

CITY OF PORTAGE

Portage, Wisconsin

FINANCIAL STATEMENTS

Including Independent Auditors' Report

As of and for the Year Ended December 31, 2018

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, 2018, 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, 2018 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
August 20, 2019

CITY OF PORTAGE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) As of and for the Year Ended December 31, 2018

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, 2018. We encourage readers to consider the information presented here in conjunction with the city's financial statements.

FINANCIAL HIGHLIGHTS

- > The assets and deferred outflows of the City of Portage exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$40,477,617 (net position). Of this amount, \$7,419,762 is available for spending at the government's discretion (unrestricted net position). The total net position includes all major infrastructure networks.
- > The City of Portage's total net position decreased by \$25,127 in 2018.
- > As of the close of the current fiscal year, the City of Portage's governmental funds reported combined ending fund balances of \$5,785,722, which represents a decrease of \$2,123,166 in comparison with 2017.
- > At the end of the current fiscal year, unassigned fund balance for the general fund was \$2,101,550 or approximately 28% of the total general fund expenditures.
- > Total governmental activities general obligation debt decreased \$741,000 to \$12,854,000 and business-type general obligation debt decreased \$510,000 to \$3,320,000.

OVERVIEW OF THE FINANCIAL STATEMENTS

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, 2018

OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

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 34 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, 2018

OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

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.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

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 and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$40,477,617 as of December 31, 2018.

CITY OF PORTAGE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

As of and for the Year Ended December 31, 2018

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

The largest portion of the city's net position (approximately 71%) 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 are 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 11%) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position of \$7,419,762 may be used to meet the government's ongoing obligation to citizens and creditors.

CITY OF PORTAGE'S NET POSITION						
	Governmental Activities		Business-Type Activities		Totals	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 15,383,505	\$ 16,416,820	\$ 7,598,447	\$ 8,532,335	\$ 22,981,952	\$ 24,949,155
Capital assets	30,481,176	29,307,276	21,077,011	21,005,422	51,558,187	50,312,698
Total Assets	45,864,681	45,724,096	28,675,458	29,537,757	74,540,139	75,261,853
Pension related amounts	1,792,747	2,042,328	228,332	268,203	2,021,079	2,310,531
Total Deferred Outflows of Resources	1,792,747	2,042,328	228,332	268,203	2,021,079	2,310,531
Other liabilities	1,005,020	1,053,931	203,374	192,699	1,208,394	1,246,630
Long-term liabilities	14,248,280	15,429,442	12,480,262	13,630,190	26,728,542	29,059,632
Total Liabilities	15,253,300	16,483,373	12,683,636	13,822,889	27,936,936	30,306,262
Unearned revenues	5,964,069	5,806,502	860	860	5,964,929	5,807,362
Pension related amounts	1,926,344	843,866	255,392	112,150	2,181,736	956,016
Total Deferred Inflows of Resources	7,890,413	6,650,368	256,252	113,010	8,146,665	6,763,378
Net investment in capital assets	18,109,397	18,375,626	10,613,211	11,302,411	28,722,608	29,678,037
Restricted	3,208,916	2,229,268	1,126,331	1,373,482	4,335,247	3,602,750
Unrestricted	3,195,402	4,027,789	4,224,360	3,194,168	7,419,762	7,221,957
TOTAL NET POSITION	\$ 24,513,715	\$ 24,632,683	\$ 15,963,902	\$ 15,870,061	\$ 40,477,617	\$ 40,502,744

Analysis of the City's Operations – The following table provides a summary of the city's operations for the year ended December 31, 2018. Net position for governmental activities decreased by \$118,968 to a total of \$24,513,715. Business-type activities increased by \$93,841 to a total of \$15,963,902.

CITY OF PORTAGE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

As of and for the Year Ended December 31, 2018

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.

CITY OF PORTAGE CONDENSED STATEMENT OF ACTIVITIES						
	Governmental Activities		Business-Type Activities		Totals	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services	\$ 1,412,614	\$ 1,051,162	\$ 3,870,503	\$ 3,782,570	\$ 5,283,117	\$ 4,833,732
Operating grants and contributions	1,412,267	1,582,796	31,972	32,436	1,444,239	1,615,232
Capital grants and contributions	757,463	610,253	207,041	174,596	964,504	784,849
General revenues:					-	
Property taxes	5,758,696	5,296,087	-	-	5,758,696	5,296,087
Other taxes	370,450	326,034	-	-	370,450	326,034
Intergovernmental	1,982,442	2,032,646	-	-	1,982,442	2,032,646
Investment income	124,801	77,185	88,023	44,595	212,824	121,780
Gain on disposal of assets	252,342	-	-	-	252,342	-
Miscellaneous	46,600	121,877	28,291	20,848	74,891	142,725
Total Revenues	12,117,675	11,098,040	4,225,830	4,055,045	16,343,505	15,153,085
Expenses:						
General government	1,359,390	1,136,063	-	-	1,359,390	1,136,063
Public safety	4,062,496	4,502,441	-	-	4,062,496	4,502,441
Public works	4,805,583	4,593,957	-	-	4,805,583	4,593,957
Health and human services	60,500	60,500	-	-	60,500	60,500
Culture, education and recreation	1,726,492	1,807,980	-	-	1,726,492	1,807,980
Conservation and development	266,556	322,731	-	-	266,556	322,731
Interest and fiscal charges	340,589	382,900	-	-	340,589	382,900
Water utility	-	-	1,698,338	1,584,892	1,698,338	1,584,892
Sewer utility	-	-	2,048,688	2,169,143	2,048,688	2,169,143
Total Expenses	12,621,606	12,806,572	3,747,026	3,754,035	16,368,632	16,560,607
Income Before Transfers	(503,931)	(1,708,532)	478,804	301,010	(25,127)	(1,407,522)
Transfers	384,963	381,182	(384,963)	(381,182)	-	-
Increase (Decrease) in net position	(118,968)	(1,327,350)	93,841	(80,172)	(25,127)	(1,407,522)
Net Position - beginning	24,632,683	25,960,033	15,870,061	15,950,233	40,502,744	41,910,266
Net Position - Ending	\$ 24,513,715	\$ 24,632,683	\$ 15,963,902	\$ 15,870,061	\$ 40,477,617	\$ 40,502,744

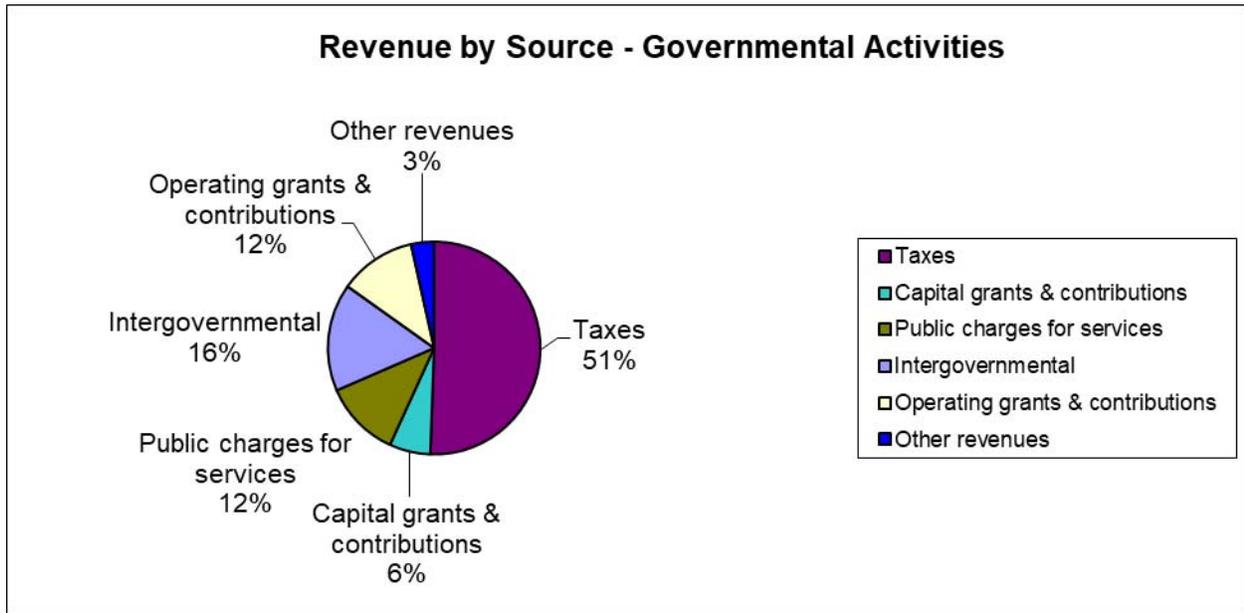
CITY OF PORTAGE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
As of and for the Year Ended December 31, 2018

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

GOVERNMENTAL ACTIVITIES

The city received a total of \$12,117,675 in governmental activity revenues in 2018. As the following chart indicates, the largest revenue source is taxes followed by intergovernmental revenues.



Total governmental activities expenses were \$12,621,606 in 2018. Expenses exceeded revenues by \$503,931. After transfers in, there was a decrease in net position of \$118,968.

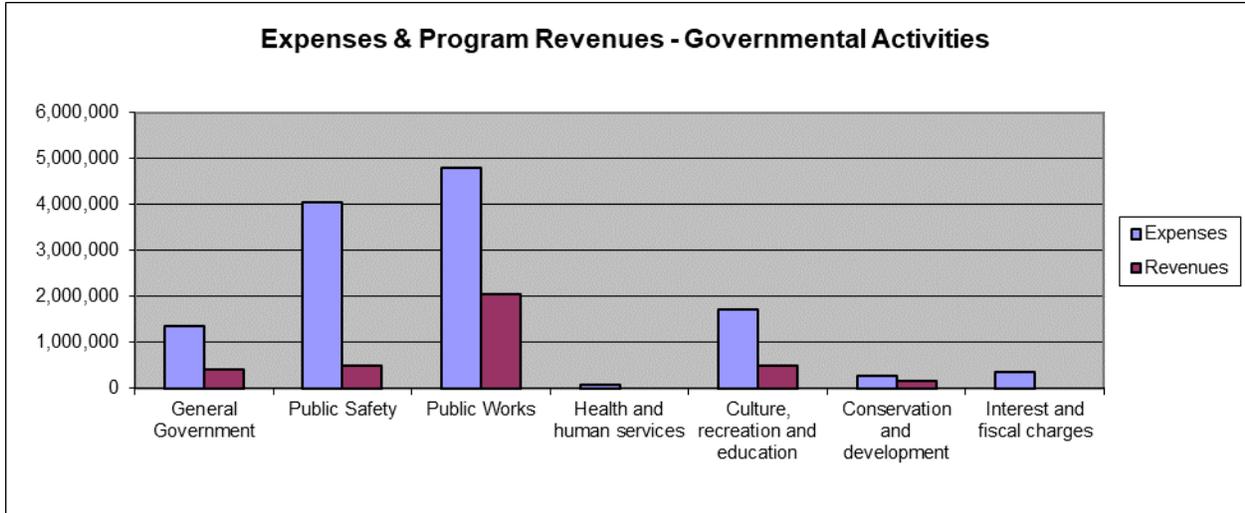
In 2018, Public Works accounted for the largest share of city expenditures at 38%. This was followed closely by expenditures on Public Safety activities (police, fire, EMS, emergency government) at 32%. Other expenditure areas included General Government at 11%; Culture, Education, and Recreation at 14%, Interest and Fiscal Charges at 3%, Conservation and Development at 2%, and Health and Human Services at less than 1%.

CITY OF PORTAGE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
As of and for the Year Ended December 31, 2018

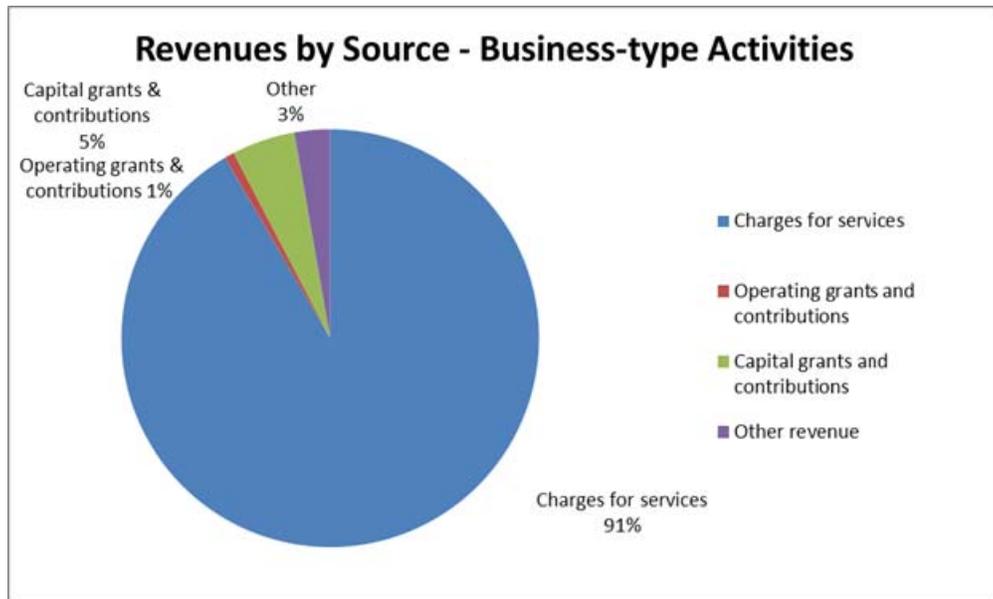
FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (cont.)

