

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 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.

PRELIMINARY OFFICIAL STATEMENT DATED JULY 8, 2020

In the opinion of Quarles & Brady LLP, Bond Counsel, under existing law interest on the Bonds is included in gross income for federal income tax purposes. See "TAXABILITY OF INTEREST" herein. The interest on the Bonds is not exempt from present Wisconsin income or franchise taxes.

The City will NOT designate the Bonds as "qualified tax-exempt obligations" pursuant to Section 265 of the Internal Revenue Code of 1986, as amended, which permits financial institutions to deduct interest expenses allocable to the Bonds to the extent permitted under prior law.

New Issue

Rating Application Made: S&P Global Ratings

CITY OF PLATTEVILLE, WISCONSIN (Grant County)

\$1,285,000* TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2020A

BID OPENING: July 14, 2020, 10:30 A.M., C.T.

CONSIDERATION: July 14, 2020, 7:00 P.M., C.T.

PURPOSE/AUTHORITY/SECURITY: The \$1,285,000* Taxable General Obligation Refunding Bonds, Series 2020A (the "Bonds") are authorized pursuant to Section 67.04, Wisconsin Statutes, by the City of Platteville, Wisconsin (the "City"), for the purpose of effecting a current refunding of certain outstanding general obligations of the City as more fully described herein. The Bonds are general obligations of the City for which its full faith, credit and taxing powers are pledged. Delivery is subject to receipt of an approving legal opinion of Quarles & Brady LLP, Milwaukee, Wisconsin.

DATE OF BONDS: July 30, 2020

MATURITY: March 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2021	\$60,000	2027	\$65,000	2033	\$75,000
2022	65,000	2028	70,000	2034	75,000
2023	65,000	2029	70,000	2035	80,000
2024	65,000	2030	70,000	2036	80,000
2025	65,000	2031	70,000	2037	85,000
2026	65,000	2032	75,000	2038	85,000

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, 2021 and semiannually thereafter.

OPTIONAL REDEMPTION: Bonds maturing on March 1, 2028 and thereafter are subject to call for prior optional redemption on March 1, 2027 or on any date thereafter, at a price of par plus accrued interest.

MINIMUM BID: \$1,268,938.

MAXIMUM BID: \$1,362,100.

GOOD FAITH DEPOSIT: A good faith deposit in the amount of \$25,700 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).



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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 and 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 and Associates, Inc., payable entirely by the City, is contingent upon the delivery of the Bonds.

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 and 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 City is 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.

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**CITY OF PLATTEVILLE
COMMON COUNCIL**

		<u>Term Expires</u>
Barbara Daus	Council President	April 2021
Jason Artz	Aldersperson	April 2021
Robin Cline	Aldersperson	April 2022
Ken Killian	Aldersperson	April 2021
Eileen Nickels	Aldersperson	April 2023
Isaac Shanley	Aldersperson	April 2022
Kathy Kopp	Aldersperson	April 2023

ADMINISTRATION

Adam Ruechel, City Manager
Nicola Maurer, Administration Director
Candace Klaas, City Clerk
Barb Johnson, Financial Operations Manager-Treasurer

PROFESSIONAL SERVICES

Bill Cole, City Attorney, Madison, Wisconsin
Quarles & Brady LLP, Bond Counsel, Milwaukee, Wisconsin
Ehlers and Associates, Inc., Municipal Advisors, Waukesha, Wisconsin
(Other offices located in Roseville, Minnesota 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 \$1,285,000* Taxable General Obligation Refunding Bonds, Series 2020A (the "Bonds"). 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 authorizing the issuance and sale of the Bonds ("Authorizing Resolution") to be adopted by the Common Council on July 14, 2020.

Inquiries may be directed to Ehlers and 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 July 30, 2020. 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, 2021, 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"). 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 Authoring Resolution.

The City may select a bank or trust company to act as paying agent (the "Paying Agent"). The City will pay the charges for Paying Agent services. The City reserves the right to remove the Paying Agent and to appoint a successor.

OPTIONAL REDEMPTION

At the option of the City, the Bonds maturing on or after March 1, 2028 shall be subject to optional redemption prior to maturity on March 1, 2027 or 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 authorized pursuant to Section 67.04, Wisconsin Statutes, for the purpose of effecting a current refunding of the City’s State Trust Fund Loan dated April 27, 2018 (the "2018 Loan") as follows:

Issue Being Refunded	Date of Refunded Issue	Call Date	Call Price	Maturities Being Refunded	Interest Rates	Principal to be Refunded
2018 Loan	04/27/18	08/15/20	Par	2021	4.00%	\$47,026
				2022	4.00%	48,907
				2023	4.00%	50,863
				2024	4.00%	52,781
				2025	4.00%	55,009
				2026	4.00%	57,209
				2027	4.00%	59,497
				2028	4.00%	61,786
				2029	4.00%	64,349
				2030	4.00%	66,923
				2031	4.00%	69,599
				2032	4.00%	72,321
				2033	4.00%	75,276
				2034	4.00%	78,287
				2035	4.00%	81,419
				2036	4.00%	84,647
				2037	4.00%	88,061
				2038	4.00%	<u>91,584</u>
Total 2018 Loan Being Refunded						<u>\$1,205,541</u>

ESTIMATED SOURCES AND USES*

Sources

Par Amount of Bonds	\$1,285,000	
Estimated Interest Earnings	<u>750</u>	
Total Sources		\$1,285,750

Uses

Estimated Underwriter's Discount	\$16,063	
Costs of Issuance	43,450	
Deposit to Current Refunding Fund	1,225,755	
Rounding Amount	<u>482</u>	
Total Uses		\$1,285,750

*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.

CONCURRENT FINANCING

By means of a separate Preliminary Official Statement, the City will be issuing General Obligation Street Improvement Bonds, Series 2020B (the "Concurrent Obligations" or the "Series 2020B Bonds") on July 30, 2020.

RATING

General obligation debt of the City is currently rated "AA-" by S&P Global Ratings ("S&P").

The City has requested a rating on the Bonds from S&P, 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. 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 brokers, dealers, and municipal securities dealers, in connection with their participation in the offering of the Bonds, to comply with Rule 15c2-12 promulgated by the Securities and Exchange Commission, pursuant to the Securities and Exchange Act of 1934, as amended (the "Rule"), the City shall agree to provide certain information to the Municipal Securities Rulemaking Board ("MSRB") through its Electronic Municipal Market Access ("EMMA") system, or any system that may be prescribed in the future. The Rule was last amended, effective February 27, 2019, to include an expanded list of material events.

On the date of issue and delivery, the City shall execute and deliver a Continuing Disclosure Certificate, under which the City will covenant for the benefit of holders including beneficial holders, to provide electronically, or in a manner otherwise prescribed, certain financial information annually and to provide notices of the occurrence of certain events enumerated in the Rule (the "Disclosure Undertaking"). The details and terms of the Disclosure Undertaking for the City are set forth in Appendix D. Such Disclosure Undertaking will be in substantially the form attached hereto.

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

The Taxable Note Anticipation Notes, dated October 1, 2013, were called on January 13, 2016, but the call notice was not filed until April 21, 2016. Except to the extent that the preceding is deemed to be material, the City believes it has not failed to comply in the previous five years in all material respects with its prior undertakings under the Rule. The City has reviewed its continuing disclosure responsibilities along with any changes to the Rule, to ensure compliance. Ehlers is currently engaged as dissemination agent for the City.

LEGAL OPINION

An opinion as to the validity of the Bonds will be furnished by Quarles & Brady LLP, of Milwaukee, Wisconsin, bond counsel to the City. 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 BOND COUNSEL PARTICIPATION

Bond Counsel has not assumed responsibility for this Official Statement or participated in its preparation (except with respect to the section entitled "Taxability of Interest" in the Official Statement and the "Form of Legal Opinion" found in the Appendix B) and has not performed any investigation as to its accuracy, completeness or sufficiency.

TAXABILITY OF INTEREST

Interest on the Bonds is included in gross income for present Federal income tax purposes. Interest on the Bonds is not exempt from present Wisconsin income or franchise taxes.

ORIGINAL ISSUE DISCOUNT

To the extent that the initial public offering price of certain of the Bonds is less than the stated principal amount payable at maturity, such Bonds will be considered to be issued with original issue discount unless the amount of original issue discount is "de minimis." The amount of original issue discount with respect to a Bond will be "de minimis" if the amount of discount is less than one-fourth of 1% of the principal amount payable at maturity multiplied by the number of complete years from the issue date until the maturity date.

If the amount of discount with respect to a Bond is considered "de minimis," then the amount of original issue discount with respect to the Bond will be zero. In that case, owners of those Bonds will not be required to include any amount of original issue discount in income until the principal amount is repaid, at which time the owner will recognize capital gain (assuming the Bond is held as a capital asset) equal to the excess of the amount received at maturity over the issue price.

