor Governmental | 76,575,277 | 77,506,066 | (930,789) |
| Total | <u>\$ 378,933,211</u> | <u>\$ 390,339,559</u> | <u>\$ (11,406,348)</u> |

As of December 31, 2024, the City of Madison's governmental funds reported combined ending fund balances of over \$378.9 million, or a decrease of more than \$11.4 million from the prior year.

Of this total, nearly \$7.2 million has been classified as nonspendable, or 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. The nonspendable fund balances resulted mostly from inventories, prepaid health insurance and flex spending deductions for January 2025 premiums, and trust activities.

More than \$216.1 million of the governmental fund balance is restricted for specific legal requirements and other commitments such as debt service payments, unspent borrowing proceeds, long-term loans, advances, tax increments generated to cover capital outlay for subsequent year expenditures, and for distributions to other taxing jurisdictions.

Additionally, over \$46.5 million of the year end fund balance was committed or assigned for specific purposes such as encumbrances, open capital project contracts, compensated absences for vacations and other leave time (excluding sick leave), and for life insurance stabilization of premiums, leaving a total unassigned governmental fund balance of about \$109.1 million available for spending at the discretion of the City's elected officials.

The **general fund** is the primary operating fund used to account for the governmental operations of the City, with the direct expenditures of this fund accounting for almost 39.2% of the City's governmental fund expenditures as reported on the *statement of revenues, expenditures and changes in fund balances*.

As a measure of the general fund's liquidity, it may be useful to compare both total fund balance and unassigned fund balance to measures of operating volume such as fund expenditures or future budgeted expenditure level.

The total year end general fund balance of over \$140.4 million represented approximately 47.3% of over \$296.9 million in 2024 expenditures reported on the *statement of revenues, expenditures and changes in fund balances* while approximately \$110.6 million unassigned balance represented just under 37.3% of the same expenditure measure.

Historically in Madison, the audited unassigned fund balance has been considered in proportion to the subsequent year's budgeted general fund expenditures, including debt service, and used to measure the adequacy of the City's operating reserve, with a stated target ratio of 15%. The adopted 2025 general fund budget authorized expenditures of \$410,308,261.

The general fund 2024 unassigned fund balance was nearly 27.0% of the subsequent year's budget, which increased from last year's percentage of approximately 21.6%, higher than the historical target due to the following:

- During 2024, city management assigned roughly \$7.1 million less than the prior year, due in part to a decrease of fund balance application of \$8.4 million in the adopted 2025 budget. For life and disability premium stabilization, there was an increase of approximately \$2.0 million, and lower compensated absences reserves of almost \$1.0 million for vacation and other paid leaves. There was a \$2.0 million assignment for a Community Development endowment for the unsheltered that was originally budgeted in 2023 that is planned to be spent in 2025. There was also an increase in general fund encumbrances of around \$500,000 by year end.
- The investment's book, par, and market values were tracked throughout 2024. The City's investment portfolio incurred mark-to-market gains of over \$3.3 million, as well as the premium stabilization fund for life and disability benefits of over \$2.0 million. These adjustments were combined with the general fund income earnings of about \$18.1 million at year end, or a roughly 22.4% increase from the prior year which totaled just over \$14.8 million. This occurred due to higher-than-normal interest rates from the Federal Reserve attempting to fight inflation; however, interest rates did moderate from the increases in 2023.
- Shared revenues increased by over \$3.0 million during the year, payments for both municipal services decreased by approximately \$360,000, along with expenditure restraint aids by about \$560,000. Personal property exemption and video service provider aids were relatively unchanged from the previous year, while highway aids increased by around \$700,000.
- Total expenditure variances ended the year favorably at approximately \$8.5 million, and less than 2.1% from the final 2024 amended budget, due to larger savings of just over \$1.1 million in the Fire Department, nearly \$1.0 million in Community Development, almost \$900,000 in Parks, and about \$4.2 million in direct appropriations.

The **library** special revenue fund includes resources that are legally restricted to support the various library branches and programs within the City. The fund balance remained about the same in 2024 when compared to the prior year.

The **other grants** fund had a total fund balance deficit of a little more than \$863,000 at year end, an increase of nearly \$2.3 million when compared to the prior year. This change is primarily a result of an increase in revenues of approximately \$6.3 million from the Emergency Rental Assistance (ERA) program. About \$13.1 million was transferred to the general fund from the American Rescue Plan Act - State and Local Fiscal Recovery Fund for community projects and revenue recoveries. This transfer was also funded for \$16.3 million in COVID relief grants.

Additionally in 2024, there was approximately \$101.5 million transferred to the capital projects fund for the East – West Bus Rapid Transit system, which was funded by various Department of Transportation federal grants that totaled over \$105.2 million.

The remaining nearly \$1.7 million can be attributed to various Public Safety, Sustainability, and Planning and Community Economic Development grants received during the year.

The **debt service** fund had a total fund balance of almost \$22.9 million at year end. The fund balance change or increase of nearly \$1.3 million is primarily a result of receiving an aggregate of \$11.9 million in premiums from four debt issuances in 2024 when compared to about \$8.2 million from two debt issuances in 2023. In addition, transfers in from other funds to cover debt service payments were \$5.9 million higher than in the prior year, and investment income increased by almost \$337,000. These increases however were offset by a little more than \$7.1 million paid for debt service principal and interest during the year, and just over \$1.6 million was written off as uncollectible ice arena debt that was authorized to be forgiven in 2024.

The City issued corporate purpose bonds, Series 2024-A for approximately \$28.5 million with a true interest cost of 3.2%, for the purpose of reconstructing the State Street parking facility.

The City also issued two series of tax-exempt promissory notes and one series of taxable promissory notes; Series 2024-B for approximately \$81.8 million with a true interest cost of 2.9%, Series 2024-C (Green Notes) for approximately \$18.2 million with a true interest cost of 3.2%, and Series 2024-D for approximately \$6.3 million with a true interest cost of 4.2%, with each issuance financing various city capital projects. The premiums received as a result of general obligation borrowing totaled over \$10.7 million which represents about 10.7% of the par value of the tax-exempt debt.

The **capital projects** consolidated fund include special assessments, tax increment districts, and other capital projects. This large governmental fund is used to account for financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including acquisition or construction of equipment and/or major capital facilities and other capital assets.

The special assessments fund is used to account for the long-term receivables associated with the City's Special Assessment Program. This fund saw a net decrease of 21 special assessment districts in 2024, down to 567 from 588 in 2023. Additionally, the ending receivable balance remained largely unchanged with a slight decrease of about \$367,000 from the prior year. Delinquent special assessments increased only about \$278,000 during the year, to approximately \$800,000.

The special assessments fund balance increased by over \$200,000 at year end. This is primarily due to revenues exceeding expenditures of \$217,000, even though special assessment revenues decreased from the prior year by approximately \$1.4 million.

The tax incremental financing districts are used to account for expenditures outlined in the Tax Increment District (TID) project plans and related revenues and proceeds from long-term borrowing. Negative cash balances were reported at yearend within some of the TIDs. These TIDs received advances from the Other Capital Projects Fund of approximately \$14.4 million in total at the close of 2024.

The city had 14 active districts during the year. The districts generated, in total, \$42.2 million in tax increment revenues. TID #42 (Wingra), TID #50 (State and Lake), TID 48 (Regent St), and TID #54 (Pennsylvania Avenue) borrowed \$1.5 million, \$14.8 million, \$2.5 million, and over \$6.2 million in General Obligation Borrowing respectively.

Multiple developer loans were disbursed: TID 49 (Femrite Drive) disbursed a total of \$2.1 million to Madison Interstate East I & II for industrial developments; TID 52 (E Washington & Stoughton Rd) disbursed nearly \$2.4 million to WHPC Rise Madison and \$1.7 million to CDA Housing for affordable housing developments; and TID 54 (Pennsylvania Avenue) disbursed about \$6.3 million to Roth Street I & II Limited Partnerships and nearly \$1.7 million to Vermillion Madison Development for various housing projects. Approximately \$828,000 was received for state computer reimbursements, \$689,000 was received for state personal property aid, and \$2.9 million was earned in investment income across all districts by the end of the year.

Further, TID #42 (Wingra) received a \$1.6 million donation from TID #44 (Royster Clark), and TID #51 (South Madison) received donations of approximately \$10.0 million and \$3.6 million from TID #36 (Capitol Gateway Corridor), and TID #37 (Union Corners) respectively to fund ongoing projects within those districts. Three districts closed in 2024, making final distributions to their overlying jurisdictions – TID #29 (Allied Dunn’s Marsh Neighborhood) distributed approximately \$1.8 million, TID #39 (Stoughton Rd) distributed about \$4.0 million, and TID #47 (Silicon Prairie) distributed approximately \$1.1 million. No new districts were created in 2024, and to date no districts have been approved for closure in 2025.

The fund balance for the TIDs decreased in total by just under \$27.0 million at the end of the year. The districts paid roughly \$12.3 million for principal and interest on long-term debt and spent just over \$60.1 million for capital improvements. These included \$17.0 million for the State Street Campus Parking Garage, \$13.0 million for Bus Rapid Transit system, \$12.0 million for improvements and construction at the Village on Park facility, \$6.0 million for construction of the new Public Market, and \$2.5 million for East Wilson and Doty Street reconstructions.

The following is a listing of noteworthy TID projects active during 2024:

- Public Market-TID #36
- Land banking-TID #39
- Village on Park-TID #42
- West Washington and Henry reconstruction-TID #45
- Bus Rapid Transit-TID #46
- State Street Campus Parking Garage-TID #50
- Lake Street Sanitary Sewer-TID #50
- Small Business Grant Programs-TIDs #50, #51, and #54
- E Wilson and Doty Reconstructions-TID #53

The other capital projects fund accounts for financial resources used for the acquisition or construction of equipment, facilities, and infrastructure. The fund balance decreased by about \$7.2 million from the prior year, due in part to a decrease in unspent GO proceeds from about \$49.0 million in 2023 to approximately \$40.0 million in 2024. Additionally, the fund balance was bolstered by substantial interest revenues of \$1.8 million. Annual investments in capital assets increased from about \$91.0 million in 2023 to nearly \$188.0 million in 2024, due in large part to increased costs for the Bus Rapid Transit system project, as well as other major initiatives noted below.

Significant capital expenditures were as follows: \$125.8 million for Bus Rapid Transit improvements, \$13.4 million for construction of the Public Market, \$4.4 million for the building of a Permanent Men’s Shelter, \$3.9 million for construction of the Satellite Bus Facility for Madison Metro, \$3.9 million for development of the former Truman Olsen grocery space, and \$3.6 million for the Door Creek Park Shelter.

Revenues for the other capital projects fund are mostly general obligation debt proceeds totaling about \$74.8 million, transfers from other governmental funds, including Bus Rapid Transit funding received in the Other Grants fund of about \$121.0 million, and intergovernmental cost sharing revenues of \$6.1 million. Other noteworthy sources of revenue in 2024 included: investment income of \$1.8 million, and various grants for Public Market construction of about \$2.6 million. Altogether, revenues in the capital projects fund totaled just over \$207.0 million.

The aggregated ***other nonmajor governmental*** funds column includes various special revenue and permanent funds such as: Community Development Block Grant, revolving loans, other restricted funds, and permanent funds, used to account for specific revenue sources that are legally restricted to expenditures for specific purposes. The nonmajor governmental fund balances decreased slightly in total to nearly \$76.6 million. Of this amount, the accumulated fund balances for the special revenue funds decreased by about \$71.4 million at year end. The Affordable Housing special revenue funds expended just under \$9.6 million in loans to provide low-income housing rentals to city residents, an increase of approximately \$4.3 million from 2023. Developers paid impact fees totaling over \$8.9 million for the year, or an increase of almost \$1.5 million when compared to the prior year. Further, just under \$10.4 million was spent on capital project improvements and debt service payments by year end.

Proprietary Funds

The City's *proprietary funds* provide the same type of information found in the government-wide financial statements, but in greater detail for the Enterprise Funds: Water Utility, Sewer Utility, Stormwater Utility, Parking Utility, Convention Center, Golf Courses, and for the Internal Service Funds: Fleet Services, City Insurance and Worker's Compensation Funds.

The following schedules and analysis indicate the net position and total changes in net position as of December 31 for both fund types.

| | Net Position 2024 | Net Position (As restated) 2023 | Increase (Decrease) |
|-----------------------|-------------------------|---------------------------------------|------------------------|
| Enterprise Funds: | | | |
| Water Utility | \$ 217,631,428 | \$ 191,139,711 | \$ 26,491,717 |
| Sewer Utility | 160,743,525 | 151,829,638 | 8,913,887 |
| Stormwater Utility | 331,482,159 | 316,031,083 | 15,451,076 |
| Metro Transit Utility | 236,751,039 | 44,245,235 | 192,505,804 |
| Nonmajor Enterprise | 120,693,465 | 103,707,920 | 16,985,545 |
| Total | <u>\$ 1,067,301,616</u> | <u>\$ 806,953,587</u> | <u>\$ 260,348,029</u> |

The net position of the *enterprise-type* proprietary funds at the end of 2024, totaled nearly \$1.1 billion, or more than \$260.3 million from the previous year.

Water Utility's total operating revenue decreased by almost \$1.2 million or 2.0% when compared to the prior year. The utility's operation and maintenance expenses also decreased by about \$670,000 from 2023 to 2024. The utility added 418 new customers in 2024 down from 499 in 2023. Water Utility staff continues to closely monitor expenses during the year to ensure financial stability. Depreciation decreased \$4.2 million mainly due to water main expense depreciation adjustments.

Effective March 1, 2023, the Water Utility received approval through its most recent rate case to cash fund \$5.0 million annually for water main replacements. This funding approach, approved by the Public Service Commission of Wisconsin (PSCW), enables the Utility to fully depreciate water mains replaced under this program. This represents a unique rate recovery mechanism that falls outside of the traditional capital process. City staff properly recorded an audit adjustment to reflect depreciation of water main replacements in accordance with Generally Accepted Accounting Principles (GAAP) and the PSCW-approved rate recovery method. The Water Utility will continue to apply this funding and depreciation methodology in future years.

The Water Utility added nearly \$13.8 million in plant in service in 2024. Of this amount, approximately \$3.6 million was contributed by developers and contractors, or was received from special assessments. Capital projects paid for by the utility included: approximately \$7.4 million for new and replacement water mains; laterals, and hydrants, \$1.8 million for pumping and general plant, and telemetry equipment, about \$900,000 for vehicle additions, power equipment and tools, and about \$400,000 for the meter program.

A rate increase of approximately 2.7% for the Sewer Utility was in effect as of June 1, 2024. Similarly, a rate increase of about 6.9% for the Stormwater Utility was in effect as of May 1, 2024. These increases helped to keep the net positions positive for both enterprise funds.

The Sewer Utility generated income before capital contributions of over \$5.5 million. In addition, the utility added nearly \$11.3 million in public projects including the following: \$2.7 million in CIPP lining projects, \$1.8 million for the CTH AB Interchange project, \$1.5 million for the Lake St Sanitary project and about \$871,000 for the S Blair St project. There was also nearly \$1.3 million added for equipment during the year. Further, the utility recorded approximately \$3.4 million in capital contributions.

Stormwater Utility had income before contributions totaling just over \$7.9 million at the year end. The utility also added approximately \$22.0 million in public projects to plant from construction in progress, which included: \$4.1 million for the Mendota-Grassman Greenway project, \$3.8 million for the Atwood Ave Phase 1 project, \$3.2 million for the Pleasant View Road project, \$2.3 million for the Lower Badger Mill Creek Regional Pond #1 project and \$1.8 million for Wexford Pond. The utility also replaced equipment totaling over \$1.6 million. Further, the utility recorded just over \$7.5 million in capital contributions.

The net position of Metro Transit increased by just over \$189.8 million for 2024. This is mainly attributed to significant capital contributions from the city and the Federal government for fixed assets related to the Bus Rapid Transit system and associated facility improvements. Additionally, utility staff recorded corrections to the previous year's net position totaling nearly \$2.7 million. Refer to Note IV K. Error Corrections on page 169 for further details.

Employee compensation and benefits accounted for approximately 74.1% of total operating expenses excluding depreciation, that were over budget by about \$2.7 million in 2024. This was because of the unanticipated training required for all staff due to new facility information technology systems, new electric buses, and the implementation of the Bus Rapid Transit system.

Passenger revenues totaled about \$9.7 million for 2024, which were down approximately 6.1% from 2023. This was due to the continuing effect of the COVID-19 recovery as revenues are based on 4-year averages. Metro Transit's recorded ridership in 2024, totaled about 9.2 million which was down by roughly 2.4% when compared to the prior year. This was due to farebox issues as Metro transitioned between software platforms.

Bus Rapid Transit

Metro launched the East-West Bus Rapid Transit (BRT) in 2024 to provide more frequent, faster and more reliable bus service across the region including more direct routes with fewer stops.

In addition, Metro took delivery of 62 all-electric 60-foot buses to provide the ability to transport more passengers with less of a carbon footprint. The system also features special traffic signals to help buses move through intersections faster, dedicated bus lanes, and stations with off-board payment kiosks.

Metro implemented this type of system in expectation for thousands of new jobs and residents by the year 2050, which is expected to generate thousands of new road trips to work, school, and for recreation.

Facilities Update

Metro is completing a capital improvement project at its main maintenance and bus storage facility on East Washington Avenue due to inadequate space to store buses, coupled with the aging infrastructure and inadequate ventilation, has led to unsafe working conditions and substandard, and inefficient amenities.

The first and second phases of construction, which were completed between 2019 and 2020, included building new service lanes, remodeling of the workshop and body shop, structural work, critical HVAC upgrades and widespread electrical upgrades to support the addition of electric buses.

The first part of the third phase of remodeling began in the summer of 2021 and was completed in 2023. This included ten additional maintenance bays/lifts, new driver break room, training space, parts room, restrooms, boilers and water heaters, including new HVAC and lighting in remodeled areas.

The final phase is set to begin in 2025, which is planned to include the replacement of thirteen maintenance bays, reconstruction of the administration space, new driver and maintenance staff locker rooms, additional restrooms and a new dispatch area.

Metro was awarded a \$6.4 million bus and bus facilities grant from the federal government as partial funding for the next phase of construction. This award will help to cover the rising costs of construction due to labor shortages, inflation, and scarcity of materials.

Hanson Road Facility

Metro staff opened a second maintenance and bus storage facility on the north side of the city in 2024. The site features a large bus storage facility as well as a fully functional bus wash and maintenance facility.

New Fare Technology

To speed up boarding on both its bus rapid transit and local route systems, Metro implemented new fare technology during the year. New technology featured smart cards, customer online accounts, and the ability to use smartphones and credit cards to board the bus. Improvements have made it both easier to ride the bus and more accessible to low-income riders through a fare capping process.

The Nonmajor enterprise funds include the Parking Utility, Monona Terrace Convention Center, and Golf Courses. The net position for the Parking Utility increased by about 21.3% or a little more than \$16.0 million by the close of the fiscal year; the utility incurred about \$12.0 million in GO debt, collected nearly \$14.2 million from customers, and had operating expenses that totaled over \$14.9 million during the year.

The Parking Utility continues to see operating revenues slowly return to pre-pandemic levels, with 2024 revenues approximately \$760,000 higher when compared to 2023. The rate increase was effective as of January 1, 2024, which largely contributed to the growth in revenues. The fund has also experienced a decrease in general expenses, at about \$609,000, for the year, which was largely due to a decrease in salaries for a reorganization of staff, that left higher-level positions vacant during the year. The Utility expects to fill some of these vacant positions throughout 2025.

The Monona Terrace Convention Center's net position decreased by almost \$826,000, or about 4.0% for 2024, largely due to higher operational and maintenance expenses than budgeted. During the year, the facility hosted 495 events. Additionally, it held 28 conventions in 2024, up from 27 in 2023. Revenues increased by approximately 9.6% from \$4.7 million in 2023, to \$5.2 million by the close of the year. Expenses related to operations and maintenance increased by about 1.7% from \$10.8 million in 2023, to just over \$11.0 million in 2024.

Golf Courses' net position increased by almost \$1.8 million (including pilot payments to the general fund) from last year, or about 21.9%, primarily due to an increase in revenues and decreases in operational and maintenance expenses. Since recovering from the COVID-19 pandemic, demand for socially distanced outdoor activities such as golfing remains high. By the close of the fiscal year, total rounds of golf were just over 160,000, or about a 4.6% increase from 2023. Revenues increased at a faster rate than expenses, with an increase in total charges for services at about \$350,000, or approximately 6.9%, while expenses decreased by about \$57,000 or 1.6% by the end of the fiscal year.

The net position of the City's three *internal service-type* proprietary funds outlined below decreased in total by more than \$2.9 million from the prior year but remained positive at over \$8.6 million at the end of the year. The total net position within the Fleet Services Fund went down a little more than \$935,000, to over \$1.3 million. This decrease in fund balance was caused in part by increases in fuel prices and higher than usual repair costs for city vehicles.

Furthermore, the insurance fund experienced over \$1.7 million in claims during the year, while the Worker's Compensation fund paid out about \$3.3 million in claims. The Worker's Compensation fund also incurred about a \$1.1 million negative adjustment to its required reserve balance in 2024.

| | Net Position 2024 | Net Position 2023 | Increase (Decrease) |
|-------------------------|----------------------|----------------------|------------------------|
| Internal Service Funds: | | | |
| Fleet Services | \$ 1,330,743 | \$ 2,266,251 | \$ (935,508) |
| City Insurance | 1,468,016 | 2,294,499 | (826,483) |
| Worker's Compensation | 5,841,730 | 7,023,127 | (1,181,397) |
| Total | <u>\$ 8,640,489</u> | <u>\$ 11,583,877</u> | <u>\$ (2,943,388)</u> |

BUDGETARY HIGHLIGHTS

As shown in the *Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP)* for the General Fund found on page 191, the original 2024 general fund budget authorized expenditures of over \$384.6 million funded by anticipated revenues of approximately \$375.4 million.

During the year, the Common Council authorized additional expenditures of nearly \$8.6 million while budgeted revenues increased by over \$7.3 million, for an amended budget amount of slightly more than \$393.2 million in expenditures with nearly \$382.8 million in revenues.

The City ended the year with favorable general fund final budget variances for expenditures of just over \$8.5 million, and a positive variance of revenues totaling over \$21.6 million, resulting in a net positive variance of nearly \$30.2 million. The large variances in expenditures were mainly due to cost saving measures put in place during the year and difficulties remaining fully staffed in several city departments.

The Parks Department had roughly \$880,000 in expenditure savings, \$1.1 million in Fire Department expenditure savings, \$1.7 million in Planning and Community Development, and cost savings of about \$4.1 million from miscellaneous expenses and direct appropriations. Roughly half of that amount, or about \$2.0 million, was unspent contingency reserves.

Revenue variances were favorable by more than \$21.6 million during the year. Intergovernmental revenues were up slightly by about \$300,000 when compared to the adopted operating budget for 2024. There were large increases compared to the budget for fines and forfeitures of \$1.5 million and a slight decrease in charges for services of about \$180,000. Licenses and permits were higher by around \$1.1 million, almost entirely due to building permits. The general fund recorded nearly \$17.4 million in investment income, which included positive mark-to-market adjustments totaling over \$5.3 million, or about \$17.7 million above the adopted operating budget. In 2024, the Room Tax Fund transferred over \$7.7 million to the general fund, which was \$540,000 more than originally budgeted.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets

In accordance with GASB-34, the City has recorded historical costs and depreciation expense associated with its capital assets, including infrastructure. As summarized in the following table, the City's reported capital assets for governmental and business-type activities at December 31, 2024, of over \$3.7 billion. Roughly 69.6% of capital assets were related to infrastructure and plant in service. For financial statement purposes, land costs and construction in progress are reported separately and are not combined with the City's infrastructure networks.

Total accumulated depreciation was calculated to be over \$1.2 billion, or approximately 33.1% of the historical asset cost. Depreciation expense by function totaled nearly \$88.1 million for both governmental and business-type activities. Net of accumulated depreciation, the City's investment in capital assets totaled just over \$2.5 billion as of December 31, 2024.

| City of Madison Capital Assets, Net of Accumulated Depreciation (in thousands) | | | | | | |
|---|--------------------------------|-------------|---------------------------------|-------------|---------------------------------|--------------|
| | Governmental Activities | | Business-Type Activities | | Total Primary Government | |
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Land | \$ 282,763 | \$ 272,727 | \$ 92,873 | \$ 91,587 | \$ 375,636 | \$ 364,314 |
| Construction in Progress | 76,657 | 103,192 | 65,212 | 43,041 | 141,869 | 146,233 |
| Land Improvements | 52,437 | 49,091 | - | - | 52,437 | 49,091 |
| Buildings | 338,840 | 317,532 | - | - | 338,840 | 317,532 |
| Machinery and Equipment | 196,830 | 182,046 | - | - | 196,830 | 182,046 |
| Intangibles | 30,314 | 21,382 | - | - | 30,314 | 21,382 |
| Infrastructure | 1,074,638 | 1,027,000 | - | - | 1,074,638 | 1,027,000 |
| Plant in Service | - | - | 1,528,654 | 1,265,955 | 1,528,654 | 1,265,955 |
| Subtotal | \$ 2,052,479 | \$1,972,970 | \$ 1,686,739 | \$1,400,583 | \$3,739,218 | \$ 3,373,553 |
| Less Accumulated Depreciation | (791,921) | (745,953) | (444,829) | (414,616) | (1,236,750) | (1,160,569) |
| Total net capital assets | \$ 1,260,558 | \$1,227,017 | \$ 1,241,910 | \$ 985,967 | \$2,502,468 | \$ 2,212,984 |

Some notable additions to the City's capital assets during 2024 (in millions, including transfers from Construction in Progress (CIP) where applicable) included:

- Transit Equipment.....\$110.5
- Transit Land Improvements.....77.2
- Infrastructure Street Network in service38.2
- Water pumping, treatment, transmissions, distributions, and sanitary sewers27.8
- Infrastructure Street Network Construction in Progress (CIP)19.4
- Buildings, building improvements19.0
- Major motor equipment fleet and vehicle additions14.6
- Land and land improvements12.2
- Traffic signals, and streetlights9.9
- Bike paths in service and CIP5.9
- Bridge Network in service and CIP.....5.7

Additional information related to the City of Madison's capital assets is reported in Note IV-D following the basic financial statements beginning on page 99.

LONG-TERM DEBT

On December 31, 2024, the City of Madison had \$862,669,908 of long-term bonds, notes, loans, leases, and subscription liabilities outstanding, as summarized in the following table:

Long-Term Debt

| City of Madison Bonds, Notes, Loans, Leases and Subscription Liabilities Outstanding | | | | | | | |
|---|-------------------------|-----------------------|--------------------------|-----------------------|--------------------------|-----------------------|--|
| | Governmental Activities | | Business-Type Activities | | Total Primary Government | | |
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | |
| General Obligation Bonds | \$ 549,531,781 | \$ 524,558,940 | \$ 103,456,762 | \$ 88,797,091 | \$ 652,988,543 | \$ 613,356,031 | |
| Revenue Bonds | - | - | 184,553,078 | 196,510,000 | 184,553,078 | 196,510,000 | |
| Leases | 5,907,285 | 4,194,990 | 7,893,471 | 8,349,872 | 13,800,756 | 12,544,862 | |
| Subscription Liabilities | 10,556,712 | 5,557,044 | 770,819 | 336,595 | 11,327,531 | 5,893,639 | |
| Totals | <u>\$ 565,995,778</u> | <u>\$ 534,310,974</u> | <u>\$ 296,674,130</u> | <u>\$ 293,993,558</u> | <u>\$ 862,669,908</u> | <u>\$ 828,304,532</u> | |

Under Wisconsin State Statutes, the outstanding general obligation long-term debt of a municipality may not exceed 5% of the equalized property value of all taxable property within the city's jurisdiction.

Applicable debt of the City totaled \$653,954,880 or 28.4% of the maximum legal limit of \$2,303,947,905.

During 2024, the primary government issued new debt for the following dates, types, amounts, and ratings:

**City of Madison
New Long-Term Debt Issued**

| Date | Type of Debt | Amount | Moody's Rating |
|------------|-----------------------------------|-----------------------|----------------|
| 02/08/2024 | General Obligation Bonds | \$ 28,585,000 | Aaa |
| 09/01/2024 | General Obligation Notes | 81,780,000 | Aaa |
| 09/02/2024 | General Obligation Notes | 18,205,000 | Aaa |
| 09/03/2024 | General Obligation Notes | 6,280,000 | Aaa |
| 05/22/2024 | Safe Drinking Water Revenue Bonds | 3,365,000 | |
| 07/24/2024 | Safe Drinking Water Revenue Bonds | 852,723 | |
| 12/11/2024 | Sewer System Revenue Bonds | 15,675,000 | Aa1 |
| | | <u>\$ 154,742,723</u> | |

Additional information related to the City of Madison's long-term obligations is reported in Note IV-F following the basic financial statements beginning on page 108.

CURRENTLY KNOWN FACTS AND ECONOMIC FACTORS

Financial Outlook

The 2025 budget adopted by the Madison Common Council in November 2024, authorized an increase in total budgeted expenditures of more than \$27.1 million, funded by an 11.0% increase in the property tax levy, an increase in other revenue sources of just over \$3.9 million. City management is projecting 2025 actual revenues recognized to be at or slightly above the adopted budget due to the continued higher interest rates due to national economic policy with expenditures incurred to be relatively close to the adopted budget.

On November 5, 2024, voters approved a referendum to exceed the state-mandated levy limits by \$22.0 million to close a projected gap between the cost-to-continue current service levels and on-going revenues. The referendum language made this a permanent increase in the property tax levy. The city incorporated a five-year revenue and expenditure outlook into its 2025 budget. This outlook reflected the impact of approval of the levy limit referendum, along with prudent use of fund balance, and implementation of special charges over the forecast period to help maintain current service levels.

A simple projection of results from the first three months of 2025 suggests the general and library funds revenues will be at or slightly above budgeted levels. It is anticipated that there will be a positive increase in the mark-to-market adjustment for the City's investments. This happens in an environment of steady or slightly falling interest rates, which stabilizes or increases the value of the City's long-term investments at higher interest rates. Given the City's policy of holding these investments to maturity, the actual gain or loss will not be realized. Interest earnings are projected to be well above budget.

The 2025 Adopted Operating Budget for general and library fund expenses total \$432,483,159. Due to salary savings and other cost reductions, most city departments within these funds should likely finish the year at or below budgeted expenses.

While it's early in the year, most projected deficits should be covered by \$2.1 million in contingent reserves, reallocating parts of the city's direct appropriations (i.e., appropriations not assigned to specific city departments) and closely monitoring any budget surplus.

Economic Factors

The local economy remained resilient during fiscal year 2024 when compared to the remainder of the state and nation. According to the Wisconsin Department of Workforce Development-Labor Statistics, the local unadjusted unemployment rate stood at 2.3%, below the state average rate of 3.0%, and national rate of 4.1% at the end of the year.

The City's population increased to 291,037 from 286,785 as estimated by the Wisconsin State Department of Administration August of 2024.

Locally assessed real estate value increased by approximately 9.3% between 2023 and 2024. Commercial property increased by 10.6% while total residential assessments increased by 8.5%. New construction was up from \$866.0 million in 2023, to \$949.4 million in 2024. Assessed values were as of January 1, 2024.

The average single family home assessment increased by about 7.8% from \$424,400 to \$457,300. These assessment figures compare favorably to the rest of the state and nation given the City's economy.

This report is designed to provide our residents, taxpayers, customers, investors, and creditors with a general overview of the City's finances, and to provide accountability for the financial resources it receives.

REQUESTS FOR INFORMATION

If you have questions about the information contained in this report or need additional financial information concerning the City of Madison, please contact the Finance Department, 210 Martin Luther King Jr. Boulevard, Room 406, City-County Building, Madison, Wisconsin, 53703. Finance Department staff can be reached by telephone at 608-266-4671 or e-mail at finance@cityofmadison.com.

CITY OF MADISON

STATEMENT OF NET POSITION As of December 31, 2024

| | Primary Government | | | Component Units |
|--|----------------------------|-----------------------------|-------------------------|-----------------------|
| | Governmental Activities | Business-Type Activities | Totals | |
| ASSETS | | | | |
| Cash and investments | \$ 371,431,988 | \$ 105,506,990 | \$ 476,938,978 | \$ 27,829,209 |
| Receivables (net) | | | | |
| Taxes | 369,589,269 | - | 369,589,269 | - |
| Accounts | 12,975,248 | 11,921,956 | 24,897,204 | 688,837 |
| Special assessments | 9,207,829 | 9,624,476 | 18,832,305 | 235,299 |
| Accrued interest | 1,357,046 | - | 1,357,046 | 1,654 |
| Accrued revenue | 5,911,436 | 63,927 | 5,975,363 | - |
| Long-term loans | 29,315,351 | - | 29,315,351 | 332,987 |
| Other | 14,095,479 | - | 14,095,479 | - |
| Pledge | - | - | - | 3,686,250 |
| Leases | 24,478,190 | 18,490,865 | 42,969,055 | 11,664,544 |
| Internal balances | 19,721,937 | (19,721,937) | - | - |
| Due from other governmental units | 24,522,943 | 27,018,560 | 51,541,503 | 1,333,585 |
| Inventories | 4,491,287 | 2,768,489 | 7,259,776 | 54,903 |
| Prepaid items | 9,363,498 | 1,395,732 | 10,759,230 | 2,336,781 |
| Advances to component unit | 3,347,425 | - | 3,347,425 | - |
| Other Assets | | | | |
| Net non-utility property | - | 558,861 | 558,861 | - |
| Beneficial interest in assets held by MCF | - | - | - | 9,634,288 |
| Other | - | 803,746 | 803,746 | 457,029 |
| Restricted Assets | | | | |
| Cash and investments | 31,255,859 | 51,167,100 | 82,422,959 | 3,427,267 |
| Investment in Wisconsin Municipal Mutual Insurance | 3,815,820 | - | 3,815,820 | - |
| Property held for future use/resale | - | 112,429 | 112,429 | - |
| Capital Assets | | | | |
| Land | 282,763,006 | 92,873,432 | 375,636,438 | 9,364,057 |
| Construction in progress | 76,656,610 | 65,212,594 | 141,869,204 | 17,288,633 |
| Land improvements | 52,437,453 | - | 52,437,453 | - |
| Buildings | 338,839,718 | - | 338,839,718 | - |
| Machinery and equipment | 196,830,075 | - | 196,830,075 | - |
| Intangibles | 30,313,746 | - | 30,313,746 | - |
| Infrastructure | 1,074,638,348 | - | 1,074,638,348 | - |
| Plant in service | - | 1,528,653,674 | 1,528,653,674 | 113,729,196 |
| Accumulated depreciation | (791,921,135) | (444,829,205) | (1,236,750,340) | (73,526,887) |
| Total Assets | <u>\$ 2,195,438,426</u> | <u>\$ 1,451,621,689</u> | <u>\$ 3,647,060,115</u> | <u>\$ 128,537,632</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Unamortized loss on advance refunding | - | 342,770 | 342,770 | - |
| Pension related amounts | 203,640,440 | 44,018,457 | 247,658,897 | 2,680,809 |
| Other post-employment benefits related amounts | 9,264,909 | 2,564,286 | 11,829,195 | 91,502 |
| Total Deferred Outflows of Resources | <u>\$ 212,905,349</u> | <u>\$ 46,925,513</u> | <u>\$ 259,830,862</u> | <u>\$ 2,772,311</u> |

See accompanying notes to financial statements.

| | Primary Government | | | Component Units |
|--|----------------------------|-----------------------------|-------------------------|----------------------|
| | Governmental Activities | Business-Type Activities | Totals | |
| LIABILITIES | | | | |
| Accounts payable | \$ 37,715,091 | \$ 19,485,669 | \$ 57,200,760 | \$ 2,212,383 |
| Accrued payroll and payroll taxes | 22,732,698 | 8,345,992 | 31,078,690 | 3,264,429 |
| Other accrued liabilities and deposits | 28,502,338 | 1,643,797 | 30,146,135 | - |
| Due to other governments | 841,794 | 2,159,460 | 3,001,254 | - |
| Payable from Restricted Assets | | | | |
| Accrued liabilities | - | 2,790,648 | 2,790,648 | - |
| Current maturities of revenue bonds | - | 17,855,217 | 17,855,217 | - |
| Other liabilities | - | 1,944,682 | 1,944,682 | - |
| Other liabilities | 34,144 | 1,045,493 | 1,079,637 | 1,170,471 |
| Advances from primary government | - | - | - | 3,347,425 |
| Unearned revenues | 18,183,595 | 889,993 | 19,073,588 | 1,423,614 |
| Noncurrent Liabilities: | | | | |
| Due within one year | 103,174,415 | 17,243,054 | 120,417,469 | 1,185,013 |
| Due in more than one year | 554,319,799 | 290,763,424 | 845,083,223 | 6,718,519 |
| Other post-employment benefits | 65,946,759 | 18,252,350 | 84,199,109 | 651,296 |
| Net pension liability | 22,955,455 | 4,702,394 | 27,657,849 | 268,833 |
| Total Liabilities | <u>\$ 854,406,088</u> | <u>\$ 387,122,173</u> | <u>\$ 1,241,528,261</u> | <u>\$ 20,241,983</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Property taxes/assessments for subsequent year | 361,271,749 | - | 361,271,749 | 346,517 |
| Pension related amounts | 120,325,682 | 27,695,470 | 148,021,152 | 1,545,585 |
| Other post-employment benefits related amounts | 15,237,806 | 4,217,430 | 19,455,236 | 150,490 |
| Unamortized gain on refunding | - | 1,252,729 | 1,252,729 | - |
| Lease related amounts | 23,440,692 | 17,439,727 | 40,880,419 | 11,094,560 |
| Total Deferred Inflows of Resources | <u>\$ 520,275,929</u> | <u>\$ 50,605,356</u> | <u>\$ 570,881,285</u> | <u>\$ 13,137,152</u> |
| NET POSITION | | | | |
| Net investment in capital assets | 807,221,236 | 951,422,953 | 1,699,245,305 | 56,058,202 |
| Restricted for | | | | |
| Debt service | 20,361,036 | 22,221,528 | 42,582,564 | - |
| Equipment replacement | - | 5,218,640 | 5,218,640 | - |
| Loan programs | 37,344,603 | - | 37,344,603 | - |
| Library | 3,485,653 | - | 3,485,653 | 5,205,922 |
| Park purposes | 535,785 | - | 535,785 | 6,422,167 |
| Impact fees | 35,185,757 | - | 35,185,757 | - |
| Other grants | 491,094 | - | 491,094 | - |
| Other restricted special revenue funds | 3,725,236 | - | 3,725,236 | - |
| TID activities | 58,426,394 | - | 58,426,394 | - |
| Trust purposes - expendable | 3,877,685 | - | 3,877,685 | - |
| Trust purposes - nonexpendable | 668,013 | - | 668,013 | - |
| HUD restricted funds | - | - | - | 22,610 |
| Unrestricted | 62,339,266 | 81,956,552 | 203,694,702 | 30,221,907 |
| TOTAL NET POSITION | <u>\$ 1,033,661,758</u> | <u>\$ 1,060,819,673</u> | <u>\$ 2,094,481,431</u> | <u>\$ 97,930,808</u> |

See accompanying notes to financial statements.

CITY OF MADISON

STATEMENT OF ACTIVITIES For the Year Ended December 31, 2024

| Functions/Programs | Expenses | Program Revenue | |
|--|-----------------------|-----------------------|------------------------------------|
| | | Charges for Services | Operating Grants and Contributions |
| Primary Government | | | |
| Governmental activities | | | |
| General government | \$ 57,194,262 | \$ 2,871,127 | \$ 14,262,975 |
| Public safety | 174,496,075 | 16,814,776 | 3,326,561 |
| Public works and transportation | 90,092,854 | 32,012,591 | 14,720,819 |
| Planning and development | 94,787,340 | 10,736,838 | 20,652,256 |
| Culture and recreation | 48,036,205 | 2,142,945 | 2,556,937 |
| Interest and fiscal charges | 14,235,592 | - | - |
| Total Governmental Activities | <u>\$ 478,842,328</u> | <u>\$ 64,578,277</u> | <u>\$ 55,519,548</u> |
| Business-type activities | | | |
| Water | 30,417,451 | 56,643,071 | - |
| Sewer | 52,985,976 | 55,421,127 | 1,418,388 |
| Stormwater | 18,969,292 | 25,476,588 | - |
| Parking utility | 15,706,905 | 14,167,529 | - |
| Transit | 87,334,682 | 10,709,714 | 39,783,566 |
| Convention center | 13,085,936 | 5,217,440 | - |
| Golf courses | 3,852,934 | 5,432,525 | - |
| Total Business-type Activities | <u>\$ 222,353,176</u> | <u>\$ 173,067,994</u> | <u>\$ 41,201,954</u> |
| Total Primary Government | <u>\$ 701,195,504</u> | <u>\$ 237,646,271</u> | <u>\$ 96,721,502</u> |
| Component Units | | | |
| CDA (Housing) | \$ 39,649,021 | \$ 9,523,224 | \$ 40,201,984 |
| Business Improvement District | 637,983 | 200,650 | 81,392 |
| Olbrich Botanical Society and Foundation | 3,648,167 | 2,667,469 | 1,248,845 |
| Library Foundation | 2,215,227 | 211,633 | 3,498,097 |
| Parks Foundation | 716,912 | 135,811 | 1,123,958 |
| Total Component Units | <u>\$ 46,867,310</u> | <u>\$ 12,738,787</u> | <u>\$ 46,154,276</u> |

General Revenues

Taxes

Property taxes, levied for general purposes

Property taxes, levied for the library

Property taxes, levied for TIF districts

Other taxes

Intergovernmental revenues not restricted to specific programs

Investment income

Miscellaneous

Gain (loss) on sale of assets

Transfers - Internal

Total General Revenues and Transfers

Change in Net Position

NET POSITION - Beginning of Year, as previously presented

Error Correction (See Note IV K.)

NET POSITION, Beginning of Year, as restated

NET POSITION - END OF YEAR

See accompanying notes to financial statements.

| Net (Expenses) Revenues and Changes in Net Position | | | | |
|---|----------------------------|---------------------------------|-------------------------|----------------------|
| Capital Grants and Contributions | Primary Government | | Total | Component Units |
| | Governmental Activities | Business- type Activities | | |
| \$ 129,759 | \$ (39,930,401) | \$ - | \$ (39,930,401) | \$ - |
| - | (154,354,738) | - | (154,354,738) | - |
| 119,304,769 | 75,945,325 | - | 75,945,325 | - |
| 250,000 | (63,148,246) | - | (63,148,246) | - |
| 123,468 | (43,212,855) | - | (43,212,855) | - |
| - | (14,235,592) | - | (14,235,592) | - |
| <u>\$ 119,807,996</u> | <u>\$ (238,936,507)</u> | <u>\$ -</u> | <u>\$ (238,936,507)</u> | <u>\$ -</u> |
| 4,435,429 | - | 30,661,049 | 30,661,049 | - |
| 1,869,330 | - | 5,722,869 | 5,722,869 | - |
| 4,096,899 | - | 10,604,195 | 10,604,195 | - |
| - | - | (1,539,376) | (1,539,376) | - |
| 46,936,142 | - | 10,094,740 | 10,094,740 | - |
| - | - | (7,868,496) | (7,868,496) | - |
| - | - | 1,579,591 | 1,579,591 | - |
| <u>\$ 57,337,800</u> | <u>\$ -</u> | <u>\$ 49,254,572</u> | <u>\$ 49,254,572</u> | <u>\$ -</u> |
| <u>\$ 177,145,796</u> | <u>\$ (238,936,507)</u> | <u>\$ 49,254,572</u> | <u>\$ (189,681,935)</u> | <u>\$ -</u> |
| 588,277 | - | - | - | 10,664,464 |
| - | - | - | - | (355,941) |
| - | - | - | - | 268,147 |
| - | - | - | - | 1,494,503 |
| - | - | - | - | 542,857 |
| <u>\$ 588,277</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 12,614,030</u> |

| | | | |
|-------------------------|------------------------|-------------------------|----------------------|
| \$ 266,313,527 | \$ - | \$ 266,313,527 | \$ - |
| 20,748,477 | - | 20,748,477 | - |
| 42,239,788 | - | 42,239,788 | - |
| 24,255,568 | 7,190,083 | 31,445,651 | - |
| 31,493,661 | - | 31,493,661 | - |
| 31,841,293 | 6,209,586 | 38,050,879 | 3,168,709 |
| 3,242,791 | 837,763 | 4,080,554 | 544,985 |
| 970,189 | 477,353 | 1,447,542 | 89,798 |
| (195,831,009) | 195,831,009 | - | - |
| <u>\$ 225,274,285</u> | <u>\$ 210,545,794</u> | <u>\$ 435,820,079</u> | <u>\$ 3,803,492</u> |
| \$ (13,662,222) | \$ 259,800,366 | \$ 246,138,144 | \$ 16,417,522 |
| 1,047,323,980 | 803,710,752 | 1,851,034,732 | 80,484,923 |
| - | (2,691,445) | (2,691,445) | 1,028,363 |
| <u>1,047,323,980</u> | <u>801,019,307</u> | <u>1,848,343,287</u> | <u>81,513,286</u> |
| <u>\$ 1,033,661,758</u> | <u>\$1,060,819,673</u> | <u>\$ 2,094,481,431</u> | <u>\$ 97,930,808</u> |

See accompanying notes to financial statements.

CITY OF MADISON

BALANCE SHEET GOVERNMENTAL FUNDS As of December 31, 2024

| | <u>General Fund</u> | <u>Library</u> |
|-----------------------------------|-----------------------------|-----------------------------|
| ASSETS | | |
| Cash and investments | \$148,069,768 | \$ 3,478,279 |
| Receivables | | |
| Taxes | 296,100,555 | 22,174,898 |
| Accounts | 9,377,901 | 39,753 |
| Accrued revenue | 100,151 | 5,355 |
| Special assessments | - | - |
| Accrued interest | 1,342,292 | - |
| Long-term loans | 677,680 | - |
| Leases | 20,090,066 | - |
| Other | 14,095,000 | 479 |
| Due from other funds | 20,623,262 | - |
| Due from other governmental units | 234,861 | 50,561 |
| Advances to other funds | - | - |
| Advances to component unit | - | - |
| Inventories | 482,254 | - |
| Prepaid items | 2,375,897 | 443,919 |
| Restricted cash and investments | - | - |
| TOTAL ASSETS | <u><u>\$513,569,687</u></u> | <u><u>\$ 26,193,244</u></u> |

See accompanying notes to financial statements.

| <u>Other Grants</u> | <u>Debt Service</u> | <u>Capital Projects</u> | <u>Nonmajor Governmental Funds</u> | <u>Totals</u> |
|----------------------|----------------------|-----------------------------|--|-----------------------|
| \$ 9,869,227 | \$ 19,551,231 | \$160,602,100 | \$ 13,257,400 | \$ 354,828,005 |
| - | - | 46,154,134 | 5,159,682 | 369,589,269 |
| - | - | 2,134,733 | 959,554 | 12,511,941 |
| 112,465 | - | - | 5,693,465 | 5,911,436 |
| - | - | 9,207,829 | - | 9,207,829 |
| - | - | - | 14,754 | 1,357,046 |
| - | - | 10,394 | 28,627,277 | 29,315,351 |
| 522,942 | - | 3,865,182 | - | 24,478,190 |
| - | - | - | - | 14,095,479 |
| - | - | - | 176,973 | 20,800,235 |
| 8,150,600 | - | 8,542,097 | 7,544,824 | 24,522,943 |
| - | - | 631,986 | - | 631,986 |
| - | 3,347,425 | - | - | 3,347,425 |
| - | - | 2,996,454 | - | 3,478,708 |
| 49,973 | - | 73,627 | 105,184 | 3,048,600 |
| - | - | - | 30,357,577 | 30,357,577 |
| <u>\$ 18,705,207</u> | <u>\$ 22,898,656</u> | <u>\$234,218,536</u> | <u>\$ 91,896,690</u> | <u>\$ 907,482,020</u> |

See accompanying notes to financial statements.

CITY OF MADISON

BALANCE SHEET GOVERNMENTAL FUNDS As of December 31, 2024

| | <u>General Fund</u> | <u>Library</u> |
|---|-----------------------------|-----------------------------|
| <i>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</i> | | |
| Liabilities | | |
| Accounts payable | \$ 6,682,874 | \$ 164,104 |
| Accrued liabilities | 19,779,057 | 1,038,927 |
| Deposits | 10,634,466 | - |
| Due to other governmental units | 21,923 | - |
| Due to other funds | - | - |
| Advances from other funds | - | - |
| Other liabilities | 34,144 | - |
| Unearned revenues | - | - |
| Total Liabilities | <u>\$ 37,152,464</u> | <u>\$ 1,203,031</u> |
| Deferred Inflows of Resources | | |
| Unavailable revenues | 20,769,911 | 32,116 |
| Lease-related amounts | 19,294,171 | - |
| Property taxes for subsequent year | 295,925,439 | 22,174,898 |
| Total Deferred Inflows of Resources | <u>\$335,989,521</u> | <u>\$ 22,207,014</u> |
| Fund Balances | | |
| Nonspendable | | |
| Inventories | 482,254 | - |
| Prepaid items | 2,375,897 | 443,919 |
| Trust activities | - | - |
| Restricted | 677,680 | 2,339,280 |
| Committed | - | - |
| Assigned | 26,261,585 | - |
| Unassigned (deficit) | 110,630,286 | - |
| Total Fund Balances (deficit) | <u>\$140,427,702</u> | <u>\$ 2,783,199</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE | <u><u>\$513,569,687</u></u> | <u><u>\$ 26,193,244</u></u> |

See accompanying notes to financial statements.

| <u>Other Grants</u> | <u>Debt Service</u> | <u>Capital Projects</u> | <u>Nonmajor Governmental Funds</u> | <u>Totals</u> |
|----------------------|----------------------|-----------------------------|--|-----------------------|
| \$ 1,366,741 | \$ - | \$ 27,715,072 | \$ 1,192,272 | \$ 37,121,063 |
| 141,476 | - | 416,493 | 445,021 | 21,820,974 |
| - | - | - | - | 10,634,466 |
| 30,380 | - | 577,827 | 211,664 | 841,794 |
| - | - | 2,560,241 | - | 2,560,241 |
| - | - | - | 631,986 | 631,986 |
| - | - | - | - | 34,144 |
| 16,542,712 | - | 800,402 | 840,481 | 18,183,595 |
| <u>\$ 18,081,309</u> | <u>\$ -</u> | <u>\$ 32,070,035</u> | <u>\$ 3,321,424</u> | <u>\$ 91,828,263</u> |
| 986,529 | - | 18,219,560 | 11,999,989 | 52,008,105 |
| 500,734 | - | 3,645,787 | - | 23,440,692 |
| - | - | 43,171,412 | - | 361,271,749 |
| <u>\$ 1,487,263</u> | <u>\$ -</u> | <u>\$ 65,036,759</u> | <u>\$ 11,999,989</u> | <u>\$ 436,720,546</u> |
| - | - | 2,996,454 | - | 3,478,708 |
| 49,973 | - | 73,627 | 105,184 | 3,048,600 |
| - | - | - | 668,013 | 668,013 |
| - | 22,898,656 | 115,604,266 | 74,585,063 | 216,104,945 |
| - | - | - | 1,864,821 | 1,864,821 |
| - | - | 18,437,395 | - | 44,698,980 |
| (913,338) | - | - | (647,804) | 109,069,144 |
| <u>\$ (863,365)</u> | <u>\$ 22,898,656</u> | <u>\$ 137,111,742</u> | <u>\$ 76,575,277</u> | <u>\$ 378,933,211</u> |
| <u>\$ 18,705,207</u> | <u>\$ 22,898,656</u> | <u>\$ 234,218,536</u> | <u>\$ 91,896,690</u> | <u>\$ 907,482,020</u> |

See accompanying notes to financial statements.

CITY OF MADISON

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION As of December 31, 2024

| | |
|---|--------------------------------|
| Total Fund Balances - Governmental Funds | \$ 378,933,211 |
| Amounts reported for governmental activities in the Statement of Net Position are different because: | |
| Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds. See Note II.A. | 1,190,801,203 |
| Internal service funds are reported in the statement of net position as governmental funds. | 15,122,432 |
| Some receivables that are not currently available are reported as unavailable revenue in the fund financial statements but are recognized as revenue when earned in the government-wide statements. | 52,008,105 |
| The net pension liability does not relate to current financial resources and is not reported in the governmental funds. | (22,739,066) |
| The other post-employment liability does not relate to current financial resources and is not reported in the governmental funds. | (64,929,758) |
| Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds | 201,474,990 |
| Deferred outflows of resources related to other post-employment benefits do not relate to current financial resources and are not reported in the governmental funds | 9,122,030 |
| Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds | (118,920,811) |
| Deferred inflows of resources related to other post-employment benefits do not relate to current financial resources and are not reported in the governmental funds | (15,002,816) |
| Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds. See Note II.A. | <u>(592,207,762)</u> |
| NET POSITION OF GOVERNMENTAL ACTIVITIES | <u>\$ 1,033,661,758</u> |

See accompanying notes to financial statements.

CITY OF MADISON

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS For the Year Ended December 31, 2024

| | General | Library | Other Grants |
|---|------------------------------|----------------------------|----------------------------|
| REVENUES | | | |
| Taxes | \$ 267,908,339 | \$ 20,748,477 | \$ - |
| Special assessments | - | - | - |
| Intergovernmental | 45,971,118 | 1,415,832 | 134,046,077 |
| Licenses and permits | 9,555,246 | - | - |
| Fines and forfeitures | 6,722,942 | - | - |
| Intergovernmental charges for services | - | - | - |
| Public charges for services | 17,481,054 | 835,409 | - |
| Investment income | 23,683,613 | - | 45,283 |
| Miscellaneous | 1,889,644 | 953,523 | 340,794 |
| Total Revenues | <u>\$ 373,211,956</u> | <u>\$ 23,953,241</u> | <u>\$ 134,432,154</u> |
| EXPENDITURES | | | |
| Current | | | |
| General government | 33,297,757 | - | 1,544,678 |
| Public safety | 173,235,953 | - | 2,864,846 |
| Public works and transportation | 43,693,845 | - | 895 |
| Planning and development | 26,452,668 | - | 12,986,123 |
| Culture and recreation | 17,117,925 | 21,247,870 | - |
| Capital Outlay | 6,100,483 | 1,813,652 | - |
| Debt service | | | |
| Principal retirement | - | - | - |
| Interest and fiscal charges | - | - | - |
| Principal payments on leases and subscriptions | 2,963,841 | 169,104 | 181,965 |
| Interest payments on leases and subscriptions | 179,524 | 46,806 | 16,685 |
| Total Expenditures | <u>\$ 303,041,996</u> | <u>\$ 23,277,432</u> | <u>\$ 17,595,192</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>\$ 70,169,960</u> | <u>\$ 675,809</u> | <u>\$ 116,836,962</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| General obligation debt issued | - | - | - |
| Premium on debt issued | - | - | - |
| Issuance of leases and subscriptions | 6,100,483 | 1,813,652 | - |
| Sale of capital assets | 101,481 | - | - |
| Transfers in | 32,342,297 | 42,608 | 458,425 |
| Transfers out | (88,965,450) | (2,539,627) | (115,055,744) |
| Total Other Financing Sources (Uses) | <u>\$ (50,421,189)</u> | <u>\$ (683,367)</u> | <u>\$ (114,597,319)</u> |
| Net Change in Fund Balances | <u>\$ 19,748,771</u> | <u>\$ (7,558)</u> | <u>\$ 2,239,643</u> |
| FUND BALANCES (DEFICIT) - Beginning of Year | <u>120,678,931</u> | <u>2,790,757</u> | <u>(3,103,008)</u> |
| FUND BALANCES (DEFICIT) - END OF YEAR | <u><u>\$ 140,427,702</u></u> | <u><u>\$ 2,783,199</u></u> | <u><u>\$ (863,365)</u></u> |

See accompanying notes to financial statements.

| Debt Service | Capital Projects | Nonmajor Governmental Funds | Totals |
|------------------------|-------------------------|-----------------------------|-------------------------|
| \$ - | \$ 42,239,788 | \$ 22,660,756 | \$ 353,557,360 |
| - | 2,472,066 | - | 2,472,066 |
| - | 4,159,975 | 7,869,201 | 193,462,203 |
| - | - | 374,806 | 9,930,052 |
| - | - | - | 6,722,942 |
| - | 6,145,450 | - | 6,145,450 |
| - | 691,301 | 20,194,668 | 39,202,432 |
| 848,926 | 5,506,630 | 2,646,730 | 32,731,182 |
| - | 1,330,049 | 37,540 | 4,551,550 |
| <u>\$ 848,926</u> | <u>\$ 62,545,259</u> | <u>\$ 53,783,701</u> | <u>\$ 648,775,237</u> |
| 1,613,365 | 5,494,873 | 9,165,486 | 51,116,159 |
| - | 522,895 | 232,500 | 176,856,194 |
| - | 14,044,800 | 11,442,650 | 69,182,190 |
| - | 7,592,204 | 15,917,908 | 62,948,903 |
| - | 1,640,295 | 259,696 | 40,265,786 |
| - | 265,755,540 | - | 273,669,675 |
| 74,062,280 | - | - | 74,062,280 |
| 16,385,424 | - | - | 16,385,424 |
| - | 1,136,107 | - | 4,451,017 |
| - | 69,496 | - | 312,511 |
| <u>\$ 92,061,069</u> | <u>\$ 296,256,210</u> | <u>\$ 37,018,240</u> | <u>\$ 769,250,139</u> |
| <u>\$ (91,212,143)</u> | <u>\$ (233,710,951)</u> | <u>\$ 16,765,461</u> | <u>\$ (120,474,902)</u> |
| 330,625 | 99,916,549 | - | 100,247,174 |
| 11,882,341 | - | - | 11,882,341 |
| - | 3,182,837 | - | 11,096,972 |
| - | 145,210 | 31,163 | 277,854 |
| 80,292,543 | 118,219,263 | 7,157,602 | 238,512,738 |
| - | (21,502,689) | (24,885,015) | (252,948,525) |
| <u>\$ 92,505,509</u> | <u>\$ 199,961,170</u> | <u>\$ (17,696,250)</u> | <u>\$ 109,068,554</u> |
| \$ 1,293,366 | \$ (33,749,781) | \$ (930,789) | \$ (11,406,348) |
| 21,605,290 | 170,861,523 | 77,506,066 | 390,339,559 |
| <u>\$ 22,898,656</u> | <u>\$ 137,111,742</u> | <u>\$ 76,575,277</u> | <u>\$ 378,933,211</u> |

See accompanying notes to financial statements.

