

City of Portage

Financial Statements and
Supplementary Information

December 31, 2021

City of Portage

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City of Portage

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Independent Auditors' Report

To the City Council of
City of Portage

Opinions

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 (the City), Wisconsin as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, 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 as of December 31, 2021 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The 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 supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Baker Tilly US, LLP

Madison, Wisconsin
July 20, 2022

CITY OF PORTAGE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

As of and for the Year Ended December 31, 2021

As management of the City of Portage, Wisconsin (City), 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, 2021. 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 exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$47,245,994 (net position). Of this amount, \$6,941,286 is available for spending at the government's discretion (unrestricted net position). The total net position includes all major infrastructure networks.
- > The City's total net position increased by \$8,436,920 in 2021.
- > As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$7,015,936 which represents an increase of \$2,287,985 in comparison with 2020.
- > At the end of the current fiscal year, unassigned fund balance for the general fund was \$2,739,765 or approximately 36% of the total general fund expenditures.
- > Total governmental activities general obligation debt increased \$1,479,105 to \$15,337,234 and business-type general obligation debt decreased \$150,000 to \$2,115,000.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are 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, 2021

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 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 and the Capital Projects 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, 2021

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 – 50 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 51 – 58 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 59 – 70 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, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$47,245,994 as of December 31, 2021.

CITY OF PORTAGE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) As of and for the Year Ended December 31, 2021

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 15%) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position of \$6,941,286 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	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 19,149,945	\$ 15,448,834	\$ 9,098,862	\$ 7,681,227	\$ 28,248,807	\$ 23,130,061
Capital assets	38,608,370	31,377,826	21,846,354	22,034,387	60,454,724	53,412,213
Total Assets	57,758,315	46,826,660	30,945,216	29,715,614	88,703,531	76,542,274
Pension related amounts	3,651,100	2,613,760	427,538	319,502	4,078,638	2,933,262
Total Deferred Outflows of Resources	3,651,100	2,613,760	427,538	319,502	4,078,638	2,933,262
Other liabilities	1,832,851	1,481,153	306,829	203,460	2,139,680	1,684,613
Long-term liabilities	16,948,409	15,354,942	14,310,672	13,368,827	31,259,081	28,723,769
Total Liabilities	18,781,260	16,836,095	14,617,501	13,572,287	33,398,761	30,408,382
Unearned revenues	6,771,045	6,493,926	-	-	6,771,045	6,493,926
Pension related amounts	4,793,280	3,349,292	573,089	414,862	5,366,369	3,764,154
Total Deferred Inflows of Resources	11,564,325	9,843,218	573,089	414,862	12,137,414	10,258,080
Net investment in capital assets	24,016,232	18,247,480	9,343,571	9,879,793	33,359,803	28,127,273
Restricted	5,067,869	3,380,773	1,877,036	1,417,182	6,944,905	4,797,955
Unrestricted	1,979,729	1,132,854	4,961,557	4,750,992	6,941,286	5,883,846
TOTAL NET POSITION	\$ 31,063,830	\$ 22,761,107	\$ 16,182,164	\$ 16,047,967	\$ 47,245,994	\$ 38,809,074

Analysis of the City's Operations – The following table provides a summary of the City's operations for the year ended December 31, 2021. Net position for governmental activities increased by \$8,302,723 to a total of \$31,063,830. Business-type activities increased \$134,197 to a total of \$16,182,164.

CITY OF PORTAGE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

As of and for the Year Ended December 31, 2021

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	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 1,176,663	\$ 1,080,286	4,219,694	\$ 4,035,023	\$ 5,396,357	\$ 5,115,309
Operating grants and contributions	1,251,836	1,410,952	18,012	33,537	1,269,848	1,444,489
Capital grants and contributions	7,982,514	1,606,721	94,247	31,491	8,076,761	1,638,212
General revenues:					-	
Property taxes	6,453,316	6,243,767	-	-	6,453,316	6,243,767
Other taxes	365,742	284,975	-	-	365,742	284,975
Intergovernmental	2,115,434	2,215,411	-	-	2,115,434	2,215,411
Investment income	47,640	85,692	31,043	89,873	78,683	175,565
Gain on disposal of assets	453,669	-	-	-	453,669	-
Miscellaneous	146,333	305,260	35,111	38,496	181,444	343,756
Total Revenues	19,993,147	13,233,064	4,398,107	4,228,420	24,391,254	17,461,484
Expenses:						
General government	1,168,979	1,311,536	-	-	1,168,979	1,311,536
Public safety	3,786,086	5,063,681	-	-	3,786,086	5,063,681
Public works	4,297,363	4,243,992	-	-	4,297,363	4,243,992
Health and human services	62,960	72,490	-	-	62,960	72,490
Culture, education and recreation	1,989,196	2,944,951	-	-	1,989,196	2,944,951
Conservation and development	302,869	221,018	-	-	302,869	221,018
Interest and fiscal charges	474,667	377,380	-	-	474,667	377,380
Water utility	-	-	1,620,134	1,666,292	1,620,134	1,666,292
Sewer utility	-	-	2,252,080	2,123,602	2,252,080	2,123,602
Total Expenses	12,082,120	14,235,048	3,872,214	3,789,894	15,954,334	18,024,942
Income Before Transfers	7,911,027	(1,001,984)	525,893	438,526	8,436,920	(563,458)
Transfers	391,696	224,037	(391,696)	(224,037)	-	-
Increase (Decrease) in net position	8,302,723	(777,947)	134,197	214,489	8,436,920	(563,458)
Net Position - beginning	22,761,107	23,539,054	16,047,967	15,833,478	38,809,074	39,372,532
Net Position - Ending	\$ 31,063,830	\$ 22,761,107	\$ 16,182,164	\$ 16,047,967	\$ 47,245,994	\$ 38,809,074

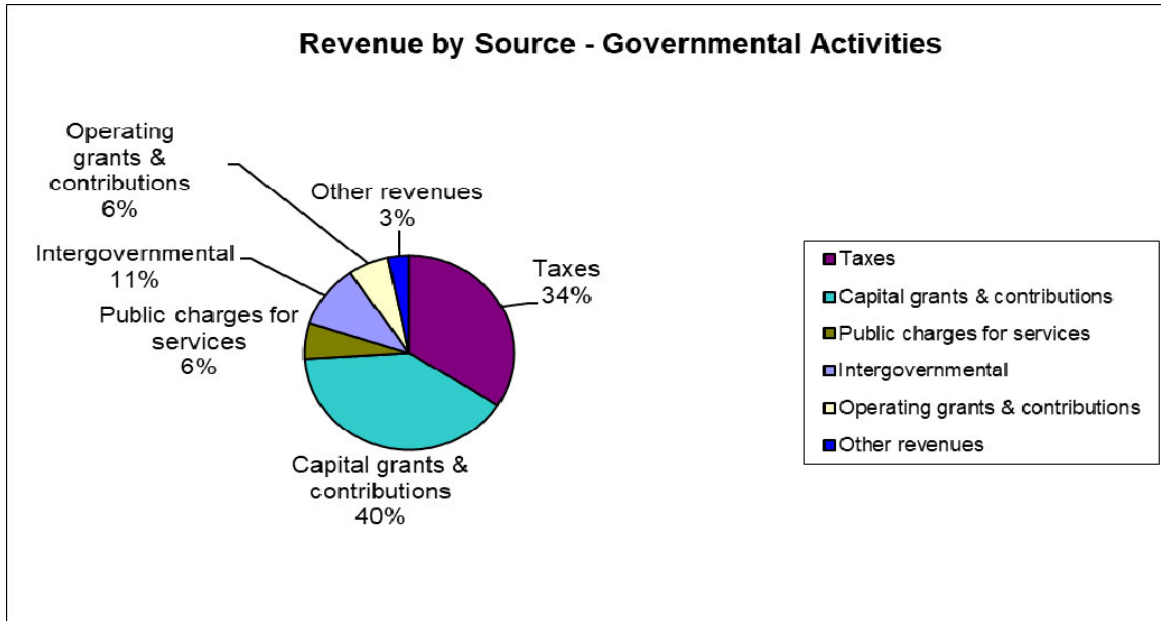
CITY OF PORTAGE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
As of and for the Year Ended December 31, 2021

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

GOVERNMENTAL ACTIVITIES

The City received a total of \$19,993,147 in governmental activity revenues in 2021. As the following chart indicates, the largest revenue source is taxes followed by intergovernmental revenues.



Total governmental activities expenses were \$12,082,120 in 2021. Revenue exceeded expenses by \$7,911,027. After transfers in, there was an increase in net position of \$8,302,723.

In 2021, Public Works activities accounted for the largest share of City expenditures at 36%. This was followed closely by expenditures on Public Safety (police, fire, EMS, emergency government) activities at 31%. Other expenditure areas included General Government at 10%; Culture, Education, and Recreation at 16%, Interest and Fiscal Charges at 4%, Conservation and Development at 3% and Health and Human Services at less than 1%.

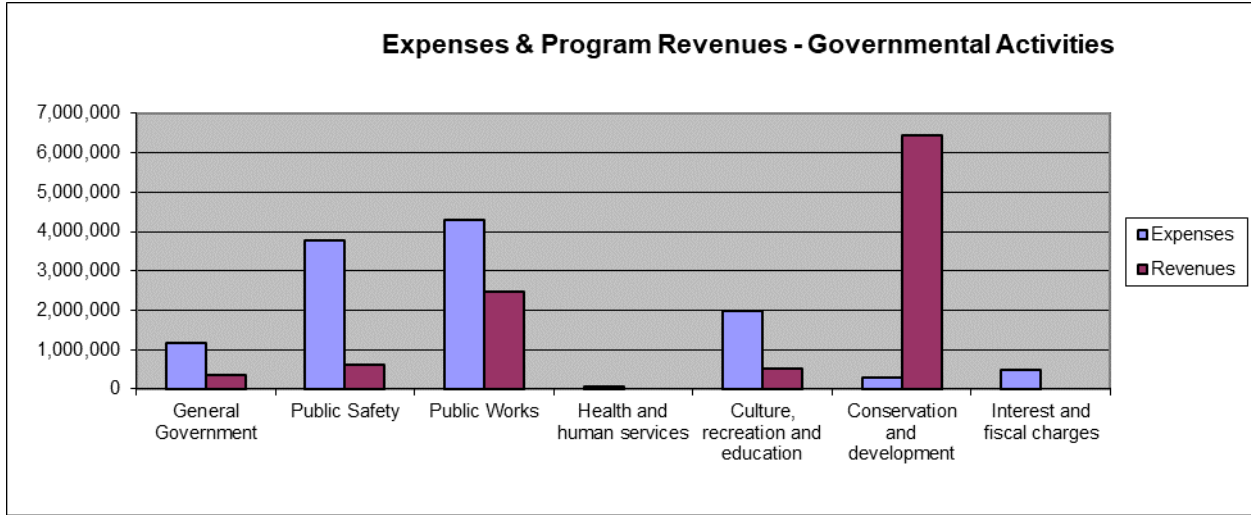
CITY OF PORTAGE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

As of and for the Year Ended December 31, 2021

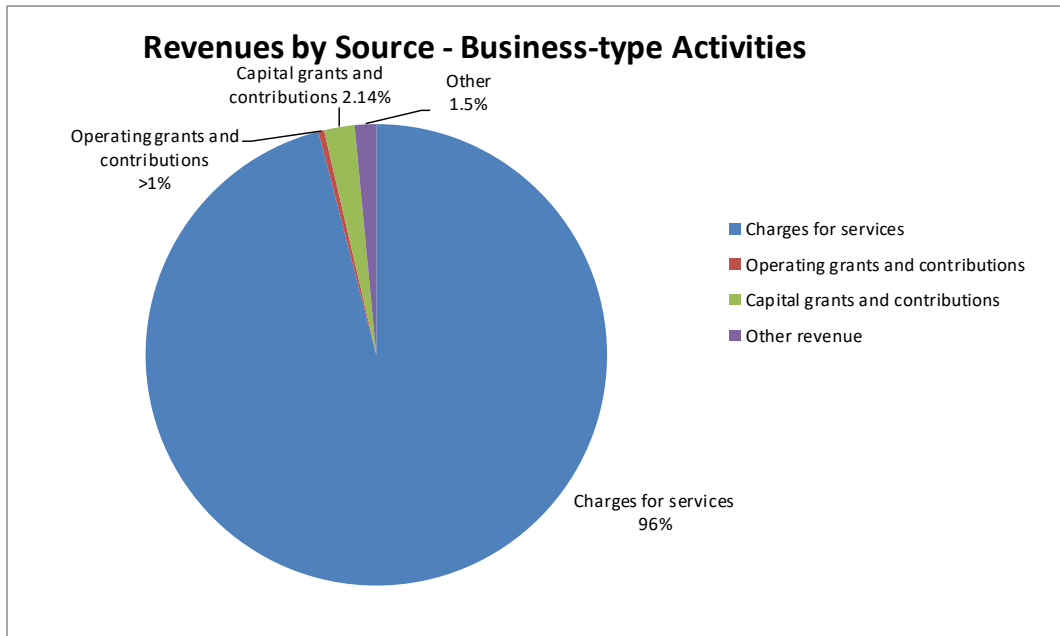
FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (cont.)

GOVERNMENTAL ACTIVITIES (cont.)



BUSINESS-TYPE ACTIVITIES

The City generated \$4,398,107 in business-type activity revenue in 2021 from its Water and Sewer Utilities. Charges for services are by far the largest revenue source for these operations, representing 96% of revenues.



