

**CITY OF MANITOWOC, WISCONSIN**

**COMPREHENSIVE ANNUAL**

**FINANCIAL REPORT**

**INCLUDING AUDITORS' REPORTS**

**FOR THE FISCAL YEAR ENDED**

**DECEMBER 31,**

**2018**

**Prepared by Department of Finance**

**Steve Corbeille, Finance Director**

**Kim Lynch, Comptroller**

**INTRODUCTORY  
SECTION**

# City of Manitowoc, Wisconsin

DECEMBER 31, 2018

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# City of Manitowoc, Wisconsin

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# City of Manitowoc, Wisconsin

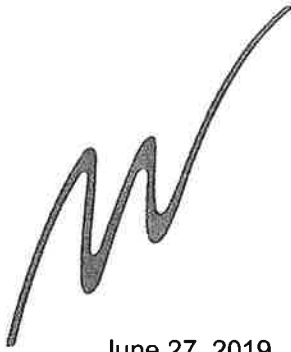
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# CITY OF MANITOWOC

WISCONSIN, USA  
[www.manitowoc.org](http://www.manitowoc.org)



June 27, 2019

Honorable Mayor Justin M. Nickels  
Common Council  
City of Manitowoc Citizens  
City of Manitowoc  
Manitowoc, Wisconsin 54220

Mayor Nickels,

Wisconsin Statute Section 86.303(5)(g) requires that all municipalities having a population of 25,000 or more must publish within seven (7) months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, submitted herewith is the comprehensive annual financial report of the City of Manitowoc, Wisconsin for the fiscal year ended December 31, 2018. This report was prepared by the City's Finance Department.

This report consists of management's representations concerning the finances of the City of Manitowoc. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Manitowoc has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Manitowoc's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Manitowoc's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Manitowoc's financial statements have been audited by CliftonLarsonAllen LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Manitowoc for the fiscal year ended December 31, 2018, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Manitowoc's financial statements for the fiscal year ended December 31, 2018, are fairly presented in conformity with GAAP.



The independent auditor's report is presented as the first component of the financial section of this report. The independent audit of the financial statements of the City of Manitowoc was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the Single Audit Section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Manitowoc's MD&A can be found immediately following the report of the independent auditors.

### **Profile of the Government**

The City of Manitowoc is the County Seat of Manitowoc County, located in east central Wisconsin. The City is approximately 75 minutes north of Milwaukee, 20 minutes southeast of Green Bay and 150 minutes north of Chicago, Illinois. The City encompasses 18.410 square miles totaling 11,776 acres. It is located on Lake Michigan in a natural harbor formed by an outlet of the Manitowoc River. The City was incorporated on March 12, 1870. With an estimated 2018 population of 32,627, the population of Manitowoc has decreased 3.3% since the 2010 Census report of 33,736 and <4.2% since the 2000 Census report of 34,053. The population and square mile statistics combine to produce a population density of 1,772 persons per square mile. This indicates ample land for future growth and orderly development. The City of Manitowoc is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing council.

The City of Manitowoc operates under the council-mayor form of government. Policy-making and legislative authority are vested in a governing council consisting of a mayor who is elected at large to a four-year term, and council of 10 members elected to two-year staggered terms on the basis of district representations. The council is elected on a non-partisan basis. The governing council is responsible, among other things, for passing ordinances, adopting the budget, appointing department head officials, and approval of mayoral member appointments to council committees, various boards and commissions. The mayor is responsible for carrying out the policies and ordinances of the governing council, for overseeing the day-to-day operations of the government, economic development, monitoring and lobbying state and federal legislation, and compilation of an executive budget recommendation.

The City provides a full range of municipal services contemplated by statute or character, including public safety, streets, sanitation, parks-recreation-culture, public improvements, planning and zoning, transit, water and electric systems, and general administrative services. Public safety is provided with four fire stations and 51 firefighters, a rescue squad manned by 48 members trained to paramedic skill level and a police department with 63 sworn officers. The Public Works Department is responsible for the engineering, designing and inspection of City construction projects, and maintenance of public roadways within the City. The City owns the Manitowoc Public Utilities, which is governed by a seven-member commission. The Department of Parks and Recreation maintains the City's parkland and recreational buildings and coordinates a year-round recreation program for Manitowoc residents. Total full time equivalent municipal employment numbers 373 with minimal part time and several seasonal employees. The Manitowoc Public School District, a unified school district, offers a comprehensive program for students in pre-kindergarten through the 12th grade. The district has the 28th largest enrollment among the 426 public

school districts in the state. The District operates a pre-kindergarten through kindergarten center, six elementary schools, two junior high schools, one alternative (charter) high school, one comprehensive high school, and a specialized school (operating as a charter school) for a handful of children in grades 1-8 with significant emotional/behavioral disabilities. The MPSD also provides four-year-old kindergarten. Higher education is provided by the University of Wisconsin-Manitowoc, which specializes in freshmen/sophomore curriculum for students to begin their studies before transferring to four-year undergraduate public or private colleges, and Silver Lake College an independent four-year college with career directed programming. Within commuting distance, Lakeshore Technical College in Cleveland, Wisconsin is a public, non-profit college. The college has evolved from mainly offering basic skill courses to the need of technical skills and offering technical courses in computers and other sophisticated equipment.

The annual operating budget serves as the foundation for the City of Manitowoc's financial planning and control. The operating budget includes proposed expenditures and the means of financing them and is legally enacted by council action no later than November 30. The budget as enacted includes total expenditures at the organization level. An organization can be a department, division, fund or other activity. Expenditures cannot legally exceed appropriations at this level. The general fund, special revenue funds, debt service fund and capital projects funds have legally adopted budgets. Budget-to-actual comparisons are provided in this report for each of these funds. For the general fund, this comparison is presented as part of the basic financial statements for the governmental funds. For governmental funds, other than the general fund, with appropriated annual budgets, this comparison is presented in the other supplemental information subsection of this report.

Behind the Statistical Section of this document, you will find narratives about every department that forms the City of Manitowoc's governmental structure. Some highlights found in this section will be the various forms of insurance the city has and how it is funded; the responsibilities of the City Clerk's office; the activities going on in the Mayor's office; the community development outlook regarding growth in residential, commercial and industrial areas; the statistics of the Public Safety divisions; the massive amounts of data compiled and tracked by the Department of Public Infrastructure regarding streets, sewers, parks, transportation, recreation; the happenings at the Rahr-West Art Museum; the activities at the Library; and some more narratives from our Wastewater Treatment Facility, and the schools located in the City of Manitowoc (includes Lakeshore Technical College).

### **Factors Affecting Financial Condition**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Manitowoc operates.

**Long-Range Financial Plan.** The City of Manitowoc prepares a Five-Year Capital Improvement Plan (CIP). The plan contains capital and infrastructure costs of \$5,000 or more based on the City's capitalization policy. The CIP details annual funding sources, expenditures, and narrative descriptions for the capital improvements. The CIP is updated on an annual basis and is used as a planning document during the annual budget process. The development of the next year's budget is critiqued and analyzed by a group called the Capital Allocation Working Group (CAWG). The Finance Director has strived for a Pay-as-you-go plan which stipulates the amount of new debt acceptable to meet that plan's agenda to pay for annual and smaller dollar amounts out of the operational budget. With these factors and recommendations, the Council/Mayor will ultimately approve the capital budget.



**Financial Policies.** The City of Manitowoc has adopted a comprehensive set of financial policies as guidelines for the annual budget process. The adopted policies consist of the following: Unassigned General Fund Balance; Debt Management; Capitalization Threshold; Major Equipment and Vehicle Acquisition; and Disposal of Surplus Equipment. Along with these policies, a Purchasing-Budget-Accounting Guidebook has been adopted and updated since November 18, 2014 for reference into policies in the respective areas.

**Economic Information/Outlook.** The City of Manitowoc is a growing community with an estimated 2018 population of 32,627 and a 2018 equalized valuation of \$1,951,266,200.

The City of Manitowoc has experienced economic stability with our labor force and appears to be poised for growth in 2019. In 2018, the City's top employers with almost 1,000 employees or more are: Lakeside Foods, Holy Family Memorial, a health care provider, and Manitowoc Public School District.

The unemployment rate for the City of Manitowoc in December 2018 was 2.9% down from 3.7% in December 2017. The state's December unemployment rate was 3.0%, with a U.S. unemployment rate of 3.9%.

### **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) award Certificates of Achievement for Excellence in Financial Reporting. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. The City of Manitowoc was selected as a recipient of the GFOA Certificate of Achievement for Excellence in Financial Reporting for the fiscal year ending December 31, 2017.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such CAFR's must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. The City of Manitowoc has received the Certificate of Achievement for fiscal years ended 1997, consecutive years 1999 thru 2009 and 2011 thru 2017. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report could not have been accomplished without the efficient and dedicated services of all City Departments. I would like to express my appreciation to City department staff members who assisted and contributed to the preparation of this report. I would also like to thank the Mayor and City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Manitowoc's finances.

Respectfully submitted,



Steven A. Corbeille  
Finance Director/Treasurer



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Manitowoc  
Wisconsin**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2017**

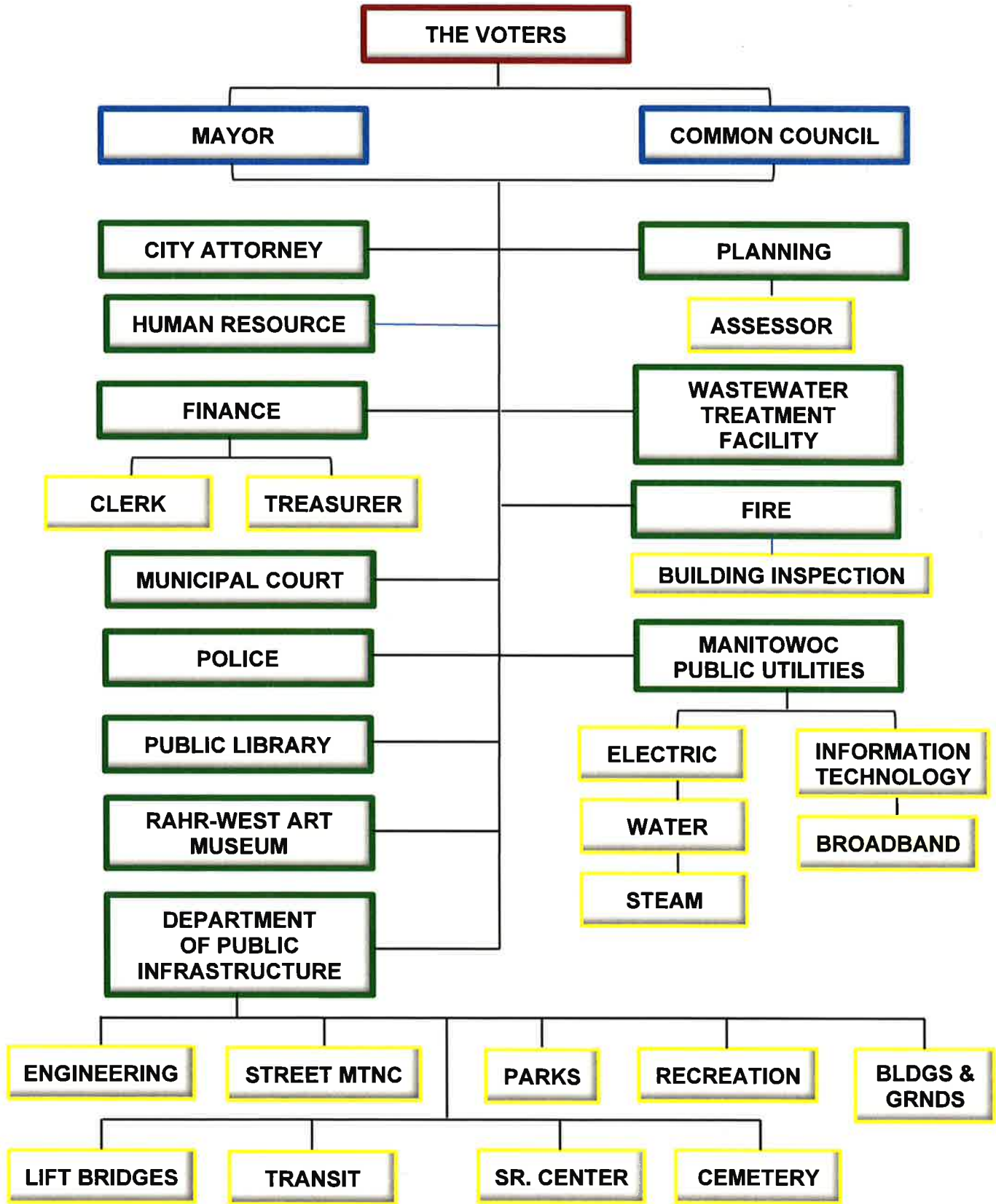
*Christopher P. Morill*

Executive Director/CEO

# CITY OF MANITOWOC

## TABLE OF ORGANIZATION

### 2018



CITY OF MANITOWOC, WISCONSIN

General Information

ELECTED OFFICIALS

December 31, 2018

		<u>Term Expires</u>
<b>Mayor</b>	Justin M. Nickels	April, 2021
<b>Common Council</b>		
President	Scott McMeans	April, 2019
<b>Aldermanic District</b>		
1	Mike Howe	April, 2019
2	Scott McMeans	April, 2019
3	Jeremiah Novak	April, 2019
4	James N. Brey	April, 2020
5	Lee Kummer	April, 2020
6	Eric J. Sitkiewitz	April, 2020
7	Todd Lotz	April, 2019
8	Mike Williams	April, 2020
9	Steven Czekala	April, 2020
10	Rhienna Gabriel	April, 2019

CITY OF MANITOWOC, WISCONSIN

General Information

Department Heads and Appointed Officials

December 31, 2018

		<u>Length of Time in This Position</u>	<u>Length of Employment With City of Manitowoc</u>
Finance Director/Treasurer	Steven A. Corbeille	6.67 years	6.67 years
City Clerk	Deborah Neuser	1.58 years	24.08 years
City Attorney	Kathleen McDaniel	4.75 years	10.00 years
Human Resources	Jessie Lillibridge	2.42 years	16.50 years
Municipal Judge	Steven R. Olson	10.67 years	10.67 years
Director of Public Infrastructure	Daniel Koski	5.50 years	5.50 years
Police Chief	Nick Reimer	3.00 years	22.42 years
Fire Chief	Todd Blaser	4.75 years	9.50 years
Community Development Director	April Kroner	.25 years	.25 years
Superintendent Wastewater Treatment Facility	Michael Jaeger	2.00 years	11.33 years
Director Rahr-West Art Museum	Jon G. Vadney	7.25 years	7.25 years
General Manager Public Utilities	Nilaksh J. Kothari	17.25 years	27.00 years
Director Public Library	Kristen Stoeger	2.08 years	2.08 years
Emergency Government Coordinator	Todd Blaser	4.25 years	9.50 years

CERTIFIED PUBLIC ACCOUNTANTS

Clifton Larson Allen LLP, Green Bay, Wisconsin

BOND COUNSEL

Quarles & Brady, Milwaukee, Wisconsin

FINANCIAL CONSULTANTS

Robert W. Baird & Co., Inc., Milwaukee, Wisconsin

**FINANCIAL  
SECTION**



## Independent auditors' report

To the Mayor and City Council  
City of Manitowoc, Wisconsin

### REPORT ON THE FINANCIAL STATEMENTS

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

### MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

### AUDITORS' RESPONSIBILITY

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### OPINIONS

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **CHANGE IN ACCOUNTING PRINCIPLE**

As discussed in Note 3.H to the financial statements, in 2018 the City adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinions are not modified with respect to this matter.

## **PRIOR YEAR SUMMARIZED FINANCIAL INFORMATION**

The 2017 financial statements were audited by Schenck SC, whose practice became part of CliftonLarsonAllen LLP as of January 1, 2019, and whose report dated June 27, 2018, expressed unmodified opinions on those respective financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information from which the prior year summarized financial information was derived.

## **OTHER MATTERS**

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 15 through 27 and the schedules relating to pensions and other postemployment benefits on pages 84 through 86 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Other Information**

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

The supplementary information and the schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



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

### **OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2019, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.



**CliftonLarsonAllen LLP**

Sheboygan, Wisconsin  
June 27, 2019

**MANAGEMENT'S DISCUSSION  
AND ANALYSIS**



# CITY OF MANITOWOC

WISCONSIN, USA  
[www.manitowoc.org](http://www.manitowoc.org)



## Management's Discussion and Analysis

As management of the City of Manitowoc, Wisconsin, we offer readers of the City of Manitowoc's financial statements this narrative overview and analysis of the financial activities of the City of Manitowoc, Wisconsin for the fiscal year ended December 31, 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 4-7 of this report.

### Financial Highlights

- The assets and deferred outflows of resources of the City of Manitowoc exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$327,045,636 (*net position*). Of this amount, \$67,548,734 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The net position of governmental activities increased \$4,956,429 and business type activities increased by \$8,036,279 for a total increase in net position (4.1%) of \$12,992,708. The increase in governmental activities is mainly attributable to the repayments of long-term debt exceeding the issuance of long-term debt, capital outlay exceeding the depreciation expense and the effect of recording adjustments due to GASB Statement #68 related to pension liabilities. The increase in business activities is mainly attributable to positive operating results, contributions and the effect of recording adjustments due to GASB Statement #68.
- At the close of the current fiscal year, the City of Manitowoc's governmental funds and fiduciary funds reported combined ending fund balances of \$17,209,098 an increase of \$4,874,382 in comparison with the prior year. Only the general fund balance of \$5,305,163 is available for spending at the government's discretion due to deficits contained within the Streets capital project fund and Tax Incremental Finance (TIF) districts. The City has and will continue taking steps to rectify this situation over the next couple of years. Plans already implemented include restructuring debt service obligations and designation of donor and distressed TIF districts to allow a cross pollination of tax increments between the donor and distressed TIF districts.
- At the end of the current fiscal year, the unassigned fund balance for the general fund was \$5,305,163, or 20.6% of total general fund expenditures of \$25,791,813 or 24.1% of general fund revenues of \$22,019,782.
- The City of Manitowoc's total debt general obligation debt of the governmental activities increased by \$1,043,252 during the current fiscal year. The factors in this increase were the issuance of general obligation bonds/notes and refunding of \$15,735,000 and the retirement of outstanding general obligation bonds/notes and the results of refunding amounting to \$14,691,748. For the business-type activities, there was new revenue bond debt of \$4,223,638 issued for Wastewater. The Electric Utility repaid principal on outstanding revenue bonds/notes of approximately \$2.6 million and did not issue any other new revenue bonds/notes.



## Overview of the Financial Statements

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

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

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

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

Both of the government-wide financial statements distinguish functions of the City of Manitowoc that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Manitowoc include general government, public safety, public works, health and human services, conservation and development, and culture and recreation. The business-type activities of the City of Manitowoc include the Manitowoc Public Water, Electric, Steam, and Broadband Utility, a Wastewater Treatment Plant, and a Transit System.

The government-wide financial statements include the City of Manitowoc itself (known as the *primary government*). The Water, Electric, Steam, and Broadband Utility are managed by an independent commission, but are departments of the City of Manitowoc, and therefore have been included as an integral part of the primary government.

The government-wide statements can be found in the financial section of this report immediately following management's discussion and analysis.

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

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of Manitowoc maintains 44 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 and the debt service fund, which are being considered major governmental funds. Data from the other 42 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City of Manitowoc adopts an annual appropriated budget for the general fund, debt service fund and certain special revenue and capital project funds. A budgetary comparison statement has been provided for each of these funds to demonstrate compliance.

The basic governmental fund financial statements can be found in the financial section of this report immediately following the government-wide financial statements.

**Proprietary funds.** The City of Manitowoc maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Manitowoc uses enterprise funds to account for the Manitowoc Public Electric, Water, Steam, and Broadband Utility, Wastewater Treatment Plant, and the Transit System. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City of Manitowoc's various functions. The City of Manitowoc uses internal service funds to account for its data processing, health self-insurance, workers compensation self-insurance, and liability self-insurance. Because these services predominately benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Manitowoc Public Water, Electric, Steam, and Broadband Utility, the Wastewater Treatment Plant and Transit System, all are considered to be major funds of the City of Manitowoc. Conversely, the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in the report.

The basic proprietary fund financial statements can be found in the financial section of this report immediately following the basic governmental fund financial statements.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City of Manitowoc's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found in the financial section of this report immediately following the proprietary fund financial statements.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the fiduciary fund financial statements.

**Required supplementary information.** Information related to the organizations other post-employment benefit obligations and the net pension liability (asset) of the Wisconsin Retirement System can be found immediately following the notes to the financial statements.

**Other supplemental information.** In addition to the basic financial statements and accompanying notes, this report presents the combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds. Also included is information on capital assets used in the operation of government funds. Combining and individual fund statements and schedules can be found immediately following the required supplementary information and notes to the financial statements.

### **Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Manitowoc, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$327,045,636 at the close of the most recent fiscal year.

By far the largest portion of the City of Manitowoc's net position (68.3 percent) reflects its investments in capital assets (e.g., land, buildings, machinery and equipment, and infrastructure), less accumulated depreciation and any related debt used to acquire those assets that are still outstanding. The City of Manitowoc uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Manitowoc's investment in its capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City of Manitowoc's net position represents resources that are subject to external restrictions that are restricted on how they may be used, \$36,224,670 or 11.1 percent. The remaining balance is unrestricted net position that is 20.7 percent or \$67,548,734 of net position that may be used to meet the government's ongoing obligations to citizens and creditors.

**City of Manitowoc's Net Position**

	<b>Governmental Activities</b>		<b>Business Type Activities</b>		<b>Total</b>	
	2018	2017	2018	2017	2018	2017
Current and other assets	76,242,586	66,285,763	107,101,762	98,305,876	183,344,348	164,591,639
Capital assets	129,833,991	126,543,060	157,871,649	157,651,724	287,705,640	284,194,784
<b>Total assets</b>	<b>206,076,577</b>	<b>192,828,823</b>	<b>264,973,411</b>	<b>255,957,600</b>	<b>471,049,988</b>	<b>448,786,423</b>
<b>Deferred Outflows</b> of resources	7,925,221	9,044,192	2,904,270	3,370,382	10,829,491	12,414,574
Long-term liabilities outstanding	60,458,378	59,642,593	21,988,677	22,488,208	82,447,055	82,130,801
Other liabilities	30,307,905	28,313,445	11,513,155	12,017,267	41,821,060	40,330,712
<b>Total liabilities</b>	<b>90,766,283</b>	<b>87,956,038</b>	<b>33,501,832</b>	<b>34,505,475</b>	<b>124,268,115</b>	<b>122,461,513</b>
<b>Deferred inflows</b> of resources	25,657,912	21,295,803	4,907,816	3,390,753	30,565,728	24,686,556
<b>Net position:</b>						
Net investment in capital assets	86,087,963	86,580,090	137,184,269	136,566,376	223,272,232	223,146,466
Restricted	15,709,974	9,763,543	20,514,696	18,032,424	36,224,670	27,795,967
Unrestricted (Deficit)	(4,220,334)	(3,722,459)	71,769,068	66,832,954	67,548,734	63,110,495
<b>Total net position</b>	<b>97,577,603</b>	<b>92,621,174</b>	<b>229,468,033</b>	<b>221,431,754</b>	<b>327,045,636</b>	<b>314,052,928</b>

**Governmental Activities**

Property taxes increased by \$116,384 (1.01 percent) during the year. Property tax increases were levied for general purposes of \$797,486 and for special revenues \$180,426. Property tax decreases were levied for capital projects (\$836,767) and for debt service (\$24,761).

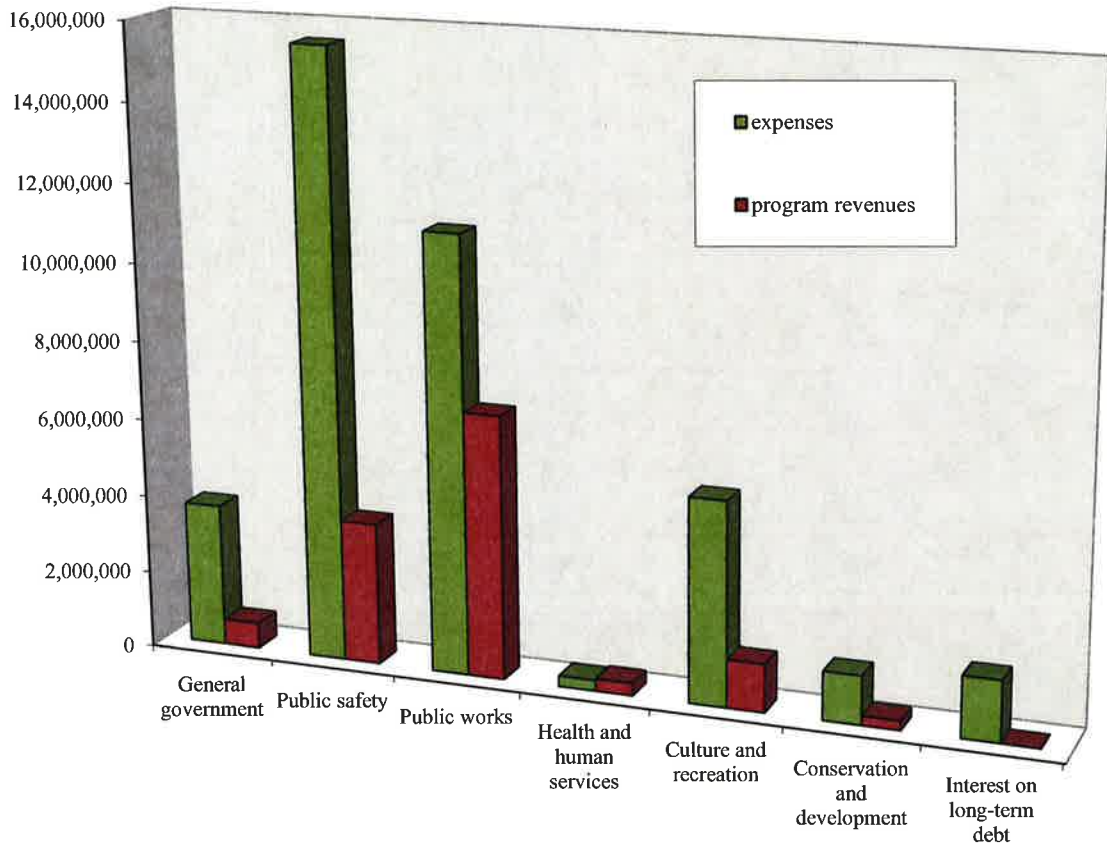
The net position of governmental activities increased by \$4,956,429. This increase is mainly attributable to capital additions exceeding depreciation expense. In addition to having a transfer for PILOT from the utility. Key elements of this increase are shown on the chart found on the following page.

**City of Manitowoc's Statement of Activities  
Changes in Net Position**

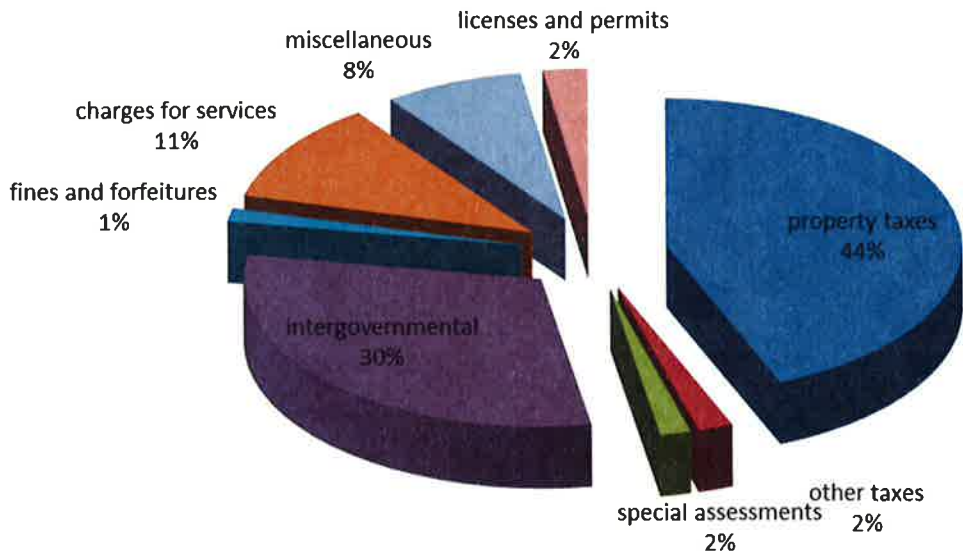
	Governmental activities		Business-type activities		Total	
	2018	2017	2018	2017	2018	2017
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services	\$6,399,100	\$6,736,933	\$82,565,957	\$83,981,519	\$88,965,057	\$90,718,452
Operating grants and contributions	\$3,178,876	\$3,983,775	\$1,442,798	\$1,684,403	\$4,621,674	\$5,668,178
Capital grants and contributions	\$3,258,133	\$2,018,462	\$201,761	\$794,910	\$3,459,894	\$2,813,372
<b>General revenues:</b>						
Property taxes	\$17,774,496	\$17,658,112			\$17,774,496	\$17,658,112
Other taxes	\$774,533	\$779,999			\$774,533	\$779,999
Grants and contributions not restricted to specific programs	\$6,203,045	\$6,182,381			\$6,203,045	\$6,182,381
Other	\$1,967,133	\$836,401	\$2,407,254	\$1,553,628	\$4,374,387	\$2,390,029
<b>Total Revenues</b>	<b>\$39,555,316</b>	<b>\$38,196,063</b>	<b>\$86,617,770</b>	<b>\$88,014,460</b>	<b>\$126,173,086</b>	<b>\$126,210,523</b>
<b>Expenses:</b>						
General government	\$3,667,667	\$3,484,071			\$3,667,667	\$3,484,071
Public safety	\$15,536,143	\$15,044,477			\$15,536,143	\$15,044,477
Public works	\$11,182,663	\$9,164,479			\$11,182,663	\$9,164,479
Health and human services	\$272,956	\$316,126			\$272,956	\$316,126
Culture and recreation	\$5,215,026	\$5,123,117			\$5,215,026	\$5,123,117
Conservation and development	\$1,249,704	\$6,234,364			\$1,249,704	\$6,234,364
Interest on long-term debt	\$1,570,770	\$1,406,328			\$1,570,770	\$1,406,328
Water			\$5,965,299	\$5,868,468	\$5,965,299	\$5,868,468
Electric			\$59,921,858	\$62,046,053	\$59,921,858	\$62,046,053
Steam			\$1,381,402	\$1,335,955	\$1,381,402	\$1,335,955
Broadband			\$134,898	\$102,834	\$134,898	\$102,834
Sewer			\$5,104,513	\$5,127,168	\$5,104,513	\$5,127,168
Transit			\$2,069,946	\$2,094,961	\$2,069,946	\$2,094,961
<b>Total Expenses</b>	<b>\$38,694,929</b>	<b>\$40,772,962</b>	<b>\$74,577,916</b>	<b>\$76,575,439</b>	<b>\$113,272,845</b>	<b>\$117,348,401</b>
Increase(decrease) in net position before transfers	\$860,387	(\$2,576,899)	\$12,039,854	\$11,439,021	\$12,900,241	\$8,862,122
Transfers	\$3,989,181	\$3,947,067	(\$3,989,181)	(\$3,947,067)	\$0	\$0
Change in net position	\$4,849,568	\$1,370,168	\$8,050,673	\$7,491,954	\$12,900,241	\$8,862,122
Net position - 1/1, original	\$92,621,174	\$91,251,006	\$221,431,754	\$213,939,800	\$314,052,928	\$305,190,806
Cumulative effect of change	\$106,861	\$0	(\$14,394)	\$0	\$92,467	\$0
<b>Net position - 1/1, restated</b>	<b>\$92,728,035</b>	<b>\$91,251,006</b>	<b>\$221,417,360</b>	<b>\$213,939,800</b>	<b>\$314,145,395</b>	<b>\$305,190,806</b>
<b>Net position - 12/31</b>	<b>\$97,577,603</b>	<b>\$92,621,174</b>	<b>\$229,468,033</b>	<b>\$221,431,754</b>	<b>\$327,045,636</b>	<b>\$314,052,928</b>



### Expenses and Program Revenues - Government Activities



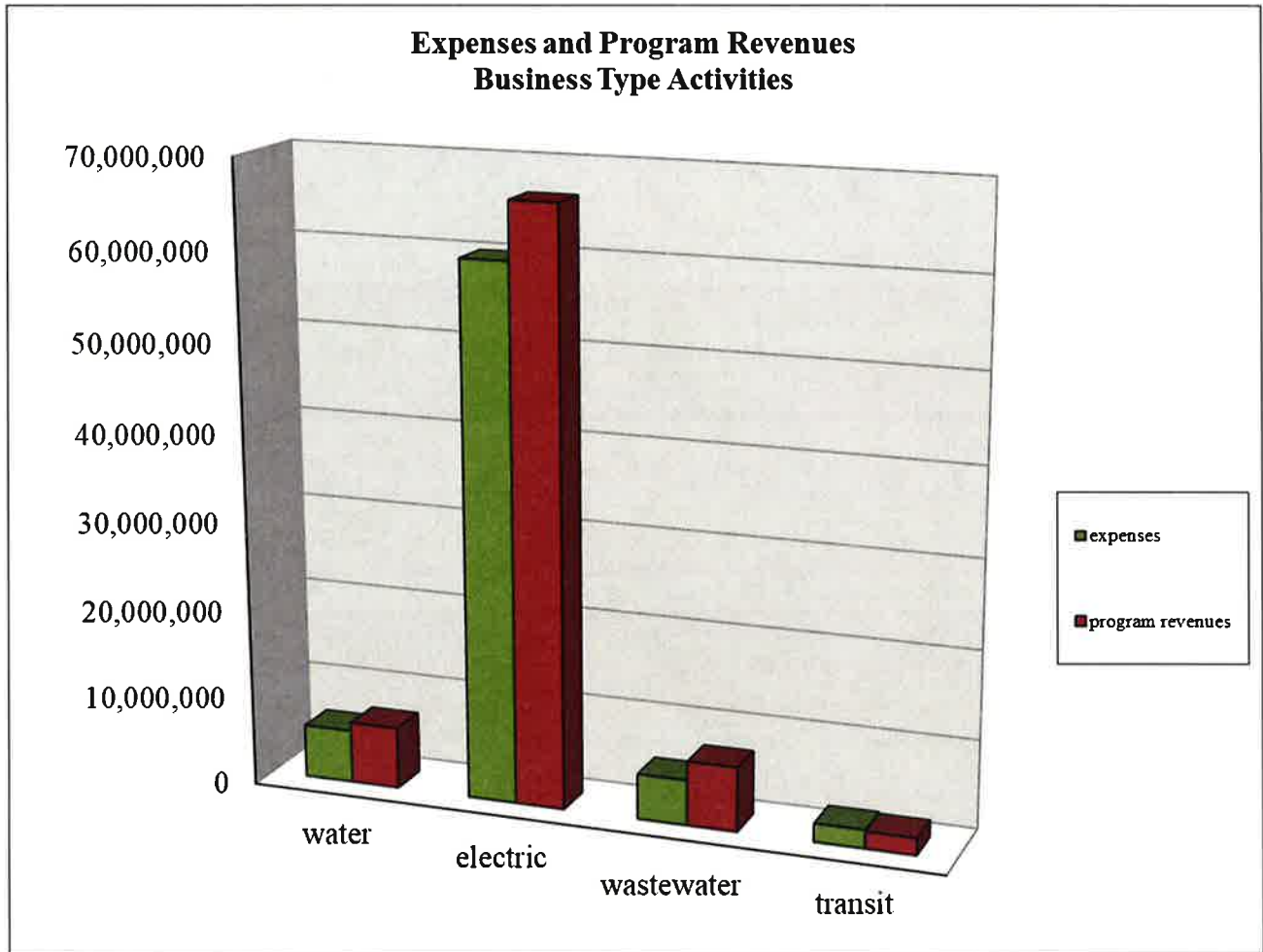
### Revenues by Source - Governmental Funds



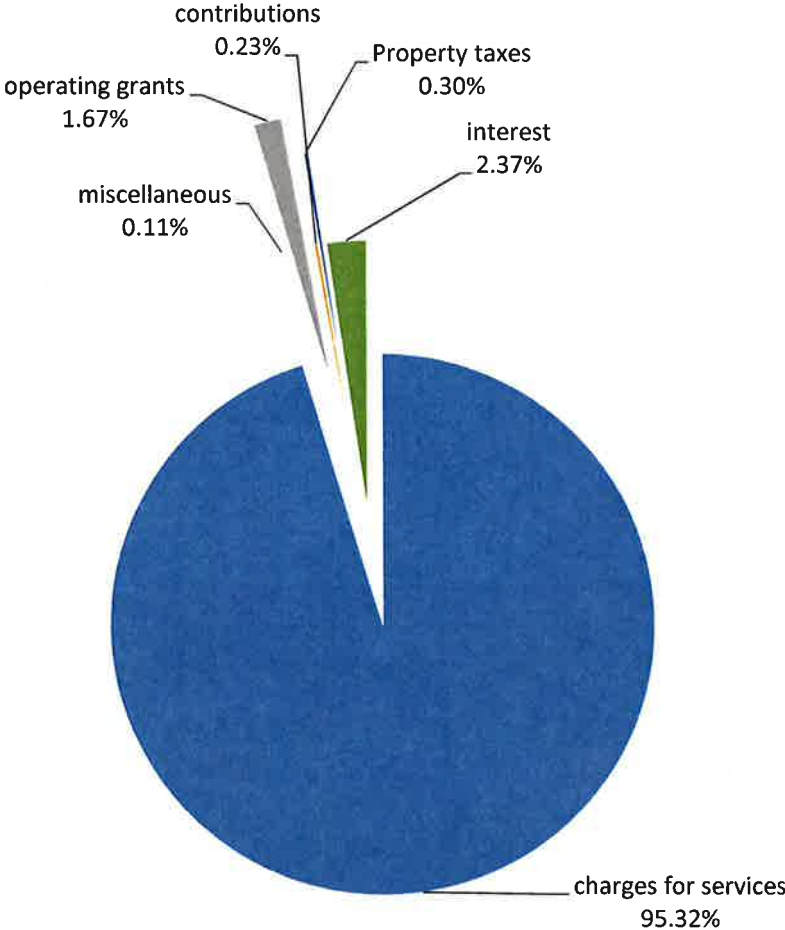
**Business-type activities.** Business-type activities increased the City of Manitowoc's net position by \$8,036,279. Key elements for the change in net position are as follows:

- The Water Utility increased net position by \$231,507.
- The Electric Utility increased net position by \$5,270,001.
- The Steam Utility increased net position by \$443,182.
- The Broadband Utility increased net position by \$103,058.
- The Wastewater Treatment Plant increased net position by \$2,116,948.
- The Transit System decreased net position by \$128,417.

The increases in net position above were due to positive operating results, contributions and the effect of recording adjustments due to GASB Statement #68.



# Revenues by Source - Business Type Activites



## Financial Analysis of the Government's Funds

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

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

As of December 31, 2018, the City's governmental funds reported combined ending fund balances of \$17,209,098, an increase of \$4,874,382 in comparison with the prior year. The breakdown of fund balance is: Nonspendable \$2,281,417, Restricted \$7,217,426, Committed \$1,077,917, Assigned \$4,047,043 and Unassigned \$2,585,295. The Nonspendable portion of fund balance includes Inventories and prepaid items and Notes and Interfund receivables (amounts that are not in cash and not available for current expenditure or are legally or contractually required to be maintained intact). Restricted fund balance represents resources that have constraints placed on their use imposed by external sources such as creditors, grantors, contributors, or laws or regulations of other governments. Committed fund balance represents resources that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority. In contrast to a fund balance that is restricted by enabling legislation, amounts in the committed fund balance classification may be redeployed for other purposes with appropriate due process. Assigned fund balance represents amounts constrained by the government with the intent that the funds be used for specific purposes within the fund. Unassigned fund balance represents the residual classification (amount) that has not been assigned, committed, or restricted.

The general fund is the chief operating fund of the City of Manitowoc. At the end of the current fiscal year, unassigned fund balance was \$5,305,163 while total fund balance was \$9,097,765. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures which total (\$25,791,813). Unassigned fund balance represents 20.6 percent of total general fund expenditures, while total general fund balance represents 35.3 percent of that same amount.

The fund balance of the City of Manitowoc's general fund increased by \$689,538 during the current fiscal year. The key factors in this increase are as follows:

- The couple of key areas that assisted in the increase are: Revenues from interest doubled the budget amount, and building permits exceeded the budget by over 22%. Expenses were significantly underspent in the Street repair line for Public Works, however that helped to offset a significant over spending for snow and ice removal.
- The intention of city leadership is to build the general fund balance back to comply with our policy targeting an unassigned balance of 15-30% of general fund revenues. This is the third year the city has been in compliance with our general fund policy since before 2009. The intention is to continue to build that fund balance to a responsible level and maintain it within the city policy.

The debt service fund does not typically carry a fund balance. During 2012 the utility prepaid their portion of the debt issue funding the WRS Pension Liability. Therefore, the debt service fund will carry a restricted balance until the WRS debt has been retired. The City levies a property tax for debt service at the beginning of the current fiscal year for the payment of debt service. Revenues to help offset the tax are realized from special assessment revenues, transfers from other funds, and interest earned.

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

Unrestricted net position at the end of the year amounted to the following:

- Water Utility \$5,872,088
- Electric Utility \$55,498,838
- Steam Utility \$399,321
- Broadband Utility \$1,456,657
- Wastewater Treatment Plant \$8,117,091
- Transit System \$425,073

Other factors concerning the finances of these funds have already been addressed in the discussion of the City of Manitowoc's business-type activities.

### **General Fund Budgetary Highlights**

Actual revenues came in higher than budgeted revenues by \$1,043,233. The increased revenues were mostly from permits, public charges for services and miscellaneous. Some of the notable factors were the increased sale of building, electrical and plumbing permits, the sale of lots and memorials at the Cemetery, public charges for services from street repairs, and the increased calls to the Emergency Medical Services Department. In the miscellaneous area, the notables were interest income and the sale of general fixed assets.

Actual expenditures were less than budgeted by \$517,361. The Public Works division spent only half their budget for street repairs, which overall helped with the significant over spending in the snow and ice account line.

### **Capital Asset and Debt Administration**

**Capital assets.** The City of Manitowoc's investment in capital assets as of December 31, 2018, for its governmental activities amounted to \$129,833,991 and business type activities amounted to \$157,871,649 for total capital assets of \$287,705,640 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, roads, sewers, and bridges.

Major capital asset events (additions and retirements) during the current fiscal year included the following:

#### **Governmental Activities:**

- Buildings and Improvements increased \$409,024
- Machinery and equipment net acquisitions \$1,560,530
- Infrastructure construction (streets and sewers), net acquisitions \$3,328,246
- Construction in progress increased \$3,871,420

#### **Business-Type Activities:**

- Buildings and Improvements increased \$190,778
- Machinery and equipment increased \$981,085
- Infrastructure increased \$897,147
- Construction in progress increased \$5,522,951

**City of Manitowoc's Capital Assets**  
(net of depreciation)

	Governmental activities		Business-type activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$7,270,518	\$7,270,518	\$2,653,640	\$2,653,640	\$9,924,158	\$9,924,158
Buildings and Improvements	\$15,925,598	\$16,114,569	\$25,451,045	\$26,265,876	\$41,376,643	\$42,380,445
Machinery and equipment	\$14,923,534	\$14,625,260	\$52,850,297	\$53,844,389	\$67,773,831	\$68,469,649
Infrastructure	\$87,832,171	\$88,521,963	\$63,991,584	\$67,485,687	\$151,823,755	\$156,007,650
Construction in progress	\$3,882,170	\$10,750	\$12,925,083	\$7,402,132	\$16,807,253	\$7,412,882
<b>Total</b>	<b>\$129,833,991</b>	<b>\$126,543,060</b>	<b>\$157,871,649</b>	<b>\$157,651,724</b>	<b>\$287,705,640</b>	<b>\$284,194,784</b>

Additional information on the City of Manitowoc's capital assets can be found in Note 3(C) of this report's notes to the financial statements.

**Long-term debt.** At the end of the current fiscal year, the City of Manitowoc has total bonded debt outstanding of \$69,612,011. Of this amount, \$51,173,355 comprises of debt backed by the full faith and credit of the government. The remainder of the City of Manitowoc's debt, \$18,438,656 represents bonds secured solely by customer revenues (i.e., revenue bonds).

**City of Manitowoc's Outstanding Debt**  
General Obligation and Revenue Bonds

	Governmental activities		Business-type activities		Total	
	2018	2017	2018	2017	2018	2017
General obligation bonds	\$27,205,000	\$21,650,000	\$0	\$0	\$27,205,000	\$21,650,000
General obligation notes	\$23,968,355	\$28,480,103	\$0	\$0	\$23,968,355	\$28,480,103
Revenue bonds	\$0	\$0	\$18,438,656	\$18,457,581	\$18,438,656	\$18,457,581
<b>Total</b>	<b>\$51,173,355</b>	<b>\$50,130,103</b>	<b>\$18,438,656</b>	<b>\$18,457,581</b>	<b>\$69,612,011</b>	<b>\$68,587,684</b>

The City of Manitowoc's total debt increased by \$1,024,327 during the current fiscal year. The factors of this increase were the issuance of general obligation bonds/notes of \$15,735,000 and the retirement of outstanding general obligation bonds/notes amounting to \$14,691,748 for a net increase of \$1,043,252. On the business activity side, there was new debt of \$4,223,641 issued for Wastewater, and the retirement of \$4,242,566 for Wastewater and the Electric Utility for a net decrease of \$18,925.