GOVERNMENTAL ACTIVITIES (cont.)



BUSINESS-TYPE ACTIVITIES

The city generated \$4,225,830 in business-type activity revenue in 2018 from its Water and Sewer Utilities. Charges for services are by far the largest revenue source for these operations, representing 91% of revenues.



CITY OF PORTAGE, WISCONSIN

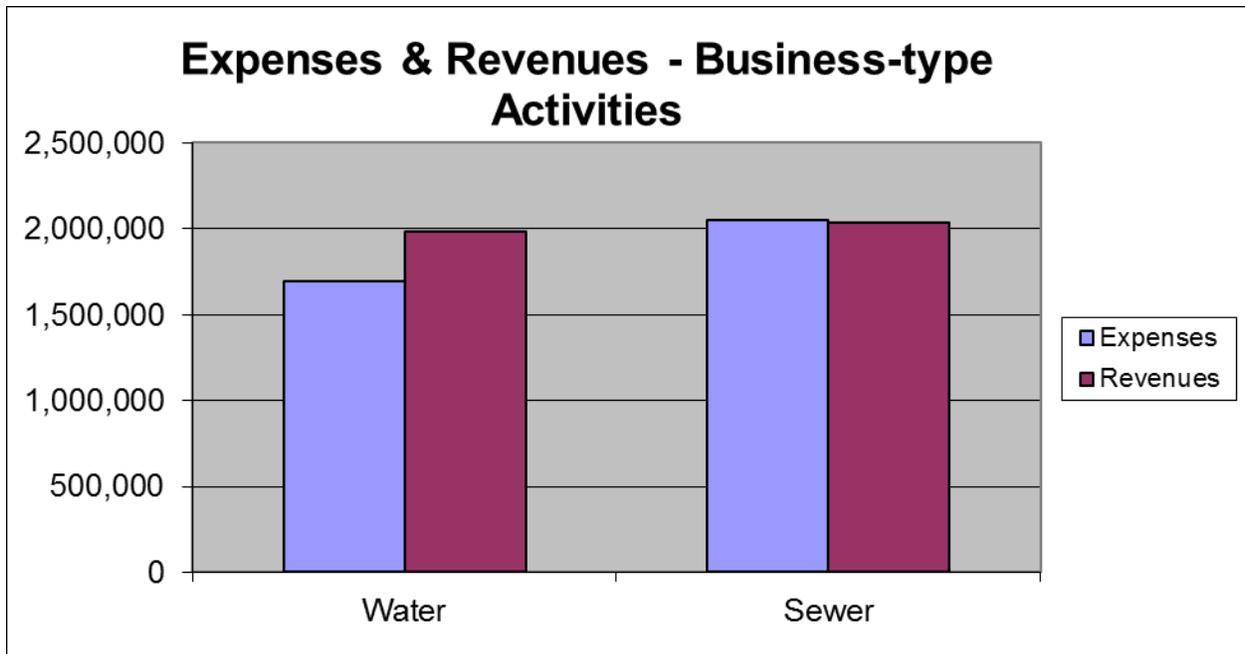
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

As of and for the Year Ended December 31, 2018

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

BUSINESS-TYPE ACTIVITIES (cont.)

Business-type activities increased the city's net position by \$93,841 in 2018, which represents an increase of less than 1% over the previous year. The net operating income of the Water and Sewer Utilities was \$494,245. 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, 2018

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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 \$5,785,722. Approximately 7% of this total amount, \$389,416 constitutes unassigned fund balance. The remainder of the fund balance is not available for new spending because it has already been committed, restricted, assigned, or is in a nonspendable format.

MAJOR FUNDS

General Fund – The General Fund is the main operating fund of the city. The general fund balance decreased from \$3,897,498 to \$3,782,183, or \$115,315. Overall, expenditures in the General Fund were under budget by \$53,794; total revenues were \$13,696 lower than budgeted with other financing sources and uses under budget by \$31,521. 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 2018, the loan portfolio of this fund shows the net receivable balance increased from \$1,384,453 to \$1,387,097, or \$2,644.

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 an increase in fund balance of \$139,756. Mainly due to the timing of the fourth quarter Federal payment of \$94,231 received in March 2018 along with the receipt from the State Audit of the 2016 annual contract of \$25,608 in which 10% of the State's grant is withheld pending final audit.

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 \$43,089 deficit from 2017 was offset by the transfer of debt premium of \$130,239 resulting in a fund balance of \$87,151 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 changed from \$3,097,940 to \$993,883, a decrease of \$2,104,057. Use of bond proceeds issued in 2017 for 2018 projects is the main reason for the decrease.

Vehicle Replacement Fund – This fund is used to account for amounts assigned to vehicle acquisitions. For 2018, there was an increase in this fund of \$349,665 resulting from revenues and other financing sources of \$500,524, including sale of the city's share of a fire truck to the surrounding Towns in the amount of \$252,342, less purchases of \$150,859 for scheduled replacements.

NONMAJOR GOVERNMENTAL FUNDS

Fund balance of all other governmental funds is a deficit of \$615,711 and is comprised of restricted and assigned amounts, in addition to some unassigned (deficit) balances. This is a decrease of \$567,496 from 2017, including a \$390,372 decrease in overall TID related funds, \$109,359 decrease in other capital project funds, and a decrease of \$67,765 in all other funds.

CITY OF PORTAGE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

As of and for the Year Ended December 31, 2018

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

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 \$7,611 or 0.1%. Operating income was \$383,905, compared to \$478,966 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 increased \$86,230 or 1.4%. Operating income was \$110,340, compared to \$12,589 in the prior year.

GENERAL FUND BUDGETARY HIGHLIGHTS

The total original and final budgets, including those for transfers out, were \$7,896,246, while the actual expenditures were \$7,904,485 unfavorable to budget by (\$8,239). Actual revenues and other financing sources were above budgeted revenues in total by \$16,816, resulting in an \$8,577 favorable change to budget.

The actual expenditures were below budget in the following areas: general government \$9,964, public works \$57,796, and culture, rec, other \$2,202 departments. These were offset by public safety (\$16,168), and net transfers out (\$62,033).

Revenues were lower overall leading with intergovernmental (\$36,206), followed by fines, forfeitures and penalties (\$27,689), and intergovernmental charges for services (\$18,006), offset by other sources \$30,512 investment income \$26,090, miscellaneous revenues \$25,833, Taxes \$10,593, and Licenses and permits & other \$5,689.

CITY OF PORTAGE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

As of and for the Year Ended December 31, 2018

CAPITAL ASSETS

At the end of 2018, the city had invested a total of \$51,558,187 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: street reconstruction including water mains, sewer laterals, and storm water; sewer roof on sludge and dewatering building; sewer RBC replacement; partial replacement on municipal building roof; parking lot redevelopment; northside stormwater construction; street overlays, alley and sidewalk projects; adult softball field; little league field; boat launch; playground equipment at Silver Lake and Sunset parks; defibrillators; police dash cameras; two police vehicles; two pickup trucks for fire and public works, Deere UTV mower; vehicle- taxi.

CITY OF PORTAGE CAPITAL ASSETS AT YEAR-END NET OF ACCUMULATED DEPRECIATION			
	Governmental Activities 2018	Business-type Activities 2018	Total
Land	\$ 2,257,864	\$ 500,618	\$ 2,758,482
Construction in progress	960,293	150,061	1,110,354
Buildings and improvement	16,361,804		16,361,804
Equipment	8,879,943		8,879,943
Infrastructure	34,190,171		34,190,171
Water plant		21,750,546	21,750,546
Sewer plant		26,892,901	26,892,901
Less Depreciation	(32,168,899)	(28,217,115)	(60,386,014)
Totals	\$ 30,481,176	\$ 21,077,011	\$ 51,558,187

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

CITY OF PORTAGE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
As of and for the Year Ended December 31, 2018

LONG-TERM DEBT

The city had \$25,002,574 in outstanding notes and bonds payable at the end of 2018. Of the bonded debt, \$12,854,000 is to be repaid with general property taxes (of which \$2,890,000 are TID obligations). \$12,148,574 are water and sewer utility obligations.

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 \$16,174,000, which is 49% below the maximum of \$31,709,655.

CITY OF PORTAGE'S OUTSTANDING BONDS AND NOTES			
	Governmental Activities 2018	Business-type Activities 2018	Total
General obligation bonds and notes payable	\$ 12,854,000	\$ 3,320,000	\$ 16,174,000
Revenue bonds	-	8,828,574	8,828,574
Totals	\$ 12,854,000	\$ 12,148,574	\$ 25,002,574

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

CURRENTLY KNOWN FACTS/ECONOMIC CONDITIONS

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 3.43% increase in equalized value for 2018. Assessment data indicates that the rate of appreciation in value of all classes of property as 7.46% in 2018.

The City of Portage Council adopted the 2019 budget in November 2018. The budget authorizes General Fund expenditures of \$8.1 million, a slight increase from the previous year. The combined property tax levy for all funds is \$5.7 million, a 2.0% increase from the previous year.

CITY OF PORTAGE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

As of and for the Year Ended December 31, 2018

REQUESTS FOR INFORMATION

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, 2018

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Totals	BID Fund
ASSETS				
Cash and investments	\$ 5,822,058	\$ 3,921,587	\$ 9,743,645	\$ 88,884
Receivables (net)				
Taxes receivable	5,964,069	24,995	5,989,064	89,500
Accounts	414,388	327,098	741,486	-
Delinquent personal property taxes	3,399	-	3,399	-
Loans	1,387,097	-	1,387,097	-
Special assessments	168,516	86,799	255,315	-
Other Receivables	90,421	-	90,421	-
Internal balances	384,672	(384,672)	-	-
Due from other governmental units	20,082	-	20,082	-
Due from component unit	4,000	-	4,000	-
Inventories and prepaid items	104,051	59,685	163,736	286
Restricted assets				
Cash and investments	47,442	3,433,720	3,481,162	-
Net pension asset	973,310	129,235	1,102,545	-
Capital Assets				
Land	2,257,864	500,618	2,758,482	-
Construction in progress	960,293	150,061	1,110,354	-
Capital assets, being depreciated	59,431,918	48,643,447	108,075,365	31,379
Less: Accumulated depreciation	<u>(32,168,899)</u>	<u>(28,217,115)</u>	<u>(60,386,014)</u>	<u>(11,221)</u>
Total Assets	<u>45,864,681</u>	<u>28,675,458</u>	<u>74,540,139</u>	<u>198,828</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension related amounts	<u>1,792,747</u>	<u>228,332</u>	<u>2,021,079</u>	<u>-</u>
Total Deferred Outflows of Resources	<u>1,792,747</u>	<u>228,332</u>	<u>2,021,079</u>	<u>-</u>
LIABILITIES				
Accounts payable	484,814	85,794	570,608	12,186
Accrued liabilities and deposits	516,636	66,132	582,768	-
Due to other governmental units	3,570	-	3,570	-
Due to primary government	-	-	-	4,000
Liabilities Payable from Restricted Assets				
Accrued interest	-	51,448	51,448	-
Revenue bonds payable	-	298,638	298,638	-
Noncurrent Liabilities				
Due within one year	1,387,329	570,259	1,957,588	-
Due in more than one year	<u>12,860,951</u>	<u>11,611,365</u>	<u>24,472,316</u>	<u>-</u>
Total Liabilities	<u>15,253,300</u>	<u>12,683,636</u>	<u>27,936,936</u>	<u>16,186</u>
DEFERRED INFLOWS OF RESOURCES				
Unearned revenues	5,964,069	860	5,964,929	89,500
Pension related amounts	<u>1,926,344</u>	<u>255,392</u>	<u>2,181,736</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>7,890,413</u>	<u>256,252</u>	<u>8,146,665</u>	<u>89,500</u>
NET POSITION				
Net investment in capital assets	18,109,397	10,613,211	28,722,608	-
Restricted	3,208,916	1,126,331	4,335,247	-
Unrestricted	<u>3,195,402</u>	<u>4,224,360</u>	<u>7,419,762</u>	<u>93,142</u>
TOTAL NET POSITION	<u>\$ 24,513,715</u>	<u>\$ 15,963,902</u>	<u>\$ 40,477,617</u>	<u>\$ 93,142</u>

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
\$ (957,920)	\$ -	\$ (957,920)	\$ -
(3,569,751)	-	(3,569,751)	-
(2,770,607)	-	(2,770,607)	-
(60,500)	-	(60,500)	-
(1,224,474)	-	(1,224,474)	-
(115,421)	-	(115,421)	-
(340,589)	-	(340,589)	-
<u>(9,039,262)</u>	<u>-</u>	<u>(9,039,262)</u>	<u>-</u>
-	343,972	343,972	-
-	<u>18,518</u>	<u>18,518</u>	-
-	<u>362,490</u>	<u>362,490</u>	-
<u>(9,039,262)</u>	<u>362,490</u>	<u>(8,676,772)</u>	<u>-</u>
-	-	-	<u>(87,647)</u>
5,758,696	-	5,758,696	89,500
370,450	-	370,450	-
1,982,442	-	1,982,442	-
124,801	88,023	212,824	1,497
252,342	-	252,342	-
<u>46,600</u>	<u>28,291</u>	<u>74,891</u>	-
<u>8,535,331</u>	<u>116,314</u>	<u>8,651,645</u>	<u>90,997</u>
<u>384,963</u>	<u>(384,963)</u>	<u>-</u>	<u>-</u>
(118,968)	93,841	(25,127)	3,350
<u>24,632,683</u>	<u>15,870,061</u>	<u>40,502,744</u>	<u>89,792</u>
<u>\$ 24,513,715</u>	<u>\$ 15,963,902</u>	<u>\$ 40,477,617</u>	<u>\$ 93,142</u>

See accompanying notes to financial statements.