CITY OF PORTAGE, WISCONSIN

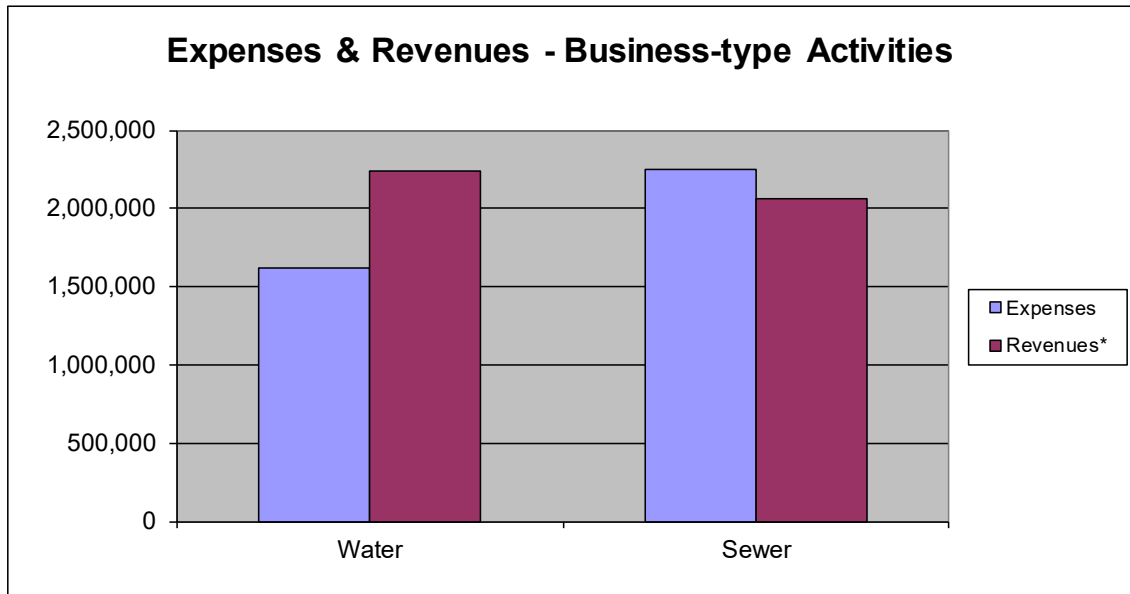
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

As of and for the Year Ended December 31, 2021

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

BUSINESS-TYPE ACTIVITIES (cont.)

Business-type activities increased the City's net position by \$134,197 in 2021, which represents a 0.84% increase over the previous year. The net operating income of the Water and Sewer Utilities was \$844,681. The following graph compares the revenues to the expenses for each utility. The current water and sewer rates became effective July 2019 and October 2021, respectively.



* Revenues do not include contributions/transfers

CITY OF PORTAGE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) As of and for the Year Ended December 31, 2021

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

GOVERNMENTAL FUNDS

The focus of the City'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's governmental funds reported combined ending fund balances of \$7,015,936. \$3,630,827 of the fund balance is not available for new spending because it is either restricted 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 increased from \$4,032,450 to \$4,357,002, or \$324,552. Overall, expenditures in the General Fund were under budget by \$256,824; total revenues were \$56,071 higher than budgeted with other financing sources and uses were below budget by \$11,657. 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 2021, the loan portfolio of this fund shows the net receivable balance decreased from \$1,321,566 to \$1,233,717, or \$87,849.

Mass Transit Fund – This special revenue fund is used to report grants and local match amounts for the taxi program of the City. After transfers and other financing sources, the fund had an increase in fund balance of \$208,996. The program received special assistance through the CARES Act which covers a portion of the deficit of the program.

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 \$310,967 increased due to borrowing in 2021.

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 \$441,911 to \$495,400, an increase of \$53,489. This increase is due to borrowed funds not being spent by the end of 2021.

NON-MAJOR GOVERNMENTAL FUNDS

Fund balance of all other governmental funds is a surplus of \$1,527,404 and is comprised of restricted, committed, and assigned amounts, in addition to some unassigned (deficit) balances. This is an increase of \$1,448,097 from 2020. The substantial change is due to Canal funding not spent at the end of 2021 \$634,606, the Vehicle replacement fund being moved into this category \$1,495,845 and improvements in TIF #4 increase of \$238,268 and TIF #7 up by \$329,779, offset by decreases in other funds.

CITY OF PORTAGE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) As of and for the Year Ended December 31, 2021

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

PROPRIETARY FUNDS

The City'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 \$296,762 or 3.0%. Operating income was \$730,952, compared to \$669,670 in the prior year.

Sewer Utility – The wastewater treatment plant provides sewer service for the City residents. The sewer utility net position decreased \$162,565 or 2.7%. Operating income was \$113,729, compared to a loss of \$53,294 in the prior year.

GENERAL FUND BUDGETARY HIGHLIGHTS

The total original and final budget expenditures, including those for transfers out, were \$8,376,295, while the actual expenditures were \$8,111,971 under budget by \$264,324. Actual revenues and other financing sources were above budgeted revenues in total by \$60,228, resulting in a \$324,552 favorable change to budget.

The actual expenditures were below budget in the following areas: public works (\$111,078), general government (\$88,550) culture, rec (\$52,969), public safety (\$462), and other departments (\$3,765). for a total of (\$256,824).

Revenues were higher than budget overall leading with intergovernmental \$47,138, followed by intergovernmental charges for services \$41,338, public charges for services 18,457, and Taxes \$12,742, Transfers in \$11,657, licenses & permits \$1,836 offset by Fines, forfeitures and penalties (\$39,737), Investment Income (\$22,469), and miscellaneous (\$3,234), netting to \$67,728.

CITY OF PORTAGE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

As of and for the Year Ended December 31, 2021

CAPITAL ASSETS

At the end of 2021, the City had invested a total of \$60,454,724 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; radio tower installation, playground improvements, ballfield improvements, down-payment on fire truck, fire UTV and canal projects.

CITY OF PORTAGE CAPITAL ASSETS AT YEAR-END NET OF ACCUMULATED DEPRECIATION			
	Governmental Activities 2021	Business-type Activities 2021	Total
Land	\$ 2,144,350	\$ 500,618	\$ 2,644,968
Construction in progress	7,469,256	125,712	7,594,968
Buildings and improvement	15,742,427		15,742,427
Equipment	9,591,665		9,591,665
Infrastructure	36,971,292		36,971,292
Water plant		23,987,298	23,987,298
Sewer plant		28,380,332	28,380,332
Less Depreciation	(33,310,620)	(31,147,606)	(64,458,226)
Totals	\$ 38,608,370	\$ 21,846,354	\$ 60,454,724

Additional information on the City's capital assets can be found in Note 3 of this report.

LONG-TERM DEBT

The City had \$29,062,436 in outstanding notes and bonds payable at the end of 2021. Of the bonded debt, \$15,337,234 is to be repaid with general property taxes (of which \$3,360,000 are TID obligations). \$13,725,202 are water and sewer utility obligations.

CITY OF PORTAGE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
As of and for the Year Ended December 31, 2021

LONG-TERM DEBT (cont.)

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 \$17,452,234, which is 46.4% of the maximum \$37,607,365 allowable.

CITY OF PORTAGE'S OUTSTANDING BONDS AND NOTES			
	Governmental Activities 2021	Business-type Activities 2021	Total
General obligation bonds and notes payable	\$ 15,337,234	\$ 2,115,000	\$ 17,452,234
Revenue bonds	-	11,610,202	11,610,202
Totals	\$ 15,337,234	\$ 13,725,202	\$ 29,062,436

Additional information on the City's long-term debt can be found in Note 3 of this report.

CURRENTLY KNOWN FACTS/ECONOMIC CONDITIONS

The City is located approximately 45 miles north of Madison and it is also the county seat of Columbia County. The population as of 2020 was 10,581, making it the largest city within the county.

The property tax base posted a 6.77% increase in equalized value for 2021. Assessment data indicates that the rate of appreciation in value of all classes of property as 4.14% in 2021.

The City of Portage Council adopted the 2021 budget in November 2020. The budget authorizes General Fund expenditures of \$8.38 million, a 1.5% increase from the previous year. The combined property tax levy for all funds is \$6.17 million, a 2.97% increase from the previous year.

The federal government passed the American Rescue Plan Act on March 11, 2021 to respond to the COVID-19 public health emergency and its negative economic impacts. Amounts were appropriated for fiscal year 2021 to units of local government to mitigate the fiscal effects stemming from the public health emergency. City's estimated award is \$1,088,448, which will be used to combat the negative effects of the public health emergency in the local economy. The City received 50% of the funds in June 2021, with the remaining expected a year later. The funds are to cover costs incurred by December 31, 2024.

All other currently known facts and economic conditions were considered in preparing the 2022 budget.

CITY OF PORTAGE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

As of and for the Year Ended December 31, 2021

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
December 31, 2021

	Governmental Activities	Business- Type Activities	Total	BID Fund
Assets and Deferred Outflows of Resources				
Assets				
Cash and investments	\$ 7,867,637	\$ 4,461,396	\$ 12,329,033	\$ 54,752
Receivables (net):				
Taxes receivable	6,771,045	18,699	6,789,744	89,500
Accounts	229,993	419,150	649,143	-
Delinquent personal property taxes	2,150	-	2,150	-
Loans	1,233,717	-	1,233,717	-
Special assessments	84,192	26,072	110,264	-
Other receivables	205,605	-	205,605	-
Internal balances	391,696	(391,696)	-	-
Due from other governmental units	21,330	-	21,330	3,847
Inventories and prepaid items	97,079	48,705	145,784	286
Restricted assets:				
Cash and investments	37,423	4,274,582	4,312,005	-
Net pension asset	2,208,078	241,954	2,450,032	-
Capital assets:				
Land	2,144,350	500,618	2,644,968	-
Construction in progress	7,469,256	125,712	7,594,968	-
Capital assets, being depreciated	62,305,384	52,367,630	114,673,014	35,347
Less accumulated depreciation	<u>(33,310,620)</u>	<u>(31,147,606)</u>	<u>(64,458,226)</u>	<u>(21,125)</u>
Total assets	<u>57,758,315</u>	<u>30,945,216</u>	<u>88,703,531</u>	<u>162,607</u>
Deferred Outflows of Resources				
Pension related amounts	<u>3,651,100</u>	<u>427,538</u>	<u>4,078,638</u>	<u>-</u>
Total deferred outflows of resources	<u>3,651,100</u>	<u>427,538</u>	<u>4,078,638</u>	<u>-</u>
Liabilities, Deferred inflows of Resources and Net Position				
Liabilities				
Accounts payable	856,431	217,903	1,074,334	4,625
Accrued liabilities and deposits	415,749	34,543	450,292	-
Other accrued liabilities	1,092	-	1,092	-
Due to other governmental units	1,508	-	1,508	-
Due to component unit	3,847	-	3,847	-
Deposits	10,000	-	10,000	-
Unearned revenues	544,224	-	544,224	-
Liabilities payable from restricted assets:				
Accrued interest	-	54,383	54,383	-
Revenue bonds payable	-	567,572	567,572	-
Noncurrent liabilities:				
Due within one year	1,685,128	418,321	2,103,449	-
Due in more than one year	<u>15,263,281</u>	<u>13,324,779</u>	<u>28,588,060</u>	<u>-</u>
Total liabilities	<u>18,781,260</u>	<u>14,617,501</u>	<u>33,398,761</u>	<u>4,625</u>
Deferred Inflows of Resources				
Unearned revenues	6,771,045	-	6,771,045	89,500
Pension related amounts	<u>4,793,280</u>	<u>573,089</u>	<u>5,366,369</u>	<u>-</u>
Total deferred inflows of resources	<u>11,564,325</u>	<u>573,089</u>	<u>12,137,414</u>	<u>89,500</u>

See notes to financial statements

City of Portage

Statement of Net Position
December 31, 2021

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>	<u>BID Fund</u>
Net Position				
Net investment in capital assets	\$ 24,016,232	\$ 9,343,571	\$ 33,359,803	\$ -
Restricted for:				
Debt service	178,207	769,771	947,978	-
Pension	2,208,078	241,954	2,450,032	-
Equipment replacement	197,088	865,311	1,062,399	-
Loan programs	1,480,183	-	1,480,183	-
Grants	151,962	-	151,962	-
Capital projects	97,139	-	97,139	-
TIF projects	416,216	-	416,216	-
Library	205,288	-	205,288	-
Donations	133,708	-	133,708	-
Unrestricted	<u>1,979,729</u>	<u>4,961,557</u>	<u>6,941,286</u>	<u>68,482</u>
Total net position	<u>\$ 31,063,830</u>	<u>\$ 16,182,164</u>	<u>\$ 47,245,994</u>	<u>\$ 68,482</u>

See notes to financial statements

City of Portage

Statement of Activities

Year Ended December 31, 2021

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit
					Governmental Activities	Business-Type Activities	Total	BID Fund
Primary Government								
Governmental activities:								
General government	\$ 1,168,979	\$ 165,800	\$ 195,850	\$ -	\$ (807,329)	\$ -	\$ (807,329)	\$ -
Public safety	3,786,086	463,723	57,442	96,598	(3,168,323)	-	(3,168,323)	-
Public works	4,297,363	425,213	633,722	1,404,025	(1,834,403)	-	(1,834,403)	-
Health and human services	62,960	-	-	-	(62,960)	-	(62,960)	-
Culture, education and recreation	1,989,196	90,498	283,252	149,118	(1,466,328)	-	(1,466,328)	-
Conservation and development	302,869	31,429	81,570	6,332,773	6,142,903	-	6,142,903	-
Interest and fiscal charges	474,667	-	-	-	(474,667)	-	(474,667)	-
Total governmental activities	<u>12,082,120</u>	<u>1,176,663</u>	<u>1,251,836</u>	<u>7,982,514</u>	<u>(1,671,107)</u>	<u>-</u>	<u>(1,671,107)</u>	<u>-</u>
Business-type activities:								
Water utility	1,620,134	2,199,928	-	65,984	-	645,778	645,778	-
Sewer utility	2,252,080	2,019,766	18,012	28,263	-	(186,039)	(186,039)	-
Total business-type activities	<u>3,872,214</u>	<u>4,219,694</u>	<u>18,012</u>	<u>94,247</u>	<u>-</u>	<u>459,739</u>	<u>459,739</u>	<u>-</u>
Total primary government	<u>\$ 15,954,334</u>	<u>\$ 5,396,357</u>	<u>\$ 1,269,848</u>	<u>\$ 8,076,761</u>	<u>(1,671,107)</u>	<u>459,739</u>	<u>(1,211,368)</u>	<u>-</u>
Component Unit								
BID Fund	<u>\$ 159,348</u>	<u>\$ 2,538</u>	<u>\$ 3,130</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(153,680)</u>
General Revenues								
Taxes								
Property taxes, levied for general purposes					4,453,239	-	4,453,239	88,441
Property taxes, levied for debt service					1,194,520	-	1,194,520	-
Property taxes, levied for TIF districts					284,280	-	284,280	-
Property taxes, levied for the library					521,277	-	521,277	-
Other taxes					365,742	-	365,742	-
Intergovernmental revenues not restricted to specific programs					2,115,434	-	2,115,434	-
Investment income					47,640	31,043	78,683	989
Gain on sale of capital assets					453,669	-	453,669	-
Miscellaneous					146,333	35,111	181,444	2,715
Total general revenues					<u>9,582,134</u>	<u>66,154</u>	<u>9,648,288</u>	<u>92,145</u>
Transfers					<u>391,696</u>	<u>(391,696)</u>	<u>-</u>	<u>-</u>
Change in net position					8,302,723	134,197	8,436,920	(61,535)
Net Position, Beginning					<u>22,761,107</u>	<u>16,047,967</u>	<u>38,809,074</u>	<u>130,017</u>
Net Position, Ending					<u>\$ 31,063,830</u>	<u>\$ 16,182,164</u>	<u>\$ 47,245,994</u>	<u>\$ 68,482</u>