During the current fiscal year, the government sold the following bond issues:

On April 3, 2018, \$7,005,000 of Note Anticipation Notes at an interest rate of 2.73%, callable on 10/3/18 and retired.

The City of Manitowoc, on November 5, 2018, also refinanced \$8,730,000 with an interest rate of 4% over the life of the refinancing.

The City of Manitowoc maintains an excellent financial rating for general obligation debt of "A1" with a Positive Outlook from Moody's. Moody's has rated the revenue bonds of the Electric and Water Utility "A1" also.

State statutes limit the amount of general obligation debt a government entity may issue to 5 percent of its total equalized valuation. The current debt limitation for the City of Manitowoc is \$97,563,310, which is significantly in excess of the City of Manitowoc's outstanding general obligation debt of \$51,173,355.

Additional information on the City of Manitowoc's long-term debt can be found in Note 3(E) of this report's notes to the financial statements.

### **Economic Factors and Next Year's Budgets and Rates**

The following factors were considered in preparing the City of Manitowoc's budget for the 2019 fiscal year.

- The unemployment rate for the City of Manitowoc is currently 2.9 percent, which is a decrease from the rate of 3.7 percent a year ago.
- Wheel Tax was implemented March 1, 2019.
- Special Assessments related to Street Reconstruction/Maintenance were eliminated.
- Inflationary trends in the region compare favorably to the national indices.
- The tax rate included in the budget for city services would be at or below the allowable level under the State imposed levy limits;
- Salary increases for bargained contractual agreements.
- Compensation plan including market adjustments and step increases for non-represented employees.
- Contingency fund established within the general fund budget of \$125,000.
- Established a Fire Equipment Fund, which is projected to fund equipment for the department without borrowing, providing Ambulance revenues stay at current levels.

The City of Manitowoc has appropriated \$700,000 of the unassigned fund balance for spending in the 2019 fiscal year budget. The application of \$700,000 within the city's overall budget is predicted to not actually reduce our unassigned fund balance. The application of the unassigned fund balance would only occur if budgeted revenues and expenditures came in exactly according to the 2019 fiscal year budget. Historically the city returns approximately \$400,000 to \$750,000 back to the general fund each fiscal year. Therefore, it is management's opinion that we will maintain the city's unassigned general fund balance. The planned level of unassigned fund balance is set by policy at 15-30% of revenues. During 2018, the city remained compliant with our unassigned fund balance policy, with the unassigned fund balance of \$5,305,163 or 24% of general fund revenues. The city will maintain the unassigned fund balance within the targeted range in the near term.

### **Requests for Information**

This financial report is designed to provide a general overview of the City of Manitowoc's finances for all those with an interest in the government's finances. Questions concerning any of the financial information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, 900 Quay Street, Manitowoc, Wisconsin, 54220-4543. The Finance Director/Treasurer's Office may be contacted via the Internet. Please visit us at [www.manitowoc.org](http://www.manitowoc.org)

**BASIC FINANCIAL  
STATEMENTS**



# City of Manitowoc, Wisconsin

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

	Governmental Activities	Business-type Activities	Totals	
			2018	2017
<b>ASSETS</b>				
Cash and investments	\$ 34,038,493	\$ 54,716,412	\$ 88,754,905	\$ 81,467,453
Receivables				
Taxes and special charges	20,862,897	283,519	21,146,416	19,694,070
Delinquent taxes	65,474	-	65,474	61,754
Accounts	3,811,468	7,585,304	11,396,772	9,805,545
Special assessments	1,118,432	-	1,118,432	1,118,893
Loans	5,148,940	1,033,941	6,182,881	6,785,931
Other	53,664	3,042	56,706	34,705
Internal balances	(121,692)	121,692	-	-
Due from other governments	5,210,698	272,970	5,483,668	4,945,383
Other assets	78,433	943,600	1,022,033	968,081
Inventories and prepaid items	596,218	3,971,604	4,567,822	3,487,553
Investment in CVMIC	1,111,426	-	1,111,426	1,111,426
Rate stabilization deposit	-	4,000,000	4,000,000	4,000,000
Investment in ATC	-	12,448,411	12,448,411	11,644,865
Nonutility property	-	1,126,410	1,126,410	1,127,116
Restricted assets				
Cash and investments	242,957	19,067,418	19,310,375	18,338,864
Net pension asset	4,025,178	1,527,439	5,552,617	-
Capital assets, nondepreciable	11,152,688	15,578,723	26,731,411	17,337,040
Capital assets, depreciable	118,681,303	142,292,926	260,974,229	266,857,744
Total assets	206,076,577	264,973,411	471,049,988	448,786,423
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Loss on advance refunding	210,113	-	210,113	265,845
Pension related amounts	7,600,315	2,857,038	10,457,353	12,148,729
Other postemployment amounts	114,793	47,232	162,025	-
Total deferred outflows of resources	7,925,221	2,904,270	10,829,491	12,414,574
<b>LIABILITIES</b>				
Accounts payable	1,711,526	5,100,242	6,811,768	6,467,176
Accrued and other current liabilities	1,540,872	4,825,013	6,365,885	6,132,724
Due to other governments	26,384,987	881,239	27,266,226	26,280,359
Accrued interest payable	606,570	132,290	738,860	777,739
Special deposits	63,950	574,371	638,321	672,036
Unearned revenues	-	-	-	678
Long-term obligations				
Due within one year	9,692,636	5,406,183	15,098,819	14,124,706
Due in more than one year	49,527,919	16,098,388	65,626,307	64,938,765
Net pension liability	-	-	-	1,544,891
Other postemployment benefits	1,237,823	484,106	1,721,929	1,522,439
Total liabilities	90,766,283	33,501,832	124,268,115	122,461,513
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes levied for subsequent year	17,712,422	283,519	17,995,941	18,069,100
Gain on debt refunding	-	1,609,215	1,609,215	1,758,909
Pension related amounts	7,924,436	3,007,093	10,931,529	4,858,547
Other postemployment related amounts	21,054	7,989	29,043	-
Total deferred inflows of resources	25,657,912	4,907,816	30,565,728	24,686,556
<b>NET POSITION</b>				
Net investment in capital assets	86,087,963	137,184,269	223,272,232	223,146,466
Restricted				
Capital improvements	-	16,304,826	16,304,826	15,765,366
Debt service	1,115,615	2,682,431	3,798,046	2,426,091
Loan programs	7,736,179	-	7,736,179	7,657,624
Pension benefits	4,025,178	1,527,439	5,552,617	-
Tax incremental districts	722,158	-	722,158	438,843
Transit	760,461	-	760,461	487,161
Other	1,350,383	-	1,350,383	1,020,882
Unrestricted	(4,220,334)	71,769,068	67,548,734	63,110,495
Total net position	\$ 97,577,603	\$ 229,468,033	\$ 327,045,636	\$ 314,052,928

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

# City of Manitowoc, Wisconsin

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

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>GOVERNMENTAL ACTIVITIES</b>				
General government	\$ 3,667,667	\$ 438,276	\$ 214,878	\$ -
Public safety	15,536,143	3,345,613	294,505	-
Public works	11,182,663	1,265,270	2,225,457	3,258,133
Health and human services	272,956	248,405	69,176	-
Culture and recreation	5,215,026	946,966	288,997	-
Conservation and development	1,249,704	154,570	85,863	-
Interest and fiscal charges	1,570,770	-	-	-
<b>Total governmental activities</b>	<b>38,694,929</b>	<b>6,399,100</b>	<b>3,178,876</b>	<b>3,258,133</b>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Water utility	5,965,299	6,904,307	-	20,391
Electric utility	59,921,858	66,165,482	-	181,370
Steam utility	1,381,402	1,880,760	-	-
Broadband utility	134,898	242,520	-	-
Wastewater treatment plant	5,104,513	7,195,415	-	-
Transit system	2,069,946	177,473	1,442,798	-
<b>Total business-type activities</b>	<b>74,577,916</b>	<b>82,565,957</b>	<b>1,442,798</b>	<b>201,761</b>
<b>Total</b>	<b>\$ 113,272,845</b>	<b>\$ 88,965,057</b>	<b>\$ 4,621,674</b>	<b>\$ 3,459,894</b>

General revenues

Taxes

- Property taxes, levied for general purposes
- Property taxes, levied for debt service
- Property taxes, levied for special revenue funds
- Property taxes, levied for capital projects
- Other taxes
- Federal and state grants and other contributions not restricted to specific functions
- Interest and investment earnings
- Miscellaneous

Transfers

Total general revenues and transfers

**Change in net position**

**Net position - January 1, as originally stated**

**Cumulative effect of change in accounting principle**

**Net position - January 1, as restated**

**Net position - December 31**

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

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

Governmental Activities	Business-type Activities	Totals	
		2018	2017
\$ (3,014,513)	\$ -	\$ (3,014,513)	\$ (2,874,692)
(11,896,025)	-	(11,896,025)	(11,545,901)
(4,433,803)	-	(4,433,803)	(5,150,773)
44,625	-	44,625	(80,398)
(3,979,063)	-	(3,979,063)	(2,167,690)
(1,009,271)	-	(1,009,271)	(4,817,487)
(1,570,770)	-	(1,570,770)	(1,396,851)
<u>(25,858,820)</u>	<u>-</u>	<u>(25,858,820)</u>	<u>(28,033,792)</u>
-	959,399	959,399	1,169,366
-	6,424,994	6,424,994	5,245,400
-	499,358	499,358	511,292
-	107,622	107,622	186,590
-	2,090,902	2,090,902	2,925,363
-	(449,675)	(449,675)	(416,534)
<u>-</u>	<u>9,632,600</u>	<u>9,632,600</u>	<u>9,621,477</u>
<u>(25,858,820)</u>	<u>9,632,600</u>	<u>(16,226,220)</u>	<u>(18,412,315)</u>
6,903,508	263,916	7,167,424	6,369,938
6,086,014	-	6,086,014	6,110,775
1,695,709	-	1,695,709	1,515,283
3,089,265	-	3,089,265	3,926,032
774,533	-	774,533	779,999
6,203,045	-	6,203,045	6,182,381
738,236	2,048,830	2,787,066	1,900,397
1,228,897	94,508	1,323,405	489,632
3,989,181	(3,989,181)	-	-
<u>30,708,388</u>	<u>(1,581,927)</u>	<u>29,126,461</u>	<u>27,274,437</u>
<u>4,849,568</u>	<u>8,050,673</u>	<u>12,900,241</u>	<u>8,862,122</u>
92,621,174	221,431,754	314,052,928	305,190,806
106,861	(14,394)	92,467	-
<u>92,728,035</u>	<u>221,417,360</u>	<u>314,145,395</u>	<u>305,190,806</u>
<u>\$ 97,577,603</u>	<u>\$ 229,468,033</u>	<u>\$ 327,045,636</u>	<u>\$ 314,052,928</u>

# City of Manitowoc, Wisconsin

## BALANCE SHEET GOVERNMENTAL FUNDS DECEMBER 31, 2018

WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2017

	General	Debt Service	Other Governmental Funds	Totals	
				2018	2017
<b>ASSETS</b>					
Cash and investments	\$ 21,645,323	\$ 1,494,005	\$ 9,100,854	\$ 32,240,182	\$ 29,904,031
Restricted cash and investments	-	-	242,957	242,957	195,529
Receivables					
Taxes and special charges	10,206,223	6,079,557	4,577,117	20,862,897	19,430,154
Delinquent taxes	65,474	-	-	65,474	61,754
Accounts	1,394,733	13,759	2,359,688	3,768,180	1,446,703
Special assessments	597,596	520,836	-	1,118,432	1,118,893
Loans	-	103,845	5,045,095	5,148,940	5,719,790
Other	53,664	-	-	53,664	34,705
Due from other funds	4,232,452	-	-	4,232,452	3,856,722
Due from other governments	4,964,507	-	246,191	5,210,698	4,669,617
Inventories and prepaid items	472,440	-	121,692	594,132	763,037
<b>Total assets</b>	<b>\$ 43,632,412</b>	<b>\$ 8,212,002</b>	<b>\$ 21,693,594</b>	<b>\$ 73,538,008</b>	<b>\$ 67,200,935</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
Liabilities					
Accounts payable	\$ 391,512	\$ 8,500	\$ 1,287,742	\$ 1,687,754	\$ 832,280
Accrued and other current liabilities	664,420	-	-	664,420	594,118
Due to other funds	-	-	4,232,452	4,232,452	3,856,722
Advance from other funds	-	-	121,692	121,692	144,279
Due to other governments	26,384,987	-	-	26,384,987	25,416,793
Special deposits	23,602	-	40,348	63,950	181,573
Unearned revenues	-	-	-	-	678
<b>Total liabilities</b>	<b>27,464,521</b>	<b>8,500</b>	<b>5,682,234</b>	<b>33,155,255</b>	<b>31,026,443</b>
Deferred inflows of resources					
Property taxes levied for subsequent year	7,055,748	6,079,557	4,577,117	17,712,422	17,800,784
Loans receivable	-	103,845	5,045,095	5,148,940	5,719,790
Special assessments	14,378	297,915	-	312,293	319,202
<b>Total deferred inflows of resources</b>	<b>7,070,126</b>	<b>6,481,317</b>	<b>9,622,212</b>	<b>23,173,655</b>	<b>23,839,776</b>
Fund balances					
Nonspendable	2,159,725	-	121,692	2,281,417	3,839,859
Restricted	-	1,722,185	5,495,241	7,217,426	4,686,906
Committed	-	-	1,077,917	1,077,917	970,795
Assigned	1,632,877	-	2,414,166	4,047,043	2,329,406
Unassigned	5,305,163	-	(2,719,868)	2,585,295	507,750
<b>Total fund balances</b>	<b>9,097,765</b>	<b>1,722,185</b>	<b>6,389,148</b>	<b>17,209,098</b>	<b>12,334,716</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 43,632,412</b>	<b>\$ 8,212,002</b>	<b>\$ 21,693,594</b>	<b>\$ 73,538,008</b>	<b>\$ 67,200,935</b>

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

# City of Manitowoc, Wisconsin

BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2018

WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2017

	2018	2017
<b>RECONCILIATION TO THE STATEMENT OF NET POSITION</b>		
Total fund balances as shown on previous page	\$ 17,209,098	\$ 12,334,716
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.	129,825,727	126,532,310
Long-term assets are not available; therefore, are not reported in the funds:		
Special assessments	312,293	319,202
Loans receivable	5,148,940	5,719,790
Net pension asset	4,025,178	-
Net position of the internal service funds are reported in the statement of net position as governmental activities	1,968,052	2,288,041
Some deferred outflows and inflows of resources reflect changes in long-term liabilities and are not reported in the funds.		
Loss on advance refunding	210,113	265,845
Deferred outflows related to pensions	7,600,315	8,778,347
Deferred inflows related to pensions	(7,924,436)	(3,495,019)
Deferred outflows related to other postemployment benefits	114,793	-
Deferred inflows related to other postemployment benefits	(21,054)	-
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds and notes payable	(51,173,355)	(50,130,103)
Premium on debt	(1,309,800)	(1,021,769)
Capital leases	(533,611)	(302,980)
Compensated absences	(6,030,257)	(5,776,138)
Net pension liability	-	(1,111,325)
Other postemployment benefit	(1,237,823)	(1,136,590)
Accrued interest on long-term obligations	(606,570)	(643,153)
Net position of governmental activities as reported on the statement of net position (see page 28)	\$ 97,577,603	\$ 92,621,174

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

# City of Manitowoc, Wisconsin

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

	General	Debt Service	Other Governmental Funds	Totals	
				2018	2017
<b>REVENUES</b>					
Taxes	\$ 7,106,740	\$ 6,086,014	\$ 5,356,275	\$ 18,549,029	\$ 18,438,111
Special assessments	215,009	379,154	80,200	674,363	589,165
Intergovernmental	8,063,162	-	4,261,076	12,324,238	10,030,478
Licenses and permits	967,096	-	-	967,096	968,868
Fines and forfeits	564,696	-	5,488	570,184	568,025
Public charges for services	2,944,710	-	404,586	3,349,296	3,209,363
Intergovernmental charges for services	212,649	-	117,097	329,746	710,537
Interdepartmental charges for services	773,087	-	-	773,087	688,477
Miscellaneous	1,172,633	115,288	1,781,481	3,069,402	2,595,823
<b>Total revenues</b>	<b>22,019,782</b>	<b>6,580,456</b>	<b>12,006,203</b>	<b>40,606,441</b>	<b>37,798,847</b>
<b>EXPENDITURES</b>					
Current					
General government	3,004,312	-	84,076	3,088,388	3,207,646
Public safety	14,768,367	-	149,764	14,918,131	14,323,678
Public works	5,661,086	-	9,662,139	15,323,225	8,455,644
Health and human services	289,479	-	5,800	295,279	284,586
Culture and recreation	1,634,948	-	3,384,242	5,019,190	4,919,553
Conservation and development	375,956	-	759,018	1,134,974	6,584,648
Debt service					
Principal	54,691	5,515,000	1,476,748	7,046,439	7,442,106
Interest and fiscal charges	2,974	1,510,093	126,077	1,639,144	1,565,703
<b>Total expenditures</b>	<b>25,791,813</b>	<b>7,025,093</b>	<b>15,647,864</b>	<b>48,464,770</b>	<b>46,783,564</b>
<b>Excess of revenues under expenditures</b>	<b>(3,772,031)</b>	<b>(444,637)</b>	<b>(3,641,661)</b>	<b>(7,858,329)</b>	<b>(8,984,717)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Long-term debt issued	-	8,730,000	7,005,000	15,735,000	6,005,000
Capital lease issued	285,322	-	-	285,322	313,745
Premium on debt issued	-	423,208	-	423,208	256,043
Payment to current noteholder	-	(7,700,000)	-	(7,700,000)	(762,824)
Transfers in	4,272,565	63,272	3,471,089	7,806,926	4,980,925
Transfers out	(96,318)	-	(3,721,427)	(3,817,745)	(1,033,858)
<b>Total other financing sources (uses)</b>	<b>4,461,569</b>	<b>1,516,480</b>	<b>6,754,662</b>	<b>12,732,711</b>	<b>9,759,031</b>
<b>Net change in fund balances</b>	<b>689,538</b>	<b>1,071,843</b>	<b>3,113,001</b>	<b>4,874,382</b>	<b>774,314</b>
<b>Fund balances - January 1</b>	<b>8,408,227</b>	<b>650,342</b>	<b>3,276,147</b>	<b>12,334,716</b>	<b>11,560,402</b>
<b>Fund balances - December 31</b>	<b>\$ 9,097,765</b>	<b>\$ 1,722,185</b>	<b>\$ 6,389,148</b>	<b>\$ 17,209,098</b>	<b>\$ 12,334,716</b>

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

# City of Manitowoc, Wisconsin

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

	2018	2017
<b>RECONCILIATION TO THE STATEMENT OF ACTIVITIES</b>		
Net change in fund balances as shown on previous page	\$ 4,874,382	\$ 774,314
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital assets reported as capital outlay in governmental fund statements	10,148,819	6,661,879
Depreciation expense reported in the statement of activities	(6,703,762)	(5,484,769)
Net book value of disposals	(151,640)	(3,536)
Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the statement of activities when earned.	(577,759)	(523,475)
Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Long-term debt issued	(15,735,000)	(6,005,000)
Capital leases issued	(285,322)	(313,745)
Premium on debt issued	(423,208)	(256,043)
Principal repaid	14,691,748	8,186,341
Capital lease principal paid	54,691	10,765
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:		
Accrued interest on long-term debt	36,583	112,074
Amortization of premiums, discounts and loss on advance refunding	79,445	65,890
Compensated absences	(254,119)	(73,063)
Net pension asset	4,025,178	-
Net pension liability	1,111,325	1,116,136
Deferred outflows of resources related to pensions	(1,178,032)	(3,825,922)
Deferred inflows of resources related to pensions	(4,429,417)	1,192,635
Other postemployment benefits	(186,094)	(21,808)
Deferred outflows of resources related to other postemployment benefits	92,793	-
Deferred inflows of resources related to other postemployment benefits	(21,054)	-
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.	(319,989)	(242,505)
Change in net position of governmental activities as reported in the statement of activities (see pages 29 - 30)	\$ 4,849,568	\$ 1,370,168

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

# City of Manitowoc, Wisconsin

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - GENERAL FUND  
 DECEMBER 31, 2018  
 WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2017

	Budget		Actual	Variance	2017 Actual
	Original	Final		Final Budget - Positive (Negative)	
<b>REVENUES</b>					
Taxes	\$ 7,048,008	\$ 7,048,008	\$ 7,106,740	\$ 58,732	\$ 6,261,288
Special assessments	246,000	246,000	215,009	(30,991)	253,128
Intergovernmental	7,910,205	7,910,205	8,063,162	152,957	7,936,513
Licenses and permits	798,902	798,902	967,096	168,194	968,868
Fines and forfeits	546,086	546,086	564,696	18,610	565,915
Public charges for services	2,734,962	2,734,962	2,944,710	209,748	2,775,723
Intergovernmental charges for services	220,887	220,887	212,649	(8,238)	195,441
Interdepartmental charges for services	791,000	791,000	773,087	(17,913)	688,477
Miscellaneous	675,499	680,499	1,172,633	492,134	708,114
<b>Total revenues</b>	<b>20,971,549</b>	<b>20,976,549</b>	<b>22,019,782</b>	<b>1,043,233</b>	<b>20,353,467</b>
<b>EXPENDITURES</b>					
Current					
General government	3,479,611	3,345,591	3,004,312	341,279	2,878,481
Public safety	14,562,877	14,725,819	14,768,367	(42,548)	13,960,578
Public works	6,751,027	6,767,115	5,661,086	1,106,029	4,999,186
Health and human services	58,060	61,060	289,479	(228,419)	269,039
Culture and recreation	852,296	869,865	1,634,948	(765,083)	1,649,269
Conservation and development	532,724	539,724	375,956	163,768	373,968
Debt service					
Principal	-	-	54,691	(54,691)	10,765
Interest and fiscal charges	-	-	2,974	(2,974)	-
<b>Total expenditures</b>	<b>26,236,595</b>	<b>26,309,174</b>	<b>25,791,813</b>	<b>517,361</b>	<b>24,141,286</b>
Excess of revenues under expenditures	(5,265,046)	(5,332,625)	(3,772,031)	1,560,594	(3,787,819)
<b>OTHER FINANCING SOURCES (USES)</b>					
Capital lease issued	-	-	285,322	285,322	313,745
Transfers in	4,313,105	4,313,105	4,272,565	(40,540)	4,238,611
Transfers out	-	-	(96,318)	(96,318)	(47,961)
<b>Total other financing sources (uses)</b>	<b>4,313,105</b>	<b>4,313,105</b>	<b>4,461,569</b>	<b>148,464</b>	<b>4,504,395</b>
<b>Net change in fund balance</b>	<b>(951,941)</b>	<b>(1,019,520)</b>	<b>689,538</b>	<b>1,709,058</b>	<b>716,576</b>
<b>Fund balance - January 1</b>	<b>8,408,227</b>	<b>8,408,227</b>	<b>8,408,227</b>	<b>-</b>	<b>7,691,651</b>
<b>Fund balance - December 31</b>	<b>\$ 7,456,286</b>	<b>\$ 7,388,707</b>	<b>\$ 9,097,765</b>	<b>\$ 1,709,058</b>	<b>\$ 8,408,227</b>

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



# City of Manitowoc, Wisconsin

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 DECEMBER 31, 2018

WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2017

	Enterprise Funds			
	Water Utility	Electric Utility	Steam Utility	Broadband Utility
<b>ASSETS</b>				
Current assets				
Cash and investments	\$ 6,124,576	\$ 37,527,066	\$ 1,180,695	\$ 1,342,732
Receivables				
Taxes and special charges	-	-	-	-
Customer accounts	1,263,664	5,220,979	292,657	23,322
Other	-	3,042	-	-
Due from other funds	-	426,785	-	-
Due from other governments	-	-	-	-
Inventories and prepaid items	275,279	3,348,785	20,257	125,642
<b>Total current assets</b>	<b>7,663,519</b>	<b>46,526,657</b>	<b>1,493,609</b>	<b>1,491,696</b>
Noncurrent assets				
Restricted assets				
Cash and investments	6,122,285	2,732,416	30,176	-
Deposit with CVMIC	-	-	-	-
<b>Total noncurrent assets</b>	<b>6,122,285</b>	<b>2,732,416</b>	<b>30,176</b>	<b>-</b>
Other assets				
Advance to other funds	-	707,574	-	-
Loans receivable	-	1,033,941	-	-
Investment in ATC	-	12,448,411	-	-
Rate stabilization deposit	-	4,000,000	-	-
Nonutility property	480,175	646,235	-	-
Other assets	257,567	686,033	-	-
Net pension asset	195,824	1,022,639	-	-
<b>Total other assets</b>	<b>933,566</b>	<b>20,544,833</b>	<b>-</b>	<b>-</b>
Capital assets				
Nondepreciable	1,104,770	4,060,250	54,810	96,226
Depreciable	44,404,240	80,022,080	3,188,943	743,270
<b>Total capital assets</b>	<b>45,509,010</b>	<b>84,082,330</b>	<b>3,243,753</b>	<b>839,496</b>
<b>Total assets</b>	<b>60,228,380</b>	<b>153,886,236</b>	<b>4,767,538</b>	<b>2,331,192</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension related amounts	373,208	1,911,450	-	-
Other postemployment related amounts	6,623	32,283	66	-
<b>Total deferred outflows of resources</b>	<b>379,831</b>	<b>1,943,733</b>	<b>66</b>	<b>-</b>

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

Wastewater Treatment Plant	Transit System	Totals		Governmental Activities - Internal Service Funds	
		2018	2017	2018	2017
\$ 8,443,125	\$ 98,218	\$ 54,716,412	\$ 49,677,799	\$ 1,798,311	\$ 1,885,623
-	283,519	283,519	263,916	-	-
676,392	108,290	7,585,304	8,329,360	43,288	29,482
-	-	3,042	-	-	-
-	-	426,785	438,846	-	-
-	272,970	272,970	275,766	-	-
-	201,641	3,971,604	2,665,218	2,086	59,298
<u>9,119,517</u>	<u>964,638</u>	<u>67,259,636</u>	<u>61,650,905</u>	<u>1,843,685</u>	<u>1,974,403</u>
10,182,541	-	19,067,418	18,143,335	-	-
-	-	-	-	1,111,426	1,111,426
<u>10,182,541</u>	<u>-</u>	<u>19,067,418</u>	<u>18,143,335</u>	<u>1,111,426</u>	<u>1,111,426</u>
-	-	707,574	1,134,359	-	-
-	-	1,033,941	1,066,141	-	-
-	-	12,448,411	11,644,865	-	-
-	-	4,000,000	4,000,000	-	-
-	-	1,126,410	1,127,116	-	-
-	-	943,600	968,081	78,433	-
147,309	161,667	1,527,439	-	-	-
<u>147,309</u>	<u>161,667</u>	<u>21,787,375</u>	<u>19,940,562</u>	<u>78,433</u>	<u>-</u>
10,172,667	90,000	15,578,723	10,055,772	8,264	10,750
12,381,930	1,552,463	142,292,926	147,595,952	-	-
<u>22,554,597</u>	<u>1,642,463</u>	<u>157,871,649</u>	<u>157,651,724</u>	<u>8,264</u>	<u>10,750</u>
42,003,964	2,768,768	265,986,078	257,386,526	3,041,808	3,096,579
276,450	295,930	2,857,038	3,370,382	-	-
3,974	4,286	47,232	-	-	-
<u>280,424</u>	<u>300,216</u>	<u>2,904,270</u>	<u>3,370,382</u>	<u>-</u>	<u>-</u>

# City of Manitowoc, Wisconsin

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

	Enterprise Funds			
	Water Utility	Electric Utility	Steam Utility	Broadband Utility
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable	\$ 246,921	\$ 4,013,609	\$ 4,841	\$ 9,962
Accrued and other current liabilities	937,813	3,785,229	75,961	25,077
Insurance claims payable	-	-	-	-
Due to other funds	-	-	426,785	-
Due to other governments	881,239	-	-	-
Special deposits	622	573,749	-	-
Current portion of long-term obligations	201,970	485,697	-	-
Accrued interest payable	-	-	-	-
Payable from restricted assets				
Current portion of long-term obligations	-	4,063,950	41,050	-
Accrued interest	-	79,359	802	-
	<u>2,268,565</u>	<u>13,001,593</u>	<u>549,439</u>	<u>35,039</u>
Total current liabilities				
Long-term obligations, less current portion				
Advance from other funds	-	-	585,882	-
Revenue bonds	-	4,128,300	41,700	-
Debt premium	-	458,873	4,636	-
Compensated absences	280,791	1,286,956	-	-
Land contract	80,000	-	-	-
Net pension liability	-	-	-	-
Other postemployment benefits	69,102	329,871	885	-
	<u>429,893</u>	<u>6,204,000</u>	<u>633,103</u>	<u>-</u>
Total long-term liabilities				
Total liabilities				
	<u>2,698,458</u>	<u>19,205,593</u>	<u>1,182,542</u>	<u>35,039</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Special charges on subsequent year tax roll				
Gain on debt refunding	-	1,593,123	16,092	-
Pension related amounts	385,522	2,013,286	-	-
Other postemployment related amounts	1,024	5,349	-	-
	<u>386,546</u>	<u>3,611,758</u>	<u>16,092</u>	<u>-</u>
Total deferred inflows of resources				
<b>NET POSITION</b>				
Net investment in capital assets				
Restricted				
Capital improvements	6,122,285	-	-	-
Debt service	-	2,653,057	29,374	-
Pension benefits	195,824	1,022,639	-	-
Unrestricted	5,872,088	55,498,838	399,321	1,456,657
	<u>45,333,010</u>	<u>73,838,084</u>	<u>3,140,275</u>	<u>839,496</u>
Total net position				
	<u>\$ 57,523,207</u>	<u>\$ 133,012,618</u>	<u>\$ 3,568,970</u>	<u>\$ 2,296,153</u>

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

Wastewater Treatment Plant	Transit System	Totals		Governmental Activities - Internal Service Funds	
		2018	2017	2018	2017
\$ 758,927	\$ 65,982	\$ 5,100,242	\$ 5,605,771	\$ 23,772	\$ 29,125
-	933	4,825,013	4,922,881	25,176	13,481
-	-	-	-	851,276	602,244
-	-	426,785	438,846	-	-
-	-	881,239	863,566	-	-
-	-	574,371	490,463	-	-
588,144	25,372	1,301,183	2,451,212	-	-
52,129	-	52,129	23,675	-	-
-	-	4,105,000	2,670,000	-	-
-	-	80,161	110,911	-	-
<u>1,399,200</u>	<u>92,287</u>	<u>17,346,123</u>	<u>17,577,325</u>	<u>900,224</u>	<u>644,850</u>
-	-	585,882	990,080	-	-
9,603,538	-	13,773,538	14,215,017	-	-
-	-	463,509	463,509	-	-
112,106	101,488	1,781,341	1,693,055	173,532	163,688
-	-	80,000	176,000	-	-
-	-	-	433,566	-	-
40,883	43,365	484,106	385,849	-	-
<u>9,756,527</u>	<u>144,853</u>	<u>17,168,376</u>	<u>18,357,076</u>	<u>173,532</u>	<u>163,688</u>
<u>11,155,727</u>	<u>237,140</u>	<u>34,514,499</u>	<u>35,934,401</u>	<u>1,073,756</u>	<u>808,538</u>
-	283,519	283,519	268,316	-	-
-	-	1,609,215	1,758,909	-	-
290,009	318,276	3,007,093	1,363,528	-	-
770	846	7,989	-	-	-
<u>290,779</u>	<u>602,641</u>	<u>4,907,816</u>	<u>3,390,753</u>	<u>-</u>	<u>-</u>
12,390,941	1,642,463	137,184,269	136,566,376	8,264	10,750
10,182,541	-	16,304,826	15,765,366	-	-
-	-	2,682,431	2,267,058	-	-
147,309	161,667	1,527,439	-	-	-
8,117,091	425,073	71,769,068	66,832,954	1,959,788	2,277,291
<u>\$ 30,837,882</u>	<u>\$ 2,229,203</u>	<u>\$ 229,468,033</u>	<u>\$ 221,431,754</u>	<u>\$ 1,968,052</u>	<u>\$ 2,288,041</u>

# City of Manitowoc, Wisconsin

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
 PROPRIETARY FUNDS  
 DECEMBER 31, 2018  
 WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2017

	Enterprise Funds			
	Water Utility	Electric Utility	Steam Utility	Broadband Utility
<b>OPERATING REVENUES</b>				
Charges for services	\$ 6,895,612	\$ 66,063,724	\$ 1,880,760	\$ -
Other	-	-	-	242,520
Total operating revenues	<u>6,895,612</u>	<u>66,063,724</u>	<u>1,880,760</u>	<u>242,520</u>
<b>OPERATING EXPENSES</b>				
Operation and maintenance	4,104,558	53,455,702	1,195,813	61,843
Depreciation	1,800,686	6,039,828	151,675	72,873
Taxes	60,041	289,149	1,640	182
Total operating expenses	<u>5,965,285</u>	<u>59,784,679</u>	<u>1,349,128</u>	<u>134,898</u>
Operating income (loss)	<u>930,327</u>	<u>6,279,045</u>	<u>531,632</u>	<u>107,622</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
General property taxes	-	-	-	-
Interest income	209,436	1,797,415	20,703	21,276
Merchandising and jobbing	8,695	101,758	-	-
Nonoperating grants	-	-	-	-
Gain on disposal of capital assets	-	-	-	-
Interest and fiscal charges	(14)	(416,684)	(35,104)	-
Amortization of debt discount/premium	-	132,014	1,333	-
Amortization of gain on debt refunding	-	148,197	1,497	-
Other nonoperating revenues (expenses)	-	(706)	-	-
Total nonoperating revenues (expenses)	<u>218,117</u>	<u>1,761,994</u>	<u>(11,571)</u>	<u>21,276</u>
Income (loss) before contributions and transfers	1,148,444	8,041,039	520,061	128,898
Capital contributions	20,391	181,370	-	-
Transfers out	<u>(941,012)</u>	<u>(2,919,596)</u>	<u>(78,273)</u>	<u>(25,840)</u>
<b>Change in net position</b>	<u>227,823</u>	<u>5,302,813</u>	<u>441,788</u>	<u>103,058</u>
<b>Net position - January 1, as originally stated</b>	57,291,700	127,742,617	3,125,788	2,193,095
<b>Cumulative effect of change in accounting principle</b>	<u>3,684</u>	<u>(32,812)</u>	<u>1,394</u>	<u>-</u>
<b>Net position - January 1, as restated</b>	<u>57,295,384</u>	<u>127,709,805</u>	<u>3,127,182</u>	<u>2,193,095</u>
<b>Net position - December 31</b>	<u>\$ 57,523,207</u>	<u>\$ 133,012,618</u>	<u>\$ 3,568,970</u>	<u>\$ 2,296,153</u>

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

Wastewater Treatment Plant	Transit System	Totals		Governmental Activities - Internal Service Funds	
		2018	2017	2018	2017
\$ 7,195,415	\$ 177,473	\$ 82,212,984	\$ 83,489,007	\$ 4,968,570	\$ 4,671,870
-	-	242,520	289,424	-	-
<u>7,195,415</u>	<u>177,473</u>	<u>82,455,504</u>	<u>83,778,431</u>	<u>4,968,570</u>	<u>4,671,870</u>
4,301,442	1,994,245	65,113,603	67,026,556	5,259,068	4,889,534
614,077	75,701	8,754,840	8,694,921	-	-
-	-	351,012	484,255	29,516	24,841
<u>4,915,519</u>	<u>2,069,946</u>	<u>74,219,455</u>	<u>76,205,732</u>	<u>5,288,584</u>	<u>4,914,375</u>
<u>2,279,896</u>	<u>(1,892,473)</u>	<u>8,236,049</u>	<u>7,572,699</u>	<u>(320,014)</u>	<u>(242,505)</u>
-	263,916	263,916	263,916	-	-
-	-	2,048,830	1,506,731	25	-
-	-	110,453	203,088	-	-
-	1,442,798	1,442,798	2,120,487	-	-
-	990	990	950	-	-
(188,994)	-	(640,796)	(652,917)	-	-
-	-	133,347	133,347	-	-
-	-	149,694	149,694	-	-
45,210	48,308	92,812	46,116	-	-
<u>(143,784)</u>	<u>1,756,012</u>	<u>3,602,044</u>	<u>3,771,412</u>	<u>25</u>	<u>-</u>
2,136,112	(136,461)	11,838,093	11,344,111	(319,989)	(242,505)
-	-	201,761	94,910	-	-
<u>(24,460)</u>	<u>-</u>	<u>(3,989,181)</u>	<u>(3,947,067)</u>	<u>-</u>	<u>-</u>
<u>2,111,652</u>	<u>(136,461)</u>	<u>8,050,673</u>	<u>7,491,954</u>	<u>(319,989)</u>	<u>(242,505)</u>
28,720,934	2,357,620	221,431,754	213,939,800	2,288,041	2,530,546
5,296	8,044	(14,394)	-	-	-
<u>28,726,230</u>	<u>2,365,664</u>	<u>221,417,360</u>	<u>213,939,800</u>	<u>2,288,041</u>	<u>2,530,546</u>
<u>\$ 30,837,882</u>	<u>\$ 2,229,203</u>	<u>\$ 229,468,033</u>	<u>\$ 221,431,754</u>	<u>\$ 1,968,052</u>	<u>\$ 2,288,041</u>

# City of Manitowoc, Wisconsin

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 DECEMBER 31, 2018  
 WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2017

	Enterprise Funds			
	Water Utility	Electric Utility	Steam Utility	Broadband Utility
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers	\$ 6,963,040	\$ 66,945,944	\$ 1,772,745	\$ 227,939
Cash paid for employee wages and benefits	(1,145,219)	(2,708,259)	(35,662)	-
Cash paid to suppliers	(2,807,293)	(52,337,593)	(1,169,164)	(40,300)
Net cash provided (used) by operating activities	<u>3,010,528</u>	<u>11,900,092</u>	<u>567,919</u>	<u>187,639</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
General property taxes	-	-	-	-
Nonoperating grant	-	-	-	-
Nonoperating revenues	-	-	-	-
Economic development loans to customers	-	-	-	-
Economic development loan payments received	-	32,201	-	-
Received on advances to other funds	-	(404,198)	-	-
Transfer in (out)	(932,710)	(2,900,923)	(79,603)	(24,983)
Net cash provided (used) by noncapital financing activities	<u>(932,710)</u>	<u>(3,272,920)</u>	<u>(79,603)</u>	<u>(24,983)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of capital assets	(1,036,814)	(3,524,767)	(12,697)	(24,552)
Capital contributions	20,391	181,370	-	-
Sale of capital assets	4,401	28,082	-	-
Cost of removal of capital assets	(8,537)	(324,778)	(1,275)	(10,024)
Interfund advance received (paid)	-	843,043	(416,259)	-
Long-term debt proceeds	-	-	-	-
Principal paid on long-term debt	(96,000)	(2,643,300)	(26,700)	-
Interest paid on long-term debt	(14)	(447,127)	(35,409)	-
Net cash provided (used) by capital and related financing activities	<u>(1,116,573)</u>	<u>(5,887,477)</u>	<u>(492,340)</u>	<u>(34,576)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received	209,436	1,794,373	20,703	21,276
Cash paid to ATC LLC	-	(803,546)	-	-
Net cash provided by investing activities	<u>209,436</u>	<u>990,827</u>	<u>20,703</u>	<u>21,276</u>
<b>Change in cash and cash equivalents</b>	1,170,681	3,730,522	16,679	149,356
<b>Cash and cash equivalents - January 1</b>	<u>11,076,180</u>	<u>36,528,960</u>	<u>1,194,192</u>	<u>1,193,376</u>
<b>Cash and cash equivalents - December 31</b>	<u>\$ 12,246,861</u>	<u>\$ 40,259,482</u>	<u>\$ 1,210,871</u>	<u>\$ 1,342,732</u>

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

Wastewater Treatment Plant	Transit System	Totals		Governmental Activities - Internal Service Funds	
		2018	2017	2018	2017
\$ 7,312,329	\$ 187,993	\$ 83,409,990	\$ 83,443,580	\$ 4,954,764	\$ 4,666,399
(1,081,228)	(1,268,993)	(6,239,361)	(5,600,467)	(528,121)	(472,299)
(3,438,894)	(741,256)	(60,534,500)	(59,226,565)	(4,516,466)	(4,534,054)
2,792,207	(1,822,256)	16,636,129	18,616,548	(89,823)	(339,954)
-	263,916	263,916	263,916	-	-
-	1,442,798	1,442,798	2,166,450	-	-
45,210	48,308	93,518	859	-	-
-	-	-	(167,125)	-	-
-	-	32,201	20,984	-	-
-	-	(404,198)	712,502	-	-
(24,460)	-	(3,962,679)	(3,881,741)	-	-
20,750	1,755,022	(2,534,444)	(884,155)	-	-
(4,341,788)	-	(8,940,618)	(9,328,938)	2,486	(10,750)
-	-	201,761	94,910	-	-
-	990	33,473	81,634	-	-
-	-	(344,614)	(191,427)	-	-
-	-	426,784	-	-	-
4,845,899	-	4,845,899	4,845,899	-	-
(2,194,826)	-	(4,960,826)	(4,714,922)	-	-
(160,540)	-	(643,090)	(679,947)	-	-
(1,851,255)	990	(9,381,231)	(9,892,791)	2,486	(10,750)
-	-	2,045,788	1,506,731	25	-
-	-	(803,546)	(849,080)	-	-
-	-	1,242,242	657,651	25	-
961,702	(66,244)	5,962,696	8,497,253	(87,312)	(350,704)
17,663,964	164,462	67,821,134	59,323,881	1,885,623	2,236,327
<u>\$ 18,625,666</u>	<u>\$ 98,218</u>	<u>\$ 73,783,830</u>	<u>\$ 67,821,134</u>	<u>\$ 1,798,311</u>	<u>\$ 1,885,623</u>



# City of Manitowoc, Wisconsin

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 DECEMBER 31, 2018  
 WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2017

	Enterprise Funds			
	Water Utility	Electric Utility	Steam Utility	Broadband Utility
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ 930,327	\$ 6,279,045	\$ 531,632	\$ 107,622
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation	1,800,686	6,039,828	151,675	72,873
Depreciation charged to operating accounts	125,115	151,248	2,180	147
Change in liability (asset) and deferred outflows and inflows of resources				
Pension	27,471	126,779	-	-
Special charges on subsequent tax roll	-	-	-	-
Other postemployment benefits	6,922	29,670	93	-
Merchandising and jobbing	8,695	101,758	-	-
Miscellaneous	-	(706)	-	-
Change in operating assets and liabilities				
Accounts receivables	40,780	696,834	(108,015)	(14,581)
Due from other governments	-	-	-	-
Inventories and prepaid items	21,693	(1,263,960)	(10,804)	12,263
Accounts payable	33,641	(377,256)	1,158	9,315
Accrued and other current liabilities	12,128	(22,966)	-	-
Due to other governments	17,673	-	-	-
Special deposits	280	83,628	-	-
Other assets	-	-	-	-
Compensated absences	(14,883)	56,190	-	-
Net cash provided (used) by operating activities	<u>\$ 3,010,528</u>	<u>\$ 11,900,092</u>	<u>\$ 567,919</u>	<u>\$ 187,639</u>
Reconciliation of cash and cash equivalents to the statement of net position				
Cash and cash equivalents in current assets	\$ 6,124,576	\$ 37,527,066	\$ 1,180,695	\$ 1,342,732
Cash and cash equivalents in restricted assets	<u>6,122,285</u>	<u>2,732,416</u>	<u>30,176</u>	<u>-</u>
Total cash and cash equivalents	<u>\$ 12,246,861</u>	<u>\$ 40,259,482</u>	<u>\$ 1,210,871</u>	<u>\$ 1,342,732</u>
Noncash capital and related financing activities				
None				

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

<u>Wastewater Treatment Plant</u>	<u>Transit System</u>	<u>Totals</u>		<u>Governmental Activities - Internal Service Funds</u>	
		<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
\$ 2,279,896	\$ (1,892,473)	\$ 8,236,049	\$ 7,572,699	\$ (320,014)	\$ (242,505)
614,077	75,701	8,754,840	8,694,921	-	-
-	-	278,690	121,564	-	-
18,611	23,043	195,904	609,879	-	-
(4,400)	-	(4,400)	4,400	-	-
3,839	4,096	44,620	15,843	-	-
-	-	110,453	203,088	-	-
-	-	(706)	(706)	-	-
121,314	7,724	744,056	(278,919)	(13,806)	(5,471)
-	2,796	2,796	(275,766)	-	-
-	(41,097)	(1,281,905)	733,114	57,212	(13,719)
(197,655)	25,267	(505,530)	1,004,582	(5,353)	(54,700)
-	-	(10,838)	13,782	260,727	(38,313)
-	-	17,673	(41,594)	-	-
-	-	83,908	53,940	-	-
-	-	-	706	(78,433)	-
(43,475)	(27,313)	(29,481)	185,015	9,844	14,754
<u>\$ 2,792,207</u>	<u>\$ (1,822,256)</u>	<u>\$ 16,636,129</u>	<u>\$ 18,616,548</u>	<u>\$ (89,823)</u>	<u>\$ (339,954)</u>
\$ 8,443,125	\$ 98,218	\$ 54,716,412	\$ 49,677,799	\$ 1,798,311	\$ 1,885,623
10,182,541	-	19,067,418	18,143,335	-	-
<u>\$ 18,625,666</u>	<u>\$ 98,218</u>	<u>\$ 73,783,830</u>	<u>\$ 67,821,134</u>	<u>\$ 1,798,311</u>	<u>\$ 1,885,623</u>

# City of Manitowoc, Wisconsin

## STATEMENT OF NET POSITION

### FIDUCIARY FUND

DECEMBER 31, 2018

WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2017

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	<b>Poor Relief</b>	
	<b>2018</b>	<b>2017</b>
<b>ASSETS</b>		
Cash and investments	<u>\$ 14,123</u>	<u>\$ 14,354</u>
<b>NET POSITION</b>		
Restricted for trust activities	<u>\$ 14,123</u>	<u>\$ 14,354</u>

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

# City of Manitowoc, Wisconsin

STATEMENT OF CHANGES IN NET POSITION  
FIDUCIARY FUND  
DECEMBER 31, 2018  
WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2017

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	<b>Poor Relief</b>	
	<b>2018</b>	<b>2017</b>
<b>ADDITIONS</b>		
Other local sources	\$ 269	\$ 126
<b>DEDUCTIONS</b>		
Trust fund disbursements	500	875
<b>Change in net position</b>	(231)	(749)
<b>Net position - January 1</b>	14,354	15,103
<b>Net position - December 31</b>	<u>\$ 14,123</u>	<u>\$ 14,354</u>

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

# City of Manitowoc, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

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### **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

#### **A. REPORTING ENTITY**

The City is a municipal corporation governed by an elected ten member council. Included in the City's operations (the primary government) are the City's water, electric, steam, and broadband utilities managed by a separate commission appointed by the City Council. In accordance with GAAP, the basic financial statements are required to include the City and any separate component units that have a significant operational or financial relationship with the City. The City has not identified any component units that are required to be included in the basic financial statements in accordance with standards established in GASB Statement No. 61.