CITY OF MADISON

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, 2024

| | |
|--|-----------------|
| Net change in fund balances - total governmental funds | \$ (11,406,348) |
|--|-----------------|

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 financial statements | 273,669,675 |
| Less: Some items reported as capital outlay but not capitalized | (26,641,063) |
| Add: Contributed assets | 9,976,909 |
| Depreciation is reported in the government-wide statements | (43,604,864) |
| Net book value of disposals | (3,587,415) |

| | |
|--|---------------|
| Net capital asset contributions by governmental activities to business-type activities | (181,366,967) |
|--|---------------|

| | |
|---|---------|
| Receivables not currently available are reported as unavailable revenue in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements. | 727,465 |
|---|---------|

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

| | |
|---|---------------|
| Debt issued | (100,247,174) |
| Issuance of leases and subscriptions | (11,096,972) |
| Principal repaid | 74,062,280 |
| Lease and subscription principal repaid | 4,451,018 |

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 | 7,422,219 |
| Disability benefits | 5,105 |
| Accrued interest on debt | (960,271) |
| Police and Fire Pension | 2,403 |
| Net pension liability | 57,541,679 |
| Net other post-employment benefits liability | (2,515,324) |
| Deferred outflows of resources related to pensions | (97,739,208) |
| Deferred inflows of resources related to pensions | 47,059,568 |
| Deferred outflows of resources related to other post-employment benefits | (2,161,681) |
| Deferred inflows of resources related to other post-employment benefits | 1,374,374 |

Governmental funds report the effect of premiums, discounts and other similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

| | |
|--------------------------------------|--------------|
| Current year premium | (11,882,341) |
| Amortization of discount and premium | 5,650,436 |

Internal service funds are used by management to charge the costs of workers compensation, liability insurance, employee benefits, and fleet center costs to individual funds.

| | |
|---|-------------|
| The net expense of the internal service funds is reported with governmental activities. | (2,395,725) |
|---|-------------|

| | |
|--|-------------------------------|
| CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES | <u>\$ (13,662,222)</u> |
|--|-------------------------------|

See accompanying notes to financial statements.

CITY OF MADISON

STATEMENT OF NET POSITION PROPRIETARY FUNDS As of December 31, 2024

| | Business-type Activities - Enterprise Funds | | |
|--|---|-----------------------|-----------------------|
| | Water Utility | Sewer | Stormwater |
| ASSETS | | | |
| Current Assets | | | |
| Cash and investments | \$ 23,344,072 | \$ 31,909,403 | \$ 12,394,199 |
| Accounts receivable (net) | 3,870,874 | 4,294,338 | 1,872,542 |
| Accrued revenue | - | 27,061 | 29,666 |
| Due from other funds | 670,609 | 708,699 | 380,698 |
| Leases receivable | 204,799 | - | - |
| Due from other governmental units | - | 69,065 | 731,401 |
| Inventories | 2,038,848 | - | - |
| Special assessments | 140,691 | - | - |
| Other assets | 322,748 | - | - |
| Prepaid items | 280,543 | 58,126 | 124,902 |
| Restricted cash and investments | 13,217,358 | - | - |
| Total Current Assets | <u>\$ 44,090,542</u> | <u>\$ 37,066,692</u> | <u>\$ 15,533,408</u> |
| Noncurrent Assets | | | |
| Property held for future use | 112,429 | - | - |
| Restricted assets | | | |
| Cash and investments | 24,418,129 | 11,190,849 | - |
| Investment in mutual insurance company | - | - | - |
| Capital Assets: | | | |
| Land | 3,133,713 | 4,086,871 | 71,015,546 |
| Construction work in progress | 5,833,807 | 6,789,285 | 19,101,644 |
| Plant in service (at cost) | 443,693,812 | 222,504,043 | 339,495,012 |
| Total Capital Assets | <u>\$ 452,661,332</u> | <u>\$ 233,380,199</u> | <u>\$ 429,612,202</u> |
| Less: Accumulated depreciation/amortization | <u>(138,783,419)</u> | <u>(48,149,811)</u> | <u>(72,988,072)</u> |
| Net Capital Assets | <u>\$ 313,877,913</u> | <u>\$ 185,230,388</u> | <u>\$ 356,624,130</u> |
| Other Property and Investments | | | |
| Special assessments receivable | 2,184,239 | 5,655,481 | 1,644,065 |
| Preliminary survey and investigation | 477,248 | - | - |
| Lease receivable (net of current) | 4,089,336 | - | - |
| Other assets | - | - | - |
| Net non-utility property | 558,861 | - | - |
| Total Other Property and Investments | <u>\$ 7,309,684</u> | <u>\$ 5,655,481</u> | <u>\$ 1,644,065</u> |
| Total Noncurrent Assets | <u>\$ 345,718,155</u> | <u>\$ 202,076,718</u> | <u>\$ 358,268,195</u> |
| Total Assets | <u>\$ 389,808,697</u> | <u>\$ 239,143,410</u> | <u>\$ 373,801,603</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Unamortized loss on advance refunding | 342,770 | - | - |
| Deferred outflows related to pension | 7,131,202 | 2,329,627 | 3,113,017 |
| Other post-employment benefits related amounts | 374,089 | 167,665 | 37,128 |
| Total Deferred Outflows of Resources | <u>\$ 7,848,061</u> | <u>\$ 2,497,292</u> | <u>\$ 3,150,145</u> |

See accompanying notes to financial statements.

| Business-type Activities - Enterprise Funds | | | Governmental Activities- Internal Service Funds | |
|---|---------------------------|-------------------------|---|--|
| Transit Utility | Nonmajor Enterprise Funds | Totals | | |
| \$ 568,344 | \$ 37,290,972 | \$ 105,506,990 | \$ 16,603,983 | |
| 965,146 | 919,056 | 11,921,956 | 463,307 | |
| - | 7,200 | 63,927 | - | |
| - | - | 1,760,006 | - | |
| - | 484,104 | 688,903 | - | |
| 26,218,094 | - | 27,018,560 | - | |
| 600,584 | 129,057 | 2,768,489 | 1,012,579 | |
| - | - | 140,691 | - | |
| - | - | 322,748 | - | |
| 762,614 | 169,547 | 1,395,732 | 6,314,898 | |
| 396,082 | - | 13,613,440 | - | |
| <u>\$ 29,510,864</u> | <u>\$ 38,999,936</u> | <u>\$ 165,201,442</u> | <u>\$ 24,394,767</u> | |
| - | - | 112,429 | - | |
| 1,944,682 | - | 37,553,660 | 898,282 | |
| - | - | - | 3,815,820 | |
| 8,049,742 | 6,587,560 | 92,873,432 | 2,570,970 | |
| - | 33,487,858 | 65,212,594 | - | |
| 362,515,968 | 160,444,839 | 1,528,653,674 | 151,071,151 | |
| <u>\$ 370,565,710</u> | <u>\$ 200,520,257</u> | <u>\$ 1,686,739,700</u> | <u>\$ 153,642,121</u> | |
| <u>(93,158,269)</u> | <u>(91,749,634)</u> | <u>(444,829,205)</u> | <u>(83,885,503)</u> | |
| <u>\$ 277,407,441</u> | <u>\$ 108,770,623</u> | <u>\$ 1,241,910,495</u> | <u>\$ 69,756,618</u> | |
| - | - | 9,483,785 | - | |
| - | - | 477,248 | - | |
| - | 13,712,626 | 17,801,962 | - | |
| 3,750 | - | 3,750 | - | |
| - | - | 558,861 | - | |
| <u>\$ 3,750</u> | <u>\$ 13,712,626</u> | <u>\$ 28,325,606</u> | <u>\$ -</u> | |
| <u>\$ 279,355,873</u> | <u>\$ 122,483,249</u> | <u>\$ 1,307,902,190</u> | <u>\$ 74,470,720</u> | |
| <u>\$ 308,866,737</u> | <u>\$ 161,483,185</u> | <u>\$ 1,473,103,632</u> | <u>\$ 98,865,487</u> | |
| - | - | 342,770 | - | |
| 24,159,994 | 7,284,617 | 44,018,457 | 2,165,450 | |
| 1,566,598 | 418,806 | 2,564,286 | 142,879 | |
| <u>\$ 25,726,592</u> | <u>\$ 7,703,423</u> | <u>\$ 46,925,513</u> | <u>\$ 2,308,329</u> | |

See accompanying notes to financial statements.

CITY OF MADISON

STATEMENT OF NET POSITION PROPRIETARY FUNDS As of December 31, 2024

| | Business-type Activities - Enterprise Funds | | |
|--|---|-----------------------|-----------------------|
| | Water Utility | Sewer | Stormwater |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Accounts payable | \$ 1,359,091 | \$ 9,132,290 | \$ 218,210 |
| Accrued liabilities | 1,997,611 | 328,457 | 875,967 |
| Due to other funds | - | - | - |
| Deposits | - | 261,238 | 17,728 |
| Claims payable | - | - | - |
| Current portion due to other governments | - | - | - |
| Current portion of general obligation long-term debt | 2,398,727 | - | 7,087,015 |
| Current portion of leases payable | - | - | - |
| Current portion of subscription liabilities | 110,866 | 18,913 | 10,574 |
| Current portion of accrued compensated absences | - | 326,916 | 507,908 |
| Unearned revenue | - | - | 5,000 |
| Liabilities payable from restricted assets: | | | |
| Accrued liabilities | 2,198,506 | 196,060 | - |
| Current maturities of revenue bonds | 11,380,217 | 6,475,000 | - |
| Total Current Liabilities | <u>\$ 19,445,018</u> | <u>\$ 16,738,874</u> | <u>\$ 8,722,402</u> |
| Long-Term Debt Net of Current Maturities | | | |
| General obligation long-term debt | 25,390,130 | - | 33,131,943 |
| Revenue bonds, including unamortized premium | 118,479,250 | 60,427,797 | - |
| Leases payable | - | - | - |
| Long-term portion of subscription liabilities | 118,874 | 35,946 | 18,517 |
| Due to other governments | - | - | - |
| Total Long-Term Debt Net of Current Maturities | <u>\$ 143,988,254</u> | <u>\$ 60,463,743</u> | <u>\$ 33,150,460</u> |
| Other Noncurrent Liabilities | | | |
| Other post-employment benefits | 2,662,733 | 1,193,420 | 264,271 |
| Net pension liability | 718,417 | 233,353 | 376,928 |
| Accrued compensated absences | 1,809,372 | 464,189 | 710,893 |
| Unearned revenues | - | - | - |
| Noncurrent liabilities payable from restricted assets | - | - | - |
| Other | 1,045,493 | - | - |
| Total Other Noncurrent Liabilities | <u>\$ 6,236,015</u> | <u>\$ 1,890,962</u> | <u>\$ 1,352,092</u> |
| Total Long-Term Debt Net of Current Maturities and Other Noncurrent Liabilities | <u>\$ 150,224,269</u> | <u>\$ 62,354,705</u> | <u>\$ 34,502,552</u> |
| Total Liabilities | <u>\$ 169,669,287</u> | <u>\$ 79,093,579</u> | <u>\$ 43,224,954</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Unamortized gain on refunding | 1,252,729 | - | - |
| Pension related amounts | 4,437,038 | 1,527,843 | 2,183,572 |
| Lease-related amounts | 4,051,019 | - | - |
| Other post-employment benefits related amounts | 615,257 | 275,755 | 61,063 |
| Total Deferred Inflows of Resources | <u>\$ 10,356,043</u> | <u>\$ 1,803,598</u> | <u>\$ 2,244,635</u> |
| NET POSITION | | | |
| Net investment in capital assets | 175,187,215 | 120,722,404 | 316,376,081 |
| Restricted for debt service | 13,676,410 | 8,545,118 | - |
| Restricted for equipment replacement | 5,218,640 | - | - |
| Unrestricted (Deficit) | <u>23,549,163</u> | <u>31,476,003</u> | <u>15,106,078</u> |
| TOTAL NET POSITION | <u>\$ 217,631,428</u> | <u>\$ 160,743,525</u> | <u>\$ 331,482,159</u> |
| Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds. | | | |
| NET POSITION OF BUSINESS-TYPE ACTIVITIES | | | |

See accompanying notes to financial statements.

| Business-type Activities - Enterprise Funds | | | Governmental Activities- Internal Service Funds |
|---|------------------------------|-------------------------|--|
| Transit Utility | Nonmajor Enterprise Funds | Totals | |
| \$ 7,937,112 | \$ 838,966 | \$ 19,485,669 | \$ 594,028 |
| 3,817,050 | 1,326,907 | 8,345,992 | 911,724 |
| 15,000,000 | - | 15,000,000 | 5,000,000 |
| - | 1,364,831 | 1,643,797 | - |
| - | - | - | 13,152,418 |
| 359,910 | - | 359,910 | - |
| 2,752,113 | 1,191,269 | 13,429,124 | 9,480,191 |
| 284,440 | 194,473 | 478,913 | - |
| 77,894 | 79,887 | 298,134 | 32,522 |
| 1,440,392 | 761,667 | 3,036,883 | 228,044 |
| 764,528 | 116,715 | 886,243 | - |
| 396,082 | - | 2,790,648 | - |
| - | - | 17,855,217 | - |
| <u>\$ 32,829,521</u> | <u>\$ 5,874,715</u> | <u>\$ 83,610,530</u> | <u>\$ 29,398,927</u> |
| 20,668,300 | 17,794,145 | 96,984,518 | 59,685,865 |
| - | - | 178,907,047 | - |
| 7,017,497 | 397,061 | 7,414,558 | - |
| 4,346 | 295,002 | 472,685 | 33,487 |
| 1,799,550 | - | 1,799,550 | - |
| <u>\$ 29,489,693</u> | <u>\$ 18,486,208</u> | <u>\$ 285,578,358</u> | <u>\$ 59,719,352</u> |
| 11,150,901 | 2,981,025 | 18,252,350 | 1,017,001 |
| 2,575,320 | 798,376 | 4,702,394 | 216,389 |
| 2,326,563 | 1,673,599 | 6,984,616 | 541,797 |
| 3,750 | - | 3,750 | - |
| 1,944,682 | - | 1,944,682 | - |
| - | - | 1,045,493 | - |
| <u>\$ 18,001,216</u> | <u>\$ 5,453,000</u> | <u>\$ 32,933,285</u> | <u>\$ 1,775,187</u> |
| <u>\$ 47,490,909</u> | <u>\$ 23,939,208</u> | <u>\$ 318,511,643</u> | <u>\$ 61,494,539</u> |
| <u>\$ 80,320,430</u> | <u>\$ 29,813,923</u> | <u>\$ 402,122,173</u> | <u>\$ 90,893,466</u> |
| - | - | 1,252,729 | - |
| 14,945,308 | 4,601,709 | 27,695,470 | 1,404,871 |
| - | 13,388,708 | 17,439,727 | - |
| 2,576,552 | 688,803 | 4,217,430 | 234,990 |
| <u>\$ 17,521,860</u> | <u>\$ 18,679,220</u> | <u>\$ 50,605,356</u> | <u>\$ 1,639,861</u> |
| 248,945,670 | 90,191,583 | 951,422,953 | 524,553 |
| - | - | 22,221,528 | - |
| - | - | 5,218,640 | - |
| (12,194,631) | 30,501,882 | 88,438,495 | 8,115,936 |
| <u>\$ 236,751,039</u> | <u>\$ 120,693,465</u> | <u>1,067,301,616</u> | <u>\$ 8,640,489</u> |
| | | <u>(6,481,943)</u> | |
| | | <u>\$ 1,060,819,673</u> | |

See accompanying notes to financial statements.

CITY OF MADISON

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION PROPRIETARY FUNDS For the Year Ended December 31, 2024

| | Business-type Activities - Enterprise Funds | | |
|--|---|-----------------------|-----------------------|
| | Water Utility | Sewer | Stormwater |
| CHARGES FOR SERVICES | \$ 56,643,071 | \$ 55,421,127 | \$ 25,476,588 |
| OPERATING EXPENSES: | | | |
| Operation and Maintenance | 18,938,981 | 45,312,446 | 10,903,500 |
| Depreciation | 6,638,329 | 3,546,299 | 5,474,156 |
| Total Operating Expenses | 25,577,310 | 48,858,745 | 16,377,656 |
| Operating Income (Loss) | 31,065,761 | 6,562,382 | 9,098,932 |
| NONOPERATING REVENUES (EXPENSES) | | | |
| Investment income | 2,192,829 | 1,493,150 | 800,131 |
| Interest and amortization | (4,701,367) | (1,430,681) | (1,593,032) |
| Issuance costs | (29,500) | (156,586) | - |
| Other taxes | - | - | - |
| Gain (Loss) on sale of assets | - | (8,679) | (418,154) |
| Special assessments | - | 1,418,388 | - |
| Noncapitalized infrastructure improvements | - | (2,166,437) | (443,050) |
| Intergovernmental revenues | - | - | - |
| Miscellaneous revenues | - | 4,230 | 22,144 |
| Miscellaneous expenses | (69,552) | - | - |
| Total Nonoperating Revenues (Expenses) | (2,607,590) | (846,615) | (1,631,961) |
| Income (Loss) Before Transfers and Capital Contributions | 28,458,171 | 5,715,767 | 7,466,971 |
| TRANSFERS | | | |
| Transfers in | 162,132 | - | 455,887 |
| Transfers out | (6,633,220) | (168,761) | (6,629) |
| Net Transfers | (6,471,088) | (168,761) | 449,258 |
| Income (Loss) Before Contributions | 21,987,083 | 5,547,006 | 7,916,229 |
| CAPITAL CONTRIBUTIONS | 4,435,429 | 1,869,330 | 4,096,899 |
| CAPITAL CONTRIBUTIONS - MUNICIPAL | - | 1,497,551 | 3,437,948 |
| CAPITALIZED TAX EQUIVALENT | 69,205 | - | - |
| Change in Net Position | 26,491,717 | 8,913,887 | 15,451,076 |
| NET POSITION, Beginning of Year, as previously presented | 191,139,711 | 151,829,638 | 316,031,083 |
| Error Correction (See Note IV.K.) | - | - | - |
| NET POSITION, Beginning of Year, as restated | 191,139,711 | 151,829,638 | 316,031,083 |
| NET POSITION - END OF YEAR | \$ 217,631,428 | \$ 160,743,525 | \$ 331,482,159 |

Change in Net Position

Adjustments to reflect the consolidation of internal service funds activities related to business-type activities

CHANGE IN NET POSITION OF BUSINESS-TYPE ACTIVITIES

See accompanying notes to financial statements.

| Business-type Activities - Enterprise Funds | | | |
|---|---------------------------------|------------------|--|
| Transit Utility | Nonmajor Enterprise Funds | Totals | Governmental Activites Internal Service Funds |
| \$ 10,709,714 | \$ 24,817,494 | \$ 173,067,994 | \$ 29,129,795 |
| 72,196,378 | 26,927,795 | 174,279,100 | 21,538,019 |
| 14,652,565 | 4,682,358 | 34,993,707 | 9,486,852 |
| 86,848,943 | 31,610,153 | 209,272,807 | 31,024,871 |
| (76,139,229) | (6,792,659) | (36,204,813) | (1,895,076) |
| - | 1,723,476 | 6,209,586 | 2,440 |
| (168,122) | (583,435) | (8,476,637) | (2,227,820) |
| - | - | (186,086) | - |
| 7,190,083 | - | 7,190,083 | - |
| (17,306) | (338,657) | (782,796) | 692,595 |
| - | - | 1,418,388 | - |
| - | - | (2,609,487) | - |
| 39,783,566 | - | 39,783,566 | - |
| 793 | 810,596 | 837,763 | 512,728 |
| - | - | (69,552) | - |
| 46,789,014 | 1,611,980 | 43,314,828 | (1,020,057) |
| (29,350,215) | (5,180,679) | 7,110,015 | (2,915,133) |
| 15,725,000 | 7,264,679 | 23,607,698 | 183,225 |
| (150,529) | (2,184,517) | (9,143,656) | (211,480) |
| 15,574,471 | 5,080,162 | 14,464,042 | (28,255) |
| (13,775,744) | (100,517) | 21,574,057 | (2,943,388) |
| 46,936,142 | - | 57,337,800 | - |
| 159,345,406 | 17,086,062 | 181,366,967 | - |
| - | - | 69,205 | - |
| 192,505,804 | 16,985,545 | 260,348,029 | (2,943,388) |
| 46,936,680 | 103,707,920 | 809,645,032 | 11,583,877 |
| (2,691,445) | - | (2,691,445) | - |
| 44,245,235 | 103,707,920 | 806,953,587 | 11,583,877 |
| \$ 236,751,039 | \$ 120,693,465 | \$ 1,067,301,616 | \$ 8,640,489 |
| | | 260,348,029 | |
| | | (547,663) | |
| | | \$ 259,800,366 | |

CITY OF MADISON

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS For the Year Ended December 31, 2024

| | <u>Business-type Activities - Enterprise Funds</u> | | |
|---|--|-----------------------------|-----------------------------|
| | <u>Water Utility</u> | <u>Sewer</u> | <u>Stormwater</u> |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Received from customers | \$ 57,173,843 | \$ 55,351,354 | \$ 25,402,206 |
| Customer deposits received | - | - | - |
| Paid to suppliers for goods and services | (10,519,179) | (40,840,373) | (4,502,592) |
| Paid to employees for services | (8,373,278) | (4,276,308) | (6,947,715) |
| Net Cash Flows From Operating Activities | <u>\$ 38,281,386</u> | <u>\$ 10,234,673</u> | <u>\$ 13,951,899</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | |
| Repayment of advances from other funds | (161,533) | - | - |
| Interest paid on advances from other funds | (760) | - | - |
| Transfers from other funds | 155,503 | - | 455,887 |
| Transfers to other funds - tax equivalent | (6,557,386) | - | - |
| Transfers to other funds | - | (168,761) | (6,629) |
| Special assessments received related to laterals | - | 646,754 | - |
| Construction of infrastructure not owned | - | (2,166,437) | (443,050) |
| Advances from other funds | - | - | - |
| Interest paid on operation loan | (171,833) | - | - |
| Principal paid on operating loan | (1,040,000) | - | - |
| Operating grants received | - | - | - |
| Vehicle registration fee | - | - | - |
| Net Cash Flows From Noncapital Financing Activities | <u>\$ (7,776,009)</u> | <u>\$ (1,688,444)</u> | <u>\$ 6,208</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | |
| Debt retired | (27,039,645) | (5,500,000) | (7,335,079) |
| Interest paid | (5,626,723) | (1,842,445) | (1,599,116) |
| Long-term debt issued | 11,545,722 | 15,675,000 | 2,500,000 |
| Proceeds from sale of property | - | - | - |
| Acquisition and construction of capital assets | (12,477,851) | (11,715,037) | (14,582,703) |
| Issuance costs | (29,500) | (156,586) | - |
| Contribution in aid of construction | (3,342) | - | 1,084,895 |
| Premium on debt issued | - | 1,993,016 | - |
| Capital contributions - federal and state | - | - | - |
| Capital contributions - city and other | - | 1,497,551 | 170,724 |
| Net interest/amortization on leases and subscriptions | (180,946) | - | - |
| Advances from other funds | - | - | - |
| Special assessments received | 213,221 | 78,282 | 579,023 |
| Net Cash Flows From Capital and Related Financing Activities | <u>\$(33,599,064)</u> | <u>\$ 29,781</u> | <u>\$(19,182,256)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Marketable securities purchased | (3,055,420) | - | - |
| Marketable securities sold | 2,732,232 | - | - |
| Investment income | 2,111,799 | 1,493,150 | 800,131 |
| Net Cash Flows From Investing Activities | <u>\$ 1,788,611</u> | <u>\$ 1,493,150</u> | <u>\$ 800,131</u> |
| Net Change in Cash and Cash Equivalents | <u>\$ (1,305,076)</u> | <u>\$ 10,069,160</u> | <u>\$ (4,424,018)</u> |
| CASH AND CASH EQUIVALENTS - Beginning of Year | <u>51,651,392</u> | <u>33,031,092</u> | <u>16,818,217</u> |
| CASH AND CASH EQUIVALENTS - END OF YEAR | <u><u>\$ 50,346,316</u></u> | <u><u>\$ 43,100,252</u></u> | <u><u>\$ 12,394,199</u></u> |

See accompanying notes to financial statements.

Business-type Activities - Enterprise Funds

| <u>Transit Utility</u> | <u>Nonmajor Enterprise Funds</u> | <u>Totals</u> | Governmental Activities |
|------------------------|--|------------------------|-----------------------------------|
| | | | <u>Internal Service Funds</u> |
| \$ 6,312,273 | \$ 24,999,483 | \$ 169,239,159 | \$ 29,510,217 |
| - | 107,500 | 107,500 | - |
| (34,154,449) | (12,594,380) | (102,610,973) | (19,421,838) |
| <u>(36,606,095)</u> | <u>(15,724,411)</u> | <u>(71,927,807)</u> | <u>(3,785,331)</u> |
| <u>\$ (64,448,271)</u> | <u>\$ (3,211,808)</u> | <u>\$ (5,192,121)</u> | <u>\$ 6,303,048</u> |
| (498,525) | (76,589) | (736,647) | - |
| - | - | (760) | - |
| 12,865,120 | 7,264,679 | 20,741,189 | 183,225 |
| - | - | (6,557,386) | - |
| - | (2,184,517) | (2,359,907) | (211,480) |
| - | - | 646,754 | - |
| - | - | (2,609,487) | - |
| 6,400,000 | - | 6,400,000 | - |
| - | - | (171,833) | - |
| - | - | (1,040,000) | - |
| 33,306,185 | - | 33,306,185 | - |
| 7,190,083 | - | 7,190,083 | - |
| <u>\$ 59,262,863</u> | <u>\$ 5,003,573</u> | <u>\$ 54,808,191</u> | <u>\$ (28,255)</u> |
| (2,709,351) | (398,181) | (42,982,256) | (9,464,459) |
| (656,409) | (532,965) | (10,257,658) | (2,294,030) |
| 3,100,000 | 13,904,283 | 46,725,005 | 7,710,192 |
| 49,379 | 9,900 | 59,279 | 762,661 |
| (43,172,915) | (14,981,817) | (96,930,323) | (14,585,745) |
| - | - | (186,086) | - |
| - | - | 1,081,553 | - |
| - | 2,368,914 | 4,361,930 | - |
| 46,936,142 | - | 46,936,142 | - |
| 2,709,351 | - | 4,377,626 | - |
| (341,645) | (76,298) | (598,889) | - |
| - | - | - | 5,000,000 |
| - | - | 870,526 | - |
| <u>\$ 5,914,552</u> | <u>\$ 293,836</u> | <u>\$ (46,543,151)</u> | <u>\$ (12,871,381)</u> |
| - | - | (3,055,420) | (77,994) |
| - | - | 2,732,232 | 494,765 |
| - | 1,723,476 | 6,128,556 | 2,440 |
| <u>\$ -</u> | <u>\$ 1,723,476</u> | <u>\$ 5,805,368</u> | <u>\$ 419,211</u> |
| \$ 729,144 | \$ 3,809,077 | \$ 8,878,287 | \$ (6,177,377) |
| <u>2,179,964</u> | <u>33,481,895</u> | <u>137,162,560</u> | <u>22,781,360</u> |
| <u>\$ 2,909,108</u> | <u>\$ 37,290,972</u> | <u>\$ 146,040,847</u> | <u>\$ 16,603,983</u> |

See accompanying notes to financial statements.

CITY OF MADISON

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS For the Year Ended December 31, 2024

| | <u>Business-type Activities - Enterprise Funds</u> | | |
|---|--|----------------------|----------------------|
| | <u>Water Utility</u> | <u>Sewer</u> | <u>Stormwater</u> |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES | | | |
| Income (loss) from operations | \$ 31,065,761 | \$ 6,562,382 | \$ 9,098,932 |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities | | | |
| Nonoperating income (loss) | (69,552) | 4,230 | 22,144 |
| Depreciation | 6,638,329 | 3,546,299 | 5,474,156 |
| Depreciation charged to other accounts | 1,110,008 | - | - |
| Change in assets, deferred inflows, liabilities, and deferred outflows | | | |
| Accounts receivable | (242,506) | (222,194) | (174,495) |
| Other current assets | 162,629 | - | - |
| Accrued revenue | - | (27,061) | 34 |
| Due from other governmental units | - | 142,719 | 73,213 |
| Due from other funds | 183,936 | - | - |
| Inventories | (556,685) | - | - |
| Prepaid items | - | 207 | (9,255) |
| Accounts payable | 901,905 | 818,922 | 30,792 |
| Accrued liabilities | - | - | - |
| Retiree health insurance escrow payable from restricted assets | - | - | - |
| Other current liabilities | - | 32,533 | (278) |
| Customer deposits | - | - | - |
| Accrued compensated absences | (369,168) | (218,523) | (306,454) |
| Other post employment benefits | (206,580) | (268,808) | (143,899) |
| Pension related deferrals and liabilities | (336,691) | (136,033) | (117,991) |
| Unearned revenue | - | - | 5,000 |
| NET CASH FLOWS FROM OPERATING ACTIVITIES | <u>\$ 38,281,386</u> | <u>\$ 10,234,673</u> | <u>\$ 13,951,899</u> |
| RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE COMBINED STATEMENT OF NET POSITION | | | |
| Cash and investments - statement of net position | \$ 23,344,072 | \$ 31,909,403 | \$ 12,394,199 |
| Restricted cash and investments - statement of net position | 37,635,487 | 11,190,849 | - |
| Less: noncash equivalents | <u>(10,633,243)</u> | <u>-</u> | <u>-</u> |
| CASH AND CASH EQUIVALENTS - END OF YEAR | <u>\$ 50,346,316</u> | <u>\$ 43,100,252</u> | <u>\$ 12,394,199</u> |
| NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES | | | |
| Municipality, customer and developer financed additions to capital assets | <u>\$ 4,435,429</u> | <u>\$ 1,867,639</u> | <u>\$ 6,690,673</u> |
| Gain (loss) on sale of property | <u>\$ -</u> | <u>\$ (8,679)</u> | <u>\$ (418,154)</u> |
| Capital additions assessed to customers | <u>\$ 182,196</u> | <u>\$ -</u> | <u>\$ -</u> |
| Adjustments to special assessments | <u>\$ 149,512</u> | <u>\$ -</u> | <u>\$ -</u> |
| Contributed capital assets | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Special assessments levied to customers and revised | <u>\$ -</u> | <u>\$ 1,153,547</u> | <u>\$ 227,461</u> |

See accompanying notes to financial statements.

Business-type Activities - Enterprise Funds

| <u>Transit Utility</u> | <u>Nonmajor Enterprise Funds</u> | <u>Totals</u> | <u>Governmental Activities Internal Service Funds</u> |
|------------------------|--|-----------------------|---|
| \$(76,139,229) | \$ (6,792,659) | \$ (36,204,813) | \$ (1,895,076) |
| 793 | 810,596 | 768,211 | 512,728 |
| 14,652,565 | 4,682,358 | 34,993,707 | 9,486,852 |
| - | - | 1,110,008 | - |
| (4,165,593) | (284,185) | (5,088,973) | (132,306) |
| - | - | 162,629 | - |
| - | - | (27,027) | - |
| - | - | 215,932 | - |
| - | - | 183,936 | - |
| (87,510) | 3,340 | (640,855) | 112,099 |
| (75,778) | (4,299) | (89,125) | (2,480,955) |
| 50,114 | (116,991) | 1,684,742 | 172,650 |
| 464,378 | - | 464,378 | 971,125 |
| 190,361 | - | 190,361 | - |
| - | (8,403) | 23,852 | - |
| - | 107,501 | 107,501 | - |
| - | (369,083) | (1,263,228) | (31,628) |
| 1,537,792 | (896,446) | 22,059 | (299,172) |
| (641,617) | (336,337) | (1,568,669) | (113,269) |
| (234,547) | (7,200) | (236,747) | - |
| <u>\$(64,448,271)</u> | <u>\$ (3,211,808)</u> | <u>\$ (5,192,121)</u> | <u>\$ 6,303,048</u> |
| | | | |
| \$ 568,344 | \$ 37,290,972 | \$ 105,506,990 | \$ 16,603,983 |
| 2,340,764 | - | 51,167,100 | 898,282 |
| - | - | (10,633,243) | (898,282) |
| <u>\$ 2,909,108</u> | <u>\$ 37,290,972</u> | <u>\$ 146,040,847</u> | <u>\$ 16,603,983</u> |
| | | | |
| <u>\$159,345,406</u> | <u>\$ -</u> | | <u>\$ -</u> |
| <u>\$ -</u> | <u>\$ -</u> | | <u>\$ -</u> |
| <u>\$ -</u> | <u>\$ -</u> | | <u>\$ -</u> |
| <u>\$ -</u> | <u>\$ -</u> | | <u>\$ -</u> |
| <u>\$ -</u> | <u>\$ 17,086,062</u> | | <u>\$ -</u> |
| <u>\$ -</u> | <u>\$ -</u> | | <u>\$ -</u> |

See accompanying notes to financial statements.

CITY OF MADISON

STATEMENT OF FIDUCIARY NET POSITION CUSTODIAL FUNDS As of December 31, 2024

| | <u>Custodial Funds</u> |
|---------------------------------|-----------------------------|
| ASSETS | |
| Cash and investments | \$ 385,896,081 |
| Taxes receivable | <u>169,673,480</u> |
| Total Assets | <u>\$ 555,569,561</u> |
| LIABILITIES | |
| Accounts payable | 287 |
| Due to other governmental units | <u>533,029,186</u> |
| Total Liabilities | <u>\$ 533,029,473</u> |
| NET POSITION | |
| Restricted | <u>22,540,088</u> |
| TOTAL NET POSITION | <u><u>\$ 22,540,088</u></u> |

See accompanying notes to financial statements.

CITY OF MADISON

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION CUSTODIAL FUNDS

For the Year Ended December 31, 2024

| | <u>Custodial Funds</u> |
|---|-------------------------------------|
| ADDITIONS | |
| Gifts and bequests | \$ 343,888 |
| Interest and dividends | 5,177,749 |
| Property taxes collected for other governments | 519,567,127 |
| Investments | <u>643,160,869</u> |
| Total Additions | <u>\$ 1,168,249,633</u> |
| DEDUCTIONS | |
| Administrative expense | 34,470,989 |
| Property taxes distributed to other governments | 519,567,127 |
| Distributions | <u>623,071,625</u> |
| Total Deductions | <u>\$ 1,177,109,741</u> |
| CHANGE IN FIDUCIARY NET POSITION | \$ (8,860,108) |
| NET POSITION, Beginning of Year | <u>31,400,196</u> |
| NET POSITION, END OF YEAR | <u><u>\$ 22,540,088</u></u> |

See accompanying notes to financial statements.

CITY OF MADISON

COMBINING STATEMENT OF NET POSITION COMPONENT UNITS As of December 31, 2024

| | CDA | Olbrich Society and Foundation | Madison Public Library Foundation | Nonmajor Component Units | Totals |
|---|----------------------|--------------------------------------|--|--------------------------------|-----------------------|
| ASSETS | | | | | |
| Cash and investments | \$ 8,087,444 | \$12,677,482 | \$ 2,030,890 | \$ 5,033,393 | \$ 27,829,209 |
| Receivables | | | | | |
| Accounts | 656,966 | 20,930 | - | 10,941 | 688,837 |
| Special assessments | - | - | - | 235,299 | 235,299 |
| Accrued interest | 1,654 | - | - | - | 1,654 |
| Long-term loans | 332,987 | - | - | - | 332,987 |
| Pledge receivable | - | 901,354 | 2,151,123 | 633,773 | 3,686,250 |
| Grants | - | 2,168 | - | - | 2,168 |
| Leases | 11,664,544 | - | - | - | 11,664,544 |
| Due from other governmental units | 1,333,585 | - | - | - | 1,333,585 |
| Inventories | - | 54,903 | - | - | 54,903 |
| Prepaid items | 2,314,193 | 7,148 | 11,797 | 3,643 | 2,336,781 |
| Beneficial interest in assets held by MCF | - | 52,106 | 9,492,625 | 89,557 | 9,634,288 |
| Beneficial interest in lead trust held by others | - | 322,536 | - | - | 322,536 |
| Other assets | 132,325 | - | - | - | 132,325 |
| Restricted assets | | | | | |
| Cash and investments | 2,435,282 | 954,807 | 37,178 | - | 3,427,267 |
| Capital assets | | | | | |
| Land | 9,364,057 | - | - | - | 9,364,057 |
| Construction in progress | 17,288,633 | - | - | - | 17,288,633 |
| Capital assets being depreciated | 113,728,445 | - | 751 | - | 113,729,196 |
| Less: Accumulated depreciation/amortization | (73,526,887) | - | - | - | (73,526,887) |
| Total Assets | <u>\$ 93,813,228</u> | <u>\$14,993,434</u> | <u>\$ 13,724,364</u> | <u>\$ 6,006,606</u> | <u>\$ 128,537,632</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| Pension related amounts | 2,680,809 | - | - | - | 2,680,809 |
| Other post-employment benefits related amounts | 91,502 | - | - | - | 91,502 |
| Total Deferred Outflows of Resources | <u>\$ 2,772,311</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2,772,311</u> |

See accompanying notes to financial statements.

| | CDA | Olbrich Society and Foundation | Madison Public Library Foundation | Nonmajor Component Units | Totals |
|---|----------------------|--------------------------------------|--|--------------------------------|----------------------|
| LIABILITIES | | | | | |
| Accounts payable | \$ 1,862,535 | \$ 164,663 | \$ 31,961 | \$ 153,224 | \$ 2,212,383 |
| Accrued liabilities | 3,231,860 | - | 28,903 | 3,666 | 3,264,429 |
| Current maturities of long-term debt | 946,961 | - | - | - | 946,961 |
| Current maturities of compensated absences | 235,942 | - | - | - | 235,942 |
| Advances from primary government | 3,347,425 | - | - | - | 3,347,425 |
| Mortgage notes | 4,173,571 | - | - | - | 4,173,571 |
| Due to other governments | 2,178,957 | - | - | - | 2,178,957 |
| Subscription liabilities | 4,283 | - | - | - | 4,283 |
| Compensated absences | 363,818 | - | - | - | 363,818 |
| Other post-employment benefits | 651,296 | - | - | - | 651,296 |
| Net pension liability | 268,833 | - | - | - | 268,833 |
| Unearned revenues | 1,380,399 | 34,215 | 9,000 | - | 1,423,614 |
| Other liabilities | 1,170,471 | - | - | - | 1,170,471 |
| Total Liabilities | <u>\$ 19,816,351</u> | <u>\$ 198,878</u> | <u>\$ 69,864</u> | <u>\$ 156,890</u> | <u>\$ 20,241,983</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Assessments for subsequent year | - | - | - | 346,517 | 346,517 |
| Lease-related amounts | 11,094,560 | - | - | - | 11,094,560 |
| Pension related amounts | 1,545,585 | - | - | - | 1,545,585 |
| Other post-employment benefits related amounts | 150,490 | - | - | - | 150,490 |
| Total Deferred Inflows of Resources | <u>\$ 12,790,635</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 346,517</u> | <u>\$ 13,137,152</u> |
| NET POSITION | | | | | |
| Net investment in capital assets | 56,057,451 | - | 751 | - | 56,058,202 |
| Restricted for: | | | | | |
| Library | - | - | 5,205,922 | - | 5,205,922 |
| Parks | - | 3,823,887 | - | 2,598,280 | 6,422,167 |
| HUD restricted funds | 22,610 | - | - | - | 22,610 |
| Unrestricted | 7,898,492 | 10,970,669 | 8,447,827 | 2,904,919 | 30,221,907 |
| TOTAL NET POSITION | <u>\$ 63,978,553</u> | <u>\$ 14,794,556</u> | <u>\$ 13,654,500</u> | <u>\$ 5,503,199</u> | <u>\$ 97,930,808</u> |

See accompanying notes to financial statements.

CITY OF MADISON

STATEMENT OF ACTIVITIES COMPONENT UNITS For the Year Ended December 31, 2024

| | | | | | Net (Expenses) Revenues and Changes in Net Position | | | | |
|---|----------------------|-------------------------|--|--|---|--------------------------------------|--|--------------------------------|----------------------|
| | | | | | | | Madison Public Library Foundation | Nonmajor Component Units | Total |
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | CDA | Olbrich Society and Foundation | | | |
| CDA | \$ 39,649,021 | \$ 9,523,224 | \$ 40,201,984 | \$ 588,277 | \$ 10,664,464 | \$ - | \$ - | \$ - | \$ 10,664,464 |
| Olbrich Society and Foundation | 3,648,167 | 2,667,469 | 1,248,845 | - | - | 268,147 | - | - | 268,147 |
| Madison Public Library Foundation | 2,215,227 | 211,633 | 3,498,097 | - | - | - | 1,494,503 | - | 1,494,503 |
| Nonmajor Component Units | 1,354,895 | 336,461 | 1,205,350 | - | - | - | - | 186,916 | 186,916 |
| Total Component Units | <u>\$ 46,867,310</u> | <u>\$ 12,738,787</u> | <u>\$ 46,154,276</u> | <u>\$ 588,277</u> | <u>\$ 10,664,464</u> | <u>\$ 268,147</u> | <u>\$ 1,494,503</u> | <u>\$ 186,916</u> | <u>\$ 12,614,030</u> |
| General Revenues | | | | | | | | | |
| Investment income | | | | \$ 582,869 | \$ 1,271,371 | \$ 838,948 | \$ 475,521 | \$ 3,168,709 | |
| Special assessments | | | | - | - | - | 302,941 | 302,941 | |
| Gain on sale of assets | | | | 89,798 | - | - | - | - | 89,798 |
| Miscellaneous | | | | 182,341 | 20,802 | 38,901 | - | - | 242,044 |
| Total General Revenues | | | | 855,008 | 1,292,173 | 877,849 | 778,462 | 3,803,492 | |
| Change in Net Position | | | | 11,519,472 | 1,560,320 | 2,372,352 | 965,378 | 16,417,522 | |
| NET POSITION - Beginning of Year, as previously presented | | | | 51,430,718 | 13,234,236 | 11,282,148 | 4,537,821 | 80,484,923 | |
| Error Correction (See Note IV.K) | | | | 1,028,363 | - | - | - | 1,028,363 | |
| NET POSITION - Beginning of Year, as restated | | | | <u>52,459,081</u> | <u>13,234,236</u> | <u>11,282,148</u> | <u>4,537,821</u> | <u>81,513,286</u> | |
| NET POSITION - END OF YEAR | | | | <u>\$ 63,978,553</u> | <u>\$ 14,794,556</u> | <u>\$ 13,654,500</u> | <u>\$ 5,503,199</u> | <u>\$ 97,930,808</u> | |

See accompanying notes to financial statements.

CITY OF MADISON

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CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Madison, 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 three methods, discrete presentation, blended, or fiduciary. 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.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

A. Reporting Entity (cont.)

Discretely Presented Component Units

Community Development Authority of the City of Madison

The basic financial statements include the Community Development Authority ("CDA") of the City of Madison as a major component unit. The CDA is a legally separate organization. The board of the CDA is appointed by the mayor of Madison. 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 IV. J. As a component unit, the CDA's financial statements have been presented as a discrete column in the financial statements. The CDA presented in the basic financial statements includes four component units. These component units are limited liability companies which are used to promote and finance redevelopment of certain CDA properties. The information presented is for the fiscal year ended December 31, 2024. Separately issued financial statements of the Madison Community Development Authority may be obtained from the CDA's office at 215 Martin Luther King, Jr. Boulevard, Madison, WI 53710-1785.

Olbrich Botanical Society and Olbrich Botanical Society Foundation

The basic financial statements include the Olbrich Botanical Society and Olbrich Botanical Society Foundation ("OBS") as a major component unit. OBS is a legally separate organization. The board of OBS consists of nine members, of which five are elected by the Board of Directors for five-year terms. The President, Past President, Treasurer, and the Director of the Olbrich Botanical Gardens, are ex officio Directors of OBS (with voting powers). OBS was created to manage long-term funds, bequests and designated funds for the perpetuity of the Gardens. The funds are held for the direct benefit of the primary government and its constituents. See Note IV. J. As a component unit, the OBS's financial statements have been presented as a discrete column in the financial statements. The information presented is for the year ended December 31, 2024. Separately issued financial statements of OBS may be obtained from OBS's office at the Olbrich Botanical Gardens, 3330 Atwood Avenue, Madison, WI 53704.

Business Improvement District

The basic financial statements include the Business Improvement District ("BID") as a nonmajor component unit. The BID is a legally separate organization. The board of the District is appointed by the mayor of the City of Madison and approved by City council. 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 IV. J. As a component unit, the BID's financial statements have been presented as a discrete column in the nonmajor combining financial statements. The information presented is for the fiscal year ended December 31, 2024. The BID does not issue separate financial statements.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

A. Reporting Entity (cont.)

Discretely Presented Component Units (cont.)

Madison Public Library Foundation

The basic financial statements include the Madison Public Library Foundation ("Foundation") as a component unit. The Foundation is a legally separate organization. The board of the Foundation is composed of thirteen trustees, all are appointed by the Madison Public Library Foundation Board of Directors. The purpose of the Foundation is to provide support to the City of Madison library system. The funds are held for the direct benefit of the primary government and its constituents. See Note IV. J. As a component unit, the Foundation'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, 2024. Separately issued financial statements of the Madison Public Library Foundation may be obtained from the Foundation's office.

Madison Parks Foundation

The basic financial statements include the Madison Parks Foundation ("MPF") as a component unit. MPF is a legally separate organization. The board of MPF is composed of twenty-one trustees; nineteen of the trustees are appointed by the MPF Board of Directors; the remaining two are appointed by the Chairman of the Park Commission. The purpose of the MPF is to provide support to the City of Madison parks. See Note IV. J. As a component unit, MPF's financial statements have been presented as a discrete column in the nonmajor combining financial statements. The information presented is for the fiscal year ended December 31, 2024. Separately issued financial statements of the Madison Parks Foundation may be obtained from MPF's office.

B. Government-Wide and Fund Financial Statements

In June 2022, the GASB issued statement No. 100, Accounting Changes and Error Corrections. This statement establishes accounting and financial reporting requirements for (a) accounting changes and (b) the correction of an error in previously issued financial statements (error correction). This standard was implemented January 1, 2024.

In June 2022, the GASB issued statement No. 101, Compensated Absences. This statement requires that liabilities for compensated absences be recognized in financial statements prepared using the economic resources measurement focus for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off, or otherwise paid in cash, or settled through noncash means. This standard was implemented January 1, 2024.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

B. Government-Wide and Fund Financial Statements (cont.)

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 segments 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 expenditures/expenses.

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

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

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

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

B. Government-Wide and Fund Financial Statements (cont.)

Fund Financial Statements (cont.)

The City reports the following major governmental funds:

Major Governmental Funds

General Fund – 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.

Library – Special Revenue Fund – accounts for tax levy and other resources legally restricted to supporting expenditures for the library program.

Other Grants - Special Revenue Fund - accounts for specific revenues that are generally legally restricted to support expenditures for specific program purposes.

Debt Service – accounts for resources that are restricted, committed or assigned to expenditure for the payment of general long-term debt principal, interest, and related costs other than TID or enterprise debt.

Capital Projects Funds – used to account for financial resources that are restricted, committed, or assigned to expenditures for capital assets maintenance and capital outlays, including the acquisition or construction of equipment and/or major capital facilities and other capital assets.

The City reports the following major enterprise funds:

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

Transit Utility – accounts for operations of the transit system

The City reports the following nonmajor governmental and enterprise funds:

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 or committed to expenditures for specified purposes.

Community Development Block Grant

Revolving Loans

Other Restricted Funds

Permanent Fund – used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs, that is, for the benefit of the government or its citizenry.

Endowments and Donations

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

B. Government-Wide and Fund Financial Statements (cont.)

Fund Financial Statements (cont.)

Nonmajor Enterprise Funds

Enterprise Funds – may be used to report any activity for which a fee is charged to external uses for goods or services, and must be used for activities which meet certain debt or cost recovery criteria.

Parking Utility
Convention Center
Golf Courses

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.

Fleet Services
City Insurance
Worker's Compensation

Custodial funds are used to account for and report assets controlled by the City and the assets are for the benefit of individuals, private organizations, and/or other governmental units.

Board of Education
Board of Health
Metropolitan Unified Fiber Network Consortium
Tax Collection Fund
Madison School District Investment Fund

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water and sewer utility 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 MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (cont.)

Fund Financial Statements

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

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

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

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and unavailable revenues. At December 31, 2024, there were \$2,288,778 of unrecorded anticipated future assessments which are not recorded as receivables because collection is subject to certain events occurring in the future and no formal repayment schedule has been established.

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

Proprietary and custodial fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note.

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

All Financial Statements

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

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

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 state statutes. Available investments are limited to:

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

Investment of most trust funds is regulated by Chapter 881 of the Wisconsin Statutes. Investment of library trust funds is regulated by Chapter 112. Those sections give broad authority to use such funds to acquire various kinds of investments including stocks, bonds and debentures.

The City has adopted an investment policy. That policy contains the following guidelines for allowable investments: obligations of the U.S. Government; obligations of U.S. Government agencies; time deposits (defined as savings accounts or certificates of deposits); and repurchase agreements with a public depository, if the agreement is secured by bonds or securities issued or guaranteed as to principal and interest by the U.S. Government.

Custodial Credit Risk

The City's investment policy states that funds in excess of insured or guaranteed limits be secured by some form of collateral. The fair market value of all collateral pledged will not be less than 100% of the amount of public funds to be secured at each institution. The City was not in compliance with this policy.

Concentration of Credit Risk

The policy also states that the City shall not invest more than 25% of its funds in certificates of deposits with any one financial institution, and no more than 3% in a single issuer of commercial paper.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

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.)

Credit Risk

The City will minimize credit risk, which is the risk of loss due to the failure of the security issuer or backer by:

- > Limiting investments to the types of securities listed elsewhere in the Investment Policy.
- > Pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisors with which the City of Madison will do business in accordance with Section V of the Investment Policy.
- > Diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized.

Interest Rate Risk

The City will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in merit interest rates by:

- > Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.
- > Investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools and limiting the average maturity of the portfolio in accordance with the Investment Policy.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on methods and inputs as outlined in Note IV. A. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances. The difference between the bank 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, 2024, the fair value of the City's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

The Hartford Life pooled fund is a premium stabilization fund. Hartford Life is not registered with the Securities and Exchange Commission, but operates under the regulatory authority of the insurance industry. Hartford Life reports the fair market value of its underlying assets annually.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

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.)

The City has an agreement with the Madison Metropolitan School District (MMSD) to combine a portion of available funds of both entities for investment purposes. Interest earnings are distributed monthly based on each entity's relative share of invested funds. This agreement also provides that the City may fund short-term cash deficits of the MMSD. At December 31, 2024, the MMSD had a cash balance of \$8,320,285 from operating activities.

See Note IV. A. for further information.

2. Receivables

Property Tax

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 county government as well as the local school district and technical college district. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as receivables and due to other taxing units on the accompanying statement of fiduciary net position.

Property tax calendar - 2024 tax roll:

| | |
|--|------------------|
| Lien date and levy date | December 2024 |
| Tax bills mailed | December 2024 |
| Payment in full, or | January 31, 2025 |
| First installment due | January 31, 2025 |
| Second installment due | March 31, 2025 |
| Third installment due | May 31, 2025 |
| Fourth installment due | July 31, 2025 |
| Tax sale - 2024 delinquent real estate taxes | October 2027 |

Allowances

Accounts receivable have been shown net of an allowance for uncollectible accounts. See Note IV. B. 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.

Due To/From Advances

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

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net position or Equity (cont.)

2. Receivables (cont.)

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.

Loans Receivable

The City received federal and state grant funds for economic development, neighborhood revitalization, and housing rehabilitation loan programs. The City enters into loan agreements to provide various businesses and individuals with the pass through federal and state funding. Upon loan agreement execution, the City records a loan receivable in the fund statements when disbursed. The loans receivable balance within the fund statements also includes conditional-type loans which are not expected to be repaid unless conditional use or other provisions occur as part of the loan agreement. For these types of loans an allowance is established.

3. Inventories and Prepaid Items

Governmental fund inventories, if material, are recorded at cost based on the FIFO method using the purchase method of accounting. Proprietary fund inventories are generally used for construction and 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. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

4. Restricted Assets

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

5. Leases

The City is a lessor because it leases capital assets to other entities. As a lessor, the City reports a lease receivable and corresponding deferred inflow of resources in both the fund financial statements and government-wide financial statements. The City continues to report and depreciate the capital assets being leased as capital assets of the primary government. The City has a policy to recognize leases over \$10,000 as a lease receivable.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

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. Leases (cont.)

The City is a lessee because it leases capital assets from other entities. As a lessee, the City reports a lease liability and an intangible right-to-use capital asset (known as the lease asset) on the government-wide financial statements and proprietary fund statements. In the governmental fund financial statements, the City recognizes lease proceeds and capital outlay at the initiation of the lease, and the outflow of resources for the lease liability as a debt service payment. The City has a policy to recognize leases over \$10,000 as a lease liability and intangible capital asset.

6. Subscription Liabilities

The City reports a subscription liability and an intangible right-to-use capital asset (known as the subscription asset) on the government-wide financial statements and proprietary fund statements. In the governmental fund financial statements, the City recognized subscription proceeds and capital outlay at initiation of the subscription, and the outflow of resources for the subscription liability as a debt service payment. The City has a policy to recognize subscriptions over \$10,000 as a subscription liability and intangible capital asset.

7. Capital Assets

Government-Wide Statements

Capital assets, which include property, plant and equipment (including right-to-use lease assets), are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$10,000 for general capital assets and \$50,000 for infrastructure assets and an estimated useful life in excess of one year. All capital assets are valued at historical cost or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, and overhead. 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/amortization of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation/amortization reflected in the statement of net position. Depreciation/amortization is provided over the assets' estimated useful lives using the straightline method of depreciation/amortization.

The range of estimated useful lives by type of asset is as follows:

| | |
|----------------------------|-------------|
| Buildings and improvements | 20-55 Years |
| Land improvements | 10-40 Years |
| Machinery and equipment | 4-10 Years |
| Utility system | 15-90 Years |
| Intangibles | 2-10 Years |
| Infrastructure | 20-70 Years |

Lease and subscription assets are typically amortized over the lease or subscription term.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

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. Capital Assets (cont.)

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.

8. Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net assets that applies to future periods 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.

9. Compensated Absences

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Accumulated leaves that are attributable to services already rendered are carried over to the following year and any are more likely than not to be used or otherwise paid in cash or settled through noncash means are recorded as a liability in this statement.

All 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 available resources.

The City provides post-employment health insurance benefits for all eligible employees. Eligibility is based on employment status and the value of sick leave at retirement. The benefits are based on contractual agreements with employee groups and City ordinances. Employees may convert up to 163 days of accumulated sick leave to pay for qualified health care expenses. The City has established a post-retirement sick leave conversion medical reimbursement plan and a governmental 401(a) special pay plan to allow retiring employees to convert accumulated sick leave into a supplemental retirement benefit on a mandatory basis. The cost of those premiums is recognized as an expenditure in the year of retirement. The entire cost is paid by the employer. Funding for those costs is provided by the relevant agency.

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, 2024 are determined on the basis of current salary rates, and include salary related payments.

10. 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.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net position or Equity (cont.)

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

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

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

The City and the CDA have 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 approved by the City is approximately \$47,300,000 made up of two issues. The total amount of IRB's outstanding at the end of the year approved by the CDA is approximately \$32,422,070 made up of four issues.

11. Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net assets that applies to future periods, and therefore, will not be recognized as an inflow of resources (revenue) until that future time.

12. 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 does not meet the definition of “restricted” or “net investment in capital assets.”

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.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net position or Equity (cont.)

12. Equity Classifications (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 Activites | Business-type Activites | Adjustment | Total |
|----------------------------------|---------------------------|----------------------------|-----------------|------------------|
| Net investment in capital assets | \$ 807,221,236 | \$ 951,422,953 | \$ (59,398,884) | \$ 1,699,245,305 |
| Unrestricted | 62,339,266 | 81,956,552 | 59,398,884 | 203,694,702 |

Fund Statements

Governmental fund balances are displayed as follows:

- 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.
- 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.
- 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. 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 that originally created the commitment.
- Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The City has adopted a financial policy authorizing the Finance Director to assign amounts for a specific purpose. Assignments may take place after the end of the reporting period.
- 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.

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.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net position or Equity (cont.)

12. Equity Classifications (cont.)

Proprietary fund equity is classified the same as in the government-wide statements. Fiduciary fund net position for custodial funds are classified as restricted for pool participants, individuals, organizations, and other governments on the statement of fiduciary net position. Various donor restrictions apply, including authorizing and spending trust income, and the City believes it is in compliance with all significant restrictions.

13. Pension

The fiduciary net position of the Wisconsin Retirement System (WRS) has been determined using the flow of economic resources measurement focus and accrual basis of accounting. This includes for purposes of measuring the following:

- > Net Pension Liability (Asset),
- > Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions,
- > Pension Expense (Revenue)

Information about the fiduciary net position of the WRS and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they were reported by the 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. Other Post-Employment 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 have been determined on the same basis as they are reported by the City OPEB Plan. For this purpose, the City OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

II - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

Capital assets used in governmental funds (excluding internal service funds) are not financial resources and, therefore, are not reported in the funds.

| | |
|--|-------------------------|
| Land | \$ 280,192,036 |
| Construction in progress | 76,656,610 |
| Land improvements | 52,365,463 |
| Buildings | 303,317,615 |
| Machinery and equipment | 81,570,281 |
| Intangible assets | 30,096,482 |
| Infrastructure | 1,074,638,348 |
| Less: Accumulated depreciation | <u>(708,035,632)</u> |
| Combined Adjustment for Capital Assets | <u>\$ 1,190,801,203</u> |

Long-term liabilities applicable to the City's governmental activities (excluding internal service funds) 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 | \$ 485,406,516 |
| Compensated absences | 44,373,498 |
| Accrued interest | 4,715,454 |
| Unamortized debt premium and discount | 41,163,318 |
| Disability benefits | 81,490 |
| Police and fire pension | 69,498 |
| Leases and subscriptions payable | <u>16,397,988</u> |
| Combined Adjustment for Long-Term Liabilities | <u>\$ 592,207,762</u> |

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

III - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

A budget has been adopted for all funds except permanent funds. Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds.

B. EXCESS EXPENDITURES AND OTHER FINANCING USES OVER APPROPRIATIONS

The City controls expenditures at the department level. Some individual departments experienced expenditures which exceeded appropriations. The detail of those items can be found in the required supplementary information and supplementary information.

C. DEFICIT FUND BALANCE

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

As of December 31, 2024, the Other Grants Special Revenue fund held a deficit balance in the amount of \$(863,365). This fund deficit is expected to be funded with future contributions, general tax revenues, or long-term borrowing.

