

City of Portage

Financial Statements and
Supplementary Information

December 31, 2023

City of Portage

Table of Contents
December 31, 2023

| | <u>Page</u> |
|---|-------------|
| Independent Auditors' Report | i |
| Required Supplementary Information | |
| Management's Discussion and Analysis | iv |
| Basic Financial Statements | |
| Government-Wide Financial Statements | |
| Statement of Net Position | 1 |
| Statement of Activities | 3 |
| Fund Financial Statements | |
| Balance Sheet - Governmental Funds | 4 |
| Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position | 6 |
| Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds | 7 |
| Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities | 9 |
| Statement of Net Position - Proprietary Funds | 10 |
| Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds | 12 |
| Statement of Cash Flows - Proprietary Funds | 13 |
| Statement of Fiduciary Net Position - Fiduciary Fund | 15 |
| Statement of Changes in Fiduciary Net Position - Fiduciary Fund | 16 |
| Index to Notes to Financial Statements | 17 |
| Notes to Financial Statements | 18 |
| Required Supplementary Information | |
| Detailed Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund | 53 |
| Schedule of Proportionate Share of the Net Pension Liability (Asset) - Wisconsin Retirement System | 57 |
| Schedule of Employer Contributions - Wisconsin Retirement System | 57 |
| Notes to Required Supplementary Information | 58 |
| Supplementary Information | |
| Combining Balance Sheet - Nonmajor Governmental Funds | 59 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds | 65 |

Independent Auditors' Report

To the City Council of
City of Portage

Report on the Audit of the Financial Statements

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), as of and for the year ended December 31, 2023, 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 accompanying 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, 2023 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) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 and *Government Auditing Standards* 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 and *Government Auditing Standards*, 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 31, 2024 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Baker Tilly US, LLP

Madison, Wisconsin
May 30, 2024

CITY OF PORTAGE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

As of and for the Year Ended December 31, 2023

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, 2023. 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 \$48,918,576 (net position). Of this amount, \$8,950,164 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 decreased by \$860,336 in 2023.
- > As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$6,680,308 which represents a decrease of \$649,119 in comparison with 2022.
- > At the end of the current fiscal year, unassigned fund balance for the general fund was \$1,332,849 or approximately 15% of the total general fund expenditures.
- > Total governmental activities general obligation debt increased \$1,730,076 to \$18,116,151 and business-type general obligation debt decreased \$370,000 to \$1,370,000.

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 like a private – sector business.

The *Statement of Net Position* presents information on all 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, 2023

OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

GOVERNMENT-WIDE STATEMENTS (cont.)

Both 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 fiduciary 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 36 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, 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, 2023

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 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 17-52 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 to demonstrate compliance with the budget for this fund, followed by the City's pension related information. This information can be found on pages 53-56 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 \$48,918,576 as of December 31, 2023.

CITY OF PORTAGE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) As of and for the Year Ended December 31, 2023

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

The largest portion of the City's net position (approximately 72%) 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 10%) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position of \$8,950,164 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 | |
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Current and other assets | \$ 17,023,505 | \$ 20,774,524 | \$ 8,807,978 | \$11,275,177 | \$ 25,831,483 | \$ 32,049,701 |
| Capital assets | 42,850,974 | 41,160,413 | 23,586,054 | 21,349,248 | 66,437,028 | 62,509,661 |
| Total Assets | 59,874,479 | 61,934,937 | 32,394,032 | 32,624,425 | 92,268,511 | 94,559,362 |
| Pension related amounts | 7,313,865 | 5,650,176 | 683,420 | 619,865 | 7,997,285 | 6,270,041 |
| Total Deferred Outflows of Resources | 7,313,865 | 5,650,176 | 683,420 | 619,865 | 7,997,285 | 6,270,041 |
| Other liabilities | 1,254,372 | 2,034,319 | 1,363,799 | 322,520 | 2,618,171 | 2,356,839 |
| Long-term liabilities | 22,039,740 | 17,907,245 | 14,531,814 | 16,030,321 | 36,571,554 | 33,937,566 |
| Total Liabilities | 23,294,112 | 19,941,564 | 15,895,613 | 16,352,841 | 39,189,725 | 36,294,405 |
| Unearned revenues | 7,681,733 | 7,199,378 | - | - | 7,681,733 | 7,199,378 |
| Pension related amounts | 4,068,589 | 6,790,898 | 407,173 | 765,810 | 4,475,762 | 7,556,708 |
| Total Deferred Inflows of Resources | 11,750,322 | 13,990,276 | 407,173 | 765,810 | 12,157,495 | 14,756,086 |
| Net investment in capital assets | 25,628,649 | 25,249,107 | 9,450,465 | 8,727,662 | 35,079,114 | 33,976,769 |
| Restricted | 3,036,260 | 5,745,988 | 1,853,038 | 2,080,456 | 4,889,298 | 7,826,444 |
| Unrestricted | 3,479,001 | 2,658,178 | 5,471,163 | 5,317,521 | 8,950,164 | 7,975,699 |
| TOTAL NET POSITION | \$ 32,143,910 | \$ 33,653,273 | \$ 16,774,666 | \$16,125,639 | \$ 48,918,576 | \$ 49,778,912 |

Analysis of the City's Operations – The following table provides a summary of the City's operations for the year ended December 31, 2023. Net position for governmental activities decreased by \$1,509,363 to a total of \$32,143,910. Business-type activities increased \$649,027 to a total of \$16,774,666.

CITY OF PORTAGE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) As of and for the Year Ended December 31, 2023

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 | |
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 1,371,221 | \$ 1,144,546 | 4,165,939 | \$ 4,098,797 | \$ 5,537,160 | \$ 5,243,343 |
| Operating grants and contributions | 1,248,701 | 1,288,398 | - | - | 1,248,701 | 1,288,398 |
| Capital grants and contributions | 1,582,381 | 2,278,626 | 1,489,062 | 205,624 | 3,071,443 | 2,484,250 |
| General revenues: | | | | | - | |
| Property taxes | 7,143,444 | 6,721,258 | - | - | 7,143,444 | 6,721,258 |
| Other taxes | 373,003 | 346,164 | - | - | 373,003 | 346,164 |
| Intergovernmental | 2,192,204 | 2,138,567 | - | - | 2,192,204 | 2,138,567 |
| Investment income | 525,516 | 142,353 | 362,091 | 89,103 | 887,607 | 231,456 |
| Gain on disposal of assets | 107,798 | 12,641 | - | - | 107,798 | 12,641 |
| Miscellaneous | 101,463 | 88,912 | 70,393 | 23,865 | 171,856 | 112,777 |
| Total Revenues | 14,645,731 | 14,161,465 | 6,087,485 | 4,417,389 | 20,733,216 | 18,578,854 |
| Expenses: | | | | | | |
| General government | 2,422,653 | 1,323,917 | - | - | 2,422,653 | 1,323,917 |
| Public safety | 6,669,828 | 3,994,881 | - | - | 6,669,828 | 3,994,881 |
| Public works | 4,552,865 | 3,525,839 | - | - | 4,552,865 | 3,525,839 |
| Health and human services | 70,010 | 73,213 | - | - | 70,010 | 73,213 |
| Culture, education and recreation | 1,907,835 | 2,183,940 | - | - | 1,907,835 | 2,183,940 |
| Conservation and development | 336,508 | 324,558 | - | - | 336,508 | 324,558 |
| Interest and fiscal charges | 550,371 | 498,944 | - | - | 550,371 | 498,944 |
| Water utility | - | - | 2,577,384 | 1,697,290 | 2,577,384 | 1,697,290 |
| Sewer utility | - | - | 2,506,098 | 2,423,354 | 2,506,098 | 2,423,354 |
| Total Expenses | 16,510,070 | 11,925,292 | 5,083,482 | 4,120,644 | 21,593,552 | 16,045,936 |
| Income Before Transfers | (1,864,339) | 2,236,173 | 1,004,003 | 296,745 | (860,336) | 2,532,918 |
| Transfers | 354,976 | 353,270 | (354,976) | (353,270) | - | - |
| Increase (Decrease) in net position | (1,509,363) | 2,589,443 | 649,027 | (56,525) | (860,336) | 2,532,918 |
| Net Position - beginning | 33,653,273 | 31,063,830 | 16,125,639 | 16,182,164 | 49,778,912 | 47,245,994 |
| Net Position - Ending | \$ 32,143,910 | \$ 33,653,273 | \$ 16,774,666 | \$ 16,125,639 | \$ 48,918,576 | \$ 49,778,912 |

CITY OF PORTAGE, WISCONSIN

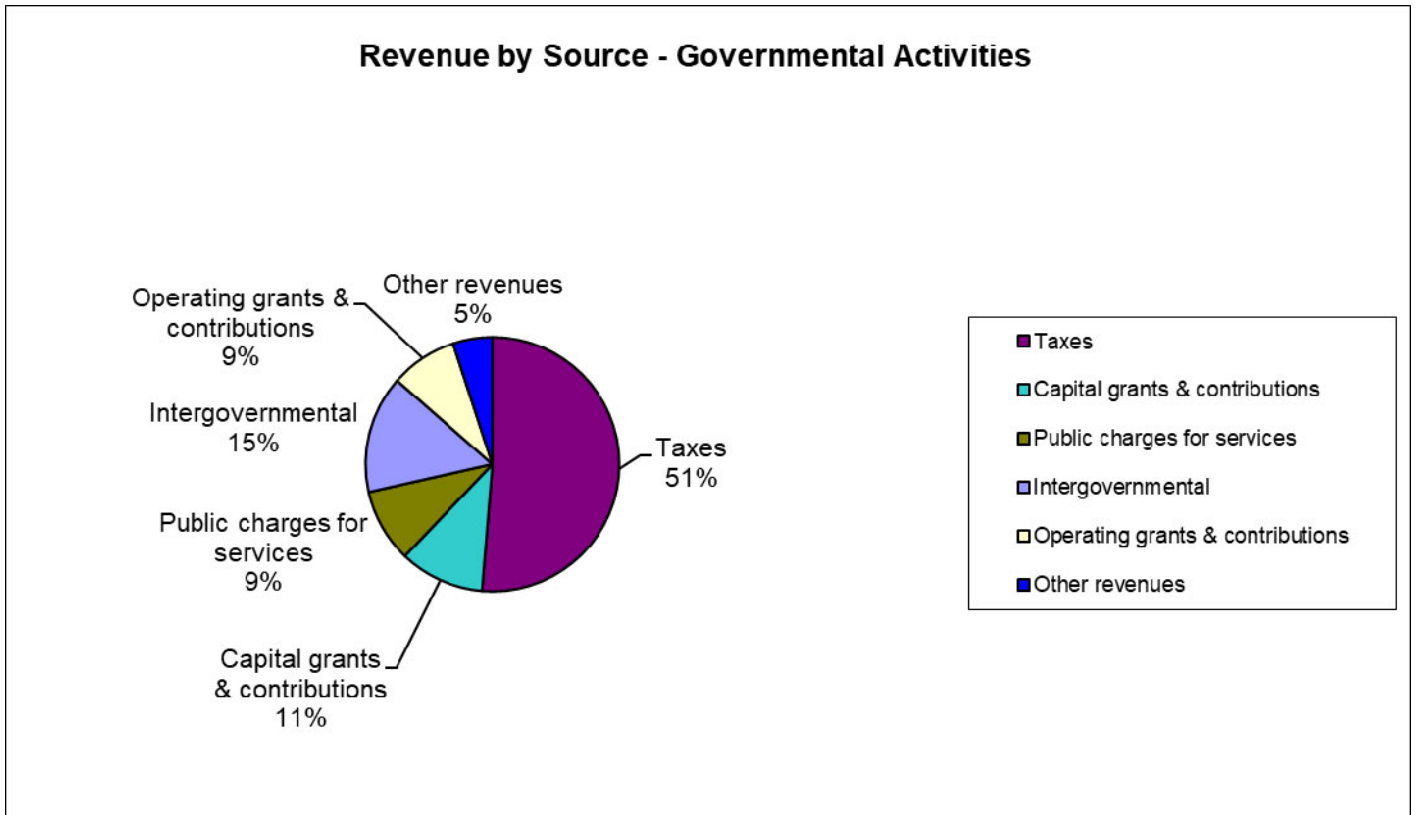
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

As of and for the Year Ended December 31, 2023

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

GOVERNMENTAL ACTIVITIES

The City received a total of \$14,645,731 in governmental activity revenues in 2023. As the following chart indicates, the largest revenue source is taxes followed by intergovernmental revenues.



Total governmental activities expenses were \$16,510,070 in 2023. Expenses exceeded revenue by \$1,864,339. After transfers in, there was a decrease in net position of \$1,509,363.

In 2023, Public Safety (Police, Fire, EMS, Emergency Government) activities accounted for the largest share of City expenditures at 40%. This was followed closely by expenditures on Public Works activities at 28%. Other expenditure areas included General Government at 15%; Culture, Education, and Recreation at 12%, Interest and Fiscal Charges at 3%, Conservation and Development at 2% and Health and Human Services at less than 1%.

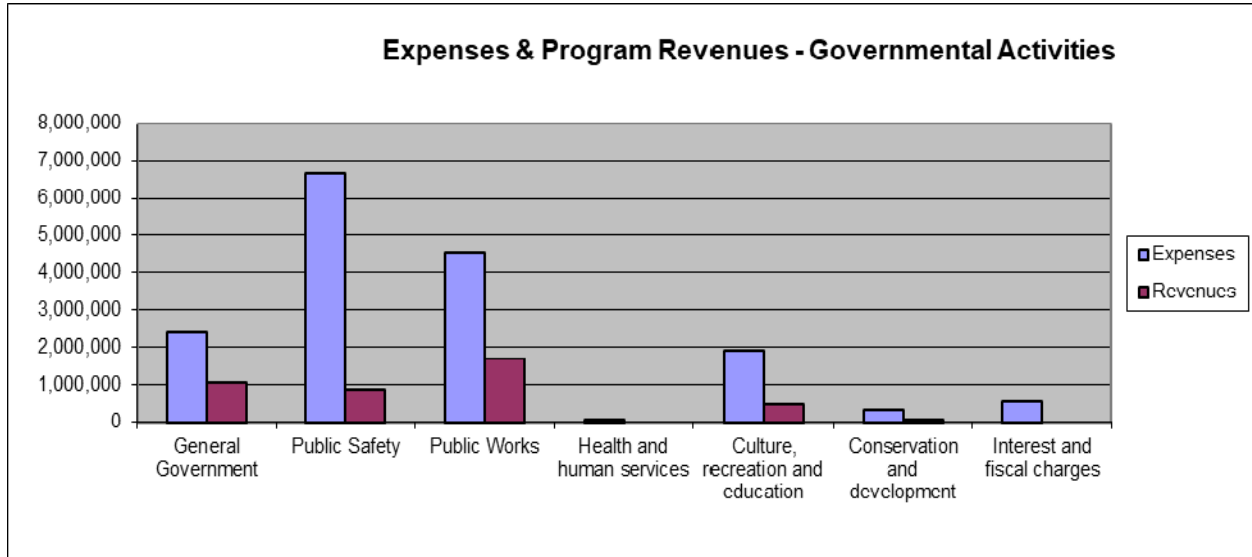
CITY OF PORTAGE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

As of and for the Year Ended December 31, 2023

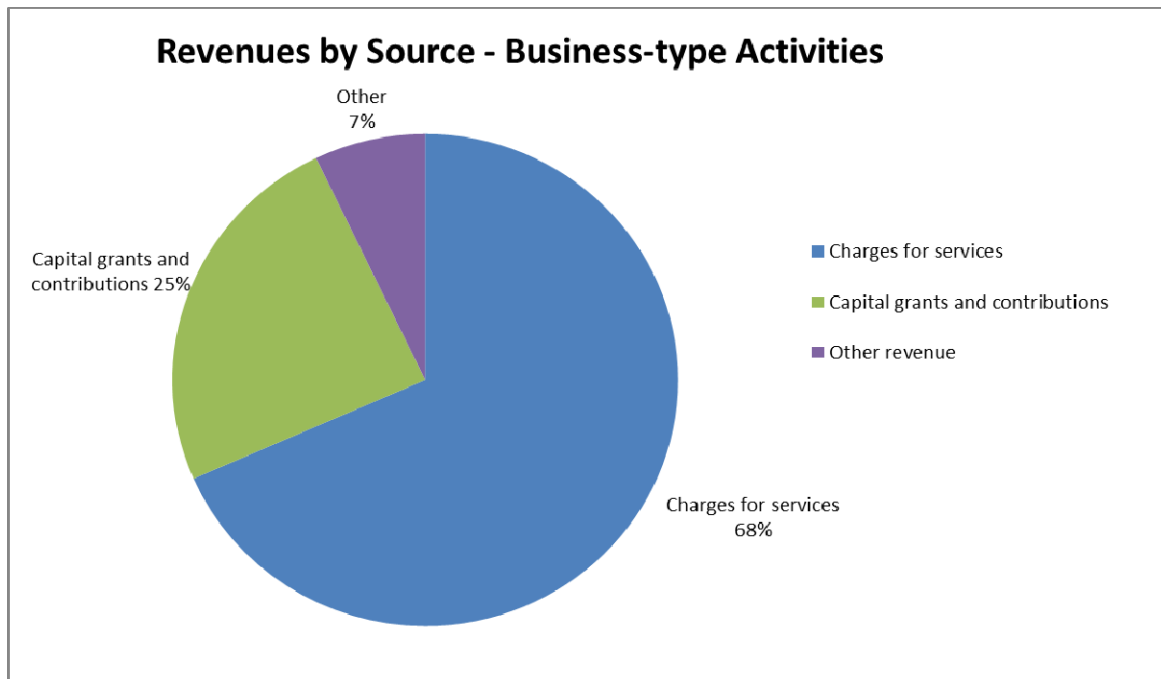
FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (cont.)