#### **B. RELATED ORGANIZATIONS**

The City's officials are also responsible for appointing the members of the board of another organization, but the City's accountability for this organization does not extend beyond making the appointments. Therefore, this organization is not included in the City's reporting entity. The City Council appoints some or all of the members of the following related organization:

The Housing Authority of the City of Manitowoc (the "Authority") - The Authority was established by the City to administer the low and moderate income housing program funded by federal grants and rental income. Although board members of the Authority are appointed by the City Council, there is no financial interdependency with the City nor does the City have any significant influence over the Authority's operations. The City does not provide funding for the Authority. Additionally, the City does not hold title to any of the Authority's assets, nor does it have any right to the Authority's surpluses. The City has no legal obligation to fund the Authority's programs should grant funding no longer be available.

#### **C. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which are primarily supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for services.

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Governmental funds include general, special revenue, debt service and capital projects funds. Proprietary funds include enterprise and internal service funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

# City of Manitowoc, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

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The City reports the following major governmental funds:

### **General Fund**

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

### **Debt Service Fund**

This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of government funds.

The City reports the following major enterprise funds:

### **Water Utility Fund**

This fund accounts for the provision of water service to City residents, public authorities, and business entities.

### **Electric Utility Fund**

This fund accounts for the provision of electric service to City residents, public authorities, and business entities.

### **Steam Utility Fund**

This fund accounts for the provision of sales of steam to public authorities and business entities.

### **Broadband Utility Fund**

This fund accounts for the provision of broadband communication services to public authorities.

### **Wastewater Treatment Plant Fund**

This fund accounts for the provision of sewage treatment service to City residents, public authorities, and business entities.

### **Transit System Fund**

This fund accounts for the provision of mass transit services to residents of the Cities of Manitowoc and Two Rivers.

Additionally, the City reports the following fund types:

- ▶ *Special revenue funds* are used to account for the proceeds of specific revenue sources that are legally restricted for specific purposes.
- ▶ *Capital projects funds* account for financial resources to be used for the acquisition or construction of major capital facilities or equipment other than those financed by proprietary funds.
- ▶ *Internal service fund* accounts for health, workers comp and liability self-insurance and data processing services provided to other departments of the City on a cost reimbursement basis.
- ▶ The *private-purpose trust fund* is used to account for resources legally held in trust to provide annual holiday donations to area not-for-profit organizations. Generally, only the earnings on the invested resources are used to make the donations.

## **D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

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

# City of Manitowoc, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

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Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available.

Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

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

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's proprietary funds are charges to customers for services. Operating expenses for proprietary funds include the costs of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

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

#### **1. Cash and Investments**

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

# City of Manitowoc, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

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

Property taxes and special charges consist of taxes on real estate and personal property and user charges assessed against City properties. They are levied during December of the prior year and become an enforceable lien on property the following January 1. Property taxes are payable in various options depending on the type and amount. Personal property taxes and special charges are payable on or before January 31 in full. Real estate taxes are payable in full by January 31 or in two equal installments on or before January 31 and July 31. Real estate taxes not paid by January 31 are purchased by the County as part of the February tax settlement. Delinquent personal property taxes remain the collection responsibility of the City. Special charges not paid by January 31 are held in trust by the County and remitted to the City, including interest, when collected by the County.

In addition to its levy, the City also levies and collects taxes for the Manitowoc School District, Manitowoc County, and Lakeshore Technical College. Collections and remittances of taxes for other entities are accounted for in the general fund.

### **3. Accounts Receivable**

Accounts receivable are recorded at gross amounts with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that the amount of such allowance would not be material to the basic financial statements.

### **4. Special Assessments**

Assessments against property owners for public improvements are generally not subject to full settlement in the year levied. Special assessments are placed on tax rolls on an installment basis. Revenue from special assessments recorded in governmental funds is recognized as collections are made or as current installments are placed on tax rolls. Installments placed on the 2018 tax roll are recognized as revenue in 2019. Special assessments are subject to collection procedures.

### **5. Loans Receivable**

The City has received federal and state grant funds for economic development and housing rehabilitation loan programs and has passed the funds to various businesses and individuals in the form of loans. The City records a loan receivable and expenditure when the loan has been made and the funds disbursed. No allowance for uncollectible accounts has been provided since it is believed that the amount of such allowance would not be material to the basic financial statements. In the governmental funds, the City records a deferred inflow of resources for the net amount of the receivable. As the loans are repaid, revenue is recognized. Any unspent loan proceeds are presented as restricted fund balance in the fund financial statements.

### **6. Interfund Receivables and Payables**

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

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



# City of Manitowoc, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

### 7. Inventories

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

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

### 8. Prepaid Items

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

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

### 9. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or higher and an estimated useful life in excess of a year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

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

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

Assets	Governmental	Business-type
	Activities	Activities
	Years	
Buildings and improvements	50	25 - 100
Machinery and equipment	5 - 20	3 - 10
Infrastructure	50 - 100	-

### 10. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick leave benefits in accordance with employee handbook policies and/or bargaining unit agreements. All vacation and sick leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds in the fund financial statements only if they have matured, for example, as a result of employee resignations and retirements.

### 11. Deferred Outflows/Inflows of Resources

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

Governmental funds may report deferred inflows of resources for unavailable revenues. The City reports unavailable revenues for special assessments and loan receivables. These inflows are recognized as revenues in the government-wide financial statements.

# City of Manitowoc, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

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### 12. Long-term Obligations

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

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

### 13. Pensions

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

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

#### ***Single-employer Defined Postemployment Benefit Plan***

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

#### ***Local Retiree Life Insurance Fund***

The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other postemployment benefits, OPEB expense, and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIF's fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

### 15. Fund Equity

#### ***Governmental Fund Financial Statements***

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

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

# City of Manitowoc, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

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- ▶ **Committed fund balance.** Amounts that are constrained for specific purposes by action of the City Council either through the passage of an ordinance or resolution, as each is equally difficult to remove the constraint. These constraints can only be removed or changed by the City Council using the same action that was used to create them.
- ▶ **Assigned fund balance.** Amounts that are constrained for specific purposes by action of City management. The Common Council, through adoption of the fund balance policy, has authorized the Finance Director to assign fund balance. Residual amounts in any governmental fund, other than the General Fund, are also reported as assigned.
- ▶ **Unassigned fund balance.** Amounts that are available for any purpose. Positive unassigned amounts are only reported in the General Fund.

The City has not adopted a fund balance spend-down policy regarding the order in which fund balance will be utilized. When a policy does not specify the spend-down policy, GASB Statement No. 54 indicates that restricted funds would be spent first, followed by committed funds, and then assigned funds. Unassigned funds would be spent last.

### ***Government-Wide and Proprietary Fund Statements***

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

- ▶ **Net investment in capital assets.** Amount of capital assets, net of accumulated depreciation, and capital related deferred outflows of resources less outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets and any capital related deferred inflows of resources.
- ▶ **Restricted net position.** Amount of net position that is subject to restrictions that are imposed by 1) external groups, such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- ▶ **Unrestricted net position.** Net position that is neither classified as restricted nor as net investment in capital assets.

### **F. USE OF ESTIMATES**

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

### **G. PRIOR YEAR INFORMATION**

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

### **H. RECLASSIFICATIONS**

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

# City of Manitowoc, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS  
 DECEMBER 31, 2018

## NOTE 2: STEWARDSHIP AND COMPLIANCE

### A. BUDGETS AND BUDGETARY ACCOUNTING

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

1. Prior to November, City management submits to the City Council a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. After submission to the governing body, public hearings are held to obtain taxpayer comments. Following the public hearings, the proposed budget, including authorized additions and deletions, is legally enacted by City Council action.
2. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds except for farmer's market, commercial revolving loan, housing revolving loan, CDBG, HCRI revolving loan, industrial revolving loan, Manitowoc Calumet Library, Mani International Relations Assoc., Rahr West Museum, police programs, park land dedications, senior center, external flame, centennial, park and rec donations, Lakeshore holiday parade, EPA grant, and housing programs special revenue funds, cemetery improvements, car ferry dock facilities, and tax incremental district nos. 18, 19, 20 and 21 capital project funds. Budget is defined as the originally approved budget plus or minus approved amendments. Individual amendments throughout the year were not material in relation to the original budget. Budget appropriations not expended during the year are closed to fund balance unless authorized by the governing body to be forwarded into the succeeding year's budget.
3. During the year, formal budgetary integration is employed as a management control device for all governmental funds adopting a budget. Amendments to the budget during the year are initially reviewed by managements and are subsequently authorized by the City Council. Management does not have authority to amend the legally adopted budget. Supplemental amendments were necessary during the year but were not material in relations to the original appropriation.
4. The budget as enacted includes total expenditures at the organization level. An organization can be a department, division, fund, or other activity. Expenditures cannot legally exceed appropriations at this level.
5. Encumbrance accounting is not used by the City to record commitments related to unperformed contracts for goods or services.

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

### B. DEFICIT FUND EQUITY

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

Funds	Deficit Fund Balance
Streets	\$ 1,073,952
Tax Incremental District No. 12	16,683
Tax Incremental District No. 16	1,608,191
Tax Incremental District No. 19	17,027
Tax Incremental District No. 20	1,079
Tax Incremental District No. 21	2,936

The above deficits are anticipated to be funded from future operations of the respective funds, proceeds of debt, or from available resources of the General Fund.

# City of Manitowoc, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

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### C. PROPERTY TAX LEVY LIMIT

Wisconsin state statutes provide for a limit on the property tax levies for all Wisconsin cities, villages, towns and counties. For the 2018 and 2019 budget years, Wisconsin Statutes limit the increase in the maximum allowable tax levy to the change in the City's January 1 equalized value as a result of net new construction. The actual limit for the City for the 2018 budget was 0.52%. The actual limit for the City for the 2019 budget was .92%. Debt service for debt authorized after July 1, 2005 is exempt from the levy limit. In addition, Wisconsin statutes allow the limit to be adjusted for the increase in debt service authorized prior to July 1, 2005 and in certain other situations.

### NOTE 3: DETAILED NOTES ON ALL FUNDS

#### A. CASH AND INVESTMENTS

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

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

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

The carrying amount of the City's cash and investments totaled \$108,079,403 on December 31, 2018 as summarized below:

Petty cash and cash on hand	\$	10,994
Deposits with financial institutions		37,416,088
Investments		
U.S. Treasury notes		11,960,662
Government National Mortgage Association		91,724
Federal National Mortgage Association		8,174,457
Federal Home Loan Bank		4,405,020
Federal Home Loan Mortgage Corporation		4,317,535
Federal Farm Credit Bureau		6,183,852
Small Business Administration		120,513
State and municipal bonds		792,726
Money market mutual funds		3,350,354
Repurchase agreements		7,478,582
Beneficial interest in investments held by Lakeshore Community Foundation		227,725
Corporate bonds and notes		13,379,270
Wisconsin local government investment pool		10,169,901
	\$	<u>108,079,403</u>

Reconciliation to the basic financial statements:

Government-wide statement of net position		
Cash and investments	\$	88,754,905
Restricted cash and investments		19,310,375
Fiduciary fund statement of net position		
Cash and investments		14,123
	\$	<u>108,079,403</u>

# City of Manitowoc, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

### Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant observable inputs; Level 3 inputs are significant unobservable inputs. The City has the following fair value measurements as of December 31, 2018:

	Fair Value Measurements Using:		
	Level 1	Level 2	Level 3
Investments			
U.S. Treasury notes	\$ -	\$ 11,960,662	\$ -
U.S. Government agencies	-	23,172,588	-
Small Business Administration	-	120,513	-
Corporate bonds and notes	-	13,379,270	-
State and municipal bonds	-	792,726	-
Money market mutual funds	3,350,354	-	-
Beneficial interest in investments held by Lakeshore Community Foundation	-	-	227,725
	<u>\$ 3,350,354</u>	<u>\$ 49,425,759</u>	<u>\$ 227,725</u>

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

Investment Type	Valuation Method
U.S. Treasury notes	Institutional quotes - evaluations based on various market and industry inputs
Corporate obligation, mutual funds, municipal bonds, and Small Business Administration	Institutional quotes - evaluations based on various market and industry inputs
U.S. Government agencies	Mortgage backed securities pricing - evaluations based on various market and industry inputs

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

### Custodial Credit Risk

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

# City of Manitowoc, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

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

As of December 31, 2018, \$31,066,256 of the City's deposits with financial institutions were in excess of federal and state depository insurance limits. \$12,092,756 was collateralized with securities held by the pledging financial institution or its trust department or agent but not in the City's name.

On December 31, 2018, the City held repurchase agreement investments of \$7,478,582 of which the underlying securities are held by the investment's counterparty, not in the name of the City.

### Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Wisconsin statutes limit investment in securities to the top two ratings assigned by nationally recognized statistical rating organizations. Presented below is the actual rating as of the year-end for each investment type.

Investment Type	Amount	Exempt from Disclosure	AAA			AA		A		Not Rated
			AAA	AA	A	AAA	AA	A		
U.S. Treasury notes	\$ 11,960,662	\$ 11,960,662	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
U.S. Government agencies	23,172,588	-	23,172,588	-	-	-	-	-	-	
Small Business Administration	120,513	-	-	-	-	120,513	-	-	-	
Corporate bonds and notes	13,379,270	-	4,871,668	6,054,705	2,452,897	-	-	-	-	
State and municipal bonds	792,726	-	-	792,726	-	-	-	-	-	
Money market mutual funds	3,350,354	-	-	-	-	-	-	-	3,350,354	
Beneficial interest in investments held by Lakeshore Community Foundation	227,725	-	-	-	-	-	-	-	227,725	
Wisconsin local government investment pool	10,169,901	-	-	-	-	-	-	-	10,169,901	
Totals	<u>\$ 63,173,739</u>	<u>\$ 11,960,662</u>	<u>\$ 28,044,256</u>	<u>\$ 6,847,431</u>	<u>\$ 2,573,410</u>	<u>\$ 13,747,980</u>				

### Concentration of Credit Risk

The City's investment policy states that it will diversify its investments by security type and institution. With the exception of U.S. Treasury securities and authorized pools, no more than 50% of the City's total investment portfolio will be invested in a single type or with a single financial institution. The City had the following investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City investments are as follows:

Issuer	Investment Type	Reported Amount	Percent of Total Investments
Federal Home Loan Bank	Federal agency security	\$ 4,405,020	6.23%
Federal Farm Credit Bank	Federal agency security	6,183,852	8.75%
Federal Home Loan Mortgage Corp	Federal agency security	4,317,535	6.11%
Federal National Mortgage Association	Federal agency security	8,174,457	11.57%

# City of Manitowoc, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

### Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. In accordance with its investment policy, to the extent possible, the City will attempt to match its investments with anticipated cash flow liquidity requirements. Unless matched to a specific cash flow, the City will not invest in securities maturing more than five years from the date of purchase. Reserve funds may be invested in securities exceeding five years if the maturity of such investment is made to coincide as nearly as practicable with the expected use of funds. In no event will the City invest in securities with maturities exceeding seven years. Because of the inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio should be made continuously invested in readily available funds such as Local Government Investment Pools (LGIP), money market funds, or overnight repurchase agreements to ensure that appropriate liquidity is maintained to meet ongoing obligations.

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

Investment Type	Amount	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
U.S. Treasury notes	\$11,960,662	\$ 6,724,864	\$ 4,636,902	\$ -	\$ 598,896
U.S. Government agencies	23,172,588	7,061,413	1,673,673	11,425,161	3,012,341
Small Business Administration	120,513	-	-	26,927	93,586
Corporate obligations	13,379,270	4,132,854	497,260	7,820,074	929,082
State and municipal bonds	792,726	-	578,921	213,805	-
Money market mutual funds	3,350,354	3,350,354	-	-	-
Repurchase agreements	7,478,582	7,478,582	-	-	-
Beneficial interest in investments held by Lakeshore Community Foundation	227,725	227,725	-	-	-
Wisconsin local government investment pool	10,169,901	10,169,901	-	-	-
Totals	<u>\$70,652,321</u>	<u>\$39,145,693</u>	<u>\$ 7,386,756</u>	<u>\$19,485,967</u>	<u>\$ 4,633,905</u>

### Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The City's investments include the following investments that are highly sensitive to interest rate fluctuations (to a greater degree than already indicated in the information provided above):

Highly Sensitive Investments	Fair Value at Year End
Government National Mortgage Association	\$ 91,724
Federal National Mortgage Association	8,174,457
Federal Home Loan Bank	4,405,020
Federal Home Loan Mortgage Corporation	4,317,535
Federal Farm Credit Bureau	6,183,852
Small Business Administration	120,513
	<u>\$ 23,293,101</u>



# City of Manitowoc, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

### Investment in Wisconsin Local Government Investment Pool

The City has investments in the Wisconsin Local Government Investment Pool of \$10,169,901 at year-end. The LGIP is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2018, the fair value of the City's share of the LGIP's assets was substantially equal to the carrying value.

### Beneficial Interest in Assets Held by Lakeshore Community Foundation

Beneficial interest in assets held by Lakeshore Community Foundation represents amounts held at Lakeshore Community Foundation, Inc. (the "Foundation"). These amounts are legal assets of the Foundation with the restriction that the Foundation makes distributions to the City as needed. The agreement governing the assets includes a variance power allowing the Foundation to modify the restrictions on distributions from the funds.

### B. RESTRICTED ASSETS

Restricted assets on December 31, 2018 totaled \$19,310,375 and consisted of cash and investments held for the following purposes:

Funds	Amount	Purpose
Special Revenue Funds		
Police programs	\$ 227,725	Future projects or improvements
Centennial	15,232	Future projects or improvements
Total Special Revenue Funds	<u>242,957</u>	
Enterprise Funds		
Water utility	6,122,285	Future projects or improvements
Electric utility	2,732,416	Debt service
Steam utility	30,176	Debt service
Wastewater treatment plant	10,182,541	Future projects or improvements
Total Enterprise Funds	<u>19,067,418</u>	
Total	<u>\$ 19,310,375</u>	

# City of Manitowoc, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

### C. CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>				
Capital assets, nondepreciable:				
Land	\$ 7,270,518	\$ -	\$ -	\$ 7,270,518
Construction in progress	10,750	3,882,606	11,186	3,882,170
Total capital assets, nondepreciable	<u>7,281,268</u>	<u>3,882,606</u>	<u>11,186</u>	<u>11,152,688</u>
Capital assets, depreciable:				
Buildings and improvements	29,069,214	409,024	-	29,478,238
Machinery and equipment	30,290,532	2,537,643	977,113	31,851,062
Infrastructure	173,094,706	3,328,246	-	176,422,952
Subtotals	<u>232,454,452</u>	<u>6,274,913</u>	<u>977,113</u>	<u>237,752,252</u>
Less accumulated depreciation for:				
Buildings and improvements	12,954,645	597,995	-	13,552,640
Machinery and equipment	15,665,272	2,087,729	825,473	16,927,528
Infrastructure	84,572,743	4,018,038	-	88,590,781
Subtotals	<u>113,192,660</u>	<u>6,703,762</u>	<u>825,473</u>	<u>119,070,949</u>
Total capital assets, depreciable, net	<u>119,261,792</u>	<u>(428,849)</u>	<u>151,640</u>	<u>118,681,303</u>
Governmental activities capital assets, net	<u>\$ 126,543,060</u>	<u>\$ 3,453,757</u>	<u>\$ 162,826</u>	129,833,991
Less: Capital related debt				42,720,534
Less: Premium on debt				1,235,607
Add: Loss on advance refunding				210,113
Net investment in capital assets				<u>\$ 86,087,963</u>
<b>Business-type activities:</b>				
Capital assets, nondepreciable:				
Land	\$ 2,653,640	\$ -	\$ -	\$ 2,653,640
Construction in progress	7,402,132	9,174,974	3,652,023	12,925,083
Total capital assets, nondepreciable	<u>10,055,772</u>	<u>9,174,974</u>	<u>3,652,023</u>	<u>15,578,723</u>
Capital assets, depreciable:				
Buildings and improvements	58,879,228	210,229	19,451	59,070,006
Machinery and equipment	92,999,595	1,379,874	398,789	93,980,680
Infrastructure	140,425,003	1,800,573	903,426	141,322,150
Subtotals	<u>292,303,826</u>	<u>3,390,676</u>	<u>1,321,666</u>	<u>294,372,836</u>
Less accumulated depreciation for:				
Buildings and improvements	32,644,204	1,031,209	56,452	33,618,961
Machinery and equipment	39,154,132	2,595,966	619,715	41,130,383
Infrastructure	72,909,538	5,437,986	1,016,958	77,330,566
Subtotals	<u>144,707,874</u>	<u>9,065,161</u>	<u>1,693,125</u>	<u>152,079,910</u>
Total capital assets, depreciable, net	<u>147,595,952</u>	<u>(5,674,485)</u>	<u>(371,459)</u>	<u>142,292,926</u>
Business-type activities capital assets, net	<u>\$ 157,651,724</u>	<u>\$ 3,500,489</u>	<u>\$ 3,280,564</u>	157,871,649
Less: Capital related debt				18,614,656
Less: Premium on debt				463,509
Less: Gain on debt refunding				1,609,215
Net investment in capital assets				<u>\$ 137,184,269</u>

# City of Manitowoc, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

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

Governmental activities	
General government	\$ 201,533
Public safety	809,689
Public works	4,781,598
Health and human services	58,682
Culture and recreation	829,751
Conservation and development	22,509
Total depreciation expense - governmental activities	<u>\$ 6,703,762</u>
Business-type activities	
Water utility	\$ 1,800,686
Electric utility	6,039,828
Steam utility	151,675
Broadband utility	72,873
Wastewater treatment plant	614,077
Transit system	75,701
Total depreciation expense - business-type activities	<u>8,754,840</u>
Depreciation charged to operating accounts	278,690
Salvage charged to accumulated depreciation	31,631
Total increase in accumulated depreciation	<u>\$ 9,065,161</u>

### D. INTERFUND RECEIVABLE, PAYABLES, AND TRANSFERS

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

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Temporary cash advances to finance operating cash deficits		
Governmental funds		
General	\$ 4,232,452	\$ -
Nonmajor	-	4,232,452
Proprietary funds		
Electric utility	426,785	-
Steam utility	-	426,785
Subtotal	<u>4,659,237</u>	<u>4,659,237</u>
Long-term advances between funds		
Governmental fund		
Capital equipment	-	121,692
Proprietary fund		
Electric utility	707,574	-
Steam utility	-	585,882
Subtotal	<u>707,574</u>	<u>707,574</u>
Totals	<u>\$ 5,366,811</u>	<u>\$ 5,366,811</u>

The outstanding balances between funds result mainly from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, 3) payments between funds are made, and 4) long-term advances have been made.

# City of Manitowoc, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

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

Fund	Transfer In	Transfer Out
General	\$ 4,272,565	\$ 96,318
Debt Service	63,272	-
Nonmajor governmental funds	3,471,089	3,721,427
Water utility	-	941,012
Electric utility	-	2,919,596
Steam utility	-	78,273
Broadband utility	-	25,840
Wastewater Treatment Plant	-	24,460
	<u>\$ 7,806,926</u>	<u>\$ 7,806,926</u>

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

### E. LONG-TERM OBLIGATIONS

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

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
General obligation debt					
Bonds	\$ 21,650,000	\$ 8,730,000	\$ 3,175,000	\$ 27,205,000	\$ 3,725,000
Notes	28,156,103	-	4,366,748	23,789,355	3,702,159
State trust fund loans	324,000	-	145,000	179,000	179,000
Total general obligation debt	<u>50,130,103</u>	<u>8,730,000</u>	<u>7,686,748</u>	<u>51,173,355</u>	<u>7,606,159</u>
Note anticipation notes	-	7,005,000	7,005,000	-	-
Debt premium	1,021,769	423,208	135,177	1,309,800	-
Capital leases	302,980	285,322	54,691	533,611	86,477
Compensated absences	<u>5,939,826</u>	<u>263,963</u>	<u>-</u>	<u>6,203,789</u>	<u>2,000,000</u>
Governmental activities Long-term obligations	<u>\$ 57,394,678</u>	<u>\$ 16,707,493</u>	<u>\$ 14,881,616</u>	<u>\$ 59,220,555</u>	<u>\$ 9,692,636</u>
<b>Business-type activities:</b>					
Revenue bonds	\$ 18,457,581	\$ 4,223,641	\$ 4,242,566	\$ 18,438,656	\$ 4,665,118
Debt premium	596,857	-	133,348	463,509	-
Land contract	272,000	-	96,000	176,000	96,000
Compensated absences	<u>2,342,355</u>	<u>716,561</u>	<u>632,510</u>	<u>2,426,406</u>	<u>645,065</u>
Business-type activities Long-term obligations	<u>\$ 21,668,793</u>	<u>\$ 4,940,202</u>	<u>\$ 5,104,424</u>	<u>\$ 21,504,571</u>	<u>\$ 5,406,183</u>

Total interest paid during the year on long-term debt totaled \$2,124,425.

# City of Manitowoc, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

### General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/18</u>
Capital improvement bond	2/17/09	2021	4%	\$ 6,225,000	\$ 1,390,000
Capital improvement bond	2/16/10	2025	2.8 - 5.1%	5,850,000	3,275,000
Refunding bond	2/16/10	2021	3 - 4%	10,615,000	650,000
Capital improvement bond	4/25/11	2026	2.5 - 3.65%	3,280,000	2,100,000
Capital improvement note	4/25/11	2021	2.1 - 3.25%	1,605,000	610,000
Refunding bond	11/28/11	2023	2.15 - 3.95%	6,690,000	4,045,000
Capital improvement note	6/11/12	2022	2 - 3%	7,655,000	1,340,000
Capital improvement note	5/17/13	2023	2 - 2.5%	9,995,000	4,955,000
Capital improvement note	3/24/14	2022	2 - 3%	3,965,000	1,750,000
State trust fund loan	11/17/14	2019	3%	409,000	179,000
Capital improvement note	4/6/15	2025	3 - 4%	2,500,000	2,300,000
Refunding bond	12/21/15	2026	1.1 - 3.95%	7,010,000	6,585,000
Capital improvement note	5/9/16	2026	2%	7,600,000	7,600,000
Environmental remediation note	12/14/16	2026	1.54%	282,444	229,355
Capital improvement note	5/15/17	2027	2 - 3%	5,230,000	4,660,000
Refunding note	11/16/17	2027	1.78 - 2.5%	775,000	775,000
Refunding bond	11/5/18	2038	4 - 5%	8,730,000	8,730,000

Total outstanding general obligation debt \$51,173,355

Annual principal and interest maturities of the outstanding general obligation debt of \$51,173,355 on December 31, 2018 are detailed below:

<u>Year Ended</u> <u>December 31,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 7,606,159	\$ 1,490,310	\$ 9,096,469
2020	6,207,578	1,281,602	7,489,180
2021	6,388,002	1,104,298	7,492,300
2022	6,323,434	920,742	7,244,176
2023	5,968,872	731,809	6,700,681
2024 - 2028	14,004,310	1,769,012	15,773,322
2029 - 2033	2,200,000	707,000	2,907,000
2034 - 2038	2,475,000	255,500	2,730,500
	<u>\$51,173,355</u>	<u>\$ 8,260,273</u>	<u>\$59,433,628</u>

For governmental activities, the other long-term liabilities are generally funded by the General Fund.

# City of Manitowoc, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

### Legal Margin for New Debt

The City's legal margin for creation of additional general obligation debt on December 31, 2018 was \$48,112,140 as follows:

Equalized valuation of the City		\$1,951,266,200
Statutory limitation percentage		(x) 5%
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes		97,563,310
Total outstanding general obligation debt applicable to debt limitation	\$ 51,173,355	
Less: Amounts available for financing general obligation debt		
Debt Service Fund	1,722,185	
Net outstanding general obligation debt applicable to debt limitation		49,451,170
Legal margin for new debt		<u>\$ 48,112,140</u>

### Advance Refunding

In prior years, the City advance refunded \$6,125,000 of general obligation bonds. As a result, the refunded bonds are also considered to be defeased and the liability have been removed from the financial statements. At December 31, 2018, \$6,000,000 of outstanding general obligation bonds are considered defeased.

### Current Refunding

During 2018, the City currently refunded general obligation bond issues from 2008, 2009, and 2011. The City issued \$8,730,000 of general obligation refunding bonds to call the refunded debt. This current refunding was undertaken to refinance and extend the timing of when the principal and interest payments are due. Total debt service payments over the next 11 years were increased by \$340,432 and the economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) is \$5,930.

### Revenue Bonds

Revenue bonds outstanding on December 31, 2018 totaled \$18,438,656 and were comprised of the following issues:

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/18</u>
State of Wisconsin clean water fund loan	12/23/02	2022	2.92%	\$ 1,772,798	\$ 442,842
Electric power system refunding	11/23/09	2019	1 - 5%	21,740,000	3,750,000
State of Wisconsin clean water fund loan	5/12/10	2030	2.20%	1,000,000	651,277
Electric power system refunding	11/10/14	2029	2 - 3.15%	5,890,000	4,525,000
State of Wisconsin clean water fund loan	12/13/17	2037	1.76%	9,069,537	9,069,537
Total outstanding revenue bonds					<u>\$ 18,438,656</u>

Annual principal and interest maturities of the outstanding revenue bonds of \$18,438,656 on December 31, 2018 are detailed below:

<u>Year Ended</u> <u>December 31,</u>	<u>Business-type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 4,665,118	\$ 501,210	\$ 5,166,328
2020	936,415	295,853	1,232,268
2021	957,950	273,244	1,231,194
2022	979,731	250,089	1,229,820
2023	882,859	228,115	1,110,974
2024 - 2028	4,749,795	817,690	5,567,485
2029 - 2033	3,099,975	320,038	3,420,013
2034 - 2037	2,166,813	77,103	2,243,916
	<u>\$ 18,438,656</u>	<u>\$ 2,763,342</u>	<u>\$ 21,201,998</u>

# City of Manitowoc, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

### Land Contract

On December 1, 2015, the City entered into a land contract for the acquisition of property. The total purchase price of the property was \$480,000. The land contract requires monthly payments of \$8,000 with no interest with the first payment having been made in 2015. Payments totaling \$96,000 will be made in 2019 with final payments totaling \$80,000 being made in 2020.

### Utility Revenues Pledged

The City has pledged future electric, steam, and wastewater customer revenues, net of specific operating expenses, to repay the water, electric, and wastewater system mortgage revenue bonds. Proceeds from the bonds provided financing for the construction or acquisition of capital assets used by the utilities. A summary of net customer revenues and remaining principal and interest due on revenue bonds follows:

	Electric Utility	Steam Utility	Wastewater Treatment Plant	Totals
Net Customer Revenues				
Operating revenues	\$ 66,063,724	\$ 1,880,760	\$ 7,195,415	\$ 75,139,899
Other income	1,797,415	20,703	-	1,818,118
Total revenues	<u>67,861,139</u>	<u>1,901,463</u>	<u>7,195,415</u>	<u>76,958,017</u>
Less: Operating expenses	53,744,851	1,197,453	4,301,442	59,243,746
Net Customer Revenues	<u>\$ 14,116,288</u>	<u>\$ 704,010</u>	<u>\$ 2,893,973</u>	<u>\$ 17,714,271</u>
Debt Service				
Principal	\$ 2,643,300	\$ 26,700	\$ 2,194,826	\$ 4,864,826
Interest	447,127	35,409	160,540	643,076
Total Debt Service	<u>\$ 3,090,427</u>	<u>\$ 62,109</u>	<u>\$ 2,355,366</u>	<u>\$ 5,507,902</u>
Remaining principal and interest	<u>\$ 9,229,959</u>	<u>\$ 93,232</u>	<u>\$ 11,878,807</u>	<u>\$ 21,201,998</u>

### Capital Lease

The City is obligated under various leases accounted for as capital leases that were used to finance the acquisition of capital assets. The cost of the capital assets under the capital leases are \$652,466 and the related accumulated depreciation is \$193,242 as of December 31, 2018.

The following is a schedule of the minimum lease payments under the lease agreements and the present values of the minimum lease payments at December 31, 2018:

Year Ending	Governmental Activities
2019	\$ 106,608
2020	106,806
2021	107,015
2022	166,949
2023	107,710
Subtotal	<u>595,088</u>
Less: Amount representing interest	61,477
Present value of future minimum lease payments	<u>\$ 533,611</u>

# City of Manitowoc, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

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### **F. CONDUIT DEBT OBLIGATIONS**

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

As of December 31, 2018, there were a number of Industrial Revenue Bonds outstanding, with an undeterminable aggregate principal amount payable.

### **G. PENSION PLAN**

#### **1. Plan Description**

The WRS is a cost-sharing, multiple-employer, defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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

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

Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and executive service retirement plan participants, if hired on or before December 31, 2016) are entitled to a 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 earnings periods. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

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

The WRS also provides death and disability benefits for employees.



# City of Manitowoc, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

### 2. Post-Retirement Adjustments

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

Year	Core Fund Adjustment	Variable Fund Adjustment
2007	3%	10%
2008	6.6	0
2009	(2.1)	(42)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5)
2017	2.0	4

### 3. Contributions

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee Category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the 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 year ending December 31, 2018, the WRS recognized \$2,077,887 in contributions from the City.

Contribution rates for the reporting period are:

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

# City of Manitowoc, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

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

At December 31, 2018, the City reported an asset of \$5,552,617 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2017, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2016 rolled forward to December 31, 2017. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2017, the City's proportion was 0.18701231%, which was a decrease of 0.00042010% from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the City recognized pension expense of \$2,529,814.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 7,054,737	\$ 3,299,973
Net differences between projected and actual earnings on pension plan investments	-	7,631,556
Changes in assumptions	1,097,088	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	227,641	-
Employer contributions subsequent to the measurement date	2,077,887	-
Total	<u>\$ 10,457,353</u>	<u>\$ 10,931,529</u>

\$2,077,887 reported as deferred outflows related to pension resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31,	Expense
2019	\$ 722,009
2020	25,245
2021	(1,883,910)
2022	(1,428,819)
2023	13,412
Total	<u>\$ (2,552,063)</u>

# City of Manitowoc, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

### 5. Actuarial Assumptions

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

Actuarial valuation date:	December 31, 2016
Measurement date of net pension asset:	December 31, 2017
Actuarial cost method:	Entry Age
Asset valuation method:	Fair Market Value
Long-term expected rate of return:	7.2%
Discount rate:	7.2%
Salary increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.6%
Mortality	Wisconsin 2012 Mortality Table
Post-retirement adjustments*	2.1%

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

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

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

	Current Asset Allocation %	Long-term Expected Nominal Rate of Return %	Long-term Expected Real Rate of Return %
<u>Core Fund Asset Class</u>			
Global equities	50%	8.2%	5.3%
Fixed income	24.5%	4.2%	1.4%
Inflation sensitive assets	15.5%	3.8%	1.0%
Real estate	8%	6.5%	3.6%
Private equity/debt	8%	9.4%	6.5%
Multi-asset	4%	6.5%	3.6%
Total Core Fund	110%	7.3%	4.4%
<u>Variable Fund Asset Class</u>			
U.S. equities	70%	7.5%	4.6%
International equities	30%	7.8%	4.9%
Total Variable Fund	100%	7.9%	5.0%

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.75%

Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations

# City of Manitowoc, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

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

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

	<u>1% Decrease to Discount Rate (6.20%)</u>	<u>Current Discount Rate (7.20%)</u>	<u>1% Increase to Discount Rate (8.20%)</u>
City's proportionate share of the net pension liability (asset)	\$ 14,366,516	\$ (5,552,617)	\$ (20,691,775)

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

**6. Payables to the Pension Plan**

At December 31, 2018, the City reported a payable of \$302,715 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2018.

# City of Manitowoc, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

### H. OTHER POSTEMPLOYMENT BENEFITS

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

The cumulative effect of this change was to decrease the December 31, 2017 net position by \$92,467 as follows:

Single-employer defined OPEB Plan		
Other postemployment liability		
OPEB liability balance previously reported	\$ 1,522,439	
Actuarially determined balance	433,110	
Change in other postemployment liability		\$ 1,089,329
Deferred outflows of resources		
Employer contributions subsequent to the measurement date		22,000
Change in single-employer defined OPEB plan liability		1,111,329
Local Retiree Life Insurance Fund (LFLIF)		
Other postemployment liability		
OPEB liability balance previously reported	\$ -	
Actuarially determined balance	1,018,862	
Change in other postemployment liability		(1,018,862)
Change in Local Retiree Life Insurance Fund liability		(1,018,862)
Total cumulative effect of change in accounting principle		\$ 92,467

The City reports OPEB related balances at December 31, 2018 as summarized below:

	OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources
Local Retiree Life Insurance Fund (LRLIF)	\$ 1,246,148	\$ 134,766	\$ 29,043
Single-employer defined OPEB plan	475,781	27,259	-
Total pension liability	\$ 1,721,929	\$ 162,025	\$ 29,043

#### 1. Single-employer Defined Postemployment Benefit Plan

##### **Plan Description**

The Plan is a single-employer defined benefit postemployment health plan that covers retired employees of the City. Eligible retired employees have access to group medical coverage through the City's group plan until they reach the age of 65. The retired employee contributes 100% of the premium for family coverage and 100% of the premium for single coverage.

##### **Benefits Provided**

The City provides medical coverage (including prescription drugs) for retired employees through the medical plan.

# City of Manitowoc, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

### **Employees Covered by Benefit Terms**

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

Inactive employees or beneficiaries currently receiving benefit payments	3
Active employees	296
	299

### **Contributions**

Retired plan members and beneficiaries currently receiving benefits are required to contribute 100% towards the cost of insurance premiums based on the employee group and their retirement date.

### **Total OPEB Liability**

The City's Total OPEB Liability was measured as of December 31, 2017, and was determined by an actuarial valuation as of January 1, 2018.

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

#### Salary increases:

Inflation	3.00%
Seniority/Merit	0.4%-3.0%
Discount Rate:	3.44%
Healthcare cost trend rates:	5.9% for 2018 decreasing to an ultimate rate of 3.90% after 62 years

Mortality rates are the same as those used on the Wisconsin 2012 Mortality table.

The actuarial assumptions used in the January 1, 2018 valuation were based on the "Wisconsin Retirement System 2012 - 2014 Experience Study".

**Discount Rate.** The discount rate used to measure the total OPEB liability was 3.44%, which is based on the Bond Buyer GO 20-year index as of the week of the measurement date. No assets have been accumulated in an irrevocable trust, so the Bond Buyer GO 20-year Bond Index has been applied to all periods.

### **Changes in the Total OPEB Liability**

	<b>Total OPEB Liability</b>
Balance at January 1, 2018	\$ 433,110
Changes for the year:	
Service cost	31,945
Interest on total OPEB liability	17,166
Effect of assumptions changes or inputs	15,560
Benefit payments	(22,000)
Net changes	42,671
Balance at December 31, 2018	\$ 475,781

# City of Manitowoc, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

**Sensitivity of the total OPEB Liability to changes in the discount rate.** The following presents the Total OPEB Liability of the City, as well as what the City's Total OPEB Liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.44%) or 1-percentage-point higher (4.44%) than the current rate:

	1% Decrease to Discount Rate (2.44%)	Current Discount Rate (3.44%)	1% Increase to Discount Rate (4.44%)
Total OPEB liability	\$ 524,122	\$ 475,781	\$ 431,301

**Sensitivity of the total OPEB Liability to changes in the healthcare cost trend rates.** The following presents the Total OPEB Liability of the City, as well as what the City's Total OPEB Liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease (4.9% decreasing to 2.9%)	Healthcare Cost Trend Rates (5.9% decreasing to 3.9%)	1% Increase (6.9% decreasing to 4.9%)
Total OPEB liability	\$ 415,193	\$ 475,781	\$ 548,207

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

For the year ended December 31, 2018, the City recognized OPEB expense of \$64,673. At December 31, 2018, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources
Changes in assumptions	\$ 13,986
City contributions subsequent to the measurement date	13,273
Total	<u>\$ 27,259</u>

\$13,273 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended December 31, 2018, and reported in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in other postemployment benefits expense as follows:

Year Ended December 31,	Expense
2019	\$ 1,574
2020	1,574
2021	1,574
2022	1,574
2023	1,574
Thereafter	6,116
Total	<u>\$ 13,986</u>

***Payable to the OPEB Plan***

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

# City of Manitowoc, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

### 2. Local Retiree Life Insurance Fund

#### **Plan Description**

The LRLIF is a cost sharing, multiple-employer defined benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides postemployment life insurance benefits for all eligible employees.

#### **OPEB Plan Fiduciary Net Position**

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

#### **Benefits Provided**

The LRLIF plan provides fully paid up life insurance benefits for post-age 64 retired employees and pre-65 retirees who pay for their coverage.

#### **Contributions**

The Group Insurance Board approves contribution rates annually, based on recommendations from the insurance carrier. Recommended rates are based on an annual valuation, taking into consideration an estimate of the present value of future benefits and the present value of future contributions. A portion of employer contributions made during a member's working lifetime funds a post-retirement benefit.

Employers are required to pay the following contributions based on employee contributions for active members to provide them with Basic Coverage after age 65. There are no employer contributions required for pre-age 65 annuitant coverage. If a member retires prior to age 65, they must continue paying the employee premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution rates as of December 31, 2018 are:

<u>Coverage Type</u>	<u>Employer Contribution</u>
50% Post-retirement coverage	40% of employee contribution
25% Post-retirement coverage	20% of employee contribution

Employee contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The employee contribution rates in effect for the year ended December 31, 2017 are listed below:

<b>Life Insurance</b>	
<b>Employee Contribution Rates</b>	
<b>For the Year Ended December 31, 2017</b>	
<u>Attained Age</u>	<u>Basic</u>
Under 30	\$0.05
30 - 34	0.06
35 - 39	0.07
40 - 44	0.08
45 - 49	0.12
50 - 54	0.22
55 - 59	0.39
60 - 64	0.49
65 - 69	0.57



# City of Manitowoc, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

During the reporting period, the LRLIF recognized \$8,701 in contributions from the employer.

