

Annual Comprehensive Financial Report (ACFR)

As of and for the Year Ended
December 31, 2023

Satya Rhodes-Conway, Mayor



CITY OF MADISON

Madison, Wisconsin

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

As of and for the Year Ended
December 31, 2023

Prepared By:

FINANCE DEPARTMENT STAFF

CITY OF MADISON

ANNUAL COMPREHENSIVE FINANCIAL REPORT As of and for the Year Ended December 31, 2023

TABLE OF CONTENTS

I. INTRODUCTORY SECTION	<u>Page</u>
Transmittal Letter	1 - 8
Certificate of Achievement for Excellence in Financial Reporting	9
List of Principal Officials	10 - 11
Organizational Chart	12
II. FINANCIAL SECTION	
Independent Auditors' Report	13 - 15
Required Supplementary Information	
Management's Discussion and Analysis	16 - 43
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	44 - 45
Statement of Activities	46 - 47
Fund Financial Statements	
Balance Sheet – Governmental Funds	48 - 51
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	52
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	53 - 54
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	55
Statement of Net Position – Proprietary Funds	56 - 59
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds	60 - 61
Statement of Cash Flows – Proprietary Funds	62 - 65

CITY OF MADISON

ANNUAL COMPREHENSIVE FINANCIAL REPORT As of and for the Year Ended December 31, 2023

TABLE OF CONTENTS (cont.)

II. FINANCIAL SECTION (cont.)	<u>Page</u>
Basic Financial Statements (cont.)	
Fund Financial Statements (cont.)	
Statement of Fiduciary Net Position – Custodial Funds	66
Statement of Changes in Fiduciary Net Position – Custodial Funds	67
Combining Statement of Net Position – Component Units	68 - 69
Combining Statement of Activities – Component Units	70
Notes to Financial Statements	71 - 188
Required Supplementary Information	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP) – General Fund	189 - 190
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Library	191
Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) – Budget and Actual – Other Grants	192
Schedule of Proportionate Share of the Net Pension Liability (Asset) (City)	193
Schedule of Employer Contributions (City)	193
Schedule of Proportionate Share of the Net Pension Liability (Asset) (CDA)	194
Schedule of Employer Contributions (CDA)	194
Schedule of Changes in Employer’s Other Post-Employment Benefits Liability and Related Ratios	195 - 196
Notes to Required Supplementary Information	197 - 198
Supplementary Information	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Debt Service	199
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Capital Projects	200

CITY OF MADISON

ANNUAL COMPREHENSIVE FINANCIAL REPORT As of and for the Year Ended December 31, 2023

TABLE OF CONTENTS (cont.)

II. FINANCIAL SECTION (cont.)	<u>Page</u>
Supplementary Information (cont.)	
Combining Balance Sheet – Nonmajor Governmental Funds	201 - 202
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	203 - 204
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Community Development Block Grant	205
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Revolving Loans	206
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Other Restricted Funds	207
Combining Statement of Net Position – Nonmajor Enterprise Funds	208 - 209
Combining Statement of Revenues, Expenses, and Changes in Net Position – Nonmajor Enterprise Funds	210
Combining Statement of Cash Flows – Nonmajor Enterprise Funds	211 - 212
Combining Statement of Net Position – Internal Service Funds	213
Combining Statement of Revenues, Expenses and Changes in Net Position – Internal Service Funds	214
Combining Statement of Cash Flows – Internal Service Funds	215 - 216
Combining Statement of Fiduciary Net Position – Custodial Funds	217
Combining Statement of Changes in Fiduciary Net Position – Custodial Funds	218
Combining Statement of Net Position – Nonmajor Component Units	219
Combining Statement of Revenues, Expenses, and Changes in Net Position – Nonmajor Component Units	220

CITY OF MADISON

ANNUAL COMPREHENSIVE FINANCIAL REPORT As of and for the Year Ended December 31, 2023

TABLE OF CONTENTS (cont.)

II. FINANCIAL SECTION (cont.)	<u>Page</u>
Supplementary Information (cont.)	
Statement of Net Position and Governmental Component Unit Balance Sheet – Business Improvement District	221
Statement of Activities and Governmental Component Unit – Revenues, Expenditures and Changes in Fund Balance – Business Improvement District	222
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Business Improvement District	223
Sewer Revenue Bond Covenant	224
Schedule of Balance Sheet – Capital Projects	225
Schedule of Revenues, Expenditures and Changes in Fund Balance – Capital Projects	226
III. STATISTICAL SECTION	
Index to the Statistical Section	227
Financial Trends	
Net Position by Component	228 - 229
Changes in Net Position	230 - 233
Fund Balances, Governmental Funds	234
Changes in Fund Balances, Governmental Funds	235 - 236
Revenue Capacity	
Assessed Value and Actual Value of Taxable Property	237
Direct and Overlapping Property Tax Rates	238
Principal Property Tax Payers	239
Property Tax Levies and Collections	240

CITY OF MADISON

ANNUAL COMPREHENSIVE FINANCIAL REPORT As of and for the Year Ended December 31, 2023

TABLE OF CONTENTS (cont.)

III. STATISTICAL SECTION (cont.)	<u>Page</u>
Debt Capacity	
Ratios of General Obligation Debt Outstanding	241
Ratios of Outstanding Debt by Type	242
Direct and Overlapping Governmental Activities Debt	243
Legal Debt Margin Information	244
Pledged Revenue Coverage –	
Sewer Utility and Landfill Remediation	245
Water Utility	246
Demographic and Economic Information	
Demographic and Economic Statistics	247
Principal Employers	248
Operating Information	
Full-Time Equivalent City Government Employees by Function/Program	249 - 252
Operating Indicators by Function/Program	253 - 256
Capital Asset Statistics by Function/Program	257 - 258

INTRODUCTORY SECTION



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June 26, 2024

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, 2023.

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, 2023, 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, 2023, 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 2023 at 286,785, 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 49,000 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, 2023, the City's unemployment rate was 2.1%, below the state and below national rates of 2.9%, and 3.5% 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 14.4% between 2022 and 2023. As of March 30, 2024, the City's unemployment rate increased to 2.4%. The City rate remains below the state and national rates of 3.5% and 3.9% respectively.

Long-Term Financial Planning

The City's sound financial operations are expected to remain solid, supported by growing revenue from ongoing development and strong fiscal management. 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 95.0% 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 will fully migrate to a new software platform Jan 1, 2025, which is ahead of schedule. Additionally, the City's Finance department is beginning to pilot a new bidding and evaluation module within the ERP solution in 2024, so that bidders and providers may submit proposals electronically early in fiscal year 2025. Further, treasury staff is implementing and plans to go-live with new business license software for improved tracking and reporting of room tax collections city-wide.
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Public safety

Public Health of Madison and Dane County (PHMDC) is the local health joint venture that serves over 575,000 people in more than 60 cities, villages, and towns in Dane County, Wisconsin. 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 2023, PHMDC received almost \$9.9 million in state and federal funding. This included \$5.4 million from the U.S. Department of Health and Human Services and the Federal Emergency Management Agency (FEMA). As continued COVID-19 response and recovery efforts monopolized less of PHMDC's staff, they were able to concentrate more attention towards other community needs. These needs are divided into four distinct focuses: Community Health, Environmental Health, Policy, Planning and Evaluation, and Operations / Office of the Director.

Under the guidance of these four focuses throughout 2023, PHMDC served 8,139 WIC clients, supported 260 families through perinatal home visiting programs, awarded \$760,000 in violence prevention and intervention funding to community groups, and responded to 86 environmental health complaints about air quality, household hygiene, and rodents.

An average month during 2023, included monitoring the treatment of 45 people diagnosed with tuberculosis, inspecting 190 licensed establishments, fielding 23 media requests, following-up on 429 communicable disease reports, permitting 29 private wells, selling 54 radon test kits, responding to 11 illegal dumping complaints, fielding 10 data requests from the community, and conducting 35 tobacco retailer inspections to provide education and ensure retailers are not selling tobacco products to minors. This is in addition to their average weekly services that included administering 138 immunizations, hosting 11 mobile vaccination clinics, screening 35 people for STIs, disseminating 91 Narcan kits (2 doses each) to the community, responding to 138 animal service calls, hosting 232 syringe service visits, testing 52 well water quality samples, and enrolling 17 women in Well Woman, a cancer screening and treatment program.

The services that PHMDC provides would not be possible without the continued acquisition of new grant funds. The number of grants monitored has increased from 20 (pre-COVID-19) to 44 during 2023. New and exciting 2023 awards included: the Health Care Education & Training (HCET) Internet Partner Service grant, and WIC Ahead 2.0, which strengthened and diversified the WIC Workforce Project. Two new grants from the National Association of County and City Health Officials (NACCHO), a Certification in Infection Control Scholarship Community grant, and Smoking Supplies M&E, evaluated the distribution of smoking supplies as a harm reduction strategy. PHMDC also received a JUUL Settlement working in conjunction with the University of Wisconsin-Madison, to address vaping through prevention, strategic communications, and the promotion of the WI Tobacco Quit Line expanded services. The CSTE's Data Science Team Training grant, an on-the-job training program, promoted data science upskilling at Public Health Agencies. A new Maternal and Child Health (MCH) WI Parter Program, where PHMDC collaborated with Roots4Change Cooperative to develop culturally appropriate educational and perinatal services for LatinX and Indigenous families. A Local and Tribal Health Department (LTHD)-Healthcare-Associated Infections (HAI) - Infection Prevention & Control grant, and a Public Health Infrastructure grant, were used to hire, retain, and train diverse staff with improved wages and protections during the year.

Public works
and transportation

Metro Transit launched the bus system network redesign in June 2023, which restored service hours to pre-COVID levels while implementing fewer routes running more frequently in direct lines. New service routes were designed to provide better access to jobs, reduce travel times, make the buses easier to use, and to integrate the route system into Metro Transit's upcoming BRT program.

During 2024, city staff will be launching its East-West Bus Rapid Transit (BRT). This BRT system plans to bring 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 will be placing 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 will implement new fare technology in 2024. This will feature smart cards, customer online accounts, and the ability to use smartphones and credit cards 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 will be opening a second operational facility on Hanson Road. The project includes 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 will also include training/conference space, dispatch, and administration areas.

City Engineering reconstructed and resurfaced approximately five miles of streets this year. Seal coating was completed on approximately 96 miles of city-owned roads, and about 74 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% of the City's 828 miles of streets were rated 6 or higher (out of 10), ranging from good to excellent for pavement conditions.

Approximately five miles of new bike lanes and bike paths were constructed in 2023. West Wilson Street was resurfaced from Bassett Street to Henry Street, which included a new cycle track. Atwood Avenue was reconstructed from Fair Oaks Avenue to Cottage Grove Road that incorporated new protected bike facilities.

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 two new large regional ponds that are scheduled for land acquisition and construction in the next five years, with one regional pond reconstruction in 2026. Four greenways are planned for improvements in the next five years. Further, one of the largest flood mitigation projects is in design and permitting phases, with construction planned for fiscal years 2025-2027. The University Avenue mitigation project plans to conclude in 2024, with Warner Lagoon improvements scheduled for 2027. Total phosphorus reductions necessary to meet the citywide Rock River - Total Maximum Daily Load (TMDL) mandate continues to be addressed by the Utility's participation in the YAHARA WINS Adaptive Management Program.

There were 20 watershed studies either completed and/or started during 2023. During 2024, the remaining two studies will begin which will effectively cover about 100% of the city with over 26 square miles of study area completed to-date.

During fiscal year 2023, the Sanitary Sewer Utility bid out over 34,732 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. The Sewer Utility replaces sewer mains and laterals based upon their age and/or condition. In 2023, just over 21,485 feet of sewer main was replaced, with the highlighted projects being Atwood Avenue, (2,595 ft) and University Avenue, (2,332 ft). Two of the City's 32 wastewater pumping stations reached the end of their useful service lives and were also replaced during the year (Thurber Lift Station and Harper Lift Station).

Planning and development

The Parking Division continued to see shifts in parking demand from weekdays to evening and weekend hours. More employees remain working remotely or have hybrid schedules which significantly reduces the demand for ramp and/or metered parking during the workweek. Residents continue appearing downtown to experience local venues or city events during the evenings and weekends.

Additionally, the Parking Division implemented its first rate increase in over five years for fees associated with off-street facilities. The Lake Street parking garage also closed for redevelopment at the end of 2023 and is scheduled to reopen mid-year 2026.

Culture and recreation

City Park's staff continued to see growth in park usage and programming during 2023. A total of 282 permits were issued for special events for use of park spaces which was roughly a 7.0% increase from the prior year. The Goodman Pool hosted an All-City Swim with over 6,000 in attendance. Warner Park Community and Recreation Center's KNOW Referee Apprenticeship Program, created 24 new youth referees this year, and increased the KNOW programming hours by about 4.0% for a total of 1,055 hours. Also in 2023, a Park's Volunteer Coordinator was hired to manage system-wide volunteer efforts, recording over 14,400 hours of volunteer time in parks for various events. The Parks Alive program, now in its second year, was transitioned to the Parks Alive Coordinator to grow and expand events to better connect communities and to create a sense of belonging within Neighborhood Resource Team areas through community-led programming efforts. Park's operations made significant strides in land management objectives by prioritizing woodland restoration and incorporation of prescribed burns in park meadows through the development and integration of the Parks Ecology Team. The Park's Conservation Team increased the popular prescribed goat grazing program by approximately 15.0% to include 69 acres in eight parks as an alternative method to mowing within designated areas. This program helps to manage invasive species and promotes the establishment of native vegetation.

Two new fully accessible playgrounds were opened in Rennebohm and Warner Parks with the continued support of the Madison Parks Foundation. Additionally, after a significant multi-year effort, the Lake Monona Waterfront Master Plan was completed and submitted for review to policymakers at the end of the fiscal year.

Further, the Madison Public Library staff revised the schedule for the Imagination Center at Reindahl Park. The design phase will now be completed in the summer of 2024. It is expected to be bid in fall, with construction taking place in 2025 for a grand opening in 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 2025.

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, 2022. A facsimile of the certificate is included on page 9. This was the fifteenth 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.

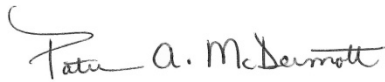
A Certificate of Achievement is valid annually. The City believes that its current Annual Comprehensive Financial Report meets the Certificate of Achievement Program's requirements and looks forward to submitting this 2023 Annual Comprehensive Financial Report to the GFOA to determine its eligibility 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 2023 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, 2022

Christopher P. Morrill

Executive Director/CEO

CITY OF MADISON

LIST OF PRINCIPAL OFFICIALS

MEMBERS OF THE COMMON COUNCIL

Name

John W. Duncan, Council Vice President	Alder, District #1
Juliana Bennett	Alder, District #2
Derek Field	Alder, District #3
Michael E. Verveer	Alder, District #4
Regina M. Vidaver	Alder, District #5
Marsha A. Rummel	Alder, District #6
Nasra Wehelie	Alder, District #7
MGR Govindarajan	Alder, District #8
Nikki Conklin	Alder, District #9
Yannette Figueroa Cole, Council President	Alder, District #10
William Tishler	Alder, District #11
Amani Latimer Burris	Alder, District #12
Tag Evers	Alder, District #13
Isadore Knox, Jr.	Alder, District #14
Dina Nina Martinez-Rutherford	Alder, District #15
Jael Currie	Alder, District #16
Sabrina V. Madison	Alder, District #17
Charles Myadze	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
Maribeth Witzel-Behl
David Schmiedicke
Norman Davis
Arlyn Gonzalez
Chris Carbon
Erin Hillson
Sarah Edgerton
Tana Elias
Connie Thompson
Shon F. Barnes
Janel Heinrich
Jim Wolfe
Mahanth Joishy
Eric Knepp
Charles Romines
Yang Tao
Stefanie Cox
Justin Stuehrenberg
Krishna Kumar
Matt Wachter

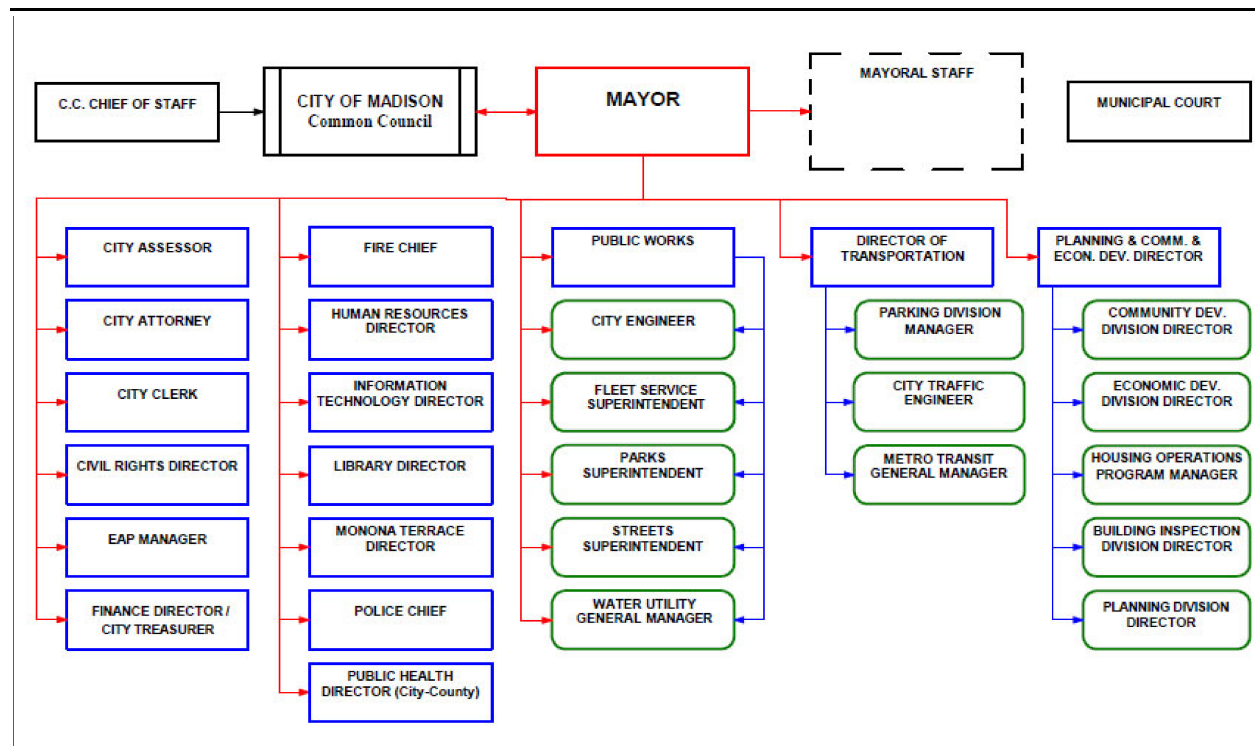
City Assessor
City Attorney
City Clerk
Finance Director/City Treasurer
Civil Rights Director
Employee Assistance Program Administrator
Fire Chief
Human Resources Director
Information Technology Director
Library Director
Monona Terrace Director
Police Chief
Public Health Director
City Engineer
Fleet Service 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

Larry Kilmer
Matt Tucker
Meagan Tuttle
Thomas Lynch

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, 2023 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, 2023 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, the limited liability corporations (LLCs) presented as component units of the Community Development Authority of the City of Madison (CDA), Village on Park presented as a major fund of the CDA and Monona Shores, CDA 95-1 and MRCDC presented as nonmajor funds of the CDA, which represent 71 percent, 58 percent and 27 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, the limited liability corporations (LLCs) presented as component units of the Community Development Authority of the City of Madison (CDA), Village on Park presented as a major fund of the CDA and Monona Shores, CDA 95-1 and MRCDC 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 Matter

As discussed in Note 1, the City adopted the provisions of GASB Statement No. 96, effective January 1, 2023. Our opinions are not modified with respect to this matter.

Baker Tilly Advisory Group, LP and Baker Tilly US, LLP, trading as Baker Tilly, are members of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. Baker Tilly US, LLP is a licensed CPA firm that provides assurance services to its clients. Baker Tilly Advisory Group, LP and its subsidiary entities provide tax and consulting services to their clients and are not licensed CPA firms.

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 26, 2024 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.

Baker Tilly US, LLP

Madison, Wisconsin
June 26, 2024

**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, 2023, with comparative data for the fiscal year ended December 31, 2022. 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 \$3.3 billion, and total liabilities of almost \$1.3 billion, deferred inflows of resources of just under \$598.6 million, and deferred outflows of resources at approximately \$381.8 million, the total net position of the City of Madison increased by over \$164.0 million from the previous year to more than \$1.8 billion. Of this amount, almost \$1.5 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 \$53.7 million for 2023. Just under \$206.7 million was held for restricted purposes with approximately \$165.0 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 asset of nearly \$147.4 million from 2022 was valued to be a net pension liability of nearly \$97.8 million at year-end, or a decrease of nearly \$245.2 million. Net pension assets are required to be restricted as part of net position, with the pension related deferred outflows of resources totaling nearly \$161.3 million more than the pension related deferred inflows of resources. Restricting amounts for pensions, impact fees, other restricted special revenue funds, and tax incremental district activities, largely decreased the deficit of the unrestricted net position and created a positive unrestricted net position for the primary government in total when compared to the prior year.
- The primary government reported a little over \$421.7 million in program revenues to cover approximately \$682.0 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 just under \$424.3 million, including a surplus of approximately \$164.0 million.
- As of December 31, 2023, the governmental funds reported combined ending fund balances of just over \$390.3 million. This amount is broken down as follows: just under \$79.1 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 \$65.4 million for specific purposes with approximately \$237.9 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 over \$7.9 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 \$82.8 million of unassigned fund balance remained within the general fund or approximately 21.5% of the adopted 2024 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 \$31.2 million more in revenues when compared to expenditures during the fiscal year. This was offset by the following: an increase in assigned fund balance of more than \$14.5 million at year end due to increases in the premium stabilization fund for the life insurance and disability benefit programs of about \$2.2 million for a to-market investment adjustment, an increase of fund balance application of \$5.8 million for the 2024 Adopted Operating Budget, and assignments for a mark to market reserve of \$5.0 million and \$2.0 million for a Community Development endowment for the unsheltered.

Additionally, the golf enterprise fund paid back the final \$552,000 of its general fund payable during the year. This payable at the end of fiscal year 2022, was the result of cumulative cash shortfalls during the past few years at the golf courses and was repaid in part because of a sale of land at the Yahara golf course.

- In order to recover from the negative public health and economic impacts caused by the COVID-19 pandemic, the United States Treasury awarded the City of Madison multiple grants. 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, emerging needs, neighborhood and small business revitalization. These investments are being used to support communities that were most impacted by the pandemic, while allowing the city to improve long-term resiliency. As of December 31, 2023, fifteen of the community investment projects were active, \$9.3 million has been encumbered, and \$8.3 million was expended. The remaining \$24.4 million of CSLFRF funding is planned to address deficits in the operating budgets due to pandemic-related revenue losses, of which \$20.0 million has been utilized. 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, \$66.0 million was distributed to the community. The United States Department of Transportation awarded the City of Madison a combined \$69.5 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 2023, the City of Madison also began using the \$110.6 million award from the United States Department of Transportation, Capital Investment Grant, and 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 \$6.6 million to the general fund in 2023. This is the first year since the pandemic that the 2019 amount of \$6.0 million provided to the general fund was exceeded. 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 over \$2.0 million, largely due to increases of approximately \$900,000 in the expenditure restraint payment, about \$470,000 in payments for municipal services, and an over \$300,000 increase in shared revenues.

Additionally, general fund licenses and permits were very close to budgeted amounts during the year, but still remained lower than the prior year by approximately \$500,000, largely due to decreased building permit revenues.

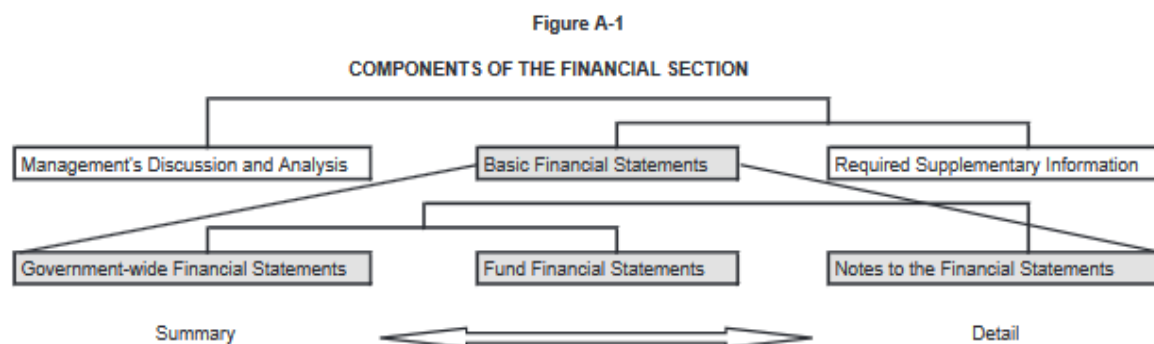
Further, fines and forfeitures were below budget by just over \$337,000 which was a decrease of just over \$100,000 from 2022. This is due to parking violations decreasing by approximately \$200,000 and uniform citations increasing by around \$100,000 during the fiscal year.

- Investment income was higher than the final adopted budget by just over \$20.4 million and was up by almost \$35.3 million when compared to 2022. 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 almost \$9.4 million. Interest rates averaged 1.3% in 2022, however, due to the Federal Reserve raising interest rates to fight inflation, they rose to average nearly 3.8% for 2023.
- Outstanding General Obligation bonds and notes as of December 31, 2023, totaled nearly \$613.4 million (excluding the joint venture), with approximately \$524.6 million related to governmental activities. Business-type activities closed the year with over \$285.3 million in revenue bond and general obligation debt.
- At December 31, 2023, the City reported a liability of nearly \$97.8 million, for its proportionate share of the Wisconsin Retirement System's net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021, rolled forward to December 31, 2022. Net differences between projected and actual earnings on pension plan investments, largely contributed to a roughly \$245.2 million decrease of the net pension, from an asset in 2022 to a liability at year-end.
- Other post-employment benefits accrued liability for the primary government was over \$82.1 million at year-end; an increase of approximately 19.0%, or about \$69.0 million when compared to the prior year. The obligation was based on an actuarial valuation as of December 31, 2023. Approximately 64.8% or about \$53.2 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 \$28.9 million or roughly 35.2% for 2023.
- Additionally, city Finance department staff implemented GASB Statement No. 96-Subscription Based Information Technology Arrangements. All of the financial impacts were reported within the current year's financial statements. Therefore, net positions as of the beginning of the year, were not restated by implementing this new governmental standard. Refer to Note IV. H for further details.
- The City of Madison achieved its Aaa bond rating from the Moody's Investors Service. City management staff has maintained this Aaa bond rating annually since 1973, or for the past 50 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 2023, but will not be collected until 2024, 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 199.

Proprietary Funds maintained by the City of Madison are of two different types: *enterprise funds* and *internal service funds* that generally report 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 208.

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 213 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 serves 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 detail that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found 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, 2023, 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 189.

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 199-226 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 227, 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, 2023, and 2022, are summarized in the table below.

The change in net position improved by over \$164.0 million during the year, to more than \$1.8 billion by the close of the year, or a little more than 9.7% from that of the prior year.

The upward change in net position is mostly attributable to the city generating approximately \$421.7 million in program revenues, recognizing over \$424.2 million in total general revenues and transfers to support expenses that increased by just over \$74.6 million from the prior year, to approximately \$681.9 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 79.9% 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 41 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	
	2023	2022	2023	2022	2023	2022
Assets:						
Current and Other Assets	\$ 934,419	\$ 988,036	\$ 199,427	\$ 209,418	\$ 1,133,846	\$ 1,197,454
Capital Assets (net)	1,227,017	1,144,760	986,892	947,279	2,213,909	2,092,039
Total Assets	\$ 2,161,436	\$ 2,132,796	\$ 1,186,319	\$ 1,156,697	\$ 3,347,755	\$ 3,289,493
 Deferred Outflows of Resources	 \$ 313,831	 \$ 241,700	 \$ 67,977	 \$ 56,022	 \$ 381,808	 \$ 297,722
Liabilities:						
Current Liabilities	\$ 118,453	\$ 133,516	\$ 63,231	\$ 44,391	\$ 181,684	\$ 177,907
Noncurrent Liabilities	772,514	648,977	325,772	342,318	1,098,286	991,295
Total Liabilities	\$ 890,967	\$ 782,493	\$ 389,003	\$ 386,709	\$ 1,279,970	\$ 1,169,202
 Deferred Inflows of Resources	 \$ 536,976	 \$ 640,138	 \$ 61,582	 \$ 90,872	 \$ 598,558	 \$ 731,010
Net Position:						
Net investment in capital assets	\$ 777,314	\$ 730,948	\$ 701,994	\$ 653,083	\$ 1,479,308	\$ 1,384,031
Restricted	181,753	284,926	24,916	47,516	206,669	332,442
Unrestricted (deficit)	88,257	(64,009)	76,801	34,539	165,058	(29,470)
Total Net Position	\$ 1,047,324	\$ 951,865	\$ 803,711	\$ 735,138	\$ 1,851,035	\$ 1,687,003
 Total Net Position as a % of Total Liabilities and Deferred Inflows of Resources	 73%	 67%	 178%	 154%	 99%	 89%
 Unrestricted Net Position as a % of Total Liabilities and Deferred Inflows of Resources	 6%	 -4%	 17%	 7%	 9%	 -2%

Approximately 11.2% or nearly \$206.7 million of the primary government's total net position represent 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 \$165.0 million.

It is important to note, that nearly \$76.8 million of 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 99% of total liabilities and deferred inflows at the end of 2023, for both governmental and business-type activities. However, unrestricted net position was at approximately 6% of total liabilities and deferred inflows for governmental activities. The same measure was 17% for business-type activities and totaled 9% 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	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 61,026	\$ 58,971	\$ 172,154	\$ 152,943	\$ 233,180	\$ 211,914
Operating grants and contributions	42,285	94,161	47,146	31,607	89,431	125,768
Capital grants and contributions	69,769	17,156	29,340	18,802	99,109	35,958
General revenues:						
Property Taxes	313,188	296,195	-	-	313,188	296,195
Intergovernmental revenues not restricted to specific programs	29,457	27,906	-	-	29,457	27,906
Investment income (loss)	34,115	(7,446)	5,869	896	39,984	(6,550)
Other	27,805	27,820	13,855	8,010	41,660	35,830
Total revenues	<u>\$ 577,645</u>	<u>\$ 514,763</u>	<u>\$ 268,364</u>	<u>\$ 212,258</u>	<u>\$ 846,009</u>	<u>\$ 727,021</u>
Expenses:						
General government	\$ 46,323	\$ 40,521	\$ -	\$ -	\$ 46,323	\$ 40,521
Public safety	189,220	140,858	-	-	189,220	140,858
Public works and transportation	107,099	93,589	-	-	107,099	93,589
Planning and development	69,193	93,517	-	-	69,193	93,517
Culture and recreation	49,473	44,991	-	-	49,473	44,991
Interest and fiscal charges	10,894	9,922	-	-	10,894	9,922
Water	-	-	35,670	31,988	35,670	31,988
Sewer	-	-	47,658	44,495	47,658	44,495
Stormwater	-	-	18,503	17,391	18,503	17,391
Parking	-	-	15,706	14,563	15,706	14,563
Transit	-	-	75,566	61,558	75,566	61,558
Convention Center	-	-	12,772	10,336	12,772	10,336
Golf courses	-	-	3,900	3,611	3,900	3,611
Total expenses	<u>\$ 472,202</u>	<u>\$ 423,398</u>	<u>\$ 209,775</u>	<u>\$ 183,942</u>	<u>\$ 681,977</u>	<u>\$ 607,340</u>
Excess before transfers	105,443	91,365	58,589	28,316	164,032	119,681
Transfers	<u>(9,984)</u>	<u>(22,597)</u>	<u>9,984</u>	<u>22,597</u>	<u>-</u>	<u>-</u>
Change in net position	95,459	68,768	68,573	50,913	164,032	119,681
Net position, beginning of year	951,865	883,097	735,138	684,225	1,687,003	1,567,322
Net position, end of year	<u>\$ 1,047,324</u>	<u>\$ 951,865</u>	<u>\$ 803,711</u>	<u>\$ 735,138</u>	<u>\$ 1,851,035</u>	<u>\$ 1,687,003</u>

Property tax, general revenues, and charges for services program revenues financed nearly 80.1% 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 from federal and state resources. These same resources funded just under 32.0% of the City's wide range of services, or functional expenses during the year, with the largest being public safety (police and fire).

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

Governmental Activities

Governmental activities for 2023 increased net position by over \$95.4 million. Total revenues exceeded total expenses by more than \$105.4 million; however approximately \$10.0 million (net) was transferred to the business-type activities, thereby slightly 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 decreased in total, by approximately \$1.3 million from the prior year as follows:
 1. Increase of \$80,000 in various licenses,
 2. A decrease in franchise fees of around \$80,000
 3. A decrease of \$1,265,000 was due to changes between year-end, unavailable revenue accruals, mostly related to timing for court fees,
- Public safety increased by approximately \$3.6 million from 2022:
 1. Fire services fees collected during the year were down by just about \$900,000 when compared to the prior year, as the Town of Madison was dissolved in 2022, and no longer paid for fire services during the year,
 2. Parking violations were down by almost \$200,000,
 3. An increase of about \$4.4 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 around \$2.5 million for the following:
 1. Building and occupancy permit revenues were down by over \$660,000,
 2. An increase of just over \$2.1 million in special charges for recycling were recognized during the year. Fiscal year 2022, city staff implemented this new charge and revenues received were only for a portion of that year,
 3. Increase of nearly \$330,000 for Urban Forestry charges,
 4. An increase of almost \$5.0 million in revenues from other governments related to capital infrastructure projects,
 5. Moreover, a \$3.9 million decrease for conversion entries required for unavailable revenue accruals largely related to timing for deferred revenues for larger capital projects,
- Planning and development program revenues decreased from the prior year by a little more than \$3.0 million for the following:
 1. Liquor and bartender licenses were up almost \$60,000 from 2022,

2. Impact fee revenues were down by almost \$3.2 million for newer projects in which fees were collected during the year when planning is initiated,
 3. Rental revenue increased by around \$100,000 as compared to the previous year,
- Culture and recreation increased by approximately \$200,000 from the prior year for the following:
 1. Parks use and other net fees increased by about \$120,000,
 2. Facility rentals for Madison ultimate frisbee were higher by almost \$27,000,
 3. Cemetery fees increased by over \$35,000.

Operating Grants and Contributions:

- General government decreased by nearly \$10.4 million from the prior year due to the pandemic for the following:
 1. American Rescue Plan Act grants decreased by almost \$10.9 million from over \$12.6 million in 2022 to \$1.7 million in 2023, the funding replaced lost revenue from the economic downturn,
 2. There was a one-time \$1.0 million private contribution for election equipment,
 3. There was a decrease of about \$500,000 resulting from the Town of Madison dissolution in the prior year,
- Public safety decreased by more than \$1.1 million from the prior year for the following:
 1. In 2022, CARES Act funding provider relief grant of \$2.6 million, this was a new one-time grant, and therefore not received in 2023,
 2. An increase of almost \$1.2 million for DOJ police grants when compared to the prior year,
 3. An increase of \$200,000 from fire insurance dues,
- Public works and transportation increased by approximately \$350,000 for the following:
 1. An increase of \$150,000 from state transportation aids compared to 2022,
 2. An increase of \$200,000 from state sources for road projects during the year,
- Planning and development decreased by more than \$40.5 million during 2023, which includes:
 1. ERA, or Emergency rental assistance funding decreased by \$44.2 million between years, as 2022 included unspent funds that were re-allocated to entities able to remit grants to those who qualified,
 2. An increase of \$2.6 million from CDBG grants compared to the prior year,
- Culture and recreation decreased by approximately \$160,000 as a result of decreased Library Foundation donations and contributions during the year.

Capital Grants and Contributions:

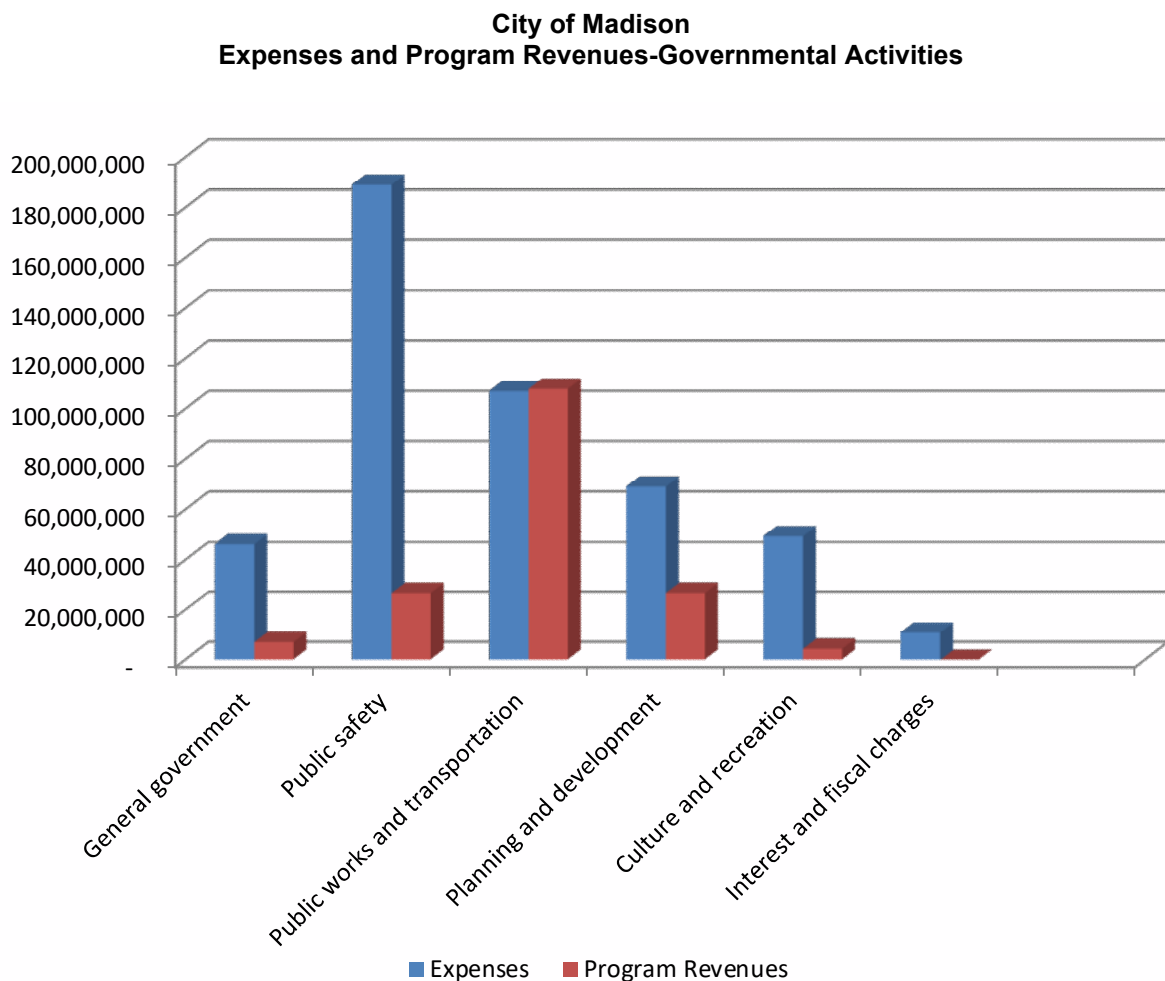
- General government capital grants increased by \$170,000 during 2023 due to an air quality monitoring grant that was received in 2023,
- Public works and transportation increased from the prior year, by over \$56.1 million.
 1. An increase of over \$27.0 million in capital contributions to infrastructure projects,
 2. An increase of \$29.8 million for grants related to the Bus Rapid Transit (BRT) project that started during the year,
 3. A decrease of \$1.0 million in special assessment revenue,

- Planning and development capital contributions decreased by approximately \$1.1 million
 1. There were approximately \$477,000 in decreases for TIF lease revenues compared to 2022,
 2. There was a \$2.1 million decrease due to planning grants for BRT that were received during the year,
 3. There was a \$1.3 million increase due to revenue recognition and timing for leases in 2023,
- Culture and recreation capital funding decreased from the prior year, by approximately \$2.6 million for the Olbrich Gardens construction project was completed.

