



CITY OF MADISON

2025

Annual Comprehensive Financial Report (ACFR)

As of and for the Year Ended December 31, 2025

Satya Rhodes-Conway, Mayor

CITY OF MADISON
Madison, Wisconsin

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

As of and for the Year Ended
December 31, 2025

Prepared By:
FINANCE DEPARTMENT STAFF

CITY OF MADISON

ANNUAL COMPREHENSIVE FINANCIAL REPORT As of and for the Year Ended December 31, 2025

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INTRODUCTORY SECTION



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June 24, 2026

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

Finance Department staff is pleased to present the City of Madison's Annual Comprehensive Financial Report as of and for the year ended December 31, 2025.

FORMAL TRANSMITTAL

Legal Requirements

Wisconsin Statutes and the Wisconsin Administrative Code require cities with a population of 25,000 or greater within the state to prepare and publish financial statements fairly presenting financial position and operating results at the close of each fiscal year. The statements must conform to various requirements, including, most notably, generally accepted accounting principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB). Furthermore, an independent firm of licensed certified public accountants must annually audit the statements (see Independent Audit below). Pursuant to these requirements, the Annual Comprehensive Financial Report of the City of Madison as of and for the year ended December 31, 2025, is hereby submitted.

Assumption of Responsibility

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

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

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

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

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

Internal Controls

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

Specifically, these controls are designed to ensure that:

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

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

Budgetary Controls

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

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

Independent Audits

As mentioned above, state law requires the City's financial records to be audited annually by independent, licensed certified public accountants. The City of Madison has retained Baker Tilly US, LLP to perform its annual audits. Baker Tilly US, LLP concluded, based upon its audit procedures, that the City's annual financial report for the fiscal year ended December 31, 2025, was fairly presented in accordance with GAAP. The auditor's opinion is included in the financial section of this report.

PROFILE OF GOVERNMENT

Demographic Profile

The City of Madison, with a population as of October 2025 at 296,147, is the second largest city in Wisconsin. It is located approximately 150 miles northwest of Chicago and 75 miles west of Milwaukee. Besides being the state capital, Madison is also the county seat of Dane County.

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

Form of Government

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

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

Financial Statements-Functions/Programs Classifications

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

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

Component Units

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

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

Budget

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

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

ECONOMIC CONDITION

Local Economy

As of December 31, 2025, the City's unemployment rate was 2.4%, below the state and below national rates of 3.0% and 4.1%, respectively. Per capita and median income tracked well above the state average, despite the high student population, indicating the area's quality of available jobs. Locally assessed real estate increased by 9.1% between 2024 and 2025.

Long-Term Financial Planning

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

In its rating letter, Moody's noted the City's outlook is stable, due to ongoing economic growth and healthy financial reserves. Additionally, the City benefits from a significant institutional presence derived from its status as the state capital and site of the University of Wisconsin's flagship campus, and Moody's believes the City will experience continued financial stability.

The City's debt profile is expected to remain manageable with 92.5% of its outstanding general obligation debt scheduled to retire within ten years.

Relevant Financial Policies

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

Major Initiatives

General government	The City Assessor continues to build and refine the data and valuation technology available in their new software platform as of January 1, 2026, ahead of the original migration schedule. The data conversion and valuation components of the system are being refined with a high level of confidence in outcomes. The software contract is now considered maintenance and is hosted in the Assessor Operating Budget. Additionally, Treasury has implemented business license software for improved tracking and reporting of room tax collections City-wide. The module is in use and the first online reporting and payments will begin in April 2026.
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Public safety

Public Health of Madison and Dane County (PHMDC) is a local health joint venture that serves over 590,000 people in more than 60 cities, villages, and towns throughout Dane County. Their mission is to work with the community to enhance, protect, and promote the health of the environment and the well-being of residents.

During 2025, PHMDC received more than \$7.5 million in state and federal grant funding. This included \$1.3 million from the US Department of Treasury for continued COVID-19 recovery efforts, \$3.8 million from the U.S. Department of Health, \$2.0 million from the U.S. Department of Agriculture, and the remaining funding was from the State of Wisconsin. These funds are used to address distinct public health focuses, Community Health Initiatives, Health Services, and Environmental Health Services.

PHMDC continued to build and maintain strong community relationships and engage with communities to better meet their needs. This was accomplished by working with partners to improve vaccine access for families by offering vaccines in convenient locations, including free vaccines at schools in the fall, which resulted in 2,378 total vaccines provided to hundreds of kids. PHMDC also ensured the safety of donated food with the Madison Food Policy Council, worked with the Ho-Chunk Nation to improve communicable disease follow-up, hosted StoryCamp 2025 and follow-up camps, focused on strategic storytelling for healthier moms and babies in Dane County, and built community bridges at 175 community events.

PHMDC also improved and expanded existing programs and services in 2025. The nurse home visiting program is now able to support families longer. Six nurses served 286 families up from 271 in 2024. This program received about 30 referrals every month and maintains a long waitlist. PHMDC also offered pain management for IUD insertions as an expansion to sexual and reproductive health services. In its inaugural year, there were 235 appointments for this service. Also, as PHMDC improved and expanded their intervention and outreach to better support communities experiencing violence, 79 violence-related incidents were reviewed and more than half led to additional outreach and follow-up.

Using data to drive action was major focus of PHMDC during 2025. A new mosquito dashboard, launched and updated weekly, shows mosquito testing and treatment data for various public land sites. An updated report on drug overdoses in Dane County was completed, which includes trends in overdose-related deaths, the drugs involved in overdoses, demographics of people affected, and more. Three additional reports were also completed to help guide future work, “The Pandemic's Impact on Food Insecurity in Dane County”, the “Infant Health Data Snapshot”, and “Dane County Maternal and Infant Health Data Book”.

PHMDC continues to center equity in their work, whether it's providing free or low-cost health services, sharing life-saving information, or simply showing up to listen and support the community. Some of these initiatives included elevating the voices of moms to inform the State Health Department's Plan; making sure everyone can access, use, and benefit from the PHMDC website; and collaborating to help new food business owners succeed. This extends to preparing for outbreaks and emergencies. This year, PHMDC practiced the response to future flooding incidents, prepared for possible measles cases, and supported community members in a manufactured home park to plan for a storm shelter.

Public works
and transportation

The services PHMDC provides would not be possible without the continued acquisition of grant funds. Pre-pandemic, PHMDC managed approximately \$2.5 million of grant funding annually; mid-pandemic that amount jumped to an average of \$6.6 million; and currently, PHMDC is managing approximately \$7.5 million. This funding is essential for the enhancement, protection, and promotion of environment health and the well-being of Dane County residents.

In 2025, Metro calculated ridership at about 95% of 2019 levels, which was about a 25% increase over 2024. This exceeds national rates, which are only about 80% of 2019 levels. Also, after years of operating its own limited bus service, the City of Monona signed an agreement with the City of Madison to fund bus service in Monona. The Route 38 extended into Monona in March 2025. Previously, the City of Verona had been served by peak-only service, and in August 2025, Madison began funding an extension of Route D to provide all-day service terminating at the Epic Campus. Finally, in June 2025, Metro buses began accepting tap-to-pay with credit card or phone at the front and back door to facilitate ease of ridership.

City Engineering reconstructed 1.9 miles and resurfaced 1.8 miles of streets this year. Seal coating was completed on approximately 63 miles of city-owned roads, and about 20 miles of roads were crack sealed. The City of Madison Streets Program is rated every two years using the Pavement Surface Evaluation and Rating (PASER) system developed by the University of Wisconsin. By the close of the fiscal year, about 80.5% of the City's 840 miles of streets were rated 6 or higher (out of 10), ranging from good to excellent for pavement conditions.

Approximately 2.3 miles of new bike lanes and bike paths were constructed in 2025. The West Towne Path was extended from High Point Rd to Zor Shrine Place, and a multi-use path was constructed along Badger and Rusk roads, as well as one block of North Shore Drive.

The Stormwater Utility continued making progress towards its total suspended solids (TSS) and total phosphorus (TP) reduction goals during the year in addition to continuing with flood management objectives. Land acquisition for a large regional pond is anticipated in 2026 and will be programmed for construction in the next 5 years. West Towne Pond is also planned to be revamped in 2026-2027, which will provide significant flood mitigation as well as water quality improvements. The Old Sauk Trails area received FEMA funding for a flood mitigation project, which was kicked-off in late 2024 and will continue through Q2 of 2026. Total phosphorus reductions necessary to meet the citywide Rock River - Total Maximum Daily Load (TMDL) mandate continued to be addressed by the Utility's participation in the YAHARA WINS Adaptive Management Program. All of the 22 watershed studies have either started or are completed and it's anticipated that all but one large study area will be completed in 2026.

During 2025, the Sanitary Sewer Utility bid out over 15,392 feet of sanitary sewer mains for cured-in-place pipe (CIP) sewer lining. Overall, 32,538 feet of CIP sewer lining sanitary sewer was installed in 2025, which includes lining bid in 2024. This is the least costly and disruptive method to improve the service life of pipe, while increasing capacity and reducing treatment costs. The Sewer Utility replaces sewer mains and laterals based upon their age and/or condition. In 2025, just over 12,264 feet of sewer main was bid out for replacement, with the highlighted projects being North Franklin Avenue and Lynn Terrace Assessment District, Evergreen and Ohio Avenues, and Sommers Avenue Assessment District.

Planning
and development

The Lake Street Garage was demolished in 2024 as part of the State Street Campus Garage redevelopment project. The construction of the parking structure was completed in 2025 as the private development segment was the planned focus of 2025, and the project moved according to the initial plan. The new garage portion (with student-focused housing) of the development is on track to open in the summer of 2026 with the Inter-City Bus Terminal expected to open in Fall of 2026.

To provide alternative payment options, the Parking Division introduced a Tap to Pay & App Payment options for the parking garages, which provided customers with an alternative to cash or physical credit card payment methods.

Culture and recreation

The Parks Division works to enhance quality of life for residents and visitors through its system of parks and recreational programming. In 2025, the Parks Division saw continued growth in both park usage and programming. A total of 295 permits were issued for special events, an 8% increase over last year, and reservations for athletic fields and courts increased 21%. For the second year in a row, admissions at Goodman Pool topped 42,000. The Parks Alive program, now in its fourth year, hosted 32 events at 11 parks in NRT neighborhoods. Olbrich Botanical Gardens saw a new record number of attendees, with a 6% increase over last year's record attendance. The Glen Golf Park hosted 35 community events, welcoming golfers and non-golfers alike to the golf park for live music, cultural events, and wellness classes. Additionally, golf enthusiasts enjoyed a record-breaking 167,056 rounds across the Golf Program's four golf courses. Working with the guidance of Parks Division staff, volunteers recorded over 32,000 hours in service, contributing to a wide range of events in general parks and at Olbrich.

Parks Operations made significant strides in land stewardship, including restoring woodlands, improving managed meadows, and using mechanical methods of invasive species management. The acres of land maintained as managed meadows increased by 5% over last year. Over 440 acres of land were treated with prescribed burns and over 50 acres were grazed by goats, effectively managing invasive species and fostering the growth of native vegetation. Additionally, over 400 trees were planted across 47 different parks.

The Parks Division continues to grow and improve its amenities in response to growing demand for outdoor and natural spaces in a growing city. In 2025, Parks acquired 30 acres of new parkland. Three newly constructed large shelters opened in 2025 at Country Grove Park, Door Creek Park, and Tenney Park, and three new sun shelters opened at Kestrel Park, North Star Park, and Sycamore Park. At Rennebohm Park, the highly-anticipated new sprayground opened and tennis courts were rebuilt. Parks also shepherded large future investments in the park system, including construction of the Warner Park Community Recreation Center expansion and public engagement and design for the Madison LakeWay project, along the Lake Monona Shoreline.

Madison Public Library and Madison Parks are following the progress of construction at the Imagination Center at Reindahl Park. While the park is the site of a former Parks pavilion, this is the first library added to the Madison Public Library system since the Alicia Ashman Library in 2000. The Reindahl Park Library and Reindahl Park Pavillon are scheduled to open at the end of September 2026. This is a landmark partnership between City agencies and the opening of the Imagination Center is eagerly anticipated. Construction is on schedule at this time.

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Madison's Annual Comprehensive Financial Report prepared for the fiscal year ended December 31, 2024. A facsimile of the certificate is included on page 9. This was the seventeenth year the City received this prestigious award. In order to be awarded a Certificate of Achievement the City was required to publish an easily readable and efficiently organized Annual Comprehensive Financial Report satisfying both GAAP and applicable legal requirements.

A Certificate of Achievement is valid annually. The City believes that its current Annual Comprehensive Financial Report meets the Certificate of Achievement Program's requirements and looks forward to submitting this 2025 Annual Comprehensive Financial Report to the GFOA to determine its eligibility for award.

The issuing of this report on a timely basis is due to the hard work and dedication of the Accounting Services staff of the Finance Department. The 2025 Annual Comprehensive Financial Report was electronically produced in its entirety by accountants within our department.

Respectfully submitted,



David Schmiedicke
Finance Director



Randy Whitehead, CPA
Assistant Finance Director – Accounting Services

City of Madison-Mission

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

Our Values

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



Government Finance Officers Association

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

Presented to

**City of Madison
Wisconsin**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2024

Christopher P. Morrill

Executive Director/CEO

CITY OF MADISON

LIST OF PRINCIPAL OFFICIALS

MEMBERS OF THE COMMON COUNCIL

Name

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

ELECTED OFFICIALS

Satya Rhodes-Conway	Mayor
Daniel P. Koval	Municipal Judge

CITY STAFF ISSUING REPORT

David P. Schmiedicke	Finance Director/City Treasurer
Randy Whitehead	Assistant Finance Director - Accounting Services

CITY OF MADISON

LIST OF PRINCIPAL OFFICIALS

NONELECTED OFFICIALS

Mayoral Assistants

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

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

Common Council

Karen Kapusta-Pofahl, PhD, MPA

Chief of Staff

Michelle Drea
Michael Haas
Lydia McComas
David Schmiedicke
Norman Davis
Arlyn Gonzalez
Chris Carbon
Erin Hillson
Sarah Edgerton
Tana Elias
Connie Thompson
John Patterson
Janel Heinrich
Jim Wolfe
Rachel Darken
Eric Knepp
Charles Romines
Yang Tao
Stefanie Cox
Jamie Acton
Krishna Kumar
Matt Wachter

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

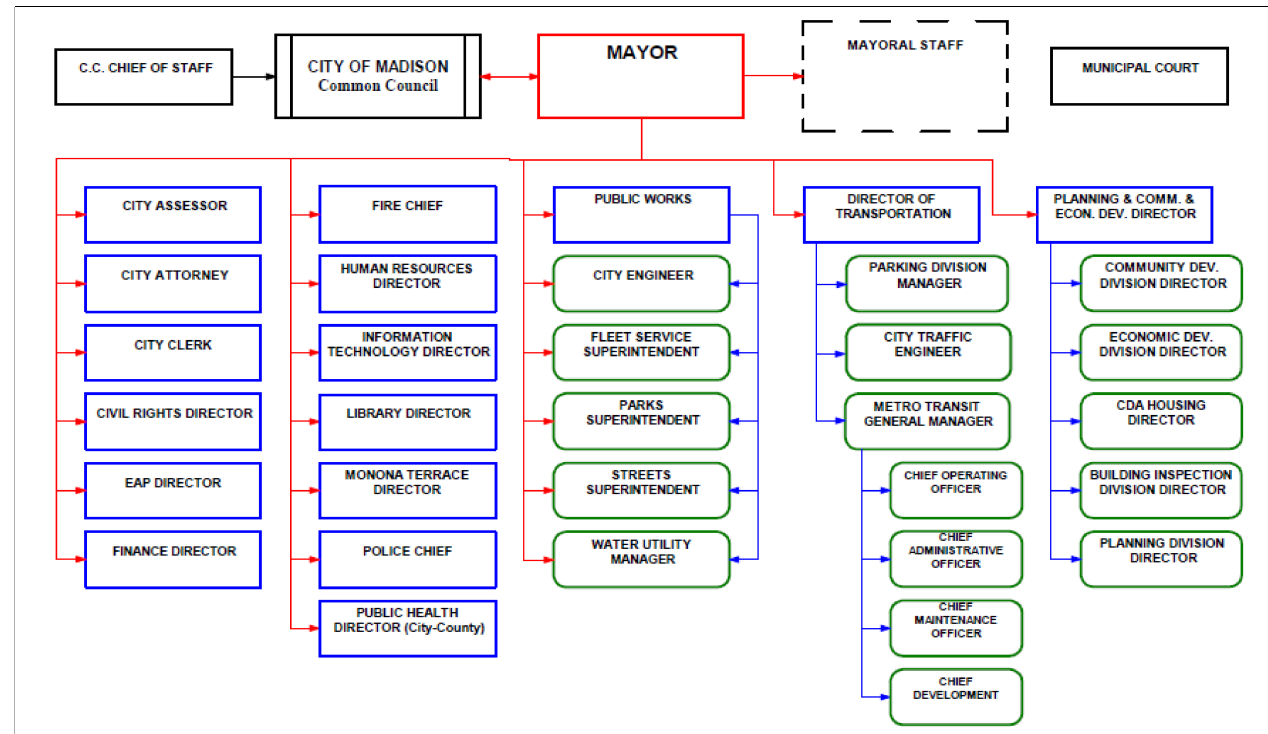
James O'Keefe

Matthew Mikolajewski

Chad Ruppel
Matt Tucker
Meagan Tuttle
Christof Spielers

CITY OF MADISON

ORGANIZATION OF CITY OF MADISON GOVERNMENT



FINANCIAL SECTION

Independent Auditors' Report

To the City Council of the
City of Madison

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Madison, Wisconsin, (the City), as of and for the year ended December 31, 2025 and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City as of December 31, 2025 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Library Foundation, Madison Parks Foundation, Olbrich Society and Foundation, the limited liability corporations (LLCs) presented as component units of the Community Development Authority of the City of Madison (CDA), Village on Park and MR CDC presented as major funds of the CDA and Monona Shores and CDA 95-1 presented as nonmajor funds of the CDA, which represent 83 percent, 75 percent and 38 percent, respectively, of the assets, net position and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors, whose reports have been furnished to us and our opinions, insofar as it relates to the amounts included for the Library Foundation, Madison Parks Foundation, Olbrich Society and Foundation, the LLCs presented as component units of the CDA, Village on Park and MR CDC presented as major funds of the CDA and Monona Shores and CDA 95-1 presented as nonmajor funds of the CDA are based solely on the reports of the other auditors.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note V.K to the financial statements, the City is reporting an accounting change due to decreased activity in the Other Grants Fund. As a result, beginning fund balance has been adjusted. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2026 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Baker Tilly US, LLP

Madison, Wisconsin
June 24, 2026

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

This discussion and analysis of the City of Madison's financial performance is intended to provide a narrative overview and analysis of the City's operational activities for the fiscal year ended December 31, 2025, with comparative data for the fiscal year ended December 31, 2024. This section is designed to assist the reader in focusing on significant financial issues, and to identify changes in the City's financial position including adopted budget plans. Please consider it in conjunction with the City's financial statements that follow.

FINANCIAL HIGHLIGHTS

- With total assets just under \$3.8 billion, and total liabilities of more than \$1.2 billion, deferred inflows of resources of almost \$526.6 million, and deferred outflows of resources over \$195.1 million, the total net position of the City of Madison increased by over \$109.4 million from the previous year to just over \$2.2 billion. Of this amount, over \$1.7 billion represented the City's net investment in capital assets, most of which do not generate revenues for their use or sale and were computed less unamortized premium and discount of just under \$65.2 million for 2025. Just under \$230.0 million was held for restricted purposes with nearly \$224.3 million as unrestricted net position. The unrestricted net position is generally used to meet the City's ongoing obligations to residents and creditors. Noteworthy, the net pension liability of more than \$27.7 million from 2024 was valued as a net pension liability of nearly \$30.8 million at year end, or an increase of nearly \$3.1 million. Pension related deferred outflows of resources totaled more than \$90.4 million more than the pension related deferred inflows of resources. Restricting amounts for debt service, impact fees, other grants, other restricted special revenue funds, and tax incremental district (TID) activities, largely increased the unrestricted net position when compared to the prior year. The unrestricted net position for both governmental and business-type activities remained positive at year end.
- The primary government reported a little under \$394.5 million in program revenues to cover approximately \$764.3 million in expenses with the remaining general revenues of taxes, intergovernmental revenues not restricted to specific programs, investment income, and other miscellaneous sources offsetting the difference of just over \$479.2 million, resulting in a surplus of approximately \$109.4 million.
- As of December 31, 2025, the governmental funds reported combined ending fund balances of more than \$452.8 million. This amount is broken down as follows: just over \$127.4 million of this balance is available for spending at the council's discretion (unassigned fund balance), at the end of the year management assigned and committed over \$47.9 million for specific purposes with approximately \$270.0 million restricted due to external constraints or regulations defining specific uses such as grants, state statutes, and tax-exempt financing. The nonspendable fund balance includes inventories, prepaid items, and trust activities which totaled over \$7.3 million at year end. The nonspendable fund balance is legally or contractually required to be intact and not expected to be easily converted to cash.

At the end of the fiscal year, nearly \$128.5 million of unassigned fund balance remained within the general fund or approximately 30.0% of the adopted 2026 general fund expenditures, which is above the City's stated target ratio of 15.0%.

The primary reason for the increase in unassigned fund balance was a result of adding more than \$18.3 million more in revenues when compared to expenditures during the fiscal year. The unassigned fund balance was slightly decreased by the following: an increase in assigned fund balance of around \$400,000 at year end due to increases in the premium stabilization fund for the life insurance and disability benefit programs of about the same amount, an increase of fund balance application of \$1.4 million for the 2026 Adopted Operating Budget, and a decrease of \$1.0 million in the assignment of a CDD endowment grant. During the year, employees largely used or were paid out vacation balances to return to pre-COVID-19 policy directives of carrying forward only two weeks into a subsequent fiscal period.

- In order to recover from the negative public health and economic impacts caused by the COVID-19 pandemic, the City of Madison was awarded multiple grants. The City was awarded \$47.2 million of federal funding by the United States Treasury through the Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) component of the American Rescue Plan (ARP) Act of 2021. The City adopted a plan to use these funds to address critical community issues, support an equitable recovery, and continue to provide government services. Approximately \$22.8 million was allocated to community investments in five priority areas: violence prevention and youth engagement, homelessness support, affordable housing, neighborhood and small business revitalization, and emerging needs. The remaining \$24.4 million of CSLFRF funding was planned to address deficits in the operating budgets due to pandemic-related revenue losses. Since 2021, the City has amended the original plan to expedite spending down the awards, minimizing the risk of potential efforts to “claw back” unspent monies, and meeting the U.S. Treasury deadlines to fully obligate funds by December 31, 2024. As of December 31, 2025, fifteen community investment projects were completed, and there is only one remaining project, which will be complete during the second quarter of 2026. A total of \$15.5 million was expended on these projects. The remaining \$31.7 million of CSLFRF funding was used to address deficits in operating budgets due to pandemic-related revenue losses.

Further, the City of Madison was awarded a \$4.3 million COVID-19 Coronavirus Capital Projects Fund - Wisconsin Flexible Facilities Program grant, which is being used to develop the Imagination Center at Reindahl Park, a multifunctional, indoor-outdoor library, parks pavilion, and community space that will be the first-ever library facility within a Madison park. Authorized by the Consolidated Appropriations Act, 2021 and the American Rescue Plan Act of 2021, the United States Treasury created the Emergency Rental Assistance Programs (ERA1 and ERA2), which made funding available to assist households unable to pay rent or utilities. The City of Madison was awarded a total of \$89.0 million through these programs, which were active through September 30, 2025. At project closeout, \$87.8 million was distributed to the community. Also, since 2021, the United States Department of Transportation has awarded the City of Madison a combined \$108.5 million of COVID 19 Federal Transit funding through the Coronavirus Aid, Relief, and Economic Security (CARES) Act, the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act, and the American Rescue Plan (ARP) Act.

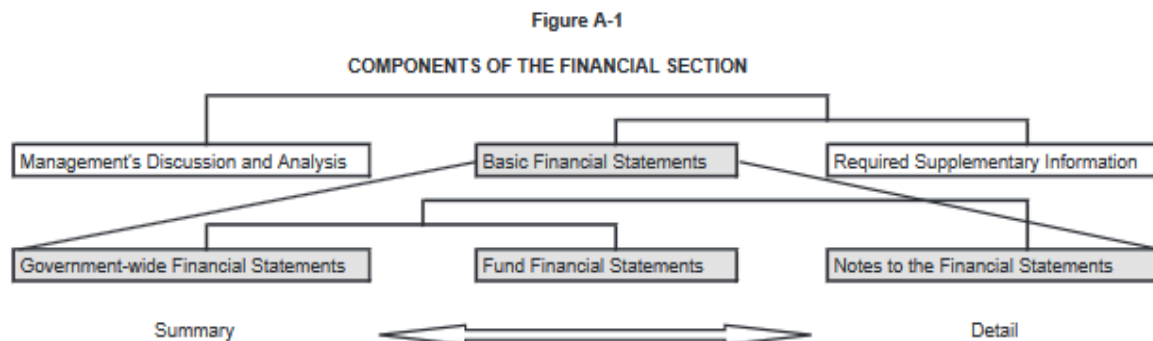
- The room tax fund transferred over \$7.0 million to the general fund in 2025. In 2022, we returned to normal operations, with at least 70.0% being held in the room tax fund for expenditures at direction of the City’s Room Tax Commission; the remaining 30.0% can be transferred to the general fund to be used for general purposes by the City.
- Intergovernmental revenues increased from the prior year by about \$4.1 million, largely due to an increase of approximately \$3.2 million in Personal Property Aid payments to replace lost personal property tax revenue per 2023 Wisconsin Act 12.

- Additionally, general fund licenses and permits were almost \$1.0 million above budgeted amounts during the year, but about \$68,000 less than the prior year. Occupancy permit revenues increased by \$163,000 during the year, this was offset by a decrease of \$153,000 in building permits and \$33,000 in liquor licenses.
- Further, fines and forfeitures were above budget by more than \$500,000 but decreased by just over \$135,000 from 2024. This was mainly due to uniform citations decreasing by \$675,000, but was offset by an increase in parking violations of approximately \$546,000.
- Public charges for services were above budget by more than \$4.0 million and increased by more than \$4.6 million from 2024. There was a significant increase in ambulance revenues of almost \$5.0 million, which included over \$2.6 million in additional Medicaid funding through the State from the Ground Emergency Medical Transport (GEMT) program.
- Investment income was higher than the final 2025 adopted budget by more than \$9.5 million and was down by nearly \$1.9 million when compared to fiscal year 2024. Investment income revenues include any to-market adjustments for the City's investment portfolio, and life insurance reserves at year end, which when computed, totaled a gain of over \$6.6 million. Interest rates were fairly consistent between 3.8% and 4.5% throughout 2025. These rates are about half a percent lower than they were in 2024.
- Outstanding General Obligation bonds and notes as of December 31, 2025, totaled nearly \$691.1 million (excluding the joint venture), with approximately \$588.6 million related to governmental activities. Business-type activities closed the year with just under \$260.9 million in revenue bonds and general obligation debt.
- At December 31, 2025, the City reported a liability of nearly \$30.8 million, for its proportionate share of the Wisconsin Retirement System's net pension liability. The net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023, rolled forward to December 31, 2024. Net differences between projected and actual earnings on pension plan investments largely contributed to a roughly \$3.1 million increase in the net liability at year end.
- Other post-employment benefits accrued liability for the primary government was just over \$95.8 million at year-end; an increase of approximately 13.8%, or about \$11.6 million when compared to the prior year. The obligation was based on an actuarial valuation as of January 1, 2025, rolled forward to December 31, 2025. Approximately 69.0% or about \$66.1 million was related to an implicit rate subsidy associated with allowing current and projected future retirees to purchase health insurance at the same blended premium rate as active employees. The explicit rate subsidy, or the difference between the amounts required by the retiree based on the blended premium rate, and the actual cash contributed by the city, was nearly \$29.7 million or roughly 31.0% for 2025.
- The City of Madison achieved its Aaa bond rating from the Moody's Investors Service. City management staff have maintained this Aaa bond rating annually since 1973, or for the past 52 years.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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



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

Further explanation of the basic financial statement sections follows:

Government-Wide Financial Statements

The two *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances in a manner similar to private-sector business entities. The government-wide financial statements can be found on pages 43 through 46 of this report.

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

For the City of Madison, the primary deferred outflows of resources are for unamortized loss on advance refunding, pension related, and other post-employment benefits related amounts, with deferred inflows of resources mostly for property taxes/assessments levied in 2025, but will not be collected until 2026,

for pension related, other post-employment benefits amounts, unamortized gain on refunding, and for lease related amounts.

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

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

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

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

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

The discretely presented component units are; the Community Development Authority (CDA) of the City of Madison which includes as component units, Allied Drive Redevelopment, LLC; Truax Park Redevelopment, Phase I, LLC; Truax Park Redevelopment Phase 2, LLC; and Burr Oaks Senior Housing, LLC; the Business Improvement District (BID); the Olbrich Botanical Society and Olbrich Botanical Society Foundation (OBS and OBSF); and the Madison Public Library Foundation, Inc. (MPLF); and the Madison Parks Foundation (MPF). These entities are described in Note IV-J page 130 following the financial statements.

Fund Financial Statements

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

The City of Madison, like other governmental entities, uses fund accounting to ensure and demonstrate compliance with various finance related legal requirements. All of the funds of the City of Madison can be divided into three categories: *governmental funds*, *proprietary funds*, and *custodial funds*.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. The governmental fund financial statements can be found beginning on page 47 of this report.

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

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

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

Data from the other governmental funds are combined into a single, aggregated presentation. Disaggregated fund data for these other four governmental funds is provided in the form of combining statements in the supplementary information section beginning on page 200.

Proprietary Funds maintained by the City of Madison are of two different types: *enterprise funds* and *internal service funds* that generally report on services for which the City charges customers a fee. *Enterprise funds* are used to report those functions presented as business-type activities in the government-wide financial statements. The *proprietary fund financial statements* can be found beginning on page 55 of this report.

The City's fund financial statements present separate major enterprise fund information for the Water Utility, Sewer Utility, Stormwater Utility, and Transit Utility. The Parking Utility, Convention Center and Golf operations are presented as nonmajor Enterprise Funds beginning on page 208.

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

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

These are presented separately in the combining statement of net position internal service funds presentation beginning on page 213 and are included with other governmental activities in the government-wide financial statements.

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

The accounting for these funds is similar to that used for proprietary funds. The City of Madison uses custodial funds to account for taxes collected for the benefit of overlapping tax jurisdictions and investments made on behalf of the local school district. City staff also serve as the fiscal agent to account

for the Board of Education, Board of Health, and the Metropolitan Unified Fiber Network Consortium operations. The fiduciary custodial funds financial statements can be found beginning on page 65 of this report.

Notes to the Financial Statements

The notes to the financial statements provide additional details that are essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 70 of this report.

Supplementary and Statistical Information

Compliance with the City's annual operating budget for the year ended December 31, 2025, is reported as required supplementary information in the *Schedule of Revenues and Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP) - General Fund, and Library Fund*, which begins on page 188.

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

The supplementary information on pages 198-227 includes combining statements for the nonmajor governmental, nonmajor enterprise, internal service, custodial and component unit funds, schedules of revenues and expenditures and changes in fund balances-budget and actual for all governmental funds for which a budget has been adopted, the sewer remediation revenue bond covenant analysis, and capital projects schedules.

The statistical section beginning on page 228 presents various classes of detailed information as a context for understanding the City's overall financial condition as presented in the financial statements, notes to the financial statements and required supplementary information.

GOVERNMENT-WIDE FINANCIAL STATEMENTS ANALYSIS

Statement of Net Position

The City of Madison's statement of net position at December 31, 2025, and 2024, are summarized in the table below.

The change in net position improved by over \$109.4 million during the year, to a little more than \$2.2 billion by the close of the year, or up about 5.2% of that of the prior year.

The upward change in net position is mostly attributable to the city generating approximately \$394.5 million in program revenues, recognizing over \$479.2 million in total general revenues and transfers to support expenses that increased by just over \$63.1 million from the prior year, to approximately \$764.3 million.

Additionally, the primary government investments in capital assets such as land, infrastructure, and plant in service capitalized for both the governmental and business-type activities. The net investment in capital assets comprises the majority, or roughly 79.4% of the primary government's total net position.

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

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Assets:						
Current and Other Assets	\$ 1,016,146	\$ 934,880	\$ 199,324	\$ 209,712	\$ 1,215,470	\$ 1,144,592
Capital Assets (net)	1,307,048	1,260,558	1,275,832	1,241,910	2,582,880	2,502,468
Total Assets	\$ 2,323,194	\$ 2,195,438	\$ 1,475,156	\$ 1,451,622	\$ 3,798,350	\$ 3,647,060
Deferred Outflows of Resources	\$ 158,966	\$ 212,906	\$ 36,162	\$ 46,925	\$ 195,128	\$ 259,831
Liabilities:						
Current Liabilities	\$ 91,090	\$ 108,010	\$ 48,873	\$ 56,161	\$ 139,963	\$ 164,171
Noncurrent Liabilities	809,153	746,396	313,871	330,961	1,123,024	1,077,357
Total Liabilities	\$ 900,243	\$ 854,406	\$ 362,744	\$ 387,122	\$ 1,262,987	\$ 1,241,528
Deferred Inflows of Resources	\$ 487,716	\$ 520,276	\$ 38,863	\$ 50,605	\$ 526,579	\$ 570,881
Net Position:						
Net investment in capital assets	\$ 813,982	\$ 807,221	\$ 998,677	\$ 951,423	\$ 1,749,660	\$ 1,699,245
Restricted	203,049	164,102	26,912	27,440	229,961	191,542
Unrestricted	77,170	62,339	84,122	81,957	224,291	203,695
Total Net Position	\$ 1,094,201	\$ 1,033,662	\$ 1,109,711	\$ 1,060,820	\$ 2,203,912	\$ 2,094,482
Total Net Position as a % of Total Liabilities and Deferred Inflows of Resources	79%	75%	276%	242%	123%	116%
Unrestricted Net Position as a % of Total Liabilities and Deferred Inflows of Resources	6%	5%	21%	19%	13%	11%

The net position table displayed above includes an adjustment for capital assets owned by the business-type activities column but financed by the debt of the governmental activities' column. The amount is a reduction of "net investment in capital assets" and an increase in "unrestricted" net position, shown only in the total column. Approximately 10.4% or \$230.0 million of the primary government's total net position represents resources that are subject to other restrictions as to how they may be used either by external groups, such as contributors, or due to laws or regulations of other governments or grantors as a result of legal limitations established through constitutional provisions or enabling legislation. The year concluded with the primary government's total unrestricted net position at approximately \$224.3 million. It is important to note that over \$84.1 million in the unrestricted net position is related to the City's business-type activities. Consequently, they generally may not be used to fund governmental activities. Additionally, total net position accounted for 123.0% of total liabilities and deferred inflows at the end of 2025, for both governmental and business-type activities. However, unrestricted net position was at approximately 6.0% of total liabilities and deferred inflows for governmental activities. The same measure was 21.0% for business-type activities and totaled 13.0% in the aggregate for the primary government.

Statement of Activities

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

City of Madison Summary Statement of Activities (in thousands)						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues:						
Charges for services	\$ 74,692	\$ 64,578	\$ 181,214	\$ 173,068	\$ 255,906	\$ 237,646
Operating grants and contributions	44,350	55,520	39,490	41,202	83,840	96,722
Capital grants and contributions	32,357	119,808	22,391	57,338	54,748	177,146
General revenues:						
Property Taxes	361,983	329,302	-	-	361,983	329,302
Intergovernmental revenues not restricted to specific programs	36,621	31,493	-	-	36,621	31,493
Investment income	31,099	31,841	6,794	6,209	37,893	38,050
Other	28,957	28,469	13,782	8,507	42,739	36,976
Total revenues	<u>\$ 610,059</u>	<u>\$ 661,011</u>	<u>\$ 263,671</u>	<u>\$ 286,324</u>	<u>\$ 873,730</u>	<u>\$ 947,335</u>
Expenses:						
General government	\$ 54,908	\$ 57,194	\$ -	\$ -	\$ 54,908	\$ 57,194
Public safety	199,012	174,496	-	-	199,012	174,496
Public works and transportation	112,547	90,093	-	-	112,547	90,093
Planning and development	80,155	94,787	-	-	80,155	94,787
Culture and recreation	53,348	48,036	-	-	53,348	48,036
Interest and fiscal charges	16,473	14,236	-	-	16,473	14,236
Water	-	-	34,887	30,418	34,887	30,418
Sewer	-	-	54,168	52,986	54,168	52,986
Stormwater	-	-	19,759	18,969	19,759	18,969
Parking	-	-	17,651	15,707	17,651	15,707
Transit	-	-	103,416	87,335	103,416	87,335
Convention Center	-	-	13,079	13,086	13,079	13,086
Golf courses	-	-	4,897	3,853	4,897	3,853
Total expenses	<u>\$ 516,443</u>	<u>\$ 478,842</u>	<u>\$ 247,857</u>	<u>\$ 222,354</u>	<u>\$ 764,300</u>	<u>\$ 701,196</u>
Excess before transfers	93,616	182,169	15,814	63,970	109,430	246,139
Transfers	<u>(33,077)</u>	<u>(195,831)</u>	<u>33,077</u>	<u>195,831</u>	<u>-</u>	<u>-</u>
Change in net position	60,539	(13,662)	48,891	259,801	109,430	246,139
Net position, beginning of year	<u>1,033,662</u>	<u>1,047,324</u>	<u>1,060,820</u>	<u>801,019</u>	<u>2,094,482</u>	<u>1,848,343</u>
Net position, end of year	<u>\$ 1,094,201</u>	<u>\$ 1,033,662</u>	<u>\$ 1,109,711</u>	<u>\$ 1,060,820</u>	<u>\$ 2,203,912</u>	<u>\$ 2,094,482</u>

Property tax, general revenues, and charges for services program revenues financed 91.4% of the primary government's expenses. Operating and capital grant contributions, as well as intergovernmental revenues not restricted for specific programs, are largely passed through by federal and state resources. These same resources funded about 22.9% of the City's wide range of services, or functional expenses during the year, with the largest public safety.

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

Governmental Activities

Governmental activities for 2025 increased net position by over \$60.5 million. Total revenues exceeded total expenses by more than \$93.6 million; however approximately \$33.1 million (net) was transferred to the business-type activities, thereby reducing the governmental activities' net position at the end of year.

Some notable changes in revenues and expenses are described below:

Revenues:

Charges for Services:

- General government decreased in total by just under \$389,000 from the prior year as follows:
 1. A decrease of \$70,000 in various permits and licenses,
 2. A decrease in franchise fees of around \$220,000,
 3. A decrease of \$149,000 was due to changes between year-end, unavailable revenue accruals mostly related to timing for court fee collections,
- Public safety increased by almost \$9.2 million from 2024:
 1. Moving violations and uniform citations were down, in total, by around \$680,000,
 2. Parking violations were up by almost \$540,000,
 3. An increase of almost \$5.0 million in ambulance charges, of which almost \$3.6 million was a result of increased medicaid payments,
 4. An increase of about \$4.2 million was due to changes between year-end, unavailable revenue accruals mostly related to timing for public safety grants,
- Public works and transportation decreased by more than \$3.4 million for the following:
 1. Building and occupancy permit revenues were down by almost \$150,000,
 2. An increase of just over \$650,000 in the recycling special charge,
 3. Increase of nearly \$550,000 for Urban Forestry charges,
 4. An increase of \$4.2 million in cost sharing for capital projects with other local governments,
 5. Moreover, an \$8.5 million decrease for conversion entries required for unavailable revenue accruals largely related to timing for unavailable revenues for larger capital projects,
- Planning and development program revenues increased from the prior year by a little more than \$4.5 million for the following:
 1. Liquor and bartender licenses were down almost \$20,000 from 2024,
 2. Impact fee revenues were up by over \$4.8 million for newer projects in which fees were collected during the year, as planning was initiated for green space and other park improvements,
 3. Loan related charges decreased by around \$300,000 when compared to the previous year,
 4. Moreover, a \$2 million decrease for conversion entries required for unavailable revenue accruals largely related to timing,
- Culture and recreation increased by about \$240,000 from the prior year for the following:
 1. Park uses and other net fees decreased by about \$130,000,
 2. Facility rentals for Olbrich Gardens were higher by almost \$360,000,
 3. Moreover, a \$30,000 decrease for conversion entries required for unavailable revenue accruals largely related to timing,

Operating Grants and Contributions:

- General government decreased by over \$12.3 million from the prior year due to the following:
 1. \$12.1 million decrease due to less activity in the American Rescue Plan Act - State and Local Fiscal Recovery Fund grants
 2. \$84,000 decrease due to two Sustainability grants ended
- Public safety increased by just over \$3.4 million from the prior year for the following:
 1. An increase of \$1.7 million due to a new EMS Funding Assistance Grant,
 2. An increase of \$1.4 million from multiple new Police grants,
- Public works and transportation decreased by just under \$165,000 for the following:
 1. A Decrease of \$260,000 due to the less activity during 2025 than 2024 on the annual Ped Bike Education Grant
 2. A decrease of \$25,000 from an Urban Forestry grant that ended,
- Planning and development decreased by more than \$2.0 million during 2025, which includes:
 1. A decrease of \$2.6 million due to less activity in the planning and development American Rescue Plan Act - State and Local Fiscal Recovery Fund grants
 2. An increase of \$4.0 million in the Emergency Rental Assistance Program, strong push to close out the program in September 2025,
 3. A decrease of \$429,000 in Metropolitan Planning Grant funding during 2025,
 4. Moreover, a \$2.0 million increase for conversion entries required for unavailable revenue accruals largely related to timing,
- Culture and recreation decreased by approximately \$29,000 as a result of the following:
 1. Library Foundation donations and contributions received during the year decreased by \$165,000,
 2. A grant for Monona Terrace for \$320,000 was received in 2025 that was not obtained in 2024,

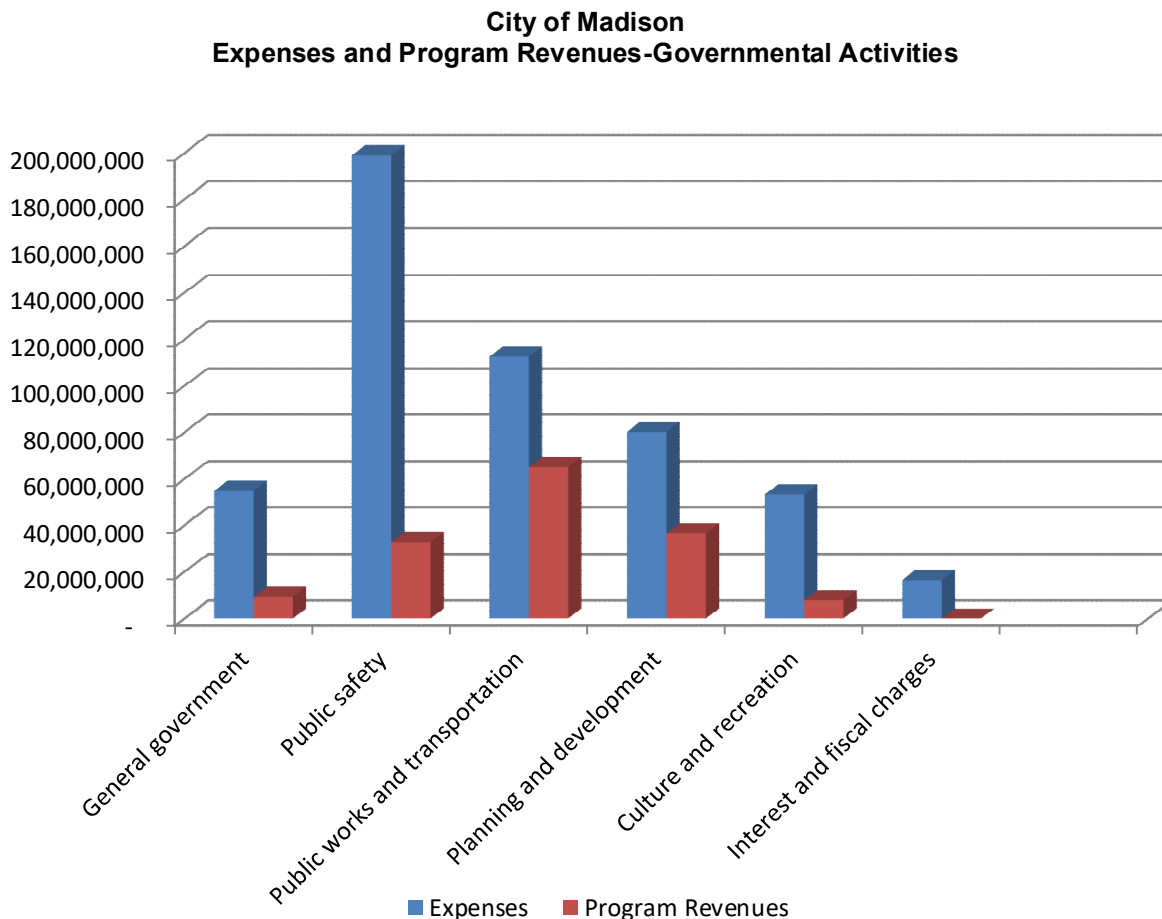
Capital Grants and Contributions:

- General government capital grants increased by more than \$4.8 million during 2025 due to the following:
 - An increase of \$4.6 million for the Climate Resilience and Home Starts Grant.
 - An increase of \$126,000 in the Energy Efficiency and Conservation Block Grant (EECBG),
- Public works and transportation decreased from the prior year, by over \$97.3 million,
 1. A decrease of over \$101.9 million for grants related to the Bus Rapid Transit (BRT) projects were completed in 2024,
 2. An increase of \$727,000 in new traffic engineering grants – Traffic Signal Controller Grant and Safe Streets for All,
- Planning and development capital contributions increased by approximately \$2.4 million,
 1. An increase of \$532,000 in state funding for the Local Roads Improvement Program,
 2. An increase of \$2 million in HUD grants for the Men's Permanent Homeless Shelter,
- Culture and recreation capital funding increased from the prior year, by approximately \$2.7 million, mostly because of a \$2.3 million Flexible Facilities Program grant for the Imagination Center at Reindahl Park,

Expenses:

- General government expenses decreased by almost \$2.3 million when compared to the prior year, including required conversion entries to full accrual from modified accrual fund statements. Most of the notable changes are for the following:
 1. City Clerk's office spending was down around \$1.2 million due to the 2024 national, state, and local elections,
 2. Salaries and benefits increased by \$1.0 million due to cost-of-living increases and increased insurance costs,
 3. A decrease of \$950,000 related to amortization of subscription-based software arrangements,
 4. A decrease of \$5.8 million in grants related spending from the American Rescue Plan Act for replacement of revenues during the COVID-19 pandemic,
 5. Room tax grants increased by \$450,000 as room tax receipts have fully recovered during the past couple of years,
- Public safety expenses increased by approximately \$24.5 million when compared to 2024, including required conversion entries to full accrual from modified accrual fund statements. The fund statement changes between the years increased by about \$7.4 million and the conversion entries in aggregate netted to an increase of almost \$17.1 million. The following list identifies larger changes between years:
 1. Salaries and overtime wages were higher by about \$2.0 million for Fire and up almost \$1.2 million for Police. The increase in both cases is mainly attributed to cost of living increases, while Fire also had an increase in overtime of around \$400,000,
 2. Benefits were higher including those for annual retirements, health insurance, pensions, and FICA, totaling approximately \$1.8 million,
 3. Supplies and purchased service expenses were up by almost \$145,000,
 4. Pension expenses related to the net pension liability at year end, increased by about \$13.1 million,
 5. Compensated absences increased by around \$4.7 million when compared to 2024,
 6. The city portion of Public Health Madison Dane County levy support increased by \$480,000 when compared to the prior year,
- Public works and transportation expenses increased by over \$22.4 million, which is due to the changes between the fund statements and the conversion entries required for full accrual reporting of an increase totaling \$18.8 million and increases in spending of approximately \$3.6 million. The most notable expenses were the following:
 1. Pension-related expenses were higher by almost \$1.9 million,
 2. An increase of almost \$1.0 million related to additional depreciation of capital assets,
 3. A \$1.1 million increase related to compensated absences,
 4. An increase of almost \$1.9 million in salaries and benefits,
- Planning and development expenses decreased by just over \$14.6 million in 2025, when netted against the conversion entries required for full accrual reporting. The most significant expenses were the following:
 1. Affordable housing and rental assistance grants and/or loans increased by just over \$16.0 million when compared to 2024,
 2. Pension-related expenses were up by almost \$900,000,
 3. Contingent loans decreased by more than \$4.2 million during the year,

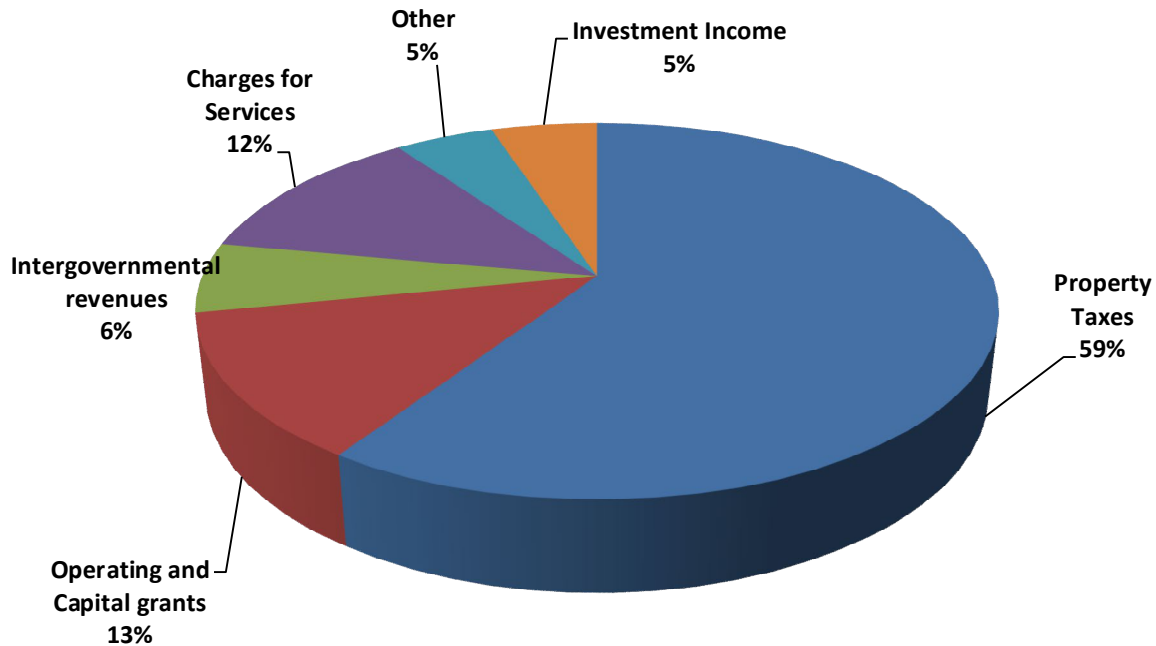
- Culture and recreation expenses were higher by more than \$5.3 million due to the following:
 1. Compensated absence expenses were up by almost \$1.5 million,
 2. Pension expenses increased by more than \$1.4 million at year end,
 3. Salaries and benefits were up around \$1.0 million from 2024 due primarily to cost-of-living increases,
- Interest and fiscal charges between the years were up by approximately \$2.2 million as required interest paid, issuance costs for debt, and amortizations for premiums and/or discounts increased when compared to fiscal year 2024.



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

The following pie charts draw data from the statement of activities. For governmental services, the City is highly dependent upon the property tax for funding, deriving 59% of its revenue from this single source. Intergovernmental revenues and other operating and capital grants comprise another 19%, while charges for services and all other sources account for 22% of total governmental activity resources.

**City of Madison
Governmental Activities
2025 Funding Sources**



Business-type Activities

Business-type activities include the operations of the Water, Sewer, Stormwater, Parking, and Transit Utilities, the Convention Center, and Golf courses provided an increase to the City's net position of just under \$48.9 million including transfers netting almost \$33.1 million for 2025. The transfers out from the General, Special Revenue and Capital Project Funds to the business-type activities totaled almost \$42.5 million, with approximately \$6.8 million of room tax revenues funding Convention Center continuing operations and capital project improvements. The governmental activities transferred capital assets to the utilities totaling almost \$10.1 million largely for Metro's Bus Rapid Transit project.

