

PRELIMINARY OFFICIAL STATEMENT DATED APRIL 17, 2018

In the opinion of Quarles & Brady LLP, Bond Counsel, assuming continued compliance with the requirements of the Internal Revenue Code of 1986, as amended, under existing law interest on the Bonds is excludable from gross income and is not an item of tax preference for federal income tax purposes. See "TAX EXEMPTION" herein for a more detailed discussion of some of the federal income tax consequences of owning the Bonds. The interest on the Bonds is not exempt from present Wisconsin income or franchise taxes.

The City will designate the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

New Issue

Rating Application Made: S&P Global Ratings

CITY OF PLATTEVILLE, WISCONSIN (Grant County)

\$1,270,000* GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2018A

BID OPENING: April 24, 2018, 10:30 A.M., C.T.

CONSIDERATION: April 24, 2018, 7:00 P.M., C.T.

PURPOSE/AUTHORITY/SECURITY: The \$1,270,000* General Obligation Corporate Purpose Bonds, Series 2018A (the "Bonds") of the City of Platteville, Wisconsin (the "City") are being issued pursuant to Section 67.04, Wisconsin Statutes, for the public purpose of paying the rest of street improvement projects and parking lot projects. The Bonds are valid and binding general obligations of the City, and all the taxable property in the City is subject to the levy of a tax to pay the principal of and interest on the Bonds as they become due which tax may, under current law, be levied without limitation as to rate or amount. Delivery is subject to receipt of an approving legal opinion of Quarles & Brady LLP, Milwaukee, Wisconsin.

DATE OF BONDS: May 10, 2018

MATURITY: March 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2021	\$50,000	2026	\$100,000	2031	\$100,000
2022	50,000	2027	100,000	2032	100,000
2023	50,000	2028	100,000	2033	110,000
2024	100,000	2029	100,000	2034	110,000
2025	100,000	2030	100,000		

MATURITY ADJUSTMENTS: * The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

TERM BONDS: See "Term Bond Option" herein.

INTEREST: March 1, 2019 and semiannually thereafter.

OPTIONAL REDEMPTION: Bonds maturing March 1, 2027 and thereafter are subject to call for prior redemption on March 1, 2026 and any date thereafter, at a price of par plus accrued interest.

MINIMUM BID: \$1,254,125.

MAXIMUM BID: \$1,346,200.

GOOD FAITH DEPOSIT: A good faith deposit in the amount of \$25,400 shall be made by the winning bidder by wire transfer of funds.

PAYING AGENT: To be named by the Issuer.

BOND COUNSEL: Quarles & Brady LLP

MUNICIPAL ADVISOR: Ehlers and Associates, Inc.

BOOK-ENTRY-ONLY: See "Book-Entry-Only System" herein (unless otherwise specified by the purchaser).

This Preliminary Official Statement and the information contained herein are subject to completion and amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy these securities nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. This Preliminary Official Statement is in a form deemed final as of its date for purposes of SEC Rule 15c2-12(b) (1), but is subject to revision, amendment and completion in a Final Official Statement.



REPRESENTATIONS

No dealer, broker, salesperson or other person has been authorized by the City to give any information or to make any representation other than those contained in this Preliminary Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the City. ***This Preliminary Official Statement does not constitute an offer to sell or a solicitation of an offer to buy any of the Bonds in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction.***

This Preliminary Official Statement is not to be construed as a contract with the Syndicate Manager or Syndicate Members. Statements contained herein which involve estimates or matters of opinion are intended solely as such and are not to be construed as representations of fact. Ehlers & Associates, Inc. prepared this Preliminary Official Statement and any addenda thereto relying on information of the City and other sources for which there is reasonable basis for believing the information is accurate and complete. Bond Counsel has not participated in the preparation of this Preliminary Official Statement and is not expressing any opinion as to the completeness or accuracy of the information contained therein. Compensation of Ehlers & Associates, Inc., payable entirely by the City, is contingent upon the sale of the issue.

COMPLIANCE WITH S.E.C. RULE 15c2-12

Certain municipal obligations (issued in an aggregate amount over \$1,000,000) are subject to Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended (the "Rule").

Preliminary Official Statement: This Preliminary Official Statement was prepared for the City for dissemination to potential investors. Its primary purpose is to disclose information regarding the Bonds to prospective underwriters in the interest of receiving competitive proposals in accordance with the sale notice contained herein. Unless an addendum is posted prior to the sale, this Preliminary Official Statement shall be deemed nearly final for purposes of the Rule subject to completion, revision and amendment in a Final Official Statement as defined below.

Review Period: This Preliminary Official Statement has been distributed to prospective bidders for review. Comments or requests for the correction of omissions or inaccuracies must be submitted to Ehlers & Associates, Inc. at least two business days prior to the sale. Requests for additional information or corrections in the Preliminary Official Statement received on or before this date will not be considered a qualification of a proposal received from an underwriter. If there are any changes, corrections or additions to the Preliminary Official Statement, interested bidders will be informed by an addendum prior to the sale.

Final Official Statement: Copies of the Final Official Statement will be delivered to the underwriter (Syndicate Manager) within seven business days following the proposal acceptance.

Continuing Disclosure: Subject to certain exemptions, issues in an aggregate amount over \$1,000,000 may be required to comply with provisions of the Rule which require that underwriters obtain from the issuers of municipal securities (or other obligated party) an agreement for the benefit of the owners of the securities to provide continuing disclosure with respect to those securities. This Preliminary Official Statement describes the conditions under which the Bonds are exempt or required to comply with the Rule.

CLOSING CERTIFICATES

Upon delivery of the Bonds, the underwriter (Syndicate Manager) will be furnished with the following items: (1) a certificate of the appropriate officials to the effect that at the time of the sale of the Bonds and all times subsequent thereto up to and including the time of the delivery of the Bonds, this Preliminary Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (2) a receipt signed by the appropriate officer evidencing payment for the Bonds; (3) a certificate evidencing the due execution of the Bonds, including statements that (a) no litigation of any nature is pending, or to the knowledge of signers, threatened, restraining or enjoining the issuance and delivery of the Bonds, (b) neither the corporate existence or boundaries of the City nor the title of the signers to their respective offices is being contested, and (c) no authority or proceedings for the issuance of the Bonds have been repealed, revoked or rescinded; and (4) a certificate setting forth facts and expectations of the City which indicates that the City does not expect to use the proceeds of the Bonds in a manner that would cause them to be arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or within the meaning of applicable Treasury Regulations.

TABLE OF CONTENTS

<p>INTRODUCTORY STATEMENT. 1</p> <p>THE BONDS. 1</p> <p style="padding-left: 20px;">GENERAL. 1</p> <p style="padding-left: 20px;">OPTIONAL REDEMPTION. 1</p> <p style="padding-left: 20px;">AUTHORITY; PURPOSE. 2</p> <p style="padding-left: 20px;">ESTIMATED SOURCES AND USES. 2</p> <p style="padding-left: 20px;">SECURITY. 2</p> <p style="padding-left: 20px;">RATING. 2</p> <p style="padding-left: 20px;">CONTINUING DISCLOSURE. 3</p> <p style="padding-left: 20px;">LEGAL OPINION 3</p> <p style="padding-left: 20px;">STATEMENT REGARDING BOND COUNSEL PARTICIPATION. 4</p> <p style="padding-left: 20px;">TAX EXEMPTION. 4</p> <p style="padding-left: 20px;">QUALIFIED TAX-EXEMPT OBLIGATIONS. . . . 4</p> <p style="padding-left: 20px;">MUNICIPAL ADVISOR. 5</p> <p style="padding-left: 20px;">MUNICIPAL ADVISOR AFFILIATED COMPANIES. 5</p> <p style="padding-left: 20px;">INDEPENDENT AUDITORS. 5</p> <p style="padding-left: 20px;">RISK FACTORS. 5</p> <p>VALUATIONS. 7</p> <p style="padding-left: 20px;">WISCONSIN PROPERTY VALUATIONS; PROPERTY TAXES. 7</p> <p style="padding-left: 20px;">CURRENT PROPERTY VALUATIONS. 8</p> <p style="padding-left: 20px;">2017 EQUALIZED VALUE BY CLASSIFICATION. 8</p> <p style="padding-left: 20px;">TREND OF VALUATIONS. 8</p> <p style="padding-left: 20px;">LARGER TAXPAYERS. 9</p> <p>DEBT. 10</p> <p style="padding-left: 20px;">DIRECT DEBT. 10</p> <p style="padding-left: 20px;">SCHEDULE OF GENERAL OBLIGATION DEBT. 11</p> <p style="padding-left: 20px;">SCHEDULE OF WATER AND SEWER REVENUE DEBT. 13</p> <p style="padding-left: 20px;">OTHER REVENUE DEBT. 14</p> <p style="padding-left: 20px;">DEBT LIMIT. 15</p> <p style="padding-left: 20px;">OVERLAPPING DEBT. 15</p> <p style="padding-left: 20px;">DEBT RATIOS. 16</p> <p style="padding-left: 20px;">DEBT PAYMENT HISTORY. 16</p> <p style="padding-left: 20px;">FUTURE FINANCING. 16</p>	<p>TAX LEVIES AND COLLECTIONS. 17</p> <p style="padding-left: 20px;">TAX LEVIES AND COLLECTIONS. 17</p> <p style="padding-left: 20px;">PROPERTY TAX RATES. 18</p> <p style="padding-left: 20px;">LEVY LIMITS. 18</p> <p>THE ISSUER. 20</p> <p style="padding-left: 20px;">CITY GOVERNMENT. 20</p> <p style="padding-left: 20px;">EMPLOYEES; PENSIONS. 20</p> <p style="padding-left: 20px;">OTHER POST EMPLOYMENT BENEFITS. . . . 21</p> <p style="padding-left: 20px;">LITIGATION. 21</p> <p style="padding-left: 20px;">MUNICIPAL BANKRUPTCY. 22</p> <p style="padding-left: 20px;">FUNDS ON HAND. 22</p> <p style="padding-left: 20px;">ENTERPRISE FUNDS. 23</p> <p style="padding-left: 20px;">SUMMARY GENERAL FUND INFORMATION. 24</p> <p>GENERAL INFORMATION. 25</p> <p style="padding-left: 20px;">LOCATION. 25</p> <p style="padding-left: 20px;">LARGER EMPLOYERS. 25</p> <p style="padding-left: 20px;">BUILDING PERMITS. 26</p> <p style="padding-left: 20px;">U.S. CENSUS DATA. 27</p> <p style="padding-left: 20px;">EMPLOYMENT/UNEMPLOYMENT DATA. . . 27</p> <p>FINANCIAL STATEMENTS. A-1</p> <p>FORM OF LEGAL OPINION. B-1</p> <p>BOOK-ENTRY-ONLY SYSTEM. C-1</p> <p>FORM OF CONTINUING DISCLOSURE CERTIFICATE. D-1</p> <p>NOTICE OF SALE. E-1</p> <p>BID FORM</p>
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COMMON COUNCIL

		<u>Term Expires</u>
Eileen Nickels	President	April 2020
Barbara Daus	Aldersperson	April 2021
Barb Stockhausen	Aldersperson	April 2020
Ken Kilian	Aldersperson	April 2021
Don Francis	Aldersperson	April 2019
Cena Sharp	Aldersperson	April 2021
Robin Cline	Aldersperson	April 2019

ADMINISTRATION

Karen Kurt, City Manager

Nicola Maurer, Administration Director

Candace Koch, City Clerk

PROFESSIONAL SERVICES

Bill Cole, City Attorney, Madison, Wisconsin

Quarles & Brady LLP, Bond Counsel, Milwaukee, Wisconsin

Ehlers & Associates, Inc., Municipal Advisors, Waukesha, Wisconsin
(Other offices located in Roseville, Minnesota, Chicago, Illinois and Denver, Colorado)

INTRODUCTORY STATEMENT

This Preliminary Official Statement contains certain information regarding the City of Platteville, Wisconsin (the "City") and the issuance of its \$1,270,000* General Obligation Corporate Purpose Bonds, Series 2018A (the "Bonds" or the "Obligations"). Any descriptions or summaries of the Bonds, statutes, or documents included herein are not intended to be complete and are qualified in their entirety by reference to such statutes and documents and the form of the Bonds to be included in the resolution awarding the sale of the Bonds (the "Award Resolution") to be adopted by the Common Council on April 24, 2018.

Inquiries may be directed to Ehlers & Associates, Inc. ("Ehlers" or the "Municipal Advisor"), Waukesha, Wisconsin, (262) 785-1520, the City's Municipal Advisor. A copy of this Preliminary Official Statement may be downloaded from Ehlers' web site at www.ehlers-inc.com by connecting to the Bond Sales link and following the directions at the top of the site.

THE BONDS

GENERAL

The Bonds will be issued in fully registered form as to both principal and interest in denominations of \$5,000 each or any integral multiple thereof, and will be dated, as originally issued, as of May 10, 2018. The Bonds will mature on March 1 in the years and amounts set forth on the cover of this Preliminary Official Statement. Interest will be payable on March 1 and September 1 of each year, commencing March 1, 2019, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board ("MSRB"). **The rate for any maturity may not be more than 2.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2021 maturity, then the lowest rate that may be proposed for any later maturity is 2.50%.)** All Bonds of the same maturity must bear interest from the date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

Unless otherwise specified by the purchaser, the Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). (See "Book-Entry-Only System" herein.) As long as the Bonds are held under the book-entry system, beneficial ownership interests in the Bonds may be acquired in book-entry form only, and all payments of principal of, premium, if any, and interest on the Bonds shall be made through the facilities of DTC and its participants. If the book-entry system is terminated, principal of, premium, if any, and interest on the Bonds shall be payable as provided in the Award Resolution.

OPTIONAL REDEMPTION

At the option of the City, the Bonds maturing on or after March 1, 2027 shall be subject to optional redemption prior to maturity on March 1, 2026 and on any date thereafter, at a price of par plus accrued interest.

Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Bonds to be redeemed shall be at the discretion of the City. If only part of the Bonds having a common maturity date are called for redemption, then the City or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Notice of such call shall be given by sending a notice by registered or certified mail, facsimile or electronic transmission, overnight delivery service or in any other manner required by DTC, not less than 30 days nor more than 60 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books.

AUTHORITY; PURPOSE

The Bonds are being issued pursuant to Section 67.04, Wisconsin Statutes, for the public purpose of paying the cost of street improvement projects and parking lot projects.

ESTIMATED SOURCES AND USES*

Sources		
Par Amount of Bonds	\$1,270,000	
Interest Earnings	<u>3,025</u>	
Total Sources		\$1,273,025
Uses		
Project Costs	\$1,210,000	
Estimated Discount	15,875	
Finance Related Expenses	44,575	
Contingency/Rounding	<u>2,575</u>	
Total Uses		\$1,273,025

*Preliminary, subject to change

SECURITY

For the prompt payment of the Bonds with interest thereon and for the levy of taxes sufficient for this purpose, the full faith, credit and resources of the City will be irrevocably pledged. The City will levy a direct, annual, irrevocable tax on all taxable property in the City sufficient to pay the interest on the Bonds when it becomes due and also to pay and discharge the principal on the Bonds at maturity, in compliance with Article XI, Section 3 of the Wisconsin Constitution. Such tax may, under current law, be levied without limitation as to rate or amount.

RATING

General obligation debt of the City, with the exception of any outstanding credit enhanced issues, is currently rated "AA-" by S&P Global Ratings ("S&P").

The City has requested a rating on this issue from S&P Global Ratings, and bidders will be notified as to the assigned rating prior to the sale. Such rating reflects only the views of such organization and explanations of the significance of such rating may be obtained from S&P Global Ratings. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency, if in the judgment of such rating agency circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

Such rating is not to be construed as a recommendation of the rating agency to buy, sell or hold the Bonds, and the rating assigned by the rating agency should be evaluated independently. Except as may be required by the Disclosure Undertaking described under the heading "CONTINUING DISCLOSURE" neither the City nor the underwriter undertake responsibility to bring to the attention of the owner of the Bonds any proposed changes in or withdrawal of such rating or to oppose any such revision or withdrawal.

CONTINUING DISCLOSURE

In order to assist the underwriters in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission, pursuant to the Securities Exchange Act of 1934, as amended (the "Rule"), the City shall covenant to take certain actions pursuant to the Award Resolution adopted by the Common Council by entering into a Continuing Disclosure Certificate (the "Disclosure Undertaking") for the benefit of holders, including beneficial holders. The Disclosure Undertaking requires the City to provide electronically or in the manner otherwise prescribed certain financial information annually and to provide notices of the occurrence of certain events enumerated in the Rule. The details and terms of the Disclosure Undertaking for this issue are set forth in Appendix D to be executed and delivered by the City at the time of delivery of the Bonds. Such Disclosure Undertaking will be in substantially the form attached hereto.

The City did not meet its disclosure obligation by not filing the following in the last five years as required by the Rule. Except to the extent that the following are deemed to be material, the City believes it has not failed to comply in all material respects with its prior undertakings under the Rule. The City has reviewed its continuing disclosure responsibilities to help ensure compliance in the future.

Disclosure Deficiency Description	Due Date/Date of Event	Date Filed
Call of the 2016 Maturity of the Taxable NAN, Dated October 1, 2013.	January 13, 2016	April 21, 2016

A failure by the City to comply with any Disclosure Undertaking will not constitute an event of default on this issue or any issue outstanding. However, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

The City will file its continuing disclosure information using the Electronic Municipal Market Access ("EMMA") system or any system that may be prescribed in the future. Investors will be able to access continuing disclosure information filed with the MSRB at www.emma.msrb.org. Ehlers is currently engaged as disclosure dissemination agent.

LEGAL OPINION

An opinion as to the validity of the Bonds and the exemption from federal taxation of the interest thereon will be furnished by Quarles & Brady LLP, Bond Counsel to the City, and will be available at the time of delivery of the Bonds. The legal opinion will be issued on the basis of existing law and will state that the Bonds are valid and binding general obligations of the City; provided that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding).

STATEMENT REGARDING COUNSEL PARTICIPATION

Bond Counsel has not assumed responsibility for this Preliminary Official Statement or participated in its preparation (except with respect to the section entitled "TAX EXEMPTION" in the Preliminary Official Statement and the "FORM OF LEGAL OPINION" found in Appendix B).

TAX EXEMPTION

Quarles & Brady LLP, Milwaukee, Wisconsin, Bond Counsel, will deliver a legal opinion with respect to the federal income tax exemption applicable to the interest on the Bonds under existing law substantially in the following form:

"The interest on the Bonds is excludable for federal income tax purposes from the gross income of the owners of the Bonds. The interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") on corporations (as that term is defined for federal income tax purposes) and individuals. However, for purposes of computing the alternative minimum tax imposed on corporations, the interest on the Bonds is included in adjusted current earnings. We note, however, that the 2017 tax act (Public Law 115-97) enacted on December 22, 2017, repealed the alternative minimum tax on corporations for tax years beginning after December 31, 2017. Accordingly, any discussion herein regarding corporate alternative minimum tax is applicable only to a corporation's tax years beginning before January 1, 2018. The Code contains requirements that must be satisfied subsequent to the issuance of the Bonds in order for interest on the Bonds to be or continue to be excludable from gross income for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the Bonds to be included in gross income retroactively to the date of issuance of the Bonds. The City has agreed to comply with all of those requirements. The opinion set forth in the first sentence of this paragraph is subject to the condition that the City comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the Bonds."

The interest on the Bonds is not exempt from present Wisconsin income or franchise taxes.

Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers. Bond Counsel will not express any opinion as to such collateral tax consequences. Prospective purchasers of the Bonds should consult their tax advisors as to collateral federal income tax consequences.

From time to time legislation is proposed, and there are or may be legislative proposals pending in the Congress of the United States that, if enacted, could alter or amend the federal tax matters referred to above or adversely affect the market value of the Bonds. It cannot be predicted whether, or in what form, any proposal that could alter one or more of the federal tax matters referred to above or adversely affect the market value of the Bonds may be enacted. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

QUALIFIED TAX-EXEMPT OBLIGATIONS

The City will designate the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

MUNICIPAL ADVISOR

Ehlers has served as municipal advisor to the City in connection with the issuance of the Bonds. The Municipal Advisor cannot participate in the underwriting of the Bonds. The financial information included in this Preliminary Official Statement has been compiled by the Municipal Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. Ehlers is not a firm of certified public accountants. Ehlers is registered with the Securities and Exchange Commission and the MSRB as a Municipal Advisor.

MUNICIPAL ADVISOR AFFILIATED COMPANIES

Bond Trust Services Corporation ("BTSC") and Ehlers Investment Partners, LLC ("EIP") are affiliate companies of Ehlers. BTSC is chartered by the State of Minnesota and authorized in Minnesota, Wisconsin, and Illinois to transact the business of a limited purpose trust company. BTSC provides paying agent services to debt issuers. EIP is a Registered Investment Advisor with the Securities and Exchange Commission. EIP assists issuers with the investment of bond proceeds or investing other issuer funds. This includes escrow bidding agent services. Issuers, such as the City, have retained or may retain BTSC and/or EIP to provide these services. If hired, BTSC and/or EIP would be retained by the City under an agreement separate from Ehlers.

INDEPENDENT AUDITORS

The basic financial statements of the City for the fiscal year ended December 31, 2016 have been audited by Johnson Block & Company, Inc., Mineral Point, Wisconsin, independent auditors (the "Auditor"). The report of the Auditor, together with the basic financial statements, component units financial statements, and notes to the financial statements are attached hereto as "APPENDIX A – FINANCIAL STATEMENTS". The Auditor has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The Auditor also has not performed any procedures relating to this Preliminary Official Statement.

RISK FACTORS

Following is a description of possible risks to holders of the Bonds without weighting as to probability. This description of risks is not intended to be all-inclusive, and there may be other risks not now perceived or listed here.

Taxes: The Bonds are general obligations of the City, the ultimate payment of which rests in the City's ability to levy and collect sufficient taxes to pay debt service. In the event of delayed billing, collection or distribution of property taxes, sufficient funds may not be available to the City in time to pay debt service when due.

State Actions: Many elements of local government finance, including the issuance of debt and the levy of property taxes, are controlled by state government. Future actions of the state may affect the overall financial condition of the City, the taxable value of property within the City, and the ability of the City to levy and collect property taxes.

Future Changes in Law: Various State and federal laws, regulations and constitutional provisions apply to the City and to the Bonds. The City can give no assurance that there will not be a change in or interpretation of any such applicable laws, regulations and provisions which would have a material effect on the City or the taxing authority of the City.

Ratings; Interest Rates: In the future, the City's credit rating may be reduced or withdrawn, or interest rates for this type of obligation may rise generally, either possibility resulting in a reduction in the value of the Bonds for resale prior to maturity.

Tax Exemption: If the federal government taxes all or a portion of the interest on municipal bonds or notes or if the State government increases its tax on interest on bonds and notes, directly or indirectly, or if there is a change in federal or state tax policy, then the value of these Bonds may fall for purposes of resale. Noncompliance by the City with the covenants in the Award Resolution relating to certain continuing requirements of the Code may result in inclusion of interest to be paid on the Bonds in gross income of the recipient for United States income tax purposes, retroactive to the date of issuance.

Continuing Disclosure: A failure by the City to comply with the Disclosure Undertaking for continuing disclosure (see "CONTINUING DISCLOSURE") will not constitute an event of default on the Bonds. Any such failure must be reported in accordance with the Rule and must be considered by any broker, dealer, or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

Book-Entry-Only System: The timely credit of payments for principal and interest on the Bonds to the accounts of the Beneficial Owners of the Bonds may be delayed due to the customary practices, standing instructions or for other unknown reasons by DTC participants or indirect participants. Since the notice of redemption or other notices to holders of these obligations will be delivered by the City to DTC only, there may be a delay or failure by DTC, DTC participants or indirect participants to notify the Beneficial Owners of the Bonds.

Depository Risk: Wisconsin Statutes direct the local treasurer to immediately deposit upon receipt thereof, the funds of the municipality in a public depository designated by the governing body. A public depository means a federal or state credit union, federal or state savings and loan association, state bank, savings and trust company, mutual savings bank or national bank in Wisconsin or the local government pooled investment fund operated by the State Investment Board. It is not uncommon for a municipality to have deposits exceeding limits of federal and state insurance programs. Failure of a depository could result in loss of public funds or a delay in obtaining them. Such a loss or delay could interrupt a timely payment of municipal debt.

Economy: A combination of economic, climatic, political or civil disruptions or terrorist actions outside of the control of the City, including loss of major taxpayers or major employers, could affect the local economy and result in reduced tax collections and/or increased demands upon local government. Real or perceived threats to the financial stability of the City may have an adverse effect on the value of the Bonds in the secondary market.

Secondary Market for the Bonds: No assurance can be given that a secondary market will develop for the purchase and sale of the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. The underwriters are not obligated to engage in secondary market trading or to repurchase any of the Bonds at the request of the owners thereof. Prices of the Bonds as traded in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and other prevailing circumstances. No guarantee exists as to the future market value of the Bonds. Such market value could be substantially different from the original purchase price.

Bankruptcy: The rights and remedies of the holders may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws, or equitable principles that may affect the enforcement of creditors' rights, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against local governments. The opinion of Bond Counsel to be delivered with respect to the Bonds will be similarly qualified. See "MUNICIPAL BANKRUPTCY" herein.