GOVERNMENTAL ACTIVITIES (cont.)



BUSINESS-TYPE ACTIVITIES

The City generated \$6,087,485 in business-type activity revenue in 2023 from its Water and Sewer Utilities. Charges for services are by far the largest revenue source for these operations, representing 68% of revenues. In 2023, the City did see an influx of contributed capital which accounted for 25% of revenues.



CITY OF PORTAGE, WISCONSIN

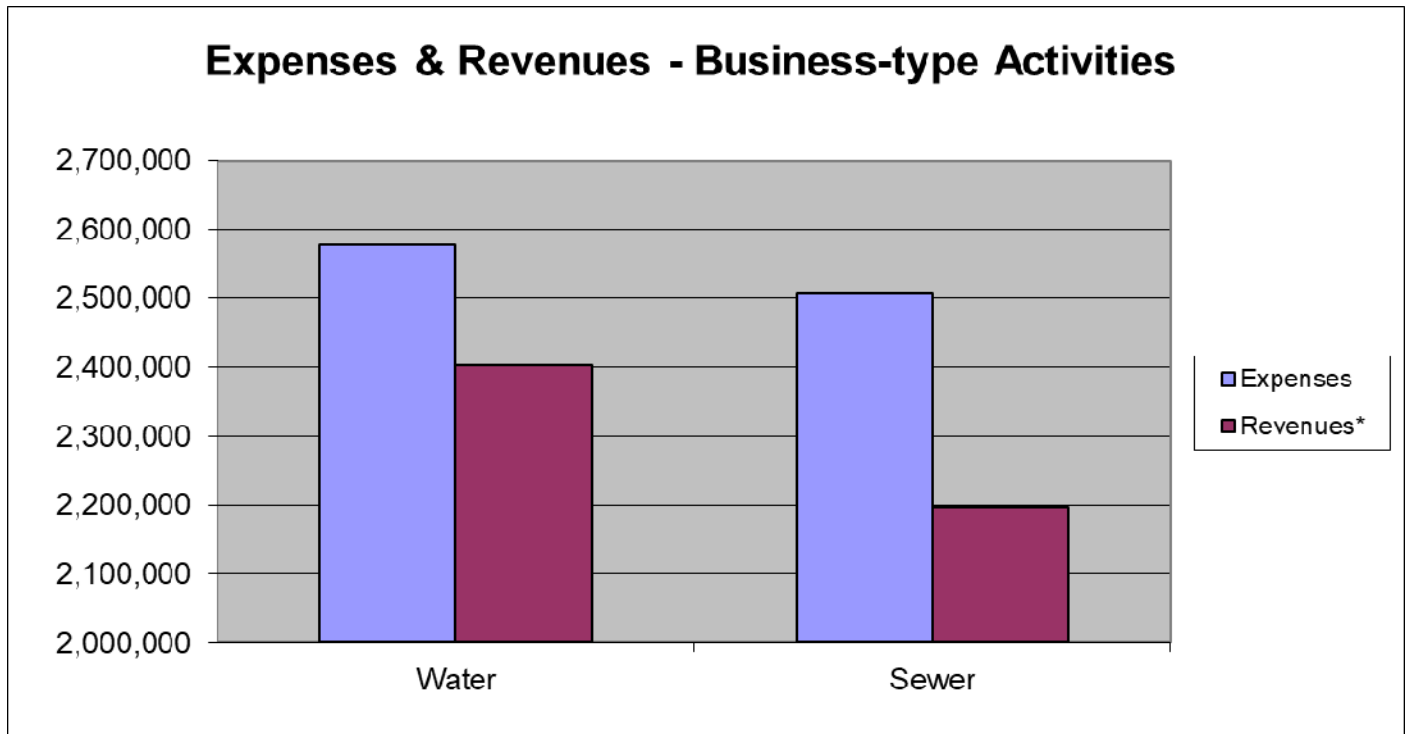
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

As of and for the Year Ended December 31, 2023

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

BUSINESS-TYPE ACTIVITIES (cont.)

Business-type activities increased the City's net position by \$649,027 in 2023, which represents a 4.02% increase over the previous year. The net operating loss of the Water and Sewer Utilities was \$504,524. The following graph compares the revenues to the expenses for each utility. The current water and sewer rates became effective September 2023 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, 2023

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 \$6,680,308. \$5,607,545 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 decreased from \$4,374,441 to \$4,163,386, or \$211,055. Overall, expenditures in the General Fund were over budget by \$604,647; total revenues were \$462,725 higher than budgeted with other financing sources and uses were lower than budget by \$40,133. The General Fund's activities are funded by state aids, property taxes, charges for services and other minor miscellaneous revenues.

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 increased to \$414,592 from \$310,967, or \$103,625 due to premium on debt issuance in 2023.

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 \$1,883,831 to \$1,588,503, a decrease of \$295,328. This decrease is mainly due to capital expenditures exceeding revenues in 2023.

NON-MAJOR GOVERNMENTAL FUNDS

Fund balance of all other governmental funds is a surplus of \$513,827 and is comprised of restricted, committed, and assigned amounts, in addition to some unassigned (deficit) balances. This is a decrease of \$246,361 from 2022. The decrease came largely from the Mass Transit fund of \$218,301 due to timing of payments, addition of TIF 11 \$19,994, TIF 5 decrease of \$65,476, TIF 6 decrease of \$55,109. These decreases were offset by increases in adding CDBG to non-major with a change of \$71,089, Sidewalk Project Fund increase of \$58,459 due to projects getting postponed and other small increases.

CITY OF PORTAGE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) As of and for the Year Ended December 31, 2023

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 \$107,892 or 1.01%. Operating loss was \$194,637, compared to income of \$676,831 in the prior year. This was primarily due to large repairs required for well maintenance.

Sewer Utility – The wastewater treatment plant provides sewer service for the City residents. The sewer utility net position increased \$541,135 or 10%. Operating loss was \$309,887, compared to a loss of \$121,287 in the prior year. This was driven by all operating, maintenance and depreciation costs increasing.

GENERAL FUND BUDGETARY HIGHLIGHTS

The total original and final budget expenditures, including those for transfers out, were \$8,689,125, while the actual expenditures were \$9,293,772 over budget by \$604,647. Actual revenues and other financing sources were above budgeted revenues in total by \$422,592, resulting in a \$182,055 negative variance to budget.

The actual expenditures were below budget in the following areas: public works \$47,162, Conservation & Development \$6,103, and other departments \$190; expenditures were over budget for general government \$138,594 public safety \$499,707 and culture, recreation and education \$19,801. Drivers in general and public safety were EMS services.

Revenues were higher than budget overall leading with intergovernmental charges for services \$165,674, followed by investment income \$162,725, Intergovernmental income \$103,452, miscellaneous \$35,313, public charges for services \$20,002 and taxes \$16,658; offset by being under budget in licenses and permits \$28,184, fines, forfeitures and penalties \$13,215, transfers in \$40,133.

CITY OF PORTAGE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

As of and for the Year Ended December 31, 2023

CAPITAL ASSETS

At the end of 2023, the City had invested a total of \$66,437,028 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, pavement rehab projects; and storm water; street sweeper, several park and path improvements, lawn mowers, purchase of a fire aerial truck, ambulance, land for public works garage and three police squads.

| CITY OF PORTAGE CAPITAL ASSETS AT YEAR-END NET OF ACCUMULATED DEPRECIATION | | | |
|---|---|--|----------------------|
| | Governmental Activities 2023 | Business-type Activities 2023 | Total |
| Land | \$ 2,494,501 | \$ 500,618 | \$ 2,995,119 |
| Construction in progress | 870,594 | 413,980 | 1,284,574 |
| Buildings and improvement | 17,238,606 | | 17,238,606 |
| Equipment | 10,911,836 | | 10,911,836 |
| Infrastructure | 46,061,543 | | 46,061,543 |
| Water plant | | 25,579,599 | 25,579,599 |
| Sewer plant | | 30,727,823 | 30,727,823 |
| Less Depreciation | (34,726,106) | (33,635,966) | (68,362,072) |
| Totals | \$ 42,850,974 | \$ 23,586,054 | \$ 66,437,028 |

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

LONG-TERM DEBT

The City had \$32,534,486 in outstanding notes and bonds payable at the end of 2023. Of the bonded debt, \$18,116,151 is to be repaid with general property taxes (of which \$2,545,000 are TID obligations). \$14,418,335 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, 2023

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 \$19,486,151, which is 40.4% of the maximum \$48,190,075 allowable.

| CITY OF PORTAGE'S OUTSTANDING BONDS AND NOTES | | | |
|---|---|--|---------------|
| | Governmental Activities 2023 | Business-type Activities 2023 | Total |
| General obligation bonds and notes payable | \$ 18,116,151 | \$ 1,370,000 | \$ 19,486,151 |
| Revenue bonds | - | 13,048,335 | 13,048,335 |
| Totals | \$ 18,116,151 | \$ 14,418,335 | \$ 32,534,486 |

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 2023 was 9,915, making it the largest city within the county.

The property tax base posted a 13.21% increase in equalized value for 2023. Assessment data indicates that the rate of appreciation in value of all classes of property as 10.58% in 2023.

The City of Portage Council adopted the 2023 budget in November 2022. The budget authorizes General Fund expenditures of \$8.69 million, a 1.36% increase from the previous year. The combined property tax levy for all funds is \$6.68 million, a 4.27% 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 has been 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 and the remaining 50% in June 2022. The funds are to cover costs incurred by December 31, 2024.

All other currently known facts and economic conditions were considered in preparing the 2024 budget.

CITY OF PORTAGE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

As of and for the Year Ended December 31, 2023

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 Michael Bablick, City Administrator.

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

BASIC FINANCIAL STATEMENTS

City of Portage

Statement of Net Position

December 31, 2023

| | Governmental Activities | Business- Type Activities | Total | BID Fund |
|--|------------------------------------|--|---------------------|-----------------|
| Assets and Deferred Outflows of Resources | | | | |
| Assets | | | | |
| Cash and investments | \$ 6,998,596 | \$ 4,913,080 | \$ 11,911,676 | \$ - |
| Receivables (net): | | | | |
| Taxes | 7,713,311 | 12,510 | 7,725,821 | 100,522 |
| Accounts | 519,084 | 405,905 | 924,989 | - |
| Delinquent personal property taxes | 2,849 | - | 2,849 | - |
| Loans | 1,108,710 | - | 1,108,710 | - |
| Special assessments | 40,207 | 5,116 | 45,323 | - |
| Other receivables | 324 | - | 324 | - |
| Internal balances | 348,380 | (348,380) | - | - |
| Due from other governmental units | 41,394 | - | 41,394 | - |
| Due from primary government | - | - | - | 8,426 |
| Inventories and prepaid items | 218,233 | 157,703 | 375,936 | 286 |
| Restricted assets: | | | | |
| Cash and investments | 32,417 | 3,662,044 | 3,694,461 | - |
| Capital assets: | | | | |
| Land | 2,494,501 | 500,618 | 2,995,119 | - |
| Construction in progress | 870,594 | 413,980 | 1,284,574 | - |
| Capital assets, being depreciated | 74,211,985 | 56,307,422 | 130,519,407 | 46,479 |
| Less accumulated depreciation | <u>(34,726,106)</u> | <u>(33,635,966)</u> | <u>(68,362,072)</u> | <u>(34,983)</u> |
| Total assets | <u>59,874,479</u> | <u>32,394,032</u> | <u>92,268,511</u> | <u>120,730</u> |
| Deferred Outflows of Resources | | | | |
| Pension related amounts | <u>7,313,865</u> | <u>683,420</u> | <u>7,997,285</u> | <u>-</u> |
| Total deferred outflows of resources | <u>7,313,865</u> | <u>683,420</u> | <u>7,997,285</u> | <u>-</u> |
| Liabilities, Deferred Inflows of Resources and Net Position | | | | |
| Liabilities | | | | |
| Accounts payable | 405,084 | 598,483 | 1,003,567 | 11,803 |
| Accrued liabilities and deposits | 493,436 | 33,451 | 526,887 | - |
| Due to other governmental units | 872 | - | 872 | 18,873 |
| Due to component unit | 8,426 | - | 8,426 | - |
| Unearned revenues | 346,554 | - | 346,554 | - |
| Liabilities payable from restricted assets: | | | | |
| Accrued interest | - | 65,806 | 65,806 | - |
| Revenue bonds payable | - | 666,059 | 666,059 | - |
| Net pension liability | 1,949,232 | 185,687 | 2,134,919 | - |
| Noncurrent liabilities: | | | | |
| Due within one year | 2,144,986 | 418,000 | 2,562,986 | - |
| Due in more than one year | <u>17,945,522</u> | <u>13,928,127</u> | <u>31,873,649</u> | <u>-</u> |
| Total liabilities | <u>23,294,112</u> | <u>15,895,613</u> | <u>39,189,725</u> | <u>30,676</u> |
| Deferred Inflows of Resources | | | | |
| Unearned revenues | 7,681,733 | - | 7,681,733 | 100,522 |
| Pension related amounts | <u>4,068,589</u> | <u>407,173</u> | <u>4,475,762</u> | <u>-</u> |
| Total deferred inflows of resources | <u>11,750,322</u> | <u>407,173</u> | <u>12,157,495</u> | <u>100,522</u> |

See notes to financial statements

City of Portage

Statement of Net Position
December 31, 2023

| | <u>Governmental Activities</u> | <u>Business- Type Activities</u> | <u>Total</u> | <u>BID Fund</u> |
|----------------------------------|------------------------------------|--|----------------------|--------------------|
| Net Position | | | | |
| Net investment in capital assets | \$ 25,628,649 | \$ 9,450,465 | \$ 35,079,114 | \$ - |
| Restricted for: | | | | |
| Debt service | 255,438 | 924,907 | 1,180,345 | - |
| Equipment replacement | 214,538 | 928,131 | 1,142,669 | - |
| Loan programs | 1,460,757 | - | 1,460,757 | - |
| Capital projects | 295,881 | - | 295,881 | - |
| TIF projects | 356,522 | - | 356,522 | - |
| Library | 270,627 | - | 270,627 | - |
| Donations | 182,497 | - | 182,497 | - |
| Unrestricted (deficit) | <u>3,479,001</u> | <u>5,471,163</u> | <u>8,950,164</u> | <u>(10,468)</u> |
| Total net position | <u>\$ 32,143,910</u> | <u>\$ 16,774,666</u> | <u>\$ 48,918,576</u> | <u>\$ (10,468)</u> |

See notes to financial statements

City of Portage

Statement of Activities

Year Ended December 31, 2023

| 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 | \$ 2,422,653 | \$ 140,080 | \$ 223,364 | \$ 706,716 | \$ (1,352,493) | \$ - | \$ (1,352,493) | \$ - |
| Public safety | 6,669,828 | 686,410 | 101,872 | 100,000 | (5,781,546) | - | (5,781,546) | - |
| Public works | 4,552,865 | 385,080 | 640,287 | 675,320 | (2,852,178) | - | (2,852,178) | - |
| Health and human services | 70,010 | - | - | - | (70,010) | - | (70,010) | - |
| Culture, education and recreation | 1,907,835 | 118,154 | 266,746 | 100,345 | (1,422,590) | - | (1,422,590) | - |
| Conservation and development | 336,508 | 41,497 | 16,432 | - | (278,579) | - | (278,579) | - |
| Interest and fiscal charges | 550,371 | - | - | - | (550,371) | - | (550,371) | - |
| Total governmental activities | <u>16,510,070</u> | <u>1,371,221</u> | <u>1,248,701</u> | <u>1,582,381</u> | <u>(12,307,767)</u> | <u>-</u> | <u>(12,307,767)</u> | <u>-</u> |
| Business-type activities: | | | | | | | | |
| Water utility | 2,577,384 | 2,222,361 | - | 638,033 | - | 283,010 | 283,010 | - |
| Sewer utility | 2,506,098 | 1,943,578 | - | 851,029 | - | 288,509 | 288,509 | - |
| Total business-type activities | <u>5,083,482</u> | <u>4,165,939</u> | <u>-</u> | <u>1,489,062</u> | <u>-</u> | <u>571,519</u> | <u>571,519</u> | <u>-</u> |
| Total primary government | <u>\$ 21,593,552</u> | <u>\$ 5,537,160</u> | <u>\$ 1,248,701</u> | <u>\$ 3,071,443</u> | <u>(12,307,767)</u> | <u>571,519</u> | <u>(11,736,248)</u> | <u>-</u> |
| Component Unit | | | | | | | | |
| BID Fund | <u>\$ 127,459</u> | <u>\$ 3,057</u> | <u>\$ -</u> | <u>\$ -</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(124,402)</u> |
| General Revenues | | | | | | | | |
| Taxes: | | | | | | | | |
| Property taxes, levied for general purposes | | | | | 4,626,514 | - | 4,626,514 | 89,500 |
| Property taxes, levied for debt service | | | | | 1,459,634 | - | 1,459,634 | - |
| Property taxes, levied for TIF districts | | | | | 458,771 | - | 458,771 | - |
| Property taxes, levied for the library | | | | | 598,525 | - | 598,525 | - |
| Other taxes | | | | | 373,003 | - | 373,003 | - |
| Intergovernmental revenues not restricted to specific programs | | | | | 2,192,204 | - | 2,192,204 | - |
| Investment income | | | | | 525,516 | 362,091 | 887,607 | 1,608 |
| Gain on sale of capital assets | | | | | 107,798 | - | 107,798 | - |
| Miscellaneous | | | | | 101,463 | 70,393 | 171,856 | - |
| Total general revenues | | | | | <u>10,443,428</u> | <u>432,484</u> | <u>10,875,912</u> | <u>91,108</u> |
| Transfers | | | | | | | | |
| Change in net position | | | | | <u>(1,509,363)</u> | <u>649,027</u> | <u>(860,336)</u> | <u>(33,294)</u> |
| Net Position, Beginning | | | | | | | | |
| | | | | | <u>33,653,273</u> | <u>16,125,639</u> | <u>49,778,912</u> | <u>22,826</u> |
| Net Position (Deficit), Ending | | | | | | | | |
| | | | | | <u>\$ 32,143,910</u> | <u>\$ 16,774,666</u> | <u>\$ 48,918,576</u> | <u>\$ (10,468)</u> |