See notes to financial statements

City of Portage

Balance Sheet
Governmental Funds
December 31, 2021

	<u>General Fund</u>	<u>CDBG Fund</u>	<u>Mass Transit Fund</u>	<u>Debt Service Fund</u>
Assets				
Cash and investments	\$ 2,629,313	\$ 196,286	\$ 196,434	\$ 310,967
Receivables:				
Taxes	4,607,400	-	-	1,258,301
Accounts	166,670	-	452	-
Special assessments	-	-	-	-
Delinquent personal property taxes	2,150	-	-	-
Loans	-	1,233,717	-	-
Other	-	-	-	-
Due from other governments	21,330	-	-	-
Due from other funds	453,819	-	-	-
Prepaid items	85,328	-	-	-
Restricted cash and investments	-	-	-	-
Advances to other funds	1,529,759	-	-	-
	<u>\$ 9,495,769</u>	<u>\$ 1,430,003</u>	<u>\$ 196,886</u>	<u>\$ 1,569,268</u>
Total assets				
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	\$ 276,137	\$ 21,044	\$ 46,360	\$ -
Accrued liabilities	247,820	-	-	-
Deposits	2,055	-	-	-
Due to other governments	1,508	-	-	-
Due to other funds	-	-	-	-
Due to component units	3,847	-	-	-
Advances from other funds	-	-	-	-
Unearned revenue	-	-	-	-
	<u>531,367</u>	<u>21,044</u>	<u>46,360</u>	<u>-</u>
Total liabilities				
Deferred Inflows of Resources				
Property taxes levied for next period	4,607,400	-	-	1,258,301
Unavailable revenues	-	1,234,322	-	-
	<u>4,607,400</u>	<u>1,234,322</u>	<u>-</u>	<u>1,258,301</u>
Total deferred inflows of resources				
Fund Balances				
Nonspendable	1,617,237	-	-	-
Restricted	-	174,637	150,526	310,967
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned (deficit)	2,739,765	-	-	-
	<u>4,357,002</u>	<u>174,637</u>	<u>150,526</u>	<u>310,967</u>
Total fund balances				
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 9,495,769</u>	<u>\$ 1,430,003</u>	<u>\$ 196,886</u>	<u>\$ 1,569,268</u>

See notes to financial statements

Capital Projects Fund	Nonmajor Governmental Funds	Total
\$ 474,964	\$ 4,059,673	\$ 7,867,637
11,228	894,116	6,771,045
-	62,871	229,993
30,607	53,585	84,192
-	-	2,150
-	-	1,233,717
-	88,990	88,990
116,615	-	137,945
-	-	453,819
-	11,751	97,079
-	37,423	37,423
-	-	1,529,759
<u>\$ 633,414</u>	<u>\$ 5,208,409</u>	<u>\$ 18,533,749</u>

\$ 96,179	\$ 416,711	\$ 856,431
-	24,487	272,307
-	19,719	21,774
-	-	1,508
-	62,123	62,123
-	-	3,847
-	1,529,759	1,529,759
-	544,224	544,224
<u>96,179</u>	<u>2,597,023</u>	<u>3,291,973</u>

11,228	894,116	6,771,045
30,607	189,866	1,454,795
<u>41,835</u>	<u>1,083,982</u>	<u>8,225,840</u>

-	11,751	1,628,988
397,125	968,584	2,001,839
-	2,286	2,286
98,275	2,154,889	2,253,164
-	(1,610,106)	1,129,659
<u>495,400</u>	<u>1,527,404</u>	<u>7,015,936</u>

<u>\$ 633,414</u>	<u>\$ 5,208,409</u>	<u>\$ 18,533,749</u>
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See notes to financial statements

City of Portage

Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
December 31, 2021

Total Fund Balances, Governmental Funds \$ 7,015,936

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	7,469,256
Other capital assets	62,305,384
Less accumulated depreciation	(33,310,620)

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. 1,454,795

The net pension asset does not relate to current financial resources and is not reported in the governmental funds. 2,208,078

Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds. 3,651,100

Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds. (4,793,280)

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	(15,337,234)
Compensated absences	(927,805)
Accrued interest	(132,760)
Unamortized debt premium	(473,538)
Retiree health insurance	(209,832)

Net Position of Governmental Activities \$ 31,063,830

City of Portage

Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds
Year Ended December 31, 2021

	<u>General Fund</u>	<u>CDBG Fund</u>	<u>Mass Transit Fund</u>	<u>Debt Service Fund</u>
Revenues				
Taxes	\$ 4,489,682	\$ -	\$ -	\$ 1,194,520
Special assessments	-	-	-	-
Intergovernmental	2,721,962	-	724,096	-
Licenses and permits	167,180	-	-	-
Fines, forfeitures and penalties	117,863	-	-	-
Public charges for services	116,432	169,419	345,606	-
Intergovernmental charges for services	319,318	-	-	-
Investment income	24,531	727	-	-
Miscellaneous revenues	80,661	-	-	-
	<u>8,037,629</u>	<u>170,146</u>	<u>1,069,702</u>	<u>1,194,520</u>
Total revenues				
Expenditures				
Current:				
General government	1,111,284	-	-	-
Public safety	3,841,188	-	-	-
Public works	1,853,109	-	931,706	-
Health and human services	62,960	-	-	-
Culture, recreation and education	708,909	-	-	-
Conservation and development	75,287	101,708	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	1,225,313
Interest and fiscal charges	-	-	-	376,181
	<u>7,652,737</u>	<u>101,708</u>	<u>931,706</u>	<u>1,601,494</u>
Total expenditures				
Excess (deficiency) of revenues over expenditures	<u>384,892</u>	<u>68,438</u>	<u>137,996</u>	<u>(406,974)</u>
Other Financing Sources (Uses)				
Debt issued	-	-	-	-
Transfers in	391,696	-	71,000	409,103
Sale of capital assets	7,198	-	-	-
Premium on debt issued	-	-	-	182,284
Transfers out	(459,234)	-	-	-
	<u>(60,340)</u>	<u>-</u>	<u>71,000</u>	<u>591,387</u>
Total other financing sources (uses)				
Net change in fund balances	324,552	68,438	208,996	184,413
Fund Balances (Deficit), Beginning	<u>4,032,450</u>	<u>106,199</u>	<u>(58,470)</u>	<u>126,554</u>
Fund Balances (Deficit), Ending	<u>\$ 4,357,002</u>	<u>\$ 174,637</u>	<u>\$ 150,526</u>	<u>\$ 310,967</u>

See notes to financial statements

Capital Projects Fund	Nonmajor Governmental Funds	Total
\$ -	\$ 1,134,856	\$ 6,819,058
47,301	81,060	128,361
794,477	370,712	4,611,247
-	66,961	234,141
-	-	117,863
9,745	28,722	669,924
-	94,674	413,992
4,752	17,630	47,640
161,893	272,110	514,664
<u>1,018,168</u>	<u>2,066,725</u>	<u>13,556,890</u>
-	-	1,111,284
-	295,745	4,136,933
-	588,330	3,373,145
-	-	62,960
-	1,013,642	1,722,551
-	135,593	312,588
1,178,190	1,463,658	2,641,848
-	-	1,225,313
46,015	41,390	463,586
<u>1,224,205</u>	<u>3,538,358</u>	<u>15,050,208</u>
<u>(206,037)</u>	<u>(1,471,633)</u>	<u>(1,493,318)</u>
524,000	2,180,000	2,704,000
54,173	742,850	1,668,822
-	450,654	457,852
23,853	21,618	227,755
<u>(342,500)</u>	<u>(475,392)</u>	<u>(1,277,126)</u>
<u>259,526</u>	<u>2,919,730</u>	<u>3,781,303</u>
53,489	1,448,097	2,287,985
441,911	79,307	4,727,951
<u>\$ 495,400</u>	<u>\$ 1,527,404</u>	<u>\$ 7,015,936</u>

See 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
Year Ended December 31, 2021

Net Change in Fund Balances, Total Governmental Funds \$ 2,287,985

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	2,641,848
Some items reported as capital outlay were not capitalized	(12,213)
Depreciation is reported in the government-wide financial statements	(1,621,247)
Net book value of assets retired	(12,665)

Contributed capital assets are not reported in the fund statements	6,234,821
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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.	(256,416)
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Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Debt issued	(2,704,000)
Principal repaid	1,224,895

Governmental funds report debt premiums and discounts as other financing sources (uses) or financing sources or uses. 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.

Debt premium received, net of current amortization	(203,356)
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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	71,219
Retiree health insurance	17,775
Accrued interest on debt	(35,062)
Net pension asset/liability	1,075,787
Deferred outflows of resources related to pensions	1,037,340
Deferred inflows of resources related to pensions	(1,443,988)

Change in Net Position of Governmental Activities \$ 8,302,723

City of Portage

Statement of Net Position
Proprietary Funds
December 31, 2021

	Business-Type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	
	Fund	Fund	Total
Assets			
Current assets:			
Cash and investments	\$ 1,918,160	\$ 2,543,236	\$ 4,461,396
Receivables:			
Tax roll receivable	6,167	12,532	18,699
Accounts	390,381	28,769	419,150
Due from other funds	-	66,950	66,950
Special assessments	-	26,072	26,072
Inventories and prepaid items	40,843	7,862	48,705
Restricted Cash and investments:			
Redemption account	306,932	517,222	824,154
Total current assets	<u>2,662,483</u>	<u>3,202,643</u>	<u>5,865,126</u>
Noncurrent assets:			
Restricted assets:			
Net pension asset	111,316	130,638	241,954
Construction account	492,814	1,246,087	1,738,901
Reserve account	334,072	512,144	846,216
Equipment replacement	-	865,311	865,311
Capital assets:			
Land and land rights	118,723	381,895	500,618
Construction in progress	27,983	97,729	125,712
Property and equipment	23,987,298	28,380,332	52,367,630
Less accumulated depreciation	<u>(11,146,506)</u>	<u>(20,001,100)</u>	<u>(31,147,606)</u>
Total noncurrent assets	<u>13,925,700</u>	<u>11,613,036</u>	<u>25,538,736</u>
Total assets	<u>16,588,183</u>	<u>14,815,679</u>	<u>31,403,862</u>
Deferred Outflows of Resources			
Pension related amounts	<u>216,213</u>	<u>211,325</u>	<u>427,538</u>
Total deferred outflows of resources	<u>216,213</u>	<u>211,325</u>	<u>427,538</u>

See notes to financial statements

City of Portage

Statement of Net Position
Proprietary Funds
December 31, 2021

	Business-Type Activities - Enterprise Funds		
	Water Utility Fund	Sewer Utility Fund	Total
Liabilities			
Current liabilities:			
Accounts payable	\$ 137,477	\$ 80,426	\$ 217,903
Accrued interest	10,995	2,969	13,964
Accrued wages	6,162	7,344	13,506
Accrued taxes	-	7,073	7,073
Current portion of compensated absences	19,537	23,784	43,321
Current portion of general obligation debt	290,000	85,000	375,000
Due to other funds	458,646	-	458,646
Current liability from restricted assets			
Accrued interest payable	18,494	35,889	54,383
Revenue bonds payable	196,114	371,458	567,572
Total current liabilities	<u>1,137,425</u>	<u>613,943</u>	<u>1,751,368</u>
Noncurrent liabilities:			
Long-term debt:			
General obligation debt payable	1,190,000	550,000	1,740,000
Revenue debt payable	3,646,006	7,396,624	11,042,630
Unamortized premium	98,180	329,798	427,978
Other liabilities:			
Compensated absences	<u>47,535</u>	<u>66,636</u>	<u>114,171</u>
Total noncurrent liabilities	<u>4,981,721</u>	<u>8,343,058</u>	<u>13,324,779</u>
Total liabilities	<u>6,119,146</u>	<u>8,957,001</u>	<u>15,076,147</u>
Deferred Inflows of Resources			
Pension related amounts	<u>291,216</u>	<u>281,873</u>	<u>573,089</u>
Total deferred inflows of resources	<u>291,216</u>	<u>281,873</u>	<u>573,089</u>
Net Position			
Net investment in capital assets	7,971,956	1,371,615	9,343,571
Restricted for:			
Debt service	288,438	481,333	769,771
Pension	111,316	130,638	241,954
Equipment replacement	-	865,311	865,311
Unrestricted	<u>2,022,324</u>	<u>2,939,233</u>	<u>4,961,557</u>
Total net position	<u>\$ 10,394,034</u>	<u>\$ 5,788,130</u>	<u>\$ 16,182,164</u>

See notes to financial statements

City of Portage

Statement of Revenues, Expenses and Changes in Net Position

Proprietary Funds

Year Ended December 31, 2021

	Business-Type Activities - Enterprise Funds		
	Water Utility Fund	Sewer Utility Fund	Total
Operating Revenues			
Public charges for services	\$ 2,199,928	\$ 2,019,766	\$ 4,219,694
Total operating revenues	<u>2,199,928</u>	<u>2,019,766</u>	<u>4,219,694</u>
Operating Expenses			
Operation and maintenance	906,013	1,090,998	1,997,011
Depreciation	552,991	815,039	1,368,030
Taxes	9,972	-	9,972
Total operating expenses	<u>1,468,976</u>	<u>1,906,037</u>	<u>3,375,013</u>
Operating income	<u>730,952</u>	<u>113,729</u>	<u>844,681</u>
Nonoperating Revenues (Expenses)			
Investment income	12,153	18,890	31,043
Interest and fiscal charges	(151,158)	(346,043)	(497,201)
Rebate on Build America bonds	-	18,012	18,012
Miscellaneous revenues	30,527	4,584	35,111
Total nonoperating revenues (expenses)	<u>(108,478)</u>	<u>(304,557)</u>	<u>(413,035)</u>
Income (loss) before contributions and transfers	<u>622,474</u>	<u>(190,828)</u>	<u>431,646</u>
Contributions and Transfers			
Contributions in aid of construction	65,984	28,263	94,247
Transfers out	(391,696)	-	(391,696)
Total contributions and transfers	<u>(325,712)</u>	<u>28,263</u>	<u>(297,449)</u>
Change in net position	296,762	(162,565)	134,197
Net Position, Beginning	<u>10,097,272</u>	<u>5,950,695</u>	<u>16,047,967</u>
Net Position, Ending	<u>\$ 10,394,034</u>	<u>\$ 5,788,130</u>	<u>\$ 16,182,164</u>