VALUATIONS

WISCONSIN PROPERTY VALUATIONS; PROPERTY TAXES

Equalized Value

Section 70.57, Wisconsin Statutes, requires the Department of Revenue to annually determine the equalized value (also referred to as full equalized value or aggregate full value) of all taxable property in each county and taxation district. The equalized value is an independent estimate of value used to equate individual local assessment policies so that property taxes are uniform throughout the various subdivisions in the State. Equalized value is calculated based on the history of comparable sales and information about value changes or taxing status provided by the local assessor. A comparison of the State-determined equalized value and the local assessed value, expressed as a percentage, is known as the assessment ratio or level of assessment. The Department of Revenue notifies each county and taxing jurisdiction of its equalized value on August 15; school districts are notified on October 1. The equalized value of each county is the sum of the valuations of all cities, villages, and towns within its boundaries. Taxing jurisdictions lying in more than one municipality, such as counties, school districts, or special taxing districts, use the equalized value of the underlying units in calculating and levying their respective levies. Equalized values are also used to apportion state aids and calculate municipal general obligation debt limits.

Assessed Value

The "assessed value" of taxable property in a municipality is determined by the local assessor, except for manufacturing properties which are valued by the State. Each city, village or town retains its own local assessor, who must be certified by the State Department of Revenue. Assessed value is used by these municipalities to determine tax levy mill rates and to apportion levies among individual property owners. Each taxing district must assess property at full value at least once in every five-year period. The State requires that the assessed values must be within 10% of State equalized values at least once every four years. The local assessor values property as of January 1 each year and submits those values to each municipality by the second Monday in June. The assessor also reports any value changes taking place since the previous year, to the Department of Revenue, by the second Monday in June.

CURRENT PROPERTY VALUATIONS

2017 Equalized Value	\$663,801,600
2017 Equalized Value Reduced by Tax Increment Valuation	\$585,209,200
2017 Assessed Value	\$593,966,800

2017 EQUALIZED VALUE BY CLASSIFICATION

	2017 Equalized Value	Percent of Total Equalized Value
Residential	\$347,101,300	52.290%
Commercial	277,393,200	41.789%
Manufacturing	23,971,700	3.611%
Agricultural	136,700	0.021%
Undeveloped	241,400	0.036%
Forest	52,500	0.008%
Other	50,100	0.008%
Personal Property	14,854,700	2.238%
Total	<u><u>\$663,801,600</u></u>	<u><u>100.000%</u></u>

TREND OF VALUATIONS

Year	Assessed Value	Equalized Value¹	Percent Increase/Decrease in Equalized Value
2013	\$569,636,100	\$554,879,900	0.62%
2014	589,151,300	621,792,200	12.06%
2015	590,493,300	633,376,500	1.86%
2016	591,851,300	651,905,300	2.93%
2017	593,966,800	663,801,600	1.82%

Source: Wisconsin Department of Revenue, Bureau of Equalization and Local Government Services Bureau.

¹ Includes tax increment valuation.

LARGER TAXPAYERS

Taxpayer	Type of Business/Property	2017 Equalized Value¹	Percent of City's Total Equalized Value
WalMart	Retail	\$ 15,157,587	2.28%
Emmi Roth	Manufacturing	14,255,150	2.15%
Menards	Retail	10,152,778	1.53%
Senior Village of Platteville	Assisted Living	9,485,813	1.43%
Southwest Health Center	Healthcare	9,472,961	1.43%
John Kincaid	Apartment Complex	5,981,340	0.90%
Farm & Fleet	Retail	5,361,313	0.81%
PJR Properties	Apartment Complex	4,232,345	0.64%
Mound City Bank	Bank	4,177,696	0.63%
Ubersox	Retail	4,108,518	0.62%
Total		\$ 82,385,501	12.41%

City's Total 2017 Equalized Value²

\$663,801,600

Source: The City.

¹ Calculated by dividing the 2017 Assessed Values by the 2017 Aggregate Ratio of assessment for the City.

² Includes tax increment valuation.

DEBT

DIRECT DEBT¹ (includes the Bonds)

General Obligation Debt (see schedules following)

Total General Obligation Debt \$ 22,824,627

Revenue Debt (see schedules following)

Total revenue debt secured by water and sewer revenues \$ 14,351,279

Other Revenue Obligations (see schedule following)

Total revenue debt secured by TID revenues \$ 3,216,603

¹ Outstanding debt is as of the dated date of the Bonds.

City of Platteville, Wisconsin
Schedule of Bonded Indebtedness
General Obligation Debt
(As of May 10, 2018)

Dated Amount	GO Prom Notes		GO Refunding Bonds		GO Prom Notes		GO Refunding Bonds		GO Prom Notes		GO Prom Notes	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
4/15/2009 \$5,765,000	150,000	2,625										
3/28/2013 \$935,000	100,000	4,188										
3/28/2013 \$3,240,000												
3/7/2012 \$1,725,000	200,000	15,375										
10/1	225,000	28,750										
10/1	250,000	24,500										
10/1	275,000	19,750										
10/1	300,000	13,125										
10/1	300,000	4,500										
10/1	340,000	81,075										
10/1	500,000	73,000										
10/1	500,000	60,500										
10/1	500,000	46,750										
10/1	600,000	33,000										
10/1	500,000	15,000										
10/1	575,000	43,913										
10/1	600,000	87,825										
10/1	600,000	87,825										
10/1	600,000	87,825										
10/1	600,000	53,188										
10/1	600,000	36,688										
10/1	575,000	18,688										
10/1	575,000	46,594										
10/1	600,000	81,688										
10/1	600,000	68,188										
10/1	380,000	7,600										
2/12/2014 \$5,500,000	250,000	11,700										
10/1	540,000	18,400										
10/1	1,170,000	305,031										
10/1	3,550,000	704,538										
10/1	1,170,000	17,188										
10/1	1,250,000	106,000										
10/1	150,000	2,625										
10/1	400,000	17,188										
10/1	3,240,000	704,538										
10/1	3,550,000	305,031										
10/1	1,170,000	37,700										

(continued on next page)

**City of Platteville, Wisconsin
Schedule of Bonded Indebtedness
General Obligation Debt
(As of May 10, 2018)**

Bank Note	Taxable GO Comm Dev Bonds		GO Corporate Purpose Bonds		GO Street Improvement Bonds		GO Refunding Bonds		STFL		GO Corporate Purpose Bonds		Total Principal*	Total Interest*	Principal & Interest*	Principal Outstanding*	Principal %Paid*	Year
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest						
4/6/2015 \$172,000			6/2/2016 \$2,520,000		6/1/2017 \$1,375,000		10/4/2017 \$2,975,000		3/6/2018 \$1,300,000**		5/10/2018 \$1,270,000*		1,214,390	255,608	1,469,998	21,610,237	5.32%	2018
monthly		3/1	12/1		9/1		10/1		3/15		3/1		1,745,941	582,686	2,328,628	19,864,296	12.97%	2019
	4,390	1,706	135,000	17,481		39,150		78,300	48,297	51,127		48,807	1,640,740	542,463	2,183,203	18,223,556	20.16%	2020
	7,644	2,806	140,000	33,748		78,300		78,300	42,944	56,481		37,305	2,022,984	504,475	2,527,459	16,200,572	29.02%	2021
	7,796	2,654	170,000	32,348		39,750		39,750	45,030	54,394		50,000	2,213,900	452,265	2,666,165	13,986,672	38.72%	2022
	7,953	2,497	250,000	30,563		38,975		66,300	47,057	52,368		50,000	2,159,174	397,075	2,556,250	11,827,498	48.18%	2023
	121,844	793	285,000	27,563		38,200		200,000	49,174	50,250		50,000	1,751,256	342,589	2,093,845	10,076,242	55.85%	2024
			295,000	23,858		50,000		355,000	51,296	48,169		100,000	1,798,694	298,458	2,097,152	8,277,548	63.73%	2025
			385,000	19,728		54,300		360,000	53,694	45,731		100,000	1,711,110	252,210	1,963,320	5,132,803	71.23%	2026
			390,000	13,760		43,650		365,000	56,110	43,315		100,000	1,433,635	209,210	1,642,845	5,132,803	77.51%	2027
				7,215		36,000		32,850	58,635	40,790		100,000	1,346,169	168,511	1,514,680	3,786,635	83.41%	2028
						100,000		365,000	61,169	38,256		100,000	859,026	128,039	987,065	2,927,608	87.17%	2029
						100,000		365,000	64,026	35,399		100,000	501,907	101,960	603,867	2,425,701	89.37%	2030
						100,000		22,050	66,907	32,517		100,000	519,918	84,187	604,105	1,905,783	91.65%	2031
						100,000		19,050	69,918	29,507		100,000	522,992	65,737	588,730	1,382,791	93.94%	2032
						100,000		16,050	72,992	26,432		100,000	536,349	46,513	582,862	846,442	96.29%	2033
						100,000		13,050	76,349	23,076		110,000	289,785	31,587	321,372	566,657	97.56%	2034
						100,000		10,050	79,785	19,640		110,000	183,375	22,750	206,125	373,282	98.36%	2035
						100,000		6,700	83,375	16,050			187,093	15,681	202,775	186,189	99.18%	2036
						100,000		3,350	87,093	12,331			91,046	8,379	99,425	95,143	99.58%	2037
									91,046	8,379			95,143	4,281	99,425	0	100.00%	2038
149,627	10,458	3,560,000	2,435,000	206,261	1,375,000	498,350	2,975,000	584,375	1,300,000	688,492	1,270,000	391,820	22,824,627	4,514,665	27,339,291			

** Total amount that was approved for the State Trust Fund Loan. The City has yet to draw on the loan and amortization schedule will change.

*Preliminary, subject to change.

**City of Platteville, Wisconsin
Schedule of Bonded Indebtedness
Revenue Debt Secured by Revenues from the Water and Sewer Utilities
(As of May 10, 2018)**

Dated Amount	Water & Sewer Revenue Bonds (CWFL)		Water & Sewer Revenue Bonds (CWFL)		Water & Sewer Revenue Bonds		Water & Sewer Revenue Bonds Series 2015		Total Principal	Total Interest	Principal & Interest	Principal Outstanding	Principal %Paid	Year
	12/10/2008 \$2,528,893	5/26/2010 \$4,029,841	3/7/2012 \$6,750,000	6/24/2015 \$5,425,000	5/1	5/1	5/1	5/1						
Maturity	5/1	5/1	5/1	5/1	5/1	5/1	5/1							
Fiscal Year Ending														
2018	124,927	189,378	225,000	215,000	83,944	0	233,248	14,351,279	0.00%	2018				
2019	31,035	60,877	199,563	165,738	165,738	754,305	457,212	13,596,974	5.26%	2019				
2020	28,079	193,976	250,000	220,000	160,288	791,825	437,027	12,805,149	10.77%	2020				
2021	25,053	198,686	250,000	225,000	153,613	804,526	415,059	12,000,623	16.38%	2021				
2022	21,957	203,510	275,000	230,000	146,788	842,410	392,380	11,158,213	22.25%	2022				
2023	18,789	208,451	300,000	240,000	139,738	885,483	368,536	10,272,730	28.42%	2023				
2024	15,546	213,512	300,000	245,000	132,463	898,750	343,895	9,373,980	34.68%	2024				
2025	12,228	218,696	325,000	255,000	124,644	942,214	317,730	8,431,766	41.25%	2025				
2026	8,831	224,006	350,000	270,000	115,775	965,881	289,122	7,465,886	47.98%	2026				
2027	5,356	229,445	375,000	280,000	106,150	1,009,755	257,829	6,456,131	55.01%	2027				
2028	1,799	235,016	435,000	290,000	96,175	1,053,842	224,158	5,402,289	62.36%	2028				
2029		240,722	550,000	300,000	85,850	1,090,722	187,759	4,311,567	69.96%	2029				
2030		246,567	600,000	310,000	74,400	1,156,567	147,393	3,155,000	78.02%	2030				
2031			725,000	320,000	61,800	1,045,000	105,300	2,110,000	85.30%	2031				
2032			725,000	330,000	48,800	1,055,000	63,300	1,055,000	92.65%	2032				
2033				345,000	35,300	345,000	35,300	710,000	95.05%	2033				
2034				355,000	21,300	355,000	21,300	355,000	97.53%	2034				
2035				355,000	7,100	355,000	7,100	0	100.00%	2035				
	1,389,313	2,601,966	5,575,000	4,785,000	1,759,863	14,351,279	4,303,649	18,654,928						

**City of Platteville, Wisconsin
Schedule of Bonded Indebtedness
Other Revenue Debt**

*This debt does not constitute general obligation indebtedness of the City
(As of May 10, 2018)*

Dated Amount	TID #6 Revenue Bond		TID #5 Revenue Refunding Bond		Fiscal Year Ending	Total Principal	Total Interest	Principal & Interest	Principal Outstanding	Principal %Paid	Year
	9/12/2013 \$2,000,000	3/29/2018 \$1,720,000	9/12	3/31 & 9/30							
Maturity											
2018	139,672	32,200	162,325	21,707	301,997	53,907	355,904	2,914,606	9.39%	2018	
2019	145,683	58,389	331,334	36,730	477,016	95,119	572,135	2,437,590	24.22%	2019	
2020	151,951	52,120	339,551	28,513	491,502	80,633	572,135	1,946,088	39.50%	2020	
2021	158,490	45,582	348,143	19,921	506,633	65,503	572,135	1,439,455	55.25%	2021	
2022	165,310	38,762	356,866	11,198	522,175	49,960	572,135	917,280	71.48%	2022	
2023	172,423	31,648	181,782	2,257	354,205	33,905	388,110	563,075	82.49%	2023	
2024	179,842	24,229			179,842	24,229	204,071	383,233	88.09%	2024	
2025	187,581	16,491			187,581	16,491	204,071	195,652	93.92%	2025	
2026	195,652	8,419			195,652	8,419	204,071	0	100.00%	2026	
	1,496,603	307,839	1,720,000	120,327	3,216,603	428,166	3,644,769				

DEBT LIMIT (includes the Bonds)

The constitutional and statutory general obligation debt limit for Wisconsin municipalities, including towns, cities, villages, and counties (Article XI, Section 3 of the Wisconsin Constitution and Section 67.03, Wisconsin Statutes) is 5% of the current equalized value.

Equalized Value	\$ 663,801,600
Multiply by 5%	<u>0.05</u>
Statutory Debt Limit	\$ 33,190,080
Less: General Obligation Debt	<u>(22,824,627)</u>
Unused Debt Limit	<u>\$ 10,365,453</u>

OVERLAPPING DEBT¹

Taxing District	2017 Equalized Value	% In City	Total G.O. Debt²	City's Proportionate Share
Grant County	\$ 3,180,242,800	20.87%	\$ 3,585,000	\$ 748,190
Southwest Wisconsin Technical College	8,508,707,893	7.80%	28,849,958	2,250,297
School District of Platteville	955,837,309	69.45%	13,565,000	<u>9,420,893</u>
City's Share of Total Overlapping Debt				<u>\$12,419,380</u>

¹ Overlapping debt is as of the dated date of the Bonds. Only those taxing jurisdictions with general obligation debt outstanding are included in this section.

² Outstanding debt based on information obtained on EMMA and the Municipal Advisor's records.

DEBT RATIOS

	G.O. Debt	Debt/Equalized Value \$663,801,600	Debt/ Per Capita 12,417¹
Total General Obligation Debt	\$ 22,824,627	3.44%	\$ 1,838.18
City's Share of Total Overlapping Debt	<u>12,419,380</u>	<u>1.87%</u>	<u>1,000.19</u>
Total	\$ 35,244,007	5.31%	\$ 2,838.37

DEBT PAYMENT HISTORY

The City has no record of default in the payment of principal and interest on its debt.

FUTURE FINANCING

The City has no current plans for additional financing in the next 12 months.

¹ Estimated 2017 population.

TAX LEVIES AND COLLECTIONS

TAX LEVIES AND COLLECTIONS

Tax Year	Levy for City Purposes Only	% Collected	Levy/Equalized Value Reduced by Tax Increment Valuation in Dollars per \$1,000
2013/14	\$3,745,170	100%	\$7.59
2014/15	3,926,194	100%	7.21
2015/16	3,957,447	100%	7.17
2016/17	4,155,319	100%	7.23
2017/18	4,259,128	[- - - - - In process - - - - -]	7.28

Property tax statements are distributed to taxpayers by the town, village, and city clerks in December of the levy year. Current state law requires counties to pay 100% of the real property taxes levied to cities, villages, towns, school districts and other taxing entities on or about August 20 of the collection year.

Personal property taxes, special assessments, special charges and special taxes must be paid to the town, city or village treasurer in full by January 31, unless the municipality, by ordinance, permits special assessments to be paid in installments. Real property taxes must be paid in full by January 31 or in two equal installments by January 31 and July 31. Alternatively, municipalities may adopt a payment plan which permits real property taxes to be paid in three or more equal installments, provided that the first installment is paid by January 31, one-half of the taxes are paid by April 30 and the remainder is paid by July 31. Amounts paid on or before January 31 are paid to the town, city or village treasurer. Amounts paid after January 31, are paid to the county treasurer unless the municipality has authorized payment in three or more installments in which case payment is made to the town, city or village treasurer. On or before January 15 and February 20 the town, city or village treasurer settles with other taxing jurisdictions for all collections through December and January, respectively. In municipalities which have authorized the payment of real property taxes in three or more installments, the town, city or village treasurer settles with the other taxing jurisdictions on January 15, February 20 and on the fifteenth day of each month following the month in which an installment payment is required. On or before August 20, the county treasurer must settle in full with the underlying taxing districts for all real property taxes and special taxes. Any county board may authorize its county treasurer to also settle in full with the underlying taxing districts for all special assessments and special charges. The county may then recover any tax delinquencies by enforcing the lien on the property and retain any penalties or interest on the delinquencies for which it has settled. Uncollected personal property taxes owed by an entity that has ceased operations or filed a petition for bankruptcy, or are due on personal property that has been removed from the next assessment roll are collected from each taxing entity in the year following the levy year.

PROPERTY TAX RATES

Full value rates for property taxes expressed in dollars per \$1,000 of equalized value (excluding tax increment valuation) that have been collected in recent years have been as follows:

Year Levied/ Year Collected	Schools¹	County	Local	Other²	Total
2013/14	\$13.52	\$3.97	\$7.59	\$0.19	\$25.27
2014/15	11.98	3.85	7.21	0.19	23.23
2015/16	12.10	3.75	7.17	0.19	23.21
2016/17	11.32	3.71	7.23	0.19	22.45
2017/18	11.29	3.62	7.28	0.00	22.19

Source: Property Tax Rates were extracted from Statement of Taxes prepared by the Wisconsin Department of Revenue, Division of State and Local Finance.

LEVY LIMITS

Section 66.0602 of the Wisconsin Statutes, imposes a limit on property tax levies by cities, villages, towns and counties. No city, village, town or county is permitted to increase its tax levy by a percentage that exceeds its valuation factor (which is defined as a percentage equal to the greater of either the percentage change in the political subdivision's January 1 equalized value due to new construction less improvements removed between the previous year and the current or zero percent). The base amount in any year to which the levy limit applies is the actual levy for the immediately preceding year. In 2018, and in each year thereafter, the base amount is the actual levy for the immediately preceding year plus the amount of the payment from the State under Section 79.096 of the Wisconsin Statutes (an amount equal to the property taxes formerly levied on certain items of personal property), and the levy limit is the base amount multiplied by the valuation factor, minus the amount of the payment from the State under Section 79.096 of the Wisconsin Statutes. This levy limitation is an overall limit, applying to levies for operations as well as for other purposes.

A political subdivision that did not levy its full allowable levy in the prior year can carry forward the difference between the allowable levy and the actual levy, up to a maximum of 1.5% of the prior year's actual levy. The use of the carry forward levy adjustment needs to be approved by a majority vote of the political subdivision's governing body (except in the case of towns) if the amount of carry forward levy adjustment is less than or equal to 0.5% and by a super majority vote of the political subdivision's governing body (three-quarters vote if the governing body is comprised of five or more members, two-thirds vote if the governing body is comprised of fewer than five members) (except in the case of towns) if the amount of the carry forward levy adjustment is greater than 0.5% up to the maximum increase of 1.5%. For towns, the use of the carry forward levy adjustment needs to be approved by a majority vote of the annual town meeting or special town meeting after the town board has adopted a resolution in favor of the adjustment by a majority vote if the amount of carry forward levy adjustment is less than or equal to 0.5% or by two-thirds vote or more if the amount of carry forward levy adjustment is greater than 0.5% up to the maximum of 1.5%.

¹ The Schools tax rate reflects the composite rate of all local school districts and technical college district.

² Includes the state reforestation tax which is apportioned to each county on the basis of its full value. Counties, in turn, apportion the tax to the tax districts within their borders on the basis of full value. It also includes taxes levied for special purpose districts such as metropolitan sewerage districts, sanitary districts, and public inland lake protection districts. State property taxes were eliminated in the State's 2017 - 2019 budget act.

Beginning with levies imposed in 2015, if a political subdivision does not make an adjustment in its levy as described in the above paragraph in the current year, the political subdivision may increase its levy by the aggregate amount of the differences between the political subdivision's valuation factor in the previous year and the actual percent increase in a political subdivision's levy attributable to the political subdivision's valuation factor in the previous year, for the five years before the current year, less any amount of such aggregate amount already claimed as an adjustment in any of the previous five years. The calculation of the aggregate amount available for such adjustment may not include any year before 2014, and the maximum adjustment allowed may not exceed 5%. The use of the adjustment described in this paragraph requires approval by a two-thirds vote of the political subdivision's governing body, and the adjustment may only be used if the political subdivision's level of outstanding general obligation debt in the current year is less than or equal to the political subdivision's level of outstanding general obligation debt in the previous year.

Special provisions are made with respect to property taxes levied to pay general obligation debt service. Those are described below. In addition, the statute provides for certain other exclusions from and adjustments to the tax levy limit. Among the items excluded from the limit are amounts levied for any revenue shortfall for debt service on a revenue bond issued under Section 66.0621. Among the adjustments permitted is an adjustment applicable when a tax increment district terminates, which allows an amount equal to the prior year's allowable levy multiplied by 50% of the political subdivision's percentage growth due to the district's termination.

With respect to general obligation debt service, the following provisions are made:

(a) If a political subdivision's levy for the payment of general obligation debt service, including debt service on debt issued or reissued to fund or refund outstanding obligations of the political subdivision and interest on outstanding obligations of the political subdivision, on debt originally issued before July 1, 2005, is less in the current year than in the previous year, the political subdivision is required to reduce its levy limit in the current year by the amount of the difference between the previous year's levy and the current year's levy.

(b) For obligations authorized before July 1, 2005, if the amount of debt service in the preceding year is less than the amount of debt service needed in the current year, the levy limit is increased by the difference between the two amounts. This adjustment is based on scheduled debt service rather than the amount actually levied for debt service (after taking into account offsetting revenues such as sales tax revenues, special assessments, utility revenues, tax increment revenues or surplus funds). Therefore, the levy limit could negatively impact political subdivisions that experience a reduction in offsetting revenues.

(c) The levy limits do not apply to property taxes levied to pay debt service on general obligation debt authorized on or after July 1, 2005.

The Bonds were authorized after July 1, 2005 and therefore the levy limits do not apply to taxes levied to pay debt service on the Bonds.

THE ISSUER

CITY GOVERNMENT

The City was incorporated in 1876 and is governed by a City Manager form of Government and a seven member Common Council. All Council Members are elected to overlapping three year terms. The appointed City Manager is responsible for administrative details and financial records.

EMPLOYEES; PENSIONS

The City employs a staff of 70 full-time, 28 part-time, and 7 seasonal employees. All eligible employees in the City are covered under the Wisconsin Retirement System ("WRS") established under Chapter 40 of the Wisconsin Statutes ("Chapter 40"). The WRS is a cost-sharing multiple-employer defined benefit pension plan. The Department of Employee Trust Funds ("ETF") administers the WRS. Required contributions to the WRS are determined by the ETF Board pursuant to an annual actuarial valuation in accordance with Chapter 40 and the ETF's funding policies. The ETF Board has stated that its funding policy is to (i) ensure funds are adequate to pay benefits; (ii) maintain stable and predictable contribution rates for employers and employees; and (iii) maintain inter-generational equity to ensure the cost of the benefits is paid for by the generation that receives the benefits.

City employees are required to contribute half of the actuarially determined contributions, and the City may not pay the employees' required contribution. The total retirement plan contributions (including both the City's and the employers' contributions) for the fiscal years ended December 31, 2014 and December 31, 2013 were \$605,701 and \$570,587, respectively. During the fiscal year ended December 31, 2015 ("Fiscal Year 2015"), the City's portion of contributions to WRS (not including any employee contributions) totaled \$320,059. For the year ended December 31, 2016, the City recognized pension expense of \$647,447.

The City implemented Governmental Accounting Standards Board Statement No. 68 ("GASB 68") for Fiscal Year 2015.

GASB 68 requires calculation of a net pension liability for the pension plan. The net pension liability is calculated as the difference between the pension plan's total pension liability and the pension plan's fiduciary net position. The pension plan's total pension liability is the present value of the amounts needed to pay pension benefits earned by each participant in the pension plan based on the service provided as of the date of the actuarial valuation. In other words, it is a measure of the present value of benefits owed as of a particular date based on what has been earned only up to that date, without taking into account any benefits earned after that date. The pension plan's fiduciary net position is the market value of plan assets formally set aside in a trust and restricted to paying pension plan benefits. If the pension plan's total pension liability exceeds the pension plan's fiduciary net position, then a net pension liability results. If the pension plan's fiduciary net position exceeds the pension plan's total pension liability, then a net pension asset results.

