

**CITY OF PORTAGE**

Portage, Wisconsin

FINANCIAL STATEMENTS

Including Independent Auditors' Report

As of and for the Year Ended December 31, 2017

# CITY OF PORTAGE

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# CITY OF PORTAGE

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## INDEPENDENT AUDITORS' REPORT

To the City Council  
City of Portage  
Portage, Wisconsin

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Portage, Wisconsin, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City of Portage's basic financial statements as listed in the table of contents.

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

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

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

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City of Portage'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 Portage's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Portage, Wisconsin, as of December 31, 2017 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.

## **Other Matters**

### *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, 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 of Portage's basic financial statements. The accompanying 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. In our opinion, the accompanying supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

*Baker Tilly Virchow Krause, LLP*

Madison, Wisconsin  
May 10, 2018

# CITY OF PORTAGE, WISCONSIN

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) As of and for the Year Ended December 31, 2017

As management of the City of Portage, Wisconsin, we offer readers of the city's financial statement this narrative overview and analysis of the financial activities of the city for the fiscal year ended December 31, 2017. We encourage readers to consider the information presented here in conjunction with the city's financial statements.

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### FINANCIAL HIGHLIGHTS

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- > The assets and deferred outflows of the City of Portage exceed its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$40,502,744 (net position). Of this amount, \$7,221,957 (unrestricted net position) may be used to meet the government's obligations to citizens and creditors. The total net position includes all major infrastructure networks.
- > The City of Portage's total net position decreased by \$1,407,522 in 2017.
- > As of the close of the current fiscal year, the City of Portage's governmental funds reported combined ending fund balances of \$7,908,888 an increase of \$2,057,715 in comparison with the prior year.
- > At the end of the current fiscal year, unassigned fund balance for the general fund was \$2,362,043 or approximately 32% of the total general fund expenditures.

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### OVERVIEW OF THE FINANCIAL STATEMENTS

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

#### ***GOVERNMENT-WIDE STATEMENTS***

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

The *Statement of Net Position* presents information on all of the city's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the city is improving or deteriorating. To assess the overall health of the city you need to consider additional non-financial factors such as changes in the city's property tax base and the condition of the city's infrastructure.

The *Statement of Activities* presents information showing how the city's net position changed during the fiscal year. All changes in net position are reported when 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 only result in cash flows in the future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

# CITY OF PORTAGE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)  
As of and for the Year Ended December 31, 2017

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## OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

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### ***GOVERNMENT-WIDE STATEMENTS*** (cont.)

Both of the government-wide financial statements distinguish functions of the city that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the city include general government; public safety; public works; health and human services; culture, education and recreation; conservation and development; and interest. The business-type activities of the City of Portage include Portage Water Utility and Sewer Utility.

The government-wide financial statements can be found on pages 1 – 3 of this report.

### ***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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the city can be divided into three categories: governmental funds, proprietary funds, and agency funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The city maintains 32 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, CDBG Fund, Mass Transit Fund, Debt Service Fund, Capital Project Fund, and the Vehicle Equipment Replacement Fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report. In future years, the Council may choose to designate other significant governmental funds.

The basic governmental fund financial statements can be found on pages 4 – 9 of this report.

# CITY OF PORTAGE, WISCONSIN

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) As of and for the Year Ended December 31, 2017

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### OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

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#### *FUND FINANCIAL STATEMENTS* (cont.)

*Proprietary Funds* – The city maintains two major Proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The city uses enterprise funds to account for its Water and Sewer Utilities.

Enterprise funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Sewer and Water Utilities since they are considered to be major funds of the city.

The basic proprietary fund financial statements can be found on pages 10 - 14 of this report.

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

*Notes to the Financial Statements* – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 16 - 59 of this report.

*Other Information* – In addition to the basic financial statements and accompanying notes, *required supplementary information* presents a detailed budgetary comparison schedule for the General Fund, the CDBG special revenue fund, and the Mass Transit special revenue fund to demonstrate compliance with the budget for these three funds, followed by the city's pension related information. This information can be found on pages 60 - 67 of this report. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining statements can be found on pages 68 - 79 of this report.

The financial statements also include the "BID" as a component unit. Business Improvement District (BID's) financial statements have been presented as a discrete column in the financial statements.

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### FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

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An analysis of the city's financial position begins with a review of the Statement of Net Position and the Statement of Activities. These two statements report the city's net position and changes therein. It should be noted that the financial position can also be affected by non-financial factors, including economic conditions, population growth and new regulations.

As noted earlier, net position may serve over time as a useful indicator of government's financial position. In the case of the City of Portage, assets exceeded liabilities by \$40,502,744 as of December 31, 2017.

# CITY OF PORTAGE, WISCONSIN

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) As of and for the Year Ended December 31, 2017

### FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (cont.)

The largest portion of the city's net position (approximately 73%) reflects its investments in capital assets (e.g., land, building, equipment, improvements, construction in progress and infrastructure), less any debt used to acquire those assets that is still outstanding. The city uses these capital assets to provide service to citizens; consequently, these assets are not available for future spending. Although the city's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the city's net position (approximately 9%) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position of \$7,221,957 may be used to meet the government's ongoing obligation to citizens and creditors.

<b>CITY OF PORTAGE'S NET POSITION</b>						
	Governmental Activities		Business-Type Activities		Totals	
	2017	2016	2017	2016	2017	2016
<b>Current and other assets</b>	\$ 16,416,820	\$ 13,431,153	\$ 8,532,335	\$ 5,973,213	\$ 24,949,155	\$ 19,404,366
<b>Capital assets</b>	29,307,276	30,107,774	21,005,422	21,859,811	50,312,698	51,967,585
Total Assets	45,724,096	43,538,927	29,537,757	27,833,024	75,261,853	71,371,951
<b>Pension related amounts</b>	2,042,328	2,867,520	268,203	381,365	2,310,531	3,248,885
Total Deferred Outflows of Resources	2,042,328	2,867,520	268,203	381,365	2,310,531	3,248,885
<b>Other liabilities</b>	1,053,931	916,111	192,699	283,202	1,246,630	1,199,313
<b>Long-term liabilities</b>	15,429,442	13,111,299	13,630,190	11,836,083	29,059,632	24,947,382
Total Liabilities	16,483,373	14,027,410	13,822,889	12,119,285	30,306,262	26,146,695
<b>Unearned revenues</b>	5,806,502	5,328,704	860	-	5,807,362	5,328,704
<b>Pension related amounts</b>	843,866	1,090,300	112,150	144,871	956,016	1,235,171
Total Deferred Inflows of Resources	6,650,368	6,419,004	113,010	144,871	6,763,378	6,563,875
<b>Net investment in capital assets</b>	18,375,626	19,208,094	11,302,411	11,608,869	29,678,037	30,816,963
<b>Restricted</b>	2,229,268	1,892,978	1,373,482	1,135,341	3,602,750	3,028,319
<b>Unrestricted</b>	4,027,789	4,858,961	3,194,168	3,206,023	7,221,957	8,064,984
<b>TOTAL NET POSITION</b>	\$ 24,632,683	\$ 25,960,033	\$ 15,870,061	\$ 15,950,233	\$ 40,502,744	\$ 41,910,266

**Analysis of the City's Operations** – The following table provides a summary of the city's operations for the year ended December 31, 2017. Net position for governmental activities decreased by \$1,327,350 to a total of \$24,632,683. Business-type activities decreased by \$80,172 to a total of \$15,870,061.

# CITY OF PORTAGE, WISCONSIN

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) As of and for the Year Ended December 31, 2017

### FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (cont.)

#### **CHANGES IN NET POSITION**

The following tables and narrative reviews separately the operational results of governmental and business-type activities.

<b>CITY OF PORTAGE</b>						
<b>CONDENSED STATEMENT OF ACTIVITIES</b>						
	Governmental Activities		Business-Type Activities		Totals	
	2017	2016	2017	2016	2017	2016
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 1,051,162	\$ 965,883	\$ 3,782,570	\$ 3,774,948	\$ 4,833,732	\$ 4,740,831
Operating grants and contributions	1,582,796	1,592,543	32,436	33,021	1,615,232	1,625,564
Capital grants and contributions	610,253	730,348	174,596	138,766	784,849	869,114
General revenues:					-	-
Property taxes	5,296,087	5,185,790	-	-	5,296,087	5,185,790
Other taxes	326,034	156,136	-	-	326,034	156,136
Intergovernmental	2,032,646	1,955,096	-	-	2,032,646	1,955,096
Investment income	77,185	38,958	44,595	25,694	121,780	64,652
Miscellaneous	121,877	83,011	20,848	22,064	142,725	105,075
Total Revenues	11,098,040	10,707,765	4,055,045	3,994,493	15,153,085	14,702,258
<b>Expenses:</b>						
General government	1,136,063	1,124,951	-	-	1,136,063	1,124,951
Public safety	4,502,441	4,451,363	-	-	4,502,441	4,451,363
Public works	4,593,957	4,057,327	-	-	4,593,957	4,057,327
Health and human services	60,500	56,000	-	-	60,500	56,000
Culture, education and recreation	1,807,980	1,691,527	-	-	1,807,980	1,691,527
Conservation and development	322,731	805,972	-	-	322,731	805,972
Interest and fiscal charges	382,900	295,788	-	-	382,900	295,788
Water utility	-	-	1,584,892	1,585,016	1,584,892	1,585,016
Sewer utility	-	-	2,169,143	1,972,301	2,169,143	1,972,301
Total Expenses	12,806,572	12,482,928	3,754,035	3,557,317	16,560,607	16,040,245
<b>Income Before Transfers</b>	(1,708,532)	(1,775,163)	301,010	437,176	(1,407,522)	(1,337,987)
<b>Transfers</b>	381,182	397,714	(381,182)	(397,714)	-	-
<b>Increase (Decrease) in net position</b>	(1,327,350)	(1,377,449)	(80,172)	39,462	(1,407,522)	(1,337,987)
<b>Net Position - beginning</b>	25,960,033	27,337,482	15,950,233	15,910,771	41,910,266	43,248,253
<b>Net Position - Ending</b>	\$ 24,632,683	\$ 25,960,033	\$ 15,870,061	\$ 15,950,233	\$ 40,502,744	\$ 41,910,266

# CITY OF PORTAGE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)  
As of and for the Year Ended December 31, 2017

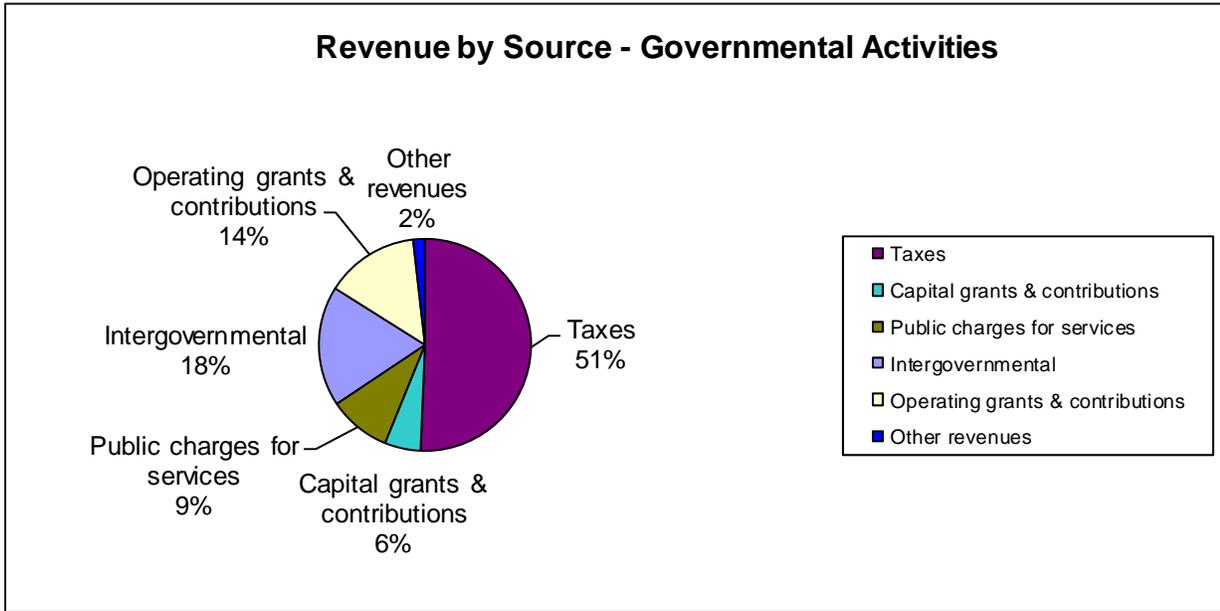
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## FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (cont.)

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### GOVERNMENTAL ACTIVITIES

The city received a total of \$11,098,040 in governmental activity revenues in 2017. As the following chart indicates, the largest revenue source is taxes followed by intergovernmental revenues.



Total governmental activities expenses were \$12,806,572 in 2017. Expenses exceeded revenues by \$1,708,532. After transfers in, there was a decrease in net position of \$1,327,350.

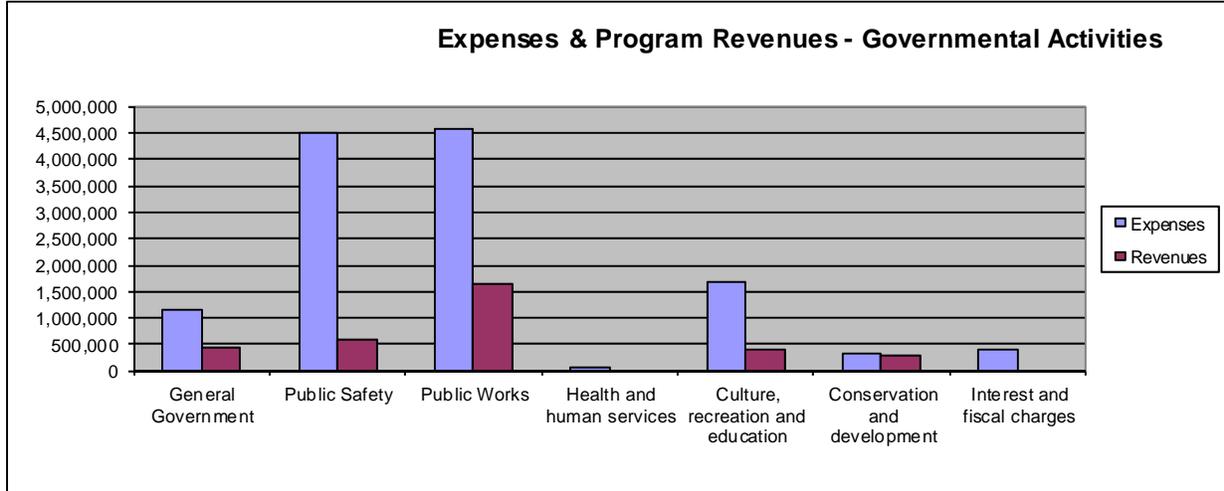
In 2017, Public Works accounted for the largest share of city expenditures at 36%. This was followed closely by expenditures on Public Safety activities (police, fire, EMS, emergency government) at 35%. Other expenditure areas included General Government at 9%; Culture, Education, and Recreation at 13%, Interest and Fiscal Charges at 3%, Conservation and Development at 3%, and Health and Human Services at 1%.