See notes to financial statements

City of Portage

Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2021

	Business-Type Activities - Enterprise Funds		
	Water Utility Fund	Sewer Utility Fund	Total
Cash Flows From Operating Activities			
Received from customers	\$ 2,302,900	\$ 2,054,353	\$ 4,357,253
Paid to suppliers for goods and services	(616,508)	(759,474)	(1,375,982)
Paid to employees for services	(309,161)	(344,426)	(653,587)
Net cash flows from operating activities	<u>1,377,231</u>	<u>950,453</u>	<u>2,327,684</u>
Cash Flows From Investing Activities			
Investment income	<u>12,153</u>	<u>18,890</u>	<u>31,043</u>
Net cash flows from investing activities	<u>12,153</u>	<u>18,890</u>	<u>31,043</u>
Cash Flows From Noncapital Financing Activities			
Paid to municipality for tax equivalent	<u>(391,696)</u>	<u>-</u>	<u>(391,696)</u>
Net cash flows from noncapital financing activities	<u>(391,696)</u>	<u>-</u>	<u>(391,696)</u>
Cash Flows From Capital and Related Financing Activities			
Debt retired	(480,966)	(3,488,823)	(3,969,789)
Interest paid	(155,829)	(357,972)	(513,801)
Premium on debt issued	5,630	245,879	251,509
Special assessments received	-	8,840	8,840
Proceeds from debt issued	360,000	4,335,000	4,695,000
Acquisition and construction of capital assets	(216,027)	(927,273)	(1,143,300)
Contribution received for construction	-	28,263	28,263
Build America Bonds interest subsidy	-	18,012	18,012
Net cash flows from capital and related financing activities	<u>(487,192)</u>	<u>(138,074)</u>	<u>(625,266)</u>
Net change in cash and cash equivalents	510,496	831,269	1,341,765
Cash and Cash Equivalents, Beginning	<u>2,541,482</u>	<u>4,852,731</u>	<u>7,394,213</u>
Cash and Cash Equivalents, Ending	<u>\$ 3,051,978</u>	<u>\$ 5,684,000</u>	<u>\$ 8,735,978</u>

See notes to financial statements

City of Portage

Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2021

	Business-Type Activities - Enterprise Funds		
	Water Utility Fund	Sewer Utility Fund	Total
Reconciliation of Operating Income to Net Cash Flows From Operating Activities			
Operating income	\$ 730,952	\$ 113,729	\$ 844,681
Nonoperating revenue	30,527	4,584	35,111
Adjustments to reconcile operating income to net cash flows from operating activities:			
Depreciation	546,413	815,038	1,361,451
Depreciation charged to other funds	35,866	-	35,866
Changes in assets and liabilities:			
Customer accounts receivable	16,907	2,830	19,737
Receivable from municipality	19,672	-	19,672
Other accounts receivable	-	(19,692)	(19,692)
Receivable from other utility	-	46,865	46,865
Material and supplies	(296)	-	(296)
Prepayments	1,547	730	2,277
Accounts payable	85,751	41,442	127,193
Payable to municipality	12,946	-	12,946
Payable to other utility	(46,865)	-	(46,865)
Other current liabilities	(13,011)	(12,950)	(25,961)
Accrued sick leave	(7,658)	(8,480)	(16,138)
Pension related deferrals and liabilities	(35,520)	(33,643)	(69,163)
Net cash flows from operating activities	<u>\$ 1,377,231</u>	<u>\$ 950,453</u>	<u>\$ 2,327,684</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position, Proprietary Funds			
Unrestricted cash and investments	\$ 1,918,160	\$ 2,543,236	\$ 4,461,396
Restricted cash and investments			
Redemption account	306,932	517,222	824,154
Reserve account	334,072	512,144	846,216
Equipment replacement account	-	865,311	865,311
Construction account	492,814	1,246,087	1,738,901
Cash and cash equivalents	<u>\$ 3,051,978</u>	<u>\$ 5,684,000</u>	<u>\$ 8,735,978</u>
Noncash Capital and Related Financing Activities			
Amortization of debt premium	<u>\$ 6,211</u>	<u>\$ 11,928</u>	
Contributed capital	<u>\$ 65,984</u>	<u>\$ -</u>	

See notes to financial statements

City of Portage

Statement of Fiduciary Net Position

Fiduciary Fund

December 31, 2021

	Custodial Fund <u>Tax Roll Fund</u>
Assets	
Cash and investments	\$ 4,424,495
Property taxes receivable	<u>5,205,788</u>
Total assets	<u>9,630,283</u>
Liabilities	
Due to other governments	<u>9,630,283</u>
Total liabilities	<u>9,630,283</u>
Net Position	
Total net position	<u><u>\$ -</u></u>

See notes to financial statements

City of Portage

Statement of Changes in Fiduciary Net Position
Fiduciary Fund
Year Ended December 31, 2021

	Custodial Fund <u>Tax Roll Fund</u>
Additions	
Property taxes collected for other governments	\$ 6,608,522
Total additions	<u>6,608,522</u>
Deductions	
Property taxes distributed to other governments	<u>6,608,522</u>
Total deductions	<u>6,608,522</u>
Change in fiduciary net position	-
Net Position, Beginning	<u>-</u>
Net Position, Ending	<u><u>\$ -</u></u>

See notes to financial statements

City of Portage

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December 31, 2021

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City of Portage

Notes to Financial Statements
December 31, 2021

1. 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).

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 Units

Community Development Authority

The government-wide financial statements include the Community Development Authority (CDA) as a component unit. The CDA is a legally separate organization. The board of the CDA is appointed by the City Council. Wisconsin Statutes provide for circumstances whereby the City can impose its will on the CDA and also create a potential financial benefit to or burden on the City. The Community Development Authority is part of the reporting entity of the City of Portage. However, the CDA had no financial transactions during 2021 which are material to these financial statements. Also, the CDA does not own any assets nor is it liable for any debt. Therefore, no financial statements are presented in this report. The CDA does not issue separate financial statements.

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 3. 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, 2021. The BID does not issue separate financial statements.

Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

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

- a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type and
- b. The same element of the individual governmental or enterprise fund that met the 10% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.

City of Portage

Notes to Financial Statements
December 31, 2021

- 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

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.

Special Revenue Funds

CDBG Fund is used to account for and report grants and local revenues legally restricted or committed to supporting expenditures for the community development program.

Mass Transit Fund is 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

Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for the payment of general long-term debt principal, interest and related costs, other than TID or enterprise debt.

Capital Projects Funds

Capital Projects Fund is 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.

Enterprise Funds

The City reports the following major enterprise funds:

Water Utility accounts for operations of the water system

Sewer Utility accounts for operations of the sewer system

City of Portage

Notes to Financial Statements
December 31, 2021

The City reports the following nonmajor governmental funds:

Special Revenue Funds

Special Revenue Funds are 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	ARPA Fund
Portage Enterprise Center Fund	Housing and Urban Development (HUD) Fund
Wheel Tax Fund	Ambulance Fund
Post Retirement Benefits Fund	Recycling Fund
Library Memorial Fund	

Capital Projects Funds

Capital Projects Funds are 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	TIF #5
Revolving Alley Fund	TIF #6
Airport Construction Fund	TIF #7
Revolving Sidewalk Fund	TIF #8
Canal Project Fund	TIF #9
Vehicle Replacement Fund	TIF #10
TIF #4	

In addition, the City reports the following fund type:

Custodial Fund

Custodial Fund is 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

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.

City of Portage

Notes to Financial Statements
December 31, 2021

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.

Proprietary and Fiduciary Funds

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.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity

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.

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.

City of Portage

Notes to Financial Statements
December 31, 2021

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 3 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, 2021, 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 3. for further information.

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 - 2021 tax roll:

Lien date and levy date	December 2021
Tax bills mailed	December 2021
Payment in full, or	January 31, 2022
First installment due	January 31, 2022
Second installment due	July 31, 2022
Personal property taxes in full	January 31, 2022
Tax sale - 2021 delinquent real estate taxes	October 2024

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.

City of Portage

Notes to Financial Statements
December 31, 2021

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.

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.

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.

Capital Assets

Government-Wide Statements

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$1,000 for general capital assets and \$1,000 for infrastructure assets and an estimated useful life in excess of 3 years. All capital assets are valued at historical cost or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

City of Portage

Notes to Financial Statements
December 31, 2021

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. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

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

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

Fund Financial Statements

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

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.

Compensated Absences

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

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

The City provides postemployment health insurance benefits for all eligible employees. Eligibility is based on terms of employee policies. The benefits are based on contractual agreements with employee groups, local ordinances or employee benefit policies. Employees may convert balance of accumulated sick leave to pay for health care premiums. The cost of those premiums is recognized as an expenditure as the premiums are paid. The City pays for 88% of the premium for the lowest cost plan. 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 ten participants currently eligible and receiving benefits. The total amount outstanding at year-end to be paid in the future is \$209,832 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, 2021, are determined on the basis of current salary rates and include salary related payments.

City of Portage

Notes to Financial Statements
December 31, 2021

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.

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.

Equity Classifications

Government-Wide Statements

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

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

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

Fund Statements

Governmental fund balances are displayed as follows:

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

City of Portage

Notes to Financial Statements
December 31, 2021

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

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

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

See Note 3. for further information.

Pension

For purposes of measuring the net pension liability (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.

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 September 23, 2021 and were effective October 1, 2021.

City of Portage

Notes to Financial Statements
December 31, 2021

2. Stewardship, Compliance and Accountability

Excess Expenditures and Other Financing Uses Over Appropriations

<u>Funds</u>	<u>Budgeted Expenditures and Other Financing Uses</u>	<u>Actual Expenditures and Other Financing Uses</u>	<u>Excess Expenditures and Other Financing Uses Over Budget</u>
Capital Projects Fund	\$ 1,485,000	\$ 1,566,705	\$ 81,705
Vehicle Replacement Fund	201,282	298,843	97,561
Tourism Fund	129,450	144,333	14,883
Inspection Fund	80,003	96,894	16,891
Donation Fund	55,069	70,424	15,355
Post Retirement Benefits Fund	90,136	112,226	22,090
Airport Fund	-	5,567	5,567
TIF #5	173,427	173,452	25
Revolving Sidewalk Fund	103,177	114,681	11,504
Library - Restricted Fund	11,500	15,658	4,158

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.

Deficit Balances

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

As of December 31, 2021, the following individual funds held a deficit balance:

<u>Fund</u>	<u>Amount</u>	<u>Reason</u>
Swimming Pool Fund	\$ 98,066	Costs exceed accumulated revenues
Inspection Fund	38,434	Costs exceed accumulated revenues
Post Retirement Benefits Fund	20,264	Costs exceed accumulated revenues
Revolving Sidewalk Fund	5,428	Costs exceed accumulated revenues
TIF #4	839,595	Costs exceed accumulated increments
TIF #5	570,887	Costs exceed accumulated increments
TIF #9	24,120	Costs exceed accumulated increments
TIF #10	12,679	Costs exceed accumulated increments

TIF district deficits are anticipated to be funded with future incremental taxes levied over the life of the districts, which is 27 years for the districts created before October 1, 1995 and 23 years for districts created thereafter through September 30, 2004. Beginning October 1, 2004, the life of new districts varies by type of district (20-27 years) and may be extended in some cases. Swimming Pool, Inspection, Post Retirement Benefits Fund and Revolving Sidewalk fund deficits are anticipated to be funded with future contributions, charges for services, general tax revenues or long-term borrowing.

City of Portage

Notes to Financial Statements
December 31, 2021

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.

3. Detailed Notes on All Funds

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:

	<u>Carrying Value</u>	<u>Statement Balances</u>	<u>Associated Risks</u>
Deposits	\$ 19,859,897	\$ 19,921,468	Custodial credit
LGIP	1,258,319	1,258,319	Credit
Petty cash	<u>2,069</u>	<u>-</u>	N/A
Total deposits and investments	<u>\$ 21,120,285</u>	<u>\$ 21,179,787</u>	
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 12,329,033		
Restricted cash and investments	4,312,005		
BID Fund	54,752		
Per statement of net position - fiduciary fund			
Custodial Fund	<u>4,424,495</u>		
Total deposits and investments	<u>\$ 21,120,285</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, 2021, the banks had pledged various government securities in the amount of \$2,444,487 to secure the City's deposits.

City of Portage

Notes to Financial Statements
December 31, 2021

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.

The City does not have any deposits exposed to custodial credit risk.

Credit Risk

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

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

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

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	\$ 6,771,045	\$ -
Loans	-	1,288,815
Special assessments not yet due	-	84,192
ARPA Funds	544,224	-
Donations	-	6,767
Developer payment	-	75,021
	<u> </u>	<u> </u>
Total unearned/unavailable revenue for governmental funds	<u>\$ 7,315,269</u>	<u>\$ 1,454,795</u>
Unearned revenue included in liabilities	\$ 544,224	
Unearned revenue included in deferred inflows	<u>6,771,045</u>	
	<u> </u>	
Total unearned revenue for governmental funds	<u>\$ 7,315,269</u>	

At December 31, 2021, 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.

City of Portage

Notes to Financial Statements
December 31, 2021

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.

Net Pension Asset

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

Library Restricted Account

Used to report amounts donated for library purposes.