If the amount of discount with respect to a Bond is more than "de minimis," then the Bonds will contain original issue discount and owners of the Bonds will be required to include original issue discount in income. The Internal Revenue Code of 1986, as amended (the "Code") contains a number of very complex provisions requiring holders of debt instruments with original issue discount to include such original issue discount in income as it accrues ratably over the life of the debt instrument. In the case of a Bond with original issue discount, the owner may be required to include the original issue discount in income before the owner receives the associated cash payment, regardless of the owner's regular method of accounting for tax purposes. Any such original issue discount that is included in income is treated in the same manner as interest. Any original issue discount that is included in income by an owner with respect to a Bond will increase the holder's tax basis in the Bond.

The Code contains certain provisions relating to the accrual of original issue discount (including de minimis original issue discount) in the case of subsequent purchasers of obligations such as the Bonds. Owners who do not purchase Bonds in the initial public offering should consult their own tax advisors with respect to the tax consequences of the acquisition and ownership of Bonds.

Owners who purchase Bonds in the initial public offering but at a price different than the initial offering price at which a substantial amount of that maturity of the Bonds was sold to the public should consult their own tax advisors with respect to the tax consequences of the acquisition and ownership of the Bonds.

Owners of Bonds should consult their own tax advisors with respect to the state and local tax consequences of owning the Bonds.

BOND PREMIUM

To the extent that the initial offering price of certain of the Bonds ("Premium Bonds") is more than the principal amount payable at maturity, the Premium Bonds will be considered to have "bond premium" equal to the difference between the issue price and the stated redemption price at maturity.

Any Premium Bond purchased in the initial offering at the issue price will have "amortizable bond premium" within the meaning of Section 171 of the Code. Owners of Premium Bonds, the interest on which is subject to tax, may make an election to amortize the bond premium and to offset the taxable interest income with the amortizable bond premium for the year. Any amortizable bond premium that reduces the amount of interest income also reduces the owner's adjusted tax basis in the Bond by a corresponding amount. The adjusted tax basis in a Premium Bond will be used to determine taxable gain or loss upon a disposition (for example, upon a sale, exchange, redemption, or payment at maturity) of such Premium Bond. If the election is made, it is effective for all Bonds acquired during that year and all future years unless the taxpayer receives permission from the IRS to revoke the election. Owners of Premium Bonds should consult with their tax advisors regarding the calculation and treatment of bond premium for federal income tax purposes, as well as the manner of making the election.

Owners of the Premium Bonds who do not purchase such Premium Bonds in the initial offering at the issue price should consult with their tax advisors regarding the tax consequences of owning the Premium Bonds.

Owners of Premium Bonds should consult with their tax advisors regarding the state and local tax consequences of owning such Premium Bonds.

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. Ehlers makes no representation, warranty or guarantee regarding the accuracy or completeness of the information in this Preliminary Official Statement, and its assistance in preparing this Preliminary Official Statement should not be construed as a representation that it has independently verified such information.

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, Colorado, 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, 2018, and the DRAFT basic financial statements of the City for the fiscal year ended December 31, 2019, have been audited by Johnson Block and 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 City expects delivery of the draft financial statements for the fiscal year ended December 31, 2019, in substantially the form attached hereto, but such financial statements are subject to further revision. 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.

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.

Cybersecurity: The City is dependent on electronic information technology systems to deliver services. These systems may contain sensitive information or support critical operational functions which may have value for unauthorized purposes. As a result, the electronic systems and networks may be targets of cyberattack. There can be no assurance that the City will not experience an information technology breach or attack with financial consequences that could have a material adverse impact.

Impact of the Spread of COVID-19: In late 2019, a novel strain of coronavirus (COVID-19) emerged in Wuhan, Hubei Province, China. COVID-19 has spread throughout the world, including to the United States, resulting in the World Health Organization proclaiming COVID-19 to be a pandemic and President Trump declaring a national emergency. In response to the spread of COVID-19, the United States government, state governments, local governments and private industries have taken measures to limit social interactions in an effort to limit the spread of COVID-19. The effects of the spread of COVID-19 and the government and private responses to the spread continue to rapidly evolve. COVID-19 has caused significant disruptions to the global, national and State economy. The extent to which the coronavirus impacts the City and its financial condition will depend on future developments, which are highly uncertain and cannot be predicted by the City, including the duration of the outbreak and measures taken to address the outbreak.

On March 12, 2020, Wisconsin Governor Tony Evers declared a public health emergency in the state in response to the growing threat of COVID-19. That declaration included direction to the state Department of Health Services to use any and all required resources to respond to and contain the outbreak. Governor Evers followed that up with a "safer at home" order on March 24, 2020, closing nonessential businesses, banning gatherings of any size and imposing strict travel restrictions through April 24, 2020. On April 16, 2020, the "safer at home" order was extended from April 24, 2020 through May 26, 2020. Schools will remain closed for the duration of the 2019-2020 school year and continue distance learning, but certain non-essential businesses will be allowed to open operations on a limited basis during this time, including curbside pickup, delivery, mailings and minimum basic operations.

Also on April 16, 2020, President Trump outlined "Guidelines for Opening Up America Again," a three-phased approach to restarting the economy based on public health experts' advice. The guidelines start with a set of criteria that should be met before starting phases one to three. The criteria include a downward trajectory of people with flu-like and COVID-19-like symptoms for 14 days; a downward trajectory of documented cases for 14 days or a downward trajectory of positive tests as a percentage of total tests over a 14-day period; and hospitals with the ability to treat all patients without crisis care and a robust testing program for at-risk healthcare workers.

On April 20, 2020, Governor Evers announced Wisconsin's three-phased approach to reopening the State's economy, based on President Trump's guidelines, including similar criteria to be met before phase one can begin. On April 21, 2020, Republican legislators in the State filed a lawsuit challenging the legality of the Order. On May 13, 2020, the Wisconsin Supreme Court ruled that the State's "safer at home" order is unlawful, invalid and unenforceable because the emergency rulemaking procedures under Section 227.24 of the Wisconsin Statutes and procedures established by the Wisconsin Legislature for rulemaking if criminal penalties were to follow were not followed in connection with the order. The Supreme Court's decision does not invalidate any local health officials' orders or prevent future local health officials' orders related to the COVID-19 pandemic.

The Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") provides for federal payments from the Coronavirus Relief Fund to the State for the discrete purpose of covering expenses directly incurred as a result of COVID-19 between March 1 and December 30, 2020. On May 27, 2020, Governor Tony Evers announced a program titled, "Routes to Recovery: Local Government Aid Grants," which will distribute \$190 million of the State's Coronavirus Relief Fund monies to all counties, cities, villages and towns across Wisconsin for unbudgeted eligible expenditures incurred due to COVID-19 between March 1 and October 31, 2020. The State allocated funds based on population with a guaranteed minimum allocation of \$5,000. The City's allocation is \$204,341. These funds will be disbursed up to the amount of the allocation after eligible expenditures are reported through the State's cost tracker application.

The foregoing is intended only as a summary of certain risk factors attendant to an investment in the Bonds. In order for potential investors to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Official Statement and the Appendices hereto.

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.

The economic impact of COVID-19 may impact assessed and equalized valuations of property in the State, including in the City. The City cannot predict the extent of any such changes, but a material decrease in the equalized valuations of property in the City may materially adversely affect the financial condition of the City (see "RISK FACTORS - Impact of the Spread of COVID-19" herein).

CURRENT PROPERTY VALUATIONS

2019 Equalized Value	\$707,891,400
2019 Equalized Value Reduced by Tax Increment Valuation	\$614,977,400
2019 Assessed Value	\$674,356,037

2019 EQUALIZED VALUE BY CLASSIFICATION

	2019 Equalized Value¹	Percent of Total Equalized Value
Residential	\$ 385,336,800	54.434%
Commercial	282,428,500	39.897%
Manufacturing	27,078,900	3.825%
Agricultural	192,000	0.027%
Undeveloped	348,500	0.049%
Forest	62,500	0.009%
Personal Property	12,444,200	1.758%
Total	<u>\$ 707,891,400</u>	<u>100.000%</u>

TREND OF VALUATIONS

Year	Assessed Value	Equalized Value ¹	Percent Increase/Decrease in Equalized Value
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%
2018	665,769,537	694,228,000	4.58%
2019	674,356,037	707,891,400	1.97%

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	2019 Equalized Value¹	Percent of City's Total Equalized Value
Emmi Roth	Manufacturing	\$ 14,394,634	2.03%
Wal-Mart	Retail	14,329,352	2.02%
Menards	Retail	11,264,500	1.59%
Senior Village of Platteville	Assisted Living	10,891,870	1.54%
Miners Development LLC	Hotel	9,607,513	1.36%
Southwest Health Center	Healthcare	8,596,601	1.21%
Individual	Individual apartments	7,218,323	1.02%
Farm & Fleet	Retail	5,158,171	0.73%
Platteville Lodging LLC	Hotel	4,653,610	0.66%
Washington Place, LLC	Individual apartments	4,332,152	0.61%
Total		\$ 90,446,726	12.78%
City's Total 2019 Equalized Value ²		\$707,891,400	

Source: The City.

¹ Calculated by dividing the 2019 Assessed Values by the 2019 Aggregate Ratio of assessment for the City.

² Includes tax increment valuation.

