

## **CITY OF MADISON**

### **REPORT ON THE SUPPLEMENTARY SCHEDULES REQUIRED BY TAX 16**

As of and for the Year Ended December 31, 2019

## INDEPENDENT AUDITORS' REPORT

To the City Council  
City of Madison  
Madison, Wisconsin

### **Report on the Financial Statements**

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Madison, Wisconsin, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City of Madison's basic financial statements and have issued our report thereon dated July 22, 2020 which contained unmodified opinions on those financial statements.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Olbrich Botanical Society and Olbrich Botanical Society Foundation, Library Foundation, Madison Parks Foundation, the limited liability corporations (LLCs) presented as component units of the Community Development Authority of the City of Madison (CDA), Monona Shores presented as a major fund of the CDA and CDA 95-1 presented as a nonmajor fund of the CDA, which represent 61 percent, 59 percent and 33 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 opinion, insofar as it relates to the amounts included for Olbrich Botanical Society and Olbrich Botanical Society Foundation, Library Foundation, Madison Parks Foundation, the LLCs presented as component units of the CDA, Monona Shores presented as a major fund of the CDA and CDA 95-1 presented as a nonmajor fund of the CDA, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Olbrich Botanical Society and Olbrich Botanical Society Foundation, Library Foundation, Madison Parks Foundation, Monona Shores, CDA 95-1 and the LLCs of the CDA were not audited in accordance with *Government Auditing Standards*.

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

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

### **Other Matters**

#### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Madison's basic financial statements. The 2019 Financial Report Form (C) and attached schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2019 Financial Report Form (C) and attached schedules are fairly stated in all material respects, in relation to the basic financial statements as a whole.

### **Restriction on Use**

This report is intended solely for the information and use of the Wisconsin Department of Revenue and is not intended to be and should not be used by anyone other than this specified party.

*Baker Tilly Virchow Krause, LLP*

Madison, Wisconsin  
July 22, 2020

**CITY OF MADISON**

SCHEDULE OF RECONCILIATION BETWEEN BASIC FINANCIAL  
STATEMENTS AND 2019 FINANCIAL REPORT FORM C - REVENUES AND  
EXPENDITURES - ALL GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2019

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			<u>Line</u>
	Per Financial Report Form C		
Page 8	Total Revenues and Other Financing Sources	\$ 582,144,626	117-40000
Page 12	Total Expenditures and Other Financing Uses	<u>(596,478,769)</u>	136-50000
	Net Governmental	<u>\$ (14,334,143)</u>	
	Per Audited Financial Statements		
Page 53	Net Change in Fund Balance - Governmental Funds	\$ (14,381,733)	
Page 207	Excess of Revenues Over Expenditures - Business Improvement District	<u>47,595</u>	
	Net Governmental Per Audited Financial Statements	<u>\$ (14,334,138)</u>	
	<b>DIFFERENCE</b>	<u>\$ (5)</u>	

**CITY OF MADISON**

SCHEDULE OF RECONCILIATION BETWEEN BASIC FINANCIAL STATEMENTS  
AND 2019 FINANCIAL REPORT FORM C - REVENUES AND EXPENSES - ALL  
PROPRIETARY FUND TYPES

For the Year Ended December 31, 2019

			Line
Per Financial Report Form C			
Page 17	Net Income	<u>\$ 23,112,921</u>	225-62000
Per Audited Financial Statements			
Page 60	Change in Net Position - Enterprise Funds	\$ 21,512,514	
Page 69	Change in Net Position - Community Development Authority (CDA)	512,714	
Page 60	Change in Net Position - Internal Service Funds	796,618	
Page 69	Change in Net Position - Olbrich Society and Foundation	(1,292,320)	
Page 207	Change in Net Position - Madison Public Library Foundation	1,050,913	
Page 207	Change in Net Position - Madison Parks Foundation	<u>532,483</u>	
	<b>TOTAL CHANGE IN NET POSITION</b>	<u>\$ 23,112,922</u>	
	<b>DIFFERENCE</b>	<u>\$ (1)</u>	
<b>Transfers In/Out</b>			
	Governmental Transfers In	\$ 102,540,802	115-49200
	Proprietary Transfers In	<u>19,648,985</u>	224-49200
	<b>TOTAL TRANSFERS IN</b>	<u>\$ 122,189,787</u>	
	Governmental Transfers Out	\$ 112,577,260	134-59200
	Proprietary Transfers Out	<u>9,612,526</u>	224-59200
	<b>TOTAL TRANSFERS OUT</b>	<u>\$ 122,189,786</u>	
	<b>DIFFERENCE (ROUNDING)</b>	<u>\$ 1</u>	