Expenses:

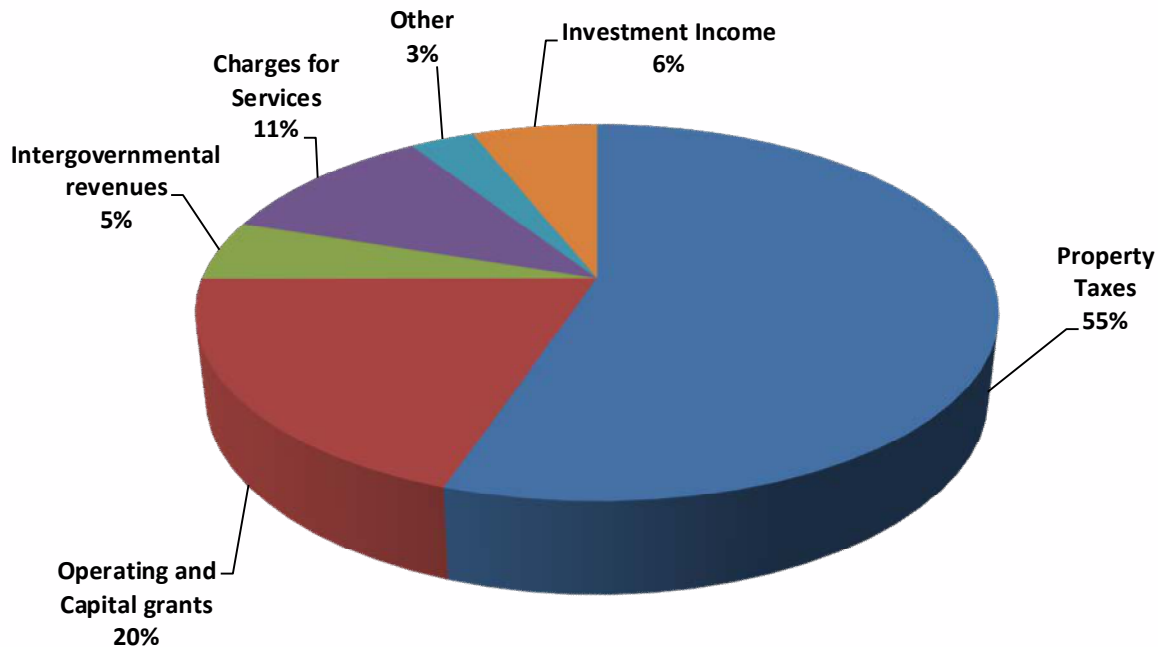
- General government expenses increased by more than \$5.6 million when compared to the prior year, including required conversion entries to full accrual from modified accrual fund statements. Most of the notable changes are for the following:
 1. City Clerk's office spending was down around \$700,000 due to the 2022 national, state, and local elections,
 2. Salaries and benefits increased by \$3.8 million due to cost-of-living increases,
 3. Compensated absences decreased by over \$800,000,
 4. An increase of \$3.2 million related to pension expense,
 5. Room tax grants increased by \$2.4 million as room tax receipts have fully recovered from the pandemic,
- Public safety expenses increased by approximately \$48.4 million when compared to 2022, including required conversion entries to full accrual from modified accrual fund statements. The fund statement changes between years increased by about \$13.3 million and the conversion entries in aggregate, netted to an increase of more than \$35.0 million. The following list identifies larger changes between years:
 1. Salaries and overtime wages were higher by about \$1.8 million for Fire and up almost \$4.0 million for Police. The increase for both can be primarily attributed to cost-of-living increases,
 2. Benefits were higher including those for annual retirements, health insurance, pensions, and FICA, totaling approximately \$2.9 million,
 3. Supplies and purchased service expenses were up by almost \$1.4 million,
 4. Pension expenses related to the net pension liability at year end, increased by about \$35.0 million,
 5. Compensated absences decreased by around \$2.1 million when compared to 2022,
 6. The city portion of Public Health Madison Dane County levy support increased by \$1.6 million from the prior year,
- Public works and transportation expenses increased by approximately \$13.5 million, which is due to the changes between the fund statements and the conversion entries required for full accrual reporting of \$12.2 million and increases in spending of \$1.3 million. The most notable were the following:
 1. Pension-related expenses were up by over \$5.3 million,
 2. An increase of almost \$9.0 million related to additions of capital assets,
 3. A \$1.3 million decrease related to compensated absences,
 4. An increase of more than \$1.8 million in salaries and benefits,
- Planning and development expenses decreased by just over \$24.3 million in 2023, when netted against the conversion entries required for full accrual reporting. The most significant were the following:

1. Affordable housing and rental assistance grants decreased by just over \$35.0 million from 2022, due primarily to receipt of American Rescue Plan Act grants,
 2. Pension-related expenses were up by almost \$1.1 million,
 3. Contingent loans increased by almost \$6.6 million during the year,
- Culture and recreation expenses were higher by nearly \$4.5 million due to the following:
 1. There was a \$500,000 decrease in capital spending from 2022,
 2. Compensated absences were lower by over \$300,000,
 3. Pension expenses were higher by nearly \$3.5 million at year-end,
 4. Salaries and benefits were higher by around \$1.7 million due to cost-of-living increases,
 - Interest and fiscal charges between years were up by approximately \$900,000 as required interest paid, issuance costs for debt, and amortizations for premiums and/or discounts increased slightly when compared to the prior year.



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 55% of its revenue from this single source. Intergovernmental revenues and other operating and capital grants comprise another 25%, while charges for services and all other sources account for 20% of total governmental activity resources.

**City of Madison
Governmental Activities
2023 Funding Sources**



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 nearly \$68.6 million including transfers netting almost \$10.0 million for 2023. The transfers out from the General, Special Revenue and Capital Project Funds to the business-type activities totaled almost \$4.7 million, with approximately \$5.3 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 \$9.5 million largely for stormwater projects.

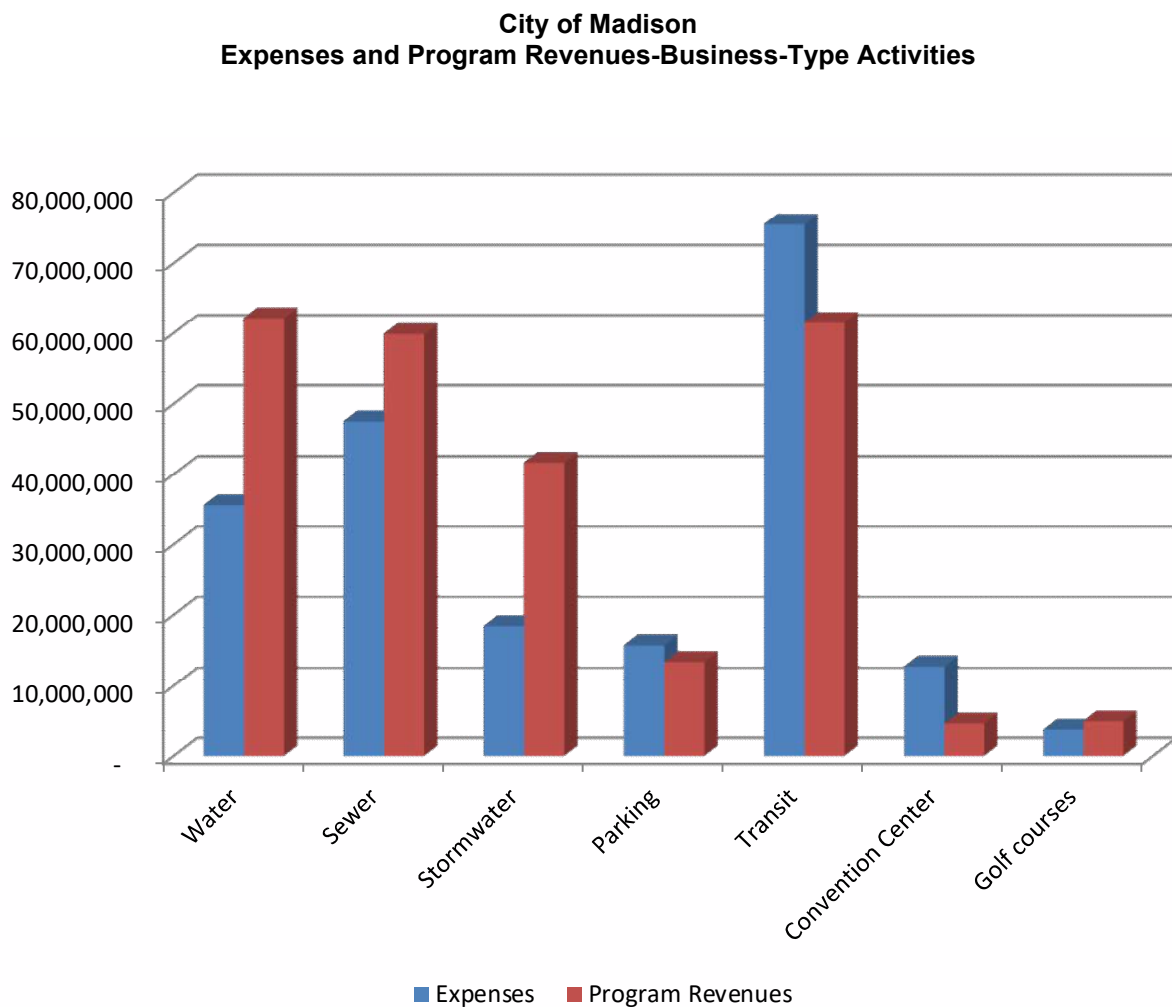
The business-type activities remitted payments in lieu of taxes (PILOT) to the general fund totaling just over \$9.0 million. Total revenues exceeded expenses by approximately \$58.6 million prior to any transfer of funds activity by the close of 2023. See Note IV-E for interfund receivables/payables, advances and transfers beginning on page 104.

Program revenues for business-type activities increased from the prior year to over \$248.6 million. Rate increases for the Water, Sewer, and Stormwater Utilities (noted below) helped to generate over \$15.7 million more than the prior year, in charges for services revenues to support operating expenses.

- Water Utility's rate increase went into effect March of 2023, for 18.22% of present revenues by the Public Service Commission. The rate increase was projected to generate approximately \$8.5 million more annually from usage charges for services. The utility recorded an additional \$9.7 million in operating revenues in 2023, mainly due to the new rate.

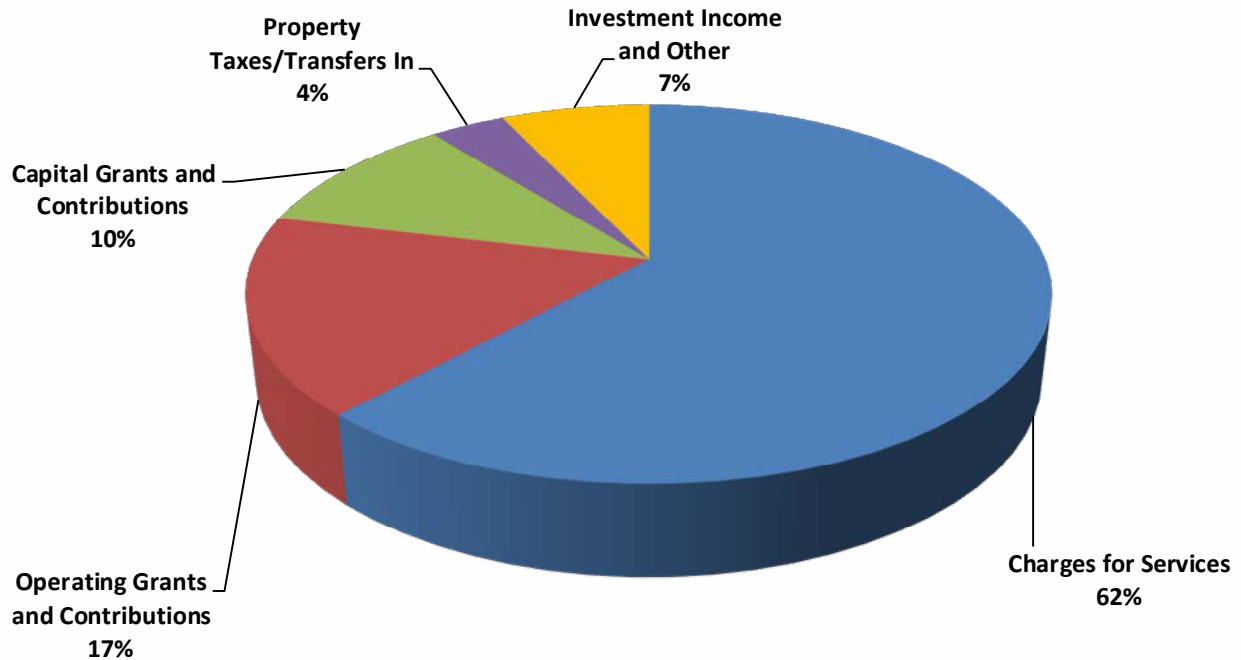
- Sewer Utility's volume and demand charge rates increased by 2.1% on average for 2023, down from 6.0% in 2022.
- Stormwater Utility impervious, pervious, and customer charge rates increased on average by 3.6% for 2023, compared to the increase of 2.6% in 2022.
- The Parking Utility's last rate increase was adopted in 2018. In 2023, there were increases in parking garage usage, parking lot and street meter occupancy, largely due to the end of the pandemic.

Total operating expenses for the business-type activities increased by nearly \$25.8 million at year end. Much of the increase in spending is attributable to pension expense increases of \$9.0 million, as well as Monona Terrace Convention Center events, and from the Parking and Transit Utilities recovering from the pandemic with increased activity.



As would be expected for business-type activities, charges for services are the primary revenue source, at 62% of the total. State and federal aids and grants continue to be an important revenue source at 27%. Transfers from the primary government are comprised of property taxes and minor investment income representing 11% of business-type revenues.

**City of Madison
Business-Type Activities
2023 Funding Sources**



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 and the total change in fund balances as of December 31, 2023, for all major and nonmajor governmental funds:

	Fund Balance 2023	Fund Balance 2022	Increase (Decrease)
Major and Nonmajor Funds:			
General	\$ 120,678,931	\$ 89,457,329	\$ 31,221,602
Library	2,790,757	2,882,844	(92,087)
Other Grants	(3,103,008)	(263,216)	(2,839,792)
Debt Service	21,605,290	21,692,020	(86,730)
Capital Projects	170,861,523	148,151,878	22,709,645
Other Nonmajor Governmental	77,506,066	71,686,481	5,819,585
Total	<u>\$ 390,339,559</u>	<u>\$ 333,607,336</u>	<u>\$ 56,732,223</u>

As of December 31, 2023, the City of Madison's governmental funds reported combined ending fund balances of over \$390.3 million, or an increase of more than \$56.7 million from the prior year.

Of this total, over \$7.9 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 2024 premiums, and trust activities.

Almost \$237.9 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 \$65.4 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 nearly \$79.1 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 a little over 48.6% 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 nearly \$120.7 million represented approximately 43.2% of nearly \$279.2 million in 2023 expenditures reported on the *statement of revenues, expenditures and changes in fund balances* while approximately \$82.9 million unassigned balance represented just under 29.7% 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 2024 general fund budget authorized expenditures of \$384,620,273.

The general fund 2023 unassigned fund balance was at 21.5% of the subsequent year's budget, which increased from last year's percentage of 18.2%, higher than the historical target due to the following:

- During 2023, city management assigned roughly \$14.6 million more than the prior year, due in part to an increase of fund balance application of \$5.8 million in the 2024 budget. For life and disability premium stabilization, there was an increase of approximately \$2.1 million, and lower compensated absences reserves of just over \$330,000 for vacation and compensation paid leaves. There was a \$2.0 million assignment for a Community Development endowment for the unsheltered that was originally budgeted in 2023 that will now be spent in 2024. There was also an additional \$5.0 million assigned as a reserve to help offset yearly variances in the mark to market adjustments for the city's investments.

- The investment's book, par, and market values were tracked throughout 2023. The City's investment portfolio incurred a mark-to-market gain of over \$7.2 million, while the premium stabilization fund for life and disability benefits incurred a gain on the mark-to-market adjustments of over \$2.1 million. This adjustment was combined with the general fund income earnings of about \$14.8 million at year end, or a roughly 340% increase from the prior year which had totaled nearly \$3.4 million. All of this occurred due to unprecedented increases in interest rates from the Federal Reserve attempting to fight inflation.
- Shared revenues increased by over \$300,000 during the year, payments for municipal services also increased by approximately \$450,000, along with expenditure restraint aids up by about \$900,000. Personal property exemption, highway, and video service provider aids were relatively unchanged from the previous year.
- Total expenditure variances ended the year favorably at approximately \$15.6 million, and less than 4.3% from the final amended budget, due to larger savings of just over \$1.0 million in the Police Department, almost \$4.5 million in Community Development, and just over \$7.6 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 decreased by around \$90,000 in 2023 due to higher salary expenses of approximately \$500,000 which were offset by an increase in transfers in totaling approximately \$250,000 for grants and stipend payments, as well as decreased transfers out of just under \$150,000 for debt service payments.

The **other grants** fund had a total fund balance deficit of approximately \$3.1 million at year end, a decrease of nearly \$2.8 million when compared to the prior year. This change is a result of a decrease in revenue of approximately \$55.2 million from the Emergency Rental Assistance programs and the State and Fiscal Recovery Fund, which were COVID emergency funding with final payouts in 2022. In 2023, there was also a \$33.1 million transfer to the capital projects fund for Bus Rapid Transit, which was funded by federal grants totaling \$30.8 million. The difference of \$2.3 million is due to the delay between when the expenditures occurred and when the draw down was submitted to the federal government. In addition, expenditures decreased by \$45.4 million due to the lifecycle of the COVID emergency grants, as well as a decrease in transfers out to the general fund and PHMDC of \$9.0 million due to COVID related programs.

The **debt service** fund had a total fund balance of a little more than \$21.6 million at year end. The fund balance change or decrease of \$90,000 is primarily a result of the debt service fund earning interest on the transfer in from the general fund for three months of the year compared to twelve months in 2022. This change is intended to align the transfer in from the general fund with the debt service principal payments made in October of each year. This decrease was offset by an increase in interest rates in 2023 to an average of almost 3.8% compared to about 1.3% in 2022.

The City issued two series of tax-exempt promissory notes, Series 2023-A for approximately \$74.4 million and Series 2023-B (Green Notes) for approximately \$42.1 million, with a true interest cost of about 3.6% for each issuance to finance various city capital projects. The premiums received as a result of general obligation borrowing totaled approximately \$8.2 million which represents about 7.0% of the par value of the tax-exempt debt.

The **capital projects** consolidated fund includes 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 33 opened special assessment districts in 2023, down to 588 from 621 in 2022. Additionally, the ending receivable balance decreased by just over \$2.2 million from the prior year. Delinquent special assessments decreased by about \$430,000 during the year, to approximately \$522,000.

The special assessments fund balance increased by just over \$2.4 million at year end. This is due to a nearly \$700,000 decrease in expenses in 2023, primarily from transfers out to the capital project fund. Special assessment revenues also decreased from the prior year by just over \$700,000, however, revenues exceeded expenses by \$2.4 million resulting in the increase to fund balance.

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 year end within some of the TIDs. These TIDs received advances from the Other Capital Projects Fund of approximately \$2.7 million at the close of 2023.

The city had 17 active districts during the year. The districts generated, in total, nearly \$38.9 million in tax increment revenue. TID #41 (University Whitney), TID #45 (Capitol Square West), TID #46 (Research Park), TID #49 (Femrite Dr), and TID #50 (State and Lake) borrowed \$2.2 million, \$1.2 million, \$10 million, \$1 million and \$5 million in General Obligation Borrowing respectively. There were no new developer loans disbursed from any of the TIDs in 2023. Approximately \$781,000 was received for state computer reimbursements, \$888,000 was received for state personal property aid, and \$3.0 million was earned in investment income across all districts. Further, TID #42 (Wingra) received a \$2.8 million donation from TID #36 (Capitol Gateway Corridor), and TID #51 (South Madison) received donations of \$7.2 million and \$3.6 million from TID #36 (Capitol Gateway Corridor) and TID #37 (Union Corners) respectively to fund ongoing projects in those districts. Four new districts, TID #51 (South Madison), TID #52 (E Washington & Stoughton Rd), TID #53 (East Wilson), and TID #54 (Pennsylvania Avenue) were created in 2023. Two districts closed in 2023 – TID #25 (Wilson Street Corridor) distributed approximately \$16.1 million and TID #35 (Todd Drive) distributed approximately \$3.2 million to their overlying jurisdictions. Three more districts, TID #29 (Allied Dunns Marsh Neighborhood), TID #39 (Stoughton Rd), and TID #47 (Silicon Prairie) are approved for closure in 2024.

The fund balance for the TIDs in total increased by nearly \$16.0 million at the end of the year. The districts paid roughly \$8.5 million for principal and interest on long-term debt and spent just over \$14.6 million for capital improvements. These included \$6.8 million for Bus Rapid Transit construction, \$1.9 million for the Lake Street Parking Garage, \$1.5 million for Wilson Street Undergrounding, and \$920,000 for improvements at the Village on Park facility.

The following is a listing of noteworthy TID projects active during 2023:

- Public Market-TID #36
- Old Middleton Rd Improvements-TID #41
- Village on Park-TID #42
- Wilson Street Undergrounding-TID #45
- Bus Rapid Transit-TID #46
- Lake Street Parking Garage-TID #50
- Small Business Grant Program-TID #50
- Parks Improvements in South Madison-TID #51

The *other capital projects* fund accounts for financial resources used for the acquisition or construction of equipment, facilities, and infrastructure. The fund balance increased by just over \$4.4 million from the prior year, due in part to a decrease in unspent GO proceeds from \$51.0 million in 2022 to approximately \$49.0 million in 2023. Additionally, the fund balance was bolstered by significant interest earnings of nearly \$1.8 million. Annual investments in capital assets increased from about \$57.3 million in 2022 to \$91.2 million in 2023, due in large part to increased costs for the Bus Rapid Transit project, as well as other major initiatives as noted below.

Significant capital expenditures were as follows: \$38.3 million for Bus Rapid Transit, \$5.1 million for the purchase and development of the Truman Olson Grocery space, \$3.9 million for Atwood Avenue construction, \$3.5 million for West Wilson Street construction, \$3.4 million for Pleasant View Road construction, and \$3.1 million for the renovation of City offices in the City County Building.

Revenues for the other capital projects fund are mostly general obligation debt proceeds (\$72.0 million), transfers from other governmental funds (\$40.7 million), and intergovernmental cost sharing revenues (\$5.5 million). Other noteworthy sources of revenue in 2023 included investment income (\$1.8 million), and various grants and donations (\$1.1 million). Altogether, revenue in the capital projects fund totaled just over \$123.0 million.

The aggregated ***other nonmajor governmental*** funds column includes various special revenue and permanent funds such as: Community Development Block Grant (CDBG), 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 increased in total to just over \$77.5 million. Of this amount, the accumulated fund balances for the special revenue funds increased to \$72.5 million at year-end. The Affordable Housing special revenue funds expended approximately \$5.3 million in loans to provide low-income housing rentals to city residents, an increase of \$1.5 million from 2022. Developer paid impact fees totaled \$7.2 million for the year, or a decrease of \$3.2 million when compared to the prior year. Further, approximately \$6.1 million was spent on capital project improvements and debt service payments during the year.

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 2023	Net Position 2022	Increase (Decrease)
Enterprise Funds:			
Water Utility	\$ 191,139,711	\$ 167,774,530	\$ 23,365,181
Sewer Utility	151,829,638	138,121,313	13,708,325
Stormwater Utility	316,031,083	284,777,984	31,253,099
Metro Transit Utility	46,936,680	50,310,225	(3,373,545)
Nonmajor Enterprise	103,707,920	100,242,679	3,465,241
Total	<u>\$ 809,645,032</u>	<u>\$ 741,226,731</u>	<u>\$ 68,418,301</u>

The net position of the *enterprise-type* proprietary funds at the end of 2023, totaled over \$809.6 million, up approximately \$68.4 million from the previous year.

The Water Utility's total operating revenues increased by \$9.7 million or 20.1% when compared to the prior year. New rates were approved on December 29, 2022, and went into effect on March 1, 2023. The rate increase was projected to generate \$8.5 million more annually from usage charges for services.

Additionally, the utility is currently ranked fifth for residential rates out of 80 utilities and is classified as AB with customers over 4,000 in Wisconsin. In 2023, the utility added 499 new customers, up approximately 4.9% from the prior year. Operation and maintenance expenses were up by approximately \$2.0 million for 2023. Water Utility staff closely monitored costs during the year, to coincide with quarterly revenue projections. Depreciation was up by \$2.4 million from that of the prior year mainly due to implementation of an expense depreciation program for replacement water mains as per the Water Utility's most recent rate order.

Further, the Water Utility added \$11.1 million of plant in service in 2023. Of this amount, approximately \$4.4 million was contributed by developers and contractors, or was received from special assessments. Capital projects paid for by the utility included: approximately \$4.5 million for new and replacement water mains, laterals and hydrants, \$1.1 million for pumping plant and telemetry equipment, motor control center (MCC) SCADA upgrades, programmable logic controllers (PLC), transformers, and variable frequency drives (VFD), \$605,000 for transportation and power equipment, and \$380,000 for the continued meter program.

A rate increase of approximately 2.1% for the Sewer Utility was in effect as of June 1, 2023. Similarly, a rate increase of approximately 3.6% for the Stormwater Utility was in effect as of May 1, 2023. These new rates helped to keep the net positions positive for both enterprise funds.

The Sewer Utility generated income before capital contributions of just over \$9.1 million. In addition, the utility added nearly \$7.4 million in public projects including the following: \$1.7 million for the Old Middleton & Craig project, \$1.3 million for a CIPP Lining project, \$951,000 for the Hammersley project and \$527,000 for the Lake Mendota Drive project. Further, over \$2.2 million of force main and lift station improvements were capitalized in 2023. There was also approximately \$880,000 added for equipment during the year.

The Stormwater Utility had income before contributions totaling just over \$7.6 million at year end. The utility also added \$11.9 million in public projects to plant from construction in progress, which included: \$2.8 million for the Lake Mendota Drive projects, \$2.5 million for the Hawks Landing North Flood Mitigation project, \$1.8 million for the Old Middleton Road Flood Mitigation project and \$1.2 million for the East Towne Pond project. The utility also replaced equipment totaling approximately \$800,000. Additionally, land was contributed to the utility totaling \$2.3 million during the year. Further, the utility recorded just over \$23.6 million in capital contributions.

The net position for the Metro Transit fund decreased by almost \$3.4 million for 2023. Employee compensation and benefits accounted for just under 76.2% of total operating expenses excluding depreciation and came in under budget by about \$3.4 million for 2023. Passenger revenues totaled almost \$10.4 million for the fiscal year, which were up by roughly \$691,000 from the prior year. Metro Transit's ridership in 2022, totaled about 9.4 million. This was higher by approximately 13.5% when compared to the prior year, as ridership continues to rebound back to levels seen prior to the COVID-19 pandemic.

Additionally, ridership continues to grow, with a 13.5% increase in unlinked passenger trips in 2023. However, preliminary evidence also indicates a significant reduction in transfers, so the increase in linked passenger trips is likely even higher.

Despite the challenges experienced nationwide in hiring bus drivers, Metro has made some adjustments to its recruiting processes and finally reached full staffing levels for bus operators at the end of the year.

In June of 2023, Metro Transit completed an extensive network redesign. This redesign anticipates providing better access to jobs, reductions to travel times, making the buses easier to use, integrating it more seamlessly into the routes for the upcoming bus rapid transit system which is expected to be running in 2024. This is the largest route system overhaul since Metro staff converted to its transfer point system in 1998. Further, Metro staff have purchased 46 all-electric 60-foot buses to provide the ability to transport more passengers with less of a carbon footprint. The redesign also features special traffic signals to help buses get through intersections faster, dedicated bus lanes, and stations with off-board fare payment kiosks.

By late 2023, construction was underway on an initial corridor that operates east to west through Madison's downtown and university campus areas. In addition, north/south BRT route is also in development. The initial east-west corridor is expected to cost about \$195.0 million. Madison secured approximately \$137.0 million in federal funding, and locally committed \$13.0 million of in-kind contributions, \$20.0 million in TIF funding, and \$16.0 million in local borrowing to complete the project. Service on the east-west line is expected to start late next year.

To provide capacity to expand service and implement BRT, Metro staff purchased a satellite maintenance and bus storage facility on the far-east side of the city. The site will also be functional as a bus wash and maintenance facility.

Construction is currently underway for the addition of a wash bay, service lane, utilities to accommodate electric vehicles, and lifts for maintenance of the 60-foot BRT buses. The location will also include training/conference space and a dispatch and administration area. It is expected to be completed in fall 2024 in time for the BRT rollout.

To speed up boarding on both its bus rapid transit and local route systems, Metro is implementing new fare technology in 2024. New technology will feature smart cards, customer online accounts, and the ability to use smartphones and credit cards to board the bus. Metro's fare technology has also not been updated in more than 20 years. Improvements will make it both easier to ride the bus and make the system more accessible to low-income riders through a fare capping process.

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

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 start in 2025, which is to include 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 to put towards the next phase of construction. This award will help to cover the rising costs of construction due to labor shortages, inflation and scarcity of building materials.

The nonmajor enterprise funds include the Parking Utility, Monona Terrace Convention Center, and Golf Courses. The net position for the Parking Utility decreased by less than 1.0% or about \$408,000 by the close of the fiscal year; the utility remains debt free, collected over \$13.4 million from customers, and used excess reserves to fund operating expenses that totaled almost \$15.7 million.

In 2023, there was a shift in parking garage usage, parking lot and street meter occupancy from weekdays to evenings and weekends, largely due to post-pandemic workforce changes. People continue to work remotely; however, they are returning downtown for events occurring outside of regular working hours. The fund continues to see operating revenues slowly return to pre-pandemic levels, with 2023 revenues approximately \$1.1 million greater than 2022. The fund has also experienced an increase in general expenses, at about \$1.1 million over 2022, largely due to towing services contracts and an increase in personnel costs.

The Monona Terrace Convention Center's net position decreased by over \$2.3 million, or about 10.4% for 2023, largely due to higher expenses related to an increase in operational activity, including maintenance costs and labor.

In 2023, the Center had 544 events, compared to 488 events in 2022. Additionally, the Center held 27 conventions in 2023, up from 24 in 2022. Revenues increased by approximately 13.7% from \$4.1 million in 2022, to \$4.7 million in 2023. Expenses related to operation and maintenance increased by about 28.9% from \$8.4 million in 2022, to \$10.8 million in 2023.

Golf Courses' net position increased by over \$6.2 million (including pilot payments to the general fund) from last year, or about 330.1%, primarily due to a roughly \$5.3 million gain on the sale of a Yahara land parcel to Dane County. Despite the sale, the course remains operational. Due to the pandemic, demand for socially distanced outdoor activities such as golfing increased, and in 2023, demand remained high. By the close of the fiscal year, total rounds of golf were just under 153,000, or about a 14.1% increase from that of the prior year. Revenues increased at a faster rate than expenses, with an increase of total charges for services at about \$811,000, or approximately 19.0%, while expenses increased by \$198,000 or 5.8% by the end of 2023.

The net position of the City's three *internal service-type* proprietary funds outlined below, increased in total by almost \$1.3 million from the prior year to a positive total net position of almost \$11.6 million in 2023. The total net position within the Fleet Services Fund went down about \$708,500, to under \$2.3 million at the end of the year. This decrease in fund balance was caused in part, by an increase of \$500,000 in expenses related to pensions.

Furthermore, the insurance fund experienced over \$1.4 million in claims during the year, while the Worker's Compensation fund paid out about \$2.9 million. The general fund transferred \$1.5 million to the insurance fund to compensate for increasing claims over the past several years. The Worker's Compensation fund also incurred a roughly \$1.4 million positive adjustment to its required reserve balance in 2023. Overall, all three internal service funds had positive net position balances as of December 31, 2023.

	Net Position 2023	Net Position 2022	Increase (Decrease)
Internal Service Funds:			
Fleet Services	\$ 2,266,251	\$ 2,974,714	\$ (708,463)
City Insurance	2,294,499	1,720,712	573,787
Worker's Compensation	7,023,127	5,599,510	1,423,617
Total	<u>\$ 11,583,877</u>	<u>\$ 10,294,936</u>	<u>\$ 1,288,941</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 189, the original 2023 general fund budget authorized expenditures of approximately \$362.6 million funded by anticipated revenues of approximately \$359.2 million.

During the year, the Common Council authorized additional expenditures of approximately \$400,000 while budgeted revenues remained mostly the same, for an amended budget amount of approximately \$363.0 million in expenditures, and nearly \$359.2 million in revenues.

The City ended the year with favorable general fund final budget variances for expenditures of almost \$15.8 million, and a positive variance of revenues totaling just over \$19.2 million, resulting in a net positive variance of just over \$35.0 million. The large variances in expenditures were largely due to cost saving measures put in place during the year and difficulties remaining fully staffed in several departments.

The Police Department had roughly \$1.0 million in expenditure savings, \$4.5 million in Planning and Community Development, and cost savings of about \$7.8 million from miscellaneous expenses and direct appropriations. Roughly half of that amount, or about \$3.4 million was spent on employee stipends that were originally budgeted as direct appropriations but were ultimately absorbed within departmental operating budgets.

Revenue variances were favorable by more than \$14.2 million during the year. Intergovernmental revenues were up slightly by about \$500,000 when compared to the adopted operating budget. There were slight decreases compared to budget for fines and forfeitures of \$300,000 and for charges for services of about \$250,000. Licenses and permits were right on the budgeted amount. The general fund recorded nearly \$14.8 million in investment income, which was higher than anticipated due to positive mark-to-market adjustments totaling almost \$9.4 million, or about \$20.4 million above the adopted operating budget. In 2023, the Room Tax Fund transferred over \$6.6 million to the general fund. Usually, this fund receives approximately \$6.0 million annually from this important revenue source.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets

In accordance with GASB-34, the City has recorded historical costs and depreciation/amortization expense associated with its capital assets, including infrastructure. In 2023 the city implemented GASB-96, which required reporting the value of subscription-based information technology agreements and their associated amortization expense alongside traditional capital assets.

As summarized in the following table, the City's reported capital assets for governmental and business-type activities on December 31, 2023, of nearly \$3.4 billion.

Roughly 68% 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/amortization was calculated to be just over \$1.1 billion, or approximately 34.4% of the historical asset cost. Depreciation/amortization expense by function totaled just over \$81.6 million for both governmental and business-type activities. Net of accumulated depreciation/amortization, the City's investment in capital assets totaled just over \$2.2 billion as of December 31, 2023.

City of Madison
Capital Assets, Net of Accumulated Depreciation
(in thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Land	\$ 272,727	\$ 251,640	\$ 91,587	\$ 88,337	\$ 364,314	\$ 339,977
Construction in Progress	103,192	37,802	43,041	16,387	146,233	54,189
Land Improvements	49,091	47,371	-	-	49,091	47,371
Buildings	317,532	311,314	-	-	317,532	311,314
Machinery and Equipment	182,046	176,582	-	-	182,046	176,582
Intangibles	21,382	13,374	-	-	21,382	13,374
Infrastructure	1,027,000	1,008,637	-	-	1,027,000	1,008,637
Plant in Service	-	-	1,267,079	1,236,634	1,267,079	1,236,634
Subtotal	\$ 1,972,970	\$ 1,846,720	\$ 1,401,707	\$ 1,341,358	\$ 3,374,677	\$ 3,118,078
Less Accumulated Depreciation/Amortization	(745,953)	(701,960)	(414,815)	(394,079)	(1,160,768)	(1,096,039)
Total net capital assets	\$ 1,227,017	\$ 1,144,760	\$ 986,892	\$ 947,279	\$ 2,213,909	\$ 2,092,039

Some notable additions to the City's capital assets during 2023 (in millions, including transfers from Construction in Progress (CIP) where applicable) included:

- Infrastructure Street Network in service\$37.4
- Water pumping, treatment, transmissions, distributions, and sanitary sewers22.0
- Infrastructure Street Network Construction in Progress (CIP)21.9
- Land and land improvements7.0
- Major motor equipment fleet and vehicle additions6.9
- Buildings, building improvements6.4
- Bike paths in service and CIP2.5
- Traffic signals, and streetlights1.9
- Bridge Network in service and CIP.....1.5

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, 2023, the City of Madison had \$828,304,532 of long-term bonds, notes, leases, and subscription liabilities outstanding, as summarized in the following table:

Long-Term Debt

City of Madison						
Bonds, Notes, Leases and Subscription Liabilities Outstanding						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
General Obligation Bonds	\$ 524,558,940	\$ 498,968,373	\$ 88,797,091	\$ 87,732,481	\$ 613,356,031	\$ 586,700,854
Revenue Bonds	-	-	196,510,000	212,420,000	196,510,000	212,420,000
Leases	4,194,990	4,722,496	8,349,872	10,090,814	12,544,862	14,813,309
Subscription Liabilities	5,557,044	-	336,595	-	5,893,639	-
Totals	\$ 534,310,974	\$ 503,690,869	\$ 293,993,558	\$ 310,243,295	\$ 828,304,532	\$ 813,934,163

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 \$614,509,049 or 28.8% of the maximum legal limit of \$2,132,438,850.

During 2023, 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
10/01/2023	General Obligation Notes	\$ 74,360,000	Aaa
10/02/2023	General Obligation Notes	42,055,000	Aaa
10/11/2023	Safe Drinking Water Revenue Bond	4,675,000	
		<u>\$ 121,090,000</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 2024 budget adopted by the Madison Common Council in November 2023, authorized an increase in total budgeted expenditures of almost \$23.0 million, funded by a 4.7% increase in the property tax levy, an increase in other revenue sources of just over \$4.4 million. City management is projecting 2024 actual revenues recognized, to be at or near the adopted budget due to the economic recovery from the pandemic with expenditures incurred to be relatively close to the adopted budget.

A simple projection of results from the first three months of 2024, suggests the general and library funds revenues will be at or near 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 2024 Adopted Operating Budget for general and library fund expenses totals \$405,368,750. 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 of 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 2023 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 2.1%, below the state average rate of 2.9%, and national rate of 3.5% at the end of the year.

The City's population increased to 286,785 from 279,012 as estimated by the Wisconsin State Department of Administration October of 2023.

Locally assessed real estate value increased by approximately 14.4% between 2022 and 2023. Commercial property increased by 16.8% while total residential assessments increased by 12.9%. New construction was up from \$784.2 million in 2022, to \$866.0 million in 2023. Assessed values were as of January 1, 2023.

The average single family home assessment increased by about 12.6% from \$376,900 to \$424,400. 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, 2023

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Totals	
ASSETS				
Cash and investments	\$ 422,141,809	\$ 97,582,489	\$ 519,724,298	\$ 28,082,868
Receivables (net)				
Taxes	337,290,608	-	337,290,608	-
Accounts	10,223,893	12,656,822	22,880,715	832,921
Special assessments	9,297,292	9,841,103	19,138,395	210,412
Accrued interest	1,259,430	-	1,259,430	1,860
Accrued revenue	4,748,292	29,700	4,777,992	-
Long-term loans	30,078,213	-	30,078,213	262,987
Other	14,095,429	-	14,095,429	-
Pledge	-	-	-	1,882,247
Leases	24,248,740	18,621,165	42,869,905	9,485,292
Internal balances	13,161,138	(13,161,138)	-	-
Due from other governmental units	17,701,590	18,909,286	36,610,876	495,102
Inventories	4,320,747	2,127,634	6,448,381	42,596
Prepaid items	7,887,557	1,254,909	9,142,466	2,149,761
Advances to component unit	3,924,798	-	3,924,798	-
Other Assets				
Net non-utility property	-	558,105	558,105	-
Beneficial interest in assets held by MCF	-	-	-	8,866,243
Other	-	1,004,938	1,004,938	632,708
Restricted Assets				
Cash and investments	30,224,362	49,890,125	80,114,487	3,243,350
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	272,727,218	91,587,392	364,314,610	9,364,059
Construction in progress	103,192,388	43,041,083	146,233,471	657,933
Land improvements	49,090,687	-	49,090,687	-
Buildings	317,531,605	-	317,531,605	-
Machinery and equipment	182,046,427	-	182,046,427	-
Intangibles	21,381,956	-	21,381,956	-
Infrastructure	1,026,999,699	-	1,026,999,699	-
Plant in service	-	1,267,078,873	1,267,078,873	111,444,131
Accumulated depreciation	(745,953,270)	(414,815,488)	(1,160,768,758)	(70,563,324)
Total Assets	\$ 2,161,436,428	\$ 1,186,319,427	\$ 3,347,755,855	\$ 107,091,146
DEFERRED OUTFLOWS OF RESOURCES				
Unamortized loss on advance refunding	-	420,889	420,889	-
Pension related amounts	302,311,495	64,224,953	366,536,448	3,830,109
Other post-employment benefits related amounts	11,519,101	3,331,207	14,850,308	140,320
Total Deferred Outflows of Resources	\$ 313,830,596	\$ 67,977,049	\$ 381,807,645	\$ 3,970,429

See accompanying notes to financial statements.

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Totals	
LIABILITIES				
Accounts payable	\$ 31,102,645	\$ 13,235,235	\$ 44,337,880	\$ 1,386,937
Accrued payroll and payroll taxes	18,709,282	7,226,163	25,935,445	3,010,340
Other accrued liabilities and deposits	26,403,261	1,504,042	27,907,303	-
Due to other governments	442,373	2,519,370	2,961,743	-
Payable from Restricted Assets				
Accrued liabilities	-	2,810,606	2,810,606	-
Current maturities of revenue bonds	-	31,849,645	31,849,645	-
Other liabilities	-	1,868,071	1,868,071	-
Other liabilities	34,144	1,092,468	1,126,612	1,195,916
Advances from primary government	-	-	-	3,924,798
Unearned revenues	41,761,025	1,126,186	42,887,211	593,775
Noncurrent Liabilities:				
Due within one year	91,126,608	14,769,095	105,895,703	1,088,510
Due in more than one year	536,576,741	275,877,234	812,453,975	5,862,607
Other post-employment benefits	63,716,463	18,426,156	82,142,619	776,159
Net pension liability	81,094,424	16,699,301	97,793,725	1,010,497
Total Liabilities	<u>\$ 890,966,966</u>	<u>\$ 389,003,572</u>	<u>\$ 1,279,970,538</u>	<u>\$ 18,849,539</u>
DEFERRED INFLOWS OF RESOURCES				
Property taxes/assessments for subsequent year	328,746,366	-	328,746,366	303,891
Pension related amounts	167,833,076	37,427,296	205,260,372	2,101,950
Other post-employment benefits related amounts	16,718,835	4,834,917	21,553,752	203,660
Unamortized gain on refunding	-	1,398,290	1,398,290	-
Lease related amounts	23,677,801	17,921,649	41,599,450	9,117,612
Total Deferred Inflows of Resources	<u>\$ 536,976,078</u>	<u>\$ 61,582,152</u>	<u>\$ 598,558,230</u>	<u>\$ 11,727,113</u>
NET POSITION				
Net investment in capital assets	777,314,328	701,993,378	1,479,307,706	41,989,180
Restricted for				
Debt service	19,888,004	20,341,931	40,229,935	-
Equipment replacement	-	4,574,557	4,574,557	-
Loan programs	36,838,902	-	36,838,902	-
Library	3,457,080	-	3,457,080	3,617,271
Park purposes	414,954	-	414,954	6,039,458
Impact fees	32,138,623	-	32,138,623	-
Other grants	1,681,722	-	1,681,722	-
Other restricted special revenue funds	6,486,232	-	6,486,232	-
TID activities	76,451,851	-	76,451,851	-
Trust purposes - expendable	3,701,363	-	3,701,363	-
Trust purposes - nonexpendable	694,478	-	694,478	-
HUD restricted funds	-	-	-	456,130
Unrestricted	88,256,443	76,800,886	165,057,329	28,382,884
TOTAL NET POSITION	<u>\$ 1,047,323,980</u>	<u>\$ 803,710,752</u>	<u>\$ 1,851,034,732</u>	<u>\$ 80,484,923</u>

See accompanying notes to financial statements.