Following is a list of restricted assets at December 31, 2021:

Restricted assets:	
Redemption account	\$ 824,154
Reserve account	846,216
Replacement account	865,311
Construction account	1,738,901
Net pension asset	2,450,032
Library restricted funds	<u>37,423</u>
Total restricted assets	<u>\$ 6,762,037</u>

City of Portage

Notes to Financial Statements
December 31, 2021

Capital Assets

Capital asset activity for the year ended December 31, 2021, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 2,144,350	\$ -	\$ -	\$ 2,144,350
Construction in progress	402,188	7,461,539	394,471	7,469,256
Total capital assets not being depreciated	<u>2,546,538</u>	<u>7,461,539</u>	<u>394,471</u>	<u>9,613,606</u>
Capital assets being depreciated:				
Buildings	11,493,220	74,386	24,903	11,542,703
Land improvements	3,743,384	456,340	-	4,199,724
Equipment	3,128,068	396,693	36,058	3,488,703
Vehicles	5,795,105	541,945	234,088	6,102,962
Infrastructure	36,643,268	328,024	-	36,971,292
Total capital assets being depreciated	<u>60,803,045</u>	<u>1,797,388</u>	<u>295,049</u>	<u>62,305,384</u>
Total capital assets	<u>63,349,583</u>	<u>9,258,927</u>	<u>689,520</u>	<u>71,918,990</u>
Less accumulated depreciation for:				
Buildings	(4,886,848)	(242,633)	15,463	(5,114,018)
Land improvements	(1,578,551)	(106,935)	-	(1,685,486)
Equipment	(2,419,382)	(116,447)	36,058	(2,499,771)
Vehicles	(3,855,873)	(436,929)	230,863	(4,061,939)
Infrastructure	(19,231,103)	(718,303)	-	(19,949,406)
Total accumulated depreciation	<u>(31,971,757)</u>	<u>(1,621,247)</u>	<u>282,384</u>	<u>(33,310,620)</u>
Net capital assets being depreciated	<u>28,831,288</u>	<u>176,141</u>	<u>12,665</u>	<u>28,994,764</u>
Total governmental activities capital assets, net of accumulated depreciation	<u>\$ 31,377,826</u>	<u>\$ 7,637,680</u>	<u>\$ 407,136</u>	<u>\$ 38,608,370</u>

Depreciation expense was charged to functions as follows:

Governmental Activities

General government	\$ 95,557
Public safety	228,140
Public works	910,718
Culture, education and recreation	<u>386,832</u>
Total governmental activities depreciation expense	<u>\$ 1,621,247</u>

City of Portage

Notes to Financial Statements
December 31, 2021

Business-Type Activities

	Beginning Balance	Additions	Deletions	Ending Balance
Water				
Capital assets not being depreciated:				
Land	\$ 118,723	\$ -	\$ -	\$ 118,723
Construction in progress	27,983	-	-	27,983
Total capital assets not being depreciated	<u>146,706</u>	<u>-</u>	<u>-</u>	<u>146,706</u>
Capital assets being depreciated:				
Source of supply	5,561,549	-	-	5,561,549
Pumping	793,668	-	-	793,668
Water treatment	2,507,715	40,446	-	2,548,161
Transmission and distribution	12,135,425	217,027	36,928	12,315,524
General	2,761,796	31,120	24,520	2,768,396
Total capital assets being depreciated	<u>23,760,153</u>	<u>288,593</u>	<u>61,448</u>	<u>23,987,298</u>
Total capital assets	<u>23,906,859</u>	<u>288,593</u>	<u>61,448</u>	<u>24,134,004</u>
Less accumulated depreciation for:				
Water System	<u>(10,619,093)</u>	<u>(588,861)</u>	<u>61,448</u>	<u>(11,146,506)</u>
Total accumulated depreciation	<u>(10,619,093)</u>	<u>(588,861)</u>	<u>61,448</u>	<u>(11,146,506)</u>
Net capital assets being depreciated	<u>13,141,060</u>	<u>(300,268)</u>	<u>-</u>	<u>12,840,792</u>
Net water capital assets	<u>\$ 13,287,766</u>	<u>\$ (300,268)</u>	<u>\$ -</u>	<u>\$ 12,987,498</u>
	Beginning Balance	Additions	Deletions	Ending Balance
Sewer				
Capital assets not being depreciated:				
Land	\$ 381,895	\$ -	\$ -	\$ 381,895
Construction in progress	91,895	85,622	79,788	97,729
Total capital assets not being depreciated	<u>473,790</u>	<u>85,622</u>	<u>79,788</u>	<u>479,624</u>
Capital assets being depreciated:				
Buildings and structures	8,083,477	-	-	8,083,477
Collecting system	7,742,940	448	-	7,743,388
Pumping	1,772,990	456,881	192,000	2,037,871
Treatment and disposal	9,303,795	464,110	200,000	9,567,905
General	947,691	-	-	947,691
Total capital assets being depreciated	<u>27,850,893</u>	<u>921,439</u>	<u>392,000</u>	<u>28,380,332</u>
Total capital assets	<u>28,324,683</u>	<u>1,007,061</u>	<u>471,788</u>	<u>28,859,956</u>
Less accumulated depreciation for:				
Sewer System	<u>(19,578,062)</u>	<u>(815,038)</u>	<u>392,000</u>	<u>(20,001,100)</u>
Total accumulated depreciation	<u>(19,578,062)</u>	<u>(815,038)</u>	<u>392,000</u>	<u>(20,001,100)</u>
Net capital assets being depreciated	<u>8,272,831</u>	<u>106,401</u>	<u>-</u>	<u>8,379,232</u>
Net sewer capital assets	<u>\$ 8,746,621</u>	<u>\$ 192,023</u>	<u>\$ 79,788</u>	<u>\$ 8,858,856</u>
Business-type capital assets, net of accumulated depreciation	<u>\$ 22,034,387</u>	<u>\$ (108,245)</u>	<u>\$ 79,788</u>	<u>\$ 21,846,354</u>

City of Portage

Notes to Financial Statements
December 31, 2021

Depreciation expense was charged to functions as follows:

Business-Type Activities

Water	\$ 552,991
Sewer	<u>815,039</u>
Total business-type activities depreciation expense	<u>\$ 1,368,030</u>

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

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:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Revolving Sidewalk Fund	\$ 5,633
General Fund	Post Retirement Benefits Fund	20,264
General Fund	Inspection Fund	35,722
General Fund	Wheel Tax Fund	504
General Fund	Water Utility	391,696
Sewer Utility	Water Utility	<u>66,950</u>
Total, fund financial statements		520,769
Less fund eliminations		<u>(129,073)</u>
Total internal balances, government-wide statement of net position		<u>\$ 391,696</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 \$391,696. All remaining balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made.

Advances

The general fund is advancing funds to the TIF Districts No. 4, No. 5, 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 the swimming pool fund. The amount advanced is determined by the deficiency of revenues over expenditures and other financing sources. No repayment schedule has been established.

City of Portage

Notes to Financial Statements
December 31, 2021

The following is a schedule of interfund advances:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Amount Not Due Within One Year</u>
General Fund	Swimming Pool Fund	\$ 93,566	\$ 93,566
General Fund	TIF #4	828,507	828,507
General Fund	TIF #5	570,887	570,887
General Fund	TIF #9	24,120	24,120
General Fund	TIF #10	<u>12,679</u>	12,679
Total, fund financial statements		1,529,759	
Less fund eliminations		<u>(1,529,759)</u>	
Total, interfund advances, government-wide statement of net position		<u>\$ -</u>	

The principal purpose of these advances is cash deficits.

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	\$ 391,696	PILOT
Debt Service Fund	TIF #4	155,734	Debt service
Debt Service Fund	TIF #5	169,368	Debt service
Debt Service Fund	TIF #6	15,640	Debt service
Debt Service Fund	TIF #7	23,273	Debt service
Debt Service Fund	TIF #8	45,088	Debt service
Vehicle Equipment Replacement Fund	General Fund	239,492	Capital outlay
Post Retirement Benefits Fund	General Fund	90,136	Retirement funding
TIF #4	Portage Enterprise Center Fund	12,116	TIF development
Mass Transit Fund	General Fund	71,000	Subsidy
Swimming Pool Fund	General Fund	20,000	Fund operations
Capital Projects Fund	Wheel Tax Fund	54,173	Capital projects
School Liaison Fund	General Fund	38,606	Equipment purchase
Canal Projects Fund	Capital Projects Fund	<u>342,500</u>	Canal improvements
Subtotal, fund financial statements		1,668,822	
Less fund eliminations		<u>(1,277,126)</u>	
Total transfers, government-wide statement of activities		<u>\$ 391,696</u>	

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

City of Portage

Notes to Financial Statements
December 31, 2021

Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2021, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and notes payable:					
General obligation debt	\$ 13,245,000	\$ 2,630,000	\$ 1,125,000	\$ 14,750,000	\$ 1,215,000
General obligation debt from direct borrowings and direct placements	613,129	74,000	99,895	587,234	114,064
Premiums	270,182	227,755	24,399	473,538	-
Subtotal	<u>14,128,311</u>	<u>2,931,755</u>	<u>1,249,294</u>	<u>15,810,772</u>	<u>1,329,064</u>
Other liabilities:					
Vested compensated absences	999,024	219,012	290,231	927,805	254,735
Retiree health insurance	227,607	-	17,775	209,832	101,329
Total other liabilities	<u>1,226,631</u>	<u>219,012</u>	<u>308,006</u>	<u>1,137,637</u>	<u>356,064</u>
Total governmental activities long-term liabilities	<u>\$ 15,354,942</u>	<u>\$ 3,150,767</u>	<u>\$ 1,557,300</u>	<u>\$ 16,948,409</u>	<u>\$ 1,685,128</u>
Business-Type Activities					
Bonds and notes payable:					
General obligation debt	\$ 2,265,000	\$ 360,000	\$ 510,000	\$ 2,115,000	\$ 375,000
Revenue bonds	7,110,000	4,335,000	290,000	11,155,000	495,000
Revenue bonds from direct borrowings and direct placements	3,624,991	-	3,169,789	455,202	72,572
Premiums	195,206	251,509	18,737	427,978	-
Subtotal	<u>13,195,197</u>	<u>4,946,509</u>	<u>3,988,526</u>	<u>14,153,180</u>	<u>942,572</u>
Other liabilities:					
Vested compensated absences	173,631	34,212	50,351	157,492	43,321
Total other liabilities	<u>173,631</u>	<u>34,212</u>	<u>50,351</u>	<u>157,492</u>	<u>43,321</u>
Total business-type activities long-term liabilities	<u>\$ 13,368,828</u>	<u>\$ 4,980,721</u>	<u>\$ 4,038,877</u>	<u>\$ 14,310,672</u>	<u>\$ 985,893</u>

In accordance with Wisconsin Statutes, total general obligation indebtedness of the City may not exceed 5% of the equalized value of taxable property within the City's jurisdiction. The debt limit as of December 31, 2021, was \$37,607,365. Total general obligation debt outstanding at year end was \$17,452,234.

City of Portage

Notes to Financial Statements
December 31, 2021

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.

<u>Governmental Activities</u>					<u>Balance</u>
<u>General Obligation Debt</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>December 31, 2021</u>
General obligation refunding bonds	03/18/09	04/01/22	2.25 - 4.35%	\$ 810,000	\$ 100,000
General obligation promissory bonds	08/02/12	04/01/27	0.55 - 3.50%	2,175,000	1,035,000
General obligation promissory notes	08/02/12	04/01/22	0.50 - 2.00%	1,995,000	370,000
General obligation promissory bonds	08/02/12	04/01/29	2.00 - 2.85%	3,130,000	2,130,000
General obligation promissory bonds	08/16/15	04/01/28	2.00 - 3.50%	2,950,000	2,165,000
General obligation promissory bonds	05/19/16	05/01/36	0.75 - 3.20%	1,450,000	1,080,000
General obligation promissory bonds	04/13/17	04/01/32	3.00 - 3.50%	3,225,000	2,405,000
General obligation promissory notes (direct)	08/17/18	08/01/25	3.50%	424,000	254,764
General obligation promissory bonds	05/15/19	04/01/39	2.75%	3,055,000	2,835,000
General obligation promissory notes (direct)	10/05/20	08/01/27	1.65%	300,000	258,470
General obligation promissory notes	06/03/21	04/01/41	2.00 - 4.00%	2,630,000	2,630,000
General promissory obligation notes (direct)	10/25/21	08/01/24	2.00%	74,000	<u>74,000</u>
Total governmental activities, general obligation debt					<u>\$ 15,337,234</u>

<u>Business-Type Activities</u>					<u>Balance</u>
<u>General Obligation Debt</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>December 31, 2021</u>
General obligation corporate purpose bonds	08/02/12	04/01/24	2.00 - 2.25%	\$ 2,390,000	\$ 730,000
General obligation promissory bonds	08/16/15	04/01/28	2.00 - 3.50%	670,000	380,000
General obligation promissory bonds	05/19/16	05/01/30	0.75 - 3.20%	405,000	255,000
General obligation promissory bonds	04/13/17	04/01/32	3.00 - 3.50%	505,000	390,000
General obligation promissory bonds	06/03/21	04/01/41	2.00 - 4.00%	360,000	<u>360,000</u>
Total business-type activities, general obligation debt					<u>\$ 2,115,000</u>

City of Portage

Notes to Financial Statements
December 31, 2021

Debt service requirements to maturity are as follows:

<u>Years</u>	Governmental Activities General Obligation Debt		Business-Type Activities General Obligation Debt	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 1,215,000	\$ 428,591	\$ 375,000	\$ 50,378
2023	1,225,000	373,621	370,000	39,226
2024	1,220,000	341,531	370,000	30,866
2025	1,165,000	307,602	120,000	25,082
2026	1,180,000	272,371	140,000	21,647
2027-2031	4,620,000	890,085	500,000	56,837
2032-2036	3,075,000	319,575	140,000	15,700
2037-2041	1,050,000	48,274	100,000	5,000
Total	<u>\$ 14,750,000</u>	<u>\$ 2,981,650</u>	<u>\$ 2,115,000</u>	<u>\$ 244,736</u>

<u>Years</u>	Governmental Activities General Obligation Debt from Direct Borrowings and Direct Placements	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 114,064	\$ 12,897
2023	116,668	10,293
2024	119,680	7,282
2025	122,769	4,149
2026	56,597	1,545
2027	57,456	684
Total	<u>\$ 587,234</u>	<u>\$ 36,850</u>

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 20.12% of net revenues. The total principal and interest remaining to be paid on the bonds is \$4,804,678. Principal and interest paid for the current year and total customer net revenues were \$273,891 and \$1,326,623, respectively.