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

At December 31, 2018, the City reported a liability of \$1,246,148 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2016 rolled forward to December 31, 2017. No material changes in assumptions or benefits terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net OPEB liability was based on the City's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2017, the City's proportion was .41419800%, which was a decrease of .00545500% from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the City recognized OPEB expense of \$130,105.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 17,558
Net differences between projected and actual earnings on OPEB plan investments	14,349	-
Changes in assumptions	120,417	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	11,485
Total	<u>\$ 134,766</u>	<u>\$ 29,043</u>

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

<u>Year Ended December 31,</u>	<u>Expense</u>
2019	\$ 17,580
2020	17,580
2021	17,580
2022	17,581
2023	13,993
Thereafter	21,409
Total	<u>\$ 105,723</u>

# City of Manitowoc, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

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

Actuarial valuation date:	January 1, 2017
Measurement date of net OPEB liability (asset):	December 31, 2017
Actuarial cost method:	Entry age normal
20 year tax-exempt municipal bond yield:	3.44%
Long-term expected rate of return:	5.00%
Discount rate:	3.63%
Salary increases:	
Inflation	3.20%
Seniority/Merit	0.2% - 5.6%
Mortality:	Wisconsin 2012 Mortality Table

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

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation</u>	<u>Long-term Expected Geometric Real Rate of Return %</u>
U.S. Government Bonds	Barclays Government	1%	1.13%
U.S. Credit Bonds	Barclays Credit	65%	2.61%
U.S. Long Credit Bonds	Barclays Long Credit	3%	3.08%
U.S. Mortgages	Barclays MBS	31%	2.19%
Inflation			2.30%
Long-term expected rate of return			5.00%

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

# City of Manitowoc, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

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

	<u>1% Decrease to Discount Rate (2.63%)</u>	<u>Current Discount Rate (3.63%)</u>	<u>1% Increase to Discount Rate (4.63%)</u>
City's proportionate share of the net OPEB liability	\$ 1,761,280	\$ 1,246,148	\$ 850,838

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

### **Payable to the OPEB Plan**

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

## **I. FUND EQUITY**

### **Nonspendable Fund Balance**

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

General Fund	
Nonspendable	
Inventories and prepaid items	\$ 472,440
Long-term accounts and interfund receivables	1,687,285
Total General Fund nonspendable fund balance	<u>2,159,725</u>
Capital Project Funds	
Nonspendable	
Inventories and prepaid items	<u>121,692</u>
Total nonspendable fund balance	<u>\$ 2,281,417</u>

# City of Manitowoc, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

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### Restricted Fund Balance

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

#### Special Revenue Funds

##### Restricted for

Future loans	\$ 2,587,239
Transit capital	760,461
Police programs	284,546
Parkland dedications	99,565
Eternal flame	26,540
Centennial	15,232
Park & Rec donations	233,271
Lakeshore holiday parade	2,390
EPA grant	223,803
Housing programs	465,036
Tax incremental district number 7	43,035
	<u>4,741,118</u>

#### Debt Service Fund

##### Restricted for

Debt service	<u>1,722,185</u>
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#### Capital Improvements Fund

##### Restricted for

Tax incremental district development	<u>754,123</u>
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Total restricted fund balance \$ 7,217,426

### Committed Fund Balance

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

#### Committed for:

##### Special Revenue funds

Room tax	\$ 433,111
Farmer's market	34,936
Manitowoc Calumet Library	5,470
Library	282,086
Mani International Relations Assoc	3,091
Rahr West Museum	199,477
Aquatic Center	23,294
Senior Center	96,452
	<u>1,077,917</u>

Total committed fund balance \$ 1,077,917

# City of Manitowoc, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

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### Assigned Fund Balance

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

#### Assigned for:

General fund	
Fire safety equipment	\$ 363,301
Legal defense fund	80,005
Fuel handling surcharge	38,298
Economic development marketing	95,120
Tree fund	3,575
Winter maintenance fund	100,000
Yacht club facilities	13,254
Subsequent year's expenditures	939,324
Subtotal	<u>1,632,877</u>

#### Capital Projects funds

##### Assigned for

Sanitary and storm sewers	125,540
Capital equipment	780,719
Environmental remediation	919,445
Cemetery improvements	34,951
Buildings and other improvements	478,980
Car ferry dock facilities	74,531
Subtotal	<u>2,414,166</u>

Total assigned fund balance \$ 4,047,043

### Net Position

The City reports restricted net position for other purposes at December 31, 2018 as follows:

#### Governmental activities

##### Restricted for

Police programs	\$ 284,546
Parkland dedications	99,565
Eternal flame	26,540
Centennial	15,232
Park & Rec donations	233,271
Lakeshore holiday parade	2,390
EPA grant	223,803
Housing programs	465,036
Total governmental activities restricted net position - other	<u>\$ 1,350,383</u>

# City of Manitowoc, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

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### NOTE 4: OTHER INFORMATION

#### A. TAX INCREMENTAL FINANCING DISTRICTS

The City has established separate capital projects funds for Tax Incremental District (TID) Nos. 9 through 21. A special revenue fund records transactions for TID No. 7. The TIDs were created by the City in accordance with Section 66.1105 of the Wisconsin Statutes. At the time the Districts were created, the property tax base within the Districts were "frozen" and increment taxes resulting from increases to the property tax base are used to finance District improvements, including principal and interest on long-term debt issued by the City to finance such improvements. The Statutes allow eligible project costs to be incurred up to five years prior to the maximum termination date.

The intent of the City is to recover any unreimbursed project costs from future TID surplus funds, if any, prior to termination of the respective Districts. Unless terminated by the City prior thereto, each TID has a statutory termination year as follows:

	<b>Termination Year</b>
TID No. 9	2022
TID No. 10	2030
TID No. 11	2018
TID No. 12	2032
TID No. 13	2018
TID No. 14	2019
TID No. 15	2019
TID No. 16	2030
TID No. 17	2034
TID No. 18	2035
TID No. 19	2044
TID No. 20	2039
TID No. 21	2038

#### B. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The City has chosen to retain a portion of the risks through a self-insurance program and also purchased insurance to transfer other risks to outside parties. The City completes an annual review of its insurance coverage to ensure adequate coverage. A description of the County's risk management programs is presented below:

# City of Manitowoc, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

### Property and Liability Insurance

The City, together with certain other units of government within the State of Wisconsin, created the Cities and Villages Mutual Insurance Company (CVMIC) to provide liability insurance services to its members. At that time, the City issued \$1,111,426 in general obligation bonds for its share of the initial capitalization of CVMIC. The City is partially self-insured for liability insurance and pays premiums to CVMIC for its excess liability insurance coverage. The actuary for CVMIC determines premium charges to its members required to pay the expected claims and loss adjustment expenses. CVMIC's ongoing operational expenses, other than loss adjustment expenses, are apportioned pro rata to each member. CVMIC provides a general liability, police and nurses professional liability, public official's liability and vehicle liability coverage for the City. The City's self-insured retention limit is \$50,000 for each occurrence with a maximum limit of \$200,000 annually. Premiums paid to CVMIC for insurance coverage are recorded in a self-insurance internal service fund. The self-insurance internal service fund charges various City departments and operations for their portion of insurance coverage for the year. A separate financial report is issued annually by CVMIC. Since the City considers it probable that its initial capitalization contribution to CVMIC will be returned upon either dissolution of CVMIC or the approved withdrawal from CVMIC, the initial capitalization amount of \$1,111,426 has been recorded as a deposit in the liability self-insurance internal service fund.

In addition to the above, the City has established separate internal service funds for the following risk management programs:

### Health Self-Insurance Fund

City employees, retirees and employee dependents, other than those of the water, electric and broadband enterprise funds and the data processing internal service fund, are eligible for medical and dental benefits from a health self-insurance fund. Employees, retirees and employee dependents of the water, electric and broadband enterprise funds and the data processing internal service fund are covered under a separate health insurance plan. Funding is provided by charges to City departments, employees and retirees. Retirees are billed monthly premiums for health benefits based on actual costs for providing such benefits. The program is supplemented by a stop loss protection, which limits the City's annual liability. The limit is \$100,000 per specific claim. Fund expenses consist of payments to a third-party administrator for medical and dental claims, stop loss insurance premiums, and administrative fees. On December 31, 2018, the health self-insurance internal service fund had established a reserve of \$656,960 for future unreported claims.

The claims liability of \$416,724 reported in the fund at December 31, 2018 is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the fund's claims liability amount are as follows:

	Liability January 1	Current Year Claims and Changes in Estimates	Claims Payments	Liability December 31
2018	\$ 477,685	\$ 3,949,373	\$ 4,010,334	\$ 416,724
2017	446,985	3,810,428	3,779,728	477,685

### Transit System Liability Insurance

The City's transit system is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors or omissions, injuries to employees, or acts of God. The transit system is a member of the Transit Mutual Insurance Corporation of Wisconsin (TMI). TMI was created by several governmental units within the State of Wisconsin to provide liability insurance service to its members. The transit system pays premiums to TMI for its liability coverage. The actuary for TMI determines charges to its members for the expected losses and loss adjustment expenses on which premiums are based.

# City of Manitowoc, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

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### **Other Risk Management Programs**

The City also purchases commercial insurance policies for various property and other liability risks. Payments of premiums for these policies are recorded as expenditures or expenses in various other funds of the city. Insurance settlements have not exceeded insurance coverage for each of the past three years. There have been no significant changes in insurance coverage from the prior year.

### **C. CONTINGENCIES**

The City participates in a number of federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. An audit under the Uniform Guidance and the *State Single Audit Guidelines* has been conducted but final acceptance is still pending. Accordingly, the City's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

From time to time, the City is party to other various pending claims and legal proceedings. Although the outcome of such matters cannot be forecast with certainty, it is the opinion of management and the City's legal counsel 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.

### **D. UPCOMING ACCOUNTING PRONOUNCEMENTS**

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

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



**REQUIRED SUPPLEMENTARY  
INFORMATION**

# City of Manitowoc, Wisconsin

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

<u>Plan Year Ending</u>	<u>Proportion of the Net Pension Liability (Asset)</u>	<u>Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Covered Payroll (plan year)</u>	<u>Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)</u>
12/31/14	0.19429740%	\$ (4,772,477)	\$ 21,308,496	22.40%	102.74%
12/31/15	0.18927241%	3,075,641	20,761,308	14.81%	98.20%
12/31/16	0.18743241%	1,544,891	21,019,901	7.35%	99.12%
12/31/17	0.18701231%	(5,552,617)	21,532,538	25.79%	102.93%

## SCHEDULE OF CONTRIBUTIONS WISCONSIN RETIREMENT SYSTEM LAST 10 FISCAL YEARS

<u>Fiscal Year Ending</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll (fiscal year)</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/15	\$ 1,904,213	\$ 1,904,213	\$ -	\$ 20,761,308	9.17%
12/31/16	1,758,047	1,758,047	-	21,019,901	8.36%
12/31/17	1,963,668	1,963,668	-	21,532,538	9.12%
12/31/18	2,077,887	2,077,887	-	22,706,973	9.15%

See notes to required supplementary information.

# City of Manitowoc, Wisconsin

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

	<u>2018</u>
Total OPEB liability	
Service cost	\$ 31,945
Interest	17,166
Changes of benefit terms	-
Differences between expected and actual experience	-
Change of assumptions	15,560
Benefit payments	<u>(22,000)</u>
Net change in total OPEB liability	42,671
Total OPEB liability - beginning	<u>433,110</u>
Total OPEB liability - ending	<u>\$ 475,781</u>
Covered-employee payroll	\$ 22,706,973
City's total OPEB liability as a percentage of covered-employee payroll	2.10%

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

*See notes to required supplementary information.*

# City of Manitowoc, Wisconsin

SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)  
 LOCAL RETIREE LIFE INSURANCE FUND  
 LAST 10 FISCAL YEARS

<u>Plan Fiscal Year Ending</u>	<u>Proportion of the Net OPEB Liability (Asset)</u>	<u>Proportionate Share of the Net OPEB Liability (Asset)</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)</u>
12/31/17	0.41419800%	\$ 1,246,148	\$ 21,532,538	5.79%	44.81%

SCHEDULE OF CONTRIBUTIONS  
 LOCAL RETIREE LIFE INSURANCE FUND  
 LAST 10 FISCAL YEARS

<u>Fiscal Year Ending</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/18	\$ 8,701	\$ 8,701	\$ -	\$ 22,706,973	0.04%

See notes to required supplementary information.

# City of Manitowoc, Wisconsin

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION DECEMBER 31, 2018

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### **A. OTHER POST EMPLOYMENT BENEFIT (OPEB) PLANS**

The City implemented GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the fiscal year ended December 31, 2018. The City maintains the following two OPEB plans:

#### **Single-employer Defined Postemployment Benefit Plan**

Demographic assumptions have been updated based upon the most recent WRS experience study. The expected claims and medical trend rates were changed to reflect anticipated experience under the most recent Getzen model application. The overall impact of the new assumptions is a decrease in the benefit obligations.

No assets have been accumulated in an irrevocable trust, so the Plan's discount rate applied to all periods is based on a 20-year, tax-exempt general obligation municipal bond index.

#### **Local Retiree Life Insurance Fund (LRLIF)**

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

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.

### **B. WISCONSIN RETIREMENT SYSTEM**

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

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

**SUPPLEMENTARY  
INFORMATION**

# City of Manitowoc, Wisconsin

GENERAL FUND  
 DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES  
 DECEMBER 31, 2018  
 WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2017

	Budget		Actual	Variance	2017 Actual
	Original	Final		Final Budget - Positive (Negative)	
<b>Taxes</b>					
General property	\$ 6,903,508	\$ 6,903,508	\$ 6,903,508	\$ -	\$ 6,106,022
Tax roll over run	-	-	(2)	(2)	(5)
Omitted taxes	-	-	48,936	48,936	7,980
Mobile home	40,000	40,000	33,863	(6,137)	35,572
Payments in lieu of taxes	44,500	44,500	46,336	1,836	45,608
Interest on taxes	60,000	60,000	66,753	6,753	66,111
Other taxes	-	-	7,346	7,346	-
<b>Total taxes</b>	<b>7,048,008</b>	<b>7,048,008</b>	<b>7,106,740</b>	<b>58,732</b>	<b>6,261,288</b>
<b>Special assessments</b>					
Seal coating	105,000	105,000	49,502	(55,498)	72,310
Dust pallatives	1,000	1,000	1,307	307	1,175
Housing code	-	-	-	-	2,813
Weed cutting	30,000	30,000	56,125	26,125	63,855
Snow removal	110,000	110,000	108,075	(1,925)	112,975
<b>Total special assessments</b>	<b>246,000</b>	<b>246,000</b>	<b>215,009</b>	<b>(30,991)</b>	<b>253,128</b>
<b>Intergovernmental</b>					
Shared taxes from state	5,399,963	5,399,963	5,403,376	3,413	5,399,814
Expenditure restraint payment	449,461	449,461	437,922	(11,539)	449,461
Tax exempt computer aid	91,331	91,331	92,674	1,343	91,331
Municipal services	38,102	38,102	57,346	19,244	33,115
Fire insurance tax	75,000	75,000	77,927	2,927	84,126
Highway aids	1,452,426	1,452,426	1,451,273	(1,153)	1,412,748
Connecting street aid	230,541	230,541	230,541	-	229,281
Lift bridge aid	141,461	141,461	188,500	47,039	176,960
Highway safety grants	15,000	15,000	12,048	(2,952)	26,765
Public safety grants	7,800	7,800	8,782	982	10,170
Other grants	9,120	9,120	102,773	93,653	22,742
<b>Total intergovernmental</b>	<b>7,910,205</b>	<b>7,910,205</b>	<b>8,063,162</b>	<b>152,957</b>	<b>7,936,513</b>
<b>Licenses and permits</b>					
<b>Licenses</b>					
Liquor and malt beverages	58,500	58,500	59,953	1,453	58,869
Operators	22,500	22,500	21,455	(1,045)	23,265
Cigarettes	4,000	4,000	3,783	(217)	3,800
Bowling alley	250	250	230	(20)	230
Adult entertainment	2,000	2,000	2,000	-	2,000
Mobile home park	375	375	300	(75)	375
Taxicab	350	350	480	130	900
Taxicab drivers	600	600	400	(200)	250
Ambulance and hearse	150	150	150	-	180
Garbage collectors	900	900	1,170	270	660
Theater	500	500	450	(50)	450
Bicycle	182	182	238	56	142
Dog and cat	24,120	24,120	22,323	(1,797)	23,378

# City of Manitowoc, Wisconsin

## GENERAL FUND

### DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES

DECEMBER 31, 2018

WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2017

	Budget		Actual	Variance	2017 Actual
	Original	Final		Final Budget - Positive (Negative)	
Licenses (continued)					
Amusement	100	100	100	-	100
Direct sellers	500	500	910	410	350
Christmas tree dealers	200	200	225	25	200
Pawn broker	750	750	355	(395)	715
Change of agent/transfer	50	50	80	30	30
Cable television	280,000	280,000	317,376	37,376	312,337
Chicken license fee	-	-	100	100	-
Permits					
Building	186,000	186,000	226,945	40,945	213,764
Sign	3,250	3,250	3,903	653	2,680
Electrical	88,000	88,000	118,590	30,590	148,880
Plumbing	62,000	62,000	98,760	36,760	90,660
Heating	42,000	42,000	51,693	9,693	51,693
Zoning board of appeals	300	300	700	400	-
Housing code	-	-	35	35	-
Well operation	500	500	250	(250)	40
Alarm ordinance	250	250	345	95	375
Sprinkler system	4,000	4,000	5,820	1,820	6,820
Street opening	12,000	12,000	21,400	9,400	20,120
Driveway/sidewalk	1,500	1,500	1,670	170	1,930
Storm water	3,000	3,000	4,857	1,857	3,625
Fire department permits	75	75	50	(25)	50
Total licenses and permits	798,902	798,902	967,096	168,194	968,868
Fines and forfeits					
Parking violations	157,186	157,186	154,460	(2,726)	169,151
Municipal court fines	384,650	384,650	409,176	24,526	397,559
Late fees dog licenses	750	750	1,060	310	530
Other	3,500	3,500	-	(3,500)	(1,325)
Total fines and forfeits	546,086	546,086	564,696	18,610	565,915
Public charges for services					
Clerk	14,000	14,000	14,718	718	12,425
Treasurer	60,000	60,000	56,456	(3,544)	52,224
Attorney	21,000	21,000	21,655	655	20,924
GIS land record management	200	200	40	(160)	(27)
Planning	42,400	42,400	6,550	(35,850)	6,550
Police department	6,752	6,752	6,768	16	7,336
Police service fees	6,883	6,883	5,036	(1,847)	7,729
Fire department fees	6,200	6,200	5,907	(293)	6,024
Impounded vehicles	500	500	-	(500)	195
Rescue squad	2,053,314	2,053,314	2,236,318	183,004	2,076,337
Inspection and zoning fees	200	200	200	-	170
Sealer	15,100	15,100	13,732	(1,368)	14,267
Museum	32,500	32,500	15,065	(17,435)	16,989
Recreation building	20,000	20,000	20,611	611	20,425



# City of Manitowoc, Wisconsin

GENERAL FUND  
 DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES  
 DECEMBER 31, 2018  
 WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2017

	Budget		Actual	Variance	2017 Actual
	Original	Final		Final Budget - Positive (Negative)	
Public charges for services (continued)					
Recreation team sports	32,000	32,000	18,829	(13,171)	24,178
Recreation program fees	36,000	36,000	40,852	4,852	36,233
Recreation rentals	42,000	42,000	50,256	8,256	37,053
Recreation concessions	2,000	2,000	1,545	(455)	1,537
Recreation other	12,950	12,950	19,101	6,151	20,078
Special events	4,000	4,000	5,755	1,755	5,198
Senior citizens	20,000	20,000	20,976	976	21,613
Street permit repairs	105,000	105,000	136,885	31,885	160,710
Columbarium sales	4,863	4,863	24,077	19,214	13,924
Sale of cemetery lots	50,100	50,100	60,811	10,711	63,503
Foundations	12,000	12,000	11,314	(686)	11,174
Burial fees	133,500	133,500	149,346	15,846	138,734
Transportation	1,500	1,500	1,907	407	220
Total public charges for services	<u>2,734,962</u>	<u>2,734,962</u>	<u>2,944,710</u>	<u>209,748</u>	<u>2,775,723</u>
Intergovernmental charges for services					
Counties and municipalities	47,000	47,000	30,619	(16,381)	27,049
City administrative fees	50,087	50,087	55,670	5,583	50,089
Schools and special districts	1,300	1,300	1,566	266	624
Police school liaison	122,500	122,500	124,794	2,294	117,679
Total intergovernmental charges for services	<u>220,887</u>	<u>220,887</u>	<u>212,649</u>	<u>(8,238)</u>	<u>195,441</u>
Interdepartmental charges for services					
TIF administration fees	3,000	3,000	2,194	(806)	-
City equipment rental	-	-	465	465	-
Street department labor	110,000	110,000	208,097	98,097	183,092
DPW materials	678,000	678,000	562,331	(115,669)	505,385
Total interdepartmental charges for services	<u>791,000</u>	<u>791,000</u>	<u>773,087</u>	<u>(17,913)</u>	<u>688,477</u>
Miscellaneous					
Interest on investments	314,464	314,464	632,122	317,658	286,135
Rent	46,500	46,500	57,383	10,883	43,842
Sale of general capital assets	35,000	35,000	152,712	117,712	21,352
Sale of salvage and waste products	1,500	1,500	1,591	91	3,188
Marina lease	152,000	152,000	160,758	8,758	153,791
Carferry lease	42,000	42,000	42,000	-	42,000
Other leases	50,000	50,000	54,710	4,710	54,720
Sale of photo copies	50	50	816	766	705
Donations	22,485	22,485	39,813	17,328	66,185
Other	11,500	16,500	30,728	14,228	36,196
Total miscellaneous	<u>675,499</u>	<u>680,499</u>	<u>1,172,633</u>	<u>492,134</u>	<u>708,114</u>
<b>Total revenues</b>	<u><b>\$ 20,971,549</b></u>	<u><b>\$ 20,976,549</b></u>	<u><b>\$ 22,019,782</b></u>	<u><b>\$ 1,043,233</b></u>	<u><b>\$ 20,353,467</b></u>

# City of Manitowoc, Wisconsin

GENERAL FUND  
 DETAILED COMPARISON OF BUDGETED AND ACTUAL EXPENDITURES  
 DECEMBER 31, 2018  
 WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2017

	Budget		Actual	Variance	2017 Actual
	Original	Final		Final Budget - Positive (Negative)	
General government					
Council	\$ 59,856	\$ 59,856	\$ 55,344	\$ 4,512	\$ 49,893
Mayor	183,042	183,042	170,369	12,673	170,051
Clerk	315,536	315,536	296,118	19,418	340,075
Elections	92,316	92,316	73,647	18,669	43,188
Postage	35,000	35,000	41,573	(6,573)	36,136
Board of review	1,070	1,070	225	845	244
Assessor	159,200	159,200	151,967	7,233	159,719
Finance	236,866	238,866	234,462	4,404	214,854
Treasurer	138,484	138,484	136,585	1,899	130,308
Data processing	503,550	503,550	526,308	(22,758)	499,322
Payroll	111,764	141,866	161,859	(19,993)	104,143
Attorney	369,363	369,363	401,194	(31,831)	289,103
Cable television	1,045	1,045	1,045	-	1,045
Personnel	191,721	205,143	169,332	35,811	158,625
Municipal court	104,963	104,963	103,029	1,934	104,257
Duplicating	25,000	25,758	30,054	(4,296)	26,278
City Hall	78,275	78,275	212,919	(134,644)	165,601
Buildings and grounds shop	4,700	4,700	14,148	(9,448)	10,431
Property insurance	94,500	94,500	86,730	7,770	84,846
Other insurance	139,308	139,308	137,404	1,904	120,404
Miscellaneous	634,052	453,750	-	453,750	169,958
Total general government	<u>3,479,611</u>	<u>3,345,591</u>	<u>3,004,312</u>	<u>341,279</u>	<u>2,878,481</u>
Public safety					
Police department	7,831,547	7,915,773	7,884,650	31,123	7,606,484
Fire department	6,241,221	6,319,637	6,460,869	(141,232)	5,919,976
Inspection	487,309	487,609	419,840	67,769	431,699
Civil defense	2,800	2,800	3,008	(208)	2,419
Total public safety	<u>14,562,877</u>	<u>14,725,819</u>	<u>14,768,367</u>	<u>(42,548)</u>	<u>13,960,578</u>
Public works					
Engineering	934,842	934,842	1,084,280	(149,438)	1,178,012
Streets administration	10,575	10,575	11,774	(1,199)	13,092
Street repairs	3,226,130	3,242,218	1,058,131	2,184,087	765,592
Seal coating	150,000	150,000	99,579	50,421	115,307
8th street bridge	158,737	158,737	145,439	13,298	133,053
10th street bridge	34,749	34,749	30,729	4,020	21,830
Other bridges	7,000	7,000	242	6,758	831
Curb and walks	5,430	5,430	5,934	(504)	5,087
Snow and ice removal	310,550	310,550	885,695	(575,145)	865,249
Traffic control	55,035	55,035	230,654	(175,619)	151,366
Street lighting	745,879	745,879	756,824	(10,945)	755,464
Docks and harbors	42,570	42,570	31,654	10,916	31,617
Gravel pit	-	-	3,023	(3,023)	24,471
Solid waste disposal	4,925	4,925	4,848	77	5,266
Sanitary sewers	-	-	37,328	(37,328)	(1,820)
Storm sewers	155,980	155,980	630,216	(474,236)	610,563

# City of Manitowoc, Wisconsin

GENERAL FUND  
 DETAILED COMPARISON OF BUDGETED AND ACTUAL EXPENDITURES  
 DECEMBER 31, 2018  
 WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2017

	Budget		Actual	Variance Final Budget - Positive (Negative)	2017 Actual
	Original	Final			
Public works (continued)					
Interdepartmental charges	-	-	11,703	(11,703)	13,779
Other	908,625	908,625	633,033	275,592	310,427
Total public works	<u>6,751,027</u>	<u>6,767,115</u>	<u>5,661,086</u>	<u>1,106,029</u>	<u>4,999,186</u>
Health and human services					
Evergreen cemetery	58,060	61,060	289,479	(228,419)	269,039
Culture and recreation					
Rahr west museum	330,263	347,832	368,553	(20,721)	323,005
Marine band	15,000	15,000	15,000	-	15,000
Civic orchestra	7,200	7,200	7,200	-	7,200
Recreation administrative	4,600	4,600	1,945	2,655	3,770
Recreation buildings and grounds	314,225	314,225	863,032	(548,807)	895,587
Recreation programs	48,233	48,233	69,717	(21,484)	80,177
Senior center	46,050	46,050	78,012	(31,962)	80,004
July 4th picnic/fireworks	-	-	140	(140)	5,720
Special events	83,225	83,225	230,577	(147,352)	232,765
Decorations	3,500	3,500	772	2,728	6,041
Total culture and recreation	<u>852,296</u>	<u>869,865</u>	<u>1,634,948</u>	<u>(765,083)</u>	<u>1,649,269</u>
Conservation and development					
Planning and zoning	497,149	504,149	371,665	132,484	373,959
Community development authority	35,575	35,575	4,291	31,284	9
Total conservation and development	<u>532,724</u>	<u>539,724</u>	<u>375,956</u>	<u>163,768</u>	<u>373,968</u>
Debt service					
Principal	-	-	54,691	(54,691)	10,765
Interest	-	-	2,974	(2,974)	-
Total debt service	<u>-</u>	<u>-</u>	<u>57,665</u>	<u>(57,665)</u>	<u>10,765</u>
<b>Total expenditures</b>	<u><b>\$ 26,236,595</b></u>	<u><b>\$ 26,309,174</b></u>	<u><b>\$ 25,791,813</b></u>	<u><b>\$ 517,361</b></u>	<u><b>\$ 24,141,286</b></u>

# City of Manitowoc, Wisconsin

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

	Room Tax	Farmer's Market	Mandatory Recycling	TID 7	Commercial Revolving Loan
<b>ASSETS</b>					
Cash and investments	\$ 434,451	\$ 34,936	\$ 12,000	\$ 43,035	\$ 766,297
Restricted cash and investments	-	-	-	-	-
Receivables					
Taxes and special charges	-	-	-	-	-
Accounts	-	-	-	-	-
Loans	-	-	-	-	11,508
Due from other governments	-	-	-	-	-
Inventories and prepaid items	-	-	-	-	-
<b>Total assets</b>	<b>\$ 434,451</b>	<b>\$ 34,936</b>	<b>\$ 12,000</b>	<b>\$ 43,035</b>	<b>\$ 777,805</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
Liabilities					
Accounts payable	\$ 1,316	\$ -	\$ 12,000	\$ -	\$ -
Due to other funds	-	-	-	-	-
Advance from other funds	-	-	-	-	-
Special deposits	24	-	-	-	-
<b>Total liabilities</b>	<b>1,340</b>	<b>-</b>	<b>12,000</b>	<b>-</b>	<b>-</b>
Deferred inflows of resources					
Property taxes levied for subsequent year	-	-	-	-	-
Loans receivable	-	-	-	-	11,508
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,508</b>
Fund balances					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	43,035	766,297
Committed	433,111	34,936	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>Total fund balances</b>	<b>433,111</b>	<b>34,936</b>	<b>-</b>	<b>43,035</b>	<b>766,297</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 434,451</b>	<b>\$ 34,936</b>	<b>\$ 12,000</b>	<b>\$ 43,035</b>	<b>\$ 777,805</b>

**Special Revenue**

<u>Transit Capital Grant</u>	<u>Housing Revolving Loan</u>	<u>CDBG</u>	<u>HCRI Revolving Loan</u>	<u>Industrial Revolving Loan</u>	<u>Manitowoc Calumet Library</u>	<u>Library</u>	<u>Mani International Relations Assoc</u>
\$ 760,461	\$ 394,430	\$ 29,791	\$ 48,552	\$ 1,348,169	\$ 5,500	\$ 340,131	\$ 3,091
-	-	-	-	-	-	-	-
-	-	-	-	-	-	1,714,852	-
-	2,453,358	-	121,816	2,458,413	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 760,461</u>	<u>\$ 2,847,788</u>	<u>\$ 29,791</u>	<u>\$ 170,368</u>	<u>\$ 3,806,582</u>	<u>\$ 5,500</u>	<u>\$ 2,054,983</u>	<u>\$ 3,091</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30	\$ 58,045	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	30	58,045	-
-	-	-	-	-	-	1,714,852	-
-	2,453,358	-	121,816	2,458,413	-	-	-
-	2,453,358	-	121,816	2,458,413	-	1,714,852	-
-	-	-	-	-	-	-	-
760,461	394,430	29,791	48,552	1,348,169	-	-	-
-	-	-	-	-	5,470	282,086	3,091
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>760,461</u>	<u>394,430</u>	<u>29,791</u>	<u>48,552</u>	<u>1,348,169</u>	<u>5,470</u>	<u>282,086</u>	<u>3,091</u>
<u>\$ 760,461</u>	<u>\$ 2,847,788</u>	<u>\$ 29,791</u>	<u>\$ 170,368</u>	<u>\$ 3,806,582</u>	<u>\$ 5,500</u>	<u>\$ 2,054,983</u>	<u>\$ 3,091</u>

# City of Manitowoc, Wisconsin

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

	<u>Rahr West Museum</u>	<u>Police Programs</u>	<u>Parkland Dedications</u>	<u>Aquatic Center</u>	<u>Senior Center</u>
<b>ASSETS</b>					
Cash and investments	\$ 200,485	\$ 97,205	\$ 99,565	\$ 27,920	\$ 98,459
Restricted cash and investments	-	227,725	-	-	-
Receivables					
Taxes and special charges	-	-	-	108,500	-
Accounts	-	-	-	-	-
Loans	-	-	-	-	-
Due from other governments	-	-	-	-	-
Inventories and prepaid items	-	-	-	-	-
<b>Total assets</b>	<u>\$ 200,485</u>	<u>\$ 324,930</u>	<u>\$ 99,565</u>	<u>\$ 136,420</u>	<u>\$ 98,459</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
Liabilities					
Accounts payable	\$ 1,008	\$ 60	\$ -	\$ 4,626	\$ 2,007
Due to other funds	-	-	-	-	-
Advance from other funds	-	-	-	-	-
Special deposits	-	40,324	-	-	-
<b>Total liabilities</b>	<u>1,008</u>	<u>40,384</u>	<u>-</u>	<u>4,626</u>	<u>2,007</u>
Deferred inflows of resources					
Property taxes levied for subsequent year	-	-	-	108,500	-
Loans receivable	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>108,500</u>	<u>-</u>
Fund balances					
Nonspendable	-	-	-	-	-
Restricted	-	284,546	99,565	-	-
Committed	199,477	-	-	23,294	96,452
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>Total fund balances</b>	<u>199,477</u>	<u>284,546</u>	<u>99,565</u>	<u>23,294</u>	<u>96,452</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 200,485</u>	<u>\$ 324,930</u>	<u>\$ 99,565</u>	<u>\$ 136,420</u>	<u>\$ 98,459</u>

Special Revenue						Capital Projects	
Eternal Flame	Centennial	Park & Rec Donations	Lakeshore Holiday Parade	EPA Grant	Housing Programs	Sanitary and Storm Sewers	Streets
\$ 26,799	\$ - 15,232	\$ 233,271	\$ 2,390	\$ 223,803	\$ 474,627	\$ 125,540	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	202,824
-	-	-	-	-	-	-	26,146
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	246,191
-	-	-	-	-	-	-	-
<u>\$ 26,799</u>	<u>\$ 15,232</u>	<u>\$ 233,271</u>	<u>\$ 2,390</u>	<u>\$ 223,803</u>	<u>\$ 474,627</u>	<u>\$ 125,540</u>	<u>\$ 475,161</u>
\$ 259	\$ -	\$ -	\$ -	\$ -	\$ 9,591	\$ -	\$ 192,757
-	-	-	-	-	-	-	1,153,532
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>259</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,591</u>	<u>-</u>	<u>1,346,289</u>
-	-	-	-	-	-	-	202,824
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	202,824
-	-	-	-	-	-	-	-
26,540	15,232	233,271	2,390	223,803	465,036	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	125,540	-
-	-	-	-	-	-	-	(1,073,952)
<u>26,540</u>	<u>15,232</u>	<u>233,271</u>	<u>2,390</u>	<u>223,803</u>	<u>465,036</u>	<u>125,540</u>	<u>(1,073,952)</u>
<u>\$ 26,799</u>	<u>\$ 15,232</u>	<u>\$ 233,271</u>	<u>\$ 2,390</u>	<u>\$ 223,803</u>	<u>\$ 474,627</u>	<u>\$ 125,540</u>	<u>\$ 475,161</u>

# City of Manitowoc, Wisconsin

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

	<u>Capital Equipment</u>	<u>Environment Remediation</u>	<u>Cemetery Improvements</u>	<u>Buildings and Other Improvements</u>	<u>Car Ferry Dock Facilities</u>
<b>ASSETS</b>					
Cash and investments	\$ 967,323	\$ 1,072,206	\$ 34,191	\$ 437,104	\$ -
Restricted cash and investments	-	-	-	-	-
Receivables					
Taxes and special charges	-	-	-	184,000	-
Accounts	-	-	760	50,146	2,282,636
Loans	-	-	-	-	-
Due from other governments	-	-	-	-	-
Inventories and prepaid items	121,692	-	-	-	-
<b>Total assets</b>	<u>\$ 1,089,015</u>	<u>\$ 1,072,206</u>	<u>\$ 34,951</u>	<u>\$ 671,250</u>	<u>\$ 2,282,636</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
Liabilities					
Accounts payable	\$ 64,912	\$ 152,761	\$ -	\$ 8,270	\$ 775,101
Due to other funds	-	-	-	-	1,433,004
Advance from other funds	121,692	-	-	-	-
Special deposits	-	-	-	-	-
<b>Total liabilities</b>	<u>186,604</u>	<u>152,761</u>	<u>-</u>	<u>8,270</u>	<u>2,208,105</u>
Deferred inflows of resources					
Property taxes levied for subsequent year	-	-	-	184,000	-
Loans receivable	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>184,000</u>	<u>-</u>
Fund balances					
Nonspendable	121,692	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	780,719	919,445	34,951	478,980	74,531
Unassigned	-	-	-	-	-
<b>Total fund balances</b>	<u>902,411</u>	<u>919,445</u>	<u>34,951</u>	<u>478,980</u>	<u>74,531</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 1,089,015</u>	<u>\$ 1,072,206</u>	<u>\$ 34,951</u>	<u>\$ 671,250</u>	<u>\$ 2,282,636</u>



**Capital Projects**

TID 9	TID 10	TID 11	TID 12	TID 13	TID 14	TID 15	TID 16	TID 17
\$ 227,532	\$ 113,673	\$ 88,029	\$ -	\$ 2,499	\$ 39,837	\$ 38,774	\$ -	\$ 237,773
-	-	-	-	-	-	-	-	-
143,120	134,410	-	209,287	-	-	1,319,004	318,646	223,470
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>\$ 370,652</u>	<u>\$ 248,083</u>	<u>\$ 88,029</u>	<u>\$ 209,287</u>	<u>\$ 2,499</u>	<u>\$ 39,837</u>	<u>\$ 1,357,778</u>	<u>\$ 318,646</u>	<u>\$ 461,243</u>
\$ -	\$ -	\$ 2,500	\$ -	\$ 2,499	\$ -	\$ -	\$ -	\$ -
-	-	-	16,683	-	-	-	1,608,191	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	2,500	16,683	2,499	-	-	1,608,191	-
143,120	134,410	-	209,287	-	-	1,319,004	318,646	223,470
-	-	-	-	-	-	-	-	-
143,120	134,410	-	209,287	-	-	1,319,004	318,646	223,470
-	-	-	-	-	-	-	-	-
227,532	113,673	85,529	-	-	39,837	38,774	-	237,773
-	-	-	-	-	-	-	-	-
-	-	-	(16,683)	-	-	-	(1,608,191)	-
227,532	113,673	85,529	(16,683)	-	39,837	38,774	(1,608,191)	237,773
<u>\$ 370,652</u>	<u>\$ 248,083</u>	<u>\$ 88,029</u>	<u>\$ 209,287</u>	<u>\$ 2,499</u>	<u>\$ 39,837</u>	<u>\$ 1,357,778</u>	<u>\$ 318,646</u>	<u>\$ 461,243</u>

# City of Manitowoc, Wisconsin

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

	Capital Projects				Totals	
	TID 18	TID 19	TID 20	TID 21	2018	2017
<b>ASSETS</b>						
Cash and investments	\$ 11,005	\$ -	\$ -	\$ -	\$ 9,100,854	\$ 6,957,255
Restricted cash and investments	-	-	-	-	242,957	195,529
Receivables						
Taxes and special charges	-	19,004	-	-	4,577,117	4,809,697
Accounts	-	-	-	-	2,359,688	256,336
Loans	-	-	-	-	5,045,095	5,567,946
Due from other governments	-	-	-	-	246,191	211,736
Inventories and prepaid items	-	-	-	-	121,692	144,279
<b>Total assets</b>	<b>\$ 11,005</b>	<b>\$ 19,004</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 21,693,594</b>	<b>\$ 18,142,778</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 1,287,742	\$ 461,464
Due to other funds	-	17,027	1,079	2,936	4,232,452	3,856,722
Advance from other funds	-	-	-	-	121,692	144,279
Special deposits	-	-	-	-	40,348	26,523
<b>Total liabilities</b>	<b>-</b>	<b>17,027</b>	<b>1,079</b>	<b>2,936</b>	<b>5,682,234</b>	<b>4,488,988</b>
Deferred inflows of resources						
Property taxes levied for subsequent year	-	19,004	-	-	4,577,117	4,809,697
Loans receivable	-	-	-	-	5,045,095	5,567,946
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>19,004</b>	<b>-</b>	<b>-</b>	<b>9,622,212</b>	<b>10,377,643</b>
Fund balances						
Nonspendable	-	-	-	-	121,692	144,279
Restricted	11,005	-	-	-	5,495,241	4,036,564
Committed	-	-	-	-	1,077,917	970,795
Assigned	-	-	-	-	2,414,166	1,606,166
Unassigned	-	(17,027)	(1,079)	(2,936)	(2,719,868)	(3,481,657)
<b>Total fund balances</b>	<b>11,005</b>	<b>(17,027)</b>	<b>(1,079)</b>	<b>(2,936)</b>	<b>6,389,148</b>	<b>3,276,147</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 11,005</b>	<b>\$ 19,004</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 21,693,594</b>	<b>\$ 18,142,778</b>

# City of Manitowoc, Wisconsin

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 DECEMBER 31, 2018  
 WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2017

	Room Tax	Farmer's Market	Mandatory Recycling	TID 7	Commercial Revolving Loan	Transit Capital Grant
<b>REVENUES</b>						
Taxes	\$ 571,301	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Intergovernmental	-	-	216,482	-	-	-
Fines and forfeits	-	-	-	-	-	-
Public charges for services	-	-	-	-	-	-
Intergovernmental charges for services	-	-	117,096	-	-	-
Miscellaneous	8,541	-	-	-	14,188	-
<b>Total revenues</b>	<b>579,842</b>	<b>-</b>	<b>333,578</b>	<b>-</b>	<b>14,188</b>	<b>-</b>
<b>EXPENDITURES</b>						
Current						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	148,560	-	-	-
Health and human services	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Conservation and development	423,907	-	-	-	3,183	-
Debt service						
Principal	-	-	-	25,000	-	-
Interest and fiscal charges	-	-	-	1,200	-	-
<b>Total expenditures</b>	<b>423,907</b>	<b>-</b>	<b>148,560</b>	<b>26,200</b>	<b>3,183</b>	<b>-</b>
Excess of revenues over (under) expenditures	155,935	-	185,018	(26,200)	11,005	-
<b>OTHER FINANCING SOURCES (USES)</b>						
Long-term debt issued	-	-	-	-	-	237,400
Transfers in	-	-	-	-	-	39,700
Transfers out	(122,825)	-	(185,018)	-	-	(3,800)
<b>Total other financing sources (uses)</b>	<b>(122,825)</b>	<b>-</b>	<b>(185,018)</b>	<b>-</b>	<b>-</b>	<b>273,300</b>
<b>Net change in fund balances</b>	<b>33,110</b>	<b>-</b>	<b>-</b>	<b>(26,200)</b>	<b>11,005</b>	<b>273,300</b>
<b>Fund balances - January 1</b>	<b>400,001</b>	<b>34,936</b>	<b>-</b>	<b>69,235</b>	<b>755,292</b>	<b>487,161</b>
<b>Fund balances - December 31</b>	<b>\$ 433,111</b>	<b>\$ 34,936</b>	<b>\$ -</b>	<b>\$ 43,035</b>	<b>\$ 766,297</b>	<b>\$ 760,461</b>

<b>Special Revenue</b>							
<b>Housing Revolving Loan</b>	<b>CDBG</b>	<b>HCRI Revolving Loan</b>	<b>Industrial Revolving Loan</b>	<b>Manitowoc Calumet Library</b>	<b>Library</b>	<b>Mani International Relations Assoc</b>	<b>Rahr West Museum</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,587,209	\$ -	\$ -
-	-	-	-	-	-	-	-
-	62,952	-	-	-	509,243	-	-
-	-	-	-	-	46,015	-	-
-	-	-	-	-	-	-	-
102,448	14,800	896	475,736	3,128	120,407	69,176	73,500
102,448	77,752	896	475,736	3,128	2,262,874	69,176	73,500
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	1,795	2,145,613	74,121
120,922	69,792	-	1,393	-	-	-	88,454
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
120,922	69,792	-	1,393	1,795	2,145,613	74,121	88,454
(18,474)	7,960	896	474,343	1,333	117,261	(4,945)	(14,954)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	(38,812)	-	(14,102)
-	-	-	-	-	(38,812)	-	(14,102)
(18,474)	7,960	896	474,343	1,333	78,449	(4,945)	(29,056)
412,904	21,831	47,656	873,826	4,137	203,637	8,036	228,533
<u>\$ 394,430</u>	<u>\$ 29,791</u>	<u>\$ 48,552</u>	<u>\$ 1,348,169</u>	<u>\$ 5,470</u>	<u>\$ 282,086</u>	<u>\$ 3,091</u>	<u>\$ 199,477</u>

# City of Manitowoc, Wisconsin

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 DECEMBER 31, 2018  
 WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2017

	Special Revenue					
	Police Programs	Parkland Dedications	Aquatic Center	Senior Center	Eternal Flame	Centennial
<b>REVENUES</b>						
Taxes	\$ -	\$ -	\$ 108,500	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Fines and forfeits	-	-	5,488	-	-	-
Public charges for services	-	-	164,623	44,236	-	-
Intergovernmental charges for services	-	-	-	-	-	-
Miscellaneous	53,824	2,572	-	23,479	18,122	1,118
<b>Total revenues</b>	<b>53,824</b>	<b>2,572</b>	<b>278,611</b>	<b>67,715</b>	<b>18,122</b>	<b>1,118</b>
<b>EXPENDITURES</b>						
Current						
General government	-	-	-	-	-	-
Public safety	18,547	-	-	-	-	-
Public works	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-
Culture and recreation	-	-	318,417	62,778	16,100	-
Conservation and development	-	-	-	-	-	-
Debt service						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
<b>Total expenditures</b>	<b>18,547</b>	<b>-</b>	<b>318,417</b>	<b>62,778</b>	<b>16,100</b>	<b>-</b>
Excess of revenues over (under) expenditures	35,277	2,572	(39,806)	4,937	2,022	1,118
<b>OTHER FINANCING SOURCES (USES)</b>						
Long-term debt issued	-	-	-	-	-	-
Transfers in	-	-	159,418	-	-	-
Transfers out	-	(44,500)	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(44,500)</b>	<b>159,418</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>35,277</b>	<b>(41,928)</b>	<b>119,612</b>	<b>4,937</b>	<b>2,022</b>	<b>1,118</b>
<b>Fund balances - January 1</b>	<b>249,269</b>	<b>141,493</b>	<b>(96,318)</b>	<b>91,515</b>	<b>24,518</b>	<b>14,114</b>
<b>Fund balances - December 31</b>	<b>\$ 284,546</b>	<b>\$ 99,565</b>	<b>\$ 23,294</b>	<b>\$ 96,452</b>	<b>\$ 26,540</b>	<b>\$ 15,232</b>

								<b>Capital Projects</b>	
<b>Park &amp; Rec Donations</b>	<b>Lakeshore Holiday Parade</b>	<b>EPA Grant</b>	<b>Housing Programs</b>	<b>Sanitary and Storm Sewers</b>	<b>Streets</b>	<b>Capital Equipment</b>	<b>Environment Remediation</b>		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 194,635	\$ -	\$ -	\$ -	\$ -
-	-	-	80,075	-	125	-	-	-	-
-	-	144	-	26,659	34,453	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	4,758	135,126	-	-	-	-
-	-	-	-	-	-	-	-	-	1
84,098	8,290	4,425	-	-	-	13,500	683,250	-	-
<u>84,098</u>	<u>8,290</u>	<u>4,569</u>	<u>80,075</u>	<u>31,417</u>	<u>364,339</u>	<u>13,500</u>	<u>683,251</u>	-	-
-	-	-	-	-	-	36,668	-	-	-
-	-	-	-	-	-	122,387	-	-	-
-	-	-	-	138,723	4,161,776	504,139	623,870	-	-
-	-	-	-	-	-	-	-	-	-
18,219	7,280	-	-	-	-	244,684	-	-	-
-	-	144	109,501	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	26,748
-	-	-	-	-	-	-	-	-	-
<u>18,219</u>	<u>7,280</u>	<u>144</u>	<u>109,501</u>	<u>138,723</u>	<u>4,161,776</u>	<u>907,878</u>	<u>650,618</u>	-	-
65,879	1,010	4,425	(29,426)	(107,306)	(3,797,437)	(894,378)	32,633	-	-
-	-	-	-	198,000	4,425,775	903,425	557,000	-	-
44,500	-	-	268,455	-	532,695	989,477	-	-	-
-	-	-	-	(171,112)	(1,187,381)	(567,792)	-	-	-
<u>44,500</u>	<u>-</u>	<u>-</u>	<u>268,455</u>	<u>26,888</u>	<u>3,771,089</u>	<u>1,325,110</u>	<u>557,000</u>	-	-
110,379	1,010	4,425	239,029	(80,418)	(26,348)	430,732	589,633	-	-
122,892	1,380	219,378	226,007	205,958	(1,047,604)	471,679	329,812	-	-
<u>\$ 233,271</u>	<u>\$ 2,390</u>	<u>\$ 223,803</u>	<u>\$ 465,036</u>	<u>\$ 125,540</u>	<u>\$ (1,073,952)</u>	<u>\$ 902,411</u>	<u>\$ 919,445</u>	-	-