CITY OF MADISON

STATEMENT OF ACTIVITIES For the Year Ended December 31, 2023

Functions/Programs	Expenses	Program Revenue	
		Charges for Services	Operating Grants and Contributions
Primary Government			
Governmental activities			
General government	\$ 46,322,620	\$ 2,449,801	\$ 4,485,482
Public safety	189,219,926	22,506,760	4,224,164
Public works and transportation	107,099,025	25,425,504	13,736,331
Planning and development	69,193,510	8,595,764	17,732,073
Culture and recreation	49,472,952	2,048,387	2,106,481
Interest and fiscal charges	10,893,526	-	-
Total Governmental Activities	<u>\$ 472,201,559</u>	<u>\$ 61,026,216</u>	<u>\$ 42,284,531</u>
Business-type activities			
Water	35,670,440	57,796,417	-
Sewer	47,657,901	55,563,059	(198,713)
Stormwater	18,503,224	24,029,633	-
Parking utility	15,705,703	13,410,209	-
Transit	75,566,182	11,512,535	47,344,355
Convention center	12,771,874	4,760,265	-
Golf courses	3,899,561	5,082,329	-
Total Business-type Activities	<u>\$ 209,774,885</u>	<u>\$ 172,154,447</u>	<u>\$ 47,145,642</u>
Total Primary Government	<u>\$ 681,976,444</u>	<u>\$ 233,180,663</u>	<u>\$ 89,430,173</u>
Component Units			
CDA (Housing)	\$ 35,775,780	\$ 9,116,133	\$ 24,824,711
Business Improvement District	575,507	166,121	118,102
Olbrich Botanical Society and Foundation	3,101,873	2,277,117	1,099,212
Library Foundation	1,932,037	210,171	1,829,898
Parks Foundation	577,468	125,765	1,060,808
Total Component Units	<u>\$ 41,962,665</u>	<u>\$ 11,895,307</u>	<u>\$ 28,932,731</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 on sale of assets
Transfers - Internal

Total General Revenues and Transfers

Change in Net Position

NET POSITION - Beginning of Year

NET POSITION - END OF YEAR

See accompanying notes to financial statements.

Net (Expenses) Revenues and Changes in Net Position				
Capital Grants and Contributions	Primary Government		Total	Component Units
	Governmental Activities	Business- type Activities		
\$ 170,712	\$ (39,216,625)	\$ -	\$ (39,216,625)	\$ -
-	(162,489,002)	-	(162,489,002)	-
68,884,471	947,281	-	947,281	-
434,151	(42,431,522)	-	(42,431,522)	-
279,238	(45,038,846)	-	(45,038,846)	-
-	(10,893,526)	-	(10,893,526)	-
<u>\$ 69,768,572</u>	<u>\$ (299,122,240)</u>	<u>\$ -</u>	<u>\$ (299,122,240)</u>	<u>\$ -</u>
4,390,162	-	26,516,139	26,516,139	-
4,565,414	-	12,271,859	12,271,859	-
17,690,177	-	23,216,586	23,216,586	-
-	-	(2,295,494)	(2,295,494)	-
2,694,220	-	(14,015,072)	(14,015,072)	-
-	-	(8,011,609)	(8,011,609)	-
-	-	1,182,768	1,182,768	-
<u>\$ 29,339,973</u>	<u>\$ -</u>	<u>\$ 38,865,177</u>	<u>\$ 38,865,177</u>	<u>\$ -</u>
<u>\$ 99,108,545</u>	<u>\$ (299,122,240)</u>	<u>\$ 38,865,177</u>	<u>\$ (260,257,063)</u>	<u>\$ -</u>
-	-	-	-	(1,834,936)
-	-	-	-	(291,284)
-	-	-	-	274,456
-	-	-	-	108,032
-	-	-	-	609,105
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,134,627)</u>

\$ 254,561,141	\$ -	\$ 254,561,141	\$ -
19,770,825	-	19,770,825	-
38,856,037	-	38,856,037	-
22,643,902	7,093,366	29,737,268	-
29,457,329	-	29,457,329	-
34,115,057	5,868,980	39,984,037	3,238,368
3,398,723	1,013,107	4,411,830	728,853
1,762,563	5,748,232	7,510,795	1,870
(9,984,245)	9,984,245	-	-
<u>\$ 394,581,332</u>	<u>\$ 29,707,930</u>	<u>\$ 424,289,262</u>	<u>\$ 3,969,091</u>
\$ 95,459,092	\$ 68,573,107	\$ 164,032,199	\$ 2,834,464
951,864,888	735,137,645	1,687,002,533	77,650,459
<u>\$ 1,047,323,980</u>	<u>\$ 803,710,752</u>	<u>\$ 1,851,034,732</u>	<u>\$ 80,484,923</u>

See accompanying notes to financial statements.

CITY OF MADISON

BALANCE SHEET GOVERNMENTAL FUNDS As of December 31, 2023

	<u>General Fund</u>	<u>Library</u>
ASSETS		
Cash and investments	\$136,903,964	\$ 3,485,501
Receivables		
Taxes	265,911,695	20,748,477
Accounts	7,443,581	14,945
Accrued revenue	513,220	4,634
Special assessments	-	-
Accrued interest	1,243,455	-
Long-term loans	677,680	-
Leases	19,701,689	-
Other	14,095,000	429
Due from other funds	9,088,450	-
Due from other governmental units	528,213	72,915
Advances to other funds	-	-
Advances to component unit	-	-
Inventories	495,682	-
Prepaid items	3,459,420	235,975
Restricted cash and investments	-	-
TOTAL ASSETS	<u><u>\$460,062,049</u></u>	<u><u>\$ 24,562,876</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>
\$ 37,568,851	\$ 15,333,062	\$188,700,388	\$ 17,368,683	\$ 399,360,449
-	-	45,706,620	4,923,816	337,290,608
-	66,450	1,559,640	808,276	9,892,892
113,905	-	29,785	4,086,748	4,748,292
-	-	9,297,292	-	9,297,292
-	-	-	15,975	1,259,430
-	1,613,365	10,394	27,776,774	30,078,213
567,845	-	3,979,206	-	24,248,740
-	-	-	-	14,095,429
-	-	-	201,021	9,289,471
5,160,891	-	4,001,638	7,937,933	17,701,590
-	736,648	457,211	-	1,193,859
-	3,924,798	-	-	3,924,798
-	-	2,700,387	-	3,196,069
15,865	-	228,641	113,713	4,053,614
-	-	-	28,909,309	28,909,309
<u>\$ 43,427,357</u>	<u>\$ 21,674,323</u>	<u>\$256,671,202</u>	<u>\$ 92,142,248</u>	<u>\$ 898,540,055</u>

See accompanying notes to financial statements.

CITY OF MADISON

BALANCE SHEET GOVERNMENTAL FUNDS As of December 31, 2023

	<u>General Fund</u>	<u>Library</u>
<i>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</i>		
Liabilities		
Accounts payable	\$ 7,687,464	\$ 97,112
Accrued liabilities	16,632,097	912,203
Deposits	9,854,726	-
Due to other governmental units	223,974	-
Due to other funds	-	-
Advances from other funds	-	-
Other liabilities	34,144	-
Unearned revenues	-	-
Total Liabilities	<u>\$ 34,432,405</u>	<u>\$ 1,009,315</u>
Deferred Inflows of Resources		
Unavailable revenues	19,915,452	14,327
Lease-related amounts	19,286,014	-
Property taxes for subsequent year	265,749,247	20,748,477
Total Deferred Inflows of Resources	<u>\$304,950,713</u>	<u>\$ 20,762,804</u>
Fund Balances		
Nonspendable		
Inventories	495,682	-
Prepaid items	3,459,420	235,975
Trust activities	-	-
Restricted	677,680	2,554,782
Committed	-	-
Assigned	33,192,418	-
Unassigned (deficit)	82,853,731	-
Total Fund Balances (deficit)	<u>\$120,678,931</u>	<u>\$ 2,790,757</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u><u>\$460,062,049</u></u>	<u><u>\$ 24,562,876</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>
\$ 1,544,124	\$ 2,583	\$ 20,709,839	\$ 640,146	\$ 30,681,268
118,716	-	416,318	386,348	18,465,682
-	-	-	-	9,854,726
79	-	84	218,236	442,373
-	-	2,799,261	-	2,799,261
-	-	-	457,211	457,211
-	-	-	-	34,144
39,908,248	-	998,351	854,426	41,761,025
<u>\$ 41,571,167</u>	<u>\$ 2,583</u>	<u>\$ 24,923,853</u>	<u>\$ 2,556,367</u>	<u>\$ 104,495,690</u>
4,407,541	66,450	14,797,054	12,079,815	51,280,639
551,657	-	3,840,130	-	23,677,801
-	-	42,248,642	-	328,746,366
<u>\$ 4,959,198</u>	<u>\$ 66,450</u>	<u>\$ 60,885,826</u>	<u>\$ 12,079,815</u>	<u>\$ 403,704,806</u>
-	-	2,700,387	-	3,196,069
15,865	-	228,641	113,713	4,053,614
-	-	-	694,478	694,478
-	21,605,290	139,329,309	73,702,431	237,869,492
-	-	-	3,640,949	3,640,949
-	-	28,603,186	-	61,795,604
(3,118,873)	-	-	(645,505)	79,089,353
<u>\$ (3,103,008)</u>	<u>\$ 21,605,290</u>	<u>\$ 170,861,523</u>	<u>\$ 77,506,066</u>	<u>\$ 390,339,559</u>
<u>\$ 43,427,357</u>	<u>\$ 21,674,323</u>	<u>\$ 256,671,202</u>	<u>\$ 92,142,248</u>	<u>\$ 898,540,055</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, 2023

Total Fund Balances - Governmental Funds	\$ 390,339,559
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.	1,162,354,928
Internal service funds are reported in the statement of net position as governmental funds.	17,518,157
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.	51,280,639
The net pension liability does not relate to current financial resources and is not reported in the governmental funds.	(80,280,745)
The other post-employment liability does not relate to current financial resources and is not reported in the governmental funds.	(62,414,434)
Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds	299,214,198
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	11,283,711
Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds	(165,980,379)
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	(16,377,190)
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.	(559,614,464)
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 1,047,323,980</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, 2023

	General	Library	Other Grants
REVENUES			
Taxes	\$ 256,029,564	\$ 19,770,825	\$ -
Special assessments	-	-	-
Intergovernmental	42,734,108	1,353,253	42,088,113
Licenses and permits	8,662,256	-	-
Fines and forfeitures	5,312,500	-	-
Intergovernmental charges for services	-	-	-
Public charges for services	17,031,062	825,411	-
Investment income	24,414,521	-	34,949
Miscellaneous	1,882,557	617,484	1,335,901
Total Revenues	<u>\$ 356,066,568</u>	<u>\$ 22,566,973</u>	<u>\$ 43,458,963</u>
EXPENDITURES			
Current			
General government	28,954,547	-	58,609
Public safety	165,147,292	-	4,181,463
Public works and transportation	41,137,096	-	11,350
Planning and development	25,170,840	-	7,708,440
Culture and recreation	16,218,984	20,044,999	-
Capital Outlay	-	-	-
Debt service			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Principal payments on leases and subscriptions	2,495,123	193,476	123,395
Interest payments on leases and subscriptions	59,862	13,969	14,266
Total Expenditures	<u>\$ 279,183,744</u>	<u>\$ 20,252,444</u>	<u>\$ 12,097,523</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 76,882,824</u>	<u>\$ 2,314,529</u>	<u>\$ 31,361,440</u>
OTHER FINANCING SOURCES (USES)			
General obligation debt issued	-	-	-
Premium on debt issued	-	-	-
Sale of capital assets	38,393	-	-
Transfers in	23,665,472	260,698	352,786
Transfers out	(69,365,087)	(2,667,314)	(34,554,018)
Total Other Financing Sources (Uses)	<u>\$ (45,661,222)</u>	<u>\$ (2,406,616)</u>	<u>\$ (34,201,232)</u>
Net Change in Fund Balances	<u>\$ 31,221,602</u>	<u>\$ (92,087)</u>	<u>\$ (2,839,792)</u>
FUND BALANCES (DEFICIT) - Beginning of Year	<u>89,457,329</u>	<u>2,882,844</u>	<u>(263,216)</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u><u>\$ 120,678,931</u></u>	<u><u>\$ 2,790,757</u></u>	<u><u>\$ (3,103,008)</u></u>

See accompanying notes to financial statements.

Debt Service	Capital Projects	Nonmajor Governmental Funds	Totals
\$ -	\$ 38,856,037	\$ 21,145,694	\$ 335,802,120
-	3,874,852	-	3,874,852
-	2,459,320	8,805,587	97,440,381
-	-	398,863	9,061,119
-	-	-	5,312,500
-	5,451,415	-	5,451,415
-	767,296	18,005,102	36,628,871
511,630	5,486,046	2,142,412	32,589,558
-	1,615,033	31,257	5,482,232
<u>\$ 511,630</u>	<u>\$ 58,509,999</u>	<u>\$ 50,528,915</u>	<u>\$ 531,643,048</u>
-	5,506,971	8,168,733	42,688,860
-	585,555	140,625	170,054,935
-	15,897,172	10,484,573	67,530,191
-	14,416,023	16,238,833	63,534,136
-	1,551,215	212,910	38,028,108
-	105,880,566	-	105,880,566
69,849,320	-	-	69,849,320
13,469,841	-	-	13,469,841
-	112,746	53,418	2,978,158
-	14,558	4,098	106,753
<u>\$ 83,319,161</u>	<u>\$ 143,964,806</u>	<u>\$ 35,303,190</u>	<u>\$ 574,120,868</u>
<u>\$ (82,807,531)</u>	<u>\$ (85,454,807)</u>	<u>\$ 15,225,725</u>	<u>\$ (42,477,820)</u>
208,591	91,931,686	-	92,140,277
8,154,248	-	-	8,154,248
-	847,347	18,723	904,463
74,357,962	38,815,233	8,896,414	146,348,565
-	(23,429,814)	(18,321,277)	(148,337,510)
<u>\$ 82,720,801</u>	<u>\$ 108,164,452</u>	<u>\$ (9,406,140)</u>	<u>\$ 99,210,043</u>
\$ (86,730)	\$ 22,709,645	\$ 5,819,585	\$ 56,732,223
<u>21,692,020</u>	<u>148,151,878</u>	<u>71,686,481</u>	<u>333,607,336</u>
<u>\$ 21,605,290</u>	<u>\$ 170,861,523</u>	<u>\$ 77,506,066</u>	<u>\$ 390,339,559</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, 2023

Net change in fund balances - total governmental funds	\$ 56,732,223
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	105,880,566
Less: Some items reported as capital outlay but not capitalized	(13,023,828)
Add: Contributed assets	37,511,693
Depreciation is reported in the government-wide statements	(40,968,271)
Net book value of disposals	(3,733,050)
Net capital asset contributions by governmental activities to business-type activities	(9,455,903)
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.	5,786,338
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	(92,140,277)
Principal repaid	69,849,320
Lease and subscription principal repaid	2,978,158
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	1,378,084
Disability benefits	9,731
Accrued interest on debt	(509,984)
Police and Fire Pension	4,589
Net pension liability	(200,994,024)
Net other post-employment benefits liability	(10,745,137)
Deferred outflows of resources related to pensions	67,288,973
Deferred inflows of resources related to pensions	113,995,743
Deferred outflows of resources related to other post-employment benefits	4,363,747
Deferred inflows of resources related to other post-employment benefits	3,131,552
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	(8,154,248)
Amortization of discount and premium	5,138,962
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.	1,134,135
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 95,459,092</u>

See accompanying notes to financial statements.

CITY OF MADISON

STATEMENT OF NET POSITION PROPRIETARY FUNDS As of December 31, 2023

				Business-type Activities - Enterprise Funds		
				Water Utility	Sewer	Stormwater
ASSETS						
Current Assets						
Cash and investments	\$	29,457,401	\$	25,688,584	\$	8,925,048
Accounts receivable (net)		3,628,368		4,072,144		1,698,047
Accrued revenue		-		-		29,700
Due from other funds		854,545		882,244		373,001
Leases receivable		187,105		-		-
Due from other governmental units		-		60,010		1,414,270
Inventories		1,482,163		-		-
Special assessments		149,512		-		-
Other assets		521,632		-		-
Prepaid items		231,152		58,333		115,648
Restricted cash and investments		13,191,166		-		-
Total Current Assets	\$	49,703,044	\$	30,761,315	\$	12,555,714
Noncurrent Assets						
Property held for future use		112,429		-		-
Restricted assets						
Cash and investments		19,312,879		7,342,508		7,893,169
Investment in mutual insurance company		-		-		-
Capital Assets:						
Land		3,129,640		4,043,887		69,428,006
Construction work in progress		3,956,980		7,254,683		26,227,020
Plant in service (at cost)		429,920,436		209,283,055		314,095,166
Total Capital Assets	\$	437,007,056	\$	220,581,625	\$	409,750,192
Less: Accumulated depreciation/amortization		(131,932,271)		(45,370,862)		(68,502,056)
Net Capital Assets	\$	305,074,785	\$	175,210,763	\$	341,248,136
Other Property and Investments						
Special assessments receivable		2,720,347		4,938,669		2,032,575
Preliminary survey and investigation		477,248		-		-
Lease receivable (net of current)		4,189,638		-		-
Other Assets		-		-		-
Net non-utility property		558,105		-		-
Total Other Property and Investments	\$	7,945,338	\$	4,938,669	\$	2,032,575
Total Noncurrent Assets	\$	332,445,431	\$	187,491,940	\$	351,173,880
Total Assets	\$	382,148,475	\$	218,253,255	\$	363,729,594
DEFERRED OUTFLOWS OF RESOURCES						
Unamortized loss on advance refunding		420,889		-		-
Deferred outflows related to pension		10,205,400		3,322,625		4,738,737
Other post-employment benefits related amounts		519,906		262,473		72,225
Total Deferred Outflows of Resources	\$	11,146,195	\$	3,585,098	\$	4,810,962

See accompanying notes to financial statements.

Business-type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
Transit Utility	Nonmajor Enterprise Funds	Totals	
\$ 29,561	\$ 33,481,895	\$ 97,582,489	\$ 22,781,360
2,623,391	634,872	12,656,822	331,001
-	-	29,700	-
-	-	2,109,790	-
-	429,496	616,601	-
17,435,006	-	18,909,286	-
513,074	132,397	2,127,634	1,124,678
-	-	149,512	-
-	-	521,632	-
684,528	165,248	1,254,909	3,833,943
282,332	-	13,473,498	-
<u>\$ 21,567,892</u>	<u>\$ 34,843,908</u>	<u>\$ 149,431,873</u>	<u>\$ 28,070,982</u>
-	-	112,429	-
1,868,071	-	36,416,627	1,315,053
-	-	-	3,815,820
8,049,742	6,936,117	91,587,392	2,570,970
3,506,327	2,096,073	43,041,083	-
153,996,082	159,784,134	1,267,078,873	139,563,395
<u>\$ 165,552,151</u>	<u>\$ 168,816,324</u>	<u>\$ 1,401,707,348</u>	<u>\$ 142,134,365</u>
<u>(81,906,935)</u>	<u>(87,103,364)</u>	<u>(414,815,488)</u>	<u>(77,472,583)</u>
<u>\$ 83,645,216</u>	<u>\$ 81,712,960</u>	<u>\$ 986,891,860</u>	<u>\$ 64,661,782</u>
-	-	9,691,591	-
-	-	477,248	-
-	13,814,926	18,004,564	-
6,058	-	6,058	-
-	-	558,105	-
<u>\$ 6,058</u>	<u>\$ 13,814,926</u>	<u>\$ 28,737,566</u>	<u>\$ -</u>
<u>\$ 85,519,345</u>	<u>\$ 95,527,886</u>	<u>\$ 1,052,158,482</u>	<u>\$ 69,792,655</u>
<u>\$ 107,087,237</u>	<u>\$ 130,371,794</u>	<u>\$ 1,201,590,355</u>	<u>\$ 97,863,637</u>
-	-	420,889	-
35,220,278	10,737,913	64,224,953	3,097,297
1,775,608	700,995	3,331,207	235,390
<u>\$ 36,995,886</u>	<u>\$ 11,438,908</u>	<u>\$ 67,977,049</u>	<u>\$ 3,332,687</u>

See accompanying notes to financial statements.

CITY OF MADISON

STATEMENT OF NET POSITION PROPRIETARY FUNDS As of December 31, 2023

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer	Stormwater
LIABILITIES			
Current Liabilities			
Accounts payable	\$ 1,284,004	\$ 8,370,271	\$ 233,815
Accrued liabilities	1,852,958	271,559	836,692
Due to other funds	-	-	-
Deposits	-	228,705	18,006
Claims payable	-	-	-
Current portion due to other governments	-	-	-
Current portion of general obligation long-term debt	1,730,000	-	7,335,079
Current portion of leases payable	-	-	-
Current portion of subscription liabilities	65,743	15,285	8,691
Current portion of advances from other funds	161,534	-	-
Current portion of accrued compensated absences	-	143,075	375,331
Unearned revenue	-	-	-
Liabilities payable from restricted assets:			
Accrued liabilities	2,374,736	153,537	-
Current maturities of revenue bonds	26,349,645	5,500,000	-
Total Current Liabilities	\$ 33,818,620	\$ 14,682,432	\$ 8,807,614
Long-Term Debt Net of Current Maturities			
General obligation long-term debt	20,671,812	-	37,718,959
Revenue bonds, including unamortized premium	126,533,905	49,691,020	-
Leases payable	-	-	-
Long-term portion of subscription liabilities	26,045	45,692	24,435
Due to other governments	-	-	-
Total Long-Term Debt Net of Current Maturities	\$ 147,231,762	\$ 49,736,712	\$ 37,743,394
Other Noncurrent Liabilities			
Other post-employment benefits	2,875,795	1,451,837	399,503
Net pension liability	2,642,509	879,449	1,340,569
Accrued compensated absences	2,178,540	866,553	1,149,924
Unearned revenues	-	-	-
Noncurrent liabilities payable from restricted assets	-	-	-
Other	1,092,468	-	-
Total Other Noncurrent Liabilities	\$ 8,789,312	\$ 3,197,839	\$ 2,889,996
Total Long-Term Debt Net of Current Maturities and Other Noncurrent Liabilities	\$ 156,021,074	\$ 52,934,551	\$ 40,633,390
Total Liabilities	\$ 189,839,694	\$ 67,616,983	\$ 49,441,004
DEFERRED INFLOWS OF RESOURCES			
Unamortized gain on refunding	1,398,290	-	-
Pension related amounts	5,923,835	2,010,778	2,963,642
Lease-related amounts	4,238,548	-	-
Other post-employment benefits related amounts	754,592	380,954	104,827
Total Deferred Inflows of Resources	\$ 12,315,265	\$ 2,391,732	\$ 3,068,469
NET POSITION			
Net investment in capital assets	145,480,387	120,171,685	304,054,141
Restricted for debt service	13,365,880	6,976,051	-
Restricted for equipment replacement	4,574,557	-	-
Unrestricted (Deficit)	27,718,887	24,681,902	11,976,942
TOTAL NET POSITION	\$ 191,139,711	\$ 151,829,638	\$ 316,031,083

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	
\$ 2,391,187	\$ 955,958	\$ 13,235,235	\$ 421,378
3,233,379	1,031,575	7,226,163	811,717
8,600,000	-	8,600,000	-
-	1,257,331	1,504,042	-
-	-	-	12,225,236
359,910	-	359,910	-
2,709,351	398,181	12,172,611	9,464,458
272,614	186,134	458,748	-
69,031	-	158,750	-
498,525	76,589	736,648	-
831,585	628,995	1,978,986	207,697
996,767	123,361	1,120,128	-
282,333	-	2,810,606	-
-	-	31,849,645	-
<u>\$ 20,244,682</u>	<u>\$ 4,658,124</u>	<u>\$ 82,211,472</u>	<u>\$ 23,130,486</u>
20,817,901	2,830,662	82,039,334	61,578,139
-	-	176,224,925	-
7,301,937	589,187	7,891,124	-
81,673	-	177,845	-
2,159,460	-	2,159,460	-
<u>\$ 30,360,971</u>	<u>\$ 3,419,849</u>	<u>\$ 268,492,688</u>	<u>\$ 61,578,139</u>
9,821,552	3,877,469	18,426,156	1,302,029
8,947,474	2,889,300	16,699,301	813,679
3,045,461	2,303,528	9,544,006	593,772
6,058	-	6,058	-
1,868,071	-	1,868,071	-
-	-	1,092,468	-
<u>\$ 23,688,616</u>	<u>\$ 9,070,297</u>	<u>\$ 47,636,060</u>	<u>\$ 2,709,480</u>
<u>\$ 54,049,587</u>	<u>\$ 12,490,146</u>	<u>\$ 316,128,748</u>	<u>\$ 64,287,619</u>
<u>\$ 74,294,269</u>	<u>\$ 17,148,270</u>	<u>\$ 398,340,220</u>	<u>\$ 87,418,105</u>
-	-	1,398,290	-
20,275,055	6,253,986	37,427,296	1,852,697
-	13,683,101	17,921,649	-
2,577,119	1,017,425	4,834,917	341,645
<u>\$ 22,852,174</u>	<u>\$ 20,954,512</u>	<u>\$ 61,582,152</u>	<u>\$ 2,194,342</u>
54,078,296	78,208,869	701,993,378	(4,692,509)
-	-	20,341,931	-
-	-	4,574,557	-
(7,141,616)	25,499,051	82,735,166	16,276,386
<u>\$ 46,936,680</u>	<u>\$ 103,707,920</u>	<u>809,645,032</u>	<u>\$ 11,583,877</u>
		<u>(5,934,280)</u>	
		<u>\$ 803,710,752</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, 2023

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer	Stormwater
CHARGES FOR SERVICES	<u>\$ 57,796,417</u>	<u>\$ 55,563,059</u>	<u>\$ 24,029,633</u>
OPERATING EXPENSES:			
Operation and Maintenance	19,609,119	41,399,636	11,967,513
Depreciation	<u>10,813,385</u>	<u>3,341,919</u>	<u>4,921,692</u>
Total Operating Expenses	<u>30,422,504</u>	<u>44,741,555</u>	<u>16,889,205</u>
Operating Income (Loss)	<u>27,373,913</u>	<u>10,821,504</u>	<u>7,140,428</u>
NONOPERATING REVENUES (EXPENSES)			
Investment income	2,432,543	1,675,252	805,760
Interest and amortization	(5,033,445)	(1,552,751)	(1,381,840)
Issuance costs	(18,000)	-	-
Other Taxes	-	-	-
Gain (Loss) on sale of assets	758,696	(125,774)	(254,338)
Special assessments	-	(198,713)	-
Noncapitalized infrastructure improvements	-	(1,351,281)	(232,391)
Intergovernmental revenues	-	-	-
Miscellaneous revenues	-	4,395	41,460
Miscellaneous expenses	<u>(231,983)</u>	<u>-</u>	<u>-</u>
Total Nonoperating Revenues (Expenses)	<u>(2,092,189)</u>	<u>(1,548,872)</u>	<u>(1,021,349)</u>
Income (Loss) Before Transfers and Capital Contributions	<u>25,281,724</u>	<u>9,272,632</u>	<u>6,119,079</u>
TRANSFERS			
Transfers in	298,248	34,893	1,498,634
Transfers out	<u>(6,639,371)</u>	<u>(164,614)</u>	<u>(316)</u>
Net Transfers	<u>(6,341,123)</u>	<u>(129,721)</u>	<u>1,498,318</u>
Income (Loss) Before Contributions	18,940,601	9,142,911	7,617,397
CAPITAL CONTRIBUTIONS	4,390,162	4,565,414	17,690,177
CAPITAL CONTRIBUTIONS - MUNICIPAL	-	-	5,945,525
CAPITALIZED TAX EQUIVALENT	<u>34,418</u>	<u>-</u>	<u>-</u>
Change in Net Position	23,365,181	13,708,325	31,253,099
NET POSITION, Beginning of Year	<u>167,774,530</u>	<u>138,121,313</u>	<u>284,777,984</u>
NET POSITION - END OF YEAR	<u>\$ 191,139,711</u>	<u>\$ 151,829,638</u>	<u>\$ 316,031,083</u>
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			Governmental
Transit Utility	Nonmajor Enterprise Funds	Totals	Activites Internal Service Funds
<u>\$ 11,512,535</u>	<u>\$ 23,252,803</u>	<u>\$ 172,154,447</u>	<u>\$ 27,729,541</u>
67,557,341	27,405,340	167,938,949	18,410,376
7,982,809	4,844,339	31,904,144	8,786,106
<u>75,540,150</u>	<u>32,249,679</u>	<u>199,843,093</u>	<u>27,196,482</u>
<u>(64,027,615)</u>	<u>(8,996,876)</u>	<u>(27,688,646)</u>	<u>533,059</u>
-	955,425	5,868,980	12,973
(230,007)	(89,318)	(8,287,361)	(1,949,732)
-	-	(18,000)	-
7,093,366	-	7,093,366	-
13,327	5,356,321	5,748,232	875,635
-	-	(198,713)	-
-	-	(1,583,672)	-
47,344,355	-	47,344,355	-
84,593	882,659	1,013,107	356,403
-	-	(231,983)	-
<u>54,305,634</u>	<u>7,105,087</u>	<u>56,748,311</u>	<u>(704,721)</u>
<u>(9,721,981)</u>	<u>(1,891,789)</u>	<u>29,059,665</u>	<u>(171,662)</u>
2,513,890	5,968,470	10,314,135	1,638,701
(519,471)	(2,462,021)	(9,785,793)	(178,098)
<u>1,994,419</u>	<u>3,506,449</u>	<u>528,342</u>	<u>1,460,603</u>
(7,727,562)	1,614,660	29,588,007	1,288,941
2,694,220	-	29,339,973	-
1,659,797	1,850,581	9,455,903	-
-	-	34,418	-
<u>(3,373,545)</u>	<u>3,465,241</u>	<u>68,418,301</u>	<u>1,288,941</u>
<u>50,310,225</u>	<u>100,242,679</u>	<u>741,226,731</u>	<u>10,294,936</u>
<u>\$ 46,936,680</u>	<u>\$ 103,707,920</u>	<u>\$ 809,645,032</u>	<u>\$ 11,583,877</u>
		68,418,301	
		<u>154,806</u>	
		<u>\$ 68,573,107</u>	

CITY OF MADISON

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS For the Year Ended December 31, 2023

	<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	\$ 57,821,916	\$ 56,502,719	\$ 24,367,359
Customer deposits received (returned)	-	-	-
Paid to suppliers for goods and services	(9,790,764)	(36,573,755)	(4,625,237)
Paid to employees for services	(8,219,162)	(4,163,429)	(6,895,688)
Net Cash Flows From Operating Activities	<u>\$ 39,811,990</u>	<u>\$ 15,765,535</u>	<u>\$ 12,846,434</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Repayment of advances from other funds	(153,137)	-	-
Interest paid on advances from other funds	(1,189)	-	-
Transfers from other funds	298,247	34,893	1,498,634
Transfers to other funds - tax equivalent	(6,604,953)	-	-
Transfers to other funds	-	(164,614)	(316)
Special assessments received related to laterals	-	573,499	-
Construction of infrastructure not owned	-	(1,351,281)	(232,391)
Advances from other funds	-	-	-
Interest paid on operating loan	(204,301)	-	-
Principal paid on operating loan	(1,005,000)	-	-
Operating grants received	-	-	-
Vehicle registration fee	-	-	-
Net Cash Flows From Noncapital Financing Activities	<u>\$ (7,670,333)</u>	<u>\$ (907,503)</u>	<u>\$ 1,265,927</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Debt retired	(15,935,000)	(5,335,000)	(7,169,599)
Interest paid	(6,071,777)	(2,007,856)	(1,319,086)
Long-term debt issued	4,675,000	-	10,507,977
Proceeds from sale of property	-	-	-
Acquisition and construction of capital assets	(7,458,001)	(10,662,898)	(17,080,805)
Issuance costs	(18,000)	-	-
Contribution in aid of construction	-	-	56,707
Capital contributions - federal and state	-	-	-
Capital contributions - city and other	(34,844)	-	527,490
Net interest/amortization on leases and subscriptions	(75,198)	-	-
Leases	-	-	-
Advances from other funds	-	-	-
Special assessments received	362,420	301,413	1,202,502
Net Cash Flows From Capital and Related Financing Activities	<u>\$(24,555,400)</u>	<u>\$(17,704,341)</u>	<u>\$(13,274,814)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Marketable securities sold (purchased)	2,618,541	-	-
Investment income	2,366,191	1,675,252	805,760
Net Cash Flows From Investing Activities	<u>\$ 4,984,732</u>	<u>\$ 1,675,252</u>	<u>\$ 805,760</u>
Net Change in Cash and Cash Equivalents	<u>\$ 12,570,989</u>	<u>\$ (1,171,057)</u>	<u>\$ 1,643,307</u>
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>39,080,403</u>	<u>34,202,149</u>	<u>15,174,910</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 51,651,392</u></u>	<u><u>\$ 33,031,092</u></u>	<u><u>\$ 16,818,217</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>
\$ 9,540,648	\$ 24,312,285	\$ 172,544,927	\$ 28,078,129
-	(8,709)	(8,709)	-
(29,367,602)	(9,876,493)	(90,233,851)	(18,439,911)
<u>(34,725,180)</u>	<u>(16,793,591)</u>	<u>(70,797,050)</u>	<u>(4,222,943)</u>
<u>\$ (54,552,134)</u>	<u>\$ (2,366,508)</u>	<u>\$ 11,505,317</u>	<u>\$ 5,415,275</u>
(472,616)	(624,614)	(1,250,367)	-
-	-	(1,189)	-
-	5,968,470	7,800,244	1,638,701
-	-	(6,604,953)	-
(703,468)	(2,462,021)	(3,330,419)	(178,098)
-	-	573,499	-
-	-	(1,583,672)	-
8,600,000	-	8,600,000	-
-	-	(204,301)	-
-	-	(1,005,000)	-
38,383,670	-	38,383,670	-
<u>7,093,366</u>	<u>-</u>	<u>7,093,366</u>	<u>-</u>
<u>\$ 52,900,952</u>	<u>\$ 2,881,835</u>	<u>\$ 48,470,878</u>	<u>\$ 1,460,603</u>
(2,697,887)	(188,587)	(31,326,073)	(8,706,643)
(738,840)	(67,947)	(10,205,506)	(2,009,697)
200,000	2,102,707	17,485,684	11,464,039
-	5,408,887	5,408,887	-
(3,921,692)	(636,837)	(39,760,233)	(6,925,420)
-	-	(18,000)	-
-	-	56,707	-
2,694,220	-	2,694,220	-
4,357,684	-	4,850,330	-
(316,091)	-	(391,289)	-
64,834	-	64,834	-
-	-	-	977,884
-	-	1,866,335	-
<u>\$ (357,772)</u>	<u>\$ 6,618,223</u>	<u>\$ (49,274,104)</u>	<u>\$ (5,199,837)</u>
-	-	2,618,541	(674,179)
-	955,435	5,802,638	12,973
<u>\$ -</u>	<u>\$ 955,435</u>	<u>\$ 8,421,179</u>	<u>\$ (661,206)</u>
\$ (2,008,954)	\$ 8,088,985	\$ 19,123,270	\$ 1,014,835
<u>4,188,918</u>	<u>25,392,910</u>	<u>118,039,290</u>	<u>21,766,525</u>
<u>\$ 2,179,964</u>	<u>\$ 33,481,895</u>	<u>\$ 137,162,560</u>	<u>\$ 22,781,360</u>

See accompanying notes to financial statements.

CITY OF MADISON

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS For the Year Ended December 31, 2023

	<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	\$ 27,373,913	\$ 10,821,504	\$ 7,140,428
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Nonoperating income	(231,983)	4,395	41,460
Depreciation	10,813,385	3,341,919	4,921,692
Depreciation charged to other accounts	1,095,073	-	-
Change in assets, deferred inflows, liabilities, and deferred outflows			
Accounts receivable	107,810	725,271	300,019
Other current assets	(308,637)	-	-
Accrued revenue	-	21,523	(19,246)
Due from other governmental units	84,778	169,304	16,794
Inventories	(252)	-	-
Prepaid items	-	(1,573)	(23,565)
Accounts payable	5,254	465,592	(78,331)
Accrued liabilities	-	-	-
Retiree health insurance escrow payable from restricted assets	-	-	-
Other current liabilities	-	19,168	(1,300)
Customer Deposits	-	-	-
Accrued compensated absences	134,535	(73,694)	48,180
Other post employment benefits	(39,601)	(17,745)	9,419
Pension related deferrals and liabilities	777,715	289,871	490,884
Unearned revenue	-	-	-
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 39,811,990</u>	<u>\$ 15,765,535</u>	<u>\$ 12,846,434</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE COMBINED STATEMENT OF NET POSITION			
Cash and investments - statement of net position	\$ 29,457,401	\$ 25,688,584	\$ 8,925,048
Restricted cash and investments - statement of net position	32,504,045	7,342,508	7,893,169
Less: noncash equivalents	<u>(10,310,054)</u>	<u>-</u>	<u>-</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 51,651,392</u>	<u>\$ 33,031,092</u>	<u>\$ 16,818,217</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES			
Municipality, customer and developer financed additions to capital assets	<u>\$ 4,390,162</u>	<u>\$ 4,554,198</u>	<u>\$ 21,437,274</u>
Gain (loss) on sale of property	<u>\$ 758,696</u>	<u>\$ (125,774)</u>	<u>\$ (254,338)</u>
Capital additions assessed to customers	<u>\$ (149,855)</u>	<u>\$ -</u>	<u>\$ -</u>
Adjustments to special assessments	<u>\$ 211,624</u>	<u>\$ -</u>	<u>\$ -</u>
Special assessments levied to customers and revised	<u>\$ -</u>	<u>\$ 304,830</u>	<u>\$ 254,485</u>

See accompanying notes to financial statements.

Business-type Activities - Enterprise Funds			
Transit Utility	Nonmajor Enterprise Funds	Totals	Governmental Activities Internal Service Funds
\$(64,027,615)	\$ (8,996,876)	\$ (27,688,646)	\$ 533,059
19,757	882,659	716,288	356,403
7,982,809	4,844,339	31,904,144	8,786,106
-	-	1,095,073	-
(2,316,916)	380,412	(803,404)	(26,495)
-	-	(308,637)	-
-	-	2,277	-
-	32,536	303,412	18,680
(71,123)	(16,243)	(87,618)	(45,021)
(53,928)	36,465	(42,601)	(3,719,390)
644,221	(296,566)	740,170	(87,351)
108,393	-	108,393	(604,918)
139,074	-	139,074	-
-	40,835	58,703	-
-	(8,709)	(8,709)	-
-	52,427	161,448	(6,407)
(64,010)	449,293	337,356	(54,294)
2,099,995	232,920	3,891,385	264,903
987,209	-	987,209	-
<u>\$(54,552,134)</u>	<u>\$ (2,366,508)</u>	<u>\$ 11,505,317</u>	<u>\$ 5,415,275</u>
\$ 29,561	\$ 33,481,895	\$ 97,582,489	\$ 22,781,360
2,150,403	-	49,890,125	1,315,053
-	-	(10,310,054)	(1,315,053)
<u>\$ 2,179,964</u>	<u>\$ 33,481,895</u>	<u>\$ 137,162,560</u>	<u>\$ 22,781,360</u>
<u>\$ -</u>	<u>\$ 1,850,851</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>\$ -</u>

See accompanying notes to financial statements.