DEBT

DIRECT DEBT¹

General Obligation Debt (see schedules following)

Total General Obligation Debt (Includes the Bonds and Concurrent Obligations)* \$ 21,843,057

Revenue Debt (see schedules following)

Total revenue debt secured by water and sewer revenues \$ 14,365,146

Non-General Obligation Debt Secured by Annual Appropriation (see schedules following)

Total non-general obligation debt secured annual appropriation \$ 2,268,868

*Preliminary, subject to change.

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

City of Platteville, Wisconsin
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Taxes
(As of 07/30/2020)

Dated Amount	Refunding Bonds Series 2012		Refunding Bonds Series 2013		Promissory Notes Series 2013A		Promissory Notes Series 2013		Promissory Notes Series 2014	
	03/07/2012 \$1,725,000	03/28/2013 \$3,240,000	03/28/2013 \$935,000	10/01/2013 \$5,000,000	03/28/2013 \$935,000	10/01/2013 \$5,000,000	10/01/2013 \$5,000,000	02/12/2014 \$5,500,000	10/01/2013 \$5,000,000	10/01/2014 \$5,500,000
Maturity	03/01	10/01	10/01	10/01	10/01	10/01	10/01	10/01	10/01	10/01
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2020	0	11,125	0	43,913	100,000	2,188	600,000	34,094	380,000	3,800
2021	250,000	19,750	0	87,825	100,000	2,250	600,000	53,188	600,000	6,000
2022	275,000	13,125	300,000	87,825	340,000	81,075	600,000	36,688	600,000	6,000
2023	300,000	4,500	340,000	81,075	500,000	73,000	575,000	18,688	575,000	5,750
2024			500,000	73,000						
2025			500,000	60,500						
2026			500,000	46,750						
2027			600,000	33,000						
2028			500,000	15,000						
2029										
2030										
2031										
2032										
2033										
2034										
2035										
2036										
2037										
2038										
	825,000	48,500	3,240,000	528,888	200,000	4,438	2,375,000	142,656	380,000	3,800

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City of Platteville, Wisconsin
 Schedule of Bonded Indebtedness continued
 General Obligation Debt Secured by Taxes
 (As of 07/30/2020)

Dated Amount	Bank Note Series 2015		Taxable Corporate Purpose Bonds Series 2015B		Corporate Purpose Bonds Series 2016A		Street Improvement Bonds Series 2017A		Refunding Bonds Series 2017B	
	04/06/2015 \$172,000	Monthly	12/29/2015 \$3,790,000	03/01	06/02/2016 \$2,520,000	12/01	06/01/2017 \$1,375,000	09/01	10/04/2017 \$2,975,000	10/01
Maturity										
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2020	3,267	1,087	0	51,030	170,000	16,174	0	19,875	0	39,150
2021	7,953	2,498	270,000	99,191	250,000	30,563	50,000	39,750	400,000	78,300
2022	121,837	797	285,000	92,974	285,000	27,563	50,000	38,975	200,000	66,300
2023			300,000	85,725	295,000	23,858	50,000	38,200	200,000	60,300
2024			310,000	77,563	385,000	19,728	50,000	37,250	355,000	54,300
2025			325,000	68,588	385,000	13,760	75,000	36,300	360,000	43,650
2026			200,000	60,825	390,000	7,215	100,000	34,050	365,000	32,850
2027			210,000	54,415			100,000	31,050	365,000	25,550
2028			220,000	47,425			100,000	28,050	365,000	18,250
2029			230,000	39,885			100,000	25,050	365,000	9,125
2030			235,000	31,863			100,000	22,050		
2031			250,000	23,250			100,000	19,050		
2032			250,000	14,125			100,000	16,050		
2033			250,000	4,750			100,000	13,050		
2034							100,000	10,050		
2035							100,000	6,700		
2036							100,000	3,350		
2037										
2038										
	133,057	4,382	3,335,000	751,608	2,160,000	138,859	1,375,000	418,850	2,975,000	427,775

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City of Platteville, Wisconsin
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Taxes
(As of 07/30/2020)

Calendar Year Ending	Corporate Purpose Bonds Series 2018A		Street Improvement Bonds Series 2019A		Refunding Bonds Series 2020A		Street Improvement Bonds Series 2020B		Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
	Dated Amount	Maturity	Principal	Interest	Principal	Estimated Interest	Principal	Estimated Interest				
2020			0	19,125	0	0	0	0	1,512,952	20,589,790	5.74%	2020
2021	\$1,245,000	03/01	45,000	37,575	0	26,675	0	17,943	2,564,709	18,556,837	15.04%	2021
2022			50,000	36,150	0	23,928	0	16,520	2,708,931	16,325,000	25.26%	2022
2023			50,000	34,650	50,000	23,261	0	16,520	2,647,026	14,100,000	35.45%	2023
2024			100,000	32,400	50,000	22,546	90,000	16,160	2,271,196	12,195,000	44.17%	2024
2025			100,000	29,400	50,000	21,750	100,000	15,350	2,280,548	10,235,000	53.14%	2025
2026			100,000	26,400	100,000	20,840	100,000	14,400	2,191,580	8,315,000	61.93%	2026
2027			100,000	23,400	105,000	19,816	100,000	13,350	1,870,256	6,670,000	69.46%	2027
2028			100,000	20,400	105,000	18,650	100,000	12,175	1,741,475	5,110,000	76.61%	2028
2029			100,000	17,375	110,000	17,338	100,000	10,875	1,212,948	4,035,000	81.53%	2029
2030			100,000	14,325	110,000	15,938	100,000	9,475	823,650	3,320,000	84.80%	2030
2031			100,000	11,275	110,000	14,450	100,000	7,975	817,700	2,590,000	88.14%	2031
2032			100,000	8,125	110,000	12,855	100,000	6,375	800,930	1,855,000	91.51%	2032
2033			100,000	4,875	110,000	11,149	100,000	4,675	778,599	1,120,000	94.87%	2033
2034			100,000	1,625	115,000	9,386	100,000	2,875	515,661	630,000	97.12%	2034
2035						7,505	100,000	975	295,180	350,000	98.40%	2035
2036						5,505	80,000	8,855	188,855	170,000	99.22%	2036
2037						3,379	85,000	3,379	88,379	85,000	99.61%	2037
2038						1,126	85,000	1,126	86,126	0	100.00%	2038
			1,245,000	317,100	1,125,000	276,096	1,190,000	165,643	21,843,057	3,553,644		
									25,396,701			

* Preliminary, subject to change.

City of Platteville, Wisconsin
 Schedule of Bonded Indebtedness
 Revenue Debt Secured by Sewer and Water Revenues
 (As of 07/30/2020)

Dated Amount	Maturity	Water and Sewer System Rev. Bonds (CWFL) 1)			Water & Sewer Revenue Bonds (CWFL)			Water and Sewer System Revenue Bonds Series 2012			Water and Sewer System Revenue Bonds Series 2015			Water and Sewer System Revenue Bonds Series 2019B			Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
		Series 2008	Series 2010	Series 2012	Series 2015	Series 2019B																
12/10/2008	05/01	130,840	198,686	0	26,934	0	94,344	0	225,000	0	78,494	0	65,000	0	869,526	233,334	233,334	14,365,146	0.00%	2020		
\$2,528,893	05/01	135,900	203,510	250,000	51,456	250,000	184,938	65,000	230,000	225,000	153,613	0	89,526	89,526	917,410	454,302	1,223,828	13,495,620	6.05%	2021		
		137,032	208,451	300,000	46,573	300,000	177,063	75,000	240,000	230,000	146,788	0	917,410	917,410	960,483	428,823	1,346,233	12,578,210	12.44%	2022		
		140,237	213,512	300,000	41,572	300,000	168,438	75,000	245,000	240,000	139,738	0	960,483	960,483	973,749	401,978	1,362,461	11,617,727	19.13%	2023		
		143,517	218,696	325,000	36,449	325,000	159,438	80,000	255,000	245,000	132,463	0	1,022,213	1,022,213	1,045,880	374,338	1,348,087	10,643,978	25.90%	2024		
		146,874	224,006	325,000	31,202	325,000	149,656	80,000	270,000	255,000	124,644	0	1,045,880	1,045,880	1,089,755	345,872	1,361,544	9,621,765	33.02%	2025		
		150,310	229,445	350,000	25,828	350,000	138,688	80,000	280,000	270,000	115,775	0	1,089,755	1,089,755	1,133,841	315,664	1,361,544	8,575,885	40.30%	2026		
		153,825	235,016	375,000	20,323	375,000	126,000	80,000	280,000	280,000	106,175	0	1,133,841	1,133,841	1,175,722	282,771	1,372,526	7,486,130	47.89%	2027		
			240,722	550,000	14,684	550,000	93,000	85,850	300,000	300,000	85,850	0	85,000	85,000	1,175,722	247,501	1,381,342	6,352,289	55.78%	2028		
			246,567	600,000	8,909	600,000	70,000	85,850	310,000	310,000	74,400	0	90,000	90,000	1,246,567	209,367	1,385,089	5,176,567	63.96%	2029		
				725,000	2,993	725,000	43,500	85,850	320,000	320,000	61,800	0	90,000	90,000	1,246,567	167,076	1,413,643	3,930,000	72.64%	2030		
				725,000		725,000	14,500	85,850	330,000	330,000	48,800	0	90,000	90,000	1,135,000	123,003	1,258,003	2,795,000	80.59%	2031		
								14,500	345,000	345,000	48,800	0	90,000	90,000	1,145,000	78,955	1,223,955	1,650,000	88.51%	2032		
									355,000	355,000	7,100	0	95,000	95,000	1,145,000	48,781	1,193,781	1,210,000	91.58%	2033		
									355,000	355,000	7,100	0	95,000	95,000	1,145,000	48,781	1,193,781	1,210,000	91.58%	2034		
												0	100,000	100,000	1,145,000	48,781	1,193,781	1,210,000	91.58%	2035		
												0	100,000	100,000	1,145,000	48,781	1,193,781	1,210,000	91.58%	2036		
												0	105,000	105,000	1,145,000	48,781	1,193,781	1,210,000	91.58%	2037		
												0	105,000	105,000	1,145,000	48,781	1,193,781	1,210,000	91.58%	2038		
													1,136,535	1,136,535	1,136,535	3,772,318	18,137,464	18,137,464	100.00%	2038		

1) Pursuant to the Wisconsin Capital Finance Office, Project No. 4419-03, this issue was closed out on 4/28/2010.