As of December 31, 2015, the total pension liability of the WRS was calculated as \$90.1 billion and the fiduciary net position of the WRS was calculated as \$88.5 billion, resulting in a net pension liability of \$1.6 billion.

Under GASB 68, each participating employer in a cost-sharing pension plan must report the employer's proportionate share of the net pension liability or net pension asset of the pension plan. At December 31, 2016, the City reported a liability of \$532,658 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014 rolled forward to December 31, 2015. 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, 2015, the City's proportion was 0.03277933%, which was a decrease of 0.00059642% from its proportion measured as of December 31, 2014.

The calculation of the total pension liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. Such changes may have a significant impact on the calculation of net pension liability of the WRS, which may also cause the ETF Board to change the contribution requirements for employers and employees. For more detailed information regarding the WRS and such actuarial assumptions, see "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

Recognized and Certified Bargaining Units

All eligible City personnel are covered by the Municipal Employment Relations Act ("MERA") of the Wisconsin Statutes. Pursuant to that law, employees have rights to organize and collectively bargain with municipal employers. MERA was amended by 2011 Wisconsin Act 10 (the "Act") and by 2011 Wisconsin Act 32, which altered the collective bargaining rights of public employees in Wisconsin.

As a result of the 2011 amendments to MERA, the City is prohibited from bargaining collectively with municipal employees, other than public safety and transit employees, with respect to any factor or condition of employment except total base wages. Even then, the City is limited to increasing total base wages beyond any increase in the consumer price index since 180 days before the expiration of the previous collective bargaining agreement (unless City were to seek approval for a higher increase through a referendum). Ultimately, the City can unilaterally implement the wages for a collective bargaining unit.

Under the changes to MERA, impasse resolution procedures were removed from the law for municipal employees of the type employed by the City, including binding interest arbitration. Strikes by any municipal employee or labor organization are expressly prohibited. As a practical matter, it is anticipated that strikes will be rare. Furthermore, if strikes do occur, they may be enjoined by the courts. Additionally, because the only legal subject of bargaining is the base wage rates, all bargaining over items such as just cause, benefits, and terms of conditions of employment are prohibited and cannot be included in a collective bargaining agreement. Impasse resolution for public safety employees and transit employees is subject to final and binding arbitration procedures, which do not include a right to strike. Interest arbitration is available for transit employees if certain conditions are met.

The following bargaining units represent employees of the City:

Bargaining Unit	Expiration Date of Current Contract
Wisconsin Professional Police Association	December 31, 2019

OTHER POST EMPLOYMENT BENEFITS

The City does not provide any other post employment benefits.

LITIGATION

There is no litigation threatened or pending questioning the organization or boundaries of the City or the right of any of its officers to their respective offices or in any manner questioning their rights and power to execute and deliver the Bonds or otherwise questioning the validity of the Bonds.

MUNICIPAL BANKRUPTCY

Municipalities are prohibited from filing for bankruptcy under Chapter 11 (reorganization) or Chapter 7 (liquidation) of the U.S. Bankruptcy Code (11 U.S.C. §§ 101-1532) (the "Bankruptcy Code"). Instead, the Bankruptcy Code permits municipalities to file a petition under Chapter 9 of the Bankruptcy Code, but only if certain requirements are met. These requirements include that the municipality must be "specifically authorized" under State law to file for relief under Chapter 9. For these purposes, "State law" may include, without limitation, statutes of general applicability enacted by the State legislature, special legislation applicable to a particular municipality, and/or executive orders issued by an appropriate officer of the State's executive branch.

As of the date hereof, Wisconsin law contains no express authority for municipalities to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code.

Nevertheless, there can be no assurance (a) that State law will not change in the future, while the Bonds are outstanding, in a way that would allow the City to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code; or (b) even absent such a change in State law, that an executive order or other executive action could not effectively authorize the City to file for relief under Chapter 9. If, in the future, the City were to file a bankruptcy case under Chapter 9, the relevant bankruptcy court would need to consider whether the City could properly do so, which would involve questions regarding State law authority as well as other questions such as whether the City is a municipality for bankruptcy purposes. If the relevant bankruptcy court concluded that the City could properly file a bankruptcy case, and that determination was not reversed, vacated, or otherwise substantially altered on appeal, then the rights of holders of the Bonds could be modified in bankruptcy proceedings. Such modifications could be adverse to holders of the Bonds, and there could ultimately be no assurance that holders of the Bonds would be paid in full or in part on the Bonds. Further, under such circumstances, there could be no assurance that the Bonds would not be treated as general, unsecured debt by a bankruptcy court, meaning that claims of holders of the Bonds could be viewed as having no priority (a) over claims of other creditors of the City; (b) to any particular assets of the City, or (c) to revenues otherwise designated for payment to holders of the Bonds.

Moreover, if the City were determined not to be a "municipality" for the purposes of the Bankruptcy Code, no representations can be made regarding whether it would still be eligible for voluntary or involuntary relief under Chapters of the Bankruptcy Code other than Chapter 9 or under similar federal or state law or equitable proceeding regarding insolvency or providing for protection from creditors. In any such case, there can be no assurance that the consequences described above for the holders of the Bonds would not occur.

FUNDS ON HAND (as of March 31, 2018)

Fund	Total Cash and Investments
City	\$ 6,413,874
Airport	304,538
WHNCP	12,477
Community Development	50,464
Water and Sewer	6,305,073
Total Funds on Hand	<u><u>\$ 13,086,426</u></u>

ENTERPRISE FUNDS

Revenues available for debt service on the City's enterprise funds have been as follows as of December 31 each year:

	2014	2015	2016
Water			
Total Operating Revenues	\$ 2,387,164	\$ 2,401,299	\$ 2,412,369
Less: Operating Expenses	<u>(1,299,107)</u>	<u>(1,349,360)</u>	<u>(1,350,366)</u>
Operating Income	\$ 1,088,057	\$ 1,051,939	\$ 1,062,003
Plus: Depreciation	<u>486,342</u>	<u>490,599</u>	<u>497,433</u>
Revenues Available for Debt Service	<u><u>\$ 1,574,399</u></u>	<u><u>\$ 1,542,538</u></u>	<u><u>\$ 1,559,436</u></u>
Sewer			
Total Operating Revenues	\$ 2,149,891	\$ 2,153,364	\$ 2,254,088
Less: Operating Expenses	<u>(1,571,950)</u>	<u>(1,772,223)</u>	<u>(1,713,062)</u>
Operating Income	\$ 577,941	\$ 381,141	\$ 541,026
Plus: Depreciation	<u>633,335</u>	<u>642,973</u>	<u>614,933</u>
Revenues Available for Debt Service	<u><u>\$ 1,211,276</u></u>	<u><u>\$ 1,024,114</u></u>	<u><u>\$ 1,155,959</u></u>

SUMMARY GENERAL FUND INFORMATION

Following are summaries of the revenues and expenditures and fund balances for the City's General Fund for the fiscal years shown below. These summaries are not purported to be the complete audited financial statements of the City, and potential purchasers should read the included financial statements in their entirety for more complete information concerning the City. Copies of the complete audited financial statements are available upon request. See Appendix A for the City's 2016 audited financial statements.

COMBINED STATEMENT	FISCAL YEAR ENDING DECEMBER 31				
	2014 Audited	2015 Audited	2016 Audited	2017 Projected	2018 Budget ¹
Revenues					
Taxes and special assessments	\$ 2,070,073	\$ 2,499,670	\$ 2,702,518	\$ 3,005,007	\$ 3,204,258
Intergovernmental	4,092,390	3,867,577	3,794,346	3,937,911	3,820,747
Licenses and permits	195,592	245,854	238,532	238,086	228,130
Penalties and forfeitures	159,017	142,047	125,151	154,634	160,000
Public charges for services	988,703	952,003	614,217	561,112	551,875
Intergovernmental charges	0	0	0	55,477	62,400
Interest	19,135	21,958	29,445	33,397	0
Miscellaneous general revenues	108,248	51,206	75,319	260,797	121,684
2015 Grant Platteville Loan Repayment	-	5,235	11,518	12,565	0
Total Revenues	\$ 7,633,158	\$ 7,785,550	\$ 7,591,046	\$ 8,258,986	\$ 8,149,094
Expenditures					
Current:					
General government	\$ 986,741	\$ 1,006,736	\$ 1,100,664	\$ 1,215,507	\$ 1,237,150
Public safety	3,285,909	3,238,998	2,963,263	2,967,949	3,322,149
Public Works	-	-	1,533,343	1,763,156	1,565,778
Transportation	1,268,447	1,068,866	-	-	-
Sanitation	392,915	445,136	-	-	-
Health and Social Service	112,624	95,315	103,037	100,126	116,148
Leisure activities	1,570,288	1,582,022	1,642,474	1,626,827	1,639,578
Conservation and development	-	-	376,160	272,092	268,292
Urban Redevelopment and housing	241,959	177,645	-	-	-
Industrial development	59,965	91,604	-	-	-
Capital outlay	21,205	22,157	-	-	-
Total Expenditures	\$ 7,940,053	\$ 7,728,479	\$ 7,718,941	\$ 7,945,657	\$ 8,149,095
Excess of revenues over (under) expenditures	\$ (306,895)	\$ 57,071	\$ (127,895)	\$ 313,329	\$ (1)
Other Financing Sources (Uses)					
Proceeds from sale of capital assets	262,567	11,122	9,283	1,940	-
Insurance proceeds	167,659	32,970	-	4,620	-
Operating transfers in	414,791	435,654	397,742	-	-
Operating transfers out	(282,969)	(1,116,508)	(469,980)	-	(472,000)
Total Other Financing Sources (Uses)	\$ 562,048	\$ (636,762)	\$ (62,955)	\$ 6,560	\$ (472,000)
Excess of revenues and other financing sources over (under) expenditures and other financing uses	\$ 255,153	\$ (579,691)	\$ (190,850)	\$ 319,889	\$ (472,001)
General Fund Balance January 1	4,596,924	4,852,077	4,272,386	4,081,536	4,401,425
General Fund Balance December 31	\$ 4,852,077	\$ 4,272,386	\$ 4,081,536	\$ 4,401,425	\$ 3,929,424
DETAILS OF DECEMBER 31 FUND BALANCE					
Nonspendable	662,587	837,748	959,425		
Restricted	495,412	478,364	293,263		
Committed	-	-	-		
Assigned	1,379,137	912,951	273,370		
Unassigned	2,314,941	2,043,323	2,555,478		
Total	\$ 4,852,077	\$ 4,272,386	\$ 4,081,536		

¹ 2018 Budget was adopted on November 28, 2017.

GENERAL INFORMATION

LOCATION

The City of Platteville, with a 2010 U.S. Census population of 11,224 and a current estimated population of 12,417 comprises an area of 6.14 square miles in Grant County in southwest Wisconsin.

LARGER EMPLOYERS¹

Larger employers in the City include the following:

Firm	Type of Business/Product	Estimated No. of Employees
University of Wisconsin-Platteville	Education	971
Wal-Mart	Retail	330
Southwest Health Center Inc.	General Medical/Surgical Hospital	205
School District of Platteville	Education	198
Esterline Control Systems - AVISTA	Software services	156
Hypro Inc.	Precision machining and fabrication	155
City of Platteville	Municipal government	147
Heartland Healthcare	Skilled nursing care	100
Woodward Communications	Commercial printing/newspaper publication	80
The Clinic at Southwest Health	General medical	60

Source: *ReferenceUSA, written and telephone survey (April 2018), Wisconsin Manufacturers Register, and the Wisconsin Department of Workforce Development.*

¹ This does not purport to be a comprehensive list and is based on available data obtained through a survey of individual employers, as well as the sources identified above. Some employers do not respond to inquiries for employment data.

BUILDING PERMITS

	2014	2015	2016	2017	2018 ¹
<u>New Single Family Homes</u>					
No. of building permits	9	15	12	12	3
Valuation	\$1,343,408	\$2,958,379	\$2,203,056	\$2,221,670	\$440,000
<u>New Commercial/Industrial</u>					
No. of building permits	13	39	2	14	3
Valuation	\$5,058,845	\$3,133,095	\$11,891,358	\$10,500,000	\$4,728,000
<u>All Building Permits</u> <i>(including additions and remodelings)</i>					
No. of building permits	289	328	299	474	47
Valuation	\$12,539,655	\$13,453,285	\$34,057,686	\$15,681,346	\$5,621,406

Source: The City.

¹ As of March 31, 2018.

U.S. CENSUS DATA

Population Trend: City of Platteville

2000 U.S. Census	9,989
2010 U.S. Census	11,224
2017 Estimated Population	12,417
Percent of Change 2000 - 2010	12.36%

Income and Age Statistics

	City of Platteville	Grant County	State of Wisconsin	United States
2016 per capita income	\$17,235	\$23,103	\$29,253	\$29,829
2016 median household income	\$41,867	\$49,077	\$54,610	\$55,322
2016 median family income	\$68,542	\$61,965	\$69,925	\$67,871
2016 median gross rent	\$738	\$656	\$789	\$928
2016 median value owner occupied units	\$149,000	\$135,400	\$167,000	\$184,700
2016 median age	22.4 yrs.	36.0 yrs.	39.1 yrs.	37.7 yrs.
		State of Wisconsin	United States	
City % of 2016 per capita income		58.92%	57.78%	
City % of 2016 median family income		98.02%	100.99%	

Housing Statistics

	<u>City of Platteville</u>		
	2000	2016	Percent of Change
All Housing Units	3,482	3,976	14.19%

Source: 2000 and 2010 Census of Population and Housing, and 2015 American Community Survey (Based on a five-year estimate), U.S. Census Bureau (www.factfinder2.census.gov).

EMPLOYMENT/UNEMPLOYMENT DATA

Rates are not compiled for individual communities with populations under 25,000.

Year	<u>Average Employment</u>	<u>Average Unemployment</u>	
	Grant County	Grant County	State of Wisconsin
2014	26,428	4.8%	5.4%
2015	26,947	4.4%	4.6%
2016	26,989	4.1%	4.1%
2017	27,506	3.2%	3.3%
2018, February	27,907	3.6%	3.3%

Source: Wisconsin Department of Workforce Development.

FINANCIAL STATEMENTS

Potential purchasers should read the included financial statements in their entirety for more complete information concerning the City's financial position. Such financial statements have been audited by the Auditor, to the extent and for the periods indicated thereon. The City has not requested the Auditor to perform any additional examination, assessments or evaluation with respect to such financial statements since the date thereof, nor has the City requested that the Auditor consent to the use of such financial statements in this Official Statement. Although the inclusion of the financial statements in this Official Statement is not intended to demonstrate the fiscal condition of the City since the date of the financial statements, in connection with the issuance of the Bonds, the City represents that there have been no material adverse change in the financial position or results of operations of the City, nor has the City incurred any material liabilities, which would make such financial statements misleading.

Copies of the complete audited financial statements for the past three years and the current budget are available upon request from Ehlers.

CITY OF PLATTEVILLE, WISCONSIN

FINANCIAL STATEMENTS

Including Independent Auditor's Report

As of and for the year ended December 31, 2016

Johnson Block & Company, Inc.
Certified Public Accountants
2500 Business Park Road
Mineral Point, Wisconsin 53565
(608) 987-2206
Fax: (608) 987-3391

CITY OF PLATTEVILLE, WISCONSIN
DECEMBER 31, 2016

TABLE OF CONTENTS

Independent Auditor’s Report	1
Management’s Discussion and Analysis.....	4
<u>Basic Financial Statements</u>	
Government-Wide Financial Statements:	
Exhibit A-1 Statement of Net Position.....	14
Exhibit A-2 Statement of Activities	16
Fund Financial Statements:	
Exhibit A-3 Balance Sheet – Governmental Funds	17
Exhibit A-4 Reconciliation of the Governmental Funds Balance Sheet with the Statement of Net Position.....	18
Exhibit A-5 Statement of Revenues, Expenditures and Changes in Fund Balance -Governmental Funds	19
Exhibit A-6 Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities.....	20
Exhibit A-7 Statement of Net Position – Proprietary Funds	22
Exhibit A-8 Statement of Revenues, Expenses and Changes in Fund Net Position -Proprietary Funds	24
Exhibit A-9 Statement of Cash Flows – Proprietary Funds.....	25
Exhibit A-10 Statement of Net Position – Fiduciary Funds	27
Notes to the Basic Financial Statements.....	28
<u>Required Supplementary Information:</u>	
Exhibit B-1 Budgetary Comparison Schedule for the General Fund.....	61
Exhibit B-2 Wisconsin Retirement System Schedules.....	62
Notes to the Required Supplementary Information	63
<u>Supplementary Information:</u>	
Exhibit C-1 Combining Balance Sheet – Nonmajor Governmental Funds	64
Exhibit C-2 Combining Statement of Revenues, Expenditures and Changes in Fund Balance -Nonmajor Governmental Funds.....	65
Schedule 1 Schedule of Insurance.....	66
Schedule 2 Other Utility Information	67



Johnson & Block
AND COMPANY, INC.

Certified Public Accountants

2500 Business Park Road ▲ Mineral Point, Wisconsin 53565 ▲ TEL 608-987-2206 ▲ FAX 608-987-3391

INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Platteville, Wisconsin

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 Platteville, Wisconsin ("City"), as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other-Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 13, and the budgetary comparison information and Wisconsin Retirement System schedules on pages 61 through 63, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Prior Year Summarized Information

We have previously audited the City's 2015 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information in our report dated May 5, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Platteville, Wisconsin's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Information (Continued)

The schedules of insurance and other utility information have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Johnson Block & Company, Inc.

Johnson Block & Company, Inc.
June 14, 2017
Mineral Point, Wisconsin

Management's Discussion and Analysis

On behalf of Platteville's management team, I am pleased to offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2016. We encourage readers to consider the information presented here in conjunction with additional information that can be found in our annual audit report issued by Johnson Block and Company, Inc. Copies may be obtained at the Municipal Building at 75 North Bonson St. or the City Web Site at www.platteville.org.

Financial Highlights

- The assets of the City of Platteville again exceeded its liabilities as of December 31, 2016. The total net position of the City are categorized by investment in capital assets (i.e. land, buildings, infrastructure, machinery and equipment), net of related debt used to acquire these assets still outstanding, restricted net position (resources subject to external restrictions on how they may be used) and unrestricted net position (may be used to meet the City's ongoing obligations to citizens and creditors). Over the last two years, the following changes have occurred:

	\$ Change (+/-)
Year	
2016	\$67,032,975
2015	(\$ 732,756)
	\$ 158,665

* see net position-pg 15

- As of December 31, 2016, the City of Platteville's governmental activities reported total current assets of \$11,090,976 (page 14, Exhibit A-1). This compares to the prior year as follows:

	\$ Change (+/-)
Year	
2016	\$11,090,976
2015	(\$ 548,511)
	\$ 81,107

About 54.1 percent of this total, or \$6,002,061 represents cash and investments.

- The city's general fund balance decreased by \$190,850 from 2015 to 2016. In the past 2 years, changes have been as follows:

	% Change (+/-)
Year	
2016	General Fund Bal.
2015	\$4,081,536
	\$4,272,386
	(4.5%)
	(11.9%)

* Exhibit A-3, Page 17

- In 2016, the city's long-term obligations decreased by \$1,767,048, as compared to an increase of \$3,044,850 during 2015 (page 44). General obligation bonds totaling \$2,520,000 were issued in 2016.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an overview of the City of Platteville's basic financial statements. These basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition, this report contains supplementary information.

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

The *statement of net position (Exhibit A-1)* presents information on all of the City of Platteville's assets and liabilities, with the difference between the two reported as *net position (page 15)*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Platteville is improving or deteriorating.

The *statement of activities (Exhibit A-2)* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation and sick leave).

Both of the government-wide financial statements distinguish functions of the City of Platteville that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other 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 of Platteville include general government, public safety, public works, community enrichment services, and conservation and development. The business-type activities of the City of Platteville include the Water and Wastewater Utility.

The government-wide financial statements include not only the City of Platteville itself (known as the *primary government*), but also a legally separate Housing Authority for which the City of Platteville is financially accountable. Financial information for this *component unit* is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 14-16 of this report. Supplementary information is included starting on page 64.

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 of Platteville, 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 of Platteville 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*.

TABLE 1: CITY OF PLATTEVILLE'S NET POSITION

	Governmental Activities			Business-Type Activities			Total
	2016	2015	2016	2015	2016	2015	
Current/other assets	\$ 13,830,582	\$ 17,900,460	\$ 6,915,779	\$ 6,969,048	\$ 20,746,361	\$ 24,869,508	
Capital Assets	59,598,031	59,157,510	34,154,646	33,692,370	93,752,677	92,849,880	
Total Assets	\$ 73,428,613	\$ 77,057,970	\$ 41,070,425	\$ 40,661,418	\$ 114,499,038	\$ 117,719,388	
Deferred outflows of resources	\$ 2,372,280	\$ 694,370	\$ 624,719	\$ 188,757	\$ 2,996,999	\$ 883,127	
Current Liabilities	\$ 3,313,981	\$ 4,058,428	\$ 895,544	\$ 984,554	\$ 4,209,525	\$ 5,042,982	
Other Liabilities	23,454,544	23,550,496	15,651,156	16,257,810	39,105,700	39,808,306	
Total Liabilities	\$ 26,768,525	\$ 27,608,924	\$ 16,546,700	\$ 17,242,364	\$ 43,315,225	\$ 44,851,288	
Deferred inflows of resources	\$ 6,923,563	\$ 5,985,496	\$ 224,274		\$ 7,147,837	\$ 5,985,496	
Net Position:							
Net investment							
In capital assets	\$ 38,826,135	\$ 37,377,510	\$ 18,356,617	\$ 17,176,558	\$ 57,182,752	\$ 54,554,068	
Restricted	2,925,308	6,744,674	4,631,578	4,879,391	7,556,886	11,624,065	
Unrestricted	357,362	35,736	1,935,975	1,551,862	2,293,37	1,587,598	
Total Net Position	\$ 42,108,805	\$ 44,157,920	\$ 24,924,170	\$ 23,607,811	\$ 67,032,975	\$ 67,765,731	

Source: Rows 1-3 Exhibit A-1 page 14, Rows 4-6 page 15, Rows 7-10 page 15

The largest portion of the City of Platteville's net position reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment) less any related outstanding debt against those assets (approximately 85 percent). The city uses these capital assets to provide services to citizens; subsequently these assets are not available for future spending. Although Platteville'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 come from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City of Platteville's net position (approximately 11 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$2,293,337) may be used to meet the city's ongoing obligations to citizens and creditors.

The City of Platteville maintains several 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. Major categories include the General Fund, the Capital Projects Fund, the Community Development Block Grant fund, TIF No. 7, and the Debt Service Fund.

The basic governmental fund financial statements can be found on pages 17-21 of this report.

Proprietary funds. Proprietary funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements. Proprietary 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 Platteville Water and Wastewater Utility, which is considered to be a major fund of the City of Platteville.

The basic proprietary fund financial statements can be found on pages 22-26 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 statement because the resources of those funds are not available to support the City of Platteville's programs. The fiduciary fund maintained by the City of Platteville is the Tax Collection Fund which records the tax roll and tax collections for other taxing jurisdictions within the City of Platteville.

The basic fiduciary fund financial statements can be found on page 27 of this report.

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 28-60 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 and information on the Wisconsin Retirement System pension plan. The budgetary comparison schedules and Wisconsin Retirement System Schedules are on pages 61-63. The budgetary comparison schedules demonstrate compliance with the budget and complements the statement included in the basic governmental fund financial statements. The Wisconsin Retirement System schedules present 10-year pension plan trend information.

The combining statements referred to earlier in connection with non-major governmental funds and other information related to the individual funds is presented immediately following the required supplementary information. Individual fund statements and schedules can be found on pages 64-65 of this report.

Government-wide Financial Analysis

Changes in net position can serve as a useful indicator of a government's financial position over time. In the case of the City of Platteville, assets and deferred outflows of resources exceeded liabilities and deferred inflow of resources by \$67,765,731 at the close of 2015, which decreased to \$67,032,975 by the end of 2016.

Governmental Activities. Governmental activities have the potential to increase or decrease the city's net position during the course of the year. The following chart establishes baseline numbers for comparison in future years.