CITY OF PORTAGE

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2018

	General	CDBG Fund	Mass Transit Fund	Debt Service
ASSETS				
Cash and investments	\$ 1,979,968	\$ 63,891	\$ -	\$ 87,151
Receivables				
Taxes	4,195,250	-	-	1,021,730
Accounts	172,556	-	138,797	-
Special assessments	-	-	-	-
Delinquent personal property taxes	3,399	-	-	-
Loans	-	1,387,097	-	-
Other	-	-	-	-
Due from other governments	20,082	-	-	-
Due from other funds	561,936	-	-	-
Prepaid items	94,822	-	-	-
Restricted cash and investments	-	-	-	-
Advances to other funds	1,522,412	-	-	-
Due from component unit	4,000	-	-	-
	<u>\$ 8,554,425</u>	<u>\$ 1,450,988</u>	<u>\$ 138,797</u>	<u>\$ 1,108,881</u>
TOTAL ASSETS				
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 180,122	\$ -	\$ 70,576	\$ -
Accrued liabilities	389,960	-	-	-
Deposits	-	-	-	-
Due to other governments	3,570	-	-	-
Due to other funds	3,340	1,646	-	-
Advances from other funds	-	-	16,457	-
Total Liabilities	<u>576,992</u>	<u>1,646</u>	<u>87,033</u>	<u>-</u>
Deferred Inflows of Resources				
Property taxes levied for next period	4,195,250	-	-	1,021,730
Unavailable revenues	-	1,387,373	32,449	-
Total Deferred Inflows of Resources	<u>4,195,250</u>	<u>1,387,373</u>	<u>32,449</u>	<u>1,021,730</u>
Fund Balances (Deficit)				
Nonspendable	1,620,633	-	-	-
Restricted	-	61,969	19,315	87,151
Committed	-	-	-	-
Assigned	60,000	-	-	-
Unassigned (deficit)	2,101,550	-	-	-
Total Fund Balances (Deficit)	<u>3,782,183</u>	<u>61,969</u>	<u>19,315</u>	<u>87,151</u>
	<u>\$ 8,554,425</u>	<u>\$ 1,450,988</u>	<u>\$ 138,797</u>	<u>\$ 1,108,881</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				

See accompanying notes to financial statements.

Capital Projects Fund	Vehicle Equipment Replacement Fund	Nonmajor Governmental Funds	Totals
\$ 1,113,648	\$ 1,458,432	\$ 1,118,968	\$ 5,822,058
2,200	-	744,889	5,964,069
25,000	-	78,035	414,388
32,624	-	135,892	168,516
-	-	-	3,399
-	-	-	1,387,097
-	-	90,421	90,421
-	-	-	20,082
2,942	-	107	564,985
-	-	9,229	104,051
-	-	47,442	47,442
-	-	-	1,522,412
-	-	-	4,000
<u>\$ 1,176,414</u>	<u>\$ 1,458,432</u>	<u>\$ 2,224,983</u>	<u>\$ 16,112,920</u>
\$ 141,661	\$ -	\$ 92,455	\$ 484,814
-	-	31,112	421,072
-	-	7,186	7,186
-	-	-	3,570
6,046	1,500	167,781	180,313
-	-	1,505,955	1,522,412
<u>147,707</u>	<u>1,500</u>	<u>1,804,489</u>	<u>2,619,367</u>
2,200	-	744,889	5,964,069
<u>32,624</u>	-	<u>291,316</u>	<u>1,743,762</u>
<u>34,824</u>	-	<u>1,036,205</u>	<u>7,707,831</u>
-	-	9,229	1,629,862
785,901	170,913	379,149	1,504,398
-	-	20,374	20,374
207,982	1,286,019	687,671	2,241,672
-	-	(1,712,134)	389,416
<u>993,883</u>	<u>1,456,932</u>	<u>(615,711)</u>	<u>5,785,722</u>
<u>\$ 1,176,414</u>	<u>\$ 1,458,432</u>	<u>\$ 2,224,983</u>	<u>\$ 16,112,920</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, 2018

Total Fund Balances - Governmental Funds	\$ 5,785,722
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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	960,293
Other capital assets	59,431,918
Less: Accumulated depreciation	(32,168,899)

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.	1,743,762
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The net pension asset does not relate to current financial resources and is not reported in the governmental funds.	973,310
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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.	1,792,747
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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.	(1,926,344)
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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	(12,854,000)
Compensated absences	(1,098,922)
Accrued interest	(88,378)
Unamortized debt premium	(204,651)
Retiree health insurance	(90,707)

NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 24,513,715</u>
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CITY OF PORTAGE

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

For the Year Ended December 31, 2018

	General	CDBG Fund	Mass Transit Fund	Debt Service
REVENUES				
Taxes	\$ 3,997,425	\$ -	\$ -	\$ 1,132,183
Special assessments	-	-	-	-
Intergovernmental	2,541,817	-	839,024	-
Licenses and permits	191,029	-	-	-
Fines, forfeitures and penalties	153,411	-	-	-
Public charges for services	97,365	47,335	464,173	-
Intergovernmental charges for services	246,097	-	-	-
Investment income	53,090	555	-	-
Miscellaneous revenues	119,024	-	2,000	-
Total Revenues	7,399,258	47,890	1,305,197	1,132,183
EXPENDITURES				
Current				
General government	986,928	-	-	-
Public safety	3,897,412	-	-	-
Public works	1,834,529	-	1,222,441	-
Health and human services	60,500	-	-	-
Culture, recreation and education	671,824	-	-	-
Conservation and development	82,102	3,849	-	-
Capital Outlay	-	-	-	-
Debt Service				
Principal	-	-	-	1,165,000
Interest and fiscal charges	-	-	-	399,630
Total Expenditures	7,533,295	3,849	1,222,441	1,564,630
Excess (deficiency) of revenues over expenditures	(134,037)	44,041	82,756	(432,447)
OTHER FINANCING SOURCES (USES)				
Debt issued	-	-	-	-
Transfers in	384,963	-	57,000	562,687
Sale of capital assets	4,949	-	-	-
Transfers out	(371,190)	-	-	-
Total Other Financing Sources (Uses)	18,722	-	57,000	562,687
Net Change in Fund Balances	(115,315)	44,041	139,756	130,240
FUND BALANCES (DEFICIT) - Beginning of Year	3,897,498	17,928	(120,441)	(43,089)
FUND BALANCES (DEFICIT) - END OF YEAR	\$ 3,782,183	\$ 61,969	\$ 19,315	\$ 87,151

See accompanying notes to financial statements.

Capital Projects Fund	Vehicle Equipment Replacement Fund	Nonmajor Governmental Funds	Totals
\$ -	\$ -	\$ 999,538	\$ 6,129,146
7,435	-	125,876	133,311
-	-	276,012	3,656,853
-	-	57,245	248,274
-	-	-	153,411
3,256	-	96,884	709,013
-	8,725	19,595	274,417
33,397	17,725	20,034	124,801
60,000	-	277,816	458,840
<u>104,088</u>	<u>26,450</u>	<u>1,873,000</u>	<u>11,888,066</u>
-	-	14,100	1,001,028
-	-	209,442	4,106,854
-	-	353,056	3,410,026
-	-	-	60,500
-	-	954,644	1,626,468
-	-	178,820	264,771
2,563,939	150,859	338,263	3,053,061
-	-	-	1,165,000
-	-	-	399,630
<u>2,563,939</u>	<u>150,859</u>	<u>2,048,325</u>	<u>15,087,338</u>
<u>(2,459,851)</u>	<u>(124,409)</u>	<u>(175,325)</u>	<u>(3,199,272)</u>
424,000	-	-	424,000
62,033	211,880	40,277	1,318,840
-	262,194	-	267,143
(130,239)	-	(432,448)	(933,877)
<u>355,794</u>	<u>474,074</u>	<u>(392,171)</u>	<u>1,076,106</u>
(2,104,057)	349,665	(567,496)	(2,123,166)
<u>3,097,940</u>	<u>1,107,267</u>	<u>(48,215)</u>	<u>7,908,888</u>
<u>\$ 993,883</u>	<u>\$ 1,456,932</u>	<u>\$ (615,711)</u>	<u>\$ 5,785,722</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, 2018

Net change in fund balances - total governmental funds	\$ (2,123,166)
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of net position the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.

Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements	3,053,061
Some items reported as capital outlay were not capitalized	(10,546)
Depreciation is reported in the government-wide financial statements	(1,414,984)
Net book value of assets retired	(453,632)

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.	(37,534)
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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.	
Debt issued	(424,000)
Principal repaid	1,165,000

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.	
Amortization of debt premium	13,622

Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
Compensated absences	150,248
Retiree health insurance	11,875
Accrued interest on debt	45,420
Net pension (asset) liability	1,237,727
Deferred outflows of resources related to pensions	(249,581)
Deferred inflows of resources related to pensions	(1,082,478)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ (118,968)</u>
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See accompanying notes to financial statements.

CITY OF PORTAGE

STATEMENT OF NET POSITION PROPRIETARY FUNDS As of December 31, 2018

ASSETS	Business-type Activities - Enterprise Funds		
	Water Utility Fund	Sewer Utility Fund	Totals
Current Assets			
Cash and investments	\$ 1,668,514	\$ 2,253,073	\$ 3,921,587
Receivables			
Tax roll receivable	17,004	7,991	24,995
Accounts	315,913	11,185	327,098
Due from other funds	-	134,588	134,588
Special assessments	-	86,799	86,799
Inventories and prepaid items	50,817	8,868	59,685
Restricted Cash and Investments			
Redemption account	156,071	156,473	312,544
Total Current Assets	2,208,319	2,658,977	4,867,296
Noncurrent Assets			
Restricted Assets			
Net pension asset	69,099	60,136	129,235
Construction account	838,105	1,000,611	1,838,716
Reserve account	253,308	293,152	546,460
Equipment replacement	-	736,000	736,000
Capital Assets			
Land and land rights	118,723	381,895	500,618
Construction in progress	76,867	73,194	150,061
Property and equipment	21,750,546	26,892,901	48,643,447
Less: Accumulated depreciation	(9,794,511)	(18,422,604)	(28,217,115)
Total Noncurrent Assets	13,312,137	11,015,285	24,327,422
Total Assets	15,520,456	13,674,262	29,194,718
DEFERRED OUTFLOWS OF RESOURCES			
Pension related amounts	117,879	110,453	228,332
Total Deferred Outflows of Resources	117,879	110,453	228,332

See accompanying notes to financial statements.