# City of Manitowoc, Wisconsin

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 DECEMBER 31, 2018  
 WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2017

	<b>Cemetery Improvements</b>	<b>Buildings and Other Improvements</b>	<b>Car Ferry Dock Facilities</b>	<b>TID 9</b>	<b>TID 10</b>
<b>REVENUES</b>					
Taxes	\$ -	\$ 184,000	\$ -	\$ 228,594	\$ 105,014
Special assessments	-	-	-	-	-
Intergovernmental	-	100,293	3,099,124	4,462	2,311
Fines and forfeits	-	-	-	-	-
Public charges for services	9,828	-	-	-	-
Intergovernmental charges for services	-	-	-	-	-
Miscellaneous	-	5,983	-	-	-
<b>Total revenues</b>	<b>9,828</b>	<b>290,276</b>	<b>3,099,124</b>	<b>233,056</b>	<b>107,325</b>
<b>EXPENDITURES</b>					
Current					
General government	-	47,408	-	-	-
Public safety	-	8,830	-	-	-
Public works	-	208,874	3,873,905	2,292	-
Health and human services	5,800	-	-	-	-
Culture and recreation	-	406,781	-	-	-
Conservation and development	-	4,778	-	150	1,305
Debt service					
Principal	-	-	-	20,000	35,000
Interest and fiscal charges	-	-	-	1,250	3,075
<b>Total expenditures</b>	<b>5,800</b>	<b>676,671</b>	<b>3,873,905</b>	<b>23,692</b>	<b>39,380</b>
Excess of revenues over (under) expenditures	4,028	(386,395)	(774,781)	209,364	67,945
<b>OTHER FINANCING SOURCES (USES)</b>					
Long-term debt issued	-	683,400	-	-	-
Transfers in	-	111,344	564,500	-	-
Transfers out	-	(356,630)	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>438,114</b>	<b>564,500</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>4,028</b>	<b>51,719</b>	<b>(210,281)</b>	<b>209,364</b>	<b>67,945</b>
<b>Fund balances - January 1</b>	<b>30,923</b>	<b>427,261</b>	<b>284,812</b>	<b>18,168</b>	<b>45,728</b>
<b>Fund balances - December 31</b>	<b>\$ 34,951</b>	<b>\$ 478,980</b>	<b>\$ 74,531</b>	<b>\$ 227,532</b>	<b>\$ 113,673</b>

**Capital Projects**

TID 11	TID 12	TID 13	TID 14	TID 15	TID 16	TID 17	TID 18	TID 19
\$ 74,726	\$ 184,251	\$ 160,257	\$ -	\$ 1,478,108	\$ 297,594	\$ 182,086	\$ -	\$ -
-	-	-	-	-	-	-	-	-
13,761	1,993	106,198	2,636	29,095	31,181	13,808	6,281	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
88,487	186,244	266,455	2,636	1,507,203	328,775	195,894	6,281	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
2,500	2,553	2,500	150	5,485	150	150	149	6,291
50,000	195,000	-	15,000	800,000	240,000	70,000	-	-
3,550	15,327	-	1,200	14,400	77,266	8,809	-	-
56,050	212,880	2,500	16,350	819,885	317,416	78,959	149	6,291
32,437	(26,636)	263,955	(13,714)	687,318	11,359	116,935	6,132	(6,291)
-	-	-	-	-	-	-	-	-
-	-	-	761,000	-	-	-	-	-
-	-	(268,455)	-	(761,000)	-	-	-	-
-	-	(268,455)	761,000	(761,000)	-	-	-	-
32,437	(26,636)	(4,500)	747,286	(73,682)	11,359	116,935	6,132	(6,291)
53,092	9,953	4,500	(707,449)	112,456	(1,619,550)	120,838	4,873	(10,736)
<u>\$ 85,529</u>	<u>\$ (16,683)</u>	<u>\$ -</u>	<u>\$ 39,837</u>	<u>\$ 38,774</u>	<u>\$ (1,608,191)</u>	<u>\$ 237,773</u>	<u>\$ 11,005</u>	<u>\$ (17,027)</u>



# City of Manitowoc, Wisconsin

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

	Capital Projects		Totals	
	TID 20	TID 21	2018	2017
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ 5,356,275	\$ 6,066,048
Special assessments	-	-	80,200	9,273
Intergovernmental	-	-	4,261,076	2,093,965
Fines and forfeits	-	-	5,488	2,110
Public charges for services	-	-	404,586	433,640
Intergovernmental charges for services	-	-	117,097	515,096
Miscellaneous	-	-	1,781,481	1,774,021
Total revenues	-	-	12,006,203	10,894,153
<b>EXPENDITURES</b>				
Current				
General government	-	-	84,076	329,165
Public safety	-	-	149,764	363,100
Public works	-	-	9,662,139	3,456,458
Health and human services	-	-	5,800	15,547
Culture and recreation	-	-	3,384,242	3,270,284
Conservation and development	1,079	2,936	759,018	6,210,680
Debt service				
Principal	-	-	1,476,748	2,046,341
Interest and fiscal charges	-	-	126,077	174,781
Total expenditures	1,079	2,936	15,647,864	15,866,356
Excess of revenues over (under) expenditures	(1,079)	(2,936)	(3,641,661)	(4,972,203)
<b>OTHER FINANCING SOURCES (USES)</b>				
Long-term debt issued	-	-	7,005,000	5,230,000
Transfers in	-	-	3,471,089	665,361
Transfers out	-	-	(3,721,427)	(985,897)
Total other financing sources (uses)	-	-	6,754,662	4,909,464
<b>Net change in fund balances</b>	(1,079)	(2,936)	3,113,001	(62,739)
<b>Fund balances - January 1</b>	-	-	3,276,147	3,338,886
<b>Fund balances - December 31</b>	\$ (1,079)	\$ (2,936)	\$ 6,389,148	\$ 3,276,147

# City of Manitowoc, Wisconsin

ROOM TAX SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 DECEMBER 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 600,000	\$ 598,500	\$ 571,301	\$ (27,199)
Miscellaneous	-	-	8,541	8,541
Total revenues	600,000	598,500	579,842	(18,658)
<b>EXPENDITURES</b>				
Current				
Conservation and development	476,280	477,780	423,907	53,873
Excess of revenues over expenditures	123,720	120,720	155,935	35,215
<b>OTHER FINANCING USES</b>				
Transfers out	(123,720)	(123,720)	(122,825)	895
<b>Net change in fund balance</b>	-	(3,000)	33,110	36,110
<b>Fund balance - January 1</b>	400,001	400,001	400,001	-
<b>Fund balance - December 31</b>	<u>\$ 400,001</u>	<u>\$ 397,001</u>	<u>\$ 433,111</u>	<u>\$ 36,110</u>

# City of Manitowoc, Wisconsin

MANDATORY RECYCLING SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 DECEMBER 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 216,000	\$ 216,000	\$ 216,482	\$ 482
Intergovernmental charges for services	117,096	117,096	117,096	-
Total revenues	333,096	333,096	333,578	482
<b>EXPENDITURES</b>				
Current				
Public works	144,000	144,000	148,560	(4,560)
Excess of revenues over expenditures	189,096	189,096	185,018	(4,078)
<b>OTHER FINANCING USES</b>				
Transfers out	(189,096)	(189,096)	(185,018)	4,078
<b>Net change in fund balance</b>	-	-	-	-
<b>Fund balance - January 1</b>	-	-	-	-
<b>Fund balance - December 31</b>	\$ -	\$ -	\$ -	\$ -

# City of Manitowoc, Wisconsin

TAX INCREMENT DISTRICT NO. 7 SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 DECEMBER 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Total revenues	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>				
Debt service				
Principal	25,000	25,000	25,000	-
Interest and fiscal charges	1,200	1,200	1,200	-
Total expenditures	26,200	26,200	26,200	-
<b>Net change in fund balance</b>	(26,200)	(26,200)	(26,200)	-
<b>Fund balance - January 1</b>	69,235	69,235	69,235	-
<b>Fund balance - December 31</b>	\$ 43,035	\$ 43,035	\$ 43,035	\$ -

# City of Manitowoc, Wisconsin

TRANSIT CAPITAL GRANT SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 DECEMBER 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>				
Current				
Public works	237,400	237,400	-	237,400
Excess of revenues under expenditures	(237,400)	(237,400)	-	237,400
<b>OTHER FINANCING SOURCES</b>				
Long-term debt issued	237,400	237,400	237,400	-
<b>Net change in fund balance</b>	-	-	273,300	273,300
<b>Fund balance - January 1</b>	487,161	487,161	487,161	-
<b>Fund balance - December 31</b>	\$ 487,161	\$ 487,161	\$ 760,461	\$ 273,300

# City of Manitowoc, Wisconsin

LIBRARY SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 DECEMBER 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 1,587,209	\$ 1,587,209	\$ 1,587,209	\$ -
Intergovernmental	504,128	504,128	509,243	5,115
Public charges for services	45,000	45,000	46,015	1,015
Miscellaneous	7,000	120,901	120,407	(494)
Total revenues	<u>2,143,337</u>	<u>2,257,238</u>	<u>2,262,874</u>	<u>5,636</u>
<b>EXPENDITURES</b>				
Current				
Culture and recreation	<u>2,124,525</u>	<u>2,322,967</u>	<u>2,145,613</u>	<u>177,354</u>
Excess of revenues over (under) expenditures	<u>18,812</u>	<u>(65,729)</u>	<u>117,261</u>	<u>182,990</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	20,000	20,000	-	(20,000)
Transfers out	<u>(38,812)</u>	<u>(38,812)</u>	<u>(38,812)</u>	<u>-</u>
Total other financing sources (uses)	<u>(18,812)</u>	<u>(18,812)</u>	<u>(38,812)</u>	<u>(20,000)</u>
<b>Net change in fund balance</b>	-	(84,541)	78,449	162,990
<b>Fund balance - January 1</b>	<u>203,637</u>	<u>203,637</u>	<u>203,637</u>	<u>-</u>
<b>Fund balance - December 31</b>	<u>\$ 203,637</u>	<u>\$ 119,096</u>	<u>\$ 282,086</u>	<u>\$ 162,990</u>

# City of Manitowoc, Wisconsin

AQUATIC CENTER SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 DECEMBER 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 108,500	\$ 108,500	\$ 108,500	\$ -
Fines and forfeits	-	-	5,488	5,488
Public charges for services	158,500	158,500	164,623	6,123
<b>Total revenues</b>	<b>267,000</b>	<b>267,000</b>	<b>278,611</b>	<b>11,611</b>
<b>EXPENDITURES</b>				
Current				
Culture and recreation	267,000	267,000	318,417	(51,417)
Deficiency of revenues under expenditures	-	-	(39,806)	(39,806)
<b>OTHER FINANCING SOURCES</b>				
Transfers in	-	-	159,418	159,418
<b>Net change in fund balance</b>	<b>-</b>	<b>-</b>	<b>119,612</b>	<b>119,612</b>
<b>Fund balance - January 1</b>	<b>(96,318)</b>	<b>(96,318)</b>	<b>(96,318)</b>	<b>-</b>
<b>Fund balance - December 31</b>	<b>\$ (96,318)</b>	<b>\$ (96,318)</b>	<b>\$ 23,294</b>	<b>\$ 119,612</b>

# City of Manitowoc, Wisconsin

DEBT SERVICE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 DECEMBER 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 6,086,014	\$ 6,086,014	\$ 6,086,014	\$ -
Special assessments	150,000	150,000	379,154	229,154
Miscellaneous	108,706	108,706	115,288	6,582
Total revenues	6,344,720	6,344,720	6,580,456	235,736
<b>EXPENDITURES</b>				
Debt service				
Principal	5,515,000	5,515,000	5,515,000	-
Interest and fiscal charges	1,223,432	1,223,432	1,510,093	(286,661)
Total expenditures	6,738,432	6,738,432	7,025,093	(286,661)
Excess of revenues over under expenditures	(393,712)	(393,712)	(444,637)	(50,925)
<b>OTHER FINANCING SOURCES</b>				
Long-term debt issued	-	-	8,730,000	8,730,000
Premium on debt issued	-	-	423,208	423,208
Payment to current noteholder	-	-	(7,700,000)	(7,700,000)
Transfers in	63,272	63,272	63,272	-
Total other financing sources	63,272	63,272	1,516,480	1,453,208
<b>Net change in fund balance</b>	(330,440)	(330,440)	1,071,843	1,402,283
<b>Fund balance - January 1</b>	650,342	650,342	650,342	-
<b>Fund balance - December 31</b>	\$ 319,902	\$ 319,902	\$ 1,722,185	\$ 1,402,283



# City of Manitowoc, Wisconsin

SANITARY AND STORM SEWERS CAPITAL PROJECTS FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 DECEMBER 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 26,659	\$ 26,659
Public charges for services	-	-	4,758	4,758
Total revenues	-	-	31,417	31,417
<b>EXPENDITURES</b>				
Current				
Public works	198,000	198,000	138,723	59,277
Excess of revenues under expenditures	(198,000)	(198,000)	(107,306)	90,694
<b>OTHER FINANCING SOURCES (USES)</b>				
Long-term debt issued	198,000	198,000	198,000	-
Transfers out	-	-	(171,112)	(171,112)
Total other financing sources (uses)	198,000	198,000	26,888	(171,112)
<b>Net change in fund balance</b>	-	-	(80,418)	(80,418)
<b>Fund balance - January 1</b>	205,958	205,958	205,958	-
<b>Fund balance - December 31</b>	<u>\$ 205,958</u>	<u>\$ 205,958</u>	<u>\$ 125,540</u>	<u>\$ (80,418)</u>

# City of Manitowoc, Wisconsin

STREETS CAPITAL PROJECTS FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 DECEMBER 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 194,635	\$ 194,635	\$ 194,635	\$ -
Special assessments	-	-	125	125
Intergovernmental	-	-	34,453	34,453
Public charges for services	-	-	135,126	135,126
Total revenues	<u>194,635</u>	<u>194,635</u>	<u>364,339</u>	<u>169,704</u>
<b>EXPENDITURES</b>				
Current				
Public works	4,425,775	4,425,775	4,161,776	263,999
Debt service				
Interest and fiscal charges	194,635	194,635	-	194,635
Total expenditures	<u>4,620,410</u>	<u>4,620,410</u>	<u>4,161,776</u>	<u>458,634</u>
Excess of revenues under expenditures	<u>(4,425,775)</u>	<u>(4,425,775)</u>	<u>(3,797,437)</u>	<u>628,338</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Long-term debt issued	4,425,775	4,425,775	4,425,775	-
Transfers in	-	-	532,695	532,695
Transfers out	-	-	(1,187,381)	(1,187,381)
Total other financing sources (uses)	<u>4,425,775</u>	<u>4,425,775</u>	<u>3,771,089</u>	<u>(654,686)</u>
<b>Net change in fund balance</b>	-	-	(26,348)	(26,348)
<b>Fund balance - January 1</b>	<u>(1,047,604)</u>	<u>(1,047,604)</u>	<u>(1,047,604)</u>	-
<b>Fund balance - December 31</b>	<u>\$ (1,047,604)</u>	<u>\$ (1,047,604)</u>	<u>\$ (1,073,952)</u>	<u>\$ (26,348)</u>

# City of Manitowoc, Wisconsin

CAPITAL EQUIPMENT CAPITAL PROJECTS FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 DECEMBER 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Miscellaneous	\$ -	\$ -	\$ 13,500	\$ 13,500
<b>EXPENDITURES</b>				
Current				
General government	294,800	294,800	36,668	258,132
Public safety	185,634	185,634	122,387	63,247
Public works	314,200	314,200	504,139	(189,939)
Culture and recreation	105,000	105,000	244,684	(139,684)
Total expenditures	899,634	899,634	907,878	(8,244)
Deficiency of revenues under expenditures	(899,634)	(899,634)	(894,378)	5,256
<b>OTHER FINANCING SOURCES (USES)</b>				
Long-term debt issued	899,634	899,634	903,425	3,791
Transfers in	-	-	989,477	989,477
Transfers out	-	-	(567,792)	(567,792)
Total other financing sources (uses)	899,634	899,634	1,325,110	425,476
<b>Net change in fund balance</b>	-	-	430,732	430,732
<b>Fund balance - January 1</b>	471,679	471,679	471,679	-
<b>Fund balance - December 31</b>	\$ 471,679	\$ 471,679	\$ 902,411	\$ 430,732

# City of Manitowoc, Wisconsin

ENVIRONMENTAL REMEDIATION CAPITAL PROJECTS FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 DECEMBER 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental charges for services	\$ -	\$ -	\$ 1	\$ 1
Miscellaneous	-	-	683,250	683,250
Total revenues	-	-	683,251	683,251
<b>EXPENDITURES</b>				
Current				
Public works	587,487	587,487	623,870	(36,383)
Debt service				
Principal	-	-	26,748	(26,748)
Total expenditures	587,487	587,487	650,618	(63,131)
Excess of revenues over (under) expenditures	(587,487)	(587,487)	32,633	620,120
<b>OTHER FINANCING SOURCES</b>				
Long-term debt issued	557,000	557,000	557,000	-
<b>Net change in fund balance</b>	(30,487)	(30,487)	589,633	620,120
<b>Fund balance - January 1</b>	329,812	329,812	329,812	-
<b>Fund balance - December 31</b>	\$ 299,325	\$ 299,325	\$ 919,445	\$ 620,120

# City of Manitowoc, Wisconsin

BUILDINGS AND OTHER IMPROVEMENTS CAPITAL PROJECTS FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 DECEMBER 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 184,000	\$ 184,000	\$ 184,000	\$ -
Intergovernmental	-	-	100,293	100,293
Miscellaneous	-	-	5,983	5,983
Total revenues	184,000	184,000	290,276	106,276
<b>EXPENDITURES</b>				
Current				
General government	184,000	184,000	47,408	136,592
Public safety	-	-	8,830	(8,830)
Public works	318,500	318,500	208,874	109,626
Culture and recreation	364,900	364,900	406,781	(41,881)
Conservation and development	-	-	4,778	(4,778)
Total expenditures	867,400	867,400	676,671	190,729
Excess of revenues under expenditures	(683,400)	(683,400)	(386,395)	297,005
<b>OTHER FINANCING SOURCES (USES)</b>				
Long-term debt issued	683,400	683,400	683,400	-
Transfers in	-	-	111,344	111,344
Transfers out	-	-	(356,630)	(356,630)
Total other financing sources (uses)	683,400	683,400	438,114	(245,286)
<b>Net change in fund balance</b>	-	-	51,719	51,719
<b>Fund balance - January 1</b>	427,261	427,261	427,261	-
<b>Fund balance - December 31</b>	\$ 427,261	\$ 427,261	\$ 478,980	\$ 51,719

# City of Manitowoc, Wisconsin

TAX INCREMENT DISTRICT NO. 9 CAPITAL PROJECTS FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 DECEMBER 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 16,852	\$ 16,852	\$ 228,594	\$ 211,742
Intergovernmental	4,398	4,398	4,462	64
Total revenues	21,250	21,250	233,056	211,806
<b>EXPENDITURES</b>				
Current				
Public works	-	-	2,292	(2,292)
Conservation and development	-	-	150	(150)
Debt service				
Principal	20,000	20,000	20,000	-
Interest and fiscal charges	1,250	1,250	1,250	-
Total expenditures	21,250	21,250	23,692	(2,442)
<b>Net change in fund balance</b>	-	-	209,364	209,364
<b>Fund balance - January 1</b>	18,168	18,168	18,168	-
<b>Fund balance - December 31</b>	<u>\$ 18,168</u>	<u>\$ 18,168</u>	<u>\$ 227,532</u>	<u>\$ 209,364</u>

# City of Manitowoc, Wisconsin

TAX INCREMENT DISTRICT NO. 10 CAPITAL PROJECTS FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 DECEMBER 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 35,797	\$ 35,797	\$ 105,014	\$ 69,217
Intergovernmental	2,278	2,278	2,311	33
Total revenues	<u>38,075</u>	<u>38,075</u>	<u>107,325</u>	<u>69,250</u>
<b>EXPENDITURES</b>				
Current				
Conservation and development	-	-	1,305	(1,305)
Debt service				
Principal	35,000	35,000	35,000	-
Interest and fiscal charges	3,075	3,075	3,075	-
Total expenditures	<u>38,075</u>	<u>38,075</u>	<u>39,380</u>	<u>(1,305)</u>
<b>Net change in fund balance</b>	-	-	67,945	67,945
<b>Fund balance - January 1</b>	<u>45,728</u>	<u>45,728</u>	<u>45,728</u>	-
<b>Fund balance - December 31</b>	<u>\$ 45,728</u>	<u>\$ 45,728</u>	<u>\$ 113,673</u>	<u>\$ 67,945</u>

# City of Manitowoc, Wisconsin

TAX INCREMENT DISTRICT NO. 11 CAPITAL PROJECTS FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 DECEMBER 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 39,989	\$ 39,989	\$ 74,726	\$ 34,737
Intergovernmental	13,561	13,561	13,761	200
Total revenues	<u>53,550</u>	<u>53,550</u>	<u>88,487</u>	<u>34,937</u>
<b>EXPENDITURES</b>				
Current				
Conservation and development	-	-	2,500	(2,500)
Debt service				
Principal	50,000	50,000	50,000	-
Interest and fiscal charges	3,550	3,550	3,550	-
Total expenditures	<u>53,550</u>	<u>53,550</u>	<u>56,050</u>	<u>(2,500)</u>
<b>Net change in fund balance</b>	-	-	32,437	32,437
<b>Fund balance - January 1</b>	<u>53,092</u>	<u>53,092</u>	<u>53,092</u>	-
<b>Fund balance - December 31</b>	<u>\$ 53,092</u>	<u>\$ 53,092</u>	<u>\$ 85,529</u>	<u>\$ 32,437</u>



# City of Manitowoc, Wisconsin

TAX INCREMENT DISTRICT NO. 12 CAPITAL PROJECTS FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 DECEMBER 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 208,362	\$ 208,362	\$ 184,251	\$ (24,111)
Intergovernmental	1,965	1,965	1,993	28
Total revenues	<u>210,327</u>	<u>210,327</u>	<u>186,244</u>	<u>(24,083)</u>
<b>EXPENDITURES</b>				
Current				
Conservation and development	-	-	2,553	(2,553)
Debt service				
Principal	195,000	195,000	195,000	-
Interest and fiscal charges	15,327	15,327	15,327	-
Total expenditures	<u>210,327</u>	<u>210,327</u>	<u>212,880</u>	<u>(2,553)</u>
<b>Net change in fund balance</b>	-	-	(26,636)	(26,636)
<b>Fund balance - January 1</b>	<u>9,953</u>	<u>9,953</u>	<u>9,953</u>	<u>-</u>
<b>Fund balance - December 31</b>	<u>\$ 9,953</u>	<u>\$ 9,953</u>	<u>\$ (16,683)</u>	<u>\$ (26,636)</u>

# City of Manitowoc, Wisconsin

TAX INCREMENT DISTRICT NO. 13 CAPITAL PROJECTS FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 DECEMBER 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 163,782	\$ 163,782	\$ 160,257	\$ (3,525)
Intergovernmental	104,659	104,659	106,198	1,539
Total revenues	<u>268,441</u>	<u>268,441</u>	<u>266,455</u>	<u>(1,986)</u>
<b>EXPENDITURES</b>				
Current				
Conservation and development	<u>268,441</u>	<u>268,441</u>	<u>2,500</u>	<u>265,941</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>263,955</u>	<u>263,955</u>
<b>OTHER FINANCING USES</b>				
Transfers out	<u>-</u>	<u>-</u>	<u>(268,455)</u>	<u>(268,455)</u>
<b>Net change in fund balance</b>	<u>-</u>	<u>-</u>	<u>(4,500)</u>	<u>(4,500)</u>
<b>Fund balance - January 1</b>	<u>4,500</u>	<u>4,500</u>	<u>4,500</u>	<u>-</u>
<b>Fund balance - December 31</b>	<u>\$ 4,500</u>	<u>\$ 4,500</u>	<u>\$ -</u>	<u>\$ (4,500)</u>

# City of Manitowoc, Wisconsin

TAX INCREMENT DISTRICT NO. 14 CAPITAL PROJECTS FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 DECEMBER 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 13,604	\$ 13,604	\$ -	\$ (13,604)
Intergovernmental	2,596	2,596	2,636	40
Total revenues	16,200	16,200	2,636	(13,564)
<b>EXPENDITURES</b>				
Current				
Conservation and development	-	-	150	(150)
Debt service				
Principal	15,000	15,000	15,000	-
Interest and fiscal charges	1,200	1,200	1,200	-
Total expenditures	16,200	16,200	16,350	(150)
Excess of revenues under expenditures	-	-	(13,714)	(13,714)
<b>OTHER FINANCING SOURCES</b>				
Transfers in	-	-	761,000	761,000
<b>Net change in fund balance</b>	-	-	747,286	747,286
<b>Fund balance - January 1</b>	(707,449)	(707,449)	(707,449)	-
<b>Fund balance - December 31</b>	<u>\$ (707,449)</u>	<u>\$ (707,449)</u>	<u>\$ 39,837</u>	<u>\$ 747,286</u>

# City of Manitowoc, Wisconsin

TAX INCREMENT DISTRICT NO. 15 CAPITAL PROJECTS FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 DECEMBER 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 785,726	\$ 785,726	\$ 1,478,108	\$ 692,382
Intergovernmental	28,674	28,674	29,095	421
Total revenues	814,400	814,400	1,507,203	692,803
<b>EXPENDITURES</b>				
Current				
Conservation and development	-	-	5,485	(5,485)
Debt service				
Principal	800,000	800,000	800,000	-
Interest and fiscal charges	14,400	14,400	14,400	-
Total expenditures	814,400	814,400	819,885	(5,485)
Excess of revenues over expenditures	-	-	687,318	687,318
<b>OTHER FINANCING USES</b>				
Transfers out	-	-	(761,000)	(761,000)
<b>Net change in fund balance</b>	-	-	(73,682)	(73,682)
<b>Fund balance - January 1</b>	112,456	112,456	112,456	-
<b>Fund balance - December 31</b>	\$ 112,456	\$ 112,456	\$ 38,774	\$ (73,682)

# City of Manitowoc, Wisconsin

TAX INCREMENT DISTRICT NO. 16 CAPITAL PROJECTS FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 DECEMBER 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 286,537	\$ 286,537	\$ 297,594	\$ 11,057
Intergovernmental	30,729	30,729	31,181	452
Total revenues	<u>317,266</u>	<u>317,266</u>	<u>328,775</u>	<u>11,509</u>
<b>EXPENDITURES</b>				
Current				
Conservation and development	-	-	150	(150)
Debt service				
Principal	240,000	240,000	240,000	-
Interest and fiscal charges	<u>77,266</u>	<u>77,266</u>	<u>77,266</u>	<u>-</u>
Total expenditures	<u>317,266</u>	<u>317,266</u>	<u>317,416</u>	<u>(150)</u>
Net change in fund balance	-	-	11,359	11,359
Fund balance - January 1	<u>(1,619,550)</u>	<u>(1,619,550)</u>	<u>(1,619,550)</u>	<u>-</u>
Fund balance - December 31	<u>\$ (1,619,550)</u>	<u>\$ (1,619,550)</u>	<u>\$ (1,608,191)</u>	<u>\$ 11,359</u>

# City of Manitowoc, Wisconsin

TAX INCREMENT DISTRICT NO. 17 CAPITAL PROJECTS FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 DECEMBER 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 65,201	\$ 65,201	\$ 182,086	\$ 116,885
Intergovernmental	13,608	13,608	13,808	200
Total revenues	<u>78,809</u>	<u>78,809</u>	<u>195,894</u>	<u>117,085</u>
<b>EXPENDITURES</b>				
Current				
Conservation and development	-	-	150	(150)
Debt service				
Principal	70,000	70,000	70,000	-
Interest and fiscal charges	8,809	8,809	8,809	-
Total expenditures	<u>78,809</u>	<u>78,809</u>	<u>78,959</u>	<u>(150)</u>
<b>Net change in fund balance</b>	-	-	116,935	116,935
<b>Fund balance - January 1</b>	<u>120,838</u>	<u>120,838</u>	<u>120,838</u>	-
<b>Fund balance - December 31</b>	<u>\$ 120,838</u>	<u>\$ 120,838</u>	<u>\$ 237,773</u>	<u>\$ 116,935</u>

# City of Manitowoc, Wisconsin

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

	<u>Data Processing</u>	<u>Health Self Insurance</u>	<u>Workers Comp Self Insurance</u>	<u>Liability Self Insurance</u>	<u>Total</u>
<b>ASSETS</b>					
Current assets					
Cash and investments	\$ 74,397	\$ 1,189,295	\$ 534,619	\$ -	\$ 1,798,311
Receivables					
Accounts	43,230	58	-	-	43,288
Inventories and prepaid items	2,086	-	-	-	2,086
Total current assets	<u>119,713</u>	<u>1,189,353</u>	<u>534,619</u>	<u>-</u>	<u>1,843,685</u>
Noncurrent assets					
Restricted assets					
Deposit with CVMIC	-	-	-	1,111,426	1,111,426
Other assets					
Other assets	78,433	-	-	-	78,433
Capital assets					
Nondepreciable	8,264	-	-	-	8,264
Total assets	<u>206,410</u>	<u>1,189,353</u>	<u>534,619</u>	<u>1,111,426</u>	<u>3,041,808</u>
<b>LIABILITIES</b>					
Current liabilities					
Accounts payable	7,702	15,740	330	-	23,772
Accrued and other current liabilities	25,176	-	-	-	25,176
Insurance claims payable	-	516,653	334,623	-	851,276
Total current liabilities	<u>32,878</u>	<u>532,393</u>	<u>334,953</u>	<u>-</u>	<u>900,224</u>
Long-term obligations, less current portion					
Compensated absences	173,532	-	-	-	173,532
Total liabilities	<u>206,410</u>	<u>532,393</u>	<u>334,953</u>	<u>-</u>	<u>1,073,756</u>
<b>NET POSITION</b>					
Net investment in capital assets					
Unrestricted	8,264	-	-	-	8,264
	<u>(8,264)</u>	<u>656,960</u>	<u>199,666</u>	<u>1,111,426</u>	<u>1,959,788</u>
Total net position	<u>\$ -</u>	<u>\$ 656,960</u>	<u>\$ 199,666</u>	<u>\$ 1,111,426</u>	<u>\$ 1,968,052</u>

# City of Manitowoc, Wisconsin

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

	<u>Data Processing</u>	<u>Health Self Insurance</u>	<u>Workers Comp Self Insurance</u>	<u>Liability Self Insurance</u>	<u>Total</u>
<b>OPERATING REVENUES</b>					
Charges for services	\$ 775,314	\$ 3,754,870	\$ 438,386	\$ -	\$ 4,968,570
<b>OPERATING EXPENSES</b>					
Operation and maintenance	745,798	-	491,158	-	1,236,956
Insurance premiums, claims and adjustments	-	3,949,374	72,738	-	4,022,112
Taxes	29,516	-	-	-	29,516
Total operating expenses	775,314	3,949,374	563,896	-	5,288,584
<b>Operating loss</b>	-	(194,504)	(125,510)	-	(320,014)
<b>NONOPERATING REVENUES</b>					
Interest income	-	-	25	-	25
<b>Change in net position</b>	-	(194,504)	(125,485)	-	(319,989)
<b>Net position - January 1</b>	-	851,464	325,151	1,111,426	2,288,041
<b>Net position - December 31</b>	<u>\$ -</u>	<u>\$ 656,960</u>	<u>\$ 199,666</u>	<u>\$ 1,111,426</u>	<u>\$ 1,968,052</u>



# City of Manitowoc, Wisconsin

## COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS DECEMBER 31, 2018

	Data Processing	Health Self Insurance	Workers Comp Self Insurance	Liability Self Insurance	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received from customers	\$ 760,651	\$ 3,755,727	\$ 438,386	\$ -	\$ 4,954,764
Cash paid for employee wages and benefits	(528,121)	-	-	-	(528,121)
Cash paid to suppliers	(258,009)	(3,932,770)	(325,687)	-	(4,516,466)
Net cash provided (used) by operating activities	(25,479)	(177,043)	112,699	-	(89,823)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition of capital assets	2,486	-	-	-	2,486
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest received	-	-	25	-	25
<b>Change in cash and cash equivalents</b>	(22,993)	(177,043)	112,724	-	(87,312)
<b>Cash and cash equivalents - January 1</b>	97,390	1,366,338	421,895	-	1,885,623
<b>Cash and cash equivalents - December 31</b>	<u>\$ 74,397</u>	<u>\$ 1,189,295</u>	<u>\$ 534,619</u>	<u>\$ -</u>	<u>\$ 1,798,311</u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>					
Operating loss	\$ -	\$ (194,504)	\$ (125,510)	\$ -	\$ (320,014)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities					
Change in operating assets and liabilities					
Accounts receivables	(14,663)	857	-	-	(13,806)
Inventories and prepaid items	57,212	-	-	-	57,212
Accounts payable	(11,134)	5,451	330	-	(5,353)
Accrued and other current liabilities	11,695	11,153	237,879	-	260,727
Other assets	(78,433)	-	-	-	(78,433)
Compensated absences	9,844	-	-	-	9,844
Net cash provided (used) by operating activities	<u>\$ (25,479)</u>	<u>\$ (177,043)</u>	<u>\$ 112,699</u>	<u>\$ -</u>	<u>\$ (89,823)</u>
Reconciliation of cash and cash equivalents to the statement of net position					
Cash and cash equivalents in current assets	<u>\$ 74,397</u>	<u>\$ 1,189,295</u>	<u>\$ 534,619</u>	<u>\$ -</u>	<u>\$ 1,798,311</u>
Noncash capital and related financing activities					
None					

# City of Manitowoc, Wisconsin

## CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS COMPARATIVE SCHEDULES BY SOURCE DECEMBER 31, 2018 AND 2017

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	<u>2018</u>	<u>2017</u>
Capital Assets		
Land	\$ 7,270,518	\$ 7,270,518
Buildings	29,478,238	29,069,214
Machinery and equipment	31,851,062	30,290,532
Infrastructure	176,422,952	173,094,706
Total Governmental Funds Capital Assets	<u>\$ 245,022,770</u>	<u>\$ 239,724,970</u>
Investments in Governmental Funds Capital Assets By Source		
General fund	\$ 25,290,975	\$ 24,691,908
Federal, state and local grants	10,028,875	10,028,875
Capital projects funds		
General obligation debt	209,702,920	205,004,187
Total Governmental Funds Capital Assets	<u>\$ 245,022,770</u>	<u>\$ 239,724,970</u>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.

# City of Manitowoc, Wisconsin

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
 SCHEDULE BY FUNCTION  
 DECEMBER 31, 2018

Function	Total	Land	Buildings	Machinery and Equipment	Infrastructure
General government	\$ 13,979,963	\$ 5,730,665	\$ 7,501,175	\$ 748,123	\$ -
Public safety	11,374,644	347,400	4,609,317	6,417,927	-
Public works	194,849,943	392,240	4,669,902	13,364,849	176,422,952
Health and human services	397,985	-	117,711	280,274	-
Culture and recreation	23,741,496	800,213	12,122,704	10,818,579	-
Conservation and development	678,739	-	457,429	221,310	-
Total General Capital Assets	<u>\$ 245,022,770</u>	<u>\$ 7,270,518</u>	<u>\$ 29,478,238</u>	<u>\$ 31,851,062</u>	<u>\$ 176,422,952</u>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.

# City of Manitowoc, Wisconsin

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
 SCHEDULE OF CHANGES BY FUNCTION  
 FOR THE YEAR ENDED DECEMBER 31, 2018

Function	Governmental			Governmental
	Funds Capital	Additions	Retirements	Funds Capital
	Assets			Assets
	1/1/18			12/31/18
General government	\$ 13,966,499	\$ 25,339	\$ 11,875	\$ 13,979,963
Public safety	10,826,144	933,437	384,937	11,374,644
Public works	190,575,102	4,539,510	264,669	194,849,943
Health and human services	308,468	112,538	23,021	397,985
Culture and recreation	23,380,677	641,419	280,600	23,741,496
Conservation and development	668,080	22,670	12,011	678,739
<b>Total Governmental Funds</b>				
Capital Assets	<u>\$ 239,724,970</u>	<u>\$ 6,274,913</u>	<u>\$ 977,113</u>	<u>\$ 245,022,770</u>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.

## STATISTICAL SECTION

This part of the City of Manitowoc's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about Manitowoc's overall financial health.

<b>Contents</b>	<b>Page</b>
Financial Trends <i>These schedules contain trend information to help the reader understand how Manitowoc's financial performance and well-being have changed over time.</i>	134
Revenue Capacity <i>These schedules contain information to help the reader assess Manitowoc's most significant local revenue source, the property tax.</i>	139
Debt Capacity <i>These schedules present information to help the reader assess the affordability of Manitowoc's current levels of outstanding debt and Manitowoc's ability to issue additional debt in the future.</i>	144
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which Manitowoc's financial activities take place.</i>	151
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in Manitowoc's financial report relates to the services Manitowoc provides and the activities it performs.</i>	154

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

# City of Manitowoc, Wisconsin

NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(accrual basis of accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	\$ 82,397,585	\$ 78,408,781	\$ 82,948,335	\$ 81,463,401	\$ 84,679,258	\$ 86,185,510	\$ 87,127,517	\$ 85,515,744	\$ 86,580,090	\$ 86,087,963
Restricted	-	-	3,318,623	3,350,548	8,114,185	8,831,574	16,759,931	8,585,097	9,763,543	15,709,974
Unrestricted (deficit)	(7,338,552)	(11,370,850)	(15,749,380)	(13,165,749)	(16,824,269)	(15,151,084)	(13,384,218)	(2,849,835)	(3,722,459)	(4,220,334)
<b>Total governmental activities net position</b>	<b>\$ 75,059,033</b>	<b>\$ 67,037,931</b>	<b>\$ 70,517,578</b>	<b>\$ 71,648,200</b>	<b>\$ 75,969,174</b>	<b>\$ 79,866,000</b>	<b>\$ 90,503,230</b>	<b>\$ 91,251,006</b>	<b>\$ 92,621,174</b>	<b>\$ 97,577,603</b>
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	\$ 100,181,138	\$ 94,937,833	\$ 93,859,889	\$ 96,411,771	\$ 95,999,724	\$ 133,959,504	\$ 134,976,967	\$ 135,802,072	\$ 136,566,376	\$ 137,184,269
Restricted	13,872,760	14,068,192	50,428,742	44,375,746	55,160,265	32,885,180	20,111,754	17,987,944	18,032,424	20,514,696
Unrestricted	49,214,832	52,275,971	21,780,335	34,352,072	33,987,853	25,695,980	48,885,676	60,149,784	66,832,954	71,769,068
<b>Total business-type activities net position</b>	<b>\$ 163,268,730</b>	<b>\$ 161,281,996</b>	<b>\$ 166,068,966</b>	<b>\$ 175,139,589</b>	<b>\$ 185,147,842</b>	<b>\$ 192,540,664</b>	<b>\$ 203,974,397</b>	<b>\$ 213,939,800</b>	<b>\$ 221,431,754</b>	<b>\$ 229,468,033</b>
<b>Primary government</b>										
Invested in capital assets, net of related debt	\$ 182,578,723	\$ 173,346,614	\$ 176,808,224	\$ 177,875,172	\$ 180,678,982	\$ 220,145,014	\$ 222,104,484	\$ 221,317,816	\$ 223,146,466	\$ 223,272,232
Restricted	13,872,760	14,068,192	53,747,365	47,726,294	63,274,450	41,716,754	36,871,685	26,573,041	27,795,967	36,224,670
Unrestricted	41,876,280	40,905,121	6,030,955	21,186,323	17,163,584	10,544,896	35,501,458	57,299,949	63,110,495	67,548,734
<b>Total primary government net position</b>	<b>\$ 238,327,763</b>	<b>\$ 228,319,927</b>	<b>\$ 236,586,544</b>	<b>\$ 246,787,789</b>	<b>\$ 261,117,016</b>	<b>\$ 272,406,664</b>	<b>\$ 294,477,627</b>	<b>\$ 305,190,806</b>	<b>\$ 314,052,928</b>	<b>\$ 327,045,636</b>

# City of Manitowoc, Wisconsin

CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(accrual basis of accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Expenses</b>										
Governmental activities:										
General government	\$ 4,295,657	\$ 4,649,699	\$ 3,072,360	\$ 3,938,219	\$ 3,611,218	\$ 4,393,330	\$ 4,579,437	\$ 3,756,820	\$ 3,484,071	\$ 3,667,667
Public safety	15,299,834	16,553,734	14,665,705	14,445,022	14,380,253	13,803,232	13,822,068	14,860,338	15,044,477	15,536,143
Public works	14,624,459	13,837,037	12,547,700	11,045,943	7,123,677	7,532,419	8,508,822	11,197,464	9,164,479	11,182,663
Health and human services	505,417	546,432	539,339	271,019	337,553	297,093	296,567	295,955	316,126	272,956
Culture and recreation	6,410,617	6,671,335	5,794,316	4,922,559	4,726,866	5,582,966	4,805,376	4,645,661	5,123,117	5,215,026
Development	2,578,143	1,871,549	1,306,096	1,572,350	1,760,407	1,438,342	1,257,001	2,481,357	6,234,364	1,249,704
Interest on debt	2,989,602	3,941,695	2,480,672	2,268,177	2,499,847	1,920,612	1,848,490	1,586,893	1,406,328	1,570,770
<b>Total governmental activities expenses</b>	<b>46,703,729</b>	<b>48,071,481</b>	<b>40,406,188</b>	<b>38,463,289</b>	<b>34,439,821</b>	<b>34,967,994</b>	<b>35,117,761</b>	<b>38,824,488</b>	<b>40,772,962</b>	<b>38,694,929</b>
Business-type activities:										
Water utility	5,976,464	5,822,531	5,750,971	5,468,625	5,504,372	5,888,571	5,553,603	5,647,073	5,868,468	5,965,299
Electric utility	44,287,845	46,581,595	49,737,531	58,697,745	59,503,436	60,741,021	57,984,007	59,882,201	62,046,053	59,921,858
Steam utility	3,441,973	2,692,941	1,895,580	285,953	374,930	392,270	1,015,963	1,067,757	1,335,955	1,381,402
Broadband utility	99,484	100,286	58,713	73,837	76,631	84,069	72,257	88,570	102,834	134,898
Wastewater treatment plant	6,775,626	5,843,812	4,729,671	4,433,388	4,889,792	4,944,513	5,753,536	5,132,411	5,127,168	5,104,513
Transit system	2,304,946	2,458,989	2,474,960	2,306,296	2,228,542	2,346,301	2,056,301	2,093,261	2,094,961	2,069,946
<b>Total business-type activities expenses</b>	<b>62,886,338</b>	<b>63,500,154</b>	<b>64,647,426</b>	<b>71,265,844</b>	<b>72,577,703</b>	<b>74,396,745</b>	<b>72,435,667</b>	<b>73,911,273</b>	<b>76,575,439</b>	<b>74,577,916</b>
<b>Total primary government expenses</b>	<b>\$ 109,590,067</b>	<b>\$ 111,571,635</b>	<b>\$ 105,053,614</b>	<b>\$ 109,729,133</b>	<b>\$ 107,017,524</b>	<b>\$ 109,364,739</b>	<b>\$ 107,553,428</b>	<b>\$ 112,735,761</b>	<b>\$ 117,348,401</b>	<b>\$ 113,272,845</b>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$ 361,486	\$ 354,642	\$ 470,516	\$ 495,393	\$ 461,920	\$ 478,564	\$ 430,816	\$ 447,580	\$ 433,160	\$ 438,276
Public safety	2,470,162	2,456,433	2,332,256	2,375,809	3,054,210	2,859,135	2,456,088	2,936,106	3,235,182	3,345,613
Culture and recreation	202,684	581,468	1,084,730	1,030,925	1,000,494	910,375	1,051,483	905,539	924,102	946,966
Other activities	1,222,632	1,465,935	3,404,449	1,331,898	1,034,074	1,046,487	1,223,598	2,316,319	2,144,488	1,668,245
Operating grants and contributions	3,811,709	3,760,579	3,575,437	4,640,641	3,637,937	3,287,156	3,188,897	3,366,820	3,983,776	3,178,876
Capital grants and contributions	4,569,538	2,942,698	3,592,144	1,467,078	1,256,237	1,265,411	426,099	330,927	2,018,462	3,258,133
<b>Total governmental activities program revenues</b>	<b>12,638,211</b>	<b>11,561,755</b>	<b>14,459,532</b>	<b>11,341,744</b>	<b>10,444,872</b>	<b>9,847,128</b>	<b>8,776,981</b>	<b>10,303,291</b>	<b>12,739,170</b>	<b>12,836,109</b>
Business-type activities:										
Charges for services:										
Water utility	6,623,124	5,953,586	5,907,447	6,901,030	6,688,886	6,598,666	6,898,509	6,997,341	7,033,484	6,904,307
Electric utility	49,875,214	52,689,004	57,313,333	65,957,316	66,281,306	67,610,280	66,275,163	67,645,114	67,251,673	66,165,482
Steam utility	3,985,780	2,361,255	1,497,632	477,640	544,992	687,092	1,217,714	1,456,383	1,847,247	1,880,760
Broadband utility	145,932	150,649	162,316	152,309	176,815	169,901	222,710	517,327	289,424	242,520
Wastewater treatment plant	6,181,047	5,362,958	5,250,862	6,028,570	6,466,960	6,718,041	7,178,115	7,083,022	7,352,531	7,195,415
Transit system	208,447	216,506	183,558	185,298	193,404	199,353	195,708	198,613	207,160	177,473
Operating grants and contributions	1,948,833	1,967,087	1,972,194	1,807,210	1,621,962	1,756,616	1,749,317	1,744,673	1,684,403	1,442,798
Capital grants and contributions	609,685	257,491	392,686	1,499,199	173,697	279,266	227,594	695,920	794,910	201,761
<b>Total business-type activities program revenues</b>	<b>69,578,062</b>	<b>68,958,536</b>	<b>72,680,028</b>	<b>83,008,572</b>	<b>82,148,022</b>	<b>84,019,215</b>	<b>83,964,830</b>	<b>86,338,393</b>	<b>86,460,832</b>	<b>84,210,516</b>
<b>Total primary government program revenues</b>	<b>\$ 82,216,273</b>	<b>\$ 80,520,291</b>	<b>\$ 87,139,560</b>	<b>\$ 94,350,316</b>	<b>\$ 92,592,894</b>	<b>\$ 93,866,343</b>	<b>\$ 92,741,811</b>	<b>\$ 96,641,684</b>	<b>\$ 99,200,002</b>	<b>\$ 97,046,625</b>
<b>Net (expense)/revenue</b>										
Governmental activities	\$ (34,065,518)	\$ (36,509,726)	\$ (25,946,656)	\$ (27,121,545)	\$ (23,994,949)	\$ (25,120,866)	\$ (26,340,780)	\$ (28,521,197)	\$ (28,033,792)	\$ (25,858,820)
Business-type activities	6,691,724	5,458,382	8,032,602	11,742,728	9,570,319	9,622,470	11,529,163	12,427,120	9,885,393	9,632,600
<b>Total primary government net expense</b>	<b>\$ (27,373,794)</b>	<b>\$ (31,051,344)</b>	<b>\$ (17,914,054)</b>	<b>\$ (15,378,817)</b>	<b>\$ (14,424,630)</b>	<b>\$ (15,498,396)</b>	<b>\$ (14,811,617)</b>	<b>\$ (16,094,077)</b>	<b>\$ (18,148,399)</b>	<b>\$ (16,226,220)</b>