D. LIMITATIONS ON THE CITY'S TAX LEVY

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

IV -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 and some component units. Each fund type's portion in 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 deposits and investments of the pension trust funds are held separately from those of other funds.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

A. DEPOSITS AND INVESTMENTS (CONT.)

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

| | Carrying Value | Bank and Investment Balance | Associated Risk |
|--|-----------------------|-----------------------------------|--|
| Demand deposits | \$ 55,605,201 | \$ 4,705,440 | Custodial credit |
| U.S. agencies implicitly guaranteed | 244,356,300 | 244,318,851 | Credit, custodial credit, concentration of credit, interest rate |
| U.S. treasuries | 3,031,839 | 3,016,015 | Custodial credit, interest rate |
| State and local bonds | 1,091,973 | 1,091,973 | Credit, custodial credit, concentration of credit, interest rate |
| Corporate notes and bonds | 11,064,290 | 11,064,290 | Credit, custodial credit, concentration of credit, interest rate |
| Mutual funds - other than bonds | 403,343 | 403,343 | N/A |
| Mutual funds - money market | 170,136,908 | 170,137,015 | Credit |
| Equity securities/stocks | 1,577,025 | 1,577,025 | Custodial credit, concentration of credit |
| Local Government Investment Pool | 448,339,788 | 448,339,788 | Credit |
| Deposit with WMMIC | 898,281 | 898,281 | Credit |
| Hartford Life - pooled funds | 8,369,928 | 8,369,928 | Credit |
| Commercial paper | 5,000,000 | 5,000,000 | Credit, custodial credit, concentration of credit, interest rate |
| Petty cash | 164,382 | - | N/A |
| 2a7-like pools | 3,496,226 | 3,496,226 | Credit |
| Total Cash and Investments | <u>\$ 953,535,484</u> | <u>\$ 902,418,175</u> | |
| Reconciliation to financial statements | | | |
| Per statement of net position | \$ 476,938,978 | | |
| Per statement of net position - restricted | 82,422,959 | | |
| Per statement of net position - custodial funds | 385,896,081 | | |
| Per statement of net position - applicable component units: | | | |
| CDA | 10,522,726 | | |
| Less: Component units of CDA | (2,394,369) | | |
| BID | 149,109 | | |
| Total Cash and Investments | <u>\$ 953,535,484</u> | | |

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

A. DEPOSITS AND INVESTMENTS (CONT.)

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 amounts (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 deposits.

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$1,000,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual municipalities. This coverage has not been considered in computing custodial credit risk.

The City maintains collateral agreements with its banks. At December 31, 2024, the City was a beneficiary of an irrevocable letter of credit in the amount of \$70,000,000 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.

| Investment Type | December 31, 2024 | | | |
|---------------------------------------|-----------------------|-----------------------|-------------|-----------------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Corporate notes and bonds | \$ - | \$ 11,064,290 | \$ - | \$ 11,064,290 |
| State and local bonds | - | 1,091,973 | - | 1,091,973 |
| Commercial paper | - | 5,000,000 | - | 5,000,000 |
| Equity securities/stock | 1,577,025 | - | - | 1,577,025 |
| Mutual funds - other than bonds | - | 403,343 | - | 403,343 |
| Mutual funds - money market | 162,710,235 | 7,426,780 | - | 170,137,015 |
| U.S. agencies - implicitly guaranteed | - | 244,318,851 | - | 244,318,851 |
| U.S. treasuries | 3,016,015 | - | - | 3,016,015 |
| 2a7 - like pools | - | 3,496,226 | - | 3,496,226 |
| Totals | <u>\$ 167,303,275</u> | <u>\$ 272,801,463</u> | <u>\$ -</u> | <u>\$ 440,104,738</u> |

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

A. DEPOSITS AND INVESTMENTS (CONT.)

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

| Investment Type | Valuation Method |
|---|---|
| Corporate notes and state and local bonds | Institutional bond quotes – evaluations based on various market and industry inputs |
| Mutual funds – other than bonds | Net asset value |
| Mutual funds – money market | \$1 per share |
| Commercial paper | \$1 per share |
| Equity securities/stocks | Market closing price |
| U.S. agencies – implicitly guaranteed | Institutional bond quotes – evaluations based on various market and industry inputs |
| U.S. treasuries | Institutional bond quotes – evaluations based on various market and industry inputs |
| 2a7 - like pools | \$1 per share |

Custodial Credit Risk

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

As of December 31, 2024, the City's deposits were exposed to custodial credit risk as follows:

| | |
|--------------------------------|--------------|
| Demand deposits (CDA) | \$ 2,346,672 |
| Uninsured and Uncollateralized | \$ 2,346,672 |

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.

As of December 31, 2024, the City's investments were exposed to custodial credit risk as follows:

| | |
|---|----------------|
| U.S. agencies - implicitly guaranteed | \$ 244,318,851 |
| U.S. treasuries | 3,016,015 |
| Commercial paper | 5,000,000 |
| State and local bonds | 1,091,973 |
| Corporate notes and bonds | 11,064,290 |
| Equity securities/stocks | 1,577,025 |
| Neither Insured Nor Registered and Held by Counterparty | \$ 266,068,154 |

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

IV -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.

As of December 31, 2024, the City's investments were rated as follows:

| Investment Type | Moody's Investor Services | Standard & Poor's | Fair Value |
|---------------------------------------|---------------------------|-------------------|--------------|
| Corporate notes and bonds | Aaa | AAA | \$ 3,033,950 |
| | Aaa | n/a | 3,014,960 |
| | n/a | AAA | 3,010,200 |
| | NR | AAA | 2,005,180 |
| U.S. agencies (implicitly guaranteed) | Aaa | AA+ | 243,559,593 |
| | NR | NR | 759,258 |
| Mutual funds - money market | Aaa | AAAm | 170,137,015 |
| State and local bonds | Aa1 | n/a | 97,853 |
| | n/a | AAA | 994,120 |
| Commercial paper | Aaa | AAA | 5,000,000 |
| 2a7 - like pools | n/a | AAAm | 3,496,226 |

The City also had investments in the following investments which are not rated:

| | |
|--|-----------------------|
| Wisconsin Municipal Mutual Insurance Company | 898,281 |
| Local Government Investment Pool | 448,339,788 |
| Hartford Life - pooled funds | 8,369,928 |
| Total | <u>\$ 892,716,352</u> |

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At December 31, 2024, the investment portfolio was concentrated as follows:

| Issuer | Investment Type | Percentage of Portfolio |
|--------------------------|---------------------------------------|-------------------------|
| Federal Home Loan Bank | U.S. agencies - implicitly guaranteed | 16.186% |
| Federal Farm Credit Bank | U.S. agencies - implicitly guaranteed | 7.389% |

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

A. DEPOSITS AND INVESTMENTS (CONT.)

Interest Rate Risk

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

As of December 31, 2024, the City's investments were as follows:

| Investment Type | Fair Value | Less than 1 year through 12/31/25 | 1-5 years through 12/31/29 | 6-20 years through 12/31/44 |
|---------------------------------------|----------------------|---|----------------------------------|-----------------------------------|
| U.S. agencies - implicitly guaranteed | \$244,318,851 | \$ 45,952,021 | \$154,262,086 | \$ 44,104,744 |
| U.S. treasuries | 3,016,015 | 993,060 | 2,022,955 | - |
| State and local bonds | 1,091,973 | 1,091,973 | - | - |
| Commercial paper | 5,000,000 | 5,000,000 | - | - |
| Corporate notes and bonds | 11,064,290 | 1,005,100 | 7,044,230 | 3,014,960 |
| Totals | <u>\$264,491,129</u> | <u>\$ 54,042,154</u> | <u>\$163,329,271</u> | <u>\$ 47,119,704</u> |

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

B. RECEIVABLES

Receivables as of year end not expected to be collected within one year for the City's individual major funds and nonmajor and internal services funds in the aggregate, are as follows:

| | |
|--|---------------|
| General Fund | \$ 34,419,162 |
| Capital projects fund | 13,029,445 |
| Other Grants fund | 476,612 |
| All other nonmajor governmental and internal service funds | 24,722,942 |

Revenues of the Transit Utilities are reported net of uncollectible amounts. Total uncollectible amounts related to revenues of the current period are as follows:

| | |
|---|--------------------------|
| Uncollectibles related to transit utility | <u>\$ 200,000</u> |
| Total Uncollectibles of the Current Fiscal Year | <u><u>\$ 200,000</u></u> |

Allowance on receivables as of year end for the City's governmental major funds and nonmajor funds, in the aggregate, are as follows:

| | |
|--|------------------------------|
| General Fund | |
| Allowance for uncollectible ambulance receivable | \$ 11,109,986 |
| Allowance for uncollectible court receivable | 22,309,855 |
| Allowance for other uncollectible | 35,000 |
| Debt Service Fund | |
| Allowance for uncollectible loans | 1,613,365 |
| Nonmajor Funds | |
| Allowance for uncollectible loans | <u>84,661,134</u> |
| Total | <u><u>\$ 119,729,340</u></u> |

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

B. RECEIVABLES (CONT.)

Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes receivable 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:

| | Unavailable | Unearned | Totals |
|--|----------------------|-----------------------|-----------------------|
| Property taxes receivable | \$ - | \$ 361,271,749 | \$ 361,271,749 |
| TID loan equity payment | 14,095,000 | - | 14,095,000 |
| Interest on investments | 741,344 | - | 741,344 |
| Ambulance receivable | 3,460,185 | - | 3,460,185 |
| Prepaid revenue | - | 17,343,114 | 17,343,114 |
| Deferred credits/deposits | 16,780,387 | - | 16,780,387 |
| Special Assessments | 9,732,413 | - | 9,732,413 |
| Impact Fees | 5,671,412 | - | 5,671,412 |
| Municipal court receivable | 503,828 | - | 503,828 |
| Accrued interest on loans | 276 | - | 276 |
| TIF developer guarantee | 1,023,260 | - | 1,023,260 |
| Grant revenue | - | 840,481 | 840,481 |
| | <u>-</u> | <u>840,481</u> | <u>840,481</u> |
| Total Unavailable/Unearned Revenue for Governmental Funds | <u>\$ 52,008,105</u> | <u>\$ 379,455,344</u> | <u>\$ 431,463,449</u> |
| Unearned revenue included in liabilities | | \$ 18,183,595 | |
| Unearned revenue included in deferred inflows | | <u>361,271,749</u> | |
| Total Unearned Revenue for Governmental Funds | | <u>\$ 379,455,344</u> | |

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

C. RESTRICTED ASSETS

The following represent the balances of the restricted assets:

Long Term Debt Accounts

| | | |
|---------------------------------|---|--|
| Principal and Interest | – | Used solely for the purpose of paying principal and interest on the bonds or parity bonds. |
| Bond Reserve | – | Used solely for the purpose of paying principal and interest on the bonds or parity bonds whenever the balance in the redemption principal and interest account is insufficient for that purpose. |
| Bond Depreciation | – | Used for the payment of principal and interest on the bonds and parity bonds whenever the balance in the redemption account is insufficient for that purpose, to remedy any deficiency in the redemption account, or to make extraordinary repairs or improvements to the utility. |
| Construction | – | Used to report bond proceeds restricted for use in construction. |
| Retiree Health Insurance Escrow | – | The transit utility established an escrow account to be used for contributions toward health insurance premiums in accordance with the Teamsters Local 695 union contract. |
| Assessment Fund | – | Used for the purpose of paying construction costs for projects special assessed to customers. |
| Expense Depreciation | – | Used to fund Watermain replacement in construction |

Impact Fee Account

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

Grants Deposit Account

The City has received funds from the U.S. Department of Energy for the Wisconsin Energy Efficiency Project that must be spent in accordance with the grant contract.

Insurance Deposit Account

The City has an account with WMMIC that's used to pay claims as they are incurred. The account is replenished on a quarterly basis.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

C. RESTRICTED ASSETS (CONT.)

Following is a list of cash and investments restricted assets at December 31, 2024:

| | Restricted Assets |
|---------------------------------|----------------------|
| Principal and interest | \$ 13,217,358 |
| Bond reserve account | 22,897,977 |
| Bond depreciation account | 750,000 |
| Expense depreciation | 2,413,110 |
| Construction | 7,492,361 |
| Assessment fund | 2,055,530 |
| Retiree health insurance escrow | 2,340,764 |
| Impact fees | 29,517,096 |
| Grants deposit | 840,481 |
| Insurance deposit | 898,282 |
| Total Restricted Assets | <u>\$ 82,422,959</u> |

In addition, the City has other restricted assets as follows:

| | |
|--|---------------------|
| Investment in Wisconsin Municipal Mutual Insurance Company | <u>\$ 3,815,820</u> |
| Total Other Restricted Assets | <u>\$ 3,815,820</u> |

Certain resources and deposits of the CDA set aside for various escrow accounts, security deposits, reserves, construction and debt service are classified as restricted assets on the balance sheet. The restricted cash and investments by individual fund within the CDA and in the aggregate for the component units of the CDA are as follows:

| | Restricted Assets |
|----------------------------|----------------------|
| Housing Vouchers | \$ 21,754 |
| MRCDC Fund | 33,420 |
| Nonmajor funds | 329,075 |
| Component units of CDA | <u>2,051,033</u> |
| Total Cash and Investments | <u>\$ 2,435,282</u> |

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2024 was as follows:

| | Beginning Balance | Additions | Deletions | Ending Balance |
|--|----------------------|--------------------|---------------------|----------------------|
| Governmental Activities: | | | | |
| Capital assets not being depreciated/amortized | | | | |
| Land | \$ 270,156,248 | \$ 10,890,401 | \$ (854,613) | \$ 280,192,036 |
| Land - internal service | 2,570,970 | - | - | 2,570,970 |
| Construction in progress | 103,192,388 | 52,714,296 | (79,250,074) | 76,656,610 |
| Total Capital Assets Not Being Depreciated/Amortized | <u>375,919,606</u> | <u>63,604,697</u> | <u>(80,104,687)</u> | <u>359,419,616</u> |
| Capital assets being depreciated/amortized | | | | |
| Land improvements | 49,018,697 | 3,346,766 | - | 52,365,463 |
| Land improvements - internal service | 71,990 | - | - | 71,990 |
| Buildings and improvements | 276,862,877 | 19,045,192 | - | 295,908,069 |
| Buildings and improvements - internal service | 35,522,103 | - | - | 35,522,103 |
| Machinery and equipment | 78,165,314 | 4,950,124 | (1,576,493) | 81,538,945 |
| Machinery and equipment - internal service | 103,849,777 | 14,554,015 | (3,143,998) | 115,259,794 |
| Intangible assets | 13,293,993 | - | - | 13,293,993 |
| Intangible assets - internal service | 119,525 | - | - | 119,525 |
| Intangible subscriptions | 7,968,438 | 8,834,051 | - | 16,802,489 |
| Intangible subscriptions - internal service | - | 97,739 | - | 97,739 |
| Roads | 869,161,630 | 36,255,847 | (2,620,088) | 902,797,389 |
| Bridges | 58,046,551 | 2,650,086 | - | 60,696,637 |
| Street lighting | 34,908,707 | 2,886,291 | (2,234,622) | 35,560,376 |
| Traffic signals | 22,494,911 | 6,996,407 | (351,518) | 29,139,800 |
| Fiber | 9,370,160 | - | - | 9,370,160 |
| Bike path | 33,017,740 | 4,056,246 | - | 37,073,986 |
| Total Capital Assets Being Depreciated/Amortized | <u>1,591,872,413</u> | <u>103,672,764</u> | <u>(9,926,719)</u> | <u>1,685,618,458</u> |
| Leased assets being amortized | | | | |
| Leased buildings and improvements | 5,146,625 | 2,262,921 | - | 7,409,546 |
| Leased machinery and equipment | 31,336 | - | - | 31,336 |
| Total Leased Assets Being Amortized | <u>5,177,961</u> | <u>2,262,921</u> | <u>-</u> | <u>7,440,882</u> |
| Total Capital Assets at Historical Cost | <u>1,972,969,980</u> | <u>169,540,382</u> | <u>(90,031,406)</u> | <u>2,052,478,956</u> |

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

D. CAPITAL ASSETS (CONT.)

| | Beginning Balance | Additions | Deletions | Ending Balance |
|--|-------------------------|---------------------|------------------|-------------------------|
| Less accumulated depreciation/amortization for | | | | |
| Land improvements | \$ (29,130,167) | \$ (2,924,161) | \$ - | \$ (32,054,328) |
| Land improvements - internal service | (71,990) | - | - | (71,990) |
| Buildings and improvements | (124,447,376) | (9,598,666) | - | (134,046,042) |
| Buildings and improvements - internal service | (6,533,016) | (1,115,392) | - | (7,648,408) |
| Machinery and equipment | (68,020,319) | (3,030,535) | 1,241,107 | (69,809,747) |
| Machinery and equipment - internal service | (70,748,052) | (8,341,420) | 3,073,932 | (76,015,540) |
| Intangible assets | (10,487,104) | (523,509) | - | (11,010,613) |
| Intangible assets - internal service | (119,525) | - | - | (119,525) |
| Intangible subscriptions | (917,619) | (2,494,612) | - | (3,412,231) |
| Intangible subscriptions - internal service | - | (30,040) | - | (30,040) |
| Roads | (387,875,250) | (20,685,380) | 1,506,381 | (407,054,249) |
| Bridges | (10,770,325) | (793,288) | - | (11,563,613) |
| Street Lighting | (16,525,536) | (944,882) | 1,148,948 | (16,321,470) |
| Traffic signals | (7,058,749) | (788,963) | 153,483 | (7,694,229) |
| Fiber | (4,435,864) | (415,057) | - | (4,850,921) |
| Bike path | (7,702,232) | (780,745) | - | (8,482,977) |
| Total accumulated depreciation/amortization | <u>(744,843,124)</u> | <u>(52,466,650)</u> | <u>7,123,851</u> | <u>(790,185,923)</u> |
| Less accumulated amortization for leased assets | | | | |
| Leased buildings and improvements | (1,102,284) | (614,621) | - | (1,716,905) |
| Leased machinery and equipment | <u>(7,862)</u> | <u>(10,445)</u> | <u>-</u> | <u>(18,307)</u> |
| Total accumulated amortization for leased assets | <u>(1,110,146)</u> | <u>(625,066)</u> | <u>-</u> | <u>(1,735,212)</u> |
| Total accumulated depreciation/amortization | <u>(745,953,270)</u> | <u>(53,091,716)</u> | <u>7,123,851</u> | <u>(791,921,135)</u> |
| Net Capital Assets Being Depreciated/Amortized | <u>851,097,104</u> | | | <u>901,138,205</u> |
| Net Capital Assets | <u>\$ 1,227,016,710</u> | | | <u>\$ 1,260,557,821</u> |

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

D. CAPITAL ASSETS (CONT.)

Depreciation/Amortization expenses were charged to functions as follows:

Governmental Activities:

| | |
|-----------------------------------|----------------------|
| General government | \$ 3,219,605 |
| Public safety | 3,310,015 |
| Public works and transportation | 28,645,760 |
| Planning and development | 969,019 |
| Culture and Recreation | 7,460,465 |
| Fleet services - internal service | 9,486,852 |
| Total | \$ 53,091,716 |

| | Beginning Balance | Additions | Deletions | Ending Balance |
|---|----------------------|--------------------|---------------------|----------------------|
| Business-type Activities | | | | |
| Capital assets not being depreciated | | | | |
| Land | \$ 91,587,392 | \$ 1,634,597 | \$ (348,557) | \$ 92,873,432 |
| Construction in progress | 43,041,083 | 76,707,587 | (54,536,076) | 65,212,594 |
| Total Capital Assets Not Being Depreciated | 134,628,475 | 78,342,184 | (54,884,633) | 158,086,026 |
| Capital assets being depreciated/amortized | | | | |
| Land improvements | 11,614,840 | 77,247,450 | - | 88,862,290 |
| Buildings and improvements | 187,442,012 | 18,977,284 | - | 206,419,296 |
| Machinery and equipment | 114,842,002 | 117,954,014 | (4,232,840) | 228,563,176 |
| Intangible assets | 852,855 | - | - | 852,855 |
| Intangible Subscriptions | 712,898 | 745,715 | - | 1,458,613 |
| Infrastructure | 303,765,604 | 25,288,006 | (1,041,466) | 328,012,144 |
| Source of supply | 14,316,716 | 27,674 | - | 14,344,390 |
| Pumping | 26,087,257 | 1,433,193 | (258,373) | 27,262,077 |
| Water treatment | 5,817,023 | 108,249 | (18,867) | 5,906,405 |
| Transmission and distribution | 343,145,590 | 11,951,572 | (561,691) | 354,535,471 |
| Administrative and general | 44,913,291 | 1,088,223 | (297,430) | 45,704,084 |
| Collection system | 198,475,103 | 14,082,163 | (1,049,678) | 211,507,588 |
| Collection system pumping | 5,725,055 | 200,970 | (55,337) | 5,870,688 |
| Total Capital Assets Being Depreciated/Amortized | 1,257,710,246 | 269,104,513 | (7,515,682) | 1,519,299,077 |
| Leased assets being amortized | | | | |
| Leased land | 452,149 | - | - | 452,149 |
| Leased buildings and improvements | 8,196,859 | - | - | 8,196,859 |
| Leased machinery and equipment | 719,619 | - | (14,030) | 705,589 |
| Total Leased Assets Being Amortized | 9,368,627 | - | (14,030) | 9,354,597 |
| Total Capital Assets at Historical Cost | 1,401,707,348 | 347,446,697 | (62,414,345) | 1,686,739,700 |

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

D. CAPITAL ASSETS (CONT.)

| | Beginning Balance | Additions | Deletions | Ending Balance |
|--|----------------------|----------------|-----------|-------------------|
| Less: accumulated depreciation/ amortization for: | | | | |
| Land improvements | \$ (10,380,186) | \$ (1,411,052) | \$ - | \$ (11,791,238) |
| Buildings and improvements | (83,001,586) | (5,669,902) | - | (88,671,488) |
| Machinery and equipment | (78,847,714) | (12,476,793) | 3,909,549 | (87,414,958) |
| Intangible assets | (797,686) | (55,169) | - | (852,855) |
| Intangible Subscriptions | (189,585) | (399,326) | - | (588,911) |
| Infrastructure | (63,119,964) | (4,454,241) | 515,911 | (67,058,294) |
| Source of supply | (7,685,622) | (378,394) | - | (8,064,016) |
| Pumping | (12,525,697) | (1,009,672) | 268,612 | (13,266,757) |
| Water treatment | (1,957,420) | (214,246) | 20,385 | (2,151,281) |
| Transmission and distribution | (90,922,082) | (6,722,059) | 2,778,857 | (94,865,284) |
| Administrative and general | (20,582,379) | (1,873,421) | 297,958 | (22,157,842) |
| Collection system | (40,835,813) | (3,162,068) | 746,133 | (43,251,748) |
| Collection system pumping | (2,441,519) | (169,333) | 21,216 | (2,589,636) |
| Total Accumulated Depreciation/ Amortization | (413,287,253) | (37,995,676) | 8,558,621 | (442,724,308) |
| Less: accumulated amortization for leased assets | | | | |
| Leased land | (81,198) | (27,066) | - | (108,264) |
| Leased buildings and improvements | (1,181,037) | (403,066) | - | (1,584,103) |
| Leased machinery and equipment | (266,000) | (146,530) | - | (412,530) |
| Total Accumulated Amortization for leased assets | (1,528,235) | (576,662) | - | (2,104,897) |
| Total accumulated depreciation/amortization | (414,815,488) | (38,572,338) | 8,558,621 | (444,829,205) |
| Total Capital Assets Being Depreciated/Amortized | 852,263,385 | | | 1,083,824,469 |
| Net Capital Assets | \$ 986,891,860 | | | \$ 1,241,910,495 |

The difference between asset and accumulated depreciation deletions is due to the impact of salvage and cost of removal on retirements.

Depreciation/Amortization expense was charged to functions as follows:

Business-type Activities:

| | |
|---|---------------|
| Water utility | \$ 6,638,329 |
| Sewer utility | 3,546,299 |
| Stormwater utility | 5,474,156 |
| Transit utility | 14,652,565 |
| Parking utility | 2,560,619 |
| Convention center | 1,825,668 |
| Golf courses | 296,071 |
| Total Business-type Activities | |
| Depreciation/Amortization Expense | \$ 34,993,707 |
| Total Accumulated Depreciation/Amortization Additions | \$ 38,572,338 |

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

D. CAPITAL ASSETS (CONT.)

Depreciation/Amortization expense does not agree to the increases in accumulated depreciation/ amortization due to joint metering, salvage and cost of removal. Accumulated depreciation deletions may exceed capital asset deletions due to cost of removal.

| | Beginning Balance | Additions | Deletions | Ending Balance |
|--|----------------------|-------------|-----------|----------------|
| Component Units (CDA only) | | | | |
| Capital assets not being depreciated | | | | |
| Land | \$ 9,364,059 | \$ - | \$ (2) | \$ 9,364,057 |
| Construction in progress* | 1,686,296 | 15,602,337 | - | 17,288,633 |
| Total Capital Assets Not Being Depreciated | 11,050,355 | 15,602,337 | (2) | 26,652,690 |
| Capital assets being depreciated | | | | |
| Land improvements | 3,987,832 | 122,490 | - | 4,110,322 |
| Buildings and improvements | 103,674,920 | 2,041,046 | - | 105,715,966 |
| Intangible assets | 51,585 | 283 | - | 51,868 |
| Machinery and equipment | 3,726,762 | 123,527 | - | 3,850,289 |
| Total Capital Assets Being Depreciated | 111,441,099 | 2,287,346 | - | 113,728,445 |
| Total Capital Assets at Historical Cost | 122,491,454 | 17,889,683 | (2) | 140,381,135 |
| Less: Accumulated depreciation for | | | | |
| Land improvements | (1,610,754) | (189,611) | - | (1,800,365) |
| Buildings and improvements | (66,576,028) | (2,582,250) | - | (69,158,278) |
| Intangible assets | (45,849) | (1,913) | - | (47,762) |
| Machinery and equipment | (2,330,693) | (189,789) | - | (2,520,482) |
| Total Accumulated Depreciation | (70,563,324) | (2,963,563) | - | (73,526,887) |
| Net capital assets | \$ 51,928,130 | | | \$ 66,854,248 |

*The beginning balance was restated. See note IV.K for additional information.

Depreciation expense was charged as follows:

CDA (Housing) \$ 2,963,563

Additional disclosures of the lease and subscription assets are included in Note IV G. and Note IV H.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

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 in the balance sheet:

| Receivable Fund | Payable Fund | Amount | Amount Not Due Within One Year |
|------------------------|------------------|----------------------|--------------------------------|
| General | Capital Projects | \$ 623,262 | \$ - |
| General | Transit Utility | 15,000,000 | - |
| General | Fleet Service | 5,000,000 | - |
| Water Utility | Capital Projects | 670,609 | - |
| Stormwater Utility | Capital Projects | 380,698 | - |
| Sewer Utility | Capital Projects | 708,699 | - |
| Other Restricted Funds | Capital Projects | 176,973 | - |
| Totals | | <u>\$ 22,560,241</u> | <u>\$ -</u> |

Interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All amounts are due within one year.

Advances

The debt service fund has advanced amounts to component units to fund the repayment of long-term liabilities of the underlying debt issuances. Repayment schedules have been established and interest is being charged based on the repayment schedules of the underlying debt issuances. In addition, advances between other funds occur based on internal financing needs. No repayment schedules have been established for these advances.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

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

Advances (cont.)

The following is a schedule of interfund advances:

| Receivable Fund | Payable Fund | Amount | Amount Not Due Within One Year |
|-----------------------------------|----------------------|--------------|--------------------------------|
| Capital Projects | Revolving Loans | \$ 631,986 | \$ 631,986 |
| Debt Service - primary government | CDA - component unit | \$ 3,347,425 | \$ 2,843,943 |

The following is a reconciliation of interfund receivables and payables and advances on the statement of net position:

| Receivable Fund | Payable Fund | Amount |
|--|--------------------------|---------------|
| Interfund Receivables and Payables | | |
| Governmental activities | Business-type activities | \$ 15,000,000 |
| Less: Business-type activities | Governmental Activities | (1,760,006) |
| Allocation of internal service funds to business-type activities | | |
| Governmental activities | Business-type activities | 6,481,943 |
| Total Government-wide Financial Statements | | \$ 19,721,937 |

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

IV -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 | Purpose |
|---------------------|-----------------------|-------------|------------------------|
| General | City Insurance | \$ 29,959 | Transfer Revenue |
| General | Convention Center | 338,200 | PILOT |
| General | Golf Courses | 193,966 | PILOT |
| General | Other Restricted | 7,708,888 | Operating Costs |
| General | Parking Utility | 1,652,351 | PILOT |
| General | Permanent | 207,041 | Operating Costs |
| General | Water Utility | 6,626,591 | PILOT |
| General | Capital Projects | 50,000 | Operating Costs |
| General | Capital Projects | 2,402,397 | Project Costs |
| General | Other Grants | 13,132,904 | Project Costs |
| Library | Permanent | 8,700 | Operating Costs |
| Library | Other Grants | 33,908 | Project Costs |
| Other Grants | General | 458,425 | Operating Costs |
| | Community Development | | |
| Debt Service | Block Grant | 13,711 | Debt |
| Debt Service | Other Restricted | 546,723 | Debt |
| Debt Service | General | 64,422,114 | Debt |
| Debt Service | Other Restricted | 82,633 | Debt |
| Debt Service | Library | 2,539,627 | Debt |
| Debt Service | Revolving Loans | 200,000 | Debt |
| Debt Service | Capital Projects | 12,293,919 | Debt |
| Debt Service | Capital Projects | 193,816 | Debt |
| Capital Projects | General | 7,753,134 | Project Costs |
| Capital Projects | Other Restricted | 320,138 | Transfer Revenue |
| Capital Projects | Other Restricted | 8,337,190 | Transfer Revenue |
| Capital Projects | General | 50,000 | Project Costs |
| Capital Projects | Transit Utility | 150,529 | Project Costs |
| Capital Projects | Permanent | 38,237 | Project Costs |
| Capital Projects | Sewer Utility | 6,629 | Project Costs |
| Capital Projects | Stormwater Utility | 6,629 | Project Costs |
| Capital Projects | Water Utility | 6,629 | Project Costs |
| Capital Projects | Other Grants | 101,550,148 | Project Costs |
| Stormwater Utility | Other Grants | 5,887 | Project Costs |
| Stormwater Utility | Other Restricted | 450,000 | Project Costs |
| Water Utility | Sewer Utility | 162,132 | Joint Costs Allocation |
| Transit Utility | General | 15,725,000 | Operating Costs |

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

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

| Transfers (cont.) | | | |
|---|--------------------------|-------------------------------|----------------------|
| Other Restricted | General | 551,000 | Operating Costs |
| Other Restricted | Capital Projects | 5,846,934 | Operating Costs |
| Other Restricted | Capital Projects | 715,623 | Transfer Revenue |
| Other Restricted | Insurance | 4,073 | Transfer Revenue |
| CDBG | Revolving Loans | 39,972 | Operating Costs |
| Convention Center | Other Restricted | 6,931,782 | Operating Costs |
| Convention Center | Other Grants | 332,897 | Project Costs |
| Fleet Service | City Insurance | 177,448 | Transfer Revenue |
| Fleet Service | General | <u>5,777</u> | Project Costs |
| Total - Fund Financial Statements | | <u>\$ 262,303,661</u> | |
| Less: Fund eliminations | | (276,767,703) | |
| Less: Transfer capital assets from governmental activities to utilities | | <u>(181,366,967)</u> | |
| Total | | <u><u>\$(195,831,009)</u></u> | |
| Transferred To | Transferred From | Amount | |
| Governmental activities | Business-type activities | \$ | 8,981,524 |
| Business-type activities | Governmental activities | | <u>(204,812,533)</u> |
| Total Government-Wide Statement of Activities | | \$ | <u>(195,831,009)</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 MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2024 was as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance | Amounts Due Within One Year |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------------------|
| Governmental Activities | | | | | |
| Bonds and Notes Payable: | | | | | |
| General obligation debt | \$ 453,634,645 | \$ 100,247,174 | \$ 73,419,897 | \$ 480,461,922 | \$ 75,213,559 |
| General obligation debt - internal service | 70,217,246 | 7,710,192 | 9,464,459 | 68,462,979 | 9,480,191 |
| General obligation debt from direct borrowings and direct placements | 707,049 | - | 100,169 | 606,880 | 103,694 |
| Other loans/notes | 4,879,928 | - | 542,214 | 4,337,714 | 542,214 |
| Add/Subtract Amounts For: | | | | | |
| Premium on debt | 34,931,413 | 11,882,341 | 5,650,436 | 41,163,318 | - |
| Premium on debt - internal service | 825,351 | - | 122,274 | 703,077 | - |
| Sub-totals | <u>\$ 565,195,632</u> | <u>\$ 119,839,707</u> | <u>\$ 89,299,449</u> | <u>\$ 595,735,890</u> | <u>\$ 85,339,658</u> |
| Other Liabilities | | | | | |
| Compensated absences* | 51,795,717 | - | 7,422,219 | 44,373,498 | 15,002,390 |
| Compensated absences - internal service* | 801,469 | - | 31,628 | 769,841 | 228,044 |
| Worker's comp disability and death benefits | 86,595 | - | 5,105 | 81,490 | 25,745 |
| Police and fire pension | 71,901 | - | 2,403 | 69,498 | 24,391 |
| Other post-employment benefits | 62,414,434 | 5,951,545 | 3,436,221 | 64,929,758 | - |
| Other post-employment benefits - internal service | 1,302,029 | - | 285,028 | 1,017,001 | - |
| Net pension liability | 80,280,745 | - | 57,541,679 | 22,739,066 | - |
| Net pension liability - internal service | 813,679 | - | 597,290 | 216,389 | - |
| Leases | 4,194,990 | 2,262,921 | 550,626 | 5,907,285 | 575,134 |
| Subscription liabilities | 5,557,044 | 8,834,051 | 3,900,392 | 10,490,703 | 1,946,531 |
| Subscription liabilities - internal service | - | 97,739 | 31,730 | 66,009 | 32,522 |
| Total Other Liabilities | <u>\$ 207,318,603</u> | <u>\$ 17,146,256</u> | <u>\$ 73,804,321</u> | <u>\$ 150,660,538</u> | <u>\$ 17,834,757</u> |
| Total Governmental Activities Long- Term Liabilities | <u>\$ 772,514,235</u> | <u>\$ 136,985,963</u> | <u>\$ 163,103,770</u> | <u>\$ 746,396,428</u> | <u>\$ 103,174,415</u> |

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

F. LONG-TERM OBLIGATIONS (CONT.)

| | Beginning Balance | Increases | Decreases | Ending Balance | Amounts Due Within One Year |
|---|----------------------|----------------------|----------------------|----------------------|-----------------------------------|
| Business-Type Activities | | | | | |
| Bonds and Notes Payable: | | | | | |
| General obligation debt | \$ 88,797,091 | \$ 26,832,283 | \$ 12,172,612 | \$ 103,456,762 | \$ 13,429,124 |
| Revenue debt | 196,510,000 | 19,892,722 | 31,849,644 | 184,553,078 | 17,855,217 |
| Add Amounts for: | | | | | |
| Premium on debt | 16,979,424 | 4,361,930 | 2,175,288 | 19,166,066 | - |
| Sub-totals | <u>\$302,286,515</u> | <u>\$ 51,086,935</u> | <u>\$ 46,197,544</u> | <u>\$307,175,906</u> | <u>\$ 31,284,341</u> |
| Other Liabilities | | | | | |
| Compensated absences* | 11,522,992 | - | 1,501,493 | 10,021,499 | 3,036,883 |
| Other post-employment benefits | 18,426,156 | 792,147 | 965,953 | 18,252,350 | - |
| Net pension liability | 16,699,301 | - | 11,996,907 | 4,702,394 | - |
| Leases | 8,349,872 | - | 456,401 | 7,893,471 | 478,913 |
| Subscription liabilities | 336,595 | 745,715 | 311,491 | 770,819 | 298,134 |
| Total Other Liabilities | <u>\$ 55,334,916</u> | <u>\$ 1,537,862</u> | <u>\$ 15,232,245</u> | <u>\$ 41,640,533</u> | <u>\$ 3,813,930</u> |
| Total Business-type Activities Long- Term Liabilities | <u>\$357,621,431</u> | <u>\$ 52,624,797</u> | <u>\$ 61,429,789</u> | <u>\$348,816,439</u> | <u>\$ 35,098,271</u> |

Note: The Governmental Other Loans and Notes balance consists of a reduction to future shared revenue payments from the Wisconsin Department of Revenue, agreed to as part of the Volkswagen Mitigation Transit Capital Assistance Grant Program. This obligation has a 0% interest rate and will be amortized equally over ten annual installments of \$542,214, beginning in 2023.

*Note: The change in compensated absences liability is presented as a net change with implementation of GASB 101 in 2024.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

F. LONG-TERM OBLIGATIONS (CONT.)

| | Beginning Balance | Increases | Decreases | Ending Balance | Amounts Due Within One Year |
|--|----------------------|---------------------|---------------------|---------------------|-----------------------------------|
| Component Unit - CDA | | | | | |
| Bonds and Notes Payable: | | | | | |
| Mortgage notes - direct | \$ 3,293,455 | \$ 1,344,099 | \$ 228,565 | \$ 4,408,989 | \$ 235,418 |
| Other loans/notes - direct | <u>3,008,013</u> | <u>-</u> | <u>117,513</u> | <u>2,890,500</u> | <u>711,543</u> |
| Sub-totals | <u>\$ 6,301,468</u> | <u>\$ 1,344,099</u> | <u>\$ 346,078</u> | <u>\$ 7,299,489</u> | <u>\$ 946,961</u> |
| Other Liabilities | | | | | |
| Accrued compensated absences* | 643,732 | - | 43,972 | 599,760 | 235,942 |
| Advances from primary government - City of Madison ** | 3,924,798 | - | 577,373 | 3,347,425 | 512,481 |
| Other post-employment benefits | 776,159 | - | 124,863 | 651,296 | - |
| Subscription liabilities | 5,917 | 283 | 1,917 | 4,283 | 2,110 |
| Net pension liability | <u>1,010,497</u> | <u>-</u> | <u>741,664</u> | <u>268,833</u> | <u>-</u> |
| Total Component Unit - CDA Long-Term Liabilities | <u>\$12,662,571</u> | <u>\$ 1,344,382</u> | <u>\$ 1,835,867</u> | <u>\$12,171,086</u> | <u>\$ 1,697,494</u> |

*Note: The change in compensated absences liability is presented as a net change with implementation of GASB 101 in 2024.

**See Note IV E for additional detail on advances.

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.

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, 2024, was \$2,303,947,905. Total general obligation debt at year end was:

| | |
|-------------------------|-----------------------|
| Outstanding | \$ 652,988,543 |
| Joint venture G.O. debt | <u>966,337</u> |
| Total | <u>\$ 653,954,880</u> |

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

F. LONG-TERM OBLIGATIONS (CONT.)

General Obligation Debt (cont.)

| | Date of Issue | Due Date | Interest Rate | Original Indebtedness | Balance 12-31-24 |
|--|------------------|----------|---------------|--------------------------|-----------------------|
| General obligation notes | 03-06-12 | 07-01-26 | 0.00 % | \$ 1,500,000 | \$ 400,000 |
| 2012 State trust fund loan* | 12-04-12 | 03-15-32 | 3.75 | 573,000 | 293,482 |
| General obligation notes | 10-22-15 | 10-01-25 | 3.00 | 65,565,000 | 5,680,000 |
| General obligation notes | 10-22-15 | 10-01-25 | 1.75 - 2.75 | 13,345,000 | 1,330,000 |
| General obligation bonds | 10-24-15 | 10-01-35 | 2.375- 4.00 | 12,395,000 | 6,815,000 |
| General obligation bonds | 10-21-16 | 10-01-26 | 0.05 - 4.00 | 85,750,000 | 14,785,000 |
| General obligation bonds | 10-22-16 | 10-01-26 | 2.00 | 7,135,000 | 1,420,000 |
| General obligation bonds | 10-23-16 | 10-01-36 | 2.375 - 4.00 | 6,735,000 | 4,020,000 |
| 2016 State trust fund loan* | 12-29-16 | 03-15-26 | 3.00 | 150,000 | 37,090 |
| General obligation notes | 10-19-17 | 10-01-27 | 2.00 - 4.00 | 76,900,000 | 23,070,000 |
| General obligation notes | 10-20-17 | 10-01-27 | 2.15 - 2.65 | 12,950,000 | 3,885,000 |
| General obligation bonds | 10-21-17 | 10-01-37 | 2.875 - 5.00 | 13,865,000 | 9,000,000 |
| General obligation notes | 10-02-18 | 10-01-28 | 3.00 - 4.00 | 85,870,000 | 34,340,000 |
| General obligation notes | 10-03-18 | 10-01-28 | 2.80 - 3.50 | 12,655,000 | 5,060,000 |
| General obligation bonds | 10-04-18 | 10-01-38 | 2.50 - 5.00 | 10,000,000 | 7,000,000 |
| General obligation notes | 10-05-18 | 10-01-28 | 2.00 - 3.05 | 876,000 | 213,000 |
| 2018 State trust fund loan* | 12-27-18 | 03-15-28 | 4.50 | 65,000 | 32,382 |
| General obligation notes | 10-17-19 | 10-01-29 | 2.25 - 3.00 | 80,415,000 | 40,200,000 |
| General obligation bonds | 10-18-19 | 10-01-39 | 2.00 - 4.00 | 29,810,000 | 22,350,000 |
| 2019 State trust fund loan* | 12-26-19 | 03-15-29 | 3.25 | 410,000 | 243,926 |
| General obligation notes | 10-15-20 | 10-01-30 | 1.375 - 4.00 | 78,545,000 | 42,580,000 |
| General obligation bonds | 10-15-20 | 10-01-40 | 2.00 - 3.00 | 22,600,000 | 18,080,000 |
| General obligation bonds | 10-15-20 | 10-01-32 | 0.18 - 1.40 | 46,725,000 | 6,060,000 |
| General obligation notes | 10-01-21 | 10-01-31 | 1.25 - 4.00 | 81,300,000 | 56,910,000 |
| General obligation notes | 10-02-21 | 10-01-31 | 0.30 - 4.00 | 3,990,000 | 2,790,000 |
| General obligation bonds | 10-03-21 | 10-01-41 | 1.00 - 4.00 | 17,800,000 | 15,130,000 |
| General obligation notes | 10-01-22 | 10-01-32 | 4.00 - 5.00 | 72,355,000 | 57,880,000 |
| General obligation notes | 10-02-22 | 10-01-32 | 3.00 - 4.00 | 20,160,000 | 16,120,000 |
| General obligation bonds | 10-03-22 | 10-01-33 | 4.00 - 5.00 | 22,035,000 | 18,615,000 |
| General obligation notes | 10-01-23 | 10-01-33 | 5.00 | 74,360,000 | 66,920,000 |
| General obligation notes | 10-02-23 | 10-01-33 | 5.00 | 42,055,000 | 37,845,000 |
| General obligation bonds | 02-08-24 | 10-01-43 | 4.00 - 5.00 | 28,585,000 | 28,585,000 |
| General obligation notes | 09-01-24 | 10-01-43 | 4.00 - 5.00 | 81,780,000 | 81,780,000 |
| General obligation notes | 09-02-24 | 10-01-43 | 4.00 - 5.00 | 18,205,000 | 18,205,000 |
| General obligation notes | 09-03-24 | 10-01-34 | 4.00 - 5.00 | 6,280,000 | 6,280,000 |
| Sub-Totals - General Obligation | | | | | \$ 653,954,880 |
| Less: Business-type Activities General Obligation Debt | | | | | (103,456,762) |
| Less: Joint Venture General Obligation Debt | | | | | (966,337) |
| Total Governmental Activities General Obligation Debt | | | | | <u>\$ 549,531,781</u> |

*Direct borrowing or direct placement

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

F. LONG-TERM OBLIGATIONS (CONT.)

General Obligation Debt (cont.)

Debt service requirements to maturity are as follows:

| Years | Governmental Activities General Obligation Debt | | Business-type Activities General Obligation Debt | |
|-----------|--|-----------------------|---|----------------------|
| | Principal | Interest | Principal | Interest |
| 2025 | \$ 84,693,750 | \$ 20,944,616 | \$ 13,429,124 | \$ 4,266,386 |
| 2026 | 78,449,135 | 17,633,335 | 12,715,766 | 2,690,775 |
| 2027 | 70,830,744 | 14,769,720 | 12,127,652 | 3,184,327 |
| 2028 | 63,010,603 | 12,093,065 | 11,258,294 | 2,693,893 |
| 2029 | 54,295,657 | 9,700,295 | 10,176,696 | 2,239,556 |
| 2030-2034 | 162,319,486 | 22,585,021 | 31,942,944 | 5,772,750 |
| 2035-2039 | 26,846,591 | 3,851,420 | 7,906,638 | 1,649,580 |
| 2040-2043 | 8,478,935 | 654,661 | 3,899,648 | 367,797 |
| Totals | <u>\$ 548,924,901</u> | <u>\$ 102,232,133</u> | <u>\$ 103,456,762</u> | <u>\$ 22,865,064</u> |

| Years | Governmental Activities Debt from Direct Borrowings and Direct Placements | |
|-----------|---|------------------|
| | Principal | Interest |
| 2025 | \$ 103,694 | \$ 21,503 |
| 2026 | 107,274 | 17,923 |
| 2027 | 91,595 | 14,218 |
| 2028 | 94,818 | 7,995 |
| 2029 | 89,191 | 7,596 |
| 2030-2032 | 120,308 | 9,139 |
| Total | <u>\$ 606,880</u> | <u>\$ 78,374</u> |

The City's outstanding debt from direct borrowing and placements related to governmental activities of \$606,880 contains a provision that any delinquent payments are subject to a penalty of one percent per month, and that any delinquent amounts shall be deducted from any state payments that are due to the City.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

F. LONG-TERM OBLIGATIONS (CONT.)

Revenue Debt

Revenue bonds are payable only from revenues derived from the operation of the responsible fund.

| | Sewer | Water |
|--|---------------|----------------|
| Original indebtedness | | |
| Sewer | \$ 93,320,000 | - |
| Water | - | \$ 175,812,723 |
| Year issued | 2012-2024 | 2015-2024 |
| Proceeds used for | Sewer plant | Water plant |
| Source of revenue | Sewer charges | Water charges |
| Payable through | 2039 | 2044 |
| Percent of net revenues required to pay remaining debt service | 44.6% | 18.7% |
| Total principal and interest remaining | \$ 77,609,277 | \$ 148,972,694 |
| Principal and interest paid for the current year | 7,342,445 | 31,139,701 |
| Total customer net revenues for current year | 11,601,831 | 39,896,922 |

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

F. LONG-TERM OBLIGATIONS (CONT.)

Revenue Debt (cont.)

Revenue debt payable at December 31, 2024 consists of the following:

| | Date of issue | Final Maturity | Interest Rates | Original Indebted- ness | Balance 12-31-24 |
|-------------------------------------|------------------|-------------------|-------------------|-------------------------------|------------------------------|
| Water Utility | | | | | |
| Revenue bonds | 12-17-15 | 01-01-36 | 3.00 - 5.00% | \$41,610,000 | \$ 28,265,000 |
| Revenue bonds | 12-28-16 | 01-01-37 | 1.24 - 3.82 | 23,775,000 | 17,765,000 |
| Revenue bonds | 12-28-16 | 01-01-37 | 1.24 - 3.82 | 14,645,000 | 6,055,000 |
| Revenue bonds | 12-20-18 | 01-01-39 | 4.00 | 30,765,000 | 25,195,000 |
| Revenue bonds | 12-20-18 | 01-01-28 | 3.00 - 3.55 | 9,390,000 | 4,510,000 |
| Revenue bonds | 12-19-19 | 01-01-31 | 2.00 - 5.00 | 26,555,000 | 18,595,000 |
| Revenue bonds | 12-19-19 | 01-01-31 | 2.00 - 5.00 | 7,125,000 | 4,905,000 |
| Revenue bonds | 12-19-19 | 01-01-32 | 1.70 - 2.65 | 13,055,000 | 9,125,000 |
| Safe drinking water revenue bond | 10-11-23 | 05-01-43 | 2.145 | 4,675,000 | 4,485,355 |
| Safe drinking water revenue bond | 05-22-24 | 05-01-44 | 2.145 | 3,365,000 | 3,365,000 |
| Safe drinking water revenue bond | 07-24-24 | 05-01-44 | 2.145 | 852,723 | 852,723 |
| Total Water Utility | | | | | <u>\$ 123,118,078</u> |
| Sewer Utility | | | | | |
| Revenue bonds | 11-15-12 | 12-01-27 | 2.00 - 3.00 | 9,500,000 | 2,200,000 |
| Revenue bonds | 12-01-14 | 12-01-29 | 2.50 - 5.00 | 9,645,000 | 3,860,000 |
| Revenue bonds | 12-28-16 | 12-01-31 | 2.50 - 5.00 | 14,600,000 | 7,750,000 |
| Revenue bonds | 12-20-18 | 12-01-33 | 3.25 - 4.00 | 12,500,000 | 8,335,000 |
| Revenue bonds | 12-22-20 | 12-01-35 | 2.00 - 5.00 | 13,000,000 | 10,045,000 |
| Revenue bonds | 12-23-20 | 12-01-35 | 2.00 - 5.00 | 4,440,000 | 970,000 |
| Revenue bonds | 12-20-22 | 12-01-37 | 5.00 | 13,960,000 | 12,600,000 |
| Revenue bonds | 12-11-24 | 12-01-39 | 5.00 | 15,675,000 | 15,675,000 |
| Total Sewer Utility | | | | | <u>\$ 61,435,000</u> |
| Total Business-type Revenue Debt | | | | | <u><u>\$ 184,553,078</u></u> |

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

F. LONG-TERM OBLIGATIONS (CONT.)

Revenue Debt (cont.)

Debt service requirements to maturity are as follows:

| Years | Business-type Activities Revenue Debt | |
|-----------|--|----------------------|
| | Principal | Interest |
| 2025 | \$ 17,855,217 | \$ 6,647,189 |
| 2026 | 17,554,127 | 5,954,721 |
| 2027 | 17,767,153 | 5,278,599 |
| 2028 | 17,705,350 | 4,584,655 |
| 2029 | 17,563,723 | 3,892,793 |
| 2030-2034 | 59,645,631 | 12,251,702 |
| 2035-2039 | 34,123,597 | 3,303,889 |
| 2040-2044 | 2,338,280 | 115,345 |
| Totals | <u>\$ 184,553,078</u> | <u>\$ 42,028,893</u> |

Mortgage Note - Component Unit - Community Development Authority

The housing mortgage notes will be paid by revenues derived by the Community Development Authority. Mortgage notes at December 31, 2024, consists of the following:

| | Date of Issue | Due Date | Interest Rates | Original Indebted- ness | Balance 12-31-24 |
|--|------------------|----------|-------------------|-------------------------------|---------------------|
| Community Development Authority | | | | | |
| Housing mortgage note | 05-17-01 | 05-01-31 | N/A | \$ 213,067 | \$ 170,897 |
| Housing mortgage note | 08-26-16 | 08-26-26 | 3.25 | 3,000,000 | 1,550,863 |
| Housing mortgage note* | 10-31-23 | N/A | N/A | 2,000,000 | 2,000,000 |
| Housing mortgage note | 06-06-24 | N/A | N/A | 687,229 | 687,229 |
| Total Mortgage Notes | | | | | <u>\$ 4,408,989</u> |

*On February 13, 2023, MRCDC entered into a loan agreement with the City for funds up to \$1,640,600. In October 2023, the City increased the loan for funds up to \$2,000,000, which were used to complete the three phases of the MRCDC rehabilitation project.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

F. LONG-TERM OBLIGATIONS (CONT.)

Revenue Debt (cont.)

| Years | Component Unit Mortgage Notes - Direct Borrowing | |
|------------|---|------------------|
| | Principal | Interest |
| 2025 | \$ 235,418 | \$ 48,010 |
| 2026 | 1,368,683 | 30,811 |
| 2027 | 26,619 | - |
| 2028 | 26,619 | - |
| 2029 | 26,619 | - |
| 2030-2033 | 37,802 | - |
| Thereafter | 2,687,229 | - |
| Totals | <u>\$ 4,408,989</u> | <u>\$ 78,821</u> |

Other Loans/Notes

Community Development Authority - Component Units

The following loans are payable to the City of Madison (related to Madison Mutual Housing Association property acquired by the CDA in 1996, Romnes Apartments, Truax Park Redevelopment, and Burr Oaks Apartments), Impact C.I.L., LLC, and Johnson Bank.

| | |
|---|---------------------|
| City of Madison | |
| Section 17 loans | \$ 85,000 |
| Capital revolving fund | 385,000 |
| Affordable housing trust loan* ¹ | 136,671 |
| Promissory note ² | 60,000 |
| HOME loan | 280,000 |
| CDBG loan ² | 400,000 |
| Impact C.I.L., LLC | 929,786 |
| Johnson Bank ³ | 614,043 |
| Total | <u>\$ 2,890,500</u> |

*Interest is based on the rates of the City of Madison's investment portfolio yield plus 25 basis points, as calculated using the average yield for the previous 12 months.

- ¹ Contains clauses that in the event of default, entire balance sheet shall become immediately due and payable and a delinquency charge equal to 12% per annum on unpaid balance will be applicable.
- ² Contains clauses that in the event of default, a delinquency charge equal to 12% per annum on unpaid balance will be applicable.
- ³ Contains clauses that in the event of default, interest rate shall be increased by adding 5% point margin and borrower shall be charged 5% of the unpaid portion.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

F. LONG-TERM OBLIGATIONS (CONT.)

Other Loans/Notes (cont.)

The City of Madison loans (other than the affordable housing trust loan) and Impact C.I.L., LLC are not included in the debt service repayment schedules.

| Years | Other Loans/Notes - Direct Borrowing | |
|-------|--------------------------------------|------------------|
| | Principal | Interest |
| 2025 | \$ 682,376 | \$ 40,887 |
| 2026 | 68,338 | - |
| Total | <u>\$ 750,714</u> | <u>\$ 40,887</u> |

Leases

Refer to Note IV. G.