See notes to financial statements

City of Portage

Balance Sheet - Governmental Funds
December 31, 2023

| | <u>General Fund</u> | <u>Debt Service</u> | <u>Capital Projects Fund</u> |
|---|---------------------|---------------------|--------------------------------------|
| Assets | | | |
| Cash and investments | \$ 1,818,794 | \$ 414,592 | \$ 1,693,514 |
| Receivables: | | | |
| Taxes | 4,684,543 | 1,771,387 | 10,232 |
| Accounts | 179,850 | - | 200,638 |
| Special assessments | - | - | 11,388 |
| Delinquent personal property taxes | 2,849 | - | - |
| Loans | - | - | - |
| Other | - | - | - |
| Due from other governments | 41,394 | - | - |
| Due from other funds | 374,437 | - | - |
| Prepaid items | 86,919 | - | - |
| Restricted cash and investments | - | - | - |
| Advances to other funds | 2,293,287 | - | - |
| | <u>\$ 9,482,073</u> | <u>\$ 2,185,979</u> | <u>\$ 1,915,772</u> |
| Liabilities, Deferred Inflows of Resources and Fund Balances | | | |
| Liabilities | | | |
| Accounts payable | \$ 352,156 | \$ - | \$ 115,881 |
| Accrued liabilities | 265,637 | - | - |
| Deposits | 457 | - | - |
| Due to other governments | 872 | - | - |
| Due to other funds | 6,596 | - | - |
| Due to component units | 8,426 | - | - |
| Advances from other funds | - | - | - |
| Unearned revenue | - | - | - |
| | <u>634,144</u> | <u>-</u> | <u>115,881</u> |
| Deferred Inflows of Resources | | | |
| Property taxes levied for next period | 4,684,543 | 1,771,387 | - |
| Unavailable revenues | - | - | 211,388 |
| | <u>4,684,543</u> | <u>1,771,387</u> | <u>211,388</u> |
| Fund Balances | | | |
| Nonspendable | 2,383,055 | - | - |
| Restricted | - | 414,592 | 1,195,615 |
| Committed | - | - | - |
| Assigned | 447,482 | - | 392,888 |
| Unassigned (deficit) | 1,332,849 | - | - |
| | <u>4,163,386</u> | <u>414,592</u> | <u>1,588,503</u> |
| Total fund balances | <u>4,163,386</u> | <u>414,592</u> | <u>1,588,503</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 9,482,073</u> | <u>\$ 2,185,979</u> | <u>\$ 1,915,772</u> |

See notes to financial statements

| Nonmajor Governmental Funds | Total |
|--|----------------------|
| \$ 3,071,696 | \$ 6,998,596 |
| 1,247,149 | 7,713,311 |
| 138,596 | 519,084 |
| 28,819 | 40,207 |
| - | 2,849 |
| 1,108,710 | 1,108,710 |
| 324 | 324 |
| - | 41,394 |
| - | 374,437 |
| 131,314 | 218,233 |
| 32,417 | 32,417 |
| - | 2,293,287 |
| <u>\$ 5,759,025</u> | <u>\$ 19,342,849</u> |

| | |
|------------------|------------------|
| \$ 87,047 | \$ 555,084 |
| 21,826 | 287,463 |
| 46,362 | 46,819 |
| - | 872 |
| 19,461 | 26,057 |
| - | 8,426 |
| 2,293,287 | 2,293,287 |
| <u>346,554</u> | <u>346,554</u> |
| <u>2,814,537</u> | <u>3,564,562</u> |

| | |
|------------------|------------------|
| 1,225,803 | 7,681,733 |
| <u>1,204,858</u> | <u>1,416,246</u> |
| <u>2,430,661</u> | <u>9,097,979</u> |

| | |
|--------------------|--------------------|
| 131,314 | 2,514,369 |
| 1,482,969 | 3,093,176 |
| 3,155 | 3,155 |
| 1,255,274 | 2,095,644 |
| <u>(2,358,885)</u> | <u>(1,026,036)</u> |
| <u>513,827</u> | <u>6,680,308</u> |

| | |
|---------------------|----------------------|
| <u>\$ 5,759,025</u> | <u>\$ 19,342,849</u> |
|---------------------|----------------------|

See notes to financial statements

City of Portage

Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
December 31, 2023

Total Fund Balances, Governmental Funds \$ 6,680,308

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 | 2,494,501 |
| Construction in progress | 870,594 |
| Other capital assets | 74,211,985 |
| Less accumulated depreciation | (34,726,106) |

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.

1,416,246

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

7,313,865

Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.

(4,068,589)

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 | (18,116,151) |
| Compensated absences | (674,862) |
| Accrued interest | (159,154) |
| Unamortized debt premium | (545,318) |
| Retiree health insurance | (304,177) |
| Settlement obligation | (300,000) |
| Net pension liability | <u>(1,949,232)</u> |

Net Position of Governmental Activities \$ 32,143,910

City of Portage

Statement of Revenues, Expenditures and Changes in Fund Balances -
 Governmental Funds
 Year Ended December 31, 2023

| | <u>General Fund</u> | <u>Debt Service</u> | <u>Capital Projects Fund</u> |
|---|---------------------|---------------------|--------------------------------------|
| Revenues | | | |
| Taxes | \$ 4,681,040 | \$ 1,459,634 | \$ - |
| Special assessments | - | - | - |
| Intergovernmental | 2,844,204 | - | - |
| Licenses and permits | 139,560 | - | - |
| Fines, forfeitures and penalties | 139,035 | - | - |
| Public charges for services | 121,987 | - | 19,388 |
| Intergovernmental charges for services | 479,094 | - | - |
| Investment income | 204,725 | - | 102,334 |
| Miscellaneous | 113,788 | - | 100,345 |
| | <u>8,723,433</u> | <u>1,459,634</u> | <u>222,067</u> |
| Total revenues | | | |
| Expenditures | | | |
| Current: | | | |
| General government | 1,334,893 | - | - |
| Public safety | 4,719,085 | - | - |
| Public works | 1,982,491 | - | - |
| Health and human services | 70,010 | - | - |
| Culture, recreation and education | 806,608 | - | - |
| Conservation and development | 82,596 | - | - |
| Capital outlay | - | - | 3,591,212 |
| Debt service: | | | |
| Principal | - | 1,449,924 | - |
| Interest and fiscal charges | - | 485,088 | 97,904 |
| | <u>8,995,683</u> | <u>1,935,012</u> | <u>3,689,116</u> |
| Total expenditures | | | |
| Excess (deficiency) of revenues over expenditures | <u>(272,250)</u> | <u>(475,378)</u> | <u>(3,467,049)</u> |
| Other Financing Sources (Uses) | | | |
| Debt issued | - | - | 3,140,000 |
| Transfers in | 354,976 | 475,374 | - |
| Sale of capital assets | 4,308 | - | - |
| Premium on debt issued | - | 103,629 | 31,721 |
| Transfers out | (298,089) | - | - |
| | <u>61,195</u> | <u>579,003</u> | <u>3,171,721</u> |
| Total other financing sources (uses) | | | |
| Net change in fund balances | (211,055) | 103,625 | (295,328) |
| Fund Balances, Beginning | <u>4,374,441</u> | <u>310,967</u> | <u>1,883,831</u> |
| Fund Balances, Ending | <u>\$ 4,163,386</u> | <u>\$ 414,592</u> | <u>\$ 1,588,503</u> |

See notes to financial statements

| Nonmajor Governmental Funds | Total |
|--|---------------------|
| \$ 1,375,773 | \$ 7,516,447 |
| 49,665 | 49,665 |
| 1,495,332 | 4,339,536 |
| 85,068 | 224,628 |
| - | 139,035 |
| 523,772 | 665,147 |
| 103,219 | 582,313 |
| 218,457 | 525,516 |
| 308,283 | 522,416 |
| <u>4,159,569</u> | <u>14,564,703</u> |
| 42,017 | 1,376,910 |
| 366,400 | 5,085,485 |
| 1,255,521 | 3,238,012 |
| - | 70,010 |
| 1,205,637 | 2,012,245 |
| 213,846 | 296,442 |
| 1,288,714 | 4,879,926 |
| - | 1,449,924 |
| - | 582,992 |
| <u>4,372,135</u> | <u>18,991,946</u> |
| <u>(212,566)</u> | <u>(4,427,243)</u> |
| 40,000 | 3,180,000 |
| 378,771 | 1,209,121 |
| 103,490 | 107,798 |
| - | 135,350 |
| <u>(556,056)</u> | <u>(854,145)</u> |
| <u>(33,795)</u> | <u>3,778,124</u> |
| (246,361) | (649,119) |
| 760,188 | 7,329,427 |
| <u>\$ 513,827</u> | <u>\$ 6,680,308</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, 2023

Net Change in Fund Balances, Total Governmental Funds \$ (649,119)

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 | 4,879,926 |
| Some items reported as capital outlay were not capitalized | (1,204,128) |
| Depreciation is reported in the government-wide financial statements | (1,985,237) |

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. (26,769)

Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

| | |
|------------------|-------------|
| Debt issued | (3,180,000) |
| Principal repaid | 1,449,924 |

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.

| | |
|------------------------|-----------|
| Premium on debt issued | (135,350) |
| Premium amortization | 33,477 |

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 | 200,465 |
| Retiree health insurance | (101,779) |
| Accrued interest on debt | (857) |
| Net pension asset/liability | (4,875,914) |
| Deferred outflows of resources related to pensions | 1,663,689 |
| Deferred inflows of resources related to pensions | 2,722,309 |
| Settlement obligation | (300,000) |

Change in Net Position of Governmental Activities \$ (1,509,363)

City of Portage

Statement of Net Position - Proprietary Funds
December 31, 2023

| | Business-Type Activities - Enterprise Funds | | |
|---------------------------------------|--|-----------------------|---------------------|
| | Water Utility Fund | Sewer Utility Fund | Total |
| Assets | | | |
| Current assets: | | | |
| Cash and investments | \$ 2,353,950 | \$ 2,559,130 | \$ 4,913,080 |
| Receivables: | | | |
| Taxes | 3,632 | 8,878 | 12,510 |
| Accounts | 348,785 | 57,120 | 405,905 |
| Special assessments | - | 5,116 | 5,116 |
| Due from other funds | 6,596 | 50,848 | 57,444 |
| Inventories and prepaid items | 157,703 | - | 157,703 |
| Restricted cash and investments: | | | |
| Redemption account | 377,716 | 612,997 | 990,713 |
| Total current assets | <u>3,248,382</u> | <u>3,294,089</u> | <u>6,542,471</u> |
| Noncurrent assets: | | | |
| Restricted assets: | | | |
| Construction account | - | 731,601 | 731,601 |
| Reserve account | 373,255 | 638,344 | 1,011,599 |
| Equipment replacement | - | 928,131 | 928,131 |
| Capital assets: | | | |
| Land | 118,723 | 381,895 | 500,618 |
| Construction in progress | - | 413,980 | 413,980 |
| Property and equipment | 25,579,599 | 30,727,823 | 56,307,422 |
| Less accumulated depreciation | <u>(12,174,481)</u> | <u>(21,461,485)</u> | <u>(33,635,966)</u> |
| Total noncurrent assets | <u>13,897,096</u> | <u>12,360,289</u> | <u>26,257,385</u> |
| Total assets | <u>17,145,478</u> | <u>15,654,378</u> | <u>32,799,856</u> |
| Deferred Outflows of Resources | | | |
| Pension related amounts | <u>392,709</u> | <u>290,711</u> | <u>683,420</u> |
| Total deferred outflows of resources | <u>392,709</u> | <u>290,711</u> | <u>683,420</u> |

See notes to financial statements

City of Portage

Statement of Net Position - Proprietary Funds
December 31, 2023

| | Business-Type Activities - Enterprise Funds | | |
|--|--|-------------------------------|----------------------|
| | Water Utility Fund | Sewer Utility Fund | Total |
| Liabilities | | | |
| Current liabilities: | | | |
| Accounts payable | \$ 487,803 | \$ 110,680 | \$ 598,483 |
| Accrued interest | 6,178 | 2,281 | 8,459 |
| Accrued wages | 7,810 | 9,630 | 17,440 |
| Accrued taxes | - | 7,552 | 7,552 |
| Current portion of compensated absences | 15,831 | 32,169 | 48,000 |
| Current portion of general obligation debt | 290,000 | 80,000 | 370,000 |
| Due to other funds | 405,824 | - | 405,824 |
| Current liability from restricted assets: | | | |
| Accrued interest payable | 23,319 | 42,487 | 65,806 |
| Revenue bonds payable | 236,420 | 429,639 | 666,059 |
| Total current liabilities | <u>1,473,185</u> | <u>714,438</u> | <u>2,187,623</u> |
| Noncurrent liabilities: | | | |
| Long-term debt: | | | |
| General obligation debt payable | 615,000 | 385,000 | 1,000,000 |
| Revenue debt payable | 4,168,321 | 8,213,955 | 12,382,276 |
| Unamortized premium | 113,527 | 335,327 | 448,854 |
| Other liabilities: | | | |
| Compensated absences | 16,122 | 80,875 | 96,997 |
| Net pension liability | 106,286 | 79,401 | 185,687 |
| Total noncurrent liabilities | <u>5,019,256</u> | <u>9,094,558</u> | <u>14,113,814</u> |
| Total liabilities | <u>6,492,441</u> | <u>9,808,996</u> | <u>16,301,437</u> |
| Deferred Inflows of Resources | | | |
| Pension related amounts | <u>225,834</u> | <u>181,339</u> | <u>407,173</u> |
| Total deferred inflows of resources | <u>225,834</u> | <u>181,339</u> | <u>407,173</u> |
| Net Position | | | |
| Net investment in capital assets | 8,100,573 | 1,349,892 | 9,450,465 |
| Restricted for: | | | |
| Debt service | 354,397 | 570,510 | 924,907 |
| Equipment replacement | - | 928,131 | 928,131 |
| Unrestricted | <u>2,364,942</u> | <u>3,106,221</u> | <u>5,471,163</u> |
| Total net position | <u>\$ 10,819,912</u> | <u>\$ 5,954,754</u> | <u>\$ 16,774,666</u> |

See notes to financial statements

City of Portage

Statement of Revenues, Expenses and Changes in Net Position -
Proprietary Funds
Year Ended December 31, 2023

| | Business-Type Activities - Enterprise Funds | | |
|--|--|-----------------------|----------------------|
| | Water Utility Fund | Sewer Utility Fund | Total |
| Operating Revenues | | | |
| Public charges for services | \$ 2,222,361 | \$ 1,943,578 | \$ 4,165,939 |
| Total operating revenues | <u>2,222,361</u> | <u>1,943,578</u> | <u>4,165,939</u> |
| Operating Expenses | | | |
| Operation and maintenance | 1,845,273 | 1,369,409 | 3,214,682 |
| Depreciation | 557,668 | 884,056 | 1,441,724 |
| Taxes | 14,057 | - | 14,057 |
| Total operating expenses | <u>2,416,998</u> | <u>2,253,465</u> | <u>4,670,463</u> |
| Operating income (loss) | <u>(194,637)</u> | <u>(309,887)</u> | <u>(504,524)</u> |
| Nonoperating Revenues (Expenses) | | | |
| Investment income | 161,609 | 200,482 | 362,091 |
| Interest and fiscal charges | (160,386) | (252,633) | (413,019) |
| Miscellaneous | 18,249 | 52,144 | 70,393 |
| Total nonoperating revenues (expenses) | <u>19,472</u> | <u>(7)</u> | <u>19,465</u> |
| Income (loss) before contributions and transfers | <u>(175,165)</u> | <u>(309,894)</u> | <u>(485,059)</u> |
| Contributions and Transfers | | | |
| Contributions in aid of construction | 638,033 | 851,029 | 1,489,062 |
| Transfers out | (354,976) | - | (354,976) |
| Total contributions and transfers | <u>283,057</u> | <u>851,029</u> | <u>1,134,086</u> |
| Change in net position | 107,892 | 541,135 | 649,027 |
| Net Position, Beginning | <u>10,712,020</u> | <u>5,413,619</u> | <u>16,125,639</u> |
| Net Position, Ending | <u>\$ 10,819,912</u> | <u>\$ 5,954,754</u> | <u>\$ 16,774,666</u> |

See notes to financial statements

City of Portage

Statement of Cash Flows - Proprietary Funds
Year Ended December 31, 2023

| | Business-Type Activities - Enterprise Funds | | |
|---|--|-------------------------------|----------------------------|
| | Water Utility Fund | Sewer Utility Fund | Total |
| Cash Flows From Operating Activities | | | |
| Received from customers | \$ 2,268,311 | \$ 1,946,035 | \$ 4,214,346 |
| Paid to suppliers for goods and services | (1,213,707) | (942,339) | (2,156,046) |
| Paid to employees for services | (279,120) | (430,723) | (709,843) |
| Net cash flows from operating activities | <u>775,484</u> | <u>572,973</u> | <u>1,348,457</u> |
| Cash Flows From Investing Activities | | | |
| Investment income | <u>161,609</u> | <u>200,482</u> | <u>362,091</u> |
| Net cash flows from investing activities | <u>161,609</u> | <u>200,482</u> | <u>362,091</u> |
| Cash Flows From Noncapital Financing Activities | | | |
| Paid to municipality for tax equivalent | <u>(354,976)</u> | <u>-</u> | <u>(354,976)</u> |
| Net cash flows from noncapital financing activities | <u>(354,976)</u> | <u>-</u> | <u>(354,976)</u> |
| Cash Flows From Capital and Related Financing Activities | | | |
| Debt retired | (516,265) | (493,030) | (1,009,295) |
| Interest paid | (170,910) | (277,853) | (448,763) |
| Special assessments received | - | 10,654 | 10,654 |
| Acquisition and construction of capital assets | (754,039) | (1,479,056) | (2,233,095) |
| Contribution received for construction | <u>-</u> | <u>4,900</u> | <u>4,900</u> |
| Net cash flows from capital and related financing activities | <u>(1,441,214)</u> | <u>(2,234,385)</u> | <u>(3,675,599)</u> |
| Net change in cash and cash equivalents | (859,097) | (1,460,930) | (2,320,027) |
| Cash and Cash Equivalents, Beginning | <u>3,964,018</u> | <u>6,931,133</u> | <u>10,895,151</u> |
| Cash and Cash Equivalents, Ending | <u><u>\$ 3,104,921</u></u> | <u><u>\$ 5,470,203</u></u> | <u><u>\$ 8,575,124</u></u> |