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Totals
	Fund	Fund	
LIABILITIES			
Current Liabilities			
Accounts payable	\$ 50,786	\$ 35,008	\$ 85,794
Accrued interest	12,576	6,433	19,009
Accrued wages	19,429	23,279	42,708
Accrued taxes	-	4,415	4,415
Current portion of compensated absences	15,887	29,372	45,259
Current portion of general obligation debt	330,000	195,000	525,000
Due to other funds	519,260	-	519,260
Current liability from restricted assets			
Accrued interest payable	13,337	38,111	51,448
Revenue bonds payable	90,681	207,957	298,638
Total Current Liabilities	<u>1,051,956</u>	<u>539,575</u>	<u>1,591,531</u>
Noncurrent Liabilities			
Long-Term Debt			
General obligation debt payable	1,770,000	1,025,000	2,795,000
Revenue debt payable	2,808,908	5,721,028	8,529,936
Unamortized premium	77,331	76,610	153,941
Compensated absences	42,263	90,225	132,488
Total Noncurrent Liabilities	<u>4,698,502</u>	<u>6,912,863</u>	<u>11,611,365</u>
Total Liabilities	<u>5,750,458</u>	<u>7,452,438</u>	<u>13,202,896</u>
DEFERRED INFLOWS OF RESOURCES			
Unearned revenues	860	-	860
Pension related amounts	136,520	118,872	255,392
Total Deferred Inflows of Resources	<u>137,380</u>	<u>118,872</u>	<u>256,252</u>
NET POSITION			
Net investment in capital assets	7,912,810	2,700,401	10,613,211
Restricted for			
Debt service	142,734	118,362	261,096
Pension	69,099	60,136	129,235
Equipment replacement	-	736,000	736,000
Unrestricted	1,625,854	2,598,506	4,224,360
TOTAL NET POSITION	<u>\$ 9,750,497</u>	<u>\$ 6,213,405</u>	<u>\$ 15,963,902</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, 2018

	Business-type Activities - Enterprise Funds		
	Water Utility Fund	Sewer Utility Fund	Totals
OPERATING REVENUES			
Public charges for services	\$ 1,933,752	\$ 1,936,751	\$ 3,870,503
Miscellaneous	16,419	11,872	28,291
Total Operating Revenues	<u>1,950,171</u>	<u>1,948,623</u>	<u>3,898,794</u>
OPERATING EXPENSES			
Operation and maintenance	1,042,140	1,062,669	2,104,809
Depreciation	524,126	775,614	1,299,740
Total Operating Expenses	<u>1,566,266</u>	<u>1,838,283</u>	<u>3,404,549</u>
Operating Income	<u>383,905</u>	<u>110,340</u>	<u>494,245</u>
NONOPERATING REVENUES (EXPENSES)			
Investment income	32,183	55,840	88,023
Interest and fiscal charges	(132,072)	(210,405)	(342,477)
Rebate on Build America bonds	-	31,972	31,972
Total Nonoperating Revenues (Expenses)	<u>(99,889)</u>	<u>(122,593)</u>	<u>(222,482)</u>
Income (Loss) Before Contributions and Transfers	<u>284,016</u>	<u>(12,253)</u>	<u>271,763</u>
CONTRIBUTIONS AND TRANSFERS			
Contributed capital	108,558	98,483	207,041
Transfers out	(384,963)	-	(384,963)
Total Contributions and Transfers	<u>(276,405)</u>	<u>98,483</u>	<u>(177,922)</u>
Change in Net Position	7,611	86,230	93,841
NET POSITION - Beginning of Year	<u>9,742,886</u>	<u>6,127,175</u>	<u>15,870,061</u>
NET POSITION - END OF YEAR	<u>\$ 9,750,497</u>	<u>\$ 6,213,405</u>	<u>\$ 15,963,902</u>

See accompanying notes to financial statements.

CITY OF PORTAGE

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS

For the Year Ended December 31, 2018

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Water Utility Fund</u>	<u>Sewer Utility Fund</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Received from customers	\$ 2,109,695	\$ 1,819,182	\$ 3,928,877
Paid to suppliers for goods and services	(605,167)	(747,136)	(1,352,303)
Paid to employees for services	(284,635)	(350,843)	(635,478)
Net Cash Flows From Operating Activities	<u>1,219,893</u>	<u>721,203</u>	<u>1,941,096</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	<u>32,183</u>	<u>55,840</u>	<u>88,023</u>
Net Cash Flows From Investing Activities	<u>32,183</u>	<u>55,840</u>	<u>88,023</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Paid to municipality for tax equivalent	<u>(384,963)</u>	<u>-</u>	<u>(384,963)</u>
Net Cash Flows From Noncapital Financing Activities	<u>(384,963)</u>	<u>-</u>	<u>(384,963)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Debt retired	(410,544)	(672,040)	(1,082,584)
Interest paid	(142,333)	(218,097)	(360,430)
Special assessments received	-	31,906	31,906
Acquisition and construction of capital assets	(543,969)	(753,133)	(1,297,102)
Contribution received for construction	-	2,500	2,500
Build America Bonds interest subsidy	-	31,972	31,972
Net Cash Flows From Capital and Related Financing Activities	<u>(1,096,846)</u>	<u>(1,576,892)</u>	<u>(2,673,738)</u>
Net Change in Cash and Cash Equivalents	(229,733)	(799,849)	(1,029,582)
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>3,145,731</u>	<u>5,239,158</u>	<u>8,384,889</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 2,915,998</u>	<u>\$ 4,439,309</u>	<u>\$ 7,355,307</u>

See accompanying notes to financial statements.

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Totals
	Fund	Fund	
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income	\$ 383,905	\$ 110,340	\$ 494,245
Adjustments to Reconcile Operating Income to Net Cash			
Flows From Operating Activities			
Depreciation	524,126	775,614	1,299,740
Depreciation charged to other funds	34,331	-	34,331
Changes in assets, deferred outflows, liabilities, and deferred inflows			
Customer accounts receivable	70,268	3,183	73,451
Receivable from municipality	11,286	(291)	10,995
Other accounts receivable	43,639	(132,333)	(88,694)
Material and supplies	(2,609)	-	(2,609)
Prepayments	(6,443)	395	(6,048)
Accounts payable	23,773	(5,334)	18,439
Payable to municipality	3,781	-	3,781
Payable to other utility	134,297	(27,555)	106,742
Other current liabilities	913	612	1,525
Accrued sick leave	(12,574)	(10,997)	(23,571)
Pension related deferrals and liabilities	11,200	7,569	18,769
	<u>11,200</u>	<u>7,569</u>	<u>18,769</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 1,219,893</u>	<u>\$ 721,203</u>	<u>\$ 1,941,096</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS			
Cash and investments	\$ 1,668,514	\$ 2,253,073	\$ 3,921,587
Restricted cash and investments			
Redemption account	156,071	156,473	312,544
Reserve account	253,308	293,152	546,460
Equipment replacement account	-	736,000	736,000
Construction account	838,105	1,000,611	1,838,716
	<u>838,105</u>	<u>1,000,611</u>	<u>1,838,716</u>
CASH AND CASH EQUIVALENTS	<u>\$ 2,915,998</u>	<u>\$ 4,439,309</u>	<u>\$ 7,355,307</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES			
Amortization of debt premium	<u>\$ 4,410</u>	<u>\$ 4,254</u>	
Contributed capital	<u>\$ 108,558</u>	<u>\$ -</u>	

See accompanying notes to financial statements.

CITY OF PORTAGE

STATEMENT OF ASSETS AND LIABILITIES AGENCY FUND As of December 31, 2018

	<u>Agency Fund</u>
ASSETS	
Cash and investments	\$ 5,268,565
Property taxes receivable	<u>4,128,176</u>
TOTAL ASSETS	<u>\$ 9,396,741</u>
LIABILITIES	
Due to other governments	<u>\$ 9,396,741</u>
TOTAL LIABILITIES	<u>\$ 9,396,741</u>

See accompanying notes to financial statements.

CITY OF PORTAGE

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CITY OF PORTAGE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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, 2018. The BID does not issue separate financial statements.

CITY OF PORTAGE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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

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.

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.

CITY OF PORTAGE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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

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

Fund Financial Statements (cont.)

The city reports the following major governmental funds:

- 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

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	Recycling Fund

CITY OF PORTAGE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2018

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 and enterprise funds: (cont.)

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	TIF #10

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

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.

CITY OF PORTAGE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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

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

Fund Financial Statements

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

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

Intergovernmental aids and grants are recognized as revenues in the period the city is entitled 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.

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.

CITY OF PORTAGE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2018

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

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

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

CITY OF PORTAGE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2018

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

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

1. Deposits and Investments (cont.)

The city has 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.

No policy exists for the following risk:

Concentration of 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, 2018, 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, 2018

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

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 - 2018 tax roll:

Lien date and levy date	December 2018
Tax bills mailed	December 2018
Payment in full, or	January 31, 2019
First installment due	January 31, 2019
Second installment due	July 31, 2019
Personal property taxes in full	January 31, 2019
Tax sale - 2018 delinquent real estate taxes	October 2021

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, 2018

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.

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.

CITY OF PORTAGE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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.)

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.

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.

CITY OF PORTAGE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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 (cont.)

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 \$90,707 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, 2018, 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 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.

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.

CITY OF PORTAGE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2018

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

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.
- 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.

CITY OF PORTAGE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2018

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.)

- 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 (asset) liability, 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.

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.

CITY OF PORTAGE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

A budget has been adopted for the all funds except TIF# 9, TIF # 10, and Library-Restricted. 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 and Other Financing Uses	Actual Expenditures and Other Financing Uses	Excess Expenditures and Other Financing Uses Over Budget
Criminal Investigation	\$ 10,500	\$ 23,752	\$ 13,252
School Liaison	2,000	10,785	8,785
Donation	18,000	81,579	63,579
Post Retirement Benefits	40,277	41,776	1,499
Revolving Sidewalk	100,000	138,606	38,606
TIF #4	142,025	146,814	4,789
TIF #5	168,155	183,341	15,186
TIF #6	30,988	34,643	3,655
TIF #8	50,370	63,686	13,316

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.

C. DEFICIT BALANCES

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

As of December 31, 2018, the following individual funds held a deficit balance:

Fund	Amount	Reason
TIF #4	\$ 779,773	Costs exceed accumulated increments
TIF #5	499,366	Costs exceed accumulated increments
TIF #6	98,637	Costs exceed accumulated increments
TIF #9	15,489	Costs exceed accumulated increments
TIF #10	13,717	Costs exceed accumulated increments
Revolving Alley Fund	98,813	Costs exceed accumulated revenues
Revolving Sidewalk Fund	58,981	Costs exceed accumulated revenues
Post Retirement Benefits Fund	4,410	Costs exceed accumulated revenues
Swimming Pool Fund	103,279	Costs exceed accumulated revenues
Wheel Tax Fund	38,025	Costs exceed accumulated revenues

CITY OF PORTAGE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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

C. DEFICIT BALANCES (cont.)

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, Wheel Tax, 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.

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.

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	\$ 16,917,302	\$ 17,352,147	Custodial credit
LGIP	1,223,848	1,223,848	Credit
Negotiable certificates of deposit	439,037	439,037	Credit, custodial credit, concentration of credit, interest rate
Petty cash	2,069	-	N/A
Total Deposits and Investments	<u>\$ 18,582,256</u>	<u>\$ 19,015,032</u>	
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 9,743,645		
Restricted cash and investments	3,481,162		
BID Fund	88,884		
Per statement of assets and liabilities - agency fund			
Agency Fund	5,268,565		
Total Deposits and Investments	<u>\$ 18,582,256</u>		

CITY OF PORTAGE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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

A. DEPOSITS AND INVESTMENTS (cont.)

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit 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, 2018, the banks had pledged various government securities in the amount of \$4,302,194 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.

As of December 31, 2018, \$14,439 of the city's total bank balances were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ <u>14,439</u>
Total	\$ <u><u>14,439</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.

The city had investments in negotiable certificates of deposits which are not rated.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

CITY OF PORTAGE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2018

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

A. DEPOSITS AND INVESTMENTS (cont.)

Concentration of Credit Risk (cont.)

At December 31, 2018, the investment portfolio was concentrated as follows:

Issuer	Investment Type	Percentage of Portfolio
Comenity bank	Negotiable certificates of deposit	11.93%
Discover bank	Negotiable certificates of deposit	14.47%

Interest Rate Risk

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

As of December 31, 2018, the city's investments were as follows:

Investment Type	Fair Value	Maturity (In Years)	
		Less than 1	1-4
Negotiable certificates of deposit	\$ 439,037	\$ 198,349	\$ 240,688
Totals	<u>\$ 439,037</u>	<u>\$ 198,349</u>	<u>\$ 240,688</u>

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.

CITY OF PORTAGE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2018

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

B. RECEIVABLES (cont.)

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	\$ 5,964,069	\$ -
Loans	-	1,458,366
Special assessments not yet due	-	155,262
Transit aids	-	32,449
Urban development	-	953
Alley improvements	-	12,298
Economic development	-	1,392
Donations	-	2,500
Developer payment	-	80,542
 Total Unearned/Unavailable Revenue for Governmental Funds	 \$ 5,964,069	 \$ 1,743,762

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, 2018, 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.

CITY OF PORTAGE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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

C. RESTRICTED ASSETS (cont.)

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.

Net Pension Asset

Restricted assets have been reported in connection with the net pension asset balance since this balance must be used to fund employee benefits.