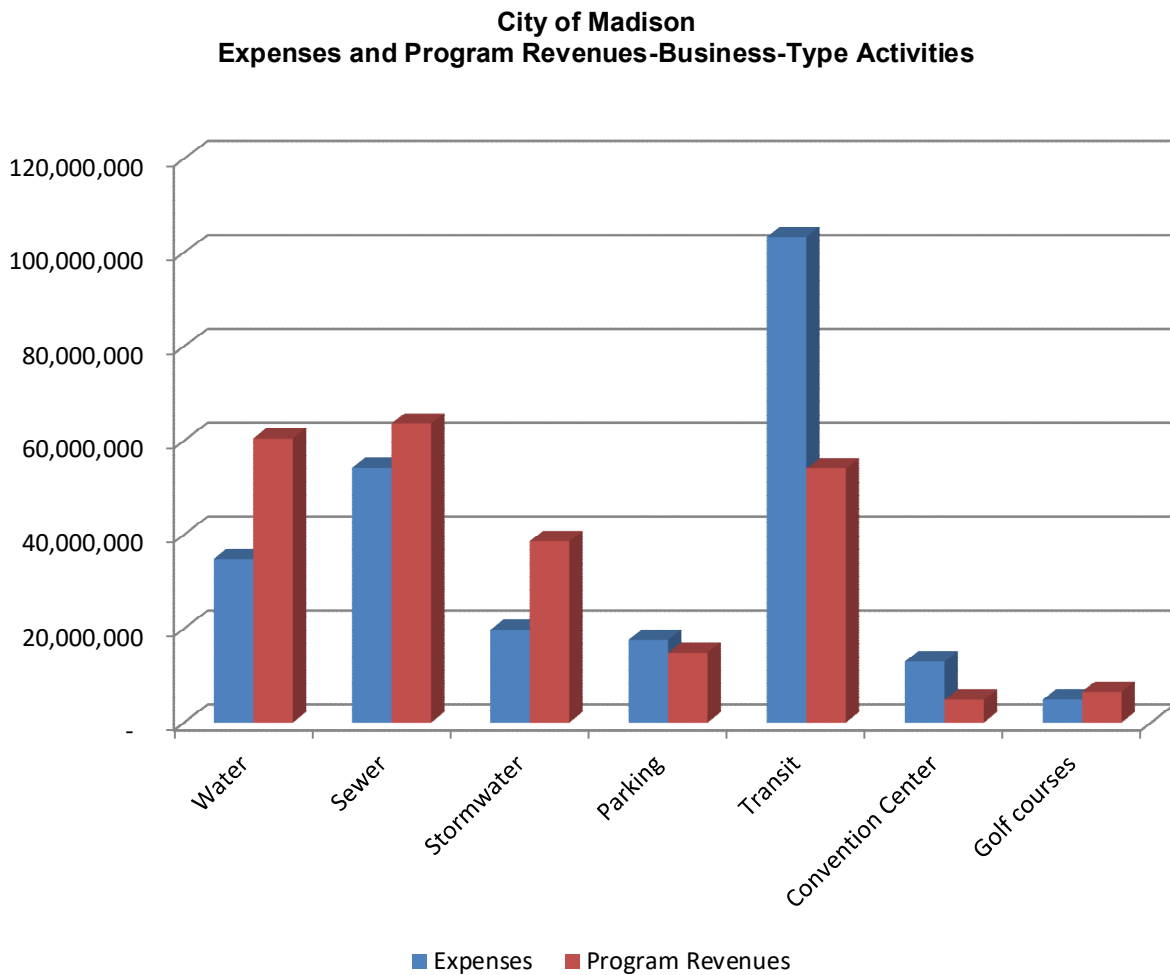
The business-type activities remitted payments in lieu of taxes (PILOT) to the general fund totaling just over \$9.4 million. Total revenues exceeded expenses by more than \$15.8 million prior to any transfer of funds activity by the close of 2025. See Note IV-E for interfund receivables/payables, advances and transfers beginning on page 102.

Program revenues for business-type activities decreased from the prior year to approximately \$243.1 million. Rate increases for the Water, Sewer, and Stormwater Utilities (noted below) helped to generate just under \$8.1 million more when compared to the prior year, in charges for services revenues to support operating expenses.

- Water Utility's current rates became effective March 1, 2023. On December 16, 2024, the Utility filed an application to review rates with the Public Service Commission of Wisconsin (PSCW), which was approved effective May 1, 2026.
- Sewer Utility's volume and demand charge rates increased by 11.0% on average for 2025, up from 2.7% in 2024.

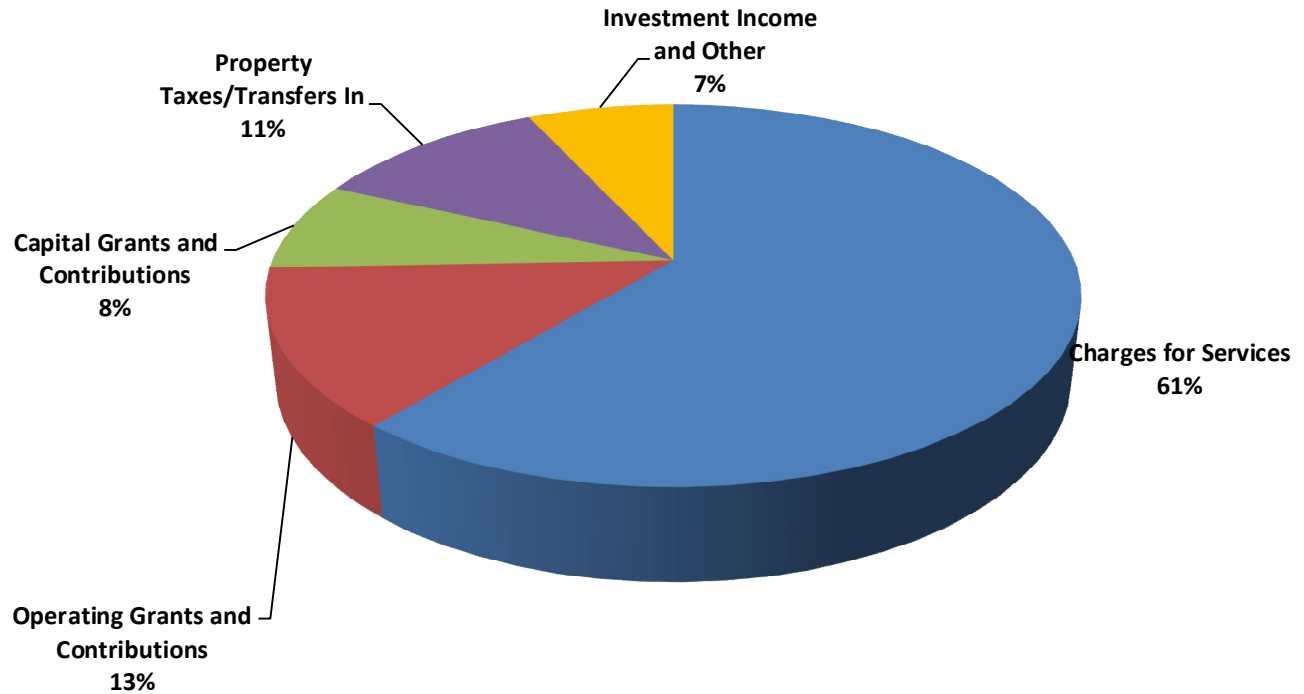
- Stormwater Utility impervious, pervious, and customer charge rates increased on average by 1.4% for 2025, when compared to the increase of 6.9% in 2024.
- The Parking Utility's last rate increase was effective as of January 1, 2024. As part of the Utility's ongoing rate review process, the special event rate was increased and implemented in the middle of the year for off-street facilities. The Utility has noted an increase in demand at many parking garages during weekdays, a trend that continues to rise as more employees have returned to hybrid work schedules.

Total operating expenses for the business-type activities increased by just over \$25.5 million at year end. Much of the increase in spending is attributable to increases for Metro Utility, including a \$7.1 million increase in depreciation due to Bus Rapid Transit system improvements.



As would be expected for business-type activities, charges for services are the primary revenue source, at 61% of the total. State and federal aids and grants continue to be an important revenue source at 21%. Transfers from the primary government are comprised of property taxes and minor investment income representing 18% of business-type revenues.

**City of Madison
Business-Type Activities
2025 Funding Sources**



FINANCIAL ANALYSIS OF THE CITY'S MAJOR FUNDS

Governmental Funds

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

The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2025, for all major and nonmajor governmental funds:

	Fund Balance 2025	Fund Balance 2024	Increase (Decrease)
Major and Nonmajor Funds:			
General	\$ 158,749,217	\$ 140,427,702	\$ 18,321,515
Library	2,818,258	2,783,199	35,059
Debt Service	24,104,817	22,898,656	1,206,161
Capital Projects	182,712,716	137,111,742	45,600,974
Other Nonmajor Governmental	<u>84,415,246</u>	<u>75,711,913</u>	<u>8,703,333</u>
Total	<u>\$ 452,800,254</u>	<u>\$ 378,933,212</u>	<u>\$ 73,867,042</u>

As of December 31, 2025, the City of Madison's governmental funds reported combined ending fund balances of over \$452.8 million, or an increase of almost \$73.9 million from the prior year.

Of this total, over \$7.3 million has been classified as nonspendable, or amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact. The nonspendable fund balances resulted mostly from inventories, prepaid health insurance and flex spending deductions for January 2026 premiums, and trust activities.

Approximately \$270.0 million of the governmental fund balance is restricted for specific legal requirements and other commitments such as debt service payments, unspent borrowing proceeds, long-term loans, advances, tax increments generated to cover capital outlay for subsequent year expenditures, and for distributions to other taxing jurisdictions.

Additionally, almost \$48.0 million of the year end fund balance was committed or assigned for specific purposes such as encumbrances, open capital project contracts, compensated absences for vacations and other leave time (excluding sick leave), and for life insurance stabilization of premiums, leaving a total unassigned governmental fund balance of over \$127.4 million available for spending at the discretion of the City's elected officials.

The **general fund** is the primary operating fund used to account for the governmental operations of the City, with the direct expenditures of this fund accounting for more than 50.4% of the City's governmental fund expenditures as reported on the *statement of revenues, expenditures and changes in fund balances*.

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

The total year end general fund balance of over \$158.7 million represented approximately 50.4% of almost \$315.3 million in 2025 expenditures reported on the *statement of revenues, expenditures and changes in fund balances* while approximately \$128.5 million unassigned balance represented just under 40.8% of the same expenditure measure.

Historically in Madison, the audited unassigned fund balance has been considered in proportion to the subsequent year's budgeted general fund expenditures, including debt service, and used to measure the adequacy of the City's operating reserve, with a stated target ratio of 15%. The adopted 2026 general fund budget authorized expenditures of \$429,350,000.

The general fund 2025 unassigned fund balance was nearly 29.9% of the subsequent year's budget, which increased from last year's percentage of approximately 27.0%, higher than the historical target due to the following:

- During 2025, city management assigned roughly \$380,000 more than the prior year, due in part to an increase of fund balance application of \$1.4 million in the adopted 2026 budget. For life and disability premium stabilization, there was an increase of approximately \$400,000. There was a \$1.0 million assignment for a Community Development endowment for the unsheltered that was originally budgeted in 2023 that is planned to be spent in 2026, which is \$1.0 million less than in 2024. There was also a decrease in general fund encumbrances of around \$350,000 by year end.
- The investment's book, par, and market values were tracked throughout 2025. The City's investment portfolio incurred mark-to-market gains of over \$5.2 million, as well as the premium stabilization fund for life and disability benefits of over \$400,000. These adjustments were combined with the general

fund income earnings of about \$14.9 million at year end, or a roughly 17.6% decrease from the prior year which totaled just over \$18.1 million. This occurred due to higher-than-normal interest rates from the Federal Reserve attempting to fight inflation; however, interest rates did moderate from the increases in 2024.

- Shared revenues increased by almost \$300,000 during the year, payments for municipal services along with expenditure restraint aids stayed relatively flat compared to 2024. Personal property exemption aids increased by almost \$3.2 million as this aid was increased to offset the loss of personal property taxes, and video service provider aids were relatively unchanged from the previous year, while highway aids increased by around \$200,000.
- Total expenditure variances ended the year favorably at approximately \$4.0 million, and less than 1.0% from the final 2025 amended budget, due to larger savings of just over \$1.5 million in the Fire Department, and nearly \$1.8 million in the Police department.

The **library** special revenue fund includes resources that are legally restricted to support the various library branches and programs within the City. The fund balance remained about the same in 2025 when compared to the prior year.

The **debt service** fund had a total fund balance of a little more than \$24.1 million at year end. The fund balance change or increase of about \$1.2 million is primarily a result of receiving an aggregate of \$11.5 million in premiums from two debt issuances in 2025, along with \$650,000 of investment income earned. These increases were partially offset by the \$94.9 million paid for debt service principal and interest during the year, which exceeded the \$83.7 million of transfers in from other funds to cover debt service payments.

The City executed three cooperative agreements with the Wisconsin Department of Natural Resources under the Ready for Reuse Loan and Grant Program. The three loan agreements are zero-interest and are disbursed to the City on a reimbursement basis for expenditures incurred. As of December 31, 2025, the City of Madison had not received any disbursement on the three loans.

The City issued tax-exempt promissory notes, Series 2025-D for approximately \$130.0 million with a true interest cost of 3.2%, to finance various city capital projects. The premium received as a result of general obligation borrowing was approximately \$12.8 million, which represents about 9.8% of the par value of the tax-exempt debt.

The City also issued one series of taxable promissory notes, Series 2025-E for approximately \$6.8 million with a true interest cost of 4.4%, to finance community facilities improvements.

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

The special assessments fund is used to account for the long-term receivables associated with the City's Special Assessment Program. This fund saw a net decrease of 24 special assessment districts in 2025, down to 543 from 567 in 2024. Additionally, the ending receivable balance remained largely unchanged with a slight decrease of about \$420,000 from the prior year. Delinquent special assessments decreased about \$340,000 during the year, to approximately \$460,000.

The special assessments fund balance increased by over \$2.2 million at year end. This is primarily due to revenues exceeding expenditures by \$2.2 million, resulting from a \$1 million increase in special assessment revenues and just over a \$1 million decrease in special assessment expenditures from the prior year.

The tax incremental financing districts are used to account for expenditures outlined in the Tax Increment District (TID) project plans and related revenues and proceeds from long-term borrowing. Negative cash balances were reported at yearend within some of the TIDs. These TIDs received advances from the Other Capital Projects Fund of approximately \$4.1 million in total at the close of 2025.

The city had 15 active districts during the year. The districts generated, in total, \$43.1 million in tax increment revenue. Eight of the districts borrowed, in total, about \$15 million in General Obligation Borrowing, which encompassed the following amounts:

- TID #53 (East Wilson): \$3.4 million
- TID #52 (East Washington & Stoughton Rd): \$3.3 million
- TID #54 (Pennsylvania Avenue): \$2.5 million
- TID #50 (State and Lake): \$2 million
- TID #42 (Wingra): \$1.7 million
- TID #45 (Capitol Square West): \$1.6 million
- TID #46 (Research Park): \$476,000
- TID #48 (Regent Street): \$50,000

Two developer loans were disbursed, both from TID #46 (Regent Street). \$930,000 was loaned to 5546 Element Way for an affordable housing development, and \$344,000 was loaned to 625 Sand Pearl Lane for a second affordable housing development. Additionally, \$4.0 million was granted from TID #46 to the Community Development Authority to provide further support to the affordable housing project at 5546 Element Way.

Approximately \$459,000 was received for state computer reimbursements, \$2.5 million was received for state personal property aid, and \$3.6 million was earned in investment income across all districts. Further, TID #51 (South Madison) received donations of \$10 million and \$3.6 million from TID #36 (Capitol Gateway Corridor) and TID #37 (Union Corners) respectively to fund ongoing projects within the district. No districts were closed or disbursed excess funds in 2025. One new district was created in 2025, TID #55 (Voit Farm), on the City's east side.

The fund balance for the TIDs increased in total by just over \$26 million at the end of the year. The districts paid roughly \$12 million for principal and interest on long-term debt and spent just over \$25.5 million for capital improvements. These included \$5.9 million for improvements and construction at the Village on Park facility, \$4.1 million for land banking projects in South Madison, the \$4 million grant to CDA to support affordable housing, and \$2.8 million for construction of the new Public Market.

The following is a listing of noteworthy TID projects active during 2025:

- Public Market-TID #36
- Village on Park-TID #42
- Capitol Square reconstruction-TID #45
- South Madison Redevelopment-TID #51
- Commercial Ave Sewer-TID #52
- E Wilson and Doty Reconstructions-TID #53
- Small Business Grant Programs-TIDs #46, #50, #51, #52, #53, & #54

The other capital projects fund accounts for financial resources used for the acquisition or construction of equipment, facilities, and infrastructure. The fund balance increased by about \$17 million from the prior year, due in part to an increase in unspent GO proceeds from \$40 million in 2024 to approximately \$67 million in 2025. This increase was offset somewhat by substantial spending on projects that received advance funding in 2024. Annual investments in capital assets decreased from about \$191 million in 2024 to just over \$88 million in 2025, due in large part to the investment in Bus Rapid Transit that occurred in 2024, as well as other major initiatives as noted below.

Significant capital expenditures were as follows: \$8.4 million for construction of a Permanent Men's Shelter, \$9.3 million for Bus Rapid Transit, \$8.4 million for Warner Park Community Center, \$4.3 million for the Imagination Center at Reindahl Park, and \$4.2 million for landbanking efforts in South Madison.

Revenues for the other capital projects fund are mostly general obligation debt proceeds (\$90.5 million), transfers from other governmental funds, including Bus Rapid Transit funding received in the Other Grants fund (\$19.6 million), and intergovernmental cost sharing revenues (\$9.9 million). Other noteworthy sources of revenue in 2025 included: investment income (\$1.3 million) and various grants for Public Market construction and Traffic Engineering initiatives (\$4.2 million). Altogether, revenue in the capital projects fund, including debt and transfers, totaled around \$130.8 million.

The aggregated ***other nonmajor governmental*** funds column includes the other grants fund and various special revenue and permanent funds such as: Community Development Block Grant, revolving loans, other restricted funds, and permanent funds, used to account for specific revenue sources that are legally restricted to expenditures for specific purposes. The nonmajor governmental fund balances increased in total to nearly \$84.4 million. Of this amount, the accumulated fund balances for the special revenue funds increased by almost \$6 million at year end. The Affordable Housing special revenue funds expended just under \$5.3 million in loans to provide low-income housing rentals to city residents, a decrease of approximately \$4.4 million from 2024. Developers paid impact fees totaling almost \$13.8 million for the year, an increase of over \$4.8 million when compared to the prior year. Further, just over \$7.6 million was spent on capital project improvements and debt service payments by year end.

The other grants fund had a total fund balance in excess of \$1.7 million at year end, an increase of nearly \$2.6 million when compared to the prior year. This change is primarily a result of a decrease of transfers out to the capital projects fund and a decrease in revenue, which were both driven by less grant funded activities during 2025. In 2024, approximately \$115.1 million was transferred out, whereas during 2025, only \$8.5 million was transferred to the capital fund. These transfers include approximately \$101.5 for the East-West Bus Rapid Transit system in 2024, versus \$4.3 million in 2025, and approximately \$13.1 million transferred to the general fund from the American Rescue Plan Act – State and Local Fiscal Recovery Fund for community projects and revenue recoveries; these projects ended in 2024. New transfers of \$4.1 million were made during 2025 for the Imagination Center at Reindahl Park, the Renew Wisconsin Clean School Bus Program, and multiple Traffic Engineering projects.

The large variance in revenue of \$103 million can be attributed to a few large projects phasing out, and partially offset by a few new grant projects. These changes include a decrease in revenue from the East-West Bus Rapid Transit system in the amount of \$102 million, and a decrease of approximately \$12.1 million primarily from the American Rescue Plan Act – State and Local Fiscal Recovery Fund. Notable increases to the grant fund include revenue of \$3.3 million for EMS and Police programs, \$2.3 million from the Flexible Facility Program, and \$4.6 million from three new sustainability grant programs.

Proprietary Funds

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

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

	Net Position 2025	Net Position 2024	Increase (Decrease)
Enterprise Funds:			
Water Utility	\$ 244,210,961	\$ 217,631,428	\$ 26,579,533
Sewer Utility	173,233,014	160,743,525	12,489,489
Stormwater Utility	352,790,810	331,482,159	21,308,651
Metro Transit Utility	227,808,389	236,751,039	(8,942,650)
Nonmajor Enterprise	118,377,038	120,693,465	(2,316,427)
Total	<u>\$ 1,116,420,212</u>	<u>\$ 1,067,301,616</u>	<u>\$ 49,118,596</u>

The net position of the *enterprise-type* proprietary funds at the end of 2025, totaled more than \$1.1 billion, or up more than \$49.1 million from the previous year.

Water Utility's total operating revenues of \$56.8 million were similar to those of 2024 of \$56.6 million with a slight increase of \$200,000. Operation and maintenance expenses (including taxes) totaled nearly \$21.1 million in 2025 compared to \$19.0 million in 2024, an increase of \$2.1 million or 11.0%. The increase is primarily due to transmission and distribution expenses along with an increase in employee pensions and benefits. The Utility added 386 new customers in 2025, down from 418 in 2024. Water Utility staff continues to closely monitor expenses during the year to ensure financial stability. Depreciation increased \$2.8 million mainly due to water main expense depreciation.

The Utility continues to cash fund water main replacements annually effective March 1, 2023. Starting May 1, 2026, the Utility has received approval from the PSCW to increase the cash fund for water main replacement from \$5.0 million to \$10.0 million under this program. This represents a unique rate recovery mechanism that falls outside of the traditional capital process. The Water Utility will continue to apply this funding and depreciation methodology in future years.

The Water Utility added \$21.3 million in plant in service in 2025. Of this amount, approximately \$3.7 million was contributed by developers and contractors, or was received from special assessments. Capital projects paid for by the Utility in 2025 included: \$9.0 million for new and replacement water mains, laterals, and hydrants, \$7.1 million for pumping and general plant, and telemetry equipment, \$972,000 for vehicles, power equipment and tools, and about \$409,000 for the meter program.

A rate increase of approximately 11.0% for the Sewer Utility and a rate increase of about 1.4% for the Stormwater Utility were both in effect as of May 1, 2025. These increases helped to keep the net positions positive for both enterprise funds.

The Sewer Utility generated income before capital contributions of over \$8.7 million. In addition, the utility added over \$7.3 million in public projects including the following: \$1.2 million in CIPP lining projects,

\$1.2 million for the Commercial Ave Sanitary Reconstruction project, \$785K for the University Ave project, and about \$725K for the Hammersley Rd project. There was also over \$1.7 million added for equipment during the year. Further, the utility recorded over \$3.7 million in capital contributions.

Stormwater Utility had income before contributions totaling just over \$6.9 million at the year end. The utility also added approximately \$17.6 million in public projects to plant from construction in progress, which included: \$10 million for the University Ave project, \$1.3 million for the CTH AB Interchange project, \$848K for the University Box Culvert Repair project, and \$832K for the Lake Mendota Dr Phase 3 project. The utility also replaced equipment totaling over \$1.6 million. Further, the utility recorded almost \$14.4 million in capital contributions.

The 2025 fiscal year saw a total operating budget of \$77.4 million for Metro Transit. Financial stability was supported by an \$18.4 million General Fund subsidy from the City of Madison, which included the second year of a three-year plan to replenish the subsidy following the full exhaustion of federal pandemic-era economic recovery funds.

Capital investment remained a priority for the agency supported by \$14.5 million from the capital budget. Total grant expenditures for the year reached \$15.14 million, with a focus on fleet electrification and facility resilience. Metro Transit concluded the year, maintaining a balance of available capital grant funding for future initiatives.

Employee compensation and benefits remain the primary driver of operating costs, totaling approximately \$55 million in the 2025 Budget. This represents roughly 71% of the total \$77.4 million operating budget. To align with recent operational trends, the 2025 budget included an additional \$1.8 million for overtime costs.

Additionally, as Metro Transit continues to support the city's sustainability goals by transitioning to battery electric buses (BEB), there was a shift in supply costs: diesel fuel expenses were projected to decrease by \$561,800, while electricity costs were expected to increase by \$499,800 to support the BEB operational needs.

Operational Performance and Ridership

Ridership reached 12.3 million annual passengers, a dramatic increase from the 9.2 million recorded in 2024. This growth validates the 2023 network redesign and the successful launch of the BRT system. Key findings from the inaugural 2025 Service Report Card to be released in the summer of 2026 include:

Rapid Route A (BRT) achieved a weekday average of 8,177 riders. The route demonstrated significant weekend utility, with Sunday ridership increasing by 73% year-over-year highlighting the community's reliance on high-frequency transit for non-commute trips.

The estimated cost per passenger for the BRT service was \$4.51, outperforming traditional local routes and demonstrating the fiscal productivity of high-capacity transit corridors. Passenger revenues increased by \$1.0 million, supported by the city-wide adoption of new fare technology, including smart cards and mobile payment platforms.

Capital Asset and Facility Update

Work continued the final phase of the East Washington Maintenance Facility, a multi-year improvement project. This stage addresses critical infrastructure needs, including the replacement of 13 maintenance bays and the modernization of administrative and dispatch areas to improve staff safety and operational workflow.

The Hanson Road facility opened in 2024 and continues to provide the necessary capacity for bus storage and maintenance required to support the expanded BRT and local service levels.

The 2025 capital budget allocated \$13.6 million toward Electric Transit Buses and Charging Equipment. This funding is essential for maintaining the 62 60-foot articulated BEBs delivered in 2024 and continuing the city's commitment to reducing its carbon footprint.

The Nonmajor enterprise funds include the Parking Utility, Monona Terrace Convention Center, and Golf Courses. The net position for the Parking Utility decreased by about 2.6% or just under \$2.4 million by the close of the fiscal year; the utility paid almost \$1.2 million in principal and interest on the \$12.0 million in GO debt it acquired in 2024, collected nearly \$14.9 million from customers, and had operating expenses that totaled over \$17.2 million during the year.

The Parking Utility continues to see an increase in revenue, with 2025 revenues approximately \$728,000 higher when compared to 2024. The fund has also experienced an increase in general expenses, at about \$2,269,000. During 2025, the Division finalized its reorganization of staff, filling higher-level positions, which was the primary driver behind the increase. The Utility also implemented tap to pay and chip reading functionalities for payment in the garage during 2025. This implementation allowed the Utility to become PIC compliant, but also contributed to the increase in expenses.

The Monona Terrace Convention Center's net position decreased by almost \$1.7 million, or about 8.6% for 2025, largely due to higher operational and maintenance expenses compared to operational revenue. During the year, the facility hosted 505 events, up from 495 in 2024, and it held 22 conventions in 2025, down from 28 in 2024. Revenues decreased by approximately 7.3% from \$5.2 million in 2024, to \$4.8 million by the close of the year. While the number of overall events increased, fewer higher revenue events, such as conventions, were held, which contributed to the decrease in revenue. Expenses related to operations and maintenance remained steady between 2024 and 2025, coming in both years at just over \$11.0 million.

Golf Courses' net position increased by just over \$1.7 million (including pilot payments to the general fund) from last year, or about 17.4%, primarily due to steady revenues and a \$692K asset contribution of a pond from WisDOT. By the close of the fiscal year, total rounds of golf were just over 167,000, or about a 4.4% increase from 2024. Total charges for services increased by about \$382,000, or approximately 7.0%. Operational expenses increased by about \$1,012,000 or 28.7% by the end of the fiscal year, mainly due to an increase in payroll. Many full-time positions held vacant in 2024 were filled in 2025, and payroll related to work on Yahara course improvements were also charged to the fund.

The net position of the City's three *internal service-type* proprietary funds outlined below decreased in total by nearly \$1.2 million from the prior year but remained positive at over \$7.4 million at the end of the year. The total net position within the Fleet Services Fund went down a little more than \$150,000, to almost \$1.2 million. This decrease in fund balance was caused in part by increases in fuel prices and higher than usual repair costs for city vehicles.

Furthermore, the insurance fund experienced almost \$1.8 million in claims during the year, while the Worker's Compensation fund paid out about \$3.0 million in claims. The Worker's Compensation fund also incurred about an \$800,000 negative adjustment to its required reserve balance in 2025.

	Net Position 2025	Net Position 2024	Increase (Decrease)
Internal Service Funds:			
Fleet Services	\$ 1,178,682	\$ 1,330,743	\$ (152,061)
City Insurance	848,732	1,468,016	(619,284)
Worker's Compensation	5,426,838	5,841,730	(414,892)
Total	<u>\$ 7,454,252</u>	<u>\$ 8,640,489</u>	<u>\$ (1,186,237)</u>

BUDGETARY HIGHLIGHTS

As shown in the *Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP)* for the General Fund found on page 188, the original 2025 general fund budget authorized expenditures of over \$410.3 million funded by anticipated revenues of approximately \$409.5 million.

During the year, the Common Council authorized additional expenditures of nearly \$2.3 million while budgeted revenues remained constant, for an amended budget amount of slightly more than \$412.6 million in expenditures with nearly \$409.5 million in revenues.

The City ended the year with favorable general fund final budget variances for expenditures of just over \$4.0 million, and a positive variance of revenues totaling nearly \$17.4 million, resulting in a net positive variance of nearly \$21.4 million. The large variances in expenditures were mainly due to cost saving measures put in place during the year and difficulties remaining fully staffed in several city departments.

Departments with actual expenditures below budget included IT (\$350,000), Fire (\$1.5 million), Police (\$1.7 million) and Planning and Development (\$270,000).

Revenue variances were favorable by nearly \$17.4 million during the year. Intergovernmental revenues were up slightly by about \$400,000 when compared to the adopted operating budget for 2025. There were large increases compared to the budget for charges for services of \$4.0 million and a slight increase in fines and forfeitures of about \$537,000. Licenses and permits were higher by around \$950,000. The general fund recorded nearly \$21.8 million in investment income, which included positive mark-to-market adjustments totaling over \$6.6 million, or about \$9.5 million above the adopted operating budget. In 2025, the Room Tax Fund transferred almost \$7.9 million to the general fund, which was \$1.3 million more than originally budgeted.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets

In accordance with GASB-34, the City has recorded historical costs and depreciation expense associated with its capital assets, including infrastructure. As summarized in the following table, the City's reported capital assets for governmental and business-type activities at December 31, 2025, of nearly \$3.9 billion. Roughly 68.6% of capital assets were related to infrastructure and plant in service. For financial statement purposes, land costs and construction in progress are reported separately and are not combined with the City's infrastructure networks.

Total accumulated depreciation was calculated to be over \$1.3 billion, or approximately 33.6% of the historical asset cost. Depreciation expense by function totaled just over \$101.1 million for both governmental and business-type activities. Net of accumulated depreciation, the City's investment in capital assets totaled just under \$2.6 billion as of December 31, 2025.

City of Madison Capital Assets, Net of Accumulated Depreciation (in thousands)						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Land	\$ 292,852	\$ 282,763	\$ 96,882	\$ 92,873	\$ 389,734	\$ 375,636
Construction in Progress	111,733	76,657	80,920	65,212	192,653	141,869
Land Improvements	55,072	52,437	-	-	55,072	52,437
Buildings	344,041	338,840	-	-	344,041	338,840
Machinery and Equipment	198,954	196,830	-	-	198,954	196,830
Intangibles	38,328	30,314	-	-	38,328	30,314
Infrastructure	1,089,520	1,074,638	-	-	1,089,520	1,074,638
Plant in Service	-	-	1,578,748	1,528,654	1,578,748	1,528,654
Subtotal	\$ 2,130,500	\$2,052,479	\$ 1,756,550	\$1,686,739	\$3,887,050	\$ 3,739,218
Less Accumulated Depreciation	(823,452)	(791,921)	(480,718)	(444,829)	(1,304,170)	(1,236,750)
Total net capital assets	\$ 1,307,048	\$1,260,558	\$ 1,275,832	\$1,241,910	\$2,582,880	\$ 2,502,468

Some notable additions to the City's capital assets during 2025 (in millions of dollars, including transfers from Construction in Progress (CIP) where applicable) included:

- Water pumping, treatment, transmissions, distributions, and sanitary sewers..\$27.0
- Infrastructure Street Network in service23.3
- Major motor equipment fleet and vehicle additions12.9
- Infrastructure Street Network Construction in Progress (CIP)12.8
- Land and land improvements9.9
- Buildings, building improvements7.9
- Traffic signals, and street lights7.8
- Bike paths in service and CIP3.7
- Bridge Network in service and CIP.....2.0

Additional information related to the City of Madison's capital assets is reported in Note IV-D following the basic financial statements beginning on page 97.

LONG-TERM DEBT

On December 31, 2025, the City of Madison had \$889,156,754 of long-term bonds, notes, leases, and subscription liabilities outstanding, as summarized in the following table:

Long-Term Debt

Long-Term Debt

	City of Madison Bonds, Notes, and Capital Leases Outstanding					
	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
General Obligation Bonds	\$ 588,564,591	\$ 549,531,781	\$ 102,557,383	\$ 103,456,762	\$ 691,121,974	\$ 652,988,543
Revenue Bonds	-	-	168,276,700	184,553,078	168,276,700	184,553,078
Leases	5,332,151	5,907,285	7,414,282	7,893,471	12,746,433	13,800,756
Subscription Liabilities	16,444,728	10,556,712	566,919	770,819	17,011,647	11,327,531
Total	<u>\$ 610,341,470</u>	<u>\$ 565,995,778</u>	<u>\$ 278,815,284</u>	<u>\$ 296,674,130</u>	<u>\$ 889,156,754</u>	<u>\$ 862,669,908</u>

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

Applicable debt of the City totaled \$692,243,684 or 27.3% of the maximum legal limit of \$2,533,505,645.

During 2025, the primary government issued new debt for the following dates, types, amounts, and ratings:

City of Madison New Long-term Debt Issued			
Date	Type of Debt	Amount	Moody's Rating
9/1/2025	General Obligation Notes	\$ 129,995,000	Aaa
9/2/2025	Taxable General Obligation Notes	6,765,000	Aaa
		<u>\$ 136,760,000</u>	

Additional information related to the City of Madison's long-term obligations is reported in Note IV-F following the basic financial statements beginning on page 106.

CURRENTLY KNOWN FACTS AND ECONOMIC FACTORS

Financial Outlook

The 2026 budget adopted by the Madison Common Council in November 2025, authorized an increase in total budgeted expenditures of more than \$20.2 million, funded by an 2.7% increase in the property tax levy, an increase in other revenue sources of just over \$10.2 million. City management is projecting 2026 actual revenues recognized to be at or slightly above the adopted budget due to the continued higher interest rates due to national economic policy with expenditures incurred to be relatively close to the adopted budget.

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

A simple projection of results from the first three months of 2026 suggests the general and library funds revenues will be at or slightly above budgeted levels. It is anticipated that there will be a positive increase in the mark-to-market adjustment for the City's investments. This happens in an environment of steady or slightly falling interest rates, which stabilizes or increases the value of the City's long-term investments

at higher interest rates. Given the City's policy of holding these investments to maturity, the actual gain or loss will not be realized. Interest earnings are projected to be at or slightly above budget.

The 2026 Adopted Operating Budget for general and library fund expenses total \$452,723,152. Due to salary savings and other cost reductions, most city departments within these funds should likely finish the year at or below budgeted expenses.

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

Economic Factors

The local economy remained resilient during fiscal year 2025 when compared to the remainder of the state and nation. According to the Wisconsin Department of Workforce Development-Labor Statistics, the local unadjusted unemployment rate stood at 2.4%, below the state average rate of 3.0%, and national rate of 4.4% at the end of the year.

The City's population increased to 296,147 from 291,037 as estimated by the Wisconsin State Department of Administration August of 2025.

Locally assessed real estate value increased by approximately 9.1% between 2024 and 2025. Commercial property increased by 10.9% while total residential assessments increased by 8.0%. New construction was up from \$949.4 million in 2024, to \$1.014 billion in 2025. Assessed values were as of January 1, 2025.

The average single family home assessment increased by about 5.2% from \$457,300 to \$481,300. These assessment figures compare favorably to the rest of the state and nation given the City's economy.

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

REQUESTS FOR INFORMATION

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

CITY OF MADISON

STATEMENT OF NET POSITION As of December 31, 2025

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Totals	
ASSETS				
Cash and investments	\$ 436,049,162	\$ 109,397,441	\$ 545,446,603	\$ 35,673,068
Receivables (net)				
Taxes	390,432,417	-	390,432,417	-
Accounts	13,358,855	10,846,783	24,205,638	701,395
Special assessments	8,449,472	7,651,893	16,101,365	229,558
Accrued interest	1,512,825	-	1,512,825	3,873
Accrued revenue	6,365,054	-	6,365,054	-
Long-term loans	30,713,130	-	30,713,130	1,802,891
Other	14,096,663	-	14,096,663	-
Pledge	-	-	-	2,918,491
Leases	23,511,247	18,035,741	41,546,988	11,191,554
Internal balances	4,875,591	(4,875,591)	-	-
Due from other governmental units	24,508,921	5,240,717	29,749,638	216,713
Inventories	4,580,469	2,706,997	7,287,466	54,924
Prepaid items	9,657,944	1,616,014	11,273,958	2,542,848
Advances to component unit	2,834,944	-	2,834,944	-
Other Assets				
Net non-utility property	-	630,919	630,919	-
Beneficial interest in assets held by MCF	-	-	-	11,844,860
Other	-	2,645,314	2,645,314	340,395
Restricted Assets				
Cash and investments	41,383,821	45,404,419	86,788,240	3,017,800
Investment in Wisconsin Municipal Mutual Insurance	3,815,820	-	3,815,820	-
Property held for future use/resale	-	23,612	23,612	-
Capital Assets				
Land	292,851,912	96,882,326	389,734,238	9,248,547
Construction in progress	111,733,402	80,920,054	192,653,456	6,196,244
Land improvements	55,072,203	-	55,072,203	-
Buildings	344,040,673	-	344,040,673	-
Machinery and equipment	198,953,741	-	198,953,741	-
Intangibles	38,327,640	-	38,327,640	-
Infrastructure	1,089,520,334	-	1,089,520,334	-
Plant in service	-	1,578,748,082	1,578,748,082	137,952,874
Accumulated depreciation	(823,451,839)	(480,718,481)	(1,304,170,320)	(76,755,358)
Total Assets	<u>\$ 2,323,194,401</u>	<u>\$ 1,475,156,240</u>	<u>\$ 3,798,350,641</u>	<u>\$ 147,180,677</u>
DEFERRED OUTFLOWS OF RESOURCES				
Unamortized loss on advance refunding	-	264,650	264,650	-
Pension related amounts	147,787,945	32,763,083	180,551,028	2,008,827
Other post-employment benefits related amounts	11,177,530	3,134,243	14,311,773	112,975
Total Deferred Outflows of Resources	<u>\$ 158,965,475</u>	<u>\$ 36,161,976</u>	<u>\$ 195,127,451</u>	<u>\$ 2,121,802</u>

See accompanying notes to financial statements.

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Totals	
LIABILITIES				
Accounts payable	\$ 30,278,941	\$ 11,974,326	\$ 42,253,267	\$ 978,804
Accrued payroll and payroll taxes	23,522,409	8,937,590	32,459,999	3,587,325
Other accrued liabilities and deposits	30,789,219	2,017,564	32,806,783	-
Due to other governments	247,877	1,799,550	2,047,427	98,536
Payable from Restricted Assets				
Accrued liabilities	-	2,479,392	2,479,392	-
Current maturities of revenue bonds	-	17,622,314	17,622,314	-
Other liabilities	-	2,132,109	2,132,109	-
Other liabilities	34,144	1,160,640	1,194,784	1,212,162
Advances from primary government	-	-	-	2,834,944
Unearned revenues	6,217,245	749,546	6,966,791	2,190,358
Noncurrent Liabilities:				
Due within one year	112,284,368	18,950,595	131,234,963	2,346,801
Due in more than one year	671,347,957	289,685,726	961,033,683	7,267,134
Net pension liability	25,520,633	5,234,668	30,755,301	305,797
Total Liabilities	<u>\$ 900,242,793</u>	<u>\$ 362,744,020</u>	<u>\$ 1,262,986,813</u>	<u>\$ 20,821,861</u>
DEFERRED INFLOWS OF RESOURCES				
Property taxes/assessments for subsequent year	381,943,269	-	381,943,269	363,374
Pension related amounts	72,261,995	17,836,878	90,098,873	969,670
Other post-employment benefits related amounts	11,406,976	3,198,578	14,605,554	115,294
Unamortized gain on refunding	-	1,107,169	1,107,169	-
Lease related amounts	22,104,246	16,720,869	38,825,115	10,336,256
Total Deferred Inflows of Resources	<u>\$ 487,716,486</u>	<u>\$ 38,863,494</u>	<u>\$ 526,579,980</u>	<u>\$ 11,784,594</u>
NET POSITION				
Net investment in capital assets	813,981,970	998,676,251	1,749,659,842	66,643,254
Restricted for				
Debt service	20,874,602	21,293,716	42,168,318	-
Equipment replacement	-	5,618,525	5,618,525	-
Loan programs	35,529,792	-	35,529,792	-
Library	3,529,207	-	3,529,207	7,155,924
Park purposes	1,357,153	-	1,357,153	5,874,100
Impact fees	45,259,540	-	45,259,540	-
Other grants	4,275,232	-	4,275,232	-
Other restricted special revenue funds	2,686,957	-	2,686,957	-
TID activities	84,819,579	-	84,819,579	-
Trust purposes - expendable	4,095,788	-	4,095,788	-
Trust purposes - nonexpendable	620,614	-	620,614	-
HUD restricted funds	-	-	-	284,495
Unrestricted	77,170,163	84,122,210	224,290,752	36,738,251
TOTAL NET POSITION	<u>\$ 1,094,200,597</u>	<u>\$ 1,109,710,702</u>	<u>\$ 2,203,911,299</u>	<u>\$ 116,696,024</u>

See accompanying notes to financial statements.

CITY OF MADISON

COMBINING STATEMENT OF ACTIVITIES For the Year Ended December 31, 2025

Functions/Programs	Expenses	Program Revenue	
		Charges for Services	Operating Grants and Contributions
Primary Government			
Governmental activities			
General government	\$ 54,908,083	\$ 2,482,276	\$ 1,904,706
Public safety	199,011,636	25,986,991	6,757,919
Public works and transportation	112,546,609	28,594,042	14,556,507
Planning and development	80,155,071	15,246,843	18,603,568
Culture and recreation	53,348,486	2,381,760	2,527,797
Interest and fiscal charges	16,472,657	-	-
Total Governmental Activities	<u>\$ 516,442,542</u>	<u>\$ 74,691,912</u>	<u>\$ 44,350,497</u>
Business-type activities			
Water	34,887,085	56,798,060	-
Sewer	54,168,058	60,680,981	548,118
Stormwater	19,759,661	25,733,388	-
Parking utility	17,651,089	14,895,611	-
Transit	103,415,675	12,453,311	38,941,989
Convention center	13,078,847	4,838,226	-
Golf courses	4,896,622	5,814,965	-
Total Business-type Activities	<u>\$ 247,857,037</u>	<u>\$ 181,214,542</u>	<u>\$ 39,490,107</u>
Total Primary Government	<u>\$ 764,299,579</u>	<u>\$ 255,906,454</u>	<u>\$ 83,840,604</u>
Component Units			
CDA (Housing)	\$ 44,823,282	\$ 10,160,020	\$ 41,385,059
Business Improvement District	628,930	212,956	95,934
Olbrich Botanical Society and Foundation	4,184,218	3,205,990	1,381,706
Library Foundation	2,003,354	295,474	4,215,858
Parks Foundation	1,008,083	87,780	339,366
Total Component Units	<u>\$ 52,647,867</u>	<u>\$ 13,962,220</u>	<u>\$ 47,417,923</u>

General Revenues

Taxes

Property taxes, levied for general purposes

Property taxes, levied for the library

Property taxes, levied for TIF districts

Other taxes

Intergovernmental revenues not restricted to specific programs

Investment income

Miscellaneous

Gain on sale of assets

Transfers - Internal

Total General Revenues and Transfers

Change in Net Position

NET POSITION, Beginning of Year

NET POSITION - END OF YEAR

See accompanying notes to financial statements.

Net (Expenses) Revenues and Changes in Net Position					
Primary Government					
Capital Grants and Contributions	Governmental Activities	Business- type Activities	Total	Component Units	
\$ 4,945,182	\$ (45,575,919)	\$ -	\$ (45,575,919)	\$ -	
-	(166,266,726)	-	(166,266,726)	-	
21,965,462	(47,430,598)	-	(47,430,598)	-	
2,614,833	(43,689,827)	-	(43,689,827)	-	
2,831,165	(45,607,764)	-	(45,607,764)	-	
-	(16,472,657)	-	(16,472,657)	-	
<u>\$ 32,356,642</u>	<u>\$ (365,043,491)</u>	<u>\$ -</u>	<u>\$ (365,043,491)</u>	<u>\$ -</u>	
3,705,201	-	25,616,176	25,616,176	-	
2,462,316	-	9,523,357	9,523,357	-	
12,930,539	-	18,904,266	18,904,266	-	
-	-	(2,755,478)	(2,755,478)	-	
2,600,468	-	(49,419,907)	(49,419,907)	-	
-	-	(8,240,621)	(8,240,621)	-	
692,308	-	1,610,651	1,610,651	-	
<u>\$ 22,390,832</u>	<u>\$ -</u>	<u>\$ (4,761,556)</u>	<u>\$ (4,761,556)</u>	<u>\$ -</u>	
<u>\$ 54,747,474</u>	<u>\$ (365,043,491)</u>	<u>\$ (4,761,556)</u>	<u>\$ (369,805,047)</u>	<u>\$ -</u>	
5,057,907	-	-	-	11,779,704	
-	-	-	-	(320,040)	
-	-	-	-	403,478	
-	-	-	-	2,507,978	
-	-	-	-	(580,937)	
<u>\$ 5,057,907</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,790,183</u>	
\$ 296,733,405	\$ -	\$ 296,733,405	\$ -		
22,174,898	-	22,174,898	-		
43,074,484	-	43,074,484	-		
25,416,707	7,369,917	32,786,624	-		
36,620,702	-	36,620,702	-		
31,098,573	6,793,763	37,892,336	4,063,781		
2,446,950	6,358,317	8,805,267	899,012		
1,093,228	53,971	1,147,199	12,240		
(33,076,617)	33,076,617	-	-		
<u>\$ 425,582,330</u>	<u>\$ 53,652,585</u>	<u>\$ 479,234,915</u>	<u>\$ 4,975,033</u>		
\$ 60,538,839	\$ 48,891,029	\$ 109,429,868	\$ 18,765,216		
<u>1,033,661,758</u>	<u>1,060,819,673</u>	<u>2,094,481,431</u>	<u>97,930,808</u>		
<u>\$ 1,094,200,597</u>	<u>\$ 1,109,710,702</u>	<u>\$ 2,203,911,299</u>	<u>\$ 116,696,024</u>		

See accompanying notes to financial statements.

CITY OF MADISON

BALANCE SHEET GOVERNMENTAL FUNDS As of December 31, 2025

	<u>General Fund</u>	<u>Library</u>
ASSETS		
Cash and investments	\$177,844,935	\$ 3,796,327
Receivables (net)		
Taxes	303,370,762	23,296,196
Accounts	10,290,173	39,535
Accrued revenue	542,192	4,461
Special assessments	-	-
Accrued interest	1,498,144	-
Long-term loans	662,149	-
Leases	19,804,489	-
Other	14,095,000	1,663
Due from other funds	2,342,306	-
Due from other governmental units	6,941,037	49,992
Advances to other funds	-	-
Advances to component unit	-	-
Inventories	465,123	-
Prepaid items	2,481,667	339,046
Restricted cash and investments	-	-
TOTAL ASSETS	<u><u>\$540,337,977</u></u>	<u><u>\$ 27,527,220</u></u>

See accompanying notes to financial statements.

<u>Debt Service</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Totals</u>
\$ 21,269,873	\$199,741,323	\$ 14,727,918	\$ 417,380,376
-	58,515,643	5,249,816	390,432,417
-	1,881,213	905,750	13,116,671
-	-	5,818,401	6,365,054
-	8,449,472	-	8,449,472
-	-	14,681	1,512,825
-	10,394	30,040,587	30,713,130
-	3,230,146	476,612	23,511,247
-	-	-	14,096,663
-	-	188,161	2,530,467
-	6,676,872	10,841,020	24,508,921
-	860,797	-	860,797
2,834,944	-	-	2,834,944
-	3,206,879	-	3,672,002
-	84,565	147,568	3,052,846
-	-	40,404,857	40,404,857
<u>\$ 24,104,817</u>	<u>\$282,657,304</u>	<u>\$108,815,371</u>	<u>\$ 983,442,689</u>

See accompanying notes to financial statements.

CITY OF MADISON

BALANCE SHEET GOVERNMENTAL FUNDS As of December 31, 2025

	<u>General Fund</u>	<u>Library</u>
<i>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</i>		
Liabilities		
Accounts payable	\$ 6,822,972	\$ 245,790
Accrued liabilities	20,185,549	1,153,356
Deposits	11,486,704	-
Due to other governmental units	12,183	-
Due to other funds	-	-
Advances from other funds	-	-
Other liabilities	34,144	-
Unearned revenues	-	-
Total Liabilities	<u>\$ 38,541,552</u>	<u>\$ 1,399,146</u>
Deferred Inflows of Resources		
Unavailable revenues	21,011,359	13,620
Lease-related amounts	18,665,087	-
Property taxes for subsequent year	303,370,762	23,296,196
Total Deferred Inflows of Resources	<u>\$343,047,208</u>	<u>\$ 23,309,816</u>
Fund Balances		
Nonspendable		
Inventories	465,123	-
Prepaid items	2,481,667	339,046
Trust activities	-	-
Restricted	662,149	2,479,212
Committed	-	-
Assigned	26,641,779	-
Unassigned (deficit)	128,498,499	-
Total Fund Balances	<u>\$158,749,217</u>	<u>\$ 2,818,258</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u><u>\$540,337,977</u></u>	<u><u>\$ 27,527,220</u></u>

See accompanying notes to financial statements.

<u>Debt Service</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Totals</u>
\$ -	\$ 21,135,248	\$ 1,588,464	\$ 29,792,474
-	425,054	655,434	22,419,393
-	-	-	11,486,704
-	1,128	234,566	247,877
-	2,739,386	1,625,000	4,364,386
-	-	860,797	860,797
-	-	-	34,144
-	1,014,918	5,202,327	6,217,245
<u>\$ -</u>	<u>\$ 25,315,734</u>	<u>\$ 10,166,588</u>	<u>\$ 75,423,020</u>
-	16,363,196	13,783,725	51,171,900
-	2,989,347	449,812	22,104,246
-	55,276,311	-	381,943,269
<u>\$ -</u>	<u>\$ 74,628,854</u>	<u>\$ 14,233,537</u>	<u>\$ 455,219,415</u>
-	3,206,879	-	3,672,002
-	84,565	147,568	3,052,846
-	-	620,614	620,614
24,104,817	159,036,825	83,758,738	270,041,741
-	-	941,575	941,575
-	20,384,447	-	47,026,226
-	-	(1,053,249)	127,445,250
<u>\$ 24,104,817</u>	<u>\$ 182,712,716</u>	<u>\$ 84,415,246</u>	<u>\$ 452,800,254</u>
<u>\$ 24,104,817</u>	<u>\$ 282,657,304</u>	<u>\$ 108,815,371</u>	<u>\$ 983,442,689</u>

See accompanying notes to financial statements.

CITY OF MADISON

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION As of December 31, 2025

Total Fund Balances - Governmental Funds	\$ 452,800,254
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds. See Note II.A.	1,234,382,601
Internal service funds are reported in the statement of net position as governmental funds.	14,163,762
Some receivables that are not currently available are reported as unavailable revenue in the fund financial statements but are recognized as revenue when earned in the government-wide statements.	51,171,900
The net pension liability does not relate to current financial resources and is not reported in the governmental funds.	(25,281,979)
The other post-employment liability does not relate to current financial resources and is not reported in the governmental funds.	(73,809,070)
Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds	146,138,319
Deferred outflows of resources related to other post-employment benefits do not relate to current financial resources and are not reported in the governmental funds	11,023,600
Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds	(71,306,588)
Deferred inflows of resources related to other post-employment benefits do not relate to current financial resources and are not reported in the governmental funds	(11,249,886)
Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds. See Note II.A.	(633,832,316)
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 1,094,200,597</u></u>

See accompanying notes to financial statements.

CITY OF MADISON

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS For the Year Ended December 31, 2025

	General	Library	Other Grants (Previously Major Fund)
REVENUES			
Taxes	\$ 298,656,254	\$ 22,174,898	\$ -
Special assessments	-	-	-
Intergovernmental	50,041,620	1,328,716	-
Licenses and permits	9,486,877	-	-
Fines and forfeitures	6,587,304	-	-
Intergovernmental charges for services	-	-	-
Public charges for services	22,131,898	868,865	-
Investment income	21,783,970	-	-
Miscellaneous	1,559,540	880,220	-
Total Revenues	<u>\$ 410,247,463</u>	<u>\$ 25,252,699</u>	<u>\$ -</u>
EXPENDITURES			
Current			
General government	34,148,005	-	-
Public safety	179,653,142	-	-
Public works and transportation	45,887,126	-	-
Planning and development	30,017,074	-	-
Culture and recreation	18,163,737	22,097,603	-
Capital Outlay	4,425,956	-	-
Debt service			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Principal payments on leases and subscriptions	2,572,421	194,406	-
Interest payments on leases and subscriptions	421,070	62,469	-
Total Expenditures	<u>\$ 315,288,531</u>	<u>\$ 22,354,478</u>	<u>\$ -</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 94,958,932</u>	<u>\$ 2,898,221</u>	<u>\$ -</u>
OTHER FINANCING SOURCES (USES)			
General obligation debt issued	-	-	-
Premium on debt issued	-	-	-
Issuance of leases and subscriptions	4,425,956	-	-
Sale of capital assets	196,178	-	-
Transfers in	17,524,100	15,000	-
Transfers out	(98,783,651)	(2,878,162)	-
Total Other Financing Sources (Uses)	<u>\$ (76,637,417)</u>	<u>\$ (2,863,162)</u>	<u>\$ -</u>
Net Change in Fund Balances	<u>\$ 18,321,515</u>	<u>\$ 35,059</u>	<u>\$ -</u>
FUND BALANCES (DEFICIT) - Beginning of Year	140,427,702	2,783,199	(863,364)
Accounting Changes (see note disclosure)	-	-	863,364
Fund balances, beginning of year as adjusted	<u>140,427,702</u>	<u>2,783,199</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 158,749,217</u>	<u>\$ 2,818,258</u>	<u>\$ -</u>

See accompanying notes to financial statements.