See notes to financial statements

City of Portage

Statement of Cash Flows - Proprietary Funds
Year Ended December 31, 2023

| | Business-Type Activities - Enterprise Funds | | |
|--|--|-------------------------------|---------------------|
| | Water Utility Fund | Sewer Utility Fund | Total |
| Reconciliation of Operating Income (Loss) to Net Cash Flows From Operating Activities | | | |
| Operating income (loss) | \$ (194,637) | \$ (309,887) | \$ (504,524) |
| Nonoperating revenue | 18,249 | 52,144 | 70,393 |
| Adjustments to reconcile operating income (loss) to net cash flows from operating activities: | | | |
| Depreciation | 557,668 | 884,056 | 1,441,724 |
| Depreciation charged to other funds | 38,727 | - | 38,727 |
| Changes in assets and liabilities: | | | |
| Customer accounts receivable | (7,394) | 1,719 | (5,675) |
| Receivable from municipality | 2,964 | - | 2,964 |
| Other accounts receivable | (6,596) | (46,254) | (52,850) |
| Receivable from other utility | - | (5,152) | (5,152) |
| Material and supplies | (103,920) | - | (103,920) |
| Prepayments | 3,288 | 8,651 | 11,939 |
| Accounts payable | 431,219 | (53,439) | 377,780 |
| Payable to municipality | 1,706 | - | 1,706 |
| Payable to other utility | 5,152 | - | 5,152 |
| Other current liabilities | 1,455 | 3,534 | 4,989 |
| Accrued sick leave | 6,014 | 13,341 | 19,355 |
| Pension related deferrals and liabilities | 21,589 | 24,260 | 45,849 |
| Net cash flows from operating activities | <u>\$ 775,484</u> | <u>\$ 572,973</u> | <u>\$ 1,348,457</u> |
| Reconciliation of Cash and Cash Equivalents to the Statement of Net Position, Proprietary Funds | | | |
| Unrestricted cash and investments | \$ 2,353,950 | \$ 2,559,130 | \$ 4,913,080 |
| Restricted cash and investments | | | |
| Redemption account | 377,716 | 612,997 | 990,713 |
| Reserve account | 373,255 | 638,344 | 1,011,599 |
| Equipment replacement account | - | 928,131 | 928,131 |
| Construction account | - | 731,601 | 731,601 |
| Cash and cash equivalents | <u>\$ 3,104,921</u> | <u>\$ 5,470,203</u> | <u>\$ 8,575,124</u> |
| Noncash Capital and Related Financing Activities | | | |
| Amortization of debt premium | <u>\$ 7,884</u> | <u>\$ 20,311</u> | |
| Developer contributed capital | <u>\$ 638,033</u> | <u>\$ 846,129</u> | |

See notes to financial statements

City of Portage

Statement of Fiduciary Net Position - Fiduciary Fund
December 31, 2023

| | <u>Custodial Fund Tax Roll Fund</u> |
|---------------------------|---|
| Assets | |
| Cash and investments | \$ 3,370,678 |
| Property taxes receivable | <u>6,705,744</u> |
| Total assets | <u>10,076,422</u> |
| Liabilities | |
| Due to other governments | <u>10,076,422</u> |
| Total liabilities | <u>10,076,422</u> |
| Net Position | |
| Total net position | <u><u>\$ -</u></u> |

City of Portage

Statement of Changes in Fiduciary Net Position -
Fiduciary Fund
Year Ended December 31, 2023

| | Custodial Fund <u>Tax Roll Fund</u> |
|---|--|
| Additions | |
| Property taxes collected for other governments | \$ 6,899,180 |
| Total additions | <u>6,899,180</u> |
| Deductions | |
| Property taxes distributed to other governments | <u>6,899,180</u> |
| Total deductions | <u>6,899,180</u> |
| Change in fiduciary net position | - |
| Net Position, Beginning | <u>-</u> |
| Net Position, Ending | <u><u>\$ -</u></u> |

City of Portage

Index to Notes to Financial Statements
December 31, 2023

| | <u>Page</u> |
|--|-------------|
| 1. Summary of Significant Accounting Policies | 18 |
| Reporting Entity | 18 |
| Government-Wide and Fund Financial Statements | 19 |
| Measurement Focus, Basis of Accounting and Financial Statement Presentation | 21 |
| Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity | 22 |
| Deposits and Investments | 22 |
| Receivables | 24 |
| Inventories and Prepaid Items | 25 |
| Restricted Assets | 25 |
| Capital Assets | 25 |
| Deferred Outflows of Resources | 26 |
| Compensated Absences | 26 |
| Long-Term Obligations | 26 |
| Deferred Inflows of Resources | 26 |
| Equity Classifications | 27 |
| Pension | 28 |
| Basis for Existing Rates | 28 |
| 2. Stewardship, Compliance and Accountability | 28 |
| Budgetary Information | 28 |
| Excess Expenditures and Other Financing Uses Over Budget | 29 |
| Deficit Balances | 29 |
| Limitations on the City's Tax Levy | 30 |
| 3. Detailed Notes on All Funds | 30 |
| Deposits and Investments | 30 |
| Receivables | 31 |
| Restricted Assets | 32 |
| Capital Assets | 33 |
| Interfund Receivables/Payables, Advances and Transfers | 35 |
| Long-Term Obligations | 37 |
| Net Position/Fund Balances | 43 |
| Component Unit | 44 |
| 4. Other Information | 45 |
| Employees' Retirement System | 45 |
| Risk Management | 50 |
| Commitments and Contingencies | 51 |
| Joint Ventures | 51 |
| Subsequent Events | 51 |
| Effect of New Accounting Standards on Current-Period Financial Statements | 52 |

City of Portage

Notes to Financial Statements
December 31, 2023

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 2023 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, 2023. 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.
- 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, 2023

- 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.

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 Fund

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

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 |
| Postretirement Benefits Fund | Recycling Fund |
| Library Memorial Fund | CDBG Fund |
| Mass Transit Fund | |

City of Portage

Notes to Financial Statements
December 31, 2023

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 | TIF #11 |

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.

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.

City of Portage

Notes to Financial Statements
December 31, 2023

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 to 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.

City of Portage

Notes to Financial Statements
December 31, 2023

- 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.

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.

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.

City of Portage

Notes to Financial Statements
December 31, 2023

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, 2023, 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 county government 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 - 2023 tax roll:

| | |
|---|------------------|
| Lien date and levy date | December 2023 |
| Tax bills mailed | December 2023 |
| Payment in full, or | January 31, 2024 |
| First installment due | January 31, 2024 |
| Second installment due | July 31, 2024 |
| Personal property taxes in full | January 31, 2024 |
| Tax sale, 2023 delinquent real estate taxes | October 2026 |

Delinquent real estate taxes as of July 31 are paid in full by the County, which assumes the collection thereof. No provision for uncollectible accounts receivable has been made for the water and sewer utilities because they have the right by law to place substantially all delinquent bills on the tax roll and other delinquent bills are generally not significant.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as internal balances.

In the governmental fund financial statements, advances to other funds are offset equally by a nonspendable fund balance account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation or by a restricted fund balance account, if the funds will ultimately be restricted when the advance is repaid.

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

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

City of Portage

Notes to Financial Statements
December 31, 2023

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. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

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 Financial 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 general capital assets and \$1,000 for infrastructure assets and an estimated useful life in excess of three years. All capital assets are valued at historical cost or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor and overhead. 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.

City of Portage

Notes to Financial Statements
December 31, 2023

Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net assets 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 eleven participants currently eligible and receiving benefits. The total amount outstanding at year-end to be paid in the future is \$304,177 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, 2023, are determined on the basis of current salary rates and include salary related payments.

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, claims payable 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 assets 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.
- 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.

City of Portage

Notes to Financial Statements
December 31, 2023

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

The fiduciary net position of the Wisconsin Retirement System (WRS) has been determined using the flow of economic resources measurement focus and accrual basis of accounting. This includes for purposes of measuring the following:

- Net Pension Liability (Asset);
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions; and
- Pension Expense (Revenue).

Information about the fiduciary net position of the WRS and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by the 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 to be effective on September 1, 2023.

Sewer Utility Fund

Current sewer rates were approved by the Common Council on September 23, 2021 and were effective October 1, 2021.

2. Stewardship, Compliance and Accountability

Budgetary Information

A budget has been adopted for the all funds except for TIF #11 Fund, as it was created during 2023. Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds.

City of Portage

Notes to Financial Statements
December 31, 2023

Excess Expenditures and Other Financing Uses Over Budget

| Funds | Budgeted Expenditures and Other Financing Uses | Actual Expenditures and Other Financing Uses | Excess Expenditures and Other Financing Uses Over Budget |
|------------------------------|---|---|--|
| Capital Projects Fund | \$ 3,002,116 | \$ 3,689,116 | \$ 687,000 |
| Library Fund | 827,037 | 856,214 | 29,177 |
| Debt Service Fund | 1,935,007 | 1,935,012 | 5 |
| Recycling Fund | 20,000 | 20,001 | 1 |
| Library, Restricted Fund | 4,500 | 32,291 | 27,791 |
| Library Memorial Fund | 3,000 | 4,720 | 1,720 |
| Criminal Investigation Fund | 3,000 | 10,363 | 7,363 |
| Tourism Fund | 175,100 | 197,094 | 21,994 |
| School Liaison Fund | 112,065 | 128,153 | 16,088 |
| Ambulance Fund | 90 | 54,553 | 54,463 |
| Postretirement Benefits Fund | 117,724 | 135,086 | 17,362 |
| TIF #6 | 55,236 | 75,842 | 20,606 |
| TIF #9 | 13,838 | 37,621 | 23,783 |
| ARPA | - | 706,716 | 706,716 |
| Alley | - | 4,826 | 4,826 |

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, 2023, the following individual funds held a deficit balance:

| Fund | Amount | Reason |
|------------------------------|-----------|-------------------------------------|
| Mass Transit Fund | \$ 70,005 | Costs exceed accumulated revenues |
| Swimming Pool Fund | 77,722 | Costs exceed accumulated revenues |
| Inspection Fund | 22,526 | Costs exceed accumulated revenues |
| Postretirement Benefits Fund | 62,661 | Costs exceed accumulated revenues |
| TIF #4 | 1,218,953 | Costs exceed accumulated increments |
| TIF #5 | 673,365 | Costs exceed accumulated increments |
| TIF #6 | 161,950 | Costs exceed accumulated increments |
| TIF #9 | 51,709 | Costs exceed accumulated increments |
| TIF #11 | 19,994 | 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. Mass Transit, Swimming Pool, Inspection and Postretirement Benefits Fund 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, 2023

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 net 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 | \$ 17,630,495 | \$ 17,938,041 | Custodial credit |
| LGIP | 1,344,251 | 1,344,251 | Credit |
| Petty cash | <u>2,069</u> | <u>-</u> | N/A |
| Total deposits and investments | <u>\$ 18,976,815</u> | <u>\$ 19,282,292</u> | |
| Reconciliation to financial statements | | | |
| Per statement of net position: | | | |
| Unrestricted cash and investments | \$ 11,911,676 | | |
| Restricted cash and investments | 3,694,461 | | |
| Per statement of net position, fiduciary fund: | | | |
| Custodial fund | <u>3,370,678</u> | | |
| Total deposits and investments | <u>\$ 18,976,815</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, 2023, the banks had pledged various government securities in the amount of \$1,866,299 to secure the City's deposits.

City of Portage

Notes to Financial Statements
December 31, 2023

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 | \$ 7,681,733 | \$ - |
| Loans | - | 1,135,305 |
| Special assessments not yet due | - | 40,117 |
| Grant | - | 200,000 |
| ARPA funds | 346,554 | - |
| Donations | - | 3,314 |
| Developer payment | - | 37,510 |
| | <u> </u> | <u> </u> |
| Total unearned/unavailable revenue for governmental funds | <u>\$ 8,028,287</u> | <u>\$ 1,416,246</u> |
| Unearned revenue included in liabilities | \$ 346,554 | |
| Unearned revenue included in deferred inflows | <u>7,681,733</u> | |
| Total unearned revenue for governmental funds | <u>\$ 8,028,287</u> | |

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

City of Portage

Notes to Financial Statements
December 31, 2023

At December 31, 2023, 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.

Restricted Assets

The following represent the balances of the restricted assets:

Long-Term Debt Accounts

Redemption - Used to segregate resources accumulated for debt service payments over the next twelve months.

Reserve - Used to report resources set aside to make up potential future deficiencies in the redemption account.

Construction - Used to report proceeds of revenue bond issuances that are restricted for use in construction.

Equipment Replacement Account

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

Library Restricted Account

Used to report amounts donated for library purposes.

Following is a list of restricted assets at December 31, 2023:

| | |
|--------------------------|---------------------|
| Restricted assets: | |
| Redemption account | \$ 990,713 |
| Reserve account | 1,011,599 |
| Replacement account | 928,131 |
| Construction account | 731,601 |
| Library restricted funds | <u>32,417</u> |
| Total restricted assets | <u>\$ 3,694,461</u> |

City of Portage

Notes to Financial Statements
December 31, 2023

Capital Assets

Capital asset activity for the year ended December 31, 2023, 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 | \$ 350,151 | \$ - | \$ 2,494,501 |
| Construction in progress | <u>2,474,132</u> | <u>-</u> | <u>1,603,538</u> | <u>870,594</u> |
| Total capital assets not being depreciated | <u>4,618,482</u> | <u>350,151</u> | <u>1,603,538</u> | <u>3,365,095</u> |
| Capital assets being depreciated: | | | | |
| Buildings | 11,542,703 | 76,128 | - | 11,618,831 |
| Land improvements | 5,426,018 | 237,131 | 43,374 | 5,619,775 |
| Equipment | 3,578,796 | 152,453 | 123,272 | 3,607,977 |
| Vehicles | 6,735,013 | 832,021 | 263,175 | 7,303,859 |
| Infrastructure | <u>43,589,769</u> | <u>3,631,452</u> | <u>1,159,678</u> | <u>46,061,543</u> |
| Total capital assets being depreciated | <u>70,872,299</u> | <u>4,929,185</u> | <u>1,589,499</u> | <u>74,211,985</u> |
| Total capital assets | <u>75,490,781</u> | <u>5,279,336</u> | <u>3,193,037</u> | <u>77,577,080</u> |
| Less accumulated depreciation for: | | | | |
| Buildings | (5,361,135) | (249,312) | - | (5,610,447) |
| Land improvements | (1,788,420) | (184,244) | 43,374 | (1,929,290) |
| Equipment | (2,611,983) | (149,841) | 123,272 | (2,638,552) |
| Vehicles | (4,258,895) | (435,983) | 263,175 | (4,431,703) |
| Infrastructure | <u>(20,309,935)</u> | <u>(965,857)</u> | <u>1,159,678</u> | <u>(20,116,114)</u> |
| Total accumulated depreciation | <u>(34,330,368)</u> | <u>(1,985,237)</u> | <u>1,589,499</u> | <u>(34,726,106)</u> |
| Net capital assets being depreciated | <u>36,541,931</u> | <u>2,943,948</u> | <u>-</u> | <u>39,485,879</u> |
| Total governmental activities capital assets, net as reported in the statement of net position | <u>\$ 41,160,413</u> | <u>\$ 3,294,099</u> | <u>\$ 1,603,538</u> | <u>\$ 42,850,974</u> |

Depreciation expense was charged to functions as follows:

| | |
|--|---------------------|
| Governmental Activities | |
| General government | \$ 104,552 |
| Public safety | 275,592 |
| Public works | 1,223,485 |
| Culture, education and recreation | <u>381,608</u> |
| Total governmental activities depreciation expense | <u>\$ 1,985,237</u> |

