

CITY OF PORTAGE

Portage, Wisconsin

FINANCIAL STATEMENTS

Including Independent Auditors' Report

As of and for the Year Ended December 31, 2019

CITY OF PORTAGE

TABLE OF CONTENTS As of and for the Year Ended December 31, 2019

	<u>Page(s)</u>
Independent Auditors' Report	i - ii
Required Supplementary Information	
Management's Discussion and Analysis	iii - xv
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	1
Statement of Activities	2 - 3
Fund Financial Statements	
Balance Sheet - Governmental Funds	4 - 5
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	6
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	7 - 8
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	9
Statement of Net Position - Proprietary Funds	10 - 11
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	12
Statement of Cash Flows - Proprietary Funds	13 - 14
Statement of Fiduciary Net Position - Custodial Fund	15
Statement of Changes in Fiduciary Net Position - Custodial Fund	16
Index to Notes to Financial Statements	17
Notes to Financial Statements	18 - 61
Required Supplementary Information	
General Fund	
Detailed Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	62 - 64
Special Revenue Funds	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - CDBG Fund	65
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Mass Transit Fund	66

CITY OF PORTAGE

TABLE OF CONTENTS (cont.) As of and for the Year Ended December 31, 2019

	<u>Page(s)</u>
Required Supplementary Information (cont.)	
Schedule of Proportionate Share of the Net Pension Liability (Asset) - Wisconsin Retirement System	67
Schedule of Employer Contributions - Wisconsin Retirement System	67
Notes to Required Supplementary Information	68
Supplementary Information	
Combining Balance Sheet - Nonmajor Governmental Funds	69 - 74
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	75 - 80

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, 2019, 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, 2019 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.

Emphasis of Matter

As discussed in Note I, the City of Portage adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*, effective January 1, 2019. Our opinions are not modified with respect to this matter.

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
July 8, 2020

CITY OF PORTAGE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

As of and for the Year Ended December 31, 2019

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, 2019. 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 \$39,372,532 (net position). Of this amount, \$7,916,352 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 \$1,105,085 in 2019.
- > As of the close of the current fiscal year, the City of Portage's governmental funds reported combined ending fund balances of \$6,559,166, which represents an increase of \$773,444 in comparison with 2018.
- > At the end of the current fiscal year, unassigned fund balance for the general fund was \$2,164,100 or approximately 28% of the total general fund expenditures.
- > Total governmental activities general obligation debt increased \$1,935,554 to \$14,789,554 and business-type general obligation debt decreased \$525,000 to \$2,795,000.

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, 2019

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 35 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 Projects 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, 2019

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 17 - 61 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 62 - 68 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 69 - 80 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 \$39,372,532 as of December 31, 2019.

CITY OF PORTAGE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

As of and for the Year Ended December 31, 2019

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 is still outstanding. The city uses these capital assets to provide service to citizens; consequently these assets are not available for future spending. Although the city's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the city's net position (approximately 9%) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position of \$7,916,352 may be used to meet the government's ongoing obligation to citizens and creditors.

CITY OF PORTAGE'S STATEMENT OF NET POSITION						
	Governmental Activities		Business-Type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 15,720,488	\$ 15,383,505	\$ 9,040,954	\$ 7,598,447	\$ 24,761,442	\$ 22,981,952
Capital assets	31,172,538	30,481,176	21,315,874	21,077,011	52,488,412	51,558,187
Total Assets	46,893,026	45,864,681	30,356,828	28,675,458	77,249,854	74,540,139
Pension related amounts	3,319,103	1,792,747	354,792	228,332	3,673,895	2,021,079
Total Deferred Outflows of Resources	3,319,103	1,792,747	354,792	228,332	3,673,895	2,021,079
Other liabilities	1,184,287	1,005,020	265,673	203,374	1,449,960	1,208,394
Long-term liabilities	17,509,947	14,248,280	14,418,886	12,480,262	31,928,833	26,728,542
Total Liabilities	18,694,234	15,253,300	14,684,559	12,683,636	33,378,793	27,936,936
Unearned revenues	6,298,655	5,964,069	-	860	6,298,655	5,964,929
Pension related amounts	1,680,186	1,926,344	193,583	255,392	1,873,769	2,181,736
Total Deferred Inflows of Resources	7,978,841	7,890,413	193,583	256,252	8,172,424	8,146,665
Net investment in capital assets	18,067,229	18,109,397	9,945,022	10,613,211	28,012,251	28,722,608
Restricted	2,213,706	3,208,916	1,230,223	1,126,331	3,443,929	4,335,247
Unrestricted	3,258,119	3,195,402	4,658,233	4,224,360	7,916,352	7,419,762
TOTAL NET POSITION	\$ 23,539,054	\$ 24,513,715	\$ 15,833,478	\$ 15,963,902	\$ 39,372,532	\$ 40,477,617

Analysis of the City's Operations – The following table provides a summary of the city's operations for the year ended December 31, 2019. Net position for governmental activities decreased by \$974,661 to a total of \$23,539,054. Business-type activities decreased by \$130,424 to a total of \$15,833,478.

CITY OF PORTAGE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

As of and for the Year Ended December 31, 2019

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	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	\$ 1,432,863	\$ 1,412,614	\$ 3,933,003	\$ 3,870,503	\$ 5,365,866	\$ 5,283,117
Operating grants and contributions	1,371,496	1,412,267	33,997	31,972	1,405,493	1,444,239
Capital grants and contributions	646,582	757,463	1,000	207,041	647,582	964,504
General revenues:					-	
Property taxes	5,924,364	5,758,696	-	-	5,924,364	5,758,696
Other taxes	343,012	370,450	-	-	343,012	370,450
Intergovernmental	2,021,208	1,982,442	-	-	2,021,208	1,982,442
Investment income	176,059	124,801	150,844	88,023	326,903	212,824
Gain on disposal of assets	151,680	252,342	-	-	151,680	252,342
Miscellaneous	43,187	46,600	17,461	28,291	60,648	74,891
Total Revenues	12,110,451	12,117,675	4,136,305	4,225,830	16,246,756	16,343,505
Expenses:						
General government	1,329,272	1,359,390	-	-	1,329,272	1,359,390
Public safety	4,651,409	4,062,496	-	-	4,651,409	4,062,496
Public works	4,502,857	4,805,583	-	-	4,502,857	4,805,583
Health and human services	58,573	60,500	-	-	58,573	60,500
Culture, education and recreation	2,105,149	1,726,492	-	-	2,105,149	1,726,492
Conservation and development	371,903	266,556	-	-	371,903	266,556
Interest and fiscal charges	451,841	340,589	-	-	451,841	340,589
Water utility	-	-	1,689,021	1,698,338	1,689,021	1,698,338
Sewer utility	-	-	2,191,816	2,048,688	2,191,816	2,048,688
Total Expenses	13,471,004	12,621,606	3,880,837	3,747,026	17,351,841	16,368,632
Income Before Transfers	(1,360,553)	(503,931)	255,468	478,804	(1,105,085)	(25,127)
Transfers	385,892	384,963	(385,892)	(384,963)	-	-
Increase (Decrease) in net position	(974,661)	(118,968)	(130,424)	93,841	(1,105,085)	(25,127)
Net Position - beginning	24,513,715	24,632,683	15,963,902	15,870,061	40,477,617	40,502,744
Net Position - Ending	\$ 23,539,054	\$ 24,513,715	\$ 15,833,478	\$ 15,963,902	\$ 39,372,532	\$ 40,477,617

CITY OF PORTAGE, WISCONSIN

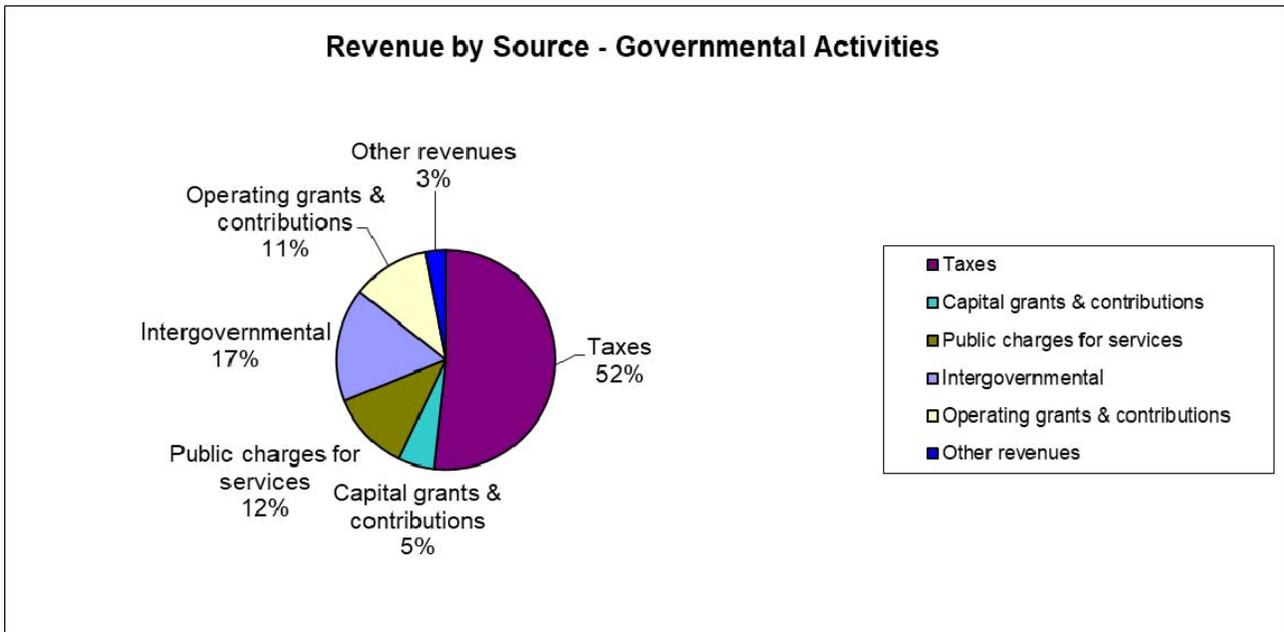
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

As of and for the Year Ended December 31, 2019

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

GOVERNMENTAL ACTIVITIES

The city received a total of \$12,110,451 in governmental activity revenues in 2019. As the following chart indicates, the largest revenue source is taxes followed by intergovernmental revenues.



Total governmental activities expenses were \$13,471,004 in 2019. Expenses exceeded revenues by \$1,360,553. After transfers in, there was a decrease in net position of \$974,661.

In 2019, Public Safety (police, fire, EMS, emergency government) accounted for the largest share of city expenditures at 35%. This was followed closely by expenditures on Public Works activities at 33%. Other expenditure areas included General Government at 10%; Culture, Education, and Recreation at 16%, Interest and Fiscal Charges at 3%, Conservation and Development at 3%, and Health and Human Services at less than 1%.

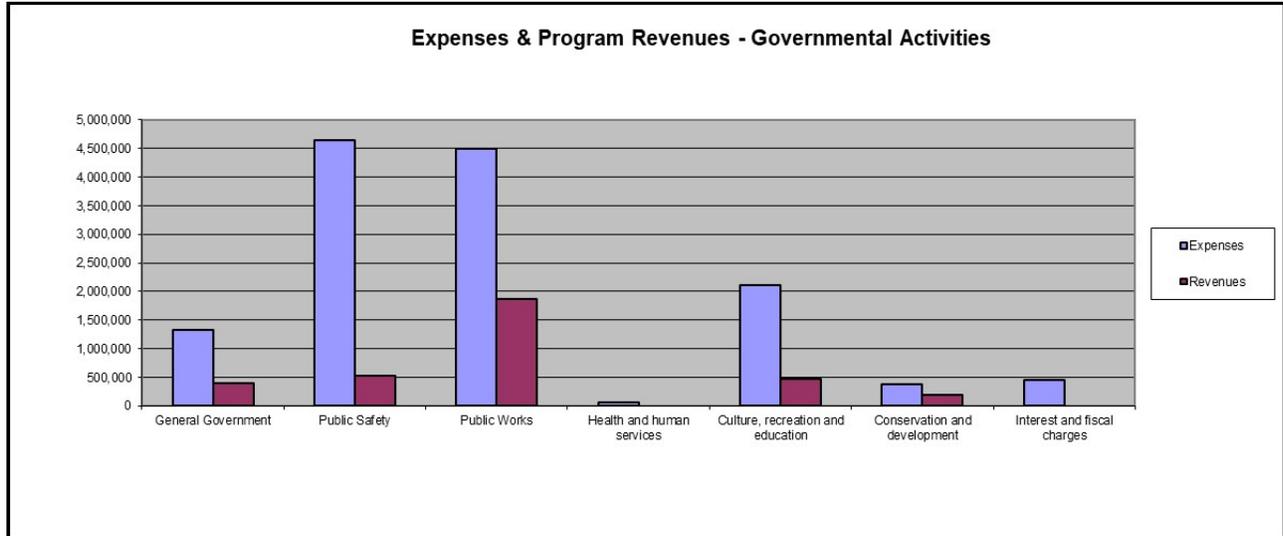
CITY OF PORTAGE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

As of and for the Year Ended December 31, 2019

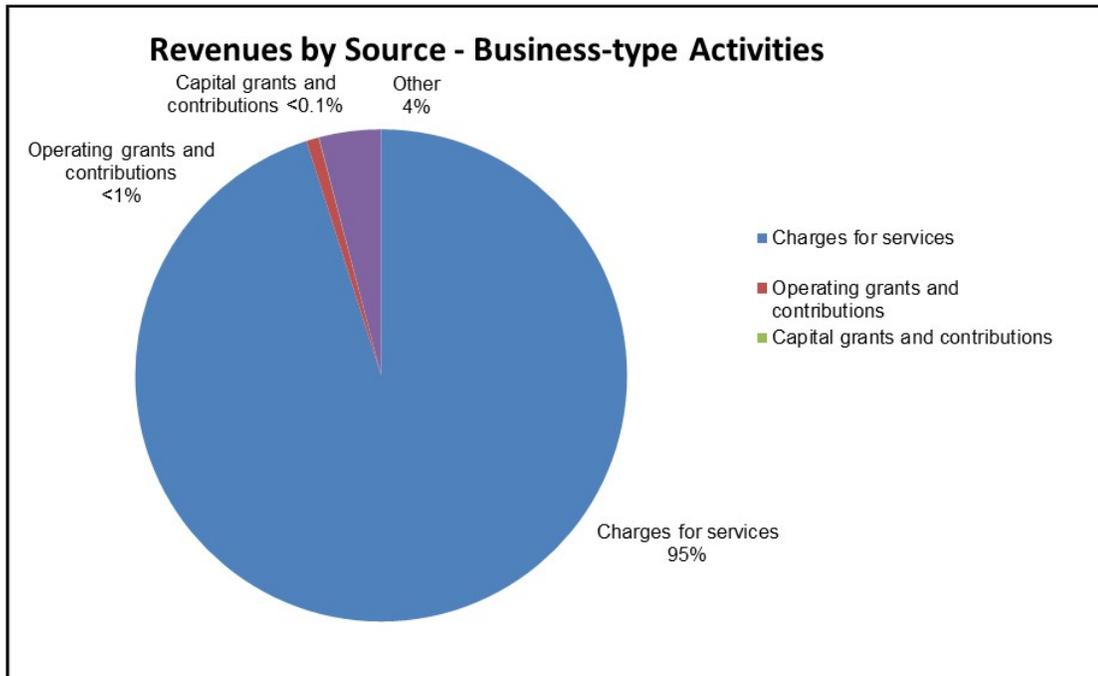
FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (cont.)