CITY OF MADISON

STATEMENT OF FIDUCIARY NET POSITION CUSTODIAL FUNDS As of December 31, 2023

	<u>Custodial Funds</u>
ASSETS	
Cash and investments	\$ 357,950,105
Taxes receivable	<u>195,559,949</u>
Total Assets	<u>\$ 553,510,054</u>
LIABILITIES	
Due to other governmental units	<u>522,109,858</u>
Total Liabilities	<u>\$ 522,109,858</u>
NET POSITION	
Restricted	<u>31,400,196</u>
TOTAL NET POSITION	<u><u>\$ 31,400,196</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, 2023

	<u>Custodial Funds</u>
ADDITIONS	
Gifts and bequests	\$ 344,115
Interest and dividends	3,917,833
Property taxes collected for other governments	484,961,154
Investments	<u>621,900,777</u>
 Total Additions	 <u>\$ 1,111,123,879</u>
DEDUCTIONS	
Administrative expense	33,879,563
Property taxes distributed to other governments	484,961,154
Distributions	<u>592,025,063</u>
 Total Deductions	 <u>\$ 1,110,865,780</u>
 CHANGE IN FIDUCIARY NET POSITION	 \$ 258,099
 NET POSITION, Beginning of Year	 <u>31,142,097</u>
 NET POSITION, END OF YEAR	 <u><u>\$ 31,400,196</u></u>

See accompanying notes to financial statements.

CITY OF MADISON

COMBINING STATEMENT OF NET POSITION COMPONENT UNITS As of December 31, 2023

	CDA	Olbrich Society and Foundation	Madison Public Library Foundation	Nonmajor Component Units	Totals
ASSETS					
Cash and investments	\$ 10,398,500	\$11,174,870	\$ 1,742,764	\$ 4,766,734	\$ 28,082,868
Receivables					
Accounts	812,071	-	-	20,850	832,921
Special assessments	-	-	-	210,412	210,412
Accrued interest	1,860	-	-	-	1,860
Long-term loans	262,987	-	-	-	262,987
Pledge receivable	-	939,276	879,847	63,124	1,882,247
Grants	-	62,902	-	-	62,902
Leases	9,485,292	-	-	-	9,485,292
Due from other governmental units	434,660	60,442	-	-	495,102
Inventories	-	42,596	-	-	42,596
Prepaid items	2,105,318	13,282	26,538	4,623	2,149,761
Beneficial interest in assets held by MCF	-	49,770	8,731,109	85,364	8,866,243
Beneficial interest in lead trust held by others	-	407,951	-	-	407,951
Other assets	161,855	-	-	-	161,855
Restricted assets					
Cash and investments	2,516,239	670,796	56,315	-	3,243,350
Capital assets					
Land	9,364,059	-	-	-	9,364,059
Construction in progress	657,933	-	-	-	657,933
Capital assets being depreciated	111,441,099	-	3,032	-	111,444,131
Less: Accumulated depreciation/amortization	(70,563,324)	-	-	-	(70,563,324)
Total Assets	<u>\$ 77,078,549</u>	<u>\$13,421,885</u>	<u>\$11,439,605</u>	<u>\$ 5,151,107</u>	<u>\$ 107,091,146</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension related amounts	3,830,109	-	-	-	3,830,109
Other post-employment benefits related amounts	<u>140,320</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>140,320</u>
Total Deferred Outflows of Resources	<u>\$ 3,970,429</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,970,429</u>

See accompanying notes to financial statements.

	CDA	Olbrich Society and Foundation	Madison Public Library Foundation	Nonmajor Component Units	Totals
LIABILITIES					
Accounts payable	\$ 792,803	\$ 158,717	\$ 128,642	\$ 306,775	\$ 1,386,937
Accrued liabilities	2,978,905	-	28,815	2,620	3,010,340
Current maturities of long-term debt	960,062	-	-	-	960,062
Current maturities of compensated absences	126,531	-	-	-	126,531
Advances from primary government	3,924,798	-	-	-	3,924,798
Mortgage notes	3,064,948	-	-	-	3,064,948
Due to other governments	2,276,458	-	-	-	2,276,458
Subscription liabilities	5,917	-	-	-	5,917
Compensated absences	517,201	-	-	-	517,201
Other post-employment benefits	776,159	-	-	-	776,159
Net pension liability	1,010,497	-	-	-	1,010,497
Unearned revenues	564,843	28,932	-	-	593,775
Other liabilities	1,195,916	-	-	-	1,195,916
Total Liabilities	<u>\$ 18,195,038</u>	<u>\$ 187,649</u>	<u>\$ 157,457</u>	<u>\$ 309,395</u>	<u>\$ 18,849,539</u>
DEFERRED INFLOWS OF RESOURCES					
Assessments for subsequent year	-	-	-	303,891	303,891
Lease-related amounts	9,117,612	-	-	-	9,117,612
Pension related amounts	2,101,950	-	-	-	2,101,950
Other post-employment benefits related amounts	203,660	-	-	-	203,660
Total Deferred Inflows of Resources	<u>\$ 11,423,222</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 303,891</u>	<u>\$ 11,727,113</u>
NET POSITION					
Net investment in capital assets	41,989,180	-	-	-	41,989,180
Restricted for:					
Library	-	-	3,617,271	-	3,617,271
Parks	-	3,892,834	-	2,146,624	6,039,458
HUD restricted funds	456,130	-	-	-	456,130
Unrestricted	8,985,408	9,341,402	7,664,877	2,391,197	28,382,884
TOTAL NET POSITION	<u>\$ 51,430,718</u>	<u>\$ 13,234,236</u>	<u>\$ 11,282,148</u>	<u>\$ 4,537,821</u>	<u>\$ 80,484,923</u>

See accompanying notes to financial statements.

CITY OF MADISON

STATEMENT OF ACTIVITIES COMPONENT UNITS For the Year Ended December 31, 2023

					Net (Expenses) Revenues and Changes in Net Position				
							Madison	Nonmajor	
						Olbrich	Public	Component	
						Society and	Library	Units	Total
	Expenses	Charges for	Operating	Capital		Foundation	Foundation		
		Services	Grants and	Grants and	CDA				
			Contributions	Contributions					
CDA	\$ 35,775,780	\$ 9,116,133	\$ 24,824,711	\$ -	\$ (1,834,936)	\$ -	\$ -	\$ -	\$ (1,834,936)
Olbrich Society and Foundation	3,101,873	2,277,117	1,099,212	-	-	274,456	-	-	274,456
Madison Public Library Foundation	1,932,037	210,171	1,829,898	-	-	-	108,032	-	108,032
Nonmajor Component Units	1,152,975	291,886	1,178,910	-	-	-	-	317,821	317,821
Total Component Units	\$ 41,962,665	\$ 11,895,307	\$ 28,932,731	\$ -	\$ (1,834,936)	\$ 274,456	\$ 108,032	\$ 317,821	\$ (1,134,627)
General Revenues									
Investment income				\$ 565,028	\$ 1,403,315	\$ 782,088	\$ 487,937	\$ 3,238,368	
Special assessments				-	-	-	307,338	307,338	
Gain on sale of assets				1,870	-	-	-	-	1,870
Miscellaneous				293,882	92,536	35,097	-	-	421,515
Total General Revenues				860,780	1,495,851	817,185	795,275	3,969,091	
Change in Net Position				(974,156)	1,770,307	925,217	1,113,096	2,834,464	
NET POSITION - Beginning of Year				52,404,874	11,463,929	10,356,931	3,424,725	77,650,459	
NET POSITION - END OF YEAR				<u>\$ 51,430,718</u>	<u>\$ 13,234,236</u>	<u>\$ 11,282,148</u>	<u>\$ 4,537,821</u>	<u>\$ 80,484,923</u>	

See accompanying notes to financial statements.

CITY OF MADISON

INDEX TO NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE	<u>Page</u>
I. Summary of Significant Accounting Policies	72
A. Reporting Entity	72
B. Government-Wide and Fund Financial Statements	74
C. Measurement Focus, Basis of Accounting and Financial Statement Presentation	77
D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity	79
1. Deposits and Investments	79
2. Receivables	81
3. Inventories and Prepaid Items	82
4. Restricted Assets	82
5. Leases	82
6. Subscription Liabilities	83
7. Capital Assets	83
8. Deferred Outflows of Resources	84
9. Compensated Absences	84
10. Long-Term Obligations/Conduit Debt	84
11. Deferred Inflows of Resources	85
12. Equity Classifications	85
13. Pension	87
14. Other Post-Employment Benefits Other Than Pensions (OPEB)	87
II. Reconciliation of Government-Wide and Fund Financial Statements	88
A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Statement of Net Position	88
III. Stewardship, Compliance, and Accountability	89
A. Budgetary Information	89
B. Excess Expenditures and Other Financing Uses Over Appropriations	89
C. Deficit Balance	89
D. Limitations on the City's Tax Levy	89
IV. Detailed Notes on All Funds	89
A. Deposits and Investments	89
B. Receivables	95
C. Restricted Assets	97
D. Capital Assets	99
E. Interfund Receivables/Payables, Advances and Transfers	104
F. Long-Term Obligations	108
G. Lease Disclosures	118
H. Subscription Disclosures	125
I. Net Position/Fund Balances	129
J. Component Units	131
V. Other Information	168
A. Employees' Retirement System	168
B. Risk Management	176
C. Commitments and Contingencies	178
D. Other Post-Employment Benefits (OPEB)	179
E. Related Parties	184
F. Joint Operations	186
G. Cooperative Boundary Plans	186
H. Joint Venture	187
I. Tax Abatements	187
J. Effect of New Accounting Standards on Current-Period Financial Statements	188
K. Subsequent Events	188

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE 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, 2023

NOTE 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, 2023. 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, 2023. 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, 2023. The BID does not issue separate financial statements.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE 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, 2023. 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, 2023. Separately issued financial statements of the Madison Parks Foundation may be obtained from MPF's office.

B. Government-Wide and Fund Financial Statements

In May 2020, the GASB issued statement No. 96, Subscription-Based Information Technology Arrangements. This statement establishes accounting and financial reporting requirements related to subscription-based information technology arrangements (SBITAs) for government end users. This statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. This standard was implemented January 1, 2023.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE 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, 2023

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

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

Fund Financial Statements (cont.)

The City reports the following major governmental funds:

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 Funds – 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, 2023

NOTE 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 users 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, 2023

NOTE 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, 2023, there were \$2,321,553 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, 2023

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

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

1. Deposits and Investments

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

Investment of City funds is restricted by 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 110% 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, 2023

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

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

1. Deposits and Investments (cont.)

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, 2023, 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, 2023

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

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

1. Deposits and Investments (cont.)

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, 2023, the MMSD had a cash balance of \$17,328,023 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 - 2023 tax roll:

Lien date and levy date	December 2023
Tax bills mailed	December 2023
Payment in full, or	January 31, 2024
First installment due	January 31, 2024
Second installment due	March 31, 2024
Third installment due	May 31, 2024
Fourth installment due	July 31, 2024
Personal property taxes in full	January 31, 2024
Tax sale - 2023 delinquent real estate taxes	October 2026

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, 2023

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

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

2. Receivables (cont.)

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, 2023

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

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

5. 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, 2023

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

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

7. 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. Only benefits considered to be vested are disclosed in these statements. Vested vacation pay and comp time are also recorded as a liability.

All vested vacation and sick leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, and are payable with expendable 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, 2023 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, 2023

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

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

10. 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 \$33,430,342 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, 2023

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

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

12. Equity Classifications (cont.)

Fund Statements

Governmental fund balances are displayed as follows:

- a. Nonspendable - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. Restricted - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the City. 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.
- d. Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The 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.
- e. Unassigned - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

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.

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.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

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

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

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, 2023

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

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

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

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

Land	\$ 270,156,248
Construction in progress	103,192,388
Land improvements	49,018,697
Buildings	282,009,502
Machinery and equipment	78,196,650
Intangible assets	21,262,431
Infrastructure	1,026,999,699
Less: Accumulated depreciation	<u>(668,480,687)</u>
Combined Adjustment for Capital Assets	<u>\$ 1,162,354,928</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	\$ 459,221,622
Compensated absences	51,795,717
Accrued interest	3,755,182
Unamortized debt premium and discount	34,931,413
Disability benefits	86,595
Police and fire pension	71,901
Leases and subscriptions payable	<u>9,752,034</u>
Combined Adjustment for Long-Term Liabilities	<u>\$ 559,614,464</u>

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE 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, 2023, the Other Grants Special Revenue fund held a deficit balance in the amount of \$(3,103,008). 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.

NOTE 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, 2023

NOTE 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	\$ 21,139,862	\$ 10,100,885	Custodial credit
U.S. agencies implicitly guaranteed	218,898,169	218,848,815	Credit, custodial credit, concentration of credit, interest rate
U.S. treasuries	3,283,352	3,283,352	Custodial credit, interest rate
State and local bonds	2,213,225	2,213,225	Credit, custodial credit, concentration of credit, interest rate
Corporate notes and bonds	7,876,520	7,876,520	Credit, custodial credit, concentration of credit, interest rate
Mutual funds - other than bonds	409,085	409,085	N/A
Mutual funds - money market	199,579,446	199,579,453	Credit
Equity securities/stocks	1,432,750	1,432,750	Custodial credit, concentration of credit
Local Government Investment Pool	492,502,329	492,502,329	Credit
Deposit with WMMIC	1,315,053	1,315,053	Credit
Hartford Life - pooled funds	6,341,662	6,341,642	Credit
Commercial paper	10,000,000	10,000,000	Credit, custodial credit, concentration of credit, interest rate
Petty cash	166,697	-	N/A
2a7-like pools	3,322,420	3,322,420	Credit
Total Cash and Investments	<u>\$ 968,480,570</u>	<u>\$957,225,529</u>	
Reconciliation to financial statements			
Per statement of net position	\$ 519,724,298		
Per statement of net position - restricted	80,114,487		
Per statement of net position - custodial funds	357,950,105		
Per statement of net position - applicable component units:			
CDA	12,914,739		
Less: Component units of CDA	(2,428,829)		
BID	205,770		
Total Cash and Investments	<u>\$ 968,480,570</u>		

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE 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 \$400,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual municipalities. This coverage has not been considered in computing custodial credit risk.

The City maintains collateral agreements with its banks. At December 31, 2023, the City was a beneficiary of an irrevocable letter of credit in the amount of \$60,000,000 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, 2023			
	Level 1	Level 2	Level 3	Total
Corporate notes and bonds	\$ -	\$ 7,876,520	\$ -	\$ 7,876,520
State and local bonds	-	2,213,225	-	2,213,225
Commercial paper	-	10,000,000	-	10,000,000
Equity securities/stock	1,432,750	-	-	1,432,750
Mutual funds - other than bonds	-	409,085	-	409,085
Mutual funds - money market	175,196,997	24,382,456	-	199,579,453
U.S. agencies - implicitly guaranteed	-	218,848,815	-	218,848,815
U.S. treasuries	3,283,352	-	-	3,283,352
2a7 - like pools	-	3,322,420	-	3,322,420
Totals	<u>\$ 179,913,099</u>	<u>\$ 267,052,521</u>	<u>\$ -</u>	<u>\$ 446,965,620</u>

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE 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, 2023, the City's deposits were exposed to custodial credit risk as follows:

Demand deposits (CDA)	\$ 1,185,194
Uninsured and Uncollateralized	\$ 1,185,194

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, 2023, the City's investments were exposed to custodial credit risk as follows:

U.S. agencies - implicitly guaranteed	\$ 218,848,815
U.S. treasuries	3,283,352
Commercial paper	10,000,000
State and local bonds	2,213,225
Corporate notes and bonds	7,876,520
Equity securities/Stocks	1,432,750
Neither Insured Nor Registered and Held by Counterparty	\$ 243,654,662

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE 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, 2023, 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	\$ 2,942,470
	Aaa	n/a	963,970
	n/a	AAA	3,970,080
U.S. agencies (implicitly guaranteed)	Aaa	AA+	217,100,457
	Aaa	A-1+	999,700
	WR	NR	748,658
Mutual funds - money market	Aaa	AAAm	199,579,453
State and local bonds	Aa1	n/a	314,637
	Aaa	n/a	804,382
	n/a	AA+	129,406
	n/a	AAA	964,800
Commercial paper	Aaa	AAA	10,000,000
2a7 - like pools	n/a	AAAm	3,322,420

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

Wisconsin Municipal Mutual Insurance Company	1,315,053
Local Government Investment Pool	492,502,329
Hartford Life - pooled funds	6,341,642
Total	<u>\$ 941,999,457</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, 2023, the investment portfolio was concentrated as follows:

Issuer	Investment Type	Percentage of Portfolio
Federal Home Loan Bank	U.S. agencies - implicitly guaranteed	13.480%
Federal Farm Credit Bank	U.S. agencies - implicitly guaranteed	6.080%

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE IV -DETAILED NOTES ON ALL FUNDS (CONT.)

A. DEPOSITS AND INVESTMENTS (CONT.)

Interest Rate Risk

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

As of December 31, 2023, the City's investments were as follows:

Investment Type	Fair Value	Less than 1 year through 12/31/24	1-5 years through 12/31/28	6-20 years through 12/31/43
U.S. agencies - implicitly guaranteed	\$218,848,815	\$ 49,446,467	\$159,229,769	\$ 10,172,579
U.S. treasuries	3,283,352	2,303,272	980,080	-
State and local bonds	2,213,225	1,154,300	1,058,925	-
Commercial paper	10,000,000	10,000,000	-	-
Corporate notes and bonds	7,876,520	1,934,840	5,941,680	-
Totals	<u>\$242,221,912</u>	<u>\$ 64,838,879</u>	<u>\$167,210,454</u>	<u>\$ 10,172,579</u>

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE 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	\$ 34,050,158
Capital projects fund	13,172,868
Debt service fund	1,679,815
Other Grants fund	522,942
All other nonmajor governmental and internal service funds	28,087,999

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	\$ 23,183
Total Uncollectibles of the Current Fiscal Year	<u>\$ 23,183</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	\$ 7,450,962
Allowance for uncollectible court receivable	33,937,142
Allowance for other uncollectible	35,000
Nonmajor Funds	
Allowance for uncollectible loans	<u>74,436,844</u>
Total	<u>\$ 115,859,948</u>

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE 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	\$ -	\$ 328,746,366	\$ 328,746,366
TID loan equity payment	14,095,000	-	14,095,000
Interest on investments	722,983	-	722,983
Loans	10,394	-	10,394
Ambulance receivable	2,722,921	-	2,722,921
Prepaid revenue	-	40,906,599	40,906,599
Deferred credits/deposits	16,868,766	-	16,868,766
Special Assessments	10,151,789	-	10,151,789
Impact Fees	4,083,741	-	4,083,741
Municipal court receivable	344,976	-	344,976
Accrued interest on loans	1,000,326	-	1,000,326
TIF developer guarantee	1,279,743	-	1,279,743
Grant revenue	-	854,426	854,426
Total Unavailable/Unearned Revenue for Governmental Funds	<u>\$ 51,280,639</u>	<u>\$ 370,507,391</u>	<u>\$ 421,788,030</u>
Unearned revenue included in liabilities		\$ 41,761,025	
Unearned revenue included in deferred inflows		<u>328,746,366</u>	
Total Unearned Revenue for Governmental Funds		<u>\$ 370,507,391</u>	

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE 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.
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.

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, 2023

NOTE IV -DETAILED NOTES ON ALL FUNDS (CONT.)

C. RESTRICTED ASSETS (CONT.)

Following is a list of cash and investments restricted assets at December 31, 2023:

	Restricted Assets
Principal and interest	\$ 13,191,166
Bond reserve account	19,532,576
Bond depreciation account	2,716,423
Construction	10,441,423
Assessment fund	1,858,134
Retiree health insurance escrow	2,150,403
Impact fees	28,054,883
Grants deposit	854,426
Insurance deposit	1,315,053
Total Restricted Assets	<u>\$ 80,114,487</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	\$ 17,988
Nonmajor funds	329,741
Component units of CDA	<u>2,168,510</u>
Total Cash and Investments	<u>\$ 2,516,239</u>

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE IV -DETAILED NOTES ON ALL FUNDS (CONT.)

D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2023 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
Capital assets not being depreciated/amortized				
Land	\$ 249,069,429	\$ 23,298,858	\$ (2,212,039)	\$ 270,156,248
Land - internal service	2,570,970	-	-	2,570,970
Construction in progress	37,802,125	76,334,291	(10,944,028)	103,192,388
Total Capital Assets Not Being Depreciated/Amortized	289,442,524	99,633,149	(13,156,067)	375,919,606
Capital assets being depreciated/amortized				
Land improvements	47,299,465	1,719,232	-	49,018,697
Land improvements - internal service	71,990	-	-	71,990
Buildings and improvements	270,490,141	6,372,736	-	276,862,877
Buildings and improvements - internal service	35,522,103	-	-	35,522,103
Machinery and equipment	77,165,848	2,711,517	(1,712,051)	78,165,314
Machinery and equipment - internal service	99,405,784	6,925,420	(2,481,427)	103,849,777
Intangible assets	13,254,356	39,637	-	13,293,993
Intangible assets - internal service	119,525	-	-	119,525
Intangible subscriptions	-	7,968,438	-	7,968,438
Roads	850,721,682	19,322,983	(883,035)	869,161,630
Bridges	58,046,551	-	-	58,046,551
Street lighting	35,365,351	1,092,360	(1,549,004)	34,908,707
Traffic signals	22,299,421	780,617	(585,127)	22,494,911
Fiber	9,370,160	-	-	9,370,160
Bike path	32,833,411	184,329	-	33,017,740
Total Capital Assets Being Depreciated/Amortized	1,551,965,788	47,117,269	(7,210,644)	1,591,872,413
Leased assets being amortized				
Leased buildings and improvements	5,301,374	36,604	(191,353)	5,146,625
Leased machinery and equipment	10,752	31,336	(10,752)	31,336
Total Leased Assets Being Amortized	5,312,126	67,940	(202,105)	5,177,961
Total Capital Assets Being Amortized at Historical Cost	1,846,720,438	146,818,358	(20,568,816)	1,972,969,980

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE IV -DETAILED NOTES ON ALL FUNDS (CONT.)

D. CAPITAL ASSETS (CONT.)

	Beginning Balance	Additions	Deletions	Ending Balance
Less accumulated depreciation/amortization for				
Land improvements	\$ (26,040,505)	\$ (3,089,662)	\$ -	\$ (29,130,167)
Land improvements - internal service	(71,990)	-	-	(71,990)
Buildings and improvements	(115,077,567)	(9,369,809)	-	(124,447,376)
Buildings and improvements - internal service	(5,384,852)	(1,148,164)	-	(6,533,016)
Machinery and equipment	(66,437,536)	(2,995,368)	1,412,585	(68,020,319)
Machinery and equipment - internal service	(65,489,288)	(7,637,942)	2,379,178	(70,748,052)
Intangible assets	(9,855,895)	(631,209)	-	(10,487,104)
Intangible assets - internal service	(119,525)	-	-	(119,525)
Intangible subscriptions	-	(917,619)	-	(917,619)
Roads	(368,704,537)	(19,945,279)	774,566	(387,875,250)
Bridges	(10,011,110)	(759,215)	-	(10,770,325)
Street Lighting	(16,390,687)	(911,436)	776,587	(16,525,536)
Traffic signals	(6,672,608)	(630,073)	243,932	(7,058,749)
Fiber	(4,020,807)	(415,057)	-	(4,435,864)
Bike path	(7,021,384)	(680,848)	-	(7,702,232)
Total accumulated depreciation/amortization	<u>(701,298,291)</u>	<u>(49,131,681)</u>	<u>5,586,848</u>	<u>(744,843,124)</u>
Less accumulated amortization for leased assets				
Leased buildings and improvements	(652,422)	(613,068)	163,206	(1,102,284)
Leased machinery and equipment	(8,988)	(9,626)	10,752	(7,862)
Total accumulated amortization for leased assets	<u>(661,410)</u>	<u>(622,694)</u>	<u>173,958</u>	<u>(1,110,146)</u>
Total accumulated depreciation/amortization	<u>(701,959,701)</u>	<u>(49,754,375)</u>	<u>5,760,806</u>	<u>(745,953,270)</u>
Net Capital Assets Being Depreciated/Amortized	<u>855,318,213</u>			<u>851,097,104</u>
Net Capital Assets	<u>\$ 1,144,760,737</u>			<u>\$ 1,227,016,710</u>

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE IV -DETAILED NOTES ON ALL FUNDS (CONT.)

D. CAPITAL ASSETS (CONT.)

Depreciation/Amortization expenses were charged to functions as follows:

Governmental Activities:

General government	\$ 1,703,636
Public safety	3,452,185
Public works and transportation	27,229,089
Planning and development	746,449
Culture and Recreation	7,836,910
Fleet services - internal service	8,786,106
Total	<u>\$ 49,754,375</u>

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type Activities				
Capital assets not being depreciated				
Land	\$ 88,336,570	\$ 3,488,243	\$ (237,421)	\$ 91,587,392
Construction in progress	16,386,834	55,843,901	(29,189,652)	43,041,083
Total Capital Assets Not Being Depreciated	<u>104,723,404</u>	<u>59,332,144</u>	<u>(29,427,073)</u>	<u>134,628,475</u>
Capital assets being depreciated/amortized				
Land improvements	12,944,626	114,130	(1,443,916)	11,614,840
Buildings and improvements	186,883,728	558,284	-	187,442,012
Machinery and equipment	123,191,873	1,358,227	(9,708,098)	114,842,002
Intangible assets	852,855	-	-	852,855
Intangible Subscriptions	-	712,898	-	712,898
Infrastructure	285,285,287	19,019,483	(539,166)	303,765,604
Source of supply	14,386,109	70,701	(140,094)	14,316,716
Pumping	25,351,083	849,913	(113,739)	26,087,257
Water treatment	5,792,110	58,688	(33,775)	5,817,023
Transmission and distribution	334,387,105	9,477,758	(719,273)	343,145,590
Administrative and general	44,610,145	726,386	(423,240)	44,913,291
Collection system	188,802,968	10,277,552	(605,417)	198,475,103
Collection system pumping	4,468,439	1,296,888	(40,272)	5,725,055
Total Capital Assets Being Depreciated/Amortized	<u>1,226,956,328</u>	<u>44,520,908</u>	<u>(13,766,990)</u>	<u>1,257,710,246</u>
Leased assets being amortized				
Leased land	1,855,826	-	(1,403,677)	452,149
Leased buildings and improvements	8,196,859	-	-	8,196,859
Leased machinery and equipment	749,154	-	(29,535)	719,619
Total Leased Assets Being Amortized	<u>10,801,839</u>	<u>-</u>	<u>(1,433,212)</u>	<u>9,368,627</u>
Total Capital Assets at Historical Cost	<u>1,342,481,571</u>	<u>103,853,052</u>	<u>(44,627,275)</u>	<u>1,401,707,348</u>

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE IV -DETAILED NOTES ON ALL FUNDS (CONT.)

D. CAPITAL ASSETS (CONT.)

	Beginning Balance	Additions	Deletions	Ending Balance
Less: accumulated depreciation/ amortization for:				
Land improvements	\$ (11,703,148)	\$ (120,954)	\$ 1,443,916	\$ (10,380,186)
Buildings and improvements	(77,564,859)	(5,436,727)	-	(83,001,586)
Machinery and equipment	(81,075,266)	(7,432,164)	9,659,716	(78,847,714)
Intangible assets	(687,348)	(110,338)	-	(797,686)
Intangible Subscriptions	-	(189,585)	-	(189,585)
Infrastructure	(58,792,664)	(4,504,013)	176,713	(63,119,964)
Source of supply	(7,314,142)	(377,574)	6,094	(7,685,622)
Pumping	(11,680,855)	(968,532)	123,690	(12,525,697)
Water treatment	(1,782,584)	(210,817)	35,981	(1,957,420)
Transmission and distribution	(82,979,207)	(8,702,271)	759,396	(90,922,082)
Administrative and general	(19,059,948)	(1,945,913)	423,482	(20,582,379)
Collection system	(38,169,628)	(2,995,875)	329,690	(40,835,813)
Collection system pumping	(2,340,588)	(141,203)	40,272	(2,441,519)
Total Accumulated Depreciation/ Amortization	(393,150,237)	(33,135,966)	12,998,950	(413,287,253)
Less: accumulated amortization for leased assets				
Leased land	(177,474)	(73,319)	169,595	(81,198)
Leased buildings and improvements	(777,971)	(403,066)	-	(1,181,037)
Leased machinery and equipment	(107,022)	(158,978)	-	(266,000)
Total Accumulated Amortization for leased assets	(1,062,467)	(635,363)	169,595	(1,528,235)
Total accumulated depreciation/amortization	(394,212,704)	(33,771,329)	13,168,545	(414,815,488)
Total Capital Assets Being Depreciated/Amortized	843,545,463			852,263,385
Net Capital Assets	\$ 948,268,867			\$ 986,891,860

Depreciation/Amortization expense was charged to functions as follows:

Business-type Activities:

Water utility	\$ 10,813,385
Sewer utility	3,341,919
Stormwater utility	4,921,692
Transit utility	7,982,809
Parking utility	2,719,353
Convention center	1,829,378
Golf courses	295,608
Total Business-type Activities	
Depreciation/Amortization Expense	\$ 31,904,144
Total Accumulated Depreciation/Amortization Additions	\$ (33,771,329)

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE 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	\$ 9,846,492	\$ 49,919	\$ (532,352)	\$ 9,364,059
Construction in progress	2,078,677	335,138	(1,755,882)	657,933
Total Capital Assets Not Being Depreciated	11,925,169	385,057	(2,288,234)	10,021,992
Capital assets being depreciated				
Land improvements	2,315,537	1,672,295	-	3,987,832
Buildings and improvements	101,179,672	2,807,905	(312,657)	103,674,920
Intangible assets	43,937	7,648	-	51,585
Machinery and equipment	3,506,395	298,879	(78,512)	3,726,762
Total Capital Assets Being Depreciated	107,045,541	4,786,727	(391,169)	111,441,099
Total Capital Assets at Historical Cost	118,970,710	5,171,784	(2,679,403)	121,463,091
Less: Accumulated depreciation for				
Land improvements	(1,499,515)	(111,239)	-	(1,610,754)
Buildings and improvements	(64,138,042)	(2,647,830)	209,844	(66,576,028)
Intangible assets	(43,937)	(1,912)	-	(45,849)
Machinery and equipment	(2,233,554)	(175,651)	78,512	(2,330,693)
Total Accumulated Depreciation	(67,915,048)	(2,936,632)	288,356	(70,563,324)
Net capital assets	\$ 51,055,662			\$ 50,899,767

Depreciation expense was charged as follows:

CDA (Housing)	\$ 2,936,632
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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, 2023

NOTE 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	\$ 488,450	\$ -
General	Transit utility	8,600,000	-
Sewer utility	Capital projects	882,244	-
Water utility	Capital projects	854,545	-
Stormwater utility	Capital projects	373,001	-
Other restricted funds	Capital projects	201,021	-
Totals		<u>\$ 11,399,261</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 various enterprise funds and 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, 2023

NOTE 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
Debt service	Water utility	\$ 161,534	\$ -
Debt service	Transit utility	498,525	-
Debt service	Convention center	59,600	-
Debt service	Golf courses	16,989	-
Capital projects	Revolving loans	457,211	457,211
Totals		<u>\$ 1,193,859</u>	<u>\$ 457,211</u>
Debt service - primary government	CDA - component unit	<u>\$ 3,924,798</u>	<u>\$ 3,347,425</u>

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	\$ 8,600,000
Less: Business-type activities	Governmental Activities	(2,109,790)
Advances		
Governmental activities	Business-type activities	736,648
Allocation of internal service funds to business-type activities		
Governmental activities	Business-type activities	<u>5,934,280</u>
Total Government-wide Financial Statements		<u>\$ 13,161,138</u>

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE 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	\$ 55,121	Transfer Revenue
General	Convention Center	338,200	PILOT
General	Golf Courses	201,539	PILOT
General	Other Restricted	6,648,337	Operating Costs
General	Parking Utility	1,834,639	PILOT
General	Permanent	201,466	Operating Costs
General	Water Utility	6,639,371	PILOT
General	Capital Projects	50,000	Operating Costs
General	Capital Projects	6,978,341	Project Costs
General	Other Grants	718,458	Project Costs
Library	Permanent	8,700	Operating Costs
Library	General	156,167	Operating Costs
Library	Other Grants	95,831	Project Costs
Other Grants	General	352,786	Operating Costs
	Community Development		
Debt Service	Block Grant	13,038	Debt
Debt Service	Other Restricted	551,072	Debt
Debt Service	General	62,129,436	Debt
Debt Service	Other Restricted	135,336	Debt
Debt Service	Library	2,667,314	Debt
Debt Service	Revolving Loans	200,000	Debt
Debt Service	Capital Projects	8,459,850	Debt
Debt Service	Capital Projects	201,916	Debt
Capital Projects	General	1,104,913	Project Costs
Capital Projects	Other Restricted	363,130	Transfer Revenue
Capital Projects	Other Restricted	2,982,863	Transfer Revenue
Capital Projects	Golf Courses	87,643	Project Costs
Capital Projects	City Insurance	290	Transfer Revenue
Capital Projects	General	50,000	Project Costs
Capital Projects	Transit Utility	519,471	Project Costs
Capital Projects	Permanent	3,054	Transfer Revenue
Capital Projects	Sewer Utility	316	Project Costs
Capital Projects	Stormwater Utility	316	Project Costs
Capital Projects	Revolving Loans	10,000	Project Costs
Capital Projects	Other Grants	33,693,237	Project Costs
Sewer Utility	City Insurance	1,702	Transfer Revenue
Sewer Utility	General	33,191	Operating Costs
Stormwater Utility	Other Grants	46,172	Project Costs
Stormwater Utility	City Insurance	25,527	Transfer Revenue
Stormwater Utility	General	13,734	Operating Costs
Stormwater Utility	Other Restricted	1,413,201	Project Costs
Water Utility	Sewer Utility	164,298	Joint Costs Allocation

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE IV -DETAILED NOTES ON ALL FUNDS (CONT.)

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

Transfers (cont.)

Fund Transferred To	Fund Transferred From	Amount	Purpose
Water Utility	Other Grants	43	Project Costs
Water Utility	General	133,907	Operating Costs
Transit Utility	General	2,513,890	Operating Costs
Other Restricted	General	1,145,491	Operating Costs
Other Restricted	Capital Projects	7,739,707	Operating Costs
CDBG	General	11,216	Operating Costs
Convention Center	Other Restricted	5,791,080	Operating Costs
Convention Center	General	58,301	Operating Costs
Parking Utility	General	99,743	Operating Costs
Parking Utility	City Insurance	11,058	Transfer Revenue
Parking Utility	Other Grants	119	Project Costs
Golf Courses	General	8,011	Operating Costs
Golf Courses	Other Grants	158	Project Costs
City Insurance	General	1,502,289	Operating Costs
Workers Comp	General	1,145	Operating Costs
Fleet Service	City Insurance	84,400	Transfer Revenue
Fleet Service	General	50,867	Operating Costs
Total - Fund Financial Statements		<u>\$ 158,301,401</u>	
Less: Fund eliminations		(158,829,743)	
Less: Transfer capital assets from governmental activities to utilities		<u>(9,455,903)</u>	
Total		<u>\$ (9,984,245)</u>	
Transferred To	Transferred From	Amount	
Governmental activities	Business-type activities	\$ 9,621,495	
Business-type activities	Governmental activities	<u>(19,605,740)</u>	
Total Government-Wide Statement of Activities		<u>\$ (9,984,245)</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, 2023

NOTE IV -DETAILED NOTES ON ALL FUNDS (CONT.)

F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2023 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities					
Bonds and Notes Payable:					
General obligation debt	\$ 430,704,578	\$ 92,140,277	\$ 69,210,210	\$ 453,634,645	\$ 73,419,898
General obligation debt - internal service	67,459,850	11,464,039	8,706,643	70,217,246	9,464,458
General obligation debt from direct borrowings and direct placements	803,945	-	96,896	707,049	100,169
Other loans/notes	5,422,142	-	542,214	4,879,928	542,214
Add/Subtract Amounts For:					
Premium on debt	31,916,127	8,154,248	5,138,962	34,931,413	-
Premium on debt - internal service	947,625	-	122,274	825,351	-
Sub-totals	<u>\$ 537,254,267</u>	<u>\$ 111,758,564</u>	<u>\$ 83,817,199</u>	<u>\$ 565,195,632</u>	<u>\$ 83,526,739</u>
Other Liabilities					
Vested compensated absences	53,173,799	3,339,344	4,717,426	51,795,717	4,927,498
Vested compensated absences - internal service	807,876	197,356	203,763	801,469	207,697
Worker's comp disability and death benefits	96,326	-	9,731	86,595	25,745
Police and fire pension	76,490	-	4,589	71,901	24,391
Other post-employment benefits	51,669,298	13,375,005	2,629,869	62,414,434	-
Other post-employment benefits - internal service	1,176,044	180,847	54,862	1,302,029	-
Net pension liability	-	101,052,228	20,771,483	80,280,745	-
Net pension liability - internal service	-	1,011,344	197,665	813,679	-
Leases	4,722,496	67,940	595,446	4,194,990	519,765
Subscription liabilities	-	7,968,438	2,411,394	5,557,044	1,894,773
Total Other Liabilities	<u>\$ 111,722,329</u>	<u>\$ 127,192,502</u>	<u>\$ 31,596,228</u>	<u>\$ 207,318,603</u>	<u>\$ 7,599,869</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 648,976,596</u>	<u>\$ 238,951,066</u>	<u>\$ 115,413,427</u>	<u>\$ 772,514,235</u>	<u>\$ 91,126,608</u>

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE 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	\$ 87,732,481	\$ 12,810,683	\$ 11,746,073	\$ 88,797,091	\$ 12,172,611
Revenue debt	212,420,000	4,675,000	20,585,000	196,510,000	31,849,645
Add Amounts for:					
Premium on debt	19,025,195	-	2,045,771	16,979,424	-
Sub-totals	<u>\$ 319,177,676</u>	<u>\$ 17,485,683</u>	<u>\$ 34,376,844</u>	<u>\$ 302,286,515</u>	<u>\$ 44,022,256</u>
Other Liabilities					
Vested compensated absences	11,762,041	2,579,923	2,818,972	11,522,992	1,978,986
Other post-employment benefits	16,171,322	3,031,231	776,397	18,426,156	-
Net pension liability	-	20,994,803	4,295,502	16,699,301	-
Leases	10,090,814	-	1,740,942	8,349,872	458,748
Subscription liabilities	-	620,975	284,380	336,595	158,750
Total Other Liabilities	<u>\$ 38,024,177</u>	<u>\$ 27,226,932</u>	<u>\$ 9,916,193</u>	<u>\$ 55,334,916</u>	<u>\$ 2,596,484</u>
Total Business-type Activities Long-Term Liabilities	<u>\$ 357,201,853</u>	<u>\$ 44,712,615</u>	<u>\$ 44,293,037</u>	<u>\$ 357,621,431</u>	<u>\$ 46,618,740</u>

Note: Increases in Subscription liabilities long-term obligations include the cumulative effect of implementing GASB 96 in 2023.

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.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE 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	\$ 2,161,410	\$ 1,343,130	\$ 211,085	\$ 3,293,455	\$ 228,507
Other loans/notes - direct	<u>3,119,322</u>	<u>-</u>	<u>111,309</u>	<u>3,008,013</u>	<u>731,555</u>
Sub-totals	<u>\$ 5,280,732</u>	<u>\$ 1,343,130</u>	<u>\$ 322,394</u>	<u>\$ 6,301,468</u>	<u>\$ 960,062</u>
Other Liabilities					
Accrued compensated absences	687,143	76,087	119,498	643,732	126,531
Advances from primary government					
- City of Madison *	4,498,800	-	574,002	3,924,798	577,373
Other post-employment benefits	641,123	167,740	32,704	776,159	-
Subscription liabilities	-	7,648	1,731	5,917	1,917
Net pension liability	<u>-</u>	<u>1,256,069</u>	<u>245,572</u>	<u>1,010,497</u>	<u>-</u>
Total Component Unit - CDA					
Long-Term Liabilities	<u>\$ 11,107,798</u>	<u>\$ 2,850,674</u>	<u>\$ 1,295,901</u>	<u>\$ 12,662,571</u>	<u>\$ 1,665,883</u>

*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, 2023, was \$2,132,438,850. Total general obligation debt at year end was:

Outstanding	\$ 613,356,031
Joint venture G.O. debt	<u>1,153,018</u>
Total	<u>\$ 614,509,049</u>

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE IV -DETAILED NOTES ON ALL FUNDS (CONT.)

F. LONG-TERM OBLIGATIONS (CONT.)

General Obligation Debt (cont.)