TABLE 2: CITY OF PLATTEVILLE'S PRIMARY GOVERNMENT STATEMENT OF ACTIVITIES

	Governmental Activities		Business-Type Activities		Total
	2016	2015	2016	2015	2016
Revenues					
Program Revenues	\$ 1,487,169	\$ 1,763,581	\$ 4,666,457	\$ 4,554,663	\$ 6,153,626
Charges for Service					\$ 6,318,244
Operating grants and contributions	2,251,817	1,949,774			2,251,817
Capital grants and contributions	580,810	1,539,983		859	1,540,842
Property taxes	5,825,298	5,740,580			5,825,298
Other taxes	220,549	222,171			220,549
Intergovernmental rev's not restricted to specific programs	2,588,339	2,594,260			2,588,339
Investment income	39,133	30,196		13,253	63,719
Other	(335,838)	(904,071)		8,531	(317,085)
Total revenues	12,657,277	12,936,474	4,709,796	4,577,306	17,367,073
Expenses					
General Gov't	1,190,535	1,107,524			1,190,535
Public safety	3,407,446	3,631,010			3,407,446
Public works	5,305,381	5,027,159			5,305,381
Hlth & Hum Serv.	109,016	101,497			109,016
Leisure Activities	1,912,514	1,780,965			1,912,514
Conservation and Development	1,953,480	1,424,503			1,953,480
Interest and Fiscal Charges	652,761	663,710			652,761
Water and Sewer			3,568,696	3,618,747	3,568,696
Total expenses	14,531,133	13,736,368	3,568,696	3,618,747	18,099,829
Incr.(Deer.) in net position before Transfers	(1,873,856)	(799,894)	1,141,100	958,559	(732,756)
Transfers	(175,259)	397,742	175,259	(397,742)	158,665
Incr.(Deer.) in net position	(2,049,115)	(402,152)	1,316,359	560,817	(732,756)
Net position - beginning	44,157,920	44,560,072	23,607,811	23,046,994	67,765,731
Net position - end of year	\$ 42,108,805	\$ 44,157,920	\$ 24,924,170	\$ 23,607,811	\$ 67,032,975

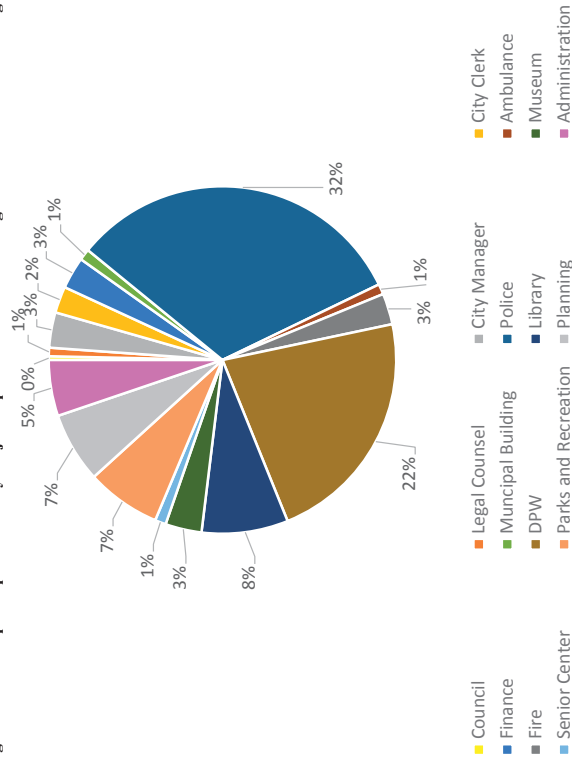
Source: Exhibit A-2, Page 16

Public safety activities accounted for 23 percent of the total expenses within the governmental activities of the City of Platteville, as compared to 26 percent in the prior year. This includes police, fire, and ambulance services. Expenses in this area decreased by approximately \$223,564 from 2015.

Conservation and development expenses increased by approximately \$528,977 or 37% from 2015. Health and Human Services expenses increased by \$7,519, or 7% from 2015.

Public works expenditures increased by approximately \$278,222, or 6% from 2015. General Government increased by approximately \$83,011, or 7% from 2015.

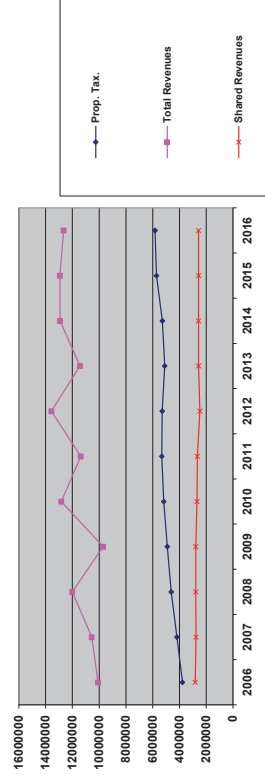
Figure 1: Municipal Expenditures by Major Department as a Percentage Share of Total 2016 Budget



Source: City of Platteville 2016 Budget

In recent years, property taxes have been the largest revenue source for governmental activities, followed closely by state shared revenue. Property taxes accounted for approximately 44.1% of total revenues in 2015, and 46.0% in 2016.

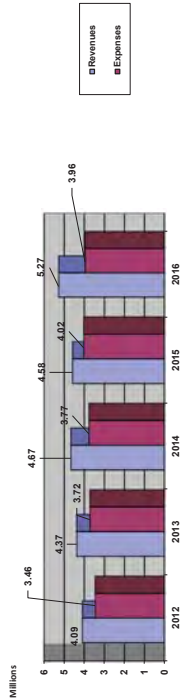
Figure 2: Property Tax Revenue As Compared to Total Revenue



Business-type activities (Proprietary Funds).

In 2016, net position in the proprietary funds increased by \$1,316,359. This compares to an \$560,817 increase in 2015. Major water and sewer line replacements and improvements and upgrades to the utility's facilities increased net position. The Platteville Water and Wastewater Utility is fairly unique in that it is a combined utility. While rates are established separately for water and sewer, revenues and expenses are combined into a single operating unit. Rates are monitored and set according to the policies of the Wisconsin Public Service Commission. A sewer rate increase took effect on August 15, 2016. The last time the PSC allowed a water rate increase was on January 15, 2013.

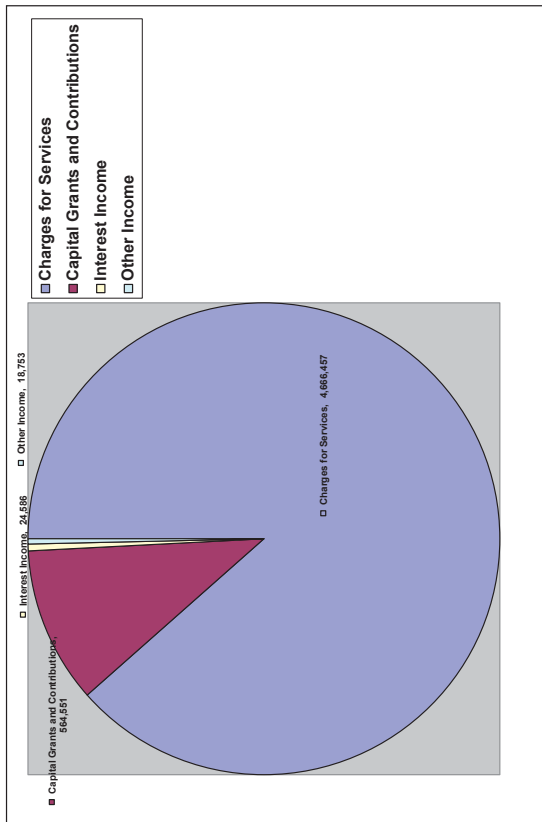
Figure 3: Comparison of Utility Revenues to Expenses, By Year



Source: Exhibit A-2, Page 16

As shown on the following chart, the revenues of the Platteville Water and Wastewater Utility included capital grants and contributions in addition to charges for services (operating revenues). Any investment income and miscellaneous revenues are not identified specifically to an individual program but to the fund as a whole.

Figure 4: Revenues by Source - Business-type Activities



Source: Exhibit A-2 Page 16

Financial Analysis of the Government's Funds

As noted earlier, the City of Platteville uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City of Platteville'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 of Platteville's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Please note that major funds may change from year to year depending on whether the fund meets the definition of major fund for the year or established by GASB Statement No. 34.

Over the last 2 years, the governmental funds have reported the following balances (*Exhibit A-5, page 19*):

Year	Governmental Fund Balance*	\$ Change (+/-)
2016	\$4,126,896	(\$3,302,754)
2015	\$7,429,650	\$1,722,175

*As of the end of the year.

The fund balance gives the overall total funds, and includes positive and negative balances in individual allocations. This is a useful tool for examining the fiscal changes in the city's major funds, which may otherwise be masked by being included in totals. The primary reason for the decrease in fund balance as of December 31, 2016 was due to receipt of loan proceeds in December 2015 for which the related payments were not made until January 2016. In January 2016, using December 2015 loan proceeds, the City paid off \$1,070,000 of taxable note anticipation notes and paid a tax incremental incentive of \$2,000,000 to a developer.

The *General Fund* is the main operating fund of the City of Platteville. In the past two years this fund has seen the following changes (*Exhibit A-5, page 19*):

Year	General Fund Balance*	\$ Change (+/-)
2016	\$4,081,536	(\$ 190,850)
2015	\$4,272,386	(\$ 579,691)

*As of the end of the year.

The balance in the general fund accounts for 99% of the overall governmental funds balance.

The *Capital Projects Fund* provides funding for capital projects of the City of Platteville or other unique expenditures, which are not normal operating or maintenance type expenditures reportable within the general fund or other governmental funds (example-large equipment acquisition). The total fund balance as of December 31, 2016, is \$275,814. This is an increase of \$151,147 from 2015 (*Exhibit A-5, page 19*).

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

The net position of the Water and Wastewater Utility at the end of 2016 amounted to \$24,924,170, up \$1,316,359 from the year before.

The financial statements and a statement of cash flows for the enterprise funds can be found on pages 22-26 of this report.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were relatively minor. Actual revenue exceeded budget by \$228,100. Actual expenditures were under budget by \$557,350.

Capital Asset and Debt Administration

Capital assets- The City of Platteville's investment in capital assets for its governmental and business type activities is considerable. Recent changes are as follows (Notes to Financial Statements-Page 42-43):

Year	Capital Assets		\$ Change (+/-)	
	2016	2015	2016	2015
2016	\$93,752,677	\$92,849,880	\$ 902,797	+\$ 42,543
2015	\$92,849,880			

Capital assets include land, buildings, improvements other than buildings, machinery and equipment, infrastructure, and construction in progress.

TABLE 3: CITY OF PLATTEVILLE'S GOVERNMENTAL CAPITAL ASSETS

	Governmental Activities		Business Activities		Total
	2016	2015	2016	2015	
Land**	\$ 3,502,492	\$ 3,148,378	\$ 3,502,492	\$ 3,148,378	\$ 3,148,378
Land improvements	3,621,841	3,607,463	3,621,841	3,607,463	3,607,463
Buildings and improvements	9,550,768	9,472,244	9,550,768	9,472,244	9,472,244
Machinery and Equipment	4,481,468	4,308,708	4,481,468	4,308,708	4,308,708
Vehicles	4,111,402	3,489,624	4,111,402	3,489,624	3,489,624
Infrastructure	60,526,245	57,393,976	60,526,245	57,393,976	57,393,976
Intangible Plant		8,978	8,978	8,978	8,978
Land & Land Rights	40,345	40,345	40,345	40,345	40,345
Const. in Progress	30,600	1,453,142	28,251	58,851	1,466,294
Water:					
Source of supply		765,539	765,539	765,539	765,539
Pumping		2,067,302	2,067,302	2,067,302	2,067,302
Water treatment		1,413,693	1,413,693	1,413,693	1,413,693
Transmis. & Distr.		18,468,996	17,733,401	18,468,996	17,733,401
General plant		769,004	733,909	769,004	733,909
Sewer:					
Collection system		15,501,959	15,501,959	15,501,959	15,016,641
Treatment and disp.		10,441,802	10,315,567	10,441,802	10,315,567
General plant		966,477	938,035	966,477	938,035
Total capital assets	85,824,816	82,873,535	50,472,346	49,046,562	136,297,162
Less accumulated depreciation	(26,226,785)	(23,716,025)	(16,317,700)	(15,354,192)	(42,544,485)
Capital assets net of depreciation	\$ 59,598,031	\$ 59,157,510	\$ 34,154,646	\$ 33,692,370	\$ 93,752,677
					\$ 93,849,880

Source: Notes to the Basic Financial Statements-Note 4, pages 42-43

**Note that land is not depreciated.

The total increase in the City of Platteville's governmental-type activities capital assets totals \$440,521 net of depreciation, or a < 1% increase.

In Business Type Activities, the biggest gains have been seen in the investment in the water distribution system and sewer collection and treatment systems. Water transmission and distribution plant accounted for \$735,596 of additions, while sewer collection system accounted for \$485,318.

Long-term debt. At the end of 2016, the City of Platteville had total bonded debt outstanding of \$21,162,648 entirely backed by the full faith and credit of the government (general obligation bonds).

The City of Platteville issued debt in 2016, in the amount of \$2,520,000. This debt was issued to finance the purchase of a fire truck and street projects.

TABLE 4: CITY OF PLATTEVILLE OUTSTANDING DEBT

	Governmental Activities		Business-Type Activities		Total
	2016	2015	2016	2015	
G.O. debt	\$ 21,162,648	\$ 20,035,520	\$	\$	\$21,162,648
Revenue Bonds - Utility	3,874,808	4,953,900	15,798,029	16,515,812	15,798,029
Tax Increment					3,874,808
Anticipation notes		1,070,000			1,070,000
Taxable note					
Other Long-term	429,010	468,888	151,496	138,919	580,506
Liabilities					
Total	\$ 25,466,466	\$ 26,528,308	\$ 15,949,525	\$ 16,654,731	\$ 41,415,991
					\$43,183,039

Source: Notes to the Basic Financial Statements, Note 5, pages 44-46

The City of Platteville maintains an "AA-" rating from Standards and Poor's for general obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue to 5 percent of its total equalized valuation. The debt limitation as of 12/31/16 for the City of Platteville was \$32,595,265, which significantly exceeds the City of Platteville's current outstanding general obligation debt. As of December 31, 2016, the City of Platteville's outstanding general obligation debt equaled 64.9 percent of the state authorized debt limit.

The Platteville Water and Wastewater Utility generally have used borrowed funds for capital improvements. A replacement fund that was established as part of the 1982 bond issue will be continued voluntarily, and proceeds from it are used to pay for allowable costs of maintenance and improvement. This allows the utility to do larger projects while reducing debt load.

Additional information of the City of Platteville's long-term debt can be found in note 5 beginning on page 44.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate as of December 2016, for Grant County, which includes the City of Platteville, was 3.4 percent. This compares to a rate of 4.1 percent for the State of Wisconsin. (Source: Bureau of Labor Statistics)
- The rate of inflation for 2016 was 2.1 percent before seasonal adjustment. The equalized tax rate for taxes collected for 2017 operations (2016 tax bill) increased from 7.17 to 7.23 per thousand of equalized valuation. The taxes to be collected increased by 5% percent.

Requests for Information

This financial report is designed to provide a general overview of the City of Platteville's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Administration Director or the Office of the City Manager, 75 N. Bonson Street, PO Box 780, Platteville, WI 53818. General information relating to the City of Platteville, Wisconsin, can be found at the City's website, <http://www.platteville.org>.

Exhibit A-1
City of Platteville, Wisconsin
Statement of Net Position
December 31, 2016
(With summarized financial information as of December 31, 2015)

	Governmental Activities	Business-Type Activities	Total Governmental and Business-Type activities		Component Unit Housing Authority	
			2016	2015	2016	2015
ASSETS						
Current assets:						
Cash and investments	\$ 6,002,061	\$ 1,007,442	\$ 7,009,503	\$ 7,516,657	\$ 19,335	\$ 2,597
Receivables						
Taxes	3,991,150		3,991,150	4,246,941		
Customer		704,058	704,058	685,276		
Due from other governmental units	1,118,599		1,118,599	1,174,403		
Other	505,216	2,453	507,669	68,551	5,492	5,729
Special assessments	13,613		13,613	13,066		
Prepaid expenses					268	115
Internal balances	(539,663)	539,663				
Materials and supplies		30,585	30,585	24,250		
Total current assets	11,090,976	2,284,201	13,375,177	13,729,144	25,095	8,441
Noncurrent assets:						
Restricted assets:						
Net pension asset				819,799		
Cash and investments	158,104	4,631,578	4,789,682	7,819,123	43,299	1,367
Other assets:						
Mortgages receivable	1,720,313		1,720,313	1,717,825		
Loans receivable	861,189		861,189	783,617		
Capital assets:	85,824,816	50,472,346	136,297,162	131,920,097	7,820	7,820
Less: Accumulated depreciation	26,226,785	16,317,700	42,544,485	39,070,217	7,820	7,820
Net book value of capital assets	59,598,031	34,154,646	93,752,677	92,849,880		
Total noncurrent assets	62,337,637	38,786,224	101,123,861	103,990,244	43,299	1,367
Total assets	73,428,613	41,070,425	114,499,038	117,719,388	68,394	9,808
DEFERRED OUTFLOWS OF RESOURCES						
Deferred pension outflows	2,372,280	593,516	2,965,796	836,322		
Unamortized well rehabilitation costs		31,203	31,203	46,805		
Total deferred outflows of resources	2,372,280	624,719	2,996,999	883,127		
Total assets and deferred outflows of resources	\$ 75,800,893	\$ 41,695,144	\$ 117,496,037	\$ 118,602,515	\$ 68,394	\$ 9,808

The notes to the basic financial statements are an integral part of this statement.

Exhibit A-1 (Continued)
City of Platteville, Wisconsin
Statement of Net Position
December 31, 2016
(With summarized financial information as of December 31, 2015)

	Governmental Activities	Business-Type Activities	Total Governmental and Business-Type activities		Component Unit Housing Authority	
			2016	2015	2016	2015
LIABILITIES						
Current liabilities:						
Accounts payable	\$ 540,253	\$ 70,672	\$ 610,925	\$ 903,209	\$ 437	\$ 395
Accrued wages	163,603	28,257	191,860	165,529	1,609	1,908
Accrued interest	149,857	82,202	232,059	236,443		
Unearned revenue	1,645		1,645	11,101		
Current portion of:						
Long-term debt	2,397,484	704,788	3,102,272	3,656,460		
Compensated absences	60,889	9,625	70,514	69,920		
Deposits	250		250	320		
Total current liabilities	3,313,981	895,544	4,209,525	5,042,982	2,046	2,303
Noncurrent liabilities:						
General obligation debt	21,162,648		21,162,648	20,035,520		
Taxable note anticipation notes				1,070,000		
Tax increment revenue bonds	3,874,808		3,874,808	4,953,900		
Water and Sewer revenue bonds		15,798,029	15,798,029	16,515,812		
Unamortized bond premium	20,389	309,448	329,837	351,647		
Net pension liability	426,062	106,596	532,658			
Compensated absences	429,010	151,496	580,506	607,807		
Less current portion of long-term debt	(2,458,373)	(714,413)	(3,172,786)	(3,726,380)		
Total noncurrent liabilities	23,454,544	15,651,156	39,105,700	39,808,306		
Total liabilities	26,768,525	16,546,700	43,315,225	44,851,288	2,046	2,303
DEFERRED INFLOWS OF RESOURCES						
Deferred pension inflows	896,422	224,274	1,120,696			
Deferred revenue	6,027,141		6,027,141	5,985,496	42,149	
Total deferred inflows of resources	6,923,563	224,274	7,147,837	5,985,496	42,149	
NET POSITION						
Net investment in capital assets	38,826,135	18,356,617	57,182,752	54,554,068		
Restricted	2,925,308	4,631,578	7,556,886	11,624,065	5,332	1,367
Unrestricted	357,362	1,935,975	2,293,337	1,587,598	18,867	6,138
Total net position	42,108,805	24,924,170	67,032,975	67,765,731	24,199	7,505
Total liabilities, deferred inflows of resources, and net position	\$ 75,800,893	\$ 41,695,144	\$ 117,496,037	\$ 118,602,515	\$ 68,394	\$ 9,808

The notes to the basic financial statements are an integral part of this statement.

Exhibit A-2

City of Platteville, Wisconsin

Statement of Activities

For the Year Ended December 31, 2016

(With summarized financial information for the year ended December 31, 2015)

Functions/Programs	Program Revenues				Net (Expenses) Revenue and Changes in Net Position				Component Unit	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Totals		2016	2015
							2016	2015		
Primary Government:										
Governmental activities:										
General government	\$ 1,190,535	\$ 242,834	\$ 4,565	\$ (943,136)	\$ (943,136)	\$ (840,684)				
Public safety	3,407,446	254,340	265,728	(2,887,378)	(2,887,378)	(2,740,978)				
Public works	5,305,381	664,716	1,698,837	295,519	(2,646,309)	(2,009,053)				
Health and human services	109,016	60,498	1,710	(46,808)	(46,808)	(63,531)				
Leisure activities	1,912,514	216,299	280,977	(1,129,947)	(1,129,947)	(979,972)				
Conservation and development	1,953,480	48,482		(1,904,998)	(1,904,998)	(1,185,102)				
Interest and fiscal charges	652,761			(652,761)	(652,761)	(663,710)				
Total governmental activities	14,531,133	1,487,169	2,251,817	580,810	(10,211,337)	(8,483,030)				
Business-type activities:										
Water and sewer	3,568,696	4,666,457			1,097,761	936,775				
Total business-type activities	3,568,696	4,666,457			1,097,761	936,775				
Total primary government	\$ 18,099,829	\$ 6,153,626	\$ 2,251,817	\$ 580,810	(10,211,337)	(7,546,255)				
Component Unit:										
Housing Authority	467,588		476,809					9,221		(6,991)
Total component unit	467,588		476,809					9,221		(6,991)
General revenues:										
Property taxes										
General purposes				2,688,340		3,140,353				
Debt service				1,269,107		816,952				
Tax Increments				1,867,851		1,783,275				
Other taxes				220,549		222,171				
Federal and State aid not restricted for specific purposes										
General				2,588,339		2,594,260				18
Interest and investment earnings				39,133	24,586	43,449			34	
Loss on sale/disposal of fixed assets				(352,733)		(933,496)				
Miscellaneous				16,895	18,753	37,956				1,389
Transfers				(175,259)	175,259					
Total general revenues				8,162,222	218,598	7,704,920			7,473	1,407
Changes in net position				(2,049,115)	1,316,359	158,665			16,694	(5,584)
Net position - beginning				44,157,920	23,607,811	67,607,066			7,505	13,089
Net position-end of year				\$ 42,108,805	\$ 24,924,170	\$ 67,607,066			\$ 24,199	\$ 7,505

Exhibit A-3
City of Platteville, Wisconsin
Balance Sheet
Governmental Funds
December 31, 2016

(With summarized financial information as of December 31, 2015)

	General	Capital Projects	Community Development Block Grant	TIF No. 7	Debt Service
ASSETS					
Cash and investments	\$ 4,929,026		\$ 61,178		\$
Restricted cash and investments		117,421		40,683	
Receivables:					
Taxes	2,276,471			103,988	
Customer					
Other accounts	67,407	435,410			
Other governments	72,552	366,346		550,208	
Special assessments	13,613				
Mortgages			1,648,500		
Loans	256,955				
Due from other funds	896,522				
Advances to other funds	950,817				103,025
Total assets	\$ 9,463,363	\$ 919,177	\$ 1,709,678	\$ 694,879	\$ 103,025
LIABILITIES					
Accounts payable	\$ 251,310	\$ 239,339		\$ 1,879	
Accrued payroll	163,603				
Due to other funds	7,955	404,024	23,967		47,393
Advances from other funds				1,754,889	
Unearned revenue					
Deposits	250				
Total liabilities	423,118	643,363	23,967	1,756,768	47,393
DEFERRED INFLOWS OF RESOURCES					
Deferred revenues	4,958,709		1,648,500	103,988	
FUND BALANCES					
Nonspendable	959,425				55,632
Restricted	293,263	117,421	37,211		
Assigned	273,370	158,393			
Unassigned (Deficit)	2,555,478			(1,165,877)	
Total fund balance	4,081,536	275,814	37,211	(1,165,877)	55,632
Total liabilities, deferred outflow of resources and fund balance	\$ 9,463,363	\$ 919,177	\$ 1,709,678	\$ 694,879	\$ 103,025

The notes to the financial statements are an integral part of this statement.

Other Governmental Funds	Total Governmental Funds	
	2016	2015
\$ 1,011,857	\$ 6,002,061	\$ 6,656,912
	158,104	3,078,879
1,610,691	3,991,150	4,246,941
		15,244
2,399	505,216	62,942
129,493	1,118,599	1,174,403
	13,613	13,066
71,813	1,720,313	1,717,825
604,234	861,189	783,617
	896,522	777,845
	1,053,842	948,291
<u>\$ 3,430,487</u>	<u>\$ 16,320,609</u>	<u>\$ 19,475,965</u>
\$ 47,725	\$ 540,253	\$ 750,213
	163,603	143,843
31,846	515,185	386,868
219,953	1,974,842	1,869,290
1,645	1,645	11,101
	250	320
<u>301,169</u>	<u>3,195,778</u>	<u>3,161,635</u>
2,286,738	8,997,935	8,884,680
	1,015,057	953,097
959,508	1,407,403	4,962,687
	431,763	1,037,618
(116,928)	1,272,673	476,248
<u>842,580</u>	<u>4,126,896</u>	<u>7,429,650</u>
<u>\$ 3,430,487</u>	<u>\$ 16,320,609</u>	<u>\$ 19,475,965</u>

The notes to the financial statements are an integral part of this statement.

Exhibit A-4
City of Platteville, Wisconsin
Reconciliation of the Governmental Funds Balance Sheet
with the Statement of Net Position
December 31, 2016
(With summarized financial information as of December 31, 2015)

	2016	2015
Total fund balances-governmental funds:	\$ 4,126,896	\$ 7,429,650
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 fund statements. Amounts reported for governmental activities in the statement of net position:		
Governmental capital asset	85,824,816	82,873,535
Governmental accumulated depreciation	<u>(26,226,785)</u>	<u>(23,716,025)</u>
	59,598,031	59,157,510
The net pension asset is not a current financial resource and is, therefore, not reported in the fund statements		
		680,652
Pension deferred outflows of resources and deferred inflows of resources are actuarially determined by the defined benefit pension plan. These items are reflected in the statement of net position and are being amortized with pension expense in the statement of activities. The deferred outflows of resources and deferred inflows of resources are not financial resources or uses and therefore are not reported in the fund statements.		
Deferred outflows of resources	2,372,280	694,370
Deferred inflows of resources	(896,422)	
Other long-term assets that are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Long-term notes and loans	2,581,502	2,501,443
Subsequent year tax equivalent from utility	389,292	397,742
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds statements. Long-term liabilities reported in the statement of net position that are not reported in the funds balance sheet are:		
Bonds and notes payable	(21,162,648)	(20,035,520)
Taxable note anticipation notes		(1,070,000)
Tax increment revenue bonds	(3,874,808)	(4,953,900)
Bond premium	(20,389)	(23,447)
Accrued interest	(149,857)	(151,692)
Net pension liability	(426,062)	
Compensated absences	<u>(429,010)</u>	<u>(468,888)</u>
Net position of governmental activities	<u>\$ 42,108,805</u>	<u>\$ 44,157,920</u>

The notes to the basic financial statements are an integral part of this statement.