GOVERNMENTAL ACTIVITIES (cont.)



BUSINESS-TYPE ACTIVITIES

The city generated \$4,136,305 in business-type activity revenue in 2019 from its Water and Sewer Utilities. Charges for services are by far the largest revenue source for these operations, representing 95% of revenues.



CITY OF PORTAGE, WISCONSIN

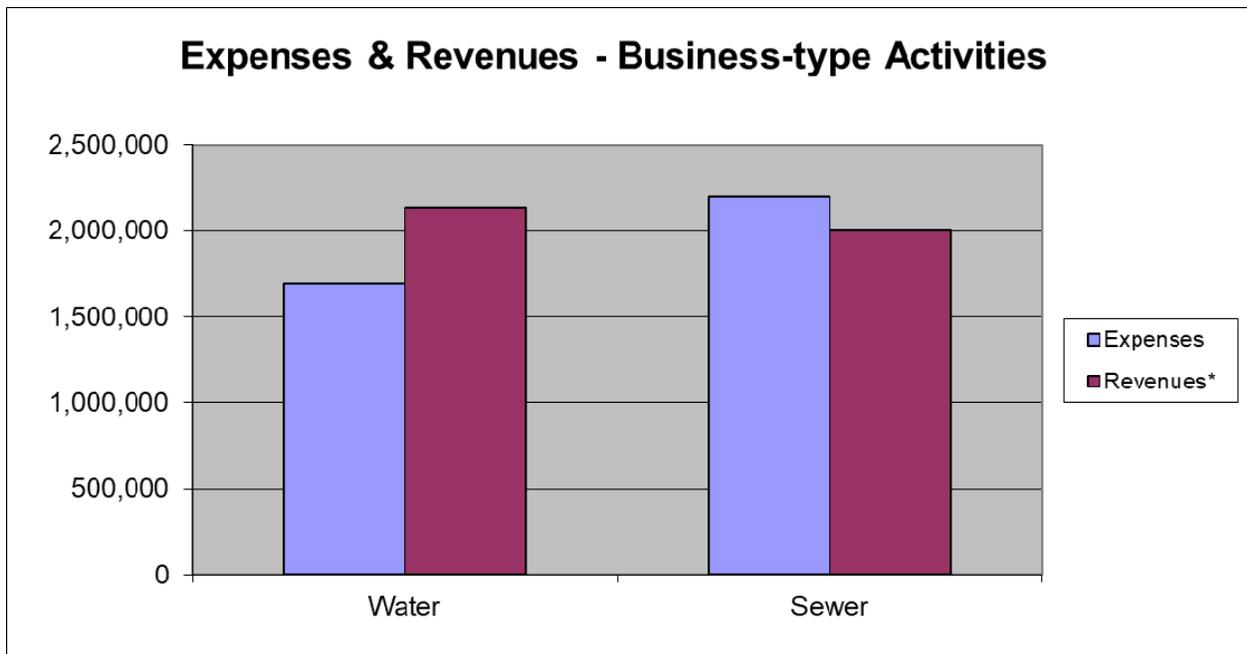
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

As of and for the Year Ended December 31, 2019

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

BUSINESS-TYPE ACTIVITIES (cont.)

Business-type activities decreased the city's net position by \$130,424 in 2019, which represents a decrease of less than 1% over the previous year. The net operating income of the Water and Sewer Utilities was \$556,517. The following graph compares the revenues to the expenses for each utility. The current water and sewer rates became effective July 2019 and May 2015, respectively.



CITY OF PORTAGE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) As of and for the Year Ended December 31, 2019

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 \$6,559,166. Approximately 7% of this total amount, \$441,181, 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 \$3,782,183 to \$3,677,202, or \$104,981. Overall, expenditures in the General Fund were over budget by \$67,366; total revenues were \$65,280 lower than budgeted with other financing sources and uses above budget by \$27,665. 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 2019, the loan portfolio of this fund shows the receivable balance decreased from \$1,387,097 to \$1,376,331, or \$10,766.

Mass Transit Fund – This special revenue fund is used to report grants and local match amounts for the taxi program of the city. After transfers and other financing sources, the fund had a decrease in fund balance of \$87,642. Mainly due to the timing of the fourth quarter Federal payment of \$95,579 received in March 2020.

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 Fund Balance of \$126,555 an increase of \$39,404, mainly due to a premium of \$70,344 received from current year borrowings issued.

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 \$993,883 to \$1,680,616, an increase of \$686,733. This increase is mainly due to borrowings in the current year for purposes of 2019 and 2020 capital projects.

Vehicle Replacement Fund – This fund is used to account for amounts assigned to vehicle acquisitions. For 2019, there was an increase in this fund of \$75,891 resulting from revenues and other financing sources of \$275,852, less purchases of \$199,961 for scheduled replacements.

CITY OF PORTAGE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) As of and for the Year Ended December 31, 2019

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

NONMAJOR GOVERNMENTAL FUNDS

Fund balance of all other governmental funds is a deficit of \$448,809 and is comprised of restricted and assigned amounts, in addition to some unassigned (deficit) balances. This is an increase of \$166,902 from 2018, including a \$322,377 increase in overall TID related funds mainly due to sale of land in TID 4 and transfer from the closeout of the Economic Development Fund (ED) in preparation for new construction in 2020. This was increased \$109,359 from borrowing less projects in other capital project funds, and a decrease of \$265,074 in all other funds including the transfer from the ED Fund to TID 4 and the sprinkler project for the Library.

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 \$54,500 or 0.6%. Operating income was \$571,794, compared to \$383,905 in the prior year.

Sewer Utility – The wastewater treatment plant provides sewer service for the City of Portage residents. The sewer utility net position decreased \$184,924 or 3.0%. Operating loss was \$15,277, compared to income of \$110,340 in the prior year.

GENERAL FUND BUDGETARY HIGHLIGHTS

The total original and final budget expenditures, including those for transfers out, were \$8,104,001, while the actual expenditures were \$8,171,367 over budget by (\$67,366). Actual revenues and other financing sources were below budgeted revenues in total by (\$22,385), resulting in an \$(44,981) unfavorable change to budget.

The actual expenditures were below budget in the following areas: general government \$49,936, and culture, rec \$37,448, other \$1,620 departments. These were offset by public safety (\$93,514), and public works (\$62,856) for a total of (\$67,366).

Revenues were lower overall leading with intergovernmental (\$28,178), followed by fines, forfeitures and penalties (\$25,827), offset by investment income \$30,413, sale of assets \$28,673 & other \$17,304. Along with the budgeted use of Fund Balance (\$60,000) netting to (\$37,615).

CITY OF PORTAGE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

As of and for the Year Ended December 31, 2019

CAPITAL ASSETS

At the end of 2019, the city had invested a total of \$52,488,412 in capital assets (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, machinery and equipment, infrastructure, water and sewer plant, and construction work in progress.

Major capital asset events during the current fiscal year included the following: street reconstruction including water mains, sewer laterals, sidewalk project; and storm water; Silver Lake plan; Little League Field; police MDC replacements; Park office roof; TMDL storm mtg plan; ball field lighting; Pauquette restroom remodel; sewer SCADA; belt press upgrade; RBC replacements; water pickup truck; three police vehicles; dump truck.

CITY OF PORTAGE CAPITAL ASSETS AT YEAR-END NET OF ACCUMULATED DEPRECIATION			
	Governmental Activities 2019	Business-type Activities 2019	Total
Land	\$ 2,144,350	\$ 500,618	\$ 2,644,968
Construction in progress	302,945	115,977	418,922
Buildings and improvement	17,660,630		17,660,630
Equipment	8,957,308		8,957,308
Infrastructure	35,265,378		35,265,378
Water plant		22,158,891	22,158,891
Sewer plant		27,531,763	27,531,763
Less Depreciation	(33,158,073)	(28,991,375)	(62,149,448)
Totals	\$ 31,172,538	\$ 21,315,874	\$ 52,488,412

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, 2019

LONG-TERM DEBT

The city had \$28,721,490 in outstanding notes and bonds payable at the end of 2019. Of the bonded debt, \$14,789,554 is to be repaid with general property taxes (of which \$2,855,000 are TID obligations). \$13,931,936 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 \$17,584,554,000, which is 52% below the maximum of \$34,028,175.

CITY OF PORTAGE'S OUTSTANDING BONDS AND NOTES			
	Governmental Activities 2019	Business-type Activities 2019	Total
General obligation bonds and notes payable	\$ 14,789,554	\$ 2,795,000	\$ 17,584,554
Revenue bonds	-	11,136,936	11,136,936
Totals	\$ 14,789,554	\$ 13,931,936	\$ 28,721,490

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 7.31% increase in equalized value for 2019. Assessment data indicates that the rate of appreciation in value of all classes of property as 3.85% in 2019.

The City of Portage Council adopted the 2020 budget in November 2019. The budget authorizes General Fund expenditures of \$8.3 million, a slight increase from the previous year. The combined property tax levy for all funds is \$6.0 million, a 5.4% increase from the previous year.

In December 2019, a novel strain of coronavirus was reported in Wuhan, Hubei province, China. In the first several months of 2020, the virus, SARS-CoV-2, and resulting disease, COVID-19, spread to the United States, including to areas impacting the city. As of the date above, the city's evaluation of the effects of these events is ongoing. The extent of the impact of COVID-19 on the city's operational and financial performance will depend on future developments, including the duration and spread of the outbreak and related governmental or other regulatory actions.

All other currently known facts and economic conditions were considered in preparing the 2020 budget.

CITY OF PORTAGE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

As of and for the Year Ended December 31, 2019

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, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Totals	BID Fund
ASSETS				
Cash and investments	\$ 6,896,899	\$ 4,128,852	\$ 11,025,751	\$ 114,984
Receivables (net)				
Taxes receivable	6,298,655	21,899	6,320,554	89,500
Accounts	252,407	393,736	646,143	-
Delinquent personal property taxes	1,676	-	1,676	-
Loans	1,376,331	-	1,376,331	-
Special assessments	71,579	40,659	112,238	-
Other Receivables	165,027	-	165,027	-
Accrued interest	21,334	-	21,334	-
Internal balances	378,612	(378,612)	-	-
Due from other governmental units	112,257	-	112,257	2,564
Inventories and prepaid items	100,692	61,394	162,086	286
Restricted assets				
Cash and investments	45,019	4,773,026	4,818,045	-
Capital Assets				
Land	2,144,350	500,618	2,644,968	-
Construction in progress	302,945	115,977	418,922	-
Capital assets, being depreciated	61,883,316	49,690,654	111,573,970	35,347
Less: Accumulated depreciation	(33,158,073)	(28,991,375)	(62,149,448)	(14,037)
Total Assets	<u>46,893,026</u>	<u>30,356,828</u>	<u>77,249,854</u>	<u>228,644</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension related amounts	<u>3,319,103</u>	<u>354,792</u>	<u>3,673,895</u>	-
Total Deferred Outflows of Resources	<u>3,319,103</u>	<u>354,792</u>	<u>3,673,895</u>	-
LIABILITIES				
Accounts payable	571,400	109,645	681,045	21,584
Accrued liabilities and deposits	609,610	100,924	710,534	-
Due to other governmental units	3,277	-	3,277	-
Liabilities Payable from Restricted Assets				
Accrued interest	-	55,104	55,104	-
Revenue bonds payable	-	402,145	402,145	-
Noncurrent Liabilities				
Due within one year	1,526,157	573,954	2,100,111	-
Due in more than one year	14,760,753	13,313,561	28,074,314	-
Net pension liability	<u>1,223,037</u>	<u>129,226</u>	<u>1,352,263</u>	-
Total Liabilities	<u>18,694,234</u>	<u>14,684,559</u>	<u>33,378,793</u>	<u>21,584</u>
DEFERRED INFLOWS OF RESOURCES				
Unearned revenues	6,298,655	-	6,298,655	89,500
Pension related amounts	<u>1,680,186</u>	<u>193,583</u>	<u>1,873,769</u>	-
Total Deferred Inflows of Resources	<u>7,978,841</u>	<u>193,583</u>	<u>8,172,424</u>	<u>89,500</u>
NET POSITION				
Net investment in capital assets	18,067,229	9,945,022	28,012,251	-
Restricted	2,213,706	1,230,223	3,443,929	-
Unrestricted	<u>3,258,119</u>	<u>4,658,233</u>	<u>7,916,352</u>	<u>117,560</u>
TOTAL NET POSITION	<u>\$ 23,539,054</u>	<u>\$ 15,833,478</u>	<u>\$ 39,372,532</u>	<u>\$ 117,560</u>

See accompanying notes to financial statements.

CITY OF PORTAGE

STATEMENT OF ACTIVITIES For the Year Ended December 31, 2019

Functions/Programs	Program Revenues			
<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Primary Government				
Governmental Activities				
General government	\$ 1,329,272	\$ 193,558	\$ 197,621	\$ -
Public safety	4,651,409	467,786	64,527	-
Public works	4,502,857	503,665	779,004	578,112
Health and human services	58,573	-	-	-
Culture, education and recreation	2,105,149	114,387	289,174	68,470
Conservation and development	371,903	153,467	41,170	-
Interest and fiscal charges	451,841	-	-	-
Total Governmental Activities	<u>13,471,004</u>	<u>1,432,863</u>	<u>1,371,496</u>	<u>646,582</u>
Business-type Activities				
Water utility	1,689,021	2,043,559	-	-
Sewer utility	2,191,816	1,889,444	33,997	1,000
Total Business-type Activities	<u>3,880,837</u>	<u>3,933,003</u>	<u>33,997</u>	<u>1,000</u>
Total Primary Government	<u>\$ 17,351,841</u>	<u>\$ 5,365,866</u>	<u>\$ 1,405,493</u>	<u>\$ 647,582</u>
Component Unit				
BID Fund	<u>\$ 119,690</u>	<u>\$ 2,973</u>	<u>\$ 11,400</u>	<u>\$ -</u>
General Revenues				
Taxes				
Property taxes				
Other taxes				
Intergovernmental revenues not restricted to specific programs				
Investment income				
Gain on sale of capital assets				
Miscellaneous				
Total General Revenues				
Special item - transfer of operations				
Transfers				
Change in Net Position				
NET POSITION - Beginning of Year				
NET POSITION - END OF YEAR				

See accompanying notes to financial statements.