City of Portage

Notes to Financial Statements
December 31, 2023

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>27,983</u> | <u>118,723</u> |
| Capital assets being depreciated: | | | | |
| Source of supply | 5,561,549 | - | - | 5,561,549 |
| Pumping | 793,668 | 18,375 | 11,485 | 800,558 |
| Water treatment | 2,572,188 | - | - | 2,572,188 |
| Transmission and distribution | 12,540,579 | 1,234,711 | 73,185 | 13,702,105 |
| General | 2,776,230 | 166,969 | - | 2,943,199 |
| Total capital assets being depreciated | <u>24,244,214</u> | <u>1,420,055</u> | <u>84,670</u> | <u>25,579,599</u> |
| Total capital assets | <u>24,390,920</u> | <u>1,420,055</u> | <u>112,653</u> | <u>25,698,322</u> |
| Less accumulated depreciation for: | | | | |
| Water system | <u>(11,662,756)</u> | <u>(596,395)</u> | <u>84,670</u> | <u>(12,174,481)</u> |
| Total accumulated depreciation | <u>(11,662,756)</u> | <u>(596,395)</u> | <u>84,670</u> | <u>(12,174,481)</u> |
| Net capital assets being depreciated | <u>12,581,458</u> | <u>823,660</u> | <u>-</u> | <u>13,405,118</u> |
| Net water capital assets | <u>\$ 12,728,164</u> | <u>\$ 823,660</u> | <u>\$ 27,983</u> | <u>\$ 13,523,841</u> |
| | Beginning Balance | Additions | Deletions | Ending Balance |
| Sewer | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 381,895 | \$ - | \$ - | \$ 381,895 |
| Construction in progress | 614,956 | 386,980 | 587,956 | 413,980 |
| Total capital assets not being depreciated | <u>996,851</u> | <u>386,980</u> | <u>587,956</u> | <u>795,875</u> |
| Capital assets being depreciated: | | | | |
| Buildings and structures | 8,083,477 | 21,050 | - | 8,104,527 |
| Collecting system | 7,768,363 | 1,265,842 | 102,548 | 8,931,657 |
| Pumping | 2,037,871 | - | - | 2,037,871 |
| Treatment and disposal | 9,567,905 | 1,239,268 | 150,605 | 10,656,568 |
| General | 997,200 | - | - | 997,200 |
| Total capital assets being depreciated | <u>28,454,816</u> | <u>2,526,160</u> | <u>253,153</u> | <u>30,727,823</u> |
| Total capital assets | <u>29,451,667</u> | <u>2,913,140</u> | <u>841,109</u> | <u>31,523,698</u> |
| Less accumulated depreciation for: | | | | |
| Sewer system | <u>(20,830,583)</u> | <u>(884,055)</u> | <u>253,153</u> | <u>(21,461,485)</u> |
| Total accumulated depreciation | <u>(20,830,583)</u> | <u>(884,055)</u> | <u>253,153</u> | <u>(21,461,485)</u> |
| Net capital assets being depreciated | <u>7,624,233</u> | <u>1,642,105</u> | <u>-</u> | <u>9,266,338</u> |
| Net sewer capital assets | <u>\$ 8,621,084</u> | <u>\$ 2,029,085</u> | <u>\$ 587,956</u> | <u>\$ 10,062,213</u> |
| Business-type activities capital assets, net as reported in the statement of net position | <u>\$ 21,349,248</u> | <u>\$ 2,852,745</u> | <u>\$ 615,939</u> | <u>\$ 23,586,054</u> |

City of Portage

Notes to Financial Statements
December 31, 2023

Depreciation expense was charged to functions as follows:

Business-Type Activities

| | |
|-------|----------------|
| Water | \$ 557,668 |
| Sewer | <u>884,056</u> |

| | |
|--|---------------------|
| Total business-type activities, net as reported in the statement of net position expense | <u>\$ 1,441,724</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> |
|--|---------------------|-------------------|
| Sewer Utility Fund | Water Utility Fund | \$ 50,848 |
| General Fund | Inspection Fund | 19,461 |
| General Fund | Water Utility Fund | 354,976 |
| Water Utility Fund | General Fund | <u>6,596</u> |
| Total, fund financial statements | | 431,881 |
| Less fund eliminations | | (70,309) |
| Less government-wide eliminations | | <u>(13,192)</u> |
| Total internal balances, government-wide statement of net position | | <u>\$ 348,380</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 \$354,976. 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 #4, #5, #6, #9 and #11. 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, Mass Transit and Postretirement Benefits 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, 2023

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 | \$ 74,669 | \$ 74,669 |
| General Fund | Mass Transit Fund | 101,886 | 101,886 |
| General Fund | Postretirement Benefits Fund | 62,661 | 62,661 |
| General Fund | TIF #4 | 1,207,370 | 1,207,370 |
| General Fund | TIF #5 | 635,855 | 635,855 |
| General Fund | TIF #6 | 161,950 | 161,950 |
| General Fund | TIF #9 | 29,105 | 29,105 |
| General Fund | TIF #11 | 19,791 | 19,791 |
| Total, fund financial statements | | <u>2,293,287</u> | |
| Less fund eliminations | | <u>(2,293,287)</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 | \$ 354,976 | PILOT |
| Debt Service Fund | TIF #4 | 82,270 | Debt service |
| Debt Service Fund | TIF #5 | 171,238 | Debt service |
| Debt Service Fund | TIF #6 | 47,547 | Debt service |
| Debt Service Fund | TIF #7 | 125,681 | Debt service |
| Debt Service Fund | TIF #8 | 48,638 | Debt service |
| Vehicle Equipment Replacement Fund | General Fund | 69,148 | Capital outlay |
| Vehicle Equipment Replacement Fund | School Liaison Fund | 12,587 | Capital outlay |
| Postretirement Benefits Fund | General Fund | 117,724 | Retirement funding |
| TIF #4 | Portage Enterprise Center Fund | 28,095 | TIF development |
| Mass Transit Fund | General Fund | 50,000 | Subsidy |
| Swimming Pool Fund | General Fund | 20,000 | Fund operations |
| School Liaison Fund | General Fund | 41,217 | Fund operations |
| Vehicle Equipment Replacement Fund | Wheel Tax Fund | 40,000 | Wheel tax revenue |
| Subtotal, fund financial statements | | 1,209,121 | |
| Less fund eliminations | | <u>(854,145)</u> | |
| Total transfers, government-wide statement of activities | | <u>\$ 354,976</u> | |

City of Portage

Notes to Financial Statements
December 31, 2023

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.

Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2023, was as follows:

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> | <u>Amounts Due Within One Year</u> |
|--|------------------------------|---------------------|---------------------|---------------------------|--|
| Governmental Activities | | | | | |
| Bonds and notes payable: | | | | | |
| General obligation debt | \$ 15,660,000 | \$ 3,055,000 | \$ 1,285,000 | \$ 17,430,000 | \$ 1,400,000 |
| General obligation debt from direct borrowings and direct placements | 726,075 | 125,000 | 164,924 | 686,151 | 207,133 |
| Premiums | <u>443,445</u> | <u>135,350</u> | <u>33,477</u> | <u>545,318</u> | <u>-</u> |
| Total bonds and notes payable | <u>16,829,520</u> | <u>3,315,350</u> | <u>1,483,401</u> | <u>18,661,469</u> | <u>1,607,133</u> |
| Other liabilities: | | | | | |
| Retiree health insurance | 202,398 | 188,695 | 86,916 | 304,177 | 148,130 |
| Vested compensated absences | 875,327 | - | 200,465 | 674,862 | 239,723 |
| Claims payable | <u>-</u> | <u>450,000</u> | <u>-</u> | <u>450,000</u> | <u>150,000</u> |
| Total other liabilities | <u>1,077,725</u> | <u>638,695</u> | <u>287,381</u> | <u>1,429,039</u> | <u>537,853</u> |
| Total governmental activities long-term liabilities | <u>\$ 17,907,245</u> | <u>\$ 3,954,045</u> | <u>\$ 1,770,782</u> | <u>\$ 20,090,508</u> | <u>\$ 2,144,986</u> |
| Business-Type Activities | | | | | |
| Bonds and notes payable: | | | | | |
| General obligation debt | \$ 1,740,000 | \$ - | \$ 370,000 | \$ 1,370,000 | \$ 370,000 |
| Revenue bonds | 13,305,000 | - | 565,000 | 12,740,000 | 590,000 |
| Revenue bonds from direct borrowings and direct placements | 382,630 | - | 74,295 | 308,335 | 76,059 |
| Premiums | <u>477,049</u> | <u>-</u> | <u>28,195</u> | <u>448,854</u> | <u>-</u> |
| Total bonds and notes payable | <u>15,904,679</u> | <u>-</u> | <u>1,037,490</u> | <u>14,867,189</u> | <u>1,036,059</u> |
| Other liabilities: | | | | | |
| Vested compensated absences | <u>125,642</u> | <u>69,706</u> | <u>50,351</u> | <u>144,997</u> | <u>48,000</u> |
| Total other liabilities | <u>125,642</u> | <u>69,706</u> | <u>50,351</u> | <u>144,997</u> | <u>48,000</u> |
| Total business-type activities long-term liabilities | <u>\$ 16,030,321</u> | <u>\$ 69,706</u> | <u>\$ 1,087,841</u> | <u>\$ 15,012,186</u> | <u>\$ 1,084,059</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, 2023, was \$48,190,075. Total general obligation debt outstanding at year end was \$19,486,151.

City of Portage

Notes to Financial Statements
December 31, 2023

General Obligation Debt

All general obligation debt payable is backed by the full faith and credit of the City. Debt 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>General Obligation Debt</u> | <u>Date of Issue</u> | <u>Final Maturity</u> | <u>Interest Rates</u> | <u>Original Indebtedness</u> | <u>Balance December 31, 2023</u> |
| General obligation promissory bonds | 08/02/12 | 04/01/27 | 0.55-3.50% | \$ 2,175,000 | \$ 710,000 |
| General obligation promissory bonds | 08/02/12 | 04/01/29 | 2.00-2.85 | 3,130,000 | 1,675,000 |
| General obligation promissory bonds | 08/16/15 | 04/01/28 | 2.00-3.50 | 2,950,000 | 1,915,000 |
| General obligation promissory bonds | 05/19/16 | 05/01/36 | 0.75-3.20 | 1,450,000 | 935,000 |
| General obligation promissory bonds | 04/13/17 | 04/01/32 | 3.00-3.50 | 3,225,000 | 2,025,000 |
| General obligation promissory notes (direct) | 08/17/18 | 08/01/25 | 3.50 | 424,000 | 131,777 |
| General obligation promissory bonds | 05/15/19 | 04/01/39 | 2.75 | 3,055,000 | 2,575,000 |
| General obligation promissory notes (direct) | 10/05/20 | 08/01/27 | 1.65 | 300,000 | 175,127 |
| General obligation promissory notes | 06/03/21 | 04/01/41 | 2.00-4.00 | 2,630,000 | 2,475,000 |
| General promissory obligation notes (direct) | 10/25/21 | 08/01/24 | 2.00 | 74,000 | 25,048 |
| General obligation corporate purpose bonds | 06/29/22 | 04/01/42 | 3.00-4.00 | 2,125,000 | 2,065,000 |
| General obligation promissory notes (direct) | 10/27/22 | 08/01/29 | 3.75 | 265,000 | 229,199 |
| Promissory note (direct) | 08/31/23 | 08/01/26 | 5.00 | 125,000 | 125,000 |
| General obligation corporate purpose bonds | 07/06/23 | 04/01/43 | 4.00-5.00 | 3,055,000 | <u>3,055,000</u> |
| Total governmental activities, general obligation debt | | | | | <u>\$ 18,116,151</u> |

City of Portage

Notes to Financial Statements
December 31, 2023

| <u>Business-Type Activities</u> | <u>Date of Issue</u> | <u>Final Maturity</u> | <u>Interest Rates</u> | <u>Original Indebtedness</u> | <u>Balance December 31, 2023</u> |
|---|----------------------|-----------------------|-----------------------|------------------------------|----------------------------------|
| <u>General Obligation Debt</u> | | | | | |
| General obligation corporate purpose bonds | 08/02/12 | 04/01/24 | 2.00-2.25% | \$ 2,390,000 | \$ 245,000 |
| General obligation promissory bonds | 08/16/15 | 04/01/28 | 2.00-3.50 | 670,000 | 270,000 |
| General obligation promissory bonds | 05/19/16 | 05/01/30 | 0.75-3.20 | 405,000 | 195,000 |
| General obligation promissory bonds | 04/13/17 | 04/01/32 | 3.00-3.50 | 505,000 | 330,000 |
| General obligation promissory bonds | 06/03/21 | 04/01/41 | 2.00-4.00 | 360,000 | <u>330,000</u> |
| Total business-type activities, general obligation debt | | | | | <u>\$ 1,370,000</u> |

Debt service requirements to maturity are as follows:

| <u>Years</u> | <u>Governmental Activities General Obligation Debt</u> | | <u>Business-Type Activities General Obligation Debt</u> | |
|--------------|--|---------------------|---|-------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Principal</u> | <u>Interest</u> |
| 2024 | \$ 1,400,000 | \$ 582,957 | \$ 370,000 | \$ 30,866 |
| 2025 | 1,370,000 | 507,944 | 120,000 | 25,082 |
| 2026 | 1,390,000 | 461,966 | 140,000 | 21,647 |
| 2027 | 1,365,000 | 415,689 | 140,000 | 17,687 |
| 2028 | 1,200,000 | 373,796 | 135,000 | 13,700 |
| 2029-2033 | 5,225,000 | 1,329,388 | 305,000 | 32,900 |
| 2034-2038 | 3,520,000 | 608,021 | 100,000 | 11,000 |
| 2039-2043 | 1,960,000 | 154,775 | 60,000 | 1,800 |
| Total | <u>\$ 17,430,000</u> | <u>\$ 4,434,536</u> | <u>\$ 1,370,000</u> | <u>\$ 154,682</u> |

| <u>Years</u> | <u>Governmental Activities Notes From Direct Borrowings and Direct Placements</u> | |
|--------------|---|------------------|
| | <u>Principal</u> | <u>Interest</u> |
| 2024 | \$ 207,133 | \$ 15,571 |
| 2025 | 187,925 | 10,833 |
| 2026 | 125,148 | 6,966 |
| 2027 | 83,719 | 4,798 |
| 2028 | 40,335 | 2,756 |
| 2029 | 41,891 | 1,202 |
| Total | <u>\$ 686,151</u> | <u>\$ 42,126</u> |

Revenue Debt

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

City of Portage

Notes to Financial Statements
December 31, 2023

The water utility fund has pledged future water revenues, net of specified operating expenses, to repay revenue bonds issued in 2007-2022. Proceeds from the bonds provided financing for the water system. The bonds are payable solely from water revenues and are payable through 2042. Annual principal and interest payments on the bonds are expected to require 53.89% of net revenues. The total principal and interest remaining to be paid on the bonds is \$5,558,919. Principal and interest paid for the current year and total customer net revenues were \$359,167 and \$542,889, respectively.

The sewer utility fund has pledged future sewer revenues, net of specified operating expenses, to repay revenue bonds issued in 2008-2022. Proceeds from the bonds provided financing for the sewer system. The bonds are payable solely from sewer revenues and are payable through 2042. Annual principal and interest payments on the bonds are expected to require 69.60% of net revenues. The total principal and interest remaining to be paid on the bonds is \$10,933,149. Principal and interest paid for the current year and total customer net revenues were \$672,360 and \$826,795, respectively.

Revenue debt payable at December 31, 2023, 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, 2023</u> |
|--|----------------------|-----------------------|-----------------------|------------------------------|----------------------------------|
| Water Utility | | | | | |
| Water system revenue bonds (direct) | 04/25/07 | 05/01/26 | 2.475% | \$ 121,379 | \$ 19,741 |
| Water system revenue bonds | 04/16/15 | 05/01/35 | 1.00-3.50 | 855,000 | 585,000 |
| Water system revenue bonds | 05/19/16 | 05/01/36 | 2.00-3.00 | 2,190,000 | 1,725,000 |
| Water system revenue bonds | 05/15/19 | 05/01/39 | 2.89 | 1,335,000 | 1,120,000 |
| Water system revenue bonds | 06/29/22 | 05/01/42 | 4.00 | 990,000 | 955,000 |
| | | | | Total water utility | <u>4,404,741</u> |
| Sewer Utility | | | | | |
| Sewer system revenue bonds (direct) | 03/26/08 | 05/01/27 | 2.36 | 1,159,443 | 288,594 |
| Sewer system revenue bonds | 04/13/27 | 05/01/37 | 3.00-3.75 | 2,180,000 | 1,665,000 |
| Sewer system revenue bonds | 05/15/19 | 05/01/39 | 2.86 | 1,265,000 | 1,065,000 |
| Sewer system revenue bonds | 06/03/21 | 05/01/41 | 1.37-4.00 | 4,335,000 | 4,005,000 |
| Sewer system revenue bonds | 06/29/22 | 05/01/42 | 4.00 | 1,655,000 | 1,620,000 |
| | | | | Total sewer utility | <u>8,643,594</u> |
| Total business-type activities, revenue debt | | | | | <u>\$ 13,048,335</u> |

City of Portage

Notes to Financial Statements
December 31, 2023

Debt service requirements to maturity are as follows:

| <u>Years</u> | Business-Type Activities Revenue Debt | |
|--------------|--|---------------------|
| | <u>Principal</u> | <u>Interest</u> |
| 2024 | \$ 590,000 | \$ 380,476 |
| 2025 | 650,000 | 360,674 |
| 2026 | 670,000 | 339,801 |
| 2027 | 690,000 | 317,337 |
| 2028 | 680,000 | 293,688 |
| 2029-2033 | 3,925,000 | 1,117,361 |
| 2034-2038 | 3,765,000 | 527,857 |
| 2039-2042 | 1,770,000 | 92,950 |
| Total | <u>\$ 12,740,000</u> | <u>\$ 3,430,144</u> |

| <u>Years</u> | Business-Type Activities Revenue Debt From Direct Borrowings and Direct Placements | |
|--------------|---|------------------|
| | <u>Principal</u> | <u>Interest</u> |
| 2024 | \$ 76,059 | \$ 6,411 |
| 2025 | 77,865 | 4,583 |
| 2026 | 79,714 | 1,712 |
| 2027 | 74,697 | 883 |
| Total | <u>\$ 308,335</u> | <u>\$ 13,589</u> |

Claims Payable

On February 26, 2024, the City signed a settlement agreement with Aspirus Wausau Hospital, Inc. for prior year services. Per the agreement, the City is to pay Aspirus \$150,000 on June 1 for the next three years, starting on June 1, 2024, for a total amount of \$450,000. The current portion of the claims payable is reported within the General Fund as of December 31, 2023.

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, 2021, 2022 and 2023 promissory notes outstanding as of December 31, 2023 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.