Other Debt Information

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

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

G. LEASE DISCLOSURES

Lessee - Leased Assets

| | Beginning Balance | Additions | Deletions | Ending Balance |
|--|----------------------|--------------|-------------|-------------------|
| Governmental Activities | | | | |
| Leased Assets Being Amortized: | | | | |
| Buildings | \$ 5,146,625 | \$2,262,921 | \$ - | \$ 7,409,546 |
| Machinery and equipment | 31,336 | - | - | 31,336 |
| Total Leased Assets Being Amortized | 5,177,961 | 2,262,921 | - | 7,440,882 |
| Less: Accumulated Amortization | | | | |
| Buildings | (1,102,284) | (614,621) | - | (1,716,905) |
| Machinery and equipment | (7,862) | (10,445) | - | (18,307) |
| Total Accumulated Amortization | (1,110,146) | (625,066) | - | (1,735,212) |
| Total governmental activities leased assets, net of accumulated amortization | \$ 4,067,815 | \$1,637,855 | \$ - | \$ 5,705,670 |
| | Beginning Balance | Additions | Deletions | Ending Balance |
| Business-Type Activities | | | | |
| Leased Assets Being Amortized: | | | | |
| Buildings | \$ 8,196,859 | \$ - | \$ - | \$ 8,196,859 |
| Land | 452,149 | - | - | 452,149 |
| Machinery and equipment | 719,619 | - | (14,030) | 705,589 |
| Total Leased Assets Being Amortized | 9,368,627 | - | (14,030) | 9,354,597 |
| Less: Accumulated Amortization | | | | |
| Buildings | (1,181,037) | (403,066) | - | (1,584,103) |
| Land | (81,198) | (27,066) | - | (108,264) |
| Machinery and equipment | (266,000) | (146,530) | - | (412,530) |
| Total Accumulated Amortization | (1,528,235) | (576,662) | - | (2,104,897) |
| Total business-type activities leased assets, net of accumulated amortization | \$ 7,840,392 | \$ (576,662) | \$ (14,030) | \$ 7,249,700 |

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

G. LEASE DISCLOSURES (CONT.)

Lessee - Lease Liabilities

| | Date of Issue | Final Maturity | Interest Rate Percent | Original Indebtedness | Balance 12-31-2024 |
|--|------------------|-------------------|-----------------------------|--------------------------|-----------------------|
| Governmental Activities | | | | | |
| Building Lease | 01/01/2009 | 12/31/2031 | 2.930256 | \$ 752,669 | \$ 529,733 |
| Building Lease | 01/01/2014 | 12/31/2026 | 0.935864 | 260,055 | 108,670 |
| Building Lease | 01/01/2014 | 12/31/2026 | 0.935864 | 54,958 | 22,964 |
| Building Lease | 01/01/2014 | 12/31/2026 | 0.935864 | 454,036 | 189,716 |
| Building Lease | 03/01/2016 | 02/28/2031 | 0.935864 | 65,104 | 46,389 |
| Building Lease | 12/01/2016 | 11/30/2036 | 0.935864 | 440,968 | 372,021 |
| Building Lease | 12/15/2018 | 12/31/2028 | 3.574405 | 51,113 | 31,255 |
| Building Lease | 11/01/2019 | 10/31/2034 | 0.935864 | 1,452,223 | 1,162,092 |
| Building Lease | 10/01/2020 | 12/31/2026 | 0.935864 | 67,398 | 27,853 |
| Building Lease | 12/01/2020 | 12/31/2030 | 0.935864 | 778,858 | 538,438 |
| Building Lease | 01/01/2021 | 12/31/2040 | 0.935864 | 1,218,511 | 1,085,855 |
| Mach/Equip Lease | 03/31/2023 | 03/30/2026 | 3.574405 | 31,336 | 10,736 |
| Building Lease | 05/06/2024 | 12/31/2024 | 2.930256 | 1,813,652 | 1,781,563 |
| Total governmental activities lease liabilities | | | | | <u>\$ 5,907,285</u> |

| | Date of Issue | Final Maturity | Interest Rate Percent | Original Indebtedness | Balance 12-31-2024 |
|--|------------------|-------------------|-----------------------------|--------------------------|-----------------------|
| Business-Type Activities | | | | | |
| Land Lease | 09/15/1997 | 09/14/2037 | 0.935864 | \$ 452,149 | \$ 469,389 |
| Building Lease | 06/15/2016 | 06/30/2033 | 0.935864 | 323,848 | 249,980 |
| Building Lease | 01/01/2017 | 12/31/2041 | 0.935864 | 7,477,014 | 6,832,547 |
| Mach/Equip Lease | 05/01/2022 | 12/31/2026 | 2.813855 | 749,154 | 341,555 |
| Total business-type lease liabilities | | | | | <u>\$ 7,893,471</u> |

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

G. LEASE DISCLOSURES (CONT.)

Variable Lease Contracts

Business-Type Activities

| Lease Contract With Variable or Other Payments | Description of Variable or Other Payments | Amount of Variable Payments Paid This Fiscal Year |
|---|---|--|
| Transit Equipment Lease | Monthly lease payments based solely on a flat rate per tire-mile driven | \$ 225,234 |
| Total business-type variable lease contracts | | \$ 225,234 |

Debt service requirements to maturity are as follows:

| | Governmental Activities | | | Business-Type Activities | | |
|-----------|-------------------------|------------|--------------|--------------------------|------------|--------------|
| Years | Principal | Interest | Total | Principal | Interest | Total |
| 2025 | \$ 575,134 | \$ 97,774 | \$ 672,908 | \$ 478,913 | \$ 77,028 | \$ 555,941 |
| 2026 | 584,445 | 89,724 | 674,169 | 496,943 | 69,059 | 566,002 |
| 2027 | 426,145 | 82,297 | 508,442 | 821,505 | 61,473 | 882,978 |
| 2028 | 445,117 | 75,258 | 520,375 | 358,937 | 55,192 | 414,129 |
| 2029 | 453,981 | 68,030 | 522,011 | 375,199 | 51,753 | 426,952 |
| 2030-2034 | 1,808,135 | 243,011 | 2,051,146 | 2,020,133 | 202,433 | 2,222,566 |
| 2035-2039 | 1,068,131 | 125,929 | 1,194,060 | 2,277,906 | 104,059 | 2,381,965 |
| 2040-2041 | 546,197 | 20,381 | 566,578 | 1,063,935 | 9,652 | 1,073,587 |
| Total | \$ 5,907,285 | \$ 802,404 | \$ 6,709,689 | \$ 7,893,471 | \$ 630,649 | \$ 8,524,120 |

The City did not recognize any amounts for lease residual value guarantees or lease termination penalties in 2024. The City did not enter into any commitments prior to the commencement of any lease terms. The City did not recognize any losses associated with lease impairment.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

G. LEASE DISCLOSURES (CONT.)

Lessor - Lease Receivables

| | Date of Inception | Final Maturity | Interest Rate Percent | Receivable Balance 12-31-2024 |
|--------------------------------|----------------------|-------------------|--------------------------|----------------------------------|
| Governmental Activities | | | | |
| Land Lease | 02/01/1981 | 01/31/2080 | 0.935864 | \$ 166,415 |
| Land Lease | 02/01/1981 | 01/31/2080 | 0.935864 | 138,351 |
| Land Lease | 03/22/1985 | 03/21/2084 | 0.935864 | 3,599,965 |
| Land Lease | 05/01/1987 | 04/30/2086 | 0.935864 | 152,978 |
| Land Lease | 07/01/1987 | 06/30/2029 | 0.935864 | 18,938 |
| Land Lease | 01/01/1992 | 12/31/2026 | 0.935864 | 199 |
| Land Lease | 06/01/1993 | 05/31/2043 | 0.935864 | 511,514 |
| Land Lease | 07/01/1993 | 06/30/2043 | 0.935864 | 22,430 |
| Land Lease | 04/01/1994 | 05/31/2071 | 0.935864 | 153,820 |
| Building Lease | 04/01/1996 | 03/31/2032 | 0.935864 | 24,293 |
| Land Lease | 09/01/1996 | 08/31/2095 | 0.935864 | 160,785 |
| Land Lease | 12/01/1996 | 11/30/2095 | 0.935864 | 23,176 |
| Land Lease | 12/01/1996 | 11/30/2095 | 0.935864 | 167,859 |
| Land Lease | 12/01/1996 | 11/30/2095 | 0.935864 | 319,345 |
| Building Lease | 06/01/1997 | 05/31/2047 | 3.574405 | 1,049,746 |
| Land Lease | 01/01/1998 | 12/31/2033 | 0.935864 | 93,513 |
| Land Lease | 05/01/1998 | 04/30/2096 | 0.935864 | 149,380 |
| Land Lease | 01/01/2000 | 12/31/2099 | 0.935864 | 139,796 |
| Land Lease | 01/01/2001 | 12/31/2100 | 0.935864 | 45,987 |
| Land Lease | 01/01/2001 | 12/31/2100 | 0.935864 | 12,622 |
| Land Lease | 05/18/2001 | 05/17/2051 | 0.935864 | 120,533 |
| Land Lease | 06/28/2001 | 06/27/2061 | 0.935864 | 642,987 |
| Land Lease | 04/14/2003 | 04/13/2043 | 0.935864 | 466,803 |
| Land Lease | 01/01/2005 | 12/31/2103 | 0.935864 | 94,064 |
| Land Lease | 11/17/2005 | 11/16/2045 | 0.935864 | 2,007,301 |
| Land Lease | 01/01/2008 | 12/31/2027 | 0.935864 | 19,182 |
| Land Lease | 01/01/2008 | 12/31/2106 | 0.935864 | 187,800 |
| Building Lease | 01/01/2008 | 12/31/2032 | 0.935864 | 23,630 |
| Building Lease | 01/01/2008 | 12/31/2107 | 3.574405 | 15,147 |
| Land Lease | 01/01/2008 | 12/31/2107 | 0.935864 | 91,582 |
| Land Lease | 01/02/2008 | 12/31/2106 | 0.935864 | 1,088,454 |
| Building Lease | 01/01/2011 | 12/31/2035 | 2.930256 | 847,591 |
| Land Lease | 09/14/2012 | 09/13/2111 | 0.935864 | 962,350 |
| Land Lease | 11/09/2012 | 11/08/2111 | 0.935864 | 852,183 |

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

G. LEASE DISCLOSURES (CONT.)

Lessor - Lease Receivables (cont.)

| | Date of Inception | Final Maturity | Interest Rate Percent | Receivable Balance 12-31-2024 |
|---|----------------------|-------------------|--------------------------|----------------------------------|
| Land Lease | 11/30/2012 | 11/29/2011 | 0.935864 | \$ 1,050,834 |
| Land Lease | 05/02/2013 | 05/01/2112 | 0.935864 | 634,659 |
| Building Lease | 04/15/2015 | 12/31/2029 | 0.935864 | 41,491 |
| Land Lease | 06/01/2015 | 05/31/2030 | 0.935864 | 6,972 |
| Land Lease | 10/01/2015 | 09/30/2113 | 0.935864 | 160,172 |
| Land Lease | 11/01/2015 | 10/31/2114 | 0.935864 | 1,745,359 |
| Land Lease | 01/01/2016 | 12/31/2025 | 0.935864 | 105 |
| Land Lease | 12/01/2016 | 11/30/2026 | 0.935864 | 3,209 |
| Land Lease | 01/01/2017 | 12/31/2115 | 0.935864 | 97,333 |
| Land Lease | 04/01/2017 | 03/31/2067 | 0.935864 | 175,799 |
| Building Lease | 10/01/2017 | 09/30/2027 | 0.935864 | 2,263 |
| Land Lease | 12/01/2017 | 11/30/2115 | 0.935864 | 948,742 |
| Land Lease | 01/01/2018 | 12/31/2116 | 0.935864 | 162,715 |
| Land Lease | 05/01/2018 | 04/30/2028 | 0.935864 | 1,019 |
| Building Lease | 09/07/2019 | 09/06/2025 | 0.935864 | 24,249 |
| Land Lease | 10/01/2019 | 09/30/2029 | 0.935864 | 43,643 |
| Building Lease | 11/01/2019 | 10/31/2034 | 0.935864 | 522,942 |
| Building Lease | 12/20/2019 | 12/31/2025 | 0.935864 | 23,838 |
| Land Lease | 07/01/2020 | 06/30/2028 | 0.935864 | 21,126 |
| Building Lease | 08/01/2020 | 07/31/2040 | 0.935864 | 1,162,911 |
| Building Lease | 01/01/2021 | 12/31/2035 | 0.935864 | 50,087 |
| Land Lease | 06/01/2021 | 05/31/2041 | 0.935864 | 94,180 |
| Land Lease | 02/01/2022 | 01/31/2026 | 2.813855 | 6,298 |
| Land Lease | 05/30/2022 | 05/29/2042 | 2.813855 | 558,564 |
| Land Lease | 06/18/2022 | 06/17/2026 | 2.813855 | 33,372 |
| Building Lease | 06/27/2022 | 06/30/2047 | 2.813855 | 1,786,965 |
| Land Lease | 09/01/2022 | 08/31/2032 | 2.813855 | 126,928 |
| Land Lease | 09/01/2022 | 08/31/2032 | 2.813855 | 122,426 |
| Land Lease | 12/01/2022 | 11/30/2052 | 2.813855 | 202,429 |
| Building Lease | 04/01/2023 | 12/31/2023 | 3.574405 | 25,066 |
| Building Lease | 01/01/2024 | 12/31/2031 | 2.903256 | 219,527 |
| Bulding Lease | 05/28/2024 | 05/27/2037 | 2.903256 | 52,248 |
| Total governmental lease receivables | | | | <u>\$ 24,478,190</u> |

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

G. LEASE DISCLOSURES (CONT.)

Lessor - Lease Receivables (cont.)

| Business-Type Activities | Date of Inception | Final Maturity | Interest Rate Percent | Receivable Balance 12-31-2024 |
|--|----------------------|-------------------|--------------------------|----------------------------------|
| Building Lease | 6/1/1997 | 5/31/2037 | 0.935864 | \$ 594,557 |
| Building Lease | 1/12/1998 | 1/11/2038 | 0.935864 | 631,688 |
| Building Lease | 3/1/1998 | 2/28/2038 | 0.935864 | 630,704 |
| Building Lease | 7/1/2004 | 6/30/2044 | 0.935864 | 17,779 |
| Building Lease | 10/10/2016 | 10/9/2036 | 0.935864 | 471,419 |
| Building Lease | 5/1/2017 | 4/30/2027 | 0.935864 | 118,865 |
| Building Lease | 12/6/2018 | 12/5/2048 | 2.930256 | 5,527,961 |
| Building Lease | 12/6/2018 | 12/5/2048 | 0.935864 | 6,686,114 |
| Building Lease | 12/5/2021 | 12/4/2041 | 2.813855 | 613,015 |
| Building Lease | 4/1/2022 | 3/31/2042 | 2.813855 | 615,395 |
| Building Lease | 7/1/2022 | 6/30/2042 | 2.813855 | 632,861 |
| Bulding Lease | 1/1/2024 | 12/31/2026 | 2.930256 | 154,391 |
| Building Lease | 4/1/2024 | 3/31/2044 | 2.930256 | 1,012,968 |
| Bulding Lease | 5/1/2024 | 4/30/2034 | 2.930256 | 647,628 |
| Building Lease | 5/28/2024 | 5/27/2037 | 2.930256 | 52,248 |
| Building Lease | 5/28/2024 | 5/27/2037 | 2.930256 | 52,248 |
| Building Lease | 12/1/2024 | 11/30/2034 | 2.930256 | 31,024 |
| Total business-type lease receivables | | | | <u>\$ 18,490,865</u> |

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

G. LEASE DISCLOSURES (CONT.)

Lessor - Lease Receivables (cont.)

Debt service requirements to maturity are as follows:

| Years | Governmental Activities | | | Business-Type Activities | | | Component Units | | |
|-----------|-------------------------|--------------|---------------|--------------------------|--------------|---------------|-----------------|--------------|---------------|
| | Principal | Interest | Total | Principal | Interest | Total | Principal | Interest | Total |
| 2025 | \$ 543,874 | \$ 326,861 | \$ 870,735 | \$ 688,903 | \$ 349,571 | \$ 1,038,474 | \$ 1,137,905 | \$ 188,048 | \$ 1,325,953 |
| 2026 | 481,924 | 317,982 | 799,906 | 712,155 | 336,408 | 1,048,563 | 1,200,626 | 173,280 | 1,373,906 |
| 2027 | 520,800 | 309,178 | 829,978 | 621,172 | 324,149 | 945,321 | 1,269,440 | 157,476 | 1,426,916 |
| 2028 | 545,487 | 299,930 | 845,417 | 635,479 | 312,837 | 948,316 | 1,344,032 | 140,244 | 1,484,276 |
| 2029 | 572,136 | 290,050 | 862,186 | 762,329 | 299,747 | 1,062,076 | 1,118,463 | 122,754 | 1,241,217 |
| 2030-2034 | 3,009,723 | 1,290,309 | 4,300,032 | 4,299,711 | 1,270,088 | 5,569,799 | 3,836,193 | 390,585 | 4,226,778 |
| 2035-2039 | 2,844,181 | 1,044,178 | 3,888,359 | 4,412,369 | 845,143 | 5,257,512 | 1,492,376 | 134,714 | 1,627,090 |
| 2040-2044 | 2,643,996 | 807,449 | 3,451,445 | 3,686,747 | 430,495 | 4,117,242 | 265,509 | 3,356 | 268,865 |
| 2045-2049 | 1,247,436 | 605,923 | 1,853,359 | 2,672,000 | 100,952 | 2,772,952 | - | - | - |
| 2050-2054 | 749,989 | 548,064 | 1,298,053 | - | - | - | - | - | - |
| 2055-2059 | 840,132 | 510,673 | 1,350,805 | - | - | - | - | - | - |
| 2060-2064 | 867,712 | 470,389 | 1,338,101 | - | - | - | - | - | - |
| 2065-2069 | 962,746 | 428,028 | 1,390,774 | - | - | - | - | - | - |
| 2070-2074 | 1,080,172 | 380,401 | 1,460,573 | - | - | - | - | - | - |
| 2075-2079 | 1,238,663 | 326,332 | 1,564,995 | - | - | - | - | - | - |
| 2080-2084 | 1,271,149 | 265,469 | 1,536,618 | - | - | - | - | - | - |
| 2085-2089 | 775,609 | 219,664 | 995,273 | - | - | - | - | - | - |
| 2090-2094 | 874,877 | 181,106 | 1,055,983 | - | - | - | - | - | - |
| 2095-2099 | 908,855 | 139,149 | 1,048,004 | - | - | - | - | - | - |
| 2100-2104 | 988,330 | 94,966 | 1,083,296 | - | - | - | - | - | - |
| 2105-2109 | 994,378 | 47,994 | 1,042,372 | - | - | - | - | - | - |
| 2110-2114 | 502,265 | 10,120 | 512,385 | - | - | - | - | - | - |
| 2115-2116 | 13,756 | 57 | 13,813 | - | - | - | - | - | - |
| Total | \$ 24,478,190 | \$ 8,914,272 | \$ 33,392,462 | \$ 18,490,865 | \$ 4,269,390 | \$ 22,760,255 | \$ 11,664,544 | \$ 1,310,457 | \$ 12,975,001 |

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

G. LEASE DISCLOSURES (CONT.)

Lessor - Lease Receivables (cont.)

| | <u>Date of Inception</u> | <u>Final Maturity</u> | <u>Interest Rate Percent</u> | <u>Receivable Balance 12-31-2024</u> |
|---|------------------------------|---------------------------|--------------------------------------|--|
| Component Units - CDA | | | | |
| Building Lease | Varies | Varies | Varies | <u>\$ 11,664,544</u> |
| Total component units lease receivables | | | | <u>\$ 11,664,544</u> |

The City recognized \$1,003,504, \$1,021,710, and \$1,377,463 of Governmental, Business-type, and Component Unit lease revenue respectively.

The City recognized \$336,244, \$345,736, and \$134,116 of Governmental, Business-type, and Component Unit lease interest respectively.

The City did not recognize any amounts for leases with variable payments, residual value guarantees or lease termination penalties in 2024.

H. SUBSCRIPTION DISCLOSURES

Subscription Assets

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Deletions</u> | <u>Ending Balance</u> |
|--|------------------------------|---------------------|------------------|---------------------------|
| Governmental Activities | | | | |
| Subscription assets being amortized | | | | |
| Intangible subscriptions | <u>\$ 7,968,438</u> | <u>\$ 8,931,790</u> | <u>\$ -</u> | <u>\$ 16,900,228</u> |
| Total subscription assets being amortized | <u>7,968,438</u> | <u>8,931,790</u> | <u>-</u> | <u>16,900,228</u> |
| Less: Accumulated amortization for subscription assets | | | | |
| Intangible subscriptions | <u>(917,619)</u> | <u>(2,524,652)</u> | <u>-</u> | <u>(3,442,271)</u> |
| Total accumulated amortization | <u>(917,619)</u> | <u>(2,524,652)</u> | <u>-</u> | <u>(3,442,271)</u> |
| Total governmental activities subscription assets, net of accumulated amortization | <u>\$ 7,050,819</u> | <u>\$ 6,407,138</u> | <u>\$ -</u> | <u>\$ 13,457,957</u> |

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

H. SUBSCRIPTION DISCLOSURES (CONT.)

Subscription Assets (cont.)

| | Beginning Balance | Additions | Deletions | Ending Balance |
|---|----------------------|----------------|-----------|-------------------|
| Business-Type Activities | | | | |
| Subscription assets being amortized | | | | |
| Intangible subscriptions | \$ 712,898 | \$ 745,715 | \$ - | \$ 1,458,613 |
| Total subscription assets being amortized | 712,898 | 745,715 | - | 1,458,613 |
| Less: Accumulated amortization for subscription assets | | | | |
| Intangible subscriptions | (189,585) | (399,326) | - | (588,911) |
| Total accumulated amortization | (189,585) | (399,326) | - | (588,911) |
| Total business-type activities subscription assets, net of accumulated amortization | \$ 523,313 | \$ 346,389 | \$ - | \$ 869,702 |

| | Beginning Balance | Additions | Deletions | Ending Balance |
|---|----------------------|----------------|-----------|-------------------|
| Component Unit | | | | |
| Subscription assets being amortized | | | | |
| Intangible subscriptions | \$ 7,648 | \$ 283 | \$ - | \$ 7,931 |
| Total subscription assets being amortized | 7,648 | 283 | - | 7,931 |
| Less: Accumulated amortization for subscription assets | | | | |
| Intangible subscriptions | (1,912) | (1,912) | - | (3,824) |
| Total accumulated amortization | (1,912) | (1,912) | - | (3,824) |
| Total component unit subscription assets, net of accumulated amortization | \$ 5,736 | \$ (1,629) | \$ - | \$ 4,107 |

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

H. SUBSCRIPTION DISCLOSURES (CONT.)

Subscription Liabilities

| | Beginning Balance | Additions | Deductions | Ending Balance | Amounts Due Within One Year |
|---|----------------------|---------------------|-----------------------|----------------------|--------------------------------|
| Governmental Activities | | | | | |
| IT Subscription | \$ 32,163 | \$ - | \$ (32,163) | \$ - | \$ - |
| IT Subscription | 56,970 | - | (56,970) | - | - |
| IT Subscription | 152,064 | - | (73,056) | 79,008 | 79,008 |
| IT Subscription | 54,300 | - | (32,336) | 21,964 | 21,964 |
| IT Subscription | 4,350,531 | 5,042,042 | (1,548,897) | 7,843,676 | 1,478,279 |
| IT Subscription | 397,769 | - | (314,926) | 82,843 | 40,815 |
| IT Subscription | 145,878 | 40,387 | (60,265) | 126,000 | 62,078 |
| IT Subscription | 71,745 | - | (23,246) | 48,499 | 23,909 |
| IT Subscription | 53,326 | 2,502 | (17,278) | 38,550 | 18,993 |
| IT Subscription | 45,871 | - | (14,748) | 31,123 | 15,284 |
| IT Subscription | 133,198 | - | (40,927) | 92,271 | 44,330 |
| IT Subscription | 17,998 | - | (10,553) | 7,445 | 7,444 |
| IT Subscription | 9,265 | - | (4,550) | 4,715 | 4,715 |
| IT Subscription | 35,966 | - | (8,320) | 27,646 | 8,623 |
| IT Subscription | - | 2,615,904 | (672,184) | 1,943,720 | 117,321 |
| IT Subscription | - | 97,739 | (31,730) | 66,009 | 32,522 |
| IT Subscription | - | 24,800 | (24,800) | - | - |
| IT Subscription | - | 24,666 | (12,227) | 12,439 | 12,439 |
| IT Subscription | - | 333,829 | (333,829) | - | - |
| IT Subscription | - | 115,311 | (77,762) | 37,549 | - |
| IT Subscription | - | 389,845 | (389,845) | - | - |
| IT Subscription | - | 15,119 | (6,517) | 8,602 | 4,238 |
| IT Subscription | - | 328,707 | (328,707) | - | - |
| IT Subscription | - | 106,622 | (36,361) | 70,261 | - |
| IT Subscription | - | 53,834 | (53,834) | - | - |
| IT Subscription | - | 21,857 | (7,465) | 14,392 | 7,091 |
| Total governmental activities subscription liabilities | <u>\$ 5,557,044</u> | <u>\$ 9,213,164</u> | <u>\$ (4,213,496)</u> | <u>\$ 10,556,712</u> | <u>\$ 1,979,053</u> |

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

H. SUBSCRIPTION DISCLOSURES (CONT.)

Subscription Liabilities (cont.)

| | Beginning Balance | Additions | Deductions | Ending Balance | Amounts Due Within One Year |
|--|----------------------|-------------------|---------------------|-------------------|-----------------------------------|
| Business-Type Activities | | | | | |
| Water Subscription | \$ 55,737 | \$ - | \$ (55,737) | \$ - | \$ - |
| Metro Subscription | 11,834 | 566 | (3,834) | 8,566 | 4,221 |
| Sewer Subscription | 2,958 | 142 | (959) | 2,141 | 1,055 |
| Storm Subscription | 2,958 | 142 | (959) | 2,141 | 1,055 |
| Water Subscription | 5,917 | 283 | (1,917) | 4,283 | 2,110 |
| Water Subscription | - | 300,740 | (97,327) | 203,413 | 100,218 |
| Water Subscription | 25,503 | - | (5,814) | 19,689 | 6,181 |
| Metro Subscription | 138,870 | - | (65,197) | 73,673 | 73,673 |
| Sewer Subscription | 2,316 | - | (1,137) | 1,179 | 1,179 |
| Storm Subscription | 2,316 | - | (1,137) | 1,179 | 1,179 |
| Water Subscription | 4,632 | - | (2,275) | 2,357 | 2,357 |
| Sewer Subscription | 55,703 | 12,032 | (16,197) | 51,538 | 16,679 |
| Storm Subscription | 27,851 | 6,019 | (8,099) | 25,771 | 8,340 |
| Convention Center Subscription | - | 425,791 | (50,902) | 374,889 | 79,887 |
| Total business-type activities subscription liabilities | <u>\$ 336,595</u> | <u>\$ 745,715</u> | <u>\$ (311,491)</u> | <u>\$ 770,819</u> | <u>\$ 298,134</u> |

| | Beginning Balance | Additions | Deductions | Ending Balance | Amounts Due Within One Year |
|------------------------|----------------------|-----------|------------|-------------------|-----------------------------------|
| Component Units | | | | | |
| CDA Subscription | \$ 5,917 | \$ 283 | \$ (1,917) | \$ 4,283 | \$ 2,110 |

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

H. SUBSCRIPTION DISCLOSURES (CONT.)

Future Minimum Subscription Payments

Future minimum subscription payments are as follows:

| | Governmental Activities | | | Business-Type Activities | | |
|-----------|-------------------------|-------------------|----------------------|--------------------------|------------------|-------------------|
| | Principal | Interest | Total | Principal | Interest | Total |
| 2025 | \$ 1,979,053 | \$ 286,105 | \$ 2,265,158 | \$ 298,134 | \$ 15,552 | \$ 313,686 |
| 2026 | 1,991,572 | 228,787 | 2,220,359 | 232,837 | 7,433 | 240,270 |
| 2027 | 1,761,518 | 176,256 | 1,937,774 | 131,559 | 3,646 | 135,205 |
| 2028 | 1,776,433 | 124,798 | 1,901,231 | 108,289 | - | 108,289 |
| 2029 | 1,841,702 | 71,679 | 1,913,381 | - | - | - |
| 2030-2034 | 1,206,434 | 75,993 | 1,282,427 | - | - | - |
| Total | <u>\$ 10,556,712</u> | <u>\$ 963,618</u> | <u>\$ 11,520,330</u> | <u>\$ 770,819</u> | <u>\$ 26,631</u> | <u>\$ 797,450</u> |

| | Component Units | | |
|-----------|-----------------|--------------|-----------------|
| | Principal | Interest | Total |
| 2025 | \$ 2,110 | \$ 63 | \$ 2,173 |
| 2026 | 2,173 | - | 2,173 |
| 2027 | - | - | - |
| 2028 | - | - | - |
| 2029 | - | - | - |
| 2030-2034 | - | - | - |
| Total | <u>\$ 4,283</u> | <u>\$ 63</u> | <u>\$ 4,346</u> |

The City did not recognize any amounts for subscription termination penalties in 2024. The City did not enter into any commitments prior to the commencement of the subscription term. The City did not recognize any losses associated with subscription impairment.

I. NET POSITION/FUND BALANCES

Governmental activities net position reported on the government wide statement of net position at December 31, 2024 includes the following:

Governmental Activities

| | |
|--|-----------------------|
| Net investment in capital assets | |
| Land | \$ 282,763,006 |
| Construction in progress | 76,656,610 |
| Other capital assets, net of accumulated depreciation | 901,138,205 |
| Less: Capital related long-term debt outstanding (excluding unspent capital related debt proceeds) | (411,470,190) |
| Less: Unamortized premium | (41,866,395) |
| Total Net Investment in Capital Assets | <u>\$ 807,221,236</u> |

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

I. NET POSITION/FUND BALANCES (CONT.)

Governmental Activities (cont.)

Governmental fund balances reported on the fund financial statements at December 31, 2024 include the following:

| | General Fund | Library | Other Grants | Debt Service | Capital Projects | Nonmajor Governmental Funds | Total |
|---------------------------------|-----------------------|---------------------|---------------------|----------------------|-----------------------|-----------------------------|-----------------------|
| Fund Balances | | | | | | | |
| Nonspendable: | | | | | | | |
| Inventories | \$ 482,254 | \$ - | \$ - | \$ - | \$ 2,996,454 | \$ - | \$ 3,478,708 |
| Prepaid items | 2,375,897 | 443,919 | 49,973 | - | 73,627 | 105,184 | 3,048,600 |
| Trust activities | - | - | - | - | - | 668,013 | 668,013 |
| Restricted for: | | | | | | | |
| Library | - | 2,339,280 | - | - | - | 670,338 | 3,009,618 |
| Grants activities | - | - | - | - | - | 367,930 | 367,930 |
| Loans | 677,680 | - | - | - | - | 30,562,641 | 31,240,321 |
| Debt service | - | - | - | 22,898,656 | - | 4,703,629 | 27,602,285 |
| Parks | - | - | - | - | - | 1,206,269 | 1,206,269 |
| Impact fees | - | - | - | - | - | 29,514,346 | 29,514,346 |
| TID activities | - | - | - | - | 75,581,411 | - | 75,581,411 |
| Landfill | - | - | - | - | - | 214,138 | 214,138 |
| Trust activities | - | - | - | - | - | 3,867,366 | 3,867,366 |
| Capital projects | - | - | - | - | 40,022,855 | - | 40,022,855 |
| Room tax | - | - | - | - | - | 3,478,406 | 3,478,406 |
| Committed for: | | | | | | | |
| Room tax | - | - | - | - | - | 712,767 | 712,767 |
| Loans | - | - | - | - | - | 1,152,054 | 1,152,054 |
| Assigned to: | | | | | | | |
| Capital projects | - | - | - | - | 18,437,395 | - | 18,437,395 |
| Encumbrances for open contracts | 702,880 | - | - | - | - | - | 702,880 |
| Operating Projects | 2,508,446 | - | - | - | - | - | 2,508,446 |
| Mark to market reserve | 5,000,000 | - | - | - | - | - | 5,000,000 |
| Fund balance applied | 779,400 | - | - | - | - | - | 779,400 |
| Compensated absences | 8,900,931 | - | - | - | - | - | 8,900,931 |
| Premium stabilization | 8,369,928 | - | - | - | - | - | 8,369,928 |
| Unassigned (deficit) | 110,630,286 | - | (913,338) | - | - | (647,804) | 109,069,144 |
| Totals | \$ 140,427,702 | \$ 2,783,199 | \$ (863,365) | \$ 22,898,656 | \$ 137,111,742 | \$ 76,575,277 | \$ 378,933,211 |

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

I. NET POSITION/FUND BALANCES (CONT.)

Business-type Activities

| | |
|---|-----------------------|
| Net investment in capital assets | |
| Land | \$ 92,873,432 |
| Construction in progress | 65,212,594 |
| Other capital assets, net of accumulated depreciation | 1,083,824,469 |
| Less: Related long-term capital debt outstanding | (293,118,733) |
| Plus: Unspent capital related debt proceeds | 13,549,337 |
| Plus: Unamortized premium | (19,166,066) |
| Plus: Loss/gain on refunding | (909,959) |
| Plus: Borrowed reserve fund | 9,157,879 |
| Total Net Investment in Capital Assets | <u>\$ 951,422,953</u> |

J. COMPONENT UNITS

This report contains the Community Development Authority (CDA) of the City of Madison, which includes as component units, Allied Drive Redevelopment, LLC; Truax Park Redevelopment, Phase I, LLC; Truax Park Redevelopment Phase 2, LLC; and Burr Oaks Senior Housing, LLC; the Olbrich Botanical Society, Inc. and Olbrich Botanical Society Foundation, Inc.; the Business Improvement District (BID) of the City of Madison; the Madison Public Library Foundation, Inc.; and the Madison Parks Foundation, Inc. which are included as component units. Financial information is discretely presented in the government-wide financial statements. Financial information of the major and combined nonmajor component units is also presented.

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.

Major Component Units of the City of Madison

Olbrich Botanical Society, Inc. and Olbrich Botanical Society Foundation, Inc.

Olbrich Botanical Society, Inc. was incorporated as a nonprofit organization, located in Madison, Wisconsin, to aid and support Olbrich Botanical Gardens, which is owned by the City of Madison (City), to help advance the science of horticulture, to help promote the art of gardening, and to promote educational activities related to horticulture and gardening. Olbrich Botanical Society Foundation, Inc. (the Foundation) is a nonprofit organization that manages assets for the purpose of supporting Olbrich Botanical Society, Inc. The organizations are primarily supported by contributions from the general public, programs and exhibitions, and investment return.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

Major Component Units of the City of Madison (cont.)

A summary of significant accounting policies applied in the preparation of the consolidated financial statements follows:

a. Summary of Significant Accounting Policies

Principles of Presentation

The consolidated financial statements include the accounts of Olbrich Botanical Society, Inc. and Olbrich Botanical Society Foundation, Inc (collectively, the Society). Olbrich Botanical Society, Inc. has a beneficial interest in the net position of Olbrich Botanical Society Foundation, Inc. and has control over the Olbrich Botanical Society Foundation through the direct ability to approve the Foundation's Board of Directors. All significant transactions and balances between the organizations have been eliminated.

Basis of Presentation

The Society is required to report information regarding its financial position and activities according to the two classes of net position:

Net position without donor restrictions – Net position that is not restricted by donors.

Designations are voluntary board-approved segregations of net position without donor restrictions for specific purposes, projects, or investments. The Society's Board of Directors has the ability to designate net position without donor restrictions to be used by management for specific future projects or activities. These designations can be modified or removed by the Board of Directors at any time.

Net position with donor restrictions – Net position whose use has been limited by donor-imposed purpose restrictions or time restrictions, including net position that has been restricted in perpetuity by donors.

Cash and Cash Equivalents

For the purpose of the consolidated Statement of Cash Flows, the Society considers all highly liquid investments purchased with original maturities of three months or less, except for funds held at brokerage firms, to be cash equivalents.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

Major Component Units of the City of Madison (cont.)

Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents are restricted or designated for long-term purposes. At December 31, restricted cash and cash equivalents consisted of the following:

| | |
|---|-------------------|
| Donor restricted funds | \$ 431,279 |
| Funds to be invested at the Foundation | <u>523,528</u> |
| | <u>\$ 954,807</u> |

Pledges Receivable

Unconditional promises to give (pledges) are recognized as revenue in the period the promise to give is received. Unconditional promises to give due in greater than one year are reported at their present value, using appropriate risk-adjusted interest rates applicable to the years in which the promises were received. All amounts are considered to be fully collectible.

Grants Receivable

Grants receivable represents the outstanding balance of grants due to the Society based upon costs incurred and other terms identified in the grant agreement. Management determines the need for an allowance for doubtful accounts based on a review of current grants receivable balances. Grants receivable written-off are charged against the allowance. Grants receivable are considered fully collectible; accordingly no allowance is considered necessary.

Inventories

Inventories consist of merchandise held for resale and are valued at the lower of cost or net realizable value determined by the first-in, first-out (FIFO) method.

Beneficial Interest in Assets Held by Madison Community Foundation

The Society established the Olbrich Botanical Society fund, which is an agency endowment fund at the Madison Community Foundation (MCF). Accounting guidance allows an organization to recognize its rights to the assets held by a recipient organization as an asset if it transferred the assets to the recipient organization and named itself the beneficiary. The Society has recorded its estimated interest in a fund as a beneficial interest on the consolidated statements of financial position. When the Society transfers the funds to MCF, it recognizes the transfer as a decrease in cash and an increase in the asset called beneficial interest in assets held by MCF. The change in the beneficial interest is recorded in the consolidated statements of activities as revenue. The Society acknowledges that, by virtue of the governing instrument of MCF, the board of governors of MCF has the authority to modify any restrictions or condition on the distribution of assets from the fund (variance power), if, in the reasonable judgment of the board of governors, such restriction or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community served by MCF. The Society has the option to take an annual distribution up to 4.5% of the average value of the assets in the fund over the previous 20 quarters.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

Major Component Units of the City of Madison (cont.)

Beneficial Interest in Lead Trust Held by Others

The Society is the beneficiary of a charitable lead annuity trust (CLAT), where the Society is not the trustee. The CLAT provides for annual payments of approximately \$96,000, to the Society for a period of ten years. The Society has recorded a beneficial interest in the CLAT at the present value of the future cash flows expected to be received based on an appropriate discount rate. The value of the beneficial interest in lead trust is included in net position with donor restrictions. Adjustments to the beneficial interest recorded to reflect amortization of the discount or revaluations of the present value of the estimated future payments to the Society are recognized and presented as investment income in the consolidated statements of activities.

Investments

Investments in marketable securities with readily determinable fair values are stated at their fair value based on quoted market prices in the consolidated statements of financial position. Realized and unrealized gains and losses, net of fees, are included in the accompanying consolidated statements of activities. Realized gains and losses on sales of investments are determined on the basis of specific identification of the security sold.

Unearned Revenue

Unearned revenue consists of advance payments received for future education programs.

Estimates

The preparation of consolidated financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes

Olbrich Botanical Society, Inc. and Olbrich Botanical Society Foundation, Inc. are exempt public charities under Section 501(c)(3) of the Internal Revenue Code and therefore are not subject to federal or state income tax.

The Society must recognize the tax benefit associated with tax positions taken for tax return purposes when it is more-likely-than-not the position will be sustained. The Society does not believe there are any material uncertain tax positions and, accordingly, it did not recognize any liability for unrecognized tax benefits. For the year ended December 31, 2024, there were no interest or penalties recorded or included in the consolidated financial statements.

The Society is subject to income tax regulations in the United States federal jurisdiction and the State of Wisconsin. Tax regulations within each jurisdiction are subject to interpretation and require significant judgment to apply.

Gift Shop Sales

Revenue derived from gift shop sales are recognized at the point of sale as goods are delivered to the buyer. Returns are accepted on gift shop sales within thirty days of purchase with the assumption that the product is in substantially new condition.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

Major Component Units of the City of Madison (cont.)

Education Revenue

Revenue derived from education classes is recognized when the class occurs. Cash received for classes is presented as unearned revenue on the consolidated statements of financial position until the class occurs. Refunds are made to participants if the class is cancelled. Participants may also donate their registration fees to the Society upon cancellation.

Contributions

Unconditional contributions are recognized as revenue when received or pledged. All contributions are considered available for unrestricted use unless specifically restricted by the donor. Contributions received with donor stipulations that limit the use of the donated assets are reported as contributions with donor restrictions. When a donor restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restriction. Donor restricted contributions whose restrictions are met within the same year as received are reported as contributions without donor restrictions. Membership, programs and exhibitions provide members and attendees access to the Gardens and events at the Gardens. Membership, programs, and exhibitions are considered nonexchange transactions due to the member or attendee receiving no substantial reciprocal benefits for the amount contributed to the Society.

Conditional contributions or grants, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. Certain conditional grants received are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. As of December 31, 2024, there were no conditional grants which are expected to be recognized as revenue in subsequent years when the conditions are met.

Investments Return

Investment return, net of fees, is recorded in the period earned.

Functional Allocation of Expenses

The costs of the Society's programs and other activities have been summarized on a functional basis in the consolidated statements of activities and functional expenses. Accordingly, certain costs have been allocated among the program services and supporting activities benefited. The expenses include salaries, employee benefits and insurance, which are allocated based on time and effort spent on program and supporting activities. Larger expense accounts that serve the entire organization are allocated either by program services and support activities (Director's Strategic Fund, volunteers, and professional development) or by a percentage of revenue to program services and supporting activities (credit card fees and technology).

Sales Tax

The Society records sales tax on the net method. All applicable taxes are recorded as a liability when incurred.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

Major Component Units of the City of Madison (cont.)

Advertising Costs

Advertising costs are charged to operations when incurred. Advertising expense was \$45,255 for the year ended December 31, 2024.

Related Parties

Board members typically make contributions to the Society. Board members may be employees of firms with which the Society has business relationships. Board members are required to disclose those interests.

b. Relationship Between the Society and the City of Madison

Relationship

The Society and the City of Madison Parks Division work together for the benefit of Olbrich Botanical Gardens (Gardens), which is owned by the City of Madison (City). The City provides free use of space in the Olbrich Botanical Gardens building for the Society. The Society had a net payable due to the City in the amount of \$9,202 at December 31, 2024. Payables related to the City's portion of admissions and receivables relate to memberships and a net receivable from the City in the amount of \$60,442 and donations the City collected on its behalf.

Capital Campaign

The Society donates funds to the City to make capital asset purchases for the Gardens or, if purchased directly by Society, donates all capital assets it purchases to the City. During 2024, there were no capital campaigns in process. There were no capital asset donations made to the City in 2024. There were no donor restricted net position or net position designated by the Board of Directors for the capital campaign at December 31, 2024.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

Major Component Units of the City of Madison (cont.)

c. Investments

Investments at December 31, 2024 consisted of the following:

| | |
|-----------------------|----------------------|
| Mutual funds | \$ 4,272,484 |
| Common Stocks | 3,545,984 |
| U.S. Government Bonds | 295,473 |
| Corporate Bonds | 1,498,340 |
| Money Market Funds | <u>436,589</u> |
| Investments | <u>\$ 10,048,870</u> |

Net Investment income consisted of the following:

| | |
|------------------------------|---------------------|
| Interest and Dividends | \$ 407,087 |
| Unrealized and Realized Gain | 897,163 |
| MCF income, operating | 2,336 |
| Change in Value of CLAT | 10,199 |
| Investment Advisory Fees | <u>(45,414)</u> |
| Investment Income | <u>\$ 1,271,371</u> |

Investments are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect investment balances and amounts reported in the combining statements of activities.

Fair Value Measurements

Fair value is the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between participants on the measurement date. When determining fair value, the Society considers the principal or most advantageous market in which it would transact and considers assumptions that market participants would use when pricing the asset or liability, such as inherent risk, transfer restrictions, and risk of nonperformance.

The framework for measuring fair value provides a fair value hierarchy that requires the Society to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. A financial instrument's categorization in the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The hierarchy establishes three levels of inputs that may be used to measure fair value:

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

Major Component Units of the City of Madison (cont.)

- > Level 1 – Quoted prices in active markets for identical assets or liabilities.
- > Level 2 – Inputs other than Level One that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- > Level 3 – Unobservable inputs that are supported by little or no market activity and are significant to the fair value of the assets or liabilities.

Following is a description of the valuation methodologies used for assets measured at fair value: There have been no changes in the methodologies used at December 31, 2024.

Equity and Mutual Funds: Valued at quoted prices in an active market.

Common stocks: Valued at the closing price reported on the active market on which the individual securities are traded.

Bonds: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.

Beneficial interest in assets held by MCF: Valued based on information received from the community foundation. The fair value is based on the value of underlying investments and is classified within Level 3 of the fair value hierarchy.

Beneficial interest in lead trust held by others: Based on the present value of the future cash flows expected to be received based on an appropriate discount rate. The fair value is based on the amount and timing of future distributions from the trust and is classified within Level 3 of the fair value hierarchy.

Money Market Funds: Valued at cost and therefore excluded from the fair value hierarchy.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

Major Component Units of the City of Madison (cont.)

| | 2024 | | | |
|---|---------------------|---------------------|-------------------|----------------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Equity Mutual Funds | \$ 2,579,426 | \$ - | \$ - | \$ 2,579,426 |
| Fixed Income Mutual Funds | 1,693,058 | - | - | 1,693,058 |
| Common Stocks | 3,545,984 | - | - | 3,545,984 |
| U.S. Government Bonds | 295,473 | - | - | 295,473 |
| Corporate Bonds | - | 1,498,340 | - | 1,498,340 |
| Beneficial Interest in Assets Held by MCF | - | - | 52,106 | 52,106 |
| Beneficial Interest in Lead Trust Held by Others | - | - | 322,536 | 322,536 |
| Total Assets at Fair Value | <u>\$ 8,113,941</u> | <u>\$ 1,498,340</u> | <u>\$ 374,642</u> | \$ 9,986,923 |
| Money Market Funds | | | | <u>436,589</u> |
| Total Investments | | | | <u>\$ 10,423,512</u> |

The preceding valuation methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Society believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table presents the Society's activity for assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) as of December 31, 2024:

| | Beneficial interest in assets held by MCF | Beneficial interest in lead trust held by others |
|-------------------|--|--|
| Beginning Balance | \$ 49,770 | \$ 407,951 |
| Distributions | (2,554) | (95,614) |
| Change in Value | 4,890 | 10,199 |
| Ending Balance | <u>\$ 52,106</u> | <u>\$ 322,536</u> |

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

Major Component Units of the City of Madison (cont.)

d. Pledges Receivable

Pledges receivable are expected to be collected as follows for the year ended December 31, 2024:

| | |
|---------------------------------------|-------------------|
| Receivable in less than one year | \$ 28,750 |
| Receivable in one to five years | 190,000 |
| Receivable in greater than five years | <u>800,000</u> |
| Total Contributions Receivable | 1,018,750 |
| Less unamortized discount | <u>(117,396)</u> |
| Net contributions receivable | <u>\$ 901,354</u> |

The Society applies a discount rate on long-term pledges receivable, which is based on treasury yield rates at the date of the gift. A discount rate of 1.82% on outstanding pledges was used by the Society at December 31, 2024.

e. Contributed Goods and Services

The City provides certain services to the Society at no charge. Contributed services are valued and reported at the estimated fair value in the consolidated financial statements based on the employee's salary and benefits pro-rated for estimated time spent on the Society. The total amount of those services was \$65,611 in 2024.

The Society receives contributed goods which are used for various programmatic and fundraising purposes. Contributed goods are valued and reported at the estimated fair value based on the price if the Society were to purchase them. The total amount of those materials was \$42,020 in 2024. The Society utilizes the contributed services and goods for programmatic and support purposes, except for contributed goods received for fundraising which are monetized. There were no donor imposed restrictions on contributed goods and services during the year ending December 31, 2024.

The City provides free use of space in the Olbrich Botanical Gardens building for the Society. Management's policy is to utilize the contributed building for Society programs and support services. There are no donor restrictions associated with the contributed use of space. In valuing the contributed use of space, which is located in the City, the Society estimated the fair value based on the average price per square foot for commercial space in the City. The fair value of the use of space is estimated to be \$61,189 for the year ending December 31, 2024.

Contributed goods and services are recognized as contributed goods and services on the consolidated statements of activities and contributed goods and services allocated between program and supporting services on the consolidated statements of functional expenses.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

Major Component Units of the City of Madison (cont.)

Additionally, the Society received 19,184 hours of volunteer time, provided by 678 individuals and groups during 2024, who gave their time to the Society's programs and fundraising campaigns. No amounts have been recorded in the consolidated financial statements because the recognition criteria under accounting principles generally accepted in the United States of America were not met.

f. Retirement Plan

Eligible employees may participate in the Society's 401(k) retirement plan after six months of employment and upon attaining the age of 21. The Society makes matching contributions. Participants are fully vested in their contributions to the plan. Participants become vested in the Society's matching contributions over a six-year graduated scale. The Society's contributions to the plan were \$49,661 in 2024.

g. Concentrations and Contingencies

Concentration of Credit Risk

The Society's financial instruments that are exposed to concentrations of credit risk consist of cash and cash equivalents and pledges and grants receivable.

The Society places its cash and temporary cash investments with high credit quality financial institutions. At times, such investments may be in excess of the Federal Deposit Insurance Corporation insurance limit. The Society has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

Contributions Concentrations

In 2024 one gift made up approximately 25% of contribution revenue.

Two donors account for all of the Society's outstanding pledges receivable as of December 31, 2024.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

Major Component Units of the City of Madison (cont.)

h. Net Position

The Society's Board of Directors has chosen to place the following designations on net position without donor restrictions. The following summarizes designated and undesignated assets without donor restrictions for the year ended December 31, 2024:

Olbrich Botanical Society Foundation, Inc.

| | |
|---|---------------------|
| Designated for education | \$ 61,457 |
| Designated for orchid fund (conservatory) | 63,655 |
| Designated for general stewardship fund | 1,519,556 |
| Board designated endowment | <u>5,516,477</u> |
| Total Foundation | <u>\$ 7,161,145</u> |

Olbrich Botanical Society, Inc.

| | |
|---|-----------------------------|
| Designated for agency endowment at MCF | 52,106 |
| Undesignated | <u>3,757,418</u> |
| Total Society | <u>\$ 3,809,524</u> |
| Total Net Position Without Donor Restrictions | <u><u>\$ 10,970,669</u></u> |

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

Major Component Units of the City of Madison (cont.)

Net Position with donor restrictions at December 31, 2024 are restricted for the following purposes:

Olbrich Botanical Society Foundation, Inc.

Purpose-Restricted:

| | |
|--|------------------|
| Stewardship Fund Garden for the Future | \$ 359,055 |
| Stewardship fund land bank | 201,173 |
| Vera Lee Orchidist | 1,100,000 |
| Rose Garden Intern | 111,454 |
| Accumulated earnings on endowment | <u>32,161</u> |
| Total Purpose Restricted | <u>1,803,843</u> |

Perpetual in Nature:

| | |
|--------------------------------|---------------------|
| General endowment fund | 30,650 |
| Ursula Schmitt speakers fund | 72,179 |
| Shirley Homburg gift shop fund | 11,500 |
| Dusso conservatory fund | 221,453 |
| Music and arts endowment fund | <u>251,000</u> |
| Total perpetual in nature | <u>586,782</u> |
| Total Foundation | <u>\$ 2,390,625</u> |

Olbrich Botanical Society, Inc.

Purpose Restricted:

| | |
|--------------------------|----------------|
| Horticulture | 73,041 |
| Conservatory | 23,134 |
| Education | 79,306 |
| Other | <u>33,891</u> |
| Total Purpose Restricted | <u>209,372</u> |

Time Restricted:

| | |
|---|----------------------------|
| Beneficial interest in trust held by others | 322,536 |
| Pledges receivable | <u>901,354</u> |
| Total time restricted | <u>\$ 1,223,890</u> |
| Total Society | <u>\$ 1,433,262</u> |
| Total Net Position with Donor Restrictions | <u><u>\$ 3,823,887</u></u> |

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

Major Component Units of the City of Madison (cont.)

i. Other Madison Community Foundation Funds

The Society has received notification that it is a beneficiary of two funds at MCF: the Bolz Family Endowment Fund for Olbrich Botanical Gardens and the Olbrich Botanical Society (A) (the Funds). In 2006, the Bolz Family Foundation established the Bolz Family Endowment Fund for Olbrich Botanical Gardens. The Olbrich Botanical Society (A) fund is a sister fund established by contributions from various donors. The Funds are not presented as a beneficial interest because the Funds were contributed by third party donors and MCF has variance power. The fair value of the Funds at MCF was \$466,898 at December 31, 2024. The Society has the option to receive an annual distribution that represents 4.5% of the average value of the assets over a rolling 20-quarter period. The Society received distributions from the Funds of \$16,470 during 2024. These amounts are included in contributions on the consolidated statements of activities.

j. Endowment and Other Restrictions on Net Position

The Society's endowments consist of several funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by accounting principles generally accepted in the United States, net position associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Society has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Society classifies as net position with donor restrictions to be held in perpetuity (a) the original value of gifts donated to the perpetual endowment, (b) the original value of subsequent gifts to the perpetual endowment, and (c) accumulations to the perpetual endowment made in accordance with the direction of applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that does not have donor restrictions to be held in perpetuity is classified as net position with donor restrictions until those amounts are appropriated for expenditure by the Society in a manner consistent with the standard of prudence described by UPMIFA.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

Major Component Units of the City of Madison (cont.)

In accordance with UPMIFA, the Society considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- > The duration and preservation of the fund
- > The purpose of the Society and the donor-restricted endowment fund
- > General economic conditions
- > The possible effect of inflation and deflation
- > The expected total return from income and the appreciation of investments
- > Other resources of the Society
- > The investment policies of the Society

The following table shows the composition of endowment net position by restriction for those endowments under the control of the society for the year ended December 31, 2024:

| | With Donor Restrictions | | | | |
|------------------|----------------------------------|---------------------------------|-----------------------|-------------------|---------------------|
| | Without Donor Restrictions | Net Earnings on Endowment | Held in Perpetuity | Total | Total Endowment |
| Donor restricted | \$ - | \$ 32,161 | \$ 586,782 | \$ 618,943 | \$ 618,943 |
| Board designated | 5,516,477 | - | - | - | 5,516,477 |
| Total Funds | <u>\$ 5,516,477</u> | <u>\$ 32,161</u> | <u>\$ 586,782</u> | <u>\$ 618,943</u> | <u>\$ 6,135,420</u> |

Endowment activities were as followed:

| | With Donor Restrictions | | | | |
|---|----------------------------------|---------------------------------|-----------------------|-------------------|---------------------|
| | Without Donor Restrictions | Net Earnings on Endowment | Held in Perpetuity | Total | Total Endowment |
| Beginning balance | \$ 4,522,220 | \$ 1,228 | \$ 546,782 | \$ 548,010 | \$ 5,070,230 |
| Additions | 505,575 | - | 40,000 | 40,000 | 545,575 |
| Investment return | 824,306 | 30,933 | - | 30,933 | 855,239 |
| Amounts appropriated for expenditure | (335,624) | - | - | - | (335,624) |
| Ending Balance | <u>\$ 5,516,477</u> | <u>\$ 32,161</u> | <u>\$ 586,782</u> | <u>\$ 618,943</u> | <u>\$ 6,135,420</u> |

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

Major Component Units of the City of Madison (cont.)

The Society has excluded within its endowment any pledges receivable restricted to be held in perpetuity. From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or UPMIFA requires the Society to retain as a fund of perpetual duration. In accordance with current accounting guidance, deficiencies of this nature that are reported in net position with donor restrictions were \$0 as of December 31, 2024. There were no funds with deficiencies as of December 31, 2024.

The Society has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor restricted funds that the Society must hold in perpetuity as well as board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of a diversified equity-related benchmark while assuming a moderate level of investment risk. The Society expects its endowment funds, over time, to provide an average rate of return that outpaces spending, inflation, and expenses annually. Actual returns in any given year will vary.

To satisfy its long-term rate-of-return objectives, the Society relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Society targets a diversified asset allocation that places a great emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Each fiscal year, the Olbrich Botanical Society Foundation, Inc. may distribute a portion of its net position. The distribution amount for any given year shall be determined by the Board. The Board approved an appropriation of \$335,624 for 2024, which consists of 4.5% of the average of the investment balance for the preceding 12 quarters with the last quarter being September 2023. Donor restricted net earnings on endowment whose restrictions are met within the same year as earned are included in investment income, net without donor restrictions in the consolidated statement of activities.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

Major Component Units of the City of Madison (cont.)

k. Liquidity and Availability of Financial Assets

The Society's financial assets available within one year of the consolidated statement of financial position date for general expenditure are as follows:

Year Ended December 31, 2024

| | |
|---|---------------------|
| Cash and cash equivalents | \$ 3,583,419 |
| Pledges receivable | 901,354 |
| Grants receivable | 2,168 |
| Accounts receivable | 20,930 |
| Beneficial interest in Madison Community Foundation | 52,106 |
| Beneficial interest in lead trust held by others | 322,536 |
| Investments | <u>10,048,870</u> |
| Total financial assets available within one year | <u>14,931,383</u> |
| Less: amounts unavailable for general expenditures within one year, due to: | |
| Donor restricted for purpose or time | (3,204,944) |
| Board designated for other purposes | (1,696,774) |
| Donor restricted endowment fund | (618,943) |
| Board designated endowment fund | <u>(5,516,477)</u> |
| Total financial assets available for general expenditure within one year | <u>\$ 3,894,245</u> |

As part of the Society's liquidity management, it structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. As part of its liquidity management, the Society invests cash in excess of cash flow requirements in various investments including mutual funds, common stocks, and money market funds. To the extent they are not restricted by donors or designated by the Board of Directors, certain investments can be liquidated at any time on the open market without significant penalty to meet cash needs if necessary. The Olbrich Botanical Society Foundation, Inc. makes an annual distribution of its net position to support general operations of the Society.

To help manage unanticipated liquidity needs, the Society also has board designated endowment funds. Although the Society does not intend to spend from its board designated endowment funds other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, amounts from its board designated endowment funds could be made available, if necessary, with the approval of both the Olbrich Botanical Society, Inc. and Foundation Board of Directors.

l. Subsequent Events

Management has evaluated subsequent events through April 15, 2025, the date which the consolidated financial statements were available to be issued.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

Major Component Units of the City of Madison (cont.)

Madison Public Library Foundation, Inc. (MPLF)

Madison Public Library Foundation, Inc. (the Foundation) was formed in 1993 and is incorporated as a not-for-profit foundation. The Foundation's purpose is to develop programming to focus attention on public library services, facilities, and needs in the Madison, Wisconsin area and to receive, manage, and distribute funds exclusively for the benefit of the Madison Public Library.

a. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

Under accounting principles generally accepted in the United States of America (U.S. GAAP), the Foundation is required to report information regarding its financial position and activities according to two classes of net position: net position without donor restrictions and net position with donor restrictions. Net position with donor restrictions has been limited by donors imposed time or purpose restrictions or is required to be maintained in perpetuity.

Included in net position without donor restriction is voluntary board-approved designations for specific purposes, projects, or investments.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect 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 expenses during the reporting period. Actual results could differ from those estimates.

Exempt Status

The Foundation is exempt from income taxes under Internal Revenue Code Section 501(c)(3) as a public charity and not a private foundation. The Foundation is also exempt from Wisconsin income tax.

Cash and Cash Equivalents

For purposes of reporting cash flows, the Foundation considers all investments purchased with an original maturity of three months or less to be cash equivalents, with the exception of cash not available to the Foundation due to restrictions placed on it.

The Foundation maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. The Foundation has not experienced any losses in such accounts. Management believes it is not exposed to any significant credit risk on cash and cash equivalents.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

Major Component Units of the City of Madison (cont.)

Restricted Cash, Libraries

Restricted cash, libraries, consists of funds held by the Foundation for the benefit of the following:

| | | |
|------------------------------|----|----------------------|
| Monroe Street Library League | \$ | 18,889 |
| South Madison Friends | | 6,433 |
| Friends of Lakeview Library | | <u>11,856</u> |
| Totals | \$ | <u><u>37,178</u></u> |

Certificates of Deposit

Certificates of deposit with original maturities greater than 3 months and remaining maturities of 12 months or less are classified as current assets on the statement of financial position. Certificates of deposit bear interest between .29-.40%, with penalties for early withdrawal. Any penalties for early withdrawal do not have a material effect on the financial statements.

Management estimates a zero credit loss on the certificates of deposit. The organization monitors the bank rating for various banks which have strong bank ratings as of December 31, 2024. The certificates of deposit are considered past due when the organization is not allowed to redeem the certificates of deposit at maturity. There are no past due certificates of deposit as of December 31, 2024. The organization places certificates of deposit on nonaccrual status when management believes collection of interest income is not probable. Interest income on those certificates of deposit is recognized when payments are received rather than when earned. There were no certificates of deposit on nonaccrual status as of December 31, 2024.

Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Uncollectible promises are written off after management has used reasonable collection efforts and determined the promises will not be collected. Management has determined that an allowance for uncollectible promises to give is not necessary.

Furniture and Equipment

Furniture and equipment is stated at cost. Depreciation is computed on the straight-line method based on an estimated useful life of three to five years. Furniture and equipment was \$21,902 as of December 31, 2024. Depreciation expense was \$2,281 for the year ended December 31, 2024. Accumulated depreciation was \$21,151 as of December 31, 2024.

Maintenance and repairs of furniture and equipment are charged to operations, and major improvements are capitalized. Upon retirement, sale, or other disposition of equipment, the cost and accumulated depreciation are eliminated from the accounts, and any resulted gain or loss is included in operations.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

Major Component Units of the City of Madison (cont.)

Website Development Costs

Website development costs are stated at cost. Amortization of website development costs is computed on the straight-line method based upon the estimated useful lives of the assets, generally three years. Website development costs were \$26,702 as of December 31, 2024. The website development costs were fully amortized as of December 31, 2024.

Capitalization Policy

The Foundation's policy is to capitalize equipment with a unit cost of \$1,500 or greater and a useful life of more than one year.

Impairment of Long-lived Assets

The Foundation reviews long-lived assets for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized when the estimated future cash flows from the use of the asset are less than the carrying amount of the asset. To date, there have been no such losses.

Investments

Purchased investments are recorded at fair value, and donated investments are recorded as contributions at fair value on the date of receipt. Realized gains and losses on sales of investments are determined on the basis of specific identification of the cost of the security sold.

In-kind contributions

Donated services that create or enhance non-financial assets or that require specialized skill, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their estimated fair value in the period received. Donated materials are recorded at their estimated fair value in the period received.

The Foundation receives contributions of food, beverages, and other supplies for its events, which are recorded as revenue and expense in the year received based on the estimated fair market value. The estimated fair value of these contributions utilized is based on the amount provided by the donor. For the year ended December 31, 2024, \$33,819 of in-kind contributions were recorded as revenue and expense.

The Foundation's policy related to in-kind contributions is to utilize assets given to carry out the mission of the organization. If an asset is provided that does not allow the Foundation to utilize it in its normal course of business, the asset will be disposed.

All in-kind contributions received by the Foundation for the year ended December 31, 2024 were considered without donor restrictions and able to be used by the Foundation as determined by the board of directors and management.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

Major Component Units of the City of Madison (cont.)

Revenue Recognition

Contributions received are recorded as net position without donor restrictions or net position with donor restrictions, depending on the existence and/or nature of any donor restrictions. The Foundation recognizes contributions when cash, securities, or other assets or an unconditional promise to give is received. Conditional promises to give are those that contain a measurable performance or other barrier and a right of return and are not recognized until the conditions on which they depend have been met.