# CITY OF PORTAGE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)  
As of and for the Year Ended December 31, 2017

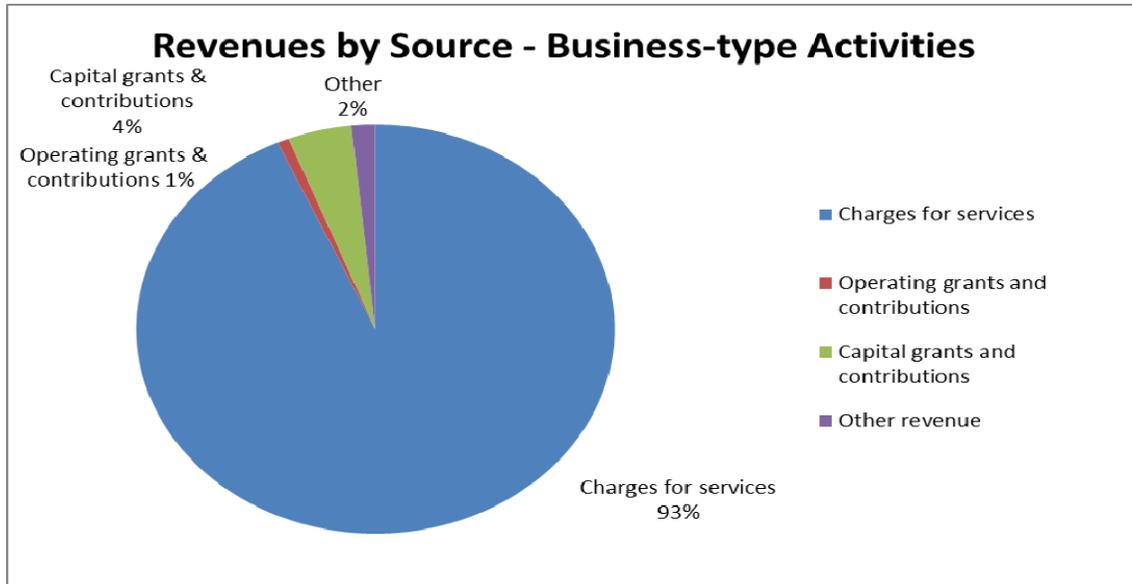
## FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (cont.)

### GOVERNMENTAL ACTIVITIES (cont.)



### BUSINESS-TYPE ACTIVITIES

The city generated \$4,055,045 in business-type activity revenue in 2017 from its Water and Sewer Utilities. Charges for services are by far the largest revenue source for these operations, representing 93% of revenues.



# CITY OF PORTAGE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)  
As of and for the Year Ended December 31, 2017

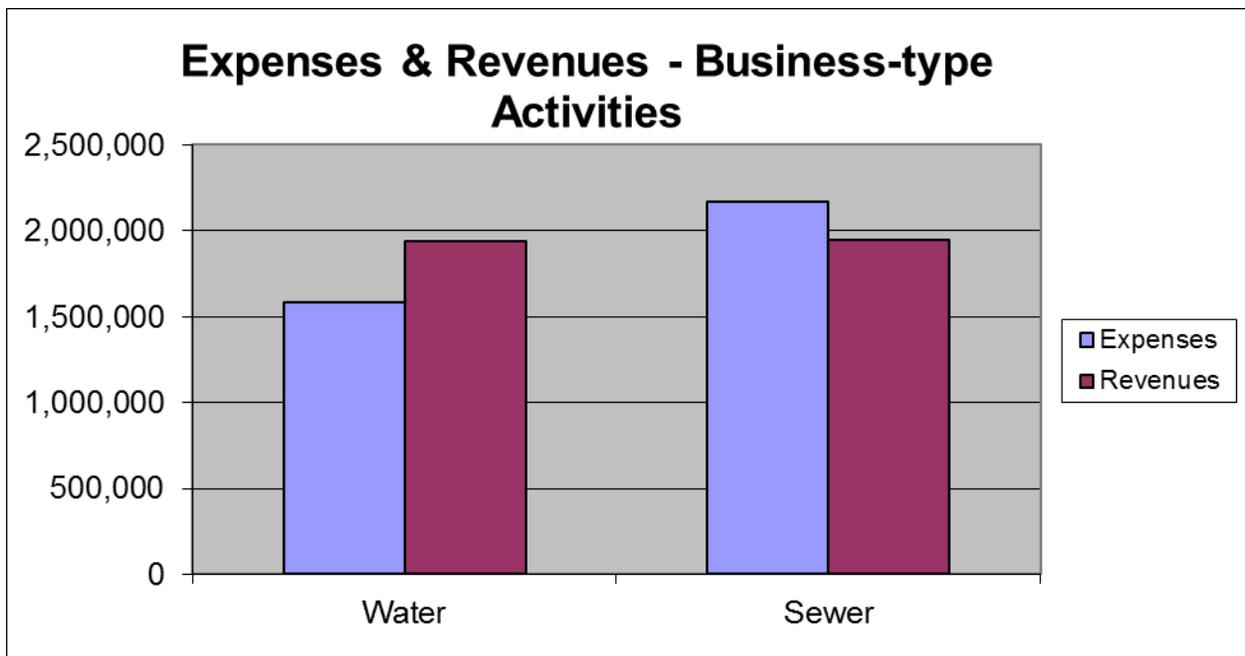
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## FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (cont.)

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### ***BUSINESS-TYPE ACTIVITIES*** (cont.)

Business-type activities decreased the city's net position by \$80,172 in 2017, which represents an decrease of less than 1% over the previous year. The net operating income of the Water and Sewer Utilities was \$491,555. The following graph compares the revenues to the expenses for each utility. The current water and sewer rates became effective November 2015 and May 2015, respectively.



# CITY OF PORTAGE, WISCONSIN

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) As of and for the Year Ended December 31, 2017

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### FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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#### ***GOVERNMENTAL FUNDS***

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

At the end of current fiscal year, the City of Portage's governmental funds reported combined ending fund balances of \$7,908,888. Approximately 11% of this total amount, \$891,634 constitutes unassigned fund balance. The remainder of the fund balance is not available for new spending because it has already been committed, restricted, or assigned.

#### ***MAJOR FUNDS***

**General Fund** – The General Fund is the main operating fund of the city. The general fund balance decreased from \$4,058,221 to \$3,897,498, or \$160,723. Overall, expenditures in the General Fund were under budget by \$77,740, while total revenues were \$100,052 higher than budgeted offset by (\$338,515) of transfers to other funds. The General Fund's activities are funded by state aids, property taxes, charges for services and other minor miscellaneous revenues.

**CDBG Fund** – This fund accounts for grants and local revenues being loaned for community housing programs. During 2017, the loan portfolio of this fund shows the net receivable balance increase from \$1,244,097 to \$1,384,453, or \$140,356.

**Mass Transit Fund** – This special revenue fund is used to report grants and local match amounts for the taxi program of the city. After transfers and other financing sources, the fund had a negative change in fund balance of \$79,928. Mainly due to the timing of the fourth quarter Federal payment of \$94,231 received in March, 2018.

**Debt Service Fund** – The Debt Service Fund accounts for the accumulation of resources for, and the payment of general long-term principal, interest and related costs. The deficit remained unchanged at \$43,088 at year end.

**Capital Projects Fund** – This fund accounts for proceeds from long-term borrowing and other resources to be used for capital improvement projects. Fund balance increased from \$431,854 to \$3,097,940, an increase of \$2,666,086. The issuance of bonds, in the amount of \$3,040,000, was reported in this fund during the current year and to be used for various 2017 and 2018 street and other capital projects.

**Vehicle Replacement Fund** – This fund is used to account for amounts assigned to vehicle acquisitions. For 2017, there was a loss in this fund of \$179,545 due to the schedule of replacements.

#### ***NONMAJOR GOVERNMENTAL FUNDS***

Fund balance of all other governmental funds is a deficit of \$48,215 and is comprised of restricted and assigned amounts, in addition to some unassigned (deficit) balances.

# CITY OF PORTAGE, WISCONSIN

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) As of and for the Year Ended December 31, 2017

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### FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (cont.)

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#### *PROPRIETARY FUNDS*

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

Water Utility – The water utility net position increased \$136,920 or 1.4%. Operating income was \$478,966, compared to \$504,008 in the prior year.

Sewer Utility – The Portage wastewater treatment plant provides sewer service for the City of Portage residents. The sewer utility net position decreased \$217,092 or 3.4%. Operating income was \$12,589, compared to \$81,088 in the prior year.

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### GENERAL FUND BUDGETARY HIGHLIGHTS

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The total original and final budgets, including those for transfers out, were \$7,684,755, while the actual expenditures were \$7,848,573 unfavorable to budget by (\$163,818). Actual revenues and other financing sources were favorable to budgeted revenues in total by \$114,297 resulting in a (\$49,521) unfavorable change to budget.

The actual expenditures were favorable in the following areas: general government \$58,014, public works \$43,999, and culture, rec, other \$10,405 departments. These were offset by public safety (\$34,678), and transfers out (\$241,558).

Revenues were higher across the board leading with intergovernmental \$43,396, followed by miscellaneous revenues \$29,102, investment income \$26,959, Licenses and permits \$21,707 public charges for services \$10,370, intergovernmental charges for services \$10,706, other sources \$14,245, and Taxes \$8,039. These were offset by fines, forfeitures and penalties (\$50,227).

## CITY OF PORTAGE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)  
As of and for the Year Ended December 31, 2017

### CAPITAL ASSETS

At the end of 2017, the city had invested a total of \$50,312,698 in capital assets (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, machinery and equipment, infrastructure and construction work in progress.

Major capital asset events during the current fiscal year included the following: water building, sewer roof on effluent and sludge buildings, playground equipment at Pauquette and Sanborn parks, police body cameras, fire radios, roof on fire station, two police vehicles, two pickup trucks for fire and park & recreation, brush chipper, Deere UTV, library exit door in alley, vehicle- taxi, street overlays, and alley and sidewalk improvements.

<b>CITY OF PORTAGE CAPITAL ASSETS AT YEAR-END NET OF ACCUMULATED DEPRECIATION</b>			
	<b>Governmental Activities 2017</b>	<b>Business-type Activities 2017</b>	<b>Total</b>
<b>Land</b>	\$ 2,257,864	\$ 500,618	\$ 2,758,482
<b>Construction in progress</b>	282,807	151,794	434,601
<b>Buildings and improvement</b>	16,161,549	-	16,161,549
<b>Equipment</b>	8,587,937	-	8,587,937
<b>Infrastructure</b>	33,558,785	-	33,558,785
<b>Water plant</b>	-	21,249,389	21,249,389
<b>Sewer plant</b>	-	26,368,301	26,368,301
<b>Less Depreciation</b>	(31,541,666)	(27,264,680)	(58,806,346)
<b>Totals</b>	\$ 29,307,276	\$ 21,005,422	\$ 50,312,698

Additional information ON the City of Portage's capital assets can be found in Note III.D. of this report.

### LONG-TERM DEBT

The city had \$26,826,158 in outstanding notes and bonds payable at the end of 2017. Of the bonded debt, \$13,595,000 is to be repaid with general property taxes (of which \$3,235,000 are TID obligations). \$13,231,158 are water and sewer utility obligations.

# CITY OF PORTAGE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)  
As of and for the Year Ended December 31, 2017

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## LONG-TERM DEBT (cont.)

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Under Wisconsin State Statutes, Chapter 67, the city's aggregate general obligation indebtedness may not exceed 5% of the equalized value of taxable property located in the city. The net amount of debt that is applicable to the statutory limit is \$17,425,000, which is considerably below the maximum of \$30,657,730.

<b>CITY OF PORTAGE'S OUTSTANDING BONDS AND NOTES</b>			
	<b>Governmental Activities 2017</b>	<b>Business-type Activities 2017</b>	<b>Total</b>
<b>General obligation bonds and notes payable</b>	\$ 13,595,000	\$ 3,830,000	\$ 17,425,000
<b>Revenue bonds</b>	-	9,401,158	9,401,158
<b>Totals</b>	\$ 13,595,000	\$ 13,231,158	\$ 26,826,158

Additional information on the City of Portage's long-term debt can be found in Note III.F. of this report.

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## CURRENTLY KNOWN FACTS/ECONOMIC CONDITIONS

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The City of Portage is located approximately 45 miles north of Madison and it is also the county seat of Columbia County. The population as of 2010 was 10,662, making it the largest city within the county.

The property tax base posted a 6.99% increase in equalized value for 2017. Assessment data indicates that the rate of appreciation in value of all classes of property as 4.70% in 2017.

The City of Portage Council adopted the 2018 budget in November 2017. The budget authorizes General Fund expenditures of \$7.9 million, similar to the previous year. The combined property tax levy for all funds is \$5.6 million, an 8.8% increase from the previous year.

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## REQUESTS FOR INFORMATION

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The financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the city's finances. If you have questions about this report or need any additional information, contact Shawn Murphy, City Administrator.

General information relating to the City of Portage, Wisconsin, can be found at the city's website, <https://www.portagewi.gov/>.

# CITY OF PORTAGE

## STATEMENT OF NET POSITION As of December 31, 2017

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Totals	BID Fund
<b>ASSETS</b>				
Cash and investments	\$ 7,933,108	\$ 2,733,194	\$ 10,666,302	\$ 101,152
Receivables (net)				
Taxes receivable	5,806,502	39,464	5,845,966	89,500
Accounts	460,241	399,330	859,571	-
Delinquent personal property taxes	3,789	-	3,789	-
Loans	1,384,453	-	1,384,453	-
Special assessments	147,634	22,722	170,356	-
Other Receivables	28,193	-	28,193	-
Internal balances	365,098	(365,098)	-	-
Due from other governmental units	22,830	-	22,830	-
Inventories and prepaid items	120,533	51,028	171,561	286
Advances and other assets	90,489	-	90,489	-
Restricted assets				
Cash and investments	53,950	5,651,695	5,705,645	-
Capital Assets				
Land	2,257,864	500,618	2,758,482	-
Construction in progress	282,807	151,794	434,601	-
Capital assets, being depreciated	58,308,271	47,617,690	105,925,961	-
Less: Accumulated depreciation	<u>(31,541,666)</u>	<u>(27,264,680)</u>	<u>(58,806,346)</u>	<u>-</u>
Total Assets	<u>45,724,096</u>	<u>29,537,757</u>	<u>75,261,853</u>	<u>190,938</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension related amounts	<u>2,042,328</u>	<u>268,203</u>	<u>2,310,531</u>	<u>-</u>
Total Deferred Outflows of Resources	<u>2,042,328</u>	<u>268,203</u>	<u>2,310,531</u>	<u>-</u>
<b>LIABILITIES</b>				
Accounts payable	389,507	67,354	456,861	11,646
Accrued liabilities and deposits	571,331	71,270	642,601	-
Due to other governmental units	2,604	-	2,604	-
Advances from other funds	90,489	-	90,489	-
Liabilities Payable from Restricted Assets				
Accrued interest	-	54,075	54,075	-
Revenue bonds payable	-	572,584	572,584	-
Noncurrent Liabilities				
Due within one year	1,488,336	554,391	2,042,727	-
Due in more than one year	<u>13,941,106</u>	<u>12,503,215</u>	<u>26,444,321</u>	<u>-</u>
Total Liabilities	<u>16,483,373</u>	<u>13,822,889</u>	<u>30,306,262</u>	<u>11,646</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unearned revenues	5,806,502	860	5,807,362	89,500
Pension related amounts	<u>843,866</u>	<u>112,150</u>	<u>956,016</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>6,650,368</u>	<u>113,010</u>	<u>6,763,378</u>	<u>89,500</u>
<b>NET POSITION</b>				
Net investment in capital assets	18,375,626	11,302,411	29,678,037	-
Restricted	2,229,268	1,373,482	3,602,750	-
Unrestricted	<u>4,027,789</u>	<u>3,194,168</u>	<u>7,221,957</u>	<u>89,792</u>
<b>TOTAL NET POSITION</b>	<u>\$ 24,632,683</u>	<u>\$ 15,870,061</u>	<u>\$ 40,502,744</u>	<u>\$ 89,792</u>

See accompanying notes to financial statements.

# CITY OF PORTAGE

## STATEMENT OF ACTIVITIES For the Year Ended December 31, 2017

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	\$ 1,136,063	\$ 198,393	\$ 227,398	\$ -
Public safety	4,502,441	516,111	61,434	-
Public works	4,593,957	140,092	792,919	610,253
Health and human services	60,500	-	-	-
Culture, education and recreation	1,807,980	111,609	301,879	-
Conservation and development	322,731	84,957	199,166	-
Interest and fiscal charges	382,900	-	-	-
Total Governmental Activities	12,806,572	1,051,162	1,582,796	610,253
Business-type Activities				
Water utility	1,584,892	1,912,384	-	165,981
Sewer utility	2,169,143	1,870,186	32,436	8,615
Total Business-type Activities	3,754,035	3,782,570	32,436	174,596
Total Primary Government	\$ 16,560,607	\$ 4,833,732	\$ 1,615,232	\$ 784,849
Component Unit				
BID Fund	\$ 103,353	\$ 1,594	\$ -	\$ -
General Revenues				
Taxes				
Property taxes				
Other taxes				
Intergovernmental revenues not restricted to specific programs				
Investment income				
Miscellaneous				
Total General Revenues				
Transfers				
<b>Change in net position</b>				
NET POSITION - Beginning of Year				
<b>NET POSITION - END OF YEAR</b>				

See accompanying notes to financial statements.