Exhibit A-5
City of Platteville, Wisconsin
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2016
(With summarized financial information for the year ended December 31, 2015)

	General	Capital Projects	Community Development Block Grant	TIF No. 7	Debt Service
REVENUES					
Taxes	\$ 2,678,642	\$ 184,678	\$	\$ 212,564	\$ 1,269,107
Special assessments	23,876				
Intergovernmental	3,794,346	331,291		151,844	
Licenses and permits	238,532				
Fines and forfeitures	125,151				
Public charges for services	614,217				
Interest income	29,445	743	400		824
Loan repayments	11,518		3,511		
Miscellaneous	75,319	432,065			4,776
Total revenues	7,591,046	948,777	3,911	364,408	1,274,707
EXPENDITURES					
Current:					
General government	1,100,664				
Public safety	2,963,263				
Public works	1,533,343				
Health and social services	103,037				
Leisure activities	1,642,474				
Conservation and development	376,160		46,195	2,062,508	
Capital outlay		2,982,610		732,082	
Debt service:					
Principal retirement				100,000	2,105,000
Interest and fiscal charges				109,361	245,543
Debt issuance costs				14,741	31,404
Total expenditures	7,718,941	2,982,610	46,195	3,018,692	2,381,947
Excess (deficiency) of revenues over over expenditures	(127,895)	(2,033,833)	(42,284)	(2,654,284)	(1,107,240)
OTHER FINANCING SOURCES (USES)					
Long-term debt proceeds		1,715,000		805,000	
Proceeds from sale of capital assets	9,283				
Insurance proceeds					
Transfer to other funds	(469,980)				
Transfer from other funds		469,980			
Transfer from utility-tax equivalent	397,742				
Total other financing sources (uses)	(62,955)	2,184,980		805,000	
Net change in fund balances	(190,850)	151,147	(42,284)	(1,849,284)	(1,107,240)
Fund balance-beginning of year	4,272,386	124,667	79,495	683,407	1,162,872
Fund balance-end of year	<u>\$ 4,081,536</u>	<u>\$ 275,814</u>	<u>\$ 37,211</u>	<u>\$ (1,165,877)</u>	<u>\$ 55,632</u>

Other Governmental Funds	Total Governmental Funds	
	2016	2015
\$ 1,700,855	\$ 6,045,846	\$ 5,962,752
	23,876	17,473
649,993	4,927,474	5,558,790
	238,532	245,854
853	126,004	144,891
469,889	1,084,106	1,588,574
2,945	34,357	24,896
74,717	89,746	124,849
	512,160	253,037
<u>2,899,252</u>	<u>13,082,101</u>	<u>13,921,116</u>
6,262	1,106,926	1,010,523
	2,963,263	3,238,998
932,140	2,465,483	2,190,345
	103,037	95,315
	1,642,474	1,582,395
51,848	2,536,711	660,703
591,674	4,306,366	5,475,593
1,336,964	3,541,964	1,663,209
270,607	625,511	621,433
	46,145	59,973
<u>3,189,495</u>	<u>19,337,880</u>	<u>16,598,487</u>
(290,243)	(6,255,779)	(2,677,371)
	2,520,000	3,962,000
26,000	35,283	11,122
		32,970
	(469,980)	(1,316,253)
	469,980	1,316,253
	397,742	393,454
<u>26,000</u>	<u>2,953,025</u>	<u>4,399,546</u>
(264,243)	(3,302,754)	1,722,175
1,106,823	7,429,650	5,707,475
<u>\$ 842,580</u>	<u>\$ 4,126,896</u>	<u>\$ 7,429,650</u>

Exhibit A-6
City of Platteville, Wisconsin
Reconciliation of Statement of Revenues, Expenditures and Changes
in Fund Balance of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2016
(With summarized financial information for the year ended December 31, 2015)

	2016	2015
Net change in fund balances-total governmental funds	\$ (3,302,754)	\$ 1,722,175
Amounts reported for governmental activities in the statement of activities are different because:		
The acquisition of capital assets are reported in the governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities.		
Capital outlay reported in governmental fund statements	3,757,668	3,562,548
Depreciation expenses reported in the statement of activities	<u>(2,839,561)</u>	<u>(2,953,573)</u>
Amount by which capital outlays are greater (less) than depreciation in the current period.	918,107	608,975
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, donations, and disposals) is to increase/decrease net position:	(477,586)	(921,293)
Compensated absences are reported in the governmental funds when amounts are paid. The statement of activities reports the amount earned during the year. The difference between the amount paid and earned was:	39,878	(2,054)
Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net position and does not affect the statement of activities		
The amount of long-term debt principal payments in the current year is:	3,541,964	1,663,209
The issuance of long-term debt (e.g. bonds, notes) provides current financial resources to governmental funds but does not affect the statement of activities	(2,520,000)	(3,962,000)
Repayments of economic development loans receivable are reflected as revenue in governmental funds, but are reported as a reduction of notes receivable in the statement of net position and does not affect the statement of activities	(69,041)	(107,442)
Economic development loans written off are reflected as a reduction of deferred revenue in governmental funds but are reported as an expense in the statement of net position.	(24,064)	
Additional economic development loans are reflected as expenditures in governmental funds, but are reported as additions to loans receivable in statement of net position and does not affect the statement of activities.	173,165	577,040

The notes to the basic financial statements are an integral part of this statement.

Exhibit A-6 (Continued)
City of Platteville, Wisconsin
Reconciliation of Statement of Revenues, Expenditures and Changes
in Fund Balance of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2016
(With summarized financial information for the year ended December 31, 2015)

	2016	2015
Debt premiums are reported in the governmental funds as revenues when those amounts are received. However, the premium is shown in the statement of net position and allocated over the life of the debt issue as amortization expense in the statement of activities		
Amount of debt premium amortized in the current year	3,058	3,058
In governmental funds, the current year utility tax equivalent is deferred and recognized as revenue in the subsequent year. In the statement of activities, this amount is recognized as a transfer in the year accrued.		
2015 utility tax equivalent recognized as revenue in 2016 in the governmental funds	(397,742)	(393,454)
2016 utility tax equivalent recognized as a transfer in for the statement of activities	389,292	397,742
	(8,450)	4,288
In governmental funds, interest payments on outstanding debt are reported as an expenditure when paid. In the statement of activities, interest is reported as incurred.		
The amount of interest paid during the current period	625,512	620,227
The amount of interest accrued during the current period	(623,677)	(612,555)
Interest paid is greater (less) than interest expensed by	1,835	7,672
Pension expense reported in the governmental funds represents current year required contributions into the defined benefit pension plan. Pension expense in the statement of activities is actuarially determined by the defined benefit pension plan as the difference between the net pension liability from the prior year to the current year, with some adjustments.		
Difference between the required contributions into the defined benefit plan and the actuarially determined change in net pension liability between years, with adjustments.	(325,227)	4,220
Change in net position-governmental activities	\$ (2,049,115)	\$ (402,152)

The notes to the basic financial statements are an integral part of this statement.

Exhibit A-7
City of Platteville, Wisconsin
Statement of Net Position
Proprietary Funds
December 31, 2016

(With summarized financial information as of December 31, 2015)

	Water and Sewer Utility	
	2016	2015
ASSETS		
Current assets:		
Cash	\$ 1,007,242	\$ 859,420
Petty cash	200	325
Customer accounts receivable	704,058	670,032
Other accounts receivable	2,453	5,609
Due from other funds	7,955	6,764
Inventories	30,585	24,250
Total current assets	1,752,493	1,566,400
Non-current assets:		
Restricted assets:		
Net pension asset		139,147
Cash and Investments:		
Replacement fund	2,020,965	1,642,114
Depreciation fund	1,569,160	2,060,993
Debt reserve fund	1,041,453	1,037,137
Total restricted assets	4,631,578	4,879,391
Capital assets:		
Property and plant	50,472,346	49,046,562
Less: accumulated provision for depreciation	16,317,700	15,354,192
Net property and plant	34,154,646	33,692,370
Other assets:		
Advances due from other funds	921,000	920,999
Total non-current assets	39,707,224	39,492,760
DEFERRED OUTFLOWS OF RESOURCES		
Deferred pension outflows	593,516	141,952
Unamortized well rehabilitation costs	31,203	46,805
Total deferred outflows of resources	624,719	188,757
Total assets and deferred outflows of resources	\$ 42,084,436	\$ 41,247,917

The notes to the basic financial statements are an integral part of this statement.

Exhibit A-7 (Continued)
City of Platteville, Wisconsin
Statement of Net Position
Proprietary Funds
December 31, 2016

(With summarized financial information as of December 31, 2015)

	Water and Sewer Utility	
	2016	2015
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 70,672	\$ 152,996
Accrued payroll	28,257	21,686
Accrued interest	82,202	84,751
Current portion of:		
Revenue bonds	704,788	717,783
Compensated absences	9,625	7,338
Due to other funds	389,292	397,742
	1,284,836	1,382,296
Non-current liabilities		
General obligation notes		
Revenue bonds	15,798,029	16,515,812
Unamortized bond premium	309,448	328,200
Net pension liability	106,596	
Compensated absences	151,496	138,919
Less current portion of long-term debt	(714,413)	(725,121)
	15,651,156	16,257,810
DEFERRED INFLOWS OF RESOURCES		
Deferred pension inflows	224,274	
NET POSITION		
Net investment in capital assets	18,356,617	17,176,558
Restricted	4,631,578	4,879,391
Unrestricted	1,935,975	1,551,862
Total net position	24,924,170	23,607,811
Total liabilities, deferred inflows of resources, and net position	\$ 42,084,436	\$ 41,247,917

The notes to the basic financial statements are an integral part of this statement.

Exhibit A-8
City of Platteville, Wisconsin
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2016
(With summarized financial information for the year ended December 31, 2015)

	Water	Sewer	Total	
			2016	2015
OPERATING REVENUES				
Metered sales	\$ 1,291,195	\$	\$ 1,291,195	\$ 1,285,675
Private fire protection	86,638		86,638	87,239
Public fire protection	616,810		616,810	615,231
Public authorities	244,085		244,085	249,285
Measured sewer service		2,236,740	2,236,740	2,137,623
Forfeited discounts	8,168	7,988	16,156	16,336
Miscellaneous	165,473	9,360	174,833	163,274
Total operating revenues	2,412,369	2,254,088	4,666,457	4,554,663
OPERATING EXPENDITURES				
Pumping expenses	190,754		190,754	212,816
Treatment expenses	97,101	399,800	496,901	485,665
Transmission and distribution	214,402		214,402	201,168
Customer accounts expense	38,007	10,317	48,324	68,150
Administrative and general	297,694	465,060	762,754	703,462
Rent	1,080	6,342	7,422	6,907
Transportation expenses	323	24,598	24,921	20,663
Maintenance of sewage system		141,181	141,181	227,994
Depreciation	497,433	614,933	1,112,366	1,133,572
Taxes	13,572	50,831	64,403	61,186
Total operating expenses	1,350,366	1,713,062	3,063,428	3,121,583
Operating income	\$ 1,062,003	\$ 541,026	1,603,029	1,433,080
NONOPERATING REVENUES (EXPENSES)				
*Interest and dividends on investments			24,586	13,253
*Interest expense			(505,268)	(497,164)
*Amortization of debt premium			18,753	16,162
*Loss on sale of fixed assets				(7,631)
*Transfer of tax equivalent			(389,292)	(397,742)
Total nonoperating revenues (expenses)			(851,221)	(873,122)
Income before contributions			751,808	559,958
*Capital contributions			564,551	859
Change in net position			1,316,359	560,817
Net position - beginning			23,607,811	23,046,994
Net position-end of year			\$ 24,924,170	\$ 23,607,811
* Not allocated				

The notes to the basic financial statements are an integral part of this statement.

Exhibit A-9
City of Platteville, Wisconsin
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2016
(With summarized financial information for the year ended December 31, 2015)

	2016	2015
CASH FLOWS FROM (USED BY) OPERATING ACTIVITIES		
Received from customers	\$ 4,635,587	\$ 4,554,325
Payments to employees	(621,959)	(633,516)
Payment for employee benefits	(373,342)	(361,223)
Payment to suppliers	(1,000,859)	(920,390)
	2,639,427	2,639,196
CASH FLOWS (USED BY) NONCAPITAL FINANCING ACTIVITIES		
Paid to municipality for tax equivalent	(389,292)	(397,742)
	(389,292)	(397,742)
CASH FLOWS FROM (USED BY) CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(1,010,092)	(1,487,107)
Contributed capital		859
Sale of capital assets		2,537
Cost of removals		(11,495)
Proceeds from bonds, including premiums		5,535,097
Debt retired	(717,783)	(4,680,943)
Interest paid	(507,815)	(479,984)
	(2,235,690)	(1,121,036)
CASH FLOWS FROM (USED BY) INVESTING ACTIVITIES		
Purchase of investments	(500,000)	(500,000)
Receipt of investments maturing	500,000	500,000
Investment income	24,586	13,253
	24,586	13,253
Net cash flows from investing activities	24,586	13,253
Net change in cash and cash equivalents	39,031	1,133,671
Cash and cash equivalents - beginning of year	5,099,989	3,966,318
Cash and cash equivalents - end of year	\$ 5,139,020	\$ 5,099,989
Reconciliation of cash and cash equivalents to statement of net position accounts		
Cash	\$ 1,007,242	\$ 859,420
Petty cash	200	325
Restricted cash and investments	4,631,578	4,740,244
Less: long-term investments	(500,000)	(500,000)
	\$ 5,139,020	\$ 5,099,989
Total cash and cash equivalents	\$ 5,139,020	\$ 5,099,989

The notes to the basic financial statements are an integral part of this statement.

Exhibit A-9 (Continued)
City of Platteville, Wisconsin
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2016
(With summarized financial information for the year ended December 31, 2015)

	2016	2015
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 1,603,029	\$ 1,433,080
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	1,112,366	1,133,572
Pension expense	18,453	(863)
Amortization of major repairs	15,602	15,602
Changes in assets and liabilities:		
(Increase) decrease in customer accounts receivable	(34,026)	(8,108)
(Increase) decrease in other accounts receivable	3,156	7,770
(Increase) decrease in due from other funds	(1,192)	255,165
(Increase) decrease in inventories	(6,335)	4,838
Increase (decrease) in accounts payable	(82,324)	10,012
Increase (decrease) in accrued payroll	6,571	3,225
Increase (decrease) in due other funds	(8,450)	(215,044)
Increase (decrease) in compensated absences	12,577	(53)
	\$ 2,639,427	\$ 2,639,196
 SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING CAPITAL AND FINANCING ACTIVITIES		
Capital additions financed by TIF Districts	\$ 564,551	

The notes to the basic financial statements are an integral part of this statement.

Exhibit A-10
City of Platteville, Wisconsin
Statement of Net Position
Fiduciary Funds
December 31, 2016

(With summarized financial information as of December 31, 2015)

	Tax Collection Fund	Total	
		2016	2015
ASSETS			
Cash and investments	\$ 3,057,208	\$ 3,057,208	\$ 2,661,503
Taxes receivable	5,694,590	5,694,590	6,204,490
Total assets	\$ 8,751,798	\$ 8,751,798	\$ 8,865,993
LIABILITIES			
Due to other taxing units	\$ 8,751,798	\$ 8,751,798	\$ 8,865,993
Total liabilities	\$ 8,751,798	\$ 8,751,798	\$ 8,865,993

The notes to the financial statements are an integral part of this statement.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Note 1. Summary of Significant Accounting Policies.....

A. Reporting Entity.....

B. Government-Wide and Fund Financial Statements.....

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation.....

D. Cash and Cash Equivalents/Investments.....

E. Receivables.....

F. Inventories and Prepaid Items.....

G. Restricted Assets.....

H. Capital Assets.....

I. Compensated Absences.....

J. Long-Term Obligations/Conduit Debt.....

K. Claims and Judgments.....

L. Risk Management.....

M. Equity Classifications.....

N. Transfers.....

O. Housing Conservation and Community Development Block Grant.....

P. Summarized Comparative Information.....

Q. Pensions.....

R. Deferred Outflows and Inflows of Resources.....

Note 2. Explanation of Certain Differences Between Governmental Fund Statements and Government-Wide Statements.....

Note 3. Cash and Investments.....

Note 4. Capital Assets.....

Note 5. Long-Term Obligations.....

Note 6. Long-Term Advances.....

Note 7. Defined Benefit Pension Plan.....

Note 8. Contingent Liabilities.....

Note 9. Compensated Absences.....

Note 10. Tax Incremental Districts.....

Note 11. Governmental Activities Net Position/Fund Balances.....

Note 12. Deferred Inflows of Resources.....

Note 13. Restricted Assets.....

Note 14. Interfund Receivables/Payables and Transfers.....

Note 15. Commitments/Subsequent Events.....

Note 16. Component Unit.....

Note 17. Effect of New Accounting Standards on Current Period Financial Statements.....

NOTE 1

The financial statements of the City of Platteville, Wisconsin have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the City are described below:

A. Reporting Entity

The City is a municipal corporation governed by an elected seven-member council. This report includes all of the funds of the City of Platteville. The reporting entity for the City consists of the (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) 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 or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government. The City has identified the following component unit that is required to be included in the financial statements in accordance with standards established in GASB standards.

Discretely Presented Component Unit

The Platteville Housing Authority was created by the City of Platteville under the provisions of Section 66.40 to 66.404 of the Wisconsin Statutes. The central purpose of the Platteville Housing Authority is to provide the opportunity for the City of Platteville residents to live in decent, affordable and standard housing. The programs at the Platteville Housing Authority are created to enable Platteville families to improve their housing conditions. Its governing board is appointed by the City Council.

Separate audited financial statements of the Platteville Housing Authority may be obtained at City Hall of the City of Platteville.

B. Government-Wide and Fund 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 a legally separate component unit 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements (Continued)

Fund Financial Statements

Financial statements of the reporting entity 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, liabilities, net position/fund equity, revenues, and expenditure/expenses.

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.

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

Major Governmental Funds:

The City reports the following major governmental funds:

General Fund – Accounts for the City’s primary operating activities. It is used to account for all financial resources except those required to be accounted for in another fund.

Capital Improvements Capital Project Fund – Accounts for financial resources to be used for the acquisition or construction of equipment and/or major capital facilities.

Community Development Block Grant Fund – Accounts for financial resources to be used to provide financial assistance to develop communities by providing housing.

TIF District No. 7 – Accounts for the activity of tax incremental district No. 7, including the payment of general long-term debt principal, interest and related costs.

General Debt Service Fund – Accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements (Continued)

Major Enterprise Funds:

The City reports the following major enterprise funds:

Water and Sewer Utility – Accounts for operations of the water and sewer system

Non-Major Governmental Funds:

The City reports the following non-major governmental funds:

Special Revenue Funds – Accounts for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

- Airport
- Redevelopment Authority
- Housing Conservation Program
- Library (Littlefield)
- Zeigert Trust
- Boll Cemetery
- Taxi/Bus

TIF District No. 4 – Accounts for the activity of tax incremental district No. 4, including the payment of general long-term debt principal, interest and related costs.

TIF District No. 6 – Accounts for the activity of tax incremental district No. 6, including the payment of general long-term debt principal, interest and related costs.

TIF District No. 5 – Accounts for the activity of tax incremental district No. 5, including the payment of general long-term debt principal, interest and related costs.

Permanent Funds – Are used to account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the City’s programs.

-Cemetery perpetual care

In addition, the City reports the following fund types:

Agency Fund - Accounts for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units.

-Tax agency

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows of resources. 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 utility 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.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Fund Financial Statements

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

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

Intergovernmental aids and grants are recognized as revenues in the period the city is entitled the resources and the amounts are available. Amounts owed to the city which are not available are recorded as receivables and deferred inflows of resources. Amounts received prior to the entitlement period are also recorded as deferred inflows of resources.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

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 deferred inflows of resources.

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.

The City reports deferred inflows of resources on its governmental funds balance sheet. Deferred inflows of resources arise from taxes levied in the current year, which are for subsequent year's operations. For governmental fund financial statements, deferred inflows of resources arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred inflows of resources also arise when resources are received before the city has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the city has a legal claim to the resources, the liability for deferred inflows of resources are removed from the balance sheet and revenue is recognized.

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 utility are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administration expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Revenues and expenditures arising from non-exchange transactions, such as property and sales taxes, fines, and grants are recorded according to the standards in Governmental Accounting Standards.

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Cash and Cash Equivalent/Investments

All deposits of the City are made in board designated official depositories and are secured as required by State Statute. The City may designate, as an official depository, any bank or savings association. Also the City may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

Investments with remaining maturities at the time of purchase of one year or less are stated at amortized cost, which approximates fair value. Investments with a maturity of more than one year at acquisition and non-money market investments are carried at fair value as determined by quoted market prices.

For purposes of the statement of cash flows, all cash deposits and highly liquid investments with an original maturity of three months or less (including restricted assets) are considered to be cash equivalents.

E. Receivables

Property taxes are levied in December on the assessed value as of the prior January 1. In addition to property taxes for the city, taxes are collected for and remitted to the state and county governments as well as the local school district and technical college district. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as receivables and due to other taxing units in the accompanying agency fund balance sheet.

Property tax calendar - 2016 tax roll:

Lien date and levy date	December 2016
Tax bills mailed	December 2016
Payment in full, or	January 31, 2017
First installment due	January 31, 2017
Second installment due	July 31, 2017
Personal property taxes in full	January 31, 2017
Tax sale- 2016 delinquent real estate taxes	October 2019

No provision for uncollectible accounts receivable has been made for customer accounts receivable since the Water and Sewer Utility has the right by law to place delinquent bills on the tax roll.

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 government-wide financial statements as "internal balances."

In the governmental fund financial statements, advances to other funds are offset equally by nonspendable fund balance which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Inventories and Prepaid Items

Inventories of governmental fund types consist of expendable supplies held for consumption. Such items, which are not material, are considered expenditures when purchased and, accordingly, are not reflected on the Balance Sheet-Governmental Funds.

Inventories of proprietary fund types are valued at cost using the first-in, first-out method and are charged as expenses or are capitalized when used.

G. 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.

H. Capital Assets

Government-Wide Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets are defined by the government as assets with an initial cost of more than \$10,000 and an estimated useful life in excess of one year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated fixed assets are reported at acquisition value.

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

Depreciation of all exhaustible fixed 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 of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	20-50 Years
Machinery and Equipment	3-40 Years
Utility System	10-100 Years

Fund Financial Statements

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. 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, or are payable with expendable available resources.

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, 2016 are determined on the basis of current salary rates and include salary related payments.

J. Long-Term Obligations/Conduit Debt

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, and accrued compensated absences.

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.

The city has approved the issuance of industrial revenue bonds (IRB) for the benefit of private business enterprises. IRB's are secured by mortgages or revenue agreements on the associated projects, and do not constitute indebtedness of the city. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The total amount of IRB's outstanding at the end of the year is approximately \$25,107,929, made up of two issues.

K. Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental funds. If they are not to be liquidated with expendable available financial resources, no liability is recognized in the governmental fund statements. The related expenditure is recognized when the liability is liquidated. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

L. Risk Management

The City is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the City. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. 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 of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital 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 position that does not meet the definition 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

The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Non-Spendable – includes amounts that are not in a spendable form (such as inventory) or are required to be maintained intact.
- Restricted – includes amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government) through constitutional provisions, or by enabling legislation.
- Committed – includes amounts constrained to specific purposes by the City Council, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the City Council takes the same highest level action to remove or change the constraint.
- Assigned – includes amounts the City Council intends to use for a specific purpose; intent can be expressed by the City Council or by an official or body to which the City Council delegates the authority. All remaining positive spendable amounts in governmental funds, other than the general fund, that are neither restricted nor committed may be assigned. Assignments may take place after the end of the reporting period.
- 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.

The City's fund balance policy establishes a minimum unassigned fund balance equal to 20% of total General Fund expenditures. In the event that the balance drops below the established minimum level, the Council will develop a plan to replenish the fund balance at a rate of one percent annually, each year.

The Council may, from time to time, commit additional amounts of fund balance to a specific purpose. Such action shall be taken in open meeting and require the approval of a majority of the Council. Commitments of fund balance, once made, can be modified only by majority vote of the Council.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Equity Classifications (Continued)

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it shall be the policy of the City to consider restricted amounts to have been reduced first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it shall be the policy of the City that committed amounts would be reduced first, followed by assigned amounts and then unassigned amounts.

N. Transfers

Transfers include the payment in lieu of taxes from the water and sewer utility to the general fund.

O. Housing Conservation and Community Development Block Grant

Long-term loans receivable under the Housing Conservation and Community Development Block Program are shown as loans receivable and deferred inflows of resources in the governmental fund statements.

P. Summarized Comparative Information

The basic financial statements include certain prior year summarized comparative information in total, but not at the level of detail for a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended December 31, 2015, from which the summarized information was derived.