Donor-restricted support is reported as an increase in net position with donor restrictions. When a restriction expires, (that is, when a stipulated time restriction ends or purpose restriction is accomplished, such as the payment of expenses related to the restriction), net position with donor restrictions is reclassified to net position without donor restrictions and reported in the statement of activities as net position released from restrictions.

Interest, dividends, external investment fees, gains, and losses on investments are reported as an increase or decrease in net position without donor restrictions unless explicitly restricted by donors.

Revenue Recognition - special events

The Foundation sells tickets and offers sponsorships for its special events. Ticket sales and sponsorships are nonrefundable and are comprised of an exchange element based on the value of benefits provided to the donors, and a contribution element for the difference between total ticket sales and sponsorships paid and the exchange element. The Foundation recognizes the exchange portion of these events in the year the event takes place (point in time), and the contribution portion immediately. Included in special event revenue on the statements of activities are ticket sales of \$139,325 for the year ended December 31, 2024. Of the total ticket sales revenue, the exchange portion totaled \$40,480 for the year ended December 31, 2024.

Advertising Expenses

The Foundation expenses advertising costs in the period the program relates. Advertising expenses were \$254,294 for the year ended December 31, 2024.

Expense Allocation

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Each employee of the Foundation works in a primary program area. Salaries and benefits are allocated on the basis of estimates of time. Certain other indirect, non-personnel costs (rent, data processing/website, office supplies, insurance) are allocated by using the percentage of estimated staff time spent on program-related matters or supporting services (management and general) and applying those percentages to the allocation of other costs.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

Major Component Units of the City of Madison (cont.)

Subsequent Events

These financial statements have not been updated for subsequent events occurring after April 10, 2025, which is the date the MPLF financial statements were available to be issued. The Foundation has no responsibility to update these financial statements for events and circumstances occurring after this date.

b. Promises to Give

Unconditional Promises to Give

Unconditional promises to give at December 31, 2024 consisted of the following:

| | | |
|--|----|-------------------------|
| Dream Bus | \$ | 5,000 |
| Book Fest | | 30,000 |
| Other | | 292,500 |
| Reindahl Capital Campaign | | 1,702,279 |
| John H. Lussier Charitable Lead Annuity Trust (CLAT) | | <u>341,438</u> |
| Total Unconditional Promises to Give | \$ | 2,371,217 |
| Less: Discounts to net present value | | <u>(220,094)</u> |
| Unconditional Promises to Give - Net | \$ | <u><u>2,151,123</u></u> |

At December 31, 2024, \$776,058 of unconditional promises to give are receivable in less than one year and \$1,595,159 of unconditional promises to give are receivable in one to five years, and \$0 is receivable in more than five years.

Unconditional promises to give (excluding the CLAT) receivable in one year or more are discounted to net present value using a discount rate ranging from 4.31% to 5.50%. The discount rate used for the CLAT was 2.75% as of December 31, 2024. Unconditional promises to give receivable in less than one year are measured at net realizable value which approximates fair value.

Split-interest Agreement (Charitable Lead Annuity Trust)

Split-interest agreements are trusts or other arrangements under which donors have designated beneficiaries. The Foundation is one of twenty beneficiaries of the John H. Lussier Charitable Lead Annuity Trust (CLAT). Under the CLAT, the foundation receives fixed annual annuity payments during the term of the trust, 10 years. The final distribution will be made in 2028. The Foundation was notified it was a beneficiary of the CLAT in 2019. Any changes in the discounted value of the CLAT are adjusted through the remaining unconditional promise to give balance and contribution revenue. The unconditional promise to give, net of the discount present value, was \$323,300 as of December 31, 2024.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

Major Component Units of the City of Madison (cont.)

c. Beneficial Interest in Assets Held by Madison Community Foundation (MCF)

The Foundation has established various agency endowments at MCF. The Foundation recognizes the fair value of contributions to the agency endowments as support when received. When the Foundation transfers the agency endowment funds (the Fund) to MCF, it recognizes the transfers as a decrease in cash and the balances are presented on the Statements of Financial Position as increases to beneficial interest in assets held by MCF.

Under the provisions of MCF's governing instruments and applicable regulations, the Board of Governors of MCF (the Board) have the power to modify any restriction or condition on, or direction as to, the timing, manner, or character of distributions for any specified charitable purposes or foundations if, in the judgment of the Board, such direction restrictions or conditions become, in effect, unnecessary, incapable of fulfillment, or inconsistent with any distribution policy adopted by MCF or with the charitable needs of the greater Madison community.

MCF will normally distribute part of the Fund to the Foundation at least annually so long as the Foundation maintains its Federal tax-exempt status. This distribution policy is subject to change by the Board. The purpose of these grants will be to enable the Foundation to carry out its charitable and exempt purposes. The percentage distribution is reviewed periodically by the Board and is applied to the average value of the assets in the Fund over the prior twenty quarters.

The balances of the individual agency endowments at December 31, 2024 were:

| | | |
|--|----|------------------|
| Elizabeth Moon Proctor Scholarship and Professional Development Fund | \$ | 77,720 |
| Hawthorne Library Endowment Fund | | 36,301 |
| Judy P. Olson Book Discussion Kit Fund | | 25,606 |
| Lakeview Library Endowment Fund | | 155,788 |
| Madison Public Library Foundation Endowment Fund | | 7,430,360 |
| Monroe Street Branch Endowment Fund | | 58,593 |
| Pinney Library Endowment Fund | | 277,440 |
| Print Books Purchase Fund | | 129,784 |
| Sequoia Branch Endowment Fund | | 439,812 |
| South Madison Branch Endowment Fund | | 244,124 |
| Central Library Endowment Fund | | 216,213 |
| Meadowridge Branch Endowment Fund | | 168,904 |
| Alicia Ashman Library Endowment Fund | | 92,448 |
| Professional Development Endowment | | 27,258 |
| Rosemary Lee Endowment Fund | | 96,810 |
| Total Agency Endowments | \$ | <u>9,477,161</u> |

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

Major Component Units of the City of Madison (cont.)

d. Fair Value Disclosure

The fair value measurement for the categories of assets that are measured at fair value on a recurring basis at December 31, 2024, are as follows:

| | Fair Value Measurement Using | | | |
|---|------------------------------|--|---|--|
| | Fair Value | Quoted Prices in Active Markets for Identical Inputs (Level One) | Significant Other Observable Inputs (Level Two) | Significant Unobservable Inputs (Level Three) |
| Beneficial interest in assets held at MCF ¹ | \$ 9,477,161 | \$ - | \$ - | \$ 9,477,161 |
| MCF pass thru fund ² | 15,464 | - | - | 15,464 |
| Totals | <u>\$ 9,492,625</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 9,492,625</u> |

¹ The Foundation's beneficial interest in assets held by MCF represents an agreement between the Foundation and MCF in which the Foundation transfers assets to MCF in exchange for future distributions. The beneficial interest is not actively traded and significant other observable inputs are not available. Thus, the fair value of the beneficial interest is measured at the proportional share of the underlying assets as reported to the Foundation by MCF. Little information about those assets is released publicly. The estimated value does not necessarily represent amounts that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined.

² The Foundation has entered into an agreement to hold funds in an MCF pass thru fund which represent donations or pledge payments received via a stock transfer. MCF has agreed to accept these donations on behalf of the Foundation. MCF sells the stock on the date it is received and remits the cash proceeds to the Foundation. The MCF pass thru fund is not actively traded and significant other observable inputs are not available. Thus, the fair value of the pass thru funds is measured at the proportional share of the underlying assets as reported to the Foundation by MCF.

The total purchases/contributions to the beneficial interest in assets held by MCF was \$252,199 for the year ended December 31, 2024.

The total purchases/contributions to the MCF pass thru fund was \$133,063 for the year ended December 31, 2024.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

Major Component Units of the City of Madison (cont.)

e. Net position

Net Position Without Donor Restrictions

Net position without donor restrictions consists of net position available for operations of the Foundation and net position designated by the Foundation's Board of Directors for the following purposes as of December 31, 2024:

| | |
|--|----------------------------|
| Madison Public Library Foundation Endowment Fund | \$ 7,430,360 |
| Program Venture Fund | 5,000 |
| Undesignated | <u>1,013,218</u> |
| Total Net Position Without Donor Restrictions | <u><u>\$ 8,448,578</u></u> |

Net Position With Donor Restrictions – Time or Use

Net position with donor restrictions - time or use include assets set aside in accordance with donor restrictions as to time or use and are available for the following purposes as of December 31, 2024:

| | |
|---|-----------|
| Ashman Branch | \$ 500 |
| Ashman Endowment | 19,630 |
| Book Festival | 240,753 |
| Central Endowment | 61,195 |
| Dream Bus | 85,280 |
| General Library | 351,072 |
| Hawthorne Endowment | 36,301 |
| Judy P. Olson Book Discussion Kit Endowment | 18,847 |
| Lakeview Branch | 225 |
| Friends of Lakeview Library | 43,523 |
| Lakeview Endowment | 155,788 |
| Meadowridge Branch | 4,850 |
| Meadowridge Endowment | 39,767 |
| Monroe Branch | 5,450 |
| Monroe Endowment | 12,738 |
| Monroe Library League | 18,889 |
| Pinney Branch | 6,876 |
| Pinney Endowment | 277,440 |
| Print Books Purchase | 12,773 |
| Professional Development Endowment | 5,399 |
| Proctor Endowment | 25,681 |
| Program Restricted | 1,309 |
| Reindahl Capital | 2,061,241 |
| Rosemary Lee Endowment | 21,310 |
| Sequoia Branch | 6,760 |
| Sequoia Endowment | 123,247 |
| South Madison Branch | 250 |

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

Major Component Units of the City of Madison (cont.)

| | |
|---|---------------------|
| South Madison Friends | 6,434 |
| South Madison Endowment | 67,289 |
| Thrift Books | 2,409 |
| John H. Lussier Charitable Lead Annuity Trust | 323,300 |
| | <u> </u> |
| Net Position With Donor Restrictions | <u>\$ 4,036,526</u> |

The Foundation's solicitations for capital projects indicate that contributions received in excess of the amount needed for the particular project will be used to establish an endowment fund, the income from which can be used to support the particular library branch location.

Net Position with Donor Restrictions – Perpetual Endowments

Net position with donor restrictions – perpetual endowments include net position set aside in perpetuity in accordance with donor restrictions as of December 31, 2024 consisted of the following:

| | |
|--|---------------------|
| Ashman Branch Endowment Fund | \$ 72,818 |
| Central Branch Endowment Fund | 155,018 |
| Elizabeth Moon Proctor Scholarship and Professional Development Fund | 52,039 |
| Meadowridge Branch Endowment Fund | 129,137 |
| Monroe Branch Endowment Fund | 45,855 |
| Print Books Purchase Fund | 117,011 |
| Sequoia Branch Endowment Fund | 316,565 |
| South Madison Branch Endowment Fund | 176,835 |
| Judy P. Olson Endowment Fund | 6,759 |
| Professional Development Endowment | 21,859 |
| Rosemary Lee Endowment Fund | 75,500 |
| | <u> </u> |
| Net Position With Donor Restrictions – Perpetual Endowments | <u>\$ 1,169,396</u> |

f. Endowments

The Foundation's endowments consist of 14 individual funds established for a variety of purposes. Its endowments include both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by generally accepted accounting principles, net position associated with endowment funds, including funds designated by the Board of Directors to function as endowments, is classified and reported based on the existence or absence of donor-imposed restrictions.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

Major Component Units of the City of Madison (cont.)

The Foundation has interpreted Wisconsin's enacted version of Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. However, the Foundation has notified its donors that they reserve the right to make a distribution from their funds even if the value of the fund drops below the amount of the initial gift. In accordance with Wisconsin's enacted version of UPMIFA, the Foundation expects it will need to consider the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Foundation, and (7) the Foundation's investment policies.

From time to time, the fair value of assets associated with endowment funds fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration.

The Foundation has a policy that permits spending from underwater endowment funds depending on the degree to which the fund is underwater, unless otherwise precluded by donor intent or relevant laws and regulations.

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the original investment of the endowment. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity. Endowment assets also included board-designated funds that are held, as directed by the Board of Directors, for current and future needs. Under this policy, as approved by the Board of Directors, all endowment assets are invested in a manner that is intended to produce returns to fund the scholarships, print books purchases, and income streams for certain branch libraries while assuming a moderate level of investment risk.

To satisfy its long-term rate-of-return objectives, the Foundation relies on MCF's return strategy in which investment returns are achieved through both realized and unrealized gains/losses and interest and dividends. The Foundation, through MCF, targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Endowment net position composition by type of net position as of December 31, 2024.

| | Without Donor Restrictions | With Donor Restrictions - Time or Use | With Donor Restrictions - Perpetual Endowments |
|----------------------------------|-------------------------------|---|---|
| Donor-restricted endowment funds | \$ - | \$ 877,405 | \$ 1,169,396 |
| Board-designated endowment funds | 7,430,360 | - | - |
| Total Funds | <u>\$ 7,430,360</u> | <u>\$ 877,405</u> | <u>\$ 1,169,396</u> |

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

Major Component Units of the City of Madison (cont.)

Changes in endowment net position for the year ended December 31, 2024:

| | Without Donor Restrictions | With Donor Restrictions - Time or Use | With Donor Restrictions - Perpetual Endowments |
|---|-------------------------------|---|---|
| Endowment net position-beginning of year | \$ 6,878,568 | \$ 767,418 | \$ 1,163,372 |
| Contributions | 164,247 | 3,679 | 6,024 |
| Amounts released for expenditure | (248,573) | (70,088) | - |
| Net investment income | 636,118 | 176,396 | - |
| Endowment Net Position - End of Year | <u>\$ 7,430,360</u> | <u>\$ 877,405</u> | <u>\$ 1,169,396</u> |

g. Mohaupt Fund for the Sequoya Branch Library

In May 2011, Alvin and Ruth Mohaupt established the Mohaupt Fund for the Sequoya Branch Library (the Mohaupt Fund). MCF holds and manages the Mohaupt Fund and treats assets as a component fund. The balance held in the Mohaupt Fund is not included in the Foundation's financial statements as MCF retains variance power over the assets. Any distributions from the Mohaupt Fund will help fund the Foundation's charitable and exempt purposes. Distributions from the Mohaupt Fund were \$4,016 during 2024. The Mohaupt Fund had a fair value of \$105,305 as of December 31, 2024.

h. Pension Plan

The Foundation's Defined Contribution Employee 401(K) Safe Harbor Retirement Plan covers all employees age 18 or over. The Foundation matches contributions to the plan up to 5% of the individual participant's compensation. Pension Plan expense for the year ended December 31, 2024 totaled \$18,794.

i. Availability of Financial Assets and Liquidity

The Foundation receives significant contributions with donor restrictions to be used in accordance with the associated purpose or time restrictions. It also receives gifts to establish endowments that will exist in perpetuity. When a donor's restrictions requires resources to be used in a particular manner or in a future period, the Foundation must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Foundation's liquidity management and reserve and surplus policy, it strives to maintain an operating reserve equal to six months of general expenditures. Financial assets in excess of daily cash requirements are invested in certificates of deposit and money market funds.

The following reflects the Foundation's financial assets as of December 31, 2024 reduced by amounts not available for general use because of donor-imposed restrictions or internal designations, within one year of the statement of financial position date.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

Major Component Units of the City of Madison (cont.)

| | |
|--|---------------------|
| Financial Assets as of December 31, 2024 | \$ 13,711,816 |
| Less: Those unavailable for general expenditures within one year due to: | |
| Restricted by donor with time or purpose restrictions | (3,159,121) |
| Board designated endowment funds | (7,430,360) |
| Board designated other | (5,000) |
| Donor restricted endowment funds | <u>(2,046,801)</u> |
| Financial Assets Available to Meet Cash needs for General Expenditures Within One Year | <u>\$ 1,070,534</u> |

NONMAJOR COMPONENT UNITS OF THE CITY OF MADISON

Business Improvement District (BID)

a. Basis of Accounting/Measurement Focus

The BID follows the modified accrual basis of accounting and the flow of current financial resources measurement focus.

b. Cash and Investments

The BID, as a fund of the City, maintains common cash accounts at the same financial institutions utilized by the City. Federal Depository Insurance and the State of Wisconsin Guarantee Fund insurance apply to the City of Madison as an individual municipality and, accordingly, the amount of insured funds is not determinable for the BID. The carrying amount was \$149,109.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

NONMAJOR COMPONENT UNITS OF THE CITY OF MADISON (CONT.)

Madison Parks Foundation, Inc (MPF)

Madison Parks Foundation, Inc. (the Foundation) is a nonprofit corporation and works to identify and support park improvement opportunities in the City of Madison, Wisconsin by encouraging and mobilizing the financial support of neighborhood groups, foundations, and citizens.

a. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles.

Net position and revenue, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net position of the Foundation and changes therein is classified and reported as follows:

Net position without donor restrictions — Consist of net investments and otherwise unrestricted amounts that are available for use in carrying out the mission of the Foundation and include those expendable resources which have been designated for special use by the Foundation's Board of Directors, if any.

Net position with donor restrictions — Consist of net position that are subject to either donor-imposed time restrictions or donor-imposed purpose restrictions. These restrictions limit the Foundation's choices of when to use these resources. Additionally, the investment held at Madison Community Foundation is considered to be restricted. See notes e. and h. for additional information.

Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows, the Foundation considers all investment instruments purchased with a maturity of three months or less, to be cash equivalents.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values as of year-end. Unrealized gains and losses are included in the change in net position.

The fair values of the investments, as reported at year-end, are based on the quoted market prices for those investments as reported at year-end.

Beneficial Interest in Perpetual Trust

The Foundation has been named as an irrevocable beneficiary of a perpetual trust held and administered by independent trustees. As of December 31, 2024, there were no assets held in the Madison Parks Foundation Parks for All Legacy Trust.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

NONMAJOR COMPONENT UNITS OF THE CITY OF MADISON (CONT.)

Promises to Give

The Foundation records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statement of activities. Allowance for uncollectable promises to give is determined based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable. As of December 31, 2024, the unconditional promises to give are considered to be fully collectable. Accordingly, no allowance for uncollectable promises to give is recorded.

Revenue Recognition

The Foundation recognizes special event revenue equal to the cost of direct benefits to donors, and contribution revenue for the difference. All goods and services related to special events are transferred at a point in time.

The Foundation recognizes contributions when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been sustainably met. As of December 31, 2024, there were no conditional promises to give.

Contributions

Contributions received are recorded as increases in net position with donor restrictions or net position without donor restrictions, depending on the existence and/or nature of any donor restrictions. Contributions that are restricted by the donor are reported as increases in net position without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor-restricted support is reported as an increase in net position with donor restrictions. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net position with donor restrictions are reclassified to net position without donor restrictions and reported in the statement of activities as net position released from restrictions.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Costs are directly charged to the functions they benefit when possible. Certain costs have been allocated among the programs and supporting activities. Allocated expenses include wages and benefits. Wages and benefits are allocated to the various program and supporting services based on actual or estimated time employees spend on each function. The remaining expenses are specifically allocated whenever practical. The costs of providing the various programs and other activities can be found in the schedule of functional expenses.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

NONMAJOR COMPONENT UNITS OF THE CITY OF MADISON (CONT.)

Contributed Nonfinancial Assets

Contributed nonfinancial assets include donated services, facilities, and utilities at their estimated fair value on the date of the contribution. Contributions of services that (1) create or enhance non-financial assets or those that require specialized skills, (2) are provided by individuals possessing those skills, and (3) would typically need to be purchased if not provided by donation are recorded at their fair value in the period received. The Foundation does not sell donated gifts-in-kind.

Income Tax Status

The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Foundation's federal exempt organization returns are subject to examination by the Internal Revenue Service, generally for three years after they are filed. With few exceptions, the Foundation is no longer subject to such examinations for tax years before 2021.

The Foundation has adopted the accounting guidance for recognizing and measuring uncertain tax positions. The Foundation follows the statutory requirements for their income tax accounting and generally avoids risks associated with potentially problematic tax positions that may be challenged upon examination. Management believes any liability resulting from taxing authorities imposing additional income taxes from activities deemed to be unrelated to the Foundation's tax-exempt status would not have a material effect on the accompanying financial statements.

Use of Estimates

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

Subsequent Events

In preparing the MPF financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through April 14, 2025, the date the financial statements were available to be issued.

b. Concentration of Credit Risk and Market Risk

Financial instruments that potentially subject the Foundation to concentrations of credit and market risk consist principally of cash equivalents and investments. The Foundation maintains its cash equivalents with one financial institution, which is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. From time to time, the Foundation's cash balances at financial institutions may exceed federal depository insurance coverage and management considers this to be a normal business risk. At December 31, 2024, the Foundation had \$0 of uninsured balances with the financial institution.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

NONMAJOR COMPONENT UNITS OF THE CITY OF MADISON (CONT.)

The Foundation's investments are subject to various risks, such as interest rate, credit, and overall market volatility risks. Further, because of the significance of the investments to the Foundation's financial position and the level of risk inherent in most investments, it is reasonably possible that changes in the value of these investments could occur in the near term and such changes could materially affect the amounts reported in the financial statements. Management is of the opinion that the diversification of its invested assets among the various asset classes should mitigate the impact of changes in any one class.

The Foundation maintains its investments at a fiduciary trust company. These investments are not insured by the Securities Investor Protection Corporation (SIPC). The Foundation has not experienced any losses on such accounts. Management believes it is not exposed to any significant risk on cash or investment accounts.

c. Investments

The Foundation's investments consist of cash and marketable securities and are presented in the financial statements at fair market value. Market risk could occur and is dependent on the future changes in market prices of the various investments held. The Foundation's investments are comprised of the following as of December 31, 2024:

| | Market | Cost |
|--------------|---------------------|---------------------|
| Cash | \$ 356,678 | \$ 356,678 |
| Equities | 3,003,407 | 2,133,581 |
| Fixed income | 1,520,933 | 1,513,111 |
| Totals | <u>\$ 4,881,018</u> | <u>\$ 4,003,370</u> |

Investment income from these investments for the year ended December 31, 2024 is summarized as follows:

| | 2024 |
|-----------------------------------|-------------------|
| Interest and dividends | \$ 143,764 |
| Net realized and unrealized gains | 372,561 |
| Investment expense | <u>(48,222)</u> |
| Totals | <u>\$ 468,103</u> |

Included within these investments is the endowment established in 2015. See Note i for additional information.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

NONMAJOR COMPONENT UNITS OF THE CITY OF MADISON (CONT.)

d. Fair Value Measurement

The Foundation's investments are reported at fair value in the accompanying statement of net position. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

| | Fair Value | Fair Value Measurements Using: Quoted Prices in Active Markets for Identical Assets (Level One) | Fair Value Measurements Using: Significant Unobservable Inputs (Level Three) |
|--|---------------------|---|---|
| December 31, 2024 | | | |
| Cash | \$ 356,678 | \$ 356,678 | \$ - |
| Equities | 3,003,407 | 3,003,407 | - |
| Fixed income | 1,520,933 | 1,520,933 | - |
| Beneficial Interest in assets held by MCF | <u>89,557</u> | <u>-</u> | <u>89,557</u> |
| Totals | <u>\$ 4,970,575</u> | <u>\$ 4,881,018</u> | <u>\$ 89,557</u> |

The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels; No Level Two inputs were available to the Foundation. The Foundation uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments.

Level One Fair Value Measurements

Level One inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority. When available, the Foundation measures fair value using Level One inputs because they generally provide the most reliable evidence of fair value.

The fair values of common stocks, corporate bonds, and exchange-traded funds are based on the closing price reported on the active market where the individual securities are traded.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

NONMAJOR COMPONENT UNITS OF THE CITY OF MADISON (CONT.)

Level Three Fair Value Measurements

The Foundation's beneficial interest in assets held by Madison Community Foundation ("MCF") represents an agreement between the Foundation and MCF in which the Foundation transfers assets to MCF in exchange for future distributions. The beneficial interest is not actively traded and significant other observable inputs are not available. Thus, the fair value of the beneficial interest is measured at the proportional share of the underlying assets as reported to the Foundation from MCF. Little information about those assets is released publicly. The estimated value does not necessarily represent the amounts that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined. See Note e for reconciliation of current year activity for Level Three assets.

e. Beneficial Interest in Agency Endowment

According to professional standards, the Foundation recognizes the fair value of donations as contributions when received and when the Foundation transfers the funds to Madison Community Foundation ("MCF") it recognizes the transfer as a decrease in cash and an increase in an asset called beneficial interest in agency endowment. The Foundation acknowledges that by virtue of the governing instrument of MCF, the Board of Governors of MCF has the authority to modify any restriction or condition on the distribution of assets from the Fund if, in the reasonable judgment of the Board of Governors, such restriction or condition becomes unnecessary, incapable of fulfillment or inconsistent with the charitable needs of the community served by MCF. MCF maintains legal ownership of the Fund and normally makes an annual distribution to the Foundation that represents five percent of the average value of the assets in the Fund over the previous twelve quarters. The purpose of the distributions is to enable the Foundation to carry out its charitable and exempt purposes. The activity in the Fund at MCF was as follows for the year ended December 31, 2024:

| | <u>2024</u> |
|-------------------------------------|------------------|
| Balance - January 1, 2024 | \$ 85,364 |
| Agency endowment return: | |
| Contributions/Transfers | 200 |
| Investment income | 8,440 |
| Distributions from agency endowment | (3,464) |
| Expense and fees | <u>(983)</u> |
| Balance - December 31, 2024 | <u>\$ 89,557</u> |

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

NONMAJOR COMPONENT UNITS OF THE CITY OF MADISON (CONT.)

f. Net Position

Net position with donor restrictions is available for the following purposes:

| | |
|-------------------------------|---------------------|
| Time and purpose restrictions | \$ 2,370,558 |
| City Endowment | 138,165 |
| MCF Endowment | <u>89,557</u> |
| Total | <u>\$ 2,598,280</u> |

Net position without donor restrictions as of December 31, 2024 are as follows:

| | |
|---|---------------------|
| Undesignated | 2,815,973 |
| Board Designated for Park Improvements | <u>47,344</u> |
| Total Net Position without Donor Restrictions | <u>\$ 2,863,317</u> |

g. Contributed Nonfinancial Assets

The Foundation's donated materials and services consist of the following:

| | |
|--------------|-----------|
| Office space | \$ 15,000 |
|--------------|-----------|

Contributed materials and services were used in the Foundation's operations and programs and are recognized at fair value based on current rates for similar services. The City of Madison provides office space for the Foundation and does not charge rent.

h. Cooperative Agreement

In 2013, the Foundation and the City of Madison (the "City") entered into an agreement to formally establish the Foundation as the City's official non-profit fundraising collaborator as it relates to the City's parks and open spaces. As part of the agreement, the City transferred \$660,136 to the Foundation for the benefit of the City's parks and the growth of the Foundation. Once transferred, these funds became the Foundation's assets, however were required to be maintained in a separate investment account. Also, the Foundation must comply with any specific restrictions that were carried over from the City. Along with these restrictions, the funds spent by the Foundation shall be used to support projects that are approved by the City, other costs agreed upon by the City and the Foundation, and as payment for the Madison Parks Foundation Coordinator.

The Madison Parks Foundation Coordinator (the "Coordinator") was an interim position created by the City under the agreement to assist the Foundation with expanding its fundraising efforts to promote additional philanthropic opportunities benefiting Madison parks. The Coordinator reported directly to the City and was subject to all City rules of employment. Under the agreement, the Foundation was responsible for the reimbursement back to the City for the Coordinator's wages and benefits. In July 2018, the Foundation and the City transitioned the Coordinator position to a full-time Executive Director position at the Foundation.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

NONMAJOR COMPONENT UNITS OF THE CITY OF MADISON (CONT.)

In recognition of the Foundation's increasing role and commitment to the City's parks, the City and the Foundation agreed that the City will provide the Foundation with in-kind contributions and services, which include office space, the use of equipment, and office technology services. The estimated value of these contributions was \$15,000 in 2024.

i. Endowment

The Foundation has one endowment fund. This fund was established in 2015 to provide ongoing investment income to support the Foundation's exempt purpose. As required by GAAP, net position associated with endowment funds is classified and reported based on the existence or absence of donor-imposed restrictions. The amount required to remain intact in perpetuity is \$90,000.

| | Net Position with Donor Restrictions |
|---|--|
| Endowment net position, Beginning of year | \$ 219,434 |
| Investment return: | |
| Unrealized gain | 19,445 |
| Investment income | 6,468 |
| Amount appropriated for expenditure | (7,182) |
| Reclassifications | <u>(100,000)</u> |
| Endowment Net Position, End of Year | <u>\$ 138,165</u> |

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding while seeking to maintain the purchasing power of the endowment assets. Endowment assets include permanently restricted funds. Under this policy, as approved by the Executive Board of Directors, the permanently restricted assets are invested to achieve preservation of the principal to allow distribution of income for designated uses consistent with the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as adopted by Wisconsin. Permanently restricted endowment assets are invested in cash, equity securities, and fixed income securities.

Strategies Employed for Achieving Objectives

To satisfy its long-term objectives of the fund, the Foundation relies on a total return strategy in which investments returns are achieved through current yield (interest). The fund shall be invested in a medium risk fund with 46-66% equities, 25-45% fixed income, 0-10% real estate, and 0-10% commodities with reasonable fees. The fund shall have reasonable liquidity and be diversified by holdings, sector, geography, and market capitalization.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

NONMAJOR COMPONENT UNITS OF THE CITY OF MADISON (CONT.)

Spending Policy and How the Investment Objectives Relate to Spending Policy

Income from the fund may be used at the Board of Director's discretion to further the exempt purpose of the Foundation.

j. Liquidity and Availability of Financial Assets

As part of the Foundation's liquidity management, the Foundation structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Foundation invests cash in excess of current needs in equity and fixed income investments, which can be sold and converted to cash when needed.

The following table reflects the Foundation's financial assets as of December 31, 2024, reduced by amounts not available for general expenditure within one year. Financial assets are not considered available when not liquid or not convertible into cash within one year.

| | <u>December 31, 2024</u> |
|--|--------------------------|
| Cash and cash equivalents | \$ 3,266 |
| Promises to give | 600,000 |
| Contributions receivable | 33,773 |
| Investments | 4,881,018 |
| Beneficial Interest in Agency Endowment: Held by MCF | <u>89,557</u> |
| Total Financial Assets | 5,607,614 |
| Less: Those unavailable for general expenditure within one year due to: | |
| City endowment fund | (138,165) |
| Other donor-imposed restrictions | (2,460,115) |
| Board-designated commitments | <u>(47,344)</u> |
| Financial Assets Available to Meet Cash Needs for Expenditures Within One Year | <u>\$ 2,961,990</u> |

k. Related Party Transactions

For the year ended December 31, 2024, graphic design and branding services totaling \$22,511 were paid to the spouse of a member of the Board of Directors.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

K. ERROR CORRECTIONS

In 2024, operation and maintenance expenses for the CDA from years 2022 and 2023 were identified as capitalizable. These were pre-development expenses related to the Triangle Redevelopment project totaling \$1,028,363 and have been capitalized under Capital Assets - Construction in Progress. Net position has also been restated.

Prior to 2024, Metro agreed to new contracts with the communities and institutions that Metro provides service to. These agreements restructured the method used to determine the annual charge for service assessed to these partners. The agreements also included provisions to apply Federal funding which Metro had received to certain receivables due to Metro from the partners. The write-off of these amounts was, however, not recorded in the years that they occurred. The net amount of these balances were \$2,465,904 with \$815,100 related to pre-2023 and \$1,650,804 to 2023. The pre-2023 amount was shown in 2023 as a reduction of beginning net position.

Three buses were disposed of prior to 2024 that were not recorded in fiscal year 2023 financial statements. One of the buses with net book value of \$225,541 was totaled and disposed of in 2023. An insurance recovery was originally recorded as a reduction of materials and supplies.

The details of the restatements are as follows:

| | <u>Transit Utility</u> | <u>Business-Type Activities</u> | <u>CDA</u> | <u>Component Units</u> |
|---|------------------------|-------------------------------------|----------------------|----------------------------|
| Net Position - December 31, 2023 (as reported) | \$ 46,936,680 | \$ 803,710,752 | \$ 51,430,718 | \$ 80,484,923 |
| Add: Capitalization of pre-development expenses for the CDA | - | - | 1,028,363 | 1,028,363 |
| Less: Correction of service agreements | (2,465,904) | (2,465,904) | - | - |
| Less: Correction of insurance recoveries | <u>(225,541)</u> | <u>(225,541)</u> | <u>-</u> | <u>-</u> |
| Net Position - December 31, 2023 (as restated) | <u>\$ 44,245,235</u> | <u>\$ 801,019,307</u> | <u>\$ 52,459,081</u> | <u>\$ 81,513,286</u> |

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

V - 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 1200 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 Annual Comprehensive Financial Report, which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

Additionally, ETF issued a standalone Wisconsin Retirement System Financial Report, which can also be found using the link above.

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 retirement benefit based on a formula factor, their final average earnings, and creditable service.

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

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

The WRS also provides death and disability benefits for employees.

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

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

V - OTHER INFORMATION (CONT.)

A. EMPLOYEES' RETIREMENT SYSTEM (CONT.)

| Year | Core Fund Adjustment (%) | Variable Fund Adjustment (%) |
|------|-----------------------------|---------------------------------|
| 2014 | 4.7 | 25.0 |
| 2015 | 2.9 | 2.0 |
| 2016 | 0.5 | (5.0) |
| 2017 | 2.0 | 4.0 |
| 2018 | 2.4 | 17.0 |
| 2019 | 0.0 | (10.0) |
| 2020 | 1.7 | 21.0 |
| 2021 | 5.1 | 13.0 |
| 2022 | 7.4 | 15.0 |
| 2023 | 1.6 | (21.0) |

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 \$25,117,451 in contributions from the City and \$245,572, in contributions from the CDA.

Contribution rates for the plan year reported as of December 31, 2024 are:

| Employee Category | Employee | | Employer | |
|--|----------|---|----------|---|
| General (Executives & Elected Officials) | 6.80 | % | 6.80 | % |
| Protective with Social Security | 6.80 | % | 13.20 | % |
| Protective without Social Security | 6.80 | % | 18.10 | % |

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

V - OTHER INFORMATION (CONT.)

A. EMPLOYEES' RETIREMENT SYSTEM (CONT.)

Pension (Asset)/Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

City Information

At December 31, 2024, the City reported a liability of \$27,657,849, for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022 rolled forward to December 31, 2023. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension liability was based on its share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2024, the City's proportion was 1.86021905%, which was an decrease of 0.01425465% from its proportion reported as of December 31, 2023.

For the year ended December 31, 2024, the City recognized pension expense of \$16,767,106.

At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|-----------------------------------|----------------------------------|
| Differences between expected and actual experience | \$ 111,494,976 | \$ 147,598,440 |
| Changes in assumptions | 12,028,248 | - |
| Net differences between projected and actual earnings on pension plan investments | 96,166,369 | - |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 215,351 | 422,712 |
| Employer contributions subsequent to the measurement date | 27,753,953 | - |
| Totals | <u>\$ 247,658,897</u> | <u>\$ 148,021,152</u> |

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

V - OTHER INFORMATION (CONT.)

A. EMPLOYEES' RETIREMENT SYSTEM (CONT.)

Pension (Asset)/Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (cont.)

CDA Information

At December 31, 2024, the CDA reported a liability of \$268,833 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022 rolled forward to December 31, 2023. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The CDA's proportion of the net pension asset was based on its share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2024, the CDA's proportion was 0.01808124%, which was a decrease of 0.00099301% from its proportion reported as of December 31, 2023.

For the year ended December 31, 2024, the CDA recognized pension expense of \$96,843.

At December 31, 2024, the CDA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|-----------------------------------|----------------------------------|
| Differences between expected and actual experience | \$ 1,105,126 | \$ 1,541,087 |
| Changes in assumptions | 144,190 | - |
| Net differences between projected and actual earnings on pension plan investments | 1,153,577 | - |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 1,962 | 4,498 |
| Employer contributions subsequent to the measurement date | 275,954 | - |
| Total | <u>\$ 2,680,809</u> | <u>\$ 1,545,585</u> |

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

V - OTHER INFORMATION (CONT.)

A. EMPLOYEES' RETIREMENT SYSTEM (CONT.)

City Information

\$27,753,953 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred outflows (inflows) of resources related to pension will be recognized in pension expense as follows:

| Year Ended December 31: | Deferred Outflows of Resources and Deferred Inflows of Resources (net) (in dollars) |
|----------------------------|--|
| 2025 | 14,689,321 |
| 2026 | 15,367,441 |
| 2027 | 60,330,124 |
| 2028 | (18,503,094) |

CDA Information

\$275,954 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

| Year Ended December 31: | Deferred Outflows of Resources and Deferred Inflows of Resources (net) (in dollars) |
|----------------------------|--|
| 2025 | 175,590 |
| 2026 | 183,696 |
| 2027 | 721,161 |
| 2028 | (221,177) |

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

V - OTHER INFORMATION (CONT.)

A. EMPLOYEES' RETIREMENT SYSTEM (CONT.)

Actuarial assumptions. The total pension liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|--|--|
| Actuarial Valuation Date: | December 31, 2022 |
| Measurement Date of Net Pension Liability (Asset): | December 31, 2023 |
| Experience Study | January 1, 2018 - December 31, 2020 Published November 19, 2021 |
| Actuarial Cost Method: | Entry Age Normal |
| Asset Valuation Method: | Fair Value |
| Long-Term Expected Rate of Return: | 6.8% |
| Discount Rate: | 6.8% |
| Salary Increases: | |
| Inflation: | 3.0% |
| Seniority/Merit | 0.1% - 5.6% |
| Mortality: | Wisconsin 2020 WRS Experience Mortality Table |
| Post-retirement Adjustments*: | 1.7% |

** No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.7% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.*

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

V - 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 geometric real rates of return for each major asset class are summarized in the following table:

| Asset Allocation Targets and Expected Returns As of December 31, 2023 ¹ | Current Asset Allocation % | Long-Term Expected Nominal Rate of Return % | Long-Term Expected Real Rate of Return % ² |
|---|----------------------------|---|---|
| Core Fund Asset Class | | | |
| Public Equity | 40.0 | 7.3 | 4.5 |
| Public Fixed Income | 27.0 | 5.8 | 3.0 |
| Inflation Sensitive | 19.0 | 4.4 | 1.7 |
| Real Estate | 8.0 | 5.8 | 3.0 |
| Private Equity/Debt | 18.0 | 9.6 | 6.7 |
| Leverage ³ | (12.0) | 3.7 | 1.0 |
| Total Core Fund | 100.0 | 7.4 | 4.6 |
| Variable Fund Asset | | | |
| U.S. Equities | 70.0 | 6.8 | 4.0 |
| International Equities | 30.0 | 7.6 | 4.8 |
| Total Variable Fund | 100.0 | 7.3 | 4.5 |

¹ Asset allocations are managed within established ranges; target percentages may differ from actual monthly allocations

² New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.7%

³ The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. Currently, an asset allocation target of 12% policy leverage is used subject to an allowable range of up to 20%.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

V - OTHER INFORMATION (CONT.)

A. EMPLOYEES' RETIREMENT SYSTEM (CONT.)

Single discount rate. A single discount rate of 6.80% was used to measure the total pension liability for the current and prior year. This single discount rate was based on the expected rate of return on pension plan investments of 6.80 percent and a long term bond rate of 3.77 percent. (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2023. In describing this index, Fidelity notes that the Municipal Curves are constructed using option adjusted analytics of a diverse population of over 10,000 tax-exempt securities.) Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% 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.

Sensitivity of the City and CDA's proportionate share of the net pension liability (asset) to changes in the discount rate. The following presents the City and CDA's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.80 percent, as well as what its proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.80 percent) or 1-percentage-point higher (7.80 percent) than the current rate:

| | 1% Decrease to Discount Rate (5.80%) | Current Discount Rate (6.80%) | 1% Increase to Discount Rate (7.80%) |
|--|--|-------------------------------------|--|
| City's proportionate share of the net pension (asset) liability | \$ 267,326,464 | \$ 27,657,849 | \$ (140,048,422) |
| CDA's proportionate share of the net pension (asset) liability | \$ 2,598,401 | \$ 268,833 | \$ (1,361,264) |

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reportsand-statements>.

At December 31, 2024, the City and CDA reported a payable to the pension plan which represents contractually required contributions outstanding as of the end of the year.

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

Protective employees of the City hired prior to 1948 are covered under the City's police and firemen's pension funds established under Chapter 62 of the Wisconsin Statutes. The City has not obtained an actuarial valuation of these pension plans which were assumed by the Wisconsin Retirement Fund as of April 1, 1978. The total City contribution to the fund during 2024 was \$2,403. The present value of estimated future payments based on past service is \$69,498 and is included in the statement of net position.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

V - OTHER INFORMATION (CONT.)

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; and workers compensation. The City purchases commercial insurance for liability and most property losses. The City is partially self-funded and participates in a municipal mutual to provide coverage for losses for liability. However, other risks, such as workers compensation are accounted for and financed by the City in an internal service fund – the workers compensation fund. Settled claims have not exceeded the commercial coverage in any of the past three years.

Self Insurance

For workers compensation claims, the uninsured risk of loss is \$650,000 per occurrence and \$750,000 per occurrence for police and fire personnel. The City has purchased commercial insurance for claims in excess of those amounts. Settled claims have not exceeded the commercial coverage in any of the past three years.

All funds of the City participate in the risk management program. Amounts payable to the workers compensation fund are based on actuarial estimates of the amounts necessary to pay prior and current year claims and to establish a reserve for catastrophic losses.

A liability for a claim is established if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss is reasonably estimable. Liabilities include an amount for claims that have been incurred but not reported. The City does not allocate overhead costs or other nonincremental costs to the claims liability.

Claims Liability

| | Prior Year | Current Year |
|--|----------------------|----------------------|
| Unpaid claims - Beginning of Year | \$ 12,833,246 | \$ 12,225,236 |
| Current year claims and changes in estimates | 2,887,728 | 6,095,112 |
| Claim payments | <u>(3,495,738)</u> | <u>(5,167,930)</u> |
| Unpaid Claims - End of Year | <u>\$ 12,225,236</u> | <u>\$ 13,152,418</u> |

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

V - OTHER INFORMATION (CONT.)

B. RISK MANAGEMENT (CONT.)

Public Entity Risk Pool

Transit Mutual Insurance Corporation of Wisconsin (TMI)

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

The City's auto liability insurance policy has a \$250,000 per person policy limit and a \$7,000,000 per accident policy limit. Of the per accident policy limit, TMI insures \$2,000,000 and reinsures \$5,000,000 with Great American Reinsurance Group. In addition, the City's policy provides for \$25,000 per person and \$50,000 per accident in uninsured motorist insurance.

TMI also provides the City's transit system with auto physical damage coverage for its buses with a total limit of \$78,200,000 and a \$5,000 deductible for collision and comprehensive coverage. TMI insures \$750,000 and reinsures the remainder of \$77,450,000 with Great American Insurance Group.

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

Premiums are determined in advance of each premium year, which begins on January 1. TMI is an assessable mutual; accordingly, the Board of Directors may require that supplemental contributions be made by members to ensure adequate funds are available to meet the obligations applicable to the premium year. Members are required by Wisconsin statute and TMI bylaws to fund any deficit attributable to a premium year during which they were a member. TMI was incorporated in 1985 and began issuing insurance policies in 1986; there has never been a member assessment beyond the annual premiums.

The City's share of this corporation is 32.93% for auto liability. A list of the other members and their share of participation is available in the TMI report, which can be obtained directly from TMI's office.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

V - OTHER INFORMATION (CONT.)

B. RISK MANAGEMENT (CONT.)

Public Entity Risk Pool (cont.)

Wisconsin Municipal Mutual Insurance Company (WMMIC)

Wisconsin Municipal Mutual Insurance Company (WMMIC) was organized in 1987 by municipal members in the State of Wisconsin under Wisconsin Insurance Laws as a non-assessable municipal mutual insurance company. WMMIC writes general, auto and other liability insurance for participating members in the State of Wisconsin on terms calling for recognition of premium upon the effective date of the policy. Responsibility for the operations and management of WMMIC is vested in its executive director and Board of Directors, which is comprised of various municipal officials. At December 31, 2024, WMMIC was owned by twenty members, eighteen of which were equity members.

WMMIC limits the maximum net loss that can arise from large risks or risks in concentrated areas of exposure by reinsuring (ceding) certain levels of risks with other insurers or reinsurers. Ceded reinsurance is treated as the risk and liability of the assuming companies. Such reinsurance includes all lines of insurance.

WMMIC had a general, automobile and other liability reinsurance contract in force for the year ended December 31, 2024. This is a quota share reinsurance agreement with General Reinsurance Corporation (25%) and Governmental Entities Mutual (GEM) Insurance Company (75%) for the first \$8,000,000 for excess of loss reinsurance. General Reinsurance Corporation has the next \$2,000,000 layer in excess of \$10,000,000. Munich Reinsurance has the next \$3,000,000 layer in excess of \$12,000,000. The contract covered losses (in excess of the self-insured retention of each member) which exceed \$2,000,000 per occurrence up to the maximum loss of \$15,000,000 per occurrence. WMMIC retains the first \$2,000,000 of the loss excess of each member's self-insured retention. The members retain all losses greater than \$15,000,000 per occurrence. GEM has established and funded a trust account for its anticipated loss obligations to WMMIC to satisfy state regulatory requirements due to its current status as an unauthorized reinsurer in Wisconsin.

The City's investment in WMMIC is reported on the statement of net position as a deposit. The amount reported is the initial investment of \$3,815,820.

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 is only reported in governmental fund types if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

From time to time, the City is party to 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.

In September of 2018 the Common Council approved a contract with New Flyer Corp. for the purchase of up to 72 buses over a five-year period. As of December 31, 2024, 62 buses had been purchased under this contract.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

V - OTHER INFORMATION (CONT.)

C. COMMITMENTS AND CONTINGENCIES (CONT.)

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.

Under terms of stipulation orders issued by the State of Wisconsin Department of Industry, Labor and Human Relations, the City is making monthly payments to former employees of the City. These future amounts of \$81,490 are included in the statement of net position under other liabilities.

State and federal laws and regulations require the City to place a final cover on its solid waste landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 40 years after closure. All of the City's landfills are closed. Postclosure care costs will be paid over a period of 40 years after the date that the landfill stopped accepting waste. The City fully realizes the landfill's responsibilities for closure and long-term care and will fund all closure/postclosure activities and costs through landfill remediation fees and interest earnings. The estimated postclosure care liability is estimated to be immaterial.

The City has the following encumbrances outstanding at year-end relating to funds on hand:

| | |
|-----------------------------|----------------|
| Capital Projects Fund | \$ 109,783,426 |
| Nonmajor Governmental Funds | 506,209 |
| General Fund | 702,880 |
| Other Grants Fund | 1,217,175 |

D. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Plan description. The City sponsors a single-employer defined benefit healthcare plan, (the Retiree Health Plan). The Plan provides healthcare coverage to eligible retired City employees and their spouses, which covers both active and retired members. The Plan is affiliated with the Wisconsin Public Employer's Group Health Insurance – Dane County service area plan, a purchasing plan administered by the State of Wisconsin. Benefit provisions are established through collective bargaining agreements. The Retiree Health Plan does not issue a publicly available financial report. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits provided. Contribution requirements are established through collective bargaining agreements and may be amended only through negotiations between the City and the union. The Plan provides eligible retirees with the opportunity to stay on the City's health insurance plan. Eligible retirees and spouses contribute the full amount of the premiums after age 55, except for teamsters who contribute the difference between the rate paid by the City and current year rate.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

V - OTHER INFORMATION (CONT.)

D. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONT.)

The City contributes to the premiums for eligible police and fire employees who retire before age 55, but not before age 50. The contributions for these employees continues until age 55, as defined by the union contract. Retirees are responsible for the premiums after that time. The City will contribute, on behalf of eligible police and police supervisors who retired prior to January 1, 2022, 90% of the appropriate premium rates of the lowest bidder among the health care providers offered. For those that retire January 1, 2022 or later, the City will contribute 88% of the average for Dane County Tier 1 service providers. The City will contribute, on behalf of eligible fire employees and fire supervisors, 90% of the average for Dane County Tier 1 service providers for those who retired after January 1, 2017 but before January 1, 2021. For those that retire January 1, 2021 or later, the City will contribute 88% of the average for Dane County Tier 1 service providers. The City will contribute, on behalf of eligible teamsters, up to 100% of the appropriate premium rates of the lowest bidder among the health care providers offered for a maximum of five years, the employee reaches age 65 or until the retiree is eligible for Medicare, whichever is earlier. The contributions for eligible teamsters will not be adjusted annually, the City's contribution will remain at the rate determined in the year of retirement, and the retiree is responsible for any difference in rates.

The City will contribute annual adjusted by the percentage of wage increases determined for that year to the Local 236 retiree health insurance fund, Local 6000's City Employee Voluntary Employees Beneficiary Association (CE-VEBA) and into an escrow account for contribution towards health premiums for eligible Teamster employees.

Employees covered by benefit terms. At December 31, 2024, the following employees were covered by the benefit terms:

City Information

| | |
|---|--------------|
| Active plan members | 2,570 |
| Inactive plan members or beneficiaries currently receiving benefit payments | 685 |
| | <u>3,255</u> |

CDA Information

| | |
|---|-----------|
| Active plan members | 45 |
| Inactive plan members or beneficiaries currently receiving benefit payments | 12 |
| | <u>57</u> |

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

V - OTHER INFORMATION (CONT.)

D. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONT.)

The City's total OPEB liability of \$84,199,109 and the CDA's total liability of \$651,296 was measured as of December 31, 2024, and was determined by an actuarial valuation as of December 31, 2024.

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

| | | |
|--|----------|--|
| Inflation | 2.40% | |
| Salary increases | 3.4-7.8% | |
| Healthcare cost trend rates | 7.5% | Initially reduced by decrements to an ultimate of 4.5% after 7 years |
| Retirees' share of benefit-related costs | 100% | |
| Discount Rate | 4.28% | |

The discount rate was based on the yield for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

Mortality rates are from SOA RPH-2021 Total Dataset Mortality Table fully generational using Scale MP-2021.

Other assumptions are based on a City-determined analysis of past trends and future expectations.

Changes in the Total OPEB Liability

| | City | CDA |
|--|----------------------|----------------------|
| | Total OPEB Liability | Total OPEB Liability |
| Balances at January 1, 2024 | \$ 82,142,619 | \$ 776,159 |
| Changes for the year: | | |
| Service cost | 5,655,734 | 43,748 |
| Interest | 3,429,275 | 26,526 |
| Changes in assumptions | (1,886,745) | (155,364) |
| Differences between expected and actual experience | (685,780) | (5,305) |
| Benefit payments | (4,455,994) | (34,468) |
| Net changes | \$ 2,056,490 | \$ (124,863) |
| Balances at December 31, 2024 | \$ 84,199,109 | \$ 651,296 |

Changes of assumptions and other inputs reflect a change in the discount rate from 4.00 percent in 2023 to 4.28 percent in 2024.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

V - OTHER INFORMATION (CONT.)

D. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONT.)

Changes in the Total OPEB Liability (cont.)

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the City and CDA, as well as what the City and CDA's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.28%) or 1-percentage-point higher (5.28%) than the current discount rate:

| | 1% Decrease (3.28%) | Discount Rate (4.28%) | 1% Increase (5.28%) |
|-----------------------------|------------------------|--------------------------|------------------------|
| City's Total OPEB liability | \$ 91,109,628 | \$ 84,199,109 | \$ 77,903,103 |
| CDA's Total OPEB liability | \$ 704,750 | \$ 651,296 | \$ 602,595 |

Sensitivity of the City and CDA's total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the City and CDA, as well as what the City and CDA's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.50% decreasing to 3.5%) or 1-percentage-point higher (8.50% decreasing to 5.5%) than the current healthcare cost trend rates:

| | 1% Decrease (6.5% Decreasing to 3.5%) | Healthcare Cost Trend Rates | 1% Increase (8.5% Increasing to 5.5%) |
|-----------------------------|--|-----------------------------------|--|
| City's Total OPEB liability | \$ 76,101,727 | \$ 84,199,109 | \$ 93,673,914 |
| CDA's Total OPEB liability | \$ 588,661 | \$ 651,296 | \$ 724,585 |

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

City Information

For the year ended December 31, 2024, the City recognized OPEB expense of \$7,283,993. At December 31, 2024, 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 | \$ 2,728,895 | \$ 10,369,903 |
| Changes of assumptions | 9,100,300 | 9,085,333 |
| Total | <u>\$ 11,829,195</u> | <u>\$ 19,455,236</u> |

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

V - OTHER INFORMATION (CONT.)

D. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONT.)

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

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expenses as follows:

| <u>Fiscal Year Ended December 31 :</u> | <u>Deferred Outflows of Resources and Deferred Inflows of Resources (Net)</u> |
|--|---|
| 2025 | \$ (1,801,016) |
| 2026 | (985,107) |
| 2027 | (1,256,361) |
| 2028 | (2,170,527) |
| 2029 | (1,818,030) |
| Thereafter | 405,000 |

CDA Information

For the year ended December 31, 2024, the CDA recognized OPEB expense of \$56,343. At December 31, 2024, the CDA reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---|--|
| Differences between expected and actual experience | \$ 21,109 | \$ 80,213 |
| Changes of assumptions | <u>70,393</u> | <u>70,277</u> |
| Total | <u>\$ 91,502</u> | <u>\$ 150,490</u> |

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expenses as follows:

| <u>Fiscal Year Ended December 31:</u> | <u>Deferred Outflows of Resources and Deferred Inflows of Resources (Net)</u> |
|---------------------------------------|---|
| 2025 | \$ (13,931) |
| 2026 | (7,620) |
| 2027 | (9,718) |
| 2028 | (16,789) |
| 2029 | (14,063) |
| Thereafter | 3,133 |

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

V - OTHER INFORMATION (CONT.)

E. RELATED PARTIES

Related Parties - Primary Government

The City had the following related party transactions during 2024.

| Name | Committee | Affiliated Organization | Amount |
|-------------------------------|--|--|-----------|
| Jolynne Roorda | Madison Public Library Board | Arts and Literature Laboratory | \$ 16,780 |
| Karen Coller | Madison Guaranteed Income Pilot Program Advisory Task Force | Centro Hispano of Dane County | 612,958 |
| Stephanie Salgado Altramirano | Police Civilian Oversight Board | Centro Hispano of Dane County | |
| Nicole Solheim | Plan Commission | Cinnaire | 502,220 |
| Ellie Chin | Monona Terrace Booking Event Assistance Advisory Committee | Destination Madison | 6,040,109 |
| Hope Vang | Police Civilian Oversight Board | Freedom, Inc. | 203,709 |
| Louis Olson | Building Code, Fire Code, Conveyance Code and Licensing Appeals Board | JH Findorff & Son, Inc. | 25,000 |
| Linda Ketcham | City-County Homeless Issues Committee / Equal Opportunities Commission | JustDane | 518,016 |
| Kaba Bah | Economic Development Committee | Kaba Baal, LLC | 50,000 |
| Nicholas Zavos | Capital Area Regional Planning Commission | League of Wisconsin Municipalities | 61,952 |
| Sylvia Ramirez | TIF Review Board | Madison Area Technical College | 405,422 |
| Erinn Monroe-Nye | Sustainable Madison Committee | Madison Gas & Electric | 8,986,318 |
| Christopher Brockel | Madison Food Policy Council | Madison Northside Planning Council, Inc. | 76,865 |
| Jasmine Banks | Affirmative Action Commission / Zoo Commission / MLK Humanitarian Award Committee | Operation Fresh Start | 344,282 |
| Emily Gruenewald | Madison's Central Business Improvement District Board | Overture Center | 2,194,100 |
| Isadore Knox, Jr. | Common Council / Alcohol License Review Committee / Public Safety Review Committee / Committee on Aging / City-County Liason Committee | Overture Center | |
| Noah Bloedorn | Madison Food Policy Council | REAP Food Group | 15,000 |
| Sam Dunaiski | Sustainable Madison Committee | RENEW Wisconsin | 144,137 |
| Nicholas Leete | Madison Food Policy Council | Rooted, Inc. | 193,785 |
| Hedi Rudd | Madison Food Policy Council | Rooted, Inc. | |
| Samantha Worden | Sustainable Madison Committee | Sustain Dane | 436,977 |
| Angela Jones | Community Development Block Grant Committee | United Way of Dane County | 106,994 |

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

V - OTHER INFORMATION (CONT.)

E. RELATED PARTIES (CONT.)

Related Parties - Primary Government (cont.)

| Name | Committee | Affiliated Organization | Amount |
|------------------------|--|-----------------------------------|----------------------|
| Corinda Rainey-Moore | Equal Opportunities Commision / MLK Humanitarian Award Committee | UnityPoint Health Meriter | 21,746 |
| Faisal Abdu'Allah | State Street Campus Garage / Hawthorne Court Public Art Ad Hoc Committee | University of Wisconsin - Madison | 647,461 |
| Katherine Alcauskas | State Street Campus Garage / Hawthorne Court Public Art Ad Hoc Committee | University of Wisconsin - Madison | |
| Paul Aylesworth | Madison Development Corporation Board of Directors | University of Wisconsin - Madison | |
| Shiva Bidar-Sielaff | Community Services Committee / Madison Guaranteed Income Pilot Program Advisory Task Force | University of Wisconsin - Madison | |
| Lindsey Day Farnsworth | Madison Food Policy Council | University of Wisconsin - Madison | |
| Davy Mayer | Downtown Coordinating Committee | University of Wisconsin - Madison | |
| David McLean | Urban Design Commission | University of Wisconsin - Madison | |
| Arnold Mendez | Plan Commission / Joint Campus Area Committee | University of Wisconsin - Madison | |
| Megan Miller | Community Development Block Grant Committee | University of Wisconsin - Madison | |
| Ryan Moze | Affirmative Action Commission | University of Wisconsin - Madison | |
| John Perkins | Joint Campus Area Committee | University of Wisconsin - Madison | |
| Gregory Reed | Community Development Authority | University of Wisconsin - Madison | |
| Richard Riphon | Building Code, Fire Code, Conveyance Code and Licensing Appeals Board | University of Wisconsin - Madison | |
| Christopher Schmidt | TIF Review Board | University of Wisconsin - Madison | |
| Aaron Williams | Board of Public Works | University of Wisconsin - Madison | |
| Edward Lee | Madison Development Corporation Board of Directors | Urban League of Greater Madison | 524,279 |
| Katey Nelson | Police Civilian Oversight Board | YWCA Madison | 827,650 |
| Total | | | <u>\$ 22,955,760</u> |

The City Attorney has reviewed the related party transaction schedule and the parties have stipulated that either no matters related to the affiliated entity appeared before them, or, if they did, they properly recused themselves.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

V - OTHER INFORMATION (CONT.)