Net (Expenses) Revenues and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Totals	BID Fund
\$ (938,093)	\$ -	\$ (938,093)	\$ -
(4,119,096)	-	(4,119,096)	-
(2,642,076)	-	(2,642,076)	-
(58,573)	-	(58,573)	-
(1,633,118)	-	(1,633,118)	-
(177,266)	-	(177,266)	-
(451,841)	-	(451,841)	-
<u>(10,020,063)</u>	<u>-</u>	<u>(10,020,063)</u>	<u>-</u>
-	354,538	354,538	-
-	<u>(267,375)</u>	<u>(267,375)</u>	-
-	<u>87,163</u>	<u>87,163</u>	-
<u>(10,020,063)</u>	<u>87,163</u>	<u>(9,932,900)</u>	<u>-</u>
-	-	-	<u>(105,317)</u>
5,924,364	-	5,924,364	89,500
343,012	-	343,012	-
2,021,208	-	2,021,208	-
176,059	150,844	326,903	2,383
151,680	-	151,680	-
43,187	17,461	60,648	-
<u>8,659,510</u>	<u>168,305</u>	<u>8,827,815</u>	<u>91,883</u>
-	-	-	37,852
<u>385,892</u>	<u>(385,892)</u>	<u>-</u>	<u>-</u>
(974,661)	(130,424)	(1,105,085)	24,418
<u>24,513,715</u>	<u>15,963,902</u>	<u>40,477,617</u>	<u>93,142</u>
<u>\$ 23,539,054</u>	<u>\$ 15,833,478</u>	<u>\$ 39,372,532</u>	<u>\$ 117,560</u>

See accompanying notes to financial statements.

CITY OF PORTAGE

BALANCE SHEET GOVERNMENTAL FUNDS As of December 31, 2019

	General Fund	CDBG Fund	Mass Transit Fund	Debt Service Fund
ASSETS				
Cash and investments	\$ 2,198,014	\$ 59,188	\$ -	\$ 126,555
Receivables				
Taxes	4,331,802	-	-	1,146,854
Accounts	162,951	-	811	-
Special assessments	-	-	-	-
Delinquent personal property taxes	1,676	-	-	-
Loans	-	1,376,331	-	-
Other	-	-	-	-
Accrued interest	-	-	-	-
Due from other governments	16,678	-	95,579	-
Due from other funds	459,393	523	-	-
Prepaid items	87,100	-	-	-
Restricted cash and investments	-	-	-	-
Advances to other funds	<u>1,424,326</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 8,681,940</u>	<u>\$ 1,436,042</u>	<u>\$ 96,390</u>	<u>\$ 1,273,409</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 205,810	\$ -	\$ 58,185	\$ -
Accrued liabilities	453,288	-	-	-
Deposits	-	-	-	-
Due to other governments	3,277	-	-	-
Due to other funds	10,561	-	-	-
Advances from other funds	-	-	10,953	-
Total Liabilities	<u>672,936</u>	<u>-</u>	<u>69,138</u>	<u>-</u>
Deferred Inflows of Resources				
Property taxes levied for next period	4,331,802	-	-	1,146,854
Unavailable revenues	-	1,376,936	95,579	-
Total Deferred Inflows of Resources	<u>4,331,802</u>	<u>1,376,936</u>	<u>95,579</u>	<u>1,146,854</u>
Fund Balances (Deficit)				
Nonspendable	1,513,102	-	-	-
Restricted	-	59,106	-	126,555
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned (deficit)	<u>2,164,100</u>	<u>-</u>	<u>(68,327)</u>	<u>-</u>
Total Fund Balances (Deficit)	<u>3,677,202</u>	<u>59,106</u>	<u>(68,327)</u>	<u>126,555</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 8,681,940</u>	<u>\$ 1,436,042</u>	<u>\$ 96,390</u>	<u>\$ 1,273,409</u>

See accompanying notes to financial statements.

<u>Capital Projects Fund</u>	<u>Vehicle Equipment Replacement Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Totals</u>
\$ 1,902,201	\$ 1,540,298	\$ 1,070,643	\$ 6,896,899
5,900	-	814,099	6,298,655
1,586	-	87,697	253,045
16,282	-	55,297	71,579
-	-	-	1,676
-	-	-	1,376,331
-	-	164,389	164,389
21,334	-	-	21,334
-	-	-	112,257
2,651	-	260	462,827
-	-	13,592	100,692
-	-	45,019	45,019
-	-	-	1,424,326
<u>\$ 1,949,954</u>	<u>\$ 1,540,298</u>	<u>\$ 2,250,996</u>	<u>\$ 17,229,029</u>

\$ 225,823	\$ 7,475	\$ 74,107	\$ 571,400
-	-	46,132	499,420
-	-	5,765	5,765
-	-	-	3,277
-	-	73,654	84,215
-	-	1,413,373	1,424,326
<u>225,823</u>	<u>7,475</u>	<u>1,613,031</u>	<u>2,588,403</u>

5,900	-	814,099	6,298,655
<u>37,615</u>	-	<u>272,675</u>	<u>1,782,805</u>
<u>43,515</u>	-	<u>1,086,774</u>	<u>8,081,460</u>

-	-	13,592	1,526,694
2,029,504	179,638	339,701	2,734,504
-	-	21,337	21,337
-	1,353,185	482,265	1,835,450
<u>(348,888)</u>	-	<u>(1,305,704)</u>	<u>441,181</u>
<u>1,680,616</u>	<u>1,532,823</u>	<u>(448,809)</u>	<u>6,559,166</u>

<u>\$ 1,949,954</u>	<u>\$ 1,540,298</u>	<u>\$ 2,250,996</u>	<u>\$ 17,229,029</u>
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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, 2019

Total Fund Balances - Governmental Funds	\$ 6,559,166
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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	2,144,350
Construction in progress	302,945
Other capital assets	61,883,316
Less: Accumulated depreciation	(33,158,073)

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.	1,782,805
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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.	3,319,103
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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.	(1,680,186)
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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	(14,789,554)
Compensated absences	(1,099,922)
Accrued interest	(104,425)
Unamortized debt premium	(288,887)
Retiree health insurance	(108,547)
Net pension liability	<u>(1,223,037)</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 23,539,054</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, 2019

	General Fund	CDBG Fund	Mass Transit Fund	Debt Service Fund
REVENUES				
Taxes	\$ 4,213,310	\$ -	\$ -	\$ 1,021,730
Special assessments	-	-	-	-
Intergovernmental	2,574,723	-	663,022	-
Licenses and permits	194,368	-	-	-
Fines, forfeitures and penalties	152,773	-	-	-
Public charges for services	93,466	107,077	485,111	-
Intergovernmental charges for services	242,546	-	-	-
Investment income	72,413	928	-	-
Miscellaneous revenues	104,722	-	19,461	-
Total Revenues	<u>7,648,321</u>	<u>108,005</u>	<u>1,167,594</u>	<u>1,021,730</u>
EXPENDITURES				
Current				
General government	1,077,538	-	-	-
Public safety	3,979,304	-	-	-
Public works	1,920,336	-	1,342,886	-
Health and human services	58,573	-	-	-
Culture, recreation and education	663,029	-	-	-
Conservation and development	84,354	110,868	-	-
Capital Outlay	-	-	-	-
Debt Service				
Principal	-	-	-	1,119,446
Interest and fiscal charges	-	-	-	374,550
Total Expenditures	<u>7,783,134</u>	<u>110,868</u>	<u>1,342,886</u>	<u>1,493,996</u>
Excess (deficiency) of revenues over expenditures	<u>(134,813)</u>	<u>(2,863)</u>	<u>(175,292)</u>	<u>(472,266)</u>
OTHER FINANCING SOURCES (USES)				
Debt issued	-	-	-	-
Transfers in	385,892	-	72,000	581,326
Sale of capital assets	32,173	-	15,650	-
Premium on debt issued	-	-	-	70,344
Transfers out	(388,233)	-	-	(140,000)
Total Other Financing Sources (Uses)	<u>29,832</u>	<u>-</u>	<u>87,650</u>	<u>511,670</u>
Net Change in Fund Balances	(104,981)	(2,863)	(87,642)	39,404
FUND BALANCES (DEFICIT) - Beginning of Year	<u>3,782,183</u>	<u>61,969</u>	<u>19,315</u>	<u>87,151</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 3,677,202</u>	<u>\$ 59,106</u>	<u>\$ (68,327)</u>	<u>\$ 126,555</u>

See accompanying notes to financial statements.

Capital Projects Fund	Vehicle Equipment Replacement Fund	Nonmajor Governmental Funds	Totals
\$ -	\$ -	\$ 1,032,336	\$ 6,267,376
-	-	42,571	42,571
-	-	274,148	3,511,893
-	-	68,041	262,409
-	-	-	152,773
12,558	-	82,012	780,224
-	8,725	100,085	351,356
23,186	29,836	34,218	160,581
<u>58,536</u>	<u>13,385</u>	<u>260,132</u>	<u>456,236</u>
<u>94,280</u>	<u>51,946</u>	<u>1,893,543</u>	<u>11,985,419</u>
-	-	15,130	1,092,668
-	-	331,647	4,310,951
-	-	151,132	3,414,354
-	-	-	58,573
-	-	1,020,123	1,683,152
-	-	168,909	364,131
1,720,533	199,961	537,043	2,457,537
-	-	-	1,119,446
<u>70,308</u>	<u>-</u>	<u>8,370</u>	<u>453,228</u>
<u>1,790,841</u>	<u>199,961</u>	<u>2,232,354</u>	<u>14,954,040</u>
<u>(1,696,561)</u>	<u>(148,015)</u>	<u>(338,811)</u>	<u>(2,968,621)</u>
2,611,000	-	444,000	3,055,000
40,000	223,906	602,726	1,905,850
-	-	151,680	199,503
27,994	-	3,332	101,670
<u>(295,700)</u>	<u>-</u>	<u>(696,025)</u>	<u>(1,519,958)</u>
<u>2,383,294</u>	<u>223,906</u>	<u>505,713</u>	<u>3,742,065</u>
686,733	75,891	166,902	773,444
<u>993,883</u>	<u>1,456,932</u>	<u>(615,711)</u>	<u>5,785,722</u>
<u>\$ 1,680,616</u>	<u>\$ 1,532,823</u>	<u>\$ (448,809)</u>	<u>\$ 6,559,166</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, 2019

Net change in fund balances - total governmental funds	\$	773,444
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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		2,457,537
Some items reported as capital outlay were not capitalized		(235,208)
Depreciation is reported in the government-wide financial statements		(1,428,545)
Net book value of assets retired		(102,422)

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.

39,043

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		(3,055,000)
Principal repaid		1,119,446

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.

Premium on debt issued		(101,670)
Amortization of debt premium		17,434

Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Compensated absences		(1,000)
Retiree health insurance		(17,840)
Accrued interest on debt		(16,047)
Net pension asset/liability		(2,196,347)
Deferred outflows of resources related to pensions		1,526,356
Deferred inflows of resources related to pensions		246,158

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u>(974,661)</u>
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See accompanying notes to financial statements.

CITY OF PORTAGE

STATEMENT OF NET POSITION PROPRIETARY FUNDS As of December 31, 2019

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Totals</u>
	<u>Fund</u>	<u>Fund</u>	
ASSETS			
Current Assets			
Cash and investments	\$ 1,658,953	\$ 2,469,899	\$ 4,128,852
Receivables			
Tax roll receivable	4,544	17,355	21,899
Accounts	383,064	10,672	393,736
Due from other funds	7,280	99,033	106,313
Special assessments	-	40,659	40,659
Inventories and prepaid items	52,198	9,196	61,394
Restricted Cash and Investments			
Redemption account	<u>242,539</u>	<u>241,098</u>	<u>483,637</u>
Total Current Assets	<u>2,348,578</u>	<u>2,887,912</u>	<u>5,236,490</u>
Noncurrent Assets			
Restricted Assets			
Construction account	1,643,233	1,124,941	2,768,174
Reserve account	334,072	385,453	719,525
Equipment replacement	-	801,690	801,690
Capital Assets			
Land and land rights	118,723	381,895	500,618
Construction in progress	32,802	83,175	115,977
Property and equipment	22,158,891	27,531,763	49,690,654
Less: Accumulated depreciation	<u>(10,172,368)</u>	<u>(18,819,007)</u>	<u>(28,991,375)</u>
Total Noncurrent Assets	<u>14,115,353</u>	<u>11,489,910</u>	<u>25,605,263</u>
Total Assets	<u>16,463,931</u>	<u>14,377,822</u>	<u>30,841,753</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related amounts	<u>153,662</u>	<u>201,130</u>	<u>354,792</u>
Total Deferred Outflows of Resources	<u>153,662</u>	<u>201,130</u>	<u>354,792</u>

See accompanying notes to financial statements.

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Water Utility Fund</u>	<u>Sewer Utility Fund</u>	<u>Totals</u>
LIABILITIES			
Current Liabilities			
Accounts payable	\$ 46,169	\$ 63,476	\$ 109,645
Accrued interest	10,689	5,286	15,975
Accrued wages	22,560	24,547	47,107
Accrued taxes	-	37,842	37,842
Current portion of compensated absences	21,254	22,700	43,954
Current portion of general obligation debt	330,000	200,000	530,000
Due to other funds	484,925	-	484,925
Current liability from restricted assets			
Accrued interest payable	19,705	35,399	55,104
Revenue bonds payable	<u>140,822</u>	<u>261,323</u>	<u>402,145</u>
Total Current Liabilities	<u>1,076,124</u>	<u>650,573</u>	<u>1,726,697</u>
Noncurrent Liabilities			
Long-Term Debt			
General obligation debt payable	1,440,000	825,000	2,265,000
Revenue debt payable	4,003,086	6,731,705	10,734,791
Unamortized premium	104,816	102,241	207,057
Other Liabilities			
Compensated absences	42,852	63,861	106,713
Net pension liability	<u>54,820</u>	<u>74,406</u>	<u>129,226</u>
Total Noncurrent Liabilities	<u>5,645,574</u>	<u>7,797,213</u>	<u>13,442,787</u>
Total Liabilities	<u>6,721,698</u>	<u>8,447,786</u>	<u>15,169,484</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related amounts	<u>90,898</u>	<u>102,685</u>	<u>193,583</u>
Total Deferred Inflows of Resources	<u>90,898</u>	<u>102,685</u>	<u>193,583</u>
NET POSITION			
Net investment in capital assets	7,762,556	2,182,466	9,945,022
Restricted for			
Debt service	222,834	205,699	428,533
Equipment replacement	-	801,690	801,690
Unrestricted	<u>1,819,607</u>	<u>2,838,626</u>	<u>4,658,233</u>
TOTAL NET POSITION	<u>\$ 9,804,997</u>	<u>\$ 6,028,481</u>	<u>\$ 15,833,478</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, 2019

	Business-type Activities - Enterprise Funds		
	Water Utility Fund	Sewer Utility Fund	Totals
OPERATING REVENUES			
Public charges for services	\$ 2,011,554	\$ 1,884,712	\$ 3,896,266
Other operating revenue	32,005	4,732	36,737
Total Operating Revenues	<u>2,043,559</u>	<u>1,889,444</u>	<u>3,933,003</u>
OPERATING EXPENSES			
Operation and maintenance	960,304	1,138,315	2,098,619
Depreciation	502,546	766,406	1,268,952
Taxes	8,915	-	8,915
Total Operating Expenses	<u>1,471,765</u>	<u>1,904,721</u>	<u>3,376,486</u>
Operating Income (Loss)	<u>571,794</u>	<u>(15,277)</u>	<u>556,517</u>
NONOPERATING REVENUES (EXPENSES)			
Investment income	68,423	82,421	150,844
Interest and fiscal charges	(217,256)	(287,095)	(504,351)
Rebate on Build America bonds	-	33,997	33,997
Miscellaneous revenues	17,431	30	17,461
Total Nonoperating Revenues (Expenses)	<u>(131,402)</u>	<u>(170,647)</u>	<u>(302,049)</u>
Income (Loss) Before Contributions and Transfers	<u>440,392</u>	<u>(185,924)</u>	<u>254,468</u>
CONTRIBUTIONS AND TRANSFERS			
Contributed capital	-	1,000	1,000
Transfers out	(385,892)	-	(385,892)
Total Contributions and Transfers	<u>(385,892)</u>	<u>1,000</u>	<u>(384,892)</u>
Change in Net Position	54,500	(184,924)	(130,424)
NET POSITION - Beginning of Year	<u>9,750,497</u>	<u>6,213,405</u>	<u>15,963,902</u>
NET POSITION - END OF YEAR	<u>\$ 9,804,997</u>	<u>\$ 6,028,481</u>	<u>\$ 15,833,478</u>

See accompanying notes to financial statements.