The sewer utility fund has pledged future sewer revenues, net of specified operating expenses, to repay revenue bonds issued in 2008-2021. Proceeds from the bonds provided financing for the sewer system. The bonds are payable solely from sewer revenues and are payable through 2041. Annual principal and interest payments on the bonds are expected to require 50.00% of net revenues. The total principal and interest remaining to be paid on the bonds is \$9,703,087. Principal and interest paid for the current year and total customer net revenues were \$3,508,604 and \$970,254, respectively.

City of Portage

Notes to Financial Statements
December 31, 2021

Revenue debt payable at December 31, 2021, consists of the following:

Business-Type Activities Revenue Debt

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2021</u>
Water Utility					
Water system revenue bonds (direct)	04/25/07	05/01/26	2.475%	\$ 121,379	\$ 32,120
Water system revenue bonds	04/16/15	05/01/35	1.00 - 3.50%	855,000	655,000
Water system revenue bonds	05/19/16	05/01/36	2.00 - 3.00%	2,190,000	1,925,000
Water system revenue bonds	05/15/19	05/01/39	2.89%	1,335,000	<u>1,230,000</u>
				Total Water Utility	<u>3,842,120</u>
Sewer Utility					
Sewer system revenue bonds (direct)	03/26/08	05/01/27	2.36%	1,159,443	423,082
USDA Build America Bonds (direct)	10/06/10	10/01/50	3.00%	3,645,000	-
Sewer system revenue bonds	04/13/17	05/01/37	3.00 - 3.75%	2,180,000	1,845,000
Sewer system revenue bonds	05/15/19	05/01/39	2.86%	1,265,000	1,165,000
Sewer system revenue bonds	06/03/21	05/01/41	1.37 - 4.00%	4,335,000	<u>4,335,000</u>
				Total Sewer Utility	<u>7,768,082</u>
				Total business-type activities, revenue debt	<u>\$ 11,610,202</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Business-Type Activities Revenue Debt</u>	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 495,000	\$ 309,935
2023	495,000	294,660
2024	520,000	278,876
2025	580,000	261,874
2026	590,000	244,001
2027-2031	3,150,000	926,305
2032-2036	3,440,000	460,763
2037-2041	<u>1,885,000</u>	<u>89,425</u>
Total	<u>\$ 11,155,000</u>	<u>\$ 2,865,839</u>

City of Portage

Notes to Financial Statements
December 31, 2021

<u>Years</u>	Business-Type Activities Revenue Debt from Direct Borrowings and Direct Placements	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 72,572	\$ 9,939
2023	74,295	8,196
2024	76,059	6,411
2025	77,865	4,583
2026	79,714	1,712
2027	74,697	883
Total	<u>\$ 455,202</u>	<u>\$ 31,724</u>

Other Debt Information

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

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

The City's 2018, 2020 and 2021 general obligation promissory note outstanding as of December 31, 2021, are direct borrowings. These notes contain clauses that if the City fails to pay any amount when due the unpaid balances shall automatically mature and become immediately payable.

Current Refunding

On June 1, 2021, the sewer utility issued \$4,335,000 in revenue bonds with an average coupon rate of 3.00% to refund \$3,645,000 of outstanding bonds with an average coupon rate of 3.00%. The net proceeds along with existing funds of the sewer utility were used to prepay the outstanding debt.

The cash flow requirements on the refunded debt prior to the current refunding was \$4,075,004 from 2021 through 2050. The cash flow requirements on the 2021 refunding bonds are \$3,266,032 from 2021 through 2041. The current refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$339,468.

Bond Covenant Disclosures

Insurance

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

City of Portage

Notes to Financial Statements
December 31, 2021

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 2021 as follows:

Operating revenues	\$	2,199,928
Investment income		12,153
Miscellaneous nonoperating income		30,527
Less operation and maintenance expenses (including taxes)		<u>(915,985)</u>
Net defined earnings	\$	<u>1,326,623</u>
Minimum required earnings per resolution:		
Annual debt service	\$	273,891
Coverage factor		<u>1.25</u>
Minimum required earnings	\$	<u>342,364</u>
Annual Debt Coverage		<u>4.84 %</u>

Debt Coverage - Sewer

Under terms of the resolutions providing for the issue of revenue bonds, revenues less operating expenses excluding depreciation (defined net earnings) must exceed 1.25 times the annual debt service. The coverage only includes revenue debt and does not include general obligation or other debt. The coverage requirement was met in 2021 as follows:

Operating revenues	\$	2,019,766
Investment income		18,890
Miscellaneous nonoperating income		22,596
Less operation and maintenance expenses		<u>(1,090,998)</u>
Net defined earnings	\$	<u>970,254</u>
Minimum Required Earnings per Resolution:		
Annual debt service	\$	474,404
Coverage factor		<u>1.25</u>
Minimum required earnings	\$	<u>593,005</u>
Actual Debt Coverage		<u>2.05 %</u>

City of Portage

Notes to Financial Statements
December 31, 2021

Net Position/Fund Balances

Net position reported on the government-wide statement of net position at December 31, 2021, includes the following:

Governmental Activities

Net investment in capital assets:

Land	\$ 2,114,350
Construction in progress	7,469,256
Other capital assets, net of accumulated depreciation	28,994,764
Less long-term capital debt outstanding	(15,337,234)
Plus unspent capital related debt proceeds	1,248,634
Less unamortized debt premium	<u>(473,538)</u>

Total net investment in capital assets \$ 24,016,232

Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2021, include the following:

	<u>General Fund</u>	<u>CDBG Fund</u>	<u>Mass Transit Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Fund Balances							
Nonspendable:							
Prepaid items	\$ 85,328	\$ -	\$ -	\$ -	\$ -	\$ 11,751	\$ 97,079
Delinquent personal property taxes	2,150	-	-	-	-	-	2,150
Long-term receivables	<u>1,529,759</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,529,759</u>
Subtotal	<u>1,617,237</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,751</u>	<u>1,628,988</u>
Restricted for:							
Transit	-	-	150,526	-	-	-	150,526
Debt service	-	-	-	310,967	-	-	310,967
Library	-	-	-	-	-	197,225	197,225
Capital projects	-	-	-	-	397,125	12,947	410,072
TIF activities	-	-	-	-	-	416,216	416,216
Hazmat vehicles	-	-	-	-	-	197,088	197,088
Grants	-	-	-	-	-	1,436	1,436
Donations	-	-	-	-	-	126,941	126,941
HUD	-	-	-	-	-	16,731	16,731
CDBG	<u>-</u>	<u>174,637</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>174,637</u>
Subtotal	<u>-</u>	<u>174,637</u>	<u>150,526</u>	<u>310,967</u>	<u>397,125</u>	<u>968,584</u>	<u>2,001,839</u>
Committed to:							
Recycling	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,286</u>	<u>2,286</u>
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,286</u>	<u>2,286</u>
Assigned to:							
Capital projects	-	-	-	-	98,275	1,300,581	1,398,856
Special revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>854,308</u>	<u>854,308</u>
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>98,275</u>	<u>2,154,889</u>	<u>2,253,164</u>
Unassigned (deficit):	<u>2,739,765</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,610,106)</u>	<u>1,129,659</u>
Total fund balances	<u><u>\$ 4,357,002</u></u>	<u><u>\$ 174,637</u></u>	<u><u>\$ 150,526</u></u>	<u><u>\$ 310,967</u></u>	<u><u>\$ 495,400</u></u>	<u><u>\$ 1,527,404</u></u>	<u><u>\$ 7,015,936</u></u>

City of Portage

Notes to Financial Statements
December 31, 2021

Business-Type Activities

Net investment in capital assets:	
Land	\$ 500,618
Construction in progress	125,712
Other capital assets, net of accumulated depreciation	21,220,024
Less long-term capital debt outstanding	(13,725,202)
Plus unspent capital related debt proceeds	1,650,397
Less unamortized debt premium	<u>(427,978)</u>
Total net investment in capital assets	<u>\$ 9,343,571</u>

Component Unit

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 \$54,752 and is part of the City's commingled cash. See Note 3, Cash and Investments.

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 \$14,222. The BID considers a capital asset to have an initial cost of \$1,000 and an estimated useful life in excess of three years.

4. Other Information

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, expected to work at least 1,200 hours a year (880 hours for 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 Annual Comprehensive Financial Report (ACFR), which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

City of Portage

Notes to Financial Statements
December 31, 2021

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.

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>
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
2019	0.0	(10.0)
2020	1.7	21.0

City of Portage

Notes to Financial Statements
December 31, 2021

Contributions

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for General category employees and Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category merged into the General Employee Category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$446,457 in contributions from the City.

Contribution rates for the plan year reported as of December 31, 2021 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (executives & elected officials)	6.75 %	6.75 %
Protective with Social Security	6.75 %	11.65 %
Protective without Social Security	6.75 %	16.25 %

Pension Asset, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2021, the City reported an asset of \$2,450,032 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2020 and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019 rolled forward to December 31, 2020. 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 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, 2020, the City's proportion was 0.03924360%, which was an increase of 0.00032569% from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the City recognized pension expense of \$(289,941).

At December 31, 2021, the City reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 3,545,949	\$ 763,791
Changes in assumptions	55,571	-
Net differences between projected and actual earnings on pension plan investments	-	4,599,736
Changes in proportion and differences between employer contributions and proportionate share of contributions	5,720	2,842
Employer contributions subsequent to the measurement date	<u>471,398</u>	<u>-</u>
Total	<u>\$ 4,078,638</u>	<u>\$ 5,366,369</u>

City of Portage

Notes to Financial Statements
December 31, 2021

\$471,398 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, 2022. Other amounts reported as deferred outflows of resources related to pension will be recognized in pension expense as follows:

<u>Years Ended December 31:</u>	<u>Deferred Outflows of Resources and Deferred Inflows of Resources (Net)</u>
2022	\$ (452,727)
2023	(122,291)
2024	(831,730)
2025	(352,381)

Actuarial Assumptions

The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2019
Measurement Date of Net Pension Liability (Asset):	December 31, 2020
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. The total pension liability for December 31, 2020 is based upon a roll-forward of the liability calculated from the December 31, 2019 actuarial valuation.

City of Portage

Notes to Financial Statements
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Long-Term Expected Return on Plan Assets

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global Equities	51	7.2	4.7
Fixed Income	25	3.2	0.8
Inflation Sensitive Assets	16	2.0	(0.4)
Real Estate	8	5.6	3.1
Private Equity/Debt	11	10.2	7.6
Multi-Asset	4	5.8	3.3
Total Core Fund	115	6.6	4.1
Variable Fund Asset Class			
U.S. Equities	70	6.6	4.1
International Equities	30	7.4	4.9
Total Variable Fund	100	7.1	4.6

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.4%

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 for the current and prior year. This single discount rate was based on the expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.00%. (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's *20-year Municipal GO AA Index* as of December 31, 2020. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.) 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 municipal bond 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
December 31, 2021

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 asset calculated using the discount rate of 7.00%, as well as what the City's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) 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)	\$ 2,332,091	\$ (2,450,032)	\$ (5,962,466)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

At December 31, 2021, the City reported a payable to the pension plan which represents contractually required contributions outstanding as of the end of the year.

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.

Commitments and Contingencies

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability band 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, 2021. 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
December 31, 2021

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.

Subsequent Events

On June 29, 2022, the City issued general obligation corporate purpose bonds in the amount of \$2,125,000 with an average interest rate of 3.50%. This amount will be used for various city projects.

On June 29, 2022, the City issued sewerage system revenue bonds in the amount of \$1,655,000 with an interest rate of 4.00%. This amount will be used for sewer utility projects.

On June 29, 2022 the City issued water system revenue bonds in the amount of \$990,000 with an interest rate of 4.00%. This amount will be used water utility projects.

Effect of New Accounting Standards on Current-Period Financial Statements

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

- Statement No. 87, *Leases*
- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*
- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
- Statement No. 96, *Subscription-Based Information Technology Arrangements*
- Statement No. 97, *Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84 and a supersession of GASB Statement No. 32*

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 Fund
Year Ended December 31, 2021

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Taxes			
General property taxes	\$ 4,453,240	\$ 4,453,239	\$ (1)
Mobile home lottery credit	22,500	20,243	(2,257)
Forest cropland and managed forest land taxes	1,160	1,160	-
Sales and use	40	40	-
Payments in lieu of taxes	-	15,000	15,000
	<u>4,476,940</u>	<u>4,489,682</u>	<u>12,742</u>
Total taxes			
Intergovernmental Revenues			
State shared revenues	1,646,258	1,662,099	15,841
State expenditure restraint	171,871	171,871	-
Fire insurance tax	30,000	31,799	1,799
State aid, law enforcement improvement	4,920	3,360	(1,560)
State aid, general transportation aids	573,366	572,815	(551)
State aid, connecting streets	126,653	126,653	-
Other state payments, operating	50,163	50,163	-
Video service provider payment	27,153	27,153	-
Payments for municipal services	37,000	62,234	25,234
In lieu of taxes on state conservation lands	440	455	15
Other state payments	5,000	9,360	4,360
County aid, highway and bridges	2,000	4,000	2,000
	<u>2,674,824</u>	<u>2,721,962</u>	<u>47,138</u>
Total intergovernmental revenues			
Licenses and Permits			
Business and occupational licenses	1,800	1,380	(420)
Liquor and malt beverage licenses	33,000	34,330	1,330
Operators' license	2,000	1,345	(655)
Mobile home park licenses	300	350	50
Cable television franchise fees	108,614	109,915	1,301
Dog and cat licenses	6,000	5,676	(324)
Other nonbusiness licenses	450	-	(450)
Other regulatory permits and fees	13,180	13,512	332
Electrical contractor licenses	-	672	672
	<u>165,344</u>	<u>167,180</u>	<u>1,836</u>
Total licenses and permits			
Fines, forfeitures and penalties			
Court penalties and costs	152,600	112,151	(40,449)
Parking violations	4,500	5,260	760
Judgments and damages	500	452	(48)
	<u>157,600</u>	<u>117,863</u>	<u>(39,737)</u>
Total fines, forfeitures and penalties			

See notes to required supplementary information

City of Portage

Detailed Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - General Fund
Year Ended December 31, 2021