Related Parties - CDA

The administration and operation of the CDA is performed by employees of the City. The CDA pays the City for these services, as well as other allocated costs.

F. JOINT OPERATIONS

Administrative offices and court facilities of the City are housed in a building that includes similar facilities for Dane County. The building is owned jointly by the City and the County. The County acts as the fiscal agent for operating costs of the building. Such occupancy expenses are paid to Dane County and have been recorded as operating costs in the applicable City department.

G. COOPERATIVE BOUNDARY PLANS

On February 18, 2005, the Town of Blooming Grove and the City of Madison executed an intergovernmental agreement under authority of Section 66.0307 of the Wisconsin Statutes.

The term and implementation phases within the plan recognize and attempt to balance the competing desires of the City and the town and the existing town and City property owners and residents. The plan provides for the eventual dissolution of the town after a protected period of up to 22 years, but allows early annexations within several areas to address near-term problems and opportunities.

The plan shall terminate on October 31, 2027, or at such earlier time as the town may cease to exist as a separate entity in accordance with the terms of this plan. A complete copy of the plan can be obtained from the City of Madison.

On January 17, 2007, the Town of Burke, the Village of DeForest, the City of Sun Prairie, and the City of Madison executed an intergovernmental agreement under authority of Section 66.0307 of the Wisconsin Statutes.

The term and implementation phases within the plan recognize and attempt to balance the competing desires of the cities, the village, and the town and the existing town, village, and City property owners and residents. The plan provides for the eventual dissolution of the town after a protected period of up to 29 years, but allows early annexations within several areas to address near-term problems and opportunities.

The plan shall terminate on October 26, 2036, or at such earlier time as the town may cease to exist as a separate entity in accordance with the terms of this plan. A complete copy of the plan can be obtained from the City of Madison.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

V - OTHER INFORMATION (CONT.)

H. JOINT VENTURE

The City of Madison and Dane County jointly operate the Public Health for Madison and Dane County (PHMDC), which provides public health services to its citizens.

The governing body is made up of eight members. One alder member is appointed by the Mayor of the City of Madison, as confirmed by the common council, and a supervisor is appointed by the Dane County Executive, as confirmed by the county board. The mayor and county executive jointly appoint the remaining six board members from citizens involved in the health profession. The governing body has authority to adopt its own budget, subject to approval by the common council and county board. The City of Madison made a payment totaling \$10,316,892 to the PHMDC for 2024. The City believes that the PHMDC will continue to provide services in the future at similar rates.

Financial information of the district as of December 31, 2024 is available directly from the City of Madison, the fiscal agent for PHMDC.

The City of Madison accounts for its share of the operations in the general fund. The City does not have an equity interest in the organization.

The City of Madison is a member of the Metropolitan Unified Fiber Network Consortium, which is an unincorporated nonprofit association organized under Chapter 184 of the Wisconsin Statutes, the Uniform Unincorporated Nonprofit Association Act. This association was created to implement a community area network to improve broadband adoption among businesses and residential groups, help spur economic development, improve network connectivity for public safety, education and library entities as well as expand broadband services to service organizations providing services to disadvantaged, at-risk population within the community.

Fiscal information of the association as of December 31, 2024 is available directly from the City of Madison, the fiscal agent Metropolitan Unified Fiber Network Consortium.

The City of Madison accounts for its share of the operations in the general fund. The City does not have an equity interest in the organization.

I. TAX ABATEMENTS

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

The City, through its Tax Incremental Financing Districts (TIDs), has entered into tax abatement agreements with developers in the form of tax incremental financing incentives to stimulate economic development. The abatements are authorized through the TID project plans. The City disburses loans to developers. The developer guarantees a certain amount of increment each year. The developers pay property taxes as they become due, and if they generate the guaranteed increment, an equal amount of loan balance is forgiven. Total amount of loans forgiven during 2024 were \$3,132,298. \$14,069,000 in loans were disbursed during 2024.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2024

V - OTHER INFORMATION (CONT.)

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

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

- > Statement No. 102, *Certain Risk Disclosures*
- > Statement No. 103, *Financial Reporting Model Improvements*
- > Statement No. 104, *Disclosure of Certain Capital Assets*

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

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF MADISON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP) - GENERAL FUND For the Year Ended December 31, 2024

| | Budgeted Amounts | | | Variance with Final Budget |
|---------------------------------------|-----------------------|-----------------------|----------------------|-------------------------------|
| | Original | Final | Actual | |
| REVENUES | | | | |
| Taxes | \$ 282,663,822 | \$ 282,663,822 | \$283,612,472 | \$ 948,650 |
| Intergovernmental | 45,657,876 | 45,657,876 | 45,971,118 | 313,242 |
| Licenses and permits | 8,382,120 | 8,382,120 | 9,555,246 | 1,173,126 |
| Fines and forfeitures | 5,250,000 | 5,250,000 | 6,722,942 | 1,472,942 |
| Charges for services | 17,666,455 | 17,666,455 | 17,481,054 | (185,401) |
| Investment income | 6,000,000 | 6,000,000 | 23,683,613 | 17,683,613 |
| Miscellaneous | 9,800,000 | 17,149,364 | 17,390,692 | 241,328 |
| Total Revenues | <u>\$ 375,420,273</u> | <u>\$ 382,769,637</u> | <u>\$404,417,137</u> | <u>\$ 21,647,500</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| General Government | | | | |
| Common council | 1,130,046 | 1,130,065 | 1,057,338 | 72,727 |
| Mayor | 1,539,363 | 1,539,363 | 1,433,836 | 105,527 |
| Municipal court | 311,596 | 311,596 | 258,359 | 53,237 |
| Attorney | 3,277,760 | 3,277,760 | 3,022,011 | 255,749 |
| Assessor | 3,406,747 | 3,406,747 | 3,383,828 | 22,919 |
| Clerk | 3,810,473 | 4,153,973 | 4,163,311 | (9,338) |
| Finance | 5,333,061 | 5,396,064 | 5,357,567 | 38,497 |
| Information technology | 9,552,150 | 10,097,150 | 11,118,714 | (1,021,564) |
| Human resources | 2,095,924 | 2,103,384 | 2,036,322 | 67,062 |
| EAP | 502,283 | 503,039 | 426,216 | 76,823 |
| Department of Civil Rights | 2,687,389 | 2,687,390 | 2,737,329 | (49,939) |
| Total General Government | <u>\$ 33,646,792</u> | <u>\$ 34,606,531</u> | <u>\$ 34,994,831</u> | <u>\$ (388,300)</u> |
| Public Safety | | | | |
| Fire | 70,567,698 | 72,131,021 | 70,987,766 | 1,143,255 |
| Police | 91,033,350 | 92,266,334 | 92,045,070 | 221,264 |
| Office of Independent Monitor | 509,420 | 509,420 | 235,992 | 273,428 |
| Public health | 10,316,892 | 10,316,892 | 10,316,892 | - |
| Total Public Safety | <u>\$ 172,427,360</u> | <u>\$ 175,223,667</u> | <u>\$173,585,720</u> | <u>\$ 1,637,947</u> |
| Public Works and Transportation | | | | |
| Engineering | 5,926,844 | 5,926,843 | 5,782,454 | 144,389 |
| Streets | 27,567,352 | 28,411,652 | 28,251,048 | 160,604 |
| Transit utility | 15,725,000 | 15,725,000 | 15,725,000 | - |
| Transportation | 606,049 | 627,191 | 578,133 | 49,058 |
| Traffic engineering | 9,796,889 | 9,826,519 | 9,076,030 | 750,489 |
| Total Public Works and Transportation | <u>\$ 59,622,134</u> | <u>\$ 60,517,205</u> | <u>\$ 59,412,665</u> | <u>\$ 1,104,540</u> |

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

CITY OF MADISON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP) - GENERAL FUND For the Year Ended December 31, 2024

| | <u>Budgeted Amounts</u> | | | |
|--|------------------------------|------------------------------|-----------------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
| EXPENDITURES (cont.) | | | | |
| Planning and Development | | | | |
| Office of the director of planning | \$ 703,296 | \$ 613,630 | \$ 534,622 | \$ 79,008 |
| Planning | 3,922,358 | 3,988,857 | 3,739,238 | 249,619 |
| Building inspection | 5,630,511 | 5,630,511 | 5,575,283 | 55,228 |
| Community development | 15,594,408 | 15,609,600 | 14,663,238 | 946,362 |
| Economic development | 2,500,708 | 2,505,653 | 2,160,017 | 345,636 |
| Total Planning and Development | <u>\$ 28,351,281</u> | <u>\$ 28,348,251</u> | <u>\$ 26,672,398</u> | <u>\$ 1,675,853</u> |
| Culture and Recreation | | | | |
| Parks | 16,616,414 | 16,854,640 | 15,975,893 | 878,747 |
| Total Culture and Recreation | <u>\$ 16,616,414</u> | <u>\$ 16,854,640</u> | <u>\$ 15,975,893</u> | <u>\$ 878,747</u> |
| Miscellaneous | 10,076,418 | 13,774,018 | 9,604,745 | 4,169,273 |
| Total Miscellaneous | <u>\$ 10,076,418</u> | <u>\$ 13,774,018</u> | <u>\$ 9,604,745</u> | <u>\$ 4,169,273</u> |
| Debt Service | 63,879,900 | 63,879,900 | 64,422,114 | (542,214) |
| Total Expenditures | <u>\$ 384,620,299</u> | <u>\$ 393,204,212</u> | <u>\$384,668,366</u> | <u>\$ 8,535,846</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>\$ (9,200,026)</u> | <u>\$ (10,434,575)</u> | <u>\$ 19,748,771</u> | <u>\$ 30,183,346</u> |
| Net Change in Fund Balance | <u>\$ (9,200,026)</u> | <u>\$ (10,434,575)</u> | <u>\$ 19,748,771</u> | <u>\$ 30,183,346</u> |
| FUND BALANCES, Beginning of Year | <u>120,678,931</u> | <u>120,678,931</u> | <u>120,678,931</u> | <u>-</u> |
| FUND BALANCES, END OF YEAR | <u><u>\$ 111,478,905</u></u> | <u><u>\$ 110,244,356</u></u> | <u><u>\$140,427,702</u></u> | <u><u>\$ 30,183,346</u></u> |

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

CITY OF MADISON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - LIBRARY For the Year Ended December 31, 2024

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|---|----------------------------|----------------------------|----------------------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes | \$ 20,748,477 | \$ 20,748,477 | \$ 20,748,477 | \$ - |
| Intergovernmental | 1,389,148 | 1,401,215 | 1,415,832 | 14,617 |
| Public charges for services | 797,139 | 797,139 | 835,409 | 38,270 |
| Miscellaneous | 558,900 | 894,893 | 953,523 | 58,630 |
| Total Revenues | <u>\$ 23,493,664</u> | <u>\$ 23,841,724</u> | <u>\$ 23,953,241</u> | <u>\$ 111,517</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Culture and recreation | 21,019,085 | 21,389,404 | 21,247,870 | 141,534 |
| Capital Outlay | - | - | 1,813,652 | (1,813,652) |
| Debt service | | | | |
| Principal payments on leases and subscriptions | - | - | 169,104 | (169,104) |
| Interest payments on leases and subscriptions | - | - | 46,806 | (46,806) |
| Total Expenditures | <u>\$ 21,019,085</u> | <u>\$ 21,389,404</u> | <u>\$ 23,277,432</u> | <u>\$ (1,888,028)</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>\$ 2,474,579</u> | <u>\$ 2,452,320</u> | <u>\$ 675,809</u> | <u>\$ (1,776,511)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Issuance of leases and subscriptions | - | - | 1,813,652 | 1,813,652 |
| Transfers in | 65,048 | 87,307 | 42,608 | (44,699) |
| Transfers out | (2,539,627) | (2,539,627) | (2,539,627) | - |
| Total Other Financing Sources (Uses) | <u>\$ (2,474,579)</u> | <u>\$ (2,452,320)</u> | <u>\$ (683,367)</u> | <u>\$ 1,768,953</u> |
| Net Change in Fund Balance | \$ - | \$ - | \$ (7,558) | \$ (7,558) |
| FUND BALANCES - Beginning of Year | <u>2,790,757</u> | <u>2,790,757</u> | <u>2,790,757</u> | <u>-</u> |
| FUND BALANCES - END OF YEAR | <u><u>\$ 2,790,757</u></u> | <u><u>\$ 2,790,757</u></u> | <u><u>\$ 2,783,199</u></u> | <u><u>\$ (7,558)</u></u> |

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

CITY OF MADISON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL - OTHER GRANTS For the Year Ended December 31, 2024

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|---|------------------------------|------------------------------|----------------------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Intergovernmental | \$ 3,229,736 | \$ 3,758,078 | \$ 134,046,077 | \$ 130,287,999 |
| Investment income | 1,100 | - | 45,283 | 45,283 |
| Miscellaneous | 1,008,800 | 1,620,679 | 340,794 | (1,279,885) |
| Total Revenues | <u>\$ 4,239,636</u> | <u>\$ 5,378,757</u> | <u>\$ 134,432,154</u> | <u>\$ 129,053,397</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| General government | 1,045,640 | 1,045,640 | 1,544,678 | (499,038) |
| Public safety | 2,340,857 | 1,950,860 | 2,864,846 | (913,986) |
| Public works and transportation | - | - | 895 | (895) |
| Planning and development | 1,736,240 | - | 12,986,123 | (12,986,123) |
| Debt service | | | | |
| Principal payments on leases and subscriptions | - | - | 181,965 | (181,965) |
| Interest payments on leases and subscriptions | - | - | 16,685 | (16,685) |
| Total Expenditures | <u>\$ 5,122,737</u> | <u>\$ 2,996,500</u> | <u>\$ 17,595,192</u> | <u>\$ (14,598,692)</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>\$ (883,101)</u> | <u>\$ 2,382,257</u> | <u>\$ 116,836,962</u> | <u>\$ 114,454,705</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 625,104 | 79,523 | 458,425 | 378,902 |
| Transfers out | (56,348) | (7,722,052) | (115,055,744) | (107,333,692) |
| Total Other Financing Sources (Uses) | <u>\$ 568,756</u> | <u>\$ (7,642,529)</u> | <u>\$ (114,597,319)</u> | <u>\$ (106,954,790)</u> |
| Net Change in Fund Balance | <u>\$ (314,345)</u> | <u>\$ (5,260,272)</u> | <u>\$ 2,239,643</u> | <u>\$ 7,499,915</u> |
| FUND BALANCES (DEFICIT) - Beginning of Year | <u>(3,103,008)</u> | <u>(3,103,008)</u> | <u>(3,103,008)</u> | <u>-</u> |
| FUND BALANCES (DEFICIT) - END OF YEAR | <u><u>\$ (3,417,353)</u></u> | <u><u>\$ (8,363,280)</u></u> | <u><u>\$ (863,365)</u></u> | <u><u>\$ 7,499,915</u></u> |

CITY OF MADISON

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) (CITY) - WISCONSIN RETIREMENT SYSTEM For the Year Ended December 31, 2024

| 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 |
|-----------------------|---|---|-----------------|---|--|
| 12/31/24 | 1.86021905% | \$ 27,657,849 | \$ 249,071,616 | 11.10% | 98.85% |
| 12/31/23 | 1.84596440 | 97,793,725 | 230,851,540 | 42.36 | 95.72 |
| 12/31/22 | 1.82854391 | (147,384,003) | 223,111,361 | 66.06 | 106.02 |
| 12/31/21 | 1.80992057 | (112,995,852) | 224,020,516 | 50.44 | 105.26 |
| 12/31/20 | 1.78514709 | (57,561,292) | 215,094,354 | 26.76 | 102.96 |
| 12/31/19 | 1.74727964 | 62,162,732 | 205,669,683 | 30.22 | 96.45 |
| 12/31/18 | 1.68891241 | (50,145,814) | 205,730,520 | 24.37 | 102.93 |
| 12/31/17 | 1.62005356 | 13,353,109 | 191,009,837 | 6.99 | 99.12 |
| 12/31/16 | 1.58205299 | 25,708,053 | 183,244,827 | 14.03 | 98.20 |
| 12/31/15 | 1.57042163 | (38,573,852) | 178,424,442 | 21.62 | 102.74 |

SCHEDULE OF EMPLOYER CONTRIBUTIONS (CITY) - WISCONSIN RETIREMENT SYSTEM For the Year Ended December 31, 2024

| 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 |
|-----------------------|--|---|--|-----------------|--|
| 12/31/24 | \$ 27,753,953 | \$ 27,753,953 | \$ - | \$ 263,175,935 | 10.55% |
| 12/31/23 | 25,264,650 | 25,264,650 | - | 249,071,616 | 10.14 |
| 12/31/22 | 21,887,375 | 21,887,375 | - | 230,851,540 | 9.48 |
| 12/31/21 | 21,348,035 | 21,348,035 | - | 223,111,361 | 9.57 |
| 12/31/20 | 21,185,232 | 21,185,232 | - | 224,020,519 | 9.46 |
| 12/31/19 | 19,003,865 | 19,003,865 | - | 215,094,354 | 8.84 |
| 12/31/18 | 18,257,506 | 18,257,506 | - | 205,699,683 | 8.88 |
| 12/31/17 | 17,686,491 | 17,686,491 | - | 198,994,273 | 8.89 |
| 12/31/16 | 15,854,458 | 15,854,458 | - | 191,009,837 | 8.30 |
| 12/31/15 | 15,418,160 | 15,418,160 | - | 183,244,827 | 8.41 |

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

CITY OF MADISON

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) (CDA) - WISCONSIN RETIREMENT SYSTEM For the Year Ended December 31, 2024

| 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 |
|-----------------------|---|---|-----------------|---|--|
| 12/31/24 | 0.01808124% | \$ 268,833 | \$ 3,366,033 | 7.99% | 98.85% |
| 12/31/23 | 0.01907425 | 1,010,497 | 3,177,871 | 31.80 | 95.72 |
| 12/31/22 | 0.01950786 | (1,572,369) | 3,119,143 | 50.41 | 106.02 |
| 12/31/21 | 0.01805435 | (1,127,158) | 2,950,806 | 38.20 | 105.26 |
| 12/31/20 | 0.01697768 | (547,438) | 2,560,588 | 21.38 | 102.96 |
| 12/31/19 | 0.01644257 | 584,975 | 2,301,605 | 25.42 | 96.45 |
| 12/31/18 | 0.01621912 | (481,564) | 2,271,038 | 21.20 | 102.93 |
| 12/31/17 | 0.01611899 | 132,859 | 2,220,313 | 5.98 | 99.12 |
| 12/31/16 | 0.01613057 | 262,120 | 2,237,306 | 11.72 | 98.20 |
| 12/31/15 | 0.01596426 | (392,124) | 2,131,088 | 18.40 | 102.74 |

SCHEDULE OF EMPLOYER CONTRIBUTIONS (CDA) - WISCONSIN RETIREMENT SYSTEM For the Year Ended December 31, 2024

| 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 |
|-----------------------|--|---|--|-----------------|--|
| 12/31/24 | \$ 275,954 | \$ 275,954 | \$ - | \$ 3,807,486 | 7.25% |
| 12/31/23 | 245,572 | 245,572 | - | 3,366,033 | 7.30 |
| 12/31/22 | 226,161 | 226,161 | - | 3,177,871 | 7.12 |
| 12/31/21 | 227,752 | 227,752 | - | 3,119,143 | 7.30 |
| 12/31/20 | 211,327 | 211,327 | - | 2,950,806 | 7.16 |
| 12/31/19 | 180,744 | 180,744 | - | 2,560,588 | 7.06 |
| 12/31/18 | 173,813 | 173,813 | - | 2,301,605 | 7.55 |
| 12/31/17 | 169,849 | 169,849 | - | 2,271,038 | 7.48 |
| 12/31/16 | 157,746 | 157,746 | - | 2,220,313 | 7.10 |
| 12/31/15 | 157,204 | 157,204 | - | 2,237,396 | 7.03 |

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

CITY OF MADISON

SCHEDULE OF CHANGES IN EMPLOYER'S OTHER POST-EMPLOYMENT BENEFITS LIABILITY AND RELATED RATIOS For the Year Ended December 31, 2024

| | 2024 | | 2023 | | 2022 | |
|---|----------------------|---------------------|----------------------|-------------------|------------------------|--------------------|
| | City | CDA | City | CDA | City | CDA |
| Total OPEB Liability | | | | | | |
| Service Cost | \$ 5,655,734 | \$ 43,748 | \$ 4,839,362 | \$ 45,727 | \$ 6,395,625 | \$ 59,411 |
| Interest | 3,429,275 | 26,526 | 3,108,924 | 29,376 | 2,003,055 | 18,607 |
| Changes of benefit terms | - | - | - | - | 317,279 | 2,947 |
| Differences between expected and actual experience | (685,780) | (5,305) | 3,632,350 | 34,320 | (9,767,097) | (90,730) |
| Changes of assumptions | (1,886,745) | (155,364) | 5,006,447 | 58,317 | (10,807,645) | 10,481 |
| Benefit payments | (4,455,994) | (34,468) | (3,461,128) | (32,704) | (3,706,269) | (34,429) |
| Net change in Total OPEB Liability | \$ 2,056,490 | \$ (124,863) | \$ 13,125,955 | \$ 135,036 | \$ (15,565,052) | \$ (33,713) |
| Total OPEB Liability - Beginning | 82,142,619 | 776,159 | 69,016,664 | 641,123 | 69,016,664 | 674,836 |
| Total OPEB Liability - Ending | \$ 84,199,109 | \$ 651,296 | \$ 82,142,619 | \$ 776,159 | \$ 53,451,612 | \$ 641,123 |
| Covered-employee payroll | \$ 263,175,935 | \$ 3,807,486 | \$ 249,071,616 | \$ 3,366,033 | \$ 230,851,540 | \$ 3,177,871 |
| Total OPEB Liability as a percentage of covered-employee payroll | 31.99 % | 17.11 % | 32.98 % | 23.06 % | 29.90 % | 20.17 % |
| | | | | | | |
| | 2021 | | 2020 | | 2019 | |
| | City | CDA | City | CDA | City | CDA |
| Total OPEB Liability | | | | | | |
| Service Cost | \$ 6,453,630 | \$ 51,490 | \$ 4,899,074 | \$ 38,057 | \$ 4,291,031 | \$ 33,038 |
| Interest | 1,848,237 | 14,746 | 2,427,734 | 18,859 | 2,792,310 | 24,250 |
| Changes of benefit terms | - | - | (77,170) | - | - | - |
| Differences between expected and actual experience | (1,923,599) | (15,347) | (3,920,592) | (30,456) | (2,300,267) | (19,977) |
| Changes of assumptions | (912,876) | 10,032 | 11,299,076 | 21,883 | 4,468,248 | 38,805 |
| Benefit payments | (3,239,437) | (25,846) | (3,529,397) | (27,417) | (3,252,602) | (28,247) |
| Net change in Total OPEB Liability | \$ 2,225,955 | \$ 35,075 | \$ 11,098,725 | \$ 20,926 | \$ 5,998,720 | \$ 47,869 |
| Total OPEB Liability - Beginning | 82,355,761 | 639,761 | 71,257,036 | 618,835 | 65,258,316 | 570,966 |
| Total OPEB Liability - Ending | \$ 84,581,716 | \$ 674,836 | \$ 82,355,761 | \$ 639,761 | \$ 71,257,036 | \$ 618,835 |
| Covered-employee payroll | \$ 223,111,361 | \$ 3,119,143 | \$ 224,020,519 | \$ 2,950,806 | \$ 205,413,778 | \$ 2,489,055 |
| Total OPEB Liability as a percentage of covered-employee payroll | 37.91 % | 21.64 % | 36.76 % | 21.68 % | 34.69 % | 24.86 % |

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

CITY OF MADISON

SCHEDULE OF CHANGES IN EMPLOYER'S OTHER POST-EMPLOYMENT BENEFITS LIABILITY AND RELATED RATIOS For the Year Ended December 31, 2024

| | 2018 | |
|---|-----------------------|--------------------|
| | City | CDA |
| Total OPEB Liability | | |
| Service Cost | \$ 4,672,941 | \$ 40,885 |
| Interest | 2,516,975 | 22,021 |
| Changes of benefit terms | - | - |
| Differences between expected and actual experience | (5,179,468) | (45,317) |
| Changes of assumptions | (1,341,239) | (11,735) |
| Benefit payments | (2,854,098) | (24,971) |
| Net change in Total OPEB Liability | \$ (2,184,889) | \$ (19,117) |
| Total OPEB Liability - Beginning | 67,443,205 | 590,083 |
| Total OPEB Liability - Ending | \$ 65,258,316 | \$ 570,966 |
| Covered-employee payroll | \$ 194,757,906 | \$ 2,750,141 |
| Total OPEB Liability as a percentage of covered-employee payroll | 33.51 % | 20.76 % |

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

CITY OF MADISON

SCHEDULE OF CHANGES IN EMPLOYER'S OTHER POST-EMPLOYMENT BENEFITS LIABILITY AND RELATED RATIOS

For the Year Ended December 31, 2024

Notes to Schedule:

Benefit changes. No significant changes to benefit terms.

Changes of assumptions:

Discount Rate - The discount rate has been updated from 4.00% to 4.28% in the December 31, 2024 valuation.

This change caused an increase in the City's liabilities.

Health Care and Subsidy Trend Rates - The health care and subsidy trend rates remain at an initial rate of 7.50% decreasing by 0.50% annually to an ultimate rate of 4.50% for the December 31, 2024 valuation.

Mortality. Mortality tables have been updated from SOA RPH-2021 Total Dataset Mortality Table fully generational using Scale MP-2021 to:

- General and Teamsters Retirees: SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2021
- Police and Fire Retirees: SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2021
- Surviving Spouses: SOA Pub-2010 Contingent Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2021

Valuation Date:

December 31, 2024

Liabilities as of December 31, 2024 are based on an actuarial valuation date of December 31, 2024 with no adjustments to get to the December 31, 2024 measurement date.

Methods and assumptions used to determine total other post-employment benefits liability:

| | |
|-----------------------------|---|
| Actuarial cost method | Entry age normal |
| Amortization method | Average remaining member service life |
| Amortization period | 8 years |
| Asset valuation method | Not applicable |
| Inflation | 2.40 percent |
| Healthcare cost trend rates | 7.5 percent initial, decreasing 0.5 percent every year |
| Salary increases | 3.4-7.8 percent average, including inflation |
| Investment rate of return | Not applicable |
| Retirement age | Based upon rates from the December 31, 2023 actuarial valuation for the Wisconsin Retirement System (WRS) |
| Mortality | Assumed life expectancies were based on SOA Pub-2010 General, Public Safety and Contingent Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2021 |

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

Other Information:

The City & CDA implemented GASB Statement No. 75 in 2018. Information prior to 2018 is not available.

See independent auditors' report.

CITY OF MADISON

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended December 31, 2024

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, except for revenues and expenditures, which for budgetary purposes include the following differences:

General Fund

| | |
|--------------------------------------|-----------------------|
| Total Revenues - GAAP Basis | \$ 373,211,956 |
| Sale of capital assets | <u>101,481</u> |
| Total Revenues - GAAP Basis | 373,313,437 |
| Add: Transfers In | 32,342,297 |
| Less: Transfers Out | <u>(1,238,597)</u> |
| Total Revenues - Budgetary Basis | <u>\$ 404,417,137</u> |
| Total Expenditures - GAAP Basis | \$ 303,041,996 |
| Add: Transfers Out | 88,965,450 |
| Less: Transfers In | <u>(1,238,597)</u> |
| Total Expenditures - Budgetary Basis | <u>\$ 390,768,849</u> |

The budgeted amounts presented include all amendments made. Budget amendments or transfers that exceed \$50,000 between departmental budgets must be approved by the City Council. Appropriations of the operating budget lapse at year end unless specifically carried over. Carryovers to the following year were \$702,880. Budgets are adopted at the agency level of expenditure.

CITY OF MADISON

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended December 31, 2024

WISCONSIN RETIREMENT SYSTEM

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

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

Changes in assumptions. Based on a three-year experience study conducted in 2021 covering January 1, 2018 through December 31, 2020, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-end December 31, 2021, including the following:

- Lowering the long-term expected rate of return from 7.0% to 6.8%
- Lowering the discount rate from 7.0% to 6.8%
- Lowering the price inflation rate from 2.5% to 2.4%
- Lowering the post-retirement adjustments from 1.9% to 1.7%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table

Based on a three-year experience study conducted in 2018 covering January 1, 2015 through December 31, 2017, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-ended December 31, 2018, including the following:

- Lowering the long-term expected rate of return from 7.2% to 7.0%
- Lowering the discount rate from 7.2% to 7.0%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Lowering the post-retirement adjustments from 2.1% to 1.9%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table

SUPPLEMENTARY INFORMATION

CITY OF MADISON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - DEBT SERVICE For the Year Ended December 31, 2024

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|-------------------------|-------------------------|------------------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Investment income | \$ 2,100,000 | \$ 2,100,000 | \$ 848,926 | \$ (1,251,074) |
| Total Revenues | <u>\$ 2,100,000</u> | <u>\$ 2,100,000</u> | <u>\$ 848,926</u> | <u>\$ (1,251,074)</u> |
| EXPENDITURES | | | | |
| General government | - | - | 1,613,365 | (1,613,365) |
| Debt service | | | | |
| Principal retirement | 95,404,169 | 95,404,169 | 74,062,280 | 21,341,889 |
| Interest and fiscal charges | <u>21,020,752</u> | <u>21,020,752</u> | <u>16,385,424</u> | <u>4,635,328</u> |
| Total Expenditures | <u>\$ 116,424,921</u> | <u>\$ 116,424,921</u> | <u>\$ 92,061,069</u> | <u>\$ 24,363,852</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>\$ (114,324,921)</u> | <u>\$ (114,324,921)</u> | <u>\$ (91,212,143)</u> | <u>\$ 23,112,778</u> |
| OTHER FINANCING SOURCES | | | | |
| General obligation debt issued | - | - | 330,625 | 330,625 |
| Premium on debt issued | - | - | 11,882,341 | 11,882,341 |
| Transfers in | <u>106,593,639</u> | <u>106,593,639</u> | <u>80,292,543</u> | <u>(26,301,096)</u> |
| Total Other Financing Sources | <u>\$ 106,593,639</u> | <u>\$ 106,593,639</u> | <u>\$ 92,505,509</u> | <u>\$ (14,088,130)</u> |
| Net Change in Fund Balance | <u>\$ (7,731,282)</u> | <u>\$ (7,731,282)</u> | <u>\$ 1,293,366</u> | <u>\$ 9,024,648</u> |
| FUND BALANCES - Beginning of Year | <u>21,605,290</u> | <u>21,605,290</u> | <u>21,605,290</u> | <u>-</u> |
| FUND BALANCES - END OF YEAR | <u>\$ 13,874,008</u> | <u>\$ 13,874,008</u> | <u>\$ 22,898,656</u> | <u>\$ 9,024,648</u> |

CITY OF MADISON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CAPITAL PROJECTS For the Year Ended December 31, 2024

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|---|------------------------------|------------------------------|------------------------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes | \$ 42,248,642 | \$ 42,248,642 | \$ 42,239,788 | \$ (8,854) |
| Special assessments | 5,000,000 | 5,000,000 | 2,472,066 | (2,527,934) |
| Intergovernmental | 7,847,630 | 47,006,037 | 4,159,975 | (42,846,062) |
| Intergovernmental charges for services | 410,000 | 410,000 | 6,145,450 | 5,735,450 |
| Public charges for services | 2,461,510 | 2,461,510 | 691,301 | (1,770,209) |
| Investment income | 875,000 | 875,000 | 5,506,630 | 4,631,630 |
| Miscellaneous | 367,000 | 587,000 | 1,330,049 | 743,049 |
| Total Revenues | <u>\$ 59,209,782</u> | <u>\$ 98,588,189</u> | <u>\$ 62,545,259</u> | <u>\$ (36,042,930)</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| General government | 1,268,000 | 1,268,000 | 5,494,873 | (4,226,873) |
| Public safety | - | - | 522,895 | (522,895) |
| Public works and transportation | 334,500 | 334,500 | 14,044,800 | (13,710,300) |
| Planning and development | 1,105,000 | 1,105,000 | 7,592,204 | (6,487,204) |
| Culture and recreation | 75,000 | 75,000 | 1,640,295 | (1,565,295) |
| Capital Outlay | 155,767,345 | 205,854,332 | 265,755,540 | (59,901,208) |
| Debt service | | | | |
| Principal payments on leases and subscriptions | - | - | 1,136,107 | (1,136,107) |
| Interest payments on leases and subscriptions | - | - | 69,496 | (69,496) |
| Total Expenditures | <u>\$ 158,549,845</u> | <u>\$ 208,636,832</u> | <u>\$ 296,256,210</u> | <u>\$ (87,619,378)</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>\$ (99,340,063)</u> | <u>\$ (110,048,643)</u> | <u>\$ (233,710,951)</u> | <u>\$ (123,662,308)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| General obligation debt issued | 121,045,265 | 127,893,845 | 99,916,549 | (27,977,296) |
| Issuance of leases and subscriptions | - | - | 3,182,837 | 3,182,837 |
| Sale of capital assets | - | - | 145,210 | 145,210 |
| Transfers in | 8,831,080 | 8,831,080 | 118,219,263 | 109,388,183 |
| Transfers out | (23,637,267) | (20,637,267) | (21,502,689) | (865,422) |
| Total Other Financing Sources | <u>\$ 106,239,078</u> | <u>\$ 116,087,658</u> | <u>\$ 199,961,170</u> | <u>\$ 83,873,512</u> |
| Net Change in Fund Balance | <u>\$ 6,899,015</u> | <u>\$ 6,039,015</u> | <u>\$ (33,749,781)</u> | <u>\$ (39,788,796)</u> |
| FUND BALANCES - Beginning of Year | <u>170,861,523</u> | <u>170,861,523</u> | <u>170,861,523</u> | <u>-</u> |
| FUND BALANCES - END OF YEAR | <u><u>\$ 177,760,538</u></u> | <u><u>\$ 176,900,538</u></u> | <u><u>\$ 137,111,742</u></u> | <u><u>\$ (39,788,796)</u></u> |

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenue sources, other than major capital projects, that are legally restricted to expenditure for specific purposes.

Community Development Block Grant – Accounts for intergovernmental and other revenues legally restricted to support expenditures for CDBG City program.

Revolving Loans – Accounts for housing and development loans.

Other Restricted Funds – Accounts for resources, other than grants, that are restricted for particular purposes.

PERMANENT FUNDS

Permanent Funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs, that is, for the benefit of the government or its citizenry.

Endowments and Donations – Accounts for the resources restricted for Park uses and Cemetery care.

CITY OF MADISON

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS As of December 31, 2024

| | Special Revenue | | | Total Nonmajor Special Revenue Funds |
|--|---|---------------------|------------------------------|--|
| | Community Development Block Grant | Revolving Loans | Other Restricted Funds | |
| ASSETS | | | | |
| Cash and investments | \$ 2,063,222 | \$ 426,490 | \$ 5,566,110 | \$ 8,055,822 |
| Receivables | | | | |
| Taxes | - | - | 5,159,682 | 5,159,682 |
| Accounts | - | - | 959,554 | 959,554 |
| Accrued revenue | - | - | 5,693,465 | 5,693,465 |
| Accrued interest | - | - | 276 | 276 |
| Long-term loans | 21,839,395 | 6,626,211 | 161,671 | 28,627,277 |
| Due from other funds | - | - | 176,973 | 176,973 |
| Due from other governmental units | 7,544,524 | - | 300 | 7,544,824 |
| Prepaid items | 9,493 | 681 | 95,010 | 105,184 |
| Restricted cash and investments | 840,481 | - | 29,517,096 | 30,357,577 |
| TOTAL ASSETS | \$ 32,297,115 | \$ 7,053,382 | \$ 47,330,137 | \$ 86,680,634 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | |
| Liabilities | | | | |
| Accounts payable | \$ 939,016 | \$ 3,418 | \$ 249,818 | \$ 1,192,252 |
| Accrued liabilities | 53,124 | 3,885 | 388,012 | 445,021 |
| Due to other governmental units | 211,664 | - | - | 211,664 |
| Advances from other funds | - | 631,986 | - | 631,986 |
| Unearned revenues | 840,481 | - | - | 840,481 |
| Total Liabilities | \$ 2,044,285 | \$ 639,289 | \$ 637,830 | \$ 3,321,404 |
| Deferred Inflows of Resources | | | | |
| Unavailable revenues | 6,094,108 | - | 5,895,562 | 11,989,670 |
| Total Deferred Inflows of Resources | \$ 6,094,108 | \$ - | \$ 5,895,562 | \$ 11,989,670 |
| Fund Balances | | | | |
| Nonspendable | 9,493 | 681 | 95,010 | 105,184 |
| Restricted | 24,149,229 | 6,413,412 | 39,484,718 | 70,047,359 |
| Committed | - | - | 1,864,821 | 1,864,821 |
| Unassigned (deficit) | - | - | (647,804) | (647,804) |
| Total Fund Balances | \$ 24,158,722 | \$ 6,414,093 | \$ 40,796,745 | \$ 71,369,560 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | \$ 32,297,115 | \$ 7,053,382 | \$ 47,330,137 | \$ 86,680,634 |

| Permanent Funds | Total Nonmajor Governmental Funds |
|---------------------|--|
| \$ 5,201,578 | \$ 13,257,400 |
| - | 5,159,682 |
| - | 959,554 |
| - | 5,693,465 |
| 14,478 | 14,754 |
| - | 28,627,277 |
| - | 176,973 |
| - | 7,544,824 |
| - | 105,184 |
| - | 30,357,577 |
| <u>\$ 5,216,056</u> | <u>\$ 91,896,690</u> |

| | |
|--------------|---------------------|
| \$ 20 | \$ 1,192,272 |
| - | 445,021 |
| - | 211,664 |
| - | 631,986 |
| - | 840,481 |
| <u>\$ 20</u> | <u>\$ 3,321,424</u> |

| | |
|------------------|----------------------|
| 10,319 | 11,999,989 |
| <u>\$ 10,319</u> | <u>\$ 11,999,989</u> |

| | |
|---------------------|----------------------|
| 668,013 | 773,197 |
| 4,537,704 | 74,585,063 |
| - | 1,864,821 |
| - | (647,804) |
| <u>\$ 5,205,717</u> | <u>\$ 76,575,277</u> |

| | |
|---------------------|----------------------|
| <u>\$ 5,216,056</u> | <u>\$ 91,896,690</u> |
|---------------------|----------------------|

CITY OF MADISON

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE NONMAJOR GOVERNMENTAL FUNDS For the Year Ended December 31, 2024

| | Special Revenue | | | Total Nonmajor Special Revenue Funds |
|--|---|----------------------------|------------------------------|--|
| | Community Development Block Grant | Revolving Loans | Other Restricted Funds | |
| REVENUES | | | | |
| Taxes | \$ - | \$ - | \$ 22,660,756 | \$ 22,660,756 |
| Intergovernmental | 6,664,387 | - | 1,204,814 | 7,869,201 |
| Public charges for services | 686,808 | 11,784 | 19,407,155 | 20,105,747 |
| Licenses and permits | - | - | 374,806 | 374,806 |
| Investment income | 172,227 | 23,807 | 2,074,047 | 2,270,081 |
| Miscellaneous | - | 15,430 | 22,110 | 37,540 |
| Total Revenues | <u>\$ 7,523,422</u> | <u>\$ 51,021</u> | <u>\$ 45,743,688</u> | <u>\$ 53,318,131</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| General government | - | - | 9,165,486 | 9,165,486 |
| Public safety | - | - | 221,923 | 221,923 |
| Public works and transportation | - | - | 11,442,650 | 11,442,650 |
| Planning and development | 6,132,922 | 67,115 | 9,717,871 | 15,917,908 |
| Culture and recreation | - | - | 227,752 | 227,752 |
| Debt service | | | | |
| Total Expenditures | <u>\$ 6,132,922</u> | <u>\$ 67,115</u> | <u>\$ 30,775,682</u> | <u>\$ 36,975,719</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>\$ 1,390,500</u> | <u>\$ (16,094)</u> | <u>\$ 14,968,006</u> | <u>\$ 16,342,412</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Sale of capital assets | - | - | 31,163 | 31,163 |
| Transfers in | 39,972 | - | 7,117,630 | 7,157,602 |
| Transfers out | (13,711) | (239,972) | (24,377,354) | (24,631,037) |
| Total Other Financing Sources (Uses) | <u>\$ 26,261</u> | <u>\$ (239,972)</u> | <u>\$ (17,228,561)</u> | <u>\$ (17,442,272)</u> |
| Net Change in Fund Balances | <u>\$ 1,416,761</u> | <u>\$ (256,066)</u> | <u>\$ (2,260,555)</u> | <u>\$ (1,099,860)</u> |
| FUND BALANCES - Beginning of Year | <u>22,741,961</u> | <u>6,670,159</u> | <u>43,057,300</u> | <u>72,469,420</u> |
| FUND BALANCES - END OF YEAR | <u><u>\$ 24,158,722</u></u> | <u><u>\$ 6,414,093</u></u> | <u><u>\$ 40,796,745</u></u> | <u><u>\$ 71,369,560</u></u> |

| Permanent Funds | Total Nonmajor Governmental Funds |
|--------------------|---|
| \$ - | \$ 22,660,756 |
| - | 7,869,201 |
| 88,921 | 20,194,668 |
| - | 374,806 |
| 376,649 | 2,646,730 |
| - | 37,540 |
| <u>\$ 465,570</u> | <u>\$ 53,783,701</u> |

| | |
|------------------|----------------------|
| - | 9,165,486 |
| 10,577 | 232,500 |
| - | 11,442,650 |
| - | 15,917,908 |
| 31,944 | 259,696 |
| <u>\$ 42,521</u> | <u>\$ 37,018,240</u> |

| | |
|-------------------|----------------------|
| <u>\$ 423,049</u> | <u>\$ 16,765,461</u> |
|-------------------|----------------------|

| | |
|---------------------|------------------------|
| - | 31,163 |
| - | 7,157,602 |
| <u>(253,978)</u> | <u>(24,885,015)</u> |
| <u>\$ (253,978)</u> | <u>\$ (17,696,250)</u> |
| \$ 169,071 | \$ (930,789) |
| <u>5,036,646</u> | <u>77,506,066</u> |
| <u>\$ 5,205,717</u> | <u>\$ 76,575,277</u> |

CITY OF MADISON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - COMMUNITY DEVELOPMENT BLOCK GRANT For the Year Ended December 31, 2024

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|-----------------------------|-----------------------------|-----------------------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Intergovernmental | \$ 11,386,143 | \$ 13,798,375 | \$ 6,664,387 | \$ (7,133,988) |
| Public charges for services | 2,003,272 | 3,173,272 | 686,808 | (2,486,464) |
| Investment income | 188,230 | 188,230 | 172,227 | (16,003) |
| Total Revenues | <u>\$ 13,577,645</u> | <u>\$ 17,159,877</u> | <u>\$ 7,523,422</u> | <u>\$ (9,636,455)</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Planning and development | 13,559,239 | 17,141,471 | 6,132,922 | 11,008,549 |
| Total Expenditures | <u>\$ 13,559,239</u> | <u>\$ 17,141,471</u> | <u>\$ 6,132,922</u> | <u>\$ 11,008,549</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>\$ 18,406</u> | <u>\$ 18,406</u> | <u>\$ 1,390,500</u> | <u>\$ 1,372,094</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | - | - | 39,972 | 39,972 |
| Transfers out | (18,406) | (18,406) | (13,711) | 4,695 |
| Total OTHER FINANCING SOURCES (USES) | <u>\$ (18,406)</u> | <u>\$ (18,406)</u> | <u>\$ 26,261</u> | <u>\$ 44,667</u> |
| Net Change in Fund Balance | \$ - | \$ - | \$ 1,416,761 | \$ 1,416,761 |
| FUND BALANCES - Beginning of Year | <u>22,741,961</u> | <u>22,741,961</u> | <u>22,741,961</u> | <u>-</u> |
| FUND BALANCES - END OF YEAR | <u><u>\$ 22,741,961</u></u> | <u><u>\$ 22,741,961</u></u> | <u><u>\$ 24,158,722</u></u> | <u><u>\$ 1,416,761</u></u> |

CITY OF MADISON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - REVOLVING LOANS For the Year Ended December 31, 2024

| | <u>Budgeted Amounts</u> | | | Variance with |
|--|--------------------------|--------------------------|----------------------------|----------------------------|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | <u>Final Budget</u> |
| REVENUES | | | | |
| Intergovernmental | \$ 797,416 | \$ 797,416 | \$ - | \$ (797,416) |
| Public charges for services | 1,689 | 1,689 | 11,784 | 10,095 |
| Investment income | (776,187) | (776,187) | 23,807 | 799,994 |
| Miscellaneous | (21,017) | (21,017) | 15,430 | 36,447 |
| Total Revenues | <u>\$ 1,901</u> | <u>\$ 1,901</u> | <u>\$ 51,021</u> | <u>\$ 49,120</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Planning and development | <u>7,979,286</u> | <u>7,979,286</u> | <u>67,115</u> | <u>7,912,171</u> |
| Total Expenditures | <u>\$ 7,979,286</u> | <u>\$ 7,979,286</u> | <u>\$ 67,115</u> | <u>\$ 7,912,171</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(7,977,385)</u> | <u>(7,977,385)</u> | <u>(16,094)</u> | <u>7,961,291</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| General obligation debt issued | 2,295,126 | 2,295,136 | - | (2,295,136) |
| Sale of capital assets | 10 | 10 | - | (10) |
| Transfers in | 17,009 | 17,009 | - | (17,009) |
| Transfers out | (1,013,872) | (1,013,872) | (239,972) | 773,900 |
| Total Other Financing Sources (Uses) | <u>1,298,273</u> | <u>1,298,283</u> | <u>(239,972)</u> | <u>(1,538,255)</u> |
| Net Change in Fund Balance | <u>\$ (6,679,112)</u> | <u>\$ (6,679,102)</u> | <u>\$ (256,066)</u> | <u>\$ 6,423,036</u> |
| FUND BALANCES - Beginning of Year | <u>6,670,159</u> | <u>6,670,159</u> | <u>6,670,159</u> | <u>-</u> |
| FUND BALANCES - END OF YEAR | <u><u>\$ (8,953)</u></u> | <u><u>\$ (8,943)</u></u> | <u><u>\$ 6,414,093</u></u> | <u><u>\$ 6,423,036</u></u> |

CITY OF MADISON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - OTHER RESTRICTED FUNDS For the Year Ended December 31, 2024

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|---|-----------------------------|-----------------------------|-----------------------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes | \$ 21,165,000 | \$ 21,165,000 | \$ 22,660,756 | \$ 1,495,756 |
| Intergovernmental | 3,190,159 | 3,220,159 | 1,204,814 | (2,015,345) |
| Public charges for services | 17,222,739 | 17,222,739 | 19,407,155 | 2,184,416 |
| Licenses and permits | 380,000 | 380,000 | 374,806 | (5,194) |
| Investment income | 1,207,416 | 1,207,416 | 2,074,047 | 866,631 |
| Miscellaneous | 1,000 | 1,000 | 22,110 | 21,110 |
| Total Revenues | <u>\$ 43,166,314</u> | <u>\$ 43,196,314</u> | <u>\$ 45,743,688</u> | <u>\$ 2,547,374</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| General government | 9,764,500 | 9,764,500 | 9,165,486 | 599,014 |
| Public safety | 304,828 | 334,828 | 221,923 | 112,905 |
| Public works and transportation | 9,195,264 | 9,195,264 | 11,442,650 | (2,247,386) |
| Planning and development | 20,000,000 | 20,937,734 | 9,717,871 | 11,219,863 |
| Culture and recreation | 256,891 | 256,891 | 227,752 | 29,139 |
| Total Expenditures | <u>\$ 39,521,483</u> | <u>\$ 40,489,217</u> | <u>\$ 30,775,682</u> | <u>\$ 9,713,535</u> |
| Excess of revenues over expenditures | <u>\$ 3,644,831</u> | <u>\$ 2,707,097</u> | <u>\$ 14,968,006</u> | <u>\$ 12,260,909</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Sale of capital assets | - | - | 31,163 | 31,163 |
| Transfers in | 9,570,147 | 9,570,147 | 7,117,630 | (2,452,517) |
| Transfers out | (15,668,301) | (15,868,301) | (24,377,354) | (8,709,053) |
| Total Other Financing Sources (Uses) | <u>\$ (6,098,154)</u> | <u>\$ (6,298,154)</u> | <u>\$ (17,228,561)</u> | <u>\$ (10,930,407)</u> |
| Net Change in Fund Balance | <u>\$ (2,453,323)</u> | <u>\$ (3,591,057)</u> | <u>\$ (2,260,555)</u> | <u>\$ 1,330,502</u> |
| FUND BALANCES - Beginning of Year | <u>43,057,300</u> | <u>43,057,300</u> | <u>43,057,300</u> | <u>-</u> |
| FUND BALANCES - END OF YEAR | <u><u>\$ 40,603,977</u></u> | <u><u>\$ 39,466,243</u></u> | <u><u>\$ 40,796,745</u></u> | <u><u>\$ 1,330,502</u></u> |

ENTERPRISE FUNDS

Enterprise Funds are used to report any activity for which a fee is charged to external users for goods or services, and must be used for activities which meet certain debt or cost recovery criteria.

Parking Utility – Accounts for operations of the parking system.

Convention Center – Accounts for operations of the Monona Terrace Convention Center.

Golf Courses – Accounts for operations of the golf courses.

CITY OF MADISON

COMBINING STATEMENT OF NET POSITION NONMAJOR ENTERPRISE FUNDS As of December 31, 2024

| | Parking Utility | Convention Center | Golf Courses | Totals |
|--|-----------------------|----------------------|----------------------|-----------------------|
| ASSETS | | | | |
| Current Assets | | | | |
| Cash and investments | \$ 21,682,371 | \$ 7,484,590 | \$ 8,124,011 | \$ 37,290,972 |
| Accounts receivable | 378,023 | 541,033 | - | 919,056 |
| Accrued revenue | 7,200 | - | - | 7,200 |
| Inventories | - | 129,057 | - | 129,057 |
| Prepaid items | 108,517 | 51,890 | 9,140 | 169,547 |
| Leases receivable | 484,104 | - | - | 484,104 |
| Total Current Assets | <u>\$ 22,660,215</u> | <u>\$ 8,206,570</u> | <u>\$ 8,133,151</u> | <u>\$ 38,999,936</u> |
| Noncurrent Assets | | | | |
| Capital Assets | | | | |
| Land | 5,981,440 | 25,254 | 580,866 | 6,587,560 |
| Construction work in progress | 33,099,089 | - | 388,769 | 33,487,858 |
| Land improvements | 691,055 | 69,033 | 5,544,155 | 6,304,243 |
| Buildings | 79,536,420 | 60,406,625 | 874,697 | 140,817,742 |
| Machinery and equipment | 6,217,905 | 3,082,566 | 1,839,800 | 11,140,271 |
| Intangibles | 704,205 | 23,150 | - | 727,355 |
| Leased assets | - | 749,639 | 705,589 | 1,455,228 |
| Accumulated depreciation/amortization | (40,097,164) | (44,250,367) | (7,402,103) | (91,749,634) |
| Net Capital Assets | <u>\$ 86,132,950</u> | <u>\$ 20,105,900</u> | <u>\$ 2,531,773</u> | <u>\$ 108,770,623</u> |
| Lease receivable, noncurrent | <u>13,712,626</u> | <u>-</u> | <u>-</u> | <u>13,712,626</u> |
| Total Assets | <u>\$ 122,505,791</u> | <u>\$ 28,312,470</u> | <u>\$ 10,664,924</u> | <u>\$ 161,483,185</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Deferred outflows related to pension | 3,758,280 | 2,716,853 | 809,484 | 7,284,617 |
| Other post-employment benefits related amounts | 261,240 | 136,980 | 20,586 | 418,806 |
| Total Deferred Outflows of Resources | <u>\$ 4,019,520</u> | <u>\$ 2,853,833</u> | <u>\$ 830,070</u> | <u>\$ 7,703,423</u> |

CITY OF MADISON

COMBINING STATEMENT OF NET POSITION NONMAJOR ENTERPRISE FUNDS As of December 31, 2024

| | Parking Utility | Convention Center | Golf Courses | Totals |
|--|-----------------------------|-----------------------------|----------------------------|------------------------------|
| LIABILITIES | | | | |
| Liabilities | | | | |
| Current Liabilities | | | | |
| Accounts payable | 412,773 | 416,623 | 9,570 | 838,966 |
| Accrued liabilities | 781,049 | 447,371 | 98,487 | 1,326,907 |
| Deposits | - | 1,269,077 | 95,754 | 1,364,831 |
| Current portion of general obligation long-term debt | 631,800 | 534,848 | 24,621 | 1,191,269 |
| Current portion of leases payable | - | 26,195 | 168,278 | 194,473 |
| Current portion of subscription liabilities | - | 79,887 | - | 79,887 |
| Current portion of accrued compensated absences | 443,496 | 245,244 | 72,927 | 761,667 |
| Unearned revenue | - | 116,715 | - | 116,715 |
| Total Current Liabilities | <u>\$ 2,269,118</u> | <u>\$ 3,135,960</u> | <u>\$ 469,637</u> | <u>\$ 5,874,715</u> |
| Noncurrent Liabilities | | | | |
| General obligation long-term debt | 13,618,670 | 4,126,233 | 49,242 | 17,794,145 |
| Leases payable | - | 223,785 | 173,276 | 397,061 |
| Long-term portion of subscription liabilities | - | 295,002 | - | 295,002 |
| Net pension liability | 441,382 | 290,589 | 66,405 | 798,376 |
| Accrued compensated absences | 1,036,731 | 478,827 | 158,041 | 1,673,599 |
| Other post-employment benefits | 1,859,484 | 975,014 | 146,527 | 2,981,025 |
| Total Noncurrent Liabilities | <u>\$ 16,956,267</u> | <u>\$ 6,389,450</u> | <u>\$ 593,491</u> | <u>\$ 23,939,208</u> |
| Total Liabilities | <u>\$ 19,225,385</u> | <u>\$ 9,525,410</u> | <u>\$ 1,063,128</u> | <u>\$ 29,813,923</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Pension related amounts | 2,332,108 | 1,802,635 | 466,966 | 4,601,709 |
| Other post-employment benefits related amounts | 429,657 | 225,289 | 33,857 | 688,803 |
| Lease-related amounts | 13,388,708 | - | - | 13,388,708 |
| Total Deferred Inflows of Resources | <u>\$ 16,150,473</u> | <u>\$ 2,027,924</u> | <u>\$ 500,823</u> | <u>\$ 18,679,220</u> |
| NET POSITION | | | | |
| Net investment in capital assets | 71,924,987 | 16,150,240 | 2,116,356 | 90,191,583 |
| Unrestricted | 19,224,466 | 3,462,729 | 7,814,687 | 30,501,882 |
| TOTAL NET POSITION | <u><u>\$ 91,149,453</u></u> | <u><u>\$ 19,612,969</u></u> | <u><u>\$ 9,931,043</u></u> | <u><u>\$ 120,693,465</u></u> |

CITY OF MADISON

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION NONMAJOR ENTERPRISE FUNDS For the Year Ended December 31, 2024

| | Parking Utility | Convention Center | Golf Courses | Totals |
|--|-----------------|-------------------|--------------|----------------|
| OPERATING REVENUES | | | | |
| Charges for services | \$ 14,167,529 | \$ 5,217,440 | \$ 5,432,525 | \$ 24,817,494 |
| Total Operating Revenues | \$ 14,167,529 | \$ 5,217,440 | \$ 5,432,525 | \$ 24,817,494 |
| OPERATING EXPENSES | | | | |
| Operation and Maintenance | 12,358,005 | 11,037,594 | 3,532,196 | 26,927,795 |
| Depreciation | 2,560,619 | 1,825,668 | 296,071 | 4,682,358 |
| Total Operating Expenses | \$ 14,918,624 | \$ 12,863,262 | \$ 3,828,267 | \$ 31,610,153 |
| Operating Income (Loss) | \$ (751,095) | \$ (7,645,822) | \$ 1,604,258 | \$ (6,792,659) |
| NONOPERATING REVENUES (EXPENSES) | | | | |
| Investment income | 1,425,933 | 5 | 297,538 | 1,723,476 |
| Interest and amortization | (391,582) | (176,551) | (15,302) | (583,435) |
| Loss on sale of assets | (338,657) | - | - | (338,657) |
| Miscellaneous | 738,558 | 70,161 | 1,877 | 810,596 |
| Total Nonoperating Revenues | \$ 1,434,252 | \$ (106,385) | \$ 284,113 | \$ 1,611,980 |
| Income (Loss) Before Transfers and Capital Contributions | \$ 683,157 | \$ (7,752,207) | \$ 1,888,371 | \$ (5,180,679) |
| TRANSFERS | | | | |
| Transfers in | - | 7,264,679 | - | 7,264,679 |
| Transfers out | (1,652,351) | (338,200) | (193,966) | (2,184,517) |
| Net Transfers | \$ (1,652,351) | \$ 6,926,479 | \$ (193,966) | \$ 5,080,162 |
| Income (Loss) Before Contributions | \$ (969,194) | \$ (825,728) | \$ 1,694,405 | \$ (100,517) |
| Capital Contributions - Municipal | 16,998,419 | - | 87,643 | 17,086,062 |
| Change in Net Position | \$ 16,029,225 | \$ (825,728) | \$ 1,782,048 | \$ 16,985,545 |
| NET POSITION - Beginning of Year | 75,120,228 | 20,438,697 | 8,148,995 | 103,707,920 |
| NET POSITION - END OF YEAR | \$ 91,149,453 | \$ 19,612,969 | \$ 9,931,043 | \$ 120,693,465 |

CITY OF MADISON

COMBINING STATEMENT OF CASH FLOWS NONMAJOR ENTERPRISE FUNDS For the Year Ended December 31, 2024

| | Parking Utility | Convention Center | Golf Courses | Totals |
|---|----------------------|---------------------|---------------------|----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Received from customers | \$ 14,679,472 | \$ 4,920,899 | \$ 5,399,112 | \$ 24,999,483 |
| Customer deposits received | - | 106,654 | 846 | 107,500 |
| Paid to suppliers for goods and services | (5,342,535) | (5,595,580) | (1,656,265) | (12,594,380) |
| Paid to employees for services | (7,524,926) | (6,165,669) | (2,033,816) | (15,724,411) |
| Net Cash Flows From Operating Activities | \$ 1,812,011 | \$ (6,733,696) | \$ 1,709,877 | \$ (3,211,808) |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | |
| Repayment of advances from other funds | - | (59,600) | (16,989) | (76,589) |
| Transfers in | - | 7,264,679 | - | 7,264,679 |
| Transfers out | (1,652,351) | (338,200) | (193,966) | (2,184,517) |
| Net Cash Flows From Noncapital Financing Activities | \$ (1,652,351) | \$ 6,866,879 | \$ (210,955) | \$ 5,003,573 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | |
| Debt retired | - | (373,560) | (24,621) | (398,181) |
| Interest paid | (367,916) | (149,747) | (15,302) | (532,965) |
| Long-term debt issued | 12,000,000 | 1,904,283 | - | 13,904,283 |
| Premium | 2,368,914 | - | - | 2,368,914 |
| Acquisition and construction of capital assets | (14,281,730) | - | (700,087) | (14,981,817) |
| Net interest/amortization on leases | - | (76,298) | - | (76,298) |
| Sale of assets | 9,900 | - | - | 9,900 |
| Net Cash Flows From Capital and Related Financing Activities | \$ (270,832) | \$ 1,304,678 | \$ (740,010) | \$ 293,836 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Investment income | 1,425,933 | 5 | 297,538 | 1,723,476 |
| Net Cash Flows From Investing Activities | \$ 1,425,933 | \$ 5 | \$ 297,538 | \$ 1,723,476 |
| Net Change in Cash and Cash Equivalents | \$ 1,314,761 | \$ 1,437,866 | \$ 1,056,450 | \$ 3,809,077 |
| CASH AND CASH EQUIVALENTS - Beginning of Year | 20,367,610 | 6,046,724 | 7,067,561 | 33,481,895 |
| CASH AND CASH EQUIVALENTS - END OF YEAR | \$ 21,682,371 | \$ 7,484,590 | \$ 8,124,011 | \$ 37,290,972 |

| | Parking Utility | Convention Center | Golf Courses | Totals |
|--|----------------------|-----------------------|---------------------|-----------------------|
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| Income (loss) from operations | \$ (751,095) | \$ (7,645,822) | \$ 1,604,258 | \$ (6,792,659) |
| Adjustments to reconcile operating income to net cash from operating activities | | | | |
| Nonoperating income | 738,558 | 70,161 | 1,877 | 810,596 |
| Depreciation | 2,560,619 | 1,825,668 | 296,071 | 4,682,358 |
| Change in assets, deferred inflows, liabilities, and deferred outflows | | | | |
| Accounts receivable | 22,665 | (306,880) | 30 | (284,185) |
| Inventories | - | 3,340 | - | 3,340 |
| Prepaid items | (7,906) | 7,112 | (3,505) | (4,299) |
| Accounts payable | 128,082 | (245,836) | 763 | (116,991) |
| Other current liabilities | (1,755) | (6,648) | - | (8,403) |
| Customer deposits | - | 106,654 | 847 | 107,501 |
| Accrued compensated absences | (28,957) | (344,155) | 4,029 | (369,083) |
| Other post-employment benefits, deferrals and liabilities | (693,854) | (86,239) | (116,353) | (896,446) |
| Pension related deferrals and liabilities | (147,146) | (111,051) | (78,140) | (336,337) |
| Unearned revenue | (7,200) | - | - | (7,200) |
| NET CASH FLOWS FROM OPERATING ACTIVITIES | <u>\$ 1,812,011</u> | <u>\$ (6,733,696)</u> | <u>\$ 1,709,877</u> | <u>\$ (3,211,808)</u> |
| RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE COMBINED STATEMENT OF NET POSITION | | | | |
| Cash and investments - statement of net position | <u>\$ 21,682,371</u> | <u>\$ 7,484,590</u> | <u>\$ 8,124,011</u> | <u>\$ 37,290,972</u> |
| CASH AND CASH EQUIVALENTS - END OF YEAR | <u>\$ 21,682,371</u> | <u>\$ 7,484,590</u> | <u>\$ 8,124,011</u> | <u>\$ 37,290,972</u> |
| NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES | | | | |
| Contributed capital assets additions | \$ 16,998,419 | \$ - | \$ 87,643 | \$ 17,086,062 |

INTERNAL SERVICE FUNDS

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.