	Date of Issue	Due Date	Interest Rate	Original Indebted- ness	Balance 12-31-23
General obligation notes	03-06-12	07-01-26	0.00 %	\$ 1,500,000	\$ 600,000
2012 State trust fund loan*	12-04-12	03-15-32	3.75	573,000	324,425
General obligation notes	10-22-15	10-01-25	3.00	65,565,000	11,360,000
General obligation notes	10-22-15	10-01-25	1.75 - 2.75	13,345,000	2,665,000
General obligation bonds	10-24-15	10-01-35	2.375- 4.00	12,395,000	7,435,000
General obligation bonds	10-21-16	10-01-26	0.05 - 4.00	85,750,000	22,180,000
General obligation bonds	10-22-16	10-01-26	2.00	7,135,000	2,130,000
General obligation bonds	10-23-16	10-01-36	2.375 - 4.00	6,735,000	4,355,000
2016 State trust fund loan*	12-29-16	03-15-26	3.00	150,000	54,824
General obligation notes	10-19-17	10-01-27	2.00 - 4.00	76,900,000	30,760,000
General obligation notes	10-20-17	10-01-27	2.15 - 2.65	12,950,000	5,180,000
General obligation bonds	10-21-17	10-01-37	2.875 - 5.00	13,865,000	9,695,000
General obligation notes	10-02-18	10-01-28	3.00 - 4.00	85,870,000	42,925,000
General obligation notes	10-03-18	10-01-28	2.80 - 3.50	12,655,000	6,325,000
General obligation bonds	10-04-18	10-01-38	2.50 - 5.00	10,000,000	7,500,000
General obligation notes	10-05-18	10-01-28	2.00 - 3.05	876,000	262,000
2018 State trust fund loan*	12-27-18	03-15-28	4.50	65,000	39,620
General obligation notes	10-17-19	10-01-29	2.25 - 3.00	80,415,000	48,240,000
General obligation bonds	10-18-19	10-01-39	2.00 - 4.00	29,810,000	23,840,000
2019 State trust fund loan*	12-26-19	03-15-29	3.25	410,000	288,180
General obligation notes	10-15-20	10-01-30	1.375 - 4.00	78,545,000	49,680,000
General obligation bonds	10-15-20	10-01-40	2.00 - 3.00	22,600,000	19,210,000
General obligation bonds	10-15-20	10-01-32	0.18 - 1.40	46,725,000	15,195,000
General obligation notes	10-01-21	10-01-31	1.25 - 4.00	81,300,000	65,040,000
General obligation notes	10-02-21	10-01-31	0.30 - 4.00	3,990,000	3,190,000
General obligation bonds	10-03-21	10-01-41	1.00 - 4.00	17,800,000	16,020,000
General obligation notes	10-01-22	10-01-32	4.00 - 5.00	72,355,000	65,115,000
General obligation notes	10-02-22	10-01-32	3.00 - 4.00	20,160,000	18,140,000
General obligation bonds	10-03-22	10-01-33	4.00 - 5.00	22,035,000	20,345,000
General obligation note	10-01-23	10-01-33	5.00	74,360,000	74,360,000
General obligation note	10-02-23	10-01-33	5.00	42,055,000	42,055,000
Sub-Totals - General Obligation					\$ 614,509,049
Less: Business-type Activities General Obligation Debt					(88,797,091)
Less: Joint Venture General Obligation Debt					(1,153,018)
Total Governmental Activities General Obligation Debt					\$ 524,558,940

*Direct borrowing or direct placement

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE IV -DETAILED NOTES ON ALL FUNDS (CONT.)

F. LONG-TERM OBLIGATIONS (CONT.)

General Obligation Debt (cont.)

Debt service requirements to maturity are as follows:

Years	Governmental Activities General Obligation Debt		Business-type Activities General Obligation Debt	
	Principal	Interest	Principal	Interest
2024	\$ 82,884,356	\$ 17,553,420	\$ 12,172,611	\$ 3,296,134
2025	75,202,584	15,325,208	11,561,013	2,917,524
2026	68,967,655	12,814,076	10,847,962	2,487,885
2027	61,349,264	10,424,535	10,259,848	2,074,827
2028	53,529,123	8,221,954	9,390,489	1,677,783
2029-2033	154,768,606	18,238,829	30,245,471	3,766,333
2034-2038	21,679,420	2,249,699	3,370,580	376,970
2039-2041	5,470,883	190,827	949,117	28,473
Totals	<u>\$ 523,851,891</u>	<u>\$ 85,018,548</u>	<u>\$ 88,797,091</u>	<u>\$ 16,625,929</u>

Years	Governmental Activities Debt from Direct Borrowings and Direct Placements	
	Principal	Interest
2024	\$ 100,169	\$ 25,028
2025	103,694	21,503
2026	107,274	17,923
2027	91,595	14,218
2028	94,818	7,995
2029-2032	209,499	16,735
Total	<u>\$ 707,049</u>	<u>\$ 103,402</u>

The City's outstanding debt from direct borrowing and placements related to governmental activities of \$707,049 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, 2023

NOTE 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	\$ 77,645,000	
Water		\$ 191,595,000
Year issued	2012-2022	2015-2023
Proceeds used for	Sewer plant	Water plant
Source of revenue	Sewer charges	Water charges
Payable through	2037	2043
Percent of net revenues required to pay remaining debt service	28.1%	21.5%
Total principal and interest remaining	\$ 62,327,743	\$ 174,985,486
Principal and interest paid for the current year	7,342,856	15,817,486
Total customer net revenues for current year	15,838,675	40,619,841

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE IV -DETAILED NOTES ON ALL FUNDS (CONT.)

F. LONG-TERM OBLIGATIONS (CONT.)

Revenue Debt (cont.)

Revenue debt payable at December 31, 2023 consists of the following:

	Date of issue	Final Maturity	Interest Rates	Original Indebted- ness	Balance 12-31-23
Water Utility					
Revenue bonds	12-17-15	01-01-36	3.00 - 5.00%	\$41,610,000	\$ 30,120,000
Revenue bonds	12-28-16	01-01-37	1.24 - 3.82	23,775,000	18,745,000
Revenue bonds	12-28-16	01-01-37	1.24 - 3.82	14,645,000	7,395,000
Revenue bonds	12-20-18	01-01-39	4.00	30,765,000	26,405,000
Revenue bonds	12-20-18	01-01-28	3.00 - 3.55	9,390,000	5,550,000
Revenue bonds	12-19-19	01-01-31	2.00 - 5.00	26,555,000	21,395,000
Revenue bonds	12-19-19	01-01-31	2.00 - 5.00	7,125,000	5,500,000
Revenue bonds	12-19-19	01-01-32	1.70 - 2.65	13,055,000	10,140,000
Revenue bond anticipation notes	12-06-19	11-01-24	1.50	20,000,000	15,325,000
Safe drinking water revenue bond	10-11-23	05-01-43	2.15	4,675,000	4,675,000
Total Water Utility					<u>\$ 145,250,000</u>
Sewer Utility					
Revenue bonds	11-15-12	12-01-27	2.00 - 3.00	9,500,000	2,890,000
Revenue bonds	12-01-14	12-01-29	2.50 - 5.00	9,645,000	4,565,000
Revenue bonds	12-28-16	12-01-31	2.50 - 5.00	14,600,000	8,705,000
Revenue bonds	12-20-18	12-01-33	3.25 - 4.00	12,500,000	9,095,000
Revenue bonds	12-22-20	12-01-35	2.00 - 5.00	13,000,000	10,835,000
Revenue bonds	12-23-20	12-01-35	2.00 - 5.00	4,440,000	1,890,000
Revenue bonds	12-20-22	12-01-37	5.00	13,960,000	13,280,000
Total Sewer Utility					<u>\$ 51,260,000</u>
Total Business-type Revenue Debt					<u>\$ 196,510,000</u>

Revenue Bond Anticipation Notes (BANS)

Included in the long-term debt for Water Utility is \$15,325,000 of revenue bond anticipation notes maturing November 1, 2024. The proceeds from the BANS provide funding for certain capital and system improvements for fiscal years 2019 through 2023. The Notes bear interest payable on May 1 and November 1 of each year, commencing May 1, 2020 and with the full principal payment due on May 24, 2024. The BANS are subordinate debt to all outstanding senior revenue debt and include similar bond covenants to the senior bonds.

Subsequent to year-end and prior to the issuance of the ACFR, the utility paid off the remaining portion of the BANS with \$3,365,000 of proceeds from the 2024-A State Drinking Water Loan Program and \$11,960,000 of reserves.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE 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
2024	\$ 31,849,645	\$ 6,699,660
2025	16,973,713	5,796,102
2026	16,617,868	5,122,570
2027	16,787,112	4,488,269
2028	16,681,448	3,838,228
2029-2033	61,760,594	11,499,876
2034-2038	32,298,807	3,240,712
2039-2043	3,540,813	117,812
Totals	<u>\$ 196,510,000</u>	<u>\$ 40,803,229</u>

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE IV -DETAILED NOTES ON ALL FUNDS (CONT.)

F. LONG-TERM OBLIGATIONS (CONT.)

Revenue Debt (cont.)

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, 2023, consists of the following:

	Date of Issue	Due Date	Interest Rates	Original Indebted- ness	Balance 12-31-23
Community Development Authority					
Housing mortgage note	5-17-01	5-01-31	N/A	\$ 213,067	\$ 197,531
Housing mortgage note	8-26-16	8-26-26	3.25	3,000,000	1,752,794
Housing mortgage note	2-13-23	N/A	N/A	1,343,130	1,343,130
Total Mortgage Notes					<u>\$ 3,293,455</u>

Years	Component Unit Mortgage Notes - Direct Borrowing	
	Principal	Interest
2024	\$ 228,507	\$ 54,923
2025	235,420	48,010
2026	1,368,730	30,811
2027	26,621	-
2028	26,621	-
2029-2031	64,426	-
Thereafter	1,343,130	-
Totals	<u>\$ 3,293,455</u>	<u>\$ 133,744</u>

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE IV -DETAILED NOTES ON ALL FUNDS (CONT.)

F. LONG-TERM OBLIGATIONS (CONT.)

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
CDBG home loan ¹	385,000
Affordable housing trust loan* ¹	205,004
Promissory note ²	60,000
HOME loan	280,000
CDBG loan ²	400,000
Impact C.I.L., LLC	957,218
Johnson Bank ³	635,791
	<u>635,791</u>
Total	<u>\$ 3,008,013</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.

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
2024	\$ 704,124	\$ 49,508
2025	68,333	-
2026	68,338	-
Total	<u>\$ 840,795</u>	<u>\$ 49,508</u>

Leases

Refer to Note IV. G.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE IV -DETAILED NOTES ON ALL FUNDS (CONT.)

F. LONG-TERM OBLIGATIONS (CONT.)

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 compensated absences liability, net pension liability, and other post-employment benefits liability attributable to governmental activities will be liquidated primarily by the general fund.

G. LEASE DISCLOSURES

Lessee - Leased Assets

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Leased Assets Being Amortized:				
Buildings	\$ 5,301,374	\$ 36,604	\$ (191,353)	\$ 5,146,625
Machinery and equipment	10,752	31,336	(10,752)	31,336
Total Leased Assets Being Amortized	5,312,126	67,940	(202,105)	5,177,961
Less: Accumulated Amortization				
Buildings	(652,422)	(613,068)	163,206	(1,102,284)
Machinery and equipment	(8,988)	(9,626)	10,752	(7,862)
Total Accumulated Amortization	(661,410)	(622,694)	173,958	(1,110,146)
Total governmental activities leased assets, net of accumulated amortization	\$ 4,650,716	\$ (554,754)	\$ (28,147)	\$ 4,067,815
	Beginning Balance	Additions	Deletions	Ending Balance
Business-Type Activities				
Leased Assets Being Amortized:				
Buildings	\$ 8,196,859	\$ -	\$ -	\$ 8,196,859
Land	1,855,826	-	(1,403,677)	452,149
Machinery and equipment	749,154	-	(29,535)	719,619
Total Leased Assets Being Amortized	10,801,839	-	(1,433,212)	9,368,627
Less: Accumulated Amortization				
Buildings	(777,971)	(403,066)	-	(1,181,037)
Land	(177,474)	(73,319)	169,595	(81,198)
Machinery and equipment	(107,022)	(158,978)	-	(266,000)
Total Accumulated Amortization	(1,062,467)	(635,363)	169,595	(1,528,235)
Total business-type activities leased assets, net of accumulated amortization	\$ 9,739,372	\$ (635,363)	\$ (1,263,617)	\$ 7,840,392

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE 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 12-31-2023
Governmental Activities					
Building Lease	1/1/2009	12/31/2025	0.935864	\$ 303,400	\$ 156,180
Building Lease	1/1/2014	12/31/2026	0.935864	260,055	160,627
Building Lease	1/1/2014	12/31/2026	0.935864	54,958	33,948
Building Lease	1/1/2014	12/31/2026	0.935864	454,036	280,462
Building Lease	3/1/2016	2/28/2031	0.935864	65,104	52,887
Building Lease	12/1/2016	11/30/2036	3.574405	440,968	395,884
Building Lease	12/15/2018	12/31/2028	0.935864	51,113	37,723
Building Lease	11/1/2019	10/31/2034	0.935864	1,452,223	1,261,877
Building Lease	10/1/2020	12/31/2026	0.935864	67,398	41,564
Building Lease	12/1/2020	12/31/2030	0.935864	778,858	620,619
Building Lease	1/1/2021	12/31/2040	0.935864	1,218,511	1,132,124
Mach/Equip Lease	3/31/2023	3/30/2026	3.574405	31,336	21,095
Total governmental activities lease liabilities					<u>\$ 4,194,990</u>

	Date of Issue	Final Maturity	Interest Rate Percent	Original Indebtedness	Balance 12-31-2023
Business-Type Activities					
Land Lease	9/15/1997	9/14/2037	0.935864	\$ 452,149	\$ 465,018
Building Lease	6/15/2016	6/30/2033	0.935864	323,848	275,377
Building Lease	1/1/2017	12/31/2041	0.935864	7,477,014	7,109,534
Mach/Equip Lease	5/1/2022	12/31/2026	2.813855	749,154	499,943
Total business-type lease liabilities					<u>\$ 8,349,872</u>

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE 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	\$ 173,669
Total business-type variable lease contracts		\$ 173,669

Debt service requirements to maturity are as follows:

	Governmental Activities			Business-Type Activities		
Years	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 519,765	\$ 37,797	\$ 557,562	\$ 458,748	\$ 87,420	\$ 546,168
2025	536,724	32,396	569,120	477,212	78,729	555,941
2026	460,139	27,550	487,689	496,296	69,706	566,002
2027	293,271	23,891	317,162	821,505	61,473	882,978
2028	303,291	20,877	324,168	358,937	55,192	414,129
2029 -2033	1,297,571	64,367	1,361,938	1,999,113	221,234	2,220,347
2034 -2038	606,760	19,330	626,090	2,176,491	124,926	2,301,417
2039 -2041	177,469	1,608	179,077	1,561,570	21,738	1,583,308
Total	\$ 4,194,990	\$ 227,816	\$ 4,422,806	\$ 8,349,872	\$ 720,418	\$ 9,070,290

The City did not recognize any amounts for lease residual value guarantees or lease termination penalties in 2023. 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, 2023

NOTE IV -DETAILED NOTES ON ALL FUNDS (CONT.)

G. LEASE DISCLOSURES (CONT.)

Lessor - Lease Receivables

	Date of Inception	Final Maturity	Interest Rate Percent	Receivable Balance 12-31-2023
Governmental Activities				
Land Lease	2/1/1981	1/31/2080	0.935864	\$ 168,713
Land Lease	2/1/1981	1/31/2080	0.935864	140,262
Land Lease	3/22/1985	3/21/2084	0.935864	3,603,144
Land Lease	5/1/1987	4/30/2086	0.935864	154,830
Land Lease	7/1/1987	6/30/2029	0.935864	23,007
Land Lease	1/1/1992	12/31/2026	0.935864	297
Land Lease	6/1/1993	5/31/2043	0.935864	526,682
Land Lease	7/1/1993	6/30/2043	0.935864	23,569
Land Lease	4/1/1994	5/31/2071	0.935864	155,638
Building Lease	4/1/1996	3/31/2032	0.935864	27,459
Land Lease	9/1/1996	8/31/2095	0.935864	160,778
Land Lease	12/1/1996	11/30/2095	0.935864	23,409
Land Lease	12/1/1996	11/30/2095	0.935864	169,549
Land Lease	12/1/1996	11/30/2095	0.935864	322,498
Building Lease	6/1/1997	5/31/2047	3.574405	1,057,141
Land Lease	1/1/1998	12/31/2033	0.935864	101,934
Land Lease	5/1/1998	4/30/2096	0.935864	150,827
Land Lease	1/1/2000	12/31/2099	0.935864	140,277
Land Lease	1/1/2001	12/31/2100	0.935864	46,144
Land Lease	1/1/2001	12/31/2100	0.935864	12,665
Land Lease	5/18/2001	5/17/2051	0.935864	123,937
Land Lease	6/28/2001	6/27/2061	0.935864	654,400
Land Lease	4/14/2003	4/13/2043	0.935864	481,571
Land Lease	1/1/2005	12/31/2103	0.935864	94,865
Land Lease	11/17/2005	11/16/2045	0.935864	2,060,210
Land Lease	1/24/2007	1/23/2037	0.935864	11,892
Land Lease	1/1/2008	12/31/2027	0.935864	25,086
Land Lease	1/1/2008	12/31/2106	0.935864	187,552
Building Lease	1/1/2008	12/31/2032	0.935864	26,104
Building Lease	1/1/2008	12/31/2107	3.574405	15,054
Land Lease	1/1/2008	12/31/2107	0.935864	91,815
Land Lease	1/2/2008	12/31/2106	0.935864	1,091,254

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE 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 12-31-2023
Building Lease	1/1/2011	12/31/2028	0.935864	\$ 362,944
Land Lease	9/14/2012	9/13/2111	0.935864	959,061
Land Lease	11/9/2012	11/8/2111	0.935864	853,894
Land Lease	11/30/2012	11/29/2011	0.935864	1,048,481
Land Lease	5/2/2013	5/1/2112	0.935864	633,128
Building Lease	4/15/2015	12/31/2029	0.935864	49,086
Land Lease	6/1/2015	5/31/2030	0.935864	8,207
Land Lease	10/1/2015	9/30/2113	0.935864	159,772
Land Lease	11/1/2015	10/31/2114	0.935864	1,757,867
Land Lease	1/1/2016	12/31/2025	0.935864	209
Land Lease	12/1/2016	11/30/2026	0.935864	6,388
Building Lease	1/1/2017	12/31/2024	0.935864	4,500
Land Lease	1/1/2017	12/31/2115	0.935864	98,008
Land Lease	4/1/2017	3/31/2067	0.935864	179,200
Building Lease	10/1/2017	9/30/2027	0.935864	3,313
Land Lease	12/1/2017	11/30/2115	0.935864	941,237
Land Lease	1/1/2018	12/31/2116	0.935864	162,300
Land Lease	5/1/2018	4/30/2028	0.935864	1,353
Building Lease	9/7/2019	9/6/2025	0.935864	59,633
Land Lease	10/1/2019	9/30/2029	0.935864	53,511
Building Lease	11/1/2019	10/31/2034	0.935864	567,845
Building Lease	12/20/2019	12/31/2025	0.935864	46,318
Land Lease	7/1/2020	6/30/2028	0.935864	27,629
Building Lease	8/1/2020	7/31/2040	0.935864	1,183,094
Building Lease	1/1/2021	12/31/2035	0.935864	53,592
Land Lease	6/1/2021	5/31/2041	0.935864	99,065
Building Lease	7/1/2021	6/30/2024	0.935864	11,980
Building Lease	7/1/2021	6/30/2024	0.935864	601
Buildilng Lease	1/1/2022	12/31/2024	2.813855	42,963
Land Lease	2/1/2022	1/31/2026	2.813855	12,238
Building Lease	2/1/2022	2/29/2024	2.813855	6,745
Building Lease	2/1/2022	4/30/2024	2.813855	7,139
Building Lease	5/24/2022	12/31/2024	2.813855	5,703

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE 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 12-31-2023
Land Lease	5/30/2022	5/29/2042	2.813855	\$ 574,614
Land Lease	6/18/2022	6/17/2026	2.813855	64,847
Building Lease	6/27/2022	6/30/2047	2.813855	1,808,989
Land Lease	9/1/2022	8/31/2032	2.813855	140,938
Land Lease	9/1/2022	8/31/2032	2.813855	135,447
Land Lease	12/1/2022	11/30/2052	2.813855	206,156
Building Lease	4/1/2023	12/31/2023	3.574405	36,502
Land Lease	5/1/2023	4/30/2025	3.574405	1,680
Total governmental lease receivables				<u>\$ 24,248,740</u>

	Date of Inception	Final Maturity	Interest Rate Percent	Receivable Balance 12-31-2023
Business-Type Activities				
Building Lease	6/1/1997	5/31/2037	0.935864	\$ 629,231
Building Lease	1/12/1998	1/11/2038	0.935864	664,621
Building Lease	3/1/1998	2/28/2038	0.935864	663,586
Land Lease	7/1/2004	6/30/2044	0.935864	18,488
Building Lease	5/1/2014	4/30/2024	0.935864	33,928
Building Lease	10/10/2016	10/9/2036	0.935864	502,363
Building Lease	5/1/2017	4/30/2027	0.935864	169,018
Building Lease	12/6/2018	12/5/2048	0.935864	7,168,377
Building Lease	12/6/2018	12/5/2048	0.935864	6,854,610
Building Lease	12/5/2021	12/4/2041	2.813855	632,819
Building Lease	4/1/2022	3/31/2042	2.813855	633,078
Building Lease	7/1/2022	6/30/2042	2.813855	651,046
Total business-type lease receivables				<u>\$ 18,621,165</u>

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE 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
2024	\$ 583,138	\$ 306,731	\$ 889,869	\$ 616,601	\$ 206,368	\$ 822,969	\$ 1,140,620	\$ 103,634	\$ 1,244,254
2025	533,090	298,400	831,490	598,704	199,709	798,413	1,061,122	91,928	1,153,050
2026	471,234	291,260	762,494	615,326	192,842	808,168	1,075,392	80,485	1,155,877
2027	501,995	284,445	786,440	598,122	185,839	783,961	1,123,258	68,556	1,191,814
2028	525,363	277,335	802,698	607,674	178,905	786,579	1,167,700	56,078	1,223,778
2029 -2033	2,431,496	1,279,363	3,710,859	3,858,764	767,015	4,625,779	3,250,036	135,127	3,385,163
2034 -2038	2,638,818	1,086,792	3,725,610	4,582,348	510,216	5,092,564	667,164	7,392	674,556
2039 -2043	2,750,001	855,138	3,605,139	3,742,783	253,225	3,996,008	-	-	-
2044 -2048	1,597,414	634,537	2,231,951	3,400,843	77,675	3,478,518	-	-	-
2049 -2053	744,608	555,729	1,300,337	-	-	-	-	-	-
2054 -2058	815,236	518,409	1,333,645	-	-	-	-	-	-
2059 -2063	866,712	478,477	1,345,189	-	-	-	-	-	-
2064 -2068	939,768	436,911	1,376,679	-	-	-	-	-	-
2069 -2073	1,054,544	390,380	1,444,924	-	-	-	-	-	-
2074 -2078	1,204,533	337,762	1,542,295	-	-	-	-	-	-
2079 -2083	1,354,587	277,829	1,632,416	-	-	-	-	-	-
2084 -2088	791,531	226,870	1,018,401	-	-	-	-	-	-
2089 -2093	853,548	189,207	1,042,755	-	-	-	-	-	-
2094 -2098	903,903	147,636	1,051,539	-	-	-	-	-	-
2099 -2103	970,889	104,136	1,075,025	-	-	-	-	-	-
2104 -2108	1,007,467	57,176	1,064,643	-	-	-	-	-	-
2109 -2113	650,168	15,739	665,907	-	-	-	-	-	-
2114 -2118	58,697	495	59,192	-	-	-	-	-	-
Total	\$ 24,248,740	\$ 9,050,757	\$ 33,299,497	\$ 18,621,165	\$ 2,571,794	\$ 21,192,959	\$ 9,485,292	\$ 543,200	\$ 10,028,492

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE 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 12-31-2023</u>
Component Units - CDA				
Building Lease	Varies	Varies	Varies	<u>\$ 9,485,292</u>
Total component units lease receivables				<u>\$ 9,485,292</u>

The City recognized \$1,092,788, \$1,056,536, and \$1,614,763 of Governmental, Business-type, and Component Unit lease revenue respectively.

The City recognized \$295,458, \$213,451, and \$116,001 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 2023.

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>\$ -</u>	<u>\$ 7,968,438</u>	<u>\$ -</u>	<u>\$ 7,968,438</u>
Total subscription assets being amortized	<u>-</u>	<u>7,968,438</u>	<u>-</u>	<u>7,968,438</u>
Less: Accumulated amortization for subscription assets				
Intangible subscriptions	<u>-</u>	<u>(917,619)</u>	<u>-</u>	<u>(917,619)</u>
Total accumulated amortization	<u>-</u>	<u>(917,619)</u>	<u>-</u>	<u>(917,619)</u>
Total governmental activities subscription assets, net of accumulated amortization	<u>\$ -</u>	<u>\$ 7,050,819</u>	<u>\$ -</u>	<u>\$ 7,050,819</u>

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE 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	\$ -	\$ 712,898
Total subscription assets being amortized	-	712,898	-	712,898
Less: Accumulated amortization for subscription assets				
Intangible subscriptions	-	(189,585)	-	(189,585)
Total accumulated amortization	-	(189,585)	-	(189,585)
 Total business-type activities subscription assets, net of accumulated amortization	<u>\$ -</u>	<u>\$ 523,313</u>	<u>\$ -</u>	<u>\$ 523,313</u>

	Beginning Balance	Additions	Deletions	Ending Balance
Component Unit				
Subscription assets being amortized				
Intangible subscriptions	\$ -	\$ 7,648	\$ -	\$ 7,648
Total subscription assets being amortized	-	7,648	-	7,648
Less: Accumulated amortization for subscription assets				
Intangible subscriptions	-	(1,912)	-	(1,912)
Total accumulated amortization	-	(1,912)	-	(1,912)
 Total component unit subscription assets, net of accumulated amortization	<u>\$ -</u>	<u>\$ 5,736</u>	<u>\$ -</u>	<u>\$ 5,736</u>

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE 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	\$ -	\$ 62,541	\$ (30,378)	\$ 32,163	\$ 32,163
IT Subscription	-	115,041	(58,071)	56,970	56,970
IT Subscription	-	219,513	(67,449)	152,064	73,056
IT Subscription	-	85,740	(31,440)	54,300	32,336
IT Subscription	-	5,842,956	(1,492,425)	4,350,531	1,409,616
IT Subscription	-	502,067	(104,298)	397,769	123,744
IT Subscription	-	188,835	(42,957)	145,878	47,266
IT Subscription	-	94,347	(22,602)	71,745	23,246
IT Subscription	-	68,928	(15,602)	53,326	17,278
IT Subscription	-	60,712	(14,841)	45,871	14,748
IT Subscription	-	173,339	(40,141)	133,198	40,927
IT Subscription	-	27,746	(9,748)	17,998	10,553
IT Subscription	-	36,180	(36,180)	-	-
IT Subscription	-	122,121	(122,121)	-	-
IT Subscription	-	219,359	(219,359)	-	-
IT Subscription	-	90,674	(90,674)	-	-
IT Subscription	-	13,925	(4,660)	9,265	4,550
IT Subscription	-	44,414	(8,448)	35,966	8,320
Total governmental activities subscription liabilities	\$ -	\$ 7,968,438	\$ (2,411,394)	\$ 5,557,044	\$ 1,894,773

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE 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	\$ -	\$ 108,570	\$ (52,833)	\$ 55,737	\$ 55,737
Metro Subscription	-	15,296	(3,462)	11,834	3,835
Sewer Subscription	-	3,824	(866)	2,958	959
Storm Subscription	-	3,824	(866)	2,958	959
Water Subscription	-	7,648	(1,731)	5,917	1,917
Water Subscription	-	30,971	(5,468)	25,503	5,814
Sewer Subscription	-	33,069	(33,069)	-	-
Storm Subscription	-	33,068	(33,068)	-	-
Sewer Subscription	-	33,256	(33,256)	-	-
Storm Subscription	-	34,995	(34,995)	-	-
Metro Subscription	-	199,414	(60,544)	138,870	65,196
Sewer Subscription	-	3,481	(1,165)	2,316	1,137
Storm Subscription	-	3,481	(1,165)	2,316	1,137
Water Subscription	-	6,962	(2,330)	4,632	2,275
Sewer Subscription	-	68,744	(13,041)	55,703	13,189
Storm Subscription	-	34,372	(6,521)	27,851	6,595
Total business-type activities subscription liabilities	\$ -	\$ 620,975	\$ (284,380)	\$ 336,595	\$ 158,750

	Beginning Balance	Additions	Deductions	Ending Balance	Amounts Due Within One Year
Component Units					
CDA Subscription	\$ -	\$ 7,648	\$ (1,731)	\$ 5,917	\$ 1,917

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE 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
2024	\$ 1,894,773	\$ 138,798	\$ 2,033,571	\$ 158,750	\$ 8,730	\$ 167,480
2025	1,856,023	84,352	1,940,375	112,959	4,058	117,017
2026	1,796,567	33,247	1,829,814	35,917	1,495	37,412
2027	9,681	204	9,885	28,969	530	29,499
Total	<u>\$ 5,557,044</u>	<u>\$ 256,601</u>	<u>\$ 5,813,645</u>	<u>\$ 336,595</u>	<u>\$ 14,813</u>	<u>\$ 351,408</u>

	Component Units		
	Principal	Interest	Total
2024	\$ 1,917	\$ 111	\$ 2,028
2025	1,972	56	2,028
2026	2,028	-	2,028
2027	-	-	-
Total	<u>\$ 5,917</u>	<u>\$ 167</u>	<u>\$ 6,084</u>

The City did not recognize any amounts for subscription termination penalties in 2023. 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, 2023 includes the following:

Governmental Activities

Net investment in capital assets	
Land	\$ 272,727,218
Construction in progress	103,192,388
Other capital assets, net of accumulated depreciation	851,097,104
Less: Capital related long-term debt outstanding (excluding unspent capital related debt proceeds)	(413,945,618)
Less: Unamortized premium	(35,756,764)
Total Net Investment in Capital Assets	<u>\$ 777,314,328</u>

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE 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, 2023 include the following:

	General Fund	Library	Other Grants	Debt Service	Capital Projects	Nonmajor Governmental Funds	Total
Fund Balances							
Nonspendable:							
Inventories	\$ 495,682	\$ -	\$ -	\$ -	\$ 2,700,387	\$ -	3,196,069
Prepaid items	3,459,420	235,975	15,865	-	228,641	113,713	4,053,614
Trust activities	-	-	-	-	-	694,478	694,478
Restricted for:							
Library	-	2,554,782	-	-	-	651,996	3,206,778
Grants activities	-	-	-	-	-	377,189	377,189
Loans	677,680	-	-	-	-	29,392,950	30,070,630
Debt service	-	-	-	21,605,290	-	5,004,903	26,610,193
Parks	-	-	-	-	-	1,740,408	1,740,408
Impact fees	-	-	-	-	-	28,054,883	28,054,883
TID activities	-	-	-	-	90,663,570	-	90,663,570
Landfill	-	-	-	-	-	219,428	219,428
Trust activities	-	-	-	-	-	3,690,172	3,690,172
Capital projects	-	-	-	-	48,665,739	-	48,665,739
Room tax	-	-	-	-	-	4,570,502	4,570,502
Committed for:							
Room tax	-	-	-	-	-	647,912	647,912
Loans	-	-	-	-	-	2,993,037	2,993,037
Assigned to:							
Capital projects	-	-	-	-	28,603,186	-	28,603,186
Encumbrances for open contracts	252,546	-	-	-	-	-	252,546
Operating Projects	2,512,500	-	-	-	-	-	2,512,500
Mark to market reserve	5,000,000	-	-	-	-	-	5,000,000
Fund balance applied	9,200,000	-	-	-	-	-	9,200,000
Compensated absences	9,885,710	-	-	-	-	-	9,885,710
Premium stabilization	6,341,662	-	-	-	-	-	6,341,662
Unassigned (deficit)	82,853,731	-	(3,118,873)	-	-	(645,505)	79,089,353
Totals	\$ 120,678,931	\$ 2,790,757	\$ (3,103,008)	\$ 21,605,290	\$ 170,861,523	\$ 77,506,066	\$ 390,339,559

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE IV -DETAILED NOTES ON ALL FUNDS (CONT.)

I. NET POSITION/FUND BALANCES (CONT.)

Business-type Activities

Net investment in capital assets	
Land	\$ 91,587,392
Construction in progress	43,041,083
Other capital assets, net of accumulated depreciation	852,263,385
Less: Related long-term capital debt outstanding	(289,422,279)
Plus: Unspent capital related debt proceeds	12,627,083
Plus: Unamortized premium	(16,979,423)
Plus: Loss/gain on refunding	(977,401)
Plus: Borrowed reserve fund	9,853,538
Total Net Investment in Capital Assets	<u>\$ 701,993,378</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 not-for-profit 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 not-for-profit 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, 2023

NOTE 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, 2023

NOTE 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	\$ 561,025
Funds to be invested at the Foundation	<u>109,771</u>
	<u>\$ 670,796</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, 2023

NOTE 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, 2023, 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, 2023

NOTE 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, 2023, there were no conditional grants.

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 that are allocated primarily include salaries and employee benefits and insurance, which are allocated based on time and effort spent on program and supporting activities.

Sales Tax

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

Advertising Costs

Advertising costs are charged to operations when incurred. Advertising expense was \$41,349 for the year ended December 31, 2023.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

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

Nonoperating Item

The Society's change in net position before the nonoperating item includes all support, revenue and expenses that are an integral part of its programs and supporting activities. The measure of operations excludes the loss on beneficial interest in assets held by Madison Community Foundation.

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 receivable from the City in the amount of \$60,442 at December 31, 2023 for memberships 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. There were no capital asset donations made to the City in 2023. There was no donor restricted net position or net position designated by the Board of Directors for the capital campaign at December 31, 2023.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE 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, 2023 consisted of the following:

Mutual funds	\$ 5,322,393
Common stock	3,505,544
Money market funds	<u>422,324</u>
Investments	<u><u>\$ 9,250,261</u></u>

Net Investment income consisted of the following:

Interest and dividends	\$ 251,467
Unrealized and realized gain	1,182,359
MCF income, operating	2,266
Change in value of CLAT	12,282
Investment advisory fees	<u>(45,059)</u>
Investment Income	<u><u>\$ 1,403,315</u></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:

- > 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.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

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

- > 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, 2023.

Equity and fixed income 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.

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

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

	2023			
	Level 1	Level 2	Level 3	Total
Equity mutual funds	\$ 2,324,725	\$ -	\$ -	\$ 2,324,725
Fixed income mutual funds	2,997,668	-	-	2,997,668
Common stocks	3,505,544	-	-	3,505,544
Beneficial interest in assets held by MCF	-	-	49,770	49,770
Beneficial interest in lead trust held by others	-	-	407,951	407,951
Investments measured at fair value	<u>\$ 8,827,937</u>	<u>\$ -</u>	<u>\$ 457,721</u>	\$ 9,285,658
Money market funds				<u>422,324</u>
Total Investments				<u>\$ 9,707,982</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.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

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

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, 2023:

	Beneficial interest in assets held by MCF	Beneficial interest in lead trust held by others
Beginning Balance	\$ 47,504	\$ 491,282
Distributions	(2,002)	(95,613)
Change in Value	4,268	12,282
Ending Balance	<u>\$ 49,770</u>	<u>\$ 407,951</u>

d. Pledges Receivable

Pledges receivable are expected to be collected as follows for the year ended December 31, 2023:

Receivable in less than one year	\$ 27,500
Receivable in one to five years	146,250
Receivable in greater than five years	<u>900,000</u>
Total Contributions Receivable	1,073,750
Less unamortized discount	<u>(134,474)</u>
Net contributions receivable	<u>\$ 939,276</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, 2023.

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 \$61,264 in 2023.

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 \$1,300 in 2023. 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, 2023.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

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

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, 2023.

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.

Additionally, the Society received 21,158 hours of volunteer time, provided by 460 individuals and groups during 2023, 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

All employees are eligible to participate in the Society's 401(k) retirement plan after six months of employment and upon attaining the age of 21. The Society may make matching contributions at its discretion. Participants are fully vested in their contributions to the plan. Participants become vested in the Society's matching contributions over a five-year graduated scale. The Society's contributions to the plan were \$46,280 in 2023.

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 and Pledges Concentrations

Two donors account for all of the Society's outstanding pledges receivable as of December 31, 2023. Two grantors account for all of the Society's outstanding grants receivable as of December 31, 2023.

In 2023, one gift made up approximately 15% of contribution revenue. 100% of pledges receivable were from two donors as of December 31, 2023.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE 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, 2023:

Olbrich Botanical Society Foundation, Inc.

Designated for education	\$ 54,483
Designated for orchid fund (conservatory)	56,431
Designated for general stewardship fund	1,347,115
Board designated endowment	<u>4,522,220</u>
Total Foundation	<u>\$ 5,980,249</u>

Olbrich Botanical Society, Inc.

Designated for agency endowment at MCF	49,770
Undesignated	<u>3,311,383</u>
Total Society	<u>\$ 3,361,153</u>
Total Net Position Without Donor Restrictions	<u><u>\$ 9,341,402</u></u>

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE 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, 2023 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 Orchidst	1,100,000
Rose Garden Intern	111,454
Accumulated earnings on endowment	<u>1,228</u>
Total Purpose Restricted	<u>1,772,910</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>211,000</u>
Total perpetual in nature	<u>546,782</u>
Total Foundation	<u>\$ 2,319,692</u>

Olbrich Botanical Society, Inc.

Purpose Restricted:

Horticulture	108,865
Conservatory	29,485
Education	37,720
Other	<u>49,845</u>
Total Purpose Restricted	<u>225,915</u>

Time Restricted:

Beneficial interest in trust held by others	407,951
Pledges receivable	<u>939,276</u>
Total time restricted	<u>\$ 1,347,227</u>
Total Society	<u>\$ 1,573,142</u>
Total Net Position with Donor Restrictions	<u><u>\$ 3,892,834</u></u>

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE 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 \$434,762 at December 31, 2023. 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 \$11,628 during 2023. 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, 2023

NOTE 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, 2023:

	With Donor Restrictions				
	Without Donor Restrictions	Net Earnings on Endowment	Held in Perpetuity	Total	Total Endowment
Donor restricted	\$ -	\$ 1,228	\$ 546,782	\$ 548,010	\$ 548,010
Board designated	4,522,220	-	-	-	4,522,220
Total Funds	<u>\$ 4,522,220</u>	<u>\$ 1,228</u>	<u>\$ 546,782</u>	<u>\$ 548,010</u>	<u>\$ 5,070,230</u>

Endowment activities were as followed:

	With Donor Restrictions				
	Without Donor Restrictions	Net Earnings on Endowment	Held in Perpetuity	Total	Total Endowment
Beginning balance	\$ 3,490,653	\$ (32,635)	\$ 538,782	\$ 506,147	\$ 3,996,800
Additions	377,554	-	8,000	8,000	385,554
Investment return	979,663	33,863	-	33,863	1,013,526
Amounts appropriated for expenditure	(325,650)	-	-	-	(325,650)
Ending Balance	<u>\$ 4,522,220</u>	<u>\$ 1,228</u>	<u>\$ 546,782</u>	<u>\$ 548,010</u>	<u>\$ 5,070,230</u>

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE 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 assets with donor restrictions were \$0 as of December 31, 2023. Subsequent gains that restore the fair value of the assets of the endowment fund to the required level will be classified as an increase in the net assets with donor restrictions.

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 the Foundation's net position to the Olbrich Botanical Society, Inc.. The distribution amount for any given year shall be determined by the Board. The Board approved an appropriation of \$325,650 for 2023, 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, 2023

NOTE 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, 2023

Cash and cash equivalents	\$ 2,595,405
Pledges receivable	939,276
Grants receivable	62,902
Due from City of Madison	60,442
Beneficial interest in Madison Community Foundation	49,770
Beneficial interest in lead trust held by others	407,951
Investments	<u>9,250,261</u>
Total financial assets available within one year	<u>13,366,007</u>
Less: amounts unavailable for general expenditures within one year, due to:	
Donor restricted for purpose or time	(3,344,824)
Board designated for other purposes	(1,507,799)
Donor restricted endowment fund	(548,010)
Board designated endowment fund	<u>(4,522,220)</u>
Total financial assets available for general expenditure within one year	<u>\$ 3,443,154</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 assets 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 16, 2024, 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, 2023

NOTE 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, 2023

NOTE 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	\$	23,489
South Madison Friends		8,498
Friends of Lakeview Library		<u>24,328</u>
Totals	\$	<u>56,315</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 .31-.42%, with penalties for early withdrawal. Any penalties for early withdrawal do not have a material effect on the financial statements.

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. Depreciation expense was \$3,228. Accumulated depreciation was \$18,870.

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.

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 and amortization expense was \$0 as of December 31, 2023. Accumulated amortization was \$26,702 as of December 31, 2023.

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.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

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

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, 2023, \$13,489 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, 2023 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, 2023

NOTE 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 \$110,125 for the year ended December 31, 2023. Of the total ticket sales revenue, the exchange portion totaled \$31,275 for the year ended December 31, 2023.

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 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.

Subsequent Events

These financial statements have not been updated for subsequent events occurring after April 8, 2024, 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.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

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

b. Promises to Give

Unconditional Promises to Give

Unconditional promises to give at December 31, 2023 consisted of the following:

Dream Bus	\$	10,000
Book Fest		1,000
Annual		300
Other		650
Reindahl Capital Campaign		500,000
John H. Lussier Charitable Lead Annuity Trust (CLAT)		437,051
		<u> </u>
Total Unconditional Promises to Give	\$	949,001
Less: Discounts to net present value		<u>(69,154)</u>
Unconditional Promises to Give - Net	\$	<u>879,847</u>

At December 31, 2023, \$202,563 of unconditional promises to give are receivable in less than one year and \$746,437 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 4.73%. The discount rate used for the CLAT was 2.75% as of December 31, 2023. 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. The amounts to be received in the last year will be prorated based on the final balance held in the trust. 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 \$407,770 as of December 31, 2023.