Net (Expenses) Revenues and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Totals	BID Fund
\$ (710,272)	\$ -	\$ (710,272)	\$ -
(3,924,896)	-	(3,924,896)	-
(3,050,693)	-	(3,050,693)	-
(60,500)	-	(60,500)	-
(1,394,492)	-	(1,394,492)	-
(38,608)	-	(38,608)	-
<u>(382,900)</u>	<u>-</u>	<u>(382,900)</u>	<u>-</u>
<u>(9,562,361)</u>	<u>-</u>	<u>(9,562,361)</u>	<u>-</u>
-	493,473	493,473	-
-	<u>(257,906)</u>	<u>(257,906)</u>	<u>-</u>
-	<u>235,567</u>	<u>235,567</u>	<u>-</u>
<u>(9,562,361)</u>	<u>235,567</u>	<u>(9,326,794)</u>	<u>-</u>
-	-	-	<u>(101,759)</u>
5,296,087	-	5,296,087	89,500
326,034	-	326,034	-
2,032,646	-	2,032,646	-
77,185	44,595	121,780	708
<u>121,877</u>	<u>20,848</u>	<u>142,725</u>	<u>-</u>
<u>7,853,829</u>	<u>65,443</u>	<u>7,919,272</u>	<u>90,208</u>
<u>381,182</u>	<u>(381,182)</u>	<u>-</u>	<u>-</u>
(1,327,350)	(80,172)	(1,407,522)	(11,551)
<u>25,960,033</u>	<u>15,950,233</u>	<u>41,910,266</u>	<u>101,343</u>
<u>\$ 24,632,683</u>	<u>\$ 15,870,061</u>	<u>\$ 40,502,744</u>	<u>\$ 89,792</u>

See accompanying notes to financial statements.

**CITY OF PORTAGE**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
As of December 31, 2017

	General	CDBG Fund	Mass Transit Fund	Debt Service
<b>ASSETS</b>				
Cash and investments	\$ 2,334,546	\$ 17,928	\$ -	\$ -
Receivables				
Taxes	3,979,468	-	-	1,132,183
Accounts	181,528	-	161,020	-
Special assessments	-	-	-	-
Delinquent personal property taxes	3,789	-	-	-
Loans	-	1,384,453	-	-
Other	-	-	-	-
Due from other governments	22,830	-	-	-
Due from other funds	551,243	-	-	-
Prepaid items	104,123	-	-	-
Restricted cash and investments	-	-	-	-
Advances to other funds	<u>1,303,654</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 8,481,181</u></b>	<b><u>\$ 1,402,381</u></b>	<b><u>\$ 161,020</u></b>	<b><u>\$ 1,132,183</u></b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ 190,562	\$ -	\$ 55,419	\$ -
Accrued liabilities	395,048	-	-	-
Deposits	-	-	-	-
Due to other governments	2,521	-	-	-
Due to other funds	16,084	-	-	43,089
Advances from other funds	<u>-</u>	<u>-</u>	<u>66,848</u>	<u>-</u>
Total Liabilities	<u>604,215</u>	<u>-</u>	<u>122,267</u>	<u>43,089</u>
Deferred Inflows of Resources				
Property taxes levied for next period	3,979,468	-	-	1,132,183
Unavailable revenues	<u>-</u>	<u>1,384,453</u>	<u>159,194</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>3,979,468</u>	<u>1,384,453</u>	<u>159,194</u>	<u>1,132,183</u>
Fund Balances (Deficit)				
Nonspendable	1,411,566	-	-	-
Restricted	-	17,928	-	-
Assigned	123,889	-	-	-
Unassigned (deficit)	<u>2,362,043</u>	<u>-</u>	<u>(120,441)</u>	<u>(43,089)</u>
Total Fund Balances (Deficit)	<u>3,897,498</u>	<u>17,928</u>	<u>(120,441)</u>	<u>(43,089)</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b><u>\$ 8,481,181</u></b>	<b><u>\$ 1,402,381</u></b>	<b><u>\$ 161,020</u></b>	<b><u>\$ 1,132,183</u></b>

See accompanying notes to financial statements.

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Capital Projects Fund	Vehicle Equipment Replacement Fund	Nonmajor Governmental Funds	Totals
\$ 3,127,027	\$ 1,147,972	\$ 1,305,635	\$ 7,933,108
3,537	-	691,314	5,806,502
-	23,324	94,369	460,241
9,369	-	138,265	147,634
-	-	-	3,789
-	-	-	1,384,453
4,679	-	23,514	28,193
-	-	-	22,830
-	-	-	551,243
-	-	16,410	120,533
-	-	53,950	53,950
-	-	-	1,303,654
<u>\$ 3,144,612</u>	<u>\$ 1,171,296</u>	<u>\$ 2,323,457</u>	<u>\$ 17,816,130</u>
\$ 27,720	\$ 62,529	\$ 53,277	\$ 389,507
-	-	35,300	430,348
-	-	7,186	7,186
-	-	83	2,604
6,046	1,500	119,426	186,145
-	-	1,236,806	1,303,654
<u>33,766</u>	<u>64,029</u>	<u>1,452,078</u>	<u>2,319,444</u>
3,537	-	691,314	5,806,502
<u>9,369</u>	-	<u>228,280</u>	<u>1,781,296</u>
<u>12,906</u>	-	<u>919,594</u>	<u>7,587,798</u>
-	-	16,410	1,427,976
2,893,076	162,188	499,789	3,572,981
204,864	945,079	742,465	2,016,297
-	-	(1,306,879)	891,634
<u>3,097,940</u>	<u>1,107,267</u>	<u>(48,215)</u>	<u>7,908,888</u>
<u>\$ 3,144,612</u>	<u>\$ 1,171,296</u>	<u>\$ 2,323,457</u>	<u>\$ 17,816,130</u>

See accompanying notes to financial statements.

## CITY OF PORTAGE

### RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION As of December 31, 2017

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Total Fund Balances - Governmental Funds	\$ 7,908,888
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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.

Land	2,257,864
Construction in progress	282,807
Other capital assets	58,308,271
Less: Accumulated depreciation	(31,541,666)

Some receivables that are not currently available are reported as unavailable revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements.	1,781,296
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The net pension liability does not relate to current financial resources and is not reported in the governmental funds.	(264,417)
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Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	2,042,328
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Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	(843,866)
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Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds.

Bonds and notes payable	(13,595,000)
Compensated absences	(1,249,170)
Accrued interest	(133,797)
Unamortized debt premium	(218,273)
Retiree health insurance	(102,582)

<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 24,632,683</u></b>
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## CITY OF PORTAGE

### STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

For the Year Ended December 31, 2017

	General	CDBG Fund	Mass Transit Fund	Debt Service
<b>REVENUES</b>				
Taxes	\$ 3,870,866	\$ -	\$ -	\$ 795,174
Special assessments	-	-	-	-
Intergovernmental	2,554,273	-	578,990	-
Licenses and permits	198,022	-	-	-
Fines, forfeitures and penalties	143,573	-	-	-
Public charges for services	122,800	49,278	-	-
Intergovernmental charges for services	267,885	-	-	-
Investment income	40,959	402	-	-
Miscellaneous	105,583	-	43,107	-
Total Revenues	7,303,961	49,680	622,097	795,174
<b>EXPENDITURES</b>				
Current				
General government	920,648	-	-	-
Public safety	3,869,094	-	-	-
Public works	1,761,469	-	766,962	-
Health and human services	60,500	-	-	-
Culture, recreation and education	647,292	-	-	-
Conservation and development	80,705	67,125	-	-
Capital Outlay	-	-	-	-
Debt Service				
Principal	-	-	-	921,506
Interest and fiscal charges	-	-	-	284,783
Total Expenditures	7,339,708	67,125	766,962	1,206,289
Excess (deficiency) of revenues over expenditures	(35,747)	(17,445)	(144,865)	(411,115)
<b>OTHER FINANCING SOURCES (USES)</b>				
Debt issued	-	-	-	-
Transfers in	381,182	-	57,000	411,114
Proceeds from sale of capital assets	2,707	-	7,937	-
Transfers out	(508,865)	-	-	-
Premium on debt issued	-	-	-	-
Total Other Financing Sources (Uses)	(124,976)	-	64,937	411,114
<b>Net Change in Fund Balances</b>	(160,723)	(17,445)	(79,928)	(1)
FUND BALANCES (DEFICIT) - Beginning of Year	4,058,221	35,373	(40,513)	(43,088)
<b>FUND BALANCES (DEFICIT) - END OF YEAR</b>	\$ 3,897,498	\$ 17,928	\$ (120,441)	\$ (43,089)

See accompanying notes to financial statements.

Capital Projects Fund	Vehicle Equipment Replacement Fund	Nonmajor Governmental Funds	Totals
\$ -	\$ -	\$ 956,081	\$ 5,622,121
-	-	102,112	102,112
17,615	-	248,056	3,398,934
-	-	170,355	368,377
-	-	-	143,573
6,842	-	67,470	246,390
-	32,049	21,642	321,576
13,492	10,590	11,742	77,185
4,680	-	299,048	452,418
<u>42,629</u>	<u>42,639</u>	<u>1,876,506</u>	<u>10,732,686</u>
-	-	5,270	925,918
-	-	257,778	4,126,872
-	-	197,100	2,725,531
-	-	-	60,500
-	-	934,774	1,582,066
-	-	164,429	312,259
723,791	389,064	321,471	1,434,326
-	-	-	921,506
52,976	-	3,224	340,983
<u>776,767</u>	<u>389,064</u>	<u>1,884,046</u>	<u>12,429,961</u>
<u>(734,138)</u>	<u>(346,425)</u>	<u>(7,540)</u>	<u>(1,697,275)</u>
3,040,000	-	185,000	3,225,000
229,985	166,880	69,908	1,316,069
-	-	-	10,644
-	-	(426,022)	(934,887)
130,239	-	7,925	138,164
<u>3,400,224</u>	<u>166,880</u>	<u>(163,189)</u>	<u>3,754,990</u>
2,666,086	(179,545)	(170,729)	2,057,715
<u>431,854</u>	<u>1,286,812</u>	<u>122,514</u>	<u>5,851,173</u>
<u>\$ 3,097,940</u>	<u>\$ 1,107,267</u>	<u>\$ (48,215)</u>	<u>\$ 7,908,888</u>

See accompanying notes to financial statements.

## CITY OF PORTAGE

### 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, 2017

Net change in fund balances - total governmental funds	\$	2,057,715
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>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.</p>		
Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements		1,434,326
Some items reported as operating expenditures in the fund financial statements but are capitalized in the government-wide statements		146,712
Depreciation is reported in the government-wide financial statements		(2,364,627)
Net book value of assets retired		(16,909)
<p>Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.</p>		
		365,354
<p>Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p>		
Debt issued		(3,225,000)
Principal repaid		921,506
<p>Governmental funds report debt premiums and discounts as other financing sources (uses) or expenditures. However, in the statement of net position, these are reported as additions to or deductions from long-term debt. These are allocated over the period the debt is outstanding in the statement of activities and are reported as interest expense.</p>		
Premium on debt issued		(138,164)
Amortization of debt premium		11,103
<p>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.</p>		
Compensated absences		(35,423)
Retiree health insurance		(102,582)
Accrued interest on debt		(53,020)
Net pension liability		250,417
Deferred outflows of resources related to pensions		(825,192)
Deferred inflows of resources related to pensions		246,434
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$</b>	<b><u>(1,327,350)</u></b>

See accompanying notes to financial statements.

# CITY OF PORTAGE

## STATEMENT OF NET POSITION PROPRIETARY FUNDS As of December 31, 2017

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Water Utility Fund</u>	<u>Sewer Utility Fund</u>	<u>Totals</u>
<b>ASSETS</b>			
Current Assets			
Cash and investments	\$ 1,027,686	\$ 1,705,508	\$ 2,733,194
Receivables			
Tax roll receivable	28,290	11,174	39,464
Accounts	386,181	13,149	399,330
Due from other funds	43,639	-	43,639
Special assessments	-	22,722	22,722
Inventories and prepaid items	41,765	9,263	51,028
Restricted Cash and Investments			
Redemption account	<u>165,668</u>	<u>180,000</u>	<u>345,668</u>
Total Current Assets	<u>1,693,229</u>	<u>1,941,816</u>	<u>3,635,045</u>
Noncurrent Assets			
Restricted Cash and Investments			
Construction account	1,699,069	1,996,791	3,695,860
Reserve account	253,308	274,970	528,278
Equipment replacement	-	1,081,889	1,081,889
Capital Assets			
Land and land rights	118,723	381,895	500,618
Construction in progress	13,481	138,313	151,794
Property and equipment	21,249,389	26,368,301	47,617,690
Less: Accumulated depreciation	<u>(9,324,038)</u>	<u>(17,940,642)</u>	<u>(27,264,680)</u>
Total Noncurrent Assets	<u>14,009,932</u>	<u>12,301,517</u>	<u>26,311,449</u>
 Total Assets	 <u>15,703,161</u>	 <u>14,243,333</u>	 <u>29,946,494</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related amounts	<u>140,533</u>	<u>127,670</u>	<u>268,203</u>
Total Deferred Outflows of Resources	<u>140,533</u>	<u>127,670</u>	<u>268,203</u>

See accompanying notes to financial statements.

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Totals</u>
	<u>Fund</u>	<u>Fund</u>	
<b>LIABILITIES</b>			
Current Liabilities			
Accounts payable	\$ 27,013	\$ 40,341	\$ 67,354
Accrued interest	18,121	7,550	25,671
Accrued wages	18,516	21,540	40,056
Accrued taxes	-	4,997	4,997
Current portion of compensated absences	17,668	26,723	44,391
Current portion of general obligation debt	320,000	190,000	510,000
Due to other funds	381,182	27,555	408,737
Other accrued liabilities	-	546	546
Current liability from restricted assets			
Accrued interest payable	13,643	40,432	54,075
Revenue bonds payable	90,544	482,040	572,584
Total Current Liabilities	<u>886,687</u>	<u>841,724</u>	<u>1,728,411</u>
Noncurrent Liabilities			
Long-Term Debt			
Compensated absences	53,056	103,871	156,927
General obligation debt payable	2,100,000	1,220,000	3,320,000
Revenue debt payable	2,899,589	5,928,985	8,828,574
Unamortized premium	81,741	80,864	162,605
Net pension liability	18,772	16,337	35,109
Total Noncurrent Liabilities	<u>5,153,158</u>	<u>7,350,057</u>	<u>12,503,215</u>
Total Liabilities	<u>6,039,845</u>	<u>8,191,781</u>	<u>14,231,626</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension related amounts	60,103	52,047	112,150
Unearned revenues	860	-	860
Total Deferred Inflows of Resources	<u>60,963</u>	<u>52,047</u>	<u>113,010</u>
<b>NET POSITION</b>			
Net investment in capital assets	8,264,749	3,037,662	11,302,411
Restricted for			
Debt service	152,025	139,568	291,593
Equipment replacement	-	1,081,889	1,081,889
Unrestricted	1,326,112	1,868,056	3,194,168
<b>TOTAL NET POSITION</b>	<u>\$ 9,742,886</u>	<u>\$ 6,127,175</u>	<u>\$ 15,870,061</u>

See accompanying notes to financial statements.

## CITY OF PORTAGE

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

For the Year Ended December 31, 2017

	Business-type Activities - Enterprise Funds		
	Water Utility Fund	Sewer Utility Fund	Totals
<b>OPERATING REVENUES</b>			
Public charges for services	\$ 1,912,384	\$ 1,870,186	\$ 3,782,570
Miscellaneous	12,975	7,873	20,848
Total Operating Revenues	<u>1,925,359</u>	<u>1,878,059</u>	<u>3,803,418</u>
<b>OPERATING EXPENSES</b>			
Operation and maintenance	925,203	1,046,959	1,972,162
Depreciation	521,190	818,511	1,339,701
Total Operating Expenses	<u>1,446,393</u>	<u>1,865,470</u>	<u>3,311,863</u>
Operating Income	<u>478,966</u>	<u>12,589</u>	<u>491,555</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment income	11,654	32,941	44,595
Interest and fiscal charges	(138,499)	(303,673)	(442,172)
Rebate on Build America bonds	-	32,436	32,436
Total Nonoperating Revenues (Expenses)	<u>(126,845)</u>	<u>(238,296)</u>	<u>(365,141)</u>
Income (Loss) Before Contributions and Transfers	<u>352,121</u>	<u>(225,707)</u>	<u>126,414</u>
<b>CONTRIBUTIONS AND TRANSFERS</b>			
Contributed capital	165,981	8,615	174,596
Transfers out	(381,182)	-	(381,182)
Total Contributions and Transfers	<u>(215,201)</u>	<u>8,615</u>	<u>(206,586)</u>
<b>Change in Net Position</b>	136,920	(217,092)	(80,172)
NET POSITION - Beginning of Year	<u>9,605,966</u>	<u>6,344,267</u>	<u>15,950,233</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 9,742,886</u>	<u>\$ 6,127,175</u>	<u>\$ 15,870,061</u>

See accompanying notes to financial statements.