**City of Platteville, Wisconsin
Schedule of Bonded Indebtedness
Non-General Obligation Debt Secured by Annual Appropriation
(As of 07/30/2020)**

	Revenue Bond TID 6 Bank Note Series 2013	Revenue Bonds TID 5 Bank Note Series 2018	
Dated Amount	09/12/2013 \$2,000,000	03/29/2018 \$1,720,000	
Maturity	09/12	03/31 & 09/30	
Calendar Year Ending			
2020	Principal 151,951 Interest 52,263	Principal 170,829 Interest 13,203	
2021	Principal 158,490 Interest 45,582	Principal 348,143 Interest 19,921	
2022	Principal 165,310 Interest 38,762	Principal 356,866 Interest 11,198	
2023	Principal 172,423 Interest 31,648	Principal 181,782 Interest 2,257	
2024	Principal 179,842 Interest 24,296	Principal 179,842 Interest 24,296	
2025	Principal 187,581 Interest 16,491	Principal 187,581 Interest 16,491	
2026	Principal 195,652 Interest 8,419	Principal 195,652 Interest 8,419	
	1,211,249	1,057,619	46,580

	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2020	322,780	65,466	388,246	1,946,089	14.23%	2020
2021	506,633	65,503	572,136	1,439,456	36.56%	2021
2022	522,176	49,960	572,136	917,280	59.57%	2022
2023	354,205	33,905	388,111	563,075	75.18%	2023
2024	179,842	24,296	204,138	383,233	83.11%	2024
2025	187,581	16,491	204,072	195,652	91.38%	2025
2026	195,652	8,419	204,071	0	100.00%	2026
	2,268,868	264,039	2,532,908			

DEBT LIMIT

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	\$ 707,891,400
Multiply by 5%	<u>0.05</u>
Statutory Debt Limit	\$ 35,394,570
Less: General Obligation Debt*	<u>(21,843,057)</u>
Unused Debt Limit*	<u><u>\$ 13,551,513</u></u>

*Preliminary, subject to change.

OVERLAPPING DEBT¹

Taxing District	2019 Equalized Value ²	% In City	Total G.O. Debt ³	City's Proportionate Share
Grant County	\$ 3,411,037,100	20.75%	\$ 24,300,000	\$ 5,042,250
Southwest Wisconsin Technical College	9,132,180,121	7.75%	24,315,000	1,884,413
Platteville School District	1,013,656,318	69.84%	11,430,000	<u>7,982,712</u>
City's Share of Total Overlapping Debt				<u><u>\$ 14,909,375</u></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 Includes tax increment valuation.

³ Outstanding debt based on information obtained on EMMA and the Municipal Advisor's records.

DEBT RATIOS

	G.O. Debt	Debt/Equalized Value \$707,891,400	Debt/ Per Capita 12,569¹
Total General Obligation Debt (includes the Bonds and the Concurrent Obligations)*	\$ 21,843,057	3.09%	\$ 1,737.85
City's Share of Total Overlapping Debt	<u>14,909,375</u>	<u>2.11%</u>	<u>1,186.20</u>
Total*	\$ 36,752,432	5.19%	\$ 2,924.05

DEBT PAYMENT HISTORY

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

FUTURE FINANCING

Along with the Concurrent Obligations the City is planning on issuing \$1,275,000* sometime in 2021 for their yearly capital borrowing. The City is also planning on borrowing \$1,655,000* in Water and Sewer System Revenue Bonds for Utility System projects sometime in 2020. Aside from the previous mentioned issues the City, has no other plans for additional financing in the next 12 months.

*Preliminary, subject to change.

¹ Estimated 2019 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
2015/16	\$3,957,447	100%	\$7.17
2016/17	4,155,319	100%	7.23
2017/18	4,259,128	100%	7.28
2018/19	4,450,757	100%	7.42
2019/20	4,620,796	In process	7.51

Property tax statements are distributed to taxpayers by the town, village, and city treasurers 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.

The spread of COVID-19 and responses taken by the United States government, state governments, local governments and private industries have caused significant disruptions to the national and State economy. See "RISK FACTORS - Impact of the Spread of COVID-19" herein. On April 15, 2020, Governor Tony Evers signed into law 2020 Wisconsin Act 185, which provides that for property taxes payable in 2020, a taxation district may, after making a general or case-by-case finding of hardship, choose to waive interest or penalties on property tax installment payments paid after April 1, 2020 but on or before October 1, 2020. In order to take such action, the county board of supervisors must first adopt a resolution authorizing such waiver and determining criteria for determining hardship and the taxation district must subsequently adopt a similar resolution. In the case of a county adopting such a resolution, the county shall proportionally settle with the taxation districts any taxes, interest and penalties collected on or before July 31, 2020 on August 20, 2020, and settle the remaining unpaid taxes, interest, and penalties on

September 20, 2020. The County and the City have not yet adopted such resolutions. The City cannot predict whether and how much payment of property taxes will be impacted by COVID-19 this year or in future years. Any delays or reduction in the receipt of property taxes may materially adversely impact the City's finances and payment of debt obligations, including the Bonds.

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
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
2018/19	10.88	3.83	7.42	0.00	22.13
2019/20	10.82	3.73	7.51	0.00	22.06

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.

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. Tax increment values are not included. State property taxes were eliminated in the State's 2017 - 2019 budget act.

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%.

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 ISSUER

CITY GOVERNMENT

The City was incorporated in 1876 and is governed by a City Manager form of government with a seven member Common Council. All Council Members are elected to overlapping three year terms. The appointed City Manager, Administration Director, City Clerk and Financial Operations Manager-Treasurer are responsible for administrative details and financial records.

EMPLOYEES; PENSIONS

The City employs a staff of 70 full-time, 27 part-time, and 23 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 generally required to contribute half of the actuarially determined contributions, and the City generally may not pay the employees' required contribution. During the fiscal year ended December 31, 2017 ("Fiscal Year 2017"), the fiscal year ended December 31, 2018 ("Fiscal Year 2018") and the fiscal year ended December 31, 2019 ("Fiscal Year 2019"), the City's portion of contributions to WRS (not including any employee contributions) totaled \$311,632, \$326,229 and \$316,289, respectively.

The City implemented Governmental Accounting Standards Board Statement No. 68 ("GASB 68") for Fiscal Year 2016.

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, 2018, the total pension liability of the WRS was calculated as \$100.29 billion and the fiduciary net position of the WRS was calculated as \$96.74 billion, resulting in a net pension liability of \$3.56 billion. The spread of COVID-19 has significantly impacted investment markets, which may impact the funded status of the WRS and future contribution requirements as a result (see "RISK FACTORS - Impact of the Spread of COVID-19" herein).

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. Accordingly, for Fiscal Year 2019, the City reported a liability of \$1,120,880 for its proportionate share of the net pension liability of the WRS. The net pension liability was measured as of December 31, 2018 based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. The City's proportion was 0.03150589% of the aggregate WRS net pension liability as of December 31, 2018.

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, 2020

OTHER POST EMPLOYMENT BENEFITS

The City provides "other post-employment benefits" ("OPEB") (i.e., post-employment benefits, other than pension benefits, owed to its employees and former employees) to employees who have terminated their employment with the City and have satisfied specified eligibility standards through a single-employer defined benefit plan. Membership of the plan consisted of 10 inactive members receiving benefits and 68 active plan members as of December 31, 2019, the date of the latest actuarial valuation.

OPEB calculations are required to be updated every two years. Prior to fiscal years beginning after June 15, 2017, OPEB calculations were required to be prepared in accordance with Statement No. 45 of the Governmental Accounting Standards Board ("GASB 45") regarding retiree health and life insurance benefits, and related standards. For fiscal years beginning after June 15, 2017, OPEB calculations are required to be prepared in accordance with Statement No. 75 of the Governmental Accounting Standards Board ("GASB 75").