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Public Charges for Services			
Clerk's fees	\$ 500	\$ 99	\$ (401)
Law enforcement fees	5,700	5,938	238
Street related facilities	5,000	23,899	18,899
Parking lots, ramps and meters	25	-	(25)
Other transportation	500	405	(95)
Solid waste disposal	7,250	6,257	(993)
Weed and nuisance control	-	75	75
Culture, recreation and education	3,700	3,991	291
Parks	47,000	47,854	854
Recreation programs	3,500	2,815	(685)
Park rental	10,500	8,796	(1,704)
Conservation and development	3,500	3,116	(384)
Other public charges for services	10,800	12,788	1,988
Fire protection fees	-	399	399
	<u>97,975</u>	<u>116,432</u>	<u>18,457</u>
Total public charges for services			
Intergovernmental Charges for Services			
Local, rural fire services	155,000	177,728	22,728
Local, HAZMAT services	19,000	37,612	18,612
Local, intra-agency administration fees	103,980	103,978	(2)
	<u>277,980</u>	<u>319,318</u>	<u>41,338</u>
Total intergovernmental charges for services			
Investment Income			
Interest on investments	45,000	22,916	(22,084)
Interest on special assessments	2,000	1,615	(385)
	<u>47,000</u>	<u>24,531</u>	<u>(22,469)</u>
Total investment income			
Miscellaneous Revenues			
Rent	52,895	56,428	3,533
Insurance recoveries, police	1,000	4,905	3,905
Donations	7,000	2,222	(4,778)
Insurance dividends	20,000	14,478	(5,522)
Other miscellaneous	2,000	75	(1,925)
Insurance recoveries, highway	1,000	-	(1,000)
Insurance recoveries, other	-	2,553	2,553
	<u>83,895</u>	<u>80,661</u>	<u>(3,234)</u>
Total miscellaneous revenues			
Total revenues	<u>7,981,558</u>	<u>8,037,629</u>	<u>56,071</u>

See notes to required supplementary information

City of Portage

Detailed Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - General Fund
Year Ended December 31, 2021

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Expenditures			
General Government			
Council	\$ 38,114	\$ 36,962	\$ 1,152
Judicial	131,203	121,439	9,764
Legal	30,000	21,100	8,900
Mayor	17,066	15,098	1,968
Administrator	161,284	154,819	6,465
General administration	318,866	298,286	20,580
Financial administration	277,672	274,950	2,722
General buildings/plant/hall	190,820	186,520	4,300
Safety program	2,000	2,110	(110)
Contingency	32,809	-	32,809
Total general government	<u>1,199,834</u>	<u>1,111,284</u>	<u>88,550</u>
Public Safety			
Police	522,976	523,516	(540)
Patrol	1,812,460	1,829,174	(16,714)
Criminal investigation	345,092	333,011	12,081
Fire protection	221,853	223,362	(1,509)
Suppression	643,958	656,318	(12,360)
Prevention	97,315	91,541	5,774
Hazmat	14,600	17,715	(3,115)
Emergency government	3,500	3,697	(197)
Police special services	179,896	162,854	17,042
Total public safety	<u>3,841,650</u>	<u>3,841,188</u>	<u>462</u>
Public Works			
Engineering	235,515	211,425	24,090
Highway and street maintenance for local	1,277,258	1,184,426	92,832
Highway and street construction for local	4,000	-	4,000
Storm sewer maintenance	17,500	14,747	2,753
Parking facilities	5,350	-	5,350
Airport	48,776	52,930	(4,154)
Solid waste disposal	370,788	385,382	(14,594)
Weed and nuisance control	5,000	4,199	801
Total public works	<u>1,964,187</u>	<u>1,853,109</u>	<u>111,078</u>
Health and Human Services			
Public health services	13,500	11,460	2,040
Cemetery	51,500	51,500	-
Total health and human services	<u>65,000</u>	<u>62,960</u>	<u>2,040</u>

See notes to required supplementary information

City of Portage

Detailed Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - General Fund
Year Ended December 31, 2021

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Culture, Recreation and Education			
Cable television	\$ 25,037	\$ 19,918	\$ 5,119
Parks	195,354	188,343	7,011
Recreation programs and events	93,212	71,975	21,237
Park maintenance	<u>448,275</u>	<u>428,673</u>	<u>19,602</u>
Total culture, recreation and education	<u>761,878</u>	<u>708,909</u>	<u>52,969</u>
Conservation and Development			
Community development	<u>77,012</u>	<u>75,287</u>	<u>1,725</u>
Total conservation and development	<u>77,012</u>	<u>75,287</u>	<u>1,725</u>
Total expenditures	<u>7,909,561</u>	<u>7,652,737</u>	<u>256,824</u>
Excess of revenues over expenditures	<u>71,997</u>	<u>384,892</u>	<u>312,895</u>
Other Financing Sources (Uses)			
Sale of capital assets	4,000	7,198	3,198
Transfers in	390,737	391,696	959
Transfers out	<u>(466,734)</u>	<u>(459,234)</u>	<u>7,500</u>
Total other financing sources (uses)	<u>(71,997)</u>	<u>(60,340)</u>	<u>11,657</u>
Net change in fund balance	-	324,552	324,552
Fund Balance, Beginning	<u>4,032,450</u>	<u>4,032,450</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 4,032,450</u>	<u>\$ 4,357,002</u>	<u>\$ 324,552</u>

See notes to required supplementary information

City of Portage

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - CDBG Fund
Year Ended December 31, 2021

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Public charges for services	\$ 45,000	\$ 169,419	\$ 124,419
Investment income	<u>500</u>	<u>727</u>	<u>227</u>
Total revenues	<u>45,500</u>	<u>170,146</u>	<u>124,646</u>
Expenditures			
Current			
Conservation and development	<u>94,000</u>	<u>101,708</u>	<u>(7,708)</u>
Total expenditures	<u>94,000</u>	<u>101,708</u>	<u>(7,708)</u>
Net change in fund balance	(48,500)	68,438	116,938
Fund Balance, Beginning	<u>106,199</u>	<u>106,199</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 57,699</u>	<u>\$ 174,637</u>	<u>\$ 116,938</u>

See notes to required supplementary information

City of Portage

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - Mass Transit Fund
Year Ended December 31, 2021

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Intergovernmental	\$ 809,136	\$ 724,096	\$ (85,040)
Public charges for services	<u>545,130</u>	<u>345,606</u>	<u>(199,524)</u>
Total revenues	<u>1,354,266</u>	<u>1,069,702</u>	<u>(284,564)</u>
Expenditures			
Current			
Public works	<u>1,449,757</u>	<u>931,706</u>	<u>518,051</u>
Total expenditures	<u>1,449,757</u>	<u>931,706</u>	<u>518,051</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(95,491)</u>	<u>137,996</u>	<u>233,487</u>
Other Financing Sources			
Transfers in	71,000	71,000	-
Sale of capital assets	<u>6,000</u>	<u>-</u>	<u>(6,000)</u>
Total other financing sources	<u>77,000</u>	<u>71,000</u>	<u>(6,000)</u>
Net change in fund balance	(18,491)	208,996	227,487
Fund Balance (Deficit), Beginning	<u>(58,470)</u>	<u>(58,470)</u>	<u>-</u>
Fund Balance (Deficit), Ending	<u>\$ (76,961)</u>	<u>\$ 150,526</u>	<u>\$ 227,487</u>

See notes to required supplementary information

City of Portage

Schedule of Proportionate Share of the Net Pension Liability (Asset) -
 Wisconsin Retirement System
 Year Ended December 31, 2021

City 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
12/31/21	0.039243600 %	\$ (2,450,032)	\$ 4,781,122	51.24 %	105.26 %
12/31/20	0.038917910 %	(1,254,891)	4,707,027	26.66 %	102.96 %
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
 Year Ended December 31, 2021

City 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
12/31/21	\$ 471,398	\$ 471,398	\$ -	\$ 4,951,235	9.52 %
12/31/20	448,361	448,361	-	4,781,123	9.38 %
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 %

City of Portage

Notes to Required Supplementary Information
Year Ended December 31, 2021

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 1.

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. No significant change in assumptions were noted from the prior year.

SUPPLEMENTARY INFORMATION

City of Portage

Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2021

	Special Revenue Funds				
	Park Land Dedication Fund	Swimming Pool Fund	Inspection Fund	Library Fund	Library - Restricted Fund
Assets					
Cash and investments	\$ 34,461	\$ -	\$ -	\$ 149,513	\$ 35,263
Receivables:					
Taxes	-	-	1,308	557,474	-
Accounts	-	-	1,308	-	-
Special assessments	-	-	-	-	-
Other	-	-	-	-	-
Prepaid items	-	102	531	8,063	-
Restricted cash and investments	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 34,461</u>	<u>\$ 102</u>	<u>\$ 3,147</u>	<u>\$ 715,050</u>	<u>\$ 35,263</u>
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	\$ -	\$ 44	\$ 3,003	\$ 8,960	\$ 251
Accrued liabilities	-	678	1,548	15,251	-
Deposits	-	3,880	-	-	-
Due to other funds	-	-	35,722	-	-
Advances from other funds	-	93,566	-	-	-
Unearned revenue	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>98,168</u>	<u>40,273</u>	<u>24,211</u>	<u>251</u>
Deferred Inflows of Resources					
Property taxes levied for next period	-	-	1,308	557,474	-
Unavailable revenues	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>1,308</u>	<u>557,474</u>	<u>-</u>
Fund Balances (Deficit)					
Nonspendable	-	102	531	8,063	-
Restricted	-	-	-	125,302	35,012
Committed	-	-	-	-	-
Assigned	34,461	-	-	-	-
Unassigned (deficit)	-	(98,168)	(38,965)	-	-
	<u>-</u>	<u>(98,168)</u>	<u>(38,965)</u>	<u>-</u>	<u>-</u>
Total fund balances (deficit)	<u>34,461</u>	<u>(98,066)</u>	<u>(38,434)</u>	<u>133,365</u>	<u>35,012</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 34,461</u>	<u>\$ 102</u>	<u>\$ 3,147</u>	<u>\$ 715,050</u>	<u>\$ 35,263</u>

Special Revenue Funds

Library Memorial Fund	Criminal Investigation Fund	Tourism Promotion Fund	School Liaison Fund	Donation Fund	Portage Enterprise Center Fund	HUD Fund
\$ -	\$ 14,747	\$ 123,427	\$ 22,682	\$ 127,742	\$ 9,578	\$ 16,731
-	-	-	-	-	-	-
-	-	-	-	6,767	-	54,493
-	-	-	-	-	-	-
-	-	-	-	-	11,964	-
-	-	-	1,642	-	1,413	-
<u>37,423</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 37,423</u>	<u>\$ 14,747</u>	<u>\$ 123,427</u>	<u>\$ 24,324</u>	<u>\$ 134,509</u>	<u>\$ 22,955</u>	<u>\$ 71,224</u>
\$ 512	\$ -	\$ 40,444	\$ 78	\$ 801	\$ 3,378	\$ -
-	-	-	4,126	-	2,884	-
-	-	-	-	-	5,839	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>512</u>	<u>-</u>	<u>40,444</u>	<u>4,204</u>	<u>801</u>	<u>12,101</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	6,767	-	54,493
-	-	-	-	6,767	-	54,493
-	-	-	1,642	-	1,413	-
36,911	-	-	-	126,941	-	16,731
-	-	-	-	-	-	-
-	14,747	82,983	18,478	-	9,441	-
-	-	-	-	-	-	-
<u>36,911</u>	<u>14,747</u>	<u>82,983</u>	<u>20,120</u>	<u>126,941</u>	<u>10,854</u>	<u>16,731</u>
<u>\$ 37,423</u>	<u>\$ 14,747</u>	<u>\$ 123,427</u>	<u>\$ 24,324</u>	<u>\$ 134,509</u>	<u>\$ 22,955</u>	<u>\$ 71,224</u>

City of Portage

Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2021

	Special Revenue Funds				
	Wheel Tax Fund	Ambulance Fund	Post Retirement Benefits Fund	Recycling Fund	ARPA Fund
Assets					
Cash and investments	\$ 12,552	\$ 62,770	\$ -	\$ 2,286	\$ 545,660
Receivables:					
Taxes	-	-	-	-	-
Accounts	-	-	-	-	-
Special assessments	-	-	-	-	-
Other	2,005	-	-	-	-
Prepaid items	-	-	-	-	-
Restricted cash and investments	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 14,557</u>	<u>\$ 62,770</u>	<u>\$ -</u>	<u>\$ 2,286</u>	<u>\$ 545,660</u>
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	\$ 1,106	\$ 9,204	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	-
Deposits	-	-	-	-	-
Due to other funds	504	-	20,264	-	-
Advances from other funds	-	-	-	-	-
Unearned revenue	-	-	-	-	544,224
	<u>1,610</u>	<u>9,204</u>	<u>20,264</u>	<u>-</u>	<u>544,224</u>
Total liabilities	<u>1,610</u>	<u>9,204</u>	<u>20,264</u>	<u>-</u>	<u>544,224</u>
Deferred Inflows of Resources					
Property taxes levied for next period	-	-	-	-	-
Unavailable revenues	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit)					
Nonspendable	-	-	-	-	-
Restricted	12,947	-	-	-	1,436
Committed	-	-	-	2,286	-
Assigned	-	53,566	-	-	-
Unassigned (deficit)	-	-	(20,264)	-	-
	<u>-</u>	<u>-</u>	<u>(20,264)</u>	<u>-</u>	<u>-</u>
Total fund balances (deficit)	<u>12,947</u>	<u>53,566</u>	<u>(20,264)</u>	<u>2,286</u>	<u>1,436</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 14,557</u>	<u>\$ 62,770</u>	<u>\$ -</u>	<u>\$ 2,286</u>	<u>\$ 545,660</u>

Capital Projects Fund

Revolving Sidewalk Fund	Revolving Alley Fund	Canal Project Fund	Airport Construction Fund	TIF #4	TIF #5	TIF #6
\$ -	\$ 6,026	\$ 830,031	\$ 1,774	\$ -	\$ -	\$ 60,252
13,076	10,806	-	-	57,170	100,191	-
303	-	-	-	-	-	-
39,632	13,953	-	-	-	-	-
-	-	-	-	-	75,021	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 53,011</u>	<u>\$ 30,785</u>	<u>\$ 830,031</u>	<u>\$ 1,774</u>	<u>\$ 57,170</u>	<u>\$ 175,212</u>	<u>\$ 60,252</u>
\$ 98	\$ -	\$ 195,425	\$ -	\$ 1,088	\$ -	\$ 50,265
-	-	-	-	-	-	-
-	-	-	-	10,000	-	-
5,633	-	-	-	-	-	-
-	-	-	-	828,507	570,887	-
-	-	-	-	-	-	-
<u>5,731</u>	<u>-</u>	<u>195,425</u>	<u>-</u>	<u>839,595</u>	<u>570,887</u>	<u>50,265</u>
13,076	10,806	-	-	57,170	100,191	-
39,632	13,953	-	-	-	75,021	-
<u>52,708</u>	<u>24,759</u>	<u>-</u>	<u>-</u>	<u>57,170</u>	<u>175,212</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	9,987
-	-	-	-	-	-	-
-	6,026	634,606	1,774	-	-	-
<u>(5,428)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(839,595)</u>	<u>(570,887)</u>	<u>-</u>
<u>(5,428)</u>	<u>6,026</u>	<u>634,606</u>	<u>1,774</u>	<u>(839,595)</u>	<u>(570,887)</u>	<u>9,987</u>
<u>\$ 53,011</u>	<u>\$ 30,785</u>	<u>\$ 830,031</u>	<u>\$ 1,774</u>	<u>\$ 57,170</u>	<u>\$ 175,212</u>	<u>\$ 60,252</u>