Q. Pensions

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

R. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expenditure) until then. The City has two items that qualify for reporting in this category. The deferred outflows of resources were derived from the WRS pension system and the Wisconsin Public Service Commission. The deferred outflows of resources for the WRS pension system are discussed in Note 7. The Wisconsin Public Service Commission authorized amortization of \$78,008 in well rehabilitation costs over five years. The unamortized balance at December 31, 2016 was \$31,203 which is reported in deferred outflows of resources.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until then. The City has two items that qualify for reporting in this category. Deferred inflows of resources related to the WRS pension system are discussed in Note 7 and the remaining deferred inflows of resources are discussed in Note 12.

NOTE 2 EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND GOVERNMENT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used on the government fund statements and district-wide statements certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items.

Explanation of Differences between Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances and the Statement of Activities

Differences between the governmental funds statement of revenues, expenditures and changes in fund balance and the statement of activities fall into one of three broad categories.

- a. Long-term revenue differences arise because governmental funds report revenues only when they are considered "available", whereas the statement of activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis whereas the accrual basis of accounting is used on the statement of activities.
- b. Capital related differences include (1) the difference between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets as reported on the statement of activities, and (2) the difference between recording an expenditure for the purchase of capital items in the governmental fund statements, and capitalization and recording depreciation expense on those items as recorded in the statement of activities.
- c. Long-term debt transaction differences occur because long-term debt proceeds are recorded as revenue and both interest and principal payments are recorded as expenditures in the governmental fund statements. In the statement of activities, long-term debt proceeds are recorded as a liability, interest expense is recorded as incurred, and principal payments are recorded as a reduction of liabilities.

NOTE 3

CASH AND INVESTMENTS

At December 31, 2016, the cash and investments included the following:

Deposits with financial institutions	\$ 5,499,206
Wisconsin Local Government Investment Pool	9,355,969
Petty cash	1,218
Total	<u>\$ 14,856,393</u>

Cash and investments as of December 31, 2016 are classified in the accompanying financial statements as follows:

<u>Exhibit A-1:</u>	
Cash and investments	\$ 7,009,503
Restricted cash and investments	4,789,682
<u>Exhibit A-10:</u>	
Cash and investments	3,057,208
Total cash and investments	<u>\$ 14,856,393</u>

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City would not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial risk for investments is the risk that, in the event of failure of the counterparty (e.g. broker-dealer) to a transaction, the City would not be able to recover the value of its investment of collateral securities that are in possession of another party.

Federal Deposit Insurance Corporation (FDIC) Insurance

The insurance coverage of public unit accounts depends upon the type of deposit and the location of the insured depository institution. All time and savings deposits owned by a public unit and held by the public unit's official custodian in an insured depository institution within the State in which the public unit is located are added together and insured up to \$250,000. Separately, all demand deposits owned by a public unit and held by the public unit's official custodian in an insured depository institution within the State in which the public unit is located are added together and insured up to \$250,000. For the purpose of these rules, the term "time and savings deposits" includes NOW accounts and money market deposit accounts but does not include interest-bearing demand deposit accounts. The term "demand deposits" means both interest-bearing and noninterest-bearing deposits that are payable on demand and for which the depository institution does not reserve the right to require advance notice of an intended withdrawal.

Collateralization of Public Unit Deposits

Depending on applicable state or federal law, public unit deposits may be secured by collateral or assets of the bank. In the event of the failure of the bank, the FDIC will honor the collateralization agreement if the agreement is valid and enforceable under applicable law. The FDIC does not guarantee, however, that the collateral will be sufficient to cover the amount of the uninsured funds. As such, although it does not increase the insurance coverage of the public unit deposits, collateralization provides an avenue of recovery in the event of the failure of an insured bank.

Bank accounts and the local government investment pool are also insured by the State Deposit Guaranty Fund in the amount of \$400,000. However, due to the relatively small size of the Guaranty Fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses may be significant to individual organizations. Additionally, deposits in each local and area credit union are insured by the NCUA in the amount of \$250,000 for interest-bearing accounts and \$250,000 for non-interest-bearing accounts.

The City's investment policy requires collateralization on certificate of deposits which exceed the FDIC and State Deposit Guaranty Fund insurance limits and on repurchase agreements. The collateral is limited to securities of the U.S. Treasury and its agencies.

As of December 31, 2016, \$1,845,982 of the City's deposits were insured by the FDIC or NCUA, \$2,031,643 were insured by collateral pledged at a local financial institution, and \$25 were in excess of federal depository insurance limits, national credit union insurance limits, and pledged collateral. The Wisconsin State Guaranty Fund would provide coverage for this amount, providing funds are available at the time of any potential loss.

Fluctuating cash flows during the year due to tax collections, receipt of state aids and proceeds from borrowing may have resulted in temporary balances during the year significantly exceeding uninsured amounts at the balance sheet date.

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments Authorized by Wisconsin State Statutes

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

- Time deposits in any credit union, bank, savings bank, trust company or savings and loan association maturing in three years or less.
- Bonds are 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, or by the University of Wisconsin Hospitals and Clinics Authority.
- Bonds or securities issued or guaranteed by the federal government.
- The local government investment pool.
- Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- Repurchase agreements with public depositories, with certain conditions.
- Bond issued by a local football stadium district.
- Bonds issued by a local arts district.
- Bonds issued by the Wisconsin Aerospace Authority.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

The City's investment policy limits investments to securities with maturities of less than three years from the date of purchase.

Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

Investment Type	Amount	12 months or less		13-24 months	
		Amount	Less	Amount	Less
Certificates of deposit	\$ 1,578,047	\$ 1,447,975	\$ 130,072		
Local Government Investment Pool	9,355,969	9,355,969			
Totals	\$ 10,934,016	\$ 10,803,944	\$ 130,072		

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments in commercial paper, corporate bonds and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The City's investment policy limits investments to those authorized by Wisconsin State Statutes. As of December 31, 2016, the City's investments were rated as follows:

	Amount	Rating
Wisconsin Local Government Investment Pool	\$ 9,355,969	Not Rated

NOTE 3

CASH AND INVESTMENTS (CONTINUED)

Wisconsin Local Government Investment Pool

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 (SWIB). 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. All investments are valued at amortized cost by the SIF for purposes of calculating earnings to each participant. Specifically, the SIF distributes income to pool participants monthly, based on their average daily share balance. Distributions include interest income based on stated rates (both paid and accrued), amortization of discounts and premiums on a straight-line basis, realized investment gains and losses calculated on an amortized cost basis, and investment expenses. This method does not distribute to participants any unrealized gains or losses generated by the pool's investments. Detailed information about the SIF is available in separately issued financial statements available at <http://www.doh.state.wi.us/Divisions/Budget-and-Finance/LGIP>. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2016, the fair value of the City's share of the LGIP's assets was substantially equal to the amount reported above. Information on derivatives was not available to the City.

SWIB may invest in obligations of the U.S. Treasury and its agencies, Commercial Paper, Bank Time Deposits/Certificates of Deposit, Bankers' Acceptances, Asset Backed Securities and Repurchase Agreements secured by the U.S. Government or its agencies and other instruments authorized under State Investment Fund Investment guidelines.

Investment allocation in the local government investment pool as of December 31, 2016 was: 95.50% in U.S. Government Securities, 0.93% in Bankers' Acceptances and 3.57% in commercial paper and corporate notes. The Wisconsin State Treasurer updates the investment allocations on a monthly basis.

Concentration of Credit Risk

The City places no limit on the amount the City may invest in any one issuer.

NOTE 4

CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2016 was as follows:

	Balance 1/1/16	Additions	Deletions	Balance 12/31/16
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 3,148,378	\$ 354,114		\$ 3,502,492
Construction in progress	1,453,142	30,600	(1,453,142)	30,600
Total capital asset not being depreciated	4,601,520	384,714	(1,453,142)	3,533,092
Other capital assets				
Land improvements	3,607,463	14,378		3,621,841
Buildings and improvements	9,472,244	78,524		9,550,768
Machinery and equipment	4,308,708	390,795	(218,035)	4,481,468
Vehicles	3,489,624	670,562	(48,784)	4,111,402
Infrastructure	57,393,976	3,671,837	(539,568)	60,526,245
Total other capital assets at historical costs	78,272,015	4,826,096	(806,387)	82,291,724
Less accumulated depreciation for:				
Land improvements	440,366	163,496		603,862
Buildings and improvements	3,721,462	249,833		3,971,295
Machinery and equipment	1,686,032	247,254	(101,464)	1,831,822
Vehicles	1,940,829	228,544	(44,713)	2,124,660
Infrastructure	15,927,336	1,950,434	(182,624)	17,695,146
Total accumulated depreciation	23,716,025	2,839,561	(328,801)	26,226,785
Net other capital assets	54,555,990	1,986,535	(477,586)	56,064,939
Total net capital assets	\$ 59,157,510	\$ 2,371,249	\$ (1,930,728)	\$ 59,598,031

Depreciation expense was charged to functions as follows:

Governmental Activities	
General government	\$ 58,336
Public safety	260,330
Transportation, which includes the depreciation of infrastructure	2,319,849
Leisure activities	191,604
Health and human services	5,523
Industrial development	3,919
Total governmental activities depreciation expense	\$ 2,839,561

City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2016

City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2016

NOTE 4 CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Additions	Salvage	Removals	Ending Balance
Business-type Activities:					
Capital assets not being depreciated:					
Intangible plant	\$ 8,978	\$	\$	\$	\$ 8,978
Land and land rights	40,345				40,345
Construction in progress	13,152	28,251		(13,152)	28,251
Total capital assets not being depreciated	62,475	28,251		(13,152)	77,574
Capital assets being depreciated:					
Water:					
Source of supply	765,539				765,539
Pumping	2,067,302				2,067,302
Water treatment	1,413,693				1,413,693
Transmission and distribution	17,733,401	838,782		(103,187)	18,468,996
General plant	733,909	35,095			769,004
Sewer:					
Collection system	15,016,641	542,090		(56,772)	15,501,959
Treatment and disposal	10,315,567	126,235			10,441,802
General plant	938,035	28,442			966,477
Total capital assets being depreciated	48,984,087	1,570,644		(159,959)	50,394,772
Less: accumulated depreciation for:					
Water:					
Source of supply	204,663	21,906			226,569
Pumping	846,875	67,324			914,199
Water treatment	232,631	46,142			278,773
Transmission and distribution	3,735,800	342,848		(103,187)	3,975,461
General plant	649,171	55,894	8,350		713,415
Sewer:					
Collection system	1,544,403	177,393		(56,772)	1,665,024
Treatment and disposal	7,630,163	300,398			7,930,561
General plant	510,486	100,461	2,751		613,698
Total accumulated depreciation	15,354,192	1,112,366	11,101	(159,959)	16,317,700
Net capital assets being depreciated	33,629,895	458,278	(11,101)		34,077,072
Total net capital assets	\$33,692,370	\$ 486,529	\$(11,101)	\$(13,152)	\$34,154,646

Depreciation expense consisted of the following:

Business-Type Activities:	
Water and sewer depreciation	\$ 1,112,366

NOTE 5

LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2016 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due within One Year
Governmental Activities					
Bonds and notes payable					
General obligation debt	\$ 20,035,520	\$ 2,520,000	\$ (1,392,873)	\$ 21,162,648	\$ 1,913,574
Tax increment revenue bonds	4,953,900		(1,079,091)	3,874,808	483,910
Taxable note anticipation notes	1,070,000		(1,070,000)		
Other liabilities:					
Compensated absences	468,888		(39,878)	429,010	60,889
Total governmental activities long-term liabilities	\$ 26,528,308	\$ 2,520,000	\$ (3,581,842)	\$ 25,466,466	\$ 2,458,373
Business-type Activities					
Revenue bonds	\$ 16,515,812	\$	\$ (717,783)	\$ 15,798,029	\$ 704,788
Other liabilities:					
Compensated absences	138,919	12,577		151,496	9,625
Total business-type activities long-term liabilities	\$ 16,654,731	\$ 12,577	\$ (717,783)	\$ 15,949,525	\$ 714,413

All general obligation notes and bonds payable are backed by the full faith and credit of the City. In accordance with Wisconsin statutes, notes and bonds in the governmental funds will be retired by future property tax levies or tax increments. 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.

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 per Wisconsin Statutes as of December 31, 2016 was \$32,595,265. Total general obligation debt outstanding at year-end was \$21,162,648. City policy limits general obligation indebtedness to 3.5% of the equalized value of taxable property within the city's jurisdiction, or \$22,816,686. As of December 31, 2016, outstanding general obligation debt was within the limits established by Wisconsin Statutes and City policy.

City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2016

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Governmental Activities	Date of Issue	Final Maturity	Interest Rates	Original Amount	Balance 12/31/2016
General obligation debt:					
General obligation notes	4/15/2009	10/1/2018	3.3-3.5	\$ 5,435,786	\$ 275,000
General obligation bonds	3/7/2012	3/1/2023	2.0-3.0	1,725,000	1,625,000
General obligation notes	8/14/2012	9/10/2019	2.20	175,000	72,023
General obligation notes	3/28/2013	10/1/2021	2.0-2.25	935,000	555,000
General obligation bonds	3/28/2013	10/1/2028	2.25-3.0	3,240,000	3,220,000
General obligation notes	10/1/2013	10/1/2023	2.0-3.25	5,000,000	4,025,000
General obligation notes	2/12/2014	10/1/2023	2.0-2.75	5,000,000	4,675,000
General obligation notes	4/6/2015	4/6/2022	1.98	172,000	160,080
General obligation notes	9/15/2015	8/15/2017	2.00	260,970	245,545
General obligation notes	12/29/2015	3/1/1933	1.0-3.8	3,790,000	3,790,000
General obligation bonds	6/2/2016	12/1/2025	0.8-1.85	2,520,000	2,520,000
Total governmental activities – general obligation debt					\$ 21,162,648

Debt service requirements to maturity are as follows:

Years	Governmental Activities General Obligation Debt	
	Principal	Interest
2017	\$ 1,913,574	\$ 523,546
2018	1,858,754	467,573
2019	1,977,726	430,238
2020	1,867,797	390,777
2021	2,177,953	350,014
2022-2026	8,621,844	959,494
2027-2031	2,245,000	244,838
2032-2033	500,000	18,875
Totals	\$ 21,162,648	\$ 3,385,355

In June 2016, the City issued general obligation bonds of \$2,520,000. As of December 31, 2016, there is \$158,104 of unspent bond proceeds. The unspent bond proceeds are presented with restricted cash and investments in the governmental activities statement of net position and governmental funds balance sheet.

Tax Increment Revenue Bonds

Tax increment revenue bonds are not a general obligation of the City and are payable solely from available tax increments. Available tax increments consist of the annual gross tax increment revenue which is generated by the increment value of the property (as noted in the development agreements underlying the bond issues) in the Tax Incremental Districts which said revenue is in excess value of the property plus any supplemental payment as defined in the development agreements.

City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2016

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Tax increment revenue bonds payable at December 31, 2016 consist of the following:

	Date of Issue	Final Maturity	Interest Rates	Original Amount	Balance 12/31/2016
Tax increment revenue bonds	9/12/2013	9/12/2026	4.303%	\$ 2,000,000	\$ 1,629,808
Tax increment revenue bonds	2/3/2014	9/30/2025	2.75%	3,700,000	2,245,000
Total governmental activities – tax increment revenue bonds					\$ 3,874,808

Debt service requirements to maturity are as follows:

Years	Governmental Activities Tax Increment Revenue Debt	
	Principal	Interest
2017	\$ 483,910	\$ 129,492
2018	489,672	114,105
2019	495,683	98,470
2020	501,951	82,576
2021	508,490	66,413
2022-2026	1,395,102	132,749
Totals	\$ 3,874,808	\$ 623,805

Water and Sewer Revenue Debt

Revenue bonds are payable only from revenues derived from the operation of the utility. Revenue debt payable at December 31, 2016 consists of the following:

	Date of Issue	Final Maturity	Interest Rates	Original Amount	Balance 12/31/2016
Clean water revenue bonds	12/10/2008	5/1/2028	2.339%	\$ 2,264,019	\$ 1,630,668
Clean water revenue bonds	11/1/2010	5/1/2030	2.428%	3,964,010	2,967,361
Revenue bonds	3/7/2012	5/1/2032	2.0-4.0	6,750,000	6,000,000
Revenue bonds	6/24/2015	5/1/2035	2.0-4.0	5,425,000	5,200,000
Total					\$ 15,798,029

Debt service requirements to maturity are as follows:

Years	Business-type Activities Revenue Debt	
	Principal	Interest
2017	\$ 704,788	\$ 492,428
2018	741,961	475,644
2019	754,305	457,212
2020	791,825	437,027
2021	804,526	415,059
2022-2026	4,534,737	1,711,663
2027-2031	5,355,886	922,440
2032-2035	2,110,001	127,000
Totals	\$ 15,798,029	\$ 5,038,473

City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2016

NOTE 5

LONG-TERM OBLIGATIONS (CONTINUED)

Water and Sewer System Mortgage Revenue Bonds

Under the terms of the bond resolutions, local officials must comply with certain requirements specified therein as discussed below:

Section 4 provides that income and revenues of the water and sewer utility shall be set aside into separate and special funds as follows:

Account	Amount	Purpose
Operation and Maintenance Fund		Paying current expenses in the operation and maintenance of system.
Special Redemption Fund	Amount sufficient to pay principal and interest on all revenue bonds and notes and to meet the reserve requirement.	Paying current interest and principal on bonds and maintaining minimum reserve requirement.
Depreciation Fund	Amount determined by the Governing Body to be sufficient to provide a proper and adequate depreciation account for the system.	New construction, repairs, replacements, extensions, or additions to the system

Section 6 requires that the "net revenues" of the system for each year be not less than 1.25 times the sum of the annual debt service requirement and the annual debt service on all other revenue bonds and notes. For the year ended December 31, 2016, the "net revenues" of the system were \$2,739,981 or 2.29 times the annual debt service requirement.

Other Debt Information

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

City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2016

NOTE 6

LONG-TERM ADVANCES

The following is a schedule of interfund advances at December 31, 2016:

Receivable Fund	Payable Fund	Amount
Debt service	Airport	\$ 103,025
General	TIF #7	899,441
General	TIF #6	51,376
Water and sewer utility	TIF #6	65,552
Water and sewer utility	TIF #7	855,448
	Total	<u>\$ 1,974,842</u>

On December 31, 2016 the airport was obligated to the debt service fund for \$103,025 on long-term advances for improvements which matures as follows:

Year	Principal	Interest	Total
2017	\$ 12,871	\$ 4,229	\$ 17,100
2018	13,442	3,658	17,100
2019	14,039	3,061	17,100
2020	14,662	2,438	17,100
2021	15,314	1,786	17,100
2022-2023	32,697	1,503	34,200
Total	\$ 103,025	\$ 16,675	\$ 119,700

The final payment on the \$103,025 advance is due December 1, 2023 with monthly payments of \$1,425 at 4.35% interest until maturity.

The City has also advanced funds to the TIF districts to pay for project costs incurred over and above amounts that had been originally borrowed to pay for these project costs. No repayment schedule has been established for these advances. The repayment of these advances is subject to the tax incremental financing districts generating sufficient increments to pay the debt service for funds borrowed and advanced.

NOTE 7

DEFINED BENEFIT PENSION PLAN

Plan description. The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year (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 Comprehensive Annual Financial Report (CAFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>.

Accounting Changes. The WRS adopted GASB Statement No. 82, Pension Issues, an amendment of GASB No. 67, No. 68, and No. 73 during the year ended December 31, 2015. Statement No. 82 addresses the presentation of payroll-related measures in the Required Supplementary Information, the selection of assumptions used in determining the total pension liability and related measures, and the classification of employer-paid member contributions.

NOTE 7 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Vesting. For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

Benefits provided. Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and State executive participants) are entitled to receive an unreduced retirement benefit. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor.

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

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

The WRS also provides death and disability benefits for employees.

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

Year	Core Fund Adjustment	Variable Fund Adjustment
2006	0.8	3
2007	3.0	10
2008	6.6	0
2009	(2.1)	(42)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2

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, and executives and elected officials. Required contributions for protective employees are the same rate as general employees. Employees 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.

NOTE 7 DEFINED BENEFIT PENSION PLAN (CONTINUED)

During the reporting period, the WRS recognized \$311,632 in contributions from the employer. Contribution rates as of December 31, 2016 are:

	2016	Employee	Employer
General (including teachers)	6.60%	6.60%	6.60%
Executive & elected officials	6.60%	6.60%	6.60%
Protective with social security	6.60%	6.60%	9.40%
Protective without social security	6.60%	6.60%	13.20%

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

At December 31, 2016, the City reported a liability of \$532,658 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014 rolled forward to December 31, 2015. 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, 2015, the City's proportion was 0.03277933%, which was a decrease of 0.00059642% from its proportion measured as of December 31, 2014.

For the year ended December 31, 2016, the City recognized pension expense of \$647,447.

Pension amounts have been allocated to the proprietary funds and business-type activities. Allocations were based on the proportionate share of current year contributions to the pension plan made by the proprietary funds and business-type activities relative to the total contributions made by the City.

At December 31, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 90,110	\$ 1,120,696
Changes of assumptions	372,671	
Net differences between projected and actual earnings on pension plan investments	2,180,853	
Changes in proportion and differences between employer contributions and proportionate share of contributions	20,437	
Employer contributions subsequent to the measurement date	301,725	
Total	\$ 2,965,796	\$ 1,120,696

NOTE 7 DEFINED BENEFIT PENSION PLAN (CONTINUED)

\$301,725 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as an increase or reduction of the net pension asset in the year ended December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year ended December 31:	Deferred Outflows of Resources	Deferred Inflows of Resources
2017	\$ 691,641	\$ 271,277
2018	691,641	271,277
2019	691,641	271,277
2020	576,754	271,277
2021	12,394	35,588
Total	\$ 2,664,071	\$ 1,120,696

Actuarial assumptions. The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2014
Measurement Date of Net Pension Liability (Asset)	December 31, 2015
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases:	3.2%
Inflation	0.2% - 5.6%
Seniority/Merit	
Mortality:	Wisconsin 2012 Mortality Table
Post-retirement Adjustments*	2.1%

* No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 2.1% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate. Starting with 2015, this item includes the impact of known Market Recognition Account deferred gains/losses on the liability for dividend payments.

Actuarial assumptions are based upon an experience study conducted in 2012 using experience from 2009 – 2011. The total pension liability for December 31, 2015 is based upon a roll-forward of the liability calculated from the December 31, 2014 actuarial valuation.

NOTE 7 DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

Retirement Funds Asset Allocation Targets and Expected Returns As of December 31, 2015	Current Asset Allocation %	Destination Target Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Core Fund Asset Class	27 %	23 %	7.6 %	4.7 %
U.S. Equities	24.5	22	8.5	5.6
International Equities	27.5	37	4.4	1.6
Fixed Income	10	20	4.2	1.4
Inflation Sensitive Assets	7	7	6.5	3.6
Real Estate	7	7	9.4	6.5
Private Equity/Debt	4	4	6.7	3.8
Multi-Asset	107 %	120 %	7.4 %	4.5 %
Total Core Fund				
Variable Fund Asset Class				
U.S. Equities	70 %	70 %	7.6 %	4.7 %
International Equities	30	30	8.5	5.6
Total Variable Fund	100 %	100 %	7.9 %	5.0 %

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

Single Discount rate. A single discount rate of 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long term bond rate of 3.57%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 7 DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

	1% Decrease to Discount Rate (6.20%)	Current Discount Rate (7.20%)	1% Increase to Discount Rate (8.20%)
City's proportionate share of the net pension liability (asset)	\$3,736,072	\$532,658	(\$1,969,266)

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

NOTE 8 CONTINGENT LIABILITIES

The City has identified the following items as potential liabilities not recorded on the financial statements:

- The City participates in a number of federal and state assistance programs. These programs are subject to program compliance audits by the grantors or their representatives. Accordingly, the City's compliance with applicable grant requirements will be established at some future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the City expects such amounts, if any, to be immaterial.
- From time to time, the City is party to various claims and legal proceedings. Although the outcome of such matters cannot be forecast with certainty, it is the opinion of management and the City Attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the City's financial position or results of operations.

NOTE 9 COMPENSATED ABSENCES

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Upon termination or retirement, a City employee is paid any vested accrued vacation or sick leave benefits. As of December 31, 2016, the compensated absences consisted of:

Sick leave	\$ 509,992
Vacation	70,514
Total	<u>\$ 580,506</u>

NOTE 10

TAX INCREMENTAL DISTRICTS

Transactions of the tax incremental district to December 31, 2016 are summarized below:

	TIF #4	TIF #5	TIF #6	TIF #7
Project costs to 12/31/16	\$ 4,256,018	\$ 10,225,426	\$ 7,884,918	\$ 9,017,635
Accumulated credits to project costs:				
Tax increments collected	2,403,752	7,878,719	1,900,640	766,838
Developer agreement payments			112,247	129,251
EDA grant	1,350,873		382,667	178,808
Community development block grant				909,276
SAG grant				58,870
Tax exempt computer aid	23,546	84,863	2,468	36,061
Interest income			215,010	90,148
Miscellaneous income	3,303	24,198	150	107,506
Total accumulated credits	3,781,474	7,987,780	2,613,182	2,276,758
Excess of project costs over accumulated credits to 12/31/16	<u>\$ 474,544</u>	<u>\$ 2,237,646</u>	<u>\$ 5,271,736</u>	<u>\$ 6,740,877</u>
Notes payable outstanding 12/31/16	\$ 550,000	\$ 2,245,000	\$ 5,154,808	\$ 5,575,000
Fund balance (positive) 12/31/16	(75,456)	(7,354)	116,928	1,165,877
Project costs to be recovered subsequent to 12/31/16	<u>\$ 474,544</u>	<u>\$ 2,237,646</u>	<u>\$ 5,271,736</u>	<u>\$ 6,740,877</u>

Tax Incremental Financing Districts were created under the provisions of Wisconsin Statute Section 66.46. The purpose of that section is to allow a municipality to recover development and improvements costs in a designated area from the property taxes generated on the increased value of the property after the creation date of the district. The tax on the increased value is called a tax increment.