<u>Debt Service</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Totals</u>
\$ -	\$ 43,074,484	\$ 23,493,858	\$ 387,399,494
-	3,386,068	-	3,386,068
-	7,203,872	36,697,915	95,272,123
-	-	367,957	9,854,834
-	-	-	6,587,304
-	9,920,884	-	9,920,884
-	1,252,325	25,835,835	50,088,923
650,146	5,698,268	2,751,231	30,883,615
-	1,060,341	433,025	3,933,126
<u>\$ 650,146</u>	<u>\$ 71,596,242</u>	<u>\$ 89,579,821</u>	<u>\$ 597,326,371</u>
-	4,058,621	9,659,482	47,866,108
-	640,175	3,914,619	184,207,936
-	14,640,013	12,222,888	72,750,027
-	1,626,264	29,256,775	60,900,113
-	675,284	234,675	41,171,299
-	115,341,606	-	119,767,562
75,859,467	-	-	75,859,467
19,066,750	-	-	19,066,750
-	346,148	240,813	3,353,788
-	97,516	16,013	597,068
<u>\$ 94,926,217</u>	<u>\$ 137,425,627</u>	<u>\$ 55,545,265</u>	<u>\$ 625,540,118</u>
<u>\$ (94,276,071)</u>	<u>\$ (65,829,385)</u>	<u>\$ 34,034,556</u>	<u>\$ (28,213,747)</u>
200,118	105,493,760	-	105,693,878
11,536,171	-	-	11,536,171
-	3,754,066	-	8,180,022
-	286,526	52,418	535,122
83,745,943	17,696,019	5,040,835	124,021,897
-	(15,800,012)	(30,424,476)	(147,886,301)
<u>\$ 95,482,232</u>	<u>\$ 111,430,359</u>	<u>\$ (25,331,223)</u>	<u>\$ 102,080,789</u>
<u>\$ 1,206,161</u>	<u>\$ 45,600,974</u>	<u>\$ 8,703,333</u>	<u>\$ 73,867,042</u>
22,898,656	137,111,742	76,575,277	378,933,212
-	-	(863,364)	-
<u>22,898,656</u>	<u>137,111,742</u>	<u>75,711,913</u>	<u>378,933,212</u>
<u>\$ 24,104,817</u>	<u>\$ 182,712,716</u>	<u>\$ 84,415,246</u>	<u>\$ 452,800,254</u>

See accompanying notes to financial statements.

CITY OF MADISON

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended December 31, 2025

Net change in fund balances - total governmental funds	\$ 73,867,042
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of net position the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.	
Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements	119,767,562
Less: Some items reported as capital outlay but not capitalized	(24,525,911)
Add: Contributed assets	11,496,948
Depreciation is reported in the government-wide statements	(45,496,999)
Net book value of disposals	(7,558,926)
Net capital asset contributions by governmental activities to business-type activities	(10,101,276)
Receivables not currently available are reported as unavailable revenue in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.	(836,205)
Debt and leases issued provide current financial resources to governmental funds, but issuing these obligations increases long-term liabilities in the statement of net position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Debt issued	(105,693,878)
Issuance of leases and subscriptions	(8,180,022)
Principal repaid	75,859,467
Lease and subscription principal repaid	3,353,788
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
Compensated absences	(1,116,733)
Disability benefits	5,018
Accrued interest on debt	(642,686)
Police and Fire Pension	23,522
Net pension liability	(2,542,913)
Net other post-employment benefits liability	(8,879,312)
Deferred outflows of resources related to pensions	(55,336,671)
Deferred inflows of resources related to pensions	47,614,223
Deferred outflows of resources related to other post-employment benefits	1,901,570
Deferred inflows of resources related to other post-employment benefits	3,752,930
Governmental funds report the effect of premiums, discounts and other similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
Current year premium	(11,536,171)
Amortization of discount and premium	6,303,142
Internal service funds are used by management to charge the costs of workers compensation, liability insurance, employee benefits, and fleet center costs to individual funds.	
The net expense of the internal service funds is reported with governmental activities.	(958,670)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 60,538,839

See accompanying notes to financial statements.

CITY OF MADISON

STATEMENT OF NET POSITION PROPRIETARY FUNDS As of December 31, 2025

				Business-type Activities - Enterprise Funds		
				Water Utility	Sewer	Stormwater
ASSETS						
Current Assets						
Cash and investments	\$	30,415,802	\$	31,886,347	\$	15,881,689
Accounts receivable (net)		3,586,849		4,556,469		1,753,474
Due from other funds		684,245		775,616		374,058
Leases receivable		194,761		-		-
Due from other governmental units		-		108,540		1,157,007
Inventories		1,961,846		-		-
Special assessments		131,988		-		-
Other assets		1,037,976		-		-
Prepaid items		228,049		124,820		145,641
Restricted cash and investments		13,407,103		-		-
Total Current Assets	\$	51,648,619	\$	37,451,792	\$	19,311,869
Noncurrent Assets						
Property held for future use		23,612		-		-
Restricted assets						
Cash and investments		17,276,725		7,870,026		4,377,775
Investment in mutual insurance company		-		-		-
Capital Assets:						
Land		3,133,713		4,608,137		74,503,174
Construction work in progress		10,771,357		7,681,516		16,788,060
Plant in service (at cost)		459,732,724		232,570,494		360,757,537
Total Capital Assets	\$	473,637,794	\$	244,860,147	\$	452,048,771
Less: Accumulated depreciation/amortization		(147,655,343)		(50,939,366)		(77,235,843)
Net Capital Assets	\$	325,982,451	\$	193,920,781	\$	374,812,928
Other Property and Investments						
Special assessments receivable		1,215,277		5,140,627		1,164,001
Preliminary survey and investigation		426,815		-		-
Lease receivable (net of current)		4,128,354		-		-
Other assets		1,179,068		-		-
Net non-utility property		630,919		-		-
Total Other Property and Investments	\$	7,580,433	\$	5,140,627	\$	1,164,001
Total Noncurrent Assets	\$	350,863,221	\$	206,931,434	\$	380,354,704
Total Assets	\$	402,511,840	\$	244,383,226	\$	399,666,573
DEFERRED OUTFLOWS OF RESOURCES						
Unamortized loss on advance refunding		264,650		-		-
Deferred outflows related to pension		5,348,326		1,750,723		2,210,825
Other post-employment benefits related amounts		437,598		185,563		41,812
Total Deferred Outflows of Resources	\$	6,050,574	\$	1,936,286	\$	2,252,637

See accompanying notes to financial statements.

Business-type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
Transit Utility	Nonmajor Enterprise Funds	Totals	
\$ 2,595,673	\$ 28,617,930	\$ 109,397,441	\$ 18,668,786
355,378	594,613	10,846,783	242,184
-	-	1,833,919	-
-	493,987	688,748	-
3,975,170	-	5,240,717	-
619,529	125,622	2,706,997	908,467
-	-	131,988	-
-	-	1,037,976	-
922,469	195,035	1,616,014	6,605,098
340,681	-	13,747,784	-
<u>\$ 8,808,900</u>	<u>\$ 30,027,187</u>	<u>\$ 147,248,367</u>	<u>\$ 26,424,535</u>
-	-	23,612	-
2,132,109	-	31,656,635	978,964
-	-	-	3,815,820
8,049,742	6,587,560	96,882,326	2,478,119
3,103,465	42,575,656	80,920,054	-
367,893,374	157,793,953	1,578,748,082	148,230,932
<u>\$ 379,046,581</u>	<u>\$ 206,957,169</u>	<u>\$ 1,756,550,462</u>	<u>\$ 150,709,051</u>
<u>(112,620,610)</u>	<u>(92,267,319)</u>	<u>(480,718,481)</u>	<u>(78,043,586)</u>
<u>\$ 266,425,971</u>	<u>\$ 114,689,850</u>	<u>\$ 1,275,831,981</u>	<u>\$ 72,665,465</u>
-	-	7,519,905	-
-	-	426,815	-
-	13,218,639	17,346,993	-
1,455	-	1,180,523	-
-	-	630,919	-
<u>\$ 1,455</u>	<u>\$ 13,218,639</u>	<u>\$ 27,105,155</u>	<u>\$ -</u>
<u>\$ 268,559,535</u>	<u>\$ 127,908,489</u>	<u>\$ 1,334,617,383</u>	<u>\$ 77,460,249</u>
<u>\$ 277,368,435</u>	<u>\$ 157,935,676</u>	<u>\$ 1,481,865,750</u>	<u>\$ 103,884,784</u>
-	-	264,650	-
18,008,900	5,444,309	32,763,083	1,649,626
1,968,158	501,112	3,134,243	153,930
<u>\$ 19,977,058</u>	<u>\$ 5,945,421</u>	<u>\$ 36,161,976</u>	<u>\$ 1,803,556</u>

See accompanying notes to financial statements.

CITY OF MADISON

STATEMENT OF NET POSITION PROPRIETARY FUNDS As of December 31, 2025

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer	Stormwater
LIABILITIES			
Current Liabilities			
Accounts payable	\$ 559,648	\$ 8,855,043	\$ 231,243
Accrued liabilities	1,987,517	351,541	991,408
Deposits	148,500	357,590	17,072
Claims payable	-	-	-
Current portion due to other governments	-	-	-
Current portion of general obligation long-term debt	2,488,727	-	7,569,385
Current portion of leases payable	-	-	-
Current portion of subscription liabilities	184,913	1,288	1,288
Current portion of other post-employment benefits	121,079	43,946	11,782
Current portion of accrued compensated absences	-	334,551	519,939
Unearned revenue	-	-	-
Liabilities payable from restricted assets:			
Accrued liabilities	1,957,783	180,928	-
Current maturities of revenue bonds	11,927,314	5,695,000	-
Total Current Liabilities	<u>\$ 19,375,481</u>	<u>\$ 15,819,887</u>	<u>\$ 9,342,117</u>
Long-Term Debt Net of Current Maturities			
General obligation long-term debt	22,690,448	-	36,980,916
Revenue bonds, including unamortized premium	107,238,615	54,154,763	-
Leases payable	-	-	-
Long-term portion of subscription liabilities	79,279	-	-
Due to other governments	-	-	-
Total Long-Term Debt Net of Current Maturities	<u>\$ 130,008,342</u>	<u>\$ 54,154,763</u>	<u>\$ 36,980,916</u>
Other Noncurrent Liabilities			
Other post-employment benefits	2,808,875	1,198,501	268,170
Net pension liability	814,016	270,553	412,904
Accrued compensated absences	1,711,362	435,118	675,685
Unearned revenues	-	-	-
Noncurrent liabilities payable from restricted assets	-	-	-
Other	1,114,808	-	-
Total Other Noncurrent Liabilities	<u>\$ 6,449,061</u>	<u>\$ 1,904,172</u>	<u>\$ 1,356,759</u>
Total Long-Term Debt Net of Current Maturities and Other Noncurrent Liabilities	<u>\$ 136,457,403</u>	<u>\$ 56,058,935</u>	<u>\$ 38,337,675</u>
Total Liabilities	<u>\$ 155,832,884</u>	<u>\$ 71,878,822</u>	<u>\$ 47,679,792</u>
DEFERRED INFLOWS OF RESOURCES			
Unamortized gain on refunding	1,107,169	-	-
Pension related amounts	2,903,981	1,018,304	1,405,938
Lease-related amounts	4,060,839	-	-
Other post-employment benefits related amounts	446,580	189,372	42,670
Total Deferred Inflows of Resources	<u>\$ 8,518,569</u>	<u>\$ 1,207,676</u>	<u>\$ 1,448,608</u>
NET POSITION			
Net investment in capital assets	192,456,490	134,069,730	334,639,114
Restricted for debt service	13,604,617	7,689,099	-
Restricted for equipment replacement	5,618,525	-	-
Unrestricted (Deficit)	32,531,329	31,474,185	18,151,696
TOTAL NET POSITION	<u>\$ 244,210,961</u>	<u>\$ 173,233,014</u>	<u>\$ 352,790,810</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			
NET POSITION OF BUSINESS-TYPE ACTIVITIES			

See accompanying notes to financial statements.

Business-type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
Transit Utility	Nonmajor Enterprise Funds	Totals	
\$ 1,712,513	\$ 615,879	\$ 11,974,326	\$ 486,467
4,154,474	1,498,482	8,983,422	1,103,016
-	1,494,402	2,017,564	-
-	-	-	13,944,373
359,910	-	359,910	-
2,540,159	1,247,143	13,845,414	10,354,534
296,654	200,012	496,666	-
5,150	88,631	281,270	157,117
1,016,824	111,678	1,305,309	93,356
1,346,001	821,445	3,021,936	211,029
632,130	115,961	748,091	-
340,681	-	2,479,392	-
-	-	17,622,314	-
<u>\$ 12,404,496</u>	<u>\$ 6,193,633</u>	<u>\$ 63,135,614</u>	<u>\$ 26,349,892</u>
18,118,154	17,052,442	94,841,960	68,665,994
-	-	161,393,378	-
6,720,843	196,773	6,917,616	-
-	206,370	285,649	395,540
1,439,640	-	1,439,640	-
<u>\$ 26,278,637</u>	<u>\$ 17,455,585</u>	<u>\$ 264,878,243</u>	<u>\$ 69,061,534</u>
12,161,077	3,243,542	19,680,165	937,290
2,873,515	863,680	5,234,668	238,654
2,143,717	1,601,076	6,566,958	534,221
1,455	-	1,455	-
2,132,109	-	2,132,109	-
-	-	1,114,808	-
<u>\$ 19,311,873</u>	<u>\$ 5,708,298</u>	<u>\$ 34,730,163</u>	<u>\$ 1,710,165</u>
<u>\$ 45,590,510</u>	<u>\$ 23,163,883</u>	<u>\$ 299,608,406</u>	<u>\$ 70,771,699</u>
<u>\$ 57,995,006</u>	<u>\$ 29,357,516</u>	<u>\$ 362,744,020</u>	<u>\$ 97,121,591</u>
-	-	1,107,169	-
9,533,539	2,975,116	17,836,878	955,407
-	12,660,030	16,720,869	-
2,008,559	511,397	3,198,578	157,090
<u>\$ 11,542,098</u>	<u>\$ 16,146,543</u>	<u>\$ 38,863,494</u>	<u>\$ 1,112,497</u>
240,310,543	97,200,374	998,676,251	(6,907,720)
-	-	21,293,716	-
-	-	5,618,525	-
(12,502,154)	21,176,664	90,831,720	14,361,972
<u>\$ 227,808,389</u>	<u>\$ 118,377,038</u>	<u>1,116,420,212</u>	<u>\$ 7,454,252</u>
		<u>(6,709,510)</u>	
		<u>\$ 1,109,710,702</u>	

See accompanying notes to financial statements.

CITY OF MADISON

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION PROPRIETARY FUNDS

For the Year Ended December 31, 2025

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer	Stormwater
CHARGES FOR SERVICES	\$ 56,798,060	\$ 60,680,981	\$ 25,733,388
OPERATING EXPENSES:			
Operation and Maintenance	21,090,503	46,429,067	12,121,805
Depreciation	9,389,163	3,743,493	5,753,851
Total Operating Expenses	<u>30,479,666</u>	<u>50,172,560</u>	<u>17,875,656</u>
Operating Income (Loss)	<u>26,318,394</u>	<u>10,508,421</u>	<u>7,857,732</u>
NONOPERATING REVENUES (EXPENSES)			
Investment income	2,722,312	1,870,011	761,096
Interest and amortization	(4,369,802)	(1,782,388)	(1,614,783)
Issuance costs	(5,456)	-	-
Other taxes	-	-	-
Gain (Loss) on sale of assets	-	(38,802)	147,173
Special assessments	-	548,118	-
Noncapitalized infrastructure improvements	-	(2,200,877)	(291,227)
Intergovernmental revenues	-	-	-
PFAS settlement	5,163,822	-	-
Miscellaneous revenues	-	17,405	58,277
Miscellaneous expenses	(64,098)	-	-
Total Nonoperating Revenues (Expenses)	<u>3,446,778</u>	<u>(1,586,533)</u>	<u>(939,464)</u>
Income (Loss) Before Transfers and Capital Contributions	<u>29,765,172</u>	<u>8,921,888</u>	<u>6,918,268</u>
TRANSFERS			
Transfers in	173,048	-	-
Transfers out	(7,163,544)	(179,048)	(6,000)
Net Transfers	<u>(6,990,496)</u>	<u>(179,048)</u>	<u>(6,000)</u>
Income (Loss) Before Contributions	<u>22,774,676</u>	<u>8,742,840</u>	<u>6,912,268</u>
CAPITAL CONTRIBUTIONS	<u>3,705,201</u>	<u>2,462,316</u>	<u>12,930,539</u>
CAPITAL CONTRIBUTIONS - MUNICIPAL	<u>-</u>	<u>1,284,333</u>	<u>1,465,844</u>
CAPITALIZED TAX EQUIVALENT	<u>99,656</u>	<u>-</u>	<u>-</u>
Change in Net Position	<u>26,579,533</u>	<u>12,489,489</u>	<u>21,308,651</u>
NET POSITION, Beginning of Year	<u>217,631,428</u>	<u>160,743,525</u>	<u>331,482,159</u>
NET POSITION - END OF YEAR	<u><u>\$ 244,210,961</u></u>	<u><u>\$ 173,233,014</u></u>	<u><u>\$ 352,790,810</u></u>
Change in Net Position			
Adjustments to reflect the consolidation of internal service funds activities related to business-type activities			
CHANGE IN NET POSITION OF BUSINESS-TYPE ACTIVITIES			

See accompanying notes to financial statements.

Business-type Activities - Enterprise Funds			
Transit Utility	Nonmajor Enterprise Funds	Totals	Governmental Activities- Internal Service Funds
\$ 12,453,311	\$ 25,548,802	\$ 181,214,542	\$ 30,564,478
81,286,189	30,358,732	191,286,296	20,531,563
21,788,291	4,532,375	45,207,173	10,376,407
103,074,480	34,891,107	236,493,469	30,907,970
(90,621,169)	(9,342,305)	(55,278,927)	(343,492)
-	1,440,344	6,793,763	10,698
(216,508)	(690,517)	(8,673,998)	(2,469,295)
-	-	(5,456)	-
7,369,917	-	7,369,917	-
1,479	(55,879)	53,971	554,023
-	-	548,118	-
-	-	(2,492,104)	-
38,941,989	-	38,941,989	-
-	-	5,163,822	-
24,911	1,093,901	1,194,494	172,766
-	-	(64,098)	-
46,121,788	1,787,849	48,830,418	(1,731,808)
(44,499,381)	(7,554,456)	(6,448,509)	(2,075,300)
25,605,164	6,787,207	32,565,419	1,029,020
-	(2,241,486)	(9,590,078)	(139,957)
25,605,164	4,545,721	22,975,341	889,063
(18,894,217)	(3,008,735)	16,526,832	(1,186,237)
2,600,468	692,308	22,390,832	-
7,351,099	-	10,101,276	-
-	-	99,656	-
(8,942,650)	(2,316,427)	49,118,596	(1,186,237)
236,751,039	120,693,465	1,067,301,616	8,640,489
\$ 227,808,389	\$ 118,377,038	\$ 1,116,420,212	\$ 7,454,252
		49,118,596	
		(227,567)	
		\$ 48,891,029	

CITY OF MADISON

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS For the Year Ended December 31, 2025

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Water Utility</u>	<u>Sewer</u>	<u>Stormwater</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Received from customers	\$ 57,488,447	\$ 60,509,058	\$ 25,929,243
Customer deposits received	-	-	-
Paid to suppliers for goods and services	(11,521,640)	(41,565,598)	(4,235,446)
Paid to employees for services	(9,132,761)	(5,154,454)	(7,737,571)
Net Cash Flows From Operating Activities	<u>\$ 36,834,046</u>	<u>\$ 13,789,006</u>	<u>\$ 13,956,226</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Principal paid on operating loan	(1,070,000)	-	-
Interest paid on operating loan	(137,538)	-	-
Transfers from other funds	173,048	-	-
Transfers to other funds - tax equivalent	(7,063,888)	-	-
Transfers to other funds	-	(179,048)	(6,000)
Special assessments received related to laterals	-	545,312	-
Construction of infrastructure not owned	-	(2,200,877)	(291,227)
Advances from other funds	-	-	-
PFAS settlement funds received	3,249,857	-	-
Operating grants received	-	-	-
Vehicle registration fee	-	-	-
Net Cash Flows From Noncapital Financing Activities	<u>\$ (4,848,521)</u>	<u>\$ (1,834,613)</u>	<u>\$ (297,227)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Debt retired	(12,708,944)	(6,475,000)	(7,087,015)
Interest paid	(5,382,604)	(2,374,487)	(1,525,315)
Long-term debt issued	1,578,840	-	11,418,357
Proceeds from sale of property	-	-	-
Acquisition and construction of capital assets	(18,484,293)	(10,102,271)	(14,174,578)
Issuance costs	(5,456)	-	-
Contribution in aid of construction	52,697	1,691	4,483,199
Premium on debt issued	-	-	-
Capital contributions - federal and state	-	-	-
Capital contributions - city and other	-	1,284,333	-
Net interest/amortization on leases and subscriptions	(192,400)	-	-
Advances from other funds	-	-	-
Special assessments received	656,604	497,451	330,522
Net Cash Flows From Capital and Related Financing Activities	<u>\$(34,485,556)</u>	<u>\$(17,168,283)</u>	<u>\$ (6,554,830)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Marketable securities purchased	(4,075,628)	-	-
Marketable securities sold	3,717,943	-	-
Investment income	2,620,101	1,870,011	761,096
Net Cash Flows From Investing Activities	<u>\$ 2,262,416</u>	<u>\$ 1,870,011</u>	<u>\$ 761,096</u>
Net Change in Cash and Cash Equivalents	<u>\$ (237,615)</u>	<u>\$ (3,343,879)</u>	<u>\$ 7,865,265</u>
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>50,346,316</u>	<u>43,100,252</u>	<u>12,394,199</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 50,108,701</u></u>	<u><u>\$ 39,756,373</u></u>	<u><u>\$ 20,259,464</u></u>

See accompanying notes to financial statements.

Business-type Activities - Enterprise Funds

<u>Transit Utility</u>	<u>Nonmajor Enterprise Funds</u>	<u>Totals</u>	<u>Governmental Activities- Internal Service Funds</u>
\$ 20,881,369	\$ 26,785,926	\$ 191,594,043	\$ 30,958,377
-	129,571	129,571	-
(37,483,611)	(10,292,159)	(105,098,454)	(15,362,701)
<u>(41,142,333)</u>	<u>(19,562,676)</u>	<u>(82,729,795)</u>	<u>(4,647,161)</u>
<u>\$(57,744,575)</u>	<u>\$ (2,939,338)</u>	<u>\$ 3,895,365</u>	<u>\$ 10,948,515</u>
-	-	(1,070,000)	-
-	-	(137,538)	-
22,853,051	6,787,207	29,813,306	1,029,020
-	-	(7,063,888)	-
-	(2,241,486)	(2,426,534)	(139,957)
-	-	545,312	-
-	-	(2,492,104)	-
(15,000,000)	-	(15,000,000)	-
-	-	3,249,857	-
52,331,233	-	52,331,233	-
<u>7,369,917</u>	<u>-</u>	<u>7,369,917</u>	<u>-</u>
<u>\$ 67,554,201</u>	<u>\$ 4,545,721</u>	<u>\$ 65,119,561</u>	<u>\$ 889,063</u>
(2,752,113)	(1,191,270)	(30,214,342)	(9,480,191)
(734,338)	(818,004)	(10,834,748)	(2,466,394)
487,500	623,888	14,108,585	18,136,377
1,479	-	1,479	-
(9,643,046)	(10,228,300)	(62,632,488)	(13,027,860)
-	-	(5,456)	-
-	-	4,537,587	-
-	-	-	1,352,000
2,600,468	-	2,600,468	783,277
2,752,113	-	4,036,446	-
(362,334)	(106,083)	(660,817)	-
-	-	-	(5,000,000)
<u>-</u>	<u>-</u>	<u>1,484,577</u>	<u>-</u>
<u>\$ (7,650,271)</u>	<u>\$ (11,719,769)</u>	<u>\$ (77,578,709)</u>	<u>\$ (9,702,791)</u>
-	-	(4,075,628)	(109,349)
-	-	3,717,943	28,667
-	1,440,344	6,691,552	10,698
<u>\$ -</u>	<u>\$ 1,440,344</u>	<u>\$ 6,333,867</u>	<u>\$ (69,984)</u>
\$ 2,159,355	\$ (8,673,042)	\$ (2,229,916)	\$ 2,064,803
<u>2,909,108</u>	<u>37,290,972</u>	<u>146,040,847</u>	<u>16,603,983</u>
<u>\$ 5,068,463</u>	<u>\$ 28,617,930</u>	<u>\$ 143,810,931</u>	<u>\$ 18,668,786</u>

See accompanying notes to financial statements.

CITY OF MADISON

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS For the Year Ended December 31, 2025

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Water Utility</u>	<u>Sewer</u>	<u>Stormwater</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES			
Income (loss) from operations	\$ 26,318,394	\$ 10,508,421	\$ 7,857,732
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Nonoperating income (loss)	1,849,867	17,405	58,277
Depreciation	9,389,163	3,743,493	5,753,851
Depreciation charged to other accounts	1,158,202	-	-
Change in assets, deferred inflows, liabilities, and deferred outflows			
Accounts receivable	284,025	(262,131)	119,068
Other current assets	(1,808,130)	-	-
Accrued revenue	-	27,061	29,666
Due from other governmental units	-	(50,611)	(5,501)
Due from other funds	(13,636)	-	-
Inventories	77,002	-	-
Prepaid items	-	(66,694)	(20,739)
Accounts payable	(596,640)	(254,166)	39,567
Accrued liabilities	-	-	-
Retiree health insurance escrow payable from restricted assets	-	-	-
Other current liabilities	-	96,352	(656)
Customer deposits	-	-	-
Accrued compensated absences	(204,654)	(21,435)	(23,177)
Other post employment benefits	35,035	(55,254)	(7,396)
Pension related deferrals and liabilities	345,418	106,565	160,534
Unearned revenue	-	-	(5,000)
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 36,834,046</u>	<u>\$ 13,789,006</u>	<u>\$ 13,956,226</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE COMBINED STATEMENT OF NET POSITION			
Cash and investments - statement of net position	\$ 30,415,802	\$ 31,886,347	\$ 15,881,689
Restricted cash and investments - statement of net position	30,683,828	7,870,026	4,377,775
Less: noncash equivalents	<u>(10,990,929)</u>	<u>-</u>	<u>-</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 50,108,701</u>	<u>\$ 39,756,373</u>	<u>\$ 20,259,464</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES			
Municipality, customer and developer financed additions to capital assets	<u>\$ 3,705,201</u>	<u>\$ 2,425,054</u>	<u>\$ 9,649,261</u>
Gain (loss) on sale of property	<u>\$ -</u>	<u>\$ (38,802)</u>	<u>\$ 147,173</u>
Capital additions assessed to customers	<u>\$ 332,607</u>	<u>\$ -</u>	<u>\$ -</u>
Adjustments to special assessments	<u>\$ (653,666)</u>	<u>\$ -</u>	<u>\$ -</u>
SBITA asset additions	<u>\$ 178,760</u>	<u>\$ 201</u>	<u>\$ 201</u>
SBITA liability additions	<u>\$ (178,760)</u>	<u>\$ (201)</u>	<u>\$ (201)</u>
Special assessments levied to customers and revised	<u>\$ -</u>	<u>\$ 120,552</u>	<u>\$ (162,107)</u>

See accompanying notes to financial statements.

Business-type Activities - Enterprise Funds

<u>Transit Utility</u>	<u>Nonmajor Enterprise Funds</u>	<u>Totals</u>	<u>Governmental Activities- Internal Service Funds</u>
\$ (90,621,169)	\$ (9,342,305)	\$ (55,278,927)	\$ (343,492)
24,911	1,093,901	3,044,361	172,766
21,788,291	4,532,375	45,207,173	10,376,407
-	-	1,158,202	-
9,103,538	324,443	9,568,943	221,123
-	-	(1,808,130)	-
-	-	56,727	-
-	-	(56,112)	-
-	-	(13,636)	-
(18,944)	3,435	61,493	104,112
(157,560)	(25,488)	(270,481)	(290,200)
(36,471)	(213,305)	(1,061,015)	(107,561)
80,529	-	80,529	826,632
132,026	-	132,026	-
-	(6,525)	89,171	-
-	129,571	129,571	-
-	163,858	(85,408)	(24,591)
1,057,447	374,195	1,404,027	(75,306)
1,037,520	19,307	1,669,344	88,625
(134,693)	7,200	(132,493)	-
<u>\$ (57,744,575)</u>	<u>\$ (2,939,338)</u>	<u>\$ 3,895,365</u>	<u>\$ 10,948,515</u>
\$ 2,595,673	\$ 28,617,930	\$ 109,397,441	\$ 18,668,786
2,472,790	-	45,404,419	978,964
-	-	(10,990,929)	(978,964)
<u>\$ 5,068,463</u>	<u>\$ 28,617,930</u>	<u>\$ 143,810,931</u>	<u>\$ 18,668,786</u>
<u>\$ 7,351,099</u>	<u>\$ 692,308</u>		<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>		<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>		<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>		<u>\$ -</u>
<u>\$ 804</u>	<u>\$ -</u>		<u>\$ 592,159</u>
<u>\$ (804)</u>	<u>\$ -</u>		<u>\$ (592,159)</u>
<u>\$ -</u>	<u>\$ -</u>		<u>\$ -</u>

See accompanying notes to financial statements.

CITY OF MADISON

STATEMENT OF FIDUCIARY NET POSITION CUSTODIAL FUNDS As of December 31, 2025

	<u>Custodial Funds</u>
ASSETS	
Cash and investments	\$ 424,033,786
Taxes receivable	<u>212,795,212</u>
Total Assets	<u>\$ 636,828,998</u>
LIABILITIES	
Accounts payable	2,885
Due to other governmental units	<u>625,587,554</u>
Total Liabilities	<u>\$ 625,590,439</u>
NET POSITION	
Restricted	17,616,009
Unrestricted (deficit)	<u>(6,377,450)</u>
TOTAL NET POSITION	<u><u>\$ 11,238,559</u></u>

See accompanying notes to financial statements.

CITY OF MADISON

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION CUSTODIAL FUNDS

For the Year Ended December 31, 2025

	<u>Custodial Funds</u>
ADDITIONS	
Gifts and bequests	\$ 735,403
Interest and dividends	3,855,080
Property taxes collected for other governments	530,488,732
Investments	<u>640,072,704</u>
 Total Additions	 <u>\$ 1,175,151,919</u>
DEDUCTIONS	
Administrative expense	36,869,733
Property taxes distributed to other governments	530,488,732
Distributions	<u>619,094,983</u>
 Total Deductions	 <u>\$ 1,186,453,448</u>
 CHANGE IN FIDUCIARY NET POSITION	 <u>\$ (11,301,529)</u>
 NET POSITION, Beginning of Year	 <u>22,540,088</u>
 NET POSITION, END OF YEAR	 <u><u>\$ 11,238,559</u></u>

See accompanying notes to financial statements.

CITY OF MADISON

COMBINING STATEMENT OF NET POSITION COMPONENT UNITS As of December 31, 2025

	CDA	Olbrich Society and Foundation	Madison Public Library Foundation	Nonmajor Component Units	Totals
ASSETS					
Cash and investments	\$ 10,869,777	\$ 15,279,338	\$ 4,357,940	\$ 5,166,013	\$ 35,673,068
Receivables					
Accounts	669,509	23,054	-	8,832	701,395
Special assessments	-	-	-	229,558	229,558
Accrued interest	3,873	-	-	-	3,873
Long-term loans	1,802,891	-	-	-	1,802,891
Pledge receivable	-	899,727	1,415,120	603,644	2,918,491
Grants	-	2,500	-	-	2,500
Leases	11,191,554	-	-	-	11,191,554
Due from other governmental units	216,713	-	-	-	216,713
Inventories	-	54,924	-	-	54,924
Prepaid items	2,500,675	5,512	15,278	21,383	2,542,848
Beneficial interest in assets held by MCF	-	56,167	11,692,098	96,595	11,844,860
Beneficial interest in lead trust held by others	-	234,987	-	-	234,987
Other assets	102,908	-	-	-	102,908
Restricted assets					
Cash and investments	2,533,807	453,572	30,421	-	3,017,800
Capital assets					
Land	9,248,547	-	-	-	9,248,547
Construction in progress	6,196,244	-	-	-	6,196,244
Capital assets being depreciated	137,952,874	-	-	-	137,952,874
Less: Accumulated depreciation/amortization	(76,755,358)	-	-	-	(76,755,358)
Total Assets	<u>\$106,534,014</u>	<u>\$17,009,781</u>	<u>\$17,510,857</u>	<u>\$ 6,126,025</u>	<u>\$ 147,180,677</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension related amounts	2,008,827	-	-	-	2,008,827
Other post-employment benefits related amounts	<u>112,975</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>112,975</u>
Total Deferred Outflows of Resources	<u>\$ 2,121,802</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,121,802</u>

See accompanying notes to financial statements.

	CDA	Olbrich Society and Foundation	Madison Public Library Foundation	Nonmajor Component Units	Totals
LIABILITIES					
Accounts payable	\$ 670,617	\$ 196,067	\$ 14,658	\$ 97,462	\$ 978,804
Accrued liabilities	3,561,368	-	21,343	4,614	3,587,325
Due to other governmental units	98,536	-	-	-	98,536
Current maturities of long-term debt	2,060,441	-	-	-	2,060,441
Current maturities of compensated absences	243,336	-	-	-	243,336
Current portion of other post- employment benefits	40,449	-	-	-	40,449
Advances from primary government	2,834,944	-	-	-	2,834,944
Mortgage notes	4,117,647	-	-	-	4,117,647
Due to other governments	2,079,607	-	-	-	2,079,607
Subscription liabilities	2,575	-	-	-	2,575
Compensated absences	353,900	-	-	-	353,900
Other post-employment benefits	715,980	-	-	-	715,980
Net pension liability	305,797	-	-	-	305,797
Unearned revenues	2,150,077	33,281	4,500	2,500	2,190,358
Other liabilities	1,229,541	-	-	-	1,229,541
Total Liabilities	<u>\$ 20,464,815</u>	<u>\$ 229,348</u>	<u>\$ 40,501</u>	<u>\$ 104,576</u>	<u>\$ 20,839,240</u>
DEFERRED INFLOWS OF RESOURCES					
Assessments for subsequent year	-	-	-	363,374	363,374
Lease-related amounts	10,318,877	-	-	-	10,318,877
Pension related amounts	969,670	-	-	-	969,670
Other post-employment benefits related amounts	115,294	-	-	-	115,294
Total Deferred Inflows of Resources	<u>\$ 11,403,841</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 363,374</u>	<u>\$ 11,767,215</u>
NET POSITION					
Net investment in capital assets	66,643,254	-	-	-	66,643,254
Restricted for:					
Library	-	-	7,155,924	-	7,155,924
Parks	-	3,765,525	-	2,108,575	5,874,100
HUD restricted funds	284,495	-	-	-	284,495
Unrestricted	9,859,411	13,014,908	10,314,432	3,549,500	36,738,251
TOTAL NET POSITION	<u>\$ 76,787,160</u>	<u>\$ 16,780,433</u>	<u>\$ 17,470,356</u>	<u>\$ 5,658,075</u>	<u>\$ 116,696,024</u>

See accompanying notes to financial statements.

CITY OF MADISON

COMBINING STATEMENT OF ACTIVITIES COMPONENT UNITS For the Year Ended December 31, 2025

					Net (Expenses) Revenues and Changes in Net Position				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	CDA	Olbrich Society and Foundation	Madison Public Library Foundation	Nonmajor Component Units	Total
CDA	\$ 44,823,282	\$ 10,160,020	\$ 41,385,059	\$ 5,057,907	\$ 11,779,704	\$ -	\$ -	\$ -	\$ 11,779,704
Olbrich Society and Foundation	4,184,218	3,205,990	1,381,706	-	-	403,478	-	-	403,478
Madison Public Library Foundation	2,003,354	295,474	4,215,858	-	-	-	2,507,978	-	2,507,978
Nonmajor Component Units	1,637,013	300,736	435,300	-	-	-	-	(900,977)	(900,977)
Total Component Units	<u>\$ 52,647,867</u>	<u>\$ 13,962,220</u>	<u>\$ 47,417,923</u>	<u>\$ 5,057,907</u>	<u>\$ 11,779,704</u>	<u>\$ 403,478</u>	<u>\$ 2,507,978</u>	<u>\$ (900,977)</u>	<u>\$ 13,790,183</u>
General Revenues									
Investment income					\$ 569,940	\$ 1,554,681	\$ 1,278,463	\$ 660,697	\$ 4,063,781
Special assessments					-	-	-	346,517	346,517
Gain on sale of assets					12,240	-	-	-	12,240
Miscellaneous					446,723	27,718	29,415	48,639	552,495
Total General Revenues					<u>\$ 1,028,903</u>	<u>\$ 1,582,399</u>	<u>\$ 1,307,878</u>	<u>\$ 1,055,853</u>	<u>\$ 4,975,033</u>
Change in Net Position					12,808,607	1,985,877	3,815,856	154,876	18,765,216
NET POSITION - Beginning of Year					<u>63,978,553</u>	<u>14,794,556</u>	<u>13,654,500</u>	<u>5,503,199</u>	<u>97,930,808</u>
NET POSITION - END OF YEAR					<u><u>\$ 76,787,160</u></u>	<u><u>\$ 16,780,433</u></u>	<u><u>\$ 17,470,356</u></u>	<u><u>\$ 5,658,075</u></u>	<u><u>\$ 116,696,024</u></u>

See accompanying notes to financial statements.

CITY OF MADISON

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CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

A. Reporting Entity (cont.)

Discretely Presented Component Units

Community Development Authority of the City of Madison

The basic financial statements include the Community Development Authority ("CDA") of the City of Madison as a major component unit. The CDA is a legally separate organization. The board of the CDA is appointed by the mayor of Madison. Wisconsin Statutes provide for circumstances whereby the City can impose its will on the CDA, and also create a potential financial benefit to or burden on the City. See Note IV. J. As a component unit, the CDA's financial statements have been presented as a discrete column in the financial statements. The CDA presented in the basic financial statements includes four component units. These component units are limited liability companies which are used to promote and finance redevelopment of certain CDA properties. The information presented is for the fiscal year ended December 31, 2025. Separately issued financial statements of the Madison Community Development Authority may be obtained from the CDA's office at 215 Martin Luther King, Jr. Boulevard, Madison, WI 53710-1785.

Olbrich Botanical Society and Olbrich Botanical Society Foundation

The basic financial statements include the Olbrich Botanical Society and Olbrich Botanical Society Foundation ("OBS") as a major component unit. OBS is a legally separate organization. The board of OBS consists of nine members, of which five are elected by the Board of Directors for five-year terms. The President, Past President, Treasurer, and the Director of the Olbrich Botanical Gardens, are ex officio Directors of OBS (with voting powers). OBS was created to manage long-term funds, bequests and designated funds for the perpetuity of the Gardens. The funds are held for the direct benefit of the primary government and its constituents. See Note IV. J. As a component unit, the OBS's financial statements have been presented as a discrete column in the financial statements. The information presented is for the year ended December 31, 2025. Separately issued financial statements of OBS may be obtained from OBS's office at the Olbrich Botanical Gardens, 3330 Atwood Avenue, Madison, WI 53704.

Business Improvement District

The basic financial statements include the Business Improvement District ("BID") as a nonmajor component unit. The BID is a legally separate organization. The board of the District is appointed by the mayor of the City of Madison and approved by City council. Wisconsin Statutes provide for circumstances whereby the City can impose its will on the BID, and also create a potential financial benefit to or burden on the City. See Note IV. J. As a component unit, the BID's financial statements have been presented as a discrete column in the nonmajor combining financial statements. The information presented is for the fiscal year ended December 31, 2025. The BID does not issue separate financial statements.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

A. Reporting Entity (cont.)

Discretely Presented Component Units (cont.)

Madison Public Library Foundation

The basic financial statements include the Madison Public Library Foundation ("Foundation") as a major component unit. The Foundation is a legally separate organization. The board of the Foundation is composed of thirteen trustees, all are appointed by the Madison Public Library Foundation Board of Directors. The purpose of the Foundation is to provide support to the City of Madison library system. The funds are held for the direct benefit of the primary government and its constituents. See Note IV. J. As a component unit, the Foundation's financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended December 31, 2025. Separately issued financial statements of the Madison Public Library Foundation may be obtained from the Foundation's office.

Madison Parks Foundation

The basic financial statements include the Madison Parks Foundation ("MPF") as a nonmajor component unit. MPF is a legally separate organization. The board of MPF is composed of twenty-one trustees; nineteen of the trustees are appointed by the MPF Board of Directors; the remaining two are appointed by the Chairman of the Park Commission. The purpose of the MPF is to provide support to the City of Madison parks. See Note IV. J. As a component unit, MPF's financial statements have been presented as a discrete column in the nonmajor combining financial statements. The information presented is for the fiscal year ended December 31, 2025. Separately issued financial statements of the Madison Parks Foundation may be obtained from MPF's office.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

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

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

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

Fund Financial Statements

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

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

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

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

The City reports the following major governmental funds:

Major Governmental Funds

General Fund – accounts for the City's primary operating activities. It is used to account for all financial resources except those required to be accounted for in another fund.

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

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

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

The City reports the following major enterprise funds:

Major Enterprise Funds

Water Utility – accounts for operations of the water system

Sewer Utility – accounts for operations of the sewer system

Stormwater Utility – accounts for operations of the stormwater system

Transit Utility – accounts for operations of the transit system

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

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

Fund Financial Statements (cont.)

The City reports the following nonmajor governmental and enterprise funds:

Nonmajor Governmental Funds

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

- Community Development Block Grant
- Other Grants
- Revolving Loans
- Other Restricted Funds

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

- Endowments and Donations

Nonmajor Enterprise Funds

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

- Parking Utility
- Convention Center
- Golf Courses

In addition, the City reports the following fund types:

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

- Fleet Services
- City Insurance
- Worker's Compensation

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

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

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

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

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

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

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

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and unavailable revenues. At December 31, 2025, there were \$1,819,018 of unrecorded anticipated future assessments which are not recorded as receivables because collection is subject to certain events occurring in the future and no formal repayment schedule has been established.

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

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

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

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

Fund Financial Statements (cont.)

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

All Financial Statements

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

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

1. Deposits and Investments

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

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

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

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

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

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

1. Deposits and Investments (cont.)

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

Custodial Credit Risk

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

Concentration of Credit Risk

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

Credit Risk

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

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

Interest Rate Risk

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

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

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

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

1. Deposits and Investments (cont.)

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

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2025, the fair value of the City's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

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

The City has an agreement with the Madison Metropolitan School District (MMSD) to combine a portion of available funds of both entities for investment purposes. Interest earnings are distributed monthly based on each entity's relative share of invested funds. This agreement also provides that the City may fund short-term cash deficits of the MMSD. At December 31, 2025, the MMSD had a deficit balance of \$6,377,450 from operating activities.

See Note IV. A. for further information.

2. Receivables

Property Tax

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

Property tax calendar - 2025 tax roll:

Lien date and levy date	December 2025
Tax bills mailed	December 2025
Payment in full, or	January 31, 2026
First installment due	January 31, 2026
Second installment due	March 31, 2026
Third installment due	May 31, 2026
Fourth installment due	July 31, 2026
Tax sale - 2025 delinquent real estate taxes	October 2028

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

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

2. Receivables (cont.)

Allowances

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

Due To/From Advances

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

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

Loans Receivable

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

3. Inventories and Prepaid Items

Governmental fund inventories, if material, are recorded at cost based on the FIFO method using the purchase method of accounting. Proprietary fund inventories are generally used for construction and for operation and maintenance work. They are not for resale. They are valued at cost based on weighted average, and charged to construction and/or operation and maintenance expense when used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

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

4. Restricted Assets

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

5. Leases

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

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

6. Subscription Liabilities

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

7. Capital Assets

Government-Wide Statements

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

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, and overhead. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired, or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

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

7. Capital Assets (cont.)

Depreciation/amortization of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation/amortization reflected in the statement of net position. Depreciation/amortization is provided over the assets' estimated useful lives using the straightline method of depreciation/amortization.

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

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

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

Fund Financial Statements

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

8. Deferred Outflows of Resources

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

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

9. Compensated Absences

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

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

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

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

9. Compensated Absences (cont.)

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

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2025 are determined on the basis of current salary rates, and include salary related payments.

10. Long-Term Obligations/Conduit Debt

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

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

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

The City and the CDA have approved the issuance of industrial revenue bonds (IRB) for the benefit of private business enterprises. IRB's are secured by mortgages or revenue agreements on the associated projects, and do not constitute indebtedness of the City. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The total amount of IRB's outstanding at the end of the year approved by the City is approximately \$47,300,000 made up of two issues. The total amount of IRB's outstanding at the end of the year approved by the CDA is approximately \$13,477,558 made up of three issues.

11. Deferred Inflows of Resources

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

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

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

12. Equity Classifications

Government-Wide Statements

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

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

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

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

	Governmental Activites	Business-type Activites	Adjustment	Total
Net investment in capital assets	\$ 813,981,970	\$ 998,676,251	\$ (62,998,379)	\$ 1,749,659,842
Unrestricted	77,170,163	84,122,210	62,998,379	224,290,752

Fund Statements

Governmental fund balances are displayed as follows:

- a. Nonspendable - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. Restricted - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

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

12. Equity Classifications (cont.)

- c. Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the City. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the City that originally created the commitment.
- d. Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The City has adopted a financial policy authorizing the Finance Director to assign amounts for a specific purpose. Assignments may take place after the end of the reporting period.
- e. Unassigned - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

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

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

13. Pension

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

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

Information about the fiduciary net position of the WRS and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they were reported by the WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

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

14. Other Post-Employment Benefits Other Than Pensions (OPEB)

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense have been determined on the same basis as they are reported by the City OPEB Plan. For this purpose, the City OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

II - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

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

Land	\$ 290,373,793
Construction in progress	111,733,402
Land improvements	55,000,213
Buildings	311,247,725
Machinery and equipment	84,397,170
Intangible assets	37,518,217
Infrastructure	1,089,520,334
Less: Accumulated depreciation	<u>(745,408,253)</u>
Combined Adjustment for Capital Assets	<u>\$ 1,234,382,601</u>

Long-term liabilities applicable to the City's governmental activities (excluding internal service funds) are not due and payable in the current period, and accordingly, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities—both current and long-term—are reported in the statement of net position.

Bonds and notes payable	\$ 515,240,926
Compensated absences	45,490,231
Accrued interest	5,358,142
Unamortized debt premium	46,396,347
Disability benefits	76,472
Police and fire pension	45,976
Leases and subscriptions payable	<u>21,224,222</u>
Combined Adjustment for Long-Term Liabilities	<u>\$ 633,832,316</u>

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

III - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

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

B. EXCESS EXPENDITURES AND OTHER FINANCING USES OVER APPROPRIATIONS

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

C. DEFICIT NET POSITION

As of December 31, 2025, the Madison School District Investment fund held a deficit balance in the amount of \$(6,377,450). This deficit is expected to be funded with December tax collections. A signed agreement between the City and the Madison Metropolitan School District (MMSD) outlines the terms of this arrangement.

D. LIMITATIONS ON THE CITY'S TAX LEVY

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

IV - DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

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

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

A. DEPOSITS AND INVESTMENTS (CONT.)

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

	Carrying Value	Bank and Investment Balance	Associated Risk
Demand deposits	\$ 55,466,757	\$ 4,314,129	Custodial credit
U.S. agencies implicitly guaranteed	244,186,749	244,161,103	Credit, custodial credit, concentration of credit, interest rate
U.S. treasuries	5,081,727	5,080,127	Custodial credit, interest rate
Corporate notes and bonds	10,125,020	10,125,020	Credit, custodial credit, concentration of credit, interest rate
Mutual funds - other than bonds	461,872	461,872	N/A
Mutual funds - money market	188,601,261	188,601,261	Credit
Equity securities/stocks	1,579,245	1,579,245	Custodial credit, concentration of credit
Local Government Investment Pool	543,223,144	543,223,144	Credit
Deposit with WMMIC	978,963	978,963	Credit
Hartford Life - pooled funds	8,779,882	8,779,882	Credit
Commercial paper	5,000,000	5,000,000	Credit, custodial credit, concentration of credit, interest rate
Petty cash	132,452	-	N/A
2a7-like pools	3,646,664	3,646,664	Credit
Total Cash and Investments	<u>\$ 1,067,263,736</u>	<u>\$1,015,951,410</u>	
Reconciliation to financial statements			
Per statement of net position	\$ 545,446,603		
Per statement of net position - restricted	86,788,240		
Per statement of net position - custodial funds	424,033,786		
Per statement of net position - applicable component units:			
CDA	13,403,584		
Less: Component units of CDA	(2,606,855)		
BID	198,378		
Total Cash and Investments	<u>\$ 1,067,263,736</u>		

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

A. DEPOSITS AND INVESTMENTS (CONT.)

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

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

The City maintains collateral agreements with its banks. At December 31, 2025, the City was a beneficiary of an irrevocable letter of credit in the amount of \$70,000,000 to secure the City's deposits.