City of Portage

Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2021

	Capital Projects Fund				Vehicle Equipment Replacement Fund
	TIF #7	TIF #8	TIF #9	TIF #10	
Assets					
Cash and investments	\$ 395,610	\$ 112,673	\$ -	\$ -	\$ 1,495,845
Receivables:					
Taxes	76,501	54,455	-	23,135	-
Accounts	-	-	-	-	-
Special assessments	-	-	-	-	-
Other	-	-	-	-	-
Prepaid items	-	-	-	-	-
Restricted cash and investments	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 472,111</u>	<u>\$ 167,128</u>	<u>\$ -</u>	<u>\$ 23,135</u>	<u>\$ 1,495,845</u>
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	\$ 102,054	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	-
Deposits	-	-	-	-	-
Due to other funds	-	-	-	-	-
Advances from other funds	-	-	24,120	12,679	-
Unearned revenue	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>102,054</u>	<u>-</u>	<u>24,120</u>	<u>12,679</u>	<u>-</u>
Deferred Inflows of Resources					
Property taxes levied for next period	76,501	54,455	-	23,135	-
Unavailable revenues	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>76,501</u>	<u>54,455</u>	<u>-</u>	<u>23,135</u>	<u>-</u>
Fund Balances (Deficit)					
Nonspendable	-	-	-	-	-
Restricted	293,556	112,673	-	-	197,088
Committed	-	-	-	-	-
Assigned	-	-	-	-	1,298,757
Unassigned (deficit)	-	-	(24,120)	(12,679)	-
	<u>-</u>	<u>-</u>	<u>(24,120)</u>	<u>(12,679)</u>	<u>-</u>
Total fund balances (deficit)	<u>293,556</u>	<u>112,673</u>	<u>(24,120)</u>	<u>(12,679)</u>	<u>1,495,845</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 472,111</u>	<u>\$ 167,128</u>	<u>\$ -</u>	<u>\$ 23,135</u>	<u>\$ 1,495,845</u>

Capital Projects Funds		
Industrial Development Fund		Total Nonmajor Governmental Funds
\$ 50		\$ 4,059,673
-		894,116
-		62,871
-		53,585
-		88,990
-		11,751
-		<u>37,423</u>
<u>\$ 50</u>		<u>\$ 5,208,409</u>
\$ -		\$ 416,711
-		24,487
-		19,719
-		62,123
-		1,529,759
-		<u>544,224</u>
-		<u>2,597,023</u>
-		894,116
-		<u>189,866</u>
-		<u>1,083,982</u>
-		11,751
-		968,584
-		2,286
50		2,154,889
-		<u>(1,610,106)</u>
<u>50</u>		<u>1,527,404</u>
<u>\$ 50</u>		<u>\$ 5,208,409</u>

City of Portage

Combining Statement of Revenues, Expenditures and Changes
in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2021

	Special Revenue Funds				
	Park Land Dedication Fund	Swimming Pool Fund	Inspection Fund	Library Fund	Library- Restricted Fund
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ 521,277	\$ -
Special assessments	-	-	-	-	-
Intergovernmental	-	-	-	216,809	-
Licenses and permits	-	-	66,961	-	-
Public charges for services	-	14,645	1,670	11,501	896
Intergovernmental charges for services	-	-	24,154	-	-
Investment income	206	-	-	2,174	233
Miscellaneous revenues	-	8,006	4,625	3,396	10,726
Total revenues	206	22,651	97,410	755,157	11,855
Expenditures					
Current:					
Public safety	-	-	96,202	-	-
Public works	-	-	-	-	-
Culture, recreation and education	-	29,757	-	729,734	15,658
Conservation and development	-	-	692	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Interest and fiscal charges	-	-	-	-	-
Total expenditures	-	29,757	96,894	729,734	15,658
Excess (deficiency) of revenues over expenditures	206	(7,106)	516	25,423	(3,803)
Other Financing Sources (Uses)					
Transfers in	-	20,000	-	-	-
Transfers out	-	-	-	-	-
Debt issued	-	-	-	-	-
Sale of capital assets	-	-	-	-	-
Premium on debt issued	-	-	-	-	-
Total other financing sources (uses)	-	20,000	-	-	-
Net change in fund balances	206	12,894	516	25,423	(3,803)
Fund Balances (Deficit), Beginning	34,255	(110,960)	(38,950)	107,942	38,815
Fund Balances (Deficit), Ending	\$ 34,461	\$ (98,066)	\$ (38,434)	\$ 133,365	\$ 35,012

Special Revenue Funds

Library Memorial Fund	Criminal Investigation Fund	Tourism Promotion Fund	School Liaison Fund	Donation Fund	Portage Enterprise Center	HUD Fund
\$ -	\$ -	\$ 152,667	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	25,813	-	-
-	10	-	-	-	-	-
-	-	-	70,520	-	-	-
253	104	475	35	663	270	25
<u>1,429</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>85,844</u>	<u>117,138</u>	<u>-</u>
<u>1,682</u>	<u>114</u>	<u>153,142</u>	<u>70,555</u>	<u>112,320</u>	<u>117,408</u>	<u>25</u>
-	2,000	-	104,180	-	-	-
-	-	-	-	-	-	-
4,873	-	144,333	-	70,424	-	-
-	-	-	-	-	107,208	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>4,873</u>	<u>2,000</u>	<u>144,333</u>	<u>104,180</u>	<u>70,424</u>	<u>107,208</u>	<u>-</u>
<u>(3,191)</u>	<u>(1,886)</u>	<u>8,809</u>	<u>(33,625)</u>	<u>41,896</u>	<u>10,200</u>	<u>25</u>
-	-	-	38,606	-	-	-
-	-	-	-	-	(12,116)	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>38,606</u>	<u>-</u>	<u>(12,116)</u>	<u>-</u>
(3,191)	(1,886)	8,809	4,981	41,896	(1,916)	25
<u>40,102</u>	<u>16,633</u>	<u>74,174</u>	<u>15,139</u>	<u>85,045</u>	<u>12,770</u>	<u>16,706</u>
<u>\$ 36,911</u>	<u>\$ 14,747</u>	<u>\$ 82,983</u>	<u>\$ 20,120</u>	<u>\$ 126,941</u>	<u>\$ 10,854</u>	<u>\$ 16,731</u>

City of Portage

Combining Statement of Revenues, Expenditures and Changes
in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2021

	Special Revenue Funds				
	Wheel Tax Fund	Ambulance Fund	Post Retirement Benefits Fund	Recycling Fund	ARPA Fund
Revenues					
Taxes	\$ 176,632	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-
Intergovernmental	-	-	-	20,482	-
Licenses and permits	-	-	-	-	-
Public charges for services	-	-	-	-	-
Intergovernmental charges for services	-	-	-	-	-
Investment income	264	402	-	-	1,436
Miscellaneous revenues	-	-	-	-	-
Total revenues	<u>176,896</u>	<u>402</u>	<u>-</u>	<u>20,482</u>	<u>1,436</u>
Expenditures					
Current:					
Public safety	-	-	93,363	-	-
Public works	20,471	-	-	20,000	-
Culture, recreation and education	-	-	18,863	-	-
Conservation and development	-	-	-	-	-
Capital outlay	80,984	-	-	-	-
Debt service:					
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>101,455</u>	<u>-</u>	<u>112,226</u>	<u>20,000</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>75,441</u>	<u>402</u>	<u>(112,226)</u>	<u>482</u>	<u>1,436</u>
Other Financing Sources (Uses)					
Transfers in	-	-	90,136	-	-
Transfers out	(54,173)	-	-	-	-
Debt issued	-	-	-	-	-
Sale of capital assets	-	-	-	-	-
Premium on debt issued	-	-	-	-	-
Total other financing sources (uses)	<u>(54,173)</u>	<u>-</u>	<u>90,136</u>	<u>-</u>	<u>-</u>
Net change in fund balances	21,268	402	(22,090)	482	1,436
Fund Balances (Deficit), Beginning	<u>(8,321)</u>	<u>53,164</u>	<u>1,826</u>	<u>1,804</u>	<u>-</u>
Fund Balances (Deficit), Ending	<u>\$ 12,947</u>	<u>\$ 53,566</u>	<u>\$ (20,264)</u>	<u>\$ 2,286</u>	<u>\$ 1,436</u>

Capital Projects Funds

<u>Revolving Sidewalk Fund</u>	<u>Revolving Alley Fund</u>	<u>Canal Project Fund</u>	<u>Airport Construction Fund</u>	<u>TIF #4</u>	<u>TIF #5</u>	<u>TIF #6</u>
\$ -	\$ -	\$ -	\$ -	\$ 18,607	\$ 110,312	\$ -
37,245	41,668	-	-	-	-	-
-	-	-	-	-	-	66,798
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,885	874	1,918	41	-	-	-
-	-	-	-	-	37,510	-
<u>39,130</u>	<u>42,542</u>	<u>1,918</u>	<u>41</u>	<u>18,607</u>	<u>147,822</u>	<u>66,798</u>
-	-	-	-	-	-	-
3,176	3,268	541,415	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	9,169	4,084	2,340
111,505	-	-	5,567	38,620	-	336,450
-	-	-	-	-	-	12,194
<u>114,681</u>	<u>3,268</u>	<u>541,415</u>	<u>5,567</u>	<u>47,789</u>	<u>4,084</u>	<u>350,984</u>
<u>(75,551)</u>	<u>39,274</u>	<u>(539,497)</u>	<u>(5,526)</u>	<u>(29,182)</u>	<u>143,738</u>	<u>(284,186)</u>
-	-	342,500	-	12,116	-	-
-	-	-	-	(155,734)	(169,368)	(15,640)
40,000	-	885,000	-	-	-	415,000
-	-	-	-	411,068	-	-
-	-	-	-	-	-	6,365
<u>40,000</u>	<u>-</u>	<u>1,227,500</u>	<u>-</u>	<u>267,450</u>	<u>(169,368)</u>	<u>405,725</u>
(35,551)	39,274	688,003	(5,526)	238,268	(25,630)	121,539
<u>30,123</u>	<u>(33,248)</u>	<u>(53,397)</u>	<u>7,300</u>	<u>(1,077,863)</u>	<u>(545,257)</u>	<u>(111,552)</u>
<u>\$ (5,428)</u>	<u>\$ 6,026</u>	<u>\$ 634,606</u>	<u>\$ 1,774</u>	<u>\$ (839,595)</u>	<u>\$ (570,887)</u>	<u>\$ 9,987</u>

City of Portage

Combining Statement of Revenues, Expenditures and Changes
in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2021

	Capital Projects Funds				Vehicle Equipment Replacement Fund
	TIF #7	TIF #8	TIF #9	TIF #10	
Revenues					
Taxes	\$ 85,263	\$ 56,747	\$ -	\$ 13,351	\$ -
Special assessments	-	2,147	-	-	-
Intergovernmental	36,352	4,458	-	-	-
Licenses and permits	-	-	-	-	-
Public charges for services	-	-	-	-	-
Intergovernmental charges for services	-	-	-	-	-
Investment income	-	747	-	-	5,625
Miscellaneous revenues	-	-	-	-	3,436
	<u>121,615</u>	<u>64,099</u>	<u>-</u>	<u>13,351</u>	<u>9,061</u>
Expenditures					
Current:					
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Culture, recreation and education	-	-	-	-	-
Conservation and development	2,931	2,581	3,294	3,294	-
Capital outlay	591,689	-	-	-	298,843
Debt service:					
Interest and fiscal charges	29,196	-	-	-	-
	<u>623,816</u>	<u>2,581</u>	<u>3,294</u>	<u>3,294</u>	<u>298,843</u>
Excess (deficiency) of revenues over expenditures	<u>(502,201)</u>	<u>61,518</u>	<u>(3,294)</u>	<u>10,057</u>	<u>(289,782)</u>
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	239,492
Transfers out	(23,273)	(45,088)	-	-	-
Debt issued	840,000	-	-	-	-
Sale of capital assets	-	-	-	-	39,586
Premium on debt issued	15,253	-	-	-	-
	<u>831,980</u>	<u>(45,088)</u>	<u>-</u>	<u>-</u>	<u>279,078</u>
Net change in fund balances	329,779	16,430	(3,294)	10,057	(10,704)
Fund Balances (Deficit), Beginning	<u>(36,223)</u>	<u>96,243</u>	<u>(20,826)</u>	<u>(22,736)</u>	<u>1,506,549</u>
Fund Balances (Deficit), Ending	<u>\$ 293,556</u>	<u>\$ 112,673</u>	<u>\$ (24,120)</u>	<u>\$ (12,679)</u>	<u>\$ 1,495,845</u>

<u>Capital Projects Funds</u>		
<u>Industrial Development Fund</u>		<u>Total Nonmajor Governmental Funds</u>
\$ -	\$	1,134,856
-		81,060
-		370,712
-		66,961
-		28,722
-		94,674
-		17,630
-		272,110
<u>-</u>		<u>2,066,725</u>
-		295,745
-		588,330
-		1,013,642
-		135,593
-		1,463,658
<u>-</u>		<u>41,390</u>
<u>-</u>		<u>3,538,358</u>
<u>-</u>		<u>(1,471,633)</u>
-		742,850
-		(475,392)
-		2,180,000
-		450,654
<u>-</u>		<u>21,618</u>
<u>-</u>		<u>2,919,730</u>
-		1,448,097
<u>50</u>		<u>79,307</u>
<u>\$ 50</u>	<u>\$</u>	<u>1,527,404</u>