Project costs may be incurred up to five years before the District's mandatory termination date. The statutes allow the municipality to collect tax increments until the net project cost has been fully recovered, or for a maximum of years. Project cost uncollected at the dissolution date are absorbed by the municipality.

	Creation Date	Last Date to Incur Project Costs	Final Dissolution Date
District #4	11/12/96	11/12/14	11/12/19
District #5	6/28/05	6/28/20	6/28/25
District #6	3/28/06	3/28/21	3/28/26
District #7	3/28/06	3/28/28	3/28/33

In 2017, TIF #5 will begin increment sharing with TIF #7

NOTE 11 GOVERNMENTAL ACTIVITIES NET POSITION/FUND BALANCES

Governmental activities net position reported on the government wide statement of net position at December 31, 2016 includes the following:

GOVERNMENTAL ACTIVITIES

Net investment in capital assets	
Land and construction work in progress	\$ 3,533,092
Other capital assets, net of accumulated depreciation	56,064,939
Less: long-term capital debt outstanding	(20,771,896)
Total net investment in capital assets	<u>38,826,135</u>
Restricted for:	
Redevelopment authority	264,053
Housing conservation	84,124
Donor specified	230,452
Impact fees	60,605
Community development grant restricted	1,624,533
Library endowment	5,911
Perpetual care	549,150
EMS service	2,206
Taxi/Bus	21,464
TIF expenditures	82,810
Total restricted	<u>2,925,308</u>
Unrestricted	<u>357,362</u>
Total governmental activities net position	<u>\$ 42,108,805</u>

GOVERNMENTAL FUND BALANCES

Governmental fund balances reported on the fund financial statements at December 31, 2016 includes the following:

Nonspendable:	
Advances to other funds	\$ 1,006,449
Delinquent taxes	8,608
Total nonspendable	<u>\$ 1,015,057</u>

NOTE 11 GOVERNMENTAL ACTIVITIES NET POSITION/FUND BALANCES (CONTINUED)

GOVERNMENTAL FUND BALANCES (Continued)

Restricted:	
Major Funds:	
General Fund:	
Donor restricted:	\$
Ice rink	225
Parking spaces	5,760
Parks Benning Trust:	
Parks	27,632
Museum	44,303
Art Gallery	44,303
New park	7,295
M. Harrison Trust	650
Swin team	20,828
Senior center bus	1,705
Legion Park Trust	23,957
Tree	300
Automated external defibrillator	321
Skateboard park	6
Recreation scholarships	4,208
Sports Complex	240
Family theatre	500
Fireworks	4,000
Police	11,900
Cyril Clayton Trust	4,447
Cemetery	5,691
Senior Center	9,124
Historic Preservation Community	984
Roundtree Eva Benning Trust	8,599
Animal care	1,661
Auditorium and parks	1,813
Park impact fees	60,605
EMS township payments	2,206
Total General Fund	<u>293,263</u>
Capital projects	117,421
Community development block grant	37,211
Total Major Funds	<u>447,895</u>

NOTE 11 GOVERNMENTAL ACTIVITIES NET POSITION/FUND BALANCES (CONTINUED)

GOVERNMENTAL FUND BALANCES (Continued)

Restricted (Continued):	
Non-Major Funds:	
Airport	150,395
Redevelopment authority	137,467
Perpetual care	549,150
Housing conservation	12,311
Library	5,911
Taxi/Bus	21,464
TIF District No. 4	75,456
TIF District No. 5	7,354
Total Non-Major Funds	<u>959,508</u>
Total restricted	<u>\$ 1,407,403</u>

Assigned:	
Major Funds:	
General Fund:	\$ 1,632
Police explorers	115,075
Museum funds	124,624
Ambulance outlay	5,983
Arts gallery	13,688
Fire department	2,203
Senior center grant expenses	4,430
Library: books - resource library	735
Clerk: data processing	5,000
Capital outlay	158,393
Capital Projects:	<u>431,763</u>
Total assigned	<u>\$ 1,165,877</u>

The following funds had (deficit) unassigned fund balances at December 31, 2016:

Major Funds:	
TIF District No. 7	\$ (1,165,877)
Non-Major Funds:	
TIF District No. 6	(116,928)
Total (deficit)	<u>\$ (1,282,805)</u>

NOTE 12 DEFERRED INFLOWS OF RESOURCES

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes receivable 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 December 31, 2016 the various components of deferred inflows of resources reported in the governmental funds were as follows:

Property tax receivable	\$ 4,312,462
Tax increment receivable	1,714,679
Tax Equivalent	389,292
Loans receivable	861,189
Mortgages receivable	1,720,313
Total deferred inflow of resources for government funds	<u>\$ 8,997,935</u>

The mortgages receivable of \$1,720,313 represent loans to local businesses originally financed from economic development grants received by the city from the State of Wisconsin. Repayment of principal and interest on the mortgages is recorded as revenue in the community development block grant and housing conservation program special revenue funds and is used to finance additional development loans.

The loans receivable of \$861,189 represents various economic development loans that are being paid to the City, including interest, on an installment basis. Repayment of principal and interest on the loans is recorded as revenue when received in the funds statements.

NOTE 13 RESTRICTED ASSETS
DNR Replacement Account

The Wisconsin Department of Natural Resources required as a condition of the sewer grant that a replacement fund be established and funded on an annual basis. The balance in this account at December 31, 2016 was \$2,020,965.

Tax Incremental Financing and Capital Projects Fund Borrowed Funds

Restricted cash and investments in the governmental activities and governmental fund statements represents funds that were borrowed by Tax Incremental Financing District #7 and the Capital Projects Fund which have yet to be expended.

City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2016

City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2016

NOTE 14 INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS

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

Receivable Fund	Payable Fund	Amount
Governmental Funds:		
General	Water and sewer	\$ 389,292
General	Housing conservation	248
General	Community Development Block Grant	23,967
General	Capital projects	404,024
General	Debt service	47,393
General	Taxi/bus	31,598
	Total	\$ 896,522
Enterprise Funds:		
Water and sewer	General Fund	\$ 7,955

For the statement of net position, interfund balances which are owned within the governmental activities or business-type activities are netted and eliminated.

The following is a schedule of interfund transfers:

Fund Transfer To	Fund Transfer From	Amount
Governmental Funds:		
Capital projects	General	\$ 469,980
Proprietary Funds		
General	Water utility	\$ 389,292

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) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations and (3) move fund balances whose designated purpose has been removed.

NOTE 15 COMMITMENTS/SUBSEQUENT EVENTS

The following items were approved and will be purchased or completed subsequent to December 31, 2016:

1. Replacement of Well #4 for approximately \$600,000.
2. Contract for Elm Street reconstruction for \$467,704.
3. Contract for Ellen and Laura Street reconstruction for \$1,521,102.

The City received a \$310,000 Safe Drinking Water Principal forgiveness loan for the replacement of lead service lines.

NOTE 15 COMMITMENTS/SUBSEQUENT EVENTS (CONTINUED)

On May 9, 2017, the City issued \$1,375,000 of General Obligation Street Improvement Bonds with interest rates of 1.55 – 3.35%. Debt requirements are as follows:

Year	Principal	Interest	Total
2018	\$ 49,688	\$ 49,688	\$ 49,688
2019	39,750	39,750	39,750
2020	39,750	39,750	39,750
2021	50,000	39,750	89,750
2022	50,000	38,975	88,975
2023-2027	375,000	176,850	551,850
2028-2032	500,000	110,250	610,250
2023-2036	400,000	33,150	433,150
Totals	\$ 1,375,000	\$ 528,163	\$ 1,903,163

NOTE 16 COMPONENT UNIT

A. Cash and Investments

At year-end, the carrying amount of the housing authority's deposits was \$62,634 and the bank balance was \$64,962. All the bank balance was covered by federal depository insurance.

B. Changes in Fixed Assets

A summary of changes in the housing authority's fixed assets is as follows:

Cost:	Balance 1/1/16	Additions	Retirements	Balance 12/31/16
Land, structures, equipment	\$ 7,820	\$	\$	\$ 7,820
Accumulated depreciation	\$ 7,820	\$	\$	\$ 7,820

C. Line of Credit

The Housing Authority has a \$10,000 line of credit with a local bank. No draws on the line of credit were made during the year.

NOTE 17 EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT PERIOD FINANCIAL STATEMENTS

GASB has approved GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. When it becomes effective, application of the standard may restate portions of these financial statements.

Exhibit B-1
Required Supplementary Information

City of Platteville, Wisconsin
Budgetary Comparison Schedule for the General Fund
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variances-	
	Original	Final		Original to Actual	Final to Actual
REVENUES					
Taxes	\$ 2,660,993	\$ 2,660,993	\$ 2,678,642	\$ 17,649	\$ 17,649
Special assessments	14,750	14,750	23,876	9,126	9,126
Intergovernmental	3,769,137	3,769,137	3,794,346	25,209	25,209
Licenses and permits	235,375	235,375	238,532	3,157	3,157
Fines and forfeitures	161,500	161,500	125,151	(36,349)	(36,349)
Public charges for services	473,628	473,628	614,217	140,589	140,589
Interest income	12,910	12,910	29,445	16,535	16,535
Loan repayments	12,565	12,565	11,518	(1,047)	(1,047)
Miscellaneous	22,088	22,088	75,319	53,231	53,231
Total revenues	7,362,946	7,362,946	7,591,046	228,100	228,100
EXPENDITURES					
General government	1,199,248	1,199,248	1,100,664	98,584	98,584
Public safety	3,278,155	3,278,155	2,963,263	314,892	314,892
Public Works	1,599,379	1,599,379	1,533,343	66,036	66,036
Health and social services	113,616	113,616	103,037	10,579	10,579
Leisure activities	1,711,683	1,711,683	1,642,474	69,209	69,209
Conservation and development	374,210	374,210	376,160	(1,950)	(1,950)
Total expenditures	8,276,291	8,276,291	7,718,941	557,350	557,350
Excess (deficiency) of revenues over over expenditures	(913,345)	(913,345)	(127,895)	785,450	785,450
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of capital assets			9,283	9,283	9,283
Transfer to other funds	(469,980)	(469,980)	(469,980)		
Transfer from other funds	6,940	6,940		(6,940)	(6,940)
Transfer from utility-tax equivalent	393,454	393,454	397,742	4,288	4,288
Total other financing sources (uses)	(69,586)	(69,586)	(62,955)	6,631	6,631
Net change in fund balances	(982,931)	(982,931)	(190,850)	792,081	792,081
Fund balance-beginning of year	4,272,386	4,272,386	4,272,386		
Fund balance-end of year	\$ 3,289,455	\$ 3,289,455	\$ 4,081,536	\$ 792,081	\$ 792,081

Required Supplementary Information

See accompanying notes to the required supplementary information.

NOTE 1 BUDGET SCHEDULE

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(C).

The City budget is adopted in accordance with state law. Budget amounts in the financial statements include appropriations authorized in the original budget resolution, assigned carryovers from prior years, and subsequent revisions authorized by the City Council. Such revisions are required by a statutory provision which states that no expenditure can be made from an expired appropriation. The statutes also require publication of these budget revisions. Changes to the overall budget must be approved by a two-thirds vote of the Common Council.

Control for the TIF district funds (capital projects funds) are maintained by comparison to the project plan. Budgetary comparisons are not required for proprietary funds.

Encumbrance accounting is not used by the City to record commitments related to unperformed contracts for goods or services.

NOTE 2 WISCONSIN RETIREMENT SYSTEM SCHEDULES

Governmental Accounting Standards Board Statement No. 68 requirements have been implemented prospectively; therefore, the illustrations do not present similar information for the 8 preceding years.

Changes of benefit terms. There were no changes of benefit terms for any participating employer in WRS.

Changes of assumptions. Rates used in mortality tables were updated based on actual WRS experience and adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%). The mortality table was adopted by the Board in connection with the 2012-2014 Experience Study. This assumption is used to measure the probabilities of participants dying before retirement and the probabilities of each benefit payment being made after retirement.

NOTE 3 EXCESS EXPENDITURES OVER APPROPRIATIONS

The following expenditures exceeded budget appropriations in the general fund:

	Excess
Expenditure	Expenditure
Conservation and development	\$ 1,950

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)

Year ended December 31,	Proportionate share of the net pension liability (asset)	Covered- employee payroll	Covered- employee payroll	Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability (asset)
2015	0.03277933%	\$ 532,658	\$ 4,139,057	12.87%	98.20%
2014	(0.03337575)%	(819,574)	4,080,595	(20.08)%	102.74%

*The proportionate share of the net pension liability (asset) and other amounts presented above for each year were determined as of the calendar year-end that occurred 12 months prior to the financial reporting period.

SCHEDULE OF CONTRIBUTIONS

Last 10 Calendar Years**

Year ended December 31,	Contractually required contributions	Contractually required contributions	Contribution deficiency (excess)	Covered- employee payroll	Contributions as a percentage of covered- employee payroll
2016	\$ 301,725	\$ (301,725)	\$ 4,094,108	7.37%	
2015	313,084	(313,084)	4,139,057	7.56%	

**The contribution and other amounts presented above for each calendar year are based on information that occurred during that calendar year.

See accompanying notes to the required supplementary information

Exhibit C-1
 City of Platteville, Wisconsin
 Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2016

	Special Revenue Funds						
	Airport	Redevelopment Authority	Housing Conservation Program	Library (Littlefield)	Zeigert Trust	Boll Cemetery	Taxi/Bus
ASSETS							
Cash and investments	\$ 263,373	\$ 136,615	\$ 12,559	\$ 5,911	\$ 152,987	\$ 130,458	\$
Receivables:							
Taxes							
Other accounts	1,547	852					
Other governments							90,532
Mortgages			71,813				
Loans		604,234					
Total assets	\$ 264,920	\$ 741,701	\$ 84,372	\$ 5,911	\$ 152,987	\$ 130,458	\$ 90,532
LIABILITIES							
Accounts payable	\$ 9,855	\$	\$	\$	\$	\$	\$ 37,470
Due to other funds	103,025		248				31,598
Advances from other funds	1,645						
Unearned revenue							
Total liabilities	114,525		248				69,068
DEFERRED INFLOWS OF RESOURCES							
Deferred revenue		604,234	71,813				
FUND BALANCES							
Restricted	150,395	137,467	12,311	5,911	152,987	130,458	21,464
Unassigned (deficit)	150,395	137,467	12,311	5,911	152,987	130,458	21,464
Total fund balances							
Total liabilities, deferred inflows of resources, and fund balances	\$ 264,920	\$ 741,701	\$ 84,372	\$ 5,911	\$ 152,987	\$ 130,458	\$ 90,532

Supplementary Information

Exhibit C-2
 City of Platteville, Wisconsin
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended December 31, 2016

	Capital Projects Funds		Permanent Fund		Special Revenue Funds								
	TIF No. 4	TIF No. 6	TIF No. 5	Cemetery Perpetual Care	Non-Major Governmental Funds	Airport	Redevelopment Authority	Housing Conservation Program	Library (Littlefield)	Zeitert Trust	Boll Cemetery	Taxi/Bus	
\$	36,895	\$	7,354	\$	265,705	\$	1,011,857						
	162,560	466,321	981,810				1,610,691						
	38,961						2,399						
							129,493						
							71,813						
							604,234						
\$	238,416	\$	466,321	\$	989,164	\$	3,430,487						
\$	400	\$		\$		\$	47,725						
							31,846						
							219,953						
							1,645						
							301,169						
162,560	466,321	981,810					2,286,738						
75,456	(116,928)	7,354	265,705	959,508			(116,928)						
75,456	(116,928)	7,354	265,705	842,580									
\$	238,416	\$	466,321	\$	989,164	\$	3,430,487						

	Airport	Redevelopment Authority	Housing Conservation Program	Library (Littlefield)	Zeitert Trust	Boll Cemetery	Taxi/Bus
REVENUES							
Taxes							\$ 45,569
Intergovernmental	464,390						492,667
Public charges for services	1,345						1,125
Interest Income			79	484	491	546	
Fines and forfeitures		853					
Loan repayments		74,717					
Total revenues	465,735	75,570	79	484	491	546	539,361
EXPENDITURES							
Current:							
General government							
Public works	402,114						530,026
Conservation and development			1,900				
Capital outlay	16,667	151,865					
Debt service:							
Principal retirement		42,873					
Interest and fiscal charges		10,203					
Total expenditures	418,781	204,941	1,900				530,026
Excess (deficiency) of revenues over expenditures	46,954	(129,371)	(1,821)	484	491	546	9,335
OTHER FINANCING SOURCES (USES)							
Proceeds from sale of capital assets	26,000						
Net change in fund balances	72,954	(129,371)	(1,821)	484	491	546	9,335
Fund balance-beginning of year	77,441	266,838	14,132	5,427	152,496	129,912	12,129
Fund balance-End of year	\$ 150,395	\$ 137,467	\$ 12,311	\$ 5,911	\$ 152,987	\$ 130,458	\$ 21,464

City of Platteville, Wisconsin Schedule of Insurance
December 31, 2016

Company	Type	Coverage	Term
Employers	Workers Compensation	\$500,000/Accident \$500,000/Disease/Employee \$500,000 Disease/Policy Limit	1/1/16-12/31/16
Employers	Inland Marine	\$1,132,672 Contractors Eqpm \$240,000 Fine Arts \$75,000 Miscellaneous Property	1/1/16-12/31/16
Employers	Linebacker	\$1,000,000 Each Loss \$1,000,000 Aggregate \$3,000 Deductible	1/1/16-12/31/16
Employers	Umbrella Liability	\$8,000,000 Occurrence \$8,000,000 Aggregate \$0 Retained Limit	1/1/16-12/31/16
Employers	General Liability	\$1,000,000 Each Occurrence \$300,000 Damage to Premises Rented to You \$1,000,000 Personal/Advertising Injury \$2,000,000 General Aggregate \$2,000,000 Products/Completed Operations Aggregate	1/1/16-12/31/16
Employers	Automobile	\$1,000,000 Liability \$10,000 Medical Payment \$500,000 Uninsured Motorists \$500,000 Underinsured Motorists \$1,000 Deductible Comprehensive \$1,000 Deductible Collision Hired Autos; Non-Owned Auto Liability	1/1/16-12/31/16
Employers	Property	\$38,692,316 Blanket Building \$8,303,811 Blanket Business Personal Property & Property in the Open \$55,000 Blanket Personal Property of Others	1/1/16-12/31/16
Employers	Garage	\$100,000 Each Accident, \$250 Deductible Each Claim	1/1/16-12/31/16
Employers	Commercial Crime	\$100,000 Employee Theft \$25,000 Theft of Money Securities Inside; \$25,000 Outside	1/1/16-12/31/16
Ohio Casualty	Fidelity Bond	\$100,000 Computer/Funds Transfer Fraud \$10,000 Chief of Police \$10,000 City Clerk \$10,000 City Assessor \$250,000 Finance Director	6/1/15-6/1/17
Employers	Employee Benefit Liability	\$1,000,000 Each Employee \$2,000,000 Aggregate	1/1/16-12/31/16
Employers	Law Enforcement Liability	\$1,000,000 Occurrence \$1,000,000 Aggregate \$2,500 Deductible Per Loss	1/1/16-12/31/16
Employers	Data Compromise	\$100,000 Response Expense \$100,000 Defense & Liability \$25,000 Identity Recovery	1/1/16-12/31/16

Capital Projects Funds		Permanent Fund		Total	
TIF No. 4	TIF No. 6	Cemetery Perpetual Care	No. 5	Nonmajor Governmental Funds	
\$ 183,078	\$ 491,304	\$ 8,854	\$ 980,904	\$ 1,700,855	
146,874	1,598	4,374	8,854	649,993	
				469,889	
				2,945	
				853	
				74,717	
329,952	492,902	4,374	989,758	2,899,252	
6,262				6,262	
63	49,735		150	932,140	
196,191	226,848		103	51,848	
175,000	169,091		950,000	591,674	
15,000	166,911		78,493	1,336,964	
392,516	612,585		1,028,746	270,607	
(62,564)	(119,683)	4,374	(38,988)	3,189,495	
				(290,243)	
(62,564)	(119,683)	4,374	(38,988)	26,000	
138,020	2,755	261,331	46,342	(264,243)	
\$ 75,456	\$ (116,928)	\$ 7,354	\$ 265,705	1,106,823	
				842,580	



Certified Public Accountants

2500 Business Park Road • Mineral Point, Wisconsin 53565 • TEL 608-987-2206 • FAX 608-987-3391

Schedule 2
Platteville Water and Sewer Utility
Other Information
December 31, 2016

1. The number of customers at the end of the year and usage were as follows:

	2016	2015
Residential	3,071	3,009
Commercial	338	337
Multifamily residential	65	75
Public authority	85	80
Industrial	7	7
Interdepartmental	3	1
Total	3,569	3,509

2. Volume of water used as a basis for computing the sewer service charge was as follows:

	2016	2015
Gallons	259,136,000	245,065,000
Total	259,136,000	245,065,000

To the City Council
City of Platteville, Wisconsin

In planning and performing our audit of the 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 Platteville, Wisconsin as of and for the year ended December 31, 2016, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be a material weakness.



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Communication With Audit Committee

The City Council
Platteville, Wisconsin

We have audited the 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 Platteville, Wisconsin for the year ended December 31, 2016, and have issued our report thereon dated June 14, 2017. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter dated November 4, 2014. Professional standards require that we provide you with the following information related to our audit.

Significant Audit Findings

Qualitative Aspect of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2016. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

1. Management's estimate of the pension liability and deferred outflows and inflows of resources are based on various factors. These estimates were computed by the pension plan administrator. We evaluated the key factors and assumptions used to develop these amounts in determining that they are reasonable in relation to the financial statements.
2. Management's estimate of the useful lives and salvage values for capital assets are based on various factors. These estimates were determined by the Director of Administration and Finance Director. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

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A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in the City's internal control to be significant deficiencies:

Segregation of Duties

The size of the office staff precludes a proper segregation of functions to assure adequate internal control. All internal control duties can be classified into four broad categories: authorization, custody, recordkeeping, and reconciliation. No one person should have control of two or more of these four categories for any one cycle. Overlapping duties were identified in the disbursement cycle and revenue cycle:

- Disbursement cycle: The Deputy Treasurer and the Accounting Assistant/Benefit Specialist each have the authority to enter invoices into the system, print checks, and have access to the electronic signatures. Preferably, the check cutting process would separate the entering of payment information into the system and the ability to print signed checks.
 - The Deputy Treasurer create deposits and make deposits with the bank. Although not the standard procedure, the Deputy Treasurer has the authority to collect cash receipts. Ideally, separate individuals would collect cash and make deposits.
- Overlapping internal control duties is not unusual in organizations of your size, but management should continue to be aware of this condition and realize that the concentration of duties and responsibilities in a limited number of individuals is not desirable from a control point of view. Under these conditions, the most effective controls lie in management's knowledge and monitoring of matters relating to the City's operations.

Preparation of Financial Statements

City staff does not prepare the financial statements and accompanying notes. The City has designated an individual responsible for reviewing and accepting the financial statements and related notes.

This communication is intended solely for the information and use of management, the City Council, and others within the administration, and is not intended to be and should not be used by anyone other than these specified parties.

Johnson Block and Company, Inc.
June 14, 2017
Mineral Point, Wisconsin

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The following material misstatements detected as a result of audit procedures were corrected by management:

- Record additional grant receivables and accounts receivable for overpayment
- Record utility fixed asset additions for Bonson Street and Vision Street
- Adjust water utility fixed asset and related depreciation accounts
- Adjust CDBG loans receivable and related deferred revenue
- Record December 2016 utility bills
- Adjust administrative cost allocation between utility and City
- Reclassify utility loan repayment

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 14, 2017.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the Budgetary Comparison Schedule and the Wisconsin Retirement System schedules, which are required supplementary information (RSI) that supplement the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on combining schedules for the non-major governmental funds, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the schedules of insurance and other utility information, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the use of management, the City Council and others within the administration and is not intended to be, and should not be, used by anyone other than those specified parties.