(Continued)

# City of Manitowoc, Wisconsin

CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(accrual basis of accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>General Revenues and Other Changes in Net Assets</b>										
Governmental activities:										
Taxes										
Property taxes	\$ 14,265,247	\$ 15,286,914	\$ 15,687,287	\$ 17,145,312	\$ 16,896,523	\$ 16,894,243	\$ 17,244,016	\$ 17,315,579	\$ 17,658,112	\$ 17,774,496
Other taxes	533,298	470,540	418,429	415,842	770,332	689,520	784,813	769,755	779,999	774,533
Unrestricted state and federal aids	6,667,779	6,609,782	6,490,811	6,038,857	6,124,673	6,114,432	6,138,197	6,191,646	6,182,381	6,203,045
Interest earnings	1,449,891	619,090	275,315	184,573	55,869	240,795	177,411	412,264	393,666	738,236
Miscellaneous	869,195	675,787	305,173	658,504	620,353	1,164,659	1,471,129	595,696	442,735	1,228,897
Transfers	5,122,330	4,826,511	4,371,291	3,772,312	3,884,940	3,914,043	3,992,080	3,984,033	3,947,067	3,989,181
<b>Total governmental activities</b>	<b>28,907,740</b>	<b>28,488,624</b>	<b>27,548,306</b>	<b>28,215,400</b>	<b>28,352,690</b>	<b>29,017,692</b>	<b>29,807,646</b>	<b>29,268,973</b>	<b>29,403,960</b>	<b>30,708,388</b>
Business-type activities:										
Interest earnings	797,429	810,460	1,078,616	1,159,912	1,197,317	1,401,893	791,851	1,192,509	1,506,731	2,048,830
Miscellaneous	-	-	47,043	286,959	274,808	282,502	329,616	332,531	46,897	94,508
Other	-	-	-	-	-	-	-	-	-	263,916
Special item-gain/(loss) sale of asset	-	-	-	(346,664)	-	-	-	(2,724)	-	-
Transfers	(5,122,330)	(4,826,511)	(4,371,291)	(3,772,312)	(3,884,940)	(3,914,043)	(3,992,080)	(3,984,033)	(3,947,067)	(3,989,181)
<b>Total business-type activities</b>	<b>(4,324,901)</b>	<b>(4,016,051)</b>	<b>(3,245,632)</b>	<b>(2,672,105)</b>	<b>(2,412,815)</b>	<b>(2,229,648)</b>	<b>(2,870,613)</b>	<b>(2,461,717)</b>	<b>(2,393,439)</b>	<b>(1,581,927)</b>
<b>Total primary government</b>	<b>\$ 24,582,839</b>	<b>\$ 24,472,573</b>	<b>\$ 24,302,674</b>	<b>\$ 25,543,295</b>	<b>\$ 25,939,875</b>	<b>\$ 26,788,044</b>	<b>\$ 26,937,033</b>	<b>\$ 26,807,256</b>	<b>\$ 27,010,521</b>	<b>\$ 29,126,461</b>
<b>Change in Net Assets</b>										
Governmental activities										
	\$ (5,157,778)	\$ (8,021,102)	\$ 1,601,650	\$ 1,093,855	\$ 4,357,741	\$ 3,896,826	\$ 3,466,866	\$ 747,776	\$ 1,370,168	\$ 4,849,568
Business-type activities										
Special Item (disposal of plant)	2,366,823	1,442,331	4,786,970	9,070,623	7,157,504	7,392,822	8,658,550	9,965,403	7,491,954	8,050,673
	-	(3,429,065)	-	-	-	-	-	-	-	-
<b>Total primary government</b>	<b>\$ (2,790,955)</b>	<b>\$ (10,007,836)</b>	<b>\$ 6,388,620</b>	<b>\$ 10,164,478</b>	<b>\$ 11,515,245</b>	<b>\$ 11,289,648</b>	<b>\$ 12,125,416</b>	<b>\$ 10,713,179</b>	<b>\$ 8,862,122</b>	<b>\$ 12,900,241</b>



# City of Manitowoc, Wisconsin

## FUND BALANCES OF GOVERNMENTAL FUNDS LAST SEVEN FISCAL YEARS\* (modified accrual basis of accounting)

	2011	2012	2013	2014	2015	2016	2017	2018
<b>General fund</b>								
Nonspendable								
Inventories and prepaid items	\$ 545,077	\$ 572,952	\$ 534,358	\$ 561,424	\$ 606,445	\$ 463,418	\$ 618,758	\$ 472,440
Long term accounts and interfund receivables	3,610,186	3,568,735	3,781,606	4,267,385	3,329,843	2,991,145	3,076,822	1,687,285
Committed for future spending	-	266,698	-	-	-	-	-	-
Assigned	-	-	53,708	91,312	292,984	349,349	723,240	1,632,877
Unassigned	1,205,370	1,332,914	1,184,321	1,416,511	2,753,249	3,887,739	3,989,407	5,305,163
<b>Total general fund</b>	<b>5,360,633</b>	<b>5,741,299</b>	<b>5,553,993</b>	<b>6,336,632</b>	<b>6,982,521</b>	<b>7,691,651</b>	<b>8,408,227</b>	<b>9,097,765</b>
<b>All other governmental funds</b>								
Nonspendable								
Inventories and prepaid items	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 170,472	\$ 144,279	\$ 121,692
Long term accounts and interfund receivables	1,289,965	-	-	-	-	-	-	-
Restricted								
Debt service	2,327,586	1,348,597	942,429	617,396	1,301,231	529,865	650,342	1,722,185
Future loans	2,164,446	2,882,921	3,635,768	2,829,007	2,085,089	1,700,186	2,111,509	2,587,239
Future spending	416,399	464,648	487,692	517,965	626,294	838,248	1,925,055	2,908,002
Committed for future spending	1,501,423	1,173,265	1,028,596	766,976	1,170,026	1,214,441	970,795	1,077,917
Assigned	391,119	1,085,561	1,148,479	1,778,090	1,738,367	4,032,041	1,606,166	2,414,166
Unassigned	(11,377,555)	(8,327,541)	(7,592,115)	(7,125,200)	(6,091,899)	(4,616,502)	(3,481,657)	(2,719,868)
<b>Total all other governmental funds</b>	<b>(3,286,617)</b>	<b>(1,372,549)</b>	<b>(349,151)</b>	<b>(615,766)</b>	<b>829,108</b>	<b>3,868,751</b>	<b>3,926,489</b>	<b>8,111,333</b>
<b>Total governmental funds</b>	<b>\$ 2,074,016</b>	<b>\$ 4,368,750</b>	<b>\$ 5,204,842</b>	<b>\$ 5,720,866</b>	<b>\$ 7,811,629</b>	<b>\$ 11,560,402</b>	<b>\$ 12,334,716</b>	<b>\$ 17,209,098</b>

\* Not practical to restate fund balances for years prior to 2011 before implementation of GASB #54.

# City of Manitowoc, Wisconsin

## CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS (modified accrual basis of accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Revenues</b>										
Taxes	\$ 12,601,435	\$ 14,974,094	\$ 15,157,110	\$ 17,561,154	\$ 17,666,855	\$ 17,583,763	\$ 18,028,829	\$ 18,085,334	\$ 18,438,111	\$ 18,549,029
Special assessments	2,894,588	2,267,061	1,099,443	1,081,192	554,246	435,522	454,205	412,259	589,165	674,363
Intergovernmental	10,595,513	10,997,650	13,555,901	11,646,390	10,389,688	9,696,271	9,571,207	9,594,720	10,030,478	12,324,238
Licenses and permits	744,236	786,147	682,477	752,161	1,084,365	806,819	752,756	777,447	968,868	967,096
Fines and forfeitures	398,766	446,068	510,663	509,517	550,145	535,228	520,381	509,504	568,025	570,184
Public charges for services	2,789,478	3,146,325	2,535,498	2,342,459	2,640,547	2,733,070	2,480,040	2,854,378	3,209,363	3,349,296
Intergovernmental charges for services	217,642	234,356	314,421	340,357	322,161	328,261	304,313	338,751	710,537	329,746
Interdepartmental charges for services	3,840,958	2,513,141	3,344,680	1,671,131	1,634,872	1,748,152	994,523	609,031	688,477	773,087
Miscellaneous	4,522,006	1,987,947	3,389,654	2,108,026	2,231,690	2,234,957	2,463,773	2,212,207	2,595,823	3,069,402
<b>Total revenues</b>	<b>38,604,622</b>	<b>37,352,789</b>	<b>40,589,847</b>	<b>38,012,387</b>	<b>37,074,569</b>	<b>36,102,043</b>	<b>35,570,027</b>	<b>35,393,631</b>	<b>37,798,847</b>	<b>40,606,441</b>
<b>Expenditures</b>										
General government	3,759,301	3,524,745	3,322,766	3,018,867	2,896,866	3,636,882	4,418,386	3,521,149	3,207,646	3,088,388
Public safety	15,331,451	14,991,505	15,115,462	14,051,845	14,097,392	13,431,241	13,225,047	13,907,696	14,323,678	14,918,131
Public works	14,135,590	13,024,767	15,046,265	8,765,962	7,604,324	7,432,696	6,243,187	9,564,238	8,455,644	15,323,225
Health and human services	535,988	511,120	516,530	271,483	319,724	307,683	309,802	255,984	284,586	295,279
Culture and recreation	9,135,278	6,291,765	5,855,832	4,731,538	4,944,686	4,574,163	4,436,399	4,204,657	4,919,553	5,019,190
Conservation and development	2,875,858	2,734,168	3,508,398	1,442,368	2,283,727	2,746,436	2,316,244	2,278,827	6,584,648	1,134,974
Debt service										
Principal retirement	6,072,116	6,826,840	8,295,000	7,695,000	8,020,000	8,165,000	8,115,000	8,460,000	7,442,106	7,046,439
Interest and fiscal charges	3,071,264	3,085,792	2,990,159	2,400,933	2,314,712	1,937,065	1,902,926	1,533,764	1,565,703	1,639,144
Bond issuance costs	42,559	172,179	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>54,959,405</b>	<b>51,162,881</b>	<b>54,650,412</b>	<b>42,377,996</b>	<b>42,481,431</b>	<b>42,231,166</b>	<b>40,966,991</b>	<b>43,726,315</b>	<b>46,783,564</b>	<b>48,464,770</b>
Excess of revenues over (under) expenditures	(16,354,783)	(13,810,092)	(14,060,565)	(4,365,609)	(5,406,862)	(6,129,123)	(5,396,964)	(8,332,684)	(8,984,717)	(7,858,329)
<b>Other financing sources (uses)</b>										
General obligation debt issued	9,180,000	16,465,000	11,575,569	7,934,930	9,995,000	4,374,000	9,510,000	7,882,444	6,005,000	15,735,000
Capital lease issued	-	-	-	-	-	-	-	-	313,745	285,322
Note premium	-	-	-	-	232,041	144,652	487,953	214,980	256,043	423,208
General obligation bond premium	226,302	267,933	-	-	-	-	-	-	-	-
Payment to refunding bond escrow agent	(1,591,362)	(10,912,927)	(6,112,782)	(5,046,899)	(8,084,027)	(1,787,549)	(6,502,306)	-	(762,824)	(7,700,000)
Sale of Capital Assets	-	-	-	-	215,000	-	-	-	-	-
Transfers in	13,269,987	12,843,835	14,988,448	6,481,304	4,742,008	4,780,422	4,766,104	5,597,970	4,980,925	7,806,926
Transfers out	(8,144,079)	(8,715,442)	(10,407,229)	(2,708,992)	(857,068)	(866,379)	(774,024)	(1,613,937)	(1,033,858)	(3,817,745)
<b>Total other financing sources (uses)</b>	<b>12,940,848</b>	<b>9,948,399</b>	<b>10,044,006</b>	<b>6,660,343</b>	<b>6,242,954</b>	<b>6,645,146</b>	<b>7,487,727</b>	<b>12,081,457</b>	<b>9,759,031</b>	<b>12,732,711</b>
<b>Net change in fund balances</b>	<b>\$ (3,413,935)</b>	<b>\$ (3,861,693)</b>	<b>\$ (4,016,559)</b>	<b>\$ 2,294,734</b>	<b>\$ 836,092</b>	<b>\$ 516,023</b>	<b>\$ 2,090,763</b>	<b>\$ 3,748,773</b>	<b>\$ 774,314</b>	<b>\$ 4,874,382</b>
Debt service as a percentage of noncapital expenditures	19.9%	21.3%	23.9%	24.9%	27.5%	26.0%	25.9%	24.6%	22.5%	22.7%

# City of Manitowoc, Wisconsin

GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE  
 LAST TEN FISCAL YEARS  
 (modified accrual basis of accounting)

Fiscal Year	Property Tax	Occupational Tax	Mobile Home Tax	Tax Exempt Tax	Room Tax	Other Tax (1)	Total
2009	\$ 12,002,377	\$ 7,684	\$ 46,205	\$ 133,198	\$ 344,599	\$ 67,412	\$ 12,601,475
2010	14,417,637	8,561	61,842	24,457	366,098	95,499	14,974,094
2011	14,594,734	4,388	22,732	52,568	394,224	88,464	15,157,110
2012	16,992,173	3,567	47,609	40,230	368,104	109,471	17,561,154
2013	16,896,523	1,499	43,145	42,681	536,051	146,956	17,666,855
2014	16,894,243	-	42,522	43,372	537,718	65,908	17,583,763
2015	17,244,016	-	37,965	44,256	638,281	64,311	18,028,829
2016	17,315,579	-	36,887	45,275	615,234	72,359	18,085,334
2017	17,667,385	-	35,572	45,608	624,733	64,813	18,438,111
2018	17,854,571	-	33,863	46,336	491,226	123,033	18,549,029

(1) Other tax consists of omitted, tax roll over (under), retained sales, interest and closeout of TID (2013).

2018 Taxes are overstated by \$80,075 from the Statement of Revenues, Expenses and Changes in Fund Balances due to TIF Developer Agreements

# City of Manitowoc, Wisconsin

## ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY LAST TEN FISCAL YEARS

Fiscal Year Ended December 31	Real Property			Personal Property		Total Taxable Assessed Valuation	Total Direct Tax Rate	Estimated Actual Taxable Valuation	Assessed Value as a Percentage of Actual Value
	Residential	Commercial and Manufacturing	Other	Machinery and Equipment	Other				
2009	\$ 1,310,653,200	\$ 579,190,900	\$ 371,800	\$ 64,307,600	\$ 14,394,400	\$ 1,968,917,900	\$ 7	\$ 2,057,147,400	95.71%
2010	1,314,301,200	587,046,100	317,500	69,633,200	15,545,900	1,986,843,900	6.7569	1,991,325,300	99.77%
2011	1,318,841,800	591,628,600	271,000	64,441,600	14,166,100	1,989,349,100	6.8616	1,976,679,300	100.64%
2012	1,317,694,400	591,216,200	275,300	64,862,200	14,877,600	1,988,925,700	7.5931	1,914,413,300	103.89%
2013	1,319,280,000	595,276,200	288,000	63,199,700	15,796,700	1,993,840,600	7.5931	1,868,987,700	106.68%
2014	1,320,252,500	597,197,100	290,900	58,870,400	16,456,600	1,993,067,500	7.7251	1,893,849,200	105.24%
2015	1,322,213,000	602,928,100	291,100	62,349,000	15,974,400	2,003,755,600	7.8993	1,911,750,600	104.81%
2016	1,326,139,200	609,217,500	288,500	58,474,700	12,515,600	2,006,635,500	8.0103	1,915,217,400	104.77%
2017	1,327,940,900	613,037,200	294,200	55,889,800	10,892,500	2,008,054,600	8.0391	1,873,663,200	107.17%
2018	1,333,275,000	619,055,400	293,900	42,098,000	10,289,200	2,005,011,500	8.1457	1,951,266,200	102.75%

Information obtained from Statistical Reports of Property Values, Bureau of Property Tax, Wisconsin Department of Revenue.

Wisconsin State Statute 70.05 (5) (b) requires each taxation district to assess property at full value at least once in every 5-year period.

In 1999, a City-wide revaluation was completed in-house.

In 2006, the City contracted with Cole-Layer-Trumble for a City-wide revaluation to be completed by 2007 fiscal year end.

# City of Manitowoc, Wisconsin

PROPERTY TAX RATES  
DIRECT AND OVERLAPPING GOVERNMENTS  
LAST TEN FISCAL YEARS

Fiscal Budget Year	City of Manitowoc				Overlapping Rates								Total Direct & Overlapping Rates
	Operating Rate	General Obligation Debt Rate	Total Rate	Percent of Total Tax Bill	State of Wisconsin		County		School District		Lakeshore Technical College		
					Rate	Percent	Rate	Percent	Rate	Percent	Rate	Percent	
2009	4.2039	2.5530	6.7569	31.7%	0.1714	0.8%	5.3174	24.9%	7.5824	35.7%	1.4875	7.0%	21.3156
2010	4.0212	2.7357	6.7569	31.1%	0.1773	0.8%	5.3768	24.7%	7.8641	36.3%	1.5577	7.2%	21.7328
2011	3.9576	2.9040	6.8616	31.2%	0.1701	0.8%	5.2887	24.0%	8.1439	37.1%	1.5611	7.1%	22.0254
2012	4.5054	3.0877	7.5931	33.2%	0.1686	0.7%	5.2668	23.1%	8.2650	36.3%	1.5530	6.8%	22.8465
2013	4.1773	3.4158	7.5931	33.2%	0.1633	0.7%	5.3199	23.2%	8.2650	36.2%	1.5463	6.8%	22.8876
2014	4.3177	3.4074	7.7251	34.6%	0.1591	0.7%	5.2678	23.6%	7.6340	34.3%	1.5350	6.9%	22.3210
2015	4.4905	3.4087	7.8993	35.7%	0.1613	0.7%	5.3360	24.1%	7.9593	36.1%	0.7404	3.4%	22.0962
2016	4.8398	3.1705	8.0103	37.3%	0.1619	0.8%	5.3557	25.0%	7.1635	33.5%	0.7646	3.6%	21.4561
2017	4.9938	3.0453	8.0391	38.4%	0.1620	0.8%	5.3352	25.5%	6.6566	31.9%	0.7679	3.7%	20.9608
2018	5.1149	3.0308	8.1457	40.4%	-	0.0%	5.2341	26.0%	6.0198	29.9%	0.7677	3.8%	20.1673

Property tax rates are per thousand dollar of assessed valuation.

The 2008 property tax rates reflect the total revaluation of the entire City.

A reduction for the School Tax Credit is reflected in the School District rate.

2017 Levy for Fiscal Year 2018 - State of Wisconsin no longer levies for the Forestation state tax.

# City of Manitowoc, Wisconsin

## PRINCIPAL PROPERTY TAXPAYERS CURRENT YEAR AND 10 YEARS PRIOR

Taxpayer	Type of Business	2017 Tax bill for 2018 Collection			2009		
		Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation*	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation**
Manitowoc Public Utilities	Power, water, steam, broadband utility	\$ 242,299,040	---	---	\$ 216,243,079	---	---
Manitowoc Cranes	Mfg cranes	15,436,500	1	0.77%	32,157,700	1	1.63%
Holy Family Memorial, Inc.	Health care provider	13,700,100	2	0.68%	27,776,200	2	1.41%
Wal-Mart Stores, Inc.	Discount retail	9,995,000	3	0.50%	12,294,800	3	0.62%
Jagemann Stamping Co.	Component manufacturing	7,355,500	4	0.37%			
Menards	Home improvement retail	7,200,000	5	0.36%	10,456,500	4	0.53%
Northern Labs Ind	Health care products	6,877,100	6	0.34%			
Manitowoc FSG Operations	Mfg ice machines	6,810,500	7	0.34%			
Zetley Real Estate Co LLC	Lodging-Holiday Inn	6,299,700	8	0.31%			
Manitowoc Health Care Properties	Aging Health Care facility	6,179,000	9	0.31%			
Mills Fleet Farm	Agriculture and Home retailer	5,951,200	10	0.30%			
Dewey Properties LLC	Retail Shopping Center				10,363,500	5	
PBJ Fest - Festival Foods	Grocery Store				10,061,400	6	
Lowe's	Home improvement retail				9,890,600	7	0.50%
Lakeside Foods Inc	Mfg canned vegetables and sauces				8,663,700	8	0.44%
Busch Agricultural Resources	Malting plant				8,632,400	9	0.44%
Southbrook Apartments	Residential Housing				7,972,000	10	0.40%
Totals		<u>\$ 328,103,640</u>		<u>4.28%</u>	<u>\$ 354,511,879</u>		<u>5.99%</u>
* 2018 Assessed Valuation	\$2,005,011,500						
** 2009 Assessed Valuation	\$1,968,917,900						

**Note:** The Manitowoc Public Utilities (MPU) is not among the largest taxpayers as their payment is considered a payment in lieu of taxes and not a property tax payment. MPU is assessed the payment similarly to a taxable entity in such that their asset value is used to determine the payment. MPU's 2017 valuation is \$225,960,082; the 2018 payment in lieu of taxes is \$3,964,722.

Source: Tax System report and prior CAFR

# City of Manitowoc, Wisconsin

## PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN FISCAL YEARS

Statement of Taxes	Fiscal Year Ended December 31	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2009	2010	\$ 42,790,100	\$ 42,646,587	99.66%	\$ 11,735	\$ 42,658,322	99.69%
2010	2011	43,761,031	43,596,285	99.62%	\$ 18,501	43,614,786	99.67%
2011	2012	45,449,669	45,349,870	99.78%	\$ 15,227	45,365,097	99.81%
2012	2013	45,521,769	45,469,731	99.89%	\$ 25,796	45,495,527	99.94%
2013	2014	44,504,564	44,433,212	99.84%	\$ 27,760	44,460,972	99.90%
2014	2015	44,039,172	43,958,606	99.82%	\$ 14,320	43,972,926	99.85%
2015	2016	45,677,130	45,655,079	99.95%	\$ 6,526	45,661,605	99.97%
2016	2017	44,745,929	44,729,110	99.96%	\$ 3,538	44,732,648	99.97%
2017	2018	43,469,762	43,459,767	99.98%	\$ -	43,459,767	99.98%

For each fiscal period that appears the tax levy represents the prior year and the levy is collected in the fiscal period that is identified.

In August of each year, the City settles with the County Treasurer for 100% of all real property taxes.

For each fiscal period listed unpaid City special assessments are turned over to the County for collection and unpaid personal property taxes remain the responsibility of the City.

# City of Manitowoc, Wisconsin

## RATIOS OF OUTSTANDING DEBT BY TYPE FOR GOVERNMENTAL ACTIVITIES LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities						Capital Leases	Bond Premium	Total Primary Government	Percentage of Assessed Valuation (1)	Per Capita (2)
	General Obligation Bonds	TIF General Obligation Bonds	General Obligation Notes	TIF General Obligation Notes	Note Anticipation Notes	State Trust Fund Loan					
2009	\$ 47,963,049	\$ 17,161,951	\$ 7,836,839	\$ 2,675,000	\$ 1,005,000	\$ -	\$ -	\$ -	\$ 76,641,839	3.89%	2,209
2010	49,694,668	16,320,332	6,223,203	2,741,797	1,005,000	-	-	-	75,985,000	3.82%	2,183
2011	49,460,000	14,630,000	6,693,328	2,346,672	-	-	-	-	73,130,000	3.68%	2,169
2012	43,555,000	10,580,000	9,751,520	4,843,480	-	-	-	-	68,730,000	3.46%	2,036
2013	33,565,000	6,635,000	16,220,000	6,675,000	-	-	-	214,638	63,309,638	3.18%	1,879
2014	29,595,000	5,450,000	16,395,000	5,715,000	-	409,000	-	327,487	57,891,487	2.90%	1,720
2015	26,610,000	4,435,000	16,790,000	4,645,000	-	409,000	-	769,529	53,658,529	2.68%	1,592
2016	24,485,000	1,005,000	25,407,444	1,045,000	-	369,000	-	887,348	53,198,792	2.65%	1,612
2017	20,705,000	945,000	27,081,103	1,075,000	-	324,000	302,980	1,021,769	51,454,852	2.56%	1,562
2018	26,880,000	325,000	22,664,355	1,125,000	-	179,000	533,611	1,309,800	53,016,766	2.64%	1,625

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

(1) See the schedule of Assessed Value and Estimated Actual Value of Taxable property for property value data.

(2) See the schedule of Demographic Statistics for population data.



# City of Manitowoc, Wisconsin

## RATIOS OF OUTSTANDING DEBT FOR BUSINESS-TYPE ACTIVITIES LAST TEN FISCAL YEARS

Fiscal Year	Business-Type Activities			Bond Premium	Total Primary Government	Percentage of Assessed Valuation (1)	Per Capita (2)
	Water Utility Bonds	Electric and Steam Utility Bonds	Wastewater Plant Clean Water Loan				
2009	\$ 3,710,000	\$ 74,275,000	\$ 12,577,654	\$ 4,200,074	\$ 94,762,728	4.81%	2,731
2010	3,325,000	70,755,000	11,393,967	3,974,313	89,448,280	4.50%	2,570
2011	2,915,000	67,265,000	11,131,794	3,747,818	85,059,612	4.28%	2,522
2012	2,485,000	63,640,000	9,829,360	3,519,118	79,473,478	4.00%	2,355
2013	2,030,000	59,870,000	8,485,376	3,290,417	73,675,793	3.70%	2,187
2014	1,555,000	18,330,000	7,098,512	996,897	27,980,409	1.40%	832
2015	1,060,000	15,955,000	5,667,395	863,550	23,545,945	1.18%	699
2016	540,000	13,500,000	4,190,606	730,203	18,960,809	0.94%	574
2017	-	10,945,000	7,512,581	596,857	19,054,438	0.95%	579
2018	-	8,275,000	10,163,656	463,509	18,902,165	0.94%	579

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

(1) See the schedule of Assessed Value and Estimated Actual Value of Taxable property for property value data.

(2) See the schedule of Demographic Statistics for population data.

# City of Manitowoc, Wisconsin

## RATIOS OF NET GENERAL OBLIGATION DEBT OUTSTANDING LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds	TIF General Obligation Bonds	General Obligation Notes	TIF General Obligation Notes	Capital Lease	Bond Premium	Less Amounts Available in Debt Service Fund	Less TIF District Revenues	Net General Obligation Bonded Debt	Percentage of Net Bonded Debt to Estimated Actual Value (1)	Net Bonded Debt Per Capita (2)
2009	\$ 47,963,049	\$ 17,161,951	\$ 7,836,839	\$ 2,675,000	\$ -	\$ -	\$ -	\$ 19,836,951	\$ 55,799,888	2.83%	1,608
2010	49,694,668	16,320,332	6,223,203	2,741,797	-	-	-	19,062,129	55,917,871	2.81%	1,607
2011	49,460,000	14,630,000	6,693,328	2,346,672	-	-	2,235,989	16,976,672	53,917,339	2.71%	1,599
2012	43,555,000	10,580,000	9,751,520	4,843,480	-	-	1,345,618	15,423,480	51,960,902	2.61%	1,540
2013	33,565,000	6,635,000	16,220,000	6,675,000	-	214,638	942,429	13,310,000	49,057,209	2.46%	1,456
2014	29,595,000	5,450,000	16,804,000	5,715,000	-	327,487	617,396	11,165,000	46,109,091	2.31%	1,370
2015	26,610,000	4,435,000	17,199,000	4,645,000	-	769,529	1,301,231	9,080,000	43,277,298	2.13%	1,284
2016	24,485,000	1,005,000	25,776,444	1,045,000	-	887,348	529,865	2,050,000	50,618,927	2.52%	1,533
2017	20,705,000	945,000	27,405,103	1,075,000	302,980	1,021,769	650,342	2,020,000	48,784,510	2.43%	1,481
2018	26,880,000	325,000	22,664,355	1,125,000	533,611	1,309,800	1,722,185	1,450,000	49,665,581	2.48%	1,522

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.  
 (1) See the schedule of Assessed Value and Estimated Actual Value of Taxable property for property value data.  
 (2) See the schedule of Demographic Statistics for population data.

# City of Manitowoc, Wisconsin

## DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT AS OF DECEMBER 31, 2018

<u>Governmental Unit</u>	General Obligation Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government
<b>Direct Debt:</b>			
General Obligation Debt	\$ 51,173,355	100.000%	\$ 51,173,355
Capital lease	533,611	0.000%	533,611
Bond Premium	1,309,800	100.000%	1,309,800
	<u>53,016,766</u>		<u>53,016,766</u>
<b>Overlapping Debt:</b>			
Manitowoc School	8,338,000	76.255%	6,358,142
Manitowoc County	25,530,000	35.007%	8,937,287
VTAE District	30,040,000	12.410%	3,727,814
	<u>63,908,000</u>		<u>19,023,243</u>
<b>Total Overlapping Debt</b>	<u>63,908,000</u>		<u>19,023,243</u>
<b>Total Direct and Overlapping Debt</b>	<u>\$ 116,924,766</u>		<u>\$ 72,040,009</u>

Source: Information on overlapping debt was obtained from financial consultant, Robert W. Baird & Co., Inc. The City share percentage was obtained from each jurisdictions tax levy reports as allocated by estimated actual valuations.

# City of Manitowoc, Wisconsin

## LEGAL DEBT MARGIN INFORMATION LAST TEN FISCAL YEARS

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt limit	\$ 102,857,370	\$ 99,566,265	\$ 98,833,965	\$ 95,720,665	\$ 93,449,385	\$ 94,692,460	\$ 95,587,530	\$ 95,760,870	\$ 93,683,160	\$ 97,563,310
Total net debt applicable to limit	75,636,839	74,980,000	70,894,011	67,384,382	62,152,571	56,946,604	51,587,769	51,781,579	49,479,761	49,451,170
Legal debt margin	<u>\$ 27,220,531</u>	<u>\$ 24,586,265</u>	<u>\$ 27,939,954</u>	<u>\$ 28,336,283</u>	<u>\$ 31,296,814</u>	<u>\$ 37,745,856</u>	<u>\$ 43,999,761</u>	<u>\$ 43,979,291</u>	<u>\$ 44,203,399</u>	<u>\$ 48,112,140</u>
Total net debt applicable to the limit as a percentage of debt limit	73.54%	75.31%	71.73%	70.40%	66.51%	60.14%	53.97%	54.07%	52.82%	50.69%

### Computation of Legal Debt Margin 12/31/2018

Equalized Value	<u>\$ 1,951,266,200</u>
Debt limitation - 5 percent of total equalized value	\$ 97,563,310
Debt applicable to limitation	
Total outstanding general debt	\$ 51,173,355
Less: Amount available in debt service fund	<u>(1,722,185)</u>
Total debt applicable to limitation	<u>49,451,170</u>
Legal Debt Margin	<u>\$ 48,112,140</u>

Note: Under state finance law, the City of Manitowoc's outstanding debt should not exceed 5% of the total equalized valuation.

# City of Manitowoc, Wisconsin

## WATER MORTGAGE REVENUE BOND COVERAGE LAST TEN FISCAL YEARS

Fiscal Year	Gross Revenue	(1) Expenses	Net Revenue Available for Debt Service	(2)			
				Debt Service Requirements			Coverage
				Principal	Interest	Total	
2009	\$ 6,609,237	\$ 4,178,637	\$ 2,430,600	\$ 690,000	\$ 165,316	\$ 855,316	2.84
2010	5,914,048	3,826,381	2,087,667	385,000	143,535	528,535	3.95
2011	5,896,990	3,878,375	2,018,615	410,000	126,388	536,388	3.76
2012	6,894,375	3,645,038	3,249,337	430,000	108,538	538,538	6.03
2013	6,692,272	3,671,060	3,021,212	455,000	90,300	545,300	5.54
2014	6,583,528	4,145,772	2,437,756	495,000	52,300	547,300	4.45
2015	6,868,999	3,765,206	3,103,793	520,000	32,000	552,000	5.62
2016	6,999,885	3,781,576	3,218,309	540,000	10,800	550,800	5.84
2017	6,947,444	4,058,377	2,889,067	-	-	-	-
2018	6,895,612	4,164,599	2,731,013	-	-	-	-

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

(1) Total operating expenses exclusive of depreciation.

(2) Ratio of net revenue available for debt service to total requirements.

# City of Manitowoc, Wisconsin

## ELECTRIC POWER SYSTEM MORTGAGE REVENUE BOND COVERAGE LAST TEN FISCAL YEARS

Fiscal Year	Gross Revenue	(1) Expenses	Net Revenue Available for Debt Service	(2)			
				Debt Service Requirements			Coverage
				Principal	Interest	Total	
2009	\$ 49,751,603	\$ 35,430,629	\$ 14,320,974	\$ 2,370,000	\$ 3,904,563	\$ 6,274,563	2.28
2010	52,489,003	38,317,392	14,171,611	3,520,000	3,399,928	6,919,928	2.05
2011	57,052,023	41,440,217	15,611,806	3,490,000	3,428,475	6,918,475	2.26
2012	65,908,750	50,019,043	15,889,707	3,625,000	3,292,000	6,917,000	2.30
2013	66,257,828	50,897,543	15,360,285	3,770,000	3,149,400	6,919,400	2.22
2014	67,582,752	52,534,959	15,047,793	2,375,000	733,661	3,108,661	4.84
2015	66,307,789	52,104,973	14,202,816	2,455,000	657,755	3,112,755	4.56
2016	67,561,888	53,656,728	13,905,160	2,555,000	555,655	3,110,655	4.47
2017	67,134,625	55,796,147	11,338,478	2,670,000	443,643	3,113,643	3.64
2018	66,063,724	53,744,851	12,318,873	2,643,300	447,127	3,090,427	3.99

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

(1) Total operating expenses exclusive of depreciation.

(2) Ratio of net revenue available for debt service to total requirements.

# City of Manitowoc, Wisconsin

## DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS

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Fiscal Year	(1) Population	(2) Personal Income (amounts expressed in thousands)	(2) Per Capita Personal Income	(2) Unemployment Rate	(3) Median Age	School Enrollment
2009	34,700	\$ 1,363,779	\$ 39,302	11.7%	40.6	5,551
2010	33,736	1,381,219	40,942	9.2%	40.3	5,452
2011	33,721	1,439,212	42,680	8.3%	41.7	5,310
2012	33,750	1,485,338	44,010	8.6%	41.5	5,335
2013	33,685	1,471,024	43,670	7.6%	41.7	5,210
2014	33,649	1,527,665	45,400	5.4%	43.3	5,179
2015	33,703	1,403,831	41,653	4.9%	43.6	5,331
2016	33,010	1,400,185	42,417	3.2%	43.4	5,155
2017	32,936	1,374,419	41,730	3.7%	44.2	5,195
2018	32,627	1,493,240	45,767	2.9%	44.5	5,094

(1) Wisconsin Department of Administration, Demographic Services Center.

(2) Wisconsin Department of Workforce Development.

(3) City of Manitowoc Planning Department

# City of Manitowoc, Wisconsin

## PRINCIPAL EMPLOYERS CURRENT YEAR AND TEN YEARS AGO

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2018

Large

Employers with 250 or more employees

Lakeside Foods	1,000 - 4,999
Holy Family Memorial	500 - 999
Franciscan Sisters - Christian	500 - 999
Manitowoc Ice Machine	250 - 499
Jagemann Stamping Company	250 - 499
Parker Hannifin - HPD	250 - 499
Wisconsin Aluminum Foundry	250 - 499
Federal-Mogul Corp.	250 - 499
St. Mary's at Felician Village	250 - 499
Walmart Supercenter	250 - 499
Holiday House of Mtwc. County	250 - 499
Felician Village	250 - 499
Manitowoc Tool & Machine	250 - 499
Northern Labs Inc.	250 - 499
Americollect	250 - 499
KI Inc.	250 - 499
Eck Industries, Inc.	250 - 499

2009

Employer	Employees	Rank
Holy Family Memorial Medical Center	1,294	1
The Manitowoc Co (cranes & ice)	950	2
Aurora Medical Group	862	3
Manitowoc Public School District	697	4
Federal-Mogul Powertrain Systems	650	5
City of Manitowoc/Public Utilities	640	6
Manitowoc County	587	7
Lakeside Foods Inc.	441	8
Parker-Hannifin	414	9
Wisconsin Aluminum Foundry Co.	400	10

The actual number of employees for each employer is not readily available.

Ranges are used on the State's system as the State has given employers confidentiality with respect to releasing that information.

For further information regarding the City of Manitowoc's largest employers, please visit the State of Wisconsin's web site at: <http://worknet.wisconsin.gov/worknet>.

The current Wisconsin web site lists the large employers in no particular order, and only includes businesses. Governments and other tax supported agencies are not included in their listing.



# City of Manitowoc, Wisconsin

## FULL-TIME EQUIVALENT CITY OF MANITOWOC EMPLOYEES BY FUNCTION LAST TEN FISCAL YEARS

Function	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>General Government</b>										
Assessor	3.00	3.00	3.00	1.00	1.00	1	1	0	0	0
Attorney/Personnel	6.00	6.00	6.00	4.50	4.50	3.73	3.75	4	5	5
City Clerk	3.93	3.93	4.00	3.50	3.50	3.5	4	4	4	4
Finance/Payroll/Treasury	7.25	7.25	7.18	5.50	5.50	5.5	5	5	5	5
Planning	5.00	5.00	5.00	3.50	2.50	3	3	3	3	4
Mayor	2.00	2.00	2.00	1.50	1.50	2	2	2	2	2
Municipal Court	1.25	1.25	1.25	1.10	1.10	1.25	1.25	1.25	1.25	1.25
Buildings & Grounds	6.30	6.30	8.60	4.45	4.45	4.45	4	4	5	6
<b>Public Safety</b>										
Police/Crossing Guards	81.00	81.00	81.60	78.25	78.25	73.5	76.5	76.5	76.5	76.5
Fire	59.30	60.30	61.30	58.00	60.00	56	56	57	57	54
Building Inspection	6.00	6.00	6.00	2.50	2.50	3.5	3.5	3.5	4	5
<b>Public Works</b>										
Engineering/DPW	76.52	76.52	74.10	39.30	39.30	38.1	34.25	34.25	34.25	40.5
Transit	19.49	19.49	19.70	19.35	19.35	18.18	18	18	18	18.2
<b>Culture and Recreation</b>										
Park/Recreation	30.20	23.50	21.50	12.35	12.35	12.35	11	12.5	12.5	13
Rahr-West Art Museum	5.25	5.25	5.75	4.30	4.30	3.8	3.8	3.8	3.8	3.8
Public Library	34.20	34.20	34.20	31.70	31.70	32.8	33.5	33.65	33.65	33.65
Wastewater Treatment Plant	15.30	15.30	15.30	15.30	15.30	14.3	15.25	15.3	15.3	15.3
Public Utilities	95.00	90.00	84.00	84.00	84.00	82.00	82.00	82.00	83.00	86.10
<b>Total</b>	<b>456.99</b>	<b>446.29</b>	<b>440.48</b>	<b>370.10</b>	<b>371.10</b>	<b>358.96</b>	<b>357.8</b>	<b>359.75</b>	<b>363.25</b>	<b>373.3</b>

Source: City of Manitowoc Annual Budget & MPU Annual Report

# City of Manitowoc, Wisconsin

## OPERATING INDICATORS BY FUNCTION LAST TEN FISCAL YEARS

Function	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>General Government</b>										
Square miles	18,279	18,279	18,302	18,330	18,330	18,339	18,340	18,341	18,341	18,341
Registered voters	18,907	18,776	18,805	20,230	18,082	18,068	18,252	17,623	19,064	15,978
Dog licenses issued	2,290	2,277	2,332	2,187	2,110	1,987	1,998	1,922	1,861	1,931
<b>Police</b>										
Physical arrests	2,274	1,917	2,317	2,296	2,013	2,639	2,490	2,633	2,936	2,092
Parking violations	3,721	8,305	6,990	7,079	6,380	5,125	6,470	6,501	5,919	5,289
Traffic contacts/stops	6,276	7,773	10,245	8,857	5,865	7,951	4,884	5,188	6,821	6,625
<b>Fire</b>										
Number of structural fires	28	52	33	54	70	27	33	34	29	24
Number of inspections	2174	1518	2046	2,328	1,900	1,303	1,619	1,530	1,485	1,494
Emergency medical service calls	4,175	4,238	4,611	4,421	4,708	4,515	4,712	5,070	5,199	5,122
<b>Highways and streets</b>										
Recycled materials (tons)	2,916	2,958	2,727	2,830	2,766	2,721	2,629	2,658	2,510	2,418
Yard waste (tons)	11,685	10,872	10,722	11,088	11,044	11,494	11,206	11,208	11,103	11,312
Solid waste to landfill (tons)	10,039	8,538	8,186	7,613	7,442	7,459	7,391	7,406	7,464	7,399
<b>Culture and recreation</b>										
Fieldhouse/cabin reservations	383	303	330	371	372	338	239	230	222	291
Zoo admissions	50,224	50,949	48,906	49,208	41,179	64,531	53,541	61,977	42,475	40,038
Aquatic center admissions	N/A	51,140	34,927	32,116	27,241	21,420	24,385	24,541	22,998	27,207
Mini Golf admissions	N/A	N/A	N/A	N/A	N/A	N/A	7,658	6,581	6,979	7,378
<b>Electric</b>										
Total avg. number of customers	17,777	17,785	17,793	17,787	17,521	17,888	17,925	17,952	17,956	18,062
Annual sales (megawatt hours)	679,101	686,166	659,154	597,874	634,857	682,615	646,895	670,565	695,016	685,411
Peak demand (megawatts)	99.5	100.0	115.5	117.2	115.3	105.0	105.1	109.0	101.6	105.4
<b>Water</b>										
Total avg. number of customers	13,902	13,836	13,858	13,820	13,825	13,870	13,668	13,715	13,739	13,773
Annual sales (billions of gallons)	4.702	4.093	4.069	4.325	4.087	4.011	4.082	4.009	3.995	4.099
<b>Wastewater</b>										
Annual treatment (in billions of gals)	2.676	2.564	2.371	2.083	2.302	2.376	2.291	2.684	2.65	2.5
Avg gals per day (in millions of gals)	7.332	7.025	6.496	5.690	6.309	6.512	6.279	7.353	7.262	6.86

Sources: Various government departments.