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

Investment Type	December 31, 2025			
	Level 1	Level 2	Level 3	Total
Corporate notes and bonds	\$ -	\$ 10,125,020	\$ -	\$ 10,125,020
Commercial paper	-	5,000,000	-	5,000,000
Equity securities/stock	1,579,245	-	-	1,579,245
Mutual funds - other than bonds	-	461,872	-	461,872
Mutual funds - money market	169,741,123	18,860,138	-	188,601,261
U.S. agencies - implicitly guaranteed	-	244,161,103	-	244,161,103
U.S. treasuries	5,080,127	-	-	5,080,127
2a7 - like pools	-	3,646,664	-	3,646,664
Totals	<u>\$ 176,400,495</u>	<u>\$ 282,254,797</u>	<u>\$ -</u>	<u>\$ 458,655,292</u>

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

A. DEPOSITS AND INVESTMENTS (CONT.)

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

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

Custodial Credit Risk

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

As of December 31, 2025, the City's deposits were exposed to custodial credit risk as follows:

Demand deposits (CDA)	\$ 1,888,795
Uninsured and Uncollateralized	\$ 1,888,795

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

As of December 31, 2025, the City's investments were exposed to custodial credit risk as follows:

U.S. agencies - implicitly guaranteed	\$ 244,161,103
U.S. treasuries	5,080,127
Commercial paper	5,000,000
Corporate notes and bonds	10,125,020
Equity securities/stocks	1,579,245
Neither Insured Nor Registered and Held by Counterparty	\$ 265,945,495

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

A. DEPOSITS AND INVESTMENTS (CONT.)

Credit Risk

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

As of December 31, 2025, the City's investments were rated as follows:

Investment Type	Moody's Investor Services	Standard & Poor's	Fair Value
Corporate notes and bonds	Aaa	AAA	\$ 3,040,430
	Aaa	n/a	3,048,780
	n/a	AAA	4,035,810
U.S. agencies (implicitly guaranteed)	Aaa	AA+	243,366,536
Mutual funds - money market	Aaa	AAAm	188,601,261
Commercial paper	Aaa	AAA	5,000,000
2a7 - like pools	n/a	AAAm	3,646,664

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

Wisconsin Municipal Mutual Insurance Company	978,963
Local Government Investment Pool	543,223,144
Hartford Life - pooled funds	8,779,882
US Agencies (implicity guaranteed)	794,567
Total	<u>\$ 1,004,516,037</u>

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At December 31, 2025, the investment portfolio was concentrated as follows:

Issuer	Investment Type	Percentage of Portfolio
Federal Home Loan Bank	U.S. agencies - implicitly guaranteed	13.668%
Federal Farm Credit Bank	U.S. agencies - implicitly guaranteed	7.945%

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

A. DEPOSITS AND INVESTMENTS (CONT.)

Interest Rate Risk

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

As of December 31, 2025, the City's investments were as follows:

Investment Type	Fair Value	Less than 1 year through 12/31/26	1-5 years through 12/31/30	6-20 years through 12/31/45
U.S. agencies - implicitly guaranteed	\$244,161,103	\$ 46,751,286	\$138,015,041	\$ 59,394,776
U.S. treasuries	5,080,127	98,737	2,958,490	2,022,900
Commercial paper	5,000,000	5,000,000	-	-
Corporate notes and bonds	10,125,020	1,003,330	9,121,690	-
Totals	<u>\$264,366,250</u>	<u>\$ 52,853,353</u>	<u>\$150,095,221</u>	<u>\$ 61,417,676</u>

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

B. RECEIVABLES

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

General Fund	\$ 34,157,354
Capital projects fund	11,657,725
All other nonmajor governmental and internal service funds	28,460,712

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

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

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

General Fund	
Allowance for uncollectible ambulance receivable	\$ 9,742,378
Allowance for uncollectible court receivable	25,737,999
Allowance for other uncollectible	35,000
Debt Service Fund	
Allowance for uncollectible loans	1,613,365
Nonmajor Funds	
Allowance for uncollectible loans	<u>98,880,013</u>
Total	<u><u>\$ 136,008,755</u></u>

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

B. RECEIVABLES (CONT.)

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

	Unavailable	Unearned	Totals
Property taxes receivable	\$ -	\$ 381,943,269	\$ 381,943,269
TID loan equity payment	14,095,000	-	14,095,000
Interest on investments	856,543	-	856,543
Ambulance receivable	3,925,672	-	3,925,672
Prepaid revenue	-	5,376,764	5,376,764
Deferred credits/deposits	17,729,615	-	17,729,615
Special Assessments	8,969,804	-	8,969,804
Impact Fees	4,103,964	-	4,103,964
Municipal court receivable	522,740	-	522,740
Accrued interest on loans	138	-	138
TIF developer guarantee	968,424	-	968,424
Grant revenue	-	840,481	840,481
	<u>-</u>	<u>840,481</u>	<u>840,481</u>
Total Unavailable/Unearned Revenue for Governmental Funds	<u>\$ 51,171,900</u>	<u>\$ 388,160,514</u>	<u>\$ 439,332,414</u>
Unearned revenue included in liabilities		\$ 6,217,245	
Unearned revenue included in deferred inflows		<u>381,943,269</u>	
Total Unearned Revenue for Governmental Funds		<u>\$ 388,160,514</u>	

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

C. RESTRICTED ASSETS

The following represent the balances of the restricted assets:

Long Term Debt Accounts

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

Impact Fee Account

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

Grants Deposit Account

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

Insurance Deposit Account

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

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

C. RESTRICTED ASSETS (CONT.)

Following is a list of cash and investments restricted assets at December 31, 2025:

	Restricted Assets
Principal and interest	\$ 13,407,103
Bond reserve account	18,646,734
Bond depreciation account	750,000
Expense depreciation	2,160,653
Construction	5,259,267
Assessment fund	2,707,872
Retiree health insurance escrow	2,472,790
Impact fees	39,564,376
Grants deposit	840,481
Insurance deposit	978,964
Total Restricted Assets	<u>\$ 86,788,240</u>

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

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

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

	Restricted Assets
Housing Vouchers	\$ 34,638
MRCDC Fund	51,453
Nonmajor funds	312,129
Component units of CDA	<u>2,135,587</u>
Total Cash and Investments	<u>\$ 2,533,807</u>

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2025 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
Capital assets not being depreciated/amortized				
Land	\$ 280,192,036	\$ 11,280,331	\$ (1,098,574)	\$ 290,373,793
Land - internal service	2,570,970	-	(92,851)	2,478,119
Construction in progress	76,656,610	61,436,422	(26,359,630)	111,733,402
Total Capital Assets Not Being Depreciated/Amortized	<u>359,419,616</u>	<u>72,716,753</u>	<u>(27,551,055)</u>	<u>404,585,314</u>
Capital assets being depreciated/amortized				
Land improvements	52,365,463	2,634,750	-	55,000,213
Land improvements - internal service	71,990	-	-	71,990
Buildings and improvements	295,908,069	7,930,110	-	303,838,179
Buildings and improvements - internal service	35,522,103	-	(2,729,155)	32,792,948
Machinery and equipment	81,538,945	3,740,399	(913,510)	84,365,834
Machinery and equipment - internal service	115,259,794	12,922,349	(13,625,572)	114,556,571
Intangible assets	13,293,993	-	-	13,293,993
Intangible assets - internal service	119,525	-	-	119,525
Intangible subscriptions	16,802,489	8,180,022	(758,287)	24,224,224
Intangible subscriptions - internal service	97,739	592,159	-	689,898
Roads	902,797,389	19,294,117	(725,098)	921,366,408
Bridges	60,696,637	-	(136,066)	60,560,571
Street lighting	35,560,376	1,488,623	(9,304,385)	27,744,614
Traffic signals	29,139,800	6,317,327	(2,747,384)	32,709,743
Fiber	9,370,160	-	-	9,370,160
Bike path	37,073,986	694,852	-	37,768,838
Total Capital Assets Being Depreciated/Amortized	<u>1,685,618,458</u>	<u>63,794,708</u>	<u>(30,939,457)</u>	<u>1,718,473,709</u>
Leased assets being amortized				
Leased buildings and improvements	7,409,546	-	-	7,409,546
Leased machinery and equipment	31,336	-	-	31,336
Total Leased Assets Being Amortized	<u>7,440,882</u>	<u>-</u>	<u>-</u>	<u>7,440,882</u>
Total Capital Assets at Historical Cost	<u>2,052,478,956</u>	<u>136,511,461</u>	<u>(58,490,512)</u>	<u>2,130,499,905</u>

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

D. CAPITAL ASSETS (CONT.)

	Beginning Balance	Additions	Deletions	Ending Balance
Less accumulated depreciation/amortization for				
Land improvements	\$ (32,054,328)	\$ (2,771,612)	\$ -	\$ (34,825,940)
Land improvements - internal service	(71,990)	-	-	(71,990)
Buildings and improvements	(134,046,042)	(9,774,973)	-	(143,821,015)
Buildings and improvements - internal service	(7,648,408)	(1,101,530)	2,624,765	(6,125,173)
Machinery and equipment	(69,809,747)	(3,291,401)	734,534	(72,366,614)
Machinery and equipment - internal service	(76,015,540)	(9,123,866)	13,593,559	(71,545,847)
Intangible assets	(11,010,613)	(443,826)	-	(11,454,439)
Intangible assets - internal service	(119,525)	-	-	(119,525)
Intangible subscriptions	(3,412,231)	(3,606,266)	758,287	(6,260,210)
Intangible subscriptions - internal service	(30,040)	(151,011)	-	(181,051)
Roads	(407,054,249)	(21,071,651)	697,214	(427,428,686)
Bridges	(11,563,613)	(793,288)	99,717	(12,257,184)
Street Lighting	(16,321,470)	(926,233)	4,728,259	(12,519,444)
Traffic signals	(7,694,229)	(937,287)	1,106,367	(7,525,149)
Fiber	(4,850,921)	(415,057)	-	(5,265,978)
Bike path	(8,482,977)	(807,377)	-	(9,290,354)
Total accumulated depreciation/amortization	<u>(790,185,923)</u>	<u>(55,215,378)</u>	<u>24,342,702</u>	<u>(821,058,599)</u>
Less accumulated amortization for leased assets				
Leased buildings and improvements	(1,716,905)	(647,583)	-	(2,364,488)
Leased machinery and equipment	<u>(18,307)</u>	<u>(10,445)</u>	<u>-</u>	<u>(28,752)</u>
Total accumulated amortization for leased assets	<u>(1,735,212)</u>	<u>(658,028)</u>	<u>-</u>	<u>(2,393,240)</u>
Total accumulated depreciation/amortization	<u>(791,921,135)</u>	<u>(55,873,406)</u>	<u>24,342,702</u>	<u>(823,451,839)</u>
Net Capital Assets Being Depreciated/Amortized	<u>901,138,205</u>			<u>902,462,752</u>
Net Capital Assets	<u>\$ 1,260,557,821</u>			<u>\$ 1,307,048,066</u>

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

D. CAPITAL ASSETS (CONT.)

Depreciation/Amortization expenses were charged to functions as follows:

Governmental Activities:

General government	\$ 4,141,011
Public safety	3,345,085
Public works and transportation	29,651,723
Planning and development	992,258
Culture and Recreation	7,366,922
Fleet services - internal service	10,376,407
Total	<u>\$ 55,873,406</u>

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type Activities				
Capital assets not being depreciated				
Land	\$ 92,873,432	\$ 4,071,489	\$ (62,595)	\$ 96,882,326
Construction in progress	65,212,594	62,382,441	(46,674,981)	80,920,054
Total Capital Assets Not Being Depreciated	<u>158,086,026</u>	<u>66,453,930</u>	<u>(46,737,576)</u>	<u>177,802,380</u>
Capital assets being depreciated/amortized				
Land improvements	88,862,290	4,151,587	(476,015)	92,537,862
Buildings and improvements	206,419,296	1,425,558	(4,898,127)	202,946,727
Machinery and equipment	228,563,176	5,186,917	(2,442,381)	231,307,712
Intangible assets	852,855	-	-	852,855
Intangible subscriptions	1,458,613	179,966	(378,004)	1,260,575
Infrastructure	328,012,144	21,356,933	(210,970)	349,158,107
Source of supply	14,344,390	452,868	(376,948)	14,420,310
Pumping	27,262,077	669,404	(343,845)	27,587,636
Water treatment	5,906,405	5,373,233	(99,368)	11,180,270
Transmission and distribution	354,535,471	9,574,850	(417,991)	363,692,330
Administrative and general	45,704,084	2,088,843	(899,660)	46,893,267
Collection system	211,507,588	11,413,834	(1,230,956)	221,690,466
Collection system pumping	5,870,688	14,703	-	5,885,391
Total Capital Assets Being Depreciated/Amortized	<u>1,519,299,077</u>	<u>61,888,696</u>	<u>(11,774,265)</u>	<u>1,569,413,508</u>
Leased assets being amortized				
Leased land	452,149	-	-	452,149
Leased buildings and improvements	8,196,859	-	-	8,196,859
Leased machinery and equipment	705,589	-	(20,022)	685,567
Total Leased Assets Being Amortized	<u>9,354,597</u>	<u>-</u>	<u>(20,022)</u>	<u>9,334,575</u>
Total Capital Assets at Historical Cost	<u>1,686,739,700</u>	<u>128,342,626</u>	<u>(58,531,863)</u>	<u>1,756,550,463</u>

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

D. CAPITAL ASSETS (CONT.)

	Beginning Balance	Additions	Deletions	Ending Balance
Less: accumulated depreciation/ amortization for:				
Land improvements	\$ (11,791,238)	\$ (2,779,235)	\$ 476,015	\$ (14,094,458)
Buildings and improvements	(88,671,488)	(5,802,514)	4,842,249	(89,631,753)
Machinery and equipment	(87,414,958)	(18,023,331)	2,407,538	(103,030,751)
Intangible assets	(852,855)	-	-	(852,855)
Intangible Subscriptions	(588,911)	(401,578)	288,795	(701,694)
Infrastructure	(67,058,294)	(4,735,214)	65,217	(71,728,291)
Source of supply	(8,064,016)	(380,249)	106,985	(8,337,280)
Pumping	(13,266,757)	(1,041,547)	358,527	(13,949,777)
Water treatment	(2,151,281)	(302,694)	94,241	(2,359,734)
Transmission and distribution	(94,865,284)	(6,922,048)	441,717	(101,345,615)
Administrative and general	(22,157,842)	(2,268,100)	910,914	(23,515,028)
Collection system	(43,251,748)	(3,375,109)	882,080	(45,744,777)
Collection system pumping	(2,589,636)	(165,283)	-	(2,754,919)
Total Accumulated Depreciation/ Amortization	(442,724,308)	(46,196,902)	10,874,278	(478,046,932)
Less: accumulated amortization for leased assets				
Leased land	(108,264)	(27,066)	-	(135,330)
Leased buildings and improvements	(1,584,103)	(403,067)	-	(1,987,170)
Leased machinery and equipment	(412,530)	(136,519)	-	(549,049)
Total Accumulated Amortization for leased assets	(2,104,897)	(566,652)	-	(2,671,549)
Total accumulated depreciation/amortization	(444,829,205)	(46,763,554)	10,874,278	(480,718,481)
Total Capital Assets Being Depreciated/Amortized	1,083,824,469			1,098,029,602
Net Capital Assets	\$ 1,241,910,495			\$ 1,275,831,982

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

Depreciation/Amortization expense was charged to functions as follows:

Business-type Activities:

Water utility	\$ 9,389,163
Sewer utility	3,743,493
Stormwater utility	5,753,851
Transit utility	21,788,291
Parking utility	2,406,484
Convention center	1,784,462
Golf courses	341,429
Total Business-type Activities	
Depreciation/Amortization Expense	\$ 45,207,173
Total Accumulated Depreciation/Amortization Additions	\$ 46,763,554

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

D. CAPITAL ASSETS (CONT.)

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

	Beginning Balance	Additions	Deletions	Ending Balance
Component Units (CDA only)				
Capital assets not being depreciated				
Land	\$ 9,364,057	\$ -	\$ (115,510)	\$ 9,248,547
Construction in progress	17,288,633	2,088,225	(13,180,614)	6,196,244
Total Capital Assets Not Being Depreciated	26,652,690	2,088,225	(13,296,124)	15,444,791
Capital assets being depreciated				
Land improvements	4,110,322	3,034,804	-	7,145,126
Buildings and improvements	105,715,966	21,079,708	-	126,795,674
Intangible assets	51,868	402	-	52,270
Machinery and equipment	3,850,289	180,995	(71,480)	3,959,804
Total Capital Assets Being Depreciated	113,728,445	24,295,909	(71,480)	137,952,874
Total Capital Assets at Historical Cost	140,381,135	26,384,134	(13,367,604)	153,397,665
Less: Accumulated depreciation for				
Land improvements	(1,800,365)	(233,967)	-	(2,034,332)
Buildings and improvements	(69,158,278)	(2,891,746)	6,611	(72,043,413)
Intangible assets	(47,762)	(2,055)	-	(49,817)
Machinery and equipment	(2,520,482)	(178,794)	71,480	(2,627,796)
Total Accumulated Depreciation	(73,526,887)	(3,306,562)	78,091	(76,755,358)
Net capital assets	<u>\$ 66,854,248</u>			<u>\$ 76,642,307</u>

Depreciation expense was charged as follows:

CDA (Housing) \$ 3,306,562

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

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS

Interfund Receivables/Payables

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

Receivable Fund	Payable Fund	Amount	Amount Not Due Within One Year
General	Capital Projects	\$ 717,306	\$ -
General	CDBG	1,100,000	-
General	Loans	525,000	-
Water Utility	Capital Projects	684,245	-
Stormwater Utility	Capital Projects	374,058	-
Sewer Utility	Capital Projects	775,616	-
Other Restricted Funds	Capital Projects	188,161	-
Totals		<u>\$ 4,364,386</u>	<u>\$ -</u>

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

Advances

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

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

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

Advances (cont.)

The following is a schedule of interfund advances:

Receivable Fund	Payable Fund	Amount	Amount Not Due Within One Year
Capital Projects	Revolving Loans	\$ 860,797	\$ -
Debt Service - primary government	CDA - component unit	\$ 2,834,944	\$ 2,322,463

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

Receivable Fund	Payable Fund	Amount
Interfund Receivables and Payables		
Business-type activities	Governmental Activities	\$ (1,833,919)
Allocation of internal service funds to business-type activities		
Governmental activities	Business-type activities	6,709,510
Total Government-wide Financial Statements		\$ 4,875,591

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

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

Transfers

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount	Purpose
General	City Insurance	\$ 54,111	Transfer Revenue
General	Convention Center	338,200	PILOT
General	Golf Courses	209,102	PILOT
General	Other Restricted	7,863,600	Operating Costs
General	Parking Utility	1,694,184	PILOT
General	Permanent	201,359	Operating Costs
General	Water Utility	7,163,544	Pilot
Library	Permanent	15,000	Operating Costs
Debt Service	Other Restricted	541,374	Debt
Debt Service	General	68,689,319	Debt
Debt Service	Library	2,328,162	Debt
Debt Service	Revolving Loans	200,000	Debt
Debt Service	Capital Projects	11,987,088	Debt
Capital Projects	General	2,344,820	Transfer Revenue
Capital Projects	Other Restricted	4,218,658	Transfer Revenue
Capital Projects	Library	550,000	Transfer Revenue
Capital Projects	City Insurance	5,373	Transfer Revenue
	Community Development Block		
Capital Projects	Grant	2,000,000	Transfer Revenue
Capital Projects	General	50,000	Project Costs
Capital Projects	Permanent	19,806	Project Costs
Capital Projects	Sewer Utility	6,000	Project Costs
Capital Projects	Stormwater Utility	6,000	Project Costs
Capital Projects	Other Grants	8,495,362	Project Costs
Water Utility	Sewer Utility	173,048	Joint Costs Allocation
Transit Utility	General	25,605,164	Operating Costs

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

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

Transfers (cont.)			
Other Restricted	General	541,375	Operating Costs
Other Restricted	Capital Projects	3,812,924	Transfer Revenue
Other Restricted	Insurance	618	Transfer Revenue
CDBG	Revolving Loans	24,885	Operating Costs
CDBG	General	73,984	Transfer Revenue
Revolving Loans	CDBG	61,305	Transfer Revenue
Convention Center	Other Restricted	6,783,127	Operating Costs
Other Grants	General	525,744	Operating Costs
Parking Utility	City Insurance	4,080	Transfer Revenue
Fleet Service	City Insurance	75,775	Transfer Revenue
Fleet Service	General	953,245	Project Costs
Total - Fund Financial Statements		<u>\$ 157,616,336</u>	
Less: Fund eliminations		(180,591,677)	
Less: Transfer capital assets from governmental activities to utilities		<u>(10,101,276)</u>	
Total		<u><u>\$ (33,076,617)</u></u>	
Transferred To	Transferred From	Amount	
Governmental activities	Business-type activities	\$	9,417,030
Business-type activities	Governmental activities		<u>(42,493,647)</u>
Total Government-Wide Statement of Activities		\$	<u><u>(33,076,617)</u></u>

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

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2025 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable:					
General obligation debt	\$ 480,461,922	\$ 105,693,878	\$ 75,213,558	\$ 510,942,242	\$ 79,328,892
General obligation debt - internal service	68,462,979	18,136,377	9,480,191	77,119,165	10,354,534
General obligation debt from direct borrowings and direct placements	606,880	-	103,696	503,184	107,274
Other loans/notes	4,337,714	-	542,214	3,795,500	542,214
Add/Subtract Amounts For:					
Premium on debt	41,163,318	11,536,171	6,303,142	46,396,347	-
Premium on debt - internal service	703,077	1,352,000	153,714	1,901,363	-
Sub-totals	<u>\$ 595,735,890</u>	<u>\$ 136,718,426</u>	<u>\$ 91,796,515</u>	<u>\$ 640,657,801</u>	<u>\$ 90,332,914</u>
Other Liabilities					
Compensated absences*	44,373,498	1,116,733	-	45,490,231	15,176,149
Compensated absences - internal service*	769,841	-	24,591	745,250	211,029
Worker's comp disability and death benefits	81,490	-	5,018	76,472	25,745
Police and fire pension	69,498	-	23,522	45,976	13,686
Other post-employment benefits	64,929,758	12,458,554	3,579,242	73,809,070	2,977,142
Other post-employment benefits - internal service	1,017,001	63,624	49,979	1,030,646	93,356
Net pension liability	22,739,066	26,455,715	23,912,802	25,281,979	-
Net pension liability - internal service	216,389	254,535	232,270	238,654	-
Leases	5,907,285	-	575,134	5,332,151	584,445
Subscription liabilities	10,490,703	8,180,022	2,778,654	15,892,071	2,712,785
Subscription liabilities - internal service	66,009	592,159	105,511	552,657	157,117
Total Other Liabilities	<u>\$ 150,660,538</u>	<u>\$ 49,121,342</u>	<u>\$ 31,286,723</u>	<u>\$ 168,495,157</u>	<u>\$ 21,951,454</u>
Total Governmental Activities Long- Term Liabilities	<u>\$ 746,396,428</u>	<u>\$ 185,839,768</u>	<u>\$ 123,083,238</u>	<u>\$ 809,152,958</u>	<u>\$ 112,284,368</u>

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

F. LONG-TERM OBLIGATIONS (CONT.)

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Business-Type Activities					
Bonds and Notes Payable:					
General obligation debt	\$ 103,456,762	\$ 12,529,745	\$ 13,429,124	\$ 102,557,383	\$ 13,845,414
Revenue debt	175,850,000	-	17,525,000	158,325,000	17,180,000
Revenue debt from direct borrowings and direct placements	8,703,078	1,578,840	330,218	9,951,700	442,314
Add Amounts for:					
Premium on debt	19,166,066	-	2,297,083	16,868,983	-
Sub-totals	<u>\$ 307,175,906</u>	<u>\$ 14,108,585</u>	<u>\$ 33,581,425</u>	<u>\$ 287,703,066</u>	<u>\$ 31,467,728</u>
Other Liabilities					
Compensated absences*	10,021,499	-	432,605	9,588,894	3,021,936
Other post-employment benefits	18,252,350	3,750,778	1,017,654	20,985,474	1,305,309
Net pension liability	4,702,394	5,685,615	5,153,341	5,234,668	-
Leases	7,893,471	-	479,189	7,414,282	496,666
Subscription liabilities	770,819	179,966	383,866	566,919	281,270
Total Other Liabilities	<u>\$ 41,640,533</u>	<u>\$ 9,616,359</u>	<u>\$ 7,466,655</u>	<u>\$ 43,790,237</u>	<u>\$ 5,105,181</u>
Total Business-type Activities Long- Term Liabilities	<u>\$ 348,816,439</u>	<u>\$ 23,724,944</u>	<u>\$ 41,048,080</u>	<u>\$ 331,493,303</u>	<u>\$ 36,572,909</u>

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

*The change in compensated absences liability is presented as a net change.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

F. LONG-TERM OBLIGATIONS (CONT.)

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Component Unit - CDA					
Bonds and Notes Payable:					
Mortgage notes - direct	\$ 4,408,989	\$ 1,312,771	\$ 235,474	\$ 5,486,286	\$ 1,368,639
Other loans/notes - direct	<u>2,890,500</u>	<u>-</u>	<u>119,091</u>	<u>2,771,409</u>	<u>691,802</u>
Sub-totals	<u>\$ 7,299,489</u>	<u>\$ 1,312,771</u>	<u>\$ 354,565</u>	<u>\$ 8,257,695</u>	<u>\$ 2,060,441</u>
Other Liabilities					
Compensated absences*	599,760	-	2,524	597,236	243,336
Advances from primary government - City of Madison **	3,347,425	-	512,481	2,834,944	512,481
Other post-employment benefits	651,296	141,815	36,682	756,429	40,449
Subscription liabilities	4,283	402	2,110	2,575	2,575
Net pension liability	<u>268,833</u>	<u>323,536</u>	<u>286,572</u>	<u>305,797</u>	<u>-</u>
Total Component Unit - CDA Long-Term Liabilities	<u>\$12,171,086</u>	<u>\$ 1,778,524</u>	<u>\$ 1,194,934</u>	<u>\$12,754,676</u>	<u>\$ 2,859,282</u>

*The change in compensated absences liability is presented as a net change.

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

General Obligation Debt

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

In accordance with Wisconsin Statutes, total general obligation indebtedness of the City may not exceed 5% of the equalized value of taxable property within the City's jurisdiction. The debt limit as of December 31, 2025, was \$2,533,505,645. Total general obligation debt at year end was:

Outstanding	\$ 691,121,974
Joint venture G.O. debt	<u>1,121,710</u>
Total	<u>\$ 692,243,684</u>

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

F. LONG-TERM OBLIGATIONS (CONT.)

General Obligation Debt (cont.)

	Date of Issue	Due Date	Interest Rate	Original Indebtedness	Balance 12-31-25
General obligation notes	03-06-12	07-01-26	0.00 %	\$ 1,500,000	\$ 200,000
2012 State trust fund loan*	12-04-12	03-15-32	3.75	573,000	261,344
General obligation bonds	10-24-15	10-01-35	2.375- 4.00	12,395,000	6,195,000
General obligation bonds	10-21-16	10-01-26	0.05 - 4.00	85,750,000	7,390,000
General obligation bonds	10-22-16	10-01-26	2.00	7,135,000	710,000
General obligation bonds	10-23-16	10-01-36	2.375 - 4.00	6,735,000	3,685,000
2016 State trust fund loan*	12-29-16	03-15-26	3.00	150,000	18,819
General obligation notes	10-19-17	10-01-27	2.00 - 4.00	76,900,000	15,380,000
General obligation notes	10-20-17	10-01-27	2.15 - 2.65	12,950,000	2,590,000
General obligation bonds	10-21-17	10-01-37	2.875 - 5.00	13,865,000	8,305,000
General obligation notes	10-02-18	10-01-28	3.00 - 4.00	85,870,000	25,755,000
General obligation notes	10-03-18	10-01-28	2.80 - 3.50	12,655,000	3,795,000
General obligation bonds	10-04-18	10-01-38	2.50 - 5.00	10,000,000	6,500,000
General obligation notes	10-05-18	10-01-28	2.00 - 3.05	876,000	200,500
2018 State trust fund loan*	12-27-18	03-15-28	4.50	65,000	24,812
General obligation notes	10-17-19	10-01-29	2.25 - 3.00	80,415,000	32,160,000
General obligation bonds	10-18-19	10-01-39	2.00 - 4.00	29,810,000	20,860,000
2019 State trust fund loan*	12-26-19	03-15-29	3.25	410,000	198,209
General obligation notes	10-15-20	10-01-30	1.375 - 4.00	78,545,000	35,480,000
General obligation bonds	10-15-20	10-01-40	2.00 - 3.00	22,600,000	16,950,000
General obligation bonds	10-15-20	10-01-32	0.18 - 1.40	46,725,000	5,250,000
General obligation notes	10-01-21	10-01-31	1.25 - 4.00	81,300,000	48,780,000
General obligation notes	10-02-21	10-01-31	0.30 - 4.00	3,990,000	2,390,000
General obligation bonds	10-03-21	10-01-41	1.00 - 4.00	17,800,000	14,240,000
General obligation notes	10-01-22	10-01-32	4.00 - 5.00	72,355,000	50,645,000
General obligation notes	10-02-22	10-01-32	3.00 - 4.00	20,160,000	14,105,000
General obligation bonds	10-03-22	10-01-33	4.00 - 5.00	22,035,000	16,810,000
General obligation notes	10-01-23	10-01-33	5.00	74,360,000	59,480,000
General obligation notes	10-02-23	10-01-33	5.00	42,055,000	33,640,000
General obligation bonds	02-08-24	10-01-43	4.00 - 5.00	28,585,000	27,080,000
General obligation notes	09-01-24	10-01-43	4.00 - 5.00	81,780,000	74,025,000
General obligation notes	09-02-24	10-01-43	4.00 - 5.00	18,205,000	16,730,000
General obligation notes	09-03-24	10-01-34	4.00 - 5.00	6,280,000	5,650,000
General obligation notes	09-01-25	10-01-44	4.00 - 5.00	129,995,000	129,995,000
General obligation notes	09-02-25	10-01-35	4.30 - 5.00	6,765,000	6,765,000
Sub-Totals - General Obligation					\$ 692,243,684
Less: Business-type Activities General Obligation Debt					(102,557,383)
Less: Joint Venture General Obligation Debt					(1,121,710)
Total Governmental Activities General Obligation Debt					<u>\$ 588,564,591</u>

*Direct borrowing or direct placement

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

F. LONG-TERM OBLIGATIONS (CONT.)

General Obligation Debt (cont.)

Debt service requirements to maturity are as follows:

Years	Governmental Activities General Obligation Debt		Business-type Activities General Obligation Debt	
	Principal	Interest	Principal	Interest
2026	\$ 89,683,426	\$ 24,121,196	\$ 13,845,414	\$ 4,348,552
2027	82,065,033	20,338,268	13,257,301	3,749,366
2028	74,244,892	17,099,899	12,387,942	3,202,449
2029	65,524,946	14,145,415	11,306,344	2,691,630
2030	59,008,906	11,584,829	9,885,323	2,226,898
2031-2035	177,120,129	27,065,504	30,416,355	5,527,748
2036-2040	30,027,527	4,999,095	8,193,793	1,560,785
2041-2044	10,386,551	954,836	3,264,911	280,099
Totals	<u>\$ 588,061,410</u>	<u>\$ 120,309,042</u>	<u>\$ 102,557,383</u>	<u>\$ 23,587,527</u>

Years	Governmental Activities Debt from Direct Borrowings and Direct Placements	
	Principal	Interest
2026	\$ 107,274	\$ 17,923
2027	91,595	14,218
2028	94,818	7,995
2029	89,191	7,596
2030	38,631	4,512
2030-2032	81,675	4,627
Total	<u>\$ 503,184</u>	<u>\$ 56,871</u>

The City's outstanding debt from direct borrowing and placements related to governmental activities of \$503,184 contains a provision that any delinquent payments are subject to a penalty of one percent per month, and that any delinquent amounts shall be deducted from any state payments that are due to the City.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

F. LONG-TERM OBLIGATIONS (CONT.)

Revenue Debt

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

	Sewer	Water
Original indebtedness		
Sewer	\$ 88,880,000	-
Water	-	\$ 177,391,562
Year issued	2012-2024	2015-2024
Proceeds used for	Sewer plant	Water plant
Source of revenue	Sewer charges	Water charges
Payable through	2039	2044
Percent of net revenues required to pay remaining debt service	30.5%	18.7%
Total principal and interest remaining	\$ 68,759,790	\$ 135,242,154
Principal and interest paid for the current year	8,849,487	15,667,539
Total customer net revenues for current year	16,121,925	38,429,869

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

F. LONG-TERM OBLIGATIONS (CONT.)

Revenue Debt (cont.)

Revenue debt payable at December 31, 2025 consists of the following:

	Date of issue	Final Maturity	Interest Rates	Original Indebted- ness	Balance 12-31-25
Water Utility					
Revenue bonds	12-17-15	01-01-36	3.00 - 5.00%	\$41,610,000	\$ 26,335,000
Revenue bonds	12-28-16	01-01-37	1.24 - 3.82	23,775,000	16,740,000
Revenue bonds	12-28-16	01-01-37	1.24 - 3.82	14,645,000	4,650,000
Revenue bonds	12-20-18	01-01-39	4.00	30,765,000	23,935,000
Revenue bonds	12-20-18	01-01-28	3.00 - 3.55	9,390,000	3,440,000
Revenue bonds	12-19-19	01-01-31	2.00 - 5.00	26,555,000	15,885,000
Revenue bonds	12-19-19	01-01-31	2.00 - 5.00	7,125,000	4,295,000
Revenue bonds	12-19-19	01-01-32	1.70 - 2.65	13,055,000	8,085,000
Safe drinking water revenue bond*	10-11-23	05-01-43	2.145	4,675,000	4,291,642
Safe drinking water revenue bond*	05-22-24	05-01-44	2.145	3,365,000	3,228,496
Safe drinking water revenue bond*	07-24-24	05-01-44	2.145	2,431,562	2,431,562
Total Water Utility					<u>\$ 113,316,700</u>
Sewer Utility					
Revenue bonds	11-15-12	12-01-27	2.00 - 3.00	9,500,000	1,490,000
Revenue bonds	12-01-14	12-01-29	2.50 - 5.00	9,645,000	3,140,000
Revenue bonds	12-28-16	12-01-31	2.50 - 5.00	14,600,000	6,750,000
Revenue bonds	12-20-18	12-01-33	3.25 - 4.00	12,500,000	7,545,000
Revenue bonds	12-22-20	12-01-35	2.00 - 5.00	13,000,000	9,215,000
Revenue bonds	12-20-22	12-01-37	5.00	13,960,000	11,890,000
Revenue bonds	12-11-24	12-01-39	5.00	15,675,000	14,930,000
Total Sewer Utility					<u>\$ 54,960,000</u>
Total Business-type Revenue Debt					<u><u>\$ 168,276,700</u></u>

*Direct borrowing or direct placement.

*The Safe Drinking Water Revenue Bond is funded through periodic disbursements as project costs are incurred. During 2025, the City received an additional disbursement of \$1,578,840. As of December 31, 2025, \$501,300 of the total amount authorized under the July 24, 2024 bond issue had not yet been disbursed and remained available for future project costs.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

F. LONG-TERM OBLIGATIONS (CONT.)

Revenue Debt (cont.)

Debt service requirements to maturity are as follows:

Years	Business-type Activities Debt from Direct Borrowings and Direct Placements		Business-type Activities Revenue Debt	
	Principal	Interest	Principal	Interest
2026	\$ 442,314	\$ 209,028	\$ 17,180,000	\$ 5,779,136
2027	451,802	199,131	17,385,000	5,111,125
2028	461,493	189,336	17,315,000	4,425,466
2029	471,392	179,330	17,165,000	3,742,066
2030	481,503	169,111	15,265,000	3,173,335
2031-2035	2,566,944	684,417	51,755,000	9,652,464
2036-2040	2,854,315	393,964	22,260,000	1,729,913
2041-2044	2,221,937	87,422	-	-
Totals	<u>\$ 9,951,700</u>	<u>\$ 2,111,739</u>	<u>\$ 158,325,000</u>	<u>\$ 33,613,505</u>

Mortgage Note - Component Unit - Community Development Authority

The housing mortgage notes will be paid by revenues derived by the Community Development Authority. Mortgage notes at December 31, 2025, consists of the following:

	Date of Issue	Due Date	Interest Rates	Original Indebted- ness	Balance 12-31-25
Community Development Authority					
Housing mortgage note	05-17-01	05-01-31	N/A	\$ 213,067	\$ 144,264
Housing mortgage note	08-26-16	08-26-26	3.25	3,000,000	1,342,022
Housing mortgage note	10-31-23	N/A	N/A	2,000,000	2,000,000
Housing mortgage note	06-06-24	N/A	N/A	687,229	2,000,000
Total Mortgage Notes					<u>\$ 5,486,286</u>

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

F. LONG-TERM OBLIGATIONS (CONT.)

Revenue Debt (cont.)

Years	Component Unit Mortgage Notes - Direct Borrowing	
	Principal	Interest
2026	\$ 1,368,639	\$ 30,811
2027	26,617	-
2028	26,617	-
2029	26,617	-
2030	26,617	-
2031	11,179	-
Thereafter	4,000,000	-
Totals	<u>\$ 5,486,286</u>	<u>\$ 30,811</u>

Other Loans/Notes

Community Development Authority - Component Units

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

City of Madison	
Section 17 loans	\$ 85,000
Capital revolving fund	385,000
Affordable housing trust loan* ¹	68,338
Promissory note ²	60,000
HOME loan	280,000
CDBG loan ²	400,000
Impact C.I.L., LLC	900,619
Johnson Bank ³	592,452
Total	<u>\$ 2,771,409</u>

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

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

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

F. LONG-TERM OBLIGATIONS (CONT.)

Other Loans/Notes (cont.)

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

Years	Other Loans/Notes - Direct Borrowing	
	Principal	Interest
2026	\$ 660,790	\$ -
Total	<u>\$ 660,790</u>	<u>\$ -</u>

Leases

Refer to Note IV. G.

Other Debt Information

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

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

G. LEASE DISCLOSURES

Lessee - Leased Assets

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Leased Assets Being Amortized:				
Buildings	\$ 7,409,546	\$ -	\$ -	\$ 7,409,546
Machinery and equipment	31,336	-	-	31,336
Total Leased Assets Being Amortized	<u>7,440,882</u>	<u>-</u>	<u>-</u>	<u>7,440,882</u>
Less: Accumulated Amortization				
Buildings	(1,716,905)	(647,583)	-	(2,364,488)
Machinery and equipment	(18,307)	(10,445)	-	(28,752)
Total Accumulated Amortization	<u>(1,735,212)</u>	<u>(658,028)</u>	<u>-</u>	<u>(2,393,240)</u>
Total governmental activities leased assets, net of accumulated amortization	<u>\$ 5,705,670</u>	<u>\$ (658,028)</u>	<u>\$ -</u>	<u>\$ 5,047,642</u>
	Beginning Balance	Additions	Deletions	Ending Balance
Business-Type Activities				
Leased Assets Being Amortized:				
Buildings	\$ 8,196,859	\$ -	\$ -	\$ 8,196,859
Land	452,149	-	-	452,149
Machinery and equipment	705,589	-	(20,022)	685,567
Total Leased Assets Being Amortized	<u>9,354,597</u>	<u>-</u>	<u>(20,022)</u>	<u>9,334,575</u>
Less: Accumulated Amortization				
Buildings	(1,584,103)	(403,067)	-	(1,987,170)
Land	(108,264)	(27,066)	-	(135,330)
Machinery and equipment	(412,530)	(136,519)	-	(549,049)
Total Accumulated Amortization	<u>(2,104,897)</u>	<u>(566,652)</u>	<u>-</u>	<u>(2,671,549)</u>
Total business-type activities leased assets, net of accumulated amortization	<u>\$ 7,249,700</u>	<u>\$ (566,652)</u>	<u>\$ (20,022)</u>	<u>\$ 6,663,026</u>

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

G. LEASE DISCLOSURES (CONT.)

Lessee - Lease Liabilities

	Date of Issue	Final Maturity	Interest Rate Percent	Original Indebtedness	Balance 12-31-2025
Governmental Activities					
Building Lease	01/01/2009	12/31/2031	2.930256	\$ 752,669	\$ 464,616
Building Lease	01/01/2014	12/31/2026	0.935864	260,055	55,124
Building Lease	01/01/2014	12/31/2026	0.935864	54,958	11,650
Building Lease	01/01/2014	12/31/2026	0.935864	454,036	96,250
Building Lease	03/01/2016	02/28/2031	0.935864	65,104	39,620
Building Lease	12/01/2016	11/30/2036	0.935864	440,968	347,244
Building Lease	12/15/2018	12/31/2028	3.574405	51,113	24,277
Building Lease	11/01/2019	10/31/2034	0.935864	1,452,223	1,059,137
Building Lease	10/01/2020	12/31/2026	0.935864	67,398	13,591
Building Lease	12/01/2020	12/31/2030	0.935864	778,858	454,164
Building Lease	01/01/2021	12/31/2040	0.935864	1,218,511	1,037,444
Building Lease	05/06/2024	12/31/2024	2.930256	1,813,652	1,729,034
Total governmental activities lease liabilities					<u><u>\$ 5,332,151</u></u>

	Date of Issue	Final Maturity	Interest Rate Percent	Original Indebtedness	Balance 12-31-2025
Business-Type Activities					
Land Lease	09/15/1997	09/14/2037	0.935864	\$ 452,149	\$ 473,801
Building Lease	06/15/2016	06/30/2033	0.935864	323,848	223,785
Building Lease	01/01/2017	12/31/2041	0.935864	7,477,014	6,543,696
Mach/Equip Lease	05/01/2022	12/31/2026	2.813855	749,154	173,000
Total business-type lease liabilities					<u><u>\$ 7,414,282</u></u>

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

G. LEASE DISCLOSURES (CONT.)

Variable Lease Contracts

Business-Type Activities

Lease Contract With Variable or Other Payments	Description of Variable or Other Payments	Amount of Variable Payments Paid This Fiscal Year
Transit Equipment Lease	Monthly lease payments based solely on a flat rate per tire-mile driven	\$ 304,414
Total business-type variable lease contracts		\$ 304,414

Debt service requirements to maturity are as follows:

	Governmental Activities			Business-Type Activities		
Years	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 584,445	\$ 89,724	\$ 674,169	\$ 496,666	\$ 69,335	\$ 566,001
2027	426,145	82,297	508,442	821,505	61,473	882,978
2028	445,117	75,258	520,375	358,937	55,192	414,129
2029	453,981	68,030	522,011	375,199	51,753	426,952
2030	470,946	60,648	531,594	392,055	48,159	440,214
2031-2035	1,552,218	216,117	1,768,335	2,043,120	183,425	2,226,545
2036-2040	1,086,417	103,634	1,190,051	2,383,109	82,226	2,465,335
2041	312,882	8,922	321,804	543,691	2,334	546,025
Total	\$ 5,332,151	\$ 704,630	\$ 6,036,781	\$ 7,414,282	\$ 553,897	\$ 7,968,179

The City did not recognize any amounts for lease residual value guarantees or lease termination penalties in 2025. The City did not enter into any commitments prior to the commencement of any lease terms. The City did not recognize any losses associated with lease impairment.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

G. LEASE DISCLOSURES (CONT.)

Lessor - Lease Receivables

	Date of Inception	Final Maturity	Interest Rate Percent	Receivable Balance 12-31-2025
Governmental Activities				
Land Lease	02/01/1981	01/31/2080	0.935864	\$ 164,095
Land Lease	02/01/1981	01/31/2080	0.935864	136,422
Land Lease	03/22/1985	03/21/2084	0.935864	3,596,019
Land Lease	05/01/1987	04/30/2086	0.935864	151,110
Land Lease	07/01/1987	06/30/2029	0.935864	14,615
Land Lease	01/01/1992	12/31/2026	0.935864	100
Land Lease	06/01/1993	05/31/2043	0.935864	495,299
Land Lease	07/01/1993	06/30/2043	0.935864	21,281
Land Lease	04/01/1994	05/31/2071	0.935864	151,984
Building Lease	04/01/1996	03/31/2032	0.935864	21,097
Land Lease	09/01/1996	08/31/2095	0.935864	160,791
Land Lease	12/01/1996	11/30/2095	0.935864	22,940
Land Lease	12/01/1996	11/30/2095	0.935864	166,153
Land Lease	12/01/1996	11/30/2095	0.935864	316,162
Building Lease	06/01/1997	05/31/2047	3.574405	1,040,251
Land Lease	01/01/1998	12/31/2033	0.935864	84,731
Land Lease	05/01/1998	04/30/2096	0.935864	147,919
Land Lease	01/01/2000	12/31/2099	0.935864	139,220
Land Lease	01/01/2001	12/31/2100	0.935864	45,829
Land Lease	01/01/2001	12/31/2100	0.935864	12,579
Land Lease	05/18/2001	05/17/2051	0.935864	117,097
Land Lease	06/28/2001	06/27/2061	0.935864	631,466
Land Lease	04/14/2003	04/13/2043	0.935864	451,123
Land Lease	01/01/2005	12/31/2103	0.935864	93,256
Land Lease	11/17/2005	11/16/2045	0.935864	1,951,005
Land Lease	01/01/2008	12/31/2027	0.935864	13,038
Land Lease	01/01/2008	12/31/2106	0.935864	188,051
Building Lease	01/01/2008	12/31/2032	0.935864	21,133
Building Lease	01/01/2008	12/31/2107	3.574405	15,242
Land Lease	01/01/2008	12/31/2107	0.935864	91,347
Land Lease	01/02/2008	12/31/2106	0.935864	1,085,628
Building Lease	01/01/2011	12/31/2035	3.204779	786,745
Land Lease	11/09/2012	11/08/2111	0.935864	850,456
Land Lease	11/30/2012	11/29/2111	0.935864	1,053,058

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

G. LEASE DISCLOSURES (CONT.)

Lessor - Lease Receivables (cont.)

	Date of Inception	Final Maturity	Interest Rate Percent	Receivable Balance 12-31-2025
Land Lease	05/02/2013	05/01/2112	0.935864	\$ 636,117
Building Lease	04/15/2015	12/31/2029	0.935864	30,804
Land Lease	06/01/2015	05/31/2030	0.935864	5,687
Land Lease	10/01/2015	09/30/2113	0.935864	160,464
Land Lease	11/01/2015	10/31/2114	0.935864	1,732,733
Land Lease	01/01/2017	12/31/2115	0.935864	96,652
Land Lease	04/01/2017	03/31/2067	0.935864	172,365
Building Lease	10/01/2017	09/30/2027	0.935864	1,159
Land Lease	12/01/2017	11/30/2115	0.935864	956,316
Land Lease	01/01/2018	12/31/2116	0.935864	163,134
Land Lease	05/01/2018	04/30/2028	0.935864	683
Land Lease	10/01/2019	09/30/2029	0.935864	33,372
Building Lease	11/01/2019	10/31/2034	0.935864	476,612
Land Lease	07/01/2020	06/30/2037	3.204779	99,285
Building Lease	08/01/2020	07/31/2040	0.935864	1,136,562
Building Lease	01/01/2021	12/31/2035	0.935864	46,548
Land Lease	06/01/2021	05/31/2041	0.935864	89,250
Building Lease	05/24/2022	12/31/2026	3.204779	6,855
Land Lease	05/30/2022	05/29/2042	2.813855	541,084
Building Lease	06/27/2022	06/30/2047	2.813855	1,754,160
Land Lease	09/01/2022	08/31/2032	2.813855	111,978
Land Lease	09/01/2022	08/31/2032	2.813855	108,006
Land Lease	12/01/2022	11/30/2052	2.813855	198,595
Building Lease	04/01/2023	12/31/2023	3.574405	12,907
Land Lease	05/01/2023	04/30/2027	3.204779	1,766
Building Lease	01/01/2024	12/31/2031	2.903256	193,760
Bulding Lease	05/28/2024	05/27/2037	2.903256	49,558
Building Lease	01/01/2025	12/31/2039	3.204779	74,281
Land Lease	10/14/2025	10/13/2124	3.204779	383,312
Total governmental lease receivables				<u>\$ 23,511,247</u>

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

G. LEASE DISCLOSURES (CONT.)

Lessor - Lease Receivables (cont.)

	Date of Inception	Final Maturity	Interest Rate Percent	Receivable Balance 12-31-2025
Business-Type Activities				
Building Lease	6/1/1997	5/31/2037	0.935864	\$ 557,933
Building Lease	3/1/1998	2/28/2038	0.935864	595,949
Building Lease	7/1/2004	6/30/2044	0.935864	17,064
Building Lease	10/10/2016	10/9/2036	0.935864	438,757
Building Lease	5/1/2017	4/30/2027	0.935864	68,240
Building Lease	12/6/2018	12/5/2048	2.930256	5,445,076
Building Lease	12/6/2018	12/5/2048	0.935864	6,516,033
Building Lease	12/5/2021	12/4/2041	2.813855	591,511
Building Lease	4/1/2022	3/31/2042	2.813855	596,136
Building Lease	7/1/2022	6/30/2042	2.813855	613,055
Bulding Lease	1/1/2024	12/31/2026	2.930256	78,325
Building Lease	4/1/2024	3/31/2044	2.930256	973,206
Bulding Lease	5/1/2024	4/30/2034	2.930256	586,394
Building Lease	5/28/2024	5/27/2037	2.930256	49,558
Building Lease	5/28/2024	5/27/2037	2.930256	49,558
Building Lease	12/1/2024	11/30/2034	2.930256	28,288
Building Lease	11/1/2025	10/31/2045	3.204779	830,658
Total business-type lease receivables				<u>\$ 18,035,741</u>

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

G. LEASE DISCLOSURES (CONT.)

Lessor - Lease Receivables (cont.)

Debt service requirements to maturity are as follows:

Years	Governmental Activities			Business-Type Activities			Component Units		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 484,361	\$ 328,463	\$ 812,824	\$ 688,748	\$ 357,516	\$ 1,046,264	\$ 1,275,832	\$ 197,323	\$ 1,473,155
2027	515,195	319,547	834,742	597,774	345,156	942,930	1,375,670	178,412	1,554,082
2028	550,440	310,088	860,528	612,134	333,695	945,829	1,449,223	157,673	1,606,896
2029	578,214	299,879	878,093	739,085	320,405	1,059,490	1,188,803	137,023	1,325,826
2030	597,140	289,098	886,238	765,331	305,708	1,071,039	1,071,595	119,435	1,191,030
2031-2035	3,072,858	1,276,562	4,349,420	4,371,474	1,284,400	5,655,874	3,495,174	364,623	3,859,797
2036-2040	2,841,349	1,029,630	3,870,979	4,390,241	834,041	5,224,282	1,313,981	101,391	1,415,372
2041-2045	2,376,658	794,361	3,171,019	3,859,719	385,437	4,245,156	21,276	26	21,302
2046-2050	996,205	625,010	1,621,215	2,011,235	56,152	2,067,387	-	-	-
2051-2055	706,319	586,228	1,292,547	-	-	-	-	-	-
2056-2060	813,162	554,349	1,367,511	-	-	-	-	-	-
2061-2065	810,763	519,750	1,330,513	-	-	-	-	-	-
2066-2070	922,168	482,146	1,404,314	-	-	-	-	-	-
2071-2075	1,036,660	438,948	1,475,608	-	-	-	-	-	-
2076-2080	1,192,006	388,524	1,580,530	-	-	-	-	-	-
2081-2085	1,079,103	332,555	1,411,658	-	-	-	-	-	-
2086-2090	708,764	294,243	1,003,007	-	-	-	-	-	-
2091-2095	802,348	256,882	1,059,230	-	-	-	-	-	-
2096-2100	832,950	214,983	1,047,933	-	-	-	-	-	-
2101-2105	925,963	167,779	1,093,742	-	-	-	-	-	-
2106-2110	902,619	115,790	1,018,409	-	-	-	-	-	-
2111-2115	446,351	68,969	515,320	-	-	-	-	-	-
2116-2121	185,858	38,195	224,053	-	-	-	-	-	-
2122-2124	133,793	7,719	141,512	-	-	-	-	-	-
Total	\$ 23,511,247	\$ 9,739,698	\$ 33,250,945	\$ 18,035,741	\$ 4,222,510	\$ 22,258,251	\$ 11,191,554	\$ 1,255,906	\$ 12,447,460

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

G. LEASE DISCLOSURES (CONT.)

Lessor - Lease Receivables (cont.)

	<u>Date of Inception</u>	<u>Final Maturity</u>	<u>Interest Rate Percent</u>	<u>Receivable Balance 12-31-2025</u>
Component Units - CDA				
Building Lease	Varies	Varies	Varies	<u>\$ 11,191,554</u>
Total component units lease receivables				<u>\$ 11,191,554</u>

The City recognized \$920,725, \$1,011,731, and \$1,429,285 of Governmental, Business-type, and Component Unit lease revenue, respectively.

The City recognized \$331,161, \$353,069, and \$197,878 of Governmental, Business-type, and Component Unit lease interest, respectively.

The City did not recognize any amounts for leases with variable payments, residual value guarantees or lease termination penalties in 2025.

H. SUBSCRIPTION DISCLOSURES

Subscription Assets

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities				
Subscription assets being amortized				
Intangible subscriptions	<u>\$ 16,900,228</u>	<u>\$ 8,772,181</u>	<u>\$ (758,287)</u>	<u>\$ 24,914,122</u>
Total subscription assets being amortized	<u>16,900,228</u>	<u>8,772,181</u>	<u>(758,287)</u>	<u>24,914,122</u>
Less: Accumulated amortization for subscription assets				
Intangible subscriptions	<u>(3,442,271)</u>	<u>(3,757,277)</u>	<u>758,287</u>	<u>(6,441,261)</u>
Total accumulated amortization	<u>(3,442,271)</u>	<u>(3,757,277)</u>	<u>758,287</u>	<u>(6,441,261)</u>
Total governmental activities subscription assets, net of accumulated amortization	<u>\$ 13,457,957</u>	<u>\$ 5,014,904</u>	<u>\$ -</u>	<u>\$ 18,472,861</u>

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

H. SUBSCRIPTION DISCLOSURES (CONT.)

Subscription Assets (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Business-Type Activities				
Subscription assets being amortized				
Intangible subscriptions	\$ 1,458,613	\$ 179,966	\$ (378,004)	\$ 1,260,575
Total subscription assets being amortized	1,458,613	179,966	(378,004)	1,260,575
Less: Accumulated amortization for subscription assets				
Intangible subscriptions	(588,911)	(401,578)	288,795	(701,694)
Total accumulated amortization	(588,911)	(401,578)	288,795	(701,694)
 Total business-type activities subscription assets, net of accumulated amortization	 \$ 869,702	 \$ (221,612)	 \$ (89,209)	 \$ 558,881

	Beginning Balance	Additions	Deletions	Ending Balance
Component Unit				
Subscription assets being amortized				
Intangible subscriptions	\$ 7,931	\$ 402	\$ -	\$ 8,333
Total subscription assets being amortized	7,931	402	-	8,333
Less: Accumulated amortization for subscription assets				
Intangible subscriptions	(3,824)	(2,055)	-	(5,879)
Total accumulated amortization	(3,824)	(2,055)	-	(5,879)
 Total component unit subscription assets, net of accumulated amortization	 \$ 4,107	 \$ (1,653)	 \$ -	 \$ 2,454

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

H. SUBSCRIPTION DISCLOSURES (CONT.)

Subscription Liabilities

	Date of Issue	Final Maturity	Interest Rate Percent	Original Indebtedness	Balance 12-31-2025
Governmental Activities					
IT Subscription	5/29/2020	5/28/2030	3.204779	\$ 472,569	\$ 343,977
IT Subscription	10/1/2021	9/30/2030	3.204779	10,862,723	6,342,969
IT Subscription	1/1/2022	12/31/2026	3.204779	482,122	31,952
IT Subscription	1/1/2022	12/31/2026	2.930256	229,222	63,922
IT Subscription	1/1/2022	12/31/2026	3.204779	95,498	25,291
IT Subscription	1/1/2022	12/31/2026	3.204779	75,051	23,179
IT Subscription	1/30/2022	1/29/2027	3.574405	60,712	15,839
IT Subscription	7/1/2022	6/30/2027	2.813855	173,339	47,941
IT Subscription	8/1/2023	7/31/2028	3.574405	44,414	19,023
IT Subscription	1/1/2024	12/31/2034	3.204779	2,548,404	1,805,593
IT Subscription	1/30/2024	1/29/2027	2.930256	97,739	33,487
IT Subscription	6/14/2024	6/13/2027	3.204779	122,350	42,283
IT Subscription	8/1/2024	7/31/2027	3.204779	463,633	40,865
IT Subscription	9/1/2024	8/31/2027	2.930256	15,119	4,364
IT Subscription	11/1/2024	12/31/2027	2.930256	106,622	72,347
IT Subscription	12/1/2024	11/30/2028	3.204779	21,650	14,646
IT Subscription	1/1/2025	12/31/2026	3.204779	21,847	12,876
IT Subscription	1/1/2025	12/31/2029	3.204779	592,159	519,169
IT Subscription	2/1/2025	1/31/2035	3.204779	6,950,797	6,554,974
IT Subscription	3/1/2025	2/29/2028	3.204779	43,509	30,039

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

H. SUBSCRIPTION DISCLOSURES (CONT.)

Subscription Liabilities (cont.)