CITY OF PORTAGE

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS

For the Year Ended December 31, 2019

	Business-type Activities - Enterprise Funds		
	Water Utility Fund	Sewer Utility Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Received from customers	\$ 2,033,325	\$ 1,922,941	\$ 3,956,266
Paid to suppliers for goods and services	(635,776)	(693,678)	(1,329,454)
Paid to employees for services	(322,175)	(387,160)	(709,335)
Net Cash Flows From Operating Activities	<u>1,075,374</u>	<u>842,103</u>	<u>1,917,477</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	68,423	82,421	150,844
Net Cash Flows From Investing Activities	<u>68,423</u>	<u>82,421</u>	<u>150,844</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Paid to municipality for tax equivalent	(385,892)	-	(385,892)
Net Cash Flows From Noncapital Financing Activities	<u>(385,892)</u>	<u>-</u>	<u>(385,892)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Debt issued	1,335,000	1,265,000	2,600,000
Debt retired	(420,681)	(395,957)	(816,638)
Interest paid	(218,192)	(296,172)	(514,364)
Special assessments received	-	39,377	39,377
Premium on debt issuance	32,902	30,849	63,751
Acquisition and construction of capital assets	(524,135)	(1,018,846)	(1,542,981)
Contribution received for construction	-	1,000	1,000
Build America Bonds interest subsidy	-	33,997	33,997
Net Cash Flows From Capital and Related Financing Activities	<u>204,894</u>	<u>(340,752)</u>	<u>(135,858)</u>
Net Change in Cash and Cash Equivalents	962,799	583,772	1,546,571
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>2,915,998</u>	<u>4,439,309</u>	<u>7,355,307</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 3,878,797</u>	<u>\$ 5,023,081</u>	<u>\$ 8,901,878</u>

See accompanying notes to financial statements.

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Totals
	Fund	Fund	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ 571,794	\$ (15,277)	\$ 556,517
Nonoperating revenue	17,431	6,793	24,224
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities			
Depreciation	502,546	766,406	1,268,952
Depreciation charged to other funds	35,166	-	35,166
Changes in assets, deferred outflows, liabilities, and deferred inflows			
Customer accounts receivable	(67,151)	(9,364)	(76,515)
Receivable from municipality	5,180	291	5,471
Other accounts receivable	-	35,777	35,777
Material and supplies	(911)	-	(911)
Prepayments	(470)	(328)	(798)
Accounts payable	(4,617)	28,469	23,852
Payable to municipality	929	-	929
Payable to other utility	(35,264)	-	(35,264)
Other current liabilities	3,131	34,694	37,825
Accrued sick leave	5,956	(33,036)	(27,080)
Pension related deferrals and liabilities	42,514	27,678	70,192
Deferred inflow of resources	(860)	-	(860)
	<u>\$ 1,075,374</u>	<u>\$ 842,103</u>	<u>\$ 1,917,477</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES			
	<u>\$ 1,075,374</u>	<u>\$ 842,103</u>	<u>\$ 1,917,477</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS			
Unrestricted cash and investments	\$ 1,658,953	\$ 2,469,899	\$ 4,128,852
Restricted cash and investments			
Redemption account	242,539	241,098	483,637
Reserve account	334,072	385,453	719,525
Equipment replacement account	-	801,690	801,690
Construction account	1,643,233	1,124,941	2,768,174
	<u>\$ 3,878,797</u>	<u>\$ 5,023,081</u>	<u>\$ 8,901,878</u>
CASH AND CASH EQUIVALENTS			
	<u>\$ 3,878,797</u>	<u>\$ 5,023,081</u>	<u>\$ 8,901,878</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES			
Amortization of debt premium	<u>\$ 5,417</u>	<u>\$ 5,218</u>	

See accompanying notes to financial statements.

CITY OF PORTAGE

STATEMENT OF FIDUCIARY NET POSITION CUSTODIAL FUND As of December 31, 2019

	<u>Custodial Fund</u>
ASSETS	
Cash and investments	\$ 5,667,854
Property taxes receivable	<u>4,006,734</u>
TOTAL ASSETS	<u>9,674,588</u>
LIABILITIES	
Due to other governments	<u>9,674,588</u>
TOTAL LIABILITIES	<u>9,674,588</u>
NET POSITION	
TOTAL NET POSITION	<u><u>\$ -</u></u>

See accompanying notes to financial statements.

CITY OF PORTAGE

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION CUSTODIAL FUND For the Year Ended December 31, 2019

	<u>Custodial Fund</u>
ADDITIONS	
Property taxes collected for other governments	\$ 6,413,663
Total Additions	<u>6,413,663</u>
DEDUCTIONS	
Property taxes distributed to other governments	<u>6,413,663</u>
Total Deductions	<u>6,413,663</u>
Change in Fiduciary Net Position	-
NET POSITION - Beginning of Year	<u>-</u>
NET POSITION - END OF YEAR	<u>\$ -</u>

See accompanying notes to financial statements.

CITY OF PORTAGE

INDEX TO NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE	Page
I Summary of Significant Accounting Policies	18
A. Reporting Entity	18
B. Government-Wide and Fund Financial Statements	19
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	22
D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity	23
1. Deposits and Investments	23
2. Receivables	25
3. Inventories and Prepaid Items	26
4. Restricted Assets	26
5. Capital Assets	26
6. Deferred Outflows of Resources	27
7. Compensated Absences	27
8. Long-Term Obligations	28
9. Deferred Inflows of Resources	28
10. Equity Classifications	29
11. Pension	30
12. Basis for Existing Rates	30
II Stewardship, Compliance, and Accountability	30
A. Budgetary Information	30
B. Excess Expenditures and Other Financing Uses Over Appropriations	31
C. Deficit Balances	31
D. Limitations on the City's Tax Levy	32
III Detailed Notes on All Funds	32
A. Deposits and Investments	32
B. Receivables	35
C. Restricted Assets	35
D. Capital Assets	37
E. Interfund Receivables/Payables, Advances and Transfers	40
F. Long-Term Obligations	43
G. Net Position/Fund Balances	50
H. Component Unit	53
IV Other Information	54
A. Employees' Retirement System	54
B. Risk Management	60
C. Commitments and Contingencies	60
D. Joint Ventures	61
E. Effect of New Accounting Standards on Current-Period Financial Statements	61

CITY OF PORTAGE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. REPORTING ENTITY

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

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, 2019. The BID does not issue separate financial statements.

CITY OF PORTAGE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

In January 2017, the GASB issued statement No. 84 - *Fiduciary Activities*. This statement establishes criteria for identifying fiduciary activities of all state and local governments for accounting and financial reporting purposes and how those activities should be reported. This standard was implemented January 1, 2019.

In March 2018, the GASB issued statement No. 88 - *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This Statement defines debt for purposes of disclosure in notes to financial statements and establishes additional financial statement note disclosure requirements related to debt obligations of governments, including direct borrowings and direct placements. This standard was implemented January 1, 2019.

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

CITY OF PORTAGE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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

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

Fund Financial Statements (cont.)

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

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

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

The city reports the following major governmental funds:

- > General Fund - accounts for the city's primary operating activities. It is used to account for and report all financial resources except those accounted for and reported in another fund.
- > CDBG Special Revenue Fund - used to account for and report grants and local revenues legally restricted or committed to supporting expenditures for the community development program.
- > Mass Transit Special Revenue Fund - used to account for and report grants and local revenues legally restricted or committed to supporting expenditures for the mass transit program.
- > Debt Service Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for the payment of general long-term debt principal, interest, and related costs, other than TID or enterprise debt.
- > Capital Projects Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets for the city.
- > Vehicle Equipment Replacement Capital Project Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditures for vehicle acquisitions.

CITY OF PORTAGE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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 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
Library Memorial Fund	

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

Industrial Development Fund	Revolving Sidewalk Fund
Revolving Alley Fund	Canal Project Fund
Airport Construction Fund	TIF #4
TIF #5	TIF #6
TIF #7	TIF #8
TIF #9	TIF #10

In addition, the city reports the following fund types:

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

Tax Roll Fund

CITY OF PORTAGE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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

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

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

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

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

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and unavailable revenues.

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

CITY OF PORTAGE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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

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

Fund Financial Statements (cont.)

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

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

All Financial Statements

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

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

1. Deposits and Investments

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

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

- a. Time deposits in any credit union, bank, savings bank or trust company.
- 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, 2019

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 risks:

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, 2019, 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, 2019

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 fiduciary net position.

Property tax calendar - 2019 tax roll:

Lien date and levy date	December 2019
Tax bills mailed	December 2019
Payment in full, or	January 31, 2020
First installment due	January 31, 2020
Second installment due	July 31, 2020
Personal property taxes in full	January 31, 2020
Tax sale - 2019 delinquent real estate taxes	October 2022

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.

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.

CITY OF PORTAGE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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.)

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, 2019

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, 2019

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 \$108,547 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, 2019, 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, 2019

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.
- 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.

CITY OF PORTAGE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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.)

- 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 June 26, 2019.

Sewer Utility Fund

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

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

A budget has been adopted for the all funds except Library Memorial Fund and Library-Restricted Fund. Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds.

CITY OF PORTAGE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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

B. EXCESS EXPENDITURES AND OTHER FINANCING USES OVER APPROPRIATIONS

Fund	Budgeted Expenditures and Other Financing Uses	Actual Expenditures and Other Financing Uses	Excess Expenditures and Other Financing Uses Over Budget
Debt Service Fund	\$ 1,459,371	\$ 1,633,996	\$ 174,625
Library Fund	701,511	961,252	259,741
Tourism Promotion Fund	163,915	185,534	21,619
School Liaison Fund	133,347	135,248	1,901
Donation Fund	33,400	88,094	54,694
Economic Development Fund	120,000	122,972	2,972
Post Retirement Benefits Fund	47,364	49,034	1,670
Revolving Sidewalk Fund	102,912	112,581	9,669
TIF #5	168,660	170,646	1,986
Canal Project Fund	-	51,527	51,527

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, 2019, the following individual funds held a deficit balance:

Fund	Amount	Reason
Mass Transit Fund	\$ 68,327	Costs exceed accumulated revenues
Swimming Pool Fund	108,949	Costs exceed accumulated revenues
Inspection Fund	36,768	Costs exceed accumulated revenues
Wheel Tax Fund	10,560	Costs exceed accumulated revenues
Post Retirement Benefits Fund	6,079	Costs exceed accumulated revenues
Revolving Sidewalk Fund	17,566	Costs exceed accumulated revenues
TIF #4	489,613	Costs exceed accumulated increments
TIF #5	521,297	Costs exceed accumulated increments
TIF #6	78,530	Costs exceed accumulated increments
TIF #9	18,048	Costs exceed accumulated increments
TIF #10	17,588	Costs exceed accumulated increments

CITY OF PORTAGE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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. Mass Transit, Swimming Pool, Inspection, Wheel Tax, 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	\$ 19,909,815	\$ 20,100,883	Custodial credit
LGIP	1,251,414	1,251,414	Credit
Negotiable certificates of deposit	463,455	463,455	Credit, custodial credit, concentration of credit, interest rate
Petty cash	1,950	-	N/A
Total Deposits and Investments	\$ 21,626,634	\$ 21,815,752	

CITY OF PORTAGE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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

A. DEPOSITS AND INVESTMENTS (cont.)

Reconciliation to financial statements

Per statement of net position	
Unrestricted cash and investments	\$ 11,025,751
Restricted cash and investments	4,818,045
BID Fund	114,984
Per statement of net position - fiduciary fund	
Custodial Fund	<u>5,667,854</u>
 Total Deposits and Investments	 <u><u>\$ 21,626,634</u></u>

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, 2019, the banks had pledged various government securities in the amount of \$4,457,419 to secure the city's deposits.

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

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

- > Market driven pricing model / Matrix pricing

Investment Type	December 31, 2019			
	Level 1	Level 2	Level 3	Total
Negotiable certificates of deposit	\$ -	\$ 463,455	\$ -	\$ 463,455
Total	<u>\$ -</u>	<u>\$ 463,455</u>	<u>\$ -</u>	<u>\$ 463,455</u>

Custodial Credit Risk

Deposits

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

CITY OF PORTAGE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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

A. DEPOSITS AND INVESTMENTS (cont.)

Custodial Credit Risk (cont.)

Deposits (cont.)

As of December 31, 2019, \$1,390,416 of the city's total bank balances were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ <u>1,390,416</u>
Total	\$ <u><u>1,390,416</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.

At December 31, 2019, the investment portfolio was concentrated as follows:

Issuer	Investment Type	Percentage of Portfolio
LPL Financial	Negotiable certificates of deposit	27.03%

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, 2019, the city's investments were as follows:

Investment Type	Fair Value	Maturity (In Years)	
		Less than 1	1-4
Negotiable certificates of deposit	\$ <u>463,455</u>	\$ <u>245,349</u>	\$ <u>218,106</u>

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

CITY OF PORTAGE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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

B. RECEIVABLES

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

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

	<u>Unearned</u>	<u>Unavailable</u>
Property taxes receivable for subsequent year	\$ 6,298,655	\$ -
Loans	-	1,431,429
Special assessments not yet due	-	69,430
Transit aids	-	95,579
Alley improvements	-	23,482
Donations	-	12,844
Developer payment	-	150,041
 Total Unearned/Unavailable Revenue for Governmental Funds	 <u>\$ 6,298,655</u>	 <u>\$ 1,782,805</u>

At December 31, 2019, the city has not exceeded the maximum amount of program income that it may retain or the amount of time for which funds may be held without use. When it does, a liability to the state will be recorded.