**CITY OF PORTAGE**

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS

For the Year Ended December 31, 2017

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Totals</u>
	<u>Fund</u>	<u>Fund</u>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Received from customers	\$ 1,875,612	\$ 2,099,394	\$ 3,975,006
Paid to suppliers for goods and services	(938,184)	(628,415)	(1,566,599)
Paid to employees for services	(284,139)	(356,813)	(640,952)
Net Cash Flows From Operating Activities	<u>653,289</u>	<u>1,114,166</u>	<u>1,767,455</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment income	11,654	32,941	44,595
Net Cash Flows From Investing Activities	<u>11,654</u>	<u>32,941</u>	<u>44,595</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Paid to municipality for tax equivalent	(381,182)	-	(381,182)
Paid on long-term advances	(77,387)	-	(77,387)
Net Cash Flows From Noncapital Financing Activities	<u>(458,569)</u>	<u>-</u>	<u>(458,569)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Debt issued	505,000	2,180,000	2,685,000
Debt retired	(370,411)	(580,174)	(950,585)
Interest paid	(127,638)	(205,176)	(332,814)
Debt issuance costs	-	(95,608)	(95,608)
Special assessments received	-	27,533	27,533
Premium on debt issuance	12,545	70,184	82,729
Acquisition and construction of capital assets	(200,077)	(142,383)	(342,460)
Contribution received for construction	-	8,615	8,615
Build America Bonds interest subsidy	-	32,436	32,436
Net Cash Flows From Capital and Related Financing Activities	<u>(180,581)</u>	<u>1,295,427</u>	<u>1,114,846</u>
<b>Net Change in Cash and Cash Equivalents</b>	25,793	2,442,534	2,468,327
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>3,119,938</u>	<u>2,796,624</u>	<u>5,916,562</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 3,145,731</u>	<u>\$ 5,239,158</u>	<u>\$ 8,384,889</u>

See accompanying notes to financial statements.

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Totals
	Fund	Fund	
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating income	\$ 478,966	\$ 12,589	\$ 491,555
Adjustments to Reconcile Operating Income to Net Cash			
Flows From Operating Activities			
Depreciation	521,190	818,511	1,339,701
Depreciation charged to other funds	23,129	-	23,129
Changes in assets, deferred outflows, liabilities, and deferred inflows			
Customer accounts receivable	(18,058)	(4,142)	(22,200)
Receivable from municipality	(12,039)	235,525	223,486
Other accounts receivable	(43,639)	(10,048)	(53,687)
Material and supplies	(1,351)	-	(1,351)
Prepayments	-	2,353	2,353
Accounts payable	(120,914)	338	(120,576)
Payable to municipality	(30,215)	(3,977)	(34,192)
Payable to sewer utility	(182,905)	27,555	(155,350)
Other current liabilities	18,516	(176)	18,340
Accrued sick leave	(8,460)	16,704	8,244
Pension related deferrals and liabilities	28,209	18,934	47,143
Deferred inflow of resources	860	-	860
	<u>860</u>	<u>-</u>	<u>860</u>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u>\$ 653,289</u>	<u>\$ 1,114,166</u>	<u>\$ 1,767,455</u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS</b>			
Cash and investments	\$ 1,027,686	\$ 1,705,508	\$ 2,733,194
Restricted cash and investments	<u>2,118,045</u>	<u>3,533,650</u>	<u>5,651,695</u>
<b>CASH AND CASH EQUIVALENTS</b>	<u>\$ 3,145,731</u>	<u>\$ 5,239,158</u>	<u>\$ 8,384,889</u>
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Amortization of debt premium	<u>\$ 3,846</u>	<u>\$ 2,937</u>	
Reclassification of capital assets to expense	<u>\$ -</u>	<u>\$ 40,319</u>	
Capital contributions	<u>\$ 165,981</u>	<u>\$ -</u>	

See accompanying notes to financial statements.

# CITY OF PORTAGE

## STATEMENT OF ASSETS AND LIABILITIES AGENCY FUND As of December 31, 2017

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	<u>Agency Fund</u>
<b>ASSETS</b>	
Cash and investments	\$ 4,252,934
Property taxes receivable	<u>4,962,666</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 9,215,600</u></b>
<b>LIABILITIES</b>	
Due to other governments	\$ 9,207,113
Accounts Payable	<u>8,487</u>
<b>TOTAL LIABILITIES</b>	<b><u>\$ 9,215,600</u></b>

See accompanying notes to financial statements.

# CITY OF PORTAGE

## INDEX TO NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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# CITY OF PORTAGE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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### **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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The accounting policies of the City of Portage, Wisconsin 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 unit. 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 two methods, discrete presentation or blending. 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 PORTAGE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### **A. REPORTING ENTITY (cont.)**

##### ***Discretely Presented Component Unit***

###### *Business Improvement District*

The government-wide financial statements include the Business Improvement District ("BID") as a component unit. The BID is a legally separate organization. The board of the BID is appointed by the mayor and confirmed by the local legislative body. 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 III.H. As a component unit, the BID'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, 2017. The BID does not issue separate financial statements.

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

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

Financial statements of the city 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.

# CITY OF PORTAGE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

---

### **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

---

#### ***B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)***

##### ***Fund Financial Statements (cont.)***

Funds are organized as major funds or nonmajor funds within the governmental and proprietary 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 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.

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.

The city reports the following major governmental funds:

- General Fund - accounts for the city's primary operating activities. It is used to account for and report all financial resources except those accounted for and reported in another fund.
- CDBG Special revenue fund - used to account for and report grants and local revenues legally restricted or committed to supporting expenditures for the community development program.
- Mass Transit Special revenue fund - used to account for and report grants and local revenues legally restricted or committed to supporting expenditures for the mass transit program.
- Debt service fund - used to account for and report financial 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 fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets for the city.
- Vehicle Equipment Replacement Capital Project Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditures for vehicle acquisitions.

The city reports the following major enterprise funds:

- Water Utility - accounts for operations of the water system
- Sewer Utility - accounts for operations of the sewer system

# CITY OF PORTAGE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2017

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## NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

### ***B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)***

#### ***Fund Financial Statements (cont.)***

The city reports the following nonmajor governmental funds:

Special Revenue Funds - used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes (other than debt service or capital projects).

Park Land Dedication Fund	Swimming Pool Fund
Inspection Fund	Library Fund
Library - Restricted Fund	Criminal Investigation Fund
Tourism Promotion Fund	School Liaison Fund
Donation Fund	Economic Development Fund
Economic Development Business Incubator Fund	Housing and Urban Development (HUD) Fund
Wheel Tax Fund	Ambulance Fund
Post Retirement Benefits Fund	

Capital Projects Funds - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Industrial Development Fund	Revolving Sidewalk Fund
Revolving Alley Fund	Canal Project Fund
Airport Construction Fund	TIF #4
TIF #5	TIF #6
TIF #7	TIF #8
TIF #9	

In addition, the city reports the following fund types:

Agency Fund - used to account for and report assets held by the city in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units.

Tax Roll Fund

# CITY OF PORTAGE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### *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 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 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 are 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.

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.

# CITY OF PORTAGE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

#### ***C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)***

##### ***Fund Financial Statements (cont.)***

Proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note. Agency funds follow the accrual basis of accounting, and do not have a measurement focus.

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 and sewer funds 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, and 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 Wisconsin state statutes. Available investments are limited to:

- a. Time deposits in any credit union, bank, savings bank or trust company maturing in three years or less.
- 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.

# CITY OF PORTAGE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

#### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

##### ***1. Deposits and Investments (cont.)***

- 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.

The city has adopted an investment policy. That policy contains the following guidelines for allowable investments.

**Credit Risk:** The City of Portage will minimize credit risk, which is the risk of loss due to failure of the security issuer or backer, by limiting investments to the types of securities permitted under Wisconsin Statutes Chapter 66.0603; approve by resolution the public depositories that are deemed appropriate for use under Wisconsin and Federal law; 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 of Portage will minimize interest rate risk, which is risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by structuring the investment portfolio so that the securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.

**Custodial Risk:** The City of Portage will minimize custodial risk, which is the risk that in the event of a financial institution failure, the City's deposits may not be returned to it, by maintaining a list of public depositories, financial institutions and brokers/dealers authorized to provide deposit and investment services; all public depositories, financial institutions and brokers/dealers authorized to provide deposit and investment services must supply as appropriate audited financial statements demonstrating compliance with state and federal capital adequacy guidelines. The City is currently not in compliance with this policy. See note III.A for deposits exposed to custodial credit risk.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. 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 statement 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, 2017, the fair value of the city's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note III. A. for further information.

# CITY OF PORTAGE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### *D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)*

##### **2. Receivables**

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 state and county governments 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 net position - fiduciary fund.

Property tax calendar - 2017 tax roll:

Lien date and levy date	December 2017
Tax bills mailed	December 2017
Payment in full, or	January 31, 2018
First installment due	January 31, 2018
Second installment due	July 31, 2018
Personal property taxes in full	January 31, 2018
Tax sale - 2017 delinquent real estate taxes	October 2020

Accounts receivable have been shown net of an allowance for uncollectible accounts. 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 and sewer 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.

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 governmental-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.

The city has received federal and state grant funds for economic development and housing rehabilitation loan programs to various businesses and individuals. The city records a loan receivable when the loan has been made and funds have been disbursed. The amount recorded as economic development and housing rehabilitation loans receivable has not been reduced by an allowance for uncollectible accounts.

# CITY OF PORTAGE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

---

### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

#### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

##### ***2. Receivables (cont.)***

It is the city's policy to record unavailable revenue for the net amount of the receivable balance. As loans are repaid, revenue is recognized. When new loans are made from the repayments, expenditures are recorded. Interest received from loan repayments is recognized as revenue when received in cash. Any unspent loan repayments at year end are presented as restricted fund balance in the fund financial statements.

##### ***3. Inventories and Prepaid Items***

Governmental fund inventories, if material, are recorded at cost based on the FIFO method using the purchases method of accounting. Proprietary fund inventories are generally used for construction and/or for operation and maintenance work. They are not for resale.

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.

##### ***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. Capital Assets***

###### ***Government-Wide Statements***

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$1,000 for general capital assets and \$1,000 for infrastructure assets, and an estimated useful life in excess of 3 years. 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.

# CITY OF PORTAGE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

---

### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

#### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

##### **5. Capital Assets (cont.)**

###### ***Government-Wide Statements (cont.)***

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. No interest was capitalized during the current year. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method. The range of estimated useful lives by type of asset is as follows:

Buildings	20-50 Years
Land Improvements	20 Years
Machinery and Equipment	20-35 Years
Utility System	30-50 Years
Infrastructure	20-35 Years
Furniture and equipment	5-20 Years
Computer and related hardware	5 Years

###### ***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.

##### **6. Deferred Outflows of Resources**

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

# CITY OF PORTAGE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

---

### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

#### *D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)*

##### **7. Compensated Absences**

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements.

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

The city provides postemployment health insurance benefits for all eligible employees. Eligibility is based on terms of employee policies. The benefits are based on contractual agreements with employee groups, local ordinances, or employee benefit policies. Employees may convert balance of accumulated sick leave to pay for health care premiums. The cost of those premiums is recognized as an expenditure as the premiums are paid. The entire cost is paid by the city. Funding for those costs is provided out of the current operating budget of the city. The contributions are financed on a pay as you go basis. Total expenditures for such premiums during the year were not material. There are no participants currently eligible to receive benefits. The total amount outstanding at year end to be paid in the future is \$102,582 and is included in the government-wide statement of net position.

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, 2017, are determined on the basis of current salary rates and include salary related payments.

##### **8. Long-Term Obligations**

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, accrued compensated absences, the net pension liability, and retiree health insurance benefits.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) are 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 straight-line method. The balance at year end is shown as an increase or decrease in the liability section of the statement of net position.

# CITY OF PORTAGE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2017

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## NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

#### **9. *Deferred Inflows of Resources***

A deferred inflow of resources represents an acquisition of net position/fund balance that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

#### **10. *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 positions that do not meet the definitions 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.

##### ***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 PORTAGE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2017

---

## NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

#### ***10. Equity Classifications (cont.)***

##### ***Fund Statements (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 Council. 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 Council 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 Council has, by resolution, adopted a financial policy authorizing the Finance Committee 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.

Proprietary fund equity is classified the same as in the government-wide statements.

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.

See Note III. G. for further information.

#### ***11. Pension***

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

**CITY OF PORTAGE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2017

**NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

**12. Basis for Existing Rates**

***Water Utility Fund***

Current water rates were approved by the Public Service Commission of Wisconsin on November 15, 2015.

***Sewer Utility Fund***

Current sewer rates were approved by the Common Council on May 28, 2015.

**NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. BUDGETARY INFORMATION**

A budget has been adopted for the all funds except TIF # 9. Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds.

**B. EXCESS EXPENDITURES AND OTHER FINANCING USES OVER APPROPRIATIONS**

Funds	Budgeted Expenditures	Actual Expenditures and Other Financing Uses	Excess Expenditures and Other Financing Uses Over Budget
Vehicle Equipment			
Replacement	\$ 222,500	\$ 389,064	\$ 166,564
Park Land Dedication	125,000	132,033	7,033
Inspection	107,491	180,478	72,987
School Liaison	2,000	7,739	5,739
Donation	26,000	36,878	10,878
Post Retirement Benefits	55,075	57,911	2,836
Revolving Sidewalk	102,585	125,189	22,604
TIF District No. 4	150,400	157,733	7,333
TIF District No. 5	162,760	170,054	7,294
TIF District No. 8	44,550	46,999	2,449

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 city's year-end budget to actual report.

# CITY OF PORTAGE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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### NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (cont.)

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#### **C. DEFICIT BALANCES**

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

As of December 31, 2017, the following individual funds held a deficit balance:

<u>Fund</u>	<u>Amount</u>	<u>Reason</u>
TIF District No. 4	\$ 647,830	Costs exceed accumulated increments
TIF District No. 5	410,514	Costs exceed accumulated increments
TIF District No. 6	67,365	Costs exceed accumulated increments
TIF District No. 9	15,335	Costs exceed accumulated increments
Revolving Alley Fund	66,435	Costs exceed accumulated revenues
Revolving Sidewalk Fund	500	Costs exceed accumulated revenues
Post Retirement Benefits Fund	2,911	Costs exceed accumulated revenues
Swimming Pool Fund	92,516	Costs exceed accumulated revenues

TIF district deficits are anticipated to be funded with future incremental taxes levied over the life of the districts, which is 27 years for the districts created before October 1, 1995, and 23 years for districts created thereafter through September 30, 2004. Beginning October 1, 2004, the life of new districts varies by type of district (20-27 years) and may be extended in some cases. Swimming pool, Revolving Alley and Revolving Sidewalk fund deficits are anticipated to be funded with future contributions, charges for services, general tax revenues, or long-term borrowing. Post retirement benefits fund deficit is anticipated to be funded with future transfers from the general fund. Debt service fund deficit is anticipated to be funded with future tax levy revenues and transfers from other funds. Mass transit fund deficit is anticipated to be funded with future grant revenue and charges for services.

#### **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 TIF Districts), increased by the greater of the percentage change in the city's equalized value due to 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.