Following is a list of Business-type activities restricted assets at December 31, 2018:

Restricted Assets	
Redemption account	\$ 312,544
Reserve account	546,460
Replacement account	736,000
Construction account	1,838,716
Net pension asset	<u>129,235</u>
Total Restricted Assets	<u>3,562,955</u>
Less: Restricted assets not funded by revenues	
Reserve from borrowing	(546,460)
Construction account	<u>(1,838,716)</u>
Total Restricted Assets Not Funded by Revenues	<u>(2,385,176)</u>
Current Liabilities Payable From Restricted Assets	<u>(51,448)</u>
Total Restricted Net Position	<u><u>\$ 1,126,331</u></u>

CITY OF PORTAGE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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

D. CAPITAL ASSETS

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

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 2,257,864	\$ -	\$ -	\$ 2,257,864
Construction in progress	282,807	851,268	173,782	960,293
Total Capital Assets Not Being Depreciated	2,540,671	851,268	173,782	3,218,157
Capital assets being depreciated				
Buildings	13,558,737	101,039	-	13,659,776
Land improvements	2,602,812	112,600	13,384	2,702,028
Equipment	3,369,138	2,342	37,182	3,334,298
Vehicles	5,218,799	433,608	106,762	5,545,645
Infrastructure	33,558,785	1,715,440	1,084,054	34,190,171
Total Capital Assets Being Depreciated	58,308,271	2,365,029	1,241,382	59,431,918
Total Capital Assets	60,848,942	3,216,297	1,415,164	62,650,075
Less: Accumulated depreciation for				
Buildings	(5,800,920)	(263,372)	-	(6,064,292)
Land improvements	(1,323,350)	(85,403)	13,384	(1,395,369)
Equipment	(2,757,506)	(102,195)	33,866	(2,825,835)
Vehicles	(3,378,658)	(338,914)	94,358	(3,623,214)
Infrastructure	(18,281,231)	(625,100)	646,142	(18,260,189)
Total Accumulated Depreciation	(31,541,665)	(1,414,984)	787,750	(32,168,899)
Net Capital Assets Being Depreciated	26,766,606	950,045	453,632	27,263,019
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	\$ 29,307,277	\$ 1,801,313	\$ 627,414	\$ 30,481,176

Depreciation expense was charged to functions as follows:

Governmental Activities	
General government	\$ 91,408
Public safety	193,482
Public works	803,319
Culture, education, and recreation	326,775
Total Governmental Activities Depreciation Expense	\$ 1,414,984

CITY OF PORTAGE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2018

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

D. CAPITAL ASSETS (cont.)

Business-type Activities

	<u>Beginning Balance</u>	<u>Adjustments*</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<u>Water</u>					
Capital assets not being depreciated					
Land	\$ 118,723	\$ -	\$ -	\$ -	\$ 118,723
Construction in progress	<u>13,481</u>	<u>-</u>	<u>72,444</u>	<u>9,058</u>	<u>76,867</u>
Total Capital Assets Not Being Depreciated	<u>132,204</u>	<u>-</u>	<u>72,444</u>	<u>9,058</u>	<u>195,590</u>
Capital assets being depreciated					
Source of supply	5,529,506	-	-	-	5,529,506
Pumping	793,668	-	-	-	793,668
Water treatment	2,828,134	(320,419)	-	-	2,507,715
Transmission and distribution	9,488,843	225,419	586,582	46,909	10,253,935
General	<u>2,609,238</u>	<u>-</u>	<u>56,484</u>	<u>-</u>	<u>2,665,722</u>
Total Capital Assets Being Depreciated	<u>21,249,389</u>	<u>(95,000)</u>	<u>643,066</u>	<u>46,909</u>	<u>21,750,546</u>
Total Capital Assets	<u>21,381,593</u>	<u>(95,000)</u>	<u>715,510</u>	<u>55,967</u>	<u>21,946,136</u>
Less: Accumulated depreciation for					
Water system	<u>(9,324,038)</u>	<u>41,074</u>	<u>(558,456)</u>	<u>46,909</u>	<u>(9,794,511)</u>
Total Accumulated Depreciation	<u>(9,324,038)</u>	<u>41,074</u>	<u>(558,456)</u>	<u>46,909</u>	<u>(9,794,511)</u>
Net Capital Assets Being Depreciated	<u>11,925,351</u>	<u>(53,926)</u>	<u>84,610</u>	<u>-</u>	<u>11,956,035</u>
Net Water Capital Assets	<u>\$12,057,555</u>	<u>\$ (53,926)</u>	<u>\$ 157,054</u>	<u>\$ 9,058</u>	<u>\$ 12,151,625</u>

CITY OF PORTAGE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2018

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

D. CAPITAL ASSETS (cont.)

Business-type Activities (cont.)

*Adjustments were made to reflect PSC report changes per Public Service Commission guidance.

	<u>Beginning Balance</u>	<u>Adjustments</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Sewer					
Capital assets not being depreciated					
Land	\$ 381,895	\$ -	\$ -	\$ -	\$ 381,895
Construction in progress	<u>138,313</u>	<u>-</u>	<u>47,248</u>	<u>112,367</u>	<u>73,194</u>
Total Capital Assets Not Being Depreciated	<u>520,208</u>	<u>-</u>	<u>47,248</u>	<u>112,367</u>	<u>455,089</u>
Capital assets being depreciated					
Buildings and structures	8,017,895	-	215,582	150,000	8,083,477
Collecting system	6,794,371	-	368,928	12,284	7,151,015
Pumping	1,760,640	-	43,302	40,921	1,763,021
Treatment and disposal	8,874,878	-	187,819	115,000	8,947,697
General	<u>920,517</u>	<u>-</u>	<u>27,174</u>	<u>-</u>	<u>947,691</u>
Total Capital Assets Being Depreciated	<u>26,368,301</u>	<u>-</u>	<u>842,805</u>	<u>318,205</u>	<u>26,892,901</u>
Total Capital Assets	<u>26,888,509</u>	<u>-</u>	<u>890,053</u>	<u>430,572</u>	<u>27,347,990</u>
Less: Accumulated depreciation for					
Buildings and structures	(5,875,796)	-	(241,520)	150,000	(5,967,316)
Collecting system	(5,991,430)	-	(209,181)	12,284	(6,188,327)
Pumping	(1,195,228)	-	(28,331)	16,368	(1,207,191)
Treatment and disposal	(3,959,739)	-	(267,339)	115,000	(4,112,078)
General	<u>(918,449)</u>	<u>-</u>	<u>(29,243)</u>	<u>-</u>	<u>(947,692)</u>
Total Accumulated Depreciation	<u>(17,940,642)</u>	<u>-</u>	<u>(775,614)</u>	<u>293,652</u>	<u>(18,422,604)</u>
Net Capital Assets Being Depreciated	<u>8,427,659</u>	<u>-</u>	<u>67,191</u>	<u>24,553</u>	<u>8,470,297</u>
Net Sewer Capital Assets	<u>\$ 8,947,867</u>	<u>\$ -</u>	<u>\$ 114,439</u>	<u>\$ 136,920</u>	<u>\$ 8,925,386</u>
Business-type Capital Assets, Net of Accumulated Depreciation	<u>\$ 21,005,422</u>	<u>\$ (53,926)</u>	<u>\$ 271,493</u>	<u>\$ 145,978</u>	<u>\$ 21,077,011</u>

CITY OF PORTAGE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2018

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

D. CAPITAL ASSETS (cont.)

Depreciation expense was charged to functions as follows:

Business-type Activities

Water	\$ 524,126
Sewer	<u>775,614</u>
 Total Business-type Activities Depreciation Expense	 <u>\$ 1,299,740</u>

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
Sewer utility fund	Water utility fund	\$ 134,297
General fund	Vehicle Replacement fund	1,500
General fund	Capital projects fund	6,046
General fund	CDBG fund	1,646
General fund	Nonmajor governmental funds	167,781
General fund	Water utility fund	384,963
Nonmajor governmental funds	General fund	107
Sewer utility fund	General fund	291
Capital projects fund	General fund	<u>2,942</u>
 Total - Fund Financial Statements		 699,573
Less: Fund eliminations		<u>(314,901)</u>
 Total Internal Balances - Government-Wide Statement of Net Position		 <u>\$ 384,672</u>
Receivable Fund	Payable Fund	Amount
Governmental Activities	Business-type Activities	\$ 384,963
Business-type Activities	Governmental Activities	<u>(291)</u>
 Total Government-Wide Financial Statements		 <u>\$ 384,672</u>

CITY OF PORTAGE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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

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

Interfund Receivables/Payables (cont.)

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 \$384,963. 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.

Advances

The general fund is advancing funds to the TIF District No. 4, No. 5, No. 6, No. 9 and No. 10. 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	\$ 16,457	\$ 16,457
General fund	TIF #4	779,773	779,773
General fund	TIF #5	499,078	499,078
General fund	TIF #6	95,818	95,818
General fund	TIF #9	15,489	15,489
General fund	TIF #10	13,717	13,717
General fund	Swimming pool	102,080	102,080
Total - Fund Financial Statements		1,522,412	
Less: Fund eliminations		(1,522,412)	
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, 2018

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	\$ 384,963	PILOT
Debt service fund	TIF #4	138,965	Debt service
Debt service fund	TIF #5	163,619	Debt service
Debt service fund	TIF #6	6,244	Debt service
Debt service fund	TIF #7	76,432	Debt service
Debt service fund	TIF #8	47,188	Debt service
Vehicle equipment replacement fund	General fund	211,880	Capital outlay
Capital projects fund	General fund	62,033	Capital outlay
Post retirement fund	General fund	40,277	Retirement funding
Mass transit fund	General fund	57,000	Subsidy
Debt service fund	Capital projects fund	<u>130,239</u>	Move premium from 2017A debt
Total - Fund Financial Statements		1,318,840	
Less: Fund eliminations		<u>(933,877)</u>	
Total Transfers - Government-Wide Statement of Activities		<u>\$ 384,963</u>	
<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	
Governmental Activities	Business-type Activities	\$ 384,963	
Business-type Activities	Governmental Activities	<u>-</u>	
Total Government-wide Financial Statements		<u>\$ 384,963</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, 2018

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

F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2018, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General obligation debt	\$ 13,595,000	\$ 424,000	\$ 1,165,000	\$ 12,854,000	\$ 1,091,990
Premiums	<u>218,273</u>	<u>-</u>	<u>13,622</u>	<u>204,651</u>	<u>-</u>
Sub-totals	<u>13,813,273</u>	<u>424,000</u>	<u>1,178,622</u>	<u>13,058,651</u>	<u>1,091,990</u>
Other Liabilities					
Vested compensated absences	1,249,170	127,109	277,357	1,098,922	258,870
Retiree health insurance	<u>102,582</u>	<u>34,104</u>	<u>45,979</u>	<u>90,707</u>	<u>36,469</u>
Total Other Liabilities	<u>1,351,752</u>	<u>161,213</u>	<u>323,336</u>	<u>1,189,629</u>	<u>295,339</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 15,165,025</u>	<u>\$ 585,213</u>	<u>\$ 1,501,958</u>	<u>\$ 14,248,280</u>	<u>\$ 1,387,329</u>
Business-type Activities					
Bonds and Notes Payable					
General obligation debt	\$ 3,830,000	\$ -	\$ 510,000	\$ 3,320,000	\$ 525,000
Revenue bonds	9,401,158	-	572,584	8,828,574	298,638
Premiums	<u>162,605</u>	<u>-</u>	<u>8,664</u>	<u>153,941</u>	<u>-</u>
Sub-totals	<u>13,393,763</u>	<u>-</u>	<u>1,091,248</u>	<u>12,302,515</u>	<u>823,638</u>
Other Liabilities					
Vested compensated absences	<u>201,318</u>	<u>20,820</u>	<u>44,391</u>	<u>177,747</u>	<u>45,259</u>
Total Other Liabilities	<u>201,318</u>	<u>20,820</u>	<u>44,391</u>	<u>177,747</u>	<u>45,259</u>
Total Business-type Activities Long-Term Liabilities	<u>\$ 13,595,081</u>	<u>\$ 20,820</u>	<u>\$ 1,135,639</u>	<u>\$ 12,480,262</u>	<u>\$ 868,897</u>

In addition to the liabilities above, information on the net pension liability (asset) is provided in Note IV.A.

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, 2018, was \$31,709,655. Total general obligation debt outstanding at year end was \$16,174,000.