City of Portage

Notes to Financial Statements
December 31, 2023

Bond Covenant Disclosures

Insurance

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

Debt Coverage - Water

Under terms of the resolutions providing for the issue of revenue bonds, revenues less operating expenses excluding depreciation (defined net earnings) must exceed 1.25 times the annual debt service. The coverage only includes revenue debt and does not include general obligation or other debt. The coverage requirement was met in 2023 as follows:

| | |
|---|--------------------|
| Operating revenues | \$ 2,222,361 |
| Investment income | 161,609 |
| Miscellaneous nonoperating income | 18,249 |
| Less operation and maintenance expenses | <u>(1,859,330)</u> |
| Net defined earnings | <u>\$ 542,889</u> |
| Minimum required earnings per resolution: | |
| Annual debt service | \$ 359,167 |
| Coverage factor | <u>1.25</u> |
| Minimum required earnings | <u>\$ 448,959</u> |
| Actual debt coverage | <u>1.51</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 not met in 2023 as follows:

| | |
|---|--------------------|
| Operating revenues | \$ 1,943,578 |
| Investment income | 200,482 |
| Miscellaneous nonoperating income | 52,144 |
| Connection fees | 4,900 |
| Less operation and maintenance expenses | <u>(1,369,409)</u> |
| Net defined earnings | <u>\$ 831,695</u> |
| Minimum required earnings per resolution: | |
| Annual debt service | \$ 672,360 |
| Coverage factor | <u>1.25</u> |
| Minimum required earnings | <u>\$ 840,450</u> |
| Actual debt coverage | <u>1.24</u> |

City of Portage

Notes to Financial Statements
December 31, 2023

Net Position/Fund Balances

Net position reported on the government-wide statement of net position at December 31, 2023, includes the following:

Governmental Activities

Net investment in capital assets:

| | |
|---|------------------|
| Land | \$ 2,494,501 |
| Construction in progress | 870,594 |
| Other capital assets, net of accumulated depreciation | 39,485,879 |
| Less long-term debt outstanding | (18,116,151) |
| Plus unspent capital related debt proceeds | 1,439,144 |
| Less unamortized debt premium | <u>(545,318)</u> |

Total net investment in capital assets \$ 25,628,649

Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2023, include the following:

| | <u>General Fund</u> | <u>Debt Service Fund</u> | <u>Capital Projects Fund</u> | <u>Nonmajor Funds</u> | <u>Total</u> |
|------------------------------------|----------------------------|------------------------------|--------------------------------------|---------------------------|----------------------------|
| Fund Balances | | | | | |
| Nonspendable: | | | | | |
| Prepaid items | \$ 86,919 | \$ - | \$ - | \$ 131,314 | \$ 218,233 |
| Delinquent personal property taxes | 2,849 | - | - | - | 2,849 |
| Long-term receivables | <u>2,293,287</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,293,287</u> |
| Subtotal | <u>2,383,055</u> | <u>-</u> | <u>-</u> | <u>131,314</u> | <u>2,514,369</u> |
| Restricted for: | | | | | |
| Library | - | - | - | 270,627 | 270,627 |
| Unspent proceeds | - | - | 1,195,615 | 64,694 | 1,260,309 |
| TIF activities | - | - | - | 356,522 | 356,522 |
| Hazmat vehicles | - | - | - | 214,538 | 214,538 |
| Wheel tax activities | - | - | - | 71,953 | 71,953 |
| Donations | - | - | - | 179,183 | 179,183 |
| HUD | - | - | - | 24,289 | 24,289 |
| CDBG | - | - | - | 301,163 | 301,163 |
| Debt service | <u>-</u> | <u>414,592</u> | <u>-</u> | <u>-</u> | <u>414,592</u> |
| Subtotal | <u>-</u> | <u>414,592</u> | <u>1,195,615</u> | <u>1,482,969</u> | <u>3,093,176</u> |
| Committed to: | | | | | |
| Recycling | <u>-</u> | <u>-</u> | <u>-</u> | <u>3,155</u> | <u>3,155</u> |
| Subtotal | <u>-</u> | <u>-</u> | <u>-</u> | <u>3,155</u> | <u>3,155</u> |
| Assigned to: | | | | | |
| Subsequent year's budget | 447,482 | - | - | - | 447,482 |
| Capital projects | - | - | 392,888 | 1,026,856 | 1,419,744 |
| Special revenue | <u>-</u> | <u>-</u> | <u>-</u> | <u>228,418</u> | <u>228,418</u> |
| Subtotal | <u>447,482</u> | <u>-</u> | <u>392,888</u> | <u>1,255,274</u> | <u>2,095,644</u> |
| Unassigned (Deficit): | <u>1,332,849</u> | <u>-</u> | <u>-</u> | <u>(2,358,885)</u> | <u>(1,026,036)</u> |
| Total fund balances | <u><u>\$ 4,163,386</u></u> | <u><u>\$ 414,592</u></u> | <u><u>\$ 1,588,503</u></u> | <u><u>\$ 513,827</u></u> | <u><u>\$ 6,680,308</u></u> |

City of Portage

Notes to Financial Statements
December 31, 2023

Business-Type Activities

| | |
|---|---------------------|
| Net investment in capital assets: | |
| Land | \$ 500,618 |
| Construction in progress | 413,980 |
| Other capital assets, net of accumulated depreciation | 22,671,456 |
| Less long-term debt outstanding | (14,418,335) |
| Plus unspent capital related debt proceeds | 731,600 |
| Less unamortized debt premium | <u>(448,854)</u> |
| Total net investment in capital assets | <u>\$ 9,450,465</u> |

Component Unit

Business Improvement District

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

In addition to the basic financial statements and the preceding notes to financial statements which apply, the following additional disclosures are considered necessary for a fair presentation.

a. Basis of Accounting/Measurement Focus

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

b. Deposits and Investments

At year end, the carrying amount of the BID's deposits was \$0 and is part of the City's commingled cash. See Note 3.

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 \$11,496. 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>.

Additionally, ETF issued a standalone Wisconsin Retirement System Financial Report, which can also be found using the link above.

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.

City of Portage

Notes to Financial Statements
December 31, 2023

Postretirement 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> |
|-------------|-------------------------------|-----------------------------------|
| 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 |
| 2021 | 5.1 | 13.0 |
| 2022 | 7.4 | 15.0 |

Contributions

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for General category employees, including Teachers, Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category was 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 \$482,520 in contributions from the City.

Contribution rates for the plan year reported as of December 31, 2023 are:

| <u>Employee Category</u> | <u>Employee</u> | <u>Employer</u> |
|--|-----------------|-----------------|
| General (Executives & Elected Officials) | 6.50 % | 6.50 % |
| Protective with Social Security | 6.50 | 12.00 |
| Protective without Social Security | 6.50 | 16.40 |

City of Portage

Notes to Financial Statements
December 31, 2023

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

At December 31, 2023, the City reported an liability of \$2,134,919 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021 rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2022, the City's proportion was 0.04029896%, which was an increase of 0.00048552% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the City recognized pension expense (revenue) of \$1,019,289.

At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|--|
| Differences between projected and actual experience | \$ 3,400,265 | \$ 4,467,185 |
| Changes in assumptions | 419,813 | - |
| Net differences between projected and actual earnings on pension plan investments | 3,626,735 | - |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 1,850 | 8,577 |
| Employer contributions subsequent to the measurement date | <u>548,622</u> | <u>-</u> |
| Total | <u>\$ 7,997,285</u> | <u>\$ 4,475,762</u> |

\$548,622 reported as deferred outflows of resources 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

| Years ending December 31: | Deferred Outflows of Resources and Deferred Inflows of Resources (Net) |
|--------------------------------------|---|
| 2024 | \$ 122,276 |
| 2025 | 614,546 |
| 2026 | 630,362 |
| 2027 | 1,605,717 |

City of Portage

Notes to Financial Statements
December 31, 2023

Actuarial Assumptions

The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|--|--|
| Actuarial Valuation Date: | December 31, 2021 |
| Measurement Date of Net Pension Liability (Asset): | December 31, 2022 |
| Experience Study: | January 1, 2018 - December 31, 2020 Published November 19, 2021 |
| Actuarial Cost Method: | Entry Age Normal |
| Asset Valuation Method: | Fair Value |
| Long-Term Expected Rate of Return: | 6.8% |
| Discount Rate: | 6.8% |
| Salary Increases: | |
| Wage Inflation | 3.0% |
| Seniority/Merit | 0.1% - 5.6% |
| Mortality: | 2020 WRS Experience Mortality Table |
| Postretirement Adjustments*: | 1.7% |

** No postretirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.7% is the assumed annual adjustment based on the investment return assumption and the postretirement discount rate.*

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The Total Pension Liability for December 31, 2022 is based upon a roll-forward of the liability calculated from the December 31, 2021 actuarial valuation.

City of Portage

Notes to Financial Statements
December 31, 2023

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:

| Asset Allocation Targets and Expected Returns* as of December 31, 2022 | | | |
|---|---------------------------|--|---|
| Core Fund Asset Class | Asset Allocation % | Long-Term Expected Nominal Rate of Return % | Long-Term Expected Real Rate of Return %** |
| Public Equity | 48 | 7.6 | 5 |
| Public Fixed Income | 25 | 5.3 | 2.7 |
| Inflation Sensitive | 19 | 3.6 | 1.1 |
| Real Estate | 8 | 5.2 | 2.6 |
| Private Equity/Debt | 15 | 9.6 | 6.9 |
| Total Core Fund*** | 115 | 7.4 | 4.8 |
| Variable Fund Asset | | | |
| U.S. Equities | 70 | 7.2 | 4.6 |
| International Equities | 30 | 8.1 | 5.5 |
| Total Variable Fund | 100 | 7.7 | 5.1 |

* *Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations*

** *New England Pension Consultants' Long-Term U.S. CPI (Inflation) Forecast: 2.5%*

*** *The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. This results in an asset allocation beyond 100%. Currently, an asset allocation target of 15% policy leverage is used subject to an allowable range of up to 20%.*

Single Discount Rate

A single discount rate of 6.8% was used to measure the total pension liability for the current and prior year. This discount rate is based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 4.05% (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, 2022. 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 6.8% expected rate of return implies that a dividend of approximately 1.7% 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 investment rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.80%, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.80%) or 1-percentage-point higher (7.80%) than the current rate:

| | 1% Decrease to Discount Rate (5.8%) | Current Discount Rate (6.8%) | 1% Increase to Discount Rate (7.8%) |
|---|--|---|--|
| City's proportionate share of the net pension liability (asset) | \$ 7,085,728 | \$ 2,134,919 | \$ (1,270,812) |

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, 2023, 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.

City of Portage

Notes to Financial Statements
December 31, 2023

Commitments and Contingencies

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

The City has active construction projects as of December 31, 2023. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures.

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 May 9, 2024, the board approved the authorization for the sale of approximately \$19,210,000 General Obligation Promissory Notes, Series 2024A for costs of projects included in the City's Capital Expenditure Plan.

On May 9, 2024, the board approved the authorization for the sale of approximately \$2,135,000 Water System Revenue Bonds, Series 2024B for costs of extensions, improvements, and additions to the City's Water System.

On May 9, 2024, the board approved the authorization for the sale of approximately \$880,000 Sewerage System Revenue Bonds, Series 2024C for costs of extensions, improvements, and additions to the City's Sewerage System.

On May 9, 2024, the board approved the authorization for the sale of approximately \$2,600,000 Sewerage System Revenue Bond Anticipation Note for design costs of a new wastewater treatment plant. The bonds will be issued and sold only after completion of the project.

Effect of New Accounting Standards on Current-Period Financial Statements

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

- Statement No. 100, *Accounting Changes and Error Corrections—an Amendment of GASB Statement No. 62*
- Statement No. 101, *Compensated Absences*
- Statement No. 102, *Certain Risk Disclosures*

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

REQUIRED SUPPLEMENTARY INFORMATION

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, 2023

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance With Final Budget</u> |
|--|-------------------------|------------------|------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Taxes | | | | |
| General property taxes | \$ 4,625,382 | \$ 4,625,382 | \$ 4,633,026 | \$ 7,644 |
| Mobile home lottery credit | 22,500 | 22,500 | 15,974 | (6,526) |
| Forest cropland and managed forest land taxes | 1,160 | 1,160 | - | (1,160) |
| Sales and use | 40 | 40 | 40 | - |
| Payments in lieu of taxes | 15,000 | 15,000 | 32,000 | 17,000 |
| Total taxes | <u>4,664,082</u> | <u>4,664,082</u> | <u>4,681,040</u> | <u>16,958</u> |
| Intergovernmental Revenues | | | | |
| Federal aid, other transportation | - | - | 30,000 | 30,000 |
| State shared revenues | 1,675,644 | 1,675,644 | 1,708,014 | 32,370 |
| State expenditure restraint | 192,735 | 192,735 | 192,735 | - |
| Fire insurance tax | 30,000 | 30,000 | 38,474 | 8,474 |
| State aid, law enforcement improvement | 4,920 | 4,920 | 31,684 | 26,764 |
| State aid, general transportation aids | 547,085 | 547,085 | 536,243 | (10,842) |
| State aid, connecting streets | 127,023 | 127,023 | 127,023 | - |
| Other state payments, operating | 49,752 | 49,752 | 49,752 | - |
| Video service provider payment | 27,153 | 27,153 | 27,153 | - |
| Payments for municipal services | 75,000 | 75,000 | 78,159 | 3,159 |
| In lieu of taxes on state conservation lands | 440 | 440 | 653 | 213 |
| Other state payments | 7,000 | 7,000 | 6,043 | (957) |
| County aid, highway and bridges | 4,000 | 4,000 | 18,271 | 14,271 |
| Total intergovernmental revenues | <u>2,740,752</u> | <u>2,740,752</u> | <u>2,844,204</u> | <u>103,452</u> |
| Licenses and Permits | | | | |
| Business and occupational licenses | 1,600 | 1,600 | 1,400 | (200) |
| Liquor and malt beverage licenses | 33,000 | 33,000 | 35,795 | 2,795 |
| Operators' license | 1,500 | 1,500 | 1,100 | (400) |
| Mobile home park licenses | 300 | 300 | 300 | - |
| Cable television franchise fees | 108,614 | 108,614 | 77,689 | (30,925) |
| Dog and cat licenses | 5,800 | 5,800 | 5,616 | (184) |
| Other nonbusiness licenses | 100 | 100 | 120 | 20 |
| Other regulatory permits and fees | 16,830 | 16,830 | 17,383 | 553 |
| Electrical contractor licenses | - | - | 157 | 157 |
| Total licenses and permits | <u>167,744</u> | <u>167,744</u> | <u>139,560</u> | <u>(28,184)</u> |
| Fines, Forfeitures and Penalties | | | | |
| Court penalties and costs | 147,000 | 147,000 | 128,791 | (18,209) |
| Parking violations | 4,750 | 4,750 | 8,745 | 3,995 |
| Judgments and damages | 500 | 500 | 1,499 | 999 |
| Total fines, forfeitures and penalties | <u>152,250</u> | <u>152,250</u> | <u>139,035</u> | <u>(13,215)</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, 2023

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance With Final Budget</u> |
|---|-------------------------|------------------|------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Public Charges for Services | | | | |
| Clerk's fees | \$ 250 | \$ 250 | \$ 931 | \$ 681 |
| Law enforcement fees | 5,700 | 5,700 | 7,063 | 1,363 |
| Street related facilities | 7,500 | 7,500 | 2,073 | (5,427) |
| Parking lots, ramps and meters | 10 | 10 | 30 | 20 |
| Other transportation | 300 | 300 | 770 | 470 |
| Solid waste disposal | 7,000 | 7,000 | 6,599 | (401) |
| Weed and nuisance control | - | - | 693 | 693 |
| Culture, recreation and education | 3,700 | 3,700 | 2,399 | (1,301) |
| Parks | 51,875 | 51,875 | 71,822 | 19,947 |
| Recreation programs | 3,500 | 3,500 | 4,473 | 973 |
| Park rental | 9,000 | 9,000 | 6,051 | (2,949) |
| Conservation and development | 3,500 | 3,500 | - | (3,500) |
| Other public charges for services | 9,650 | 9,650 | 6,694 | (2,956) |
| Fire protection fees | - | - | 12,389 | 12,389 |
| Total public charges for services | <u>101,985</u> | <u>101,985</u> | <u>121,987</u> | <u>20,002</u> |
| Intergovernmental Charges for Services | | | | |
| Local, rural fire services | 180,000 | 180,000 | 338,068 | 158,068 |
| Local, HAZMAT services | 20,500 | 20,500 | 31,694 | 11,194 |
| Local, intra-agency administration fees | <u>112,920</u> | <u>112,920</u> | <u>109,332</u> | <u>(3,588)</u> |
| Total intergovernmental charges for services | <u>313,420</u> | <u>313,420</u> | <u>479,094</u> | <u>165,674</u> |
| Investment Income | | | | |
| Interest on investments | 40,000 | 40,000 | 202,802 | 162,802 |
| Interest on special assessments | <u>2,000</u> | <u>2,000</u> | <u>1,923</u> | <u>(77)</u> |
| Total investment income | <u>42,000</u> | <u>42,000</u> | <u>204,725</u> | <u>162,725</u> |
| Miscellaneous Revenues | | | | |
| Rent | 55,225 | 55,225 | 62,949 | 7,724 |
| Insurance recoveries, police | 2,000 | 2,000 | 6,909 | 4,909 |
| Donations | 7,000 | 7,000 | 2,000 | (5,000) |
| Insurance dividends | 12,000 | 12,000 | 7,357 | (4,643) |
| Other miscellaneous | 250 | 250 | 19,646 | 19,396 |
| Insurance recoveries, highway | 1,000 | 1,000 | 5,182 | 4,182 |
| Insurance recoveries, other | <u>1,000</u> | <u>1,000</u> | <u>9,745</u> | <u>8,745</u> |
| Total miscellaneous revenues | <u>78,475</u> | <u>78,475</u> | <u>113,788</u> | <u>35,313</u> |
| Total revenues | <u>8,260,708</u> | <u>8,260,708</u> | <u>8,723,433</u> | <u>462,725</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, 2023