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rate Percent</u>	<u>Original Indebtedness</u>	<u>Balance 12-31-2025</u>
IT Subscription	4/1/2025	12/31/2028	3.204779	119,849	91,264
IT Subscription	4/1/2025	3/31/2028	3.204779	77,027	23,443
IT Subscription	4/15/2025	4/14/2030	3.204779	90,222	30,076
IT Subscription	5/26/2025	9/5/2029	3.204779	75,279	52,450
IT Subscription	7/22/2025	7/31/2028	3.204779	36,373	31,525
IT Subscription	10/5/2025	10/4/2028	3.204779	207,269	137,018
IT Subscription	10/5/2025	10/4/2028	3.204779	51,758	<u>34,216</u>
Total governmental activities subscription liabilities					<u>\$ 16,444,728</u>

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

H. SUBSCRIPTION DISCLOSURES (CONT.)

Subscription Liabilities (cont.)

	Date of Issue	Final Maturity	Interest Rate Percent	Original Indebtedness	Balance 12-31-2025
Business-Type Activities					
Water Subscription	8/1/2020	12/31/2027	3.204779	\$ 329,709	\$ 139,756
Metro Subscription	1/1/2022	12/31/2026	3.204779	19,763	5,150
Sewer Subscription	1/1/2022	12/31/2026	3.204779	4,167	1,287
Storm Subscription	1/1/2022	12/31/2026	3.204779	4,167	1,287
Water Subscription	1/1/2022	12/31/2026	3.204779	161,636	2,575
Water Subscription	1/1/2022	12/31/2026	3.204779	171,116	108,355
Water Subscription	1/7/2022	1/6/2028	2.813855	36,404	13,507
Convention Center Subscription	1/1/2024	12/31/2028	2.930256	425,791	295,002
Total business-type activities subscription liabilities					<u>\$ 566,919</u>

	Date of Issue	Final Maturity	Interest Rate Percent	Original Indebtedness	Balance 12-31-2025
Component Units					
CDA Subscription	1/1/2022	12/31/2026	3.204779	\$ 8,333	\$ 2,575
Total component units subscription liabilities					<u>\$ 2,575</u>

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

H. SUBSCRIPTION DISCLOSURES (CONT.)

Future Minimum Subscription Payments

Future minimum subscription payments are as follows:

	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 2,869,902	\$ 475,607	\$ 3,345,509	\$ 281,270	\$ 8,423	\$ 289,693
2027	2,711,961	388,814	3,100,775	177,360	3,123	180,483
2028	2,651,906	302,551	2,954,457	108,289	-	108,289
2029	2,733,787	216,125	2,949,912	-	-	-
2030	910,687	146,045	1,056,732	-	-	-
2031-2035	4,566,485	241,255	4,807,740	-	-	-
Total	<u>\$ 16,444,728</u>	<u>\$ 1,770,397</u>	<u>\$ 18,215,125</u>	<u>\$ 566,919</u>	<u>\$ 11,546</u>	<u>\$ 578,465</u>

	Component Units		
	Principal	Interest	Total
2026	\$ 2,575	\$ -	\$ 2,575
2027	-	-	-
2028	-	-	-
2029	-	-	-
2030	-	-	-
2031-2035	-	-	-
Total	<u>\$ 2,575</u>	<u>\$ -</u>	<u>\$ 2,575</u>

The City did not recognize any amounts for subscription termination penalties in 2025. The City did not enter into any commitments prior to the commencement of the subscription term. The City did not recognize any losses associated with subscription impairment.

I. NET POSITION/FUND BALANCES

Governmental activities net position reported on the government wide statement of net position at December 31, 2025 includes the following:

Governmental Activities

Net investment in capital assets	
Land	\$ 292,851,912
Construction in progress	111,733,402
Other capital assets, net of accumulated depreciation	902,462,752
Less: Capital-related accounts payable	(11,320,814)
Less: Capital related long-term debt outstanding (excluding unspent capital related debt proceeds)	(433,447,573)
Less: Unamortized premium	(48,297,709)
Total Net Investment in Capital Assets	<u>\$ 813,981,970</u>

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

I. NET POSITION/FUND BALANCES (CONT.)

Governmental Activities (cont.)

Governmental fund balances reported on the fund financial statements at December 31, 2025 include the following:

	General Fund	Library	Debt Service	Capital Projects	Nonmajor Governmental Funds	Total
Fund Balances						
Nonspendable:						
Inventories	\$ 465,123	\$ -	\$ -	\$ 3,206,879	\$ -	\$ 3,672,002
Prepaid items	2,481,667	339,046	-	84,565	147,568	3,052,846
Trust activities	-	-	-	-	620,614	620,614
Restricted for:						
Library	-	2,479,212	-	-	697,329	3,176,541
Grants activities	-	-	-	-	2,042,859	2,042,859
Loans	662,149	-	-	-	27,446,006	28,108,155
Debt service	-	-	24,104,817	-	4,424,754	28,529,571
Parks	-	-	-	-	1,355,741	1,355,741
Impact fees	-	-	-	-	41,097,028	41,097,028
TID activities	-	-	-	91,630,023	-	91,630,023
Landfill	-	-	-	-	19,187	19,187
Trust activities	-	-	-	-	4,086,231	4,086,231
Capital projects	-	-	-	67,406,802	-	67,406,802
Room tax	-	-	-	-	2,589,603	2,589,603
Committed for:						
Room tax	-	-	-	-	941,575	941,575
Assigned to:						
Capital projects	-	-	-	20,384,447	-	20,384,447
Encumbrances for open contracts	356,926	-	-	-	-	356,926
Operating Projects	1,362,500	-	-	-	-	1,362,500
Mark to market reserve	5,000,000	-	-	-	-	5,000,000
Fund balance applied	2,218,037	-	-	-	-	2,218,037
Compensated absences	8,924,434	-	-	-	-	8,924,434
Premium stabilization	8,779,882	-	-	-	-	8,779,882
Unassigned (deficit)	128,498,499	-	-	-	(1,053,249)	127,445,250
Totals	<u>\$ 158,749,217</u>	<u>\$ 2,818,258</u>	<u>\$ 24,104,817</u>	<u>\$ 182,712,716</u>	<u>\$ 84,415,246</u>	<u>\$ 452,800,254</u>

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

I. NET POSITION/FUND BALANCES (CONT.)

Business-type Activities

Net investment in capital assets	
Land	\$ 96,882,326
Construction in progress	80,920,054
Other capital assets, net of accumulated depreciation	1,098,029,601
Less: Related long-term capital debt outstanding	(276,392,333)
Plus: Unspent capital related debt proceeds	8,326,694
Plus: Unamortized premium	(16,868,983)
Plus: Loss/gain on refunding	(842,519)
Plus: Borrowed reserve fund	8,621,411
Total Net Investment in Capital Assets	<u>\$ 998,676,251</u>

J. COMPONENT UNITS

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

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

Major Component Units of the City of Madison

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

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

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

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

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

a. Summary of Significant Accounting Policies

Principles of Presentation

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

Basis of Presentation

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

Net position without donor restrictions – Net position that is not restricted by donors. Designations are voluntary board-approved segregations of net position without donor restrictions for specific purposes, projects, or investments. The Society's Board of Directors has the ability to designate net position without donor restrictions to be used by management for specific future projects or activities. These designations can be modified or removed by the Board of Directors at any time.

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

Cash and Cash Equivalents

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

Restricted Cash and Cash Equivalents

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

Donor restricted funds	\$ 427,701
Funds to be invested at the Foundation	<u>25,871</u>
	<u>\$ 453,572</u>

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

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

Pledges Receivable

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

Grants Receivable

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

Inventories

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

Beneficial Interest in Assets Held by Madison Community Foundation

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

Beneficial Interest in Lead Trust Held by Others

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

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

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

Investments

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

Unearned Revenue

Unearned revenue consists of advance payments received for future education programs. Unearned revenue totaled \$33,281 as of December 31, 2025.

Estimates

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

Income Taxes

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

The Society must recognize the tax benefit associated with tax positions taken for tax return purposes when it is more-likely-than-not the position will be sustained. The Society does not believe there are any material uncertain tax positions and, accordingly, it did not recognize any liability for unrecognized tax benefits. For the year ended December 31, 2025, there were no interest or penalties recorded or included in the consolidated financial statements.

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

Gift Shop Sales

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

Education Revenue

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

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

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

Contributions

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

Conditional contributions or grants, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. Certain conditional grants received are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. As of December 31, 2025, there were no conditional grants which are expected to be recognized as revenue in subsequent years when the conditions are met.

Investments Return

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

Functional Allocation of Expenses

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

Sales Tax

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

Advertising Costs

Advertising costs are charged to operations when incurred. Advertising expense was \$56,664 for the year ended December 31, 2025.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

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

Related Parties

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

b. Relationship Between the Society and the City of Madison

Relationship

The Society and the City of Madison Parks Division work together for the benefit of Olbrich Botanical Gardens (Gardens), which is owned by the City of Madison (City). The City provides free use of space in the Olbrich Botanical Gardens building for the Society. The Society had a net payable due to the City in the amount of \$2,688 at December 31, 2025. Payables relate to the City's portion of admissions and rental fees collected on their behalf.

Capital Campaign

The Society donates funds to the City to make capital asset purchases for the Gardens or, if purchased directly by Society, donates all capital assets it purchases to the City. During 2025, there were no capital campaigns in process. There were no capital asset donations made to the City in 2025. There were no donor restricted net position or net position designated by the Board of Directors for a capital campaign at December 31, 2025.

c. Investments

Investments at December 31, 2025 consisted of the following:

Mutual funds	\$ 5,145,782
Common Stocks	4,383,020
U.S. Government Bonds	100,211
Corporate Bonds	1,549,730
Money Market Funds	<u>597,864</u>
Investments	<u>\$ 11,776,607</u>

Net Investment income consisted of the following:

Interest and Dividends	\$ 440,230
Unrealized and Realized Gain	1,151,842
MCF income, operating	4,061
Change in Value of CLAT	8,063
Investment Advisory Fees	<u>(49,515)</u>
Investment Income	<u>\$ 1,554,681</u>

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

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

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

Fair Value Measurements

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

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

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

Following is a description of the valuation methodologies used for assets measured at fair value: There have been no changes in the methodologies used at December 31, 2025.

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

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

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

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

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

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

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

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

	2025			
	Level 1	Level 2	Level 3	Total
Equity Mutual Funds	\$ 2,800,898	\$ -	\$ -	\$ 2,800,898
Fixed Income Mutual Funds	2,344,884	-	-	2,344,884
Common Stocks	4,383,020	-	-	4,383,020
U.S. Government Bonds	100,211	-	-	100,211
Corporate Bonds	-	1,549,730	-	1,549,730
Beneficial Interest in Assets Held by MCF	-	-	56,167	56,167
Beneficial Interest in Lead Trust Held by Others	-	-	234,987	234,987
Total Assets at Fair Value	<u>\$ 9,629,013</u>	<u>\$ 1,549,730</u>	<u>\$ 291,154</u>	\$ 11,469,897
Money Market Funds				<u>597,864</u>
Total Investments				<u>\$ 12,067,761</u>

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

The following table presents the Society's activity for assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) as of December 31, 2025:

	Beneficial interest in assets held by MCF	Beneficial interest in lead trust held by others
Beginning Balance	\$ 52,106	\$ 322,536
Distributions	(2,623)	(95,612)
Change in Value	<u>6,684</u>	<u>8,063</u>
Ending Balance	<u>\$ 56,167</u>	<u>\$ 234,987</u>

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

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

d. Pledges Receivable

Pledges receivable are expected to be collected as follows for the year ended December 31, 2025:

Receivable in less than one year	\$ 36,250
Receivable in one to five years	265,000
Receivable in greater than five years	<u>700,000</u>
Total Contributions Receivable	1,001,250
Less unamortized discount	<u>(101,523)</u>
Net contributions receivable	<u>\$ 899,727</u>

The Society applies a discount rate on long-term pledges receivable, which is based on the treasury yield rate at the date of the gift. A discount rate of 1.82% on outstanding pledges receivable was used by the Society at December 31, 2025.

e. Contributed Goods and Services

The City provides certain services to the Society at no charge. Contributed services are valued and reported at the estimated fair value in the consolidated financial statements based on the employee's salary and benefits pro-rated for estimated time spent on the Society. The total amount of those services was \$68,194 in 2025.

The Society receives contributed goods which are used for various programmatic and fundraising purposes. Contributed goods are valued and reported at the estimated fair value based on the price if the Society were to purchase them. The total amount of those materials was \$46,505 in 2025. The Society utilizes the contributed services and goods for programmatic and support purposes, except for contributed goods received for fundraising which are monetized. There were no donor imposed restrictions on contributed goods and services during the year ending December 31, 2025.

The City provides free use of space in the Olbrich Botanical Gardens building for the Society. Management's policy is to utilize the contributed building for Society programs and support services. There are no donor restrictions associated with the contributed use of space. In valuing the contributed use of space, which is located in the City, the Society estimated the fair value based on the average price per square foot for commercial space in the City. The fair value of the use of space is estimated to be \$61,189 for the year ending December 31, 2025 and is renewable annually.

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

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

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

Additionally, the Society received 19,880 hours of volunteer time, provided by 492 individuals and groups during 2025, who gave their time to the Society's programs and fundraising campaigns. No amounts have been recorded in the consolidated financial statements because the recognition criteria under accounting principles generally accepted in the United States of America were not met.

f. Retirement Plan

Eligible employees may participate in the Society's 401(k) retirement plan after six months of employment and upon attaining the age of 21. The Society makes matching contributions. Participants are fully vested in their contributions to the plan. Participants become vested in the Society's matching contributions over a six-year graduated scale. The Society's contributions to the plan were \$67,139 in 2025.

g. Concentrations and Contingencies

Concentration of Credit Risk

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

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

Contributions Concentrations

In 2025 one donor made up approximately 15% of contribution revenue.

One donor accounts for 83% of the Society's outstanding pledges receivable as of December 31, 2025.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

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

h. Net Position

The Society's Board of Directors has chosen to place the following designations on net position without donor restrictions. The following summarizes designated and undesignated assets without donor restrictions for the year ended December 31, 2025:

Olbrich Botanical Society Foundation, Inc.

Designated for education	\$ 70,131
Designated for orchid fund (conservatory)	72,639
Designated for general stewardship fund	1,734,022
Board designated endowment	<u>6,419,899</u>
Total Foundation	<u>\$ 8,296,691</u>

Olbrich Botanical Society, Inc.

Designated for agency endowment at MCF	56,167
Undesignated	<u>4,662,050</u>
Total Society	<u>\$ 4,718,217</u>
Total Net Position Without Donor Restrictions	<u><u>\$ 13,014,908</u></u>

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

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

Net Position with donor restrictions at December 31, 2025 are restricted for the following purposes:

Olbrich Botanical Society Foundation, Inc.

Purpose-Restricted:

Stewardship Fund Garden for the Future	\$ 359,055
Stewardship fund land bank	201,173
Vera Lee Orchidist	1,100,000
Rose Garden Intern	111,454
Accumulated earnings on endowment	<u>71,912</u>
Total Purpose Restricted	<u>1,843,594</u>

Perpetual in Nature:

General endowment fund	30,650
Ursula Schmitt speakers fund	72,179
Shirley Homburg gift shop fund	11,500
Dusso conservatory fund	221,453
Music and arts endowment fund	<u>261,000</u>
Total perpetual in nature	<u>596,782</u>
Total Foundation	<u>\$ 2,440,376</u>

Olbrich Botanical Society, Inc.

Purpose Restricted:

Horticulture	77,925
Conservatory	17,970
Education	51,920
Other	<u>42,620</u>
Total Purpose Restricted	<u>190,435</u>

Time Restricted:

Beneficial interest in trust held by others	234,987
Pledges receivable	<u>899,727</u>
Total time restricted	<u>\$ 1,134,714</u>
Total Society	<u>\$ 1,325,149</u>
Total Net Position with Donor Restrictions	<u><u>\$ 3,765,525</u></u>

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

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

i. Other Madison Community Foundation Funds

The Society has received notification that it is a beneficiary of two funds at MCF: the Bolz Family Endowment Fund for Olbrich Botanical Gardens and the Olbrich Botanical Society (A) (the Funds). In 2006, the Bolz Family Foundation established the Bolz Family Endowment Fund for Olbrich Botanical Gardens. The Olbrich Botanical Society (A) fund is a sister fund established by contributions from various donors. The Funds are not presented as a beneficial interest because the Funds were contributed by third party donors and MCF has variance power. The fair value of the Funds at MCF was \$515,721 at December 31, 2025. The Society has the option to receive an annual distribution that represents 4.5% of the average value of the assets over a rolling 20-quarter period. The Society received distributions from the Funds of \$17,406 during 2025. These amounts are included in contributions on the consolidated statements of activities.

j. Endowment and Other Restrictions on Net Position

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

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

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

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

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

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

The following table shows the composition of endowment net position by restriction for those endowments under the control of the society for the year ended December 31, 2025:

	<u>With Donor Restrictions</u>				
	Without Donor Restrictions	Net Earnings on Endowment	Held in Perpetuity	Total	Total Endowment
Donor restricted	\$ -	\$ 71,912	\$ 596,782	\$ 668,694	\$ 668,694
Board designated	6,419,899	-	-	-	6,419,899
Total Funds	<u>\$ 6,419,899</u>	<u>\$ 71,912</u>	<u>\$ 596,782</u>	<u>\$ 668,694</u>	<u>\$ 7,088,593</u>

Endowment activities were as followed:

	<u>With Donor Restrictions</u>				
	Without Donor Restrictions	Net Earnings on Endowment	Held in Perpetuity	Total	Total Endowment
Beginning balance	\$ 5,516,477	\$ 32,161	\$ 586,782	\$ 618,943	\$ 6,135,420
Additions	215,048	-	10,000	10,000	225,048
Investment return	1,034,370	39,751	-	39,751	1,074,121
Amounts appropriated for expenditure	(345,996)	-	-	-	(345,996)
Ending Balance	<u>\$ 6,419,899</u>	<u>\$ 71,912</u>	<u>\$ 596,782</u>	<u>\$ 668,694</u>	<u>\$ 7,088,593</u>

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

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

The Society has excluded within its endowment any pledges receivable restricted to be held in perpetuity. From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or UPMIFA requires the Society to retain as a fund of perpetual duration. In accordance with current accounting guidance, deficiencies of this nature that are reported in net position with donor restrictions were \$0 as of December 31, 2025. There were no funds with deficiencies as of December 31, 2025.

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

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

Each fiscal year, the Olbrich Botanical Society Foundation, Inc. may distribute a portion of its net position. The distribution amount for any given year shall be determined by the Board. The Board approved an appropriation of \$345,996 for 2025, which consists of 4.5% of the average of the investment balance for the preceding 12 quarters with the last quarter being September 2024. Donor restricted net earnings on endowment whose restrictions are met within the same year as earned are included in investment income, net without donor restrictions in the consolidated statement of activities.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

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

k. Liquidity and Availability of Financial Assets

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

Year Ended December 31, 2025

Cash and cash equivalents	\$ 3,956,303
Pledges receivable	899,727
Grants receivable	2,500
Accounts receivable	23,054
Beneficial interest in Madison Community Foundation	56,167
Beneficial interest in lead trust held by others	234,987
Investments	<u>11,776,607</u>
Total financial assets available within one year	<u>16,949,345</u>
Less: amounts unavailable for general expenditures within one year, due to:	
Donor restricted for purpose or time	(3,096,831)
Board designated for other purposes	(1,932,959)
Donor restricted endowment fund	(668,694)
Board designated endowment fund	<u>(6,419,899)</u>
Total financial assets available for general expenditure within one year	<u>\$ 4,830,962</u>

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

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

l. Subsequent Events

Management has evaluated subsequent events through April 21, 2026, the date which the consolidated financial statements were available to be issued.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

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

Madison Public Library Foundation, Inc. (MPLF)

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

a. Summary of Significant Accounting Policies

Basis of Accounting

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

Basis of Presentation

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

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

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Exempt Status

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

Cash and Cash Equivalents

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

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

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

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

Restricted Cash, Libraries

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

Monroe Street Library League	\$	18,053
South Madison Friends		7,509
Hawthorne Friends		<u>4,859</u>
Totals	\$	<u><u>30,421</u></u>

Certificates of Deposit

Certificates of deposit with original maturities greater than 3 months and remaining maturities of 12 months or less are classified as current assets on the statement of financial position. Certificates of deposit bear interest between 0.34-0.35%, with penalties for early withdrawal. Any penalties for early withdrawal do not have a material effect on the financial statements.

Management estimates a zero credit loss on the certificates of deposit. The organization monitors the bank rating for various banks which have strong bank ratings as of December 31, 2025. The certificates of deposit are considered past due when the organization is not allowed to redeem the certificates of deposit at maturity. There are no past due certificates of deposit as of December 31, 2025. The organization places certificates of deposit on nonaccrual status when management believes collection of interest income is not probable. Interest income on those certificates of deposit is recognized when payments are received rather than when earned. There were no certificates of deposit on nonaccrual status as of December 31, 2025.

Promises to Give

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

Furniture and Equipment

Furniture and equipment is stated at cost. Depreciation is computed on the straight-line method based on an estimated useful life of three to five years. Furniture and equipment was \$21,902 as of December 31, 2025. Depreciation expense was \$751 for the year ended December 31, 2025. Accumulated depreciation was \$21,902 as of December 31, 2025.

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

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

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

Website Development Costs

Website development costs are stated at cost. Amortization of website development costs is computed on the straight-line method based upon the estimated useful lives of the assets, generally three years. Website development costs were \$26,702 as of December 31, 2025. The website development costs were fully amortized as of December 31, 2025.

Capitalization Policy

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

Impairment of Long-lived Assets

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

Investments

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

In-kind contributions

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

The Foundation receives contributions of food, beverages, and other supplies for its events, which are recorded as revenue and expense in the year received based on the estimated fair market value. The estimated fair value of these contributions utilized is based on the amount provided by the donor. For the year ended December 31, 2025, \$2,450 of in-kind contributions were recorded as revenue and expense.

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

All in-kind contributions received by the Foundation for the year ended December 31, 2025 were considered without donor restrictions and able to be used by the Foundation as determined by the board of directors and management.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

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

Revenue Recognition

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

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

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

Revenue Recognition - special events

The Foundation sells tickets and offers sponsorships for its special events. Ticket sales and sponsorships are nonrefundable and are comprised of an exchange element based on the value of benefits provided to the donors, and a contribution element for the difference between total ticket sales and sponsorships paid and the exchange element. The Foundation recognizes the exchange portion of these events in the year the event takes place (point in time), and the contribution portion immediately. Included in special event revenue on the statements of activities are ticket sales of \$131,150 for the year ended December 31, 2025. Of the total ticket sales revenue, the exchange portion totaled \$54,100 for the year ended December 31, 2025.

Advertising Expenses

The Foundation expenses advertising costs in the period the program relates. Advertising expenses were \$88,668 for the year ended December 31, 2025.

Expense Allocation

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

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

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

Subsequent Events

These financial statements have not been updated for subsequent events occurring after April 9, 2026, which is the date the MPLF financial statements were available to be issued. The Foundation has no responsibility to update these financial statements for events and circumstances occurring after this date.

b. Promises to Give

Unconditional Promises to Give

Unconditional promises to give at December 31, 2025 consisted of the following:

Dream Bus	\$ 5,000
Other	170,751
Reindahl Capital Campaign	1,015,259
John H. Lussier Charitable Lead Annuity Trust (CLAT)	<u>245,825</u>
Total Unconditional Promises to Give	<u>\$ 1,436,835</u>
Unconditional Promises to Give - Net	<u>\$ 1,436,835</u>

At December 31, 2025, \$1,036,623 of unconditional promises to give are receivable in less than one year and \$400,212 of unconditional promises to give are receivable in one to five years, and \$0 is receivable in more than five years.

Unconditional promises to give (excluding the CLAT) receivable in one year or more are discounted to net present value using a discount rate ranging from 4.31% to 5.50%. The discount rate used for the CLAT was 2.75% as of December 31, 2025. Unconditional promises to give receivable in less than one year are measured at net realizable value which approximates fair value.

Split-interest Agreement (Charitable Lead Annuity Trust)

Split-interest agreements are trusts or other arrangements under which donors have designated beneficiaries. The Foundation is one of twenty beneficiaries of the John H. Lussier Charitable Lead Annuity Trust (CLAT). Under the CLAT, the foundation receives fixed annual annuity payments during the term of the trust, 10 years. The final distribution will be made in 2028. The Foundation was notified it was a beneficiary of the CLAT in 2019. Any changes in the discounted value of the CLAT are adjusted through the remaining unconditional promise to give balance and contribution revenue. The unconditional promise to give, net of the discount present value, was \$240,383 as of December 31, 2025.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

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

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

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

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

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

The balances of the individual agency endowments at December 31, 2025 were:

Elizabeth Moon Proctor Scholarship and Professional Development Fund	\$	84,234
Hawthorne Library Endowment Fund		39,999
Judy P. Olson Book Discussion Kit Fund		27,781
Lakeview Library Endowment Fund		184,088
Madison Public Library Foundation Endowment Fund		9,083,211
Monroe Street Branch Endowment Fund		70,692
Pinney Library Endowment Fund		312,116
Print Books Purchase Fund		143,566
Sequoia Branch Endowment Fund		489,431
South Madison Branch Endowment Fund		266,315
Central Library Endowment Fund		239,118
Meadowridge Branch Endowment Fund		185,767
Alicia Ashman Library Endowment Fund		110,379
Professional Development Endowment		29,595
Rosemary Lee Endowment Fund		154,855
Total Agency Endowments	\$	<u>11,421,147</u>

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

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

d. Fair Value Disclosure

The fair value measurement for the categories of assets that are measured at fair value on a recurring basis at December 31, 2025, are as follows:

		Fair Value Measurement Using		
	Fair Value	Quoted Prices in Active Markets for Identical Inputs (Level One)	Significant Other Observable Inputs (Level Two)	Significant Unobservable Inputs (Level Three)
Beneficial interest in assets held at MCF ¹	\$11,421,147	\$ -	\$ -	\$ 11,421,147
MCF pass thru fund ²	270,951	-	-	270,951
Totals	<u>\$11,692,098</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,692,098</u>

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

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

The total purchases/contributions to the beneficial interest in assets held by MCF was \$1,054,262 for the year ended December 31, 2025.

The total purchases/contributions to the MCF pass thru fund was \$647,397 for the year ended December 31, 2025.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

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

e. Net position

Net Position Without Donor Restrictions

Net position without donor restrictions consists of net position available for operations of the Foundation and net position designated by the Foundation's Board of Directors for the following purposes as of December 31, 2025:

Madison Public Library Foundation Endowment Fund	\$ 9,083,211
Program Venture Fund	5,000
Undesignated	<u>1,226,221</u>
Total Net Position Without Donor Restrictions	<u>\$ 10,314,432</u>

Net Position With Donor Restrictions – Time or Use

Net position with donor restrictions - time or use include assets set aside in accordance with donor restrictions as to time or use and are available for the following purposes as of December 31, 2025:

Ashman Branch	\$ 1,195
Ashman Endowment	28,424
Book Festival	178,948
Central Endowment	79,854
General Library	220,394
Hawthorne Branch	250
Hawthorne Endowment	39,999
Hawthorne Friends	5,815
Judy P. Olson Book Discussion Kit Endowment	21,022
Lakeview Branch	5,250
Lakeview Endowment	184,088
Meadowridge Endowment	54,502
Monroe Branch	7,000
Monroe Endowment	18,936
Monroe Library League	18,053
Pinney Branch	3,666
Pinney Endowment	312,116
Print Books Purchase	23,851
Professional Development Endowment	7,736
Proctor Endowment	32,170
Reindahl Capital	4,125,079
Rosemary Lee Endowment	29,355
Sequoia Branch	1,860
Sequoia Endowment	161,953
South Madison Branch	500
South Madison Friends	7,509
South Madison Endowment	87,964

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

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

Thrift Books	1,401
John H. Lussier Charitable Lead Annuity Trust	<u>241,068</u>
Net Position With Donor Restrictions	<u>\$ 5,899,958</u>

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

Net Position with Donor Restrictions – Perpetual Endowments

Net position with donor restrictions – perpetual endowments include net position set aside in perpetuity in accordance with donor restrictions as of December 31, 2025 consisted of the following:

Ashman Branch Endowment Fund	\$ 81,955
Central Branch Endowment Fund	159,264
Elizabeth Moon Proctor Scholarship and Professional Development Fund	52,064
Meadowridge Branch Endowment Fund	131,265
Monroe Branch Endowment Fund	51,756
Print Books Purchase Fund	119,715
Sequoia Branch Endowment Fund	327,478
South Madison Branch Endowment Fund	178,351
Judy P. Olson Endowment Fund	6,759
Professional Development Endowment	21,859
Rosemary Lee Endowment Fund	<u>125,500</u>
Net Position With Donor Restrictions – Perpetual Endowments	<u>\$ 1,255,966</u>

f. Endowments

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

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

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

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

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

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

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

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

Endowment net position composition by type of net position as of December 31, 2025.

	Without Donor Restrictions	With Donor Restrictions - Time or Use	With Donor Restrictions - Perpetual Endowments
Donor-restricted endowment funds	\$ -	\$ 1,081,970	\$ 1,255,966
Board-designated endowment funds	9,083,211	-	-
Total Funds	<u>\$ 9,083,211</u>	<u>\$ 1,081,970</u>	<u>\$ 1,255,966</u>

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

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

Changes in endowment net position for the year ended December 31, 2025:

	Without Donor Restrictions	With Donor Restrictions - Time or Use	With Donor Restrictions - Perpetual Endowments
Endowment net position-beginning of year	\$ 7,430,360	\$ 877,405	\$ 1,169,396
Contributions	944,751	22,941	86,570
Amounts released for expenditure	(266,367)	(74,965)	-
Net investment income	974,467	256,589	-
Endowment Net Position - End of Year	<u>\$ 9,083,211</u>	<u>\$ 1,081,970</u>	<u>\$ 1,255,966</u>

g. Mohaupt Fund for the Sequoya Branch Library

In May 2011, Alvin and Ruth Mohaupt established the Mohaupt Fund for the Sequoya Branch Library (the Mohaupt Fund). MCF holds and manages the Mohaupt Fund and treats assets as a component fund. The balance held in the Mohaupt Fund is not included in the Foundation's financial statements as MCF retains variance power over the assets. Any distributions from the Mohaupt Fund will help fund the Foundation's charitable and exempt purposes. Distributions from the Mohaupt Fund were \$4,129 during 2025. The Mohaupt Fund had a fair value of \$114,411 as of December 31, 2025.

h. Pension Plan

The Foundation's Defined Contribution Employee 401(K) Safe Harbor Retirement Plan covers all employees age 18 or over. The Foundation matches contributions to the plan up to 5% of the individual participant's compensation. Pension Plan expense for the year ended December 31, 2025 totaled \$24,174.

i. Availability of Financial Assets and Liquidity

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

The following reflects the Foundation's financial assets as of December 31, 2025 reduced by amounts not available for general use because of donor-imposed restrictions or internal designations, within one year of the statement of financial position date.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

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

Financial Assets as of December 31, 2025	\$ 17,497,347
Less: Those unavailable for general expenditures within one year due to:	
Restricted by donor with time or purpose restrictions	(4,817,988)
Board designated endowment funds	(9,083,211)
Board designated other	(5,000)
Donor restricted endowment funds	<u>(2,337,936)</u>
Financial Assets Available to Meet Cash needs for General Expenditures Within One Year	<u>\$ 1,253,212</u>

NONMAJOR COMPONENT UNITS OF THE CITY OF MADISON

Business Improvement District (BID)

a. Basis of Accounting/Measurement Focus

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

b. Cash and Investments

The BID, as a fund of the City, maintains common cash accounts at the same financial institutions utilized by the City. Federal Depository Insurance and the State of Wisconsin Guarantee Fund insurance apply to the City of Madison as an individual municipality and, accordingly, the amount of insured funds is not determinable for the BID. The carrying amount was \$198,378.

Madison Parks Foundation, Inc (MPF)

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

The financial statements of the Foundation have been prepared on a consolidated basis to include its supporting organization, the Madison Parks Foundation Parks for All Legacy Trust ("Trust"). The Foundation's Board of Directors exercises significant control over the Trust. References to the "Organization" refer to the consolidated group. There were no transaction between the Foundation and the Trust requiring elimination on the consolidated financial statements.

a. Summary of Significant Accounting Policies

Basis of Presentation

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

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

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

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

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

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

Cash and Cash Equivalents

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

Investments

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

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

Promises to Give

The Foundation records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statement of activities. Allowance for uncollectable promises to give is determined based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable. As of December 31, 2025, the unconditional promises to give are considered to be fully collectable. Accordingly, no allowance for uncollectable promises to give is recorded.

Revenue Recognition

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

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

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

The Foundation recognizes contributions when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been sustainably met. As of December 31, 2025, there were no conditional promises to give.

Contributions

Contributions received are recorded as increases in net position with donor restrictions or net position without donor restrictions, depending on the existence and/or nature of any donor restrictions. Contributions that are restricted by the donor are reported as increases in net position without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor-restricted support is reported as an increase in net position with donor restrictions. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net position with donor restrictions are reclassified to net position without donor restrictions and reported in the statement of activities as net position released from restrictions.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Costs are directly charged to the functions they benefit when possible. Certain costs have been allocated among the programs and supporting activities. Allocated expenses include wages and benefits. Wages and benefits are allocated to the various program and supporting services based on actual or estimated time employees spend on each function. The remaining expenses are specifically allocated whenever practical. The costs of providing the various programs and other activities can be found in the schedule of functional expenses.

Contributed Nonfinancial Assets

Contributed nonfinancial assets include donated services, facilities, and utilities at their estimated fair value on the date of the contribution. Contributions of services that (1) create or enhance non-financial assets or those that require specialized skills, (2) are provided by individuals possessing those skills, and (3) would typically need to be purchased if not provided by donation are recorded at their fair value in the period received. The Foundation does not sell donated gifts-in-kind.

Income Tax Status

The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Foundation's federal exempt organization returns are subject to examination by the Internal Revenue Service, generally for three years after they are filed. With few exceptions, the Foundation is no longer subject to such examinations for tax years before 2022.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

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

The Foundation has adopted the accounting guidance for recognizing and measuring uncertain tax positions. The Foundation follows the statutory requirements for their income tax accounting and generally avoids risks associated with potentially problematic tax positions that may be challenged upon examination. Management believes any liability resulting from taxing authorities imposing additional income taxes from activities deemed to be unrelated to the Foundation's tax-exempt status would not have a material effect on the accompanying financial statements.

Use of Estimates

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

Subsequent Events

In preparing the MPF financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through April 7, 2026, the date the financial statements were available to be issued.

b. Concentration of Credit Risk and Market Risk

Financial instruments that potentially subject the Foundation to concentrations of credit and market risk consist principally of cash equivalents and investments. The Foundation maintains its cash equivalents with one financial institution, which is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. From time to time, the Foundation's cash balances at financial institutions may exceed federal depository insurance coverage and management considers this to be a normal business risk. At December 31, 2025, the Foundation had \$0 of uninsured balances with the financial institution.

The Foundation's investments are subject to various risks, such as interest rate, credit, and overall market volatility risks. Further, because of the significance of the investments to the Foundation's financial position and the level of risk inherent in most investments, it is reasonably possible that changes in the value of these investments could occur in the near term and such changes could materially affect the amounts reported in the financial statements. Management is of the opinion that the diversification of its invested assets among the various asset classes should mitigate the impact of changes in any one class.

The Foundation maintains its investments at a fiduciary trust company. These investments are not insured by the Securities Investor Protection Corporation (SIPC). The Foundation has not experienced any losses on such accounts. Management believes it is not exposed to any significant risk on cash or investment accounts.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

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

c. Investments

The Foundation's investments consist of cash and marketable securities and are presented in the financial statements at fair market value. Market risk could occur and is dependent on the future changes in market prices of the various investments held. The Foundation's investments are comprised of the following as of December 31, 2025:

	Market	Cost
Cash	\$ 211,096	\$ 211,096
Equities	3,179,018	2,025,580
Fixed income	1,571,695	1,511,967
Totals	<u>\$ 4,961,809</u>	<u>\$ 3,748,643</u>

Investment income from these investments for the year ended December 31, 2025 is summarized as follows:

	2025
Interest and dividends	\$ 159,214
Net realized and unrealized gains	539,291
Investment expense	<u>(45,154)</u>
Totals	<u>\$ 653,351</u>

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

d. Fair Value Measurement

The Foundation's investments are reported at fair value in the accompanying statement of net position. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

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

	Fair Value	Fair Value Measurements Using: Quoted Prices in Active Markets for Identical Assets (Level One)	Fair Value Measurements Using: Significant Unobservable Inputs (Level Three)
December 31, 2025			
Cash	\$ 211,096	\$ 211,096	\$ -
Equities	3,179,018	3,179,018	-
Fixed income	1,571,695	1,571,695	-
Beneficial Interest in assets held by MCF	<u>96,595</u>	<u>-</u>	<u>96,595</u>
Totals	<u>\$ 5,058,404</u>	<u>\$ 4,961,809</u>	<u>\$ 96,595</u>

The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels; No Level Two inputs were available to the Foundation. The Foundation uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments.

Level One Fair Value Measurements

Level One inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority. When available, the Foundation measures fair value using Level One inputs because they generally provide the most reliable evidence of fair value.

The fair values of common stocks, corporate bonds, and exchange-traded funds are based on the closing price reported on the active market where the individual securities are traded.

Level Three Fair Value Measurements

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

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

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

e. Beneficial Interest in Agency Endowment

According to professional standards, the Foundation recognizes the fair value of donations as contributions when received and when the Foundation transfers the funds to Madison Community Foundation ("MCF") it recognizes the transfer as a decrease in cash and an increase in an asset called beneficial interest in agency endowment. The Foundation acknowledges that by virtue of the governing instrument of MCF, the Board of Governors of MCF has the authority to modify any restriction or condition on the distribution of assets from the Fund if, in the reasonable judgment of the Board of Governors, such restriction or condition becomes unnecessary, incapable of fulfillment or inconsistent with the charitable needs of the community served by MCF. MCF maintains legal ownership of the Fund and normally makes an annual distribution to the Foundation that represents five percent of the average value of the assets in the Fund over the previous twelve quarters. The purpose of the distributions is to enable the Foundation to carry out its charitable and exempt purposes. The activity in the Fund at MCF was as follows for the year ended December 31, 2025:

	2025
Balance - January 1, 2025	\$ 89,557
Agency endowment return:	
Investment income	11,632
Distributions from agency endowment	(3,556)
Expense and fees	(1,038)
Balance - December 31, 2025	<u>\$ 96,595</u>

f. Net Position

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

Time and purpose restrictions	\$ 1,848,414
City Endowment	163,566
MCF Endowment	96,595
Total	<u>\$ 2,108,575</u>

Net position without donor restrictions as of December 31, 2024 are as follows:

Undesignated	3,427,007
Board Designated for Park Improvements	47,068
Total Net Position without Donor Restrictions	<u>\$ 3,474,075</u>

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

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

g. Revenue from Contracts with Customers

Receivables from contracts with customers are reported as accounts receivable. Contract liabilities are reported as unearned revenue in the consolidated statement of financial position. The beginning and ending balance of unearned revenues for the year ended December 31, 2025 is as follows:

	January 1	December 31
Unearned Revenue	\$ -	\$ 2,500

h. Contributed Nonfinancial Assets

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

Office space	\$ 15,000
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Contributed materials and services were used in the Foundation's operations and programs and are recognized at fair value based on current rates for similar services. The City of Madison provides office space for the Foundation and does not charge rent.

i. Cooperative Agreement

In 2013, the Foundation and the City of Madison (the "City") entered into an agreement to formally establish the Foundation as the City's official non-profit fundraising collaborator as it relates to the City's parks and open spaces. As part of the agreement, the City transferred \$660,136 to the Foundation for the benefit of the City's parks and the growth of the Foundation. Once transferred, these funds became the Foundation's assets, however were required to be maintained in a separate investment account. Also, the Foundation must comply with any specific restrictions that were carried over from the City. Along with these restrictions, the funds spent by the Foundation shall be used to support projects that are approved by the City, other costs agreed upon by the City and the Foundation, and as payment for the Madison Parks Foundation Coordinator.

The Madison Parks Foundation Coordinator (the "Coordinator") was an interim position created by the City under the agreement to assist the Foundation with expanding its fundraising efforts to promote additional philanthropic opportunities benefiting Madison parks. The Coordinator reported directly to the City and was subject to all City rules of employment. Under the agreement, the Foundation was responsible for the reimbursement back to the City for the Coordinator's wages and benefits. In July 2018, the Foundation and the City transitioned the Coordinator position to a full-time Executive Director position at the Foundation.

In recognition of the Foundation's increasing role and commitment to the City's parks, the City and the Foundation agreed that the City will provide the Foundation with in-kind contributions and services, which include office space, the use of equipment, and office technology services. The estimated value of these contributions was \$15,000 in 2025.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

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

j. Endowment

The Foundation has one endowment fund. This fund was established in 2015 to provide ongoing investment income to support the Foundation's exempt purpose. As required by GAAP, net position associated with endowment funds is classified and reported based on the existence or absence of donor-imposed restrictions. The amount required to remain intact in perpetuity is \$90,000.

	Net Position with Donor Restrictions
Endowment net position, Beginning of year	\$ 138,165
Investment return:	
Unrealized gain	25,942
Investment income	7,500
Amount appropriated for expenditure	(8,041)
Endowment Net Position, End of Year	<u>\$ 163,566</u>

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding while seeking to maintain the purchasing power of the endowment assets. Endowment assets include permanently restricted funds. Under this policy, as approved by the Executive Board of Directors, the permanently restricted assets are invested to achieve preservation of the principal to allow distribution of income for designated uses consistent with the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as adopted by Wisconsin. Permanently restricted endowment assets are invested in cash, equity securities, and fixed income securities.

Strategies Employed for Achieving Objectives

To satisfy its long-term objectives of the fund, the Foundation relies on a total return strategy in which investments returns are achieved through current yield (interest). The fund shall be invested in a medium risk fund with 46-66% equities, 25-45% fixed income, 0-10% real estate, and 0-10% commodities with reasonable fees. The fund shall have reasonable liquidity and be diversified by holdings, sector, geography, and market capitalization.

Spending Policy and How the Investment Objectives Relate to Spending Policy

Income from the fund may be used at the Board of Director's discretion to further the exempt purpose of the Foundation.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

IV -DETAILED NOTES ON ALL FUNDS (CONT.)

J. COMPONENT UNITS (CONT.)

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

k. Liquidity and Availability of Financial Assets

As part of the Foundation's liquidity management, the Foundation structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Foundation invests cash in excess of current needs in equity and fixed income investments, which can be sold and converted to cash when needed.

The following table reflects the Foundation's financial assets as of December 31, 2025, reduced by amounts not available for general expenditure within one year. Financial assets are not considered available when not liquid or not convertible into cash within one year.

	<u>December 31, 2025</u>
Cash and cash equivalents	\$ 5,826
Promises to give	50,000
Contributions receivable	553,644
Investments	4,961,809
Beneficial Interest in Agency Endowment: Held by MCF	<u>96,595</u>
Total Financial Assets	5,667,874
Less: Those unavailable for general expenditure within one year due to:	
City endowment fund	(163,566)
Other donor-imposed restrictions	(1,945,009)
Board-designated commitments	<u>(47,068)</u>
Financial Assets Available to Meet Cash Needs for Expenditures Within One Year	<u><u>\$ 3,512,231</u></u>

l. Liability Forgiveness

In 2025, the Foundation determined that liabilities previously incurred were forgiven. The Foundation has recognized a gain on liability forgiveness of \$48,639.

m. Related Party Transactions

For the year ended December 31, 2025, graphic design, website redesign, and branding services totaling \$32,913 were paid to the spouse of a member of the Board of Directors. As of December 31, 2025, \$1,553 was included in accounts payable to such related party on the consolidated statement of financial position.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

V - OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

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

ETF issues a standalone Annual Comprehensive Financial Report, which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

Additionally, ETF issued a standalone Wisconsin Retirement System Financial Report, which can also be found using the link above.

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

Benefits provided. Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and State executive participants, if hired on or before December 31, 2016) are entitled to retirement benefit based on a formula factor, their final average earnings, and creditable service.

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

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

The WRS also provides death and disability benefits for employees.

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

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

V - OTHER INFORMATION (CONT.)

A. EMPLOYEES' RETIREMENT SYSTEM (CONT.)

Year	Core Fund Adjustment (%)	Variable Fund Adjustment (%)
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0
2022	7.4	15.0
2023	1.6	(21.0)
2024	3.6	15.0

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

During the reporting period, the WRS recognized \$27,363,599 in contributions from the City and \$275,954, in contributions from the CDA.

Contribution rates for the plan year reported as of December 31, 2025 are:

Employee Category	Employee		Employer	
General (Executives & Elected Officials)	6.90	%	6.90	%
Protective with Social Security	6.90	%	14.30	%
Protective without Social Security	6.90	%	19.10	%

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

V - OTHER INFORMATION (CONT.)

A. EMPLOYEES' RETIREMENT SYSTEM (CONT.)

Pension (Asset)/Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

City Information

At December 31, 2025, the City reported a liability of \$30,755,301, for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023 rolled forward to December 31, 2024. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension liability was based on its share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2025, the City's proportion was 1.87171064%, which was an increase of 0.01149159% from its proportion reported as of December 31, 2024.

For the year ended December 31, 2025, the City recognized pension expense of \$40,036,994.

At December 31, 2025, 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	\$ 95,515,472	\$ 89,678,559
Changes in assumptions	9,101,342	-
Net differences between projected and actual earnings on pension plan investments	46,538,844	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	96,957	420,314
Employer contributions subsequent to the measurement date	29,298,413	-
Totals	<u>\$ 180,551,028</u>	<u>\$ 90,098,873</u>

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

V - OTHER INFORMATION (CONT.)

A. EMPLOYEES' RETIREMENT SYSTEM (CONT.)

Pension (Asset)/Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (cont.)

CDA Information

At December 31, 2025, the CDA reported a liability of \$305,797 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023 rolled forward to December 31, 2024. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The CDA's proportion of the net pension liability was based on its share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2025, the CDA's proportion was 0.01861024%, which was an increase of 0.000529% from its proportion reported as of December 31, 2024.

For the year ended December 31, 2025, the CDA recognized pension expense of \$408,985.

At December 31, 2025, the CDA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 946,243	\$ 965,196
Changes in assumptions	115,088	-
Net differences between projected and actual earnings on pension plan investments	660,139	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	785	4,474
Employer contributions subsequent to the measurement date	286,572	-
Total	<u>\$ 2,008,827</u>	<u>\$ 969,670</u>

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

V - OTHER INFORMATION (CONT.)

A. EMPLOYEES' RETIREMENT SYSTEM (CONT.)

City Information

\$29,298,413 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2026. Other amounts reported as deferred outflows of resources and deferred outflows (inflows) of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31:	Deferred Outflows of Resources and Deferred Inflows of Resources (net) (in dollars)
2026	18,305,360
2027	63,539,364
2028	(15,770,991)
2029	(4,919,991)

CDA Information

\$286,572 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31:	Deferred Outflows of Resources and Deferred Inflows of Resources (net) (in dollars)
2026	225,274
2027	781,942
2028	(194,085)
2029	(60,546)

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

V - OTHER INFORMATION (CONT.)

A. EMPLOYEES' RETIREMENT SYSTEM (CONT.)

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

Actuarial Valuation Date:	December 31, 2023
Measurement Date of Net Pension Liability (Asset):	December 31, 2024
Experience Study	January 1, 2021 - December 31, 2023 Published November 19, 2024
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Inflation:	3.0%
Seniority/Merit	0.1% - 5.7%
Mortality:	2020 WRS Experience Mortality Table
Post-retirement Adjustments*:	1.7%

** No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.7% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate. Includes the impact of known Market Reconciliation Account deferred gains/losses on the liability for dividend payments.*

Actuarial assumptions are based upon an experience study conducted in 2024 that covered a three-year period from January 1, 2021 to December 31, 2023. Based on this experience study, actuarial assumptions used to measure the Total Pension Liability changed from prior year, including seniority (merit) and separation rates. The Total Pension Liability for December 31, 2024 is based upon a roll-forward of the liability calculated from the December 31, 2023 actuarial valuation.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

V - OTHER INFORMATION (CONT.)

A. EMPLOYEES' RETIREMENT SYSTEM (CONT.)

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

Asset Allocation Targets and Expected Returns As of December 31, 2024 ¹	Current Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return % ²
Core Fund Asset Class			
Public Equity	38.0	7.0	4.3
Public Fixed Income	27.0	6.1	3.4
Inflation Sensitive	19.0	4.8	2.1
Real Estate	8.0	6.5	3.8
Private Equity/Debt	20.0	9.5	6.7
Leverage ³	(12.0)	3.7	1.1
Total Core Fund	100.0	7.5	4.8
Variable Fund Asset			
U.S. Equities	70.0	6.5	3.8
International Equities	30.0	7.4	4.7
Total Variable Fund	100.0	6.9	4.2

¹ Asset allocations are managed within established ranges; target percentages may differ from actual monthly allocations

² New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.6%

³ The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. Currently, an asset allocation target of 12% policy leverage is used subject to an allowable range of up to 20%.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

V - OTHER INFORMATION (CONT.)

A. EMPLOYEES' RETIREMENT SYSTEM (CONT.)

Single discount rate. A single discount rate of 6.80% was used to measure the total pension liability for the current and prior year. This single discount rate was based on the expected rate of return on pension plan investments of 6.80 percent and a municipal bond rate of 4.08%. (Source: "20-Bond GO Index" is the Bond Buyer Index, general obligation, 20 years to maturity, mixed quality as of December 31, 2024. In describing this index, the Bond Buyer notes that the bonds' average quality is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard and Poor's Corp.'s AA.) Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City and CDA's proportionate share of the net pension liability (asset) to changes in the discount rate. The following presents the City and CDA's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.80 percent, as well as what its proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.80 percent) or 1-percentage-point higher (7.80 percent) than the current rate:

	1% Decrease to Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase to Discount Rate (7.80%)
City's proportionate share of the net pension (asset) liability	\$ 288,524,907	\$ 30,755,301	\$ (152,382,604)
CDA's proportionate share of the net pension (asset) liability	\$ 2,868,775	\$ 305,797	\$ (1,515,126)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reportsand-statements>.

At December 31, 2025, the City and CDA reported a payable to the pension plan which represents contractually required contributions outstanding as of the end of the year.

WRS also provides death and disability benefits for employees. Eligibility and the amount of all benefits are determined under Chapter 40 of Wisconsin Statutes.

Protective employees of the City hired prior to 1948 are covered under the City's police and firemen's pension funds established under Chapter 62 of the Wisconsin Statutes. The City has not obtained an actuarial valuation of these pension plans which were assumed by the Wisconsin Retirement Fund as of April 1, 1978. The total City contribution to the fund during 2025 was \$23,522. The present value of estimated future payments based on past service is \$45,976 and is included in the statement of net position.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

V - OTHER INFORMATION (CONT.)

B. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; and workers compensation. The City purchases commercial insurance for liability and most property losses. The City is partially self-funded and participates in a municipal mutual to provide coverage for losses for liability. However, other risks, such as workers compensation are accounted for and financed by the City in an internal service fund – the workers compensation fund. Settled claims have not exceeded the commercial coverage in any of the past three years.

Self Insurance

For workers compensation claims, the uninsured risk of loss is \$650,000 per occurrence and \$750,000 per occurrence for police and fire personnel. The City has purchased commercial insurance for claims in excess of those amounts. Settled claims have not exceeded the commercial coverage in any of the past three years.

All funds of the City participate in the risk management program. Amounts payable to the workers compensation fund are based on actuarial estimates of the amounts necessary to pay prior and current year claims and to establish a reserve for catastrophic losses.

A liability for a claim is established if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss is reasonably estimable. Liabilities include an amount for claims that have been incurred but not reported. The City does not allocate overhead costs or other nonincremental costs to the claims liability.

Claims Liability

	Prior Year	Current Year
Unpaid claims - Beginning of Year	\$ 12,225,236	\$ 13,152,418
Current year claims and changes in estimates	6,095,112	4,841,138
Claim payments	<u>(5,167,930)</u>	<u>(4,049,183)</u>
Unpaid Claims - End of Year	<u>\$ 13,152,418</u>	<u>\$ 13,944,373</u>

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

V - OTHER INFORMATION (CONT.)