# City of Manitowoc, Wisconsin

## CAPITAL ASSET STATISTICS BY FUNCTION LAST TEN FISCAL YEARS

Function	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Public Safety</b>										
Police Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	10	10	10	10	11	11	13	13	13	13
Fire Stations	4	4	4	4	4	4	4	4	4	4
<b>Highways and streets</b>										
Street (miles)	188.2	188.2	188.6	190.0	190.0	190.04	193.97	194.06	194.06	194.06
Traffic Signals	36	36	36	37	37	37	37	37	37	37
<b>Public Transportation</b>										
Fixed route coaches	9	9	9	9	9	9	9	9	9	9
Human service vehicles	6	6	6	6	6	6	6	7	7	7
<b>Culture and recreation</b>										
Developed park acreage	570.91	517.62	517.62	517.62	517.62	522.81	522.81	522.81	522.81	522.81
Parks	37	37	37	37	37	37	37	37	37	37
Tennis Courts (city owned)	20	20	17	17	16	16	16	16	16	16
<b>Water</b>										
Water mains (miles)	184.0	184.5	185.0	185.0	185.0	185.0	185.4	187.0	187.0	186.0
Fire Hydrants	1,345	1,345	1,347	1,349	1,349	1,361	1,364	1,378	1,381	1,378
<b>Sewers</b>										
Sanitary (miles)	189.6	189.6	189.6	189.8	189.8	189.6	189.6	189.6	189.6	189.6
Lift Stations	16	16	14	14	14	14	14	14	14	13
Storm (miles)	149.5	150.5	150.6	150.8	150.8	150.6	150.7	151.7	150.5	150.5
<b>Electric</b>										
Substations	6	6	6	7	7	7	7	7	7	7
Distribution Line miles	255.0	226.0	225.0	227.0	227.0	230.0	234.0	233.0	235.0	234.0
Streetlights	4,813	4,810	4,815	4,819	4,819	4,850	4,848	4,848	4,848	4,858

Sources: Various government departments.

## **CITY ATTORNEY**

The mission of the City Attorney's Office is to provide preventative and proactive legal services and representation to the municipal corporation, consisting of the Mayor, the Common Council, and the departments of the City, Manitowoc Public Utilities and the Manitowoc Public Library.

The City Attorney's Office renders legal opinions, drafts ordinances, resolutions, and makes revisions and additions to the Municipal Code. The office also prepares pleadings, contracts, briefs for litigation and represents the City and officials in administrative hearings, civil court proceedings, small claims, ordinance trials and appeals. This Department assists in administration and investigation of municipal liability claims. Additionally, the office negotiates, acquires and sells real estate on behalf of the City and prosecutes Municipal Code violations. The Office administers the City's property and liability insurance coverage and assists Human Resources with workers' compensation coverage. The City Attorney serves as a member of the City's bargaining team. The City Attorney also serves as the Council parliamentarian. The Office also ensures compliance with federal, state, and local laws.

### **STAFFING AND WORKLOAD**

In 2018, our office was staffed with a full-time City Attorney, Assistant City Attorney, and paralegal. In 2018, the office completed 365 requests for legal services from City departments and officials, handled 138 litigation matters (ranging from dog bites to federal lawsuits), and prosecuted 806 municipal citations.

### **LIABILITY INSURANCE**

The Department handles the City's General Liability Insurance which has been administered through Cities and Villages Mutual Insurance Company (CVMIC) since 1988. The deductible is set at \$50,000 with an aggregate of \$200,000 per year. The premium cost for 2018 was \$80,174. Total claims paid out by CVMIC for the year 2018 were \$0 for general liability claims. Claims reports were filed quarterly with the City's Finance Department.

The City also purchases Employment Practice Liability Insurance, Excess Public Entity Liability Insurance, Volunteer Insurance, and Crime Insurance through CVMIC to ensure coverage should any incidents occur.

### **PROPERTY INSURANCE**

The Municipal Property Insurance Company has been the City's property insurance carrier since 2016. The total property and floater premium for 2018 was \$96,286.

### **AUTO LIABILITY / AUTO PROPERTY DAMAGE**

The City Attorney handles the Auto Liability through CVMIC. The premium for 2018 was \$25,463. No claims were paid out in 2018.

### **RISK MANAGEMENT DIVISION – INSURANCE / SAFETY**

The City has not reached its deductible with regard to liability claims paid in any one year for the last three years. The Human Resources Department arranges annual training for City staff to reduce exposure to liability.

### **WORKERS' COMPENSATION**

The City's workers compensation program transitioned to a self-insured workers' compensation program administered by CVMIC on January 1, 2016. The total cost for excess coverage and third-party administration was \$30,915 in 2018. The self-insured fund is managed by Human Resources and Finance.

### **STATE AND NATIONAL MEMBERSHIPS**

The City Attorney and Assistant City Attorney are members of the Wisconsin State Bar, the League of Wisconsin Municipalities, the International Municipal Lawyers Association, and the Manitowoc County Bar Association. Both attorneys are admitted to practice before all Wisconsin State Courts and the United States District Court for the Eastern District of Wisconsin.

**FINANCE DEPARTMENT**  
**CITY CLERK'S DIVISION**

The basic areas of responsibility of the City Clerk's office are general government, elections, licensing, and other duties.

The City Clerk is responsible for care and custody of the Corporate Seal of the City of Manitowoc and acts as the Corporate Secretary for the City organization. In this role as Secretary, the City Clerk signs contracts, agreements and other official documents as directed by the Common Council. The Clerk acts as Secretary to the Common Council as well as serving as Recording Secretary for Board of Public Works, Board of Review and Committee of the Whole. The Clerk also serves as a member of the Board of Review and Board of Public Works. The Clerk keeps the official record of all Council proceedings, deeds, contracts, and documents, which have been approved by Council, and retains copies of minutes for all city committees. The Clerk administers the Oath of Office to all appointed City officials and elected officials.

The City Clerk's office maintains updated insurance certificates for all contracts with the City and as required for various permits and special events. The Clerk's office keeps permanent city insurance policies and updates various equipment records and property inventories as required.

All aspects of elections are administered by the Clerk's office. This includes publication of legal election notices, arranging for polling places, selecting election equipment, taking voter registrations, arranging for nursing home voting, training poll workers, hiring election custodians, and election inspectors. The Clerk prepares ballots for city elections, conducts absentee voting, takes election returns, conducts the canvass of election, assists with school board elections, and maintains all official election records for the City as required by State Statute. The City Clerk's office maintains the Statewide Wis Vote System for City of Manitowoc voters.

Another area of responsibility for the clerk's office is licensing. The City licenses all taverns, liquor stores, mini marts, bartenders, taxi drivers, taxi companies, theaters and garbage trucks. Other types of licenses issued are cigarette, bowling alley, adult entertainment, Christmas tree, well operation permits, pawnbrokers, mobile home parks, direct sellers, direct sellers, weights and measures, circus, and permits for racing as well as the keeping of chickens and honeybees.

The Clerk's office is responsible for outgoing mail and distribution of mail received to departments. Various special assessments are calculated and billed by this office. The City Clerk's office responds to inquiries from the public regarding special assessment payoffs and prepares special assessment letters for title companies and attorneys as requested. The Clerk's office enters online the Statement of Assessment, Tax Exempt Property, Cigarette and Alcohol reports.

The Clerk's office serves as a liaison between the City and the public in many instances. Information for the Common Council is forwarded to the Clerk for placement on the agenda and distribution to proper committees. The Clerk's office publishes legal notices for public hearings and posts and distributes weekly meeting notices to the media and the public.

The City Clerk's office maintains membership in the Wisconsin Municipal Clerk's Association.

The Clerk's Division is also the Customer Service area for City Hall assisting customers with all facets of City business. We have merged with the Treasurer's office and are able to take in real estate taxes, dog and cat licensing, parking, speeding and other tickets as well as Court fines.

## **FINANCE DEPARTMENT**

The mission of the department is to account for all financial transactions of the City of Manitowoc in accordance with State of Wisconsin Statutes, Generally Accepted Accounting Principles, Government Finance Officers Association Standards, and recommendations from Auditors of an Independent Certified Public Accounting firm.

### **FINANCE OFFICE**

The Finance Office processes and produces the accounts payable and payroll functions on a weekly and bi-weekly basis respectively.

The Finance Office provides accurate financial information to all city departments, officials, and outside financial institutions. The office coordinates the preparation of the annual budget, annual borrowing requirements, comprehensive annual financial report, the annual update to the 5-year capital improvement plan and all State and Federal financial reporting requirements.

The Finance Office is comprised of 4 full-time equivalent positions and holds memberships in the national Government Finance Officers Association and the Wisconsin Government Finance Officers Association.

This office is responsible for the financial software including but not limited to the security, upgrades, functionality, enhancement requests, submittal of work order for non-functioning processes to support, uploading of service packs and training.

### **TREASURER'S OFFICE**

The office collects real and personal property taxes, utility bills, room taxes, license fees, ambulance fees and all general receipts and revenues. Receipts are deposited intact daily into a public depository, and records of all transactions are maintained by the office. Bank accounts are reconciled and citywide accounts receivable schedules are maintained. Additionally, the office issues dog and cat licenses.

It is the policy of the City to invest public funds in a manner that will provide the highest investment return with the maximum safety of principal and interest while meeting the daily cash flow needs of the City. Institutional Capital Management is the City's investment advisor and investment decisions are made in accordance with state statute.

The Treasurer's Office is a division of the Finance Department, with one full-time equivalent position.

## **HUMAN RESOURCES**

### **MISSION**

It is the mission of Human Resources Department to support promote and recruit the best, qualified people, recognize and encourage the value of diversity in the workplace; provide a competitive salary and benefits package; develop the full potential of our workforce by providing training and development for career enhancement; provide a work atmosphere that is safe, healthy, and secure; and establish, administer and effectively communicate sound policies and practices that treat employees equally.

### **HEALTH INSURANCE & WELLNESS**

The City's health plan continues to be administered by Anthem and the prescription drug vendor is Express Scripts and Accredo Prescription Services. The City continues to focus on wellness and encouraging employees to focus on their health. Each year, employees are able to participate in a health risk assessment/biometric screening to promote preventative care and early diagnosis of critical illnesses. An employee clinic is available to employees to defer costs and prevent and manage illnesses, along with numerous wellness activities and challenges for employees to participate in. Go365, an online wellness portal, was implemented in 2017 and continues to be well-received.

### **COMPENSATION PLAN**

The Human Resources Department launched a compensation analysis in 2013 to establish a single pay structure for the City positions consistent with the marketplace, which was implemented in 2014. An updated compensation structure, developed in 2017, went into effect on July 1, 2018. Compensation guidelines were established for managers to follow for employee increases and the Common Council committed to an annual review of the structure to maintain consistency with the marketplace.

### **EMPLOYEE RELATIONS**

The Human Resources Department bargained with one employee union group in 2018. The City of Manitowoc Firefighters Local 368 agreement is not yet settled. At the end of 2018, bargaining continued and it appears may go to arbitration.

### **ORGANIZATION DEVELOPMENT & TRAINING**

The Human Resources Department has been focusing on performance management for all employees. In 2019, we hope to implement an electronic performance management system, which will streamline the process. Supervisory training is scheduled annually and is provided by our liability carrier, Cities and Villages Mutual Insurance Company (CVMIC).

### **EMPLOYEE RECRUITMENT, DEVELOPMENT, & RETENTION**

The Human Resources Department continues to use an online application system since eliminating paper applications in 2015. The tuition reimbursement program has been well-received and participation continues each year. In 2018, a new years-of-service and retirement recognition program was introduced.

### **RISK MANAGEMENT AND SAFETY**

The Safety committee has been conducting inspections and drills throughout City departments and completed the conversion of all MSDS sheets into an online database, MSDS Online. Safety training was provided to employees including Confined Space Entry, Forklift, Hearing Conservation, Hazard Communications, PPE and Respiratory Protection. The Safety Committee has introduced numerous safety topics and activities for employees to participate in throughout the year.

## **MUNICIPAL COURT**

There were 4,848 new Municipal Court citations filed with the Court in 2018, as opposed to 4,906 in 2017. The Court disposed of 4,948 cases in 2018, as compared to 4,805 cases in 2017. Total revenues for 2018 were \$598,050.37, as compared to \$582,043.05 in 2017. Forfeitures collected in 2018 were \$314,317.07 compared to \$303,407.83 in 2017. Court costs collected in 2018 were \$93,740.02, as compared to \$92,663.33 in 2017.

We continue to hold monthly indigency hearings, the last step before jailing someone for non-payment of a non-traffic ordinance fine, which helps to enhance consistent collection. The threat of jail is stronger than the threat of a driver's license suspension. The suspension of a driver's license is still used as an alternate penalty for non-payment in traffic and juvenile ordinance citations.

Revenue is a by-product of the Municipal Court Justice system, not the driving force. For the most part in Municipal Court, the penalty imposed upon conviction is an order to pay a money amount, known as a forfeiture. Accordingly, since a forfeiture is the primary penalty, collection of that forfeiture is important as that is what creates the deterrent affect for ordinance violations.

## **OFFICE OF THE MAYOR**

The City of Manitowoc employs a Mayor/Common Council form of government. The Mayor of the City of Manitowoc serves as both the Chief Elected Official and the Chief Executive Officer. The Mayor is elected at-large by the entire city for a four-year term. There are no term-limits for Mayor. An Assistant to the Mayor (Stacey Groll) staffs the Office of the Mayor, answers phone/e-mail requests from constituents, prepares the Mayor's daily schedule and serves as the Mayor's personal secretary. The Mayor's position is full-time; the ten (10) Common Council members are part-time. The Common Council elects a President once a year who serves as the Interim Mayor in the Mayor's absence. The Common Council is elected to two-year terms and meet once a month. The Common Council is responsible for adopting laws/policy for the City of Manitowoc. The Mayor is responsible for signing those actions into law (or vetoing) and implementing them.

While elected the City of Manitowoc's youngest Mayor at the age of twenty-two, Mayor Nickels is not unlike the community he was elected to lead. Both Mayor Nickels and the City of Manitowoc are vibrant, energetic, forward thinking and have a tremendous amount of community pride that is rooted in the understanding of Manitowoc's deep history and tradition.

Like most of Manitowoc's citizens, Mayor Nickels grew up in a working class family with an affinity for helping those around them. Mayor Nickels saw the venue of government and public discourse - with its capacity for neighbors and strangers to come together for the collective benefit of everyone - as the perfect place to continue acting on this affinity.

This led Mayor Nickels to enter politics and government at a young age - working on campaigns and debating public policy since the age of nine. In 2005, at the age of eighteen and still in high school, Mayor Nickels beat the odds and defied the critics when he was elected to serve on the Common Council, defeating a sixteen year incumbent to represent Manitowoc's Second Aldermanic District.

During Mayor Nickels' time on the Council, he remained steadfast in his commitment to listen first and act second to ensure he was acting according to the will of those he represented - a commitment that he has brought with him to the Mayor's office. Mayor Nickels served as the Council's leading advocate for fiscal responsibility, with the mantra that, "We must prioritize our needs over our wants," a mantra that he has also brought with him to the Mayor's office.

On the Council, Mayor Nickels served on numerous committees, including Finance, as well as Personnel, where he served four years as Chairperson. Mayor Nickels served as City Council President from April 2007 through April 2008. He was re-elected to the Council in 2007 and 2009.



On April 7, 2009, Justin M. Nickels was elected Manitowoc's twenty-seventh Mayor - its youngest Mayor ever, succeeding Manitowoc's longest serving mayor, Kevin Crawford.

On April 2, 2013, Mayor Nickels was re-elected to a second term with 84% of the vote.

On April 4, 2017, Mayor Nickels was re-elected to a third term with 65% of the vote.

### **Function of the Mayor**

The Mayor is the chief executive officer and the chief elected official of the City and is responsible for the administration and management of the City. The Mayor appoints and supervises department heads; appoints members to boards and committees; provides legislative research support; addresses constituents concerns; prepares and submits the annual City budget to the Common Council for review and approval; represents the interests of the City at the local, state and federal level; and promotes the City through professional representation at community events.

### **Mayor's Office Responsibilities:**

#### **MANAGEMENT:**

- Responsible for supervising a work force of approximately 350 city officers and employees
- Management of city government functions such as the City Charter Law, Municipal Borrowing, Taxation, Health, Traffic, Open Meeting Law, Police, Fire, Public Works, Zoning, Housing, Redevelopment, Manitowoc Public Utilities, Planning, etc
- Overseeing the City of Manitowoc Common Council meetings the 3rd Monday of every month

#### **ECONOMIC DEVELOPMENT:**

- Provides leadership to further city development and growth
- Administers programs for city development

#### **BUDGET:**

- Responsible for \$75 million dollar budget and all fiscal matters in connection with taxation and operation

#### **PUBLIC RELATIONS COORDINATION:**

- Prepares and delivers proclamations, recognitions, and other ceremonial functions
- Resolves constituent complaints
- Organizes employee events

#### **APPOINTMENTS:**

Appoints various members to City Boards, Commission, and Committees

- Appoints members to Standing Committees of the City Council

The Mayor's Office is located on the second floor of City Hall (900 Quay Street). Mayor Nickels can be reached by email at [jnickels@manitowoc.org](mailto:jnickels@manitowoc.org) or by calling his office at (920) 686-6980.

**CAFR - Community Development**  
**(January 1, 2018 through December 31, 2018)**  
*(Includes Planning, Economic Development, Assessor,  
and related Building Inspection/Permitting activities)*

**Building Permits**

Year	Permits (buildings only)	Value (buildings only) <sup>a</sup>	Value of All Construction <sup>b</sup>
2018	614	\$53,022,141	\$69,724,937
2017	739	\$43,458,271	\$61,159,675
2016	597	\$23,073,677	\$35,279,050
2015	689	\$25,714,973	\$31,886,106
2014	1,650	\$33,770,527	\$27,357,290

<sup>a</sup> Includes hail damage repairs (2014, 2015)

<sup>b</sup> Includes construction, plumbing, electrical, HVAC, and signs. Excludes "hail damage" permits.

**Planning, Housing and Economic Development**

The City completed zero (0) annexations in 2018 for a total of 0.00 acres. There were no residents residing in the annexation area. Since 1990, the City has annexed 3.483 square miles of area. The total area of the City as of January 1, 2019 is 18.341 square miles. There have been no new residential subdivisions added to the City's housing inventory since 2013.

The Community Development Department (the "Department") received, reviewed, and approved site plans for 10 development projects in 2018, compared to 14 development projects in 2017. A listing of some of the larger developments can be found in the section below.

The Department reviewed and approved 21 Certified Survey Maps ("CSMs") in 2018 (compared to 16 CSMs reviewed in 2017). Additionally, the Department facilitated the completion of four (4) change in zoning map requests, one (1) zoning code text amendment, seven (7) conditional use or special use permits, one (1) amendment to the official map, one (1) street vacation, as well as 13 other miscellaneous projects ranging from releasing easements to accepting or issuing Quit Claim Deeds. The Department also administered two (2) land sales, two (3) rights of first refusal and three (3) land inquiries for property in the City's Industrial Park. The Department also completed two (2) planning studies: a downtown parking study and downtown master plan.

In 2018 the Department partnered with the S.S. Badger Lake Michigan Car Ferry in administering a WisDOT Harbor Assistance Program Grant to repair the failing ferry dock wall and fender system. A grant amount of \$2,000,000 was awarded to City and Badger with construction of the dock wall completed prior to the sailing season began in the spring of 2019.

The Department applied for and received two grants to construct a transient dock along the Manitowoc River: i) Coastal Management Grant in the amount of \$56,000 and ii) Wis. DNR Recreational Boating Grant in the amount of \$69,944. The dock is planned to be constructed in 2019.

In 2018, the Department continued to partner with the owners of the Schuette Building, a prominent three-story historic downtown property, to assist with financing the renovation of this long vacant building. In addition to a \$250,000 Community Development Investment grant from the Wisconsin Economic Development Corporation, the City also approved \$900,000 in TIF assistance toward the project. The funds will be used to reimburse the property owner for completing certain renovation activities as part of a total \$6 million project.

The Department continued to address the community's most prominent blighted property and brownfield, 1512 Washington Street, or the former Mirro Plant 9 manufacturing facility. In 2018, the City and its Community Development Authority collaborated to oversee the work of contractors who completed the abatement of hazardous materials and the structural demolition of the buildings down to their foundations. The Department administered additional site assessment grant funds to complete the subsurface investigation of potential legacy contaminants still residing in the soil and groundwater beneath the former manufacturing buildings. The foundations will remain in place as a cap, but will be removed prior to redevelopment.

In 2018, the Department closed out its 2015 EPA Community-Wide Assessment grant which supported environmental assessment activities at hazardous substance and petroleum brownfield sites throughout the City. The Mirro Plant 9 cleanup previously mentioned was the focus of most EPA-funded efforts in 2018, including post-demolition planning, continued brownfield investigation, and post demolition reporting. The 2015 EPA grant funds have been expended, so the City also requested additional EPA site assessment funds. The Department continues to administer a 2018 awarded Community-Wide Assessment grant in the amount of \$300,000 and a \$200,000 Site Specific Assessment grant which will continue subsurface investigation at the former Mirro Plant 9 site.

In 2018, the Department continued to administer its EPA Revolving Loan Fund program. Over \$200,000 of funds have been loaned out and subsequently paid back which can then be applied to future remediation projects.

The Department continued to transition management of the City's farmers market to an independent contractor and non-profit agency involved in various aspects of local agricultural and food systems. This transition was completed for the 2018 season contract for management services. This transition will ensure the long term sustainability of the farmers market as a popular downtown event by providing management with the right expertise and industry connections.

In addition to providing economic support and direct financing, the Department works to support the environment for business growth and entrepreneurship through planning efforts. In 2018, the Department completed several efforts aimed at creating positive momentum in the City's downtown. The Department completed a Downtown Parking Analysis and a new Downtown Master Plan.

The Department also led the process of creating a new Downtown TIF #19 district to help provide gap financing for new projects. The department also created TIF #20 to help a local business with their \$22 million dollar plant expansion in addition, TIF #21 was created in the City's Industrial Park to provide financial assistance to a business constructing new in the park. To allow for the creation of TIF #21 an older TIF district, #12 had to be amended.

In 2018, the positions of Director of Community Development and Associate Planner / GIS Coordinator were filled with new employees. The position of Associate Planner / Business & Housing Development was created in 2018 and subsequently filled in 2019.

**Residential/Commercial/Industrial Development**

2018 new residential construction in the City added a total of (17) new residential structures, creating (76) dwelling units. The estimated new residential construction cost for 2018 was \$7.3 Million.

1 - Family	Structures: 10	Units: 10
2 - Family	Structures: 03	Units: 06
3 & 4 - Family	Structures: 01	Units: 04
5 or More - Family	Structures: 03	Units: 45

2017 new residential construction in the City added a total of (24) new residential structures, creating (77) dwelling units. The estimated new residential construction cost for 2017 was \$ 8.2 Million.

1 - Family	Structures: 13	Units: 13
2 - Family	Structures: 06	Units: 12
3 & 4 - Family	Structures: 00	Units: 00
5 or More - Family	Structures: 05	Units: 52

**2018 Commercial Construction Permits – Building Only**

Permits: 145	Value (\$) 37,537,500
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**2017 Commercial Construction Permits – Building Only**

Permits: 108	Value (\$) 28,023,940
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2018 and 2017 major commercial development projects are listed below:

2018 Top Commercial & Multi-Family Projects			2017 Top Commercial & Multi-Family Projects		
Project	Type	Construction Value	Project	Type	Construction Value
Lakeside Foods	116,664 SF Addition / Alteration	\$22,000,000	Kerry Red Arrow	65,000 SF Addition & Dock Areas	\$6,000,000
Angelus of Manitowoc	64,206 SF 52 UNIT RCAC	\$3,700,000	Briess Industries	24,028 SF New Structure	\$4,175,000
Doneff's Schuette Building	50,739 SF Alteration	\$3,320,000	Aurora	18,240 SF New Clinic	\$3,166,594
Kerry Red Arrow	19,706 SF Interior Build Out	\$1,850,000	UW Manitowoc	Alteration to Campus	\$1,700,000
Manitowoc Pattern	10,800 SF Addition	\$1,544,000	YMCA	20,770 SF Alteration	\$1,582,000
Capitol Civic Centre	15,050 SF Alteration	\$1,242,775	Tramontina	7,560 SF Alteration/ Addition	\$1,096,000
Lake Breeze Apartments	23,100 SF 22 Unit Apt #11	\$1,210,000	Color Craft Graphics	41,400 SF Addition & Dock Areas	\$1,083,000
Lake Breeze Apartments	23,100 SF 22 Unit Apt #12	\$1,210,000	Davita Dialysis	5,718 SF Alteration	\$990,000
Wisconsin Aluminum Foundry	23,595 SF Addition	\$1,052,000	Skana Aluminum	21,560 SF Addition	\$935,000
Menards	Millwork Mezzanine Expansion	\$800,000	Lakeshore Community Health	14,000 SF Alteration	\$850,000
Panera Bread	4,300 SF Building Shell	\$683,125	Wal-Mart	Interior Alteration	\$540,900
Menards	26,500 SF Addition Storage Building	\$600,000	MTM	20,800 SF Addition	\$516,600
Panera Bread	4,281 SF Tenant Build Out	\$600,000	Manitowoc County Expo	16,000 SF New Ag Building	\$303,553

### **Geographic Information System (GIS/CAD)/Website**

The City's overall Geographic Information System (GIS) is maintained by the Department. The Department in coordination with the Engineering Department updates the City's zoning, Official Map, aldermanic districts, and annexation maps as changes occur.

GIS layers that are linked to the City's Ascent database are regularly used by several departments. These layers are used continuously to query fields in the database and to create mailing lists for the Community Development, Public Infrastructure, Parks & Recreation, Assessors, Building Inspection, Public Works, Police, and Fire Departments and Divisions, as well as Manitowoc Public Utilities (MPU).

All GIS software and maintenance agreements were upgraded by the Department to the latest upgrade available. One Department staff and two Public Infrastructure staff used the software on a daily basis in 2018. In 2018 the Department continued to maintain and improve its own GIS Server to evolve the online mapping presence of the City. The server allows for the City to create useful applications to be posted on the city web page for the use of the public, as well as internal web maps used by various City departments. The Department continues its partnership with Manitowoc County to provide mapping and assessment information on the internet via ESRI's ArcGIS Server software. The City and County began working with new apps and maps available on the ArcGIS Online website.

The Department completed several mapping and graphic arts projects for use by the Department and the City's Plan Commission, as well as the City Council, Mayor, Public Infrastructure, Assessor, Cemetery, Parks, Police, Fire, Building Inspection, Clerk, Rahr-West, Maritime Metro, and Finance Departments.

The City's property address system is a Department function. The staff coordinates with Manitowoc County's E-911 system on maintaining all City addresses for the purpose of dispatch. The addresses are also a part of the City's GIS geodatabase.

As part of the Department's mapping, it annually reviews and updates Chapter One 1 of the Municipal Code entitled "Boundaries", and updates the legal description of the City limits based on annexations.

### **Marketing**

The Department works closely with the county-wide economic development organization, Progress Lakeshore, and the regional economic development organization, NEW North, to market the Manitowoc community to prospective businesses and residents. The Department lists its available industrial park properties on the *Loopnet* commercial real estate website. In addition, the Department maintains partnerships with the Manitowoc Area Visitor and Convention Bureau and the Manitowoc Area Chamber of Commerce toward overall marketing of the community.

### **Assessor's Office**

Accurate Appraisal, a national appraisal company, is currently the statutory assessor for the City. Consultants from Accurate Appraisal provides two days of onsite service for local inquiries and conduct the remainder of their work remotely. They also provide additional local field work in order to fulfill the property valuation responsibilities of their contract. The combination of City staff and consultant assistance provides the right balance of local customer service and quality professional service at a reasonable cost.

## POLICE DEPARTMENT

In 2018 the Manitowoc Police Department remained busy hiring new officers and training, creating a Safe Exchange Zone in the Police Department lot, adding a 16' X 20' shooting range storage building, and adding new equipment to help keep the public safe.

Additionally in 2018, the police department's proactive enforcement philosophy resulted in the lowest amount of traffic accidents in the last three years. In 2018 compared to 2016, there were 252 less traffic crashes in the City of Manitowoc. That amounts to an 18% reduction.

After 30 years with the Manitowoc Police Department, Crime Prevention Sergeant Bruce Jacobs retired in 2018. Detective Andy Trilling was promoted to Crime Prevention Sergeant as a result. Officer Pete McGinty was promoted to Detective to fill the void left by Sgt. Trilling. As a result of retirements in 2018, the police department hired three (3) officers. All three (3) hires had local ties to the Manitowoc community.

The City of Manitowoc added an additional 360 degree camera in its upper parking lot off of Jay St. This added the needed surveillance coverage to develop the parking lot as a safe exchange zone for internet purchases and child custody exchanges. We added a sign indicating it was a safe exchange zone and notified the community through various channels, including social media.

In 2018 we were able to secure the funds for a newly built storage building at our outdoor shooting range to replace the old, undersized, and dilapidated shed. We were able to utilize the existing foundation to construct the building on, as it was in good shape. This building will help maintain our steel targets, barricades, and other needed equipment while also providing shelter for training during inclement weather.

One of our biggest complaints from citizens in years past has been speeding. In addition to increasing enforcement in reported infraction areas, the police department purchased two (2) additional electronic speed display radar boards (powered by solar energy). These boards can be put into stealth mode without displaying speeds in order to accurately collect speed data. In regular mode the boards display the speed of the vehicles and a message to slow down or a thank you message for obeying the speed limit.

We received a \$90,000 Wisconsin Department of Justice Grant to help combat drugs and human trafficking in our community in 2018. We used this grant to add extra proactive enforcement for drug interdiction deployments and human trafficking stings. In addition to removing drugs off the street, this grant assisted us in making 73 arrests for human trafficking. We also identified 15 high risk victims; three (3) of which accepted services to better their lives. Human Trafficking stings resulted in \$185,832 worth of forfeitures issued to offenders.

Our officers and employees of the police department were involved in several volunteer and fundraising efforts throughout the year. Some examples include Shop with a Cop, Stuff the Squad, Citizen's Academy, Police Lights of Christmas, and the Ten Most Wanted Food Drive to fundraise for Peter's Pantry.

The Manitowoc Police Department continues to strive each and every day to provide the kind of service that our community deserves. We are committed to providing excellent police service and an unrelenting pursuit of justice, while maintaining order and securing a safe environment for everyone. Our Facebook page continues to add followers and is used like never before to share valuable information, give tips, and solve crime. Engaging the community to improve quality of life and safety remains a priority for the Manitowoc Police Department.

The 2018 Annual Report will give you a brief explanation of the activities and actions of the city and your police department. There will be more information available on the portion of the city website dedicated to the police department. Feel free to contact us if you have any questions or concerns!

## **FIRE/RESCUE DEPARTMENT**

The primary mission of the Manitowoc Fire Rescue Department is to provide a range of programs designed to protect the lives and property of the citizens in the City of Manitowoc. This is accomplished through four specific divisions within the Manitowoc Fire Department.

The Administration Services Division is responsible for all operations of the organization. Headed by the Chief of Department, the duties include preparation and control of the operating budget, administration of the fire data processing systems (NFIRS), recruitment and enlistment of new employees, the provision of in-service training and education, continued evaluation of the department and its programs and planning for future service needs. This division also administers an efficient, ongoing program for the maintenance, retention, disbursement, preservation of incident reports and other departmental records.

The Fire Administration staff includes the Chief of Department, Deputy Fire Chief of Life Safety & Neighborhood Services and Deputy Fire Chief of Professional Enrichment. In addition, the division includes the department's administrative assistant.

The Operations Division which is responsible for the delivery of fire suppression and Emergency Medical Services (EMS) for the members of the community and those who work or travel through the City. As we move forward we continue to look for opportunities to improve service delivery and control costs. Throughout the year personnel have made some significant fire stops to prevent further damage and provided the highest level of pre-hospital emergency medical care for field resuscitation of cardiac arrest patients. Fire suppression and emergency medical treatment requires highly skilled and dedicated employees. I am proud of the excellent work our personnel do every day. They don't hesitate to do what is best for the citizen.

The Operations Division is comprised of six (6) Captains, six (6) Lieutenants, fourteen (14) Motor Pump Operators and twenty-five (25) firefighter/paramedics. Professional enrichment is a very important component of our department operations. Properly trained a fire rescue department can control and contain almost any situation with minimal damage and loss of life. Training in fire tactics is important; however, a firefighter must be trained in other areas in order to control the situations that are encountered in day to day operations.

The Life Safety Neighborhood Services Division is composed of two disciplines. They are code enforcement and public education. The authority of code enforcement comes from the Wisconsin Department of Safety and Professional Services. We follow their codes along with local ordinance to ensure all public buildings are free from fire and life safety hazards. All buildings in Manitowoc (almost 1600), except one and two family dwellings get inspected on an annual basis. When violations are found we work with the building owner to bring the building into compliance. All new buildings are reviewed during the plan review process to make sure that they are equipped with the fire and life safety systems that the code requires.

The Manitowoc Fire Rescue Department is responsible for the leadership of our Building Inspection Department. Fire Code Enforcement and Building Inspection are dedicated to improving the quality of life and assuring the interests of life, health and safety in the City of Manitowoc. The combining of these Divisions accomplishes this goal through the implementation of codes and standards as they relate to construction, fire and life safety and property maintenance. It is the goal to serve the residents of Manitowoc with the highest level of professionalism, proficiency and customer service in the industry. The Life Safety & Neighborhood Services Divisions consists of three civilian credentialed inspectors, one code enforcement officer and an Administrative Assistant Professional.

Public education is a year round process that touches all age groups in the community. We get into all elementary schools on an annual basis. We give tours to youth groups; civic organizations and anyone who would like to see the fire rescue department and learn what we do. We put on safety presentations when requested and also provide Hands on fire extinguisher training using live fire. We also have our annual open house in October during Fire Prevention Week. We use the local newspaper, Facebook, and Twitter to get our safety messages out to the public.

In closing, it is the vision of the Manitowoc Fire Rescue Department to maintain a progressive and innovative fire rescue department that ensures a safe community.

## **DEPARTMENT OF PUBLIC INFRASTRUCTURE**

The Department of Public Infrastructure plans, budgets, administers, and directs Public Infrastructure activities for the City of Manitowoc. This includes all phases of municipal engineering, public construction projects, and the operation and maintenance of any/all infrastructure within the public right-of-way as well as on City owned property within the City of Manitowoc. In 2011 the Department of Public Works & Engineering was merged with the Parks and Recreation Department. In January of 2012, Building and Grounds was also added to the Department. This allowed the City to realize cost efficiencies through consolidation of management and supervisory personnel. The division was renamed the Department of Public Infrastructure in December of 2012.

This department is multi-faceted with five (5) divisions consisting of a mix of technical, clerical, professional and skilled personnel. The four divisions are:

1. Engineering and Storm Water Management
2. Operations
  - Streets, lift station, sanitary and storm water maintenance
  - Parks / Cemetery
  - Buildings / Grounds
  - DPW / Fleet
  - Electricians
  - Bridges / Marina
3. Maritime Metro Transit / Building & Grounds
4. Recreation, Senior Center and Aquatic Center & Zoo
5. Business Management

### **ENGINEERING AND STORM WATER MANAGEMENT**

The Engineering Division's responsibilities include preliminary and detailed engineering analysis of not only Public Infrastructure projects, but also the evaluation of many privately funded projects which affect the City such as review of new developments, building site plans, and proposed subdivisions. Engineering offers technical support to other city departments for projects in the conceptual and design phases. The Engineering Division also administers all capital project contracts from planning through construction and closeout.

On typical projects such as sewer and street construction, signal installation, or new and replaced sidewalks; the Division is involved in all aspects of field survey, design, contract document preparation and administration. In addition to the field work, the Division is involved in contractor coordination, construction surveying and inspection, preparation of contractor costs for payment, calculation of special assessments, and maintenance of as-built drawings.

Developmental tasks of the Division include the biennial bridge inspections, which is an in-depth look at our 11 bridges for the Wisconsin Dept. of Transportation (DOT). Underwater inspections are also completed on five (5) City bridges every five (5) years. The inspection of our bridges is a federally mandated requirement.

The Division monitors traffic movement through a continually changing city and the design and maintenance of the existing 34 signalized intersections. The Division also rates the condition of the roadway pavements each year in order to report bi-annually to the Wisconsin Department of Transportation using the PASER-WISLR systems.

The Division also manages and administers all solid waste (landfill) and recycling programs and issues. The Division is responsible for preparing and submitting all annual reports to the DNR.

The field survey crew establishes line and grade for all public infrastructure projects and other private development including new home construction. Historically, the Division has provided survey work for everything from topographic surveys for development of the zoo to a vertical alignment or trimming the top of trees on the Manitowoc County Airport's glide path.



The Engineering Division recommends the annual capital projects and also develops the 5-Year Capital Improvement Plan (CIP) for the City and seeks grant funding for them where available. The Division has been granted funds from the DOT for the 2019 / 2020 reconstruction of Waldo Blvd. from Memorial Drive to Fleetwood Dr. and asphalt resurfacing on Waldo Blvd. from Fleetwood Drive to N. Rapids Road. We have utilized Harbor Assistance Grants for the installation of a new dockwall at the City Centre property, Department of Commerce (CDBC) funds for reconstruction of 10<sup>th</sup> Street from Dewey to Madison St. and for the American Recovery and Reinvestment Act (ARRA) Stimulus Grant for the Federal Transit Administration (FTA) Bus Station. We continue to seek funds in support of the State mandated Municipal Storm Water Permit and have used the DNR Urban and Non-Point Source and Storm Water Grants for the construction of the storm water quality pond at Dewey & S. 35<sup>th</sup> St.

The City continues to operate under the Wisconsin Pollutant Discharge Elimination System (WPDES) Municipal Separate Storm Sewer System (MS4) Permit. The Engineering Division is responsible for the implementation and maintenance of all programs required under this permit. The following programs are required by this permit: Public Education and Outreach, Illicit Discharge Detection and Elimination System, Erosion Control, Storm Water Management and Pollution Prevention. An annual report is compiled and submitted to the WDNR each year summarizing the measureable goals achieved under this permit.

The Public Education and Outreach program requirements are met by staff coordinating and partnering with other entities such as the Wisconsin Maritime Museum, Woodland Dunes, Lakeshore Natural Resource Partnership (LNRP), and the Northeast Wisconsin Storm Water Consortium (NEWSC). These ongoing partnerships provide for educational materials, programs, presentations, workshops and activities such as storm drain stenciling.

The Illicit Discharge Detection and Elimination System program requires staff to perform annual dry weather testing on all of its 200 plus storm water outfalls. There is also an Illicit Discharge Ordinance which is enforced by this Division.

The Engineering Division is also responsible for the erosion control and storm water management as it relates to City projects as well as private projects. Staff enforces the requirements of the erosion control and storm water management ordinances on private projects. This requires permit review, approval, site inspection during construction, and on-going maintenance inspection of any post-construction storm water best management practices. Staff also designs, implements and inspects erosion control on City projects.

The requirements of the Pollution Prevention program are overseen by the Engineering Division. This requires assurance that City owned best management practices (ponds, biofilters, rain gardens, etc.) are properly maintained, as well as for the DPW and Parks Facilities. Staff oversees the best management practices conducted by the City such as street sweeping, catch basin cleaning, brush and leaf pickup as they relate to the requirements of the WPDES Municipal permit.

The Division is responsible for the cadastral mapping of the City of Manitowoc. The entire City including our three mile extraterritorial jurisdiction has been digitally mapped. The information includes parcel data, sanitary and storm sewers, and other items such as street right-of-way, water based features, manholes, pipes, lateral information, lot lines and dimensions, tax parcel numbers and addresses. All mapping has been adjusted using Global Positioning System data and referenced to the most current datum established (NAD\_1983\_HARN\_WISCRS\_Manitowoc\_County). The Division continues to work with our digital planimetric and topographic map files. We are integrated with the GIS system under development by the City's Community Development Department and the County of Manitowoc. With the full featured implementation of the GIS system and the use of GEO databases, we are able to easily place a spatial component in any analysis of Department of Public Infrastructure activities. Aerial photos and planimetrics were updated in 2014.

The mapping work spearheaded by the Engineering Division is used heavily by all City departments. We continue to get financial support from entities such as MPU and other departments. In addition we supply the product to local engineering firms such as SMI as well as to developers, plumbers, and other real estate concerns.

## **OPERATIONS DIVISION**

The Operations Division is the largest division in the Department, responsible for maintaining 190 miles of streets, 28 alleys and over 150 miles of mainline storm sewers, 190 miles of mainline sanitary sewers, 36 Parks, Manitowoc Marina, DPW and Parks Buildings and Grounds, Evergreen Cemetery, Lincoln Park Zoo, Fleet, and Bridges.

The streets of the city are plowed by the Division during the winter and swept an average of once every 5 days during the rest of the season. They also patch and restore over 300 concrete and asphalt pavement excavations; following up after service by the various utilities and plumbers. Annual crack sealing maintenance is performed, when crews are available, to extend the life of all city streets.

Prior to winter, they install winter equipment on the city trucks. They fill and place 140 sand barrels at various locations through the city, erect 1 mile of snow fence at 10 sites, and reconnoiter their plow routes. Equipment is prepared for mobilization on short notice for winter storms. The Division brings over 30 pieces of equipment (including hired equipment) to bear on snow removal and ice control to maintain 95 miles of salt routes and 190 miles of city streets.

They maintain 7,600 traffic signs; monitor 37 signalized intersections, snow removal on city sidewalks and city parking lots, weed cutting on city property, and the enforcement of the city's weed and sidewalk shoveling ordinances. The Division also provides two yard waste pick-ups per year-one spring cleanup in April and the other a fall cleanup in October. The Division also picks up fallen leaves as necessary during October and November of each year. Each year the Division installs all the city's holiday decorations and decorative banners. They also provide traffic control for road emergencies, public construction projects and special events.

Sanitary Sewers are cleaned annually as a preventative measure including new installation and repairs on sanitary and storm sewers. The lift stations and sewers are maintained through a regular program of inspection and cleaning throughout the year. In 1999 the Division took over responsibility for the maintenance of all sanitary sewer lift stations from WWTF. The Division currently maintains 13 sanitary lift stations. These lift station maintenance expenses are funded by the City's Waste Water Treatment Facility.

Maintenance of the City's 36 parks occupies the full time attention of the parks staff. They are augmented by seasonal help during the summer. Their mission is to keep the parks of the City well-manicured and ready to be enjoyed by all citizens. Parks personnel are responsible for maintaining all of the landscape of the city park system as well as the maintenance of the facilities and equipment within them, repairing constant vandalism as it occurs and maintaining all of the playground equipment to ADA standards. In addition, they are also responsible for maintaining the quality of the city's urban forest. The Parks labor force includes a City Forester. They devote some of their time to the pruning of tree limbs and removal of diseased or dead trees. The City of Manitowoc is in its 36<sup>th</sup> year of being named a Tree City.

The care and maintenance of Evergreen Cemetery is another important facet of the Operations Division. Evergreen Cemetery was founded on April 30, 1852 and consists of 79 acres of finely manicured lawn and gardens in the original section. Evergreen West consists of 27 acres of land available for additional development. We average 165 burials per year. Cremations presently account for 52% of that total, and the Cemetery has added two columbariums to accommodate the increasing popularity of this burial method. Evergreen Cemetery has nearly 5,000 spaces available for sale. The City anticipates continuing to use the main area of the existing 79 acre developed part of the cemetery for the next 30 years.

Evergreen Cemetery is staffed with 2 full-time employees augmented by 10 part-time staff in the summer. This represents a decline in both permanent and seasonal employment as budget pressures have forced us to reduce head count.

The beauty of the Cemetery is due in part to the more than 6,000 flowers planted annually by Cemetery workers. There are also 1,100 trees consisting of 40 different species. Some of the rarer varieties include the Japanese Ginkgo, Purple Beech, Camperdown Elm, Buckeye and Ironwood.

The cemetery is administered by a citizen commission in conjunction with city staff. A new fund was established in 2006 for perpetual care and a portion of the proceeds from plot sales are deposited within it to offset the on-going costs of maintaining the grounds of the cemetery.

The Lincoln Park Zoo remains a valued city attraction and is also cared for by the Operations & Recreation Divisions. Renewed interest in the exhibits and activism by the local Zoological Society has spurred a remodeling and updating of the Zoo's physical plant. In 2011 and 2012 a multitude of trip hazards were addressed through \$75,000 worth of reconstructed pathways. New exhibits are also being considered as the City of Manitowoc has been named a Bird City. Educational displays highlighting the migratory birds utilizing the wetlands surrounding the zoo are also under consideration. An exciting new addition in 2012 was Lights in Lincoln Park, open nightly from December 7<sup>th</sup> through December 31<sup>st</sup>. Lights in Lincoln Park was sponsored by the Zoological Society with all proceeds benefitting the zoo and zoo animals. The Cat Exhibit was renovated in 2014 and two cougars were added from the Species Survival Program. A new whitetail deer exhibit has also been created to make it a more natural setting for the deer. The purchase of a buck was added to provide visitors with a more realistic view of the family setting. Zoo keepers will be working on more educational activities in hopes of taking their show on the road. Social media has played an important role in getting the message out to the public to come and see our free "gem" in the City. In addition, ambitious planning efforts are underway to develop a new walk through bird exhibit in the area of the former deer exhibit. Interactive areas, including a wing span area near the birds of prey, and a cut jumping educational area near the cat exhibit, have been added to provide more interactive visits for children.

This Division also handles all the rolling assets and many of the fixed assets of the city. This includes all city-owned vehicles, DPW and Parks buildings and bridges. It also manages the day to day maintenance and operations of our port and harbor and has responsibility for the city's boat launch ramps and shorelines.

The mechanics operate as an Internal Service Fund (ISF). This fund is sometimes referred to as a Motor Pool. The goal is for this fund to balance by charging other divisions and departments for their services. This allows users of the ISF to be aware of and manage their costs for mechanized equipment. Organizations supported by include Manitowoc Public Utilities, the Manitowoc Public School System, Manitowoc Police and Fire Department vehicles. The city shop is currently staffed with four full time mechanics and remains on call for emergencies 24 hours a day.