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance With Final Budget</u> |
|---|-------------------------|------------------|------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Expenditures | | | | |
| General Government | | | | |
| Council | \$ 38,254 | \$ 38,254 | \$ 40,793 | \$ (2,539) |
| Judicial | 132,632 | 132,632 | 136,741 | (4,109) |
| Legal | 24,975 | 24,975 | 31,901 | (6,926) |
| Mayor | 17,934 | 17,934 | 16,245 | 1,689 |
| Administrator | 181,904 | 181,904 | 167,490 | 14,414 |
| General administration | 338,854 | 338,854 | 492,456 | (153,602) |
| Financial administration | 291,270 | 291,270 | 286,227 | 5,043 |
| General buildings/plant/hall | 158,476 | 158,476 | 160,122 | (1,646) |
| Safety program | 2,000 | 2,000 | 394 | 1,606 |
| Contingency | 10,000 | 10,000 | 2,524 | 7,476 |
| Total general government | <u>1,196,299</u> | <u>1,196,299</u> | <u>1,334,893</u> | <u>(138,594)</u> |
| Public Safety | | | | |
| Police | 596,689 | 596,689 | 590,339 | 6,350 |
| Patrol | 2,020,219 | 2,020,219 | 1,990,455 | 29,764 |
| Criminal investigation | 385,116 | 385,116 | 368,885 | 16,231 |
| Ambulance | - | - | 413,074 | (413,074) |
| Fire protection | 227,026 | 227,026 | 255,444 | (28,418) |
| Suppression | 700,241 | 700,241 | 790,289 | (90,048) |
| Prevention | 93,019 | 93,019 | 92,302 | 717 |
| Hazmat | 14,665 | 14,665 | 12,778 | 1,887 |
| Emergency government | 3,500 | 3,500 | 2,102 | 1,398 |
| Police special services | 178,903 | 178,903 | 203,417 | (24,514) |
| Total public safety | <u>4,219,378</u> | <u>4,219,378</u> | <u>4,719,085</u> | <u>(499,707)</u> |
| Public Works | | | | |
| Engineering | 244,648 | 244,648 | 225,782 | 18,866 |
| Highway and street maintenance for local | 1,315,646 | 1,315,646 | 1,270,043 | 45,603 |
| Highway and street construction for local | 4,000 | 4,000 | 11,560 | (7,560) |
| Storm sewer maintenance | 17,700 | 17,700 | 17,433 | 267 |
| Parking facilities | 1,350 | 1,350 | 917 | 433 |
| Airport | 49,685 | 49,685 | 46,810 | 2,875 |
| Solid waste disposal | 391,474 | 391,474 | 405,340 | (13,866) |
| Weed and nuisance control | 5,150 | 5,150 | 4,606 | 544 |
| Total public works | <u>2,029,653</u> | <u>2,029,653</u> | <u>1,982,491</u> | <u>47,162</u> |
| Health and Human Services | | | | |
| Public health services | 13,000 | 13,000 | 12,810 | 190 |
| Cemetery | 57,200 | 57,200 | 57,200 | - |
| Total health and human services | <u>70,200</u> | <u>70,200</u> | <u>70,010</u> | <u>190</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, 2023

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance With Final Budget</u> |
|--|-------------------------|---------------------|---------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Culture, Recreation and Education | | | | |
| Cable television | \$ 13,436 | \$ 13,436 | \$ 5,973 | \$ 7,463 |
| Parks | 227,112 | 227,112 | 218,313 | 8,799 |
| Recreation programs and events | 101,011 | 101,011 | 111,707 | (10,696) |
| Park maintenance | 445,248 | 445,248 | 470,615 | (25,367) |
| | <u>786,807</u> | <u>786,807</u> | <u>806,608</u> | <u>(19,801)</u> |
| Total culture, recreation and education | | | | |
| Conservation and Development | | | | |
| Community development | 81,699 | 81,699 | 82,596 | (897) |
| Planning | 7,000 | 7,000 | - | 7,000 |
| | <u>88,699</u> | <u>88,699</u> | <u>82,596</u> | <u>6,103</u> |
| Total conservation and development | | | | |
| Total expenditures | <u>8,391,036</u> | <u>8,391,036</u> | <u>8,995,683</u> | <u>(604,647)</u> |
| Excess of revenues over expenditures | <u>(130,328)</u> | <u>(130,328)</u> | <u>(272,250)</u> | <u>(141,922)</u> |
| Other Financing Sources (Uses) | | | | |
| Sale of capital assets | 4,000 | 4,000 | 4,308 | 308 |
| Transfers in | 395,417 | 395,417 | 354,976 | (40,441) |
| Transfers out | (287,589) | (298,089) | (298,089) | - |
| | <u>111,828</u> | <u>101,328</u> | <u>61,195</u> | <u>(40,133)</u> |
| Total other financing sources (uses) | | | | |
| Net change in fund balance | (18,500) | (29,000) | (211,055) | (182,055) |
| Fund Balance, Beginning | <u>4,374,441</u> | <u>4,374,441</u> | <u>4,374,441</u> | <u>-</u> |
| Fund Balance, Ending | <u>\$ 4,355,941</u> | <u>\$ 4,345,441</u> | <u>\$ 4,163,386</u> | <u>\$ (182,055)</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, 2023

| 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 |
|-------------------------------|--|---|--------------------|--|--|
| 12/31/23 | 0.04029896 % | \$ 2,134,919 | \$ 5,108,158 | 41.79 % | 95.72 % |
| 12/31/22 | 0.03981344 % | (3,209,036) | 4,951,235 | 64.81 % | 106.02 % |
| 12/31/21 | 0.03924360 % | (2,450,032) | 4,781,122 | 51.24 % | 105.26 % |
| 12/31/20 | 0.03891791 % | (1,254,891) | 4,707,027 | 26.66 % | 102.96 % |
| 12/31/19 | 0.03800963 % | 1,352,263 | 4,473,631 | 30.23 % | 96.45 % |
| 12/31/18 | 0.03713377 % | (1,102,545) | 4,382,903 | 25.16 % | 102.93 % |
| 12/31/17 | 0.03633968 % | 299,526 | 4,267,076 | 7.02 % | 99.12 % |
| 12/31/16 | 0.03589219 % | 583,241 | 4,168,161 | 13.99 % | 98.20 % |
| 12/31/15 | 0.03564697 % | (875,587) | 4,085,943 | 21.43 % | 102.74 % |

Schedule of Employer Contributions - Wisconsin Retirement System
Year Ended December 31, 2023

| 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 |
|-------------------------------|--|---|--|--------------------|---|
| 12/31/23 | \$ 548,622 | \$ 548,622 | \$ - | \$ 5,410,924 | 10.14 % |
| 12/31/22 | 483,524 | 483,524 | - | 5,108,158 | 9.47 % |
| 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 % |

See notes to required supplementary information

SUPPLEMENTARY INFORMATION

City of Portage

Notes to Required Supplementary Information
Year Ended December 31, 2023

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. Based on a three-year experience study conducted in 2021 covering January 1, 2018 through December 31, 2020, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-end December 31, 2021, including the following:

- Lowering the long-term expected rate of return from 7.0% to 6.8%
- Lowering the discount rate from 7.0% to 6.8%
- Lowering the price inflation rate from 2.5% to 2.4%
- Lowering the postretirement adjustments from 1.9% to 1.7%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table

Based on a three-year experience study conducted in 2018 covering January 1, 2015 through December 31, 2017, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-ended December 31, 2018, including the following:

- Lowering the long-term expected rate of return from 7.2% to 7.0%
- Lowering the discount rate from 7.2% to 7.0%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Lowering the postretirement adjustments from 2.1% to 1.9%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table

SUPPLEMENTARY INFORMATION-

City of Portage

Combining Balance Sheet - Nonmajor Governmental Funds
 December 31, 2023

| | Special Revenue Funds | | | | |
|---|--|-------------------------------|----------------------------|--------------------------|--|
| | Park Land Dedication Fund | Swimming Pool Fund | Inspection Fund | Library Fund | Library - Restricted Fund |
| Assets | | | | | |
| Cash and investments | \$ 78,708 | \$ - | \$ 540 | \$ 206,109 | \$ 52,662 |
| Receivables: | | | | | |
| Taxes | - | - | 56 | 612,658 | - |
| Accounts | - | - | 1,108 | - | - |
| Loans | - | - | - | - | - |
| Special assessments | - | - | - | - | - |
| Other | - | - | - | - | - |
| Prepaid items | - | - | - | - | - |
| Restricted cash and investments | - | - | - | - | - |
| Total assets | <u>\$ 78,708</u> | <u>\$ -</u> | <u>\$ 1,704</u> | <u>\$ 818,767</u> | <u>\$ 52,662</u> |
| Liabilities, Deferred Inflows of Resources and Fund Balances | | | | | |
| Liabilities | | | | | |
| Accounts payable | \$ - | \$ 302 | \$ 3,336 | \$ 5,325 | \$ 234 |
| Accrued liabilities | - | 164 | 1,377 | 15,002 | - |
| Deposits | - | 2,587 | - | - | - |
| Due to other funds | - | - | 19,461 | - | - |
| Advances from other funds | - | 74,669 | - | - | - |
| Unearned revenue | - | - | - | - | - |
| Total liabilities | <u>-</u> | <u>77,722</u> | <u>24,174</u> | <u>20,327</u> | <u>234</u> |
| Deferred Inflows of Resources | | | | | |
| Property taxes levied for next period | - | - | 56 | 612,658 | - |
| Unavailable revenues | - | - | - | - | - |
| Total deferred inflows of resources | <u>-</u> | <u>-</u> | <u>56</u> | <u>612,658</u> | <u>-</u> |
| Fund Balances (Deficit) | | | | | |
| Nonspendable | - | - | - | - | - |
| Restricted | - | - | - | 185,782 | 52,428 |
| Committed | - | - | - | - | - |
| Assigned | 78,708 | - | - | - | - |
| Unassigned (deficit) | - | (77,722) | (22,526) | - | - |
| Total fund balances (deficit) | <u>78,708</u> | <u>(77,722)</u> | <u>(22,526)</u> | <u>185,782</u> | <u>52,428</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 78,708</u> | <u>\$ -</u> | <u>\$ 1,704</u> | <u>\$ 818,767</u> | <u>\$ 52,662</u> |

Special Revenue Funds

| <u>Library Memorial Fund</u> | <u>Criminal Investigation Fund</u> | <u>Tourism Promotion Fund</u> | <u>School Liaison Fund</u> | <u>Donation Fund</u> | <u>Portage Enterprise Center Fund</u> | <u>HUD Fund</u> |
|----------------------------------|--|---------------------------------------|--------------------------------|----------------------|---|------------------|
| \$ - | \$ 9,155 | \$ 33,008 | \$ 20,516 | \$ 188,661 | \$ 38,345 | \$ 24,289 |
| - | - | - | - | - | - | - |
| - | - | - | - | 1,550 | 10,094 | 47,028 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| <u>32,417</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <u>\$ 32,417</u> | <u>\$ 9,155</u> | <u>\$ 33,008</u> | <u>\$ 20,516</u> | <u>\$ 190,211</u> | <u>\$ 48,439</u> | <u>\$ 71,317</u> |
| \$ - | \$ - | \$ 6,084 | \$ 79 | \$ 7,714 | \$ 3,600 | \$ - |
| - | - | - | 2,285 | - | 2,998 | - |
| - | - | 2,000 | - | - | 9,275 | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <u>-</u> | <u>-</u> | <u>8,084</u> | <u>2,364</u> | <u>7,714</u> | <u>15,873</u> | <u>-</u> |
| - | - | - | - | - | - | - |
| - | - | - | - | 3,314 | - | 47,028 |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>3,314</u> | <u>-</u> | <u>47,028</u> |
| - | - | - | - | - | - | - |
| 32,417 | - | - | - | 179,183 | - | 24,289 |
| - | 9,155 | 24,924 | 18,152 | - | 32,566 | - |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <u>32,417</u> | <u>9,155</u> | <u>24,924</u> | <u>18,152</u> | <u>179,183</u> | <u>32,566</u> | <u>24,289</u> |
| <u>\$ 32,417</u> | <u>\$ 9,155</u> | <u>\$ 33,008</u> | <u>\$ 20,516</u> | <u>\$ 190,211</u> | <u>\$ 48,439</u> | <u>\$ 71,317</u> |

City of Portage

Combining Balance Sheet - Nonmajor Governmental Funds
December 31, 2023

| | Special Revenue Funds | | | | |
|---|------------------------------|---------------------------|---|---------------------------|-------------------|
| | <u>Wheel Tax Fund</u> | <u>Ambulance Fund</u> | <u>Postretirement Benefits Fund</u> | <u>Recycling Fund</u> | <u>ARPA Fund</u> |
| Assets | | | | | |
| Cash and investments | \$ 71,953 | \$ 10,280 | \$ - | \$ 3,155 | \$ 410,391 |
| Receivables: | | | | | |
| Taxes | - | - | - | - | - |
| Accounts | - | - | - | - | - |
| Loans | - | - | - | - | - |
| Special assessments | - | - | - | - | - |
| Other | - | - | - | - | - |
| Prepaid items | - | - | - | - | - |
| Restricted cash and investments | - | - | - | - | - |
| Total assets | <u>\$ 71,953</u> | <u>\$ 10,280</u> | <u>\$ -</u> | <u>\$ 3,155</u> | <u>\$ 410,391</u> |
| Liabilities, Deferred Inflows of Resources and Fund Balances | | | | | |
| Liabilities | | | | | |
| Accounts payable | \$ - | \$ 9,204 | \$ - | \$ - | \$ - |
| Accrued liabilities | - | - | - | - | - |
| Deposits | - | - | - | - | - |
| Due to other funds | - | - | - | - | - |
| Advances from other funds | - | - | 62,661 | - | - |
| Unearned revenue | - | - | - | - | 346,554 |
| Total liabilities | <u>-</u> | <u>9,204</u> | <u>62,661</u> | <u>-</u> | <u>346,554</u> |
| Deferred Inflows of Resources | | | | | |
| Property taxes levied for next period | - | - | - | - | - |
| Unavailable revenues | - | - | - | - | - |
| Total deferred inflows of resources | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balances (Deficit) | | | | | |
| Nonspendable | - | - | - | - | - |
| Restricted | 71,953 | - | - | - | - |
| Committed | - | - | - | 3,155 | - |
| Assigned | - | 1,076 | - | - | 63,837 |
| Unassigned (deficit) | - | - | (62,661) | - | - |
| Total fund balances (deficit) | <u>71,953</u> | <u>1,076</u> | <u>(62,661)</u> | <u>3,155</u> | <u>63,837</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 71,953</u> | <u>\$ 10,280</u> | <u>\$ -</u> | <u>\$ 3,155</u> | <u>\$ 410,391</u> |

| Special Revenue Funds | | Capital Projects Funds | | | | |
|-----------------------|-------------------|------------------------|-------------------------|----------------------|---------------------------|------------------|
| CDBG Fund | Mass Transit Fund | Canal Project Fund | Revolving Sidewalk Fund | Revolving Alley Fund | Airport Construction Fund | TIF #4 |
| \$ 280,406 | \$ - | \$ 37,704 | \$ 59,560 | \$ 17,566 | \$ 1,914 | \$ - |
| - | - | - | 8,627 | 12,719 | - | 92,930 |
| - | 78,816 | - | - | - | - | - |
| 1,108,710 | - | - | 16,279 | 12,540 | - | - |
| 324 | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| <u>\$ 1,389,440</u> | <u>\$ 78,816</u> | <u>\$ 37,704</u> | <u>\$ 84,466</u> | <u>\$ 42,825</u> | <u>\$ 1,914</u> | <u>\$ 92,930</u> |
| \$ - | \$ 46,935 | \$ - | \$ 2,344 | \$ - | \$ - | \$ 1,583 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | 10,000 |
| - | 101,886 | - | - | - | - | - |
| - | - | - | - | - | - | 1,207,370 |
| - | - | - | - | - | - | - |
| - | 148,821 | - | 2,344 | - | - | 1,218,953 |
| - | - | - | - | - | - | 92,930 |
| 1,088,277 | - | - | 16,189 | 12,540 | - | - |
| 1,088,277 | - | - | 16,189 | 12,540 | - | 92,930 |
| - | - | - | - | - | - | - |
| 301,163 | - | 26,886 | 37,808 | - | - | - |
| - | - | - | - | - | - | - |
| - | - | 10,818 | 28,125 | 30,285 | 1,914 | - |
| - | (70,005) | - | - | - | - | (1,218,953) |
| 301,163 | (70,005) | 37,704 | 65,933 | 30,285 | 1,914 | (1,218,953) |
| <u>\$ 1,389,440</u> | <u>\$ 78,816</u> | <u>\$ 37,704</u> | <u>\$ 84,466</u> | <u>\$ 42,825</u> | <u>\$ 1,914</u> | <u>\$ 92,930</u> |