CITY OF PORTAGE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2018

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, 2018</u>
General obligation refunding bonds	3/18/09	4/01/22	2.25 - 4.35%	\$ 810,000	\$ 385,000
General obligation promissory notes	5/17/11	4/01/21	2.00 - 3.00%	1,890,000	325,000
General obligation promissory bonds	8/02/12	4/01/27	.55 - 3.50%	2,175,000	1,485,000
General obligation promissory notes	8/02/12	4/01/22	.50 - 2.00%	1,995,000	1,035,000
General obligation promissory bonds	8/02/12	4/01/29	2.00 - 2.85%	3,130,000	2,290,000
General obligation promissory bonds	8/16/15	4/01/28	2.00 - 3.50%	2,950,000	2,640,000
General obligation promissory bonds	5/19/16	5/01/36	.75 - 3.20%	1,450,000	1,310,000
General obligation promissory bonds	4/13/17	4/01/32	3.00 - 3.50%	3,225,000	2,960,000
General obligation promissory notes	8/17/18	8/01/25	3.50%	424,000	<u>424,000</u>
Total Governmental Activities - General Obligation Debt					<u>\$ 12,854,000</u>

CITY OF PORTAGE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2018

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, 2018
General obligation promissory notes	5/17/11	4/01/21	2.00 - 3.00%	\$ 1,450,000	\$ 510,000
General obligation corporate purpose bonds	8/02/12	4/01/24	2.00 - 2.25%	2,390,000	1,440,000
General obligation promissory bonds	8/16/15	4/01/28	2.00 - 3.50%	670,000	545,000
General obligation promissory bonds	5/19/16	5/01/30	0.75 - 3.20%	405,000	345,000
General obligation promissory bonds	4/13/17	4/01/32	3.00 - 3.50%	505,000	<u>480,000</u>
Total Business-type Activities - General Obligation Debt					<u>\$ 3,320,000</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
2019	\$ 1,091,990	\$ 332,972	\$ 525,000	\$ 71,890
2020	1,107,462	307,139	530,000	59,557
2021	1,027,943	281,791	510,000	47,430
2022	1,043,432	256,804	360,000	37,865
2023	1,038,929	232,052	355,000	30,476
2024-2028	4,377,421	788,939	830,000	74,232
2029-2033	2,606,823	282,810	210,000	11,575
2034-2036	<u>560,000</u>	<u>20,185</u>	-	-
Totals	<u>\$ 12,854,000</u>	<u>\$ 2,502,692</u>	<u>\$ 3,320,000</u>	<u>\$ 333,025</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, 2018

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 22% of net revenues. The total principal and interest remaining to be paid on the bonds is \$3,733,554. Principal and interest paid for the current year and total customer net revenues were \$171,484 and \$940,214, respectively.

The sewer utility fund has pledged future sewer revenues, net of specified operating expenses, to repay revenue bonds issued in 2008, 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 27% of net revenues. The total principal and interest remaining to be paid on the bonds is \$8,568,710. Principal and interest paid for the current year and total customer net revenues were \$670,154 and \$973,776, respectively.

Revenue debt payable at December 31, 2018, consists of the following:

Business-type Activities Revenue Debt

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2018
<u>Water Utility</u>					
Water system revenue bonds	4/25/07	5/01/26	2.475%	\$ 121,379	\$ 49,589
Water system revenue bonds	4/16/15	5/01/35	1.00 - 3.50%	855,000	760,000
Water system revenue bonds	5/19/16	5/01/36	2.00 - 3.00%	2,190,000	<u>2,090,000</u>
				Total Water Utility	<u>2,899,589</u>
<u>Sewer Utility</u>					
Sewer system revenue bonds	3/26/08	5/01/27	2.365%	1,159,443	613,385
USDA Build America Bonds	10/06/10	10/01/50	3%	3,645,000	3,215,600
Sewer system revenue bonds	4/13/17	5/01/37	3.00 - 3.75%	2,180,000	<u>2,100,000</u>
				Total Sewer Utility	<u>5,928,985</u>
Total Business-type Activities - Revenue Debt					<u>\$ 8,828,574</u>

CITY OF PORTAGE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2018

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

F. LONG-TERM OBLIGATIONS (cont.)

Revenue Debt (cont.)

Debt service requirements to maturity are as follows:

Years	Business-type Activities Revenue Debt	
	Principal	Interest
2019	\$ 298,638	\$ 257,775
2020	302,145	250,056
2021	320,589	242,031
2022	364,272	233,275
2023	367,995	223,992
2024-2028	2,059,435	957,453
2029-2033	2,006,400	659,051
2034-2038	1,536,400	338,467
2039-2043	587,900	197,315
2044-2048	682,100	102,939
2049-2050	302,700	11,336
Totals	<u>\$ 8,828,574</u>	<u>\$ 3,473,690</u>

Other Debt Information

Estimated payments of compensated absences and the retiree health insurance are not included in the debt service requirement schedules. The compensated absences 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.

CITY OF PORTAGE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2018

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

F. LONG-TERM OBLIGATIONS (cont.)

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 2018 as follows:

Operating revenues	\$ 1,950,171
Investment income	32,183
Less: Operation and maintenance expenses	<u>(1,042,140)</u>
Net Defined Earnings	<u>\$ 940,214</u>
Minimum Required Earnings per Resolution:	
Annual debt service	\$ 171,484
Coverage factor	<u>1.25</u>
Minimum Required Earnings	<u>\$ 214,355</u>
Annual Debt Coverage	<u>4.39</u>

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 in 2018 as follows:

Operating revenues	\$ 1,948,623
Investment income	55,840
Miscellaneous nonoperating income	31,972
Less: Operation and maintenance expenses	<u>(1,062,669)</u>
Net Defined Earnings	<u>\$ 973,766</u>
Minimum Required Earnings per Resolution:	
Annual debt service	\$ 670,154
Coverage factor	<u>1.25</u>
Minimum Required Earnings	<u>\$ 837,693</u>
Actual Debt Coverage	<u>1.45</u>

CITY OF PORTAGE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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

G. NET POSITION/FUND BALANCES

Net position reported on the government wide statement of net position at December 31, 2018, includes the following:

Governmental Activities

Net Investment in Capital Assets	
Land	\$ 2,257,864
Construction in progress	960,293
Other capital assets, net of accumulated depreciation	27,263,019
Less: Long-term debt outstanding	(12,854,000)
Plus: Unspent capital related debt proceeds	686,872
Less: Unamortized debt premium	(204,651)
Total Net Investment in Capital Assets	<u>18,109,397</u>
Restricted	
Pension	973,310
Capital projects	99,029
Grants	51,764
Vehicles	170,913
Home improvement loans	1,520,335
Library purposes	248,149
Donations	82,637
TIF activities	62,779
Total Restricted	<u>3,208,916</u>
Unrestricted	<u>3,195,402</u>
Total Governmental Activities Net Position	<u>\$ 24,513,715</u>

CITY OF PORTAGE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2018

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, 2018, include the following:

	General Fund	CDBG Fund	Mass Transit	Debt Service	Capital Projects Fund	Vehicle Equipment Replacement Fund	Nonmajor Funds	Totals
Fund Balances								
Nonspendable:								
Prepaid items	\$ 94,822	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,229	\$ 104,051
Delinquent personal property taxes	3,399	-	-	-	-	-	-	3,399
Long-term receivables	<u>1,522,412</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,522,412</u>
Sub-total	<u>1,620,633</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,229</u>	<u>1,629,862</u>
Restricted for:								
Library	-	-	-	-	-	-	242,675	242,675
Capital projects	-	-	-	-	686,872	-	-	686,872
TIF activities	-	-	-	-	-	-	56,337	56,337
Mass transit	-	-	19,315	-	-	-	-	19,315
Hazmat	-	-	-	-	-	170,913	-	170,913
Stormwater	-	-	-	-	99,029	-	-	99,029
Donations	-	-	-	-	-	-	80,137	80,137
Debt service	-	-	-	87,151	-	-	-	87,151
CDBG	-	<u>61,969</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>61,969</u>
Sub-total	<u>-</u>	<u>61,969</u>	<u>19,315</u>	<u>87,151</u>	<u>785,901</u>	<u>170,913</u>	<u>379,149</u>	<u>1,504,398</u>
Committed to:								
Recycling	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,374</u>	<u>20,374</u>
Sub-total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,374</u>	<u>20,374</u>
Assigned to:								
Subsequent year's budget	60,000	-	-	-	-	-	-	60,000
Capital projects	-	-	-	-	207,982	1,286,019	167,258	1,661,259
Park land	-	-	-	-	-	-	29,702	29,702
Inspection	-	-	-	-	-	-	6,030	6,030
Investigation	-	-	-	-	-	-	23,183	23,183
Tourism	-	-	-	-	-	-	167,381	167,381
School liaison	-	-	-	-	-	-	18,611	18,611
Economic Development	-	-	-	-	-	-	120,628	120,628
Business Incubator	-	-	-	-	-	-	103,482	103,482
Ambulance	-	-	-	-	-	-	51,396	51,396
Sub-total	<u>60,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>207,982</u>	<u>1,286,019</u>	<u>687,671</u>	<u>2,241,672</u>
Unassigned (deficit):	<u>2,101,550</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,712,134)</u>	<u>389,416</u>
Total Fund Balances (Deficit)	<u>\$ 3,782,183</u>	<u>\$ 61,969</u>	<u>\$ 19,315</u>	<u>\$ 87,151</u>	<u>\$ 993,883</u>	<u>\$ 1,456,932</u>	<u>\$ (615,711)</u>	<u>\$ 5,785,722</u>

CITY OF PORTAGE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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

G. NET POSITION/FUND BALANCES (cont.)

Business-type Activities

Net Investment in Capital Assets	
Land	\$ 500,618
Construction in progress	150,061
Other capital assets, net of accumulated depreciation	20,426,332
Less: Long-term debt outstanding	(12,148,574)
Plus: Unspent capital related debt proceeds	1,838,715
Less: Unamortized debt premium	<u>(153,941)</u>
Total Net Investment in Capital Assets	<u>\$ 10,613,211</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 \$88,884 and is part of the city's commingled cash. See Note III. A.

c. Capital Assets

At year end, the capital assets in the BID consisted of a bobcat and a shed, net of depreciation with an ending balance of \$20,158. The BID considers a capital asset to have an initial cost of \$1,000 and an estimated useful life in excess of three years.

CITY OF PORTAGE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2018

NOTE IV - OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

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

ETF issues a standalone 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, if hired on or before 12/31/2016) 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, 2018

NOTE IV - OTHER INFORMATION (cont.)

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:

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2008	6.6%	0%
2009	(2.1)	(42)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5)
2017	2.0	4.0

CITY OF PORTAGE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE IV - OTHER INFORMATION (cont.)

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 \$390,407 in contributions from the city.

Contribution rates for the plan year reported as of December 31, 2018 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 Asset, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2018, the city reported an liability/(asset) of \$1,102,545 for its proportionate share of the net pension liability/(asset). The net pension liability/(asset) was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of December 31, 2016 rolled forward to December 31, 2017. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The city's proportion of the net pension 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, 2017, the city's proportion was 0.03713377%, which was an increase of 0.00079409% from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the city recognized pension expense of \$423,789.

CITY OF PORTAGE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2018

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,400,811	\$ 655,253
Changes in assumptions	217,841	-
Net differences between projected and actual earnings on pension plan investments	-	1,515,346
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,309	11,137
Employer contributions subsequent to the measurement date	401,118	-
Totals	\$ 2,021,079	\$ 2,181,736

\$401,118 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 asset in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31:	Deferred Outflows of Resources and Deferred Inflows of Resources (net)
2019	\$ 116,081
2020	(13,474)
2021	(380,615)
2022	(286,411)
2023	2,644

CITY OF PORTAGE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

Actuarial Valuation Date:	December 31, 2016
Measurement Date of Net Pension Asset:	December 31, 2017
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair 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, 2017 is based upon a roll-forward of the liability calculated from the December 31, 2016 actuarial valuation.

CITY OF PORTAGE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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>Long-Term Expected Nominal Rate of Return %</u>	<u>Long-Term Expected Real Rate of Return %</u>
Global Equities	50%	8.2%	5.3%
Fixed Income	24.5	4.2	1.4
Inflation Sensitive Assets	15.5	3.8	1.0
Real Estate	8	6.5	3.6
Private Equity/Debt	8	9.4	6.5
Multi-Asset	4	6.5	3.6
Total Core Fund	110	7.3	4.4
 <u>Variable Fund Asset Class</u>			
U.S Equities	70	7.5	4.6
International Equities	30	7.8	4.9
Total Variable Fund	100	7.9	5.0

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

Single discount rate. A single discount rate of 7.20% was used to measure the total pension asset. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long term bond rate of 3.31%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan 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 asset.

CITY OF PORTAGE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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)	\$2,852,662	\$(1,102,545)	\$(4,108,626)

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, 2018, 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.

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, 2018. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures.

CITY OF PORTAGE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2018

NOTE IV - OTHER INFORMATION (cont.)

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's 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.

E. SUBSEQUENT EVENTS

On Wednesday, May 15, 2019, the city issued general obligation corporate purpose bonds, series 2019A in the amount of \$3,055,000 with an interest rate of 3.00%. This amount will be used various city and TID projects.

On Wednesday, May 15, 2019, the city issued water system revenue bonds, series 2019B in the amount of \$1,335,000 with an interest rate of 3.00%. This amount will be used water utility projects.

On Wednesday, May 15, 2019, the city issued sewerage system revenue bonds, series 2019C in the amount of \$1,265,000 with an interest rate of 3.00%. This amount will be used sewer utility projects.

CITY OF PORTAGE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2018

NOTE IV - OTHER INFORMATION (cont.)