For Fiscal Year 2019, the City's contributions for the plan totaled \$46,061. As of December 31, 2018, the plan's total OPEB liability was \$765,969. The City's current funding practice is to pay the amount of benefits due in a given year on a "pay-as-you-go" basis.

Under GASB 75, a net OPEB liability (or asset) is calculated as the difference between the plan's total OPEB liability and the plan's fiduciary net position, which terms have similar meanings as under GASB 68 for pension plans.

The calculation of the total OPEB liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. For more detailed information, see "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

The City also provides OPEB through the Local Retiree Life Insurance Fund ("LRLIF"), which is a cost-sharing multiple-employer defined benefit plan established by Chapter 40. The ETF and the Group Insurance Board have statutory authority for program administration and oversight, including establishing contribution requirements for employers.

For Fiscal Year 2019, the City's portion of contributions to the LRLIF totaled \$1,666. For Fiscal Year 2019, the City reported a liability of \$223,142 for its proportionate share of the net OPEB liability of the LRLIF. The net OPEB liability was measured as of December 31, 2018 based on the City's share of contributions to the LRLIF relative to the contributions of all participating employers. The City's proportion was 0.08647800% of the aggregate LRLIF net OPEB liability as of December 31, 2018.

The calculation of the total OPEB 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 the net OPEB liability of the LRLIF, which may also cause ETF to change the contribution requirements for employers and employees. For more detailed information, see "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

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 May 31, 2020)

Fund	Total Cash and Investments
City / Library / Cemetery	\$ 6,659,315
Airport	309,209
WHNCP	13,103
Community Development	91,781
Water and Sewer	5,557,659
Total Funds on Hand	<u>\$ 12,631,067</u>

ENTERPRISE FUNDS

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

	2017 Audit	2018 Audit	2019 Draft Audit
Water			
Total Operating Revenues	\$ 2,423,763	\$ 2,443,098	\$ 2,477,957
Less: Operating Expenses	<u>(1,359,615)</u>	<u>(1,377,362)</u>	<u>(1,381,955)</u>
Operating Income	\$ 1,064,148	\$ 1,065,736	\$ 1,096,002
Plus: Depreciation	<u>508,463</u>	<u>517,970</u>	<u>537,160</u>
Revenues Available for Debt Service	<u><u>\$ 1,572,611</u></u>	<u><u>\$ 1,583,706</u></u>	<u><u>\$ 1,633,162</u></u>
Sewer			
Total Operating Revenues	\$ 2,467,941	\$ 2,321,158	\$ 2,369,647
Less: Operating Expenses	<u>(1,742,888)</u>	<u>1,719,075</u>	<u>(1,767,040)</u>
Operating Income	\$ 725,053	\$ 4,040,233	\$ 602,607
Plus: Depreciation	<u>626,788</u>	<u>603,075</u>	<u>602,254</u>
Revenues Available for Debt Service	<u><u>\$ 1,351,841</u></u>	<u><u>\$ 4,643,308</u></u>	<u><u>\$ 1,204,861</u></u>

SUMMARY GENERAL FUND INFORMATION

Following are summaries of the revenues and expenditures and fund balances for the City's General Fund. 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. Appendix A includes the City's draft 2019 audited and 2018 audited financial statements.

COMBINED STATEMENT	FISCAL YEAR ENDING DECEMBER 31				2020 Adopted Budget ¹
	2016 Audited	2017 Audited	2018 Audited	2019 Draft Audit	
Revenues					
Taxes and special assessments	\$ 2,702,518	\$ 2,615,754	\$ 2,888,965	\$ 3,022,287	\$ 3,409,031
Intergovernmental	3,794,346	3,942,966	4,066,790	3,805,192	3,775,562
Licenses and permits	238,532	238,086	215,773	105,553	156,200
Penalties and forfeitures	125,151	154,634	174,657	129,611	162,500
Public charges for services	614,217	669,004	795,390	700,031	632,697
Intergovernmental charges	0	0	0	0	62,000
Interest	29,445	59,954	101,033	153,729	0
Miscellaneous general revenues	75,319	162,926	152,075	211,395	191,120
2015 Grant Platteville Loan Repayment	11,518	12,565	12,565	12,565	0
Total Revenues	<u>\$ 7,591,046</u>	<u>\$ 7,855,889</u>	<u>\$ 8,407,248</u>	<u>\$ 8,140,363</u>	<u>\$ 8,389,110</u>
Expenditures					
Current:					
General government	\$ 1,100,664	\$ 1,103,463	\$ 1,188,708	\$ 1,162,404	\$ 1,274,376
Public safety	2,963,263	3,127,012	3,081,498	3,140,725	3,318,942
Public works	1,533,343	1,449,130	1,354,207	1,469,067	1,557,298
Health and social services	103,037	100,126	124,869	148,501	160,000
Leisure activities	1,642,474	1,758,770	1,825,671	1,898,011	1,744,261
Conservation and development	376,160	272,092	333,476	322,336	334,233
Capital outlay	0	207,271	206,772	57,861	0
Total Expenditures	<u>\$ 7,718,941</u>	<u>\$ 8,017,864</u>	<u>\$ 8,115,201</u>	<u>\$ 8,198,905</u>	<u>\$ 8,389,110</u>
Excess of revenues over (under) expenditures	\$ (127,895)	\$ (161,975)	\$ 292,047	\$ (58,542)	\$ 0
Other Financing Sources (Uses)					
Proceeds from sale of capital assets	9,283	2,750	91,325	5,274	
Proceeds from utility tax equivalent	0	0	0	407,005	
Transfers in	397,742	389,292	417,700	50,000	
Transfers out	(469,980)	(5,038)	(619,615)	(557,848)	
Total Other Financing Sources (Uses)	<u>\$ (62,955)</u>	<u>\$ 387,004</u>	<u>\$ (110,590)</u>	<u>\$ (95,569)</u>	
Excess of revenues and other financing sources over (under) expenditures and other financing uses	\$ (190,850)	\$ 225,029	\$ 181,457	\$ (154,111)	
General Fund Balance January 1	4,272,386	4,081,536	4,306,565	4,488,022	
General Fund Balance December 31	<u>\$ 4,081,536</u>	<u>\$ 4,306,565</u>	<u>\$ 4,488,022</u>	<u>\$ 4,333,911</u>	
DETAILS OF DECEMBER 31 FUND BALANCE					
Nonspendable	\$ 959,425	\$ 938,373	\$ 799,482	\$ 390,838	
Restricted	293,263	399,182	415,542	404,072	
Committed	0	0	0	0	
Assigned	273,370	652,688	689,492	579,608	
Unassigned	2,555,478	2,316,322	2,583,506	2,959,393	
Total	<u>\$ 4,081,536</u>	<u>\$ 4,306,565</u>	<u>\$ 4,488,022</u>	<u>\$ 4,333,911</u>	

¹ The 2020 Budget was adopted on November 26, 2019.

GENERAL INFORMATION

LOCATION

The City of Platteville, with a 2010 U.S. Census population of 11,224 and a current estimated population of 12,569 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	1,555
Wal-Mart	Retail	330
Southwest Health Center Inc.	General Medical/Surgical Hospital	205
School District of Platteville	Education	203
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 (February 2020), 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. Estimates provided are accurate as of the date noted and may not reflect changes in the number of employees resulting from the current COVID-19 pandemic. (See "RISK FACTORS - Impact of the Spread of COVID-19").

BUILDING PERMITS

	2016	2017	2018	2019	2020 ¹
<u>New Single Family Homes</u>					
No. of building permits	12	12	5	4	2
Valuation	\$2,203,056	\$2,221,670	\$989,000	\$899,600	\$470,000
<u>New Multiple Family Buildings</u>					
No. of building permits	0	0	7	6	1
Valuation	\$0	\$0	\$1,149,554	\$1,600,000	\$395,791
<u>New Commercial/Industrial</u>					
No. of building permits	2	14	3	1	1
Valuation	\$11,891,358	\$10,500,000	\$11,507,500	\$502,000	\$129,400
<u>All Building Permits</u> <i>(including additions and remodelings)</i>					
No. of building permits	299	474	426	235	101
Valuation	\$34,057,686	\$15,681,346	\$21,517,680	\$10,704,016	\$2,989,895

Source: The City.

¹ As of May 30, 2020.

U.S. CENSUS DATA

Population Trend: The City

2000 U.S. Census	9,989
2010 U.S. Census	11,224
2019 Estimated Population	12,569
Percent of Change 2000 - 2010	12.36%

Income and Age Statistics

	The City	Grant County	State of Wisconsin	United States
2018 per capita income	\$19,826	\$24,974	\$32,018	\$32,621
2018 median household income	\$43,495	\$52,958	\$59,209	\$60,293
2018 median family income	\$73,614	\$67,387	\$75,313	\$73,965
2018 median gross rent	\$811	\$698	\$837	\$1,023
2018 median value owner occupied units	\$154,300	\$144,000	\$173,600	\$204,900
2018 median age	22.7 yrs.	35.7 yrs.	39.3 yrs.	37.9 yrs.