# CITY OF PORTAGE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

### NOTE III - 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. Each fund type's portion of 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 city's deposits and investments at year-end were comprised of the following:

	Carrying Value	Statement Balances	Associated Risks
Deposits	\$ 19,422,240	\$ 19,524,185	Custodial credit risk
LGIP	1,201,044	1,201,044	Credit
Petty cash	1,597	-	N/A
 Total Deposits and Investments	 \$ 20,624,881	 \$ 20,725,229	
 Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 10,666,302		
Restricted cash and investments	5,705,645		
Per statement of assets and liabilities -			
agency fund			
Agency Fund	4,252,934		
 Total Deposits and Investments	 \$ 20,624,881		

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 accounts (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 deposit accounts.

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual municipalities. This coverage has been considered in computing custodial credit risk.

The city maintains collateral agreements with its banks. At December 31, 2017, the banks had pledged various government securities in the amount of \$4,689,078 to secure the city's deposits.

#### ***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.

**CITY OF PORTAGE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2017

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**A. DEPOSITS AND INVESTMENTS (cont.)**

**Custodial Credit Risk (cont.)**

**Deposits (cont.)**

As of December 31, 2017, \$1,111,472 of the city's total bank balances were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ <u>1,111,472</u>
Total	\$ <u><u>1,111,472</u></u>

**Credit Risk**

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

The city had investments in the external Wisconsin Local Government Investment Pool which is not rated.

See Note I.D.1. for further information on deposit and investment policies.

**B. RECEIVABLES**

All of the receivables on the balance sheet are expected to be collected within one year with the exception of a portion of the delinquent personal property taxes and the loans receivable balance in its entirety.

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

	Unearned	Unavailable
Property taxes receivable for subsequent year	\$ 5,806,502	\$ -
Loans	-	1,455,446
Special assessments not yet due	-	133,644
Transit aids	-	159,194
Urban development	-	953
Alley improvements	-	13,037
Economic development	-	16,522
Donations	-	<u>2,500</u>
 Total Unearned/Unavailable Revenue for Governmental Funds	 <u>\$ 5,806,502</u>	 <u>\$ 1,781,296</u>

# CITY OF PORTAGE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

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#### **B. RECEIVABLES** (cont.)

For economic development loans, the city is limited by the Wisconsin Department of Administration to the amount of program income from economic development loans that it may retain to be loaned to other businesses and/or the amount of time for which funds may be held without use. Program income includes the principal and interest received from economic development loans repayments.

At December 31, 2017, the city has not exceeded the maximum amount of program income that it may retain or the amount of time for which funds may be held without use. When it does, a liability to the state will be recorded.

#### **C. RESTRICTED ASSETS**

The following represent the balances of the restricted assets:

##### ***Long-Term Debt Accounts***

- Redemption - Used to segregate resources accumulated for debt service payments over the next twelve months.
- Reserve - Used to report resources set aside to make up potential future deficiencies in the redemption account.
- Construction - Used to report proceeds of revenue bond issuances that are restricted for use in construction.

##### ***Equipment Replacement Account***

The sewer utility established an equipment replacement account to be used for significant mechanical equipment replacement as required by the Wisconsin Department of Natural Resources.

##### ***Library Restricted Account***

Used to report amounts donated for library purposes.

Following is a list of restricted assets at December 31, 2017:

Restricted Assets	
Redemption account	\$ 345,668
Reserve account	528,278
Replacement account	1,081,889
Construction account	<u>3,695,860</u>
Total Restricted Assets	<u>5,651,695</u>

# CITY OF PORTAGE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

#### C. RESTRICTED ASSETS (cont.)

Less: Restricted assets not funded by revenues	
Reserve from borrowing	(528,278)
Construction account	<u>(3,695,860)</u>
Total Restricted Assets Not Funded by Revenues	<u>(4,224,138)</u>
Current Liabilities Payable From Restricted Assets	<u>(54,075)</u>
Total Restricted Net Position	<u><u>\$ 1,373,482</u></u>

#### D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2017, was as follows:

	Beginning Balance	Adjustments*	Additions	Deletions	Ending Balance
<b>Governmental Activities</b>					
Capital assets not being depreciated					
Land	\$ 2,257,864	\$ -	\$ -	\$ -	\$ 2,257,864
Construction in progress	9,582	-	282,807	9,582	282,807
Total Capital Assets Not Being Depreciated	<u>2,267,446</u>	<u>-</u>	<u>282,807</u>	<u>9,582</u>	<u>2,540,671</u>
Capital assets being depreciated					
Buildings	13,436,411	-	149,672	27,346	13,558,737
Land improvements	2,461,053	-	154,984	13,225	2,602,812
Equipment	3,329,459	-	45,807	6,128	3,369,138
Vehicles	5,201,892	-	192,731	175,824	5,218,799
Infrastructure	33,195,566	-	764,619	401,400	33,558,785
Total Capital Assets Being Depreciated	<u>57,624,381</u>	<u>-</u>	<u>1,307,813</u>	<u>623,923</u>	<u>58,308,271</u>
Total Capital Assets	<u>59,891,827</u>	<u>-</u>	<u>1,590,620</u>	<u>633,505</u>	<u>60,848,942</u>
Less: Accumulated depreciation for					
Buildings	(5,567,852)	-	(256,536)	23,468	(5,800,920)
Land improvements	(1,257,066)	-	(79,509)	13,225	(1,323,350)
Equipment	(2,636,795)	-	(124,024)	3,312	(2,757,507)
Vehicles	(3,221,083)	-	(323,184)	165,609	(3,378,658)
Infrastructure	(17,101,257)	(957,156)	(624,218)	401,400	(18,281,231)
Total Accumulated Depreciation	<u>(29,784,053)</u>	<u>(957,156)</u>	<u>(1,407,471)</u>	<u>607,014</u>	<u>(31,541,666)</u>
Net Capital Assets Being Depreciated	<u>27,840,328</u>	<u>(957,156)</u>	<u>(99,658)</u>	<u>16,909</u>	<u>26,766,605</u>
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u><u>\$ 30,107,774</u></u>	<u><u>\$ (957,156)</u></u>	<u><u>\$ 183,149</u></u>	<u><u>\$ 26,491</u></u>	<u><u>\$ 29,307,276</u></u>

\*Additional depreciation accumulated for storm sewer infrastructure since acquisition.

# CITY OF PORTAGE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

#### D. CAPITAL ASSETS (cont.)

Depreciation expense was charged to functions as follows:

#### Governmental Activities

General government	\$ 97,387
Public safety	189,733
Public works	1,761,531
Culture, education, and recreation	<u>315,976</u>
Total Governmental Activities Depreciation Expense	<u><u>\$ 2,364,627</u></u>

#### Business-type Activities

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Water</u>				
Capital assets not being depreciated				
Land	\$ 118,723	\$ -	\$ -	\$ 118,723
Construction in progress	<u>1,280,752</u>	<u>9,237</u>	<u>1,276,508</u>	<u>13,481</u>
Total Capital Assets Not Being Depreciated	<u>1,399,475</u>	<u>9,237</u>	<u>1,276,508</u>	<u>132,204</u>
Capital assets being depreciated				
Source of supply	5,529,506	-	-	5,529,506
Pumping	793,668	-	-	793,668
Water treatment	2,817,109	11,025	-	2,828,134
Transmission and distribution	9,191,693	329,730	32,580	9,488,843
General	<u>1,316,664</u>	<u>1,292,574</u>	<u>-</u>	<u>2,609,238</u>
Total Capital Assets Being Depreciated	<u>19,648,640</u>	<u>1,633,329</u>	<u>32,580</u>	<u>21,249,389</u>
Total Capital Assets	<u>21,048,115</u>	<u>1,642,566</u>	<u>1,309,088</u>	<u>21,381,593</u>
Less: Accumulated depreciation for				
Source of supply	(2,196,713)	(155,611)	-	(2,352,324)
Pumping	(637,245)	(12,928)	-	(650,173)
Water treatment	(1,785,293)	(91,644)	-	(1,876,937)
Transmission and distribution	(2,974,861)	(208,549)	32,580	(3,150,830)
General	<u>(1,218,187)</u>	<u>(75,587)</u>	<u>-</u>	<u>(1,293,774)</u>
Total Accumulated Depreciation	<u>(8,812,299)</u>	<u>(544,319)</u>	<u>32,580</u>	<u>(9,324,038)</u>
Net Capital Assets Being Depreciated	<u>10,836,341</u>	<u>1,089,010</u>	<u>-</u>	<u>11,925,351</u>
Net Water Capital Assets	<u><u>\$ 12,235,816</u></u>	<u><u>\$ 1,098,247</u></u>	<u><u>\$ 1,276,508</u></u>	<u><u>\$ 12,057,555</u></u>

**CITY OF PORTAGE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2017

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**D. CAPITAL ASSETS (cont.)**

**Business-type Activities (cont.)**

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Sewer</u>				
Capital assets not being depreciated				
Land	\$ 381,895	\$ -	\$ -	\$ 381,895
Construction in progress	9,860	128,453	-	138,313
Total Capital Assets Not Being Depreciated	<u>391,755</u>	<u>128,453</u>	<u>-</u>	<u>520,208</u>
Capital assets being depreciated				
Buildings and structures	7,994,915	22,980	-	8,017,895
Collecting system	6,814,690	20,000	40,319	6,794,371
Pumping	1,760,640	-	-	1,760,640
Treatment and disposal	8,873,609	11,269	10,000	8,874,878
General	920,517	-	-	920,517
Total Capital Assets Being Depreciated	<u>26,364,371</u>	<u>54,249</u>	<u>50,319</u>	<u>26,368,301</u>
Total Capital Assets	<u>26,756,126</u>	<u>182,702</u>	<u>50,319</u>	<u>26,888,509</u>
Less: Accumulated depreciation for				
Buildings and structures	(5,635,604)	(240,192)	-	(5,875,796)
Collecting system	(5,787,294)	(204,136)	-	(5,991,430)
Pumping	(1,148,490)	(46,738)	-	(1,195,228)
Treatment and disposal	(3,703,512)	(266,227)	10,000	(3,959,739)
General	(857,231)	(61,218)	-	(918,449)
Total Accumulated Depreciation	<u>(17,132,131)</u>	<u>(818,511)</u>	<u>10,000</u>	<u>(17,940,642)</u>
Net Capital Assets Being Depreciated	<u>9,232,240</u>	<u>(764,262)</u>	<u>40,319</u>	<u>8,427,659</u>
Net Sewer Capital Assets	<u>\$ 9,623,995</u>	<u>\$ (635,809)</u>	<u>\$ 40,319</u>	<u>\$ 8,947,867</u>
Business-type Capital Assets, Net of Accumulated Depreciation	<u>\$ 21,859,811</u>	<u>\$ 462,438</u>	<u>\$ 1,316,827</u>	<u>\$ 21,005,422</u>

Depreciation expense was charged to functions as follows:

**Business-type Activities**

Water	\$ 521,190
Sewer	<u>818,511</u>
Total Business-type Activities Depreciation Expense	<u>\$ 1,339,701</u>

**CITY OF PORTAGE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2017

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**D. CAPITAL ASSETS (cont.)**

Depreciation expense may be different from business-type activity accumulated depreciation additions because of joint metering, salvage, cost of removal, internal allocations, or costs associated with the disposal of assets.

**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:

Receivable Fund	Payable Fund	Amount
Water utility fund	General fund	\$ 16,084
Water utility fund	Sewer utility fund	27,555
General fund	Debt service fund	43,089
General fund	Capital projects fund	6,046
General fund	Vehicle Replacement fund	1,500
General fund	Nonmajor governmental funds	119,426
General fund	Water utility fund	<u>381,182</u>
Total - Fund Financial Statements		594,882
Less: Fund eliminations		<u>(229,784)</u>
Total Internal Balances - Government-Wide Statement of Net Position		<u>\$ 365,098</u>
Receivable Fund	Payable Fund	Amount
Governmental Activities	Business-type Activities	\$ 381,182
Business-type Activities	Governmental Activities	<u>(16,084)</u>
Total Government-Wide Financial Statements		<u>\$ 365,098</u>

All amounts are due within one year.

The principal purpose of these interfunds is the PILOT due from the water utility to the general fund in the amount of \$381,182. All remaining 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.

**CITY OF PORTAGE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2017

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

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

***Advances***

The general fund is advancing funds to the TIF District Nos. 4, 5, 6, and 9. The amount advanced is determined by the deficiency of revenues over expenditures and other financing sources since the district's inception. No repayment schedule has been established.

The general fund is also advancing funds to Mass Transit and Swimming Pool. The amount advanced is determined by the deficiency of revenues over expenditures and other financing sources. No repayment schedule has been established.

The following is a schedule of interfund advances:

Receivable Fund	Payable Fund	Amount	Amount Not Due Within One Year
General fund	Mass transit fund	\$ 66,848	\$ 66,848
General fund	Tax Increment District No. 4	643,055	643,055
General fund	Tax Increment District No. 5	421,819	421,819
General fund	Tax Increment District No. 6	66,108	66,108
General fund	Tax Increment District No. 9	15,335	15,335
General fund	Swimming pool	90,489	90,489
Total - Fund Financial Statements		1,303,654	
Less: Fund eliminations		(1,303,654)	
Total - Interfund Advances		\$ -	

The principal purpose of these interfunds is cash deficits.

**CITY OF PORTAGE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2017

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

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

***Transfers***

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
General fund	Water utility fund	\$ 381,182	PILOT
Debt service fund	TIF No. 4	142,090	Debt service
Debt service fund	TIF No. 5	160,950	Debt service
Debt service fund	TIF No. 6	1,758	Debt service
Debt service fund	TIF No. 7	63,478	Debt service
Debt service fund	TIF No. 8	42,838	Debt service
Vehicle equipment replacement fund	General fund	166,880	Capital outlay
Capital projects fund	General fund	229,985	Capital outlay
Post retirement fund	General fund	55,000	Retirement funding
TIF No. 4	Business incubator fund	14,908	Debt service
Mass transit fund	General fund	<u>57,000</u>	Subsidy
Total - Fund Financial Statements		1,316,069	
Less: Fund eliminations		<u>(934,887)</u>	
Total Transfers - Government-Wide Statement of Activities		<u>\$ 381,182</u>	

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>
Governmental Activities	Business-type Activities	\$ 381,182
Business-type Activities	Governmental Activities	<u>-</u>
Total Government-wide Financial Statements		<u>\$ 381,182</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 PORTAGE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

#### F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2017, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>Governmental Activities</b>					
Bonds and Notes Payable					
General obligation debt	\$ 11,291,506	\$ 3,225,000	\$ 921,506	\$ 13,595,000	\$ 1,165,000
Premiums	91,212	138,164	11,103	218,273	-
Sub-totals	<u>11,382,718</u>	<u>3,363,164</u>	<u>932,609</u>	<u>13,813,273</u>	<u>1,165,000</u>
Other Liabilities					
Vested compensated absences	1,213,747	346,768	311,345	1,249,170	277,357
Retiree health insurance	-	102,582	-	102,582	45,979
Net pension liability	514,834	-	250,417	264,417	-
Total Other Liabilities	<u>1,728,581</u>	<u>449,350</u>	<u>561,762</u>	<u>1,616,169</u>	<u>323,336</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 13,111,299</u>	<u>\$ 3,812,514</u>	<u>\$ 1,494,371</u>	<u>\$ 15,429,442</u>	<u>\$ 1,488,336</u>
<b>Business-type Activities</b>					
Bonds and Notes Payable					
General obligation debt	\$ 3,798,494	\$ 505,000	\$ 473,494	\$ 3,830,000	\$ 510,000
Revenue bonds	7,698,249	2,180,000	477,091	9,401,158	572,584
Premiums	77,859	91,819	7,073	162,605	-
Sub-totals	<u>11,574,602</u>	<u>2,776,819</u>	<u>957,658</u>	<u>13,393,763</u>	<u>1,082,584</u>
Other Liabilities					
Vested compensated absences	193,074	58,519	50,275	201,318	44,391
Net pension liability	68,407	-	33,298	35,109	-
Total Other Liabilities	<u>261,481</u>	<u>58,519</u>	<u>83,573</u>	<u>236,427</u>	<u>44,391</u>
Total Business-type Activities Long-Term Liabilities	<u>\$ 11,836,083</u>	<u>\$ 2,835,338</u>	<u>\$ 1,041,231</u>	<u>\$ 13,630,190</u>	<u>\$ 1,126,975</u>

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, 2017, was \$30,657,730. Total general obligation debt outstanding at year end was \$17,425,000.