C. RESTRICTED ASSETS

The following represent the balances of the restricted assets:

Long-Term Debt Accounts

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

Equipment Replacement Account

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

CITY OF PORTAGE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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

C. RESTRICTED ASSETS (cont.)

Library Restricted Account

Used to report amounts donated for library purposes.

Following is a list of Business-type activities restricted assets at December 31, 2019:

Restricted Assets	
Redemption account	\$ 483,637
Reserve account	719,525
Replacement account	801,690
Construction account	<u>2,768,174</u>
Total Restricted Assets	<u>4,773,026</u>
Less: Restricted assets not funded by revenues	
Reserve from borrowing	(719,525)
Construction account	<u>(2,768,174)</u>
Total Restricted Assets Not Funded by Revenues	<u>(3,487,699)</u>
Current Liabilities Payable From Restricted Assets	<u>(55,104)</u>
Total Restricted Net Position	<u><u>\$ 1,230,223</u></u>

CITY OF PORTAGE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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

D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2019, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 2,257,864	\$ -	\$ 113,514	\$ 2,144,350
Construction in progress	<u>960,293</u>	<u>167,508</u>	<u>824,856</u>	<u>302,945</u>
Total Capital Assets Not Being Depreciated	<u>3,218,157</u>	<u>167,508</u>	<u>938,370</u>	<u>2,447,295</u>
Capital assets being depreciated				
Buildings	13,659,776	250,888	-	13,910,664
Land improvements	2,702,028	1,061,738	13,800	3,749,966
Equipment	3,334,298	108,936	37,111	3,406,123
Vehicles	5,545,645	298,592	293,052	5,551,185
Infrastructure	<u>34,190,171</u>	<u>1,273,037</u>	<u>197,830</u>	<u>35,265,378</u>
Total Capital Assets Being Depreciated	<u>59,431,918</u>	<u>2,993,191</u>	<u>541,793</u>	<u>61,883,316</u>
Total Capital Assets	<u>62,650,075</u>	<u>3,160,699</u>	<u>1,480,163</u>	<u>64,330,611</u>
Less: Accumulated depreciation for				
Buildings	(6,064,292)	(268,200)	-	(6,332,492)
Land improvements	(1,395,369)	(96,441)	-	(1,491,810)
Equipment	(2,825,835)	(91,509)	35,882	(2,881,462)
Vehicles	(3,623,214)	(317,947)	281,954	(3,659,207)
Infrastructure	<u>(18,260,189)</u>	<u>(654,448)</u>	<u>121,535</u>	<u>(18,793,102)</u>
Total Accumulated Depreciation	<u>(32,168,899)</u>	<u>(1,428,545)</u>	<u>439,371</u>	<u>(33,158,073)</u>
Net Capital Assets Being Depreciated	<u>27,263,019</u>	<u>1,564,646</u>	<u>102,422</u>	<u>28,725,243</u>
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 30,481,176</u>	<u>\$ 1,732,154</u>	<u>\$ 1,040,792</u>	<u>\$ 31,172,538</u>

Depreciation expense was charged to functions as follows:

Governmental Activities	
General government	\$ 90,692
Public safety	158,697
Public works	815,143
Culture, education, and recreation	<u>364,013</u>
Total Governmental Activities Depreciation Expense	<u>\$ 1,428,545</u>

CITY OF PORTAGE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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

D. CAPITAL ASSETS (cont.)

Business-type Activities

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Water</u>				
Capital assets not being depreciated				
Land	\$ 118,723	\$ -	\$ -	\$ 118,723
Construction in progress	<u>76,867</u>	<u>6,722</u>	<u>50,787</u>	<u>32,802</u>
Total Capital Assets Not Being Depreciated	<u>195,590</u>	<u>6,722</u>	<u>50,787</u>	<u>151,525</u>
Capital assets being depreciated				
Source of supply	5,529,506	7,500	-	5,537,006
Pumping	793,668	-	-	793,668
Water treatment	2,507,715	-	-	2,507,715
Transmission and distribution	10,253,935	365,821	48,119	10,571,637
General	<u>2,665,722</u>	<u>194,881</u>	<u>111,738</u>	<u>2,748,865</u>
Total Capital Assets Being Depreciated	<u>21,750,546</u>	<u>568,202</u>	<u>159,857</u>	<u>22,158,891</u>
Total Capital Assets	<u>21,946,136</u>	<u>574,924</u>	<u>210,644</u>	<u>22,310,416</u>
Less: Accumulated depreciation for Water System	<u>(9,794,511)</u>	<u>(537,714)</u>	<u>159,857</u>	<u>(10,172,368)</u>
Total Accumulated Depreciation	<u>(9,794,511)</u>	<u>(537,714)</u>	<u>159,857</u>	<u>(10,172,368)</u>
Net Capital Assets Being Depreciated	<u>11,956,035</u>	<u>30,488</u>	<u>-</u>	<u>11,986,523</u>
Net Water Capital Assets	<u>\$ 12,151,625</u>	<u>\$ 37,210</u>	<u>\$ 50,787</u>	<u>\$ 12,138,048</u>
	Beginning Balance	Additions	Deletions	Ending Balance
<u>Sewer</u>				
Capital assets not being depreciated				
Land	\$ 381,895	\$ -	\$ -	\$ 381,895
Construction in progress	<u>73,194</u>	<u>41,016</u>	<u>31,035</u>	<u>83,175</u>
Total Capital Assets Not Being Depreciated	<u>455,089</u>	<u>41,016</u>	<u>31,035</u>	<u>465,070</u>
Capital assets being depreciated				
Buildings and structures	8,083,477	-	-	8,083,477
Collecting system	7,151,015	303,021	27,030	7,427,006
Pumping	1,763,021	22,942	12,973	1,772,990
Treatment and disposal	8,947,697	682,902	330,000	9,300,599
General	<u>947,691</u>	<u>-</u>	<u>-</u>	<u>947,691</u>
Total Capital Assets Being Depreciated	<u>26,892,901</u>	<u>1,008,865</u>	<u>370,003</u>	<u>27,531,763</u>
Total Capital Assets	<u>27,347,990</u>	<u>1,049,881</u>	<u>401,038</u>	<u>27,996,833</u>

CITY OF PORTAGE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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

D. CAPITAL ASSETS (cont.)

Business-type Activities (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Sewer (cont.)</u>				
Less: Accumulated depreciation for				
Buildings and structures	\$ (5,967,316)	\$ (242,504)	\$ -	\$ (6,209,820)
Collecting system	(6,188,327)	(218,670)	27,030	(6,379,967)
Pumping	(1,207,191)	(31,507)	12,973	(1,225,725)
Treatment and disposal	(4,112,078)	(273,725)	330,000	(4,055,803)
General	(947,692)	-	-	(947,692)
Total Accumulated Depreciation	(18,422,604)	(766,406)	370,003	(18,819,007)
Net Capital Assets Being Depreciated	8,470,297	242,459	-	8,712,756
Net Sewer Capital Assets	\$ 8,925,386	\$ 283,475	\$ 31,035	\$ 9,177,826
Business-type Capital Assets, Net of Accumulated Depreciation	\$ 21,077,011	\$ 320,685	\$ 81,822	\$ 21,315,874

Depreciation expense was charged to functions as follows:

Business-type Activities	
Water	\$ 502,546
Sewer	766,406
Total Business-type Activities Depreciation Expense	\$ 1,268,952

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.

CITY OF PORTAGE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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

E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS

Interfund Receivables/Payables

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

Receivable Fund	Payable Fund	Amount
Sewer Utility Fund	Water Utility Fund	\$ 99,033
General Fund	Revolving Sidewalk Fund	13,667
General Fund	Post Retirement Benefits Fund	6,079
General Fund	Revolving Alley fund	2,246
General Fund	Inspection fund	33,764
General Fund	School Liaison Fund	8,256
General Fund	Wheel Tax Fund	9,489
General Fund	Water Utility Fund	385,892
CDBG Fund	General Fund	523
Criminal Investigation Fund	General Fund	107
Economic Development Fund	TIF #4	153
Water Utility Fund	General Fund	7,280
Capital Projects Fund	General Fund	<u>2,651</u>
Total - Fund Financial Statements		569,140
Less: Fund eliminations		(175,968)
Less: Government-wide eliminations		<u>(14,560)</u>
Total Internal Balances - Government-Wide Statement of Net Position		<u>\$ 378,612</u>
Receivable Fund	Payable Fund	Amount
Governmental Activities	Business-type Activities	\$ 385,892
Business-type Activities	Governmental Activities	<u>(7,280)</u>
Total Government-Wide Financial Statements		<u>\$ 378,612</u>

All amounts are due within one year.

The principal purpose of these interfunds is the PILOT due from the water utility to the general fund in the amount of \$385,892. All remaining balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

CITY OF PORTAGE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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

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

Advances

The general fund is advancing funds to the TIF District 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	\$ 10,953	\$ 10,953
General Fund	TIF #4	664,864	664,864
General Fund	TIF #5	521,297	521,297
General Fund	TIF #6	77,911	77,911
General Fund	TIF #9	18,048	18,048
General Fund	TIF #10	17,413	17,413
General Fund	Swimming Pool Fund	113,840	113,840
Total - Fund Financial Statements		1,424,326	
Less: Fund eliminations		(1,424,326)	
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, 2019

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	\$ 385,892	PILOT
Debt Service Fund	TIF #4	152,273	Debt service
Debt Service Fund	TIF #5	165,913	Debt service
Debt Service Fund	TIF #6	7,756	Debt service
Debt Service Fund	TIF #7	68,896	Debt service
Debt Service Fund	TIF #8	46,488	Debt service
Vehicle Equipment Replacement Fund	General Fund	217,130	Capital outlay
Vehicle Equipment Replacement Fund	School Liaison Fund	6,776	Capital outlay
Post Retirement Benefits Fund	General Fund	47,365	Retirement funding
	Economic Development		
TIF #4	Business Incubator Fund	122,972	TIF development
Mass Transit Fund	General Fund	72,000	Subsidy
Swimming Pool Fund	General Fund	7,000	Fund operations
Donations Fund	School Liaison Fund	19,846	Move donations
Capital Projects Fund	Wheel Tax Fund	40,000	Capital projects
Debt Service Fund	Capital Projects Fund	140,000	Move unspent proceeds for payment of debt service
Library Memorial Fund	Library - Restricted Fund	47,442	Move donations and creation of separate fund
School Liaison Fund	General Fund	44,738	Fund operations
	Criminal investigation		
School Liaison Fund	Fund	6,915	Equipment purchase
Wheel Tax Fund	Donation Fund	10,748	Move wheel tax revenue
Library Fund	Debt Service Fund	140,000	Re-allocate proceeds
Library Fund	Capital Projects Fund	5,700	Fund library capital project
Revolving Alley Fund	Capital Projects Fund	75,000	Re-allocate proceeds
Revolving Sidewalk Fund	Capital Projects Fund	<u>75,000</u>	Re-allocate proceeds
Total - Fund Financial Statements		1,905,850	
Less: Fund eliminations		<u>(1,519,958)</u>	
Total Transfers - Government-Wide Statement of Activities		<u><u>\$ 385,892</u></u>	

CITY OF PORTAGE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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

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

Transfers (cont.)

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.

F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2019, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General obligation debt	\$ 12,430,000	\$ 3,055,000	\$ 1,065,000	\$ 14,420,000	\$ 1,175,000
General obligation debt from direct borrowings and direct placements	424,000	-	54,446	369,554	56,375
Premiums	204,651	101,670	17,434	288,887	-
Sub-totals	<u>13,058,651</u>	<u>3,156,670</u>	<u>1,136,880</u>	<u>15,078,441</u>	<u>1,231,375</u>
Other Liabilities					
Vested compensated absences	1,098,922	259,870	258,870	1,099,922	246,283
Retiree health insurance	90,707	95,636	77,796	108,547	48,499
Total Other Liabilities	<u>1,189,629</u>	<u>355,506</u>	<u>336,666</u>	<u>1,208,469</u>	<u>294,782</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 14,248,280</u>	<u>\$ 3,512,176</u>	<u>\$ 1,473,546</u>	<u>\$ 16,286,910</u>	<u>\$ 1,526,157</u>
Business-type Activities					
Bonds and Notes Payable					
General obligation debt	\$ 3,320,000	\$ -	\$ 525,000	\$ 2,795,000	\$ 530,000
Revenue bonds	4,950,000	2,600,000	170,000	7,380,000	270,000
Revenue bonds from direct borrowings and direct placements	3,878,574	-	121,638	3,756,936	131,945
Premiums	153,941	63,751	10,635	207,057	-
Sub-totals	<u>12,302,515</u>	<u>2,663,751</u>	<u>827,273</u>	<u>14,138,993</u>	<u>931,945</u>
Other Liabilities					
Vested compensated absences	177,747	18,179	45,259	150,667	43,954
Total Other Liabilities	<u>177,747</u>	<u>18,179</u>	<u>45,259</u>	<u>150,667</u>	<u>43,954</u>
Total Business-type Activities Long-Term Liabilities	<u>\$ 12,480,262</u>	<u>\$ 2,681,930</u>	<u>\$ 872,532</u>	<u>\$ 14,289,660</u>	<u>\$ 975,899</u>

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

CITY OF PORTAGE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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

F. LONG-TERM OBLIGATIONS (cont.)

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, 2019, was \$34,028,175. Total general obligation debt outstanding at year end was \$17,584,554.