	State of Wisconsin	United States
City % of 2018 per capita income	61.94%	60.78%
City % of 2018 median family income	97.74%	99.53%

Housing Statistics

	<u>The City</u>		
	2010	2018	Percent of Change
All Housing Units	3,950	4,408	11.59%

Source: 2000 and 2010 Census of Population and Housing, and 2018 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	Grant County	State of Wisconsin
2016	27,144	3.9%	3.9%	4.0%
2017	27,319	3.1%	3.1%	3.3%
2018	27,447	2.8%	2.8%	3.0%
2019	26,962	3.2%	3.2%	3.3%
2020, May ¹	23,829	11.3%	11.3%	11.7%

Source: Wisconsin Department of Workforce Development.

¹ Preliminary

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 expects delivery of the draft financial statements for the fiscal year ended December 31, 2019 in substantially the form attached hereto, but such financial statements are subject to further revision. The City has not requested or engaged the Auditor to perform, and the Auditor has not performed, any additional examination, assessments, procedures or evaluation with respect to such financial statements since the date thereof or with respect to this Official Statement, 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.

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PLATTEVILLE

W I S C O N S I N

CITY OF PLATTEVILLE, WISCONSIN
FINANCIAL STATEMENTS
Including Independent Auditor's Report
As of and for the year ended December 31, 2019

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

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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, 2019, 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, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 13, and the budgetary comparison information, the Local Retiree Life Insurance Fund schedules, the Schedule of Changes in the City's Total OPEB Liability and Related Ratios, and Wisconsin Retirement System schedules on pages 70 through 75, 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 2018 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 July 5, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Information (Continued)

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.

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 and Company, Inc.
June 22, 2020

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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BASIC FINANCIAL STATEMENTS

Exhibit A-1
City of Platteville, Wisconsin
Statement of Net Position
December 31, 2019

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(With summarized financial information as of December 31, 2018)

	Governmental Activities	Business-Type Activities	Total Governmental and Business-Type activities		Component Unit Housing Authority	
			2019	2018	2019	2018
ASSETS						
Current assets:						
Cash and investments	\$ 8,172,358	\$ 1,530,964	\$ 9,703,322	\$ 9,116,674	\$ 18,252	\$ 14,970
Receivables						
Taxes	4,764,299		4,764,299	4,840,326		
Customer		757,289	757,289	716,459		
Due from other governmental units	216,568		216,568	416,437		
Other	167,011	6,946	173,957	197,017	4,154	1,787
Special assessments	9,150		9,150	9,155		
Prepaid expenses					115	268
Internal balances	79,106	(79,106)				
Inventory	15,805	31,423	47,228	63,473		
Total current assets	13,424,297	2,247,516	15,671,813	15,359,541	22,521	17,025
Noncurrent assets:						
Restricted assets:						
Net pension asset				951,149		
Cash and investments	42,699	4,950,598	4,993,297	4,370,513	1,606	28,583
Other assets:						
Mortgages receivable	1,473,886		1,473,886	1,488,011		
Loans receivable	459,326		459,326	509,830		
Capital assets:	92,574,916	54,800,641	147,375,557	141,785,932		7,820
Less: Accumulated depreciation	34,685,333	18,169,069	52,854,402	49,308,349		7,820
Net book value of capital assets	57,889,583	36,631,572	94,521,155	92,477,583		
Total noncurrent assets	59,865,494	41,582,170	101,447,664	99,797,086	1,606	28,583
Total assets	73,289,791	43,829,686	117,119,477	115,156,627	24,127	45,608
DEFERRED OUTFLOWS OF RESOURCES						
Deferred pension outflows	2,549,169	482,055	3,031,224	1,735,652		
OPEB - group life insurance plan outflows	20,217	8,294	28,511	35,891		
OPEB - City health insurance plan outflows	35,467	10,594	46,061	46,008		
Total deferred outflows of resources	2,604,853	500,943	3,105,796	1,817,551		
Total assets and deferred outflows of resources	\$ 75,894,644	\$ 44,330,629	\$ 120,225,273	\$ 116,974,178	\$ 24,127	\$ 45,608

Exhibit A-1 (Continued)
City of Platteville, Wisconsin
Statement of Net Position
December 31, 2019

DRAFT

(With summarized financial information as of December 31, 2018)

	Governmental Activities	Business-Type Activities	Total Governmental and Business-Type activities		Component Unit Housing Authority	
			2019	2018	2019	2018
LIABILITIES						
Current liabilities:						
Accounts payable	\$ 646,651	\$ 268,300	\$ 914,951	\$ 901,615	\$ 1,298	\$ 412
Accrued wages	186,957	39,409	226,366	209,382	1,490	1,088
Accrued interest	220,194	76,846	297,040	293,493		
Unearned revenue	1,191		1,191	637		
Current portion of:						
Long-term debt	2,134,384	856,825	2,991,209	2,811,697		
Compensated absences	74,976	15,108	90,084	76,885		
Deposits	530		530	460		
Total current liabilities	3,264,883	1,256,488	4,521,371	4,294,169	2,788	1,500
Noncurrent liabilities:						
General obligation debt	20,963,398		20,963,398	21,585,415		
Tax increment revenue bonds	2,440,892		2,440,892	2,917,031		
Water and Sewer revenue bonds		15,221,974	15,221,974	14,351,279		
Unamortized bond premium	255,481	253,190	508,671	477,751		
Net pension liability	942,627	178,253	1,120,880			
OPEB - group life insurance plan	158,230	64,912	223,142	313,858		
OPEB - City health insurance plan	589,796	176,173	765,969	752,532		
Compensated absences	380,042	144,523	524,565	520,273		
Less current portion of long-term debt	(2,209,360)	(871,933)	(3,081,293)	(2,888,582)		
Total noncurrent liabilities	23,521,106	15,167,092	38,688,198	38,029,557		
Total liabilities	26,785,989	16,423,580	43,209,569	42,323,726	2,788	1,500
DEFERRED INFLOWS OF RESOURCES						
Deferred pension inflows	1,297,737	245,406	1,543,143	1,872,544		
OPEB - group life insurance plan inflows	73,142	30,006	103,148	6,348		
OPEB - City health insurance plan inflows	16,927	5,056	21,983			
Deferred revenue	6,941,085		6,941,085	6,698,674		
Total deferred inflows of resources	8,328,891	280,468	8,609,359	8,577,566		
NET POSITION						
Net investment in capital assets	37,582,134	21,747,892	59,330,026	56,813,237		
Restricted for:				7,111,438		
Redevelopment authority	276,858		276,858			
Housing conservation	84,820		84,820			
Donor specified	317,585		317,585			
Impact fees	86,487		86,487			
Community development receivables	1,481,360		1,481,360			
Library endowment	5,905		5,905			
Perpetual care	564,737		564,737			
Taxi/bus	41,364		41,364			
TIF expenditures	66,065		66,065			
Debt service - revenue bond funds		1,876,001	1,876,001			
Equipment replacement		2,483,113	2,483,113			
Housing assistance payments					1,606	28,583
Unrestricted	272,449	1,519,575	1,792,024	2,148,211	19,733	15,525
Total net position	40,779,764	27,626,581	68,406,345	66,072,886	21,339	44,108
Total liabilities, deferred inflows of resources, and net position	\$ 75,894,644	\$ 44,330,629	\$ 120,225,273	\$ 116,974,178	\$ 24,127	\$ 45,608

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, 2019
(With summarized financial information for the year ended December 31, 2018)

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	Business-Type Activities		Totals	Housing Authority
					Governmental Activities	Business-Type Activities		
Primary Government								
Governmental activities:								
General government	\$ 1,247,365	\$ 110,640	\$ 5,765	\$ -	\$ (1,130,960)	\$ (1,074,592)	\$ -	\$ -
Public safety	3,752,551	380,636	281,309	-	(3,090,606)	(2,692,396)	-	-
Public works	5,027,021	606,439	1,359,120	1,977,389	(1,084,073)	(2,514,001)	-	-
Health and human services	154,023	43,343	3,305	-	(107,375)	(87,478)	-	-
Leisure activities	2,355,433	213,875	298,715	17,700	(1,825,143)	(1,604,834)	-	-
Conservation and development	980,565	22,065	-	415,120	(543,380)	(2,040,505)	-	-
Interest, issuance costs, and fiscal charges	701,186	-	-	-	(701,186)	(703,798)	-	-
Total governmental activities	14,218,144	1,376,998	1,948,214	2,410,209	(8,482,723)	(10,717,604)	-	-
Business-type activities:								
Water and sewer	3,665,642	4,847,604	-	-	1,181,962	1,195,182	-	-
Total business-type activities	3,665,642	4,847,604	-	-	1,181,962	1,195,182	-	-
Total primary government	\$ 17,883,786	\$ 6,224,602	\$ 1,948,214	\$ 2,410,209	(8,482,723)	(9,522,422)	-	-
Component Unit:								
Housing Authority	454,324	-	431,497	-	-	-	(22,827)	26,852
Total component unit	454,324	-	431,497	-	-	-	(22,827)	26,852
General revenues:								
Property taxes								
General purposes					2,963,792	3,032,274		
Debt service					1,486,964	1,226,854		
Tax increments					2,084,631	1,743,849		
Other taxes					284,851	292,900		
Federal and State aid not restricted for specific purposes								
General					2,622,233	2,589,826		
Interest and investment earnings					190,051	218,441		58
Loss on sale/disposal of fixed assets					(225,756)	(271,384)		
Miscellaneous					63,587	62,151		
Transfers					421,440	-		
Total general revenues and transfers					9,891,793	8,894,911		58
Changes in net position					1,409,070	(627,511)		26,904
Net position - beginning of year					39,370,694	66,700,397		17,204
Net position-end of year					\$ 40,779,764	\$ 66,072,886		\$ 44,108
					\$ 68,406,345	\$ 66,072,886		\$ 21,339