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.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

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

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, 2023 were:

Elizabeth Moon Proctor Scholarship and Professional Development Fund	\$	73,856
Hawthorne Library Endowment Fund		33,635
Judy P. Olson Book Discussion Kit Fund		24,247
Lakeview Library Endowment Fund		145,921
Madison Public Library Foundation Endowment Fund		6,824,356
Monroe Street Branch Endowment Fund		50,546
Pinney Library Endowment Fund		250,259
Print Books Purchase Fund		118,896
Sequoia Branch Endowment Fund		414,132
South Madison Branch Endowment Fund		230,482
Central Library Endowment Fund		205,024
Meadowridge Branch Endowment Fund		157,699
Alicia Ashman Library Endowment Fund		84,098
Professional Development Endowment		25,853
Rosemary Lee Endowment Fund		92,105
Total Agency Endowments	\$	<u>8,731,109</u>

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE 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, 2023, are as follows:

	Fair Value	Fair Value Measurement Using		
		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	\$ 8,731,109	\$ -	\$ -	\$ 8,731,109
Totals	\$ 8,731,109	\$ -	\$ -	\$ 8,731,109

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 \$411,239 for the year ended December 31, 2023.

The total purchases/contributions to the MCF pass thru fund was \$93,745 for the year ended December 31, 2023.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE 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, 2023:

Madison Public Library Foundation Endowment Fund	\$ 6,878,568
Program Venture Fund	5,000
Undesignated	<u>781,309</u>
Total Net Position Without Donor Restrictions	<u><u>\$ 7,664,877</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, 2023:

Ashman Branch	\$ 1,300
Ashman Endowment	14,358
Book Festival	356,763
Central Branch	35
Central Endowment	50,401
Dream Bus	162,589
General Library	67,874
Hawthorne Branch	750
Hawthorne Endowment	34,349
Judy P. Olson Book Discussion Kit Endowment	17,488
Lakeview Branch	146,271
Lakeview Endowment	147,486
Friends of Lakeview Library	44,903
Meadowridge Branch	7,500
Meadowridge Endowment	31,074
Monroe Branch	4,790
Monroe Endowment	9,422
Monroe Library League	23,489
Pinney Branch	5,070
Pinney Endowment	257,842
Print Books Purchase	6,442
Professional Development Endowment	3,994
Proctor Endowment	21,842
Program Restricted	1,309
Reindahl Capital	433,651
Rosemary Lee Endowment	16,605
Sequoia Branch	10,850

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

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

Sequoia Endowment	100,965
South Madison Branch	250
South Madison Friends	8,498
South Madison Endowment	55,150
Thrift Books	2,819
John H. Lussier Charitable Lead Annuity Trust	407,770
	<hr/>
Net Position With Donor Restrictions	<u>\$ 2,453,899</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, 2023 consisted of the following:

Ashman Branch Endowment Fund	\$ 71,942
Central Branch Endowment Fund	154,958
Elizabeth Moon Proctor Scholarship and Professional Development Fund	52,039
Meadowridge Branch Endowment Fund	128,800
Monroe Branch Endowment Fund	44,116
Print Books Endowment Fund	115,411
Sequoia Branch Endowment Fund	315,443
South Madison Branch Endowment Fund	176,545
Judy P. Olson Endowment Fund	6,759
Professional Development Endowment	21,859
Rosemary Lee Endowment Fund	75,500
	<hr/>
Net Position With Donor Restrictions – Perpetual Endowments	<u>\$ 1,163,372</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, 2023

NOTE 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 IPMIFA 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, 2023.

	Without Donor Restrictions	With Donor Restrictions - Time or Use	With Donor Restrictions - Perpetual Endowments
Donor-restricted endowment funds	\$ -	\$ 767,418	\$ 1,163,372
Board-designated endowment funds	6,878,568	-	-
Total Funds	\$ 6,878,568	\$ 767,418	\$ 1,163,372

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE 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, 2023:

	Without Donor Restrictions	With Donor Restrictions - Time or Use	With Donor Restrictions - Perpetual Endowments
Endowment net position -beginning of year	\$ 6,105,434	\$ 645,192	\$ 1,118,660
Contributions	422,367	22,409	44,712
Amounts released for expenditure	(233,696)	(65,696)	-
Net investment income	584,463	165,513	-
Endowment Net Position - End of Year	<u>\$ 6,878,568</u>	<u>\$ 767,418</u>	<u>\$ 1,163,372</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 \$3,934 during 2023. The Mohaupt Fund had a fair value of \$100,400 as of December 31, 2023.

h. Pension Plan

The Foundation's Defined Contribution Employee 401(K) Safe Harbor Retirement Plan covers all employees age 18. 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, 2023 was \$15,353.

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, 2023 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, 2023

NOTE 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, 2023	\$ 11,410,035
Less: Those unavailable for general expenditures within one year due to:	
Restricted by donor with time or purpose restrictions	(1,686,481)
Board designated endowment funds	(6,878,568)
Board designated other	(5,000)
Donor restricted endowment funds	<u>(1,930,790)</u>
Financial Assets Available to Meet Cash needs for General Expenditures Within One Year	<u>\$ 909,196</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 \$205,770.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE 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 assets and revenue, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets 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.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

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

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, 2023, there were no conditional promises to give.

Unconditional promises to give due in the next year are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reported at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are to be received.

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.

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.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

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

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 2020.

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 1, 2024, 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, 2023, the Foundation had \$222 of uninsured balances with the financial institution.

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.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

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

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, 2023:

	Market	Cost
Cash	\$ 621,537	\$ 621,537
Equities	2,470,647	1,827,951
Fixed income	1,218,469	1,196,673
Totals	<u>\$ 4,310,653</u>	<u>\$ 3,646,161</u>

Investment income from these investments for the year ended December 31, 2023 is summarized as follows:

	2023
Interest and dividends	\$ 121,046
Net realized and unrealized gains	390,945
Investment expense	<u>(32,974)</u>
Totals	<u>\$ 479,017</u>

Included within these investments is the endowment established in 2015. See Note i for additional information.

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.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

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

	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, 2023			
Cash	\$ 621,537	\$ 621,537	\$ -
Equities	2,470,647	2,470,647	-
Fixed income	1,218,469	1,218,469	-
Beneficial Interest in assets held by MCF	85,364	-	85,364
Totals	<u>\$ 4,396,017</u>	<u>\$ 4,310,653</u>	<u>\$ 85,364</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.

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 are 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.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

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

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, 2023:

	2023
Balance - January 1, 2023	\$ 81,342
Agency endowment return:	
Contributions/Transfers	100
Investment income	8,138
Distributions from agency endowment	(3,395)
Expense and fees	(821)
Balance - December 31, 2023	<u>\$ 85,364</u>

f. Net Position

Net position with donor restrictions is available for the following purposes:

Time and purpose restrictions	\$ 1,841,826
City Endowment	219,434
MCF Endowment	85,364
Total	<u>\$ 2,146,624</u>

Net position without donor restrictions as of December 31, 2023 are as follows:

Undesignated	2,252,457
Board Designated for Park Improvements	51,556
Total Net Position without Donor Restrictions	<u>\$ 2,304,013</u>

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

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

g. Contributed Nonfinancial Assets

The Foundation's donated materials and services consist of the following:

Office space	\$ 15,000
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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 in 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.

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.

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.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

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

	Net Position with Donor Restrictions
Endowment net position, Beginning of year	\$ 211,027
Investment return:	
Unrealized gain	23,404
Investment income	5,992
Amount appropriated for expenditure	(1,611)
Distributions	(19,378)
Endowment Net Position, End of Year	<u>\$ 219,434</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.

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, 2023, 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.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

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

	<u>December 31, 2023</u>
Cash and cash equivalents	\$ 250,311
Contributions receivable	63,124
Investments	4,310,653
Beneficial Interest in Agency Endowment: Held by MCF	<u>85,364</u>
Total Financial Assets	4,709,452
Less: Those unavailable for general expenditure within one year due to:	
City endowment fund	(219,434)
Other donor-imposed restrictions	(1,927,190)
Board-designated commitments	<u>(51,556)</u>
Financial Assets Available to Meet Cash Needs for Expenditures Within One Year	<u><u>\$ 2,511,272</u></u>

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE 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, 2023

NOTE V - OTHER INFORMATION (CONT.)

A. EMPLOYEES' RETIREMENT SYSTEM (CONT.)

Year	Core Fund Adjustment (%)	Variable Fund Adjustment (%)
2013	(9.6)	9.0
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

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 \$21,735,783 in contributions from the City and \$226,161, in contributions from the CDA.

Contribution rates for the plan year reported as of December 31, 2023 are:

Employee Category	Employee		Employer	
General (Executives & Elected Officials)	6.50	%	6.50	%
Protective with Social Security	6.50	%	12.00	%
Protective without Social Security	6.50	%	16.40	%

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE 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, 2023, the City reported a liability of \$97,793,725, for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021 rolled forward to December 31, 2022. 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, 2022, the City's proportion was 1.84596440%, which was an increase of 0.01742049% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the City recognized pension expense of \$46,271,787.

At December 31, 2023, 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	\$ 155,828,468	\$ 204,646,047
Changes in assumptions	19,214,956	-
Net differences between projected and actual earnings on pension plan investments	166,013,069	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	215,305	614,325
Employer contributions subsequent to the measurement date	25,264,650	-
Totals	<u>\$ 366,536,448</u>	<u>\$ 205,260,372</u>

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE 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, 2023, the CDA reported a liability of \$1,010,497 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021 rolled forward to December 31, 2022. 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, 2022, the CDA's proportion was 0.01907425%, which was a decrease of 0.00043361% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the CDA recognized pension expense of \$543,067.

At December 31, 2023, 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	\$ 1,536,046	\$ 2,095,588
Changes in assumptions	214,044	-
Net differences between projected and actual earnings on pension plan investments	1,832,485	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,962	6,362
Employer contributions subsequent to the measurement date	245,572	-
Total	<u>\$ 3,830,109</u>	<u>\$ 2,101,950</u>

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE V - OTHER INFORMATION (CONT.)

A. EMPLOYEES' RETIREMENT SYSTEM (CONT.)

City Information

\$25,264,650 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, 2024. 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)
2024	5,594,482
2025	28,125,730
2026	28,799,377
2027	73,491,837

CDA Information

\$245,572 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, 2024. 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)
2024	60,982
2025	306,583
2026	313,926
2027	801,096

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE V - OTHER INFORMATION (CONT.)

A. EMPLOYEES' RETIREMENT SYSTEM (CONT.)

Actuarial assumptions. The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2021
Measurement Date of Net Pension Liability (Asset):	December 31, 2022
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.

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The total pension liability for December 31, 2022 is based upon a roll-forward of the liability calculated from the December 31, 2021 actuarial valuation.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE 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 ¹ As of December 31, 2022	Current Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return % ²
Core Fund Asset Class			
Public Equity	48.0	7.6	5.0
Public Fixed Income	25.0	5.3	2.7
Inflation Sensitive	19.0	3.6	1.1
Real Estate	8.0	5.2	2.6
Private Equity/Debt	15.0	9.6	6.9
Total Core Fund ³	115.0	7.4	4.8
Variable Fund Asset			
U.S. Equities	70.0	7.2	4.6
International Equities	30.0	8.1	5.5
Total Variable Fund	100.0	7.7	5.1

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: 2.5%

³ The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. This results in an asset allocation beyond 100%. Currently, an asset allocation target of 15% 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, 2023

NOTE 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 4.05 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, 2022. 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	\$ 324,574,185	\$ 97,793,725	\$ (58,211,782)
CDA's proportionate share of the net pension (asset) liability	\$ 3,353,807	\$ 1,010,497	\$ (601,499)

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, 2023, 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 2023 was \$4,589. The present value of estimated future payments based on past service is \$71,901 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, 2023

NOTE 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	\$ 14,362,289	\$ 12,833,246
Current year claims and changes in estimates	2,982,519	2,887,728
Claim payments	<u>(4,511,562)</u>	<u>(3,495,738)</u>
Unpaid Claims - End of Year	<u>\$ 12,833,246</u>	<u>\$ 12,225,236</u>

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE 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 33.93% 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, 2023

NOTE 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, 2023, 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, 2023. 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, 2023, 42 buses had been purchased under this contract.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE 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 \$86,595 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	\$ 131,202,519
Nonmajor Governmental Funds	425,553
General Fund	252,546
Other Grants Fund	959,194

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, 2023

NOTE 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, 2023, the following employees were covered by the benefit terms:

City Information

Active plan members	2,566
Inactive plan members or beneficiaries currently receiving benefit payments	<u>727</u>
	<u>3,293</u>

CDA Information

Active plan members	46
Inactive plan members or beneficiaries currently receiving benefit payments	<u>11</u>
	<u>57</u>

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE V - OTHER INFORMATION (CONT.)

D. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONT.)

The City's total OPEB liability of \$82,142,619 and the CDA's total liability of \$776,159 was measured as of December 31, 2023, and was determined by an actuarial valuation as of January 1, 2023, rolled forward to December 31, 2023.

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	2.50%	
Salary increases	3.40-7.80%	
Healthcare cost trend rates	8.0%	Initially reduced by decrements to an ultimate of 4.5% after 7 years
Retirees' share of benefit-related costs	100%	
Discount Rate	4.00%	

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 Pub-2010 Total Dataset Mortality Table fully generational using Scale MP-2022.

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, 2023	\$ 69,016,664	\$ 641,123
Changes for the year:		
Service cost	4,839,362	45,727
Interest	3,108,924	29,376
Changes of benefit terms	-	-
Changes in assumptions	5,006,447	58,317
Differences between expected and actual experience	3,632,350	34,320
Benefit payments	(3,461,128)	(32,704)
Net changes	\$ 13,125,955	\$ 135,036
Balances at December 31, 2023	\$ 82,142,619	\$ 776,159

Changes of assumptions and other inputs reflect a change in the discount rate from 4.31 percent in 2022 to 4.00 percent in 2023.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE 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 (4.0%) or 1-percentage-point higher (5.0%) than the current discount rate:

	1% Decrease (3.0%)	Discount Rate (4.0%)	1% Increase (5.0%)
City's Total OPEB liability	\$ 88,790,158	\$ 82,142,619	\$ 76,088,618
CDA's Total OPEB liability	\$ 838,973	\$ 776,159	\$ 718,957

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 (7.0% decreasing to 3.5%) or 1-percentage-point higher (9.0% increasing to 5.5%) than the current healthcare cost trend rates:

	1% Decrease (7.0% Decreasing to 3.5%)	Healthcare Cost Trend Rates	1% Increase (9.0% Increasing to 5.5%)
City's Total OPEB liability	\$ 73,950,063	\$ 82,142,619	\$ 91,805,491
CDA's Total OPEB liability	\$ 698,750	\$ 776,159	\$ 867,465

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

City Information

For the year ended December 31, 2023, the City recognized OPEB expense of \$6,488,779. At December 31, 2023, 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	\$ 3,178,306	\$ 12,637,611
Changes of assumptions	11,672,002	8,916,141
Total	<u>\$ 14,850,308</u>	<u>\$ 21,553,752</u>

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE 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:

Fiscal Year Ended December 31:	Deferred Outflows of Resources and Deferred Inflows of Resources (Net)
2024	\$ (1,459,507)
2025	(1,459,506)
2026	(644,983)
2027	(915,776)
2028	(1,828,390)
Thereafter	(395,282)

CDA Information

For the year ended December 31, 2023, the CDA recognized OPEB expense of \$61,312. At December 31, 2023, the CDA 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	\$ 30,032	\$ 119,412
Changes of assumptions	110,288	84,248
Total	<u>\$ 140,320</u>	<u>\$ 203,660</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expenses as follows:

Fiscal Year Ended December 31:	Deferred Outflows of Resources and Deferred Inflows of Resources (Net)
2024	\$ (13,791)
2025	(13,791)
2026	(6,094)
2027	(8,653)
2028	(17,276)
Thereafter	(3,735)

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE V - OTHER INFORMATION (CONT.)

E. RELATED PARTIES

Related Parties - Primary Government

The City had the following related party transactions during 2023.

Name	Committee	Affiliated Organization	Amount
Angela Jenkins	Zoning Board of Appeals	American Family Insurance	\$ 23,113
Jolynne Roorda	Madison Public Library Board	Arts and Literature Laboratory	23,500
Karen Coller	Madison Guaranteed Income Pilot Program Advisory Task Force	Centro Hispano of Dane County	262,898
Justice Castaneda	Housing Strategy Committee	Common Wealth Development	569,495
Sylvia Ramirez	Early Childhood Care and Education Committee / TIF Review Board	Madison Area Technical College	87,262
Christopher Brockel	Madison Food Policy Council	Madison Northside Planning Council, Inc.	70,807
Jasmine Banks	Affirmative Action Commission / Zoo Commission - Henry Vilas / MLK Humanitarian Award Committee	Operation Fresh Start	344,132
Emily Gruenewald	Madison's Central Business Improvement District Board	Overture Center	2,106,250
Isadore Knox	Common Council / Alcohol License Review Committee / Public Safety Review Committee / Community Development Authority / Committee on Aging / City-County Liason Committee	Overture Center	
Noah Bloedorn	Madison Food Policy Council	REAP Food Group	16,800
Sam Dunaiki	Sustainable Madison Committee	RENEW Wisconsin	170,750
Hedi Rudd	Madison Food Policy Council	Rooted, Inc.	189,304
Nicholas Leete	Madison Food Policy Council	Rooted, Inc.	
Nicholas Zavos	Capital Area Regional Planning Commission	Self-employed, Lobbyist	45,000
Claire Schaefer	Lake Monona Waterfront Ad Hoc Committee	Sustain Dane	579,495
Samantha Worden	Sustainable Madison Committee	Sustain Dane	
Chrisbelly Antiom	Landlord and Tenant Issues Committee	Tenant Resource Center	3,020,243
Corinda Rainey-Moore	Equal Opportunities Commission / MLK Humanitarian Award Committee	UnityPoint Health Meriter	20,749
Paul Aylesworth	Madison Development Corporation Board of Directors	University of Wisconsin - Madison	1,002,408

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE V - OTHER INFORMATION (CONT.)

E. RELATED PARTIES (CONT.)

Related Parties - Primary Government (cont.)

Name	Committee	Affiliated Organization	Amount
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 / Public Market Development Committee	University of Wisconsin - Madison	
Davy Mayer	Downtown Coordinating Committee	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	
Aaron Williams	Board of Public Works / Joint Campus Area Committee / Lake Monona Waterfront Ad Hoc Committee	University of Wisconsin - Madison	
Edward Lee	Madison Development Corporation Board of Directors	Urban League of Greater Madison	630,273
Juliana Bennett	Common Council	Wisconsin Housing and Economic Development Authority	20,428
Layla Moosavi	Early Childhood Care and Education Committee	Wisconsin Youth Company	392,576
Anna Berry	Early Childhood Care and Education Committee	Woodland Montessori School	30,497
Jael Currie	Common Council / Community Services Committee / Disability Rights Commission / Finance Committee / Jeffrey Clay Erlanger Civility in Public Service Award Committee	YWCA Madison	<u>699,070</u>
Total			<u><u>\$10,305,050</u></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, 2023

NOTE 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, 2023

NOTE 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 \$10,445,877 to the PHMDC for 2023. 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, 2023 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, 2023 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 2023 were \$3,647,573. \$0 in loans were disbursed during 2023.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2023

NOTE V - OTHER INFORMATION (CONT.)

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

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

- > Statement No. 100, *Accounting Changes and Error Corrections*
- > Statement No. 101, *Compensated Absences*
- > Statement No. 102, *Certain Risk Disclosures*
- > Statement No. 103, *Financial Reporting Model Improvements*

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

K. SUBSEQUENT EVENTS

Subsequent to year-end and prior to the issuance of the ACFR, the City issued approximately \$28.6 million in general obligation bonds, with a true interest cost of 3.23% to finance the State Street Campus Garage. In addition, the Madison Water Utility issued approximately \$3.4 million of debt related to the Safe Drinking Water Loan Program to payoff the 2019 BANS, with the remaining \$11.9 million being paid from Water Utility reserves.

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, 2023

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
REVENUES				
Taxes	\$ 271,328,124	\$ 271,328,124	\$271,331,650	\$ 3,526
Intergovernmental	42,230,406	42,230,406	42,734,108	503,702
Licenses and permits	8,664,120	8,664,120	8,662,256	(1,864)
Fines and forfeitures	5,650,000	5,650,000	5,312,500	(337,500)
Charges for services	17,286,455	17,285,482	17,031,062	(254,420)
Investment income	4,000,000	4,000,000	24,414,521	20,414,521
Miscellaneous	10,000,000	10,000,000	8,899,291	(1,100,709)
Total Revenues	<u>\$ 359,159,105</u>	<u>\$ 359,158,132</u>	<u>\$378,385,388</u>	<u>\$ 19,227,256</u>
EXPENDITURES				
Current				
General Government				
Common council	1,196,630	1,196,630	951,033	245,597
Mayor	1,259,000	1,350,000	1,332,319	17,681
Municipal court	261,925	391,805	325,118	66,687
Attorney	3,209,248	3,341,403	3,330,628	10,775
Assessor	3,079,068	3,141,568	3,138,293	3,275
Clerk	2,279,694	2,279,694	2,310,157	(30,463)
Finance	4,645,474	4,692,041	4,378,155	313,886
Information technology	9,569,372	9,569,371	9,124,506	444,865
Human resources	2,081,159	2,241,888	1,851,121	390,767
EAP	479,114	559,114	503,990	55,124
Department of Civil Rights	2,399,743	2,399,743	2,283,062	116,681
Total General Government	<u>\$ 30,460,427</u>	<u>\$ 31,163,257</u>	<u>\$ 29,528,382</u>	<u>\$ 1,634,875</u>
Public Safety				
Fire	68,098,376	69,089,906	68,649,655	440,251
Police	86,917,109	87,438,724	86,403,471	1,035,253
Office of Independent Monitor	473,168	473,168	203,700	269,468
Public health	9,656,299	9,656,299	9,657,444	(1,145)
Total Public Safety	<u>\$ 165,144,952</u>	<u>\$ 166,658,097</u>	<u>\$164,914,270</u>	<u>\$ 1,743,827</u>
Public Works and Transportation				
Engineering	5,066,402	5,186,586	5,412,676	(226,090)
Streets	26,734,525	27,379,176	27,314,603	64,573
Transit utility	2,009,664	2,009,664	2,513,890	(504,226)
Transportation	568,319	568,319	380,603	187,716
Traffic engineering	8,671,577	8,671,577	8,312,054	359,523
Total Public Works and Transportation	<u>\$ 43,050,487</u>	<u>\$ 43,815,322</u>	<u>\$ 43,933,826</u>	<u>\$ (118,504)</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, 2023

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
EXPENDITURES (cont.)				
Planning and Development				
Office of the director of planning	\$ 620,345	\$ 624,967	\$ 486,913	\$ 138,054
Planning	3,562,035	3,626,900	3,518,870	108,030
Building inspection	5,116,291	5,116,291	4,948,034	168,257
Community development	18,850,949	18,854,949	14,363,309	4,491,640
Economic development	2,324,802	2,324,802	2,058,223	266,579
Total Planning and Development	<u>\$ 30,474,422</u>	<u>\$ 30,547,909</u>	<u>\$ 25,375,349</u>	<u>\$ 5,172,560</u>
Culture and Recreation				
Parks	16,007,257	15,787,345	15,719,822	67,523
Total Culture and Recreation	<u>\$ 16,007,257</u>	<u>\$ 15,787,345</u>	<u>\$ 15,719,822</u>	<u>\$ 67,523</u>
Miscellaneous	15,834,348	13,386,805	5,562,701	7,824,104
Total Miscellaneous	<u>\$ 15,834,348</u>	<u>\$ 13,386,805</u>	<u>\$ 5,562,701</u>	<u>\$ 7,824,104</u>
Debt Service	61,587,222	61,587,222	62,129,436	(542,214)
Total Expenditures	<u>\$ 362,559,115</u>	<u>\$ 362,945,957</u>	<u>\$ 347,163,786</u>	<u>\$ 15,782,171</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (3,400,010)</u>	<u>\$ (3,787,825)</u>	<u>\$ 31,221,602</u>	<u>\$ 35,009,427</u>
Net Change in Fund Balance	<u>\$ (3,400,010)</u>	<u>\$ (3,787,825)</u>	<u>\$ 31,221,602</u>	<u>\$ 35,009,427</u>
FUND BALANCES, Beginning of Year	89,457,329	89,457,329	89,457,329	-
FUND BALANCES, END OF YEAR	<u><u>\$ 86,057,319</u></u>	<u><u>\$ 85,669,504</u></u>	<u><u>\$ 120,678,931</u></u>	<u><u>\$ 35,009,427</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, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 19,770,825	\$ 19,770,825	\$ 19,770,825	\$ -
Intergovernmental	1,331,460	1,328,260	1,353,253	24,993
Public charges for services	773,939	771,609	825,411	53,802
Miscellaneous	349,630	651,988	617,484	(34,504)
Total Revenues	<u>\$ 22,225,854</u>	<u>\$ 22,522,682</u>	<u>\$ 22,566,973</u>	<u>\$ 44,291</u>
EXPENDITURES				
Current				
Culture and recreation	19,587,574	20,835,522	20,044,999	790,523
Debt service				
Principal payments on leases and subscriptions	-	-	193,476	(193,476)
Interest payments on leases and subscriptions	-	-	13,969	(13,969)
Total Expenditures	<u>\$ 19,587,574</u>	<u>\$ 20,835,522</u>	<u>\$ 20,252,444</u>	<u>\$ 583,078</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 2,638,280</u>	<u>\$ 1,687,160</u>	<u>\$ 2,314,529</u>	<u>\$ 627,369</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	29,034	213,528	260,698	47,170
Transfers out	(2,667,314)	(2,667,314)	(2,667,314)	-
Total Other Financing Sources (Uses)	<u>\$ (2,638,280)</u>	<u>\$ (2,453,786)</u>	<u>\$ (2,406,616)</u>	<u>\$ 47,170</u>
Net Change in Fund Balance	\$ -	\$ (766,626)	\$ (92,087)	\$ 674,539
FUND BALANCES - Beginning of Year	<u>2,882,844</u>	<u>2,882,844</u>	<u>2,882,844</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 2,882,844</u></u>	<u><u>\$ 2,116,218</u></u>	<u><u>\$ 2,790,757</u></u>	<u><u>\$ 674,539</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, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 35,043,630	\$ 43,738,403	\$ 42,088,113	\$ (1,650,290)
Investment income	1,100	4,100	34,949	30,849
Miscellaneous	20,000	584,800	1,335,901	751,101
Total Revenues	<u>\$ 35,064,730</u>	<u>\$ 44,327,303</u>	<u>\$ 43,458,963</u>	<u>\$ (868,340)</u>
EXPENDITURES				
Current				
General government	28,760	563,684	58,609	505,075
Public safety	2,909,578	3,102,900	4,181,463	(1,078,563)
Public works and transportation	-	-	11,350	(11,350)
Planning and development	32,563,662	41,181,476	7,708,440	33,473,036
Debt service				
Principal payments on leases and subscriptions	-	-	123,395	(123,395)
Interest payments on leases and subscriptions	-	-	14,266	(14,266)
Total Expenditures	<u>\$ 35,502,000</u>	<u>\$ 44,848,060</u>	<u>\$ 12,097,523</u>	<u>\$ 32,750,537</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (437,270)</u>	<u>\$ (520,757)</u>	<u>\$ 31,361,440</u>	<u>\$ 31,882,197</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	459,584	460,619	352,786	(107,833)
Transfers out	(2,323,534)	(2,383,028)	(34,554,018)	(32,170,990)
Total Other Financing Sources (Uses)	<u>\$ (1,863,950)</u>	<u>\$ (1,922,409)</u>	<u>\$ (34,201,232)</u>	<u>\$ (32,278,823)</u>
Net Change in Fund Balance	<u>\$ (2,301,220)</u>	<u>\$ (2,443,166)</u>	<u>\$ (2,839,792)</u>	<u>\$ (396,626)</u>
FUND BALANCES (DEFICIT) - Beginning of Year	<u>(263,216)</u>	<u>(263,216)</u>	<u>(263,216)</u>	<u>-</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u><u>\$ (2,564,436)</u></u>	<u><u>\$ (2,706,382)</u></u>	<u><u>\$ (3,103,008)</u></u>	<u><u>\$ (396,626)</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, 2023

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
12/31/23	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, 2023

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
12/31/23	\$ 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

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

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, 2023

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
12/31/23	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, 2023

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
12/31/23	\$ 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

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

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 December 31, 2023

	2023		2022		2021	
	City	CDA	City	CDA	City	CDA
Total OPEB Liability						
Service Cost	\$ 4,839,362	\$ 45,727	\$ 6,395,625	\$ 59,411	\$ 6,453,630	\$ 51,490
Interest	3,108,924	29,376	2,003,055	18,607	1,848,237	14,746
Changes of benefit terms	-	-	317,279	2,947	-	-
Differences between expected and actual experience	3,632,350	34,320	(9,767,097)	(90,730)	(1,923,599)	(15,347)
Changes of assumptions	5,006,447	58,317	(10,807,645)	10,481	(912,876)	10,032
Benefit payments	(3,461,128)	(32,704)	(3,706,269)	(34,429)	(3,239,437)	(25,846)
Net change in Total OPEB Liability	\$ 13,125,955	\$ 135,036	\$ (15,565,052)	\$ (33,713)	\$ 2,225,955	\$ 35,075
Total OPEB Liability - Beginning	69,016,664	641,123	84,581,716	674,836	82,355,761	639,761
Total OPEB Liability - Ending	\$ 82,142,619	\$ 776,159	\$ 69,016,664	\$ 641,123	\$ 84,581,716	\$ 674,836
 Covered-employee payroll	 \$ 249,071,616	 \$ 3,366,033	 \$ 230,851,540	 \$ 3,177,871	 \$ 223,111,361	 \$ 3,119,143
 Total OPEB Liability as a percentage of covered-employee payroll	 32.98 %	 23.06 %	 29.90 %	 20.17 %	 37.91 %	 21.64 %
	2020		2019		2018	
	City	CDA	City	CDA	City	CDA
Total OPEB Liability						
Service Cost	\$ 4,899,074	\$ 38,057	\$ 4,291,031	\$ 33,038	\$ 4,672,941	\$ 40,885
Interest	2,427,734	18,859	2,792,310	24,250	2,516,975	22,021
Changes of benefit terms	(77,170)	-	-	-	-	-
Differences between expected and actual experience	(3,920,592)	(30,456)	(2,300,267)	(19,977)	(5,179,468)	(45,317)
Changes of assumptions	11,299,076	21,883	4,468,248	38,805	(1,341,239)	(11,735)
Benefit payments	(3,529,397)	(27,417)	(3,252,602)	(28,247)	(2,854,098)	(24,971)
Net change in Total OPEB Liability	\$ 11,098,725	\$ 20,926	\$ 5,998,720	\$ 47,869	\$ (2,184,889)	\$ (19,117)
Total OPEB Liability - Beginning	71,257,036	618,835	65,258,316	570,966	67,443,205	590,083
Total OPEB Liability - Ending	\$ 82,355,761	\$ 639,761	\$ 71,257,036	\$ 618,835	\$ 65,258,316	\$ 570,966
 Covered-employee payroll	 \$ 224,020,519	 \$ 2,950,806	 \$ 205,413,778	 \$ 2,489,055	 \$ 194,757,906	 \$ 2,750,141
 Total OPEB Liability as a percentage of covered-employee payroll	 36.76 %	 21.68 %	 34.69 %	 24.86 %	 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 December 31, 2023

Notes to Schedule:

Benefit changes. No significant changes to benefit terms.

Changes of assumptions:

Discount Rate - The discount rate has been updated from 4.31% to 4.00% in the December 31, 2023 roll-forward. 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 8.0% decreasing by 0.50% annually to an ultimate rate of 4.50% for the December 31, 2023 valuation.

Mortality. Mortality tables have been updated from SOA RPH-2018 Total Dataset Mortality Table fully generational using Scale MP-2018 to:

- a. General and Teamsters Retirees: SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2022
- b. Police and Fire Retirees: SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2022
- c. Surviving Spouses: SOA Pub-2010 Contingent Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2022

Valuation Date:

January 1, 2023

Liabilities as of December 31, 2023 are based on an actuarial valuation date of January 1, 2023 projected to December 31, 2023 on a rolled forward basis with adjustments for actual premium and discount rate changes from 2023 to 2024.

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	2.50 percent
Healthcare cost trend rates	8.0 percent initial, decreasing 0.5 percent every year
Salary increases	3.40-7.80 percent average, including inflation
Investment rate of return	Not applicable
Retirement age	Based upon rates from the December 31, 2022 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-2022

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.

CITY OF MADISON

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended December 31, 2023

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	\$ 356,066,568
Sale of capital assets	<u>38,393</u>
Total Revenues - GAAP Basis	356,104,961
Add: Transfers In	23,665,472
Less: Transfers Out	<u>(1,385,045)</u>
Total Revenues - Budgetary Basis	<u>\$ 378,385,388</u>
Total Expenditures - GAAP Basis	\$ 279,183,744
Add: Transfers Out	69,365,087
Less: Transfers In	<u>(1,385,045)</u>
Total Expenditures - Budgetary Basis	<u>\$ 347,163,786</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 \$252,546. Budgets are adopted at the agency level of expenditure.

CITY OF MADISON

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended December 31, 2023

WISCONSIN RETIREMENT SYSTEM

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

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

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

Changes in assumptions. 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, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment income	\$ 1,100,000	\$ 1,100,000	\$ 511,630	\$ (588,370)
Total Revenues	<u>\$ 1,100,000</u>	<u>\$ 1,100,000</u>	<u>\$ 511,630</u>	<u>\$ (588,370)</u>
EXPENDITURES				
Debt service				
Principal retirement	89,920,000	89,920,000	69,849,320	20,070,680
Interest and fiscal charges	<u>18,070,113</u>	<u>18,070,113</u>	<u>13,469,841</u>	<u>4,600,272</u>
Total Expenditures	<u>\$ 107,990,113</u>	<u>\$ 107,990,113</u>	<u>\$ 83,319,161</u>	<u>\$ 24,670,952</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$(106,890,113)</u>	<u>\$ 106,890,113</u>	<u>\$ (82,807,531)</u>	<u>\$ 24,082,582</u>
OTHER FINANCING SOURCES (USES)				
General obligation debt issued	-	-	208,591	208,591
Premium on debt issued	-	-	8,154,248	8,154,248
Transfers in	<u>100,624,360</u>	<u>100,624,360</u>	<u>74,357,962</u>	<u>(26,266,398)</u>
Total Other Financing Sources	<u>\$ 100,624,360</u>	<u>\$ 100,624,360</u>	<u>\$ 82,720,801</u>	<u>\$ (17,903,559)</u>
Net Change in Fund Balance	\$ (6,265,753)	\$ (6,265,753)	\$ (86,730)	\$ 6,179,023
FUND BALANCES - Beginning of Year	<u>21,692,020</u>	<u>21,692,020</u>	<u>21,692,020</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 15,426,267</u></u>	<u><u>\$ 15,426,267</u></u>	<u><u>\$ 21,605,290</u></u>	<u><u>\$ 6,179,023</u></u>

CITY OF MADISON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CAPITAL PROJECTS For the Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 38,856,065	\$ 38,856,065	\$ 38,856,037	\$ (28)
Special assessments	5,000,000	5,000,000	3,874,852	(1,125,148)
Intergovernmental	58,490,600	59,922,600	2,459,320	(57,463,280)
Intergovernmental charges for services	410,000	410,000	5,451,415	5,041,415
Public charges for services	1,640,492	1,640,492	767,296	(873,196)
Investment income	800,000	800,000	5,486,046	4,686,046
Miscellaneous	6,620,500	6,728,961	1,615,033	(5,113,928)
Total Revenues	<u>\$ 111,817,657</u>	<u>\$113,358,118</u>	<u>\$ 58,509,999</u>	<u>\$ (54,848,119)</u>
EXPENDITURES				
Current				
General government	2,985,500	2,985,500	5,506,971	(2,521,471)
Public safety	715,535	715,535	585,555	129,980
Public works and transportation	42,275,080	42,275,080	15,897,172	26,377,908
Planning and development	24,149,896	24,149,896	14,416,023	9,733,873
Culture and recreation	975,000	975,000	1,551,215	(576,215)
Capital Outlay	219,533,589	253,793,121	105,880,566	147,912,555
Debt service				
Principal payments on leases and subscriptions	-	-	112,746	(112,746)
Interest payments on leases and subscriptions	-	-	14,558	(14,558)
Total Expenditures	<u>\$ 290,634,600</u>	<u>\$324,894,132</u>	<u>\$143,964,806</u>	<u>\$ 180,929,326</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$(178,816,943)</u>	<u>\$211,536,014)</u>	<u>\$ (85,454,807)</u>	<u>\$ 126,081,207</u>
OTHER FINANCING SOURCES (USES)				
General obligation debt issued	163,739,779	182,693,850	91,931,686	(90,762,164)
Sale of capital assets	-	-	847,347	847,347
Transfers in	17,602,500	18,552,500	38,815,233	20,262,733
Transfers out	(21,285,181)	(21,285,181)	(23,429,814)	(2,144,633)
Total Other Financing Sources	<u>\$ 160,057,098</u>	<u>\$179,961,169</u>	<u>\$108,164,452</u>	<u>\$ (71,796,717)</u>
Net Change in Fund Balance	<u>\$ (18,759,845)</u>	<u>\$ (31,574,845)</u>	<u>\$ 22,709,645</u>	<u>\$ 54,284,490</u>
FUND BALANCES - Beginning of Year	<u>148,151,878</u>	<u>148,151,878</u>	<u>148,151,878</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 129,392,033</u></u>	<u><u>\$116,577,033</u></u>	<u><u>\$170,861,523</u></u>	<u><u>\$ 54,284,490</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, 2023

	Special Revenue			Total Nonmajor Special Revenue Funds
	Community Development Block Grant	Revolving Loans	Other Restricted Funds	
ASSETS				
Cash and investments	\$ 1,498,288	\$ 1,386,829	\$ 9,450,228	\$ 12,335,345
Receivables				
Taxes	-	-	4,923,816	4,923,816
Accounts	-	-	808,276	808,276
Accrued revenue	-	-	4,086,748	4,086,748
Accrued interest	-	-	326	326
Long-term loans	21,809,233	5,737,537	230,004	27,776,774
Due from other funds	-	-	201,021	201,021
Due from other governmental units	6,937,677	-	1,000,256	7,937,933
Prepaid items	9,449	9,721	94,543	113,713
Restricted cash and investments	854,426	-	28,054,883	28,909,309
TOTAL ASSETS	\$ 31,109,073	\$ 7,134,087	\$ 48,850,101	\$ 87,093,261
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 496,788	\$ 3,545	\$ 138,663	\$ 638,996
Accrued liabilities	48,560	3,172	334,616	386,348
Due to other governmental units	218,236	-	-	218,236
Advances from other funds	-	457,211	-	457,211
Unearned revenues	854,426	-	-	854,426
Total Liabilities	\$ 1,618,010	\$ 463,928	\$ 473,279	\$ 2,555,217
Deferred Inflows of Resources				
Unavailable revenues	6,749,102	-	5,319,522	12,068,624
Total Deferred Inflows of Resources	\$ 6,749,102	\$ -	\$ 5,319,522	\$ 12,068,624
Fund Balances				
Nonspendable	9,449	9,721	94,543	113,713
Restricted	22,732,512	6,660,438	39,967,313	69,360,263
Committed	-	-	3,640,949	3,640,949
Unassigned (deficit)	-	-	(645,505)	(645,505)
Total Fund Balances	\$ 22,741,961	\$ 6,670,159	\$ 43,057,300	\$ 72,469,420
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 31,109,073	\$ 7,134,087	\$ 48,850,101	\$ 87,093,261

Permanent Funds	Total Nonmajor Governmental Funds
\$ 5,033,338	\$ 17,368,683
-	4,923,816
-	808,276
-	4,086,748
15,649	15,975
-	27,776,774
-	201,021
-	7,937,933
-	113,713
-	28,909,309
<u>\$ 5,048,987</u>	<u>\$ 92,142,248</u>

\$ 1,150	\$ 640,146
-	386,348
-	218,236
-	457,211
-	854,426
<u>\$ 1,150</u>	<u>\$ 2,556,367</u>

11,191	12,079,815
<u>\$ 11,191</u>	<u>\$ 12,079,815</u>

694,478	808,191
4,342,168	73,702,431
-	3,640,949
-	(645,505)
<u>\$ 5,036,646</u>	<u>\$ 77,506,066</u>

<u>\$ 5,048,987</u>	<u>\$ 92,142,248</u>
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CITY OF MADISON

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE NONMAJOR GOVERNMENTAL FUNDS For the Year Ended December 31, 2023

	Special Revenue			Total Nonmajor Special Revenue Funds
	Community Development Block Grant	Revolving Loans	Other Restricted Funds	
REVENUES				
Taxes	\$ -	\$ -	\$ 21,145,694	\$ 21,145,694
Intergovernmental	7,648,084	-	1,157,503	8,805,587
Public charges for services	349,103	1,210	17,552,811	17,903,124
Licenses and permits	-	-	398,863	398,863
Investment income	110,821	23,005	1,695,326	1,829,152
Miscellaneous	15,224	4,002	12,031	31,257
Total Revenues	<u>\$ 8,123,232</u>	<u>\$ 28,217</u>	<u>\$ 41,962,228</u>	<u>\$ 50,113,677</u>
EXPENDITURES				
Current				
General government	-	-	8,168,733	8,168,733
Public safety	-	-	123,657	123,657
Public works and transportation	-	-	10,484,573	10,484,573
Planning and development	8,978,241	67,876	7,192,716	16,238,833
Culture and recreation	-	-	181,062	181,062
Debt service				
Lease principal payment	-	-	53,418	53,418
Lease interest payment	-	-	4,098	4,098
Total Expenditures	<u>\$ 8,978,241</u>	<u>\$ 67,876</u>	<u>\$ 26,208,257</u>	<u>\$ 35,254,374</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (855,009)</u>	<u>\$ (39,659)</u>	<u>\$ 15,753,971</u>	<u>\$ 14,859,303</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	18,723	18,723
Transfers in	11,216	-	8,885,198	8,896,414
Transfers out	(13,038)	(210,000)	(17,885,019)	(18,108,057)
Total Other Financing Sources (Uses)	<u>\$ (1,822)</u>	<u>\$ (210,000)</u>	<u>\$ (8,981,098)</u>	<u>\$ (9,192,920)</u>
Net Change in Fund Balances	<u>\$ (856,831)</u>	<u>\$ (249,659)</u>	<u>\$ 6,772,873</u>	<u>\$ 5,666,383</u>
FUND BALANCES - Beginning of Year	<u>23,598,792</u>	<u>6,919,818</u>	<u>36,284,427</u>	<u>66,803,037</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 22,741,961</u></u>	<u><u>\$ 6,670,159</u></u>	<u><u>\$ 43,057,300</u></u>	<u><u>\$ 72,469,420</u></u>