B. RISK MANAGEMENT (CONT.)

Public Entity Risk Pool

Transit Mutual Insurance Corporation of Wisconsin (TMI)

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

The City's auto liability insurance policy has a \$250,000 per person policy limit and a \$7,000,000 per accident policy limit. Of the per accident policy limit, TMI insures \$2,000,000 and reinsures \$5,000,000 with Safety National. In addition, the City's policy provides for \$25,000 per person and \$50,000 per accident in uninsured motorist insurance.

TMI also provides the City's transit system with auto physical damage coverage for its buses with a total limit of \$78,200,000 and a \$5,000 deductible for collision and comprehensive coverage. TMI insures \$750,000 and reinsures the remainder of \$77,450,000 with Safety National.

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

Premiums are determined in advance of each premium year, which begins on January 1. TMI is an assessable mutual; accordingly, the Board of Directors may require that supplemental contributions be made by members to ensure adequate funds are available to meet the obligations applicable to the premium year. Members are required by Wisconsin statute and TMI bylaws to fund any deficit attributable to a premium year during which they were a member. TMI was incorporated in 1985 and began issuing insurance policies in 1986; there has never been a member assessment beyond the annual premiums.

The City's share of this corporation is 42.01% for auto liability. A list of the other members and their share of participation is available in the TMI report, which can be obtained directly from TMI's office.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

V - OTHER INFORMATION (CONT.)

B. RISK MANAGEMENT (CONT.)

Public Entity Risk Pool (cont.)

Wisconsin Municipal Mutual Insurance Company (WMMIC)

Wisconsin Municipal Mutual Insurance Company (WMMIC) was organized in 1987 by municipal members in the State of Wisconsin under Wisconsin Insurance Laws as a non-assessable municipal mutual insurance company. WMMIC writes general, auto and other liability insurance for participating members in the State of Wisconsin on terms calling for recognition of premium upon the effective date of the policy. Responsibility for the operations and management of WMMIC is vested in its executive director and Board of Directors, which is comprised of various municipal officials. At December 31, 2025, WMMIC was owned by twenty members, eighteen of which were equity members.

WMMIC limits the maximum net loss that can arise from large risks or risks in concentrated areas of exposure by reinsuring (ceding) certain levels of risks with other insurers or reinsurers. Ceded reinsurance is treated as the risk and liability of the assuming companies. Such reinsurance includes all lines of insurance.

WMMIC had a general, automobile and other liability reinsurance contract in force for the year ended December 31, 2025. This is a quota share reinsurance agreement with General Reinsurance Corporation (25%) and Governmental Entities Mutual (GEM) Insurance Company (75%) for the first \$8,000,000 for excess of loss reinsurance. General Reinsurance Corporation has the next \$2,000,000 layer in excess of \$10,000,000. Munich Reinsurance has the next \$3,000,000 layer in excess of \$12,000,000. The contract covered losses (in excess of the self-insured retention of each member) which exceed \$2,000,000 per occurrence up to the maximum loss of \$15,000,000 per occurrence. WMMIC retains the first \$2,000,000 of the loss excess of each member's self-insured retention. The members retain all losses greater than \$15,000,000 per occurrence. GEM has established and funded a trust account for its anticipated loss obligations to WMMIC to satisfy state regulatory requirements due to its current status as an unauthorized reinsurer in Wisconsin.

The City's investment in WMMIC is reported on the statement of net position as a deposit. The amount reported is the initial investment of \$3,815,820.

C. COMMITMENTS AND CONTINGENCIES

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

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

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

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

V - OTHER INFORMATION (CONT.)

C. COMMITMENTS AND CONTINGENCIES (CONT.)

Under terms of stipulation orders issued by the State of Wisconsin Department of Industry, Labor and Human Relations, the City is making monthly payments to former employees of the City. These future amounts of \$76,472 are included in the statement of net position under other liabilities.

State and federal laws and regulations require the City to place a final cover on its solid waste landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 40 years after closure. All of the City's landfills are closed. Postclosure care costs will be paid over a period of 40 years after the date that the landfill stopped accepting waste. The City fully realizes the landfill's responsibilities for closure and long-term care and will fund all closure/postclosure activities and costs through landfill remediation fees and interest earnings. The estimated postclosure care liability is estimated to be immaterial.

The City has the following encumbrances outstanding at year-end relating to funds on hand:

General Fund	\$	356,926
Library		29,450
Capital Projects Fund		84,719,182
Nonmajor Governmental Funds		2,500,778

D. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Plan description. The City sponsors a single-employer defined benefit healthcare plan, (the Retiree Health Plan). The Plan provides healthcare coverage to eligible retired City employees and their spouses, which covers both active and retired members. The Plan is affiliated with the Wisconsin Public Employer's Group Health Insurance – Dane County service area plan, a purchasing plan administered by the State of Wisconsin. Benefit provisions are established through collective bargaining agreements. The Retiree Health Plan does not issue a publicly available financial report. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits provided. Contribution requirements are established through collective bargaining agreements and may be amended only through negotiations between the City and the union. The Plan provides eligible retirees with the opportunity to stay on the City's health insurance plan. Eligible retirees and spouses contribute the full amount of the premiums after age 55, except for teamsters who contribute the difference between the rate paid by the City and current year rate.

The City contributes to the premiums for eligible police and fire employees who retire before age 55, but not before age 50. The contributions for these employees continues until age 55, as defined by the union contract. Retirees are responsible for the premiums after that time. The City will contribute, on behalf of eligible police and police supervisors who retired prior to January 1, 2022, 90% of the appropriate premium rates of the lowest bidder among the health care providers offered. For those that retire January 1, 2022 or later, the City will contribute 88% of the average for Dane County Tier 1 service providers. The City will contribute, on behalf of eligible fire employees and fire supervisors, 90% of the average for Dane County Tier 1 service providers for those who retired after January 1, 2017 but before January 1, 2021. For those that retire January 1, 2021 or later, the City will contribute 88% of the average for Dane County Tier 1 service providers. The City will contribute, on behalf of eligible teamsters, up to 100% of the appropriate premium rates of the lowest bidder among the health care providers offered for a maximum of five years, the employee reaches age 65 or until the retiree is eligible for Medicare, whichever is earlier. The contributions for eligible teamsters will not be adjusted annually, the City's contribution will remain at the rate determined in the year of retirement, and the retiree is responsible for any difference in rates.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

V - OTHER INFORMATION (CONT.)

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

The City will contribute annual adjusted by the percentage of wage increases determined for that year to the Local 236 retiree health insurance fund, Local 6000's City Employee Voluntary Employees Beneficiary Association (CE-VEBA) and into an escrow account for contribution towards health premiums for eligible Teamster employees.

Employees covered by benefit terms. At December 31, 2025, the following employees were covered by the benefit terms:

City Information

Active plan members	2,649
Inactive plan members or beneficiaries currently receiving benefit payments	<u>654</u>
	<u>3,303</u>

CDA Information

Active plan members	42
Inactive plan members or beneficiaries currently receiving benefit payments	<u>11</u>
	<u>53</u>

The City's total OPEB liability of \$95,825,190 and the CDA's total liability of \$756,429 was measured as of December 31, 2025, and was determined by an actuarial valuation as of January 1, 2025, rolled forward as of December 31, 2025.

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

Inflation	2.40%	
Salary increases	3.0%	
Healthcare cost trend rates	8.0%	Initially reduced by decrements of 0.25% to an ultimate rate of 4.5%
Retirees' share of benefit-related costs	100%	
Discount Rate	4.83%	

The discount rate was based on the yield for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

Mortality rates are from SOA RPH-2021 Total Dataset Mortality Table fully generational using Scale MP-2021.

Other assumptions are based on a City-determined analysis of past trends and future expectations.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

V - OTHER INFORMATION (CONT.)

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

Changes in the Total OPEB Liability

	City	CDA
	Total OPEB Liability	Total OPEB Liability
Balances at January 1, 2025	\$ 84,199,109	\$ 651,296
Changes for the year:		
Service cost	6,195,898	48,909
Interest	3,769,939	29,759
Changes in assumptions	6,024,236	60,914
Differences between expected and actual experience	282,883	2,233
Benefit payments	(4,646,875)	(36,682)
Net changes	\$ 11,626,081	\$ 105,133
Balances at December 31, 2025	\$ 95,825,190	\$ 756,429

Changes of assumptions and other inputs reflect a change in the discount rate from 4.28 percent in 2024 to 4.83 percent in 2025.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the City and CDA, as well as what the City and CDA's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.83%) or 1-percentage-point higher (5.83%) than the current discount rate:

	1% Decrease (3.83%)	Discount Rate (4.83%)	1% Increase (5.83%)
City's Total OPEB liability	\$ 103,670,457	\$ 95,825,190	\$ 88,671,549
CDA's Total OPEB liability	\$ 818,358	\$ 756,429	\$ 699,959

Sensitivity of the City and CDA's total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the City and CDA, as well as what the City and CDA's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (7.0% decreasing to 3.5%) or 1-percentage-point higher (9.00% decreasing to 5.5%) than the current healthcare cost trend rates:

	1% Decrease (7.0% Decreasing to 3.5%)	Healthcare Cost Trend Rates	1% Increase (9.0% Increasing to 5.5%)
City's Total OPEB liability	\$ 86,026,514	\$ 95,825,190	\$ 107,294,286
CDA's Total OPEB liability	\$ 679,080	\$ 756,429	\$ 846,964

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

V - OTHER INFORMATION (CONT.)

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

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

City Information

For the year ended December 31, 2025, the City recognized OPEB expense of \$8,955,150. At December 31, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,521,245	\$ 7,393,758
Changes of assumptions	<u>11,790,528</u>	<u>7,211,796</u>
Total	<u>\$ 14,311,773</u>	<u>\$ 14,605,554</u>

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

Fiscal Year Ended December 31 :	Deferred Outflows of Resources and Deferred Inflows of Resources (Net)
2026	\$ (194,904)
2027	(466,116)
2028	(1,380,138)
2029	(1,027,697)
2030	1,533,952
Thereafter	1,241,122

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

V - OTHER INFORMATION (CONT.)

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

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

CDA Information

For the year ended December 31, 2025, the CDA recognized OPEB expense of \$70,691. At December 31, 2025, the CDA reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 19,902	\$ 58,365
Changes of assumptions	93,073	56,929
Total	<u>\$ 112,975</u>	<u>\$ 115,294</u>

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

Fiscal Year Ended December 31:	Deferred Outflows of Resources and Deferred Inflows of Resources (Net)
2026	\$ (1,539)
2027	(3,679)
2028	(10,894)
2029	(8,112)
2030	12,108
Thereafter	9,797

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

V - OTHER INFORMATION (CONT.)

E. RELATED PARTIES

Related Parties - Primary Government

The City had the following related party transactions during 2025.

Name	Committee	Affiliated Organization	Amount
Sam Dunaiski	Sustainable Madison Committee	Alliant Energy	\$ 1,190,243
Aaron Collins	Vending Oversight Committee	Banzo, LLC	38,881
Karen Collier	Madison Guaranteed Income Pilot Program Advisory Task Force	Centro Hispano of Dane County	252,093
Evelyn Cruz	Equal Opportunities Commission	Centro Hispano of Dane County	
Nicole Solheim	Plan Commission	Cinnaire	1,027,000
Nina Comiskey	Madison Food Policy Council	Community Action Coalition	124,788
Hope Vang	Police Civilian Oversight Board	Freedom, Inc.	145,000
Louis Olson	Building Code, Fire Code, Conveyance Code and Licensing Appeals Board	JH Findorff & Son, Inc.	48,048
Michelle Miller	Police Civilian Oversight Board	Journey Mental Health Center	22,244
Linda Ketcham	City-County Homeless Issues Committee / Equal Opportunities Commission	JustDane	479,806
Timothy Meisenheimer	Board of Public Works	Madison Gas & Electric	10,180,325
Erinn Monroe-Nye	Sustainable Madison Committee	Madison Gas & Electric	
Christopher Brockel	Madison Food Policy Council / Community Action Coalition	Madison Northside Planning Council, Inc.	67,408
Tim Astfalk	Habitat Stewardship Subcommittee	Mead & Hunt, Inc.	1,298,810
Jasmine Banks	Affirmative Action Commission / Zoo Commission	Operation Fresh Start	1,034,123
Emily Gruenewald	Madison's Central Business Improvement District Board	Overture Center	2,234,950
Isadore Knox, Jr.	Community Resources Committee / Community Development Authority / Public Safety Review Committee	Overture Center	
Ren LaDassor	Madison Arts Commission	Overture Center	
Jacob Morrison	Landmarks Commission	Potter Lawson, Inc.	38,318
Rebecca Prochaska	Madison Development Corporation Board of Directors	Potter Lawson, Inc.	
Michael Salerno	Madison Arts Commission	Potter Lawson, Inc.	
Noah Bloedorn	Madison Food Policy Council	REAP Food Group	15,000
Kelsey Abad	Madison Food Policy Council	Rooted, Inc.	193,785
Nicholas Leete	Madison Food Policy Council	Rooted, Inc.	
Hedi Rudd	Madison Food Policy Council	Rooted, Inc.	
Nick Newlin	Madison's Central Business Improvement District Board	Shine United	170,000
Samantha Worden	Sustainable Madison Committee	Sustain Dane	3,773,361

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

V - OTHER INFORMATION (CONT.)

E. RELATED PARTIES (CONT.)

Related Parties - Primary Government (cont.)

Name	Committee	Affiliated Organization	Amount
Hannah Renfro	Housing Policy Committee	Tenant Resource Center	5,904,994
Angela Jones	Community Development Block Grant Committee	United Way of Dane County	74,015
Faisal Abdu'Allah	State Street Campus Garage / Hawthorne Court Public Art Ad Hoc Committee / LakeWay Public Art Selection Committee	University of Wisconsin - Madison	595,417
Katherine Alcauskas	State Street Campus Garage / Hawthorne Court Public Art Ad Hoc Committee	University of Wisconsin - Madison	
Paul Aylesworth	Madison Development Corporation Board of Directors / Housing Policy Committee	University of Wisconsin - Madison	
Shiva Bidar	Community Resources Committee	University of Wisconsin - Madison	
Lindsey Day Farnsworth	Madison Food Policy Council	University of Wisconsin - Madison	
Kirstin DeMartino	Madison's Central Business Improvement District Board	University of Wisconsin - Madison	
Cathryn Herlihey	Madison Food Policy Council	University of Wisconsin - Madison	
Angela Johnson	Madison Arts Commission	University of Wisconsin - Madison	
Herald Kliems	Transportation Commission / Board of Public Works	University of Wisconsin - Madison	
Davy Mayer	Downtown Coordinating Committee / City-County Homeless Issues Committee / Sustainable Madison Committee / Urban Design Commission	University of Wisconsin - Madison	
David McLean	Urban Design Commission	University of Wisconsin - Madison	
Megan Miller	Community Development Block Grant Committee	University of Wisconsin - Madison	
Ryan Moze	Affirmative Action Commission	University of Wisconsin - Madison	
John Perkins	Joint Campus Area Committee	University of Wisconsin - Madison	
Gregory Reed	Community Development Authority	University of Wisconsin - Madison	
Richard Riphon	Building Code, Fire Code, Conveyance Code and Licensing Appeals Board	University of Wisconsin - Madison	
Christopher Schmidt	TIF Review Board	University of Wisconsin - Madison	
Leslie Seltzer	Board of Health for Madison and Dane County	University of Wisconsin - Madison	
Aaron Williams	Board of Public Works	University of Wisconsin - Madison	
Benjamin Williams	Board of Park Commissioners	University of Wisconsin - Madison	

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

V - OTHER INFORMATION (CONT.)

E. RELATED PARTIES (CONT.)

Related Parties - Primary Government (cont.)

Name	Committee	Affiliated Organization	Amount
Stephen Young	Madison Guaranteed Income Pilot Program Advisory Task Force	University of Wisconsin - Madison	
Diamond Black	Affirmative Action Commission / Community Development Block Grant Committee / Economic Development Committee / Downtown Coordinating Committee / Equal Opportunities Commission	Urban League of Greater Madison	839,788
Edward Lee	Madison Development Corporation Board of Directors	Urban League of Greater Madison	
Katherine Nelson	Police Civilian Oversight Board	YWCA Madison	687,662
Total			<u>\$ 30,436,059</u>

The City Attorney has reviewed the related party transaction schedule and the parties have stipulated that either no matters related to the affiliated entity appeared before them, or, if they did, they properly recused themselves.

Related Parties - CDA

The administration and operation of the CDA is performed by employees of the City. The CDA pays the City for these services, as well as other allocated costs.

F. JOINT OPERATIONS

Administrative offices and court facilities of the City are housed in a building that includes similar facilities for Dane County. The building is owned jointly by the City and the County. The County acts as the fiscal agent for operating costs of the building. Such occupancy expenses are paid to Dane County and have been recorded as operating costs in the applicable City department.

G. COOPERATIVE BOUNDARY PLANS

On February 18, 2005, the Town of Blooming Grove and the City of Madison executed an intergovernmental agreement under authority of Section 66.0307 of the Wisconsin Statutes.

The term and implementation phases within the plan recognize and attempt to balance the competing desires of the City and the town and the existing town and City property owners and residents. The plan provides for the eventual dissolution of the town after a protected period of up to 22 years, but allows early annexations within several areas to address near-term problems and opportunities.

The plan shall terminate on October 31, 2027, or at such earlier time as the town may cease to exist as a separate entity in accordance with the terms of this plan. A complete copy of the plan can be obtained from the City of Madison.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

V - OTHER INFORMATION (CONT.)

G. COOPERATIVE BOUNDARY PLANS (CONT.)

On January 17, 2007, the Town of Burke, the Village of DeForest, the City of Sun Prairie, and the City of Madison executed an intergovernmental agreement under authority of Section 66.0307 of the Wisconsin Statutes.

The term and implementation phases within the plan recognize and attempt to balance the competing desires of the cities, the village, and the town and the existing town, village, and City property owners and residents. The plan provides for the eventual dissolution of the town after a protected period of up to 29 years, but allows early annexations within several areas to address near-term problems and opportunities.

The plan shall terminate on October 26, 2036, or at such earlier time as the town may cease to exist as a separate entity in accordance with the terms of this plan. A complete copy of the plan can be obtained from the City of Madison.

H. JOINT VENTURE

The City of Madison and Dane County jointly operate the Public Health for Madison and Dane County (PHMDC), which provides public health services to its citizens.

The governing body is made up of eight members. One alder member is appointed by the Mayor of the City of Madison, as confirmed by the common council, and a supervisor is appointed by the Dane County Executive, as confirmed by the county board. The mayor and county executive jointly appoint the remaining six board members from citizens involved in the health profession. The governing body has authority to adopt its own budget, subject to approval by the common council and county board. The City of Madison made a payment totaling \$11,456,090 to the PHMDC for 2025. The City believes that the PHMDC will continue to provide services in the future at similar rates.

Financial information of the district as of December 31, 2025 is available directly from the City of Madison, the fiscal agent for PHMDC.

The City of Madison accounts for its share of the operations in the general fund. The City does not have an equity interest in the organization.

The City of Madison is a member of the Metropolitan Unified Fiber Network Consortium, which is an unincorporated nonprofit association organized under Chapter 184 of the Wisconsin Statutes, the Uniform Unincorporated Nonprofit Association Act. This association was created to implement a community area network to improve broadband adoption among businesses and residential groups, help spur economic development, improve network connectivity for public safety, education and library entities as well as expand broadband services to service organizations providing services to disadvantaged, at-risk population within the community.

Fiscal information of the association as of December 31, 2025 is available directly from the City of Madison, the fiscal agent Metropolitan Unified Fiber Network Consortium.

The City of Madison accounts for its share of the operations in the general fund. The City does not have an equity interest in the organization.

CITY OF MADISON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2025

V - OTHER INFORMATION (CONT.)

I. TAX ABATEMENTS

Tax abatements are a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which: (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled, and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

The City, through its Tax Incremental Financing Districts (TIDs), has entered into tax abatement agreements with developers in the form of tax incremental financing incentives to stimulate economic development. The abatements are authorized through the TID project plans. The City disburses loans to developers. The developer guarantees a certain amount of increment each year. The developers pay property taxes as they become due, and if they generate the guaranteed increment, an equal amount of loan balance is forgiven. Total amount of loans forgiven during 2025 were \$3,375,100. \$1,274,000 in loans were disbursed during 2025.

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

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

- > Statement No. 103, *Financial Reporting Model Improvements*
- > Statement No. 104, *Disclosure of Certain Capital Assets*
- > Statement No. 105, *Subsequent Events*

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

K. ACCOUNTING CHANGES

Adjustments to Beginning Balances

During fiscal year 2025, because of decreased activity in the Other Grants Fund, changes within the financial reporting entity resulted in adjustments to beginning fund balances, as follows:

	December 31, 2024 As Previously Reported	Changes to or Within the Financial Reporting Entity	December 31, 2024 As Adjusted
Governmental Funds			
Major Governmental Funds			
Other Grants Fund	\$ (863,864)	\$ 863,864	\$ -
Nonmajor Governmental Funds	76,575,277	(863,864)	75,711,913

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF MADISON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP) - GENERAL FUND For the Year Ended December 31, 2025

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
REVENUES				
Taxes	\$ 313,511,125	\$ 313,511,125	\$315,109,020	\$ 1,597,895
Intergovernmental	49,635,161	49,635,161	50,041,620	406,459
Licenses and permits	8,532,120	8,532,120	9,486,877	954,757
Fines and forfeitures	6,050,000	6,050,000	6,587,304	537,304
Charges for services	18,081,455	18,081,455	22,131,898	4,050,443
Investment income	12,234,000	12,234,000	21,783,970	9,549,970
Miscellaneous	1,485,000	1,485,000	1,755,718	270,718
Total Revenues	<u>\$ 409,528,861</u>	<u>\$ 409,528,861</u>	<u>\$426,896,407</u>	<u>\$ 17,367,546</u>
EXPENDITURES				
Current				
General Government				
Common council	1,177,688	1,177,688	1,088,898	88,790
Mayor	1,481,156	1,541,156	1,508,799	32,357
Municipal court	378,660	378,660	287,805	90,855
Attorney	3,191,311	3,191,311	3,156,530	34,781
Assessor	3,772,896	3,672,896	3,488,022	184,874
Clerk	2,657,481	2,985,089	2,974,736	10,353
Finance	6,090,583	6,324,283	6,298,258	26,025
Information technology	10,981,258	9,952,644	9,603,811	348,833
Human resources	2,275,002	2,346,652	2,337,069	9,583
EAP	489,372	527,272	525,300	1,972
Department of Civil Rights	2,676,900	2,952,301	2,933,064	19,237
Total General Government	<u>\$ 35,172,307</u>	<u>\$ 35,049,952</u>	<u>\$ 34,202,292</u>	<u>\$ 847,660</u>
Public Safety				
Fire	74,931,665	75,792,002	74,278,965	1,513,037
Police	96,131,038	96,467,686	94,707,125	1,760,561
Office of Independent Monitor	399,765	405,965	353,329	52,636
Public health	10,794,522	10,794,522	10,794,523	(1)
Total Public Safety	<u>\$ 182,256,990</u>	<u>\$ 183,460,175</u>	<u>\$180,133,942</u>	<u>\$ 3,326,233</u>
Public Works and Transportation				
Engineering	6,061,664	6,065,337	6,091,140	(25,803)
Streets	28,844,578	29,004,578	28,952,747	51,831
Transit utility	18,442,237	25,605,164	25,605,164	-
Transportation	653,974	673,974	703,265	(29,291)
Traffic engineering	10,492,409	10,516,181	10,134,626	381,555
Total Public Works and Transportation	<u>\$ 64,494,862</u>	<u>\$ 71,865,234</u>	<u>\$ 71,486,942</u>	<u>\$ 378,292</u>

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

CITY OF MADISON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP) - GENERAL FUND For the Year Ended December 31, 2025

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
EXPENDITURES (cont.)				
Planning and Development				
Office of the director of planning	\$ 720,448	\$ 616,448	\$ 599,416	\$ 17,032
Planning	4,007,072	3,993,596	3,930,951	62,645
Building inspection	5,895,998	5,845,998	5,919,611	(73,613)
Community development	17,980,044	17,331,124	17,084,404	246,720
Economic development	2,614,360	2,759,360	2,738,405	20,955
Total Planning and Development	<u>\$ 31,217,922</u>	<u>\$ 30,546,526</u>	<u>\$ 30,272,787</u>	<u>\$ 273,739</u>
Culture and Recreation				
Parks	17,257,399	17,267,475	17,159,945	107,530
Total Culture and Recreation	<u>\$ 17,257,399</u>	<u>\$ 17,267,475</u>	<u>\$ 17,159,945</u>	<u>\$ 107,530</u>
Miscellaneous	11,761,685	6,271,802	6,629,665	(357,863)
Total Miscellaneous	<u>\$ 11,761,685</u>	<u>\$ 6,271,802</u>	<u>\$ 6,629,665</u>	<u>\$ (357,863)</u>
Debt Service	68,147,105	68,147,105	68,689,319	(542,214)
Total Expenditures	<u>\$ 410,308,270</u>	<u>\$ 412,608,269</u>	<u>\$ 408,574,892</u>	<u>\$ 4,033,377</u>
Net Change in Fund Balance	<u>\$ (779,409)</u>	<u>\$ (3,079,408)</u>	<u>\$ 18,321,515</u>	<u>\$ 21,400,923</u>
FUND BALANCES, Beginning of Year	<u>140,427,702</u>	<u>140,427,702</u>	<u>140,427,702</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u><u>\$ 139,648,293</u></u>	<u><u>\$ 137,348,294</u></u>	<u><u>\$ 158,749,217</u></u>	<u><u>\$ 21,400,923</u></u>

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

CITY OF MADISON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - LIBRARY For the Year Ended December 31, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 22,174,898	\$ 22,174,898	\$ 22,174,898	\$ -
Intergovernmental	1,316,945	1,327,545	1,328,716	1,171
Public charges for services	812,439	812,439	868,865	56,426
Miscellaneous	445,334	843,573	880,220	36,647
Total Revenues	<u>\$ 24,749,616</u>	<u>\$ 25,158,455</u>	<u>\$ 25,252,699</u>	<u>\$ 94,244</u>
EXPENDITURES				
Current				
Culture and recreation	22,436,455	22,295,293	22,097,603	197,690
Debt service				
Principal payments on leases and subscriptions	-	-	194,406	(194,406)
Interest payments on leases and subscriptions	-	-	62,469	(62,469)
Total Expenditures	<u>\$ 22,436,455</u>	<u>\$ 22,295,293</u>	<u>\$ 22,354,478</u>	<u>\$ (59,185)</u>
Excess of revenues over expenditures	<u>\$ 2,313,161</u>	<u>\$ 2,863,162</u>	<u>\$ 2,898,221</u>	<u>\$ 35,059</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	15,000	15,000	15,000	-
Transfers out	(2,328,161)	(2,878,162)	(2,878,162)	-
Total Other Financing Sources (Uses)	<u>\$ (2,313,161)</u>	<u>\$ (2,863,162)</u>	<u>\$ (2,863,162)</u>	<u>\$ -</u>
Net Change in Fund Balance	\$ -	\$ -	\$ 35,059	\$ 35,059
FUND BALANCES - Beginning of Year	<u>2,783,199</u>	<u>2,783,199</u>	<u>2,783,199</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 2,783,199</u></u>	<u><u>\$ 2,783,199</u></u>	<u><u>\$ 2,818,258</u></u>	<u><u>\$ 35,059</u></u>

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

CITY OF MADISON

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) (CITY) - WISCONSIN RETIREMENT SYSTEM For the Year Ended December 31, 2025

Fiscal Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/25	1.87171064%	\$ 30,755,301	\$ 263,175,934	11.69%	98.79%
12/31/24	1.86021905	27,657,849	249,071,616	11.10	98.85
12/31/23	1.84596440	97,793,725	230,851,540	42.36	95.72
12/31/22	1.82854391	(147,384,003)	223,111,361	66.06	106.02
12/31/21	1.80992057	(112,995,852)	224,020,516	50.44	105.26
12/31/20	1.78514709	(57,561,292)	215,094,354	26.76	102.96
12/31/19	1.74727964	62,162,732	205,669,683	30.22	96.45
12/31/18	1.68891241	(50,145,814)	205,730,520	24.37	102.93
12/31/17	1.62005356	13,353,109	191,009,837	6.99	99.12
12/31/16	1.58205299	25,708,053	183,244,827	14.03	98.20

SCHEDULE OF EMPLOYER CONTRIBUTIONS (CITY) - WISCONSIN RETIREMENT SYSTEM For the Year Ended December 31, 2025

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/25	\$ 29,298,413	\$ 29,298,413	\$ -	\$ 277,621,651	10.55%
12/31/24	27,753,953	27,753,953	-	263,175,935	10.55
12/31/23	25,264,650	25,264,650	-	249,071,616	10.14
12/31/22	21,887,375	21,887,375	-	230,851,540	9.48
12/31/21	21,348,035	21,348,035	-	223,111,361	9.57
12/31/20	21,185,232	21,185,232	-	224,020,519	9.46
12/31/19	19,003,865	19,003,865	-	215,094,354	8.84
12/31/18	18,257,506	18,257,506	-	205,699,683	8.88
12/31/17	17,686,491	17,686,491	-	198,994,273	8.89
12/31/16	15,854,458	15,854,458	-	191,009,837	8.30

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

CITY OF MADISON

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) (CDA) - WISCONSIN RETIREMENT SYSTEM For the Year Ended December 31, 2025

Fiscal Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/25	0.01861024%	\$ 305,797	\$ 3,807,486	8.03%	98.79%
12/31/24	0.01808124	268,833	3,366,033	7.99	98.85
12/31/23	0.01907425	1,010,497	3,177,871	31.80	95.72
12/31/22	0.01950786	(1,572,369)	3,119,143	50.41	106.02
12/31/21	0.01805435	(1,127,158)	2,950,806	38.20	105.26
12/31/20	0.01697768	(547,438)	2,560,588	21.38	102.96
12/31/19	0.01644257	584,975	2,301,605	25.42	96.45
12/31/18	0.01621912	(481,564)	2,271,038	21.20	102.93
12/31/17	0.01611899	132,859	2,220,313	5.98	99.12
12/31/16	0.01613057	262,120	2,237,306	11.72	98.20

SCHEDULE OF EMPLOYER CONTRIBUTIONS (CDA) - WISCONSIN RETIREMENT SYSTEM For the Year Ended December 31, 2025

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/25	\$ 286,572	\$ 286,572	\$ -	\$ 3,745,775	7.65%
12/31/24	275,954	275,954	-	3,807,486	7.25
12/31/23	245,572	245,572	-	3,366,033	7.30
12/31/22	226,161	226,161	-	3,177,871	7.12
12/31/21	227,752	227,752	-	3,119,143	7.30
12/31/20	211,327	211,327	-	2,950,806	7.16
12/31/19	180,744	180,744	-	2,560,588	7.06
12/31/18	173,813	173,813	-	2,301,605	7.55
12/31/17	169,849	169,849	-	2,271,038	7.48
12/31/16	157,746	157,746	-	2,220,313	7.10

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

CITY OF MADISON

SCHEDULE OF CHANGES IN EMPLOYER'S OTHER POST-EMPLOYMENT BENEFITS LIABILITY AND RELATED RATIOS For the Year Ended December 31, 2025

	2025		2024		2023	
	City	CDA	City	CDA	City	CDA
Total OPEB Liability						
Service Cost	\$ 6,195,898	\$ 48,909	\$ 5,655,734	\$ 43,748	\$ 4,839,362	\$ 45,727
Interest	3,769,939	29,759	3,429,275	26,526	3,108,924	29,376
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	282,883	2,233	(685,780)	(5,305)	3,632,350	34,320
Changes of assumptions	6,024,236	60,914	(1,886,745)	(155,364)	5,006,447	58,317
Benefit payments	(4,646,875)	(36,682)	(4,455,994)	(34,468)	(3,461,128)	(32,704)
Net change in Total OPEB Liability	\$ 11,626,081	\$ 105,133	\$ 2,056,490	\$ (124,863)	\$ 13,125,955	\$ 135,036
Total OPEB Liability - Beginning	84,199,109	651,296	84,199,109	651,296	82,142,619	776,159
Total OPEB Liability - Ending	\$ 95,825,190	\$ 756,429	\$ 86,255,599	\$ 526,433	\$ 95,268,574	\$ 911,195
Covered-employee payroll	\$ 277,621,651	\$ 3,745,775	\$ 263,175,935	\$ 3,807,486	\$ 249,071,616	\$ 3,366,033
Total OPEB Liability as a percentage of covered-employee payroll	34.52 %	20.19 %	31.99 %	17.11 %	32.98 %	23.06 %

	2022		2021		2020	
	City	CDA	City	CDA	City	CDA
Total OPEB Liability						
Service Cost	\$ 6,395,625	\$ 59,411	\$ 6,453,630	\$ 51,490	\$ 4,899,074	\$ 38,057
Interest	2,003,055	18,607	1,848,237	14,746	2,427,734	18,859
Changes of benefit terms	317,279	2,947	-	-	(77,170)	-
Differences between expected and actual experience	(9,767,097)	(90,730)	(1,923,599)	(15,347)	(3,920,592)	(30,456)
Changes of assumptions	(10,807,645)	10,481	(912,876)	10,032	11,299,076	21,883
Benefit payments	(3,706,269)	(34,429)	(3,239,437)	(25,846)	(3,529,397)	(27,417)
Net change in Total OPEB Liability	\$ (15,565,052)	\$ (33,713)	\$ 2,225,955	\$ 35,075	\$ 11,098,725	\$ 20,926
Total OPEB Liability - Beginning	53,451,612	674,836	84,581,716	674,836	82,355,761	639,761
Total OPEB Liability - Ending	\$ 37,886,560	\$ 641,123	\$ 86,807,671	\$ 709,911	\$ 93,454,486	\$ 660,687
Covered-employee payroll	\$ 230,851,540	\$ 3,177,871	\$ 223,111,361	\$ 3,119,143	\$ 224,020,519	\$ 2,950,806
Total OPEB Liability as a percentage of covered-employee payroll	29.90 %	20.17 %	37.91 %	21.64 %	36.76 %	21.68 %

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

CITY OF MADISON

SCHEDULE OF CHANGES IN EMPLOYER'S OTHER POST-EMPLOYMENT BENEFITS LIABILITY AND RELATED RATIOS For the Year Ended December 31, 2025

	2019		2018	
	City	CDA	City	CDA
Total OPEB Liability				
Service Cost	\$ 4,291,031	\$ 33,038	\$ 4,672,941	\$ 40,885
Interest	2,792,310	24,250	2,516,975	22,021
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	(2,300,267)	(19,977)	(5,179,468)	(45,317)
Changes of assumptions	4,468,248	38,805	(1,341,239)	(11,735)
Benefit payments	(3,252,602)	(28,247)	(2,854,098)	(24,971)
Net change in Total OPEB Liability	\$ 5,998,720	\$ 47,869	\$ (2,184,889)	\$ (19,117)
Total OPEB Liability - Beginning	<u>71,257,036</u>	<u>618,835</u>	<u>65,258,316</u>	<u>570,966</u>
Total OPEB Liability - Ending	<u>\$ 71,257,036</u>	<u>\$ 618,835</u>	<u>\$ 65,258,316</u>	<u>\$ 570,966</u>
Covered-employee payroll	\$ 205,413,778	\$ 2,489,055	\$ 194,757,906	\$ 2,750,141
Total OPEB Liability as a percentage of covered-employee payroll	34.69 %	24.86 %	33.51 %	20.76 %

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

CITY OF MADISON

SCHEDULE OF CHANGES IN EMPLOYER'S OTHER POST-EMPLOYMENT BENEFITS LIABILITY AND RELATED RATIOS

For the Year Ended December 31, 2025

Notes to Schedule:

Benefit changes. No significant changes to benefit terms.

Changes of assumptions:

Discount Rate - The discount rate has been updated from 4.28% to 4.83% in the December 31, 2025 rollforward.

This change caused an increase in the City's liabilities.

Health Care and Subsidy Trend Rates - The health care and subsidy trend rates remain at an initial rate of 8.0% decreasing by 0.25% annually to an ultimate rate of 4.50% for the January 1, 2025 valuation.

Mortality. Mortality tables have been updated from SOA RPH-2021 Total Dataset Mortality Table fully generational using Scale MP-2021 to:

- a. General and Teamsters Retirees: SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2021
- b. Police and Fire Retirees: SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2021
- c. Surviving Spouses: SOA Pub-2010 Contingent Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2021

Valuation Date:

January 1, 2025

Liabilities as of December 31, 2025 are based on an actuarial valuation date of January 1, 2025 with no adjustments to get to the December 31, 2025 measurement date.

Methods and assumptions used to determine total other post-employment benefits liability:

Actuarial cost method	Entry age normal
Amortization method	Average remaining member service life
Amortization period	8 years
Asset valuation method	Not applicable
Inflation	2.40 percent
Healthcare cost trend rates	8.0 percent initial, decreasing 0.25 percent every year
Salary increases	3.0 percent average, including inflation
Investment rate of return	Not applicable
Retirement age	Based upon rates from the December 31, 2023 actuarial valuation for the Wisconsin Retirement System (WRS)
Mortality	Assumed life expectancies were based on SOA Pub-2010 General, Public Safety and Contingent Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2021

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

Other Information:

The City & CDA implemented GASB Statement No. 75 in 2018. Information prior to 2018 is not available.

See independent auditors' report.

CITY OF MADISON

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended December 31, 2025

BUDGETARY INFORMATION

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note I, except for revenues and expenditures, which for budgetary purposes include the following differences:

General Fund

Total Revenues - GAAP Basis	\$ 410,247,463
Sale of capital assets	<u>196,178</u>
Total Revenues - GAAP Basis	414,869,597
Add: Transfers In	17,524,100
Less: Transfers Out	<u>(5,497,290)</u>
Total Revenues - Budgetary Basis	<u>\$ 426,896,407</u>
Total Expenditures - GAAP Basis	\$ 315,288,531
Add: Transfers Out	98,783,651
Less: Transfers In	<u>(5,497,290)</u>
Total Expenditures - Budgetary Basis	<u>\$ 408,574,892</u>

The budgeted amounts presented include all amendments made. Budget amendments or transfers that exceed \$50,000 between departmental budgets must be approved by the City Council. Appropriations of the operating budget lapse at year end unless specifically carried over. Carryovers to the following year were \$356,926. Budgets are adopted at the agency level of expenditure.

CITY OF MADISON

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended December 31, 2025

WISCONSIN RETIREMENT SYSTEM

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

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

Changes in assumptions. Based on a three-year experience study conducted in 2021 covering January 1, 2018 through December 31, 2020, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-end December 31, 2021, including the following:

- Lowering the long-term expected rate of return from 7.0% to 6.8%
- Lowering the discount rate from 7.0% to 6.8%
- Lowering the price inflation rate from 2.5% to 2.4%
- Lowering the post-retirement adjustments from 1.9% to 1.7%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table

Based on a three-year experience study conducted in 2018 covering January 1, 2015 through December 31, 2017, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-ended December 31, 2018, including the following:

- Lowering the long-term expected rate of return from 7.2% to 7.0%
- Lowering the discount rate from 7.2% to 7.0%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Lowering the post-retirement adjustments from 2.1% to 1.9%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table

SUPPLEMENTARY INFORMATION

CITY OF MADISON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - DEBT SERVICE For the Year Ended December 31, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment income	\$ 600,000	\$ 600,000	\$ 650,146	\$ 50,146
Total Revenues	<u>\$ 600,000</u>	<u>\$ 600,000</u>	<u>\$ 650,146</u>	<u>\$ 50,146</u>
EXPENDITURES				
Debt service				
Principal retirement	98,471,194	98,471,194	75,859,467	22,611,727
Interest and fiscal charges	<u>25,372,357</u>	<u>25,372,357</u>	<u>19,066,750</u>	<u>6,305,607</u>
Total Expenditures	<u>\$ 123,843,551</u>	<u>\$ 123,843,551</u>	<u>\$ 94,926,217</u>	<u>\$ 28,917,334</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$(123,243,551)</u>	<u>\$(123,243,551)</u>	<u>\$ (94,276,071)</u>	<u>\$ 28,967,480</u>
OTHER FINANCING SOURCES				
General obligation debt issued	-	-	200,118	200,118
Premium on debt issued	-	-	11,536,171	11,536,171
Transfers in	<u>112,490,059</u>	<u>112,490,059</u>	<u>83,745,943</u>	<u>(28,744,116)</u>
Total Other Financing Sources	<u>\$ 112,490,059</u>	<u>\$ 112,490,059</u>	<u>\$ 95,482,232</u>	<u>\$ (17,007,827)</u>
Net Change in Fund Balance	<u>\$ (10,753,492)</u>	<u>\$ (10,753,492)</u>	<u>\$ 1,206,161</u>	<u>\$ 11,959,653</u>
FUND BALANCES - Beginning of Year	<u>22,898,656</u>	<u>22,898,656</u>	<u>22,898,656</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 12,145,164</u></u>	<u><u>\$ 12,145,164</u></u>	<u><u>\$ 24,104,817</u></u>	<u><u>\$ 11,959,653</u></u>

CITY OF MADISON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CAPITAL PROJECTS For the Year Ended December 31, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 43,171,412	\$ 43,171,412	\$ 43,074,484	\$ (96,928)
Special assessments	5,000,000	5,000,000	3,386,068	(1,613,932)
Intergovernmental	173,410,350	183,675,567	7,203,872	(176,471,695)
Intergovernmental charges for services	410,000	410,000	9,920,884	9,510,884
Public charges for services	4,001,367	4,001,367	1,252,325	(2,749,042)
Investment income	1,075,000	1,075,000	5,698,268	4,623,268
Miscellaneous	40,000	40,000	1,060,341	1,020,341
Total Revenues	<u>\$ 227,108,129</u>	<u>\$ 237,373,346</u>	<u>\$ 71,596,242</u>	<u>\$ (165,777,104)</u>
EXPENDITURES				
Current				
General government	4,468,840	4,468,840	4,058,621	410,219
Public safety	690,000	690,000	640,175	49,825
Public works and transportation	11,130,000	11,130,000	14,640,013	(3,510,013)
Planning and development	650,000	650,000	1,626,264	(976,264)
Culture and recreation	561,600	561,600	675,284	(113,684)
Capital Outlay	323,630,473	336,790,990	115,341,606	221,449,384
Debt service				
Principal payments on leases and subscriptions	-	-	346,148	(346,148)
Interest payments on leases and subscriptions	-	-	97,516	(97,516)
Total Expenditures	<u>\$ 341,130,913</u>	<u>\$ 354,291,430</u>	<u>\$ 137,425,627</u>	<u>\$ 216,865,803</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (114,022,784)</u>	<u>\$ (116,918,084)</u>	<u>\$ (65,829,385)</u>	<u>\$ 51,088,699</u>
OTHER FINANCING SOURCES (USES)				
General obligation debt issued	107,780,924	108,016,224	105,493,760	(2,522,464)
Issuance of leases and subscriptions	-	-	3,754,066	3,754,066
Sale of capital assets	-	-	286,526	286,526
Transfers in	13,743,071	13,743,071	17,696,019	3,952,948
Transfers out	(18,042,237)	(18,031,963)	(15,800,012)	2,231,951
Total Other Financing Sources	<u>\$ 103,481,758</u>	<u>\$ 103,727,332</u>	<u>\$ 111,430,359</u>	<u>\$ 7,703,027</u>
Net Change in Fund Balance	<u>\$ (10,541,026)</u>	<u>\$ (13,190,752)</u>	<u>\$ 45,600,974</u>	<u>\$ 58,791,726</u>
FUND BALANCES - Beginning of Year	<u>137,111,742</u>	<u>137,111,742</u>	<u>137,111,742</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 126,570,716</u></u>	<u><u>\$ 123,920,990</u></u>	<u><u>\$ 182,712,716</u></u>	<u><u>\$ 58,791,726</u></u>

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenue sources, other than major capital projects, that are legally restricted to expenditure for specific purposes.

Community Development Block Grant – Accounts for intergovernmental and other revenues legally restricted to support expenditures for CDBG City program.

Other Grants Fund – Accounts for specific revenues that are generally legally restricted to support expenditures for specific program purposes.

Revolving Loans – Accounts for housing and development loans.

Other Restricted Funds – Accounts for resources, other than grants, that are restricted for particular purposes.

PERMANENT FUNDS

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

Endowments and Donations – Accounts for the resources restricted for Park uses and Cemetery care.

CITY OF MADISON

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS As of December 31, 2025

	Special Revenue			
	Community Development Block Grant	Other Grants	Revolving Loans	Other Restricted Funds
ASSETS				
Cash and investments	\$ 867,161	\$ 5,540,007	\$ 13,000	\$ 2,907,837
Receivables				
Taxes	-	-	-	5,249,816
Accounts	-	-	-	905,750
Accrued revenue	-	181,784	-	5,636,617
Accrued interest	-	-	-	138
Long-term loans	22,360,180	-	7,569,069	111,338
Leases receivable	-	476,612	-	-
Due from other funds	-	-	-	188,161
Due from other governmental units	7,745,223	3,095,495	-	302
Prepaid items	10,277	31,332	745	105,214
Restricted cash and investments	840,481	-	-	39,564,376
TOTAL ASSETS	\$ 31,823,322	\$ 9,325,230	\$ 7,582,814	\$ 54,669,549
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 940,548	\$ 419,818	\$ 350	\$ 227,023
Accrued liabilities	57,266	157,005	4,303	436,860
Due to other governmental units	209,748	24,818	-	-
Due to other funds	1,100,000	-	525,000	-
Advances from other funds	-	-	860,797	-
Unearned revenues	840,481	4,361,846	-	-
Total Liabilities	\$ 3,148,043	\$ 4,963,487	\$ 1,390,450	\$ 663,883
Deferred Inflows of Resources				
Unavailable revenues	7,410,615	2,201,041	-	4,162,512
Deferred inflows - leases	-	449,812	-	-
Total Deferred Inflows of Resources	\$ 7,410,615	\$ 2,650,853	\$ -	\$ 4,162,512
Fund Balances				
Nonspendable	10,277	31,332	745	105,214
Restricted	21,254,387	1,679,558	6,191,619	49,849,614
Committed	-	-	-	941,575
Unassigned (deficit)	-	-	-	(1,053,249)
Total Fund Balances	\$ 21,264,664	\$ 1,710,890	\$ 6,192,364	\$ 49,843,154
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 31,823,322	\$ 9,325,230	\$ 7,582,814	\$ 54,669,549

Total Nonmajor Special Revenue Funds	Permanent Funds	Total Nonmajor Governmental Funds
\$ 9,328,005	\$ 5,399,913	\$ 14,727,918
5,249,816	-	5,249,816
905,750	-	905,750
5,818,401	-	5,818,401
138	14,543	14,681
30,040,587	-	30,040,587
476,612	-	476,612
188,161	-	188,161
10,841,020	-	10,841,020
147,568	-	147,568
40,404,857	-	40,404,857
<u>\$ 103,400,915</u>	<u>\$ 5,414,456</u>	<u>\$ 108,815,371</u>
\$ 1,587,739	\$ 725	\$ 1,588,464
655,434	-	655,434
234,566	-	234,566
1,625,000	-	1,625,000
860,797	-	860,797
5,202,327	-	5,202,327
<u>\$ 10,165,863</u>	<u>\$ 725</u>	<u>\$ 10,166,588</u>
13,774,168	9,557	13,783,725
449,812	-	449,812
<u>\$ 14,223,980</u>	<u>\$ 9,557</u>	<u>\$ 14,233,537</u>
147,568	620,614	768,182
78,975,178	4,783,560	83,758,738
941,575	-	941,575
(1,053,249)	-	(1,053,249)
<u>\$ 79,011,072</u>	<u>\$ 5,404,174</u>	<u>\$ 84,415,246</u>
<u>\$ 103,400,915</u>	<u>\$ 5,414,456</u>	<u>\$ 108,815,371</u>

CITY OF MADISON

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE NONMAJOR GOVERNMENTAL FUNDS For the Year Ended December 31, 2025

	Special Revenue			
	Community Development Block Grant	Other Grants	Revolving Loans	Other Restricted Funds
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 23,493,858
Intergovernmental	5,491,459	30,985,524	-	220,932
Public charges for services	349,719	-	475	25,388,927
Licenses and permits	-	-	-	367,957
Investment income	206,206	39,694	20,490	2,089,459
Miscellaneous	-	414,088	4,000	14,937
Total Revenues	<u>\$ 6,047,384</u>	<u>\$ 31,439,306</u>	<u>\$ 24,965</u>	<u>\$ 51,576,070</u>
EXPENDITURES				
Current				
General government	-	41,412	-	9,618,070
Public safety	-	3,679,000	-	223,769
Public works and transportation	-	914	-	12,221,974
Planning and development	6,979,006	16,917,282	83,114	5,277,373
Culture and recreation	-	-	-	189,051
Debt service				
Principal payments on leases and subscriptions	-	240,813	-	-
Interest payments on leases and subscriptions	-	16,013	-	-
Total Expenditures	<u>\$ 6,979,006</u>	<u>\$ 20,895,434</u>	<u>\$ 83,114</u>	<u>\$ 27,530,237</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (931,622)</u>	<u>\$ 10,543,872</u>	<u>\$ (58,149)</u>	<u>\$ 24,045,833</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	-	52,418
Transfers in	98,869	525,744	61,305	4,354,917
Transfers out	(2,061,305)	(8,495,362)	(224,885)	(19,406,759)
Total Other Financing Sources (Uses)	<u>\$ (1,962,436)</u>	<u>\$ (7,969,618)</u>	<u>\$ (163,580)</u>	<u>\$ (14,999,424)</u>
Net Change in Fund Balances	<u>\$ (2,894,058)</u>	<u>\$ 2,574,254</u>	<u>\$ (221,729)</u>	<u>\$ 9,046,409</u>
FUND BALANCES - Beginning of Year, as previously presented	24,158,722	-	6,414,093	40,796,745
Accounting Changes (see note disclosure)	-	(863,364)	-	-
Fund balances, beginning of year as adjusted	<u>24,158,722</u>	<u>(863,364)</u>	<u>6,414,093</u>	<u>40,796,745</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 21,264,664</u></u>	<u><u>\$ 1,710,890</u></u>	<u><u>\$ 6,192,364</u></u>	<u><u>\$ 49,843,154</u></u>

Total Nonmajor Special Revenue Funds	Permanent Funds	Total Nonmajor Governmental Funds
\$ 23,493,858	\$ -	\$ 23,493,858
36,697,915	-	36,697,915
25,739,121	96,714	25,835,835
367,957	-	367,957
2,355,849	395,382	2,751,231
433,025	-	433,025
<u>\$ 89,087,725</u>	<u>\$ 492,096</u>	<u>\$ 89,579,821</u>
9,659,482	-	9,659,482
3,902,769	11,850	3,914,619
12,222,888	-	12,222,888
29,256,775	-	29,256,775
189,051	45,624	234,675
240,813	-	240,813
16,013	-	16,013
<u>\$ 55,487,791</u>	<u>\$ 57,474</u>	<u>\$ 55,545,265</u>
<u>\$ 33,599,934</u>	<u>\$ 434,622</u>	<u>\$ 34,034,556</u>
52,418	-	52,418
5,040,835	-	5,040,835
<u>(30,188,311)</u>	<u>(236,165)</u>	<u>(30,424,476)</u>
<u>\$ (25,095,058)</u>	<u>\$ (236,165)</u>	<u>\$ (25,331,223)</u>
<u>\$ 8,504,876</u>	<u>\$ 198,457</u>	<u>\$ 8,703,333</u>
70,506,196	5,205,717	76,575,277
-	-	(863,364)
<u>70,506,196</u>	<u>5,205,717</u>	<u>75,711,913</u>
<u>\$ 79,011,072</u>	<u>\$ 5,404,174</u>	<u>\$ 84,415,246</u>

CITY OF MADISON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - COMMUNITY DEVELOPMENT BLOCK GRANT For the Year Ended December 31, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 13,732,061	\$ 18,322,084	\$ 5,491,459	\$ (12,830,625)
Public charges for services	3,756,013	7,471,513	349,719	(7,121,794)
Investment income	187,500	261,484	206,206	(55,278)
Total Revenues	<u>\$ 17,675,574</u>	<u>\$ 26,055,081</u>	<u>\$ 6,047,384</u>	<u>\$ (20,007,697)</u>
EXPENDITURES				
Current				
Planning and development	18,505,939	29,621,644	6,979,006	22,642,638
Total Expenditures	<u>\$ 18,505,939</u>	<u>\$ 29,621,644</u>	<u>\$ 6,979,006</u>	<u>\$ 22,642,638</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (830,365)</u>	<u>\$ (3,566,563)</u>	<u>\$ (931,622)</u>	<u>\$ 2,634,941</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	73,984	98,869	24,885
Transfers out	(12,406)	(2,012,406)	(2,061,305)	(48,899)
Total Other Financing Sources (Uses)	<u>\$ (12,406)</u>	<u>\$ (1,938,422)</u>	<u>\$ (1,962,436)</u>	<u>\$ (24,014)</u>
Net Change in Fund Balance	<u>\$ (842,771)</u>	<u>\$ (5,504,985)</u>	<u>\$ (2,894,058)</u>	<u>\$ 2,610,927</u>
FUND BALANCES - Beginning of Year	<u>24,158,722</u>	<u>24,158,722</u>	<u>24,158,722</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 23,315,951</u></u>	<u><u>\$ 18,653,737</u></u>	<u><u>\$ 21,264,664</u></u>	<u><u>\$ 2,610,927</u></u>

CITY OF MADISON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL - OTHER GRANTS For the Year Ended December 31, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 3,229,736	\$ 3,758,078	\$ 30,985,524	\$ 27,227,446
Investment income	1,100	-	39,694	39,694
Miscellaneous	1,008,800	1,620,679	414,088	(1,206,591)
Total Revenues	<u>\$ 4,239,636</u>	<u>\$ 5,378,757</u>	<u>\$ 31,439,306</u>	<u>\$ 26,060,549</u>
EXPENDITURES				
Current				
General government	1,045,640	1,045,640	41,412	1,004,228
Public safety	2,340,857	1,950,860	3,679,000	(1,728,140)
Public works and transportation	-	-	914	(914)
Planning and development	1,736,240	-	16,917,282	(16,917,282)
Debt service				
Principal payments on leases and subscriptions	-	-	240,813	(240,813)
Interest payments on leases and subscriptions	-	-	16,013	(16,013)
Total Expenditures	<u>\$ 5,122,737</u>	<u>\$ 2,996,500</u>	<u>\$ 20,895,434</u>	<u>\$ (17,898,934)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (883,101)</u>	<u>\$ 2,382,257</u>	<u>\$ 10,543,872</u>	<u>\$ 8,161,615</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	625,104	79,523	525,744	446,221
Transfers out	(56,348)	(7,722,052)	(8,495,362)	(773,310)
Total Other Financing Sources (Uses)	<u>\$ 568,756</u>	<u>\$ (7,642,529)</u>	<u>\$ (7,969,618)</u>	<u>\$ (327,089)</u>
Net Change in Fund Balance	<u>\$ (314,345)</u>	<u>\$ (5,260,272)</u>	<u>\$ 2,574,254</u>	<u>\$ 7,834,526</u>
FUND BALANCES (DEFICIT) - Beginning of Year	<u>(863,364)</u>	<u>(863,364)</u>	<u>(863,364)</u>	<u>-</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u><u>\$ (1,177,709)</u></u>	<u><u>\$ (6,123,636)</u></u>	<u><u>\$ 1,710,890</u></u>	<u><u>\$ 7,834,526</u></u>

CITY OF MADISON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - REVOLVING LOANS For the Year Ended December 31, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ 797,416	\$ -	\$ (797,416)
Public charges for services	-	(10,095)	475	10,570
Investment income	-	(799,993)	20,490	820,483
Miscellaneous	-	(36,449)	4,000	40,449
Total Revenues	\$ -	\$ (49,121)	\$ 24,965	\$ 74,086
EXPENDITURES				
Current				
Planning and development	815,000	3,459,429	83,114	3,376,315
Total Expenditures	\$ 815,000	\$ 3,459,429	\$ 83,114	\$ 3,376,315
Excess (deficiency) of revenues over (under) expenditures	(815,000)	(3,410,308)	(58,149)	3,352,159
OTHER FINANCING SOURCES (USES)				
General obligation debt issued	815,000	3,875,136	-	(3,875,136)
Sale of capital assets	-	10	-	(10)
Transfers in	-	17,009	61,305	44,296
Transfers out	-	(1,253,844)	(224,885)	1,028,959
Total Other Financing Sources (Uses)	815,000	2,638,311	(163,580)	(2,801,891)
Net Change in Fund Balance	\$ -	\$ 771,997	\$ (221,729)	\$ 550,268
FUND BALANCES - Beginning of Year	6,414,093	6,414,093	6,414,093	-
FUND BALANCES - END OF YEAR	\$ 6,414,093	\$ 4,810,671	\$ 6,192,364	\$ 1,381,693

CITY OF MADISON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - OTHER RESTRICTED FUNDS For the Year Ended December 31, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 21,800,000	\$ 21,800,000	\$ 23,493,858	\$ 1,693,858
Intergovernmental	2,694,700	2,694,700	220,932	(2,473,768)
Public charges for services	17,022,975	17,022,975	25,388,927	8,365,952
Licenses and permits	380,000	380,000	367,957	(12,043)
Investment income	1,537,479	1,537,479	2,089,459	551,980
Miscellaneous	1,000	1,000	14,937	13,937
Total Revenues	<u>\$ 43,436,154</u>	<u>\$ 43,436,154</u>	<u>\$ 51,576,070</u>	<u>\$ 8,139,916</u>
EXPENDITURES				
Current				
General government	10,213,400	10,213,400	9,618,070	595,330
Public safety	222,800	222,800	223,769	(969)
Public works and transportation	9,213,759	9,213,759	12,221,974	(3,008,215)
Planning and development	11,508,824	15,478,824	5,277,373	10,201,451
Culture and recreation	4,602,189	4,602,189	189,051	4,413,138
Total Expenditures	<u>\$ 35,760,972</u>	<u>\$ 39,730,972</u>	<u>\$ 27,530,237</u>	<u>\$ 12,200,735</u>
Excess of revenues over expenditures	<u>\$ 7,675,182</u>	<u>\$ 3,705,182</u>	<u>\$ 24,045,833</u>	<u>\$ 20,340,651</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	52,418	52,418
Transfers in	9,078,652	9,078,652	4,354,917	(4,723,735)
Transfers out	(16,753,833)	(16,753,833)	(19,406,759)	(2,652,926)
Total Other Financing Sources (Uses)	<u>\$ (7,675,181)</u>	<u>\$ (7,675,181)</u>	<u>\$ (14,999,424)</u>	<u>\$ (7,324,243)</u>
Net Change in Fund Balance	\$ -	\$ -	\$ 9,046,409	\$ 9,046,409
FUND BALANCES - Beginning of Year	<u>40,796,745</u>	<u>40,796,745</u>	<u>40,796,745</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 29,365,798</u>	<u>\$ 25,355,798</u>	<u>\$ 49,843,154</u>	<u>\$ 24,487,356</u>

ENTERPRISE FUNDS

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

Parking Utility – Accounts for operations of the parking system.