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, 2019</u>
General obligation refunding bonds	3/18/09	4/01/22	2.25 - 4.35%	\$ 810,000	\$ 295,000
General obligation promissory notes	5/17/11	4/01/21	2.00 - 3.00%	1,890,000	150,000
General obligation promissory bonds	8/02/12	4/01/27	.55 - 3.50%	2,175,000	1,340,000
General obligation promissory notes	8/02/12	4/01/22	.50 - 2.00%	1,995,000	865,000
General obligation promissory bonds	8/02/12	4/01/29	2.00 - 2.85%	3,130,000	2,215,000
General obligation promissory bonds	8/16/15	4/01/28	2.00 - 3.50%	2,950,000	2,500,000
General obligation promissory bonds	5/19/16	5/01/36	.75 - 3.20%	1,450,000	1,225,000
General obligation promissory bonds	4/13/17	4/01/32	3.00 - 3.50%	3,225,000	2,775,000
General obligation promissory notes (direct)	8/17/18	8/01/25	3.50%	424,000	369,554
General obligation promissory bonds	5/15/19	4/01/39	2.75%	3,055,000	<u>3,055,000</u>
Total Governmental Activities - General Obligation Debt					<u>\$ 14,789,554</u>

CITY OF PORTAGE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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, 2019
General obligation promissory notes	5/17/11	4/01/21	2.00 - 3.00%	\$ 1,450,000	\$ 335,000
General obligation corporate purpose bonds	8/02/12	4/01/24	2.00 - 2.25%	2,390,000	1,205,000
General obligation promissory bonds	8/16/15	4/01/28	2.00 - 3.50%	670,000	490,000
General obligation promissory bonds	5/19/16	5/01/30	0.75 - 3.20%	405,000	315,000
General obligation promissory bonds	4/13/17	4/01/32	3.00 - 3.50%	505,000	<u>450,000</u>
Total Business-type Activities - General Obligation Debt					<u>\$ 2,795,000</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
2020	\$ 1,175,000	\$ 390,416	\$ 530,000	\$ 59,557
2021	1,125,000	362,249	510,000	47,430
2022	1,145,000	333,926	360,000	37,865
2023	1,140,000	305,771	355,000	30,476
2024	1,120,000	277,381	355,000	22,716
2025-2029	4,675,000	956,230	540,000	56,866
2030-2034	2,865,000	391,963	145,000	6,225
2035-2039	1,175,000	72,190	-	-
Totals	<u>\$ 14,420,000</u>	<u>\$ 3,090,126</u>	<u>\$ 2,795,000</u>	<u>\$ 261,135</u>

CITY OF PORTAGE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

<u>Years</u>	Governmental Activities General Obligation Notes from Direct Borrowings and Direct Placements	
	Principal	Interest
2020	\$ 56,375	\$ 12,445
2021	58,365	10,455
2022	60,426	8,394
2023	62,559	6,261
2024	64,768	4,052
2025	67,061	1,765
Totals	\$ 369,554	\$ 43,372

Revenue Debt

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

The water utility fund has pledged future water revenues, net of specified operating expenses, to repay revenue bonds issued in 2007-2019. Proceeds from the bonds provided financing for the water system. The bonds are payable solely from water revenues and are payable through 2039. Annual principal and interest payments on the bonds are expected to require 22.82% of net revenues. The total principal and interest remaining to be paid on the bonds is \$5,335,948. Principal and interest paid for the current year and total customer net revenues were \$188,248 and \$1,169,109, respectively.

The sewer utility fund has pledged future sewer revenues, net of specified operating expenses, to repay revenue bonds issued in 2008-2019. 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 36.63% of net revenues. The total principal and interest remaining to be paid on the bonds is \$9,852,292. Principal and interest paid for the current year and total customer net revenues were \$404,974 and \$867,577, respectively.

CITY OF PORTAGE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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

F. LONG-TERM OBLIGATIONS (cont.)

Revenue Debt (cont.)

Revenue debt payable at December 31, 2019, consists of the following:

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2019</u>
<u>Water Utility</u>					
Water system revenue bonds (direct)	4/25/07	5/01/26	2.475%	\$ 121,379	\$ 43,908
Water system revenue bonds	4/16/15	5/01/35	1.00 - 3.50%	855,000	725,000
Water system revenue bonds	5/19/16	5/01/36	2.00 - 3.00%	2,190,000	2,040,000
Water system revenue bonds	5/15/19	5/01/39	2.89%	1,335,000	<u>1,335,000</u>
				Total Water Utility	<u>4,143,908</u>
<u>Sewer Utility</u>					
Sewer system revenue bonds (direct)	3/26/08	5/01/27	2.365%	1,159,443	551,428
USDA Build America Bonds (direct)	10/06/10	10/01/50	3%	3,645,000	3,161,600
Sewer system revenue bonds	4/13/17	5/01/37	3.00 - 3.75%	2,180,000	2,015,000
Sewer system revenue bonds	5/15/19	5/01/39	2.86%	1,265,000	<u>1,265,000</u>
				Total Sewer Utility	<u>6,993,028</u>
Total Business-type Activities - Revenue Debt					<u>\$ 11,136,936</u>

CITY OF PORTAGE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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
2020	\$ 270,000	\$ 219,080
2021	290,000	211,543
2022	330,000	203,297
2023	330,000	194,623
2024	350,000	185,538
2025-2029	2,030,000	763,725
2030-2034	2,285,000	430,775
2035-2039	<u>1,495,000</u>	<u>91,482</u>
Totals	<u>\$ 7,380,000</u>	<u>\$ 2,300,063</u>

Years	Business-type Activities Revenue Debt from Direct Borrowings and Direct Placements	
	Principal	Interest
2020	\$ 131,945	\$ 107,214
2021	135,589	103,640
2022	139,172	99,966
2023	142,995	96,193
2024	146,759	92,317
2025-2029	619,676	403,053
2030-2034	450,100	333,171
2035-2039	523,000	260,325
2040-2044	607,500	175,687
2045-2049	705,900	77,360
2050	<u>154,300</u>	<u>2,315</u>
Totals	<u>\$ 3,756,936</u>	<u>\$ 1,751,241</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.

CITY OF PORTAGE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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

F. LONG-TERM OBLIGATIONS (cont.)

Other Debt Information (cont.)

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.

The city's 2018 General obligation promissory note outstanding as of December 31, 2019 in the amount of \$369,554, is a direct borrowing. This note contains clauses that if the city fails to pay any amount when due the unpaid balance shall automatically mature and become immediately payable.

Bond Covenant Disclosures

Insurance

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

Debt Coverage Water

Under terms of the resolutions providing for the issue of revenue bonds, revenues less operating expenses excluding depreciation (defined net earnings) must exceed 1.25 times the annual debt service. The coverage only includes revenue debt and does not include general obligation or other debt. The coverage requirement was met in 2019 as follows:

Operating revenues	\$ 2,043,559
Investment income	68,423
Miscellaneous nonoperating income	17,431
Less: Operation and maintenance expenses	<u>(960,304)</u>
Net Defined Earnings	<u>\$ 1,169,109</u>
Minimum Required Earnings per Resolution:	
Annual debt service	\$ 188,248
Coverage factor	<u>1.25</u>
Minimum Required Earnings	<u>\$ 235,310</u>
Annual Debt Coverage	<u>4.97</u>

CITY OF PORTAGE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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

F. LONG-TERM OBLIGATIONS (cont.)

Bond Covenant Disclosures (cont.)

Debt Coverage Sewer

Under terms of the resolutions providing for the issue of revenue bonds, revenues less operating expenses excluding depreciation (defined net earnings) must exceed 1.25 times the annual debt service. The coverage only includes revenue debt and does not include general obligation or other debt. The coverage requirement was met in 2019 as follows:

Operating revenues	\$ 1,889,444
Investment income	82,421
Miscellaneous nonoperating income	34,027
Less: Operation and maintenance expenses	<u>(1,138,315)</u>
 Net Defined Earnings	 <u><u>\$ 867,577</u></u>
 Minimum Required Earnings per Resolution:	
Annual debt service	\$ 404,974
Coverage factor	<u>1.25</u>
 Minimum Required Earnings	 <u><u>\$ 506,218</u></u>
 Actual Debt Coverage	 <u><u>1.71</u></u>

G. NET POSITION/FUND BALANCES

Net position reported on the government wide statement of net position at December 31, 2019, includes the following:

Governmental Activities

Net Investment in Capital Assets	
Land	\$ 2,144,350
Construction in progress	302,945
Other capital assets, net of accumulated depreciation	28,725,243
Less: Long-term debt outstanding	(14,789,554)
Plus: Unspent capital related debt proceeds	1,973,132
Less: Unamortized debt premium	<u>(288,887)</u>
Total Net Investment in Capital Assets	<u><u>18,067,229</u></u>

CITY OF PORTAGE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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

G. NET POSITION/FUND BALANCES (cont.)

Governmental Activities (cont.)

Restricted	
Debt service	\$ 22,130
Capital projects	131,718
TIF activities	96,808
Grants	27,252
Vehicles	179,638
Home improvement loans	1,507,205
Library purposes	148,340
Donations	100,615
Total Restricted	<u>2,213,706</u>
Unrestricted	<u>3,258,119</u>
Total Governmental Activities Net Position	<u>\$ 23,539,054</u>

CITY OF PORTAGE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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, 2019, include the following:

	General Fund	CDBG Fund	Mass Transit Fund	Debt Service Fund	Capital Projects Fund	Vehicle Equipment Replacement Fund	Nonmajor Funds	Totals
Fund Balances								
Nonspendable:								
Prepaid items	\$ 87,100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,592	\$ 100,692
Delinquent personal property taxes	1,676	-	-	-	-	-	-	1,676
Long-term receivables	<u>1,424,326</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,424,326</u>
Sub-total	<u>1,513,102</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,592</u>	<u>1,526,694</u>
Restricted for:								
Debt service	-	-	-	126,555	-	-	-	126,555
Library	-	-	-	-	-	-	138,452	138,452
Capital projects	-	-	-	-	1,973,132	-	-	1,973,132
TIF activities	-	-	-	-	-	-	96,808	96,808
Hazmat vehicles	-	-	-	-	-	179,638	-	179,638
Stormwater	-	-	-	-	56,372	-	-	56,372
Donations	-	-	-	-	-	-	87,771	87,771
CDBG	-	59,106	-	-	-	-	-	59,106
HUD	-	-	-	-	-	-	16,670	16,670
Sub-total	<u>-</u>	<u>59,106</u>	<u>-</u>	<u>126,555</u>	<u>2,029,504</u>	<u>179,638</u>	<u>339,701</u>	<u>2,734,504</u>
Committed to:								
Recycling	-	-	-	-	-	-	21,337	21,337
Sub-total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,337</u>	<u>21,337</u>
Assigned to:								
Capital projects	-	-	-	-	-	1,353,185	136,629	1,489,814
Park land	-	-	-	-	-	-	19,835	19,835
Investigation	-	-	-	-	-	-	21,017	21,017
Tourism	-	-	-	-	-	-	144,139	144,139
School liaison	-	-	-	-	-	-	10,967	10,967
Economic Development	-	-	-	-	-	-	4	4
Business Incubator	-	-	-	-	-	-	97,175	97,175
Ambulance	-	-	-	-	-	-	52,499	52,499
Sub-total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,353,185</u>	<u>482,265</u>	<u>1,835,450</u>
Unassigned (deficit):	<u>2,164,100</u>	<u>-</u>	<u>(68,327)</u>	<u>-</u>	<u>(348,888)</u>	<u>-</u>	<u>(1,305,704)</u>	<u>441,181</u>
Total Fund Balances	<u>\$ 3,677,202</u>	<u>\$ 59,106</u>	<u>\$ (68,327)</u>	<u>\$ 126,555</u>	<u>\$ 1,680,616</u>	<u>\$ 1,532,823</u>	<u>\$ (448,809)</u>	<u>\$ 6,559,166</u>

CITY OF PORTAGE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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	115,977
Other capital assets, net of accumulated depreciation	20,699,247
Less: Long-term debt outstanding	(13,931,936)
Plus: Unspent capital related debt proceeds	2,768,173
Less: Unamortized debt premium	<u>(207,057)</u>
Total Net Investment in Capital Assets	<u>9,945,022</u>
Restricted	
Debt service	428,533
Equipment replacement	<u>801,690</u>
Total Restricted	<u>1,230,223</u>
Unrestricted	<u>4,658,233</u>
Total Business-type Activities Net Position	<u>\$ 15,833,478</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 \$114,984 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 \$21,310. 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, 2019

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

H. COMPONENT UNIT (cont.)

BUSINESS IMPROVEMENT DISTRICT (cont.)

d. Special Item

By approval of the Board of Directors, the BID agreed to combine operations with a local non-profit entity, Downtown Portage, Inc, for the purpose of enhancing the provision of developing, improving, and promoting the downtown area for the economic benefit of all business within the District. In 2019, Downtown Portage, Inc transferred its assets comprising its operations to the city's BID. As a result of the transfer, the BID recognized \$37,852 in cash.

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 1,200 hours a year (880 hours teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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

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 executive service retirement participants, if hired on or before 12/31/2016) are entitled to retirement benefit based on a formula factor, their average earnings, and creditable service.

Final average earnings is the average of the participant's three highest annual earnings period. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

CITY OF PORTAGE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

The WRS also provides death and disability benefits for employees.

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

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2009	(2.1)%	(42.0)%
2010	(1.3)	22.0
2011	(1.2)	11.0
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0

CITY OF PORTAGE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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, including Teachers, 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 \$397,505 in contributions from the city.

Contribution rates for the plan year reported as of December 31, 2019 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Executives & Elected Officials)	6.7%	6.7%
Protective with Social Security	6.7%	10.7%
Protective without Social Security	6.7%	14.9%

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

At December 31, 2019, the city reported an liability/(asset) of \$1,352,263 for its proportionate share of the net pension liability/(asset). The net pension liability/(asset) was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. 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, 2018, the city's proportion was 0.03800963%, which was an increase of 0.00087586% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the city recognized pension expense of \$895,143.

CITY OF PORTAGE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

At December 31, 2019, 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	\$ 1,053,208	\$ 1,861,693
Changes in assumptions	227,942	-
Net differences between projected and actual earnings on pension plan investments	1,974,888	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	364	12,076
Employer contributions subsequent to the measurement date	417,493	-
Totals	\$ 3,673,895	\$ 1,873,769

\$417,493 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2020. 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)
2020	\$ 499,329
2021	123,500
2022	219,874
2023	539,930

CITY OF PORTAGE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Actuarial assumptions. The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2017
Measurement Date of Net Pension Liability (Asset):	December 31, 2018
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table
Post-retirement Adjustments*:	1.9%

** No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.9% 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 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. Based on this experience study, actuarial assumptions used to measure the Total Pension Liability changed from prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, mortality and separation rates. The Total Pension Liability for December 31, 2018 is based upon a roll-forward of the liability calculated from the December 31, 2017 actuarial valuation.

CITY OF PORTAGE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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	49%	8.1%	5.5%
Fixed Income	24.5	4.0	1.5
Inflation Sensitive Assets	15.5	3.8	1.3
Real Estate	9	6.5	3.9
Private Equity/Debt	8	9.4	6.7
Multi-Asset	4	6.7	4.1
Total Core Fund	110	7.3	4.7
 <u>Variable Fund Asset Class</u>			
U.S Equities	70	7.6	5.0
International Equities	30	8.5	5.9
Total Variable Fund	100	8.0	5.4

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%
Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations

Single discount rate. A single discount rate of 7.00% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.00% and a long term bond rate of 3.71%. Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF PORTAGE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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 7.00 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 (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease to Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase to Discount Rate (8.00%)
City's proportionate share of the net pension liability/(asset)	\$5,374,036	\$1,352,263	\$(1,638,236)

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, 2019, 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, 2019. 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, 2019

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. 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. 87, *Leases*
- > Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- > Statement No. 90, *Majority Equity Interests*
- > Statement No. 91, *Conduit Debt Obligations*
- > Statement No. 92, *Omnibus*
- > Statement No. 93, *Replacement of Interbank Offered Rates*
- > Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*

The statements listed above through Statement No. 93 had their required effective dates postponed by one year with the issuance of Statement No. 95, *Postponement of Effective Dates of Certain Authoritative Guidance*, with the exception of Statement No. 87 which was postponed by one and a half years.