Permanent Funds	Total Nonmajor Governmental Funds
\$ -	\$ 21,145,694
-	8,805,587
101,978	18,005,102
-	398,863
313,260	2,142,412
-	31,257
<u>\$ 415,238</u>	<u>\$ 50,528,915</u>
-	8,168,733
16,968	140,625
-	10,484,573
-	16,238,833
31,848	212,910
-	53,418
-	4,098
<u>\$ 48,816</u>	<u>\$ 35,303,190</u>
<u>\$ 366,422</u>	<u>\$ 15,225,725</u>
-	18,723
-	8,896,414
<u>(213,220)</u>	<u>(18,321,277)</u>
<u>\$ (213,220)</u>	<u>\$ (9,406,140)</u>
\$ 153,202	\$ 5,819,585
<u>4,883,444</u>	<u>71,686,481</u>
<u>\$ 5,036,646</u>	<u>\$ 77,506,066</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, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 6,892,638	\$ 13,936,880	\$ 7,648,084	\$ (6,288,796)
Public charges for services	1,969,839	3,149,839	349,103	(2,800,736)
Investment income	188,380	188,380	110,821	(77,559)
Miscellaneous	-	-	15,224	15,224
Total Revenues	<u>\$ 9,050,857</u>	<u>\$ 17,275,099</u>	<u>\$ 8,123,232</u>	<u>\$ (9,151,867)</u>
EXPENDITURES				
Current				
Planning and development	<u>9,020,451</u>	<u>17,244,693</u>	<u>8,978,241</u>	<u>8,266,452</u>
Total Expenditures	<u>\$ 9,020,451</u>	<u>\$ 17,244,693</u>	<u>\$ 8,978,241</u>	<u>\$ 8,266,452</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 30,406</u>	<u>\$ 30,406</u>	<u>\$ (855,009)</u>	<u>\$ (885,415)</u>
OTHER FINANCING USES				
Transfers in	-	-	11,216	11,216
Transfers out	<u>(30,406)</u>	<u>(30,406)</u>	<u>(13,038)</u>	<u>17,368</u>
Total OTHER FINANCING USES	<u>\$ (30,406)</u>	<u>\$ (30,406)</u>	<u>\$ (1,822)</u>	<u>\$ 28,584</u>
Net Change in Fund Balance	\$ -	\$ -	\$ (856,831)	\$ (856,831)
FUND BALANCES - Beginning of Year	<u>23,598,792</u>	<u>23,598,792</u>	<u>23,598,792</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 23,598,792</u></u>	<u><u>\$ 23,598,792</u></u>	<u><u>\$ 22,741,961</u></u>	<u><u>\$ (856,831)</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, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Public charges for services	\$ -	\$ -	\$ 1,210	\$ 1,210
Investment income	-	-	23,005	23,005
Miscellaneous	-	-	4,002	4,002
Total Revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,217</u>	<u>\$ 28,217</u>
EXPENDITURES				
Current				
Planning and development	<u>1,827,000</u>	<u>1,827,000</u>	<u>67,876</u>	<u>1,759,124</u>
Total Expenditures	<u>\$ 1,827,000</u>	<u>\$ 1,827,000</u>	<u>\$ 67,876</u>	<u>\$ 1,759,124</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,827,000)</u>	<u>(1,827,000)</u>	<u>(39,659)</u>	<u>1,787,341</u>
OTHER FINANCING SOURCES (USES)				
General obligation debt issued	1,015,000	1,015,000	-	(1,015,000)
Transfers out	<u>-</u>	<u>-</u>	<u>(210,000)</u>	<u>(210,000)</u>
Total Other Financing Sources (Uses)	<u>1,015,000</u>	<u>1,015,000</u>	<u>(210,000)</u>	<u>(1,225,000)</u>
Net Change in Fund Balance	\$ (812,000)	\$ (812,000)	\$ (249,659)	\$ 562,341
FUND BALANCES - Beginning of Year	<u>6,919,818</u>	<u>6,919,818</u>	<u>6,919,818</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 6,107,818</u></u>	<u><u>\$ 6,107,818</u></u>	<u><u>\$ 6,670,159</u></u>	<u><u>\$ 562,341</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, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 19,000,000	\$ 19,000,000	\$ 21,145,694	\$ 2,145,694
Intergovernmental	7,167,000	6,240,400	1,157,503	(5,082,897)
Public charges for services	16,090,477	16,109,827	17,552,811	1,442,984
Licenses and permits	356,721	356,721	398,863	42,142
Investment income	100,207	103,207	1,695,326	1,592,119
Miscellaneous	2,200	2,200	12,031	9,831
Total Revenues	<u>\$ 42,716,605</u>	<u>\$ 41,812,355</u>	<u>\$ 41,962,228</u>	<u>\$ 149,873</u>
EXPENDITURES				
Current				
General government	8,629,689	8,654,689	8,168,733	485,956
Public safety	168,500	183,500	123,657	59,843
Public works and transportation	8,967,975	8,987,325	10,484,573	(1,497,248)
Planning and development	10,000,000	10,000,000	7,192,716	2,807,284
Culture and recreation	236,921	239,421	181,062	58,359
Debt service	-	-	57,516	(57,516)
Total Expenditures	<u>\$ 28,003,085</u>	<u>\$ 28,064,935</u>	<u>\$ 26,208,257</u>	<u>\$ 1,856,678</u>
Excess of revenues over expenditures	<u>\$ 14,713,520</u>	<u>\$ 13,747,420</u>	<u>\$ 15,753,971</u>	<u>\$ 2,006,551</u>
OTHER FINANCING SOURCES (USES)				
General obligation debt issued	3,000,000	(43,400)	-	43,400
Sale of capital assets	-	-	18,723	18,723
Transfers in	(2,006,666)	(123,475)	8,885,198	9,008,673
Transfers out	(22,625,483)	(24,509,174)	(17,885,019)	6,624,155
Total Other Financing Sources (Uses)	<u>\$ (21,632,149)</u>	<u>\$ (24,676,049)</u>	<u>\$ (8,981,098)</u>	<u>\$ 15,694,951</u>
Net Change in Fund Balance	<u>\$ (6,918,629)</u>	<u>\$ (10,928,629)</u>	<u>\$ 6,772,873</u>	<u>\$ 17,701,502</u>
FUND BALANCES - Beginning of Year	<u>36,284,427</u>	<u>36,284,427</u>	<u>36,284,427</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 29,365,798</u></u>	<u><u>\$ 25,355,798</u></u>	<u><u>\$ 43,057,300</u></u>	<u><u>\$ 17,701,502</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, 2023

	Parking Utility	Convention Center	Golf Courses	Totals
ASSETS				
Current Assets				
Cash and investments	\$ 20,367,610	\$ 6,046,724	\$ 7,067,561	\$ 33,481,895
Accounts receivable	400,688	234,154	30	634,872
Inventories	-	132,397	-	132,397
Prepaid items	100,611	59,002	5,635	165,248
Leases receivable	429,496	-	-	429,496
Total Current Assets	<u>\$ 21,298,405</u>	<u>\$ 6,472,277</u>	<u>\$ 7,073,226</u>	<u>\$ 34,843,908</u>
Noncurrent Assets				
Capital Assets				
Land	6,329,997	25,254	580,866	6,936,117
Construction work in progress	2,096,073	-	-	2,096,073
Land improvements	691,055	69,033	5,544,155	6,304,243
Buildings	79,536,350	60,406,625	874,697	140,817,672
Machinery and equipment	6,223,632	3,082,566	1,585,199	10,891,397
Intangibles	704,205	23,150	-	727,355
Leased assets	-	323,848	719,619	1,043,467
Accumulated depreciation/amortization	<u>(37,572,632)</u>	<u>(42,424,699)</u>	<u>(7,106,033)</u>	<u>(87,103,364)</u>
Net Capital Assets	<u>\$ 58,008,680</u>	<u>\$ 21,505,777</u>	<u>\$ 2,198,503</u>	<u>\$ 81,712,960</u>
Lease receivable, noncurrent	<u>13,814,926</u>	<u>-</u>	<u>-</u>	<u>13,814,926</u>
Total Assets	<u>\$ 93,122,011</u>	<u>\$ 27,978,054</u>	<u>\$ 9,271,729</u>	<u>\$ 130,371,794</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pension	5,683,242	3,966,669	1,088,002	10,737,913
Other post-employment benefits related amounts	<u>461,610</u>	<u>191,861</u>	<u>47,524</u>	<u>700,995</u>
Total Deferred Outflows of Resources	<u>\$ 6,144,852</u>	<u>\$ 4,158,530</u>	<u>\$ 1,135,526</u>	<u>\$ 11,438,908</u>

CITY OF MADISON

COMBINING STATEMENT OF NET POSITION NONMAJOR ENTERPRISE FUNDS As of December 31, 2023

	Parking Utility	Convention Center	Golf Courses	Totals
LIABILITIES				
Liabilities				
Current Liabilities				
Accounts payable	284,693	662,458	8,807	955,958
Accrued liabilities	574,148	374,857	82,570	1,031,575
Deposits	-	1,162,423	94,908	1,257,331
Current portion of general obligation long-term debt	-	373,560	24,621	398,181
Current portion of leases payable	-	25,397	160,737	186,134
Current portion of advances from other funds	-	59,600	16,989	76,589
Current portion of accrued compensated absences	337,977	238,928	52,090	628,995
Unearned revenue	-	123,361	-	123,361
Total Current Liabilities	<u>\$ 1,196,818</u>	<u>\$ 3,020,584</u>	<u>\$ 440,722</u>	<u>\$ 4,658,124</u>
Noncurrent Liabilities				
General obligation long-term debt	-	2,756,798	73,864	2,830,662
Leases payable	-	249,980	339,207	589,187
Net pension liability	1,560,075	1,051,773	277,452	2,889,300
Accrued compensated absences	1,237,753	875,010	190,765	2,303,528
Other post-employment benefits	2,553,338	1,061,253	262,878	3,877,469
Total Noncurrent Liabilities	<u>\$ 5,351,166</u>	<u>\$ 5,994,814</u>	<u>\$ 1,144,166</u>	<u>\$ 12,490,146</u>
Total Liabilities	<u>\$ 6,547,984</u>	<u>\$ 9,015,398</u>	<u>\$ 1,584,888</u>	<u>\$ 17,148,270</u>
DEFERRED INFLOWS OF RESOURCES				
Pension related amounts	3,245,569	2,404,023	604,394	6,253,986
Other post-employment benefits related amounts	669,981	278,466	68,978	1,017,425
Lease-related amounts	13,683,101	-	-	13,683,101
Total Deferred Inflows of Resources	<u>\$ 17,598,651</u>	<u>\$ 2,682,489</u>	<u>\$ 673,372</u>	<u>\$ 20,954,512</u>
NET POSITION				
Net investment in capital assets	58,008,680	18,600,115	1,600,074	78,208,869
Unrestricted	17,111,548	1,838,582	6,548,921	25,499,051
TOTAL NET POSITION	<u><u>\$ 75,120,228</u></u>	<u><u>\$ 20,438,697</u></u>	<u><u>\$ 8,148,995</u></u>	<u><u>\$ 103,707,920</u></u>

CITY OF MADISON

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION NONMAJOR ENTERPRISE FUNDS For the Year Ended December 31, 2023

	Parking Utility	Convention Center	Golf Courses	Totals
OPERATING REVENUES				
Charges for services	\$ 13,410,209	\$ 4,760,265	\$ 5,082,329	\$ 23,252,803
Total Operating Revenues	\$ 13,410,209	\$ 4,760,265	\$ 5,082,329	\$ 23,252,803
OPERATING EXPENSES				
Operation and Maintenance	12,967,276	10,848,330	3,589,734	27,405,340
Depreciation	2,719,353	1,829,378	295,608	4,844,339
Total Operating Expenses	\$ 15,686,629	\$ 12,677,708	\$ 3,885,342	\$ 32,249,679
Operating Income (Loss)	\$ (2,276,420)	\$ (7,917,443)	\$ 1,196,987	\$ (8,996,876)
NONOPERATING REVENUES (EXPENSES)				
Investment income	926,236	7	29,182	955,425
Interest and amortization	-	(68,246)	(21,072)	(89,318)
Gain on sale of assets	33,030	-	5,323,291	5,356,321
Miscellaneous	782,161	93,565	6,933	882,659
Total Nonoperating Revenues	\$ 1,741,427	\$ 25,326	\$ 5,338,334	\$ 7,105,087
Income (Loss) Before Transfers and Capital Contributions	\$ (534,993)	\$ (7,892,117)	\$ 6,535,321	\$ (1,891,789)
TRANSFERS				
Transfers in	110,920	5,849,381	8,169	5,968,470
Transfers out	(1,834,639)	(338,200)	(289,182)	(2,462,021)
Net Transfers	\$ (1,723,719)	\$ 5,511,181	\$ (281,013)	\$ 3,506,449
Income (Loss) Before Contributions	\$ (2,258,712)	\$ (2,380,936)	\$ 6,254,308	\$ 1,614,660
Capital Contributions - Municipal	1,850,581	-	-	1,850,581
Change in Net Position	\$ (408,131)	\$ (2,380,936)	\$ 6,254,308	\$ 3,465,241
NET POSITION - Beginning of Year	75,528,359	22,819,633	1,894,687	100,242,679
NET POSITION - END OF YEAR	\$ 75,120,228	\$ 20,438,697	\$ 8,148,995	\$ 103,707,920

CITY OF MADISON

COMBINING STATEMENT OF CASH FLOWS NONMAJOR ENTERPRISE FUNDS For the Year Ended December 31, 2023

	Parking Utility	Convention Center	Golf Courses	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Received from customers	\$ 13,973,811	\$ 5,271,317	\$ 5,067,157	\$ 24,312,285
Customer deposits received (returned)	-	(100,308)	91,599	(8,709)
Paid to suppliers for goods and services	(3,748,841)	(4,505,272)	(1,622,380)	(9,876,493)
Paid to employees for services	(8,764,004)	(6,094,470)	(1,935,117)	(16,793,591)
Net Cash Flows From Operating Activities	<u>\$ 1,460,966</u>	<u>\$ (5,428,733)</u>	<u>\$ 1,601,259</u>	<u>\$ (2,366,508)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Repayment of advances from other funds	-	(56,503)	(568,111)	(624,614)
Transfers in	110,920	5,849,381	8,169	5,968,470
Transfers out	(1,834,639)	(338,200)	(289,182)	(2,462,021)
Net Cash Flows From Noncapital Financing Activities	<u>\$ (1,723,719)</u>	<u>\$ 5,454,678</u>	<u>\$ (849,124)</u>	<u>\$ 2,881,835</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Debt retired	-	(163,966)	(24,621)	(188,587)
Interest paid	-	(46,875)	(21,072)	(67,947)
Long-term debt issued	-	2,102,707	-	2,102,707
Acquisition and construction of capital assets	(539,785)	(97,052)	-	(636,837)
Proceeds from sale of property	-	-	5,408,887	5,408,887
Net Cash Flows From Capital and Related Financing Activities	<u>\$ (539,785)</u>	<u>\$ 1,794,814</u>	<u>\$ 5,363,194</u>	<u>\$ 6,618,223</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income	926,239	11	29,185	955,435
Net Cash Flows From Investing Activities	<u>\$ 926,239</u>	<u>\$ 11</u>	<u>\$ 29,185</u>	<u>\$ 955,435</u>
Net Change in Cash and Cash Equivalents	\$ 123,701	\$ 1,820,770	\$ 6,144,514	\$ 8,088,985
CASH AND CASH EQUIVALENTS - Beginning of Year	20,243,909	4,225,954	923,047	25,392,910
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 20,367,610</u></u>	<u><u>\$ 6,046,724</u></u>	<u><u>\$ 7,067,561</u></u>	<u><u>\$ 33,481,895</u></u>

	Parking Utility	Convention Center	Golf Courses	Totals
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOW FROM OPERATING ACTIVITIES				
Income (loss) from operations	\$ (2,276,420)	\$ (7,917,443)	\$ 1,196,987	\$ (8,996,876)
Adjustments to reconcile operating income to net cash from operating activities				
Nonoperating income	782,161	93,565	6,933	882,659
Depreciation	2,719,353	1,829,378	295,608	4,844,339
Change in assets, deferred inflows, liabilities, and deferred outflows				
Accounts receivable	(103,026)	483,468	(30)	380,412
Due from other governmental units	32,536	-	-	32,536
Inventories	-	(16,243)	-	(16,243)
Prepaid items	15,125	17,134	4,206	36,465
Accounts payable	(287,856)	28,406	(37,116)	(296,566)
Other current liabilities	45,584	(4,749)	-	40,835
Customer deposits	-	(100,308)	91,599	(8,709)
Accrued compensated absences	8,282	49,171	(5,026)	52,427
Other post-employment benefits, deferrals and liabilities	265,992	161,570	21,731	449,293
Pension related deferrals and liabilities	259,235	(52,682)	26,367	232,920
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 1,460,966</u>	<u>\$ (5,428,733)</u>	<u>\$ 1,601,259</u>	<u>\$ (2,366,508)</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE COMBINED STATEMENT OF NET POSITION				
Cash and investments - statement of net position	<u>\$ 20,367,610</u>	<u>\$ 6,046,724</u>	<u>\$ 7,067,561</u>	<u>\$ 33,481,895</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 20,367,610</u>	<u>\$ 6,046,724</u>	<u>\$ 7,067,561</u>	<u>\$ 33,481,895</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES				
Contributed capital assets additions	\$ 1,850,581	\$ -	\$ -	\$ 1,850,581

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, 2023

	Fleet Services	City Insurance	Worker's Compensation	Totals
ASSETS				
Current Assets				
Cash and investments	\$ 6,371,948	\$ 1,393,196	\$ 15,016,216	\$ 22,781,360
Accounts receivable	79,736	251,265	-	331,001
Inventories	1,124,678	-	-	1,124,678
Prepaid items	3,714,090	118,276	1,577	3,833,943
Total Current Assets	\$ 11,290,452	\$ 1,762,737	\$ 15,017,793	\$ 28,070,982
Noncurrent Assets				
Restricted assets				
Cash and investments	-	582,489	732,564	1,315,053
Investment in mutual insurance company	-	3,815,820	-	3,815,820
Total Restricted assets	\$ -	\$ 4,398,309	\$ 732,564	\$ 5,130,873
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	103,849,777	-	-	103,849,777
Intangibles	119,525	-	-	119,525
Accumulated depreciation/amortization	(77,472,583)	-	-	(77,472,583)
Net Capital Assets	\$ 64,661,782	\$ -	\$ -	\$ 64,661,782
Total Noncurrent Assets	\$ 64,661,782	\$ 4,398,309	\$ 732,564	\$ 69,792,655
Total Assets	\$ 75,952,234	\$ 6,161,046	\$ 15,750,357	\$ 97,863,637
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pension	2,805,641	200,684	90,972	3,097,297
Other post-employment benefits related amounts	223,970	10,862	558	235,390
Total Deferred Outflows of Resources	\$ 3,029,611	\$ 211,546	\$ 91,530	\$ 3,332,687
LIABILITIES				
Current Liabilities				
Accounts payable	234,518	1,062	185,798	421,378
Accrued liabilities	774,038	26,808	10,871	811,717
Claims payable	-	3,719,370	8,505,866	12,225,236
Current portion of general obligation long-term debt	9,464,458	-	-	9,464,458
Current portion of accrued compensated absences	180,529	20,120	7,048	207,697
Total Current Liabilities	\$ 10,653,543	\$ 3,767,360	\$ 8,709,583	\$ 23,130,486
Noncurrent Liabilities				
General obligation long-term debt	61,578,139	-	-	61,578,139
Accrued compensated absences	516,102	57,521	20,149	593,772
Net pension liability	731,798	54,863	27,018	813,679
Other post-employment benefits	1,238,863	60,078	3,088	1,302,029
Total Noncurrent Liabilities	\$ 64,064,902	\$ 172,462	\$ 50,255	\$ 64,287,619
Total Liabilities	\$ 74,718,445	\$ 3,939,822	\$ 8,759,838	\$ 87,418,105
DEFERRED INFLOWS OF RESOURCES				
Pension related amounts	1,672,078	122,507	58,112	1,852,697
Other post-employment benefits related amounts	325,071	15,764	810	341,645
Total Deferred Inflows of Resources	\$ 1,997,149	\$ 138,271	\$ 58,922	\$ 2,194,342
NET POSITION				
Net investment in capital assets	(4,692,509)	-	-	(4,692,509)
Unrestricted	6,958,760	2,294,499	7,023,127	16,276,386
TOTAL NET POSITION	\$ 2,266,251	\$ 2,294,499	\$ 7,023,127	\$ 11,583,877

CITY OF MADISON

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION INTERNAL SERVICE FUNDS For the Year Ended December 31, 2023

	Fleet Services	City Insurance	Worker's Compensation	Totals
OPERATING REVENUES:				
Charges for services	\$ 21,229,541	\$ 2,750,000	\$ 3,750,000	\$ 27,729,541
Total Operating Revenues	\$ 21,229,541	\$ 2,750,000	\$ 3,750,000	\$ 27,729,541
OPERATING EXPENSES:				
Operation and Maintenance	12,288,478	3,768,331	2,353,567	18,410,376
Depreciation	8,786,106	-	-	8,786,106
Total Operating Expenses	\$ 21,074,584	\$ 3,768,331	\$ 2,353,567	\$ 27,196,482
Operating Income (Loss)	\$ 154,957	\$ (1,018,331)	\$ 1,396,433	\$ 533,059
NONOPERATING REVENUES (EXPENSES)				
Investment income	4,147	7,924	902	12,973
Interest and amortization	(1,949,732)	-	-	(1,949,732)
Gain on sale of assets	875,635	-	-	875,635
Miscellaneous	71,263	260,003	25,137	356,403
Total Nonoperating Revenues (Expenses)	\$ (998,687)	\$ 267,927	\$ 26,039	\$ (704,721)
Income (Loss) Before Transfers	\$ (843,730)	\$ (750,404)	\$ 1,422,472	\$ (171,662)
TRANSFERS				
Transfers in	135,267	1,502,289	1,145	1,638,701
Transfers out	-	(178,098)	-	(178,098)
Net Transfers	\$ 135,267	\$ 1,324,191	\$ 1,145	\$ 1,460,603
Change in Net Position	\$ (708,463)	\$ 573,787	\$ 1,423,617	\$ 1,288,941
NET POSITION - Beginning of Year	2,974,714	1,720,712	5,599,510	10,294,936
NET POSITION - END OF YEAR	<u>\$ 2,266,251</u>	<u>\$ 2,294,499</u>	<u>\$ 7,023,127</u>	<u>\$ 11,583,877</u>

CITY OF MADISON

COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS For the Year Ended December 31, 2023

	Fleet Services	City Insurance	Worker's Compensation	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Received from customers	\$ 21,333,829	\$ 2,969,163	\$ 3,775,137	\$ 28,078,129
Paid to suppliers for goods and services	(12,095,116)	(2,654,429)	(3,690,366)	(18,439,911)
Paid to employees for services	(3,776,278)	(303,612)	(143,053)	(4,222,943)
Net Cash Flows From Operating Activities	\$ 5,462,435	11,122	(58,282)	\$ 5,415,275
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in	135,267	1,502,289	1,145	1,638,701
Transfers out	-	(178,098)	-	(178,098)
Net Cash Flows From Noncapital Financing Activities	\$ 135,267	1,324,191	1,145	\$ 1,460,603
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Debt retired	(8,706,643)	-	-	(8,706,643)
Interest paid	(2,009,697)	-	-	(2,009,697)
Long-term debt issued	11,464,039	-	-	11,464,039
Acquisition and construction of capital assets	(6,925,420)	-	-	(6,925,420)
Sale of assets	977,884	-	-	977,884
Net Cash Flows From Capital and Related Financing Activities	\$ (5,199,837)	-	-	\$ (5,199,837)
CASH FLOWS FROM INVESTING ACTIVITIES				
Marketable securities (purchased)	-	(422,700)	(251,479)	(674,179)
Investment income	4,147	7,924	902	12,973
Net Cash Flows From Investing Activities	\$ 4,147	(414,776)	(250,577)	\$ (661,206)
Net Change in Cash and Cash Equivalents	\$ 402,012	920,537	(307,714)	\$ 1,014,835
CASH AND CASH EQUIVALENTS - Beginning of Year	5,969,936	472,659	15,323,930	21,766,525
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 6,371,948	\$ 1,393,196	\$ 15,016,216	\$ 22,781,360

	Fleet Services	City Insurance	Worker's Compensation	Totals
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES				
Income (loss) from operations	\$ 154,957	\$ (1,018,331)	\$ 1,396,433	\$ 533,059
Adjustments to reconcile operating income to net cash from operating activities				
Nonoperating income	71,263	260,003	25,137	356,403
Depreciation	8,786,106	-	-	8,786,106
Change in assets, deferred inflows, liabilities, and deferred outflows				
Accounts receivable	14,345	(40,840)	-	(26,495)
Due from other governmental units	18,680	-	-	18,680
Inventories	(45,021)	-	-	(45,021)
Prepaid items	(3,675,812)	(43,663)	85	(3,719,390)
Accounts payable	(28,336)	(1,484)	(57,531)	(87,351)
Accrued liabilities	(11,816)	833,897	(1,426,999)	(604,918)
Accrued compensated absences	(6,525)	3,554	(3,436)	(6,407)
Other post-employment benefits, deferrals and liabilities	(58,106)	2,820	992	(54,294)
Pension related deferrals and liabilities	242,700	15,166	7,037	264,903
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 5,462,435</u>	<u>\$ 11,122</u>	<u>\$ (58,282)</u>	<u>\$ 5,415,275</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE COMBINED STATEMENT OF NET POSITION				
Cash and investments - statement of net position	\$ 6,371,948	\$ 1,393,196	\$ 15,016,216	\$ 22,781,360
Restricted cash and investments - statement of net position	-	582,489	732,564	1,315,053
Less: Noncash equivalents	-	(582,489)	(732,564)	(1,315,053)
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 6,371,948</u>	<u>\$ 1,393,196</u>	<u>\$ 15,016,216</u>	<u>\$ 22,781,360</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, 2023

	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	\$ 399,152	\$ 12,597,873	\$ 1,075,148	\$ 326,549,909	\$ 17,328,023	\$ 357,950,105
Taxes receivable	-	-	-	195,559,949	-	195,559,949
Total Assets	<u>\$ 399,152</u>	<u>\$ 12,597,873</u>	<u>\$ 1,075,148</u>	<u>\$ 522,109,858</u>	<u>\$ 17,328,023</u>	<u>\$ 553,510,054</u>
LIABILITIES						
Due to other governmental units	-	-	-	522,109,858	-	522,109,858
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 522,109,858</u>	<u>\$ -</u>	<u>\$ 522,109,858</u>
NET POSITION						
Restricted	399,152	12,597,873	1,075,148	-	17,328,023	31,400,196
TOTAL NET POSITION	<u><u>\$ 399,152</u></u>	<u><u>\$ 12,597,873</u></u>	<u><u>\$ 1,075,148</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 17,328,023</u></u>	<u><u>\$ 31,400,196</u></u>

CITY OF MADISON

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION CUSTODIAL FUNDS For the Year Ended December 31, 2023

	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	\$ -	\$ 344,115	\$ -	\$ -	\$ -	\$ 344,115
Interest and dividends	-	-	34,564	-	3,883,269	3,917,833
Property taxes collected for other governments	-	-	-	484,961,154	-	484,961,154
Investments	14,553	36,790,273	1,078,155	-	584,017,796	621,900,777
Total Additions	<u>\$ 14,553</u>	<u>\$ 37,134,388</u>	<u>\$ 1,112,719</u>	<u>\$ 484,961,154</u>	<u>\$ 587,901,065</u>	<u>\$ 1,111,123,879</u>
DEDUCTIONS						
Administrative expense	-	32,944,347	935,216	-	-	33,879,563
Property taxes distributed to other governments	-	-	-	484,961,154	-	484,961,154
Distributions	-	-	-	-	592,025,063	592,025,063
Total Deductions	<u>\$ -</u>	<u>\$ 32,944,347</u>	<u>\$ 935,216</u>	<u>\$ 484,961,154</u>	<u>\$ 592,025,063</u>	<u>\$ 1,110,865,780</u>
Change in Fiduciary Net Position	\$ 14,553	\$ 4,190,041	\$ 177,503	\$ -	\$ (4,123,998)	\$ 258,099
NET POSITION - Beginning of Year	<u>384,599</u>	<u>8,407,832</u>	<u>897,645</u>	<u>-</u>	<u>21,452,021</u>	<u>31,142,097</u>
NET POSITION - END OF YEAR	<u><u>\$ 399,152</u></u>	<u><u>\$ 12,597,873</u></u>	<u><u>\$ 1,075,148</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 17,328,023</u></u>	<u><u>\$ 31,400,196</u></u>

CITY OF MADISON

COMBINING STATEMENT OF NET POSITION NONMAJOR COMPONENT UNITS As of December 31, 2023

	Business Improvement District	Madison Parks Foundation	Total Nonmajor Component Units
ASSETS			
Cash and investments	\$ 205,770	\$ 4,560,964	\$ 4,766,734
Receivables			
Accounts	20,850	-	20,850
Special assessments	210,412	-	210,412
Pledge	-	63,124	63,124
Prepaid items	-	4,623	4,623
Beneficial interest in assets held by MCF	-	85,364	85,364
Total Assets	<u>\$ 437,032</u>	<u>\$ 4,714,075</u>	<u>\$ 5,151,107</u>
LIABILITIES			
Accounts payable	\$ 45,957	\$ 260,818	\$ 306,775
Accrued liabilities	-	2,620	2,620
Total Liabilities	<u>\$ 45,957</u>	<u>\$ 263,438</u>	<u>\$ 309,395</u>
DEFERRED INFLOWS OF RESOURCES			
Assessments for subsequent year	<u>303,891</u>	<u>-</u>	<u>303,891</u>
Total Deferred Inflows of Resources	<u>\$ 303,891</u>	<u>\$ -</u>	<u>\$ 303,891</u>
NET POSITION			
Restricted for:			
Parks	-	2,146,624	2,146,624
Unrestricted	<u>87,184</u>	<u>2,304,013</u>	<u>2,391,197</u>
TOTAL NET POSITION	<u><u>\$ 87,184</u></u>	<u><u>\$ 4,450,637</u></u>	<u><u>\$ 4,537,821</u></u>

CITY OF MADISON

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION NONMAJOR COMPONENT UNITS For the Year Ended December 31, 2023

	Business Improvement District	Madison Parks Foundation	Total Nonmajor Component Units
OPERATING REVENUES			
Special assessments	\$ 307,338	\$ -	\$ 307,338
Charges for services	166,121	125,765	291,886
Grants and donations	118,102	1,060,808	1,178,910
Total Operating Revenues	<u>\$ 591,561</u>	<u>\$ 1,186,573</u>	<u>\$ 1,778,134</u>
OPERATING EXPENSES			
Operation and maintenance	575,507	577,468	1,152,975
Total Operating Expenses	<u>\$ 575,507</u>	<u>\$ 577,468</u>	<u>\$ 1,152,975</u>
Operating Income	<u>\$ 16,054</u>	<u>\$ 609,105</u>	<u>\$ 625,159</u>
NONOPERATING REVENUES			
Investment income	8,918	479,019	487,937
Total Nonoperating Revenues	<u>\$ 8,918</u>	<u>\$ 479,019</u>	<u>\$ 487,937</u>
Change in Net Position	\$ 24,972	\$ 1,088,124	\$ 1,113,096
NET POSITION -			
Beginning of Year	<u>62,212</u>	<u>3,362,513</u>	<u>3,424,725</u>
NET POSITION - END OF YEAR	<u>\$ 87,184</u>	<u>\$ 4,450,637</u>	<u>\$ 4,537,821</u>

CITY OF MADISON

STATEMENT OF NET POSITION AND GOVERNMENTAL COMPONENT UNIT BALANCE SHEET BUSINESS IMPROVEMENT DISTRICT As of December 31, 2023

	Business Improvement District	Adjustments	Statement of Net Position
ASSETS			
Cash and investments	\$ 205,770	\$ -	\$ 205,770
Receivables			
Accounts	20,850	-	20,850
Special assessments	<u>210,412</u>	<u>-</u>	<u>210,412</u>
Total Assets	<u>\$ 437,032</u>	<u>\$ -</u>	<u>\$ 437,032</u>
LIABILITIES			
Accounts payable	<u>\$ 45,957</u>	<u>\$ -</u>	<u>\$ 45,957</u>
Total Liabilities	<u>\$ 45,957</u>	<u>\$ -</u>	<u>\$ 45,957</u>
DEFERRED INFLOWS OF RESOURCES			
Assessments for subsequent year	<u>303,891</u>	<u>-</u>	<u>303,891</u>
Total Deferred Inflows of Resources	<u>\$ 303,891</u>	<u>\$ -</u>	<u>\$ 303,891</u>
FUND BALANCE/NET POSITION			
Fund Balance			
Unassigned	<u>87,184</u>	<u>(87,184)</u>	<u>-</u>
Total Fund Balance	<u>\$ 87,184</u>	<u>\$ (87,184)</u>	<u>\$ -</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 437,032</u>		
Net Position			
Unrestricted		<u>87,184</u>	<u>87,184</u>
TOTAL NET POSITION		<u>\$ 87,184</u>	<u>\$ 87,184</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, 2023

	Business Improvement District	Adjustments	Statement of Activities
REVENUES			
Special assessments	\$ 307,338	\$ -	\$ 307,338
Charges for services	166,121	-	166,121
Investment income	8,918	-	8,918
Contributions	118,102	-	118,102
Total Revenues	<u>\$ 600,479</u>	<u>\$ -</u>	<u>\$ 600,479</u>
EXPENDITURES/EXPENSES			
Planning and development	<u>575,507</u>	<u>-</u>	<u>575,507</u>
Total Expenditures/Expenses	<u>\$ 575,507</u>	<u>\$ -</u>	<u>\$ 575,507</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 24,972</u>	<u>\$ (24,972)</u>	<u>\$ -</u>
Change in Net Position	\$ -	\$ (24,972)	\$ 24,972
FUND BALANCE/NET POSITION			
Beginning of Year	<u>62,212</u>	<u>-</u>	<u>62,212</u>
END OF YEAR	<u><u>\$ 87,184</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 87,184</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, 2023

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Special assessments	\$ 310,898	\$ 307,338	\$ (3,560)
Charges for services	156,725	166,121	9,396
Investment income	750	8,918	8,168
Grants and donations	35,000	118,102	83,102
Total Revenues	<u>\$ 503,373</u>	<u>\$ 600,479</u>	<u>\$ 97,106</u>
EXPENDITURES			
Audit fees	2,000	2,000	-
Management fees	271,000	305,149	(34,149)
Miscellaneous	15,000	16,975	(1,975)
Advertising/marketing	15,000	9,097	5,903
Maps	25,000	20,166	4,834
Map distribution	2,500	1,366	1,134
Trolley	1,500	10,767	(9,267)
Planters	5,000	-	5,000
Winter light program	35,000	79,166	(44,166)
Ambassadors	43,200	41,314	1,886
Gift certificates	2,500	3,747	(1,247)
BID website	10,000	3,439	6,561
Parking passes	500	698	(198)
Postage	1,000	1,624	(624)
TOS programming	50,000	39,885	10,115
Night Market	34,500	40,114	(5,614)
Community Relations/Outreach	16,000	-	16,000
Total Expenditures	<u>\$ 529,700</u>	<u>\$ 575,507</u>	<u>\$ (45,807)</u>
Net Change in Fund Balance	\$ (26,327)	\$ 24,972	\$ 51,299
FUND BALANCE - Beginning of Year	<u>62,212</u>	<u>62,212</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 35,885</u></u>	<u><u>\$ 87,184</u></u>	<u><u>\$ 51,299</u></u>

CITY OF MADISON

SEWER REVENUE BOND COVENANT For the Year Ended December 31, 2023

	<u>Sewer</u>
OPERATING REVENUES	
Charges for services	\$ 55,563,059
OPERATING EXPENSES	
Operation and maintenance	41,399,636
Depreciation	<u>3,341,919</u>
Total Operating Expenses	\$ 44,741,555
 Sewer Net Operating Income	 <u>\$ 10,821,504</u>
NONOPERATING REVENUES	
Investment income	1,675,252
OTHER ADJUSTMENTS	
Depreciation	<u>3,341,919</u>
 NET SEWER REVENUES AVAILABLE FOR DEBT SERVICE	 <u><u>\$ 15,838,675</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, 2023

	Capital Projects				Total Capital Projects Funds
	Special Assessments Improvements	TIF Districts	Other Capital Projects	Eliminations	
ASSETS					
Cash and investments	\$ 11,873,384	\$ 90,836,913	\$ 85,990,091	\$ -	\$188,700,388
Receivables					
Taxes	3,457,978	42,248,642	-	-	45,706,620
Accounts	-	1,279,743	279,897	-	1,559,640
Accrued revenue	-	29,785	-	-	29,785
Special assessments	9,297,292	-	-	-	9,297,292
Long-term loans	10,394	-	-	-	10,394
Leases	-	-	3,979,206	-	3,979,206
Due from other governmental units	53,270	-	3,948,368	-	4,001,638
Advances to other funds	457,211	-	2,739,314	(2,739,314)	457,211
Inventories	-	-	2,700,387	-	2,700,387
Prepaid items	-	1,641	227,000	-	228,641
TOTAL ASSETS	\$ 25,149,529	\$134,396,724	\$ 99,864,263	\$ (2,739,314)	\$256,671,202
LIABILITIES					
Accounts payable	\$ 43,042	\$ 189,397	\$ 20,477,400	\$ -	\$ 20,709,839
Accrued liabilities	-	17,593	398,725	-	416,318
Due to other governmental units	84	-	-	-	84
Due to other funds	2,799,261	-	-	-	2,799,261
Advances from other funds	-	2,739,314	-	(2,739,314)	-
Unearned revenues	998,351	-	-	-	998,351
Total Liabilities	\$ 3,840,738	\$ 2,946,304	\$ 20,876,125	\$ (2,739,314)	\$ 24,923,853
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues	10,162,183	1,279,743	3,355,128	-	14,797,054
Lease-related amounts	-	-	3,840,130	-	3,840,130
Property taxes for subsequent year	-	42,248,642	-	-	42,248,642
Total Deferred Inflows of Resources	\$ 10,162,183	\$ 43,528,385	\$ 7,195,258	\$ -	\$ 60,885,826
FUND BALANCES					
Nonspendable	-	1,641	2,927,387	-	2,929,028
Restricted	-	90,663,570	48,665,739	-	139,329,309
Assigned	11,146,608	(2,743,176)	20,199,754	-	28,603,186
Total Fund Balances	\$ 11,146,608	\$ 87,922,035	\$ 71,792,880	\$ -	\$170,861,523
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 25,149,529	\$134,396,724	\$ 99,864,263	\$ (2,739,314)	\$256,671,202

CITY OF MADISON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - CAPITAL PROJECTS

For the Year Ended December 31, 2023

	Capital Projects				Total Capital Project Funds
	Special Assessments Improvements	TIF Districts	Other Capital Projects	Eliminations	
REVENUES					
Taxes	\$ -	\$ 38,856,037	\$ -	\$ -	\$ 38,856,037
Special assessments	3,874,852	-	-	-	3,874,852
Intergovernmental	-	1,668,800	790,520	-	2,459,320
Intergovernmental charges for services	-	-	5,451,415	-	5,451,415
Public charges for services	-	34,600	732,696	-	767,296
Investment income	664,564	3,033,425	1,788,057	-	5,486,046
Miscellaneous	-	1,266,979	348,054	-	1,615,033
Total Revenues	\$ 4,539,416	\$ 44,859,841	\$ 9,110,742	\$ -	\$ 58,509,999
EXPENDITURES					
Current					
General government	-	-	5,506,971	-	5,506,971
Public safety	-	-	585,555	-	585,555
Public works and transportation	-	-	15,897,172	-	15,897,172
Planning and development	70,327	12,349,245	1,996,451	-	14,416,023
Culture and recreation	-	-	1,551,215	-	1,551,215
Capital Outlay	-	14,664,440	91,216,126	-	105,880,566
Debt service					
Principal payments on leases and subscriptions	-	-	112,746	-	112,746
Interest payments on leases and subscriptions	-	-	14,558	-	14,558
Total Expenditures	\$ 70,327	\$ 27,013,685	\$ 116,880,794	\$ -	\$ 143,964,806
Excess (deficiency) of revenues over (under) expenditures	\$ 4,469,089	\$ 17,846,156	\$ (107,770,052)	\$ -	\$ (85,454,807)
OTHER FINANCING SOURCES (USES)					
General obligation debt issued	-	19,522,000	72,409,686	-	91,931,686
Sale of capital assets	-	-	847,347	-	847,347
Transfers in	50,000	-	40,671,129	(1,905,896)	38,815,233
Transfers out	(2,107,812)	(21,511,593)	(1,716,305)	1,905,896	(23,429,814)
Total Other Financing Sources (Uses)	\$ (2,057,812)	\$ (1,989,593)	\$ 112,211,857	\$ -	\$ 108,164,452
Net Change in Fund Balances	\$ 2,411,277	\$ 15,856,563	\$ 4,441,805	\$ -	\$ 22,709,645
FUND BALANCE - Beginning of Year	8,735,331	72,065,472	67,351,075	-	148,151,878
FUND BALANCE - END OF YEAR	\$ 11,146,608	\$ 87,922,035	\$ 71,792,880	\$ -	\$ 170,861,523