Convention Center – Accounts for operations of the Monona Terrace Convention Center.

Golf Courses – Accounts for operations of the golf courses.

CITY OF MADISON

COMBINING STATEMENT OF NET POSITION NONMAJOR ENTERPRISE FUNDS As of December 31, 2025

	Parking Utility	Convention Center	Golf Courses	Totals
ASSETS				
Current Assets				
Cash and investments	\$ 12,492,946	\$ 7,644,557	\$ 8,480,427	\$ 28,617,930
Accounts receivable	192,804	401,809	-	594,613
Inventories	-	125,622	-	125,622
Prepaid items	123,717	60,482	10,836	195,035
Leases receivable	493,987	-	-	493,987
Total Current Assets	<u>\$ 13,303,454</u>	<u>\$ 8,232,470</u>	<u>\$ 8,491,263</u>	<u>\$ 30,027,187</u>
Noncurrent Assets				
Capital Assets				
Land	5,981,440	25,254	580,866	6,587,560
Construction work in progress	41,489,850	-	1,085,806	42,575,656
Land improvements	691,055	69,033	6,236,463	6,996,551
Buildings	75,966,172	60,406,625	874,697	137,247,494
Machinery and equipment	6,016,795	3,291,794	2,078,757	11,387,346
Intangibles	704,205	23,150	-	727,355
Leased assets	-	749,639	685,568	1,435,207
Accumulated depreciation/amortization	<u>(38,488,958)</u>	<u>(46,034,829)</u>	<u>(7,743,532)</u>	<u>(92,267,319)</u>
Net Capital Assets	<u>\$ 92,360,559</u>	<u>\$ 18,530,666</u>	<u>\$ 3,798,625</u>	<u>\$ 114,689,850</u>
Lease receivable, noncurrent	<u>13,218,639</u>	<u>-</u>	<u>-</u>	<u>13,218,639</u>
Total Assets	<u>\$ 118,882,652</u>	<u>\$ 26,763,136</u>	<u>\$ 12,289,888</u>	<u>\$ 157,935,676</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pension	2,788,200	2,015,011	641,098	5,444,309
Other post-employment benefits related amounts	<u>310,292</u>	<u>166,103</u>	<u>24,717</u>	<u>501,112</u>
Total Deferred Outflows of Resources	<u>\$ 3,098,492</u>	<u>\$ 2,181,114</u>	<u>\$ 665,815</u>	<u>\$ 5,945,421</u>

CITY OF MADISON

COMBINING STATEMENT OF NET POSITION NONMAJOR ENTERPRISE FUNDS As of December 31, 2025

	Parking Utility	Convention Center	Golf Courses	Totals
LIABILITIES				
Liabilities				
Current Liabilities				
Accounts payable	406,171	152,932	56,776	615,879
Accrued liabilities	851,536	509,593	137,353	1,498,482
Deposits	-	1,412,926	81,476	1,494,402
Current portion of general obligation long-term debt	634,595	587,927	24,621	1,247,143
Current portion of leases payable	-	27,012	173,000	200,012
Current portion of subscription liabilities	-	88,631	-	88,631
Current portion of other post-employment benefits	79,630	23,570	8,478	111,678
Current portion of accrued compensated absences	458,867	268,085	94,493	821,445
Unearned revenue	-	115,961	-	115,961
Total Current Liabilities	<u>\$ 2,430,799</u>	<u>\$ 3,186,637</u>	<u>\$ 576,197</u>	<u>\$ 6,193,633</u>
Noncurrent Liabilities				
General obligation long-term debt	12,896,627	4,131,194	24,621	17,052,442
Leases payable	-	196,773	-	196,773
Long-term portion of subscription liabilities	-	206,370	-	206,370
Net pension liability	459,967	322,225	81,488	863,680
Accrued compensated absences	970,051	512,389	118,636	1,601,076
Other post-employment benefits	1,997,948	1,088,578	157,016	3,243,542
Total Noncurrent Liabilities	<u>\$ 16,324,593</u>	<u>\$ 6,457,529</u>	<u>\$ 381,761</u>	<u>\$ 23,163,883</u>
Total Liabilities	<u>\$ 18,755,392</u>	<u>\$ 9,644,166</u>	<u>\$ 957,958</u>	<u>\$ 29,357,516</u>
DEFERRED INFLOWS OF RESOURCES				
Pension related amounts	1,465,839	1,195,780	313,497	2,975,116
Other post-employment benefits related amounts	316,661	169,512	25,224	511,397
Lease-related amounts	12,660,030	-	-	12,660,030
Total Deferred Inflows of Resources	<u>\$ 14,442,530</u>	<u>\$ 1,365,292</u>	<u>\$ 338,721</u>	<u>\$ 16,146,543</u>
NET POSITION				
Net investment in capital assets	78,829,337	14,794,654	3,576,383	97,200,374
Unrestricted	9,953,885	3,140,138	8,082,641	21,176,664
TOTAL NET POSITION	<u><u>\$ 88,783,222</u></u>	<u><u>\$ 17,934,792</u></u>	<u><u>\$ 11,659,024</u></u>	<u><u>\$ 118,377,038</u></u>

CITY OF MADISON

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION NONMAJOR ENTERPRISE FUNDS For the Year Ended December 31, 2025

	Parking Utility	Convention Center	Golf Courses	Totals
OPERATING REVENUES				
Charges for services	\$ 14,895,611	\$ 4,838,226	\$ 5,814,965	\$ 25,548,802
Total Operating Revenues	\$ 14,895,611	\$ 4,838,226	\$ 5,814,965	\$ 25,548,802
OPERATING EXPENSES				
Operation and Maintenance	14,781,256	11,032,365	4,545,111	30,358,732
Depreciation	2,406,484	1,784,462	341,429	4,532,375
Total Operating Expenses	\$ 17,187,740	\$ 12,816,827	\$ 4,886,540	\$ 34,891,107
Operating Income (Loss)	\$ (2,292,129)	\$ (7,978,601)	\$ 928,425	\$ (9,342,305)
NONOPERATING REVENUES (EXPENSES)				
Investment income	1,120,812	5	319,527	1,440,344
Interest and amortization	(442,538)	(238,425)	(9,554)	(690,517)
Loss on sale of assets	(55,879)	-	-	(55,879)
Miscellaneous	993,607	93,917	6,377	1,093,901
Total Nonoperating Revenues	\$ 1,616,002	\$ (144,503)	\$ 316,350	\$ 1,787,849
Income (Loss) Before Transfers and Capital Contributions	\$ (676,127)	\$ (8,123,104)	\$ 1,244,775	\$ (7,554,456)
TRANSFERS				
Transfers in	4,080	6,783,127	-	6,787,207
Transfers out	(1,694,184)	(338,200)	(209,102)	(2,241,486)
Net Transfers	\$ (1,690,104)	\$ 6,444,927	\$ (209,102)	\$ 4,545,721
Income (Loss) Before Contributions	\$ (2,366,231)	\$ (1,678,177)	\$ 1,035,673	\$ (3,008,735)
Capital Contributions	-	-	692,308	692,308
Change in Net Position	\$ (2,366,231)	\$ (1,678,177)	\$ 1,727,981	\$ (2,316,427)
NET POSITION - Beginning of Year	91,149,453	19,612,969	9,931,043	120,693,465
NET POSITION - END OF YEAR	\$ 88,783,222	\$ 17,934,792	\$ 11,659,024	\$ 118,377,038

CITY OF MADISON

COMBINING STATEMENT OF CASH FLOWS NONMAJOR ENTERPRISE FUNDS For the Year Ended December 31, 2025

	Parking Utility	Convention Center	Golf Courses	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Received from customers	\$ 15,962,870	\$ 5,014,836	\$ 5,808,220	\$ 26,785,926
Customer deposits received	-	143,849	(14,278)	129,571
Paid to suppliers for goods and services	(4,749,188)	(3,847,407)	(1,695,564)	(10,292,159)
Paid to employees for services	(9,730,020)	(7,098,972)	(2,733,684)	(19,562,676)
Net Cash Flows From Operating Activities	<u>\$ 1,483,662</u>	<u>\$ (5,787,694)</u>	<u>\$ 1,364,694</u>	<u>\$ (2,939,338)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in	4,080	6,783,127	-	6,787,207
Transfers out	(1,694,184)	(338,200)	(209,102)	(2,241,486)
Net Cash Flows From Noncapital Financing Activities	<u>\$ (1,690,104)</u>	<u>\$ 6,444,927</u>	<u>\$ (209,102)</u>	<u>\$ 4,545,721</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Debt retired	(631,800)	(534,848)	(24,622)	(1,191,270)
Interest paid	(568,450)	(240,000)	(9,554)	(818,004)
Long-term debt issued	31,000	592,888	-	623,888
Acquisition and construction of capital assets	(8,934,545)	(209,228)	(1,084,527)	(10,228,300)
Net interest/amortization on leases	-	(106,083)	-	(106,083)
Net Cash Flows From Capital and Related Financing Activities	<u>\$ (10,103,795)</u>	<u>\$ (497,271)</u>	<u>\$ (1,118,703)</u>	<u>\$ (11,719,769)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income	1,120,812	5	319,527	1,440,344
Net Cash Flows From Investing Activities	<u>\$ 1,120,812</u>	<u>\$ 5</u>	<u>\$ 319,527</u>	<u>\$ 1,440,344</u>
Net Change in Cash and Cash Equivalents	\$ (9,189,425)	\$ 159,967	\$ 356,416	\$ (8,673,042)
CASH AND CASH EQUIVALENTS - Beginning of Year	21,682,371	7,484,590	8,124,011	37,290,972
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 12,492,946</u></u>	<u><u>\$ 7,644,557</u></u>	<u><u>\$ 8,480,427</u></u>	<u><u>\$ 28,617,930</u></u>

	Parking Utility	Convention Center	Golf Courses	Totals
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOW FROM OPERATING ACTIVITIES				
Income (loss) from operations	\$ (2,292,129)	\$ (7,978,601)	\$ 928,425	\$ (9,342,305)
Adjustments to reconcile operating income to net cash from operating activities				
Nonoperating income	993,607	93,917	6,377	1,093,901
Depreciation	2,406,484	1,784,462	341,429	4,532,375
Change in assets, deferred inflows, liabilities, and deferred outflows				
Accounts receivable	185,219	139,224	-	324,443
Inventories	-	3,435	-	3,435
Prepaid items	(15,200)	(8,592)	(1,696)	(25,488)
Accounts payable	3,180	(263,691)	47,206	(213,305)
Other current liabilities	(5,771)	(754)	-	(6,525)
Customer deposits	-	143,849	(14,278)	129,571
Accrued compensated absences	22,630	120,200	21,028	163,858
Other post-employment benefits, deferrals and liabilities	218,094	137,134	18,967	374,195
Pension related deferrals and liabilities	(39,652)	41,723	17,236	19,307
Unearned revenue	7,200	-	-	7,200
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 1,483,662</u>	<u>\$ (5,787,694)</u>	<u>\$ 1,364,694</u>	<u>\$ (2,939,338)</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE COMBINED STATEMENT OF NET POSITION				
Cash and investments - statement of net position	<u>\$ 12,492,946</u>	<u>\$ 7,644,557</u>	<u>\$ 8,480,427</u>	<u>\$ 28,617,930</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 12,492,946</u>	<u>\$ 7,644,557</u>	<u>\$ 8,480,427</u>	<u>\$ 28,617,930</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES				
Contributed capital assets additions	\$ -	\$ -	\$ 692,308	\$ 692,308

INTERNAL SERVICE FUNDS

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

Fleet Services – Accounts for the purchase and preparation of fleet equipment used by City agencies, the provision of in-house repairs, and the purchase of outside repair and maintenance services.

City Insurance - Accounts for payment of property and liability claims on a self-insured basis or for purchase of insurance coverage from Wisconsin Municipal Mutual Insurance Co. (WMMIC) or from other carriers.

Worker's Compensation - Accounts for workers' compensation claims on a self-insured basis.

CITY OF MADISON

COMBINING STATEMENT OF NET POSITION INTERNAL SERVICE FUNDS As of December 31, 2025

	Fleet Services	City Insurance	Worker's Compensation	Totals
ASSETS				
Current Assets				
Cash and investments	\$ 2,991,777	\$ 696,104	\$ 14,980,905	\$ 18,668,786
Accounts receivable	61,115	181,069	-	242,184
Inventories	908,467	-	-	908,467
Prepaid items	6,600,948	3,735	415	6,605,098
Total Current Assets	<u>\$ 10,562,307</u>	<u>\$ 880,908</u>	<u>\$ 14,981,320</u>	<u>\$ 26,424,535</u>
Noncurrent Assets				
Restricted assets				
Cash and investments	-	631,816	347,148	978,964
Investment in mutual insurance company	-	3,815,820	-	3,815,820
Total Restricted assets	<u>\$ -</u>	<u>\$ 4,447,636</u>	<u>\$ 347,148</u>	<u>\$ 4,794,784</u>
Capital Assets:				
Land	2,478,119	-	-	2,478,119
Land improvements	71,990	-	-	71,990
Buildings	32,792,948	-	-	32,792,948
Machinery and equipment	114,556,571	-	-	114,556,571
Intangibles	119,525	-	-	119,525
Subscription assets	689,898	-	-	689,898
Accumulated depreciation/amortization	(78,043,586)	-	-	(78,043,586)
Net Capital Assets	<u>\$ 72,665,465</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 72,665,465</u>
Total Noncurrent Assets	<u>\$ 72,665,465</u>	<u>\$ 4,447,636</u>	<u>\$ 347,148</u>	<u>\$ 77,460,249</u>
Total Assets	<u>\$ 83,227,772</u>	<u>\$ 5,328,544</u>	<u>\$ 15,328,468</u>	<u>\$ 103,884,784</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pension	1,512,084	98,900	38,642	1,649,626
Other post-employment benefits related amounts	142,348	10,707	875	153,930
Total Deferred Outflows of Resources	<u>\$ 1,654,432</u>	<u>\$ 109,607</u>	<u>\$ 39,517</u>	<u>\$ 1,803,556</u>

CITY OF MADISON

COMBINING STATEMENT OF NET POSITION INTERNAL SERVICE FUNDS As of December 31, 2025

	Fleet Services	City Insurance	Worker's Compensation	Totals
LIABILITIES				
Current Liabilities				
Accounts payable	192,066	600	293,801	486,467
Accrued liabilities	1,070,624	21,426	10,966	1,103,016
Claims payable	-	4,365,532	9,578,841	13,944,373
Current portion of general obligation long-term debt	10,354,534	-	-	10,354,534
Current portion of other post-employment benefits	83,556	9,800	-	93,356
Current portion of accrued compensated absences	190,392	15,143	5,494	211,029
Current portion of subscription liabilities	157,117	-	-	157,117
Total Current Liabilities	<u>\$ 12,048,289</u>	<u>\$ 4,412,501</u>	<u>\$ 9,889,102</u>	<u>\$ 26,349,892</u>
Noncurrent Liabilities				
General obligation long-term debt	68,665,994	-	-	68,665,994
Long-term portion of subscription liabilities	395,540	-	-	395,540
Accrued compensated absences	495,413	27,876	10,932	534,221
Net pension liability	213,044	16,569	9,041	238,654
Other post-employment benefits	869,542	61,891	5,857	937,290
Total Noncurrent Liabilities	<u>\$ 70,639,533</u>	<u>\$ 106,336</u>	<u>\$ 25,830</u>	<u>\$ 70,771,699</u>
Total Liabilities	<u>\$ 82,687,822</u>	<u>\$ 4,518,837</u>	<u>\$ 9,914,932</u>	<u>\$ 97,121,591</u>
DEFERRED INFLOWS OF RESOURCES				
Pension related amounts	870,430	59,655	25,322	955,407
Other post-employment benefits related amounts	145,270	10,927	893	157,090
Total Deferred Inflows of Resources	<u>\$ 1,015,700</u>	<u>\$ 70,582</u>	<u>\$ 26,215</u>	<u>\$ 1,112,497</u>
NET POSITION				
Net investment in capital assets	(6,907,720)	-	-	(6,907,720)
Unrestricted	8,086,402	848,732	5,426,838	14,361,972
TOTAL NET POSITION	<u>\$ 1,178,682</u>	<u>\$ 848,732</u>	<u>\$ 5,426,838</u>	<u>\$ 7,454,252</u>

CITY OF MADISON

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION INTERNAL SERVICE FUNDS For the Year Ended December 31, 2025

	Fleet Services	City Insurance	Worker's Compensation	Totals
OPERATING REVENUES:				
Charges for services	\$ 23,214,552	\$ 3,850,000	\$ 3,499,926	\$ 30,564,478
Total Operating Revenues	\$ 23,214,552	\$ 3,850,000	\$ 3,499,926	\$ 30,564,478
OPERATING EXPENSES:				
Operation and Maintenance	12,141,096	4,453,455	3,937,012	20,531,563
Depreciation	10,376,407	-	-	10,376,407
Total Operating Expenses	\$ 22,517,503	\$ 4,453,455	\$ 3,937,012	\$ 30,907,970
Operating Income (Loss)	\$ 697,049	\$ (603,455)	\$ (437,086)	\$ (343,492)
NONOPERATING REVENUES (EXPENSES)				
Investment income	-	10,688	10	10,698
Interest and amortization	(2,469,295)	-	-	(2,469,295)
Gain on sale of assets	554,023	-	-	554,023
Miscellaneous	37,142	113,440	22,184	172,766
Total Nonoperating Revenues (Expenses)	\$ (1,878,130)	\$ 124,128	\$ 22,194	\$ (1,731,808)
Income (Loss) Before Transfers	\$ (1,181,081)	\$ (479,327)	\$ (414,892)	\$ (2,075,300)
TRANSFERS				
Transfers in	1,029,020	-	-	1,029,020
Transfers out	-	(139,957)	-	(139,957)
Net Transfers	\$ 1,029,020	\$ (139,957)	\$ -	\$ 889,063
Change in Net Position	\$ (152,061)	\$ (619,284)	\$ (414,892)	\$ (1,186,237)
NET POSITION - Beginning of Year	1,330,743	1,468,016	5,841,730	8,640,489
NET POSITION - END OF YEAR	<u>\$ 1,178,682</u>	<u>\$ 848,732</u>	<u>\$ 5,426,838</u>	<u>\$ 7,454,252</u>

CITY OF MADISON

COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS For the Year Ended December 31, 2025

	Fleet Services	City Insurance	Worker's Compensation	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Received from customers	\$ 23,408,929	\$ 4,027,338	\$ 3,522,110	\$ 30,958,377
Paid to suppliers for goods and services	(8,308,917)	(3,283,646)	(3,770,138)	(15,362,701)
Paid to employees for services	(4,238,109)	(272,925)	(136,127)	(4,647,161)
Net Cash Flows From Operating Activities	<u>\$ 10,861,903</u>	<u>470,767</u>	<u>(384,155)</u>	<u>\$ 10,948,515</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in	1,029,020	-	-	1,029,020
Transfers out	-	(139,957)	-	(139,957)
Net Cash Flows From Noncapital Financing Activities	<u>\$ 1,029,020</u>	<u>(139,957)</u>	<u>-</u>	<u>\$ 889,063</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Debt retired	(9,480,191)	-	-	(9,480,191)
Interest paid	(2,466,394)	-	-	(2,466,394)
Long-term debt issued	18,136,377	-	-	18,136,377
Acquisition and construction of capital assets	(13,027,860)	-	-	(13,027,860)
Advances from other funds	(5,000,000)	-	-	(5,000,000)
Premium on debt issued	1,352,000	-	-	1,352,000
Sale of assets	783,277	-	-	783,277
Net Cash Flows From Capital and Related Financing Activities	<u>\$ (9,702,791)</u>	<u>-</u>	<u>-</u>	<u>\$ (9,702,791)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Marketable securities purchased	-	-	(109,349)	(109,349)
Marketable securities sold	-	28,667	-	28,667
Investment income	-	10,688	10	10,698
Net Cash Flows From Investing Activities	<u>\$ -</u>	<u>39,355</u>	<u>(109,339)</u>	<u>\$ (69,984)</u>
Net Change in Cash and Cash Equivalents	\$ 2,188,132	370,165	(493,494)	\$ 2,064,803
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>803,645</u>	<u>325,939</u>	<u>15,474,399</u>	<u>16,603,983</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 2,991,777</u>	<u>\$ 696,104</u>	<u>\$ 14,980,905</u>	<u>\$ 18,668,786</u>

	Fleet Services	City Insurance	Worker's Compensation	Totals
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES				
Income (loss) from operations	\$ 697,049	\$ (603,455)	\$ (437,086)	\$ (343,492)
Adjustments to reconcile operating income to net cash from operating activities				
Nonoperating income	37,143	113,439	22,184	172,766
Depreciation	10,376,407	-	-	10,376,407
Change in assets, deferred inflows, liabilities, and deferred outflows				
Accounts receivable	157,224	63,899	-	221,123
Inventories	104,112	-	-	104,112
Prepaid items	(394,770)	104,791	(221)	(290,200)
Accounts payable	(150,356)	594	42,201	(107,561)
Accrued liabilities	33,459	802,848	(9,675)	826,632
Accrued compensated absences	(9,680)	(7,900)	(7,011)	(24,591)
Other post-employment benefits, deferrals and liabilities	(67,066)	(9,184)	944	(75,306)
Pension related deferrals and liabilities	78,381	5,735	4,509	88,625
NET CASH FLOWS FROM OPERATING ACTIVITIES	\$ 10,861,903	\$ 470,767	\$ (384,155)	\$ 10,948,515
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE COMBINED STATEMENT OF NET POSITION				
Cash and investments - statement of net position	\$ 2,991,777	\$ 696,104	\$ 14,980,905	\$ 18,668,786
Restricted cash and investments - statement of net position	-	631,816	347,148	978,964
Less: Noncash equivalents	-	(631,816)	(347,148)	(978,964)
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 2,991,777	\$ 696,104	\$ 14,980,905	\$ 18,668,786
NON CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES				
SBITA asset additions	\$ 592,159	\$ -	\$ -	\$ 592,159
SBITA liability additions	\$ (592,159)	\$ -	\$ -	\$ (592,159)

CUSTODIAL FUNDS

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

Board of Education – Accounts for Bassett Fund monies.

Board of Health – Accounts for Department of Public Health for Madison and Dane County monies.

Metropolitan Unified Fiber Network Consortium – Accounts for Metropolitan Unified Fiber Network Consortium monies

Tax Collection Fund – Accounts for the tax roll collected, which includes Dane County, Madison Area Technical College and overlapping School Districts.

Madison School District Investment Fund – Accounts for the Madison Metropolitan School District (MMSD) monies.

CITY OF MADISON

COMBINING STATEMENT OF FIDUCIARY NET POSITION CUSTODIAL FUNDS As of December 31, 2025

	Board of Education	Board of Health	Metropolitan Unified Fiber Network Consortium	Tax Collection Fund	Madison School District Investment Fund	Total Custodial Funds
ASSETS						
Cash and investments	\$ 312,061	\$ 15,874,247	\$ 1,429,701	\$ 406,417,777	\$ -	\$ 424,033,786
Taxes receivable	-	-	-	212,795,212	-	212,795,212
Total Assets	<u>\$ 312,061</u>	<u>\$ 15,874,247</u>	<u>\$ 1,429,701</u>	<u>\$ 619,212,989</u>	<u>\$ -</u>	<u>\$ 636,828,998</u>
LIABILITIES						
Accounts payable	-	-	-	2,885	-	2,885
Due to other governmental units	-	-	-	619,210,104	6,377,450	625,587,554
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 619,212,989</u>	<u>\$ 6,377,450</u>	<u>\$ 625,590,439</u>
NET POSITION						
Restricted	312,061	15,874,247	1,429,701	-	-	17,616,009
Unrestricted (deficit)	-	-	-	-	(6,377,450)	(6,377,450)
TOTAL NET POSITION	<u>\$ 312,061</u>	<u>\$ 15,874,247</u>	<u>\$ 1,429,701</u>	<u>\$ -</u>	<u>\$ (6,377,450)</u>	<u>\$ 11,238,559</u>

CITY OF MADISON

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION CUSTODIAL FUNDS For the Year Ended December 31, 2025

	Board of Education	Board of Health	Metropolitan Unified Fiber Network Consortium	Tax Collection Fund	Madison School District Investment Fund	Total Custodial Funds
ADDITIONS						
Gifts and bequests	\$ -	\$ 735,403	\$ -	\$ -	\$ -	\$ 735,403
Interest and dividends	-	-	51,144	-	3,803,936	3,855,080
Property taxes collected for other governments	-	-	-	530,488,732	-	530,488,732
Investments	12,477	38,421,926	1,113,461	-	600,524,840	640,072,704
Total Additions	<u>\$ 12,477</u>	<u>\$ 39,157,329</u>	<u>\$ 1,164,605</u>	<u>\$ 530,488,732</u>	<u>\$ 604,328,776</u>	<u>\$ 1,175,151,919</u>
DEDUCTIONS						
Administrative expense	-	36,031,363	838,370	-	-	36,869,733
Property taxes distributed to other governments	-	-	-	530,488,732	-	530,488,732
Distributions	68,472	-	-	-	619,026,511	619,094,983
Total Deductions	<u>\$ 68,472</u>	<u>\$ 36,031,363</u>	<u>\$ 838,370</u>	<u>\$ 530,488,732</u>	<u>\$ 619,026,511</u>	<u>\$ 1,186,453,448</u>
Change in Fiduciary Net Position	\$ (55,995)	\$ 3,125,966	\$ 326,235	\$ -	\$ (14,697,735)	\$ (11,301,529)
NET POSITION - Beginning of Year	<u>368,056</u>	<u>12,748,281</u>	<u>1,103,466</u>	<u>-</u>	<u>8,320,285</u>	<u>22,540,088</u>
NET POSITION (DEFICIT) - END OF YEAR	<u><u>\$ 312,061</u></u>	<u><u>\$ 15,874,247</u></u>	<u><u>\$ 1,429,701</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (6,377,450)</u></u>	<u><u>\$ 11,238,559</u></u>

CITY OF MADISON

COMBINING STATEMENT OF NET POSITION NONMAJOR COMPONENT UNITS As of December 31, 2025

	Business Improvement District	Madison Parks Foundation	Total Nonmajor Component Units
ASSETS			
Cash and investments	\$ 198,378	\$ 4,967,635	\$ 5,166,013
Receivables			
Accounts	8,832	-	8,832
Special assessments	229,558	-	229,558
Pledge	-	603,644	603,644
Prepaid items	20,433	950	21,383
Beneficial interest in assets held by MCF	-	96,595	96,595
Total Assets	<u>\$ 457,201</u>	<u>\$ 5,668,824</u>	<u>\$ 6,126,025</u>
LIABILITIES			
Accounts payable	\$ 18,402	\$ 79,060	\$ 97,462
Accrued liabilities	-	4,614	4,614
Unearned revenues	-	2,500	2,500
Total Liabilities	<u>\$ 18,402</u>	<u>\$ 86,174</u>	<u>\$ 104,576</u>
DEFERRED INFLOWS OF RESOURCES			
Assessments for subsequent year	<u>363,374</u>	<u>-</u>	<u>363,374</u>
Total Deferred Inflows of Resources	<u>\$ 363,374</u>	<u>\$ -</u>	<u>\$ 363,374</u>
NET POSITION			
Restricted for:			
Parks	-	2,108,575	2,108,575
Unrestricted	<u>75,425</u>	<u>3,474,075</u>	<u>3,549,500</u>
TOTAL NET POSITION	<u><u>\$ 75,425</u></u>	<u><u>\$ 5,582,650</u></u>	<u><u>\$ 5,658,075</u></u>

CITY OF MADISON

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION NONMAJOR COMPONENT UNITS For the Year Ended December 31, 2025

	Business Improvement District	Madison Parks Foundation	Total Nonmajor Component Units
OPERATING REVENUES			
Special assessments	\$ 346,517	\$ -	\$ 346,517
Charges for services	212,956	87,780	300,736
Grants and donations	95,934	339,366	435,300
Total Operating Revenues	<u>\$ 655,407</u>	<u>\$ 427,146</u>	<u>\$ 1,082,553</u>
OPERATING EXPENSES			
Operation and maintenance	628,930	1,008,083	1,637,013
Total Operating Expenses	<u>\$ 628,930</u>	<u>\$ 1,008,083</u>	<u>\$ 1,637,013</u>
Operating Income (Loss)	<u>\$ 26,477</u>	<u>\$ (580,937)</u>	<u>\$ (554,460)</u>
NONOPERATING REVENUES			
Investment income	7,346	653,351	660,697
Miscellaneous	-	48,639	48,639
Total Nonoperating Revenues	<u>\$ 7,346</u>	<u>\$ 701,990</u>	<u>\$ 709,336</u>
Change in Net Position	<u>\$ 33,823</u>	<u>\$ 121,053</u>	<u>\$ 154,876</u>
NET POSITION -			
Beginning of Year	<u>41,602</u>	<u>5,461,597</u>	<u>5,503,199</u>
NET POSITION - END OF YEAR	<u><u>\$ 75,425</u></u>	<u><u>\$ 5,582,650</u></u>	<u><u>\$ 5,658,075</u></u>

CITY OF MADISON

STATEMENT OF NET POSITION AND GOVERNMENTAL COMPONENT UNIT BALANCE SHEET BUSINESS IMPROVEMENT DISTRICT As of December 31, 2025

	Business Improvement District	Adjustments	Statement of Net Position
ASSETS			
Cash and investments	\$ 198,378	\$ -	\$ 198,378
Receivables			
Accounts	8,832	-	8,832
Special assessments	229,558	-	229,558
Prepaid items	20,433	-	20,433
	<u> </u>	<u> </u>	<u> </u>
Total Assets	\$ 457,201	\$ -	\$ 457,201
LIABILITIES			
Accounts payable	\$ 18,402	\$ -	\$ 18,402
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	\$ 18,402	\$ -	\$ 18,402
DEFERRED INFLOWS OF RESOURCES			
Assessments for subsequent year	363,374	-	363,374
	<u> </u>	<u> </u>	<u> </u>
Total Deferred Inflows of Resources	\$ 363,374	\$ -	\$ 363,374
FUND BALANCE/NET POSITION			
Fund Balance			
Unassigned	75,425	(75,425)	-
	<u> </u>	<u> </u>	<u> </u>
Total Fund Balance	\$ 75,425	\$ (75,425)	\$ -
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 457,201		
	<u> </u>		
Net Position			
Unrestricted		75,425	75,425
		<u> </u>	<u> </u>
TOTAL NET POSITION		\$ 75,425	\$ 75,425
		<u> </u>	<u> </u>

CITY OF MADISON

STATEMENT OF ACTIVITIES AND GOVERNMENTAL COMPONENT UNIT REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUSINESS IMPROVEMENT DISTRICT For the Year Ended December 31, 2025

	Business Improvement District	Adjustments	Statement of Activities
REVENUES			
Special assessments	\$ 346,517	\$ -	\$ 346,517
Charges for services	212,956	-	212,956
Investment income	7,346	-	7,346
Contributions	95,934	-	95,934
Total Revenues	<u>\$ 662,753</u>	<u>\$ -</u>	<u>\$ 662,753</u>
EXPENDITURES/EXPENSES			
Planning and development	628,930	-	628,930
Total Expenditures/Expenses	<u>\$ 628,930</u>	<u>\$ -</u>	<u>\$ 628,930</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 33,823</u>	<u>\$ 45,582</u>	<u>\$ -</u>
Change in Net Position	\$ -	\$ 45,582	\$ 33,823
FUND BALANCE/NET POSITION			
Beginning of Year	<u>41,602</u>	<u>-</u>	<u>41,602</u>
END OF YEAR	<u><u>\$ 75,425</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 75,425</u></u>

CITY OF MADISON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUSINESS IMPROVEMENT DISTRICT For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Special assessments	\$ 346,517	\$ 346,517	\$ -
Charges for services	197,225	212,956	15,731
Investment income	4,000	7,346	3,346
Grants and donations	140,000	95,934	(44,066)
Total Revenues	<u>\$ 687,742</u>	<u>\$ 662,753</u>	<u>\$ (24,989)</u>
EXPENDITURES			
Audit fees	2,000	-	2,000
Management fees	329,000	351,476	(22,476)
Miscellaneous	18,000	12,501	5,499
Advertising/marketing	32,500	2,787	29,713
Maps	19,000	17,044	1,956
Map distribution	1,500	1,343	157
Trolley	5,000	2,115	2,885
Winter light program	60,000	51,889	8,111
Ambassadors	42,500	35,822	6,678
Gift certificates	2,500	2,275	225
BID website	30,000	15,945	14,055
Parking passes	500	449	51
Postage	1,500	1,218	282
TOS programming	39,800	34,567	5,233
Night Market	89,000	99,499	(10,499)
Total Expenditures	<u>\$ 672,800</u>	<u>\$ 628,930</u>	<u>\$ 43,870</u>
Net Change in Fund Balance	\$ 14,942	\$ 33,823	\$ 18,881
FUND BALANCE - Beginning of Year	<u>41,602</u>	<u>41,602</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 56,544</u></u>	<u><u>\$ 75,425</u></u>	<u><u>\$ 18,881</u></u>

CITY OF MADISON

SEWER REVENUE BOND COVENANT
For the Year Ended December 31, 2025

	<u>Sewer</u>
OPERATING REVENUES	
Charges for services	\$ 60,680,981
OPERATING EXPENSES	
Operation and maintenance	46,429,067
Depreciation	<u>3,743,493</u>
Total Operating Expenses	<u>\$ 50,172,560</u>
 Sewer Net Operating Income	 <u>\$ 10,508,421</u>
NONOPERATING REVENUES	
Investment income	1,870,011
OTHER ADJUSTMENTS	
Depreciation	<u>3,743,493</u>
 NET SEWER REVENUES AVAILABLE FOR DEBT SERVICE	 <u><u>\$ 16,121,925</u></u>

CAPITAL PROJECTS FUND

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

Special Assessments Improvements – Accounts for long-term receivables associated with the city's Special Assessment Improvement Program.

TIF Districts – Accounts for expenditures outlined in the Tax Increment District (TID) project plans and related revenues and proceeds from long-term borrowing.

Other Capital Projects – Accounts for financial resources used for the acquisition or construction of equipment, facilities, and infrastructure.

CITY OF MADISON

SCHEDULE OF BALANCE SHEET - CAPITAL PROJECTS As of December 31, 2025

	Capital Projects				Total Capital Projects Funds
	Special Assessments Improvements	TIF Districts	Other Capital Projects	Eliminations	
ASSETS					
Cash and investments	\$ 13,642,506	\$ 91,706,998	\$ 94,391,819	\$ -	\$199,741,323
Receivables					
Taxes	3,239,332	55,276,311	-	-	58,515,643
Accounts	-	968,424	912,789	-	1,881,213
Special assessments	8,449,472	-	-	-	8,449,472
Long-term loans	10,394	-	-	-	10,394
Leases	-	-	3,230,146	-	3,230,146
Due from other governmental units	159,027	-	6,517,845	-	6,676,872
Advances to other funds	860,797	-	4,129,272	(4,129,272)	860,797
Inventories	-	-	3,206,879	-	3,206,879
Prepaid items	-	1,893	82,672	-	84,565
TOTAL ASSETS	\$ 26,361,528	\$147,953,626	\$112,471,422	\$ (4,129,272)	\$282,657,304
LIABILITIES					
Accounts payable	\$ 7,563	\$ 70,504	\$ 21,057,181	\$ -	\$ 21,135,248
Accrued liabilities	-	21,408	403,646	-	425,054
Due to other governmental units	1,128	-	-	-	1,128
Due to other funds	2,739,386	-	-	-	2,739,386
Advances from other funds	-	4,129,272	-	(4,129,272)	-
Unearned revenues	1,014,918	-	-	-	1,014,918
Total Liabilities	\$ 3,762,995	\$ 4,221,184	\$ 21,460,827	\$ (4,129,272)	\$ 25,315,734
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues	8,969,805	968,424	6,424,967	-	16,363,196
Lease-related amounts	-	-	2,989,347	-	2,989,347
Property taxes for subsequent year	-	55,276,311	-	-	55,276,311
Total Deferred Inflows of Resources	\$ 8,969,805	\$ 56,244,735	\$ 9,414,314	\$ -	\$ 74,628,854
FUND BALANCES					
Nonspendable	-	1,893	3,289,551	-	3,291,444
Restricted	-	91,630,023	67,406,802	-	159,036,825
Assigned	13,628,728	(4,144,209)	10,899,928	-	20,384,447
Total Fund Balances	\$ 13,628,728	\$ 87,487,707	\$ 81,596,281	\$ -	\$182,712,716
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 26,361,528	\$147,953,626	\$112,471,422	\$ (4,129,272)	\$282,657,304

CITY OF MADISON

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

For the Year Ended December 31, 2025

	Capital Projects				Total Capital Project Funds
	Special Assessments Improvements	TIF Districts	Other Capital Projects	Eliminations	
REVENUES					
Taxes	\$ -	\$ 43,074,484	\$ -	\$ -	\$ 43,074,484
Special assessments	3,386,068	-	-	-	3,386,068
Intergovernmental	-	3,007,483	4,196,389	-	7,203,872
Intergovernmental charges for services	-	-	9,920,884	-	9,920,884
Public charges for services	-	8,330	1,243,995	-	1,252,325
Investment income	859,402	3,584,207	1,254,659	-	5,698,268
Miscellaneous	-	1,020,786	39,555	-	1,060,341
Total Revenues	\$ 4,245,470	\$ 50,695,290	\$ 16,655,482	\$ -	\$ 71,596,242
EXPENDITURES					
Current					
General government	-	-	4,058,621	-	4,058,621
Public safety	-	-	640,175	-	640,175
Public works and transportation	-	-	14,640,013	-	14,640,013
Planning and development	67,380	-	1,558,884	-	1,626,264
Culture and recreation	-	-	675,284	-	675,284
Capital Outlay	-	27,332,162	88,009,444	-	115,341,606
Debt service					
Principal payments on leases and subscriptions	-	-	346,148	-	346,148
Interest payments on leases and subscriptions	-	-	97,516	-	97,516
Total Expenditures	\$ 67,380	\$ 27,332,162	\$ 110,026,085	\$ -	\$ 137,425,627
Excess (deficiency) of revenues over (under) expenditures	\$ 4,178,090	\$ 23,363,128	\$ (93,370,603)	\$ -	\$ (65,829,385)
OTHER FINANCING SOURCES (USES)					
General obligation debt issued	-	14,962,500	90,531,260	-	105,493,760
Issuance of leases and subscriptions	-	-	3,754,066	-	3,754,066
Sale of capital assets	-	-	286,526	-	286,526
Transfers in	50,000	-	19,609,465	(1,963,446)	17,696,019
Transfers out	(1,963,446)	(11,987,087)	(3,812,925)	1,963,446	(15,800,012)
Total Other Financing Sources (Uses)	\$ (1,913,446)	\$ 2,975,413	\$ 110,368,392	\$ -	\$ 111,430,359
Net Change in Fund Balances	\$ 2,264,644	\$ 26,338,541	\$ 16,997,789	\$ -	\$ 45,600,974
FUND BALANCE - Beginning of Year	11,364,084	61,149,166	64,598,492	-	137,111,742
FUND BALANCE - END OF YEAR	\$ 13,628,728	\$ 87,487,707	\$ 81,596,281	\$ -	\$ 182,712,716

STATISTICAL SECTION

CITY OF MADISON

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

Table 1

CITY OF MADISON**NET POSITION BY COMPONENT**
Last Ten Fiscal Years

Functions/Programs	Fiscal Year			
	2025	2024	2023	2022
Governmental Activities				
Net investment in capital assets	\$ 813,981,970	\$ 807,221,236	\$ 777,314,328	\$ 730,947,820
Restricted	203,048,464	164,101,256	181,753,209	284,926,186
Unrestricted (deficit)	<u>77,170,163</u>	<u>62,339,266</u>	<u>88,256,443</u>	<u>(64,009,118)</u>
Total Governmental Activities Net Position	<u>\$1,094,200,597</u>	<u>\$ 1,033,661,758</u>	<u>\$ 1,047,323,980</u>	<u>\$ 951,864,888</u>
Business-type Activities				
Net investment in capital assets	\$ 998,676,251	\$ 951,422,953	\$ 701,993,378	\$ 653,082,716
Restricted	26,912,241	27,440,168	24,916,488	47,516,232
Unrestricted	<u>84,122,210</u>	<u>81,956,552</u>	<u>76,800,886</u>	<u>34,538,697</u>
Total Business-type Activities Net Position	<u>\$1,109,710,702</u>	<u>\$ 1,060,819,673</u>	<u>\$ 803,710,752</u>	<u>\$ 735,137,645</u>
Primary Government				
Net investment in capital assets	\$1,749,659,842	\$ 1,699,245,305	\$ 1,479,307,706	\$ 1,384,030,536
Restricted	229,960,705	191,541,424	206,669,697	332,442,418
Unrestricted (deficit)	<u>224,290,752</u>	<u>203,694,702</u>	<u>165,057,329</u>	<u>(29,470,421)</u>
Total Primary Government Net Position	<u><u>\$2,203,911,299</u></u>	<u><u>\$ 2,094,481,431</u></u>	<u><u>\$ 1,851,034,732</u></u>	<u><u>\$ 1,687,002,533</u></u>

Source: City of Madison Finance Department

Fiscal Year					
2021	2020	2019	2018	2017	2016
\$ 740,301,263	\$ 754,118,252	\$ 745,491,927	\$ 722,844,218	\$ 713,627,552	\$ 696,130,916
227,446,780	164,047,971	104,497,274	143,527,401	142,807,418	112,778,836
(84,650,758)	(78,459,632)	(40,596,812)	(53,568,052)	(5,615,467)	40,794,284
<u>\$ 883,097,285</u>	<u>\$ 839,706,591</u>	<u>\$ 809,392,389</u>	<u>\$ 812,803,567</u>	<u>\$ 850,819,503</u>	<u>\$ 849,704,036</u>
\$ 620,926,585	\$ 586,205,054	\$ 594,855,763	\$ 533,375,162	\$ 494,387,567	\$ 459,130,784
42,511,591	30,844,343	16,272,554	29,207,255	12,787,770	12,101,837
21,006,005	19,103,962	21,768,407	48,708,804	61,701,866	78,720,796
<u>\$ 684,444,181</u>	<u>\$ 636,153,359</u>	<u>\$ 632,896,724</u>	<u>\$ 611,291,221</u>	<u>\$ 568,877,203</u>	<u>\$ 549,953,417</u>
\$ 1,361,227,848	\$ 1,340,323,306	\$ 1,340,347,690	\$ 1,256,219,380	\$ 1,208,015,119	\$ 1,155,261,700
269,958,371	194,892,314	120,769,828	172,734,656	155,595,188	124,880,673
(63,644,753)	(59,355,670)	(18,828,405)	(4,859,248)	56,086,399	119,515,080
<u>\$ 1,567,541,466</u>	<u>\$ 1,475,859,950</u>	<u>\$ 1,442,289,113</u>	<u>\$ 1,424,094,788</u>	<u>\$ 1,419,696,706</u>	<u>\$ 1,399,657,453</u>

Table 2

CITY OF MADISON

CHANGES IN NET POSITION
Last Ten Fiscal Years

	Fiscal Year			
	2025	2024 ⁴	2023 ³	2022 ²
Primary Government				
Expenses				
Governmental activities				
General government	\$ 54,908,083	\$ 57,194,262	\$ 46,322,620	\$ 40,521,094
Public safety	199,011,636	174,496,075	189,219,926	140,858,019
Public works and transportation	112,546,609	90,092,854	107,099,025	93,589,275
Planning and development	80,155,071	94,787,340	69,193,510	93,517,253
Culture and recreation	53,348,486	48,036,205	49,472,952	44,991,217
Interest and fiscal charges	16,472,657	14,235,592	10,893,526	9,921,604
Total governmental activities	<u>\$ 516,442,542</u>	<u>\$ 478,842,328</u>	<u>\$ 472,201,559</u>	<u>\$ 423,398,462</u>
Business-type activities				
Water	34,887,085	30,417,451	35,670,440	31,987,549
Sewer	54,168,058	52,985,976	47,657,901	44,495,272
Stormwater	19,759,661	18,969,292	18,503,224	17,391,257
Parking utility	17,651,089	15,706,905	15,705,703	14,563,115
Transit	103,415,675	87,334,682	75,566,182	61,558,057
Convention center	13,078,847	13,085,936	12,771,874	10,335,881
Golf courses	4,896,622	3,852,934	3,899,561	3,611,869
Total business-type activities	<u>\$ 247,857,037</u>	<u>\$ 222,353,176</u>	<u>\$ 209,774,885</u>	<u>\$ 183,943,000</u>
Total Primary Government Expenses	<u>\$ 764,299,579</u>	<u>\$ 701,195,504</u>	<u>\$ 681,976,444</u>	<u>\$ 607,341,462</u>
Program revenues				
Governmental activities				
Charges for services				
General government	\$ 2,482,276	\$ 2,871,127	\$ 2,449,801	\$ 3,718,460
Public safety	25,986,991	16,814,776	22,506,760	18,903,111
Public works and transportation	28,594,042	32,012,591	25,425,504	22,873,933
Planning and development	15,246,843	10,736,838	8,595,764	11,624,114
Culture and recreation	2,381,760	2,142,945	2,048,387	1,851,072
Operating grants and contributions	44,350,497	55,519,548	42,284,531	94,160,780
Capital grants and contributions	32,356,642	119,807,996	69,768,572	17,156,189
Total governmental activities program revenues	<u>\$ 151,399,051</u>	<u>\$ 239,905,821</u>	<u>\$ 173,079,319</u>	<u>\$ 170,287,659</u>
Business-type activities				
Charges for services				
Water	56,798,060	56,643,071	57,796,417	48,139,943
Sewer	60,680,981	55,421,127	55,563,059	50,964,628
Stormwater	25,733,388	25,476,588	24,029,633	22,506,277
Parking utility	14,895,611	14,167,529	13,410,209	12,315,056
Transit	12,453,311	10,709,714	11,512,535	10,559,127
Convention center	4,838,226	5,217,440	4,760,265	4,186,887
Golf courses	5,814,965	5,432,525	5,082,329	4,271,349
Operating grants and contributions	39,490,107	41,201,954	47,145,642	31,607,163
Capital grants and contributions	22,390,832	57,337,800	29,339,973	18,802,218
Total business-type activities program revenues	<u>\$ 243,095,481</u>	<u>\$ 271,607,748</u>	<u>\$ 248,640,062</u>	<u>\$ 203,352,648</u>
Total Primary Government Program Revenue	<u>\$ 394,494,532</u>	<u>\$ 511,513,569</u>	<u>\$ 421,719,381</u>	<u>\$ 373,640,307</u>
Net (expense)/revenue				
Government activities	<u>\$(365,043,491)</u>	<u>\$(238,936,507)</u>	<u>\$(299,122,240)</u>	<u>\$(253,110,803)</u>
Business-type activities	<u>(4,761,556)</u>	<u>49,254,572</u>	<u>38,865,177</u>	<u>19,409,648</u>
Total Primary Government	<u><u>\$(369,805,047)</u></u>	<u><u>\$(189,681,935)</u></u>	<u><u>\$(260,257,063)</u></u>	<u><u>\$(233,701,155)</u></u>

Fiscal Year					
2021	2020	2019	2018	2017 ¹	2016
\$ 34,545,400	\$ 38,953,333	\$ 41,586,079	\$ 38,195,056	\$ 37,776,791	\$ 38,026,460
137,071,682	160,688,660	160,822,447	145,499,533	145,485,840	138,832,946
94,686,457	88,638,696	92,141,702	91,619,298	78,568,257	73,049,893
75,710,257	34,620,491	46,925,502	41,665,883	44,592,108	37,986,391
41,920,554	45,742,613	46,900,454	43,669,631	45,818,401	40,912,451
9,802,741	9,759,723	9,458,851	8,581,608	9,021,539	8,673,810
<u>\$ 393,737,091</u>	<u>\$ 378,403,516</u>	<u>\$ 397,835,035</u>	<u>\$ 369,231,009</u>	<u>\$ 361,262,936</u>	<u>\$ 337,481,951</u>
30,510,250	31,740,380	33,477,692	32,190,652	31,574,165	27,087,143
44,299,588	41,421,083	42,448,262	38,804,951	36,428,410	34,597,239
16,843,807	18,726,791	16,805,641	14,675,487	13,334,019	12,800,118
13,478,024	20,598,205	12,313,365	10,406,064	10,102,429	9,070,617
58,557,772	61,180,712	64,781,713	61,746,157	64,998,558	64,010,188
8,087,693	9,227,892	11,484,032	11,169,804	10,946,668	10,348,530
3,324,184	3,195,406	3,106,737	3,124,969	3,127,281	3,320,180
<u>\$ 175,101,318</u>	<u>\$ 186,090,469</u>	<u>\$ 184,417,442</u>	<u>\$ 172,118,084</u>	<u>\$ 170,511,530</u>	<u>\$ 161,234,015</u>
<u>\$ 568,838,409</u>	<u>\$ 564,493,985</u>	<u>\$ 582,252,477</u>	<u>\$ 541,349,093</u>	<u>\$ 531,774,466</u>	<u>\$ 498,715,966</u>
\$ 3,163,091	\$ 2,883,298	\$ 3,667,402	\$ 4,166,311	\$ 4,158,506	\$ 1,582,945
15,801,519	13,036,691	15,971,106	14,159,152	15,009,256	15,791,545
15,441,647	15,754,947	17,545,762	17,443,301	11,634,568	10,131,496
11,545,986	9,471,241	5,157,300	3,307,780	10,074,010	10,439,621
1,824,192	1,233,071	6,750,159	6,715,572	6,443,102	5,135,854
55,788,288	29,798,074	25,742,434	20,186,786	15,800,682	16,115,215
17,109,137	17,230,566	18,751,727	15,202,376	21,289,542	13,861,387
<u>\$ 120,673,860</u>	<u>\$ 89,407,888</u>	<u>\$ 93,585,890</u>	<u>\$ 81,181,278</u>	<u>\$ 84,409,666</u>	<u>\$ 73,058,063</u>
48,111,893	44,929,870	43,944,888	35,099,182	34,919,941	35,552,491
47,618,433	42,739,775	40,947,494	37,923,065	36,080,764	34,293,941
21,611,202	19,597,848	17,293,542	16,002,076	15,635,997	15,188,100
8,710,330	6,848,767	16,739,751	15,527,351	16,018,656	14,923,974
10,122,406	9,429,535	15,067,977	16,654,793	18,503,174	18,328,051
1,519,386	1,193,688	5,184,806	5,582,570	5,028,238	5,442,720
4,193,247	3,613,737	2,727,858	2,434,016	2,832,151	3,187,116
31,353,819	39,772,472	28,104,899	29,436,884	29,384,584	27,269,559
20,725,078	13,608,377	11,995,773	17,075,653	16,335,615	14,482,850
<u>\$ 193,965,794</u>	<u>\$ 181,734,069</u>	<u>\$ 182,006,988</u>	<u>\$ 175,735,590</u>	<u>\$ 174,739,120</u>	<u>\$ 168,668,802</u>
<u>\$ 314,639,654</u>	<u>\$ 271,141,957</u>	<u>\$ 275,592,878</u>	<u>\$ 256,916,868</u>	<u>\$ 259,148,786</u>	<u>\$ 241,726,865</u>
\$(273,063,231)	\$(288,995,628)	\$(304,249,145)	\$(288,049,731)	\$(276,853,270)	\$(264,423,888)
18,864,476	(4,356,400)	(2,410,454)	3,617,506	4,227,590	7,434,787
<u>\$(254,198,755)</u>	<u>\$(293,352,028)</u>	<u>\$(306,659,599)</u>	<u>\$(284,432,225)</u>	<u>\$(272,625,680)</u>	<u>\$(256,989,101)</u>

Table 2 (Cont.)