Fleet Services – Accounts for the purchase and preparation of fleet equipment used by City agencies, the provision of in-house repairs, and the purchase of outside repair and maintenance services.

City Insurance - Accounts for payment of property and liability claims on a self-insured basis or for purchase of insurance coverage from Wisconsin Municipal Mutual Insurance Co. (WMMIC) or from other carriers.

Worker's Compensation - Accounts for workers' compensation claims on a self-insured basis.

CITY OF MADISON

COMBINING STATEMENT OF NET POSITION INTERNAL SERVICE FUNDS As of December 31, 2024

| | Fleet Services | City Insurance | Worker's Compensation | Totals |
|--|----------------------|---------------------|--------------------------|----------------------|
| ASSETS | | | | |
| Current Assets | | | | |
| Cash and investments | \$ 803,645 | \$ 325,939 | \$ 15,474,399 | \$ 16,603,983 |
| Accounts receivable | 218,339 | 244,968 | - | 463,307 |
| Inventories | 1,012,579 | - | - | 1,012,579 |
| Prepaid items | 6,206,178 | 108,526 | 194 | 6,314,898 |
| Total Current Assets | <u>\$ 8,240,741</u> | <u>\$ 679,433</u> | <u>\$ 15,474,593</u> | <u>\$ 24,394,767</u> |
| Noncurrent Assets | | | | |
| Restricted assets | | | | |
| Cash and investments | - | 660,483 | 237,799 | 898,282 |
| Investment in mutual insurance company | - | 3,815,820 | - | 3,815,820 |
| Total Restricted assets | <u>\$ -</u> | <u>\$ 4,476,303</u> | <u>\$ 237,799</u> | <u>\$ 4,714,102</u> |
| Capital Assets: | | | | |
| Land | 2,570,970 | - | - | 2,570,970 |
| Land improvements | 71,990 | - | - | 71,990 |
| Buildings | 35,522,103 | - | - | 35,522,103 |
| Machinery and equipment | 115,259,794 | - | - | 115,259,794 |
| Intangibles | 119,525 | - | - | 119,525 |
| Subscription assets | 97,739 | - | - | 97,739 |
| Accumulated depreciation/amortization | (83,885,503) | - | - | (83,885,503) |
| Net Capital Assets | <u>\$ 69,756,618</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 69,756,618</u> |
| Total Noncurrent Assets | <u>\$ 69,756,618</u> | <u>\$ 4,476,303</u> | <u>\$ 237,799</u> | <u>\$ 74,470,720</u> |
| Total Assets | <u>\$ 77,997,359</u> | <u>\$ 5,155,736</u> | <u>\$ 15,712,392</u> | <u>\$ 98,865,487</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Deferred outflows related to pension | 1,972,134 | 134,562 | 58,754 | 2,165,450 |
| Other post-employment benefits related amounts | 131,796 | 10,447 | 636 | 142,879 |
| Total Deferred Outflows of Resources | <u>\$ 2,103,930</u> | <u>\$ 145,009</u> | <u>\$ 59,390</u> | <u>\$ 2,308,329</u> |

CITY OF MADISON

COMBINING STATEMENT OF NET POSITION INTERNAL SERVICE FUNDS As of December 31, 2024

| | Fleet Services | City Insurance | Worker's Compensation | Totals |
|--|----------------------|---------------------|--------------------------|----------------------|
| LIABILITIES | | | | |
| Current Liabilities | | | | |
| Accounts payable | 342,422 | 6 | 251,600 | 594,028 |
| Accrued liabilities | 880,549 | 20,180 | 10,995 | 911,724 |
| Due to other funds | 5,000,000 | - | - | 5,000,000 |
| Claims payable | - | 3,563,931 | 9,588,487 | 13,152,418 |
| Current portion of general obligation long-term debt | 9,480,191 | - | - | 9,480,191 |
| Current portion of accrued compensated absences | 199,122 | 20,596 | 8,326 | 228,044 |
| Current portion of subscription liabilities | 32,522 | - | - | 32,522 |
| Total Current Liabilities | <u>\$ 15,934,806</u> | <u>\$ 3,604,713</u> | <u>\$ 9,859,408</u> | <u>\$ 29,398,927</u> |
| Noncurrent Liabilities | | | | |
| General obligation long-term debt | 59,685,865 | - | - | 59,685,865 |
| Long-term portion of subscription liabilities | 33,487 | - | - | 33,487 |
| Accrued compensated absences | 496,363 | 30,323 | 15,111 | 541,797 |
| Net pension liability | 193,481 | 15,292 | 7,616 | 216,389 |
| Other post-employment benefits | 938,119 | 74,360 | 4,522 | 1,017,001 |
| Total Noncurrent Liabilities | <u>\$ 61,347,315</u> | <u>\$ 119,975</u> | <u>\$ 27,249</u> | <u>\$ 61,494,539</u> |
| Total Liabilities | <u>\$ 77,282,121</u> | <u>\$ 3,724,688</u> | <u>\$ 9,886,657</u> | <u>\$ 90,893,466</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Pension related amounts | 1,271,662 | 90,859 | 42,350 | 1,404,871 |
| Other post-employment benefits related amounts | 216,763 | 17,182 | 1,045 | 234,990 |
| Total Deferred Inflows of Resources | <u>\$ 1,488,425</u> | <u>\$ 108,041</u> | <u>\$ 43,395</u> | <u>\$ 1,639,861</u> |
| NET POSITION | | | | |
| Net investment in capital assets | 524,553 | - | - | 524,553 |
| Unrestricted | 806,190 | 1,468,016 | 5,841,730 | 8,115,936 |
| TOTAL NET POSITION | <u>\$ 1,330,743</u> | <u>\$ 1,468,016</u> | <u>\$ 5,841,730</u> | <u>\$ 8,640,489</u> |

CITY OF MADISON

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION INTERNAL SERVICE FUNDS For the Year Ended December 31, 2024

| | Fleet Services | City Insurance | Worker's Compensation | Totals |
|---|---------------------|---------------------|--------------------------|---------------------|
| OPERATING REVENUES: | | | | |
| Charges for services | \$ 21,979,797 | \$ 3,150,000 | \$ 3,999,998 | \$ 29,129,795 |
| Total Operating Revenues | \$ 21,979,797 | \$ 3,150,000 | \$ 3,999,998 | \$ 29,129,795 |
| OPERATING EXPENSES: | | | | |
| Operation and Maintenance | 12,129,643 | 4,131,532 | 5,276,844 | 21,538,019 |
| Depreciation | 9,486,852 | - | - | 9,486,852 |
| Total Operating Expenses | \$ 21,616,495 | \$ 4,131,532 | \$ 5,276,844 | \$ 31,024,871 |
| Operating Income (Loss) | \$ 363,302 | \$ (981,532) | \$ (1,276,846) | \$ (1,895,076) |
| NONOPERATING REVENUES (EXPENSES) | | | | |
| Investment income | - | 1,346 | 1,094 | 2,440 |
| Interest and amortization | (2,227,820) | - | - | (2,227,820) |
| Gain on sale of assets | 692,595 | - | - | 692,595 |
| Miscellaneous | 53,190 | 365,183 | 94,355 | 512,728 |
| Total Nonoperating Revenues (Expenses) | \$ (1,482,035) | \$ 366,529 | \$ 95,449 | \$ (1,020,057) |
| Income (Loss) Before Transfers | \$ (1,118,733) | \$ (615,003) | \$ (1,181,397) | \$ (2,915,133) |
| TRANSFERS | | | | |
| Transfers in | 183,225 | - | - | 183,225 |
| Transfers out | - | (211,480) | - | (211,480) |
| Net Transfers | \$ 183,225 | \$ (211,480) | \$ - | \$ (28,255) |
| Change in Net Position | \$ (935,508) | \$ (826,483) | \$ (1,181,397) | \$ (2,943,388) |
| NET POSITION - Beginning of Year | 2,266,251 | 2,294,499 | 7,023,127 | 11,583,877 |
| NET POSITION - END OF YEAR | <u>\$ 1,330,743</u> | <u>\$ 1,468,016</u> | <u>\$ 5,841,730</u> | <u>\$ 8,640,489</u> |

CITY OF MADISON

COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS For the Year Ended December 31, 2024

| | Fleet Services | City Insurance | Worker's Compensation | Totals |
|---|--------------------------|--------------------------|-----------------------------|-----------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Received from customers | \$ 21,894,384 | \$ 3,521,480 | \$ 4,094,353 | \$ 29,510,217 |
| Paid to suppliers for goods and services | (11,399,116) | (4,040,597) | (3,982,125) | (19,421,838) |
| Paid to employees for services | (3,375,415) | (260,012) | (149,904) | (3,785,331) |
| Net Cash Flows From Operating Activities | <u>\$ 7,119,853</u> | <u>(779,129)</u> | <u>(37,676)</u> | <u>\$ 6,303,048</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | |
| Transfers in | 183,225 | - | - | 183,225 |
| Transfers out | - | (211,480) | - | (211,480) |
| Net Cash Flows From Noncapital Financing Activities | <u>\$ 183,225</u> | <u>(211,480)</u> | <u>-</u> | <u>\$ (28,255)</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | |
| Debt retired | (9,464,459) | - | - | (9,464,459) |
| Interest paid | (2,294,030) | - | - | (2,294,030) |
| Long-term debt issued | 7,710,192 | - | - | 7,710,192 |
| Acquisition and construction of capital assets | (14,585,745) | - | - | (14,585,745) |
| Advances from other funds | 5,000,000 | - | - | 5,000,000 |
| Sale of assets | 762,661 | - | - | 762,661 |
| Net Cash Flows From Capital and Related Financing Activities | <u>\$ (12,871,381)</u> | <u>-</u> | <u>-</u> | <u>\$ (12,871,381)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Marketable securities purchased | - | (77,994) | - | (77,994) |
| Marketable securities sold | - | - | 494,765 | 494,765 |
| Investment income | - | 1,346 | 1,094 | 2,440 |
| Net Cash Flows From Investing Activities | <u>\$ -</u> | <u>(76,648)</u> | <u>495,859</u> | <u>\$ 419,211</u> |
| Net Change in Cash and Cash Equivalents | <u>\$ (5,568,303)</u> | <u>(1,067,257)</u> | <u>458,183</u> | <u>\$ (6,177,377)</u> |
| CASH AND CASH EQUIVALENTS - Beginning of Year | <u>6,371,948</u> | <u>1,393,196</u> | <u>15,016,216</u> | <u>22,781,360</u> |
| CASH AND CASH EQUIVALENTS - END OF YEAR | <u><u>\$ 803,645</u></u> | <u><u>\$ 325,939</u></u> | <u><u>\$ 15,474,399</u></u> | <u><u>\$ 16,603,983</u></u> |

| | Fleet Services | City Insurance | Worker's Compensation | Totals |
|--|---------------------|---------------------|-----------------------|----------------------|
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Income (loss) from operations | \$ 363,302 | \$ (981,532) | \$ (1,276,846) | \$ (1,895,076) |
| Adjustments to reconcile operating income to net cash from operating activities | | | | |
| Nonoperating income | 53,190 | 365,183 | 94,355 | 512,728 |
| Depreciation | 9,486,852 | - | - | 9,486,852 |
| Change in assets, deferred inflows, liabilities, and deferred outflows | | | | |
| Accounts receivable | (138,603) | 6,297 | - | (132,306) |
| Inventories | 112,099 | - | - | 112,099 |
| Prepaid items | (2,492,088) | 9,750 | 1,383 | (2,480,955) |
| Accounts payable | 107,904 | (1,056) | 65,802 | 172,650 |
| Accrued liabilities | 50,447 | (162,067) | 1,082,745 | 971,125 |
| Accrued compensated absences | (1,146) | (26,722) | (3,760) | (31,628) |
| Other post-employment benefits, deferrals and liabilities | (316,878) | 16,115 | 1,591 | (299,172) |
| Pension related deferrals and liabilities | (105,226) | (5,097) | (2,946) | (113,269) |
| NET CASH FLOWS FROM OPERATING ACTIVITIES | <u>\$ 7,119,853</u> | <u>\$ (779,129)</u> | <u>\$ (37,676)</u> | <u>\$ 6,303,048</u> |
| RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE COMBINED STATEMENT OF NET POSITION | | | | |
| Cash and investments - statement of net position | \$ 803,645 | \$ 325,939 | \$ 15,474,399 | \$ 16,603,983 |
| Restricted cash and investments - statement of net position | - | 660,483 | 237,799 | 898,282 |
| Less: Noncash equivalents | - | (660,483) | (237,799) | (898,282) |
| CASH AND CASH EQUIVALENTS - END OF YEAR | <u>\$ 803,645</u> | <u>\$ 325,939</u> | <u>\$ 15,474,399</u> | <u>\$ 16,603,983</u> |
| NON CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES | | | | |
| None | | | | |

CUSTODIAL FUNDS

Custodial Funds are used to account for assets held by the City and the assets are for the benefit of individuals, private organizations, and/or other governmental units.

Board of Education – Accounts for Bassett Fund monies.

Board of Health – Accounts for Department of Public Health for Madison and Dane County monies.

Metropolitan Unified Fiber Network Consortium – Accounts for Metropolitan Unified Fiber Network Consortium monies

Tax Collection Fund – Accounts for the tax roll collected, which includes Dane County, Madison Area Technical College and overlapping School Districts.

Madison School District Investment Fund – Accounts for the Madison Metropolitan School District (MMSD) monies.

CITY OF MADISON

COMBINING STATEMENT OF FIDUCIARY NET POSITION CUSTODIAL FUNDS As of December 31, 2024

| | Board of Education | Board of Health | Metropolitan Unified Fiber Network Consortium | Tax Collection Fund | Madison School District Investment Fund | Total Custodial Funds |
|---------------------------------|--------------------------|-----------------------------|--|------------------------|--|-----------------------------|
| ASSETS | | | | | | |
| Cash and investments | \$ 368,056 | \$ 12,748,281 | \$ 1,103,466 | \$ 363,355,993 | \$ 8,320,285 | \$ 385,896,081 |
| Taxes receivable | - | - | - | 169,673,480 | - | 169,673,480 |
| Total Assets | <u>\$ 368,056</u> | <u>\$ 12,748,281</u> | <u>\$ 1,103,466</u> | <u>\$ 533,029,473</u> | <u>\$ 8,320,285</u> | <u>\$ 555,569,561</u> |
| LIABILITIES | | | | | | |
| Accounts payable | - | - | - | 287 | - | 287 |
| Due to other governmental units | - | - | - | 533,029,186 | - | 533,029,186 |
| Total Liabilities | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 533,029,473</u> | <u>\$ -</u> | <u>\$ 533,029,473</u> |
| NET POSITION | | | | | | |
| Restricted | 368,056 | 12,748,281 | 1,103,466 | - | 8,320,285 | 22,540,088 |
| TOTAL NET POSITION | <u><u>\$ 368,056</u></u> | <u><u>\$ 12,748,281</u></u> | <u><u>\$ 1,103,466</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 8,320,285</u></u> | <u><u>\$ 22,540,088</u></u> |

CITY OF MADISON

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION CUSTODIAL FUNDS For the Year Ended December 31, 2024

| | Board of Education | Board of Health | Metropolitan Unified Fiber Network Consortium | Tax Collection Fund | Madison School District Investment Fund | Total Custodial Funds |
|--|--------------------------|-----------------------------|--|------------------------|--|-----------------------------|
| ADDITIONS | | | | | | |
| Gifts and bequests | \$ - | \$ 343,888 | \$ - | \$ - | \$ - | \$ 343,888 |
| Interest and dividends | - | - | 42,724 | - | 5,135,025 | 5,177,749 |
| Property taxes collected for other governments | - | - | - | 519,567,127 | - | 519,567,127 |
| Investments | 14,713 | 33,236,817 | 1,026,286 | - | 608,883,053 | 643,160,869 |
| Total Additions | <u>\$ 14,713</u> | <u>\$ 33,580,705</u> | <u>\$ 1,069,010</u> | <u>\$ 519,567,127</u> | <u>\$ 614,018,078</u> | <u>\$ 1,168,249,633</u> |
| DEDUCTIONS | | | | | | |
| Administrative expense | - | 33,430,297 | 1,040,692 | - | - | 34,470,989 |
| Property taxes distributed to other governments | - | - | - | 519,567,127 | - | 519,567,127 |
| Distributions | 45,809 | - | - | - | 623,025,816 | 623,071,625 |
| Total Deductions | <u>\$ 45,809</u> | <u>\$ 33,430,297</u> | <u>\$ 1,040,692</u> | <u>\$ 519,567,127</u> | <u>\$ 623,025,816</u> | <u>\$ 1,177,109,741</u> |
| Change in Fiduciary Net Position | \$ (31,096) | \$ 150,408 | \$ 28,318 | \$ - | \$ (9,007,738) | \$ (8,860,108) |
| NET POSITION - Beginning of Year | <u>399,152</u> | <u>12,597,873</u> | <u>1,075,148</u> | <u>-</u> | <u>17,328,023</u> | <u>31,400,196</u> |
| NET POSITION - END OF YEAR | <u><u>\$ 368,056</u></u> | <u><u>\$ 12,748,281</u></u> | <u><u>\$ 1,103,466</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 8,320,285</u></u> | <u><u>\$ 22,540,088</u></u> |

CITY OF MADISON

COMBINING STATEMENT OF NET POSITION NONMAJOR COMPONENT UNITS As of December 31, 2024

| | Business Improvement District | Madison Parks Foundation | Total Nonmajor Component Units |
|---|-------------------------------------|-----------------------------|--------------------------------------|
| ASSETS | | | |
| Cash and investments | \$ 149,109 | \$ 4,884,284 | \$ 5,033,393 |
| Receivables | | | |
| Accounts | 10,941 | - | 10,941 |
| Special assessments | 235,299 | - | 235,299 |
| Pledge | - | 633,773 | 633,773 |
| Prepaid items | - | 3,643 | 3,643 |
| Beneficial interest in assets held by MCF | - | 89,557 | 89,557 |
| Total Assets | <u>\$ 395,349</u> | <u>\$ 5,611,257</u> | <u>\$ 6,006,606</u> |
| LIABILITIES | | | |
| Accounts payable | \$ 7,230 | \$ 145,994 | \$ 153,224 |
| Accrued liabilities | - | 3,666 | 3,666 |
| Total Liabilities | <u>\$ 7,230</u> | <u>\$ 149,660</u> | <u>\$ 156,890</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Assessments for subsequent year | <u>346,517</u> | <u>-</u> | <u>346,517</u> |
| Total Deferred Inflows of Resources | <u>\$ 346,517</u> | <u>\$ -</u> | <u>\$ 346,517</u> |
| NET POSITION | | | |
| Restricted for: | | | |
| Parks | - | 2,598,280 | 2,598,280 |
| Unrestricted | <u>41,602</u> | <u>2,863,317</u> | <u>2,904,919</u> |
| TOTAL NET POSITION | <u><u>\$ 41,602</u></u> | <u><u>\$ 5,461,597</u></u> | <u><u>\$ 5,503,199</u></u> |

CITY OF MADISON

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION NONMAJOR COMPONENT UNITS For the Year Ended December 31, 2024

| | Business Improvement District | Madison Parks Foundation | Total Nonmajor Component Units |
|-----------------------------------|-------------------------------------|-----------------------------|--------------------------------------|
| OPERATING REVENUES | | | |
| Special assessments | \$ 302,941 | \$ - | \$ 302,941 |
| Charges for services | 200,650 | 135,811 | 336,461 |
| Grants and donations | 81,392 | 1,123,958 | 1,205,350 |
| Total Operating Revenues | <u>\$ 584,983</u> | <u>\$ 1,259,769</u> | <u>\$ 1,844,752</u> |
| OPERATING EXPENSES | | | |
| Operation and maintenance | 637,983 | 716,912 | 1,354,895 |
| Total Operating Expenses | <u>\$ 637,983</u> | <u>\$ 716,912</u> | <u>\$ 1,354,895</u> |
| Operating Income (Loss) | <u>\$ (53,000)</u> | <u>\$ 542,857</u> | <u>\$ 489,857</u> |
| NONOPERATING REVENUES | | | |
| Investment income | 7,418 | 468,103 | 475,521 |
| Total Nonoperating Revenues | <u>\$ 7,418</u> | <u>\$ 468,103</u> | <u>\$ 475,521</u> |
| Change in Net Position | <u>\$ (45,582)</u> | <u>\$ 1,010,960</u> | <u>\$ 965,378</u> |
| NET POSITION - | | | |
| Beginning of Year | <u>87,184</u> | <u>4,450,637</u> | <u>4,537,821</u> |
| NET POSITION - END OF YEAR | <u>\$ 41,602</u> | <u>\$ 5,461,597</u> | <u>\$ 5,503,199</u> |

CITY OF MADISON

STATEMENT OF NET POSITION AND GOVERNMENTAL COMPONENT UNIT BALANCE SHEET BUSINESS IMPROVEMENT DISTRICT As of December 31, 2024

| | Business Improvement District | Adjustments | Statement of Net Position |
|--|-------------------------------------|--------------------|------------------------------|
| ASSETS | | | |
| Cash and investments | \$ 149,109 | \$ - | \$ 149,109 |
| Receivables | | | |
| Accounts | 10,941 | - | 10,941 |
| Special assessments | 235,299 | - | 235,299 |
| Total Assets | <u>\$ 395,349</u> | <u>\$ -</u> | <u>\$ 395,349</u> |
| LIABILITIES | | | |
| Accounts payable | <u>\$ 7,230</u> | <u>\$ -</u> | <u>\$ 7,230</u> |
| Total Liabilities | <u>\$ 7,230</u> | <u>\$ -</u> | <u>\$ 7,230</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Assessments for subsequent year | <u>346,517</u> | <u>-</u> | <u>346,517</u> |
| Total Deferred Inflows of Resources | <u>\$ 346,517</u> | <u>\$ -</u> | <u>\$ 346,517</u> |
| FUND BALANCE/NET POSITION | | | |
| Fund Balance | | | |
| Unassigned | <u>41,602</u> | <u>(41,602)</u> | <u>-</u> |
| Total Fund Balance | <u>\$ 41,602</u> | <u>\$ (41,602)</u> | <u>\$ -</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balance | <u>\$ 395,349</u> | | |
| Net Position | | | |
| Unrestricted | | <u>41,602</u> | <u>41,602</u> |
| TOTAL NET POSITION | | <u>\$ 41,602</u> | <u>\$ 41,602</u> |

CITY OF MADISON

STATEMENT OF ACTIVITIES AND GOVERNMENTAL COMPONENT UNIT REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUSINESS IMPROVEMENT DISTRICT For the Year Ended December 31, 2024

| | Business Improvement District | Adjustments | Statement of Activities |
|--|-------------------------------------|--------------------|----------------------------|
| REVENUES | | | |
| Special assessments | \$ 302,941 | \$ - | \$ 302,941 |
| Charges for services | 200,650 | - | 200,650 |
| Investment income | 7,418 | - | 7,418 |
| Contributions | 81,392 | - | 81,392 |
| Total Revenues | <u>\$ 592,401</u> | <u>\$ -</u> | <u>\$ 592,401</u> |
| EXPENDITURES/EXPENSES | | | |
| Planning and development | 637,983 | - | 637,983 |
| Total Expenditures/Expenses | <u>\$ 637,983</u> | <u>\$ -</u> | <u>\$ 637,983</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>\$ (45,582)</u> | <u>\$ 45,582</u> | <u>\$ -</u> |
| Change in Net Position | \$ - | \$ 45,582 | \$ (45,582) |
| FUND BALANCE/NET POSITION | | | |
| Beginning of Year | <u>87,184</u> | <u>-</u> | <u>87,184</u> |
| END OF YEAR | <u><u>\$ 41,602</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 41,602</u></u> |

CITY OF MADISON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUSINESS IMPROVEMENT DISTRICT For the Year Ended December 31, 2024

| | Original and Final Budget | Actual | Variance with Final Budget |
|-----------------------------------|------------------------------|-------------------------|-------------------------------|
| REVENUES | | | |
| Special assessments | \$ 310,898 | \$ 302,941 | \$ (7,957) |
| Charges for services | 157,225 | 200,650 | 43,425 |
| Investment income | 3,000 | 7,418 | 4,418 |
| Grants and donations | 125,000 | 81,392 | (43,608) |
| Miscellaneous | 34,000 | - | (34,000) |
| Total Revenues | <u>\$ 630,123</u> | <u>\$ 592,401</u> | <u>\$ (37,722)</u> |
| EXPENDITURES | | | |
| Audit fees | 2,000 | 2,000 | - |
| Management fees | 316,000 | 330,441 | (14,441) |
| Miscellaneous | 15,500 | 8,034 | 7,466 |
| Advertising/marketing | 16,500 | 5,977 | 10,523 |
| Maps | 25,000 | 20,066 | 4,934 |
| Map distribution | 2,500 | 1,277 | 1,223 |
| Trolley | 1,500 | 1,462 | 38 |
| Winter light program | 55,000 | 55,774 | (774) |
| Ambassadors | 45,200 | 40,474 | 4,726 |
| Gift certificates | 2,500 | 3,900 | (1,400) |
| BID website | 39,000 | 20,505 | 18,495 |
| Parking passes | 500 | 318 | 182 |
| Postage | 1,500 | 1,432 | 68 |
| TOS programming | 47,500 | 51,862 | (4,362) |
| Night Market | 58,500 | 94,461 | (35,961) |
| Total Expenditures | <u>\$ 628,700</u> | <u>\$ 637,983</u> | <u>\$ (9,283)</u> |
| Net Change in Fund Balance | \$ 1,423 | \$ (45,582) | \$ (47,005) |
| FUND BALANCE - Beginning of Year | <u>87,184</u> | <u>87,184</u> | <u>-</u> |
| FUND BALANCE - END OF YEAR | <u><u>\$ 88,607</u></u> | <u><u>\$ 41,602</u></u> | <u><u>\$ (47,005)</u></u> |

CITY OF MADISON

SEWER REVENUE BOND COVENANT For the Year Ended December 31, 2024

| | <u>Sewer</u> |
|--|---------------------------------|
| OPERATING REVENUES | |
| Charges for services | \$ 55,421,127 |
| OPERATING EXPENSES | |
| Operation and maintenance | 45,312,446 |
| Depreciation | <u>3,546,299</u> |
| Total Operating Expenses | \$ 48,858,745 |
| Sewer Net Operating Income | <u>\$ 6,562,382</u> |
| NONOPERATING REVENUES | |
| Investment income | 1,493,150 |
| OTHER ADJUSTMENTS | |
| Depreciation | <u>3,546,299</u> |
| NET SEWER REVENUES AVAILABLE FOR DEBT SERVICE | <u><u>\$ 11,601,831</u></u> |

CAPITAL PROJECTS FUND

Capital Projects Fund is used to account for financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of equipment and/or major capital facilities and other capital assets.

Special Assessments Improvements – Accounts for long-term receivables associated with the city's Special Assessment Improvement Program.

TIF Districts – Accounts for expenditures outlined in the Tax Increment District (TID) project plans and related revenues and proceeds from long-term borrowing.

Other Capital Projects – Accounts for financial resources used for the acquisition or construction of equipment, facilities, and infrastructure.

CITY OF MADISON

SCHEDULE OF BALANCE SHEET - CAPITAL PROJECTS As of December 31, 2024

| | Capital Projects | | | | Total Capital Projects Funds |
|--|----------------------------------|----------------------|------------------------|------------------------|------------------------------|
| | Special Assessments Improvements | TIF Districts | Other Capital Projects | Eliminations | |
| ASSETS | | | | | |
| Cash and investments | \$ 12,159,462 | \$ 76,607,447 | \$ 71,835,191 | \$ - | \$160,602,100 |
| Receivables | | | | | |
| Taxes | 2,982,722 | 43,171,412 | - | - | 46,154,134 |
| Accounts | - | 1,023,260 | 1,111,473 | - | 2,134,733 |
| Special assessments | 9,207,829 | - | - | - | 9,207,829 |
| Long-term loans | 10,394 | - | - | - | 10,394 |
| Leases | - | - | 3,865,182 | - | 3,865,182 |
| Due from other governmental units | 48,936 | - | 8,493,161 | - | 8,542,097 |
| Advances to other funds | 631,986 | - | 14,380,537 | (14,380,537) | 631,986 |
| Inventories | - | - | 2,996,454 | - | 2,996,454 |
| Prepaid items | - | 2,284 | 71,343 | - | 73,627 |
| TOTAL ASSETS | \$ 25,041,329 | \$120,804,403 | \$102,753,341 | \$ (14,380,537) | \$234,218,536 |
| LIABILITIES | | | | | |
| Accounts payable | \$ 6,362 | \$ 1,062,908 | \$ 26,645,802 | \$ - | \$ 27,715,072 |
| Accrued liabilities | - | 17,120 | 399,373 | - | 416,493 |
| Due to other governmental units | 577,827 | - | - | - | 577,827 |
| Due to other funds | 2,560,241 | - | - | - | 2,560,241 |
| Advances from other funds | - | 14,380,537 | - | (14,380,537) | - |
| Unearned revenues | 800,402 | - | - | - | 800,402 |
| Total Liabilities | \$ 3,944,832 | \$ 15,460,565 | \$ 27,045,175 | \$ (14,380,537) | \$ 32,070,035 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Unavailable revenues | 9,732,413 | 1,023,260 | 7,463,887 | - | 18,219,560 |
| Lease-related amounts | - | - | 3,645,787 | - | 3,645,787 |
| Property taxes for subsequent year | - | 43,171,412 | - | - | 43,171,412 |
| Total Deferred Inflows of Resources | \$ 9,732,413 | \$ 44,194,672 | \$ 11,109,674 | \$ - | \$ 65,036,759 |
| FUND BALANCES | | | | | |
| Nonspendable | - | 2,284 | 3,067,797 | - | 3,070,081 |
| Restricted | - | 75,581,411 | 40,022,855 | - | 115,604,266 |
| Assigned | 11,364,084 | (14,434,529) | 21,507,840 | - | 18,437,395 |
| Total Fund Balances | \$ 11,364,084 | \$ 61,149,166 | \$ 64,598,492 | \$ - | \$137,111,742 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | \$ 25,041,329 | \$120,804,403 | \$102,753,341 | \$ (14,380,537) | \$234,218,536 |

CITY OF MADISON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - CAPITAL PROJECTS For the Year Ended December 31, 2024

| | Capital Projects | | | | Total Capital Project Funds |
|---|--|----------------------|---------------------------|--------------|--------------------------------|
| | Special Assessments Improvements | TIF Districts | Other Capital Projects | Eliminations | |
| REVENUES | | | | | |
| Taxes | \$ - | \$ 42,239,788 | \$ - | \$ - | \$ 42,239,788 |
| Special assessments | 2,472,066 | - | - | - | 2,472,066 |
| Intergovernmental | - | 1,516,629 | 2,643,346 | - | 4,159,975 |
| Intergovernmental charges for services | - | - | 6,145,450 | - | 6,145,450 |
| Public charges for services | - | 24,720 | 666,581 | - | 691,301 |
| Investment income | 764,070 | 2,911,982 | 1,830,578 | - | 5,506,630 |
| Miscellaneous | - | 1,162,401 | 167,648 | - | 1,330,049 |
| Total Revenues | \$ 3,236,136 | \$ 47,855,520 | \$ 11,453,603 | \$ - | \$ 62,545,259 |
| EXPENDITURES | | | | | |
| Current | | | | | |
| General government | - | - | 5,494,873 | - | 5,494,873 |
| Public safety | - | - | 522,895 | - | 522,895 |
| Public works and transportation | - | - | 14,044,800 | - | 14,044,800 |
| Planning and development | 52,951 | 4,464,142 | 3,075,111 | - | 7,592,204 |
| Culture and recreation | - | - | 1,640,295 | - | 1,640,295 |
| Capital Outlay | - | 74,670,998 | 191,084,542 | - | 265,755,540 |
| Debt service | | | | | |
| Principal payments on leases and subscriptions | - | - | 1,136,107 | - | 1,136,107 |
| Interest payments on leases and subscriptions | - | - | 69,496 | - | 69,496 |
| Total Expenditures | \$ 52,951 | \$ 79,135,140 | \$ 217,068,119 | \$ - | \$ 296,256,210 |
| Excess (deficiency) of revenues over (under) expenditures | \$ 3,183,185 | \$ (31,279,620) | \$ (205,614,516) | \$ - | \$ (233,710,951) |
| OTHER FINANCING SOURCES (USES) | | | | | |
| General obligation debt issued | - | 25,050,000 | 74,866,549 | - | 99,916,549 |
| Issuance of leases and subscriptions | - | - | 3,182,837 | - | 3,182,837 |
| Sale of capital assets | - | - | 145,210 | - | 145,210 |
| Transfers in | 50,000 | - | 120,991,156 | (2,821,893) | 118,219,263 |
| Transfers out | (3,015,709) | (20,543,249) | (765,624) | 2,821,893 | (21,502,689) |
| Total Other Financing Sources (Uses) | \$ (2,965,709) | \$ 4,506,751 | \$ 198,420,128 | \$ - | \$ 199,961,170 |
| Net Change in Fund Balances | \$ 217,476 | \$ (26,772,869) | \$ (7,194,388) | \$ - | \$ (33,749,781) |
| FUND BALANCE - Beginning of Year | 11,146,608 | 87,922,035 | 71,792,880 | - | 170,861,523 |
| FUND BALANCE - END OF YEAR | \$ 11,364,084 | \$ 61,149,166 | \$ 64,598,492 | \$ - | \$ 137,111,742 |

STATISTICAL SECTION

CITY OF MADISON

INDEX TO THE STATISTICAL SECTION December 31, 2024

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| These schedules offer information about the City's most significant revenue source, its property tax. | |
| III. Debt Capacity | 245 |
| These schedules present information about the affordability of the City's current levels of outstanding debt and ability to issue additional debt in the future. | |
| IV. Demographic and Economic Information | 251 |
| These schedules contain demographic and economic indicators about the environment within which the City's financial activities take place. | |
| V. Operating Information | 253 |
| These schedules include service and infrastructure data about how the information in the City's financial report relates to the services the City provides and activities it performs. | |

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

Table 1

CITY OF MADISON**NET POSITION BY COMPONENT**
Last Ten Fiscal Years

| Functions/Programs | Fiscal Year | | | |
|---|-------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | 2024 | 2023 ¹ | 2022 | 2021 |
| Governmental Activities | | | | |
| Net investment in capital assets | \$ 807,221,236 | \$ 777,314,328 | \$ 730,947,820 | \$ 740,301,263 |
| Restricted | 164,101,256 | 181,753,209 | 284,926,186 | 227,446,780 |
| Unrestricted (deficit) | <u>62,339,266</u> | <u>88,256,443</u> | <u>(64,009,118)</u> | <u>(84,650,758)</u> |
| Total Governmental Activities Net Position | <u>\$1,033,661,758</u> | <u>\$ 1,047,323,980</u> | <u>\$ 951,864,888</u> | <u>\$ 883,097,285</u> |
| Business-type Activities | | | | |
| Net investment in capital assets | \$ 951,422,953 | \$ 701,993,378 | \$ 653,082,716 | \$ 620,926,585 |
| Restricted | 27,440,168 | 24,916,488 | 47,516,232 | 42,511,591 |
| Unrestricted | <u>81,956,552</u> | <u>76,800,886</u> | <u>34,538,697</u> | <u>21,006,005</u> |
| Total Business-type Activities Net Position | <u>\$1,060,819,673</u> | <u>\$ 803,710,752</u> | <u>\$ 735,137,645</u> | <u>\$ 684,444,181</u> |
| Primary Government | | | | |
| Net investment in capital assets | \$1,699,245,305 | \$ 1,479,307,706 | \$ 1,384,030,536 | \$ 1,361,227,848 |
| Restricted | 191,541,424 | 206,669,697 | 332,442,418 | 269,958,371 |
| Unrestricted (deficit) | <u>203,694,702</u> | <u>165,057,329</u> | <u>(29,470,421)</u> | <u>(63,644,753)</u> |
| Total Primary Government Net Position | <u><u>\$2,094,481,431</u></u> | <u><u>\$ 1,851,034,732</u></u> | <u><u>\$ 1,687,002,533</u></u> | <u><u>\$ 1,567,541,466</u></u> |

Source: City of Madison Finance Department

¹ This table has not been updated to include the details of the 2023 restatement. See Note IV.K. for more information.

| Fiscal Year | | | | | |
|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| \$ 754,118,252 | \$ 745,491,927 | \$ 722,844,218 | \$ 713,627,552 | \$ 696,130,916 | \$ 686,732,418 |
| 164,047,971 | 104,497,274 | 143,527,401 | 142,807,418 | 112,778,836 | 130,519,817 |
| <u>(78,459,632)</u> | <u>(40,596,812)</u> | <u>(53,568,052)</u> | <u>(5,615,467)</u> | <u>40,794,284</u> | <u>24,198,147</u> |
| \$ 839,706,591 | \$ 809,392,389 | \$ 812,803,567 | \$ 850,819,503 | \$ 849,704,036 | \$ 841,450,382 |
| \$ 586,205,054 | \$ 594,855,763 | \$ 533,375,162 | \$ 494,387,567 | \$ 459,130,784 | \$ 449,895,013 |
| 30,844,343 | 16,272,554 | 29,207,255 | 12,787,770 | 12,101,837 | 17,878,796 |
| <u>19,103,962</u> | <u>21,768,407</u> | <u>48,708,804</u> | <u>61,701,866</u> | <u>78,720,796</u> | <u>67,862,809</u> |
| \$ 636,153,359 | \$ 632,896,724 | \$ 611,291,221 | \$ 568,877,203 | \$ 549,953,417 | \$ 535,636,618 |
| \$ 1,340,323,306 | \$ 1,340,347,690 | \$ 1,256,219,380 | \$ 1,208,015,119 | \$ 1,155,261,700 | \$ 1,136,627,431 |
| 194,892,314 | 120,769,828 | 172,734,656 | 155,595,188 | 124,880,673 | 148,398,613 |
| <u>(59,355,670)</u> | <u>(18,828,405)</u> | <u>(4,859,248)</u> | <u>56,086,399</u> | <u>119,515,080</u> | <u>92,060,956</u> |
| <u>\$ 1,475,859,950</u> | <u>\$ 1,442,289,113</u> | <u>\$ 1,424,094,788</u> | <u>\$ 1,419,696,706</u> | <u>\$ 1,399,657,453</u> | <u>\$ 1,377,087,000</u> |

Table 2

CITY OF MADISON

CHANGES IN NET POSITION
Last Ten Fiscal Years

| | Fiscal Year | | | |
|---|------------------------|------------------------|------------------------|------------------------|
| | 2024 ⁶ | 2023 ⁵ | 2022 ⁴ | 2021 |
| Primary Government | | | | |
| Expenses | | | | |
| Governmental activities | | | | |
| General government | \$ 57,194,262 | \$ 46,322,620 | \$ 40,521,094 | \$ 34,545,400 |
| Public safety | 174,496,075 | 189,219,926 | 140,858,019 | 137,071,682 |
| Public works and transportation | 90,092,854 | 107,099,025 | 93,589,275 | 94,686,457 |
| Planning and development | 94,787,340 | 69,193,510 | 93,517,253 | 75,710,257 |
| Culture and recreation | 48,036,205 | 49,472,952 | 44,991,217 | 41,920,554 |
| Interest and fiscal charges | 14,235,592 | 10,893,526 | 9,921,604 | 9,802,741 |
| Total governmental activities | <u>\$ 478,842,328</u> | <u>\$ 472,201,559</u> | <u>\$ 423,398,462</u> | <u>\$ 393,737,091</u> |
| Business-type activities | | | | |
| Water | 30,417,451 | 35,670,440 | 31,987,549 | 30,510,250 |
| Sewer | 52,985,976 | 47,657,901 | 44,495,272 | 44,299,588 |
| Stormwater | 18,969,292 | 18,503,224 | 17,391,257 | 16,843,807 |
| Parking utility | 15,706,905 | 15,705,703 | 14,563,115 | 13,478,024 |
| Transit | 87,334,682 | 75,566,182 | 61,558,057 | 58,557,772 |
| Convention center | 13,085,936 | 12,771,874 | 10,335,881 | 8,087,693 |
| Golf courses | 3,852,934 | 3,899,561 | 3,611,869 | 3,324,184 |
| Total business-type activities | <u>\$ 222,353,176</u> | <u>\$ 209,774,885</u> | <u>\$ 183,943,000</u> | <u>\$ 175,101,318</u> |
| Total Primary Government Expenses | <u>\$ 701,195,504</u> | <u>\$ 681,976,444</u> | <u>\$ 607,341,462</u> | <u>\$ 568,838,409</u> |
| Program revenues | | | | |
| Governmental activities | | | | |
| Charges for services | | | | |
| General government | \$ 2,871,127 | \$ 2,449,801 | \$ 3,718,460 | \$ 3,163,091 |
| Public safety | 16,814,776 | 22,506,760 | 18,903,111 | 15,801,519 |
| Public works and transportation | 32,012,591 | 25,425,504 | 22,873,933 | 15,441,647 |
| Planning and development | 10,736,838 | 8,595,764 | 11,624,114 | 11,545,986 |
| Culture and recreation | 2,142,945 | 2,048,387 | 1,851,072 | 1,824,192 |
| Operating grants and contributions | 55,519,548 | 42,284,531 | 94,160,780 | 55,788,288 |
| Capital grants and contributions | 119,807,996 | 69,768,572 | 17,156,189 | 17,109,137 |
| Total governmental activities program revenues | <u>\$ 239,905,821</u> | <u>\$ 173,079,319</u> | <u>\$ 170,287,659</u> | <u>\$ 120,673,860</u> |
| Business-type activities | | | | |
| Charges for services | | | | |
| Water | 56,643,071 | 57,796,417 | 48,139,943 | 48,111,893 |
| Sewer | 55,421,127 | 55,563,059 | 50,964,628 | 47,618,433 |
| Stormwater | 25,476,588 | 24,029,633 | 22,506,277 | 21,611,202 |
| Parking utility | 14,167,529 | 13,410,209 | 12,315,056 | 8,710,330 |
| Transit | 10,709,714 | 11,512,535 | 10,559,127 | 10,122,406 |
| Convention center | 5,217,440 | 4,760,265 | 4,186,887 | 1,519,386 |
| Golf courses | 5,432,525 | 5,082,329 | 4,271,349 | 4,193,247 |
| Operating grants and contributions | 41,201,954 | 47,145,642 | 31,607,163 | 31,353,819 |
| Capital grants and contributions | 57,337,800 | 29,339,973 | 18,802,218 | 20,725,078 |
| Total business-type activities program revenues | <u>\$ 271,607,748</u> | <u>\$ 248,640,062</u> | <u>\$ 203,352,648</u> | <u>\$ 193,965,794</u> |
| Total Primary Government Program Revenue | <u>\$ 511,513,569</u> | <u>\$ 421,719,381</u> | <u>\$ 373,640,307</u> | <u>\$ 314,639,654</u> |
| Net (expense)/revenue | | | | |
| Government activities | <u>\$(238,936,507)</u> | <u>\$(299,122,240)</u> | <u>\$(253,110,803)</u> | <u>\$(273,063,231)</u> |
| Business-type activities | <u>49,254,572</u> | <u>38,865,177</u> | <u>19,409,648</u> | <u>18,864,476</u> |
| Total Primary Government | <u>\$(189,681,935)</u> | <u>\$(260,257,063)</u> | <u>\$(233,701,155)</u> | <u>\$(254,198,755)</u> |

| Fiscal Year | | | | | |
|------------------------|------------------------|------------------------|------------------------|------------------------|----------------------------|
| 2020 | 2019 | 2018 | 2017 ³ | 2016 | 2015 |
| \$ 38,953,333 | \$ 41,586,079 | \$ 38,195,056 | \$ 37,776,791 | \$ 38,026,460 | \$ 32,364,752 ¹ |
| 160,688,660 | 160,822,447 | 145,499,533 | 145,485,840 | 138,832,946 | 127,693,407 |
| 88,638,696 | 92,141,702 | 91,619,298 | 78,568,257 | 73,049,893 | 76,018,961 |
| 34,620,491 | 46,925,502 | 41,665,883 | 44,592,108 | 37,986,391 | 48,069,978 |
| 45,742,613 | 46,900,454 | 43,669,631 | 45,818,401 | 40,912,451 | 40,131,614 ² |
| 9,759,723 | 9,458,851 | 8,581,608 | 9,021,539 | 8,673,810 | 8,521,134 |
| <u>\$ 378,403,516</u> | <u>\$ 397,835,035</u> | <u>\$ 369,231,009</u> | <u>\$ 361,262,936</u> | <u>\$ 337,481,951</u> | <u>\$ 332,799,846</u> |
| 31,740,380 | 33,477,692 | 32,190,652 | 31,574,165 | 27,087,143 | 26,845,428 |
| 41,421,083 | 42,448,262 | 38,804,951 | 36,428,410 | 34,597,239 | 32,799,172 |
| 18,726,791 | 16,805,641 | 14,675,487 | 13,334,019 | 12,800,118 | 13,176,054 |
| 20,598,205 | 12,313,365 | 10,406,064 | 10,102,429 | 9,070,617 | 9,070,059 |
| 61,180,712 | 64,781,713 | 61,746,157 | 64,998,558 | 64,010,188 | 61,721,601 |
| 9,227,892 | 11,484,032 | 11,169,804 | 10,946,668 | 10,348,530 | 9,311,942 |
| 3,195,406 | 3,106,737 | 3,124,969 | 3,127,281 | 3,320,180 | 2,835,591 |
| <u>\$ 186,090,469</u> | <u>\$ 184,417,442</u> | <u>\$ 172,118,084</u> | <u>\$ 170,511,530</u> | <u>\$ 161,234,015</u> | <u>\$ 155,759,847</u> |
| <u>\$ 564,493,985</u> | <u>\$ 582,252,477</u> | <u>\$ 541,349,093</u> | <u>\$ 531,774,466</u> | <u>\$ 498,715,966</u> | <u>\$ 488,559,693</u> |
| | | | | | |
| \$ 2,883,298 | \$ 3,667,402 | \$ 4,166,311 | \$ 4,158,506 | \$ 1,582,945 | \$ 1,327,316 ¹ |
| 13,036,691 | 15,971,106 | 14,159,152 | 15,009,256 | 15,791,545 | 15,283,825 |
| 15,754,947 | 17,545,762 | 17,443,301 | 11,634,568 | 10,131,496 | 3,337,537 |
| 9,471,241 | 5,157,300 | 3,307,780 | 10,074,010 | 10,439,621 | 10,717,502 |
| 1,233,071 | 6,750,159 | 6,715,572 | 6,443,102 | 5,135,854 | 3,189,570 ² |
| 29,798,074 | 25,742,434 | 20,186,786 | 15,800,682 | 16,115,215 | 18,037,173 |
| 17,230,566 | 18,751,727 | 15,202,376 | 21,289,542 | 13,861,387 | 24,293,877 |
| <u>\$ 89,407,888</u> | <u>\$ 93,585,890</u> | <u>\$ 81,181,278</u> | <u>\$ 84,409,666</u> | <u>\$ 73,058,063</u> | <u>\$ 76,186,800</u> |
| 44,929,870 | 43,944,888 | 35,099,182 | 34,919,941 | 35,552,491 | 29,513,563 |
| 42,739,775 | 40,947,494 | 37,923,065 | 36,080,764 | 34,293,941 | 32,845,454 |
| 19,597,848 | 17,293,542 | 16,002,076 | 15,635,997 | 15,188,100 | 14,586,406 |
| 6,848,767 | 16,739,751 | 15,527,351 | 16,018,656 | 14,923,974 | 13,660,478 |
| 9,429,535 | 15,067,977 | 16,654,793 | 18,503,174 | 18,328,051 | 18,045,485 |
| 1,193,688 | 5,184,806 | 5,582,570 | 5,028,238 | 5,442,720 | 4,686,368 |
| 3,613,737 | 2,727,858 | 2,434,016 | 2,832,151 | 3,187,116 | 3,052,335 |
| 39,772,472 | 28,104,899 | 29,436,884 | 29,384,584 | 27,269,559 | 27,087,906 |
| 13,608,377 | 11,995,773 | 17,075,653 | 16,335,615 | 14,482,850 | 13,694,134 |
| <u>\$ 181,734,069</u> | <u>\$ 182,006,988</u> | <u>\$ 175,735,590</u> | <u>\$ 174,739,120</u> | <u>\$ 168,668,802</u> | <u>\$ 157,172,129</u> |
| <u>\$ 271,141,957</u> | <u>\$ 275,592,878</u> | <u>\$ 256,916,868</u> | <u>\$ 259,148,786</u> | <u>\$ 241,726,865</u> | <u>\$ 233,358,929</u> |
| | | | | | |
| \$(288,995,628) | \$(304,249,145) | \$(288,049,731) | \$(276,853,270) | \$(264,423,888) | \$(256,613,046) |
| (4,356,400) | (2,410,454) | 3,617,506 | 4,227,590 | 7,434,787 | 1,412,282 |
| <u>\$(293,352,028)</u> | <u>\$(306,659,599)</u> | <u>\$(284,432,225)</u> | <u>\$(272,625,680)</u> | <u>\$(256,989,101)</u> | <u>\$(255,200,764)</u> |

Table 2 (Cont.)