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, 2019

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES			
TAXES			
General property taxes	\$ 4,191,553	\$ 4,191,500	\$ (53)
Mobile home lottery credit	24,000	20,556	(3,444)
Forest cropland and managed forest land taxes	293	1,214	921
Sales and use	40	40	-
Total Taxes	<u>4,215,886</u>	<u>4,213,310</u>	<u>(2,576)</u>
INTERGOVERNMENTAL REVENUES			
State shared revenues	1,640,099	1,639,228	(871)
State expenditure restraint	166,972	166,972	-
Fire insurance tax	26,000	29,726	3,726
State aid - law enforcement improvement	4,920	3,360	(1,560)
State aid - general transportation aids	500,430	500,200	(230)
State aid - connecting streets	126,420	126,420	-
Other state payments - operating	50,210	49,342	(868)
Payments for municipal services	40,000	37,336	(2,664)
In lieu of taxes on state conservation lands	420	445	25
Other state payments	5,000	7,539	2,539
County aid - highway and bridges	2,000	14,155	12,155
Total Intergovernmental Revenues	<u>2,562,471</u>	<u>2,574,723</u>	<u>12,252</u>
LICENSES AND PERMITS			
Business and occupational licenses	1,800	1,093	(707)
Liquor and malt beverage licenses	33,000	33,585	585
Operators' license	1,600	2,440	840
Mobile home park licenses	300	300	-
Cable television franchise fees	128,000	135,767	7,767
Dog and cat licenses	6,000	6,166	166
Other nonbusiness licenses	150	2,113	1,963
Other regulatory permits and fees	13,330	12,904	(426)
Total Licenses and Permits	<u>184,180</u>	<u>194,368</u>	<u>10,188</u>
FINES, FORFEITURES AND PENALTIES			
Court penalties and costs	172,600	145,164	(27,436)
Parking violations	5,500	7,333	1,833
Judgments and damages	500	276	(224)
Total Fines, Forfeitures and Penalties	<u>178,600</u>	<u>152,773</u>	<u>(25,827)</u>
PUBLIC CHARGES FOR SERVICES			
Clerk's fees	1,000	131	(869)
Law enforcement fees	6,000	5,362	(638)
Street related facilities	7,000	4,004	(2,996)
Parking lots, ramps and meters	100	10	(90)
Other transportation	500	301	(199)
Solid waste disposal	7,250	5,867	(1,383)
Culture, recreation and education	7,500	3,496	(4,004)
Parks	46,000	47,874	1,874
Park rental	9,500	10,750	1,250
Conservation and development	2,500	3,259	759
Other public charges for services	10,100	12,412	2,312
Total Public Charges for Services	<u>97,450</u>	<u>93,466</u>	<u>(3,984)</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, 2019

	Original and Final Budget	Actual	Variance with Final Budget
INTERGOVERNMENTAL CHARGES FOR SERVICES			
Local - rural fire services	\$ 155,000	\$ 128,599	\$ (26,401)
Local - HAZMAT services	19,000	18,287	(713)
Local - intra-agency administration fees	<u>96,724</u>	<u>95,660</u>	<u>(1,064)</u>
Total Intergovernmental Charges for Services	<u>270,724</u>	<u>242,546</u>	<u>(28,178)</u>
INVESTMENT INCOME			
Interest on investments	40,000	70,221	30,221
Interest on special assessments	<u>2,000</u>	<u>2,192</u>	<u>192</u>
Total Investment Income	<u>42,000</u>	<u>72,413</u>	<u>30,413</u>
MISCELLANEOUS REVENUES			
Rent	69,290	78,055	8,765
Insurance recoveries - police	1,000	-	(1,000)
Donations	9,000	9,241	241
Insurance dividends	20,000	16,607	(3,393)
Other miscellaneous	2,000	302	(1,698)
Insurance recoveries - highway	1,000	-	(1,000)
Insurance recoveries - other	-	517	517
Total Miscellaneous Revenues	<u>102,290</u>	<u>104,722</u>	<u>2,432</u>
 Total Revenues	 <u>7,653,601</u>	 <u>7,648,321</u>	 <u>(5,280)</u>
EXPENDITURES			
GENERAL GOVERNMENT			
Council	38,245	37,955	290
Judicial	125,197	113,498	11,699
Legal	34,500	26,621	7,879
Mayor	14,563	15,353	(790)
Administrator	145,448	149,613	(4,165)
General administration	309,219	295,344	13,875
Financial administration	256,169	264,474	(8,305)
General buildings/plant/hall	175,521	173,294	2,227
Safety program	2,000	1,386	614
Contingency	<u>26,612</u>	<u>-</u>	<u>26,612</u>
Total General Government	<u>1,127,474</u>	<u>1,077,538</u>	<u>49,936</u>
PUBLIC SAFETY			
Police	538,154	527,755	10,399
Patrol	1,746,515	1,841,614	(95,099)
Criminal investigation	326,983	328,522	(1,539)
Fire protection	225,599	225,715	(116)
Suppression	772,162	789,429	(17,267)
Prevention	81,367	88,866	(7,499)
Hazmat	13,000	8,962	4,038
Emergency government	3,000	9,492	(6,492)
Police special services	<u>179,010</u>	<u>158,949</u>	<u>20,061</u>
Total Public Safety	<u>3,885,790</u>	<u>3,979,304</u>	<u>(93,514)</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, 2019

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
PUBLIC WORKS			
Engineering	\$ 232,388	\$ 237,424	\$ (5,036)
Highway and street maintenance for local	1,192,906	1,252,429	(59,523)
Highway and street construction for local	4,000	-	4,000
Storm sewer maintenance	22,500	10,596	11,904
Parking facilities	5,350	5,880	(530)
Airport	38,082	42,465	(4,383)
Solid waste disposal	352,054	367,608	(15,554)
Weed and nuisance control	<u>10,200</u>	<u>3,934</u>	<u>6,266</u>
Total Public Works	<u>1,857,480</u>	<u>1,920,336</u>	<u>(62,856)</u>
HEALTH AND HUMAN SERVICES			
Public health services	19,000	16,073	2,927
Cemetery	<u>42,500</u>	<u>42,500</u>	<u>-</u>
Total Health and Human Services	<u>61,500</u>	<u>58,573</u>	<u>2,927</u>
CULTURE, RECREATION, AND EDUCATION			
Cable television	21,504	12,918	8,586
Parks	179,701	171,181	8,520
Recreation programs and events	80,083	73,546	6,537
Park maintenance	<u>419,189</u>	<u>405,384</u>	<u>13,805</u>
Total Culture, Recreation, and Education	<u>700,477</u>	<u>663,029</u>	<u>37,448</u>
CONSERVATION AND DEVELOPMENT			
Community development	<u>83,047</u>	<u>84,354</u>	<u>(1,307)</u>
Total Conservation and Development	<u>83,047</u>	<u>84,354</u>	<u>(1,307)</u>
Total Expenditures	<u>7,715,768</u>	<u>7,783,134</u>	<u>(67,366)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(62,167)</u>	<u>(134,813)</u>	<u>(72,646)</u>
OTHER FINANCING SOURCES (USES)			
Sale of capital assets	3,500	32,173	28,673
Transfers in	386,900	385,892	(1,008)
Transfers out	<u>(388,233)</u>	<u>(388,233)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>2,167</u>	<u>29,832</u>	<u>27,665</u>
Net Change in Fund Balance	(60,000)	(104,981)	(44,981)
FUND BALANCE - Beginning of Year	<u>3,782,183</u>	<u>3,782,183</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 3,722,183</u>	<u>\$ 3,677,202</u>	<u>\$ (44,981)</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, 2019

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Public charges for services	\$ 20,000	\$ 107,077	\$ 87,077
Investment income	200	928	728
Total Revenues	<u>20,200</u>	<u>108,005</u>	<u>87,805</u>
EXPENDITURES			
Current			
Conservation and development	<u>60,594</u>	<u>110,868</u>	<u>(50,274)</u>
Total Expenditures	<u>60,594</u>	<u>110,868</u>	<u>(50,274)</u>
Net Change in Fund Balance	(40,394)	(2,863)	37,531
FUND BALANCE - Beginning of Year	<u>61,969</u>	<u>61,969</u>	-
FUND BALANCE - END OF YEAR	<u>\$ 21,575</u>	<u>\$ 59,106</u>	<u>\$ 37,531</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, 2019

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Intergovernmental	\$ 781,697	\$ 663,022	\$ (118,675)
Public charges for services	545,130	485,111	(60,019)
Miscellaneous revenues	-	19,461	19,461
Total Revenues	<u>1,326,827</u>	<u>1,167,594</u>	<u>(159,233)</u>
EXPENDITURES			
Current			
Public works	<u>1,403,999</u>	<u>1,342,886</u>	<u>61,113</u>
Total Expenditures	<u>1,403,999</u>	<u>1,342,886</u>	<u>61,113</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(77,172)</u>	<u>(175,292)</u>	<u>(98,120)</u>
OTHER FINANCING SOURCES			
Transfers in	72,000	72,000	-
Sale of capital assets	<u>4,500</u>	<u>15,650</u>	<u>11,150</u>
Total Other Financing Sources	<u>76,500</u>	<u>87,650</u>	<u>11,150</u>
Net Change in Fund Balance	(672)	(87,642)	(86,970)
FUND BALANCE - Beginning of Year	<u>19,315</u>	<u>19,315</u>	<u>-</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ 18,643</u>	<u>\$ (68,327)</u>	<u>\$ (86,970)</u>

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

CITY OF PORTAGE

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY/(ASSET) -
WISCONSIN RETIREMENT SYSTEM
For the Year Ended December 31, 2019

Fiscal Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/19	0.038009630%	\$ 1,352,263	\$ 4,473,631	30.23%	96.45%
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, 2019

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/19	\$ 417,493	\$ 417,493	\$ -	\$ 4,707,658	8.87%
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, 2019

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. Actuarial assumptions are based upon an experience study conducted in 2018 using experience from 2015 – 2017. Based on the experience study conducted in 2018, actuarial assumptions used to develop Total Pension Liability changed, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, mortality and separation rates.

SUPPLEMENTARY INFORMATION

CITY OF PORTAGE

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS As of December 31, 2019

	Special Revenue Funds			
	Park Land Dedication Fund	Swimming Pool Fund	Inspection Fund	Library Fund
ASSETS				
Cash and investments	\$ 19,835	\$ 7,000	\$ -	\$ 122,505
Receivables				
Taxes	-	-	-	520,312
Accounts	-	164	1,482	-
Due from other funds	-	-	-	-
Special assessments	-	-	-	-
Other	-	-	-	-
Prepaid items	-	100	606	9,888
Restricted cash and investments	-	-	-	-
	<u>\$ 19,835</u>	<u>\$ 7,264</u>	<u>\$ 2,088</u>	<u>\$ 652,705</u>
TOTAL ASSETS				
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ 482	\$ 2,934	\$ 23,107
Accrued liabilities	-	1,891	2,158	32,384
Deposits	-	-	-	-
Due to other funds	-	-	33,764	-
Advances from other funds	-	113,840	-	-
Total Liabilities	<u>-</u>	<u>116,213</u>	<u>38,856</u>	<u>55,491</u>
Deferred Inflows of Resources				
Property taxes levied for next period	-	-	-	520,312
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>520,312</u>
Fund Balances (Deficit)				
Nonspendable	-	100	606	9,888
Restricted	-	-	-	67,014
Committed	-	-	-	-
Assigned	19,835	-	-	-
Unassigned (deficit)	-	(109,049)	(37,374)	-
Total Fund Balances (deficit)	<u>19,835</u>	<u>(108,949)</u>	<u>(36,768)</u>	<u>76,902</u>
	<u>\$ 19,835</u>	<u>\$ 7,264</u>	<u>\$ 2,088</u>	<u>\$ 652,705</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				

Special Revenue Funds

Library - Restricted Fund	Library Memorial Fund	Criminal Investigation Fund	Tourism Promotion Fund	School Liaison Fund	Donation Fund	Economic Development Fund
\$ 46,158	\$ -	\$ 20,910	\$ 139,086	\$ 6,915	\$ 87,771	\$ -
-	-	-	-	-	-	-
-	-	107	-	18,411	12,844	-
-	-	-	-	-	-	153
-	-	-	6,053	-	-	-
-	-	-	-	1,627	-	-
<u>-</u>	<u>45,019</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 46,158</u>	<u>\$ 45,019</u>	<u>\$ 21,017</u>	<u>\$ 145,139</u>	<u>\$ 26,953</u>	<u>\$ 100,615</u>	<u>\$ 153</u>
\$ 19,404	\$ 335	\$ -	\$ -	\$ 343	\$ -	\$ -
-	-	-	-	5,909	-	-
-	-	-	1,000	-	-	-
-	-	-	-	8,107	-	149
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>19,404</u>	<u>335</u>	<u>-</u>	<u>1,000</u>	<u>14,359</u>	<u>-</u>	<u>149</u>
-	-	-	-	-	-	-
-	-	-	-	-	12,844	-
-	-	-	-	-	<u>12,844</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	1,627	-	-
26,754	44,684	-	-	-	87,771	-
-	-	-	-	-	-	-
-	-	21,017	144,139	10,967	-	4
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>26,754</u>	<u>44,684</u>	<u>21,017</u>	<u>144,139</u>	<u>12,594</u>	<u>87,771</u>	<u>4</u>
<u>\$ 46,158</u>	<u>\$ 45,019</u>	<u>\$ 21,017</u>	<u>\$ 145,139</u>	<u>\$ 26,953</u>	<u>\$ 100,615</u>	<u>\$ 153</u>

CITY OF PORTAGE

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS As of December 31, 2019

	Special Revenue Funds			
	Economic Development Business Incubator Fund	HUD Fund	Wheel Tax Fund	Ambulance Fund
ASSETS				
Cash and investments	\$ 100,491	\$ 16,670	\$ -	\$ 61,703
Receivables				
Taxes	-	-	-	-
Accounts	-	54,493	-	-
Due from other funds	-	-	-	-
Special assessments	-	-	-	-
Other	8,295	-	-	-
Prepaid items	1,371	-	-	-
Restricted cash and investments	-	-	-	-
TOTAL ASSETS	<u>\$ 110,157</u>	<u>\$ 71,163</u>	<u>\$ -</u>	<u>\$ 61,703</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 3,056	\$ -	\$ 1,071	\$ 9,204
Accrued liabilities	3,790	-	-	-
Deposits	4,765	-	-	-
Due to other funds	-	-	9,489	-
Advances from other funds	-	-	-	-
Total Liabilities	<u>11,611</u>	<u>-</u>	<u>10,560</u>	<u>9,204</u>
Deferred Inflows of Resources				
Property taxes levied for next period	-	-	-	-
Unavailable revenues	-	54,493	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>54,493</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit)				
Nonspendable	1,371	-	-	-
Restricted	-	16,670	-	-
Committed	-	-	-	-
Assigned	97,175	-	-	52,499
Unassigned (deficit)	-	-	(10,560)	-
Total Fund Balances (deficit)	<u>98,546</u>	<u>16,670</u>	<u>(10,560)</u>	<u>52,499</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 110,157</u>	<u>\$ 71,163</u>	<u>\$ -</u>	<u>\$ 61,703</u>