Mechanics also supply backup support to all functions of the Streets Division for emergency work, and are the primary source for harbor and marina work. This Division also maintains the City Gravel Pit and works with the consultants engaged by the Engineering Division toward the environmental remediation of the area.

The Operations Division also maintains and operates the 8<sup>th</sup> and 10<sup>th</sup> street lift bridges utilizing four seasonal employees. The 8<sup>th</sup> street Bridge has two consoles – one for itself and another for the 10<sup>th</sup> street bridge which allows one operator to manage both bridges. The operator is connected to the 10<sup>th</sup> street Bridge by a network of cameras and fiber optic cable, allowing them to monitor the operation of the 10<sup>th</sup> street Bridge. The bridges are manned from 4:30 am until 10:30 pm 7 days a week from April 1<sup>st</sup> to October 31. Off hour operations are performed as needed by an operator on call. In addition off-season bridge operations are possible requiring 12 hour notice.

The operation of the Lift Bridges is nearly fully funded through the State Lift Bridge Aid program. The regulations describing the bridge operation are in the Federal Register. Maintenance of the channel extending through the Bridges is the responsibility of the US Army Corps of Engineers. The department also submits annual bridge lift reports to the D.O.T.

We are proud of the fact that with the reduction of 52% of the staff by the end of 2011, the Operations Division continues to maintain the city's infrastructure and the addition of mandated programs to the best of the Division's ability for the citizens of Manitowoc. This has been accomplished by constant shifting of staff between DPW, Parks, Mechanics and Cemetery crews as needed. We continue to pursue new efficiencies in our operations.

## **MARITIME METRO TRANSIT**

Maritime Metro Transit (MMT) originated on January 1, 1978 when the City of Manitowoc took over the operation from a private operator. System funds are generated from four major sources – Federal and State Government Subsidies, grants, local property taxes, and fare box revenues. In its present form, the system consists of six (6) fixed bus routes with five (5) making 30 minute circuits and one (1) 60 minute circuit (service to Two Rivers). In addition, MMT coordinates the paratransit system serving both city and county residents. The paratransit service provides transportation for those elderly or disabled citizens who cannot use the bus or are not near a bus route. This latter group includes the County's rural transportation program.

MMT has instituted a pass system to reward regular riders. These changes, with an aggressive marketing stance, have resulted in a steadily increasing revenue stream from fares. All the changes have had little effect on the local property tax support as the increased volume has paid the "fare."

We continue to explore innovative means of reaching the elderly and disabled who need transportation assistance. MMT has partnered with Manitowoc County in several areas including providing service to the County's rural clients through the City's contract with its own provider for paratransit service. This allows a lower overall cost per ride, makes available state and federal assistance, and provides a single source for transportation to the target population.

The new 4,000 square foot intermodal transfer building was designed in 2011, with construction completed in October of 2012. This Transfer Center is energy efficient and completely ADA accessible.

## **BUILDING AND GROUNDS**

We are responsible for the care and maintenance of all City owned buildings.

Custodial, HVAC, electrical, plumbing, security systems, grounds keeping, painting, and carpentry projects are undertaken to enhance the functionality, attractiveness, and safety of the Cities facilities.

## **AQUATICS, RECREATION AND SENIOR CENTER**

Through the Senior Center and the Recreation Division, the City of Manitowoc strives to offer programs for its citizens no matter what their age. From Archery and Zumba, Youth and Adult Leagues to Arts Camps and Tai Chi, all of the city facilities are busy with all ages participating in programs.

The Recreation programs are funded through a combination of fees, tax levy, and community donations. With over 29,000 registrations, the cost of each individual program is kept low to be within the reach of all city families.

The Recreational programs offered through the City of Manitowoc attracted over 99,000 participants in 2015. Utilizing both the facilities of the City of Manitowoc and the Manitowoc Public School District, competition and instruction programs remain an important aspect of the quality of life for residents of the city. A new facility added to the Recreation area has been an 18 hole mini golf course, made possible by a \$325,000 donation by the Friends of the Aquatic Center.

The Manitowoc Senior Center is an important community element that serves the older population of the city and their families. The participation for the programs at the Manitowoc Senior Center exceeds 77,000. Sponsored activities include excursions locally and throughout the state, meetings, instructional and recreational programs, and communal meals. The Center is the recipient of over 20,000 community volunteer hours, enabling more services to be delivered than might be available through public means.

The City of Manitowoc's Recreation Division also maintains relations with over 70 community and sports clubs to provide facilities and equipment for their fundraising and program activities. We continue to work with all organizations that approach us with ideas for improving the quality of life in the City.

## **SUMMARY**

In all, the Department of Public Infrastructure is a fast moving organization comprised of professionals with highly developed skills. These skills allow a flexible response to the challenges and opportunities facing the city while keeping costs and taxes as low as possible.

## **RAHR-WEST ART MUSEUM**

The Rahr-West Art Museum is a City of Manitowoc Facility that preserves and enhances its collections and historic mansion. The museum's purpose is to engage the public in dynamic learning opportunities in the visual arts and enrich life in the area by serving as a cultural resource.

### **Vision Statement**

Our goal as a public art museum is to care for and use our resources, including the collection and intellectual material, to engage our visitors in a dynamic informal learning opportunity in the arts. The Rahr West Art Museum exists to foster a sense of discovery in the arts.

### **History**

The Rahr-West Art Museum was given to the City of Manitowoc in 1941 by its owner, Mrs. Clara Rahr, with a central purpose of being used as a museum and civic center. Since that time the facility has developed a dual nature. The 1891-93 Mansion is on the National Register of Historic Places. It also serves as contemporary gallery space for a growing permanent collection and showcase for temporary exhibitions. Additionally, it is a living, breathing space for thought, creative ideas and learning; with an offering of lectures, classes, and workshops.

The thirteen bedroom house was designed by Milwaukee architects George Ferry and Alfred Clas, for Joseph and Mary Vilas; one of Manitowoc's pioneering families. In 1910, the house became the residence of Reinhardt Rahr, president of the Rahr Malting Company, and his family. The mansion was open to the public immediately following the gift in 1941, but acquired its first director in 1950.

In 1975, a modern exhibition wing was added to the mansion with donations by John D. and Ruth West of Manitowoc, and the Rahr Foundation. An adjoining exhibition space was added, in 1986, to exhibit the permanent collection. These wings also added valuable meeting space to the lower level for public programming, as well as facilities for storage of the permanent collection.

### **Operations**

The Rahr-West Art Museum operates as a department of the City of Manitowoc with a thirteen member board appointed by the Mayor. Operating support comes from the City of Manitowoc, with programming and educational support from the Ruth and John D. West Foundation, local businesses and private donors.

The museum is open Tuesdays through Sundays all year with two levels of the mansion on view and exhibitions that rotate throughout three galleries. Exhibitions feature thematic presentation of works from the museum's-2900 plus holdings or a variety of exhibits and media from different sources. This frequent rotation offers an exciting, dynamic viewpoint in a relaxed and comfortable atmosphere.

As with the entire City of Manitowoc, the Rahr-West Art Museum endured a great deal of The museum remains one of only 17 museums in Wisconsin accredited by the American Association of Museums – the benchmark for quality museum stewardship.

Annual exhibits including the spring Youth Art Series, the Members and County Artists Show, The Art of Table settings, and Christmas in the Mansion ensure community engagement and involvement.

The Rahr-West Art Museum has been more active in raising revenue through rentals of community and meeting rooms. Additionally, the museum rents out space for private functions. In 2018, the museum reported rental revenue of \$15,070.

## Community Outreach

The Rahr-West Art Museum continued to expand on successful collaborations with other institutions and community outreach. These have strengthened the museum's presence in the community and extended its services. In 2018, the Rahr-West Art Museum collaborated with the Manitowoc Public District and other area schools in educating over 4000 students in the visual arts, we also provide teachers with the opportunity to receive lesson plans featuring pieces from our permanent collection. Youth Art Series exhibitions also take place from the beginning of March through the middle of May with children's workshops and many other events designed to encourage and support the necessity of art education in all areas of instruction.

In addition to the collaborative spirit the museum has worked to foster, the museum is moving forward to create a more dynamic presence in the community by serving as a strong resource for art preservation, art education, and tourism promotion. We were the fortunate recipient of a Helen Bader grant to create the SPARK! program, a specialized art therapy program for individuals with early-stage memory loss from Alzheimer's or Dementia.

Additionally, the museum partners with Manitowoc Public Library to provide digital art education for free through their DAP Program. In 2018, 23 local teens were given iPad pros and took a 12-week course to develop creatively using digital technology.

The Rahr-West continues to bring visual arts outside our doors and throughout our community. Off-site activities in 2017 included art education programming at Subfest and Owlfest.

A new initiative of the Rahr-West Art Museum, the museums Public Arts Committee has a vision to integrate visual art into the daily lives of Manitowoc residents by celebrating and building upon our City's creative culture and history, as well as encouraging artists and art enthusiasts to visit and live here.

The Committee's first project "Art Forward: Hop, Skip, Jump into our Future," will bridge our past and present by creating a professionally printed mesh fence cover featuring local youth artwork, which will be placed on a fence on Washington Street block of the former Mirro site between 15th and 16th Streets, giving our future generations ownership of the community. The project began in 2018, engaging local educators, designers, fabricators, and sponsors with a vested interest in public art. This collaborative art project will add energy, personalization, and inspiration to our downtown and larger community. Installation will take place in 2019.

The Rahr-West Art Museum was the driving force behind Sputnikfest. This celebration of the Sputnik/Manitowoc tie and that fun, sometimes frightening space age is the result of months of planning, fundraising and good, hard work. Sputnikfest 2018, which marks the anniversary of the crash landing of the Soviet Sputnik 4 spacecraft on Manitowoc's North 8th Street, mere steps from the Rahr-West Art Museum, was attended by approximately 3,000 people.

These on-going efforts have been recognized. In June, 2014 Time, Inc.'s travel magazine, Travel + Leisure, named the Rahr-West Art Museum 'One of America's Best Small Town Museums'.

A blend of public support and private contributions enables the Rahr-West Art Museum to offer a wide variety of programs and services. Among these is an ambitious schedule of annual exhibitions; rotating exhibitions of our permanent collection and temporary exhibits offering different types of art. This all takes place in a facility that is free and open to the public. Staffed by a director, clerk typist, assistant director and weekend security staff the Rahr-West is accredited by the American Association of Museums, we are members of the Wisconsin Federation of Museums, American Association of State and Local History, Association of Midwest Museums and we support local art groups; Water's Edge Artists and the ArtSlam public art initiative.

## **WASTEWATER TREATMENT FACILITY**

The City of Manitowoc owns and operates its wastewater treatment facility located at 1015 S. Lakeview Drive. The current site has been utilized since 1939. Increased waste loadings, ageing equipment, and changing environmental regulations made plant upgrades necessary in 1959, 1974, and 1998 and 2017. National Pollution Discharge Elimination System (NPDES) permit WI-0024601 benchmarks the requirements for compliant effluent discharge to Lake Michigan. The WWTF protects the health, safety and welfare of the public by efficient operation and maintenance, maximizing the removal of pollutants both entering the facility and its discharge.

In order to accomplish this, the City of Manitowoc regulates the construction and use of all 189 miles of the sanitary sewers and the drains connected to the sanitary system. The Wastewater Facility is also the control authority for the mandated industrial pretreatment program, which limits the amount and type of pollutants that industries can discharge into the sanitary system. There are a total of 22 permitted industries that are required to sample and analyze their discharge for metals and other contaminants that have potential to harm the structures, equipment or the bacteria used in the treatment process. In 2018, the WWTF treated and discharged an average of 6.9 million gallons per day.

The City Ordinance governing the Wastewater Treatment Facility and the sanitary sewer system is found in Section 25 of the City of Manitowoc Municipal Code. The WWTF is staffed 24/7/365 with 15 employees that operate and maintain the processes and equipment at the facility. DPW staff jet and maintain the sanitary sewer system and check and maintain the 13 sewage lift stations.

Residuals remaining after the water purification process are beneficially reused to fertilize local agricultural lands. The City of Manitowoc is responsible for one of the largest biosolids land application programs in the State of Wisconsin. Each year more 500 acres of crop land receive the nutrient rich biosolids. Land application can only be done on soils deemed appropriate and certified by the Wisconsin DNR. The nutrient levels in the biosolids are analyzed and injected into the soil according to the agronomic rate for the crop that is to be planted. The application of biosolids completes the cycle and returns the nutrients and organic matter to the land. The reclaimed water is returned to Lake Michigan via an outfall located 500 feet out from the southeast corner of WWTF property.

## **MPL 2018 REVIEW**

The mission of Manitowoc Public Library is to promote a culture of reading and to provide access to information. Through our services, we strive to foster an environment that meets the educational, recreational, and cultural needs of the community.

Manitowoc Public Library is located in the center of downtown Manitowoc and overlooks Lake Michigan and the Manitowoc River. The 52,000 square foot building, completed in 1998, was designed to meet the needs of the community in the 21<sup>st</sup> century.

In 2018, Manitowoc Public Library collaborated with Lester Public Library to support a “Libraries Build Strong Communities” campaign where we incentivized shopping local. By shopping local during National Library Week, the public received entries into raffle drawings at their local library. This helped to promote our businesses and all our community is proud to offer. In addition, we re-opened on Tuesdays; we are now open 7 days a week to our community. This was made possible by increased financial support from our local municipality.

Manitowoc Public Library continues to provide quality and innovative programming to citizens of all ages.

## **MANITOWOC PUBLIC UTILITIES**

Manitowoc Public Utilities (MPU) is a municipality-owned electric and water utility serving approximately 18,000 electric accounts and 13,700 water accounts in the City of Manitowoc. In 2018 MPU generated approximately 27% of its system electric load natively and imports the remainder on an economic basis through wholesale suppliers or MISO energy market. MPU's water supply is taken primarily from Lake Michigan and is purified with a state-of-the-art micro-filtration treatment facility.

The main benefits of municipal ownership of the Utility are its tax contribution to the City. In 2018, MPU was the highest contributor to the City of Manitowoc's tax role with payments of \$3,704,900. MPU had operating revenues of \$75,855,000 in 2018, on an asset base of \$257,100,000. In addition, MPU made a payment of \$259,800 to the City of Manitowoc from the sale of water to the CBCWA.

The Utility has its roots going back to 1889 with the City of Manitowoc granting John Schuette permission to construct and operate an electric plant in the City. The electric plant was established in the building adjoining Mr. Schuette's flour and grist mill. The loads served were primarily street lighting, and later evolved into indoor and plant lighting. The utility provided a "turn-key" operation, including wiring, lamps, and switches. The initial customer operating time was from dusk to 9 p.m.; however, customer demand was growing steadily.

The Manitowoc Waterworks Company was also established in 1889 by brothers Eugene and T.W. Gray. The City purchased the waterworks company in 1911 and the electric plant in 1914. The two utilities were merged to form Manitowoc Public Utilities. Over the years, plant additions have been constructed, equipment has been improved and modernized, and technological advances have improved customer service to today's high standards. Electric power is supplied through 234 miles of electric distribution lines and 7 substations. Power generation assets include over 100 megawatts of capacity between the Municipal Power Plant facility on Columbus Street and the gas turbine/generator at the Custer Street Energy Center. Drinking water is supplied from a state-of-the-art microfiltration plant and two collector wells on the shore of Lake Michigan. Microfiltration uses membrane fibers to filter water, providing an absolute barrier against water borne viruses and bacteria such as cryptosporidium and giardia. In 2014 MPU celebrated 100 years of service to the community.

MPU is the largest of 81 municipally owned electric utilities in the State of Wisconsin. The water utility pumped about 2.0 billion gallons of water into its distribution system in 2018, while the electric utility delivered over 537 million kilowatt hours to customers. MPU also maintains approximately 5,600 street and security lights in the City.

MPU also provides steam and hot water to several end users. Steam from the MPU Power Plant is sold to several customers via a district-heating loop. This steam system can be supplied directly from one of MPU's solid fuel boilers, indirectly from one of MPU's turbines, or from one of three gas fired boilers, boiler 10 installed in 2012, and boilers 11 and 12 installed in 2016. These multiple sources allow flexibility for electrical power supply purposes and provide additional reliability for the steam system.

MPU also provides fiber optic cable services. The fiber optic network currently has 78 customer connection points.

An agreement was executed with Central Brown County Water Authority (CBCWA) to supply wholesale water to six communities in Brown County, north of Manitowoc County, beginning December 2006. The capital costs to meet the water needs were paid by the Authority. In 2018 approximately 2.5 billion gallons of water were delivered to the CBCWA.

MPU employs approximately 85 full-time employees and 1 part time employee. The Utility is run separately from City government and is managed by a CEO & General Manager. The CEO & General Manager reports to a Public Utility Commission, which is comprised of seven members: The Mayor of Manitowoc, one City Council member, and five appointed citizens. Activities of the Utility are regulated by the Public Service Commission of Wisconsin (PSCW).

In 2018, MPU and the City of Manitowoc entered into an intergovernmental agreement transferring management and oversight of the Wastewater Treatment Facility operations to MPU from the City. The contract is for a three year term and started on January 1, 2019.



## UNIVERSITY OF WISCONSIN-GREEN BAY, MANITOWOC CAMPUS

### LOCATION

Located in the southeast corner of Manitowoc between Viebahn Street and Silver Creek Park, the 40-acre campus of the University of Wisconsin-Manitowoc enjoys a shoreline view of Lake Michigan.

### LEADERSHIP & STAFF

Dr. Martin Rudd is the Regional Executive Officer and Dean for the UW Colleges Northeast Region, which includes UW-Manitowoc, UW-Fox Valley and UW-Fond du Lac. Carla Rabe is the UW-Manitowoc Campus Administrator.

There are currently 50 employees at UW-Manitowoc; 30 are faculty and instructional staff. The majority of faculty members have a Ph.D. in their field of expertise. Most are published authors, several are major award winners and all are committed to the mission of teaching excellence and research.

### HISTORY

The University of Wisconsin has been a part of the Manitowoc community since 1933 when a UW English course was offered at the Vocational School on Clark Street. In 1962, the present campus site was established with additions completed in 1986, 2001 and 2018. On July 1, 2018 the Manitowoc Campus joined UW-Green Bay along with Sheboygan and Marinette to become 1 University with 4 campuses, 1 staff, 1 faculty, 1 student body, 1 mission and 1 vision. In Manitowoc, we strive to ensure that both the educational and the physical resources of the University are available to area residents.

Part of the state-wide University of Wisconsin System, UW-Manitowoc is one of the 14 freshman/sophomore campuses of the UW Colleges. The campus land and buildings are owned by Manitowoc County. UW-Manitowoc completed a \$7 million renovation of the library, science and arts areas on campus during 2017-2018.

Accredited by The Higher Learning Commission, UW-Manitowoc offers its students the best of two worlds - the small classes and personal attention of a small college at a low public university cost. UW-Manitowoc, along with the other UW Colleges, offers the lowest tuition rate in the UW System.

### STUDENTS

Students attending UW-Manitowoc are from Manitowoc and surrounding counties. The major feeder high schools include Lincoln, Two Rivers, Valders, Roncalli, Manitowoc Lutheran, Mishicot, Reedsville, Denmark, Kewaunee, Kiel and Luxemburg/Casco.

### COURSES/PROGRAMS

UW-Manitowoc specializes in freshman/sophomore curriculum and transferring is at the heart of its mission. Students can choose from over 200 academic programs, along with an array of co-curricular activities including collegiate athletics. Traditional classroom, distance education and online courses are offered.

UW-Manitowoc offers an Associate of Arts and Science Degree, the foundation to a bachelor's degree and specialized professional and occupational degrees. And now as part of UW-Green Bay, Bachelor's degree completion programs will become available. A variety of certificate programs and emphases are also available to students.

Students can begin their education at UW-Manitowoc and participate in the Guaranteed Transfer Program, which offers students the opportunity to transfer to another UW System school as a junior with the same rights and privileges as those who began their education at the four-year institution. Credits earned at UW-Manitowoc transfer to virtually all public or private universities and colleges.

In addition to the college curriculum offered by UW-Manitowoc, a variety of non-credit courses are available through the Continuing Education program, including online courses in business, healthcare, social media, technology and law. Online certificate programs are also available.

## COMMUNITY

UW-Manitowoc serves community needs for continuing education, cultural events and faculty expertise.

Community collaboration is evident in the performing arts groups at UW-Manitowoc, which are open to community members. Two UW-Manitowoc instrumental musical groups, the Lakeshore Wind Ensemble and the Lakeshore Big Band, perform at the Capitol Civic Centre. Campus and community theater productions are staged throughout the year in UW-Manitowoc's University Theatre. Through a collaboration with the Capitol Civic Centre Community Chorale, UW-Manitowoc students can receive credit for participation in this group. The Founder's Hall Art Gallery hosts several art exhibits throughout the year.

The campus is home for the local UW Sea Grant Office and the Manitowoc Public School District's Next Step UW program. Along with a \$3.15 million-dollar operating budget, UW-Manitowoc provides the local community with a valuable resource that not only addresses the educational needs of the students, but the needs of the community for continuing education, cultural events and expertise in everything from anthropology to zoology.

## 2017-18 HIGHLIGHTS

### **Major renovation project completed in 2018**

Manitowoc County, which owns the campus buildings and land, invested \$7 million to a campus renovation project focusing on the library, science and art areas.

### **Student research highlighted during symposium**

UW-Manitowoc hosted an Undergraduate Research and Creativity Symposium on May 2, 2017, funded through a UW System grant. The community was invited to attend as 60 UW-Manitowoc students presented posters, oral presentations and artwork. The event also included posters created by high school students from Valders, who collaborated with their teachers and UW-Manitowoc faculty on their research.

"UW-Manitowoc has become a leader in offering its freshman and sophomore students opportunities to pursue undergraduate research," said Professor Jessica Van Slooten. "This Symposium further enhances the research experience as students learn to present and explain their findings to others. Engaging students in research early in their college career can lead to many meaningful outcomes."

### **Scholarship grant received for nursing students**

The Adam Steel Family Scholarship Fund of Lakeshore Community Foundation awarded a grant of nearly \$30,000 to the UW-Manitowoc Foundation, Inc. This grant will be used to provide scholarships to students enrolled in nursing, health care, or medical technology programs, with preference being given to nursing students.

Those studying for a Bachelor of Science in Nursing complete their first two years at UW-Manitowoc and then transfer to complete the nursing degree at a four-year program of their choice.

The Adam Steel Family Scholarship Fund was created by a gift from the Joseph and Marion Steel Giedemann estate. The fund is administered by the Lakeshore Community Foundation.

### **Bachelor's Degree in Human Services Leadership offered at UW-Manitowoc**

The College of Education and Human Services at UW Oshkosh will offer Human Services Leadership degree courses at UW-Manitowoc via distance education and face-to-face learning. The HSL degree is both academic and field oriented. Students learn how to work with small businesses, nonprofit organizations, rural hospitals and other entities through unpaid internships.

Field experiences and internships at local agencies allow students to be actively engaged in the community where they live and gain experience for possible local jobs. The local sites benefit by having students work in their business or organization and potentially being able to hire experienced people they have worked with.

### **Lakeshore Water Institute**

In 2014 the Lakeshore Water Institute was created to formalize the collaborative partnership between the University of Wisconsin-Manitowoc and the Lakeshore Natural Resource Partnership (LNRP). The Institute is housed at UW-Manitowoc and serves the lakeshore region as a tool for educating and engaging youth and for developing science-based decisions and leaders at the local government level.

This collaboration is coordinated by LNRP with the community-led Friends of Hika Bay, Friends of the Manitowoc River Watershed, Friends of the Branch River Watershed, Friends of the Twin Rivers (East & West), and the Little Manitowoc River Partnership. The ultimate goal is to cultivate a water ethic and, by doing so, enhance the quality and prosperity of our entire lakeshore region.

### **Professor Abler receives teaching excellence award**

Rebecca Abler, Ph.D., biological sciences professor at UW-Manitowoc, was awarded the 2016 UW Colleges Chancellor's Award for Excellence in Teaching for Faculty.

The award recognizes her excellence in teaching, attention to scholarship, innovation in the classroom and leadership connecting students to service-learning opportunities. UW-Manitowoc is one of the 13 freshman/sophomore campuses of the UW Colleges located across the state.

A member of the UW-Manitowoc faculty since 2005, Abler teaches environmental science and concepts of biology courses. She actively engages students in hands-on undergraduate scientific research in the community for the Lakeshore Water Institute, a collaboration between UW-Manitowoc and the Lakeshore Natural Resource Partnership. Students in her class intensively sample and survey four streams in the area. The students work closely with the non-profit partners and property owners, collect data and present their findings.

## **LAKESHORE TECHNICAL COLLEGE**

Lakeshore Technical College is a not-for-profit, public, two-year post-secondary educational institution focused on occupational education. It is one of 16 two-year post-secondary technical colleges in Wisconsin that operates under the administration of the Wisconsin Technical College System (WTCS). The District is governed by a local nine-member District Board of Trustees (LTC Board) whose representation is determined by state statute.

Located in east central Wisconsin, LTC serves a district which measures approximately 1,200 square miles, covering Manitowoc and Sheboygan counties and small segments of Calumet and Ozaukee counties. The main campus, consisting of six buildings on a 154-acre site, as well as an environmental campus, is in the Village of Cleveland, Wisconsin, centrally located between the District's two primary city centers, Manitowoc and Sheboygan. The College operates two learning centers strategically located in the Sheboygan and Manitowoc County Job Center facilities, as well as the Lakeshore Culinary Institute in the heart of downtown Sheboygan. LTC also runs community education centers in District high schools with a focus on Mishicot, Cedar Grove-Belgium, Oostburg, and Random Lake. Two Rivers, Kiel and Elkhart Lake High schools also host classes. Plymouth High School is home to the Science and Technology Center.

LTC demonstrates a commitment to excellence through its focus on workforce preparation, access and affordability and institutional effectiveness and being responsive to community needs. Partnerships in the community, with businesses and within education, both K-12 and post-secondary, are key to building career ladders and that help keep the economy strong. LTC's accreditation was reaffirmed by the Higher Learning Commission in 2015 for another ten years. Due its history of continuous improvement and practices, the college is now in the Open Pathway track. The mode is unique in that its improvement component, the Quality Initiative, gives institutions the independence to pursue improvement projects that are geared toward their current needs and aspirations.

In 2015 LTC became a member of Achieving the Dream, a national reform network dedicated to helping two-year colleges develop data-driven strategies to close achievement gaps and improve student outcomes. The Implementation Plan developed in spring 2016 focusses on actions to deliver high-impact interventions which will be evaluated for college wide scalability and equity. As a result of the planning these initiatives fall under two priorities: Prepare Students to Succeed and Successful Course Completion.

## STUDENTS

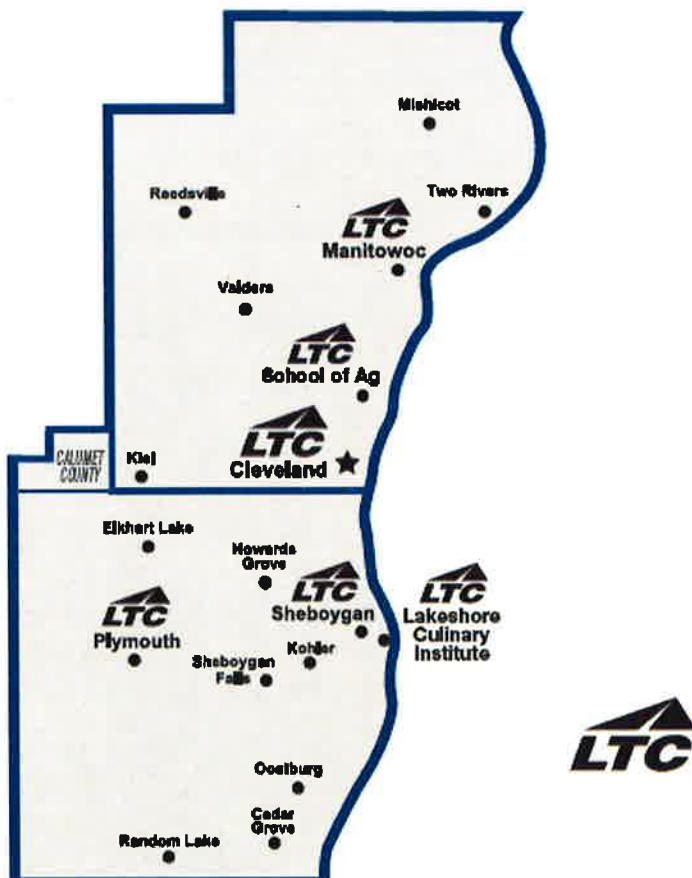
The College's educational offerings include degree and diploma programs, apprenticeships, incumbent worker training, and pre-college instruction. Additional student learning opportunities include internships, clinicals, and participation in student clubs, student life activities, and service learning. LTC also offers career planning, and instructional and student support.

LTC's student base, including degree, continuing education and basic skills students, is the same as the District's demographics, with 73% percent of students over 24 years of age. The median student age for the College changes with the economy, from a median of 27 in 2000-01 to 36 in 2010-11, and back down to 28 in 2015-16. The District's estimated minority population is 12 percent and the LTC student population is also approximately 12%.

Seventy-six percent of the College's student base resides in the District. Flexible learning options allow the College to serve a student population outside the commutable geographic area. Another market segment for the College is prior degree holders.

Collaborative relationships with four-year colleges and universities provide evidence that students are prepared for the rigor of higher education (primarily 4-year) and can pursue educational goals beyond the associate degree. Key initiatives provide venues for LTC to partner with area businesses to ensure employee and employer needs are met.

## FIND LTC THROUGHOUT THE COMMUNITY



## INSTRUCTIONAL PROGRAMS

Thirty-eight associate of applied science degrees, thirty-seven technical diplomas, fifteen embedded pathway certificates, fifty-three technical certificates, and thirteen state-indentured apprenticeships are offered through seven instructional divisions. LTC's programs incorporate industry-leading technologies to reflect the employment needs and provide a base for lifetime learning. Students access these technologies through hands-on learning. To increase student accessibility, programs are shared with other colleges and courses are offered through flexible learning options. Twelve programs hold professional certification or specialized accreditation from eleven entities.

In addition to meeting the needs of District residents through programs and course offerings, LTC offers courses, workshops, and seminars to meet the needs of business and industry. LTC's Workforce Solutions provides customized training to employers to update employee skills and improve workplace performance. In addition, Workforce Solutions provides comprehensive assessment services to assist employers to develop training plans for employees.

Community Education and Pre-College instruction is available through LTC's Manitowoc and Sheboygan County Job Centers and Community Education centers. Community Education focuses on personal and professional growth. Pre-College focuses on academic preparation and includes Adult Basic and Secondary Education (ABE/ASE), English Language Learner (ELL), General Educational Development (GED), and High School Equivalency Diploma (HSED).

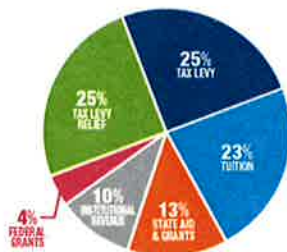
## STRATEGIC PLAN

LTC completed its strategic plan in 2013 through a process that collected input from staff, students, and community members. The outcome is a road map which influences how the College educates and trains a workforce to meet the evolving Lakeshore area employment needs. The College utilizes an integrated planning process that promotes an annual review and a plan, do, check, act cycle. Annuals goals are set and resources are aligned accordingly.

## COMMUNITY

As successful graduates populate the district, all residents enjoy the benefits that LTC offers. LTC trains firefighters, law enforcement professionals, healthcare workers, skilled laborers in the technical trades and business professionals who all make valuable contributions to our communities, the economy and the tax base.

### FUNDING



**\$50,160,000**  
TOTAL 2017-18 REVENUE

**TAXPAYER IMPACT ON  
\$150,000 HOME:  
\$124.32**

## **SILVER LAKE COLLEGE**

### **AT A GLANCE**

- Silver Lake College, 2406 S. Alverno Road, Manitowoc, is a four-year, private, liberal arts college established in 1935. It was founded by and continues to be sponsored by the Franciscan Sisters of Christian Charity. Phone: 920-686-6175.
- Silver Lake College is Manitowoc County's only four-year institution of higher learning.
- Silver Lake College offers the only Bachelor of Science in Nursing program in a large region encompassing south of Green Bay, north of the Greater Milwaukee area and east of Lake Winnebago.
- Robert A. Fale has been named interim president of Silver Lake College starting on May 22, 2017, as Dr. Chris E. Domes, the college's 10th president, transitions to another position out of state.
- Silver Lake College employs 103 people, including 29 full-time faculty members and 74 non-teaching staff. In addition, there are 80 active adjunct faculty members.
- Silver Lake College enrolls approximately 200 full-time, degree-seeking undergraduates annually, including a freshmen cohort averaging 50 students; the college's faculty-to-student ratio is 8:1.
- Accredited by the Higher Learning Commission, Silver Lake College offers 21 undergraduate majors in the fields of education, nursing, art, theology, music, math, business and the sciences.
- The college offers graduate-level degrees in three areas: Master of Arts in Education; Master of Science in Leadership and Organizational Development; and Master of Music in Music Education with a Kodály emphasis.
- Accelerated delivery options are available in graduate and undergraduate programs.
- For more information, please visit [www.sl.edu](http://www.sl.edu) or check out the college's Facebook page.

### **GROWTH, ACCOMPLISHMENTS AND CHANGE**

The college is committed to maintaining and strengthening the quality of its academic programs and facilities, as well as its student environment. Silver Lake College has embarked on a process of transformation to ensure institutional effectiveness and an ongoing commitment to quality improvement. This is reflected in the college's strategic planning process, assessment of resource allocation and a multi-year investment in leadership development at every level.

Silver Lake College's recruitment and retention efforts have been instrumental in the college's growth.

The college attracts traditional and non-traditional students because of its small class sizes, one-on-one attention, value-centered experience, location and affordability.

### **Innovations for future growth**

- Silver Lake College's new nursing wing and four-year BSN program, which both opened in fall 2016, are poised to meet the growing need for nurses in Manitowoc County, as well as statewide and nationally.

The \$1.6 million, 9,300-square-foot nursing wing is a state-of-the-art space that includes classrooms, offices, a student commons area, a conference room, and two cutting-edge simulation labs with high-fidelity medical manikins.

Silver Lake College's new BSN program is attracting high-quality students to the college in pursuit of nursing, recently dubbed "The Hottest Job in Health Care" by the Wall Street Journal.

The country has been experiencing a nursing shortage for quite some time, but as the population ages, the problem is expected to get much worse. With the aging of Baby Boomers — both patients and retiring health-care workers — the job outlook for nurses is expected to continue rising. This is particularly true in Manitowoc County, which has a disproportionate number of residents over the age of 65 compared with the remainder of the state's population.

- Silver Lake College is Wisconsin's first institution of higher education — and the first Catholic college in the United States — to adopt a Work College model called SLC Works. This enables students to gain real-world work experience while they earn a valuable four-year degree. The result is practical on-the-job training, reduced student debt and significant development of professional skills.

This program will draw more students to the college as they look for opportunities to help them find jobs after graduation.

As of fall 2017, all residential students will participate as a condition of enrollment. In exchange for 10 hours of required weekly work, they will receive a tuition credit per academic year to be applied toward their educational costs.

Freshmen and sophomores will be given on-campus positions that help them concentrate on improving their professional soft skills and liberal arts skills, such as communication and critical thinking.

Juniors and seniors will focus on moving up the ranks to supervisory positions on and off campus so they can apply management skills and put into practice what they have learned. Silver Lake College partners with community business and organizations in placing students in off-campus opportunities.

- The Silver Lake College Athletics Department has added women's soccer and women's softball in another move to enhance recruitment, retention and the overall college experience. The college will field eight athletic teams — the most in the school's 82-year history — when the 2017-18 academic year kicks off in August.

Athletics helps draw more students to the college as it gives them an opportunity to earn a college degree without giving up the sports they love.

Students can enjoy the opportunity to compete on one or more of the college's eight athletic teams (men's basketball, women's basketball, men's soccer, women's soccer, men's cross country, women's cross country, women's volleyball and women's softball).

Silver Lake College was approved for full membership in the National Association of Intercollegiate Athletics (NAIA). Silver Lake College also continues to be affiliated with the United States Collegiate Athletic Association (USCAA).

**SINGLE AUDIT  
SECTION**



**ADDITIONAL  
INDEPENDENT AUDITORS' REPORT  
FOR BASIC FINANCIAL STATEMENTS**



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

To the Mayor and City Council  
City of Manitowoc, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Manitowoc, Wisconsin, (the "City") as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 27, 2019.

### **INTERNAL CONTROL OVER FINANCIAL REPORTING**

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

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

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

### **COMPLIANCE AND OTHER MATTERS**

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

**PURPOSE OF THIS REPORT**

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

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

**CliftonLarsonAllen LLP**

Sheboygan, Wisconsin

June 27, 2019

# **FEDERAL AND STATE AWARDS**



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

To the Mayor and City Council  
City of Manitowoc, Wisconsin

### **REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM**

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

#### **MANAGEMENT'S RESPONSIBILITY**

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

#### **AUDITORS' RESPONSIBILITY**

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

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

#### **OPINION ON EACH MAJOR FEDERAL AND STATE PROGRAM**

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

## **OTHER MATTERS**

The results of audit procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and the *State Single Audit Guidelines* and which is described in the accompanying schedule of findings and questioned costs as item 2018-001. Our opinion on each major federal and state program is not modified with respect to this matter.

The City of Manitowoc, Wisconsin's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City of Manitowoc, Wisconsin's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

## **Report on Internal Control Over Compliance**

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2018-001 that we consider to be a significant deficiency.

The City's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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



**CliftonLarsonAllen LLP**

Sheboygan, Wisconsin  
June 27, 2019

# City of Manitowoc, Wisconsin

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

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Grantor Agency/Federal Program Title	CFDA Number	Pass-Through Agency
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>		
Community Development Block Grant - Program Income	14.218	Direct Program
<b>U.S. DEPARTMENT OF JUSTICE</b>		
Bulletproof Vest Partnership Program	16.607	Direct Program
Public Safety Partnership and Community Policing Grant	16.710	Manitowoc County
Total U.S. Department of Justice		
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>		
Federal Transit Cluster		
Federal Transit - Formula Grant	20.507	WI Department of Transportation
Highway Safety Cluster		
National Priority Safety - Mobilization Grants	20.616	WI Department of Transportation
Total U.S. Department of Transportation		
<b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b>		
Great Lakes Program	66.469	Direct Program
Brownfield Assessment and Cleanup Coop Agreement		
EPA Assessment Award	66.818	Direct Program
EPA Revolving Loan Fund	66.818	Direct Program
Total Brownfield Assessment and Cleanup Coop Agreement		
Total U.S. Environmental Protection Agency		
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>		

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

<b>Pass-Through Entity Identifying Number</b>	<b>(Accrued) Deferred Revenue 1/1/18</b>	<b>Cash Received (Refunded)</b>	<b>Accrued (Deferred) Revenue 12/31/18</b>	<b>Total Expenditures</b>	<b>Subrecipient Payment</b>
N/A	\$ -	\$ 83,908	\$ -	\$ 83,908	\$ -
N/A	(5,277)	5,277	872	872	-
Unknown	-	3,511	-	3,511	-
	(5,277)	8,788	872	4,383	-
Unknown	(275,766)	796,034	-	520,268	-
Unknown	-	26,256	-	26,256	16,658
	(275,766)	822,290	-	546,524	16,658
N/A	-	26,659	-	26,659	-
N/A	-	77,181	-	77,181	-
N/A	-	144	-	144	-
	-	77,325	-	77,325	-
	-	103,984	-	103,984	-
	\$ (281,043)	\$ 1,018,970	\$ 872	\$ 738,799	\$ 16,658



# City of Manitowoc, Wisconsin

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

<u>Grantor Agency/State Program Title</u>	<u>State I.D. Number</u>	<u>Pass-Through Agency</u>	<u>State Identifying Number</u>
<b>DEPARTMENT OF NATURAL RESOURCES</b>			
Boating Projects	370.573	Direct Program	N/A
Boating Projects	370.573	Direct Program	N/A
Total Boating Projects			
Total Department of Natural Resources			
<b>DEPARTMENT OF TRANSPORTATION</b>			
Urban Mass Transit Operating Assistance	395.104	Direct Program	N/A
Harbor Assistance	395.128	Direct Program	HAP 17-02
Harbor Assistance	395.128	Lake Michigan Car Ferry	HAP 17-02
Harbor Assistance	395.128	Direct Program	HAP 18-05
Harbor Assistance	395.128	Direct Program	HAP 18-07
Total Harbor Assistance			
Total Department of Transportation			
<b>DEPARTMENT OF HEALTH SERVICES</b>			
EMS-FAP Grant	435.167	Direct Program	N/A
<b>DEPARTMENT OF JUSTICE</b>			
Beat Patrol	455.275	Direct Program	2018-BP-01-12894
<b>TOTAL STATE PROGRAMS</b>			

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

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<b>(Accrued) Deferred Revenue 1/1/18</b>	<b>Cash Received (Refunded)</b>	<b>Accrued (Deferred) Revenue 12/31/18</b>	<b>Total Expenditures</b>	<b>Subrecipient Payment</b>
\$ -	\$ 77,791	\$ 22,501	\$ 100,292	\$ -
-	97,242	-	97,242	-
-	<u>175,033</u>	<u>22,501</u>	<u>197,534</u>	-
-	175,033	22,501	197,534	-
-	<u>251,012</u>	<u>272,970</u>	<u>523,982</u>	-
-	-	1,314,233	1,314,233	-
-	244,787	-	244,787	-
-	-	664,063	664,063	-
-	-	876,041	876,041	-
-	<u>244,787</u>	<u>2,854,337</u>	<u>3,099,124</u>	-
-	495,799	3,127,307	3,623,106	-
-	<u>7,910</u>	-	<u>7,910</u>	-
-	50,925	37,873	88,798	-
<u>\$ -</u>	<u>\$ 729,667</u>	<u>\$ 3,187,681</u>	<u>\$ 3,917,348</u>	<u>\$ -</u>

# City of Manitowoc, Wisconsin

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

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### **NOTE 1: BASIS OF PRESENTATION**

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

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

### **NOTE 2: SIGNIFICANT ACCOUNTING POLICIES**

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

The City has not elected to charge a de minimis rate of 10% of modified total costs.

### **NOTE 3: OVERSIGHT AGENCIES**

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

Federal - U.S. Environmental Protection Agency

State - Wisconsin Department of Transportation

# City of Manitowoc, Wisconsin

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

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### SECTION I - SUMMARY OF AUDITORS' RESULTS

#### BASIC FINANCIAL STATEMENTS

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

#### FEDERAL AND STATE AWARDS

Internal control over major program:	
▶ Material weakness(es) identified?	No
▶ Significant deficiency(ies) identified?	Yes
Type of auditors' report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance?	No
Any audit findings disclosed that are required to be reported in accordance with the <i>State Single Audit Guidelines</i> ?	Yes

#### Identification of major federal programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
	<i>Federal Transit Cluster</i>
20.507	Federal Transit Formula Grants

#### Identification of major state programs:

<u>State ID Number</u>	<u>Name of State Program</u>
395.104	Transit Operating Assistance
395.128	Harbor Assistance Program

Audit threshold used to determine between Type A and Type B programs:	
Federal Awards	\$750,000
State Awards	\$250,000
Auditee qualified as low-risk auditee	Yes

# City of Manitowoc, Wisconsin

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

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### SECTION II - FINANCIAL STATEMENT FINDINGS

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

### SECTION III – FEDERAL AND STATE AWARD FINDINGS AND QUESTIONED COSTS

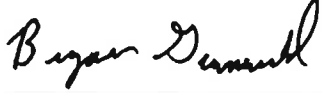
<b>FINDING NO.</b>	<b>STATE SINGLE AUDIT GUIDELINES FINDING</b>
2018-001	<b>Reporting requirements – Transit program</b>
State agency:	Wisconsin Department of Transportation
State program title:	Transit operating aids
State ID number:	395.104
Compliance Requirement:	Reporting
Type of Finding:	Internal control and compliance, Significant Deficiency
Criteria:	The Urban Mass Transit Operating Assistance grants require quarterly financial and statistical reports to be filed with the State of Wisconsin Department of Transportation.
Condition:	During our testing, we noted that the City did not have effective procedures related to preparation and review of the second quarter report and as a result the report was not filed timely.
Questioned Costs:	None
Context:	While performing audit procedures, it was noted that due to staff turnover, the City did not have effective procedures related to preparation and review of the second quarter report and as a result the report was not filed timely.
Cause:	The City's interim transportation manager was unaware of the reporting process requirements and the City did not have effective procedures in place related to preparation and secondary review of the quarterly report.
Effect:	The second quarter report was not filed timely.
Recommendation:	We recommend that the City review the process for preparation and review of the quarterly financial reports and that individuals be cross trained in the event of vacancies or absences in key positions to ensure timely reporting.
Views of responsible officials:	Refer to the management response per the corrective action plan.

# City of Manitowoc, Wisconsin

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

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### SECTION IV - OTHER ISSUES

1. Does the auditor have substantial doubt as to the auditee's ability to continue as a going concern? No
  
2. Does the audit report show audit issues (i.e. material non-compliance, non-material non-compliance, questioned cost, material weakness, significant deficiencies, management letter comment, excess revenue or excess reserve) related to grant/contracts with funding agencies that require audits to be in accordance with the *State Single Audit Guidelines*:
  - Department of Natural Resources No
  - Department of Transportation Yes
  - Department of Health Services No
  - Department of Justice No
  
3. Was a Management Letter or other document conveying audit comments issued as a result of this audit? Yes
  
4. Name and signature of partner   
\_\_\_\_\_  
Bryan Grunewald, CPA
  
5. Date of report June 27, 2019