Exhibit A-3
City of Platteville, Wisconsin
Balance Sheet
Governmental Funds
December 31, 2019

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(With summarized financial information as of December 31, 2018)

	General	Capital Projects	Community Development Block Grant	Debt Service
ASSETS				
Cash and investments	\$ 5,842,253	\$ 418,624	\$ 84,514	\$ 92,861
Restricted cash and investments				
Receivables:				
Taxes	3,332,907			
Other accounts	127,236			
Other governments	131,219	8,210		
Special assessments	9,150			
Mortgages			1,402,073	
Loans	237,845			
Inventory				
Due from other funds	426,667			
Advances to other funds	378,724			62,673
	\$ 10,486,001	\$ 426,834	\$ 1,486,587	\$ 155,534
LIABILITIES				
Accounts payable	\$ 399,585	\$ 99,555		\$
Accrued payroll	186,884			
Due to other funds	14,476		5,227	
Advances from other funds				
Unearned revenue				
Deposits	530			
	601,475	99,555	5,227	
DEFERRED INFLOWS OF RESOURCES				
Deferred revenues	5,550,615		1,402,073	
FUND BALANCES				
Nonspendable	390,838			62,673
Restricted	404,072		79,287	92,861
Assigned	579,608	327,279		
Unassigned (deficit)	2,959,393			
	4,333,911	327,279	79,287	155,534
Total liabilities, deferred outflow of resources and fund balance	\$ 10,486,001	\$ 426,834	\$ 1,486,587	\$ 155,534

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

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Other Governmental Funds	Total Governmental Funds	
	2019	2018
\$ 1,734,106	\$ 8,172,358	\$ 7,666,798
42,699	42,699	204,117
1,431,392	4,764,299	4,840,326
39,775	167,011	191,602
77,139	216,568	416,437
	9,150	9,155
71,813	1,473,886	1,488,011
221,481	459,326	509,830
15,805	15,805	29,534
	426,667	419,547
	441,397	867,551
<u>\$ 3,634,210</u>	<u>\$ 16,189,166</u>	<u>\$ 16,642,908</u>
\$ 147,511	\$ 646,651	\$ 544,071
73	186,957	172,227
	19,703	26,496
769,255	769,255	1,788,551
1,191	1,191	637
	530	460
<u>918,030</u>	<u>1,624,287</u>	<u>2,532,442</u>
<u>2,343,049</u>	<u>9,295,737</u>	<u>9,103,520</u>
15,805	469,316	905,728
1,037,064	1,613,284	1,701,781
	906,887	942,021
(679,738)	2,279,655	1,457,416
<u>373,131</u>	<u>5,269,142</u>	<u>5,006,946</u>
<u>\$ 3,634,210</u>	<u>\$ 16,189,166</u>	<u>\$ 16,642,908</u>

Exhibit A-4
 City of Platteville, Wisconsin
 Reconciliation of the Governmental Funds Balance Sheet
 with the Statement of Net Position
 December 31, 2019

(With summarized financial information as of December 31, 2018)

	2019	2018
Total fund balances-governmental funds:	\$ 5,269,142	\$ 5,006,946
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	92,574,916	88,965,572
Governmental accumulated depreciation	<u>(34,685,333)</u>	<u>(31,662,926)</u>
	57,889,583	57,302,646
The net pension asset is not a current financial resource and is, therefore, not reported in the fund statements		
		798,700
Pension and OPEB deferred outflows and inflows of resources are actuarially determined by the plans. These items are reflected in the statement of net position and are being amortized with pension and OPEB 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	2,604,853	1,516,866
Deferred inflows of resources	<u>(1,387,806)</u>	<u>(1,576,980)</u>
Other long-term assets that are not available to pay for current-period expenditures and therefore are deferred inflows for the fund statements.		
Long-term notes and loans	1,933,212	1,997,841
Subsequent year tax equivalent from utility	421,440	407,005
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	(20,963,398)	(21,585,415)
Tax increment revenue bonds	(2,440,892)	(2,917,031)
Bond premium	(255,481)	(205,809)
Accrued interest	(220,194)	(216,809)
OPEB - group life insurance plan	(158,230)	(225,758)
OPEB - City health insurance plan	(589,796)	(549,348)
Net pension liability	(942,627)	
Compensated absences	<u>(380,042)</u>	<u>(382,160)</u>
Net position of governmental activities	<u>\$ 40,779,764</u>	<u>\$ 39,370,694</u>

Exhibit A-5
 City of Platteville, Wisconsin
 Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 For the Year Ended December 31, 2019
 (With summarized financial information for the year ended December 31, 2018)

	General	Capital Projects	Community Development Block Grant	Debt Service
REVENUES				
Taxes	\$ 3,007,396	\$ 196,600	\$	\$ 1,486,964
Special assessments	14,891			
Intergovernmental	3,805,192	121,231		
Licenses and permits	105,553			
Fines and forfeitures	129,611			
Public charges for services	700,031	112,883		
Interest income	153,729		2,129	17,784
Loan repayments	12,565		48,901	
Miscellaneous	211,395			3,061
Total revenues	8,140,363	430,714	51,030	1,507,809
EXPENDITURES				
Current:				
General government	1,162,404			
Public safety	3,140,725			
Public works	1,469,067			
Health and social services	148,501			
Leisure activities	1,898,011			
Conservation and development	322,336		40,003	
Capital outlay	57,861	2,123,955		
Debt service:				
Principal retirement				1,190,000
Interest and fiscal charges				297,764
Debt issuance costs		35,225		12,012
Total expenditures	8,198,905	2,159,180	40,003	1,499,776
Excess (deficiency) of revenues over over expenditures	(58,542)	(1,728,466)	11,027	8,033
OTHER FINANCING SOURCES (USES)				
Long-term debt proceeds		1,125,000		
Other financing source—refunding bonds				
Current refunding of debt principal				
Debt premium				71,768
Proceeds from sale of capital assets	5,274	8,009		
Transfer to other funds	(557,848)	(50,000)		
Transfer from other funds	50,000	557,848		
Transfer from utility-tax equivalent	407,005			
Total other financing sources (uses)	(95,569)	1,640,857		71,768
Net change in fund balances	(154,111)	(87,609)	11,027	79,801
Fund balance-beginning of year	4,488,022	414,888	68,260	75,733
Fund balance-end of year	\$ 4,333,911	\$ 327,279	\$ 79,287	\$ 155,534

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

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Other Governmental Funds	Total Governmental Funds	
	2019	2018
\$ 2,129,279	\$ 6,820,239	\$ 6,295,877
	14,891	10,429
795,301	4,721,724	4,615,624
	105,553	215,773
3,108	132,719	184,798
492,912	1,305,826	1,409,454
13,359	187,001	129,092
49,629	111,095	279,866
	214,456	156,189
<u>3,483,588</u>	<u>13,613,504</u>	<u>13,297,102</u>
	1,162,404	1,188,708
	3,140,725	3,081,498
936,312	2,405,379	2,325,549
	148,501	124,869
839	1,898,850	1,826,167
325,450	687,789	2,034,513
397,041	2,578,857	2,615,556
1,033,156	2,223,156	2,008,355
377,702	675,466	636,428
	47,237	51,522
<u>3,070,500</u>	<u>14,968,364</u>	<u>15,893,165</u>
413,088	(1,354,860)	(2,596,063)
	1,125,000	2,545,000
		1,720,000
		(1,720,000)
	71,768	17,092
	13,283	192,325
(594,530)	(1,202,378)	(1,366,731)
594,530	1,202,378	1,366,731
	407,005	400,316
	<u>1,617,056</u>	<u>3,154,733</u>
413,088	262,196	558,670
(39,957)	5,006,946	4,448,276
<u>\$ 373,131</u>	<u>\$ 5,269,142</u>	<u>\$ 5,006,946</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, 2019
 (With summarized financial information for the year ended December 31, 2018)

	2019	2018
Net change in fund balances-total governmental funds	\$ 262,196	\$ 558,670
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>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.</p>		
Capital outlay reported in governmental fund statements	4,126,368	2,494,214
Depreciation expenses reported in the statement of activities	<u>(3,299,942)</u>	<u>(3,177,948)</u>
Amount by which capital outlays are greater (less) than depreciation in the current period	826,426	(683,734)
<p>The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, donations, and disposals) is to increase/decrease net position:</p>		
	(239,489)	(463,709)
<p>Compensated absences and OPEB are reported in the governmental funds when amounts are paid. The statement of activities reports the amount earned during the year.</p>		
Change in OPEB - group life insurance plan liability and related deferred outflows and inflows of resources	(6,648)	(22,151)
Change in OPEB - City health insurance plan liability and related deferred outflows and inflows of resources	(55,494)	(26,352)
Change in compensated absences	2,118	43,324
<p>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</p>		
The amount of long-term debt principal payments in the current year is:	2,223,156	3,728,355
<p>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</p>		
	(1,125,000)	(4,265,000)
<p>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</p>		
	(99,406)	(267,136)
<p>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</p>		
	34,777	23,636