STATISTICAL SECTION

CITY OF MADISON

INDEX TO THE STATISTICAL SECTION December 31, 2023

CONTENTS	<u>Page</u>
I. Financial Trends These schedules contain trend information to aid in the understanding of how the City's financial performance and well-being have changed over time.	228
II. Revenue Capacity These schedules offer information about the City's most significant revenue source, its property tax.	237
III. Debt Capacity 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.	241
IV. Demographic and Economic Information These schedules contain demographic and economic indicators about the environment within which the City's financial activities take place.	247
V. Operating Information 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.	249

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			
	2023	2022	2021	2020
Governmental Activities				
Net investment in capital assets	\$ 777,314,328	\$ 730,947,820	\$ 740,301,263	\$ 754,118,252
Restricted	181,753,209	284,926,186	227,446,780	164,047,971
Unrestricted (deficit)	<u>88,256,443</u>	<u>(64,009,118)</u>	<u>(84,650,758)</u>	<u>(78,459,632)</u>
Total Governmental Activities Net Position	<u>\$ 1,047,323,980</u>	<u>\$ 951,864,888</u>	<u>\$ 883,097,285</u>	<u>\$ 839,706,591</u>
Business-type Activities				
Net investment in capital assets	\$ 701,993,378	\$ 653,082,716	\$ 620,926,585	\$ 586,205,054
Restricted	24,916,488	47,516,232	42,511,591	30,844,343
Unrestricted	<u>76,800,886</u>	<u>34,538,697</u>	<u>21,006,005</u>	<u>19,103,962</u>
Total Business-type Activities Net Position	<u>\$ 803,710,752</u>	<u>\$ 735,137,645</u>	<u>\$ 684,444,181</u>	<u>\$ 636,153,359</u>
Primary Government				
Net investment in capital assets	\$ 1,479,307,706	\$ 1,384,030,536	\$ 1,361,227,848	\$ 1,340,323,306
Restricted	206,669,697	332,442,418	269,958,371	194,892,314
Unrestricted (deficit)	<u>165,057,329</u>	<u>(29,470,421)</u>	<u>(63,644,753)</u>	<u>(59,355,670)</u>
Total Primary Government Net Position	<u>\$ 1,851,034,732</u>	<u>\$ 1,687,002,533</u>	<u>\$ 1,567,541,466</u>	<u>\$ 1,475,859,950</u>

Source: City of Madison Finance Department

Fiscal Year					
2019	2018	2017	2016	2015	2014
\$ 745,491,927	\$ 722,844,218	\$ 713,627,552	\$ 696,130,916	\$ 686,732,418	\$ 697,100,797
104,497,274	143,527,401	142,807,418	112,778,836	130,519,817	96,845,672
<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>	<u>(11,365,460)</u>
\$ 809,392,389	\$ 812,803,567	\$ 850,819,503	\$ 849,704,036	\$ 841,450,382	\$ 782,581,009
\$ 594,855,763	\$ 533,375,162	\$ 494,387,567	\$ 459,130,784	\$ 449,895,013	\$ 439,940,358
16,272,554	29,207,255	12,787,770	12,101,837	17,878,796	9,239,578
<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>	<u>58,556,914</u>
\$ 632,896,724	\$ 611,291,221	\$ 568,877,203	\$ 549,953,417	\$ 535,636,618	\$ 507,736,850
\$ 1,340,347,690	\$ 1,256,219,380	\$ 1,208,015,119	\$ 1,155,261,700	\$ 1,136,627,431	\$ 1,137,041,155
120,769,828	172,734,656	155,595,188	124,880,673	148,398,613	106,085,250
<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>47,191,454</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>	<u>\$ 1,290,317,859</u>

Table 2

CITY OF MADISON

CHANGES IN NET POSITION
Last Ten Fiscal Years

	Fiscal Year			
	2023	2022 ⁵	2021	2020
Primary Government				
Expenses				
Governmental activities				
General government	\$ 46,322,620	\$ 40,521,094	\$ 34,545,400	\$ 38,953,333
Administration	-	-	-	-
Public safety	189,219,926	140,858,019	137,071,682	160,688,660
Public works and transportation	107,099,025	93,589,275	94,686,457	88,638,696
Planning and development	69,193,510	93,517,253	75,710,257	34,620,491
Culture and recreation	49,472,952	44,991,217	41,920,554	45,742,613
Interest and fiscal charges	10,893,526	9,921,604	9,802,741	9,759,723
Total governmental activities	<u>\$ 472,201,559</u>	<u>\$ 423,398,462</u>	<u>\$ 393,737,091</u>	<u>\$ 378,403,516</u>
Business-type activities				
Water	35,670,440	31,987,549	30,510,250	31,740,380
Sewer	47,657,901	44,495,272	44,299,588	41,421,083
Stormwater	18,503,224	17,391,257	16,843,807	18,726,791
Parking utility	15,705,703	14,563,115	13,478,024	20,598,205
Transit	75,566,182	61,558,057	58,557,772	61,180,712
Convention center	12,771,874	10,335,881	8,087,693	9,227,892
Golf courses	3,899,561	3,611,869	3,324,184	3,195,406
Total business-type activities	<u>\$ 209,774,885</u>	<u>\$ 183,943,000</u>	<u>\$ 175,101,318</u>	<u>\$ 186,090,469</u>
Total Primary Government Expenses	<u>\$ 681,976,444</u>	<u>\$ 607,341,462</u>	<u>\$ 568,838,409</u>	<u>\$ 564,493,985</u>
Program revenues				
Governmental activities				
Charges for services				
General government	\$ 2,449,801	\$ 3,718,460	\$ 3,163,091	\$ 2,883,298
Public safety	22,506,760	18,903,111	15,801,519	13,036,691
Public works and transportation	25,425,504	22,873,933	15,441,647	15,754,947
Planning and development	8,595,764	11,624,114	11,545,986	9,471,241
Culture and recreation	2,048,387	1,851,072	1,824,192	1,233,071
Operating grants and contributions	42,284,531	94,160,780	55,788,288	29,798,074
Capital grants and contributions	69,768,572	17,156,189	17,109,137	17,230,566
Total governmental activities program revenues	<u>\$ 173,079,319</u>	<u>\$ 170,287,659</u>	<u>\$ 120,673,860</u>	<u>\$ 89,407,888</u>
Business-type activities				
Charges for services				
Water	57,796,417	48,139,943	48,111,893	44,929,870
Sewer	55,563,059	50,964,628	47,618,433	42,739,775
Stormwater	24,029,633	22,506,277	21,611,202	19,597,848
Parking utility	13,410,209	12,315,056	8,710,330	6,848,767
Transit	11,512,535	10,559,127	10,122,406	9,429,535
Convention center	4,760,265	4,186,887	1,519,386	1,193,688
Golf courses	5,082,329	4,271,349	4,193,247	3,613,737
Operating grants and contributions	47,145,642	31,607,163	31,353,819	39,772,472
Capital grants and contributions	29,339,973	18,802,218	20,725,078	13,608,377
Total business-type activities program revenues	<u>\$ 248,640,062</u>	<u>\$ 203,352,648</u>	<u>\$ 193,965,794</u>	<u>\$ 181,734,069</u>
Total Primary Government Program Revenue	<u>\$ 421,719,381</u>	<u>\$ 373,640,307</u>	<u>\$ 314,639,654</u>	<u>\$ 271,141,957</u>
Net (expense)/revenue				
Government activities	\$ (299,122,240)	\$ (253,110,803)	\$ (273,063,231)	\$ (288,995,628)
Business-type activities	<u>38,865,177</u>	<u>19,409,648</u>	<u>18,864,476</u>	<u>(4,356,400)</u>
Total Primary Government	<u>\$ (260,257,063)</u>	<u>\$ (233,701,155)</u>	<u>\$ (254,198,755)</u>	<u>\$ (293,352,028)</u>

Fiscal Year					
2019	2018	2017 ⁴	2016	2015	2014 ³
\$ 41,586,079	\$ 38,195,056	\$ 37,776,791	\$ 38,026,460	\$ 32,364,752 ¹	\$ 2,121,656
-	-	-	-	-	22,848,442
160,822,447	145,499,533	145,485,840	138,832,946	127,693,407	115,721,627
92,141,702	91,619,298	78,568,257	73,049,893	76,018,961	73,923,377
46,925,502	41,665,883	44,592,108	37,986,391	48,069,978	67,065,104
46,900,454	43,669,631	45,818,401	40,912,451	40,131,614 ²	17,345,247
9,458,851	8,581,608	9,021,539	8,673,810	8,521,134	8,527,351
<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>	<u>\$ 307,552,804</u>
33,477,692	32,190,652	31,574,165	27,087,143	26,845,428	25,954,120
42,448,262	38,804,951	36,428,410	34,597,239	32,799,172	30,879,641
16,805,641	14,675,487	13,334,019	12,800,118	13,176,054	12,341,348
12,313,365	10,406,064	10,102,429	9,070,617	9,070,059	9,326,944
64,781,713	61,746,157	64,998,558	64,010,188	61,721,601	61,402,871
11,484,032	11,169,804	10,946,668	10,348,530	9,311,942	10,252,087
3,106,737	3,124,969	3,127,281	3,320,180	2,835,591	2,861,549
<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>\$ 153,018,560</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>	<u>\$ 460,571,364</u>
\$ 3,667,402	\$ 4,166,311	\$ 4,158,506	\$ 1,582,945	\$ 1,327,316 ¹	\$ 3,044,967
15,971,106	14,159,152	15,009,256	15,791,545	15,283,825	13,034,385
17,545,762	17,443,301	11,634,568	10,131,496	3,337,537	12,098,555
5,157,300	3,307,780	10,074,010	10,439,621	10,717,502	3,455,614
6,750,159	6,715,572	6,443,102	5,135,854	3,189,570 ²	592,074
25,742,434	20,186,786	15,800,682	16,115,215	18,037,173	13,328,609
18,751,727	15,202,376	21,289,542	13,861,387	24,293,877	41,419,302
<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>	<u>\$ 86,973,506</u>
43,944,888	35,099,182	34,919,941	35,552,491	29,513,563	29,866,020
40,947,494	37,923,065	36,080,764	34,293,941	32,845,454	33,241,202
17,293,542	16,002,076	15,635,997	15,188,100	14,586,406	14,423,757
16,739,751	15,527,351	16,018,656	14,923,974	13,660,478	13,361,272
15,067,977	16,654,793	18,503,174	18,328,051	18,045,485	18,010,975
5,184,806	5,582,570	5,028,238	5,442,720	4,686,368	4,359,290
2,727,858	2,434,016	2,832,151	3,187,116	3,052,335	2,652,013
28,104,899	29,436,884	29,384,584	27,269,559	27,087,906	26,399,858
11,995,773	17,075,653	16,335,615	14,482,850	13,694,134	18,075,551
<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>\$ 160,389,938</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>	<u>\$ 247,363,444</u>
\$(304,249,145)	\$(288,049,731)	\$(276,853,270)	\$(264,423,888)	\$(256,613,046)	\$(220,579,298)
(2,410,454)	3,617,506	4,227,590	7,434,787	1,412,282	7,371,378
<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>	<u>\$(213,207,920)</u>

Table 2 (Cont.)

CITY OF MADISON

CHANGES IN NET POSITION
Last Ten Fiscal Years

	Fiscal Year			
	2023	2022 ⁵	2021	2020
Governmental Activities:				
Taxes				
Property taxes, levied for general purposes	\$ 254,561,141	\$ 240,440,441	\$ 237,466,156	\$ 231,086,115
Property taxes, levied for the library	19,770,825	19,066,904	18,849,564	19,163,603
Property taxes, levied for TIF districts	38,856,037	36,688,144	32,595,416	25,533,533
Other taxes	22,643,902	20,012,520	13,595,359	7,174,015
Intergovernmental revenues not restricted to specific programs	29,457,329	27,906,006	28,354,484	28,322,440
Investment income	34,115,057	(7,445,530)	(281,153)	5,753,519
Miscellaneous	3,398,723	3,540,185	1,780,443	1,818,362
Gain on sale of assets	1,762,563	4,267,116	3,079,973	595,515
Transfers - Internal	(9,984,245)	(22,597,380)	(18,986,317)	(137,272)
Total governmental activities general revenues	<u>\$ 394,581,332</u>	<u>\$ 321,878,406</u>	<u>\$ 316,453,925</u>	<u>\$ 319,309,830</u>
Business-type Activities:				
Other taxes	7,093,366	6,868,624	6,902,604	6,023,521
Investment income	5,868,980	896,175	289,125	1,079,000
Miscellaneous	1,013,107	1,188,046	330,458	373,242
Gain (loss) on sale of assets	5,748,232	(47,073)	2,917,842	-
Special item - Water utility	-	-	-	-
Transfers - Internal	9,984,245	22,597,380	18,986,317	137,272
Total business-type activities general revenues	<u>\$ 29,707,930</u>	<u>\$ 31,503,152</u>	<u>\$ 29,426,346</u>	<u>\$ 7,613,035</u>
Total Primary Government General Revenues	<u>\$ 424,289,262</u>	<u>\$ 353,381,558</u>	<u>\$ 345,880,271</u>	<u>\$ 326,922,865</u>
Change in Net Position				
Governmental activities	\$ 95,459,092	\$ 68,767,603	\$ 43,390,694	\$ 30,314,202
Business-type activities	<u>68,573,107</u>	<u>50,912,800</u>	<u>48,290,822</u>	<u>3,256,635</u>
Total Primary Government Change in Net Position	<u>\$ 164,032,199</u>	<u>\$ 119,680,403</u>	<u>\$ 91,681,516</u>	<u>\$ 33,570,837</u>

Source: City of Madison Finance Department

- ¹ Beginning in 2015 Administration is included in the general government
- ² Beginning in 2015 Parks is included in culture and recreation
- ³ December 31, 2014, restated net position for GASB 68
- ⁴ December 31, 2017, restated net position for GASB 75
- ⁵ December 31, 2022, restated net position for GASB 87

Fiscal Year					
2019	2018	2017 ⁴	2016	2015	2014 ³
\$ 224,423,270	\$ 213,268,863	\$ 203,006,609	\$ 194,019,578	\$ 188,040,216	\$ 182,858,993
17,703,565	17,779,030	16,915,564	16,288,835	15,453,334	14,513,083
19,241,269	30,545,605	19,043,987	17,893,720	13,759,032	11,939,533
20,311,690	19,280,303	17,027,958	15,957,567	15,261,034	13,606,870
26,647,087	25,393,200	25,915,387	23,943,199	24,058,453	25,723,753
9,322,707	5,854,258	4,473,178	4,810,159	2,804,384	4,914,140
3,000,331	2,783,864	2,057,816	4,051,870	5,193,375	4,605,664
553,157	551,145	1,209,681	1,024,070	1,351,317	3,659,078
<u>(20,365,109)</u>	<u>(45,640,707)</u>	<u>(11,681,443)</u>	<u>(5,311,456)</u>	<u>(11,550,524)</u>	<u>(15,343,326)</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>	<u>\$ 246,477,788</u>
-	-	-	-	-	-
2,736,703	1,817,938	1,870,056	1,123,765	838,752	878,504
553,172	371,411	1,080,123	443,209	498,258	490,977
360,973	7,968	9,825	3,582	(1,080,767)	370,450
-	-	54,749	-	-	-
<u>20,365,109</u>	<u>45,640,707</u>	<u>11,681,443</u>	<u>5,311,456</u>	<u>11,550,524</u>	<u>15,343,326</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>\$ 17,083,257</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>	<u>\$ 263,561,045</u>
\$ (3,411,178)	\$ (18,234,170)	\$ 1,115,467	\$ 8,253,654	\$ (2,242,425)	\$ 25,898,490
<u>21,605,503</u>	<u>51,455,530</u>	<u>18,923,786</u>	<u>14,316,799</u>	<u>13,219,049</u>	<u>24,454,635</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>	<u>\$ 50,353,125</u>

Table 3

CITY OF MADISON

FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Fiscal Years

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund										
Nonspendable	\$ 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	\$ 8,222,830
Restricted	677,680	677,680	763,680	763,680	779,273	822,139	-	-	-	-
Assigned	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	8,877,458
Unassigned	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	39,157,966
Total General Fund	<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>	<u>\$ 56,258,254</u>
All Other Governmental Funds										
Nonspendable	\$ 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	\$ 909,569
Restricted	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	80,105,535
Committed	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	3,103,793
Assigned	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	9,211,062
Unassigned (deficit)	(3,764,378)	(381,369)	-	(2,942,965)	-	(11,323,728)	(15,553,974)	-	-	(1,300,500)
Total All Other Governmental Funds	<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>	<u>\$ 92,029,459</u>
Total Fund Balances	<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>	<u>\$ 148,287,713</u>

Source: City of Madison Finance Department

Table 4

CITY OF MADISON

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Last Ten Fiscal Years

	Fiscal Year			
	2023	2022 ⁴	2021	2020
REVENUES				
Taxes	\$ 335,802,120	\$ 316,178,224	\$ 302,476,710	\$ 282,957,266
Special assessments	3,874,852	4,859,465	3,450,558	3,602,951
Intergovernmental	97,440,381	120,396,593	85,050,941	57,501,002
Licenses and permits	9,061,119	9,557,243	8,669,008	6,777,447
Fines and forfeitures	5,312,500	5,419,349	4,843,905	3,902,015
Intergovernmental charges for services	5,451,415	299,303	2,711,804	7,451,554
Public charges for services	36,628,871	37,621,712	32,320,119	27,763,211
Investment income (loss)	32,589,558	(7,622,530)	1,061,190	5,897,383
Grants and donations	-	-	-	-
Miscellaneous	5,482,232	9,725,746	3,360,896	2,122,070
Total Revenues	<u>\$ 531,643,048</u>	<u>\$ 496,435,105</u>	<u>\$ 443,945,131</u>	<u>\$ 397,974,899</u>
EXPENDITURES				
Current				
General government	42,688,860	40,100,617	35,667,873	36,388,954
Administration	-	-	-	-
Public safety	170,054,935	156,889,232	153,352,890	152,915,661
Public works and transportation	67,530,191	63,438,500	59,818,181	56,052,468
Culture and recreation	38,028,108	36,549,928	35,462,392	35,808,899
Planning and development	63,534,136	90,314,054	80,216,662	32,563,191
Capital Outlay	105,880,566	63,528,119	40,882,641	44,141,333
Debt service				
Principal retirement	69,849,320	73,808,452	86,634,779	80,381,093
Interest and fiscal charges	13,469,841	12,056,176	13,198,761	13,909,701
Principal payments on leases and subscriptions	2,978,158 ⁵	1,409,630 ⁵	-	-
Interest payments on leases and subscriptions	106,753 ⁵	68,805 ⁵	-	-
Total Expenditures	<u>\$ 574,120,868</u>	<u>\$ 538,163,513</u>	<u>\$ 505,234,179</u>	<u>\$ 452,161,300</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (42,477,820)</u>	<u>\$ (41,728,408)</u>	<u>\$ (61,289,048)</u>	<u>\$ (54,186,401)</u>
OTHER FINANCING SOURCES (USES)				
General obligation debt issued	92,140,277	72,241,653	87,524,493	60,452,362
Intergovernmental loans	-	5,422,142	-	-
General obligation refunding debt issued	-	-	-	45,978,388
Premium on debt issued	8,154,248	6,310,064	8,647,860	2,443,803
Capital lease proceeds	-	-	-	-
Sale of capital assets	904,463	2,808,001	1,706,684	79,408
Transfers in	146,348,565	113,603,724	101,618,524	87,818,405
Transfers out	<u>(148,337,510)</u>	<u>(118,008,601)</u>	<u>(109,730,711)</u>	<u>(85,556,966)</u>
Excess of revenues over expenditures	<u>\$ 99,210,043</u>	<u>\$ 82,376,983</u>	<u>\$ 89,766,850</u>	<u>\$ 111,215,400</u>
Net Change in Fund Balances	<u>\$ 56,732,223</u>	<u>\$ 40,648,575</u>	<u>\$ 28,477,802</u>	<u>\$ 57,028,999</u>
Debt services as a percentage of non-capital expenditures	17.3 %	17.7 %	21.3 %	23.0 %

Source: City of Madison Finance Department

¹ 2015 double the number of assessment fund districts finalized than in previous years.² Beginning in 2015 Administration was consolidated to general government.³ Beginning in 2017, smaller donations for the library were reclassified to miscellaneous revenue.⁴ Effective October 30th, 2022, the Town of Madison was dissolved, with the cities of Madison and Fitchburg now providing services.⁵ Effective December 31st, 2022 and 2023, GASB 87 and GASB 96 were implemented respectively.

Fiscal Year					
2019	2018	2017	2016	2015	2014
\$ 281,679,794	\$ 280,873,801	\$ 255,994,118	\$ 244,159,701	\$ 232,513,616	\$ 222,918,478
4,275,595	4,294,695	3,603,220	3,380,545	6,510,649 ¹	3,555,076
53,026,886	46,151,555	47,533,164	44,713,157	48,120,548	42,048,795
7,700,349	8,223,531	8,003,350	9,638,235	6,975,916	5,563,190
6,452,870	6,360,901	6,614,108	7,694,509	7,012,225	6,583,550
8,895,746	4,998,982	-	-	-	-
25,964,230	22,471,566	31,423,696	24,096,115	23,560,642	12,349,216
10,239,976	7,333,935	4,328,764	4,721,172	2,750,270	4,712,405
-	-	- ³	1,094,437	326,485	691,517
9,776,653	2,857,539	3,185,339	2,112,144	5,017,982	11,606,825
<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>	<u>\$ 310,029,052</u>
37,782,876	35,804,545	35,066,148	35,057,714	30,180,556	4,790,434
-	-	-	-	- ²	21,328,316
141,678,912	136,200,771	130,557,767	127,780,666	121,413,860	114,952,846
49,812,437	48,124,008	43,994,136	44,207,213	45,448,660	56,788,138
38,601,471	36,377,166	37,585,445	31,595,640	32,842,736	13,275,660
40,343,000	40,853,027	36,710,172	34,556,301	29,073,026	34,043,194
98,526,072	120,587,477	73,795,990	41,803,806	74,653,601	57,605,100
62,776,875	63,584,609	54,504,739	59,714,249	53,233,284	47,826,378
13,896,552	12,404,803	11,278,441	11,545,249	11,247,273	10,959,890
-	-	-	-	-	-
-	-	-	-	-	-
<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>\$ 361,569,956</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>	<u>\$ (51,540,904)</u>
64,654,330	87,675,220	87,634,104	71,076,662	66,802,278	42,529,234
-	-	-	-	-	-
-	-	-	10,610,598	6,698,966	-
6,325,495	4,759,354	6,602,862	5,069,697	4,865,460	4,757,647
-	3,960,000	-	-	-	-
80,999	812,802	2,582,286	628,630	1,351,317	3,659,078
102,540,800	113,518,626	85,584,748	78,898,569	74,112,020	73,033,560
<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>(85,264,997)</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>\$ 38,714,522</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>	<u>\$ (12,826,382)</u>
19.2 %	19.8 %	18.2 %	20.2 %	18.9 %	19.1 %

Table 5

CITY OF MADISON

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years

(in thousands)

Fiscal Year	Levy Year						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							
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
2014	2013	13,636,868	7,347,451	247,797	6,661	16,225	703,178	21,958,180	551,556	21,406,624	9.50	22,710,892	96.7

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 change in state law exempting certain 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
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
2014	0.69	8.81	9.50	12.16	2.97	0.17	1.89

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	2022			2013		
	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.	\$ 212,001,500	1	0.60 %	\$ -		- %
CG Growth LLC	202,656,000	2	0.58	-		-
American Family Insurance	137,701,700	3	0.39	156,508,400	2	0.74
Madison Malls Ground LLC	110,272,000	4	0.31	-		-
Core Campus Madison LLC	93,975,000	5	0.27	-		-
Core Campus II Madison LLC	80,535,000	6	0.23	-		-
Covance Laboratories, Inc.	78,699,000	7	0.22	116,532,700	6	0.55
777 University Ave LLC	78,101,000	8	0.22	-		-
CMFG Life Insurance Co.	73,247,000	9	0.21	-		-
Wingra Building Group/Dean Medical Center	72,310,000	10	0.21	131,971,700	5	0.62
Madison Joint Venture	-		-	187,295,400	1	0.88
Stephen D Brown Properties	-		-	131,971,700	4	0.62
McCormick/Soderholm Properties	-		-	133,541,600	3	0.63
Gialamas Company	-		-	72,558,600	10	0.34
Terrance R. Wall	-		-	85,872,600	8	0.41
Mullins, Carol	-		-	91,690,100	7	0.43
Urban Land Interest	-		-	75,720,600	9	0.36
Total	<u>\$ 1,139,498,200</u>		<u>3.24 %</u>	<u>\$ 1,183,663,400</u>		<u>5.58 %</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 ¹	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
2023	2022	\$ 273,679,349	\$ 273,471,334	99.92 %	\$ -	\$ 273,471,334	99.92 %
2022	2021	259,044,042	258,775,993	99.90	28,585	258,804,578	99.91
2021	2020	255,933,573	254,746,725	99.54	1,075,938	255,822,663	99.96
2020	2019	250,016,152	249,178,049	99.66	717,785	249,895,834	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
2014	2013	198,441,725	197,888,080	99.72	479,688	198,367,768	99.96

Source: City of Madison Finance Department

Note - All delinquent real estate taxes are purchased 100% by Dane County.

¹ Collections as of January 31, 2023.

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
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
2014	377,337,106	16,527,618	360,809,488	1.59	1,502

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 237.

² Population data can be found in Table 15: Demographic and Economic Statistics, on page 247.

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			
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
2014	342,207,487	-	6,061,585	-	35,129,619	141,968,952	36,790,831	4,020,500	-	566,178,974	4.58	2,358

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 247 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, 2023

Government Unit	Governmental Activities Debt Outstanding	Percentage Applicable to City	Amount Applicable to City ²
Direct			
City of Madison	\$ 570,067,738	100.00 %	\$ 570,067,738
Indirect			
Dane County	681,070,000	43.44	295,856,808
School Districts: ¹			
DeForest	133,478,000	10.30	13,748,234
Madison Metropolitan	183,130,000	90.09	164,981,817
McFarland	54,730,000	10.23	5,598,879
Middleton-Cross Plains	179,070,000	23.31	41,741,217
Monona Grove	74,800,000	0.16	119,680
Sun Prairie Area	307,875,000	14.95	46,027,313
Verona	133,655,000	3.48	4,651,194
Waunakee Community	154,760,000	2.33	3,605,908
Madison Area Technical College	<u>184,585,000</u>	31.57	<u>58,273,485</u>
Total Overlapping	<u>\$ 2,087,153,000</u>		<u>\$ 634,604,535</u>
Total Direct and Overlapping	<u><u>\$ 2,657,220,738</u></u>		<u><u>\$ 1,204,672,273</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					
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Equalized Value ¹	\$ 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	\$ 22,710,892
Debt limit ²	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	1,135,545
Debt Applicable to Limit										
General Obligation Debt	613,356	586,701	562,693	569,848	519,336	484,747	447,740	409,860	381,836	355,769
General Obligation Debt - Joint Venture	1,153	1,410	1,682	2,005	2,055	2,314	905	745	559	676
Total debt applicable to debt limit	<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>	<u>\$ 356,445</u>
Less: Debt Service fund available for payment of principal	<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>	<u>\$ 16,528</u>
Net debt applicable to debt limit	\$ 594,621	\$ 567,987	\$ 545,556	\$ 556,612	\$ 501,699	\$ 469,413	\$ 431,694	\$ 394,947	\$ 367,366	\$ 339,917
Total debt applicable to the limit as a percentage of debt limit	28.8 %	30.5 %	34.3 %	34.6 %	33.7 %	33.9 %	33.5 %	33.4 %	32.3 %	31.4 %

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 AND LANDFILL REMEDIATION
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	
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 ⁶	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 ⁵	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
2014	33,841,450	25,705,916	8,135,534	2,015,000 ⁴	1,215,554	2.52

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 2014 was \$6,680,000 in order to retire \$4,665,000 of 2006 Revenue Bonds.

⁵ Actual principal paid in 2019 was \$8,095,000 in order to retire \$4,605,000 of 2008 Revenue Bonds.

⁶ 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	
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
2014	30,332,733	15,092,223	15,240,510	4,935,000	5,179,428	1.51

Source: City of Madison Finance Department

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
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
2014	240,153	12,403,662	51,649	44,709	3.7	3.8	5.5

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 2022 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	2022			2013		
	Employees ¹	Rank	Percentage of Total Area Employment ²	Employees ³	Rank	Percentage of Total Area Employment
State of Wisconsin	45,280 ^{5,6}	1	10.94 %	16,300	2	4.67 %
University of Wisconsin	25,297 ⁴	2	6.11	21,624	1	6.19
UW Health	15,744 ⁵	3	3.80	-		-
Epic Systems	10,000	4	2.42	6,500	4	1.86
SSM Health Care	7,499 ⁵	5	1.81	-		-
United States Government	5,637	6	1.36	4,990	6	1.43
Madison Metropolitan School District	4,171 ⁵	7	1.01	6,324	5	1.81
Exact Sciences	3,400	8	0.82	-		-
City of Madison	3,183	9	0.77	-		-
UnityPoint Health - Meriter	3,103	10	0.75	-		-
University Hospitals and Clinics	-		-	8,270	3	2.37
Meriter Health Systems	-		-	3,432	7	0.98
Meriter Health Services	-		-	3,432	8	0.98
Dean Health Systems	-		-	3,429	9	0.98
American Family Mutual Insurance Group	-		-	3,380	10	0.97
Total	123,314		29.79 %	77,681		22.24 %

¹ Sources: Madison InBusiness, 2022 Report; Dane County; UW Madison 2022-2023 Data Digest

² Source: Wisconsin Department of Workforce Development for Madison MSA.

³ Source: Telephone survey of individual employers, August 2013, 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 and University 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)			
	2023	2022	2021	2020
Public Safety and Health				
Fire	443	438	417	413
Police	583	606	598	604
Public Health - Madison and Dane County	197	180	157	146
Office of Independent Monitor ⁵	3	3	3	-
General Government				
Common Council	5	5	4	4
Mayor	13	12	12	12
Municipal Court	5	5	5	5
Administration				
Department of Civil Rights	21	21	19	18
Attorney	25	24	24	25
Assessor	26	26	24	24
Clerk	11	10	10	10
Treasurer	-	-	-	-
Finance	-	-	-	-
Information Technology	57	57	54	54
Human Resources	20	18	18	18
Employee Assistance Program ¹	4	4	4	4
Finance/City Treasurer ⁴	51	48	48	48
Public Facilities				
Monona Terrace	55	55	55	55
Department of Public Works and Transportation				
Engineering	157	146	144	144
Sewer Utility ²	17	17	17	17
Stormwater Utility ²	13	13	12	12
Parks	145	140	138	140
Golf Enterprise	14	8	8	8
Streets	245	235	229	227
Water Utility	131	130	130	130
Metro Transit	488	467	462	462
Traffic Engineering	70	68	67	66
Parking Utility	110	75	75	75
Fleet Services	37	37	39	43

Full-time Equivalent Employees (FTEs)					
2019	2018	2017	2016	2015	2014
411	411	393	393	389	390
599	588	584	593	586	581
143	138	138	138	136	135
-	-	-	-	-	-
4	4	2	2	2	2
12	12	12	12	12	12
5	5	5	5	5	5
18	18	16	16	15	15
26	26	27	27	27	27
24	24	24	24	24	24
9	9	9	8	8	7
-	6	6	6	5	5
-	41	42	42	39	38
54	54	53	53	49	48
18	17	16	16	18	18
4	3	3	3	-	-
47	-	-	-	-	-
55	55	55	55	55	55
117	115	112	77	149	143
38	36	35	44	-	-
15	12	11	39	-	-
171	172	167	165	161	148
8	8	8	8	8	8
191	193	190	187	183	177
130	130	130	130	129	128
457	473	476	474	472	472
67	66	64	63	64	62
75	71	71	69	70	74
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)			
	2023	2022	2021	2020
Department of Planning & Community & Economic Development				
Office of the Director of Planning and Community and Economic Development	5	5	5	8
Community Development Authority Housing Operations and Redevelopment	56	53	53	52
Community Development Division ³	45	41	42	41
Economic Development Division	20	20	20	19
Planning Division	34	34	35	32
Building Inspection Division	45	45	44	46
Library	136	137	135	139
Total	3,287	3,183	3,107	3,101

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.

Full-time Equivalent Employees (FTEs)					
2019	2018	2017	2016	2015	2014
8	8	8	8	8	7
49	43	43	43	41	40
41	41	39	39	37	36
18	17	17	16	16	18
32	36	36	32	32	30
46	46	45	48	47	47
137	135	131	131	128	127
3,072	3,056	3,011	3,009	2,958	2,922

Table 18

CITY OF MADISON

OPERATING INDICATORS BY FUNCTION/PROGRAM
Prior Ten Fiscal Years

<u>Function/Program</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
General Government				
Information Technology				
Webpage visits	6,260,207	5,953,396	7,144,554	5,896,319
Online payments transactions	589,864	571,247	511,281	468,774
Public Safety				
Fire				
EMS responses	30,543	27,938	24,170	22,865
Fire/service responses	11,018	6,581	6,174	10,111
Fires extinguished	434	611	342	361
Public Health				
Inspections/Pre-inspections	2,379	2,216	858	2,990
Police				
Calls for service	180,621	137,456	125,272 ²	216,867
Arrests	8,050	6,824	6,583 ³	13,797
Citations	2,905	2,196	2,289	3,711
Traffic violations	10,033	9,331	6,712	13,884
Public works and transportation				
Metro Transit				
Annual rides	8,287,021	5,458,011	4,639,909	12,856,514
Annual miles	4,321,376	4,707,689	4,417,771	5,084,961
Fleet Services				
Work Orders	8,028	8,500	8,435	9,552
Parking Utility				
Ramp Occupancy	47 %	37 %	35 %	64 %
Streets				
Tons of debris swept	7,340	6,473	5,950	7,837
Refuse collected (tons)	44,674	46,554	46,187	42,909
Recyclables collected (tons)	15,817	16,498	18,043	17,763
Sewer Utility				
Average annual residential customer volume (gallons)	44,328	47,238	47,473	44,132
Water Utility				
Main replacement (miles)	0.18	3.03	7.51	2.51
Gallons pumped (millions)	9,021	8,921	8,743	8,973
Water main breaks (per mile)	0.247	0.264	0.160	0.255
Mains added	3.52	7.01	12.98	7.13

2018	2017	2016 ¹	2015	2014	2013
6,114,219	5,439,856	6,057,900	6,343,573	6,544,987	5,808,882
423,443	301,479	270,728	353,462	212,866	139,542
21,667	21,716	21,291	18,348	19,599	20,541
9,357	8,810	8,762	6,839	6,215	5,879
412	476	411	459	412	534
1,233	1,318	1,418	1,363	1,258	1,387
211,507	212,196	212,601	212,376	206,648	203,394
12,455	12,039	11,969	14,020	9,726	9,421
4,193	4,928	5,851	7,203	7,142	8,376
14,128	17,843	20,966	23,316	19,872	22,878
13,230,698	12,817,077	13,305,291	14,358,261	15,492,317	15,001,760
5,109,240	5,075,010	5,050,916	5,070,813	5,040,007	4,922,010
8,570	3,073	2,394	2,588	2,084	1,321
69 %	70 %	72 %	71 %	71 %	66 %
4,802	4,551	4,351	7,256	7,539	5,674
43,155	43,352	42,525	44,866	41,680	40,367
18,999	19,344	19,228	19,379	19,225	19,401
46,376	47,124	50,864	52,360	49,368	55,352
9.22	11.52	10.70	6.45	7.80	5.06
9,223	9,419	9,848	9,977	10,099	10,058
0.252	0.208	0.247	0.240	0.440	0.350
15.35	21.49	16.60	8.60	4.90	3.50

Table 18 (Cont.)

CITY OF MADISON

OPERATING INDICATORS BY FUNCTION/PROGRAM
Prior Ten Fiscal Years

Function/Program	2022	2021	2020	2019
Planning and development				
Inspection Unit				
Inspections	48,269	47,765	43,519	56,072
Housing Operations				
Households served	2,637	2,633	2,583	2,617
Community Services				
Children receiving child care from an accredited facility	40.80 %	41.40 %	44.40 %	47.99 %
Senior Center				
Number of visits	12,852	3,419	5,882	37,988
Number of events	1,690	590	811	3,084
New visitors	142	161	- ⁴	764
Culture and recreation				
Library				
Circulation	2,230,598	1,956,275	1,289,737	3,454,156
Visits	1,112,001	539,254	415,397	1,779,552
Registered borrowers	135,099	149,795	144,831	157,557
Internet uses	3,330,775	2,209,745 ⁵	55,603	227,370
Uses of electronic materials (e-books, e-audio, e-video)	630,974	593,678 ⁶	-	-
Parks				
General park (shelter) reservations	2,029	2,158	149	1,717
Athletic Field reservations	12,389	10,849	1,934	10,074
Recreation center attendance	176,313	83,821	39,852	250,059
Special events held	686	681	121	475
Calls for service - Forestry	3,463	3,284	3,789	3,918
Visitors - Olbrich Gardens	340,442	350,124	138,925	322,149
Municipal Pool				
Attendance	33,281	36,007	14,601	34,971
Golf Enterprise				
Rounds (18 holes)	133,995	139,147	134,818	99,036
Monona Terrace				
Conventions and Conferences	46	13	10	60

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.

2018	2017	2016 ¹	2015	2014	2013
57,866	52,854	54,113	48,023	52,166	51,220
2,563	2,490	2,528	2,404	2,432	2,456
48.00 %	49.28 %	51.30 %	50.00 %	49.00 %	50.00 %
38,609	38,521	41,106	38,828	42,263	41,460
2,952	3,108	2,871	2,777	2,829	2,864
775	866	817	889	7,422	7,971
3,575,215	3,698,903	3,800,000	3,950,000	3,841,997	4,085,341
1,911,287	1,965,014	2,170,000	2,150,000	2,152,731	2,053,449
158,977	168,443	170,420	165,855	163,934	162,374
655,599	917,107	769,704	708,214	813,880	686,444
-	-	-	-	-	-
1,594	1,598	1,765	1,590	1,570	1,426
7,956	8,362	8,700	8,358	7,325	8,021
226,215	221,000	209,000	64,495	63,315	57,277
489	521	350	245	130	130
4,119	4,415	5,068	4,336	4,264	4,233
335,153	325,530	300,396	289,540	279,090	252,750
33,265	46,469	46,400	52,140	49,503	66,000
77,510	100,004	109,934	107,212	79,122	77,824
62	60	67	63	54	67

Table 19

CITY OF MADISON

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
Prior Ten Fiscal Years

	2022	2021	2020	2019
<u>Function/Program</u>				
Public Safety				
Fire				
Fire Stations	14	14	14	14
Public works and transportation				
Metro Transit				
Shelters	221	226	221	223
Buses (incl. Paratransit)	201	220	217	218
Fleet Services				
Vehicles	1,393	1,385	1,334	1,361
Parking Utility				
Ramps	7	7	6	6
Surface Lots	6	6	6	6
Parking Spaces	6,072	6,101	6,250	6,203
Traffic Engineering				
Miles of Streets	838	836	821	815
Water Utility				
Water main (miles)	919	916	911	906
Hydrants	9,380	9,340	9,288	9,184
Valves	26,941	26,749	26,528	26,282
Culture and recreation				
Library				
Locations	9	9	9	9
Volumes/Items Held	1,012,507	1,016,989	955,688	947,490
Parks				
Parks	284	281	279	279
Acreage of Parks (rounded to nearest 100th)	5,802	5,771	5,700	5,700
Beaches	12	12	12	12
Shelters	27	27	27	25
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.

2018	2017	2016 ¹	2015	2014	2013
14	13	13	13	13	12
222	222	208	208	208	208
215	232	232	232	231	228
1,238	1,011	1,169	1,166	1,278	1,152
6	6	5	5	5	5
6	6	7	7	7	7
6,215	6,142	5,506	5,589	5,426	5,548
800	795	790	785	780	777
892	895	884	867	859	854
9,117	9,004	8,956	8,882	8,751	8,669
25,976	27,381	25,126	21,525	21,114	20,804
9	9	9	9	9	9
965,277	961,596	957,562	943,507	936,975	831,296
275	274	275	274	270	261
5,600	5,600	6,000	6,000	6,000	6,000
12	12	12	12	12	12
25	22	22	21	21	20
1	1	1	1	1	1
1	1	1	1	1	1
4	4	4	4	4	4