**CITY OF PORTAGE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2017

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**F. LONG-TERM OBLIGATIONS (cont.)**

**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.

**Governmental Activities**

<u>General Obligation Debt</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2017</u>
General obligation refunding bonds	3/18/09	4/01/22	2.25 - 4.35%	\$ 810,000	\$ 460,000
General obligation promissory notes	5/17/11	4/01/21	2.00 - 3.00%	1,890,000	575,000
General obligation promissory bonds	8/02/12	4/01/27	.55 - 3.50%	2,175,000	1,625,000
General obligation promissory notes	8/02/12	4/01/22	.50 - 2.00%	1,995,000	1,200,000
General obligation promissory bonds	8/02/12	4/01/29	2.00 - 2.85%	3,130,000	2,370,000
General obligation promissory bonds	8/16/15	4/01/28	2.00 - 3.50%	2,950,000	2,760,000
General obligation promissory bonds	5/19/16	5/01/36	.75 - 3.20%	1,450,000	1,380,000
General obligation promissory bonds	4/13/17	4/01/32	3.00 - 3.50%	3,225,000	<u>3,225,000</u>
Total Governmental Activities - General Obligation Debt					<u>\$ 13,595,000</u>

**CITY OF PORTAGE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2017

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**F. LONG-TERM OBLIGATIONS (cont.)**

**General Obligation Debt (cont.)**

**Business-type Activities**

General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2017
General obligation promissory notes	5/17/11	4/01/21	2.00 - 3.00%	\$ 1,450,000	\$ 680,000
General obligation corporate purpose bonds	8/02/12	4/01/24	2.00 - 2.25%	2,390,000	1,675,000
General obligation promissory bonds	8/16/15	4/01/28	2.00 - 3.50%	670,000	595,000
General obligation promissory bonds	5/19/16	5/01/30	0.75 - 3.20%	405,000	375,000
General obligation promissory bonds	4/13/17	4/01/32	3.00 - 3.50%	505,000	<u>505,000</u>
Total Business-type Activities - General Obligation Debt					<u>\$ 3,830,000</u>

Debt service requirements to maturity are as follows:

Years	Governmental Activities General Obligation Debt		Business-type Activities General Obligation Debt	
	Principal	Interest	Principal	Interest
2018	\$ 1,165,000	\$ 399,630	\$ 510,000	\$ 91,378
2019	1,065,000	325,552	525,000	71,890
2020	1,080,000	300,191	530,000	59,557
2021	1,000,000	275,324	510,000	47,430
2022	1,015,000	250,826	360,000	37,865
2023-2027	4,555,000	889,759	1,065,000	96,758
2028-2032	2,700,000	358,271	330,000	19,525
2033-2036	<u>1,015,000</u>	<u>45,030</u>	-	-
Totals	<u>\$ 13,595,000</u>	<u>\$ 2,844,583</u>	<u>\$ 3,830,000</u>	<u>\$ 424,403</u>

**Revenue Debt**

Business-type activities revenue bonds are payable only from revenues derived from the operation of the water and sewer utilities.

**CITY OF PORTAGE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2017

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**F. LONG-TERM OBLIGATIONS (cont.)**

**Revenue Debt (cont.)**

The water utility fund has pledged future water revenues, net of specified operating expenses, to repay revenue bonds issued in 2007, 2015, and 2016. Proceeds from the bonds provided financing for the water system. The bonds are payable solely from water revenues and are payable through 2036. Annual principal and interest payments on the bonds are expected to require 11% of net revenues. The total principal and interest remaining to be paid on the bonds is \$3,899,038. Principal and interest paid for the current year and total customer net revenues were \$168,022 and \$1,011,810, respectively.

The sewer utility fund has pledged future sewer revenues, net of specified operating expenses, to repay revenue bonds issued in 1998, 2010, and 2017. Proceeds from the bonds provided financing for the sewer system. The bonds are payable solely from sewer revenues and are payable through 2050. Annual principal and interest payments on the bonds are expected to require 14% of net revenues. The total principal and interest remaining to be paid on the bonds is \$9,238,864. Principal and interest paid for the current year and total customer net revenues were \$518,943 and \$896,477, respectively.

Revenue debt payable at December 31, 2017, consists of the following:

**Business-type Activities Revenue Debt**

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2017</u>
<u>Water Utility</u>					
Water system revenue bonds	4/25/07	5/01/26	2.475%	\$ 121,379	\$ 55,133
Water system revenue bonds	4/16/15	5/01/35	1.00 - 3.50%	855,000	795,000
Water system revenue bonds	5/19/16	5/01/36	2.00 - 3.00%	2,190,000	<u>2,140,000</u>
				Total Water Utility	<u>2,990,133</u>

**CITY OF PORTAGE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2017

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**F. LONG-TERM OBLIGATIONS (cont.)**

**Revenue Debt (cont.)**

**Business-type Activities Revenue Debt (cont.)**

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2017</u>
<u>Sewer Utility</u>					
Sewer system revenue bonds	9/23/98	5/01/18	2.64%	\$ 4,341,108	\$ 282,315
Sewer system revenue bonds	3/26/08	5/01/27	2.365%	1,159,443	673,910
USDA Build America Bonds	10/06/10	10/01/50	3%	3,645,000	3,274,800
Sewer system revenue bonds	4/13/17	5/1/37	3.00 - 3.75%	2,180,000	<u>2,180,000</u>
				Total Sewer Utility	<u>6,411,025</u>
					<u>\$ 9,401,158</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Business-type Activities Revenue Debt</u>	
	<u>Principal</u>	<u>Interest</u>
2018	\$ 572,584	\$ 269,054
2019	298,638	257,775
2020	302,145	250,056
2021	320,589	242,031
2022	364,272	233,275
2023-2027	2,092,630	1,013,205
2028-2032	1,923,700	721,782
2033-2037	1,846,500	394,372
2038-2042	570,600	214,562
2043-2047	662,100	122,951
2048-2050	<u>447,400</u>	<u>23,681</u>
Totals	<u>\$ 9,401,158</u>	<u>\$ 3,742,744</u>

# CITY OF PORTAGE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

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#### *F. LONG-TERM OBLIGATIONS* (cont.)

##### ***Other Debt Information***

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

A statutory mortgage lien upon the utility's system and any additions, improvements and extensions thereto is created by Section 66.0621 of the Wisconsin Statutes as provided for in the ordinances creating the revenue bond issue. The utility's system and the earnings of the system remain subject to the lien until payment in full of the principal and interest on the bonds.

##### ***Bond Covenant Disclosures***

###### ***Insurance***

The utilities are exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets, errors and omissions, workers compensation, and health care of its employees. These risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded coverage in any of the last three years. There were no significant reductions in coverage compared to the prior year.

###### ***Debt Coverage Water***

Under terms of the resolutions providing for the issue of revenue bonds, revenues less operating expenses excluding depreciation (defined net earnings) must exceed 1.25 times the annual debt service. The coverage only includes revenue debt and does not include general obligation or other debt. The coverage requirement was met in 2017 as follows:

Operating revenues	\$ 1,925,359
Investment income	11,654
Less: Operation and maintenance expenses	<u>(925,203)</u>
Net Defined Earnings	<u><u>\$ 1,011,810</u></u>
Minimum Required Earnings per Resolution:	
Annual debt service	\$ 168,022
Coverage factor	<u>1.25</u>
Minimum Required Earnings	<u><u>\$ 210,028</u></u>
Annual Debt Coverage	<u><u>6.02</u></u>

# CITY OF PORTAGE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2017

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## NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

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### *F. LONG-TERM OBLIGATIONS* (cont.)

#### *Debt Coverage Sewer*

Under terms of the resolutions providing for the issue of revenue bonds, revenues less operating expenses excluding depreciation (defined net earnings) must exceed 1.25 times the annual debt service. The coverage only includes revenue debt and does not include general obligation or other debt. The coverage requirement was met as follows:

Operating revenues	\$ 1,878,059
Investment income	32,941
Less: Operation and maintenance expenses	<u>(1,046,959)</u>
Net Defined Earnings	<u>\$ 864,041</u>
Minimum Required Earnings per Resolution:	
Annual debt service	\$ 518,943
Coverage factor	<u>1.25</u>
Minimum Required Earnings	<u>\$ 648,679</u>
Actual Debt Coverage	<u>1.67</u>

# CITY OF PORTAGE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

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#### **G. NET POSITION/FUND BALANCES**

Net position reported on the government wide statement of net position at December 31, 2017, includes the following:

#### **Governmental Activities**

Net Investment in Capital Assets	
Land	\$ 2,257,864
Construction in progress	282,807
Other capital assets, net of accumulated depreciation	26,766,605
Less: Long-term debt outstanding	(13,595,000)
Plus: Unspent capital related debt proceeds	2,881,623
Less: Unamortized debt premium	<u>(218,273)</u>
Total Net Investment in Capital Assets	<u>18,375,626</u>
Restricted	
Library	186,140
TIF activity	187,406
Home improvement loans	1,402,381
Hazmat	162,188
Stormwater	106,139
Donations	89,497
Grants	38,753
Capital projects	<u>56,764</u>
Total Restricted	<u>2,229,268</u>
Unrestricted	<u>4,027,789</u>
Total Governmental Activities Net Position	<u>\$ 24,632,683</u>

**CITY OF PORTAGE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2017

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**G. NET POSITION/FUND BALANCES (cont.)**

**Governmental Funds**

Governmental fund balances reported on the fund financial statements at December 31, 2017, include the following:

	<u>General Fund</u>	<u>CDBG Fund</u>	<u>Mass Transit</u>	<u>Debt Service</u>	<u>Capital Projects Fund</u>	<u>Vehicle Equipment Replacement Fund</u>	<u>Nonmajor Funds</u>	<u>Totals</u>
<b>Fund Balances</b>								
<b>Nonspendable:</b>								
Prepaid items	\$ 104,123	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,410	\$ 120,533
Delinquent personal property taxes	3,789	-	-	-	-	-	-	3,789
Long-term receivables	<u>1,303,654</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,303,654</u>
Sub-total	<u>1,411,566</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,410</u>	<u>1,427,976</u>
<b>Restricted for:</b>								
Library	-	-	-	-	-	-	175,257	175,257
Capital projects	-	-	-	-	2,786,937	-	56,764	2,843,701
TIF activities	-	-	-	-	-	-	180,771	180,771
Home improvement loans	-	17,928	-	-	-	-	-	17,928
Hazmat	-	-	-	-	-	162,188	-	162,188
Stormwater	-	-	-	-	106,139	-	-	106,139
Donations	-	-	-	-	-	-	86,997	86,997
Sub-total	<u>-</u>	<u>17,928</u>	<u>-</u>	<u>-</u>	<u>2,893,076</u>	<u>162,188</u>	<u>499,789</u>	<u>3,572,981</u>
<b>Assigned to:</b>								
Subsequent year's budget	123,889	-	-	-	-	-	-	123,889
Capital projects	-	-	-	-	204,864	945,079	185,758	1,335,701
Park land	-	-	-	-	-	-	113,826	113,826
Inspection	-	-	-	-	-	-	26,459	26,459
Investigation	-	-	-	-	-	-	9,443	9,443
Tourism	-	-	-	-	-	-	147,866	147,866
School liaison	-	-	-	-	-	-	11,877	11,877
Economic Development	-	-	-	-	-	-	107,619	107,619
Business Incubator	-	-	-	-	-	-	88,827	88,827
Ambulance	-	-	-	-	-	-	50,790	50,790
Sub-total	<u>123,889</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,991,801</u>	<u>945,079</u>	<u>742,465</u>	<u>2,016,297</u>
<b>Unassigned (deficit):</b>	<u>2,362,043</u>	<u>-</u>	<u>(120,441)</u>	<u>(43,089)</u>	<u>-</u>	<u>-</u>	<u>(1,306,879)</u>	<u>891,634</u>
<b>Total Fund Balances (Deficit)</b>	<u>\$3,897,498</u>	<u>\$ 17,928</u>	<u>\$ (120,441)</u>	<u>\$ (43,089)</u>	<u>\$3,097,940</u>	<u>\$ 1,107,267</u>	<u>\$ (48,215)</u>	<u>\$ 7,908,888</u>

# CITY OF PORTAGE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2017

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## NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

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### G. NET POSITION/FUND BALANCES (cont.)

#### *Business-type Activities*

Net Investment in Capital Assets	
Land	\$ 500,618
Construction in progress	151,794
Other capital assets, net of accumulated depreciation	20,353,010
Less: Long-term debt outstanding	(13,231,158)
Plus: Unspent capital related debt proceeds	3,690,752
Less: Unamortized debt premium	(162,605)
Total Net Investment in Capital Assets	<u>11,302,411</u>
Restricted	
Debt service	291,593
Equipment replacement	<u>1,081,889</u>
Total Restricted	<u>1,373,482</u>
Unrestricted	<u>3,194,168</u>
Total Business-type Activities Net Position	<u>\$ 15,870,061</u>

### H. COMPONENT UNIT

#### **BUSINESS IMPROVEMENT DISTRICT**

This report contains the Business Improvement District (BID), which is included as a component unit.

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.

a. Basis of Accounting/Measurement Focus

The BID follows the full accrual basis of accounting and the flow of economic resources measurement focus.

b. Deposits and Investments

At year end, the carrying amount of the BID's deposits was \$101,152 and is part of the city's commingled cash. See Note III. A.

# CITY OF PORTAGE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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### NOTE IV - OTHER INFORMATION

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

**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) are entitled to receive an unreduced retirement benefit. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor.

Final average earnings is the average of the participant's three highest years' earnings. Creditable service is the creditable current and prior service expressed in years or decimal equivalents of partial years for which a participant receives earnings and makes contributions as required. The formula factor is a standard percentage based on employment category.

Employees may retire at age 55 (50 for protective occupation employees) and receive reduced benefits. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and forfeit all rights to any subsequent benefits.

The WRS also provides death and disability benefits for employees.

# CITY OF PORTAGE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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### NOTE IV - OTHER INFORMATION (cont.)

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#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

Year	Core Fund Adjustment	Variable Fund Adjustment
2007	3.0%	10%
2008	6.6	0
2009	(2.1)	(42)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5)

# CITY OF PORTAGE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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### NOTE IV - OTHER INFORMATION (cont.)

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#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

**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 on 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 \$350,080 in contributions from the city.

Contribution rates as of December 31, 2017 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Executives & Elected Officials)	6.8%	6.8%
Protective with Social Security	6.8%	10.6%
Protective without Social Security	6.8%	14.9%

#### ***Pension Liability/(asset), Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

At December 31, 2017, the city reported a liability/(asset) of \$299,526 for its proportionate share of the net pension liability/(asset). The net pension liability/(asset) was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of December 31, 2015 rolled forward to December 31, 2016. 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/(asset) was based on the city's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2016, the city's proportion was 0.03633968%, which was an increase of 0.00044749% from its proportion measured as of December 31, 2015.

For the year ended December 31, 2017, the city recognized pension expense of \$765,440.

**CITY OF PORTAGE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2017

**NOTE IV - OTHER INFORMATION (cont.)**

**A. EMPLOYEES' RETIREMENT SYSTEM (cont.)**

At December 31, 2017, 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	\$ 114,210	\$ 941,983
Changes in assumptions	313,166	-
Net differences between projected and actual earnings on pension plan investments	1,490,944	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,255	14,033
Employer contributions subsequent to the measurement date	389,956	-
Totals	\$ 2,310,531	\$ 956,016

\$389,956 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, 2018. 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	Deferred Inflows of Resources
2018	\$ 698,880	\$ 304,633
2019	698,880	304,633
2020	572,086	304,633
2021	(49,791)	42,022
2022	520	95

# CITY OF PORTAGE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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### NOTE IV - OTHER INFORMATION (cont.)

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#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

**Actuarial assumptions.** The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2015
Measurement Date of Net Pension Liability (Asset):	December 31, 2016
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.6%
Mortality:	Wisconsin 2012 Mortality Table
Post-retirement Adjustments*:	2.1%

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

Actuarial assumptions are based upon an experience study conducted in 2015 using experience from 2012 – 2014. The total pension liability for December 31, 2016 is based upon a roll-forward of the liability calculated from the December 31, 2015 actuarial valuation.