CITY OF MADISON

CHANGES IN NET POSITION
Last Ten Fiscal Years

	Fiscal Year			
	2025	2024 ⁴	2023 ³	2022 ²
Governmental Activities:				
Taxes				
Property taxes, levied for general purposes	\$ 296,733,405	\$ 266,313,527	\$ 254,561,141	\$ 240,440,441
Property taxes, levied for the library	22,174,898	20,748,477	19,770,825	19,066,904
Property taxes, levied for TIF districts	43,074,484	42,239,788	38,856,037	36,688,144
Other taxes	25,416,707	24,255,568	22,643,902	20,012,520
Intergovernmental revenues not restricted to specific programs	36,620,702	31,493,661	29,457,329	27,906,006
Investment income	31,098,573	31,841,293	34,115,057	(7,445,530)
Miscellaneous	2,446,950	3,242,791	3,398,723	3,540,185
Gain on sale of assets	1,093,228	970,189	1,762,563	4,267,116
Transfers - Internal	(33,076,617)	(195,831,009)	(9,984,245)	(22,597,380)
Total governmental activities general revenues	<u>\$ 425,582,330</u>	<u>\$ 225,274,285</u>	<u>\$ 394,581,332</u>	<u>\$ 321,878,406</u>
Business-type Activities:				
Other taxes	7,369,917	7,190,083	7,093,366	6,868,624
Investment income	6,793,763	6,209,586	5,868,980	896,175
Miscellaneous	6,358,317	837,763	1,013,107	1,188,046
Gain (loss) on sale of assets	53,971	477,353	5,748,232	(47,073)
Special item - Water utility	-	-	-	-
Transfers - Internal	33,076,617	195,831,009	9,984,245	22,597,380
Total business-type activities general revenues	<u>\$ 53,652,585</u>	<u>\$ 210,545,794</u>	<u>\$ 29,707,930</u>	<u>\$ 31,503,152</u>
Total Primary Government General Revenues	<u>\$ 479,234,915</u>	<u>\$ 435,820,079</u>	<u>\$ 424,289,262</u>	<u>\$ 353,381,558</u>
Change in Net Position				
Governmental activities	\$ 60,538,839	\$ (13,662,222)	\$ 95,459,092	\$ 68,767,603
Business-type activities	<u>48,891,029</u>	<u>259,800,366</u>	<u>68,573,107</u>	<u>50,912,800</u>
Total Primary Government Change in Net Position	<u>\$ 109,429,868</u>	<u>\$ 246,138,144</u>	<u>\$ 164,032,199</u>	<u>\$ 119,680,403</u>

Source: City of Madison Finance Department

¹ December 31, 2017, restated net position for GASB 75² December 31, 2022, restated net position for GASB 87³ December 31, 2023, This table has not been updated to include the details of the 2023 restatement.⁴ December 31, 2024, restated net position for error correction.

Fiscal Year					
2021	2020	2019	2018	2017 ¹	2016
\$ 237,466,156	\$ 231,086,115	\$ 224,423,270	\$ 213,268,863	\$ 203,006,609	\$ 194,019,578
18,849,564	19,163,603	17,703,565	17,779,030	16,915,564	16,288,835
32,595,416	25,533,533	19,241,269	30,545,605	19,043,987	17,893,720
13,595,359	7,174,015	20,311,690	19,280,303	17,027,958	15,957,567
28,354,484	28,322,440	26,647,087	25,393,200	25,915,387	23,943,199
(281,153)	5,753,519	9,322,707	5,854,258	4,473,178	4,810,159
1,780,443	1,818,362	3,000,331	2,783,864	2,057,816	4,051,870
3,079,973	595,515	553,157	551,145	1,209,681	1,024,070
(18,986,317)	(137,272)	(20,365,109)	(45,640,707)	(11,681,443)	(5,311,456)
<u>\$ 316,453,925</u>	<u>\$ 319,309,830</u>	<u>\$ 300,837,967</u>	<u>\$ 269,815,561</u>	<u>\$ 277,968,737</u>	<u>\$ 272,677,542</u>
6,902,604	6,023,521	-	-	-	-
289,125	1,079,000	2,736,703	1,817,938	1,870,056	1,123,765
330,458	373,242	553,172	371,411	1,080,123	443,209
2,917,842	-	360,973	7,968	9,825	3,582
-	-	-	-	54,749	-
18,986,317	137,272	20,365,109	45,640,707	11,681,443	5,311,456
<u>\$ 29,426,346</u>	<u>\$ 7,613,035</u>	<u>\$ 24,015,957</u>	<u>\$ 47,838,024</u>	<u>\$ 14,696,196</u>	<u>\$ 6,882,012</u>
<u>\$ 345,880,271</u>	<u>\$ 326,922,865</u>	<u>\$ 324,853,924</u>	<u>\$ 317,653,585</u>	<u>\$ 292,664,933</u>	<u>\$ 279,559,554</u>
\$ 43,390,694	\$ 30,314,202	\$ (3,411,178)	\$ (18,234,170)	\$ 1,115,467	\$ 8,253,654
48,290,822	3,256,635	21,605,503	51,455,530	18,923,786	14,316,799
<u>\$ 91,681,516</u>	<u>\$ 33,570,837</u>	<u>\$ 18,194,325</u>	<u>\$ 33,221,360</u>	<u>\$ 20,039,253</u>	<u>\$ 22,570,453</u>

Table 3

CITY OF MADISON

FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Fiscal Years

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Fund										
Nonspendable	\$ 2,946,790	\$ 2,858,151	\$ 3,955,102	\$ 4,043,216	\$ 3,615,426	\$ 3,740,399	\$ 4,209,585	\$ 3,570,997	\$ 6,676,920	\$ 4,700,292
Restricted	662,149	677,680	677,680	677,680	763,680	763,680	779,273	822,139	-	-
Assigned	26,641,779	26,261,585	33,192,418	18,620,248	17,056,222	22,329,709	9,977,440	8,645,543	9,495,705	10,209,047
Unassigned	128,498,499	110,630,286	82,853,731	66,116,185	56,371,768	43,978,379	53,171,709	49,318,212	42,025,347	39,306,185
Total General Fund	<u>\$ 158,749,217</u>	<u>\$ 140,427,702</u>	<u>\$ 120,678,931</u>	<u>\$ 89,457,329</u>	<u>\$ 77,807,096</u>	<u>\$ 70,812,167</u>	<u>\$ 68,138,007</u>	<u>\$ 62,356,891</u>	<u>\$ 58,197,972</u>	<u>\$ 54,215,524</u>
All Other Governmental Funds										
Nonspendable	\$ 4,398,672	\$ 4,337,170	\$ 3,989,059	\$ 3,805,607	3,731,662	\$ 3,332,463	\$ 2,705,488	\$ 2,682,667	\$ 2,484,251	\$ 2,541,344
Restricted	269,379,592	215,427,265	237,191,812	220,977,185	195,479,558	174,940,774	123,797,287	134,274,680	154,674,606	110,607,410
Committed	941,575	1,864,821	3,640,949	1,321,583	1,944,324	3,144,761	4,458,560	12,435,477	1,007,604	1,591,645
Assigned	20,384,447	18,437,395	28,603,186	18,427,001	13,996,121	15,193,759	8,352,618	21,407,705	15,421,485	20,533,818
Unassigned (deficit)	(1,053,249)	(1,561,142)	(3,764,378)	(381,369)	-	(2,942,965)	-	(11,323,728)	(15,553,974)	-
Total All Other Governmental Funds	<u>\$ 294,051,037</u>	<u>\$ 238,505,509</u>	<u>\$ 269,660,628</u>	<u>\$ 244,150,007</u>	<u>\$ 215,151,665</u>	<u>\$ 193,668,792</u>	<u>\$ 139,313,953</u>	<u>\$ 159,476,801</u>	<u>\$ 158,033,972</u>	<u>\$ 135,274,217</u>
Total Fund Balances	<u>\$ 452,800,254</u>	<u>\$ 378,933,211</u>	<u>\$ 390,339,559</u>	<u>\$ 333,607,336</u>	<u>\$ 292,958,761</u>	<u>\$ 264,480,959</u>	<u>\$ 207,451,960</u>	<u>\$ 221,833,692</u>	<u>\$ 216,231,944</u>	<u>\$ 189,489,741</u>

Source: City of Madison Finance Department

Table 4

CITY OF MADISON

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Last Ten Fiscal Years

	Fiscal Year			
	2025	2024	2023	2022 ²
REVENUES				
Taxes	\$ 387,399,494	\$ 353,557,360	\$ 335,802,120	\$ 316,178,224
Special assessments	3,386,068	2,472,066	3,874,852	4,859,465
Intergovernmental	95,272,123	193,462,203	97,440,381	120,396,593
Licenses and permits	9,854,834	9,930,052	9,061,119	9,557,243
Fines and forfeitures	6,587,304	6,722,942	5,312,500	5,419,349
Intergovernmental charges for services	9,920,884	6,145,450	5,451,415	299,303
Public charges for services	50,088,923	39,202,432	36,628,871	37,621,712
Investment income (loss)	30,883,615	32,731,182	32,589,558	(7,622,530)
Grants and donations	-	-	-	-
Miscellaneous	3,933,126	4,551,550	5,482,232	9,725,746
Total Revenues	<u>\$ 597,326,371</u>	<u>\$ 648,775,237</u>	<u>\$ 531,643,048</u>	<u>\$ 496,435,105</u>
EXPENDITURES				
Current				
General government	47,866,108	51,116,159	42,688,860	40,100,617
Public safety	184,207,936	176,856,194	170,054,935	156,889,232
Public works and transportation	72,750,027	69,182,190	67,530,191	63,438,500
Culture and recreation	41,171,299	40,265,786	38,028,108	36,549,928
Planning and development	60,900,113	62,948,903	63,534,136	90,314,054
Capital Outlay	119,767,562	273,669,675	105,880,566	63,528,119
Debt service				
Principal retirement	75,859,467	74,062,280	69,849,320	73,808,452
Interest and fiscal charges	19,066,750	16,385,424	13,469,841	12,056,176
Principal payments on leases and subscriptions	3,353,788	4,451,017	2,978,158 ³	1,409,630 ³
Interest payments on leases and subscriptions	597,068	312,511	106,753 ³	68,805 ³
Total Expenditures	<u>\$ 625,540,118</u>	<u>\$ 769,250,139</u>	<u>\$ 574,120,868</u>	<u>\$ 538,163,513</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (28,213,747)</u>	<u>\$ (120,474,902)</u>	<u>\$ (42,477,820)</u>	<u>\$ (41,728,408)</u>
OTHER FINANCING SOURCES (USES)				
General obligation debt issued	105,693,878	100,247,174	92,140,277	72,241,653
Intergovernmental loans	-	-	-	5,422,142
General obligation refunding debt issued	-	-	-	-
Premium on debt issued	11,536,171	11,882,341	8,154,248	6,310,064
Issuance of leases and subscriptions	8,180,022	11,096,972	-	-
Capital lease proceeds	-	-	-	-
Sale of capital assets	535,122	277,854	904,463	2,808,001
Transfers in	124,021,897	238,512,738	146,348,565	113,603,724
Transfers out	(147,886,301)	(252,948,525)	(148,337,510)	(118,008,601)
Total Other Financing Sources (Uses)	<u>\$ 102,080,789</u>	<u>\$ 109,068,554</u>	<u>\$ 99,210,043</u>	<u>\$ 82,376,983</u>
Net Change in Fund Balances	<u>\$ 73,867,042</u>	<u>\$ (11,406,348)</u>	<u>\$ 56,732,223</u>	<u>\$ 40,648,575</u>
Debt services as a percentage of non-capital expenditures	18.6 %	18.2 % ⁴	17.3 %	17.7 %

Source: City of Madison Finance Department

¹ Beginning in 2017, smaller donations for the library were reclassified to miscellaneous revenue.² Effective October 30th, 2022, the Town of Madison was dissolved, with the cities of Madison and Fitchburg now providing services.³ Effective December 31st, 2022 and 2023, GASB 87 and GASB 96 were implemented respectively.⁴ Effective 2024, principal and interest payments for leases and subscriptions are included in this calculation.

Fiscal Year					
2021	2020	2019	2018	2017	2016
\$ 302,476,710	\$ 282,957,266	\$ 281,679,794	\$ 280,873,801	\$ 255,994,118	\$ 244,159,701
3,450,558	3,602,951	4,275,595	4,294,695	3,603,220	3,380,545
85,050,941	57,501,002	53,026,886	46,151,555	47,533,164	44,713,157
8,669,008	6,777,447	7,700,349	8,223,531	8,003,350	9,638,235
4,843,905	3,902,015	6,452,870	6,360,901	6,614,108	7,694,509
2,711,804	7,451,554	8,895,746	4,998,982	-	-
32,320,119	27,763,211	25,964,230	22,471,566	31,423,696	24,096,115
1,061,190	5,897,383	10,239,976	7,333,935	4,328,764	4,721,172
-	-	-	-	- ¹	1,094,437
3,360,896	2,122,070	9,776,653	2,857,539	3,185,339	2,112,144
<u>\$ 443,945,131</u>	<u>\$ 397,974,899</u>	<u>\$ 408,012,099</u>	<u>\$ 383,566,505</u>	<u>\$ 360,685,759</u>	<u>\$ 341,610,015</u>
35,667,873	36,388,954	37,782,876	35,804,545	35,066,148	35,057,714
153,352,890	152,915,661	141,678,912	136,200,771	130,557,767	127,780,666
59,818,181	56,052,468	49,812,437	48,124,008	43,994,136	44,207,213
35,462,392	35,808,899	38,601,471	36,377,166	37,585,445	31,595,640
80,216,662	32,563,191	40,343,000	40,853,027	36,710,172	34,556,301
40,882,641	44,141,333	98,526,072	120,587,477	73,795,990	41,803,806
86,634,779	80,381,093	62,776,875	63,584,609	54,504,739	59,714,249
13,198,761	13,909,701	13,896,552	12,404,803	11,278,441	11,545,249
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 505,234,179</u>	<u>\$ 452,161,300</u>	<u>\$ 483,418,195</u>	<u>\$ 493,936,406</u>	<u>\$ 423,492,838</u>	<u>\$ 386,260,838</u>
<u>\$ (61,289,048)</u>	<u>\$ (54,186,401)</u>	<u>\$ (75,406,096)</u>	<u>\$ (110,369,901)</u>	<u>\$ (62,807,079)</u>	<u>\$ (44,650,823)</u>
87,524,493	60,452,362	64,654,330	87,675,220	87,634,104	71,076,662
-	-	-	-	-	-
-	45,978,388	-	-	-	10,610,598
8,647,860	2,443,803	6,325,495	4,759,354	6,602,862	5,069,697
-	-	-	-	-	-
-	-	-	3,960,000	-	-
1,706,684	79,408	80,999	812,802	2,582,286	628,630
101,618,524	87,818,405	102,540,800	113,518,626	85,584,748	78,898,569
<u>(109,730,711)</u>	<u>(85,556,966)</u>	<u>(112,577,261)</u>	<u>(123,047,235)</u>	<u>(92,854,718)</u>	<u>(84,581,436)</u>
<u>\$ 89,766,850</u>	<u>\$ 111,215,400</u>	<u>\$ 61,024,363</u>	<u>\$ 87,678,767</u>	<u>\$ 89,549,282</u>	<u>\$ 81,702,720</u>
<u>\$ 28,477,802</u>	<u>\$ 57,028,999</u>	<u>\$ (14,381,733)</u>	<u>\$ (22,691,134)</u>	<u>\$ 26,742,203</u>	<u>\$ 37,051,897</u>
21.3 %	23.0 %	19.2 %	19.8 %	18.2 %	20.2 %

Table 5

CITY OF MADISON

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

(in thousands)

Fiscal Year	Levy Year						Personal Property ⁵	Total Assessed Value ¹	Less: TIF Increment Value ²	Total Taxable Assessed Value	Total Direct Tax Rate	Equalized Value	Ratio of Assessed to Equalized ³
		Residential	Commercial	Manufacturing	Agricultural	Other							
2025	2024	\$ 30,164,718	\$ 18,723,803	\$ 455,056	\$ 8,202	\$ 9,122	\$ -	\$ 49,360,901	\$ 2,787,818	46,573,083	6.83 %	50,670,113	97.4 %
2024	2023	28,001,664	17,274,452	466,169	7,731	7,355	-	45,757,371	2,224,510	43,532,861	6.58	46,078,958	99.3
2023	2022	25,826,219	15,584,098	446,985	7,791	7,283	543,511	42,415,887	2,089,639	40,326,248	7.80	42,648,777	99.5
2022	2021	22,693,088	13,234,201	378,561	6,847	5,627	656,190	36,974,514	1,877,009	35,097,505	8.31	38,606,699	95.8
2021	2020	20,126,193	11,544,662	385,138	5,411	4,720	665,046	32,731,170	1,572,209	31,158,961	8.67	32,940,368	99.4
2020	2019	18,787,992	11,113,686	359,257	4,034	10,648	660,121	30,935,738	1,416,204	29,519,534	8.90	33,036,794	93.6
2019	2018	17,836,985	10,359,906	351,400	4,266	15,937	619,613	29,188,107	1,092,809	28,095,298	9.04	30,910,698	94.4
2018	2017	16,795,804	9,902,126	261,092	4,017	17,279	593,760	27,574,078	808,555	26,765,523	9.22	28,727,408	96.0
2017 ⁴	2016	15,736,372	9,513,217	261,837	3,980	18,555	751,388	26,285,349	1,226,207	25,059,142	9.47	26,768,654	98.2
2016	2015	14,772,268	8,154,921	257,207	3,815	18,752	732,471	23,939,434	746,325	23,193,109	9.49	24,596,422	97.3

Source: Statement of Assessment for the City of Madison

¹ Total Assessed Value does not include exempt properties. The City of Madison Assessor's Office does not assess property classified as exempt.² TIF assessments are taxable only to the districts³ Assessment ratio is calculated by the State of Wisconsin Equalization Board⁴ Amended Statement of Assessment submitted to Wisconsin Department of Revenue⁵ The change in personal property value is due to a 2024 change in state law exempting all personal property from taxation

Table 6

CITY OF MADISON

DIRECT AND OVERLAPPING PROPERTY TAX RATES Last Ten Fiscal Years

Fiscal Year	City Direct Rates			Overlapping Rates			
	Library	General Fund	Total Direct	Madison School District ¹	Dane County	State of Wisconsin ²	Madison Area Technical College
2025	\$ 0.51	\$ 6.80	\$ 6.83	\$ 9.25	\$ 2.38	\$ -	\$ 0.64
2024	0.51	6.59	6.58	9.85	2.53	-	0.67
2023	0.56	7.16	7.80	10.43	2.59	-	0.75
2022	0.61	7.71	8.31	11.50	2.69	-	0.81
2021	0.64	8.04	8.67	11.92	2.84	-	0.92
2020	0.68	8.24	8.90	11.78	2.87	-	0.94
2019	0.66	8.42	9.04	11.58	2.91	-	0.95
2018	0.72	8.60	9.22	11.99	3.09	-	0.97
2017	0.73	8.76	9.47	12.26	3.03	0.17	0.99
2016	0.74	8.76	9.49	12.54	3.06	0.18	0.96

Source: Annual City of Madison Adopted Operating Budget

Rates are per \$1,000 of assessed value.

¹ This rate is only for the Madison Metropolitan School District.

² The State of Wisconsin repealed the forestry mill tax, effective for property taxes levied in 2017 and collected in 2018.

Table 7

CITY OF MADISON

PRINCIPAL PROPERTY TAXPAYERS
Prior Year and Ten Years Ago

Tax Payer	2024			2015		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
University Research Park, Inc.	\$ 286,662,700	1	0.66 %	\$ -	-	- %
CG Growth LLC	218,103,000	2	0.50	-	-	-
University of Wisconsin	200,938,700	3	0.46	-	-	-
American Family Insurance	129,729,600	4	0.30	167,099,800	3	0.76
CMFG Life Insurance Co.	113,670,600	5	0.26	-	-	-
Madison Malls Ground LLC	110,532,700	6	0.25	-	-	-
Core Campus Madison LLC	107,385,000	7	0.25	-	-	-
Core Campus II Madison LLC	92,490,000	8	0.21	-	-	-
Hilldale Building Co LLC	92,110,000	9	0.21	-	-	-
777 University Ave LLC	88,165,000	10	0.20	-	-	-
Madison Joint Venture	-	-	-	196,288,200	1	0.89
Urban Land Interest	-	-	-	170,909,700	2	0.77
Stephen D Brown Properties	-	-	-	155,159,700	4	0.70
McCormick/Soderholm Properties	-	-	-	134,589,800	5	0.61
Wingra Building Group/Dean Medical Center	-	-	-	123,046,900	6	0.56
Covance Laboratories, Inc.	-	-	-	112,678,900	7	0.51
Gialamas Company	-	-	-	105,312,200	8	0.48
Mullins, Jerome & Carol	-	-	-	84,072,900	9	0.38
Terrance R. Wall	-	-	-	79,383,300	10	0.36
Total	<u>\$ 1,439,787,300</u>		<u>3.30 %</u>	<u>\$ 1,328,541,400</u>		<u>6.02 %</u>

Beginning with 2017 assessed values, information is presented for the top ten individual taxpayers in the City by owner.

Source: City of Madison Assessor's Office

Table 8

CITY OF MADISON

PROPERTY TAX LEVIES AND COLLECTIONS Last Ten Fiscal Years

Fiscal Year	Levy Year	Taxes Levied for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections of the Levy in Subsequent Years	Total Collections to Date ¹	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2025	2024	\$ 318,100,323	\$ 317,791,071	99.90 %	\$ -	\$ 317,791,071	99.90 %
2024	2023	286,497,699	286,264,855	99.92	6,039	286,270,894	99.92
2023	2022	273,679,349	273,471,334	99.92	50,875	273,522,209	99.94
2022	2021	259,044,042	258,775,993	99.90	168,103	258,944,096	99.96
2021	2020	255,933,573	254,746,725	99.54	1,076,020	255,822,745	99.96
2020	2019	250,016,152	249,178,049	99.66	718,803	249,896,852	99.95
2019	2018	241,829,722	240,941,642	99.63	754,115	241,695,757	99.94
2018	2017	231,041,537	229,767,881	99.45	1,214,559	230,982,440	99.97
2017	2016	219,728,630	219,181,700	99.75	482,333	219,664,033	99.97
2016	2015	209,856,552	209,124,596	99.65	671,644	209,796,240	99.97

Source: City of Madison Finance Department

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

¹ Collections as of January 31, 2025.

Table 9

CITY OF MADISON

RATIOS OF GENERAL OBLIGATION DEBT OUTSTANDING Last Ten Fiscal Years

Fiscal Year	Gross General Obligation Debt	Restricted Debt Service	Net General Obligation Debt	Ratio of Net General Obligation Debt to Equalized Property Value ¹	Net General Obligation Debt Per Capita ²
2025	\$ 745,549,676	\$ 20,874,602	\$ 724,675,074	1.43 %	\$ 2,447
2024	701,811,818	20,361,036	681,450,782	1.48	2,341
2023	654,527,649	19,888,004	634,639,645	1.49	2,213
2022	625,687,903	20,123,572	605,564,331	1.57	2,168
2021	598,306,424	18,819,139	579,487,285	1.76	2,219
2020	602,019,368	15,241,038	586,778,330	1.78	2,263
2019	548,761,844	19,692,455	529,069,389	1.71	2,070
2018	512,385,646	17,648,002	494,737,644	1.72	1,959
2017	474,670,956	16,951,496	457,719,460	1.71	1,830
2016	433,785,148	15,658,006	418,127,142	1.70	1,691

Source: City of Madison Finance Department

Note: Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements.

¹ Wisconsin uses equalized value for calculating legal debt limit. Equalized property value data can be found in Table 5: Assessed and Actual Value of Taxable Property on page 238.

² Population data can be found in Table 15: Demographic and Economic Statistics, on page 248.

Table 10

CITY OF MADISON

RATIOS OF OUTSTANDING DEBT BY TYPE Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-Type Activities						Percentage of Personal Income ¹	Per Capita
	General Obligation Debt	Other Loans/Notes ²	Leases	Subscription Liabilities	Revenue Bonds				Total Primary Government			
					General Obligation Debt	Water Utility	Sanitary Sewer Utility	Leases		Subscription Liabilities		
2025	\$ 636,862,301	\$ 3,795,500	\$ 5,332,151	\$ 16,444,728	\$ 108,687,374	\$ 119,165,929	\$ 59,849,763	\$ 7,414,282	\$ 566,919	\$ 958,118,947	3.78 %	3,241
2024	591,398,176	4,337,714	5,907,285	10,556,712	110,413,642	129,859,467	66,902,797	7,893,471	770,819	928,040,083	3.87	3,165
2023	560,315,704	4,879,928	4,194,990	5,557,044	94,211,945	152,883,550	55,191,020	8,349,872	336,595	885,920,648	3.98	3,050
2022	531,832,125	5,422,142	4,722,496	-	93,855,778	164,350,711	60,971,187	10,090,814	-	871,245,253	4.22	3,112
2021	529,243,688	-	820,000	-	69,062,736	207,796,320	49,811,881	-	-	856,734,625	4.82	3,305
2020	526,266,750	-	1,620,000	-	75,752,618	218,334,794	59,299,893	-	-	881,274,055	5.11	3,408
2019	486,801,626	-	2,405,000	-	61,960,218	226,823,268	44,342,529	260,500	-	822,593,141	5.06	3,218
2018	466,130,630	-	3,170,000	-	46,255,016	222,179,105	52,606,786	1,025,500	-	791,367,037	5.24	3,134
2017	433,330,438	-	4,181,585	-	41,340,518	187,690,887	42,900,834	1,765,500	-	711,209,762	5.00	2,844
2016	395,721,685	-	4,881,585	-	38,063,463	197,686,093	46,572,358	2,510,500	-	685,435,684	4.99	2,773

Source: City of Madison Finance Department

Note: Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements.

¹ See Table 15: Demographic and Economic Statistics on page 248 for personal income and population data.

² Beginning in 2022, the City received a loan from the State related to the Volkswagen Mitigation Transit Capital Assistance Program.

Table 11

CITY OF MADISON

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT As of December 31, 2025

Government Unit	Governmental Activities Debt Outstanding	Percentage Applicable to City	Amount Applicable to City ²
Direct			
City of Madison	\$ 662,434,680	100.00 %	\$ 662,434,680
Indirect			
Dane County	835,750,000	43.61	364,470,575
School Districts: ¹			
DeForest	120,442,000	9.42	11,345,636
Madison Metropolitan	457,650,000	90.02	411,976,530
McFarland	49,335,000	10.00	4,935,500
Middleton-Cross Plains	165,805,000	23.64	39,196,302
Monona Grove	78,385,000	0.14	109,739
Sun Prairie Area	272,395,000	15.76	42,929,452
Verona	106,360,000	3.89	4,137,404
Waunakee Community	154,170,000	2.49	3,838,833
Madison Area Technical College	<u>168,740,000</u>	31.76	<u>53,591,824</u>
Total Overlapping	<u>\$ 2,409,032,000</u>		<u>\$ 936,531,795</u>
Total Direct and Overlapping	<u><u>\$ 3,071,466,680</u></u>		<u><u>\$ 1,598,966,475</u></u>

Source: City of Madison Finance Department

¹ Under Wisconsin annexation laws, properties annexed from one municipality to another do not automatically change school districts. Therefore, portions of the City of Madison are in seven school districts in addition to the Madison Metropolitan School District.

² The percent applicable to the City is calculated by dividing the City's equalized value into the total equalized value of the indirect debt entity.

Table 12

CITY OF MADISON

LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years

(in thousands)	Fiscal Year				Fiscal Year					
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Equalized Value ¹	\$ 50,670,113	\$ 46,078,958	\$ 42,648,777	\$ 38,606,699	\$ 32,940,368	\$ 33,036,794	\$ 30,910,698	\$ 28,727,408	\$ 26,768,654	\$ 24,596,422
Debt limit ²	2,533,506	2,303,948	2,132,439	1,930,335	1,647,018	1,651,840	1,545,535	1,436,370	1,338,433	1,229,821
Debt Applicable to Limit										
General Obligation Debt	691,122	652,988	613,356	586,701	562,693	569,848	519,336	484,747	447,740	409,860
General Obligation Debt - Joint Venture	1,122	966	1,153	1,410	1,682	2,005	2,055	2,314	905	745
Total debt applicable to debt limit	<u>\$ 692,244</u>	<u>\$ 653,954</u>	<u>\$ 614,509</u>	<u>\$ 588,111</u>	<u>\$ 564,375</u>	<u>\$ 571,853</u>	<u>\$ 521,391</u>	<u>\$ 487,061</u>	<u>\$ 448,645</u>	<u>\$ 410,605</u>
Less: Debt Service fund available for payment of principal	<u>\$ 20,875</u>	<u>\$ 20,361</u>	<u>\$ 19,888</u>	<u>\$ 20,124</u>	<u>\$ 18,819</u>	<u>\$ 15,241</u>	<u>\$ 19,692</u>	<u>\$ 17,648</u>	<u>\$ 16,951</u>	<u>\$ 15,658</u>
Net debt applicable to debt limit	\$ 671,369	\$ 633,593	\$ 594,621	\$ 567,987	\$ 545,556	\$ 556,612	\$ 501,699	\$ 469,413	\$ 431,694	\$ 394,947
Total debt applicable to the limit as a percentage of debt limit	27.3 %	28.4 %	28.8 %	30.5 %	34.3 %	34.6 %	33.7 %	33.9 %	33.5 %	33.4 %

¹ Source: Wisconsin Department of Revenue

² In accordance with Wisconsin Statutes, total general obligation indebtedness of the City may not exceed five percent of the equalized value of the taxable property within the City's Jurisdiction.

Table 13

CITY OF MADISON

PLEDGED REVENUE COVERAGE - SEWER UTILITY Last Ten Fiscal Years

Fiscal Year	Gross Revenue ¹	Operating Expenses ²	Net Available Revenue for Debt Service	Debt Service Requirements		Coverage
				Principal	Interest ³	
2025	\$ 62,550,992	\$ 46,429,067	\$ 16,121,925	\$ 6,475,000	\$ 2,374,487	1.82
2024	56,914,277	45,312,446	11,601,831	5,500,000	1,842,445	1.58
2023	57,238,311	41,399,636	15,838,675	5,335,000	2,007,856	2.16
2022	51,462,106	37,983,620	13,478,486	4,470,000	1,520,920	2.25
2021	47,812,020	37,549,401	10,262,619	4,340,000 ⁵	1,705,635	1.70
2020	43,000,162	36,217,953	6,782,209	3,605,000	1,577,583	1.31
2019	41,788,314	33,524,128	8,264,186	3,490,000 ⁴	1,857,893	1.55
2018	38,502,920	32,313,830	6,189,090	3,545,000	1,594,893	1.20
2017	36,503,015	29,551,555	6,951,460	3,455,000	1,696,584	1.35
2016	34,429,789	30,178,299	4,251,490	2,605,000	1,290,698	1.09

Source: City of Madison Finance Department

Note: Sewer Revenue Bonds are now backed by sewer rates only. Prior to 2020, the Sewer Revenue Bonds were also backed by landfill remediation fees.

¹ Operating Revenues plus investment income.

² Total Operating Expenses do not include interest, depreciation or amortization expenses.

³ Gross interest. Amount is not net of tax credits, when available.

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

⁵ Actual principal paid in 2021 was \$9,175,000 in order to retire \$4,835,000 of 2010 Revenue Bonds.

Table 14

CITY OF MADISON

PLEDGED REVENUE COVERAGE - WATER UTILITY Last Ten Fiscal Years

Fiscal Year	Gross Revenue ¹	Operating Expenses ²	Net Available Revenues for Debt Service	Debt Service Requirements		Coverage
				Principal	Interest ³	
2025	\$ 59,520,372	\$ 21,090,503	\$ 38,429,869	\$ 11,380,217	\$ 4,287,322	2.45
2024	58,835,900	18,938,981	39,896,919	10,835,000	4,653,148	2.58
2023	60,228,960	19,609,119	40,619,841	10,575,000	5,242,486	2.57
2022	47,850,861	17,606,116	30,244,745	11,525,000	6,833,129	1.65
2021	48,080,279	15,927,457	32,152,822	12,705,000	5,999,067	1.72
2020	45,440,204	16,979,254	28,460,950	7,455,000	6,810,091	2.00
2019	44,956,425	17,285,238	27,671,187	9,255,000	8,837,736	1.53
2018	35,512,284	17,928,862	17,583,422	6,890,000	6,356,118	1.33
2017	35,431,200	18,431,561	16,999,639	8,825,000	7,535,483	1.04
2016	35,909,550	15,356,637	20,552,913	6,120,000	6,447,693	1.64

Source: City of Madison Finance Department

Note: Water Utility Revenue Bond Covenant can be found in the Madison Water Utility Financial Statements.

¹ Operating Revenues plus investment income.

² Total Operating Expenses do not include interest, depreciation or amortization expenses.

³ Gross interest. Amount is not net of available tax credits, when available.

Table 15

CITY OF MADISON

DEMOGRAPHIC AND ECONOMIC STATISTICS Last Ten Calendar Years

Fiscal Year	Population ¹	Personal Income ² (in thousands)	Per Capita Personal Income ³		Annualized Unemployment Rates ⁴		
			Dane County	State of Wisconsin	City of Madison	Dane County	State of Wisconsin
2025	296,147	\$ 25,368,929	\$ 85,663	\$ 67,755	2.4 %	2.4 %	3.0 %
2024	291,037	23,800,658	81,779	64,976	2.3	2.3	3.0
2023	286,785	22,001,937	76,719	63,963	2.3	2.3	3.0
2022	279,012	20,602,392	73,841	61,210	2.1	2.2	2.9
2021	259,233	18,421,615	71,062	59,787	2.8	2.8	3.8
2020	257,197	17,149,124	66,677	55,904	4.8	4.8	6.3
2019	255,650	16,276,724	63,668	52,893	2.4	2.4	3.3
2018	252,546	15,242,919	60,357	50,908	2.2	2.2	3.0
2017	250,073	14,352,440	57,393	48,758	2.3	2.4	3.3
2016	247,207	13,784,262	55,760	47,205	2.9	2.9	4.1

¹ Provided by Demographic Services Center, Wisconsin State Department of Administration, generally published August of the subsequent reporting period.

² Personal income is computed by multiplying City population by County per capita personal income.

³ Source - Bureau of Economic Analysis - U.S. Department of Commerce, except for 2025 Dane County, which is an estimate based on the prior nine years of growth.

⁴ Source - Department of Workforce Development - State of Wisconsin - Annualized Unemployment Rates.

Table 16

CITY OF MADISON

PRINCIPAL EMPLOYERS
Prior Year and Ten Years Ago

Employer	2024			2015		
	Employees ¹	Rank	Percentage of Total Area Employment ²	Employees	Rank	Percentage of Total Area Employment
State of Wisconsin	49,336 ⁵	1	11.47 %	42,514	1	10.90 %
University of Wisconsin	27,293 ³	2	6.34	21,608	2	5.54
UW Health	17,138 ⁴	3	3.98	-		-
Epic Systems	12,200	4	2.84	8,100	4	2.08
United States Government	5,927	5	1.38	5,321	6	1.36
SSM Health Care	5,545 ⁴	6	1.29	6,380	5	1.64
Madison Metropolitan School District	4,187	7	0.97	3,903	7	1.00
City of Madison	3,314	8	0.77	2,973	10	0.76
UnityPoint Health - Meriter	3,164	9	0.74	3,268	9	0.84
Exact Sciences	2,934	10	0.68	-		-
University Hospitals and Clinics	-		-	9,001	3	2.31
American Family Mutual Insurance Group	-		-	3,842	8	0.99
Total	<u>131,038</u>		<u>30.46 %</u>	<u>106,910</u>		<u>27.42 %</u>

¹ Sources: Madison InBusiness, 2024 Report; Dane County; UW Madison 2024-2025 Data Digest

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

³ Includes full- and part-time, limited term and student employees.

⁴ Includes full- and part-time employees.

⁵ Includes all State of Wisconsin employees within Dane County.

Table 17

CITY OF MADISON

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM Last Ten Fiscal Years

Function/Program	Full-time Equivalent Employees (FTEs)			
	2025	2024	2023	2022
Public Safety and Health				
Fire	445	445	443	438
Police ⁶	584	583	583	606
Public Health - Madison and Dane County	200	203	197	180
Office of Independent Monitor ⁵	3	3	3	3
General Government				
Common Council	5	5	5	5
Mayor	14	14	13	12
Municipal Court	5	5	5	5
Administration				
Department of Civil Rights	22	22	21	21
Attorney	26	26	25	24
Assessor	26	26	26	26
Clerk	11	11	11	10
Treasurer	-	-	-	-
Finance	-	-	-	-
Information Technology	59	58	57	57
Human Resources	20	20	20	18
Employee Assistance Program ¹	4	4	4	4
Finance/City Treasurer ⁴	51	51	51	48
Public Facilities				
Monona Terrace	55	55	55	55
Department of Public Works and Transportation				
Engineering	189	157	157	146
Sewer Utility ²	-	17	17	17
Stormwater Utility ²	-	13	13	13
Parks	145	145	145	140
Golf Enterprise	14	14	14	8
Streets	247	245	245	235
Water Utility	132	132	131	130
Metro Transit	503	497	488	467
Traffic Engineering	73	72	70	68
Parking Utility ⁶	101	109	110	75
Fleet Services	38	38	37	37

Full-time Equivalent Employees (FTEs)					
2021	2020	2019	2018	2017	2016
417	413	411	411	393	393
598	604	599	588	584	593
157	146	143	138	138	138
3	-	-	-	-	-
4	4	4	4	2	2
12	12	12	12	12	12
5	5	5	5	5	5
19	18	18	18	16	16
24	25	26	26	27	27
24	24	24	24	24	24
10	10	9	9	9	8
-	-	6	6	6	6
-	-	41	41	42	42
54	54	54	54	53	53
18	18	18	17	16	16
4	4	4	3	3	3
48	48	47	-	-	-
55	55	55	55	55	55
144	144	117	115	112	77
17	17	38	36	35	44
12	12	15	12	11	39
138	140	171	172	167	165
8	8	8	8	8	8
229	227	191	193	190	187
130	130	130	130	130	130
462	462	457	473	476	474
67	66	67	66	64	63
75	75	75	71	71	69
39	43	43	43	43	43

Table 17 (Cont.)

CITY OF MADISON

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
Last Ten Fiscal Years

Function/Program	Full-time Equivalent Employees (FTEs)			
	2025	2024	2023	2022
Department of Planning & Community & Economic Development				
Office of the Director of Planning and Community and Economic Development	5	5	5	5
Community Development Authority Housing Operations and Redevelopment	57	57	56	53
Community Development Division ³	43	43	45	41
Economic Development Division	20	20	20	20
Planning Division	34	34	34	34
Building Inspection Division	45	45	45	45
Library	138	140	136	137
Total	3,314	3,314	3,287	3,183

Source - City's Annual Operating Budget

- ¹ Employee Assistance Program was created in 2016. Its functions were previously included in Human Resources.
- ² The City Engineer serves as the manager of the Sewer and Stormwater Utilities. As of 1/1/2025, Sewer and Stormwater employee counts are included with Engineering.
- ³ Effective with the 2016 budget, Community Development Block Grant personnel have been moved to the Community Development Division.
- ⁴ The Finance and Treasurer's departments were consolidated in 2019.
- ⁵ The City created the Office of Independent Monitor in 2021.
- ⁶ In 2023, Parking Enforcement Officers moved from Police to Parking Utility.

Full-time Equivalent Employees (FTEs)					
2021	2020	2019	2018	2017	2016
5	8	8	8	8	8
53	52	49	43	43	43
42	41	41	41	39	39
20	19	18	17	17	16
35	32	32	36	36	32
44	46	46	46	45	48
135	139	137	135	131	131
3,107	3,101	3,072	3,056	3,011	3,009

Table 18

CITY OF MADISON

OPERATING INDICATORS BY FUNCTION/PROGRAM
Prior Ten Fiscal Years

Function/Program	2024	2023	2022	2021
General Government				
Information Technology				
Webpage visits	6,848,782	5,149,812	6,260,207	5,953,396
Online payments transactions	836,571	753,599	589,864	571,247
Public Safety				
Fire				
EMS responses	29,373	28,253	30,543	27,938
Fire/service responses	13,990	12,632	11,018	6,581
Fires extinguished	430	443	434	611
Public Health				
Inspections/Pre-inspections	2,124	2,574	2,379	2,216
Police				
Calls for service	191,253	184,398	180,621	137,456
Arrests	6,889	9,638	8,050	6,824
Citations	3,609	3,296	2,905	2,196
Traffic violations	12,682	10,750	10,033	9,331
Public works and transportation				
Metro Transit				
Annual rides	9,176,868	9,403,885	8,287,021	5,458,011
Annual miles	6,002,888	4,690,340	4,321,376	4,707,689
Fleet Services				
Work Orders	7,544	7,644	8,028	8,500
Parking Utility				
Ramp Occupancy	40 %	41 %	47 %	37 %
Streets				
Tons of debris swept	4,882	6,633	7,340	6,473
Refuse collected (tons)	45,042	44,678	44,674	46,554
Recyclables collected (tons)	15,273	15,388	15,817	16,498
Sewer Utility				
Average annual residential customer volume (gallons)	41,195	43,991	44,328	47,238
Water Utility				
Main replacement (miles)	4.46	3.80	0.18	3.03
Gallons pumped (millions)	8,998	9,172	9,021	8,921
Water main breaks (per mile)	0.176	0.171	0.247	0.264
Mains added	8.54	7.30	3.52	7.01

2020	2019	2018	2017	2016 ¹	2015
7,144,554 511,281	5,896,319 468,774	6,114,219 423,443	5,439,856 301,479	6,057,900 270,728	6,343,573 353,462
24,170 6,174 342	22,865 10,111 361	21,667 9,357 412	21,716 8,810 476	21,291 8,762 411	18,348 6,839 459
858	2,990	1,233	1,318	1,418	1,363
125,272 ² 6,583 ³ 2,289 6,712	216,867 13,797 3,711 13,884	211,507 12,455 4,193 14,128	212,196 12,039 4,928 17,843	212,601 11,969 5,851 20,966	212,376 14,020 7,203 23,316
4,639,909 4,417,771	12,856,514 5,084,961	13,230,698 5,109,240	12,817,077 5,075,010	13,305,291 5,050,916	14,358,261 5,070,813
8,435	9,552	8,570	3,073	2,394	2,588
35 %	64 %	69 %	70 %	72 %	71 %
5,950 46,187 18,043	7,837 42,909 17,763	4,802 43,155 18,999	4,551 43,352 19,344	4,351 42,525 19,228	7,256 44,866 19,379
47,473	44,132	46,376	47,124	50,864	52,360
7.51 8,743 0.160 12.98	2.51 8,973 0.255 7.13	9.22 9,223 0.252 15.35	11.52 9,419 0.208 21.49	10.70 9,848 0.247 16.60	6.45 9,977 0.240 8.60

Table 18 (Cont.)

CITY OF MADISON

OPERATING INDICATORS BY FUNCTION/PROGRAM
Prior Ten Fiscal Years

Function/Program	2024	2023	2022	2021
Planning and development				
Inspection Unit				
Inspections	49,422	49,833	48,269	47,765
Housing Operations				
Households served	2,811	2,672	2,637	2,633
Community Services				
Children receiving child care from an accredited facility	41.17 %	40.80 %	40.80 %	41.40 %
Senior Center				
Number of visits	6,371	7,245	12,852	3,419
Number of events	1,018	1,283	1,690	590
New visitors	125	140	142	161
Culture and recreation				
Library				
Circulation	3,027,539	2,231,636	2,230,598	1,956,275
Visits	1,371,269	1,283,565	1,112,001	539,254
Registered borrowers	153,032	136,854	135,099	149,795
Internet uses	3,910,880	3,647,960	3,330,775	2,209,745 ⁵
Uses of electronic materials (e-books, e-audio, e-video)	970,244	712,726	630,974	593,678 ⁶
Parks				
General park (shelter) reservations	2,646	2,608	2,029	2,158
Athletic Field reservations	10,657	10,353	12,389	10,849
Recreation center attendance	160,456	133,327	176,313	83,821
Special events held	623	581	686	681
Calls for service - Forestry	- ⁷	3,072	3,463	3,284
Trees planted - Forestry	2,699 ⁸	2,394	2,046	2,422
Visitors - Olbrich Gardens	372,314	344,000	340,442	350,124
Municipal Pool				
Attendance	42,154	38,966	33,281	36,007
Golf Enterprise				
Rounds (18 holes)	160,507	152,884	133,995	139,147
Monona Terrace				
Conventions and Conferences	53	46	46	13

Source: 2009 - 2015 Madison Measures & Departmental Annual Reports

Note: Departmental Annual Reports available for prior ten years

¹ Beginning in 2016, the source for the data is Departmental Annual Reports and Departmental Databases.² Beginning in 2020, calls for service is measured as calls where an MPD officer responded, as opposed to all calls received.³ Beginning in 2020, MPD began reporting distinct arrests as opposed to total arrests to avoid double-counting individuals arrested for multiple charges.⁴ No new visitors recorded at the Senior Center due to its being closed during the COVID-19 pandemic.⁵ Beginning in 2021, internet uses includes both uses of public use computers and public wireless.⁶ Beginning in 2021, uses of electronic library materials will be reported.⁷ Beginning in 2024, Forestry discontinued tracking calls for service due to a change in software.⁸ Beginning in 2024, number of trees planted will replace the discontinued Forestry metric (calls for service). Data is unavailable prior to 2020.

2020	2019	2018	2017	2016 ¹	2015
43,519	56,072	57,866	52,854	54,113	48,023
2,583	2,617	2,563	2,490	2,528	2,404
44.40 %	47.99 %	48.00 %	49.28 %	51.30 %	50.00 %
5,882	37,988	38,609	38,521	41,106	38,828
811	3,084	2,952	3,108	2,871	2,777
- ⁴	764	775	866	817	889
1,289,737	3,454,156	3,575,215	3,698,903	3,800,000	3,950,000
415,397	1,779,552	1,911,287	1,965,014	2,170,000	2,150,000
144,831	157,557	158,977	168,443	170,420	165,855
55,603	227,370	655,599	917,107	769,704	708,214
-	-	-	-	-	-
149	1,717	1,594	1,598	1,765	1,590
1,934	10,074	7,956	8,362	8,700	8,358
39,852	250,059	226,215	221,000	209,000	64,495
121	475	489	521	350	245
3,789	3,918	4,119	4,415	5,068	4,336
2,587	-	-	-	-	-
138,925	322,149	335,153	325,530	300,396	289,540
14,601	34,971	33,265	46,469	46,400	52,140
134,818	99,036	77,510	100,004	109,934	107,212
10	60	62	60	67	63

Table 19

CITY OF MADISON

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
Prior Ten Fiscal Years

	2024	2023	2022	2021
<u>Function/Program</u>				
Public Safety				
Fire				
Fire Stations	14	14	14	14
Public works and transportation				
Metro Transit				
Shelters	284	221	221	226
Buses (incl. Paratransit)	188	192	201	220
Fleet Services				
Vehicles	1,444	1,404	1,393	1,385
Parking Utility				
Ramps	6	7	7	7
Surface Lots	5	5	6	6
Parking Spaces	5,293	5,815	6,072	6,101
Traffic Engineering				
Miles of Streets	867	852	838	836
Water Utility				
Water main (miles)	926	922	919	916
Hydrants	9,510	9,438	9,380	9,340
Valves	27,449	27,129	26,941	26,749
Culture and recreation				
Library				
Locations	9	9	9	9
Volumes/Items Held	1,154,084	1,029,824	1,012,507	1,016,989
Parks				
Parks	296	284	284	281
Acreage of Parks (rounded to nearest 100th)	5,894	2,828	5,802	5,771
Beaches	12	12	12	12
Shelters	29	27	27	27
Recreational Facilities	1	1	1	1
Municipal Pool				
Pool facilities	1	1	1	1
Golf Enterprise				
Golf courses	4	4	4	4

Source: 2009 - 2015 Madison Measures & Departmental Annual Reports

¹ Beginning in 2016, the source for the data is Departmental Annual Reports and Departmental Databases.

2020	2019	2018	2017	2016 ¹	2015
14	14	14	13	13	13
221	223	222	222	208	208
217	218	215	232	232	232
1,334	1,361	1,238	1,011	1,169	1,166
6	6	6	6	5	5
6	6	6	6	7	7
6,250	6,203	6,215	6,142	5,506	5,589
821	815	800	795	790	785
911	906	892	895	884	867
9,288	9,184	9,117	9,004	8,956	8,882
26,528	26,282	25,976	27,381	25,126	21,525
9	9	9	9	9	9
955,688	947,490	965,277	961,596	957,562	943,507
279	279	275	274	275	274
5,700	5,700	5,600	5,600	6,000	6,000
12	12	12	12	12	12
27	25	25	22	22	21
1	1	1	1	1	1
1	1	1	1	1	1
4	4	4	4	4	4