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

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

- > Statement No. 83, *Certain Asset Retirement Obligations*
- > Statement No. 84, *Fiduciary Activities*
- > Statement No. 87, *Leases*
- > Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*
- > Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- > Statement No. 90, *Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61*
- > Statement No. 91, *Conduit Debt Obligations*

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, 2018

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
TAXES			
General property taxes	\$ 3,958,998	\$ 3,973,174	\$ 14,176
Mobile home lottery credit	27,500	23,000	(4,500)
Forest cropland and managed forest land taxes	294	1,208	914
Sales and use	40	43	3
Total Taxes	<u>3,986,832</u>	<u>3,997,425</u>	<u>10,593</u>
INTERGOVERNMENTAL REVENUES			
State shared revenues	1,670,231	1,640,715	(29,516)
State expenditure restraint	154,996	154,996	-
Fire insurance tax	24,000	27,333	3,333
State aid - law enforcement improvement	4,920	4,210	(710)
State aid - general transportation aids	532,950	532,527	(423)
State aid - connecting streets	126,506	126,507	1
Other state payments - operating	15,000	13,900	(1,100)
Payments for municipal services	42,000	36,432	(5,568)
In lieu of taxes on state conservation lands	420	448	28
Other state payments	5,000	4,749	(251)
County aid - highway and bridges	2,000	-	(2,000)
Total Intergovernmental Revenues	<u>2,578,023</u>	<u>2,541,817</u>	<u>(36,206)</u>
LICENSES AND PERMITS			
Business and occupational licenses	2,250	1,335	(915)
Liquor and malt beverage licenses	33,000	34,635	1,635
Operators' license	1,600	2,080	480
Mobile home park licenses	300	300	-
Cable television franchise fees	128,000	132,827	4,827
Dog and cat licenses	6,000	6,072	72
Other nonbusiness licenses	250	1,620	1,370
Other regulatory permits and fees	13,230	11,611	(1,619)
Electrical contractor licenses	-	549	549
Total Licenses and Permits	<u>184,630</u>	<u>191,029</u>	<u>6,399</u>
FINES, FORFEITURES AND PENALTIES			
Court penalties and costs	172,600	151,491	(21,109)
Parking violations	8,000	1,450	(6,550)
Judgments and damages	500	470	(30)
Total Fines, Forfeitures and Penalties	<u>181,100</u>	<u>153,411</u>	<u>(27,689)</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, 2018

	Original and Final Budget	Actual	Variance with Final Budget
PUBLIC CHARGES FOR SERVICES			
Clerk's fees	\$ 2,000	\$ 251	\$ (1,749)
Law enforcement fees	6,000	5,751	(249)
Street related facilities	7,000	4,273	(2,727)
Parking lots, ramps and meters	100	30	(70)
Other transportation	500	413	(87)
Solid waste disposal	7,500	7,745	245
Weed and nuisance control	6,000	3,206	(2,794)
Culture, recreation and education	7,500	5,726	(1,774)
Parks	42,000	42,782	782
Park rental	7,800	11,905	4,105
Conservation and development	2,500	3,469	969
Other sanitation services	-	1,156	1,156
Other public charges for services	9,175	10,658	1,483
Total Public Charges for Services	98,075	97,365	(710)
INTERGOVERNMENTAL CHARGES FOR SERVICES			
Local - rural fire services	135,000	148,885	13,885
Local - HAZMAT services	19,000	7,108	(11,892)
Local - intra-agency administration fees	110,103	90,104	(19,999)
Total Intergovernmental Charges for Services	264,103	246,097	(18,006)
INVESTMENT INCOME			
Interest on investments	24,000	51,562	27,562
Interest on special assessments	3,000	1,528	(1,472)
Total Investment Income	27,000	53,090	26,090
MISCELLANEOUS REVENUES			
Rent	68,191	76,883	8,692
Insurance recoveries - police	1,000	-	(1,000)
Donations	4,000	13,888	9,888
Insurance dividends	17,000	22,656	5,656
Other miscellaneous	2,000	3,517	1,517
Insurance recoveries - highway	1,000	-	(1,000)
Insurance recoveries - other	-	2,080	2,080
Total Miscellaneous Revenues	93,191	119,024	25,833
Total Revenues	7,412,954	7,399,258	(13,696)

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, 2018

	Original and Final Budget	Actual	Variance with Final Budget
EXPENDITURES			
GENERAL GOVERNMENT			
Council	\$ 38,029	\$ 36,356	\$ 1,673
Judicial	123,545	117,719	5,826
Legal	33,000	42,221	(9,221)
Mayor	14,021	14,187	(166)
Administrator	145,027	145,533	(506)
General administration	289,583	290,124	(541)
Financial administration	238,004	241,551	(3,547)
General buildings/plant/hall	87,071	96,764	(9,693)
Safety program	2,000	2,473	(473)
Contingency	<u>26,612</u>	<u>-</u>	<u>26,612</u>
Total General Government	<u>996,892</u>	<u>986,928</u>	<u>9,964</u>
PUBLIC SAFETY			
Police	504,875	537,674	(32,799)
Patrol	1,704,407	1,668,843	35,564
Criminal investigation	321,632	327,770	(6,138)
Fire protection	204,843	202,970	1,873
Suppression	877,593	903,321	(25,728)
Prevention	80,222	82,245	(2,023)
Hazmat	13,956	11,106	2,850
Emergency government	3,000	8,271	(5,271)
Police special services	<u>170,716</u>	<u>155,212</u>	<u>15,504</u>
Total Public Safety	<u>3,881,244</u>	<u>3,897,412</u>	<u>(16,168)</u>
PUBLIC WORKS			
Engineering	214,963	217,069	(2,106)
Highway and street maintenance for local	1,256,109	1,178,590	77,519
Highway and street construction for local	4,000	-	4,000
Storm sewer maintenance	16,500	21,780	(5,280)
Parking facilities	350	-	350
Airport	38,649	29,592	9,057
Solid waste disposal	351,554	381,563	(30,009)
Weed and nuisance control	10,200	4,316	5,884
Refuse and garbage collection	<u>-</u>	<u>1,619</u>	<u>(1,619)</u>
Total Public Works	<u>1,892,325</u>	<u>1,834,529</u>	<u>57,796</u>
HEALTH AND HUMAN SERVICES			
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, 2018

	Original and Final Budget	Actual	Variance with Final Budget
CULTURE, RECREATION, AND EDUCATION			
Cable television	\$ 22,211	\$ 14,805	\$ 7,406
Parks	170,684	170,166	518
Recreation programs and events	74,899	77,784	(2,885)
Park maintenance	<u>406,836</u>	<u>409,069</u>	<u>(2,233)</u>
Total Culture, Recreation, and Education	<u>674,630</u>	<u>671,824</u>	<u>2,806</u>
CONSERVATION AND DEVELOPMENT			
Community development	81,498	81,457	41
Planning	<u>-</u>	<u>645</u>	<u>(645)</u>
Total Conservation and Development	<u>81,498</u>	<u>82,102</u>	<u>(604)</u>
Total Expenditures	<u>7,587,089</u>	<u>7,533,295</u>	<u>53,794</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(174,135)</u>	<u>(134,037)</u>	<u>40,098</u>
OTHER FINANCING SOURCES (USES)			
Sale of capital assets	3,500	4,949	1,449
Transfers in	355,900	384,963	29,063
Transfers out	<u>(309,157)</u>	<u>(371,190)</u>	<u>(62,033)</u>
Total Other Financing Sources (Uses)	<u>50,243</u>	<u>18,722</u>	<u>(31,521)</u>
Net Change in Fund Balance	(123,892)	(115,315)	8,577
FUND BALANCE - Beginning of Year	<u>3,897,498</u>	<u>3,897,498</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 3,773,606</u>	<u>\$ 3,782,183</u>	<u>\$ 8,577</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, 2018

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Public charges for services	\$ 20,000	\$ 47,335	\$ 27,335
Investment income	50	555	505
Total Revenues	<u>20,050</u>	<u>47,890</u>	<u>27,840</u>
EXPENDITURES			
Current			
Conservation and development	<u>34,100</u>	<u>3,849</u>	<u>30,251</u>
Total Expenditures	<u>34,100</u>	<u>3,849</u>	<u>30,251</u>
Net Change in Fund Balance	(14,050)	44,041	58,091
FUND BALANCE - Beginning of Year	<u>17,928</u>	<u>17,928</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 3,878</u>	<u>\$ 61,969</u>	<u>\$ 58,091</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, 2018

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Intergovernmental	\$ 762,545	\$ 839,024	\$ 76,479
Public charges for services	504,750	464,173	(40,577)
Miscellaneous revenues	<u>7,000</u>	<u>2,000</u>	<u>(5,000)</u>
Total Revenues	<u>1,274,295</u>	<u>1,305,197</u>	<u>30,902</u>
EXPENDITURES			
Current			
Public works	<u>1,335,795</u>	<u>1,222,441</u>	<u>113,354</u>
Total Expenditures	<u>1,335,795</u>	<u>1,222,441</u>	<u>113,354</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(61,500)</u>	<u>82,756</u>	<u>144,256</u>
OTHER FINANCING SOURCES			
Transfers in	57,000	57,000	-
Sale of capital assets	<u>4,500</u>	<u>-</u>	<u>(4,500)</u>
Total Other Financing Sources	<u>61,500</u>	<u>57,000</u>	<u>(4,500)</u>
Net Change in Fund Balance	-	139,756	139,756
FUND BALANCE (DEFICIT) - Beginning of Year	<u>(120,441)</u>	<u>(120,441)</u>	<u>-</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u><u>\$ (120,441)</u></u>	<u><u>\$ 19,315</u></u>	<u><u>\$ 139,756</u></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, 2018

<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>
12/31/18	0.037133770%	\$ (1,102,545)	\$ 4,382,903	25.16%	102.93%
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, 2018

<u>Fiscal Year Ending</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/18	\$ 310,688	\$ 310,688	\$ -	\$ 4,456,064	6.97%
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, 2018

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, 2018

	Special Revenue Funds			
	Park Land Dedication Fund	Swimming Pool Fund	Inspection Fund	Library Fund
ASSETS				
Cash and investments	\$ 27,202	\$ -	\$ 16,387	\$ 192,219
Receivables				
Taxes	-	-	-	469,264
Accounts	2,500	141	3,211	-
Due from other funds	-	-	-	-
Special assessments	-	-	-	-
Other	-	-	-	101
Prepaid items	-	100	857	5,474
Restricted cash and investments	-	-	-	-
	-	-	-	-
TOTAL ASSETS	\$ 29,702	\$ 241	\$ 20,455	\$ 667,058
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ 31	\$ 11,099	\$ 6,995
Accrued liabilities	-	1,409	2,453	24,108
Deposits	-	-	-	-
Due to other funds	-	-	16	-
Advances from other funds	-	102,080	-	-
Total Liabilities	-	103,520	13,568	31,103
Deferred Inflows of Resources				
Property taxes levied for next period	-	-	-	469,264
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	469,264
Fund Balances				
Nonspendable	-	100	857	5,474
Restricted	-	-	-	161,217
Committed	-	-	-	-
Assigned	29,702	-	6,030	-
Unassigned (deficit)	-	(103,379)	-	-
Total Fund Balances (Deficit)	29,702	(103,279)	6,887	166,691
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 29,702	\$ 241	\$ 20,455	\$ 667,058

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
\$ 34,016	\$ 23,076	\$ 173,707	\$ 19,889	\$ 85,621	\$ 121,196	\$ 106,903
-	-	-	-	-	-	-
-	-	-	-	33	854	-
-	107	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	9,778
-	-	-	-	-	-	1,254
<u>47,442</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 81,458</u>	<u>\$ 23,183</u>	<u>\$ 173,707</u>	<u>\$ 19,889</u>	<u>\$ 85,654</u>	<u>\$ 122,050</u>	<u>\$ 117,935</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>6,326</u>	<u>1,278</u>	<u>3,017</u>	<u>30</u>	<u>13,199</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	2,500	1,392	-
-	-	-	-	2,500	1,392	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
81,458	-	-	-	80,137	-	1,254
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	23,183	167,381	18,611	-	120,628	103,482
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>81,458</u>	<u>23,183</u>	<u>167,381</u>	<u>18,611</u>	<u>80,137</u>	<u>120,628</u>	<u>104,736</u>
<u>\$ 81,458</u>	<u>\$ 23,183</u>	<u>\$ 173,707</u>	<u>\$ 19,889</u>	<u>\$ 85,654</u>	<u>\$ 122,050</u>	<u>\$ 117,935</u>

CITY OF PORTAGE

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS As of December 31, 2018

	Special Revenue Funds			
	HUD Fund	Wheel Tax Fund	Ambulance Fund	Post Retirement Benefits Fund
ASSETS				
Cash and investments	\$ -	\$ -	\$ 60,600	\$ -
Receivables				
Taxes	-	-	-	-
Accounts	70,993	-	-	-
Due from other funds	-	-	-	-
Special assessments	-	-	-	-
Other	-	-	-	-
Prepaid items	-	-	-	1,544
Restricted cash and investments	-	-	-	-
	-	-	-	-
TOTAL ASSETS	\$ 70,993	\$ -	\$ 60,600	\$ 1,544
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ -	\$ 9,204	\$ 1,500
Accrued liabilities	-	-	-	-
Deposits	-	-	-	-
Due to other funds	-	38,025	-	4,454
Advances from other funds	-	-	-	-
Total Liabilities	-	38,025	9,204	5,954
Deferred Inflows of Resources				
Property taxes levied for next period	-	-	-	-
Unavailable revenues	70,993	-	-	-
Total Deferred Inflows of Resources	70,993	-	-	-
Fund Balances				
Nonspendable	-	-	-	1,544
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	51,396	-
Unassigned (deficit)	-	(38,025)	-	(5,954)
Total Fund Balances (Deficit)	-	(38,025)	51,396	(4,410)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 70,993	\$ -	\$ 60,600	\$ 1,544