## CITY OF PORTAGE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2017

### NOTE IV - 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 arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Core Fund Asset Class</u>	<u>Current Asset Allocation %</u>	<u>Destination Target Asset Allocation %</u>	<u>Long-Term Expected Nominal Rate of Return %</u>	<u>Long-Term Expected Real Rate of Return %</u>
Global Equities	50%	45%	8.3%	5.4%
Fixed Income	24.5	37	4.24	1.4
Inflation Sensitive Assets	15.5	20	4.3	1.5
Real Estate	8	7	6.5	3.6
Private Equity/Debt	7	7	9.4	6.5
Multi-Asset	4	4	6.6	3.7
Total Core Fund	110	120	7.4	4.5
<u>Variable Fund Asset Class</u>				
U.S Equities	70	70	7.6	4.7
International Equities	30	30	8.5	5.6
Total Variable Fund	100	100	7.9	5.0

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.75%  
Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations

# CITY OF PORTAGE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

### NOTE IV - OTHER INFORMATION (cont.)

#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

**Single discount rate.** A single discount rate of 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long term bond rate of 3.78%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the city's proportionate share of the net pension liability/(asset) to changes in the discount rate.** The following presents the city's proportionate share of the net pension liability/(asset) calculated using the discount rate of 7.20 percent, as well as what the city's proportionate share of the net pension liability/(asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	1% Decrease to Discount Rate (6.20%)	Current Discount Rate (7.20%)	1% Increase to Discount Rate (8.20%)
City's proportionate share of the net pension liability/(asset)	\$3,940,453	\$299,526	\$(2,504,153)

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

At December 31, 2017, the city reported a payable to the pension plan which represents contractually required contributions outstanding as of the end of the year.

#### 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; workers compensation; and health care of its employees. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

# CITY OF PORTAGE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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### NOTE IV - OTHER INFORMATION (cont.)

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#### ***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 are only reported in governmental funds 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.

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.

The city has active construction projects as of December 31, 2017. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures.

#### ***D. JOINT VENTURES***

##### ***Fire Protection Agreement***

The city has entered into an agreement with the Towns of Pacific, Caledonia, Lewiston, and Fort Winnebago to provide fire protection services. The towns are jointly responsible for the replacement of designated firefighting apparatus used by the city to provide fire/rescue services to the towns. The towns contribute a fixed sum annually to the vehicle and equipment replacement fund. In July 2015, the city turned over the town's balance of the vehicle and equipment replacement fund to be managed by a designated agent assigned by the towns. The amount is based on the amortized replacement cost of firefighting apparatus owned by the towns. The towns contribute an additional amount annually to the Vehicle and Replacement Fund based on the amortized replacement cost of firefighting apparatus owned in common by the towns and the city. The towns' prorated contribution is 49% and the city is 51% of the established annual amortized replacement cost of said apparatus. Each of the four towns' annual contribution is determined on the basis of their respective percentage share of the aggregated equalized assessed valuation of the four towns and is payable to the designated agent. The city does not have an equity interest in the joint venture.

# CITY OF PORTAGE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2017

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## **NOTE IV - OTHER INFORMATION** (cont.)

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### ***E. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS***

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

- > Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*
- > Statement No. 80, *Blending Requirements for Certain Component Units - an Amendment of GASB Statement No. 14*
- > Statement No. 81, *Irrevocable Split-Interest Agreements*
- > Statement No. 83, *Certain Asset Retirement Obligations*
- > Statement No. 84, *Fiduciary Activities*
- > Statement No. 85, *Omnibus 2017*
- > Statement No. 86, *Certain Debt Extinguishment Issues*
- > Statement No. 87, *Leases*

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

**REQUIRED SUPPLEMENTARY INFORMATION**

## CITY OF PORTAGE

### DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL For the Year Ended December 31, 2017

	Original and Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
<b>TAXES</b>			
General property taxes	\$ 3,835,265	\$ 3,848,911	\$ 13,646
Mobile home lottery credit	27,500	21,621	(5,879)
Forest cropland and managed forest land taxes	22	294	272
Sales and use	40	40	-
Total Taxes	<u>3,862,827</u>	<u>3,870,866</u>	<u>8,039</u>
<b>INTERGOVERNMENTAL REVENUES</b>			
State shared revenues	1,639,104	1,671,570	32,466
State expenditure restraint	155,304	155,305	1
Fire insurance tax	24,000	26,849	2,849
State aid - law enforcement improvement	4,270	4,560	290
State aid - general transportation aids	480,984	479,944	(1,040)
State aid - connecting streets	125,815	125,815	-
State aid - recycling	20,000	23,011	3,011
Other state payments	14,000	13,699	(301)
Payments for municipal services	40,000	42,180	2,180
In lieu of taxes on state conservation lands	400	427	27
Other state payments	5,000	4,913	(87)
County aid - highway and bridges	2,000	6,000	4,000
Total Intergovernmental Revenues	<u>2,510,877</u>	<u>2,554,273</u>	<u>43,396</u>
<b>LICENSES AND PERMITS</b>			
Business and occupational licenses	2,500	1,800	(700)
Liquor and malt beverage licenses	33,000	33,049	49
Operators' license	1,465	1,860	395
Mobile home park licenses	300	300	-
Cable television franchise fees	123,000	140,501	17,501
Dog and cat licenses	5,500	5,797	297
Other nonbusiness licenses	500	15	(485)
Other regulatory permits and fees	10,050	14,700	4,650
Total Licenses and Permits	<u>176,315</u>	<u>198,022</u>	<u>21,707</u>
<b>FINES, FORFEITURES AND PENALTIES</b>			
Court penalties and costs	185,500	138,329	(47,171)
Parking violations	8,000	4,645	(3,355)
Judgments and damages	300	599	299
Total Fines, Forfeitures and Penalties	<u>193,800</u>	<u>143,573</u>	<u>(50,227)</u>

See independent auditors' report and accompanying notes to required supplementary information.

## CITY OF PORTAGE

### DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL For the Year Ended December 31, 2017

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>PUBLIC CHARGES FOR SERVICES</b>			
Clerk's fees	\$ 300	\$ 2,017	\$ 1,717
Law enforcement fees	6,000	4,952	(1,048)
Street related facilities	4,500	24,738	20,238
Parking lots, ramps and meters	500	80	(420)
Other transportation	400	408	8
Solid waste disposal	6,500	7,389	889
Weed and nuisance control	6,500	1,956	(4,544)
Culture, recreation and education	10,000	6,472	(3,528)
Parks	40,000	51,463	11,463
Park rental	28,000	8,472	(19,528)
Conservation and development	2,280	3,826	1,546
Other public charges for services	<u>7,450</u>	<u>11,027</u>	<u>3,577</u>
Total Public Charges for Services	<u>112,430</u>	<u>122,800</u>	<u>10,370</u>
<b>INTERGOVERNMENTAL CHARGES FOR SERVICES</b>			
Fire services - rural	130,000	145,690	15,690
HAZMAT services	19,000	25,724	6,724
Intra-agency admin fees	<u>108,179</u>	<u>96,471</u>	<u>(11,708)</u>
Total Intergovernmental Charges for Services	<u>257,179</u>	<u>267,885</u>	<u>10,706</u>
<b>INVESTMENT INCOME</b>			
Investment income	11,000	39,139	28,139
Interest on special assessments	<u>3,000</u>	<u>1,820</u>	<u>(1,180)</u>
Total Investment Income	<u>14,000</u>	<u>40,959</u>	<u>26,959</u>
<b>MISCELLANEOUS REVENUES</b>			
Rent	58,981	70,490	11,509
Insurance recoveries - police	1,000	3,494	2,494
Donations	1,000	9,407	8,407
Insurance dividends	15,000	20,183	5,183
Other miscellaneous	500	4,598	4,098
Insurance recoveries - highway	-	(6,603)	(6,603)
Insurance recoveries - other	-	4,014	4,014
Total Miscellaneous Revenues	<u>76,481</u>	<u>105,583</u>	<u>29,102</u>
 Total Revenues	 <u>7,203,909</u>	 <u>7,303,961</u>	 <u>100,052</u>

See independent auditors' report and accompanying notes to required supplementary information.

## CITY OF PORTAGE

### DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL For the Year Ended December 31, 2017

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>EXPENDITURES</b>			
<b>GENERAL GOVERNMENT</b>			
Council	\$ 39,159	\$ 37,823	\$ 1,336
Judicial	122,172	116,861	5,311
Legal	36,000	17,705	18,295
Mayor	13,752	14,377	(625)
Administrator	153,227	153,530	(303)
General administration	264,831	279,265	(14,434)
Financial administration	233,819	224,689	9,130
General buildings/plant/hall	85,845	75,264	10,581
Safety program	3,245	1,134	2,111
Contingency	<u>26,612</u>	<u>-</u>	<u>26,612</u>
Total General Government	<u>978,662</u>	<u>920,648</u>	<u>58,014</u>
<b>PUBLIC SAFETY</b>			
Police	482,354	524,135	(41,781)
Patrol	1,676,640	1,643,786	32,854
Criminal investigation	315,062	301,340	13,722
Police special services	176,374	169,672	6,702
Fire protection	201,369	200,206	1,163
Suppression	882,763	924,152	(41,389)
Prevention	78,654	84,514	(5,860)
Hazmat	13,000	12,384	616
Inspection	5,200	4,800	400
Emergency government	<u>3,000</u>	<u>4,105</u>	<u>(1,105)</u>
Total Public Safety	<u>3,834,416</u>	<u>3,869,094</u>	<u>(34,678)</u>
<b>PUBLIC WORKS</b>			
Engineering	213,408	217,139	(3,731)
Highway and street maintenance for local	1,161,159	1,112,532	48,627
Highway and street construction for local	-	4,000	(4,000)
Sidewalks, with street reconstruction	-	691	(691)
Storm sewer maintenance	15,000	18,775	(3,775)
Parking facilities	1,500	1,583	(83)
Airport	42,802	28,083	14,719
Solid waste disposal	363,599	365,310	(1,711)
Weed and nuisance control	8,000	6,356	1,644
Recycling	<u>-</u>	<u>7,000</u>	<u>(7,000)</u>
Total Public Works	<u>1,805,468</u>	<u>1,761,469</u>	<u>43,999</u>
<b>HEALTH AND HUMAN SERVICES</b>			
Public health services	18,000	18,000	-
Cemetery	<u>42,500</u>	<u>42,500</u>	<u>-</u>
Total Health and Human Services	<u>60,500</u>	<u>60,500</u>	<u>-</u>

See independent auditors' report and accompanying notes to required supplementary information.

## CITY OF PORTAGE

### DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL For the Year Ended December 31, 2017

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>CULTURE, RECREATION, AND EDUCATION</b>			
Cable television	\$ 21,915	\$ 14,709	\$ 7,206
Parks	170,646	168,431	2,215
Recreation programs and events	75,279	67,940	7,339
Park maintenance	<u>388,596</u>	<u>396,212</u>	<u>(7,616)</u>
Total Culture, Recreation, and Education	<u>656,436</u>	<u>647,292</u>	<u>9,144</u>
<b>CONSERVATION AND DEVELOPMENT</b>			
Community development	79,866	79,864	2
Planning	<u>2,100</u>	<u>841</u>	<u>1,259</u>
Total Conservation and Development	<u>81,966</u>	<u>80,705</u>	<u>1,261</u>
Total Expenditures	<u>7,417,448</u>	<u>7,339,708</u>	<u>77,740</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(213,539)</u>	<u>(35,747)</u>	<u>177,792</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from sale of capital assets	3,500	2,707	(793)
Transfers in	366,144	381,182	15,038
Transfers out	<u>(267,307)</u>	<u>(508,865)</u>	<u>(241,558)</u>
Total Other Financing Sources (Uses)	<u>102,337</u>	<u>(124,976)</u>	<u>(227,313)</u>
<b>Net Change in Fund Balance</b>	(111,202)	(160,723)	(49,521)
FUND BALANCE - Beginning of Year	<u>4,058,221</u>	<u>4,058,221</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 3,947,019</u>	<u>\$ 3,897,498</u>	<u>\$ (49,521)</u>

See independent auditors' report and accompanying notes to required supplementary information.

## CITY OF PORTAGE

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CDBG FUND For the Year Ended December 31, 2017

	Original and Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Public charges for services	\$ 20,000	\$ 49,278	\$ 29,278
Investment income	50	402	352
Total Revenues	<u>20,050</u>	<u>49,680</u>	<u>29,630</u>
<b>EXPENDITURES</b>			
Current			
Conservation and development	<u>17,620</u>	<u>67,125</u>	<u>(49,505)</u>
Total Expenditures	<u>17,620</u>	<u>67,125</u>	<u>(49,505)</u>
<b>Net Change in Fund Balance</b>	2,430	(17,445)	(19,875)
FUND BALANCE - Beginning of Year	<u>35,373</u>	<u>35,373</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 37,803</u>	<u>\$ 17,928</u>	<u>\$ (19,875)</u>

See accountants' report and accompanying notes to required supplementary information.

## CITY OF PORTAGE

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - MASS TRANSIT FUND For the Year Ended December 31, 2017

	Original and Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Intergovernmental	\$ 776,647	\$ 578,990	\$ (197,657)
Charges for services	504,750	-	(504,750)
Miscellaneous	7,083	43,107	36,024
<b>Total Revenues</b>	<u>1,288,480</u>	<u>622,097</u>	<u>(666,383)</u>
<b>EXPENDITURES</b>			
Current			
Public works	<u>1,345,480</u>	<u>766,962</u>	<u>578,518</u>
<b>Total Expenditures</b>	<u>1,345,480</u>	<u>766,962</u>	<u>578,518</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(57,000)</u>	<u>(144,865)</u>	<u>(87,865)</u>
<b>OTHER FINANCING SOURCES</b>			
Transfers in	57,000	57,000	-
Proceeds from sale of capital assets	-	7,937	7,937
<b>Total Other Financing Sources</b>	<u>57,000</u>	<u>64,937</u>	<u>7,937</u>
<b>Net Change in Fund Balance</b>	-	(79,928)	(79,928)
FUND BALANCE (DEFICIT) - Beginning of Year	<u>(40,513)</u>	<u>(40,513)</u>	<u>-</u>
<b>FUND BALANCE (DEFICIT) - END OF YEAR</b>	<u>\$ (40,513)</u>	<u>\$ (120,441)</u>	<u>\$ (79,928)</u>

See accountants' report and accompanying notes to required supplementary information.

**CITY OF PORTAGE**

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION (ASSET) / LIABILITY -  
WISCONSIN RETIREMENT SYSTEM  
For the Year Ended December 31, 2017

<u>Fiscal Year Ending</u>	<u>Proportion of the Net Pension (Asset)/Liability</u>	<u>Proportionate Share of the Net Pension (Asset)/Liability</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net Pension (Asset)/Liability as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
12/31/17	0.036339680%	\$ 299,526	\$ 4,267,076	7.02%	99.12%
12/31/16	0.035892190%	583,241	4,168,161	13.99%	98.20%
12/31/15	0.035646970%	(875,587)	4,085,943	21.43%	102.74%

SCHEDULE OF EMPLOYER CONTRIBUTIONS - WISCONSIN RETIREMENT SYSTEM  
For the Year Ended December 31, 2017

<u>Fiscal Year Ending</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/17	\$ 389,956	\$ 389,956	\$ -	\$ 4,382,904	8.90%
12/31/16	351,000	351,000	-	4,273,077	8.21%
12/31/15	356,206	356,206	-	4,085,943	8.72%

See independent auditors' report and accompanying notes to the required supplementary information.

# CITY OF PORTAGE

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended December 31, 2017

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### ***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. C.

The budgeted amounts presented are as presented in the original budget and no amendments were adopted during the year. The city may authorize transfers of budgeted amounts within departments. Transfers between departments and changes to the overall budget must be approved by a two-thirds action.

Appropriations lapse at year end unless specifically carried over. There were no carryovers to the following year. Budgets are adopted at the department level of expenditure.

### ***WISCONSIN RETIREMENT SYSTEM***

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

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

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

*Changes in assumptions.* There were no changes in assumptions.