Johnson Block and Company, Inc.
June 14, 2017
Mineral Point, WI

City of Platteville, Wisconsin
December 31, 2016

Account	Description	Debit	Credit
Proposed JE # 6001			
	Record estimate of unbilled revenue at 12/31/16.		
600-61142-000-000	CUSTOMER ACCT RECEIVABLE	60,708.00	
600-62142-000-000	CUSTOMER ACCT RECEIVABLE	96,982.00	
600-61461-100-000	RESIDENTIAL-METER WATER SALES		1,760.00
600-62622-000-000	GEN CUST SEWAGE REVENUE		13,749.00
600-63216-010-000	W & S-UNAPPROP SURPLUS-EARNING		58,948.00
600-63216-010-000	W & S-UNAPPROP SURPLUS-EARNING		83,233.00
Total		157,690.00	157,690.00
Proposed JE # 6002			
	Record interest on CDs		
100-10001-000-000	TREASURERS CASH	1,203.00	
100-48110-810-000	INTEREST GENERAL FUND		1,203.00
Total		1,203.00	1,203.00
Proposed JE # 6003			
	Record airport fuel inventory balance as of 12/31/16.		
200-14000-000-000	Fuel Inventory	43,525.00	
200-31110-000-000	AIRPORT FUND BALANCE		26,265.00
200-53510-816-000	AIRPORT: FUEL PURCHASES		17,260.00
Total		43,525.00	43,525.00
Proposed JE # 6004			
	Adjust SAG receivable @ 12/31/16.		
127-31000-000-000	FUND BALANCE	23,646.98	
127-13911-000-000	ACCOUNTS RECEIVABLE MISC.		23,646.98
Total		23,646.98	23,646.98

RECOMMENDATIONS AND INFORMATIONAL POINTS TO MANAGEMENT
THAT ARE NOT MATERIAL WEAKNESSES OR SIGNIFICANT DEFICIENCIES

Tax Incremental Financing Law Changes

The State of Wisconsin passed bills into law that affect Tax Incremental Financing Districts (TID). Some provisions that may affect the City are as follows:

1. Effective October 1, 2016:
 - Requires Joint Review Board to meet July 1 each year or as soon as the updated annual report is available to review
 - The Joint Review Board will remain in existence the entire time the TID exists with the same taxing jurisdictions.
 - Municipality must submit an electronic annual report of each existing TID to each overlying-taxing jurisdiction. Annual reports must be submitted to the WI Department of Revenue (DOR) beginning July 1, 2017. Any late reports will be assessed \$100 per day.
2. Municipalities may amend a TID project plan and request a three-year extension of the TID's life if the tax increments were impacted by the 2013 Act 145 which increased state aid to technical colleges.

We are available to discuss the impact of these law changes on the City's TIDs.

Grant Claims

During 2016, claims were not regularly filed for several grants. Grant receivables of \$812,684 are recorded as of December 31, 2016 for claims not filed regularly. To provide sufficient cash flow, we recommend claims be filed at least quarterly.

FORM OF LEGAL OPINION

(See following pages.)

Quarles & Brady LLP
411 East Wisconsin Avenue
Milwaukee, WI 53202

May 10, 2018

Re: City of Platteville, Wisconsin ("Issuer")
\$1,270,000 General Obligation Corporate Purpose Bonds, Series 2018A,
dated May 10, 2018 ("Bonds")

We have acted as bond counsel to the Issuer in connection with the issuance of the Bonds. In such capacity, we have examined such law and such certified proceedings, certifications, and other documents as we have deemed necessary to render this opinion.

Regarding questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

The Bonds are numbered from R-1 and upward; bear interest at the rates set forth below; and mature on March 1 of each year, in the years and principal amounts as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2021	\$50,000	___%
2022	50,000	___
2023	50,000	___
2024	100,000	___
2025	100,000	___
2026	100,000	___
2027	100,000	___
2028	100,000	___
2029	100,000	___
2030	100,000	___
2031	100,000	___
2032	100,000	___
2033	110,000	___
2034	110,000	___

Interest is payable semi-annually on March 1 and September 1 of each year commencing on March 1, 2019.

The Bonds maturing on March 1, 2027 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on March 1, 2026 or on any date thereafter. Said Bonds are redeemable as a whole or in part, and if in part, from maturities selected by the Issuer, and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

【The Bonds maturing in the years _____ are subject to mandatory redemption by lot as provided in the resolution awarding the Bonds, at the redemption price of par plus accrued interest to the date of redemption and without premium.】

We further certify that we have examined a sample of the Bonds and find the same to be in proper form.

Based upon and subject to the foregoing, it is our opinion under existing law that:

1. The Bonds have been duly authorized and executed by the Issuer and are valid and binding general obligations of the Issuer.

2. All the taxable property in the territory of the Issuer is subject to the levy of ad valorem taxes to pay principal of, and interest on, the Bonds, without limitation as to rate or amount. The Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Bonds except to the extent that necessary funds have been irrevocably deposited into the debt service fund account established for the payment of the principal of and interest on the Bonds.

3. The interest on the Bonds is excludable for federal income tax purposes from the gross income of the owners of the Bonds. The interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") on corporations (as that term is defined for federal income tax purposes) and individuals. However, for purposes of computing the alternative minimum tax imposed on corporations, the interest on the Bonds is included in adjusted current earnings. We note, however, that the 2017 tax act (Public Law 115-97) enacted on December 22, 2017, repealed the alternative minimum tax on corporations for tax years beginning after December 31, 2017. Accordingly, any discussion herein regarding corporate alternative minimum tax is applicable only to a corporation's tax years beginning before January 1, 2018. The Code contains requirements that must be satisfied subsequent to the issuance of the Bonds in order for interest on the Bonds to be or continue to be excludable from gross income for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the Bonds to be included in gross income retroactively to the date of issuance of the Bonds. The Issuer has agreed to comply with all of those requirements. The opinion set forth in the first sentence of this paragraph is subject to the condition that the Issuer comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

We express no opinion regarding the accuracy, adequacy, or completeness of the Official Statement or any other offering material relating to the Bonds. Further, we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

The rights of the owners of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights and may be subject to the exercise of judicial discretion in accordance with general principles of equity, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

QUARLES & BRADY LLP

BOOK-ENTRY-ONLY SYSTEM

1. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]
2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.
3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.
4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]
6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.
7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).
8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.
9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.
10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the City or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.
11. The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.
12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

FORM OF CONTINUING DISCLOSURE CERTIFICATE

(See following pages.)

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the City of Platteville, Grant County, Wisconsin (the "Issuer") in connection with the issuance of \$1,270,000 General Obligation Corporate Purpose Bonds, Series 2018A, dated May 10, 2018 (the "Securities"). The Securities are being issued pursuant to resolutions adopted on March 27, 2018 and April 24, 2018 (collectively, the "Resolution") and delivered to _____ (the "Purchaser") on the date hereof. Pursuant to the Resolution, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. In addition, the Issuer hereby specifically covenants and agrees as follows:

Section 1(a). Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the holders of the Securities in order to assist the Participating Underwriters within the meaning of the Rule (defined herein) in complying with SEC Rule 15c2-12(b)(5). References in this Disclosure Certificate to holders of the Securities shall include the beneficial owners of the Securities. This Disclosure Certificate constitutes the written Undertaking required by the Rule.

Section 1(b). Filing Requirements. Any filing under this Disclosure Certificate must be made solely by transmitting such filing to the MSRB (defined herein) through the Electronic Municipal Market Access ("EMMA") System at www.emma.msrb.org in the format prescribed by the MSRB. All documents provided to the MSRB shall be accompanied by the identifying information prescribed by the MSRB.

Section 2. Definitions. In addition to the defined terms set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any annual report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Audited Financial Statements" means the Issuer's annual financial statements, which are currently prepared in accordance with generally accepted accounting principles (GAAP) for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and which the Issuer intends to continue to prepare in substantially the same form.

"Final Official Statement" means the Final Official Statement dated April 25, 2018 delivered in connection with the Securities, which is available from the MSRB.

"Fiscal Year" means the fiscal year of the Issuer.

"Governing Body" means the Common Council of the Issuer or such other body as may hereafter be the chief legislative body of the Issuer.

"Issuer" means the City of Platteville, Grant County, Wisconsin, which is the obligated person with respect to the Securities.

"Issuer Contact" means the Administration Director of the Issuer who can be contacted at 75 North Bonson Street, Platteville, Wisconsin, phone (608) 348-1824, fax (608) 348-1823.

"Listed Event" means any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" means the Municipal Securities Rulemaking Board.

"Participating Underwriter" means any of the original underwriter(s) of the Securities (including the Purchaser) required to comply with the Rule in connection with the offering of the Securities.

"Rule" means SEC Rule 15c2-12(b)(5) promulgated by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time, and official interpretations thereof.

"SEC" means the Securities and Exchange Commission.

Section 3. Provision of Annual Report and Audited Financial Statements.

(a) The Issuer shall, not later than 365 days after the end of the Fiscal Year, commencing with the year ended December 31, 2017, provide the MSRB with an Annual Report filed in accordance with Section 1(b) of this Disclosure Certificate and which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report and that, if Audited Financial Statements are not available within 365 days after the end of the Fiscal Year, unaudited financial information will be provided, and Audited Financial Statements will be submitted to the MSRB when and if available.

(b) If the Issuer is unable or fails to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall send in a timely manner a notice of that fact to the MSRB in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

Section 4. Content of Annual Report. The Issuer's Annual Report shall contain or incorporate by reference the Audited Financial Statements and updates of the following sections of the Final Official Statement to the extent such financial information and operating data are not included in the Audited Financial Statements:

1. DEBT - Direct Debt
2. DEBT - Debt Limit

3. VALUATIONS - Current Property Valuations
4. TAX LEVIES AND COLLECTIONS - Tax Levies and Collections

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which are available to the public on the MSRB's Internet website or filed with the SEC. The Issuer shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Listed Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events with respect to the Securities:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;
7. Modification to rights of holders of the Securities, if material;
8. Securities calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution or sale of property securing repayment of the Securities, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Issuer;
13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

For the purposes of the event identified in subsection (a)12. above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

(b) When a Listed Event occurs, the Issuer shall, in a timely manner not in excess of ten business days after the occurrence of the Listed Event, file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of Listed Events described in subsections (a) (8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Securities pursuant to the Resolution.

(c) Unless otherwise required by law, the Issuer shall submit the information in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

Section 6. Termination of Reporting Obligation. The Issuer's obligations under the Resolution and this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all the Securities.

Section 7. Issuer Contact; Agent. Information may be obtained from the Issuer Contact. Additionally, the Issuer may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under the Resolution and this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor dissemination agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of the Resolution or this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if the following conditions are met:

(a)(i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Issuer, or the type of business conducted; or

(ii) This Disclosure Certificate, as amended or waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of beneficial owners of the Securities, as determined and certified to the Issuer by an underwriter, financial advisor, bond counsel or trustee.

In the event this Disclosure Certificate is amended for any reason other than to cure any ambiguities, inconsistencies, or typographical errors that may be contained herein, the Issuer agrees the next Annual Report it submits after such amendment shall include an explanation of the reasons for the amendment and the impact of the change, if any, on the type of financial statements or operating data being provided.

If the amendment concerns the accounting principles to be followed in preparing financial statements, then the Issuer agrees that it will give an event notice and that the next Annual Report it submits after such amendment will include a comparison between financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. (a) Except as described in the Final Official Statement, in the previous five years, the Issuer has not failed to comply in all material respects with any previous undertakings under the Rule to provide annual reports or notices of events.

(b) In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any holder of the Securities may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under the Resolution and this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default with respect to the Securities and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Participating Underwriters and holders from time to time of the Securities, and shall create no rights in any other person or entity.

IN WITNESS WHEREOF, we have executed this Certificate in our official capacities effective the 10th day of May, 2018.

(SEAL)

Eileen Nickels
Council President

Candace Koch
City Clerk

NOTICE OF SALE

**\$1,270,000* GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2018A
CITY OF PLATTEVILLE, WISCONSIN**

Bids for the purchase of \$1,270,000* General Obligation Corporate Purpose Bonds, Series 2018A (the "Bonds") of the City of Platteville, Wisconsin (the "City") will be received at the offices of Ehlers & Associates, Inc. ("Ehlers"), 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, Municipal Advisors to the City, until 10:30 A.M., Central Time, and **ELECTRONIC PROPOSALS** will be received via **PARITY**, in the manner described below, until 10:30 A.M. Central Time, on April 24, 2018, at which time they will be opened, read and tabulated. The bids will be presented to the Common Council for consideration for award by resolution at a meeting to be held at 7:00 P.M., Central Time, on the same date. The bid offering to purchase the Bonds upon the terms specified herein and most favorable to the City will be accepted unless all bids are rejected.

PURPOSE

The Bonds are being issued pursuant to Section 67.04, Wisconsin Statutes, for the public purpose of paying the cost of street improvement projects and parking lot projects. The Bonds are valid and binding general obligations of the City, and all the taxable property in the City is subject to the levy of a tax to pay the principal of and interest on the Bonds as they become due which tax may, under current law, be levied without limitation as to rate or amount.

DATES AND MATURITIES

The Bonds will be dated May 10, 2018, will be issued as fully registered Bonds in the denomination of \$5,000 each, or any integral multiple thereof, and will mature on March 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2021	\$50,000	2026	\$100,000	2031	\$100,000
2022	50,000	2027	100,000	2032	100,000
2023	50,000	2028	100,000	2033	110,000
2024	100,000	2029	100,000	2034	110,000
2025	100,000	2030	100,000		

ADJUSTMENT OPTION

* The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

TERM BOND OPTION

Bids for the Bonds may contain a maturity schedule providing for any combination of serial bonds and term bonds, subject to mandatory redemption, so long as the amount of principal maturing or subject to mandatory redemption in each year conforms to the maturity schedule set forth above. All dates are inclusive.

INTEREST PAYMENT DATES AND RATES

Interest will be payable on March 1 and September 1 of each year, commencing March 1, 2019, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board. **The rate for any maturity may not be more than 2.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2021 maturity, then the lowest rate that may be proposed for any later maturity is 2.50%.)** All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

BOOK-ENTRY-ONLY FORMAT

Unless otherwise specified by the purchaser, the Bonds will be designated in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds, and will be responsible for maintaining a book-entry system for recording the interests of its participants and the transfers of interests between its participants. The participants will be responsible for maintaining records regarding the beneficial interests of the individual purchasers of the Bonds. So long as Cede & Co. is the registered owner of the Bonds, all payments of principal and interest will be made to the depository which, in turn, will be obligated to remit such payments to its participants for subsequent disbursement to the beneficial owners of the Bonds.

OPTIONAL REDEMPTION

At the option of the City, the Bonds maturing on or after March 1, 2027 shall be subject to optional redemption prior to maturity on March 1, 2026 and on any date thereafter, at a price of par plus accrued interest.

Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Bonds to be redeemed shall be at the discretion of the City. If only part of the Bonds having a common maturity date are called for redemption, then the City or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Notice of such call shall be given by sending a notice by registered or certified mail, facsimile or electronic transmission, overnight delivery service or in any other manner required by DTC, not less than 30 days nor more than 60 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books.

DELIVERY

On or about May 10, 2018, the Bonds will be delivered without cost to the winning bidder at DTC. On the day of closing, the City will furnish to the winning bidder the opinion of bond counsel hereinafter described, an arbitrage certification, and certificates verifying that no litigation in any manner questioning the validity of the Bonds is then pending or, to the best knowledge of officers of the City, threatened. Payment for the Bonds must be received by the City at its designated depository on the date of closing in immediately available funds.

LEGAL OPINION

An opinion as to the validity of the Bonds and the exemption from federal taxation of the interest thereon will be furnished by Quarles & Brady LLP, Bond Counsel to the City, and will be available at the time of delivery of the Bonds. The legal opinion will be issued on the basis of existing law and will state that the Bonds are valid and binding general obligations of the City; provided that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding).

STATEMENT REGARDING COUNSEL PARTICIPATION

Bond Counsel has not assumed responsibility for this Preliminary Official Statement or participated in its preparation (except with respect to the section entitled "TAX EXEMPTION" in the Preliminary Official Statement and the "FORM OF LEGAL OPINION" found in Appendix B).

SUBMISSION OF BIDS

Bids must not be for less than \$1,254,125 nor more than \$1,346,200 plus accrued interest on the principal sum of \$1,270,000 from date of original issue of the Bonds to date of delivery. Prior to the time established above for the opening of bids, interested parties may submit a bid as follows:

- 1) Electronically to bondsale@ehlers-inc.com; or
- 2) Facsimile submission to Ehlers, Facsimile Number (651) 697-8555; or
- 3) Electronically via **PARITY** in accordance with this Notice of Sale until 10:30 A.M. Central Time, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in **PARITY** conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about **PARITY**, potential bidders may contact Ehlers or i-Deal LLC at 1359 Broadway, 2nd Floor, New York, New York 10018, Telephone (212) 849-5021.

Bids must be submitted to Ehlers via one of the methods described above and must be received prior to the time established above for the opening of bids. Each bid must be unconditional except as to legality. Neither the City nor Ehlers shall be responsible for any failure to receive a facsimile submission.

A good faith deposit ("Deposit") in the amount of \$25,400 shall be made by the winning bidder by wire transfer of funds to **KleinBank, 1550 Audubon Road, Chaska, Minnesota, ABA No. 091915654 for credit: Ehlers & Associates Good Faith Account No. 3208138**. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. The City reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the City may award the Bonds to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the City as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith.

The City and the winning bidder who chooses to so wire the Deposit hereby agree irrevocably that Ehlers shall be the escrow holder of the Deposit wired to such account subject only to these conditions and duties: 1) All income earned thereon shall be retained by the escrow holder as payment for its expenses; 2) If the bid is not accepted, Ehlers shall, at its expense, promptly return the Deposit amount to the winning bidder; 3) If the bid is accepted, the Deposit shall be returned to the winning bidder at the closing; 4) Ehlers shall bear all costs of maintaining the escrow account and returning the funds to the winning bidder; 5) Ehlers shall not be an insurer of the Deposit amount and shall have no liability hereunder except if it willfully fails to perform or recklessly disregards, its duties specified herein; and 6) FDIC insurance on deposits within the escrow account shall be limited to \$250,000 per bidder.

No bid can be withdrawn after the time set for receiving bids unless the meeting of the City scheduled for award of the Bonds is adjourned, recessed, or continued to another date without award of the Bonds having been made.

AWARD

The Bonds will be awarded to the bidder offering the lowest interest rate to be determined on a True Interest Cost (TIC) basis. The City's computation of the interest rate of each bid, in accordance with customary practice, will be controlling. In the event of a tie, the sale of the Bonds will be awarded by lot. The City reserves the right to reject any and all bids and to waive any informality in any bid. The award of the Bonds will be made subject to expiration of the petition period provided for under Section 67.05, Wisconsin Statutes, without the filing of a sufficient petition for referendum with respect to the initial resolutions authorizing the Bonds. The petition period ends April 26, 2018.

BOND INSURANCE

If the Bonds are qualified for any bond insurance policy, the purchase of such policy shall be at the sole option and expense of the winning bidder. Any cost for such insurance policy is to be paid by the winning bidder, except that, if the City requested and received a rating on the Bonds from a rating agency, the City will pay that rating fee. Any rating agency fees not requested by the City are the responsibility of the winning bidder.

Failure of the municipal bond insurer to issue the policy after the Bonds are awarded to the winning bidder shall not constitute cause for failure or refusal by the winning bidder to accept delivery of the Bonds.

CUSIP NUMBERS

The City will assume no obligation for the assignment or printing of CUSIP numbers on the Bonds or for the correctness of any numbers printed thereon, but will permit such numbers to be printed at the expense of the winning bidder, if the winning bidder waives any delay in delivery occasioned thereby.

QUALIFIED TAX-EXEMPT OBLIGATIONS

The City will designate the Bonds as qualified tax-exempt obligations for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

CONTINUING DISCLOSURE

In order to assist the underwriters in complying with the provisions of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, the City will enter into an undertaking for the benefit of the holders of the Bonds. A description of the details and terms of the undertaking is set forth in Appendix D of the Preliminary Official Statement.

NEW ISSUE PRICING

The winning bidder will be required to provide, in a timely manner, certain information necessary to compute the yield on the Bonds pursuant to the provisions of the Internal Revenue Code of 1986, as amended, and to provide a certificate which will be provided by Bond Counsel upon request.

(a) The winning bidder shall assist the City in establishing the issue price of the Bonds and shall execute and deliver to the City at closing an "issue price" or similar certificate satisfactory to Bond Counsel setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications. All actions to be taken by the City under this Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the City by the City's municipal advisor identified herein and any notice or report to be provided to the City may be provided to the City's municipal advisor.

(b) The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the "competitive sale requirements") because:

- (1) The City shall disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential investors;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the City may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the City anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in this bid.

(c) If all of the requirements of a "competitive sale" are not satisfied, the City shall advise the winning bidder of such fact prior to the time of award of the sale of the Bonds to the Underwriter. In such event, any bid submitted will not be subject to cancellation or withdrawal and the City agrees to use the rule selected by the Underwriter on its bid form to determine the issue price for the Bonds. On its bid form, each Underwriter must select one of the following two rules for determining the issue price of the Bonds: (1) the first price at which 10% of a maturity of the Bonds (the "10% test") is sold to the public as the issue price of that maturity or (2) the initial offering price to the public as of the sale date as the issue price of each maturity of the Bonds (the "hold-the-offering-price rule").

(d) If all of the requirements of a "competitive sale" are not satisfied and the Underwriter selects the hold-the-offering-price rule, the winning bidder shall (i) confirm that the underwriters have offered or will offer the Bonds to the public on or before the date of award at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The winning bidder shall promptly advise the City when the underwriters have sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

The City acknowledges that in making the representation set forth above, the winning bidder will rely on (i) the agreement of each underwriter to comply with the hold-the-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The City further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

(e) If all of the requirements of a "competitive sale" are not satisfied and the Underwriter selects the 10% test, the Underwriter agrees to promptly report to the City, Bond Counsel and Ehlers the prices at which the Bonds have been sold to the public. That reporting obligation shall continue, whether or not the closing date has occurred, until the 10% test has been satisfied as to each maturity of the Bonds or until all of the Bonds of a certain maturity have been sold.

(f) By submitting a bid, each bidder confirms that (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public, and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder or such underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public, and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder or such underwriter and as set forth in the related pricing wires.

(g) Sales of any Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

- (i) "public" means any person other than an underwriter or a related party,
- (ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public),
- (iii) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (iv) "sale date" means the date that the Bonds are awarded by the City to the winning bidder.

PRELIMINARY OFFICIAL STATEMENT

Bidders may obtain a copy of the Preliminary Official Statement relating to the Bonds prior to the bid opening by request from Ehlers at www.ehlers-inc.com by connecting to the Bond Sales link. The Syndicate Manager will be provided with an electronic copy of the Final Official Statement within seven business days of the bid acceptance. Up to 10 printed copies of the Final Official Statement will be provided upon request. Additional copies of the Final Official Statement will be available at a cost of \$10.00 per copy.

Information for bidders and bid forms may be obtained from Ehlers at 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, Telephone (651) 697-8500.

By Order of the Common Council

Nicola Maurer, Administration Director
City of Platteville, Wisconsin

BID FORM

The Common Council
City of Platteville, Wisconsin

April 24, 2018

RE: \$1,270,000* General Obligation Corporate Purpose Bonds, Series 2018A
DATED: May 10, 2018

For all or none of the above Bonds, in accordance with the Notice of Sale and terms of the Global Book-Entry System (unless otherwise specified by the Purchaser) as stated in this Official Statement, we will pay you \$ _____ (not less than \$1,254,125 nor more than \$1,346,200) plus accrued interest to date of delivery for fully registered Bonds bearing interest rates and maturing in the stated years as follows:

_____	% due	2021	_____	% due	2026	_____	% due	2031
_____	% due	2022	_____	% due	2027	_____	% due	2032
_____	% due	2023	_____	% due	2028	_____	% due	2033
_____	% due	2024	_____	% due	2029	_____	% due	2034
_____	% due	2025	_____	% due	2030			

* The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

The rate for any maturity may not be more than 2.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2021 maturity, then the lowest rate that may be proposed for any later maturity is 2.50%). All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

We enclose our Deposit in the amount of \$25,400, to be held by you pending delivery and payment. Alternatively, if we are the winning bidder, we will wire our Deposit to **KleinBank, 1550 Audubon Road, Chaska, Minnesota, ABA No. 091915654 for credit: Ehlers & Associates Good Faith Account No. 3208138**. Such Deposit shall be received by Ehlers & Associates no later than two hours after the bid opening time. The City reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received. In the event the Deposit is not received as provided above, the City may award the Bonds to the bidder submitting the next best bid provided such bidder agrees to such award. If our bid is not accepted, said deposit shall be promptly returned to us. If the Deposit is wired to such escrow account, we agree to the conditions and duties of Ehlers & Associates, Inc., as escrow holder of the Deposit, pursuant to the Notice of Sale. This bid is for prompt acceptance and is conditional upon delivery of said Bonds to The Depository Trust Company, New York, New York, in accordance with the Notice of Sale. Delivery is anticipated to be on or about May 10, 2018.

This bid is subject to the City's agreement to enter into a written undertaking to provide continuing disclosure under Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 as described in the Preliminary Official Statement for this Issue.

We have received and reviewed the Official Statement and have submitted our requests for additional information or corrections to the Final Official Statement. As Syndicate Manager, we agree to provide the City with the reoffering price of the Bonds within 24 hours of the bid acceptance.

This bid is a firm offer for the purchase of the Bonds identified in the Notice of Sale, on the terms set forth in this bid form and the Notice of Sale, and is not subject to any conditions, except as permitted by the Notice of Sale.

By submitting this bid, we confirm that we are an Underwriter and have an established industry reputation for underwriting new issuances of municipal bonds.
YES: ____ NO: ____.

If the competitive sale requirements are not met, we elect to use the (circle one): 10% test / hold-the-offering-price rule to determine the issue price of the Bonds.

Account Manager: _____ By: _____

Account Members:

Award will be on a true interest cost basis. According to our computations (the correct computation being controlling in the award), the total dollar interest cost (including any discount or less any premium) computed from May 10, 2018 of the above bid is \$ _____ and the true interest cost (TIC) is _____%.

The foregoing offer is hereby accepted by and on behalf of the Common Council of the City of Platteville, Wisconsin, on April 24, 2018.

By: _____ By: _____
Title: _____ Title: _____