Special Revenue Funds		Capital Projects Funds				
Post Retirement Benefits Fund	Recycling Fund	Industrial Development Fund	Revolving Sidewalk Fund	Revolving Alley Fund	Canal Project Fund	Airport Construction Fund
\$ -	\$ 21,337	\$ 50	\$ -	\$ 60,834	\$ 78,687	\$ 7,222
-	-	-	19,406	21,583	-	-
-	-	-	303	-	-	-
-	-	-	-	-	-	-
-	-	-	33,913	19,236	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ 21,337</u>	<u>\$ 50</u>	<u>\$ 53,622</u>	<u>\$ 101,653</u>	<u>\$ 78,687</u>	<u>\$ 7,222</u>
\$ -	\$ -	\$ -	\$ 4,201	\$ 659	\$ 7,260	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
6,079	-	-	13,667	2,246	-	-
-	-	-	-	-	-	-
<u>6,079</u>	<u>-</u>	<u>-</u>	<u>17,868</u>	<u>2,905</u>	<u>7,260</u>	<u>-</u>
-	-	-	19,406	21,583	-	-
-	-	-	33,914	19,235	-	-
-	-	-	53,320	40,818	-	-
-	-	-	-	-	-	-
-	21,337	-	-	-	-	-
-	-	50	-	57,930	71,427	7,222
(6,079)	-	-	(17,566)	-	-	-
<u>(6,079)</u>	<u>21,337</u>	<u>50</u>	<u>(17,566)</u>	<u>57,930</u>	<u>71,427</u>	<u>7,222</u>
<u>\$ -</u>	<u>\$ 21,337</u>	<u>\$ 50</u>	<u>\$ 53,622</u>	<u>\$ 101,653</u>	<u>\$ 78,687</u>	<u>\$ 7,222</u>

CITY OF PORTAGE

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS As of December 31, 2019

	Capital Projects Funds			
	TIF #4	TIF #5	TIF #6	TIF #7
ASSETS				
Cash and investments	\$ 175,404	\$ -	\$ -	\$ 16,303
Receivables				
Taxes	13,709	110,436	-	69,729
Accounts	-	-	-	-
Due from other funds	-	-	-	-
Special assessments	-	-	-	-
Other	-	150,041	-	-
Prepaid items	-	-	-	-
Restricted cash and investments	-	-	-	-
TOTAL ASSETS	<u>\$ 189,113</u>	<u>\$ 260,477</u>	<u>\$ -</u>	<u>\$ 86,032</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ -	\$ 619	\$ 1,257
Accrued liabilities	-	-	-	-
Deposits	-	-	-	-
Due to other funds	153	-	-	-
Advances from other funds	664,864	521,297	77,911	-
Total Liabilities	<u>665,017</u>	<u>521,297</u>	<u>78,530</u>	<u>1,257</u>
Deferred Inflows of Resources				
Property taxes levied for next period	13,709	110,436	-	69,729
Unavailable revenues	-	150,041	-	-
Total Deferred Inflows of Resources	<u>13,709</u>	<u>260,477</u>	<u>-</u>	<u>69,729</u>
Fund Balances (Deficit)				
Nonspendable	-	-	-	-
Restricted	-	-	-	15,046
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned (deficit)	(489,613)	(521,297)	(78,530)	-
Total Fund Balances (deficit)	<u>(489,613)</u>	<u>(521,297)</u>	<u>(78,530)</u>	<u>15,046</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 189,113</u>	<u>\$ 260,477</u>	<u>\$ -</u>	<u>\$ 86,032</u>

Capital Projects Funds

<u>TIF #8</u>	<u>TIF #9</u>	<u>TIF #10</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 81,762	\$ -	\$ -	\$ 1,070,643
58,924	-	-	814,099
-	-	-	87,697
-	-	-	260
2,148	-	-	55,297
-	-	-	164,389
-	-	-	13,592
-	-	-	<u>45,019</u>
<u>\$ 142,834</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,250,996</u>
\$ -	\$ -	\$ 175	\$ 74,107
-	-	-	46,132
-	-	-	5,765
-	-	-	73,654
-	18,048	17,413	1,413,373
-	<u>18,048</u>	<u>17,588</u>	<u>1,613,031</u>
58,924	-	-	814,099
2,148	-	-	272,675
<u>61,072</u>	-	-	<u>1,086,774</u>
-	-	-	13,592
81,762	-	-	339,701
-	-	-	21,337
-	-	-	482,265
-	(18,048)	(17,588)	(1,305,704)
<u>81,762</u>	<u>(18,048)</u>	<u>(17,588)</u>	<u>(448,809)</u>
<u>\$ 142,834</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,250,996</u>

CITY OF PORTAGE

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS For the Year Ended December 31, 2019

	Special Revenue Funds			
	Park Land Dedication Fund	Swimming Pool Fund	Inspection Fund	Library Fund
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 469,264
Special assessments	-	-	-	-
Intergovernmental	-	-	-	229,744
Licenses and permits	-	-	68,041	-
Public charges for services	-	27,530	3,270	8,312
Intergovernmental charges for services	-	-	22,524	-
Investment income	555	-	110	11,421
Miscellaneous revenues	8,251	10,000	-	7,022
Total Revenues	8,806	37,530	93,945	725,763
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	137,009	-
Public works	-	-	-	-
Culture, recreation and education	-	50,200	-	710,364
Conservation and development	-	-	591	-
Capital Outlay	18,673	-	-	250,888
Debt Service				
Interest and fiscal charges	-	-	-	-
Total Expenditures	18,673	50,200	137,600	961,252
Excess (Deficiency) of Revenues Over Expenditures	(9,867)	(12,670)	(43,655)	(235,489)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	7,000	-	145,700
Debt issued	-	-	-	-
Sale of capital assets	-	-	-	-
Premium on debt issued	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	7,000	-	145,700
Net Change in Fund Balances	(9,867)	(5,670)	(43,655)	(89,789)
FUND BALANCES (DEFICIT) - Beginning of Year	29,702	(103,279)	6,887	166,691
FUND BALANCES (DEFICIT) - END OF YEAR	\$ 19,835	\$ (108,949)	\$ (36,768)	\$ 76,902

Special Revenue Funds

Library- Restricted Fund	Library Memorial Fund	Criminal Investigation Fund	Tourism Promotion Fund	School Liaison Fund	Donation Fund	Economic Development Fund
\$ -	\$ -	\$ -	\$ 159,709	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	15,813	-
-	-	-	-	-	-	-
16,425	-	4,305	-	-	-	568
-	-	-	-	77,561	-	-
362	186	444	2,583	17	1,514	1,780
<u>19,588</u>	<u>2,206</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,555</u>	<u>-</u>
<u>36,375</u>	<u>2,392</u>	<u>4,749</u>	<u>162,292</u>	<u>77,578</u>	<u>75,882</u>	<u>2,348</u>
-	-	-	-	-	15,130	-
-	-	-	-	108,626	41,317	-
-	-	-	-	-	-	-
43,637	5,150	-	185,534	-	20,899	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>43,637</u>	<u>5,150</u>	<u>-</u>	<u>185,534</u>	<u>108,626</u>	<u>77,346</u>	<u>-</u>
<u>(7,262)</u>	<u>(2,758)</u>	<u>4,749</u>	<u>(23,242)</u>	<u>(31,048)</u>	<u>(1,464)</u>	<u>2,348</u>
-	47,442	-	-	51,653	19,846	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>(47,442)</u>	<u>-</u>	<u>(6,915)</u>	<u>-</u>	<u>(26,622)</u>	<u>(10,748)</u>	<u>(122,972)</u>
<u>(47,442)</u>	<u>47,442</u>	<u>(6,915)</u>	<u>-</u>	<u>25,031</u>	<u>9,098</u>	<u>(122,972)</u>
(54,704)	44,684	(2,166)	(23,242)	(6,017)	7,634	(120,624)
<u>81,458</u>	<u>-</u>	<u>23,183</u>	<u>167,381</u>	<u>18,611</u>	<u>80,137</u>	<u>120,628</u>
<u>\$ 26,754</u>	<u>\$ 44,684</u>	<u>\$ 21,017</u>	<u>\$ 144,139</u>	<u>\$ 12,594</u>	<u>\$ 87,771</u>	<u>\$ 4</u>

CITY OF PORTAGE

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS For the Year Ended December 31, 2019

	Special Revenue Funds			
	Economic Development Business Incubator Fund	HUD Fund	Wheel Tax Fund	Ambulance Fund
	Fund	Fund	Fund	Fund
REVENUES				
Taxes	\$ -	\$ -	\$ 161,493	\$ -
Special assessments	-	-	-	-
Intergovernmental	-	-	-	-
Licenses and permits	-	-	-	-
Public charges for services	-	16,500	5,102	-
Intergovernmental charges for services	-	-	-	-
Investment income	2,075	170	42	1,103
Miscellaneous revenues	117,198	-	-	-
Total Revenues	119,273	16,670	166,637	1,103
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	34,156	-
Culture, recreation and education	-	-	-	-
Conservation and development	125,463	-	-	-
Capital Outlay	-	-	75,764	-
Debt Service				
Interest and fiscal charges	-	-	-	-
Total Expenditures	125,463	-	109,920	-
Excess (Deficiency) of Revenues Over Expenditures	(6,190)	16,670	56,717	1,103
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	10,748	-
Debt issued	-	-	-	-
Sale of capital assets	-	-	-	-
Premium on debt issued	-	-	-	-
Transfers out	-	-	(40,000)	-
Total Other Financing Sources (Uses)	-	-	(29,252)	-
Net Change in Fund Balances	(6,190)	16,670	27,465	1,103
FUND BALANCES (DEFICIT) - Beginning of Year	104,736	-	(38,025)	51,396
FUND BALANCES (DEFICIT) - END OF YEAR	\$ 98,546	\$ 16,670	\$ (10,560)	\$ 52,499

Special Revenue Funds		Capital Projects Funds				
Post Retirement Benefits Fund	Recycling Fund	Industrial Development Fund	Revolving Sidewalk Fund	Revolving Alley Fund	Canal Project Fund	Airport Construction Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	18,300	22,124	-	-
-	20,410	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	553	1	1,696	2,531	2,101	491
-	-	-	-	-	-	-
-	<u>20,963</u>	<u>1</u>	<u>19,996</u>	<u>24,655</u>	<u>2,101</u>	<u>491</u>
-	-	-	-	-	-	-
44,695	-	-	-	-	-	-
-	20,000	-	2,912	2,912	51,527	39,625
4,339	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	109,669	-	-	-
-	-	-	-	-	-	-
<u>49,034</u>	<u>20,000</u>	<u>-</u>	<u>112,581</u>	<u>2,912</u>	<u>51,527</u>	<u>39,625</u>
<u>(49,034)</u>	<u>963</u>	<u>1</u>	<u>(92,585)</u>	<u>21,743</u>	<u>(49,426)</u>	<u>(39,134)</u>
47,365	-	-	75,000	75,000	-	-
-	-	-	59,000	60,000	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>47,365</u>	<u>-</u>	<u>-</u>	<u>134,000</u>	<u>135,000</u>	<u>-</u>	<u>-</u>
(1,669)	963	1	41,415	156,743	(49,426)	(39,134)
<u>(4,410)</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>\$ (6,079)</u>	<u>\$ 21,337</u>	<u>\$ 50</u>	<u>\$ (17,566)</u>	<u>\$ 57,930</u>	<u>\$ 71,427</u>	<u>\$ 7,222</u>

CITY OF PORTAGE

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS For the Year Ended December 31, 2019

	Capital Projects Funds			
	TIF #4	TIF #5	TIF #6	TIF #7
REVENUES				
Taxes	\$ 14,912	\$ 110,591	\$ -	\$ 54,053
Special assessments	-	-	-	-
Intergovernmental	95	614	3,452	1,746
Licenses and permits	-	-	-	-
Public charges for services	-	-	-	-
Intergovernmental charges for services	-	-	-	-
Investment income	2,404	-	-	624
Miscellaneous revenues	(198)	37,510	-	-
Total Revenues	17,213	148,715	3,452	56,423
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture, recreation and education	-	-	-	-
Conservation and development	21,719	4,733	2,661	3,864
Capital Outlay	-	-	27,076	63,657
Debt Service				
Interest and fiscal charges	4,507	-	1,416	2,447
Total Expenditures	26,226	4,733	31,153	69,968
Excess (Deficiency) of Revenues Over Expenditures	(9,013)	143,982	(27,701)	(13,545)
OTHER FINANCING SOURCES (USES)				
Transfers in	122,972	-	-	-
Debt issued	175,000	-	55,000	95,000
Sale of capital assets	151,680	-	-	-
Premium on debt issued	1,794	-	564	974
Transfers out	(152,273)	(165,913)	(7,756)	(68,896)
Total Other Financing Sources (Uses)	299,173	(165,913)	47,808	27,078
Net Change in Fund Balances	290,160	(21,931)	20,107	13,533
FUND BALANCES (DEFICIT) - Beginning of Year	(779,773)	(499,366)	(98,637)	1,513
FUND BALANCES (DEFICIT) - END OF YEAR	\$ (489,613)	\$ (521,297)	\$ (78,530)	\$ 15,046

Capital Projects Funds

<u>TIF #8</u>	<u>TIF #9</u>	<u>TIF #10</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 62,314	\$ -	\$ -	\$ 1,032,336
2,147	-	-	42,571
2,274	-	-	274,148
-	-	-	68,041
-	-	-	82,012
-	-	-	100,085
1,455	-	-	34,218
-	-	-	<u>260,132</u>
<u>68,190</u>	<u>-</u>	<u>-</u>	<u>1,893,543</u>
-	-	-	15,130
-	-	-	331,647
-	-	-	151,132
-	-	-	1,020,123
3,448	2,559	3,871	168,909
(8,684)	-	-	537,043
-	-	-	<u>8,370</u>
<u>(5,236)</u>	<u>2,559</u>	<u>3,871</u>	<u>2,232,354</u>
<u>73,426</u>	<u>(2,559)</u>	<u>(3,871)</u>	<u>(338,811)</u>
-	-	-	602,726
-	-	-	444,000
-	-	-	151,680
-	-	-	3,332
<u>(46,488)</u>	<u>-</u>	<u>-</u>	<u>(696,025)</u>
<u>(46,488)</u>	<u>-</u>	<u>-</u>	<u>505,713</u>
26,938	(2,559)	(3,871)	166,902
<u>54,824</u>	<u>(15,489)</u>	<u>(13,717)</u>	<u>(615,711)</u>
<u>\$ 81,762</u>	<u>\$ (18,048)</u>	<u>\$ (17,588)</u>	<u>\$ (448,809)</u>