**SUPPLEMENTARY INFORMATION**

# CITY OF PORTAGE

## COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS As of December 31, 2017

	Special Revenue Funds			
	Park Land Dedication Fund	Swimming Pool Fund	Inspection Fund	Library Fund
<b>ASSETS</b>				
Cash and investments	\$ 108,826	\$ -	\$ 29,871	\$ 144,010
Receivables				
Taxes	-	-	-	480,412
Accounts	5,000	-	-	-
Special assessments	-	-	-	-
Other	-	-	-	-
Prepaid items	-	176	711	10,883
Restricted cash and investments	-	-	-	-
	<u>\$ 113,826</u>	<u>\$ 176</u>	<u>\$ 30,582</u>	<u>\$ 635,305</u>
<b>TOTAL ASSETS</b>				
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ -	\$ 30	\$ 276	\$ 9,170
Accrued liabilities	-	2,090	3,120	26,688
Deposits	-	-	-	-
Due to other governments	-	83	-	-
Due to other funds	-	-	16	-
Advances from other funds	-	90,489	-	-
Total Liabilities	<u>-</u>	<u>92,692</u>	<u>3,412</u>	<u>35,858</u>
Deferred Inflows of Resources				
Property taxes levied for next period	-	-	-	480,412
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>480,412</u>
Fund Balances				
Nonspendable	-	176	711	10,883
Restricted	-	-	-	108,152
Assigned	113,826	-	26,459	-
Unassigned (deficit)	-	(92,692)	-	-
Total Fund Balances (Deficit)	<u>113,826</u>	<u>(92,516)</u>	<u>27,170</u>	<u>119,035</u>
	<u>\$ 113,826</u>	<u>\$ 176</u>	<u>\$ 30,582</u>	<u>\$ 635,305</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				

Special Revenue Funds

Library - Restricted Fund	Criminal Investigation Fund	Tourism Promotion Fund	School Liaison Fund	Donation Fund	Economic Development Fund	Economic Development Business Incubator Fund
\$ 13,155	\$ 9,499	\$ 154,692	\$ 12,387	\$ 87,946	\$ 107,619	\$ 90,463
-	-	-	-	-	-	-
-	-	-	-	1,551	16,522	-
-	-	-	-	-	-	12,209
-	-	-	-	-	-	1,343
<u>53,950</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 67,105</u>	<u>\$ 9,499</u>	<u>\$ 154,692</u>	<u>\$ 12,387</u>	<u>\$ 89,497</u>	<u>\$ 124,141</u>	<u>\$ 104,015</u>
\$ -	\$ 56	\$ 3,000	\$ 510	\$ -	\$ -	\$ 3,257
-	-	-	-	-	-	3,402
-	-	-	-	-	-	7,186
-	-	3,826	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>56</u>	<u>6,826</u>	<u>510</u>	<u>-</u>	<u>-</u>	<u>13,845</u>
-	-	-	-	-	-	-
-	-	-	-	2,500	16,522	-
-	-	-	-	2,500	16,522	-
-	-	-	-	-	-	1,343
67,105	-	-	-	86,997	-	-
-	9,443	147,866	11,877	-	107,619	88,827
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>67,105</u>	<u>9,443</u>	<u>147,866</u>	<u>11,877</u>	<u>86,997</u>	<u>107,619</u>	<u>90,170</u>
<u>\$ 67,105</u>	<u>\$ 9,499</u>	<u>\$ 154,692</u>	<u>\$ 12,387</u>	<u>\$ 89,497</u>	<u>\$ 124,141</u>	<u>\$ 104,015</u>

# CITY OF PORTAGE

## COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS As of December 31, 2017

	Special Revenue Funds			
	HUD Fund	Wheel Tax Fund	Ambulance Fund	Post Retirement Benefits Fund
<b>ASSETS</b>				
Cash and investments	\$ -	\$ 75,590	\$ 59,994	\$ -
Receivables				
Taxes	-	-	-	-
Accounts	70,993	-	-	-
Special assessments	-	-	-	-
Other	-	-	-	-
Prepaid items	-	-	-	3,297
Restricted cash and investments	-	-	-	-
	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 70,993</b>	<b>\$ 75,590</b>	<b>\$ 59,994</b>	<b>\$ 3,297</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ -	\$ 18,826	\$ 9,204	\$ -
Accrued liabilities	-	-	-	-
Deposits	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	6,208
Advances from other funds	-	-	-	-
Total Liabilities	-	18,826	9,204	6,208
Deferred Inflows of Resources				
Property taxes levied for next period	-	-	-	-
Unavailable revenues	70,993	-	-	-
Total Deferred Inflows of Resources	70,993	-	-	-
Fund Balances				
Nonspendable	-	-	-	3,297
Restricted	-	56,764	-	-
Assigned	-	-	50,790	-
Unassigned (deficit)	-	-	-	(6,208)
Total Fund Balances (Deficit)	-	56,764	50,790	(2,911)
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 70,993</b>	<b>\$ 75,590</b>	<b>\$ 59,994</b>	<b>\$ 3,297</b>

Capital Projects Funds

Industrial Development Fund	Revolving Sidewalk Fund	Revolving Alley Fund	Canal Project Fund	Airport Construction Fund	TIF #4	TIF #5
\$ 48	\$ 35,389	\$ 6,962	\$ 139,812	\$ 45,898	\$ -	\$ -
-	16,678	18,755	-	-	14,673	94,489
-	303	-	-	-	-	-
-	79,111	52,519	-	-	-	-
-	-	-	-	-	-	11,305
-	-	-	-	-	-	-
<u>48</u>	<u>131,481</u>	<u>78,236</u>	<u>139,812</u>	<u>45,898</u>	<u>14,673</u>	<u>105,794</u>
\$ -	\$ 119	\$ 94	\$ -	\$ -	\$ 4,775	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	36,073	73,303	-	-	-	-
-	-	-	-	-	643,055	421,819
<u>-</u>	<u>36,192</u>	<u>73,397</u>	<u>-</u>	<u>-</u>	<u>647,830</u>	<u>421,819</u>
-	16,678	18,755	-	-	14,673	94,489
-	79,111	52,519	-	-	-	-
<u>-</u>	<u>95,789</u>	<u>71,274</u>	<u>-</u>	<u>-</u>	<u>14,673</u>	<u>94,489</u>
-	-	-	-	-	-	-
48	-	-	139,812	45,898	-	-
<u>-</u>	<u>(500)</u>	<u>(66,435)</u>	<u>-</u>	<u>-</u>	<u>(647,830)</u>	<u>(410,514)</u>
<u>48</u>	<u>(500)</u>	<u>(66,435)</u>	<u>139,812</u>	<u>45,898</u>	<u>(647,830)</u>	<u>(410,514)</u>
<u>\$ 48</u>	<u>\$ 131,481</u>	<u>\$ 78,236</u>	<u>\$ 139,812</u>	<u>\$ 45,898</u>	<u>\$ 14,673</u>	<u>\$ 105,794</u>

# CITY OF PORTAGE

## COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS As of December 31, 2017

	Capital Projects Funds			
	TIF #6	TIF #7	TIF #8	TIF #9
<b>ASSETS</b>				
Cash and investments	\$ -	\$ 132,391	\$ 51,083	\$ -
Receivables				
Taxes	-	-	66,307	-
Accounts	-	-	-	-
Special assessments	-	-	6,635	-
Other	-	-	-	-
Prepaid items	-	-	-	-
Restricted cash and investments	-	-	-	-
	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ 132,391</b>	<b>\$ 124,025</b>	<b>\$ -</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ 1,257	\$ 2,552	\$ 151	\$ -
Accrued liabilities	-	-	-	-
Deposits	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	66,108	-	-	15,335
Total Liabilities	67,365	2,552	151	15,335
Deferred Inflows of Resources				
Property taxes levied for next period	-	-	66,307	-
Unavailable revenues	-	-	6,635	-
Total Deferred Inflows of Resources	-	-	72,942	-
Fund Balances				
Nonspendable	-	-	-	-
Restricted	-	129,839	50,932	-
Assigned	-	-	-	-
Unassigned (deficit)	(67,365)	-	-	(15,335)
Total Fund Balances (Deficit)	(67,365)	129,839	50,932	(15,335)
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ -</b>	<b>\$ 132,391</b>	<b>\$ 124,025</b>	<b>\$ -</b>

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Total Nonmajor  
Governmental  
Funds

\$ 1,305,635

691,314

94,369

138,265

23,514

16,410

53,950

\$ 2,323,457

\$ 53,277

35,300

7,186

83

119,426

1,236,806

1,452,078

691,314

228,280

919,594

16,410

499,789

742,465

(1,306,879)

(48,215)

\$ 2,323,457

## CITY OF PORTAGE

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2017

	Special Revenue Funds			
	Park Land Dedication Fund	Swimming Pool Fund	Inspection Fund	Library Fund
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ 476,963
Special assessments	-	-	-	-
Intergovernmental	-	-	-	226,516
Licenses and permits	-	-	170,355	-
Public charges for services	-	33,450	-	11,752
Intergovernmental charges for services	-	-	21,642	-
Investment income	812	-	329	1,308
Miscellaneous	50,000	10,000	-	346
Total Revenues	50,812	43,450	192,326	716,885
<b>EXPENDITURES</b>				
Current				
General government	-	-	-	-
Public safety	-	-	180,478	-
Public works	-	-	-	-
Culture, recreation and education	-	56,174	-	680,899
Conservation and development	-	-	-	-
Capital Outlay	132,033	-	-	-
Debt Service				
Interest and fiscal charges	-	-	-	1,655
Total Expenditures	132,033	56,174	180,478	682,554
Excess (deficiency) of revenues over expenditures	(81,221)	(12,724)	11,848	34,331
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Debt issued	-	-	-	95,000
Premium on debt issued	-	-	-	4,070
Total Other Financing Sources (Uses)	-	-	-	99,070
<b>Net Change in Fund Balances</b>	(81,221)	(12,724)	11,848	133,401
FUND BALANCES (DEFICIT) - Beginning of Year	195,047	(79,792)	15,322	(14,366)
<b>FUND BALANCES (DEFICIT) - END OF YEAR</b>	\$ 113,826	\$ (92,516)	\$ 27,170	\$ 119,035

Special Revenue Funds

Library- Restricted Fund	Criminal Investigation Fund	Tourism Promotion Fund	School Liaison Fund	Donation Fund	Economic Development Fund	Economic Development Business Incubator Fund
\$ -	\$ -	\$ 187,493	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	15,813	-	-
-	6,675	-	-	-	12,184	-
-	-	-	-	-	-	-
-	47	338	95	763	922	-
<u>39,336</u>	<u>-</u>	<u>-</u>	<u>15,918</u>	<u>26,726</u>	<u>-</u>	<u>145,417</u>
<u>39,336</u>	<u>6,722</u>	<u>187,831</u>	<u>16,013</u>	<u>43,302</u>	<u>13,106</u>	<u>145,417</u>
-	-	-	-	5,120	-	-
-	1,888	-	7,739	21,798	-	-
-	-	-	-	-	-	-
48,182	-	134,174	-	9,960	-	-
-	-	-	-	-	4,670	110,851
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>48,182</u>	<u>1,888</u>	<u>134,174</u>	<u>7,739</u>	<u>36,878</u>	<u>4,670</u>	<u>110,851</u>
<u>(8,846)</u>	<u>4,834</u>	<u>53,657</u>	<u>8,274</u>	<u>6,424</u>	<u>8,436</u>	<u>34,566</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	(14,908)
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(14,908)</u>
(8,846)	4,834	53,657	8,274	6,424	8,436	19,658
<u>75,951</u>	<u>4,609</u>	<u>94,209</u>	<u>3,603</u>	<u>80,573</u>	<u>99,183</u>	<u>70,512</u>
<u>\$ 67,105</u>	<u>\$ 9,443</u>	<u>\$ 147,866</u>	<u>\$ 11,877</u>	<u>\$ 86,997</u>	<u>\$ 107,619</u>	<u>\$ 90,170</u>

**CITY OF PORTAGE**

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2017

	Special Revenue Funds			
	HUD Fund	Wheel Tax Fund	Ambulance Fund	Post Retirement Benefits Fund
<b>REVENUES</b>				
Taxes	\$ -	\$ 116,586	\$ -	\$ -
Special assessments	-	-	-	-
Intergovernmental	-	-	-	-
Licenses and permits	-	-	-	-
Public charges for services	-	3,409	-	-
Intergovernmental charges for services	-	-	-	-
Investment income	-	-	89	-
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<u>-</u>	<u>119,995</u>	<u>89</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current				
General government	-	-	-	-
Public safety	-	-	-	45,875
Public works	-	63,231	-	6,651
Culture, recreation and education	-	-	-	5,385
Conservation and development	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<u>-</u>	<u>63,231</u>	<u>-</u>	<u>57,911</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>56,764</u>	<u>89</u>	<u>(57,911)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	55,000
Transfers out	-	-	-	-
Debt issued	-	-	-	-
Premium on debt issued	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>55,000</u>
<b>Net Change in Fund Balances</b>	-	56,764	89	(2,911)
FUND BALANCES (DEFICIT) - Beginning of Year	<u>-</u>	<u>-</u>	<u>50,701</u>	<u>-</u>
<b>FUND BALANCES (DEFICIT) - END OF YEAR</b>	<u>\$ -</u>	<u>\$ 56,764</u>	<u>\$ 50,790</u>	<u>\$ (2,911)</u>

Capital Projects Funds

Industrial Development Fund	Revolving Sidewalk Fund	Revolving Alley Fund	Canal Project Fund	Airport Construction Fund	TIF #4	TIF #5
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,257	\$ 94,941
-	69,423	30,012	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1	1,012	1,112	888	46	-	-
-	-	-	-	-	-	11,305
<u>1</u>	<u>70,435</u>	<u>31,124</u>	<u>888</u>	<u>46</u>	<u>14,257</u>	<u>106,246</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	2,721	109,349	15,148	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	10,868	9,104
-	122,468	-	-	-	4,775	-
-	-	-	-	-	-	-
-	<u>125,189</u>	<u>109,349</u>	<u>15,148</u>	-	<u>15,643</u>	<u>9,104</u>
<u>1</u>	<u>(54,754)</u>	<u>(78,225)</u>	<u>(14,260)</u>	<u>46</u>	<u>(1,386)</u>	<u>97,142</u>
-	-	-	-	-	14,908	-
-	-	-	-	-	(142,090)	(160,950)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	<u>(127,182)</u>	<u>(160,950)</u>
1	(54,754)	(78,225)	(14,260)	46	(128,568)	(63,808)
<u>47</u>	<u>54,254</u>	<u>11,790</u>	<u>154,072</u>	<u>45,852</u>	<u>(519,262)</u>	<u>(346,706)</u>
<u>\$ 48</u>	<u>\$ (500)</u>	<u>\$ (66,435)</u>	<u>\$ 139,812</u>	<u>\$ 45,898</u>	<u>\$ (647,830)</u>	<u>\$ (410,514)</u>

## CITY OF PORTAGE

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2017

	Capital Projects Funds			
	TIF #6	TIF #7	TIF #8	TIF #9
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ 65,841	\$ -
Special assessments	-	-	2,677	-
Intergovernmental	3,322	1,680	725	-
Licenses and permits	-	-	-	-
Public charges for services	-	-	-	-
Intergovernmental charges for services	-	-	-	-
Investment income	-	-	3,980	-
Miscellaneous	-	-	-	-
Total Revenues	3,322	1,680	73,223	-
<b>EXPENDITURES</b>				
Current				
General government	-	-	150	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture, recreation and education	-	-	-	-
Conservation and development	3,685	5,905	4,011	15,335
Capital Outlay	20,551	41,644	-	-
Debt Service				
Interest and fiscal charges	518	1,051	-	-
Total Expenditures	24,754	48,600	4,161	15,335
Excess (deficiency) of revenues over expenditures	(21,432)	(46,920)	69,062	(15,335)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	(1,758)	(63,478)	(42,838)	-
Debt issued	29,700	60,300	-	-
Premium on debt issued	1,272	2,583	-	-
Total Other Financing Sources (Uses)	29,214	(595)	(42,838)	-
<b>Net Change in Fund Balances</b>	7,782	(47,515)	26,224	(15,335)
FUND BALANCES (DEFICIT) - Beginning of Year	(75,147)	177,354	24,708	-
<b>FUND BALANCES (DEFICIT) - END OF YEAR</b>	\$ (67,365)	\$ 129,839	\$ 50,932	\$ (15,335)

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Total  
Nonmajor  
Governmental  
Funds

\$ 956,081  
102,112  
248,056  
170,355  
67,470  
21,642  
11,742  
299,048  
1,876,506

5,270  
257,778  
197,100  
934,774  
164,429  
321,471

3,224  
1,884,046

(7,540)

69,908  
(426,022)  
185,000  
7,925  
(163,189)

(170,729)

122,514

\$ (48,215)