Special Revenue Funds	Capital Projects Funds					
Recycling Fund	Industrial Development Fund	Revolving Sidewalk Fund	Revolving Alley Fund	Canal Project Fund	Airport Construction Fund	TIF #4
\$ 20,374	\$ 49	\$ -	\$ -	\$ 129,313	\$ 46,356	\$ -
-	-	12,829	18,538	-	-	14,912
-	-	303	-	-	-	-
-	-	67,418	62,032	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 20,374</u>	<u>\$ 49</u>	<u>\$ 80,550</u>	<u>\$ 80,570</u>	<u>\$ 129,313</u>	<u>\$ 46,356</u>	<u>\$ 14,912</u>
\$ -	\$ -	\$ 30,113	\$ 6,557	\$ 8,460	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	29,174	92,256	-	-	-
-	-	-	-	-	-	779,773
<u>-</u>	<u>-</u>	<u>59,287</u>	<u>98,813</u>	<u>8,460</u>	<u>-</u>	<u>779,773</u>
-	-	12,829	18,538	-	-	14,912
-	-	67,415	62,032	-	-	-
<u>-</u>	<u>-</u>	<u>80,244</u>	<u>80,570</u>	<u>-</u>	<u>-</u>	<u>14,912</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
20,374	-	-	-	-	-	-
-	49	-	-	120,853	46,356	-
<u>-</u>	<u>-</u>	<u>(58,981)</u>	<u>(98,813)</u>	<u>-</u>	<u>-</u>	<u>(779,773)</u>
<u>20,374</u>	<u>49</u>	<u>(58,981)</u>	<u>(98,813)</u>	<u>120,853</u>	<u>46,356</u>	<u>(779,773)</u>
<u>\$ 20,374</u>	<u>\$ 49</u>	<u>\$ 80,550</u>	<u>\$ 80,570</u>	<u>\$ 129,313</u>	<u>\$ 46,356</u>	<u>\$ 14,912</u>

CITY OF PORTAGE

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS As of December 31, 2018

	Capital Projects Funds			
	TIF #5	TIF #6	TIF #7	TIF #8
ASSETS				
Cash and investments	\$ -	\$ -	\$ 7,236	\$ 54,824
Receivables				
Taxes	110,591	-	54,053	64,702
Accounts	-	-	-	-
Due from other funds	-	-	-	-
Special assessments	-	-	-	6,442
Other	80,542	-	-	-
Prepaid items	-	-	-	-
Restricted cash and investments	-	-	-	-
	-	-	-	-
TOTAL ASSETS	\$ 191,133	\$ -	\$ 61,289	\$ 125,968
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 288	\$ 2,819	\$ 5,723	\$ -
Accrued liabilities	-	-	-	-
Deposits	-	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	499,078	95,818	-	-
Total Liabilities	499,366	98,637	5,723	-
Deferred Inflows of Resources				
Property taxes levied for next period	110,591	-	54,053	64,702
Unavailable revenues	80,542	-	-	6,442
Total Deferred Inflows of Resources	191,133	-	54,053	71,144
Fund Balances				
Nonspendable	-	-	-	-
Restricted	-	-	1,513	54,824
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned (deficit)	(499,366)	(98,637)	-	-
Total Fund Balances (Deficit)	(499,366)	(98,637)	1,513	54,824
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 191,133	\$ -	\$ 61,289	\$ 125,968

Capital Projects Funds

<u>TIF #9</u>	<u>TIF #10</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ -	\$ 1,118,968
-	-	744,889
-	-	78,035
-	-	107
-	-	135,892
-	-	90,421
-	-	9,229
<u>-</u>	<u>-</u>	<u>47,442</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,224,983</u>
\$ -	\$ -	\$ 92,455
-	-	31,112
-	-	7,186
-	-	167,781
<u>15,489</u>	<u>13,717</u>	<u>1,505,955</u>
<u>15,489</u>	<u>13,717</u>	<u>1,804,489</u>
-	-	744,889
<u>-</u>	<u>-</u>	<u>291,316</u>
<u>-</u>	<u>-</u>	<u>1,036,205</u>
-	-	9,229
-	-	379,149
-	-	20,374
-	-	687,671
<u>(15,489)</u>	<u>(13,717)</u>	<u>(1,712,134)</u>
<u>(15,489)</u>	<u>(13,717)</u>	<u>(615,711)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,224,983</u>

CITY OF PORTAGE

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2018

	Special Revenue Funds			
	Park Land Dedication Fund	Swimming Pool Fund	Inspection Fund	Library Fund
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 480,412
Special assessments	-	-	-	-
Intergovernmental	-	-	-	223,265
Licenses and permits	-	-	57,245	-
Public charges for services	767	34,354	700	7,697
Intergovernmental charges for services	-	-	19,595	-
Investment income	650	-	240	3,748
Miscellaneous revenues	<u>13,259</u>	<u>10,100</u>	<u>-</u>	<u>980</u>
Total Revenues	<u>14,676</u>	<u>44,454</u>	<u>77,780</u>	<u>716,102</u>
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	97,865	-
Public works	-	-	-	-
Culture, recreation and education	-	55,217	-	668,446
Conservation and development	-	-	198	-
Capital Outlay	<u>98,800</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>98,800</u>	<u>55,217</u>	<u>98,063</u>	<u>668,446</u>
Excess (deficiency) of revenues over expenditures	<u>(84,124)</u>	<u>(10,763)</u>	<u>(20,283)</u>	<u>47,656</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(84,124)	(10,763)	(20,283)	47,656
FUND BALANCES (DEFICIT) - Beginning of Year	<u>113,826</u>	<u>(92,516)</u>	<u>27,170</u>	<u>119,035</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 29,702</u>	<u>\$ (103,279)</u>	<u>\$ 6,887</u>	<u>\$ 166,691</u>

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
\$ -	\$ -	\$ 169,986	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	26,561	-	-
-	37,088	-	-	-	15,983	-
-	-	-	-	-	-	-
13	404	1,522	184	1,021	782	1,088
<u>60,963</u>	<u>-</u>	<u>-</u>	<u>17,335</u>	<u>47,137</u>	<u>-</u>	<u>127,844</u>
<u>60,976</u>	<u>37,492</u>	<u>171,508</u>	<u>17,519</u>	<u>74,719</u>	<u>16,765</u>	<u>128,932</u>
-	-	-	-	13,950	-	-
-	23,752	-	10,785	36,929	-	-
-	-	-	-	-	-	-
46,623	-	151,993	-	30,700	-	-
-	-	-	-	-	3,756	114,366
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>46,623</u>	<u>23,752</u>	<u>151,993</u>	<u>10,785</u>	<u>81,579</u>	<u>3,756</u>	<u>114,366</u>
<u>14,353</u>	<u>13,740</u>	<u>19,515</u>	<u>6,734</u>	<u>(6,860)</u>	<u>13,009</u>	<u>14,566</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>	<u>-</u>
14,353	13,740	19,515	6,734	(6,860)	13,009	14,566
<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>\$ 81,458</u>	<u>\$ 23,183</u>	<u>\$ 167,381</u>	<u>\$ 18,611</u>	<u>\$ 80,137</u>	<u>\$ 120,628</u>	<u>\$ 104,736</u>

CITY OF PORTAGE

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2018

	Special Revenue Funds			
	HUD Fund	Wheel Tax Fund	Ambulance Fund	Post Retirement Benefits Fund
REVENUES				
Taxes	\$ -	\$ 176,213	\$ -	\$ -
Special assessments	-	-	-	-
Intergovernmental	-	-	-	-
Licenses and permits	-	-	-	-
Public charges for services	-	-	-	-
Intergovernmental charges for services	-	-	-	-
Investment income	-	1,241	606	-
Miscellaneous revenues	-	-	-	-
Total Revenues	-	177,454	606	-
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	-	40,111
Public works	-	248,315	-	-
Culture, recreation and education	-	-	-	1,665
Conservation and development	-	-	-	-
Capital Outlay	-	23,928	-	-
Total Expenditures	-	272,243	-	41,776
Excess (deficiency) of revenues over expenditures	-	(94,789)	606	(41,776)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	40,277
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	40,277
Net Change in Fund Balances	-	(94,789)	606	(1,499)
FUND BALANCES (DEFICIT) - Beginning of Year	-	56,764	50,790	(2,911)
FUND BALANCES (DEFICIT) - END OF YEAR	\$ -	\$ (38,025)	\$ 51,396	\$ (4,410)

Special Revenue Funds	Capital Projects Funds					
Recycling Fund	Industrial Development Fund	Revolving Sidewalk Fund	Revolving Alley Fund	Canal Project Fund	Airport Construction Fund	TIF #4
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,673
-	-	77,779	45,885	-	-	-
20,374	-	-	-	-	-	-
-	-	295	-	-	-	-
-	-	-	-	-	-	-
-	1	2,051	3,166	1,629	458	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>198</u>
<u>20,374</u>	<u>1</u>	<u>80,125</u>	<u>49,051</u>	<u>1,629</u>	<u>458</u>	<u>14,871</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	2,724	81,429	20,588	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	7,814
<u>-</u>	<u>-</u>	<u>135,882</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35</u>
<u>-</u>	<u>-</u>	<u>138,606</u>	<u>81,429</u>	<u>20,588</u>	<u>-</u>	<u>7,849</u>
<u>20,374</u>	<u>1</u>	<u>(58,481)</u>	<u>(32,378)</u>	<u>(18,959)</u>	<u>458</u>	<u>7,022</u>
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(138,965)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(138,965)</u>
20,374	1	(58,481)	(32,378)	(18,959)	458	(131,943)
-	48	(500)	(66,435)	139,812	45,898	(647,830)
<u>\$ 20,374</u>	<u>\$ 49</u>	<u>\$ (58,981)</u>	<u>\$ (98,813)</u>	<u>\$ 120,853</u>	<u>\$ 46,356</u>	<u>\$ (779,773)</u>

CITY OF PORTAGE

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS For the Year Ended December 31, 2018

	Capital Projects Funds			
	TIF #5	TIF #6	TIF #7	TIF #8
REVENUES				
Taxes	\$ 94,489	\$ -	\$ -	\$ 63,765
Special assessments	-	-	-	2,212
Intergovernmental	-	3,371	1,705	736
Licenses and permits	-	-	-	-
Public charges for services	-	-	-	-
Intergovernmental charges for services	-	-	-	-
Investment income	-	-	321	865
Miscellaneous revenues	-	-	-	-
Total Revenues	94,489	3,371	2,026	67,578
EXPENDITURES				
Current				
General government	-	-	-	150
Public safety	-	-	-	-
Public works	-	-	-	-
Culture, recreation and education	-	-	-	-
Conservation and development	19,662	2,145	9,294	7,670
Capital Outlay	60	26,254	44,626	8,678
Total Expenditures	19,722	28,399	53,920	16,498
Excess (deficiency) of revenues over expenditures	74,767	(25,028)	(51,894)	51,080
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(163,619)	(6,244)	(76,432)	(47,188)
Total Other Financing Sources (Uses)	(163,619)	(6,244)	(76,432)	(47,188)
Net Change in Fund Balances	(88,852)	(31,272)	(128,326)	3,892
FUND BALANCES (DEFICIT) - Beginning of Year	(410,514)	(67,365)	129,839	50,932
FUND BALANCES (DEFICIT) - END OF YEAR	\$ (499,366)	\$ (98,637)	\$ 1,513	\$ 54,824

Capital Projects Funds

<u>TIF #9</u>	<u>TIF #10</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ -	\$ 999,538
-	-	125,876
-	-	276,012
-	-	57,245
-	-	96,884
-	-	19,595
44	-	20,034
<u>-</u>	<u>-</u>	<u>277,816</u>
<u>44</u>	<u>-</u>	<u>1,873,000</u>
-	-	14,100
-	-	209,442
-	-	353,056
-	-	954,644
198	13,717	178,820
<u>-</u>	<u>-</u>	<u>338,263</u>
<u>198</u>	<u>13,717</u>	<u>2,048,325</u>
<u>(154)</u>	<u>(13,717)</u>	<u>(175,325)</u>
-	-	40,277
<u>-</u>	<u>-</u>	<u>(432,448)</u>
<u>-</u>	<u>-</u>	<u>(392,171)</u>
(154)	(13,717)	(567,496)
<u>(15,335)</u>	<u>-</u>	<u>(48,215)</u>
<u>\$ (15,489)</u>	<u>\$ (13,717)</u>	<u>\$ (615,711)</u>