City of Portage

Combining Balance Sheet - Nonmajor Governmental Funds
December 31, 2023

| Capital Projects Funds | | | | | |
|---|-------------------|------------------|-------------------|-------------------|------------------|
| | <u>TIF #5</u> | <u>TIF #6</u> | <u>TIF #7</u> | <u>TIF #8</u> | <u>TIF #9</u> |
| Assets | | | | | |
| Cash and investments | \$ - | \$ - | \$ 164,901 | \$ 136,500 | \$ - |
| Receivables: | | | | | |
| Taxes | 121,690 | 46,790 | 197,343 | 58,580 | 28,627 |
| Accounts | - | - | - | - | - |
| Loans | - | - | - | - | - |
| Special assessments | - | - | - | - | - |
| Other | - | - | - | - | - |
| Prepaid items | - | - | - | - | - |
| Restricted cash and investments | - | - | - | - | - |
| Total assets | <u>\$ 121,690</u> | <u>\$ 46,790</u> | <u>\$ 362,244</u> | <u>\$ 195,080</u> | <u>\$ 28,627</u> |
| Liabilities, Deferred Inflows of Resources and Fund Balances | | | | | |
| Liabilities | | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - | \$ 104 |
| Accrued liabilities | - | - | - | - | - |
| Deposits | - | - | - | - | 22,500 |
| Due to other funds | - | - | - | - | - |
| Advances from other funds | 635,855 | 161,950 | - | - | 29,105 |
| Unearned revenue | - | - | - | - | - |
| Total liabilities | <u>635,855</u> | <u>161,950</u> | <u>-</u> | <u>-</u> | <u>51,709</u> |
| Deferred Inflows of Resources | | | | | |
| Property taxes levied for next period | 121,690 | 46,790 | 197,343 | 58,580 | 28,627 |
| Unavailable revenues | 37,510 | - | - | - | - |
| Total deferred inflows of resources | <u>159,200</u> | <u>46,790</u> | <u>197,343</u> | <u>58,580</u> | <u>28,627</u> |
| Fund Balances (Deficit) | | | | | |
| Nonspendable | - | - | - | - | - |
| Restricted | - | - | 164,901 | 136,500 | - |
| Committed | - | - | - | - | - |
| Assigned | - | - | - | - | - |
| Unassigned (deficit) | (673,365) | (161,950) | - | - | (51,709) |
| Total fund balances (deficit) | <u>(673,365)</u> | <u>(161,950)</u> | <u>164,901</u> | <u>136,500</u> | <u>(51,709)</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 121,690</u> | <u>\$ 46,790</u> | <u>\$ 362,244</u> | <u>\$ 195,080</u> | <u>\$ 28,627</u> |

| Capital Projects Funds | | | | |
|-------------------------------|-----------------|---|--|--|
| TIF #10 | TIF #11 | Vehicle Equipment Replacement Fund | Industrial Development Fund | Total Nonmajor Governmental Funds |
| \$ 55,121 | \$ - | \$ 1,170,199 | \$ 53 | \$ 3,071,696 |
| 67,129 | - | - | - | 1,247,149 |
| - | - | - | - | 138,596 |
| - | - | - | - | 1,108,710 |
| - | - | - | - | 28,819 |
| - | - | - | - | 324 |
| - | - | 131,314 | - | 131,314 |
| - | - | - | - | 32,417 |
| <u>\$ 122,250</u> | <u>\$ -</u> | <u>\$ 1,301,513</u> | <u>\$ 53</u> | <u>\$ 5,759,025</u> |
| \$ - | \$ 203 | \$ - | \$ - | \$ 87,047 |
| - | - | - | - | 21,826 |
| - | - | - | - | 46,362 |
| - | - | - | - | 19,461 |
| - | 19,791 | - | - | 2,293,287 |
| - | - | - | - | 346,554 |
| - | 19,994 | - | - | 2,814,537 |
| 67,129 | - | - | - | 1,225,803 |
| - | - | - | - | 1,204,858 |
| <u>67,129</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,430,661</u> |
| - | - | 131,314 | - | 131,314 |
| 55,121 | - | 214,538 | - | 1,482,969 |
| - | - | - | - | 3,155 |
| - | - | 955,661 | 53 | 1,255,274 |
| - | (19,994) | - | - | (2,358,885) |
| <u>55,121</u> | <u>(19,994)</u> | <u>1,301,513</u> | <u>53</u> | <u>513,827</u> |
| <u>\$ 122,250</u> | <u>\$ -</u> | <u>\$ 1,301,513</u> | <u>\$ 53</u> | <u>\$ 5,759,025</u> |

City of Portage

Combining Statement of Revenues, Expenditures and Changes
in Fund Balances - Nonmajor Governmental Funds
Year Ended December 31, 2023

| | Special Revenue Funds | | | | |
|--|--|-------------------------------|----------------------------|---------------------|---|
| | Park Land Dedication Fund | Swimming Pool Fund | Inspection Fund | Library Fund | Library- Restricted Fund |
| Revenues | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ 598,525 | \$ - |
| Special assessments | - | - | - | - | - |
| Intergovernmental | - | - | - | 203,562 | - |
| Licenses and permits | - | - | 85,068 | - | - |
| Public charges for services | - | 18,528 | 1,765 | 13,345 | 1,536 |
| Intergovernmental charges for services | - | - | 24,449 | - | - |
| Investment income | 4,417 | - | - | 25,807 | 3,467 |
| Miscellaneous | 11,088 | - | 7,525 | 9,866 | 16,084 |
| Total revenues | 15,505 | 18,528 | 118,807 | 851,105 | 21,087 |
| Expenditures | | | | | |
| Current: | | | | | |
| General government | - | - | - | - | - |
| Public safety | - | - | 113,527 | - | - |
| Public works | - | - | - | - | - |
| Culture, recreation and education | - | 38,572 | - | 856,214 | 32,291 |
| Conservation and development | - | - | 1,004 | - | - |
| Capital outlay | - | - | - | - | - |
| Total expenditures | - | 38,572 | 114,531 | 856,214 | 32,291 |
| Excess (deficiency) of revenues over expenditures | 15,505 | (20,044) | 4,276 | (5,109) | (11,204) |
| Other Financing Sources (Uses) | | | | | |
| Transfers in | - | 20,000 | - | - | - |
| Transfers out | - | - | - | - | - |
| Debt issued | - | - | - | - | - |
| Sale of capital assets | - | - | - | - | - |
| Total other financing sources (uses) | - | 20,000 | - | - | - |
| Net change in fund balances | 15,505 | (44) | 4,276 | (5,109) | (11,204) |
| Fund Balances (Deficit), Beginning | 63,203 | (77,678) | (26,802) | 190,891 | 63,632 |
| Fund Balances (Deficit), Ending | \$ 78,708 | \$ (77,722) | \$ (22,526) | \$ 185,782 | \$ 52,428 |

Special Revenue Funds

| <u>Library Memorial Fund</u> | <u>Criminal Investigation Fund</u> | <u>Tourism Promotion Fund</u> | <u>School Liaison Fund</u> | <u>Donation Fund</u> | <u>Portage Enterprise Center</u> | <u>HUD Fund</u> |
|----------------------------------|--|---------------------------------------|--------------------------------|----------------------|--|------------------|
| \$ - | \$ - | \$ 166,247 | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - | - |
| - | - | - | - | 15,813 | - | - |
| - | 2,393 | - | - | - | - | 7,465 |
| - | - | - | 78,770 | - | - | - |
| 2,033 | 705 | 2,507 | 1,332 | 10,598 | 2,843 | 61 |
| 1,071 | - | 4,000 | - | 77,417 | 154,361 | - |
| <u>3,104</u> | <u>3,098</u> | <u>172,754</u> | <u>80,102</u> | <u>103,828</u> | <u>157,204</u> | <u>7,526</u> |
| - | - | - | - | - | - | - |
| - | 10,363 | - | 115,566 | - | - | - |
| 4,720 | - | 197,094 | - | 76,746 | - | - |
| - | - | - | - | - | 117,821 | - |
| - | - | - | - | - | - | - |
| <u>4,720</u> | <u>10,363</u> | <u>197,094</u> | <u>115,566</u> | <u>76,746</u> | <u>117,821</u> | <u>-</u> |
| <u>(1,616)</u> | <u>(7,265)</u> | <u>(24,340)</u> | <u>(35,464)</u> | <u>27,082</u> | <u>39,383</u> | <u>7,526</u> |
| - | - | - | 41,217 | - | - | - |
| - | - | - | (12,587) | - | (28,095) | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | 28,630 | - | (28,095) | - |
| (1,616) | (7,265) | (24,340) | (6,834) | 27,082 | 11,288 | 7,526 |
| <u>34,033</u> | <u>16,420</u> | <u>49,264</u> | <u>24,986</u> | <u>152,101</u> | <u>21,278</u> | <u>16,763</u> |
| <u>\$ 32,417</u> | <u>\$ 9,155</u> | <u>\$ 24,924</u> | <u>\$ 18,152</u> | <u>\$ 179,183</u> | <u>\$ 32,566</u> | <u>\$ 24,289</u> |

City of Portage

Combining Statement of Revenues, Expenditures and Changes
in Fund Balances - Nonmajor Governmental Funds
Year Ended December 31, 2023

| | Special Revenue Funds | | | | |
|--|------------------------------|---------------------------|---|---------------------------|------------------|
| | Wheel Tax Fund | Ambulance Fund | Post- retirement Benefits Fund | Recycling Fund | ARPA Fund |
| Revenues | | | | | |
| Taxes | \$ 152,230 | \$ - | \$ - | \$ - | \$ - |
| Special assessments | - | - | - | - | - |
| Intergovernmental | - | - | - | 20,440 | 706,716 |
| Licenses and permits | - | - | - | - | - |
| Public charges for services | - | - | - | - | - |
| Intergovernmental charges for services | - | - | - | - | - |
| Investment income | 6,792 | 1,076 | - | - | 46,799 |
| Miscellaneous | - | - | - | - | - |
| Total revenues | <u>159,022</u> | <u>1,076</u> | <u>-</u> | <u>20,440</u> | <u>753,515</u> |
| Expenditures | | | | | |
| Current: | | | | | |
| General government | - | - | 42,017 | - | - |
| Public safety | - | 54,553 | 72,391 | - | - |
| Public works | 25,799 | - | 20,678 | 20,001 | - |
| Culture, recreation and education | - | - | - | - | - |
| Conservation and development | - | - | - | - | - |
| Capital outlay | 87,160 | - | - | - | 706,716 |
| Total expenditures | <u>112,959</u> | <u>54,553</u> | <u>135,086</u> | <u>20,001</u> | <u>706,716</u> |
| Excess (deficiency) of revenues over expenditures | <u>46,063</u> | <u>(53,477)</u> | <u>(135,086)</u> | <u>439</u> | <u>46,799</u> |
| Other Financing Sources (Uses) | | | | | |
| Transfers in | - | - | 117,724 | - | - |
| Transfers out | (40,000) | - | - | - | - |
| Debt issued | - | - | - | - | - |
| Sale of capital assets | - | - | - | - | - |
| Total other financing sources (uses) | <u>(40,000)</u> | <u>-</u> | <u>117,724</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | 6,063 | (53,477) | (17,362) | 439 | 46,799 |
| Fund Balances (Deficit), Beginning | <u>65,890</u> | <u>54,553</u> | <u>(45,299)</u> | <u>2,716</u> | <u>17,038</u> |
| Fund Balances (Deficit), Ending | <u>\$ 71,953</u> | <u>\$ 1,076</u> | <u>\$ (62,661)</u> | <u>\$ 3,155</u> | <u>\$ 63,837</u> |

| Special Revenue Funds | | Capital Projects Funds | | | | |
|-----------------------|--------------------|------------------------|-------------------------|----------------------|---------------------------|-----------------------|
| CDBG Fund | Mass Transit Fund | Canal Project Fund | Revolving Sidewalk Fund | Revolving Alley Fund | Airport Construction Fund | TIF #4 |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 74,668 |
| - | - | - | 20,611 | 29,054 | - | - |
| - | 539,882 | - | - | - | - | - |
| - | - | - | - | - | - | - |
| 105,590 | 373,150 | - | - | - | - | - |
| - | - | - | - | - | - | - |
| 7,718 | - | 4,280 | 3,678 | 2,937 | 112 | - |
| - | (452) | - | (303) | - | - | - |
| <u>113,308</u> | <u>912,580</u> | <u>4,280</u> | <u>23,986</u> | <u>31,991</u> | <u>112</u> | <u>74,668</u> |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | 1,180,881 | - | 3,336 | 4,826 | - | - |
| - | - | - | - | - | - | - |
| 42,219 | - | - | - | - | - | 5,497 |
| - | - | 26,340 | 2,191 | - | - | - |
| <u>42,219</u> | <u>1,180,881</u> | <u>26,340</u> | <u>5,527</u> | <u>4,826</u> | <u>-</u> | <u>5,497</u> |
| <u>71,089</u> | <u>(268,301)</u> | <u>(22,060)</u> | <u>18,459</u> | <u>27,165</u> | <u>112</u> | <u>69,171</u> |
| - | 50,000 | - | - | - | - | 28,095 |
| - | - | - | - | - | - | (82,270) |
| - | - | - | 40,000 | - | - | - |
| - | - | - | - | - | - | 6,087 |
| - | 50,000 | - | 40,000 | - | - | (48,088) |
| 71,089 | (218,301) | (22,060) | 58,459 | 27,165 | 112 | 21,083 |
| <u>230,074</u> | <u>148,296</u> | <u>59,764</u> | <u>7,474</u> | <u>3,120</u> | <u>1,802</u> | <u>(1,240,036)</u> |
| <u>\$ 301,163</u> | <u>\$ (70,005)</u> | <u>\$ 37,704</u> | <u>\$ 65,933</u> | <u>\$ 30,285</u> | <u>\$ 1,914</u> | <u>\$ (1,218,953)</u> |

City of Portage

Combining Statement of Revenues, Expenditures and Changes
in Fund Balances - Nonmajor Governmental Funds
Year Ended December 31, 2023

| | Capital Projects Funds | | | | |
|--|-------------------------------|----------------------------|--------------------------|--------------------------|---------------------------|
| | TIF #5 | TIF #6 | TIF #7 | TIF #8 | TIF #9 |
| Revenues | | | | | |
| Taxes | \$ 110,434 | \$ 17,281 | \$ 153,914 | \$ 50,663 | \$ 10 |
| Special assessments | - | - | - | - | - |
| Intergovernmental | - | 3,452 | 1,746 | 3,721 | - |
| Licenses and permits | - | - | - | - | - |
| Public charges for services | - | - | - | - | - |
| Intergovernmental charges for services | - | - | - | - | - |
| Investment income | - | - | 9,205 | 7,942 | - |
| Miscellaneous | - | - | - | - | 27,626 |
| Total revenues | <u>110,434</u> | <u>20,733</u> | <u>164,865</u> | <u>62,326</u> | <u>27,636</u> |
| Expenditures | | | | | |
| Current: | | | | | |
| General government | - | - | - | - | - |
| Public safety | - | - | - | - | - |
| Public works | - | - | - | - | - |
| Culture, recreation and education | - | - | - | - | - |
| Conservation and development | 4,672 | 7,969 | 3,545 | 2,929 | 4,446 |
| Capital outlay | - | 20,326 | - | - | 33,175 |
| Total expenditures | <u>4,672</u> | <u>28,295</u> | <u>3,545</u> | <u>2,929</u> | <u>37,621</u> |
| Excess (deficiency) of revenues over expenditures | <u>105,762</u> | <u>(7,562)</u> | <u>161,320</u> | <u>59,397</u> | <u>(9,985)</u> |
| Other Financing Sources (Uses) | | | | | |
| Transfers in | - | - | - | - | - |
| Transfers out | (171,238) | (47,547) | (125,681) | (48,638) | - |
| Debt issued | - | - | - | - | - |
| Sale of capital assets | - | - | - | - | - |
| Total other financing sources (uses) | <u>(171,238)</u> | <u>(47,547)</u> | <u>(125,681)</u> | <u>(48,638)</u> | <u>-</u> |
| Net change in fund balances | (65,476) | (55,109) | 35,639 | 10,759 | (9,985) |
| Fund Balances (Deficit), Beginning | <u>(607,889)</u> | <u>(106,841)</u> | <u>129,262</u> | <u>125,741</u> | <u>(41,724)</u> |
| Fund Balances (Deficit), Ending | <u><u>\$ (673,365)</u></u> | <u><u>\$ (161,950)</u></u> | <u><u>\$ 164,901</u></u> | <u><u>\$ 136,500</u></u> | <u><u>\$ (51,709)</u></u> |

| Capital Projects Funds | | | | |
|-------------------------------|--------------------|---|--|--|
| TIF #10 | TIF #11 | Vehicle Equipment Replacement Fund | Industrial Development Fund | Total Nonmajor Governmental Funds |
| \$ 51,801 | \$ - | \$ - | \$ - | \$ 1,375,773 |
| - | - | - | - | 49,665 |
| - | - | - | - | 1,495,332 |
| - | - | - | - | 85,068 |
| - | - | - | - | 523,772 |
| - | - | - | - | 103,219 |
| - | - | 74,146 | 2 | 218,457 |
| - | - | - | - | 308,283 |
| <u>51,801</u> | <u>-</u> | <u>74,146</u> | <u>2</u> | <u>4,159,569</u> |
| - | - | - | - | 42,017 |
| - | - | - | - | 366,400 |
| - | - | - | - | 1,255,521 |
| - | - | - | - | 1,205,637 |
| 3,750 | 19,994 | - | - | 213,846 |
| - | - | 412,806 | - | 1,288,714 |
| <u>3,750</u> | <u>19,994</u> | <u>412,806</u> | <u>-</u> | <u>4,372,135</u> |
| <u>48,051</u> | <u>(19,994)</u> | <u>(338,660)</u> | <u>2</u> | <u>(212,566)</u> |
| - | - | 121,735 | - | 378,771 |
| - | - | - | - | (556,056) |
| - | - | - | - | 40,000 |
| - | - | 97,403 | - | 103,490 |
| <u>-</u> | <u>-</u> | <u>219,138</u> | <u>-</u> | <u>(33,795)</u> |
| 48,051 | (19,994) | (119,522) | 2 | (246,361) |
| <u>7,070</u> | <u>-</u> | <u>1,421,035</u> | <u>51</u> | <u>760,188</u> |
| <u>\$ 55,121</u> | <u>\$ (19,994)</u> | <u>\$ 1,301,513</u> | <u>\$ 53</u> | <u>\$ 513,827</u> |