CITY OF MADISON

CHANGES IN NET POSITION
Last Ten Fiscal Years

| | Fiscal Year | | | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2024 ⁶ | 2023 ⁵ | 2022 ⁴ | 2021 |
| Governmental Activities: | | | | |
| Taxes | | | | |
| Property taxes, levied for general purposes | \$ 266,313,527 | \$ 254,561,141 | \$ 240,440,441 | \$ 237,466,156 |
| Property taxes, levied for the library | 20,748,477 | 19,770,825 | 19,066,904 | 18,849,564 |
| Property taxes, levied for TIF districts | 42,239,788 | 38,856,037 | 36,688,144 | 32,595,416 |
| Other taxes | 24,255,568 | 22,643,902 | 20,012,520 | 13,595,359 |
| Intergovernmental revenues not restricted to specific programs | 31,493,661 | 29,457,329 | 27,906,006 | 28,354,484 |
| Investment income | 31,841,293 | 34,115,057 | (7,445,530) | (281,153) |
| Miscellaneous | 3,242,791 | 3,398,723 | 3,540,185 | 1,780,443 |
| Gain on sale of assets | 970,189 | 1,762,563 | 4,267,116 | 3,079,973 |
| Transfers - Internal | (195,831,009) | (9,984,245) | (22,597,380) | (18,986,317) |
| Total governmental activities general revenues | <u>\$ 225,274,285</u> | <u>\$ 394,581,332</u> | <u>\$ 321,878,406</u> | <u>\$ 316,453,925</u> |
| Business-type Activities: | | | | |
| Other taxes | 7,190,083 | 7,093,366 | 6,868,624 | 6,902,604 |
| Investment income | 6,209,586 | 5,868,980 | 896,175 | 289,125 |
| Miscellaneous | 837,763 | 1,013,107 | 1,188,046 | 330,458 |
| Gain (loss) on sale of assets | 477,353 | 5,748,232 | (47,073) | 2,917,842 |
| Special item - Water utility | - | - | - | - |
| Transfers - Internal | 195,831,009 | 9,984,245 | 22,597,380 | 18,986,317 |
| Total business-type activities general revenues | <u>\$ 210,545,794</u> | <u>\$ 29,707,930</u> | <u>\$ 31,503,152</u> | <u>\$ 29,426,346</u> |
| Total Primary Government General Revenues | <u>\$ 435,820,079</u> | <u>\$ 424,289,262</u> | <u>\$ 353,381,558</u> | <u>\$ 345,880,271</u> |
| Change in Net Position | | | | |
| Governmental activities | \$ (13,662,222) | \$ 95,459,092 | \$ 68,767,603 | \$ 43,390,694 |
| Business-type activities | <u>259,800,366</u> | <u>68,573,107</u> | <u>50,912,800</u> | <u>48,290,822</u> |
| Total Primary Government Change in Net Position | <u>\$ 246,138,144</u> | <u>\$ 164,032,199</u> | <u>\$ 119,680,403</u> | <u>\$ 91,681,516</u> |

Source: City of Madison Finance Department

¹ Beginning in 2015 Administration is included in the general government² Beginning in 2015 Parks is included in culture and recreation³ December 31, 2017, restated net position for GASB 75⁴ December 31, 2022, restated net position for GASB 87⁵ December 31, 2023, This table has not been updated to include the details of the 2023 restatement. See Note IV.K. for more information⁶ December 31, 2024, restated net position for error correction.

| Fiscal Year | | | | | |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| 2020 | 2019 | 2018 | 2017 ³ | 2016 | 2015 |
| \$ 231,086,115 | \$ 224,423,270 | \$ 213,268,863 | \$ 203,006,609 | \$ 194,019,578 | \$ 188,040,216 |
| 19,163,603 | 17,703,565 | 17,779,030 | 16,915,564 | 16,288,835 | 15,453,334 |
| 25,533,533 | 19,241,269 | 30,545,605 | 19,043,987 | 17,893,720 | 13,759,032 |
| 7,174,015 | 20,311,690 | 19,280,303 | 17,027,958 | 15,957,567 | 15,261,034 |
| 28,322,440 | 26,647,087 | 25,393,200 | 25,915,387 | 23,943,199 | 24,058,453 |
| 5,753,519 | 9,322,707 | 5,854,258 | 4,473,178 | 4,810,159 | 2,804,384 |
| 1,818,362 | 3,000,331 | 2,783,864 | 2,057,816 | 4,051,870 | 5,193,375 |
| 595,515 | 553,157 | 551,145 | 1,209,681 | 1,024,070 | 1,351,317 |
| (137,272) | (20,365,109) | (45,640,707) | (11,681,443) | (5,311,456) | (11,550,524) |
| <u>\$ 319,309,830</u> | <u>\$ 300,837,967</u> | <u>\$ 269,815,561</u> | <u>\$ 277,968,737</u> | <u>\$ 272,677,542</u> | <u>\$ 254,370,621</u> |
| 6,023,521 | - | - | - | - | - |
| 1,079,000 | 2,736,703 | 1,817,938 | 1,870,056 | 1,123,765 | 838,752 |
| 373,242 | 553,172 | 371,411 | 1,080,123 | 443,209 | 498,258 |
| - | 360,973 | 7,968 | 9,825 | 3,582 | (1,080,767) |
| - | - | - | 54,749 | - | - |
| 137,272 | 20,365,109 | 45,640,707 | 11,681,443 | 5,311,456 | 11,550,524 |
| <u>\$ 7,613,035</u> | <u>\$ 24,015,957</u> | <u>\$ 47,838,024</u> | <u>\$ 14,696,196</u> | <u>\$ 6,882,012</u> | <u>\$ 11,806,767</u> |
| <u>\$ 326,922,865</u> | <u>\$ 324,853,924</u> | <u>\$ 317,653,585</u> | <u>\$ 292,664,933</u> | <u>\$ 279,559,554</u> | <u>\$ 266,177,388</u> |
| \$ 30,314,202 | \$ (3,411,178) | \$ (18,234,170) | \$ 1,115,467 | \$ 8,253,654 | \$ (2,242,425) |
| 3,256,635 | 21,605,503 | 51,455,530 | 18,923,786 | 14,316,799 | 13,219,049 |
| <u>\$ 33,570,837</u> | <u>\$ 18,194,325</u> | <u>\$ 33,221,360</u> | <u>\$ 20,039,253</u> | <u>\$ 22,570,453</u> | <u>\$ 10,976,624</u> |

Table 3

CITY OF MADISON

FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Fiscal Years

| | Fiscal Year | | | | | | | | | |
|------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| General Fund | | | | | | | | | | |
| Nonspendable | \$ 2,858,151 | \$ 3,955,102 | \$ 4,043,216 | \$ 3,615,426 | \$ 3,740,399 | \$ 4,209,585 | \$ 3,570,997 | \$ 6,676,920 | \$ 4,700,292 | \$ 8,729,033 |
| Restricted | 677,680 | 677,680 | 677,680 | 763,680 | 763,680 | 779,273 | 822,139 | - | - | - |
| Assigned | 26,261,585 | 33,192,418 | 18,620,248 | 17,056,222 | 22,329,709 | 9,977,440 | 8,645,543 | 9,495,705 | 10,209,047 | 7,479,909 |
| Unassigned | 110,630,286 | 82,853,731 | 66,116,185 | 56,371,768 | 43,978,379 | 53,171,709 | 49,318,212 | 42,025,347 | 39,306,185 | 38,428,656 |
| Total General Fund | <u>\$ 140,427,702</u> | <u>\$ 120,678,931</u> | <u>\$ 89,457,329</u> | <u>\$ 77,807,096</u> | <u>\$ 70,812,167</u> | <u>\$ 68,138,007</u> | <u>\$ 62,356,891</u> | <u>\$ 58,197,972</u> | <u>\$ 54,215,524</u> | <u>\$ 54,637,598</u> |
| All Other Governmental Funds | | | | | | | | | | |
| Nonspendable | \$ 4,337,170 | \$ 3,989,059 | \$ 3,805,607 | \$ 3,731,662 | 3,332,463 | \$ 2,705,488 | \$ 2,682,667 | \$ 2,484,251 | \$ 2,541,344 | \$ 636,096 |
| Restricted | 215,427,265 | 237,191,812 | 220,977,185 | 195,479,558 | 174,940,774 | 123,797,287 | 134,274,680 | 154,674,606 | 110,607,410 | 73,582,930 |
| Committed | 1,864,821 | 3,640,949 | 1,321,583 | 1,944,324 | 3,144,761 | 4,458,560 | 12,435,477 | 1,007,604 | 1,591,645 | 4,552,377 |
| Assigned | 18,437,395 | 28,603,186 | 18,427,001 | 13,996,121 | 15,193,759 | 8,352,618 | 21,407,705 | 15,421,485 | 20,533,818 | 19,028,843 |
| Unassigned (deficit) | (1,561,142) | (3,764,378) | (381,369) | - | (2,942,965) | - | (11,323,728) | (15,553,974) | - | - |
| Total All Other Governmental Funds | <u>\$ 238,505,509</u> | <u>\$ 269,660,628</u> | <u>\$ 244,150,007</u> | <u>\$ 215,151,665</u> | <u>\$ 193,668,792</u> | <u>\$ 139,313,953</u> | <u>\$ 159,476,801</u> | <u>\$ 158,033,972</u> | <u>\$ 135,274,217</u> | <u>\$ 97,800,246</u> |
| Total Fund Balances | <u>\$ 378,933,211</u> | <u>\$ 390,339,559</u> | <u>\$ 333,607,336</u> | <u>\$ 292,958,761</u> | <u>\$ 264,480,959</u> | <u>\$ 207,451,960</u> | <u>\$ 221,833,692</u> | <u>\$ 216,231,944</u> | <u>\$ 189,489,741</u> | <u>\$ 152,437,844</u> |

Source: City of Madison Finance Department

Table 4

CITY OF MADISON

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Last Ten Fiscal Years

| | Fiscal Year | | | |
|---|-------------------------|------------------------|------------------------|------------------------|
| | 2024 | 2023 | 2022 ³ | 2021 |
| REVENUES | | | | |
| Taxes | \$ 353,557,360 | \$ 335,802,120 | \$ 316,178,224 | \$ 302,476,710 |
| Special assessments | 2,472,066 | 3,874,852 | 4,859,465 | 3,450,558 |
| Intergovernmental | 193,462,203 | 97,440,381 | 120,396,593 | 85,050,941 |
| Licenses and permits | 9,930,052 | 9,061,119 | 9,557,243 | 8,669,008 |
| Fines and forfeitures | 6,722,942 | 5,312,500 | 5,419,349 | 4,843,905 |
| Intergovernmental charges for services | 6,145,450 | 5,451,415 | 299,303 | 2,711,804 |
| Public charges for services | 39,202,432 | 36,628,871 | 37,621,712 | 32,320,119 |
| Investment income (loss) | 32,731,182 | 32,589,558 | (7,622,530) | 1,061,190 |
| Grants and donations | - | - | - | - |
| Miscellaneous | 4,551,550 | 5,482,232 | 9,725,746 | 3,360,896 |
| Total Revenues | <u>\$ 648,775,237</u> | <u>\$ 531,643,048</u> | <u>\$ 496,435,105</u> | <u>\$ 443,945,131</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| General government | 51,116,159 | 42,688,860 | 40,100,617 | 35,667,873 |
| Public safety | 176,856,194 | 170,054,935 | 156,889,232 | 153,352,890 |
| Public works and transportation | 69,182,190 | 67,530,191 | 63,438,500 | 59,818,181 |
| Culture and recreation | 40,265,786 | 38,028,108 | 36,549,928 | 35,462,392 |
| Planning and development | 62,948,903 | 63,534,136 | 90,314,054 | 80,216,662 |
| Capital Outlay | 273,669,675 | 105,880,566 | 63,528,119 | 40,882,641 |
| Debt service | | | | |
| Principal retirement | 74,062,280 | 69,849,320 | 73,808,452 | 86,634,779 |
| Interest and fiscal charges | 16,385,424 | 13,469,841 | 12,056,176 | 13,198,761 |
| Principal payments on leases and subscriptions | 4,451,017 | 2,978,158 ⁴ | 1,409,630 ⁴ | - |
| Interest payments on leases and subscriptions | 312,511 | 106,753 ⁴ | 68,805 ⁴ | - |
| Total Expenditures | <u>\$ 769,250,139</u> | <u>\$ 574,120,868</u> | <u>\$ 538,163,513</u> | <u>\$ 505,234,179</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>\$ (120,474,902)</u> | <u>\$ (42,477,820)</u> | <u>\$ (41,728,408)</u> | <u>\$ (61,289,048)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| General obligation debt issued | 100,247,174 | 92,140,277 | 72,241,653 | 87,524,493 |
| Intergovernmental loans | - | - | 5,422,142 | - |
| General obligation refunding debt issued | - | - | - | - |
| Premium on debt issued | 11,882,341 | 8,154,248 | 6,310,064 | 8,647,860 |
| Issuance of leases and subscriptions | 11,096,972 | - | - | - |
| Capital lease proceeds | - | - | - | - |
| Sale of capital assets | 277,854 | 904,463 | 2,808,001 | 1,706,684 |
| Transfers in | 238,512,738 | 146,348,565 | 113,603,724 | 101,618,524 |
| Transfers out | <u>(252,948,525)</u> | <u>(148,337,510)</u> | <u>(118,008,601)</u> | <u>(109,730,711)</u> |
| Excess of revenues over expenditures | <u>\$ 109,068,554</u> | <u>\$ 99,210,043</u> | <u>\$ 82,376,983</u> | <u>\$ 89,766,850</u> |
| Net Change in Fund Balances | <u>\$ (11,406,348)</u> | <u>\$ 56,732,223</u> | <u>\$ 40,648,575</u> | <u>\$ 28,477,802</u> |
| Debt services as a percentage of non-capital expenditures | 18.2 % ⁵ | 17.3 % | 17.7 % | 21.3 % |

Source: City of Madison Finance Department

¹ 2015 double the number of assessment fund districts finalized than in previous years.² Beginning in 2017, smaller donations for the library were reclassified to miscellaneous revenue.³ Effective October 30th, 2022, the Town of Madison was dissolved, with the cities of Madison and Fitchburg now providing services.⁴ Effective December 31st, 2022 and 2023, GASB 87 and GASB 96 were implemented respectively.⁵ Effective 2024, principal and interest payments for leases and subscriptions are included in this calculation.

| Fiscal Year | | | | | |
|------------------------|------------------------|-------------------------|------------------------|------------------------|------------------------|
| 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| \$ 282,957,266 | \$ 281,679,794 | \$ 280,873,801 | \$ 255,994,118 | \$ 244,159,701 | \$ 232,513,616 |
| 3,602,951 | 4,275,595 | 4,294,695 | 3,603,220 | 3,380,545 | 6,510,649 ¹ |
| 57,501,002 | 53,026,886 | 46,151,555 | 47,533,164 | 44,713,157 | 48,120,548 |
| 6,777,447 | 7,700,349 | 8,223,531 | 8,003,350 | 9,638,235 | 6,975,916 |
| 3,902,015 | 6,452,870 | 6,360,901 | 6,614,108 | 7,694,509 | 7,012,225 |
| 7,451,554 | 8,895,746 | 4,998,982 | - | - | - |
| 27,763,211 | 25,964,230 | 22,471,566 | 31,423,696 | 24,096,115 | 23,560,642 |
| 5,897,383 | 10,239,976 | 7,333,935 | 4,328,764 | 4,721,172 | 2,750,270 |
| - | - | - | - ² | 1,094,437 | 326,485 |
| 2,122,070 | 9,776,653 | 2,857,539 | 3,185,339 | 2,112,144 | 5,017,982 |
| <u>\$ 397,974,899</u> | <u>\$ 408,012,099</u> | <u>\$ 383,566,505</u> | <u>\$ 360,685,759</u> | <u>\$ 341,610,015</u> | <u>\$ 332,788,333</u> |
| 36,388,954 | 37,782,876 | 35,804,545 | 35,066,148 | 35,057,714 | 30,180,556 |
| 152,915,661 | 141,678,912 | 136,200,771 | 130,557,767 | 127,780,666 | 121,413,860 |
| 56,052,468 | 49,812,437 | 48,124,008 | 43,994,136 | 44,207,213 | 45,448,660 |
| 35,808,899 | 38,601,471 | 36,377,166 | 37,585,445 | 31,595,640 | 32,842,736 |
| 32,563,191 | 40,343,000 | 40,853,027 | 36,710,172 | 34,556,301 | 29,073,026 |
| 44,141,333 | 98,526,072 | 120,587,477 | 73,795,990 | 41,803,806 | 74,653,601 |
| 80,381,093 | 62,776,875 | 63,584,609 | 54,504,739 | 59,714,249 | 53,233,284 |
| 13,909,701 | 13,896,552 | 12,404,803 | 11,278,441 | 11,545,249 | 11,247,273 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>\$ 452,161,300</u> | <u>\$ 483,418,195</u> | <u>\$ 493,936,406</u> | <u>\$ 423,492,838</u> | <u>\$ 386,260,838</u> | <u>\$ 398,092,996</u> |
| <u>\$ (54,186,401)</u> | <u>\$ (75,406,096)</u> | <u>\$ (110,369,901)</u> | <u>\$ (62,807,079)</u> | <u>\$ (44,650,823)</u> | <u>\$ (65,304,663)</u> |
| 60,452,362 | 64,654,330 | 87,675,220 | 87,634,104 | 71,076,662 | 66,802,278 |
| - | - | - | - | - | - |
| 45,978,388 | - | - | - | 10,610,598 | 6,698,966 |
| 2,443,803 | 6,325,495 | 4,759,354 | 6,602,862 | 5,069,697 | 4,865,460 |
| - | - | - | - | - | - |
| - | - | 3,960,000 | - | - | - |
| 79,408 | 80,999 | 812,802 | 2,582,286 | 628,630 | 1,351,317 |
| 87,818,405 | 102,540,800 | 113,518,626 | 85,584,748 | 78,898,569 | 74,112,020 |
| <u>(85,556,966)</u> | <u>(112,577,261)</u> | <u>(123,047,235)</u> | <u>(92,854,718)</u> | <u>(84,581,436)</u> | <u>(84,375,247)</u> |
| <u>\$ 111,215,400</u> | <u>\$ 61,024,363</u> | <u>\$ 87,678,767</u> | <u>\$ 89,549,282</u> | <u>\$ 81,702,720</u> | <u>\$ 69,454,794</u> |
| <u>\$ 57,028,999</u> | <u>\$ (14,381,733)</u> | <u>\$ (22,691,134)</u> | <u>\$ 26,742,203</u> | <u>\$ 37,051,897</u> | <u>\$ 4,150,131</u> |
| 23.0 % | 19.2 % | 19.8 % | 18.2 % | 20.2 % | 18.9 % |

Table 5

CITY OF MADISON

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years

(in thousands)

| Fiscal Year | Levy Year | Real Property | | | | | Personal Property ⁵ | Total Assessed Value ¹ | Less: TIF Increment Value ² | Total Taxable Assessed Value | Total Direct Tax Rate | Equalized Value | Ratio of Assessed to Equalized ³ |
|-------------------|-----------|---------------|---------------|---------------|--------------|----------|--------------------------------|-----------------------------------|--|------------------------------|-----------------------|-----------------|---|
| | | Residential | Commercial | Manufacturing | Agricultural | Other | | | | | | | |
| 2024 | 2023 | \$ 28,001,664 | \$ 17,274,452 | \$ 466,169 | \$ 7,731 | \$ 7,355 | \$ - | \$ 45,757,371 | \$ 2,224,510 | 43,532,861 | 6.58 % | 46,078,958 | 99.3 % |
| 2023 | 2022 | 25,826,219 | 15,584,098 | 446,985 | 7,791 | 7,283 | 543,511 | 42,415,887 | 2,089,639 | 40,326,248 | 7.80 | 42,648,777 | 99.5 |
| 2022 | 2021 | 22,693,088 | 13,234,201 | 378,561 | 6,847 | 5,627 | 656,190 | 36,974,514 | 1,877,009 | 35,097,505 | 8.31 | 38,606,699 | 95.8 |
| 2021 | 2020 | 20,126,193 | 11,544,662 | 385,138 | 5,411 | 4,720 | 665,046 | 32,731,170 | 1,572,209 | 31,158,961 | 8.67 | 32,940,368 | 99.4 |
| 2020 | 2019 | 18,787,992 | 11,113,686 | 359,257 | 4,034 | 10,648 | 660,121 | 30,935,738 | 1,416,204 | 29,519,534 | 8.90 | 33,036,794 | 93.6 |
| 2019 | 2018 | 17,836,985 | 10,359,906 | 351,400 | 4,266 | 15,937 | 619,613 | 29,188,107 | 1,092,809 | 28,095,298 | 9.04 | 30,910,698 | 94.4 |
| 2018 | 2017 | 16,795,804 | 9,902,126 | 261,092 | 4,017 | 17,279 | 593,760 | 27,574,078 | 808,555 | 26,765,523 | 9.22 | 28,727,408 | 96.0 |
| 2017 ⁴ | 2016 | 15,736,372 | 9,513,217 | 261,837 | 3,980 | 18,555 | 751,388 | 26,285,349 | 1,226,207 | 25,059,142 | 9.47 | 26,768,654 | 98.2 |
| 2016 | 2015 | 14,772,268 | 8,154,921 | 257,207 | 3,815 | 18,752 | 732,471 | 23,939,434 | 746,325 | 23,193,109 | 9.49 | 24,596,422 | 97.3 |
| 2015 | 2014 | 14,139,751 | 7,689,111 | 249,363 | 5,187 | 15,683 | 712,141 | 22,811,236 | 701,631 | 22,109,605 | 9.48 | 23,685,668 | 96.3 |

Source: Statement of Assessment for the City of Madison

¹ Total Assessed Value does not include exempt properties. The City of Madison Assessor's Office does not assess property classified as exempt.² TIF assessments are taxable only to the districts³ Assessment ratio is calculated by the State of Wisconsin Equalization Board⁴ Amended Statement of Assessment submitted to Wisconsin Department of Revenue⁵ The change in personal property value is due to a 2024 change in state law exempting all personal property from taxation

Table 6

CITY OF MADISON

DIRECT AND OVERLAPPING PROPERTY TAX RATES Last Ten Fiscal Years

| Fiscal Year | City Direct Rates | | | Overlapping Rates | | | |
|-------------|-------------------|--------------|--------------|--------------------------------------|-------------|---------------------------------|--------------------------------|
| | Library | General Fund | Total Direct | Madison School District ¹ | Dane County | State of Wisconsin ² | Madison Area Technical College |
| 2024 | \$ 0.51 | \$ 6.59 | \$ 6.58 | \$ 9.85 | \$ 2.53 | \$ - | \$ 0.67 |
| 2023 | 0.56 | 7.16 | 7.80 | 10.43 | 2.59 | - | 0.75 |
| 2022 | 0.61 | 7.71 | 8.31 | 11.50 | 2.69 | - | 0.81 |
| 2021 | 0.64 | 8.04 | 8.67 | 11.92 | 2.84 | - | 0.92 |
| 2020 | 0.68 | 8.24 | 8.90 | 11.78 | 2.87 | - | 0.94 |
| 2019 | 0.66 | 8.42 | 9.04 | 11.58 | 2.91 | - | 0.95 |
| 2018 | 0.72 | 8.60 | 9.22 | 11.99 | 3.09 | - | 0.97 |
| 2017 | 0.73 | 8.76 | 9.47 | 12.26 | 3.03 | 0.17 | 0.99 |
| 2016 | 0.74 | 8.76 | 9.49 | 12.54 | 3.06 | 0.18 | 0.96 |
| 2015 | 0.72 | 8.77 | 9.48 | 12.38 | 3.02 | 0.18 | 0.97 |

Source: Annual City of Madison Adopted Operating Budget

Rates are per \$1,000 of assessed value.

¹ This rate is only for the Madison Metropolitan School District.

² The State of Wisconsin repealed the forestry mill tax, effective for property taxes levied in 2017 and collected in 2018.

Table 7

CITY OF MADISON

PRINCIPAL PROPERTY TAXPAYERS Prior Year and Ten Years Ago

| Tax Payer | 2023 | | | 2014 | | |
|---|---------------------------|------|---|---------------------------|------|---|
| | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value |
| University Research Park, Inc. | \$ 248,520,100 | 1 | 0.62 % | \$ - | | - % |
| CG Growth LLC | 217,919,000 | 2 | 0.54 | - | | - |
| American Family Insurance | 130,321,300 | 3 | 0.32 | 163,933,000 | 3 | 0.75 |
| Madison Malls Ground LLC | 112,445,700 | 4 | 0.28 | - | | - |
| Core Campus Madison LLC | 102,270,000 | 5 | 0.25 | - | | - |
| CMFG Life Insurance Co. | 98,420,600 | 6 | 0.24 | - | | - |
| Core Campus II Madison LLC | 87,095,000 | 7 | 0.22 | - | | - |
| 777 University Ave LLC | 84,643,900 | 8 | 0.21 | - | | - |
| Timber Valley Apartments | 80,390,000 | 9 | 0.20 | - | | - |
| Wingra Building Group/Dean Medical Center | 78,699,000 | 10 | 0.20 | 125,677,200 | 6 | 0.57 |
| Madison Joint Venture | - | | - | 189,485,700 | 1 | 0.86 |
| Urban Land Interest | - | | - | 166,017,100 | 2 | 0.76 |
| Stephen D Brown Properties | - | | - | 150,011,200 | 4 | 0.68 |
| McCormick/Soderholm Properties | - | | - | 134,853,800 | 5 | 0.61 |
| Covance Laboratories, Inc. | - | | - | 114,774,000 | 7 | 0.52 |
| Gialamas Company | - | | - | 104,599,800 | 8 | 0.48 |
| Mullins, Carol | - | | - | 85,713,500 | 9 | 0.39 |
| Terrance R. Wall | - | | - | 78,564,800 | 10 | 0.36 |
| Total | <u>\$ 1,240,724,600</u> | | <u>3.08 %</u> | <u>\$ 1,313,630,100</u> | | <u>5.98 %</u> |

Beginning with 2017 assessed values, information is presented for the top ten individual taxpayers in the City by owner.

Source: City of Madison Assessor's Office

Table 8

CITY OF MADISON

PROPERTY TAX LEVIES AND COLLECTIONS Last Ten Fiscal Years

| Fiscal Year | Levy Year | Taxes Levied for Fiscal Year | Collected within the Fiscal Year of the Levy | | Collections of the Levy in Subsequent Years | Total Collections to Date ¹ | |
|-------------|-----------|---------------------------------|---|-----------------------|--|--|-----------------------|
| | | | Amount | Percentage of Levy | | Amount | Percentage of Levy |
| 2024 | 2023 | \$ 286,497,699 | \$ 286,264,855 | 99.92 % | \$ - | \$ 286,264,855 | 99.92 % |
| 2023 | 2022 | 273,679,349 | 273,471,334 | 99.92 | 50,875 | 273,522,209 | 99.94 |
| 2022 | 2021 | 259,044,042 | 258,775,993 | 99.90 | 168,103 | 258,944,096 | 99.96 |
| 2021 | 2020 | 255,933,573 | 254,746,725 | 99.54 | 1,076,020 | 255,822,745 | 99.96 |
| 2020 | 2019 | 250,016,152 | 249,178,049 | 99.66 | 718,803 | 249,896,852 | 99.95 |
| 2019 | 2018 | 241,829,722 | 240,941,642 | 99.63 | 754,115 | 241,695,757 | 99.94 |
| 2018 | 2017 | 231,041,537 | 229,767,881 | 99.45 | 1,214,559 | 230,982,440 | 99.97 |
| 2017 | 2016 | 219,728,630 | 219,181,700 | 99.75 | 482,333 | 219,664,033 | 99.97 |
| 2016 | 2015 | 209,856,552 | 209,124,596 | 99.65 | 671,644 | 209,796,240 | 99.97 |
| 2015 | 2014 | 202,870,333 | 202,157,694 | 99.65 | 613,578 | 202,771,272 | 99.95 |

Source: City of Madison Finance Department

Note - All delinquent real estate taxes are purchased 100% by Dane County.

¹ Collections as of January 31, 2024.

Table 9

CITY OF MADISON

RATIOS OF GENERAL OBLIGATION DEBT OUTSTANDING Last Ten Fiscal Years

| Fiscal Year | Gross General Obligation Debt | Restricted Debt Service | Net General Obligation Debt | Ratio of Net General Obligation Debt to Equalized Property Value ¹ | Net General Obligation Debt Per Capita ² |
|-------------|----------------------------------|----------------------------|--------------------------------|--|---|
| 2024 | \$ 701,811,818 | \$ 20,361,036 | \$ 681,450,782 | 1.48 % | \$ 2,341 |
| 2023 | 654,527,649 | 19,888,004 | 634,639,645 | 1.49 | 2,213 |
| 2022 | 625,687,903 | 20,123,572 | 605,564,331 | 1.57 | 2,168 |
| 2021 | 598,306,424 | 18,819,139 | 579,487,285 | 1.76 | 2,219 |
| 2020 | 602,019,368 | 15,241,038 | 586,778,330 | 1.78 | 2,263 |
| 2019 | 548,761,844 | 19,692,455 | 529,069,389 | 1.71 | 2,070 |
| 2018 | 512,385,646 | 17,648,002 | 494,737,644 | 1.72 | 1,959 |
| 2017 | 474,670,956 | 16,951,496 | 457,719,460 | 1.71 | 1,830 |
| 2016 | 433,785,148 | 15,658,006 | 418,127,142 | 1.70 | 1,691 |
| 2015 | 404,537,868 | 15,028,581 | 389,509,287 | 1.64 | 1,608 |

Source: City of Madison Finance Department

Note: Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements.

¹ Wisconsin uses equalized value for calculating legal debt limit. Equalized property value data can be found in Table 5: Assessed and Actual Value of Taxable Property on page 241.

² Population data can be found in Table 15: Demographic and Economic Statistics, on page 251.

Table 10

CITY OF MADISON

RATIOS OF OUTSTANDING DEBT BY TYPE Last Ten Fiscal Years

| Fiscal Year | Governmental Activities | | | | Business-Type Activities | | | | | | Percentage of Personal Income ¹ | Per Capita |
|-------------|-------------------------|--------------------------------|--------------|--------------------------|--------------------------|----------------|------------------------|--------------|--------------------------|--------------------------|--|------------|
| | General Obligation Debt | Other Loans/Notes ² | Leases | Subscription Liabilities | Revenue Bonds | | | | Total Primary Government | | | |
| | | | | | General Obligation Debt | Water Utility | Sanitary Sewer Utility | Leases | | Subscription Liabilities | | |
| 2024 | \$ 591,398,176 | \$ 4,337,714 | \$ 5,907,285 | \$ 10,556,712 | \$ 110,413,642 | \$ 129,859,467 | \$ 66,902,797 | \$ 7,893,471 | \$ 770,819 | \$ 928,040,083 | 3.87 % | 3,165 |
| 2023 | 560,315,704 | 4,879,928 | 4,194,990 | 5,557,044 | 94,211,945 | 152,883,550 | 55,191,020 | 8,349,872 | 336,595 | 885,920,648 | 3.98 | 3,050 |
| 2022 | 531,832,125 | 5,422,142 | 4,722,496 | - | 93,855,778 | 164,350,711 | 60,971,187 | 10,090,814 | - | 871,245,253 | 4.22 | 3,112 |
| 2021 | 529,243,688 | - | 820,000 | - | 69,062,736 | 207,796,320 | 49,811,881 | - | - | 856,734,625 | 4.82 | 3,305 |
| 2020 | 526,266,750 | - | 1,620,000 | - | 75,752,618 | 218,334,794 | 59,299,893 | - | - | 881,274,055 | 5.11 | 3,408 |
| 2019 | 486,801,626 | - | 2,405,000 | - | 61,960,218 | 226,823,268 | 44,342,529 | 260,500 | - | 822,593,141 | 5.06 | 3,218 |
| 2018 | 466,130,630 | - | 3,170,000 | - | 46,255,016 | 222,179,105 | 52,606,786 | 1,025,500 | - | 791,367,037 | 5.24 | 3,134 |
| 2017 | 433,330,438 | - | 4,181,585 | - | 41,340,518 | 187,690,887 | 42,900,834 | 1,765,500 | - | 711,209,762 | 5.00 | 2,844 |
| 2016 | 395,721,685 | - | 4,881,585 | - | 38,063,463 | 197,686,093 | 46,572,358 | 2,510,500 | - | 685,435,684 | 4.99 | 2,773 |
| 2015 | 367,176,802 | - | 5,506,585 | - | 37,361,066 | 179,666,207 | 34,115,796 | 3,275,500 | - | 627,101,956 | 4.87 | 2,589 |

Source: City of Madison Finance Department

Note: Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements.

¹ See Table 15: Demographic and Economic Statistics on page 251 for personal income and population data.

² Beginning in 2022, the City received a loan from the State related to the Volkswagen Mitigation Transit Capital Assistance Program.

Table 11

CITY OF MADISON**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**
As of December 31, 2024

| Government Unit | Governmental Activities Debt Outstanding | Percentage Applicable to City | Amount Applicable to City ² |
|--------------------------------|--|-------------------------------------|--|
| Direct | | | |
| City of Madison | \$ 612,199,887 | 100.00 % | \$ 612,199,887 |
| Indirect | | | |
| Dane County | 763,690,000 | 43.35 | 331,059,615 |
| School Districts: ¹ | | | |
| DeForest | 127,259,000 | 10.14 | 12,904,063 |
| Madison Metropolitan | 175,590,000 | 89.90 | 157,855,410 |
| McFarland | 52,145,000 | 10.54 | 5,496,083 |
| Middleton-Cross Plains | 172,655,000 | 23.10 | 39,883,305 |
| Monona Grove | 70,485,000 | 0.15 | 105,728 |
| Sun Prairie Area | 294,805,000 | 14.82 | 43,690,101 |
| Verona | 125,800,000 | 3.89 | 4,893,620 |
| Waunakee Community | 146,060,000 | 2.34 | 3,417,804 |
| Madison Area Technical College | <u>192,490,000</u> | 31.54 | <u>60,711,346</u> |
| Total Overlapping | <u>\$ 2,120,979,000</u> | | <u>\$ 660,017,075</u> |
| Total Direct and Overlapping | <u><u>\$ 2,733,178,887</u></u> | | <u><u>\$ 1,272,216,962</u></u> |

Source: City of Madison Finance Department

¹ Under Wisconsin annexation laws, properties annexed from one municipality to another do not automatically change school districts. Therefore, portions of the City of Madison are in seven school districts in addition to the Madison Metropolitan School District.

² The percent applicable to the City is calculated by dividing the City's equalized value into the total equalized value of the indirect debt entity.

Table 12

CITY OF MADISON

LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years

| (in thousands) | Fiscal Year | | | | Fiscal Year | | | | | |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| Equalized Value ¹ | \$ 46,078,958 | \$ 42,648,777 | \$ 38,606,699 | \$ 32,940,368 | \$ 33,036,794 | \$ 30,910,698 | \$ 28,727,408 | \$ 26,768,654 | \$ 24,596,422 | \$ 23,685,668 |
| Debt limit ² | 2,303,948 | 2,132,439 | 1,930,335 | 1,647,018 | 1,651,840 | 1,545,535 | 1,436,370 | 1,338,433 | 1,229,821 | 1,184,283 |
| Debt Applicable to Limit | | | | | | | | | | |
| General Obligation Debt | 652,988 | 613,356 | 586,701 | 562,693 | 569,848 | 519,336 | 484,747 | 447,740 | 409,860 | 381,836 |
| General Obligation Debt - Joint Venture | 966 | 1,153 | 1,410 | 1,682 | 2,005 | 2,055 | 2,314 | 905 | 745 | 559 |
| Total debt applicable to debt limit | <u>\$ 653,954</u> | <u>\$ 614,509</u> | <u>\$ 588,111</u> | <u>\$ 564,375</u> | <u>\$ 571,853</u> | <u>\$ 521,391</u> | <u>\$ 487,061</u> | <u>\$ 448,645</u> | <u>\$ 410,605</u> | <u>\$ 382,395</u> |
| Less: Debt Service fund available for payment of principal | <u>\$ 20,361</u> | <u>\$ 19,888</u> | <u>\$ 20,124</u> | <u>\$ 18,819</u> | <u>\$ 15,241</u> | <u>\$ 19,692</u> | <u>\$ 17,648</u> | <u>\$ 16,951</u> | <u>\$ 15,658</u> | <u>\$ 15,029</u> |
| Net debt applicable to debt limit | \$ 633,593 | \$ 594,621 | \$ 567,987 | \$ 545,556 | \$ 556,612 | \$ 501,699 | \$ 469,413 | \$ 431,694 | \$ 394,947 | \$ 367,366 |
| Total debt applicable to the limit as a percentage of debt limit | 28.4 % | 28.8 % | 30.5 % | 34.3 % | 34.6 % | 33.7 % | 33.9 % | 33.5 % | 33.4 % | 32.3 % |

¹ Source: Wisconsin Department of Revenue

² In accordance with Wisconsin Statutes, total general obligation indebtedness of the City may not exceed five percent of the equalized value of the taxable property within the City's Jurisdiction.

Table 13

CITY OF MADISON

PLEDGED REVENUE COVERAGE - SEWER UTILITY Last Ten Fiscal Years

| Fiscal Year | Gross Revenue ¹ | Operating Expenses ² | Net Available Revenue for Debt Service | Debt Service Requirements | | Coverage |
|-------------|----------------------------|---------------------------------|--|---------------------------|-----------------------|----------|
| | | | | Principal | Interest ³ | |
| 2024 | \$ 56,914,277 | \$ 45,312,446 | \$ 11,601,831 | \$ 5,500,000 | \$ 1,842,445 | 1.58 |
| 2023 | 57,238,311 | 41,399,636 | 15,838,675 | 5,335,000 | 2,007,856 | 2.16 |
| 2022 | 51,462,106 | 37,983,620 | 13,478,486 | 4,470,000 | 1,520,920 | 2.25 |
| 2021 | 47,812,020 | 37,549,401 | 10,262,619 | 4,340,000 ⁵ | 1,705,635 | 1.70 |
| 2020 | 43,000,162 | 36,217,953 | 6,782,209 | 3,605,000 | 1,577,583 | 1.31 |
| 2019 | 41,788,314 | 33,524,128 | 8,264,186 | 3,490,000 ⁴ | 1,857,893 | 1.55 |
| 2018 | 38,502,920 | 32,313,830 | 6,189,090 | 3,545,000 | 1,594,893 | 1.20 |
| 2017 | 36,503,015 | 29,551,555 | 6,951,460 | 3,455,000 | 1,696,584 | 1.35 |
| 2016 | 34,429,789 | 30,178,299 | 4,251,490 | 2,605,000 | 1,290,698 | 1.09 |
| 2015 | 33,001,939 | 26,528,035 | 6,473,904 | 2,515,000 | 1,391,516 | 1.66 |

Source: City of Madison Finance Department

Note: Sewer Revenue Bonds are now backed by sewer rates only. Prior to 2020, the Sewer Revenue Bonds were also backed by landfill remediation fees.

¹ Operating Revenues plus investment income.

² Total Operating Expenses do not include interest, depreciation or amortization expenses.

³ Gross interest. Amount is not net of tax credits, when available.

⁴ Actual principal paid in 2019 was \$8,095,000 in order to retire \$4,605,000 of 2008 Revenue Bonds.

⁵ Actual principal paid in 2021 was \$9,175,000 in order to retire \$4,835,000 of 2010 Revenue Bonds.

Table 14

CITY OF MADISON

PLEDGED REVENUE COVERAGE - WATER UTILITY Last Ten Fiscal Years

| Fiscal Year | Gross Revenue ¹ | Operating Expenses ² | Net Available Revenues for Debt Service | Debt Service Requirements | | Coverage |
|-------------|----------------------------|---------------------------------|---|---------------------------|-----------------------|----------|
| | | | | Principal | Interest ³ | |
| 2024 | \$ 58,835,900 | \$ 18,938,981 | \$ 39,896,919 | \$ 10,835,000 | \$ 4,653,148 | 2.58 |
| 2023 | 60,228,960 | 19,609,119 | 40,619,841 | 10,575,000 | 5,242,486 | 2.57 |
| 2022 | 47,850,861 | 17,606,116 | 30,244,745 | 11,525,000 | 6,833,129 | 1.65 |
| 2021 | 48,080,279 | 15,927,457 | 32,152,822 | 12,705,000 | 5,999,067 | 1.72 |
| 2020 | 45,440,204 | 16,979,254 | 28,460,950 | 7,455,000 | 6,810,091 | 2.00 |
| 2019 | 44,956,425 | 17,285,238 | 27,671,187 | 9,255,000 | 8,837,736 | 1.53 |
| 2018 | 35,512,284 | 17,928,862 | 17,583,422 | 6,890,000 | 6,356,118 | 1.33 |
| 2017 | 35,431,200 | 18,431,561 | 16,999,639 | 8,825,000 | 7,535,483 | 1.04 |
| 2016 | 35,909,550 | 15,356,637 | 20,552,913 | 6,120,000 | 6,447,693 | 1.64 |
| 2015 | 29,744,626 | 15,250,082 | 14,494,544 | 5,935,000 | 5,416,433 | 1.28 |

Source: City of Madison Finance Department

Note: During the year ended December 31, 2024, the Utility made an early retirement payment on a Bond Anticipation note (BAN). The early payment exceeded the scheduled debt service requirements for the year and is reflected in the total debt service payments made on page 113.

Note: Water Utility Revenue Bond Covenant can be found in the Madison Water Utility Financial Statements.

¹ Operating Revenues plus investment income.

² Total Operating Expenses do not include interest, depreciation or amortization expenses.

³ Gross interest. Amount is not net of available tax credits, when available.

Table 15

CITY OF MADISON

DEMOGRAPHIC AND ECONOMIC STATISTICS Last Ten Calendar Years

| Fiscal Year | Population ¹ | Personal Income ² (in thousands) | Per Capita Personal Income ³ | | Annualized Unemployment Rates ⁴ | | |
|-------------|-------------------------|---|---|-----------------------|--|----------------|-----------------------|
| | | | Dane County | State of Wisconsin | City of Madison | Dane County | State of Wisconsin |
| 2024 | 291,037 | \$ 23,800,658 | \$ 81,779 | \$ 64,976 | 2.3 % | 2.3 % | 3.0 % |
| 2023 | 286,785 | 22,001,937 | 76,719 | 63,963 | 2.3 | 2.3 | 3.0 |
| 2022 | 279,012 | 20,602,392 | 73,841 | 61,210 | 2.1 | 2.2 | 2.9 |
| 2021 | 259,233 | 18,421,615 | 71,062 | 59,787 | 2.8 | 2.8 | 3.8 |
| 2020 | 257,197 | 17,149,124 | 66,677 | 55,904 | 4.8 | 4.8 | 6.3 |
| 2019 | 255,650 | 16,276,724 | 63,668 | 52,893 | 2.4 | 2.4 | 3.3 |
| 2018 | 252,546 | 15,242,919 | 60,357 | 50,908 | 2.2 | 2.2 | 3.0 |
| 2017 | 250,073 | 14,352,440 | 57,393 | 48,758 | 2.3 | 2.4 | 3.3 |
| 2016 | 247,207 | 13,784,262 | 55,760 | 47,205 | 2.9 | 2.9 | 4.1 |
| 2015 | 242,216 | 13,182,848 | 54,426 | 46,548 | 3.1 | 3.2 | 4.6 |

¹ Provided by Demographic Services Center, Wisconsin State Department of Administration, generally published August of the subsequent reporting period.

² Personal income is computed by multiplying City population by County per capita personal income.

³ Source - Bureau of Economic Analysis - U.S. Department of Commerce, except for 2024 Dane County, which is an estimate based on the prior nine years of growth.

⁴ Source - Department of Workforce Development - State of Wisconsin - Annualized Unemployment Rates.

Table 16

CITY OF MADISON

PRINCIPAL EMPLOYERS
Prior Year and Ten Years Ago

| Employer | 2023 | | | 2014 | | |
|--|------------------------|------|--|------------------------|------|---|
| | Employees ¹ | Rank | Percentage of Total Area Employment ² | Employees ³ | Rank | Percentage of Total Area Employment |
| State of Wisconsin | 47,245 ^{5,6} | 1 | 11.16 % | 16,300 | 2 | 4.27 % |
| University of Wisconsin | 26,755 ⁴ | 2 | 6.32 | 21,727 | 1 | 5.70 |
| UW Health | 15,744 ⁵ | 3 | 3.72 | - | | - |
| Epic Systems | 13,000 | 4 | 3.07 | 8,100 | 4 | 2.12 |
| United States Government | 5,799 | 5 | 1.37 | 5,326 | 6 | 1.40 |
| SSM Health Care | 5,726 ⁵ | 6 | 1.35 | 6,380 | 5 | 1.67 |
| Madison Metropolitan School District | 4,187 ⁵ | 7 | 0.99 | 3,903 | 7 | 1.02 |
| City of Madison | 3,292 | 8 | 0.78 | 2,919 | 10 | 0.77 |
| UnityPoint Health - Meriter | 3,213 | 9 | 0.76 | 3,268 | 9 | 0.86 |
| Exact Sciences | 2,877 | 10 | 0.68 | - | | - |
| Dean Health Systems | - | | - | 9,001 | 3 | 2.36 |
| American Family Mutual Insurance Group | - | | - | 3,842 | 8 | 1.01 |
| Total | <u>127,838</u> | | <u>30.20 %</u> | <u>80,766</u> | | <u>21.18 %</u> |

¹ Sources: Madison InBusiness, 2023 Report; Dane County; UW Madison 2023-2024 Data Digest

² Source: Wisconsin Department of Workforce Development for Madison MSA.

³ Source: Telephone survey of individual employers, August 2014, and Madison Economic Development Division..

⁴ Includes full- and part-time, limited term and student employees.

⁵ Includes full- and part-time employees.

⁶ Includes all State of Wisconsin employees within Dane County.

Table 17

CITY OF MADISON

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM Last Ten Fiscal Years

| Function/Program | Full-time Equivalent Employees (FTEs) | | | |
|---|---------------------------------------|------|------|------|
| | 2024 | 2023 | 2022 | 2021 |
| Public Safety and Health | | | | |
| Fire | 445 | 443 | 438 | 417 |
| Police ⁶ | 583 | 583 | 606 | 598 |
| Public Health - Madison and Dane County | 203 | 197 | 180 | 157 |
| Office of Independent Monitor ⁵ | 3 | 3 | 3 | 3 |
| General Government | | | | |
| Common Council | 5 | 5 | 5 | 4 |
| Mayor | 14 | 13 | 12 | 12 |
| Municipal Court | 5 | 5 | 5 | 5 |
| Administration | | | | |
| Department of Civil Rights | 22 | 21 | 21 | 19 |
| Attorney | 26 | 25 | 24 | 24 |
| Assessor | 26 | 26 | 26 | 24 |
| Clerk | 11 | 11 | 10 | 10 |
| Treasurer | - | - | - | - |
| Finance | - | - | - | - |
| Information Technology | 58 | 57 | 57 | 54 |
| Human Resources | 20 | 20 | 18 | 18 |
| Employee Assistance Program ¹ | 4 | 4 | 4 | 4 |
| Finance/City Treasurer ⁴ | 51 | 51 | 48 | 48 |
| Public Facilities | | | | |
| Monona Terrace | 55 | 55 | 55 | 55 |
| Department of Public Works and Transportation | | | | |
| Engineering | 157 | 157 | 146 | 144 |
| Sewer Utility ² | 17 | 17 | 17 | 17 |
| Stormwater Utility ² | 13 | 13 | 13 | 12 |
| Parks | 145 | 145 | 140 | 138 |
| Golf Enterprise | 14 | 14 | 8 | 8 |
| Streets | 245 | 245 | 235 | 229 |
| Water Utility | 132 | 131 | 130 | 130 |
| Metro Transit | 497 | 488 | 467 | 462 |
| Traffic Engineering | 72 | 70 | 68 | 67 |
| Parking Utility ⁶ | 109 | 110 | 75 | 75 |
| Fleet Services | 38 | 37 | 37 | 39 |

| Full-time Equivalent Employees (FTEs) | | | | | |
|---------------------------------------|------|------|------|------|------|
| 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| 413 | 411 | 411 | 393 | 393 | 389 |
| 604 | 599 | 588 | 584 | 593 | 586 |
| 146 | 143 | 138 | 138 | 138 | 136 |
| - | - | - | - | - | - |
| 4 | 4 | 4 | 2 | 2 | 2 |
| 12 | 12 | 12 | 12 | 12 | 12 |
| 5 | 5 | 5 | 5 | 5 | 5 |
| 18 | 18 | 18 | 16 | 16 | 15 |
| 25 | 26 | 26 | 27 | 27 | 27 |
| 24 | 24 | 24 | 24 | 24 | 24 |
| 10 | 9 | 9 | 9 | 8 | 8 |
| - | - | 6 | 6 | 6 | 5 |
| - | - | 41 | 42 | 42 | 39 |
| 54 | 54 | 54 | 53 | 53 | 49 |
| 18 | 18 | 17 | 16 | 16 | 18 |
| 4 | 4 | 3 | 3 | 3 | - |
| 48 | 47 | - | - | - | - |
| 55 | 55 | 55 | 55 | 55 | 55 |
| 144 | 117 | 115 | 112 | 77 | 149 |
| 17 | 38 | 36 | 35 | 44 | - |
| 12 | 15 | 12 | 11 | 39 | - |
| 140 | 171 | 172 | 167 | 165 | 161 |
| 8 | 8 | 8 | 8 | 8 | 8 |
| 227 | 191 | 193 | 190 | 187 | 183 |
| 130 | 130 | 130 | 130 | 130 | 129 |
| 462 | 457 | 473 | 476 | 474 | 472 |
| 66 | 67 | 66 | 64 | 63 | 64 |
| 75 | 75 | 71 | 71 | 69 | 70 |
| 43 | 43 | 43 | 43 | 43 | 43 |

Table 17 (Cont.)

CITY OF MADISON**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM**
Last Ten Fiscal Years

| Function/Program | Full-time Equivalent Employees (FTEs) | | | |
|---|---------------------------------------|-------|-------|-------|
| | 2024 | 2023 | 2022 | 2021 |
| Department of Planning & Community & Economic Development | | | | |
| Office of the Director of Planning and Community and Economic Development | 5 | 5 | 5 | 5 |
| Community Development Authority Housing Operations and Redevelopment | 57 | 56 | 53 | 53 |
| Community Development Division ³ | 43 | 45 | 41 | 42 |
| Economic Development Division | 20 | 20 | 20 | 20 |
| Planning Division | 34 | 34 | 34 | 35 |
| Building Inspection Division | 45 | 45 | 45 | 44 |
| Library | 140 | 136 | 137 | 135 |
| Total | 3,314 | 3,287 | 3,183 | 3,107 |

Source - City's Annual Operating Budget

- ¹ Employee Assistance Program was created in 2016. Its functions were previously included in Human Resources.
- ² The City Engineer serves as the manager of the Sewer and Stormwater Utilities.
- ³ Effective with the 2016 budget, Community Development Block Grant personnel have been moved to the Community Development Division.
- ⁴ The Finance and Treasurer's departments were consolidated in 2019.
- ⁵ The City created the Office of Independent Monitor in 2021.
- ⁶ In 2023, Parking Enforcement Officers moved from Police to Parking Utility.

| Full-time Equivalent Employees (FTEs) | | | | | |
|---------------------------------------|-------|-------|-------|-------|-------|
| 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| 8 | 8 | 8 | 8 | 8 | 8 |
| 52 | 49 | 43 | 43 | 43 | 41 |
| 41 | 41 | 41 | 39 | 39 | 37 |
| 19 | 18 | 17 | 17 | 16 | 16 |
| 32 | 32 | 36 | 36 | 32 | 32 |
| 46 | 46 | 46 | 45 | 48 | 47 |
| 139 | 137 | 135 | 131 | 131 | 128 |
| 3,101 | 3,072 | 3,056 | 3,011 | 3,009 | 2,958 |

Table 18

CITY OF MADISON

OPERATING INDICATORS BY FUNCTION/PROGRAM
Prior Ten Fiscal Years

| Function/Program | 2023 | 2022 | 2021 | 2020 |
|--|-----------|-----------|-----------|----------------------|
| General Government | | | | |
| Information Technology | | | | |
| Webpage visits | 5,149,812 | 6,260,207 | 5,953,396 | 7,144,554 |
| Online payments transactions | 753,599 | 589,864 | 571,247 | 511,281 |
| Public Safety | | | | |
| Fire | | | | |
| EMS responses | 28,253 | 30,543 | 27,938 | 24,170 |
| Fire/service responses | 12,632 | 11,018 | 6,581 | 6,174 |
| Fires extinguished | 443 | 434 | 611 | 342 |
| Public Health | | | | |
| Inspections/Pre-inspections | 2,574 | 2,379 | 2,216 | 858 |
| Police | | | | |
| Calls for service | 184,398 | 180,621 | 137,456 | 125,272 ² |
| Arrests | 9,638 | 8,050 | 6,824 | 6,583 ³ |
| Citations | 3,296 | 2,905 | 2,196 | 2,289 |
| Traffic violations | 10,750 | 10,033 | 9,331 | 6,712 |
| Public works and transportation | | | | |
| Metro Transit | | | | |
| Annual rides | 9,403,885 | 8,287,021 | 5,458,011 | 4,639,909 |
| Annual miles | 4,690,340 | 4,321,376 | 4,707,689 | 4,417,771 |
| Fleet Services | | | | |
| Work Orders | 7,644 | 8,028 | 8,500 | 8,435 |
| Parking Utility | | | | |
| Ramp Occupancy | 50 % | 47 % | 37 % | 35 % |
| Streets | | | | |
| Tons of debris swept | 6,633 | 7,340 | 6,473 | 5,950 |
| Refuse collected (tons) | 44,678 | 44,674 | 46,554 | 46,187 |
| Recyclables collected (tons) | 15,388 | 15,817 | 16,498 | 18,043 |
| Sewer Utility | | | | |
| Average annual residential customer volume (gallons) | 43,991 | 44,328 | 47,238 | 47,473 |
| Water Utility | | | | |
| Main replacement (miles) | 3.80 | 0.18 | 3.03 | 7.51 |
| Gallons pumped (millions) | 9,172 | 9,021 | 8,921 | 8,743 |
| Water main breaks (per mile) | 0.171 | 0.247 | 0.264 | 0.160 |
| Mains added | 7.30 | 3.52 | 7.01 | 12.98 |

| 2019 | 2018 | 2017 | 2016 ¹ | 2015 | 2014 |
|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|-------------------------------------|
| 5,896,319 468,774 | 6,114,219 423,443 | 5,439,856 301,479 | 6,057,900 270,728 | 6,343,573 353,462 | 6,544,987 212,866 |
| 22,865 10,111 361 | 21,667 9,357 412 | 21,716 8,810 476 | 21,291 8,762 411 | 18,348 6,839 459 | 19,599 6,215 412 |
| 2,990 | 1,233 | 1,318 | 1,418 | 1,363 | 1,258 |
| 216,867 13,797 3,711 13,884 | 211,507 12,455 4,193 14,128 | 212,196 12,039 4,928 17,843 | 212,601 11,969 5,851 20,966 | 212,376 14,020 7,203 23,316 | 206,648 9,726 7,142 19,872 |
| 12,856,514 5,084,961 | 13,230,698 5,109,240 | 12,817,077 5,075,010 | 13,305,291 5,050,916 | 14,358,261 5,070,813 | 15,492,317 5,040,007 |
| 9,552 | 8,570 | 3,073 | 2,394 | 2,588 | 2,084 |
| 64 % | 69 % | 70 % | 72 % | 71 % | 71 % |
| 7,837 42,909 17,763 | 4,802 43,155 18,999 | 4,551 43,352 19,344 | 4,351 42,525 19,228 | 7,256 44,866 19,379 | 7,539 41,680 19,225 |
| 44,132 | 46,376 | 47,124 | 50,864 | 52,360 | 49,368 |
| 2.51 8,973 0.255 7.13 | 9.22 9,223 0.252 15.35 | 11.52 9,419 0.208 21.49 | 10.70 9,848 0.247 16.60 | 6.45 9,977 0.240 8.60 | 7.80 10,099 0.440 4.90 |

Table 18 (Cont.)

CITY OF MADISON

OPERATING INDICATORS BY FUNCTION/PROGRAM
Prior Ten Fiscal Years

| Function/Program | 2023 | 2022 | 2021 | 2020 |
|---|-----------|-----------|------------------------|----------------|
| Planning and development | | | | |
| Inspection Unit | | | | |
| Inspections | 49,833 | 48,269 | 47,765 | 43,519 |
| Housing Operations | | | | |
| Households served | 2,672 | 2,637 | 2,633 | 2,583 |
| Community Services | | | | |
| Children receiving child care from an accredited facility | 40.80 % | 40.80 % | 41.40 % | 44.40 % |
| Senior Center | | | | |
| Number of visits | 7,245 | 12,852 | 3,419 | 5,882 |
| Number of events | 1,283 | 1,690 | 590 | 811 |
| New visitors | 140 | 142 | 161 | - ⁴ |
| Culture and recreation | | | | |
| Library | | | | |
| Circulation | 2,231,636 | 2,230,598 | 1,956,275 | 1,289,737 |
| Visits | 1,283,565 | 1,112,001 | 539,254 | 415,397 |
| Registered borrowers | 136,854 | 135,099 | 149,795 | 144,831 |
| Internet uses | 3,647,960 | 3,330,775 | 2,209,745 ⁵ | 55,603 |
| Uses of electronic materials (e-books, e-audio, e-video) | 712,726 | 630,974 | 593,678 ⁶ | - |
| Parks | | | | |
| General park (shelter) reservations | 2,608 | 2,029 | 2,158 | 149 |
| Athletic Field reservations | 10,353 | 12,389 | 10,849 | 1,934 |
| Recreation center attendance | 133,327 | 176,313 | 83,821 | 39,852 |
| Special events held | 581 | 686 | 681 | 121 |
| Calls for service - Forestry | 3,072 | 3,463 | 3,284 | 3,789 |
| Visitors - Olbrich Gardens | 344,000 | 340,442 | 350,124 | 138,925 |
| Municipal Pool | | | | |
| Attendance | 38,966 | 33,281 | 36,007 | 14,601 |
| Golf Enterprise | | | | |
| Rounds (18 holes) | 152,884 | 133,995 | 139,147 | 134,818 |
| Monona Terrace | | | | |
| Conventions and Conferences | 46 | 46 | 13 | 10 |

Source: 2009 - 2015 Madison Measures & Departmental Annual Reports

Note: Departmental Annual Reports available for prior ten years

¹ Beginning in 2016, the source for the data is Departmental Annual Reports and Departmental Databases.² Beginning in 2020, calls for service is measured as calls where an MPD officer responded, as opposed to all calls received.³ Beginning in 2020, MPD began reporting distinct arrests as opposed to total arrests to avoid double-counting individuals arrested for multiple charges.⁴ No new visitors recorded at the Senior Center due to its being closed during the COVID-19 pandemic.⁵ Beginning in 2021, internet uses includes both uses of public use computers and public wireless.⁶ Beginning in 2021, uses of electronic library materials will be reported.

| 2019 | 2018 | 2017 | 2016 ¹ | 2015 | 2014 |
|-----------|-----------|-----------|-------------------|-----------|-----------|
| 56,072 | 57,866 | 52,854 | 54,113 | 48,023 | 52,166 |
| 2,617 | 2,563 | 2,490 | 2,528 | 2,404 | 2,432 |
| 47.99 % | 48.00 % | 49.28 % | 51.30 % | 50.00 % | 49.00 % |
| 37,988 | 38,609 | 38,521 | 41,106 | 38,828 | 42,263 |
| 3,084 | 2,952 | 3,108 | 2,871 | 2,777 | 2,829 |
| 764 | 775 | 866 | 817 | 889 | 7,422 |
| 3,454,156 | 3,575,215 | 3,698,903 | 3,800,000 | 3,950,000 | 3,841,997 |
| 1,779,552 | 1,911,287 | 1,965,014 | 2,170,000 | 2,150,000 | 2,152,731 |
| 157,557 | 158,977 | 168,443 | 170,420 | 165,855 | 163,934 |
| 227,370 | 655,599 | 917,107 | 769,704 | 708,214 | 813,880 |
| - | - | - | - | - | - |
| 1,717 | 1,594 | 1,598 | 1,765 | 1,590 | 1,570 |
| 10,074 | 7,956 | 8,362 | 8,700 | 8,358 | 7,325 |
| 250,059 | 226,215 | 221,000 | 209,000 | 64,495 | 63,315 |
| 475 | 489 | 521 | 350 | 245 | 130 |
| 3,918 | 4,119 | 4,415 | 5,068 | 4,336 | 4,264 |
| 322,149 | 335,153 | 325,530 | 300,396 | 289,540 | 279,090 |
| 34,971 | 33,265 | 46,469 | 46,400 | 52,140 | 49,503 |
| 99,036 | 77,510 | 100,004 | 109,934 | 107,212 | 79,122 |
| 60 | 62 | 60 | 67 | 63 | 54 |

Table 19

CITY OF MADISON

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
Prior Ten Fiscal Years

| | 2023 | 2022 | 2021 | 2020 |
|---|-----------|-----------|-----------|---------|
| <u>Function/Program</u> | | | | |
| Public Safety | | | | |
| Fire | | | | |
| Fire Stations | 14 | 14 | 14 | 14 |
| Public works and transportation | | | | |
| Metro Transit | | | | |
| Shelters | 221 | 221 | 226 | 221 |
| Buses (incl. Paratransit) | 192 | 201 | 220 | 217 |
| Fleet Services | | | | |
| Vehicles | 1,404 | 1,393 | 1,385 | 1,334 |
| Parking Utility | | | | |
| Ramps | 7 | 7 | 7 | 6 |
| Surface Lots | 5 | 6 | 6 | 6 |
| Parking Spaces | 5,815 | 6,072 | 6,101 | 6,250 |
| Traffic Engineering | | | | |
| Miles of Streets | 852 | 838 | 836 | 821 |
| Water Utility | | | | |
| Water main (miles) | 922 | 919 | 916 | 911 |
| Hydrants | 9,438 | 9,380 | 9,340 | 9,288 |
| Valves | 27,129 | 26,941 | 26,749 | 26,528 |
| Culture and recreation | | | | |
| Library | | | | |
| Locations | 9 | 9 | 9 | 9 |
| Volumes/Items Held | 1,029,824 | 1,012,507 | 1,016,989 | 955,688 |
| Parks | | | | |
| Parks | 284 | 284 | 281 | 279 |
| Acreage of Parks (rounded to nearest 100th) | 2,828 | 5,802 | 5,771 | 5,700 |
| Beaches | 12 | 12 | 12 | 12 |
| Shelters | 27 | 27 | 27 | 27 |
| Recreational Facilities | 1 | 1 | 1 | 1 |
| Municipal Pool | | | | |
| Pool facilities | 1 | 1 | 1 | 1 |
| Golf Enterprise | | | | |
| Golf courses | 4 | 4 | 4 | 4 |

Source: 2009 - 2015 Madison Measures & Departmental Annual Reports

¹ Beginning in 2016, the source for the data is Departmental Annual Reports and Departmental Databases.

| 2019 | 2018 | 2017 | 2016 ¹ | 2015 | 2014 |
|---------|---------|---------|-------------------|---------|---------|
| 14 | 14 | 13 | 13 | 13 | 13 |
| 223 | 222 | 222 | 208 | 208 | 208 |
| 218 | 215 | 232 | 232 | 232 | 231 |
| 1,361 | 1,238 | 1,011 | 1,169 | 1,166 | 1,278 |
| 6 | 6 | 6 | 5 | 5 | 5 |
| 6 | 6 | 6 | 7 | 7 | 7 |
| 6,203 | 6,215 | 6,142 | 5,506 | 5,589 | 5,426 |
| 815 | 800 | 795 | 790 | 785 | 780 |
| 906 | 892 | 895 | 884 | 867 | 859 |
| 9,184 | 9,117 | 9,004 | 8,956 | 8,882 | 8,751 |
| 26,282 | 25,976 | 27,381 | 25,126 | 21,525 | 21,114 |
| 9 | 9 | 9 | 9 | 9 | 9 |
| 947,490 | 965,277 | 961,596 | 957,562 | 943,507 | 936,975 |
| 279 | 275 | 274 | 275 | 274 | 270 |
| 5,700 | 5,600 | 5,600 | 6,000 | 6,000 | 6,000 |
| 12 | 12 | 12 | 12 | 12 | 12 |
| 25 | 25 | 22 | 22 | 21 | 21 |
| 1 | 1 | 1 | 1 | 1 | 1 |
| 1 | 1 | 1 | 1 | 1 | 1 |
| 4 | 4 | 4 | 4 | 4 | 4 |