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, 2019
 (With summarized financial information for the year ended December 31, 2018)

	2019	2018
<p>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</p>		
Amount of debt premium received in the current year	(71,768)	(17,092)
Amount of debt premium amortized in the current year	22,096	18,913
<p>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.</p>		
Prior year utility tax equivalent recognized as revenue in current year in the governmental funds	(407,005)	(400,316)
Current year utility tax equivalent recognized as a transfer in for the statement of activities	421,440	407,005
	14,435	6,689
<p>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.</p>		
The amount of interest paid during the current period	674,666	636,428
The amount of interest accrued during the current period	(678,051)	(674,189)
Interest paid is greater (less) than interest expensed by	(3,385)	(37,761)
<p>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.</p>		
Difference between the required contributions into the defined benefit plan and the actuarially determined change in net pension liability between years, with adjustments	(374,944)	(116,793)
Change in net position-governmental activities	\$ 1,409,070	\$ (1,520,141)

Exhibit A-7
City of Platteville, Wisconsin
Statement of Net Position
Proprietary Funds
December 31, 2019

DRAFT

(With summarized financial information as of December 31, 2018)

	Water and Sewer Utility	
	2019	2018
ASSETS		
Current assets:		
Cash	\$ 1,530,764	\$ 1,449,676
Petty cash	200	200
Customer accounts receivable	757,289	716,459
Other accounts receivable	6,946	5,415
Due from other funds	14,476	13,954
Inventories	31,423	33,939
	2,341,098	2,219,643
Total current assets		
Noncurrent assets:		
Restricted assets:		
Net pension asset		152,449
Cash and Investments:		
Bond proceeds - unspent	591,484	
Replacement fund	2,483,113	2,282,301
Depreciation fund	849,839	831,118
Debt reserve fund	1,026,162	1,052,977
	4,950,598	4,318,845
Total restricted assets		
Capital assets:		
Property and plant	54,800,641	52,820,360
Less: accumulated provision for depreciation	18,169,069	17,645,423
	36,631,572	35,174,937
Net property and plant		
Other assets:		
Advances due from other funds	327,858	921,000
	41,910,028	40,414,782
Total noncurrent assets		
DEFERRED OUTFLOWS OF RESOURCES		
Deferred pension outflows	482,055	278,189
OPEB - Group life insurance plan outflows	8,294	10,074
OPEB - City health insurance plan outflows	10,594	12,422
	500,943	300,685
Total deferred outflows of resources		
	\$ 44,752,069	\$ 42,935,110
Total assets and deferred outflows of resources		

Exhibit A-7 (Continued)
City of Platteville, Wisconsin
Statement of Net Position
Proprietary Funds
December 31, 2019

DRAFT

(With summarized financial information as of December 31, 2018)

	Water and Sewer Utility	
	2019	2018
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 268,300	\$ 357,544
Accrued payroll	39,409	37,155
Accrued interest	76,846	76,684
Current portion of:		
Revenue bonds	856,825	754,305
Compensated absences	15,108	10,518
Due to other funds	421,440	407,005
Total current liabilities	1,677,928	1,643,211
Non-current liabilities		
Revenue bonds	15,221,974	14,351,279
Unamortized bond premium	253,190	271,942
Net pension liability	178,253	
OPEB - Group life insurance plan	64,912	88,100
OPEB - City health insurance plan	176,173	203,184
Compensated absences	144,523	138,113
Less current portion of long-term debt	(871,933)	(764,823)
Total non-current liabilities	15,167,092	14,287,795
DEFERRED INFLOWS OF RESOURCES		
Deferred pension inflows	245,406	300,130
OPEB - Group life insurance plan inflows	30,006	1,782
OPEB - City health insurance plan inflows	5,056	
Total deferred inflows of resources	280,468	301,912
NET POSITION		
Net investment in capital assets	21,747,892	20,551,716
Restricted		
Debt service - revenue bond funds	1,876,001	1,884,095
Equipment replacement	2,483,113	2,282,301
Unrestricted	1,519,575	1,984,080
Total net position	27,626,581	26,702,192
Total liabilities, deferred inflows of resources, and net position	\$ 44,752,069	\$ 42,935,110

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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, 2019

(With summarized financial information for the year ended December 31, 2018)

	Water	Sewer	Total	
			2019	2018
OPERATING REVENUES				
Metered sales	\$ 1,340,861	\$	\$ 1,340,861	\$ 1,325,874
Private fire protection	88,521		88,521	88,247
Public fire protection	623,811		623,811	619,517
Public authorities	258,652		258,652	248,413
Measured sewer service		2,342,419	2,342,419	2,296,662
Forfeited discounts	7,032	7,057	14,089	15,456
Miscellaneous	159,080	20,171	179,251	170,087
	2,477,957	2,369,647	4,847,604	4,764,256
OPERATING EXPENDITURES				
Pumping expenses	178,701		178,701	191,279
Treatment expenses	106,758	445,226	551,984	550,833
Transmission and distribution	172,331		172,331	214,853
Customer accounts expense	44,311	13,018	57,329	54,872
Administrative and general	332,510	427,624	760,134	718,611
Rent	1,080	6,160	7,240	8,921
Transportation expenses	181	34,403	34,584	26,030
Maintenance of sewage system		186,617	186,617	148,845
Depreciation	537,160	602,254	1,139,414	1,121,045
Taxes	8,923	51,738	60,661	61,148
	1,381,955	1,767,040	3,148,995	3,096,437
Operating income	\$ 1,096,002	\$ 602,607	1,698,609	1,667,819
NONOPERATING REVENUES (EXPENSES)				
*Interest and dividends on investments			151,782	85,700
*Interest expense			(457,373)	(472,637)
*Amortization of debt premium			18,753	18,753
*Debt issuance costs			(59,274)	
*Loss on sale/disposal of fixed assets			(6,668)	
*Transfer of tax equivalent			(421,440)	(407,005)
			(774,220)	(775,189)
Total nonoperating revenues (expenses)			924,389	892,630
Change in net position			26,702,192	25,809,562
Net position - beginning of year			\$ 27,626,581	\$ 26,702,192
Net position-end of year			\$ 27,626,581	\$ 26,702,192

* Not allocated

Exhibit A-9
City of Platteville, Wisconsin
Statement of Cash Flows
Proprietary Funds

DRAFT

For the Year Ended December 31, 2019

(With summarized financial information for the year ended December 31, 2018)

	2019	2018
CASH FLOWS FROM (USED BY) OPERATING ACTIVITIES		
Received from customers	\$ 4,805,243	\$ 4,802,175
Payments to employees	(771,859)	(756,013)
Payment for employee benefits	(360,097)	(348,168)
Payment to suppliers	(882,975)	(852,733)
	2,790,312	2,845,261
CASH FLOWS FROM (USED BY) NONCAPITAL FINANCING ACTIVITIES		
Repayment of advanced funds from TIF #7	593,142	
Paid to municipality for tax equivalent	(421,440)	(407,005)
	171,702	(407,005)
CASH FLOWS FROM (USED BY) CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(2,572,867)	(1,514,787)
Cost of removal	(29,850)	
Debt retired	(754,305)	(741,961)
Debt issuance costs	(59,274)	
Debt proceeds	1,625,000	
Interest paid	(457,210)	(475,645)
	(2,248,506)	(2,732,393)
CASH FLOWS FROM (USED BY) INVESTING ACTIVITIES		
Purchase of investments		(1,750,837)
Receipt of investments maturing	1,890,455	1,854,501
Investment income	151,782	85,700
	2,042,237	189,364
Net cash flows from (used by) from investing activities	2,042,237	189,364
Net change in cash and cash equivalents	2,755,745	(104,773)
Cash and cash equivalents - beginning of year	1,965,435	2,070,208
Cash and cash equivalents - end of year	\$ 4,721,180	\$ 1,965,435
Reconciliation of cash and cash equivalents to statement of net position accounts		
Cash	\$ 1,530,764	\$ 1,449,676
Petty cash	200	200
Restricted cash and investments	4,950,598	4,166,396
Less: long-term investments	(1,760,382)	(3,650,837)
Total cash and cash equivalents	\$ 4,721,180	\$ 1,965,435

Exhibit A-9 (Continued)
 City of Platteville, Wisconsin
 Statement of Cash Flows
 Proprietary Funds

DRAFT

For the Year Ended December 31, 2019

(With summarized financial information for the year ended December 31, 2018)

	2019	2018
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 1,698,609	\$ 1,667,819
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	1,139,414	1,121,045
Pension expense	72,112	21,834
Life insurance OPEB expense	6,816	8,645
Health insurance OPEB expense	(20,127)	9,747
Amortization of major repairs		15,602
Changes in assets and liabilities:		
(Increase) decrease in customer accounts receivable	(40,830)	39,582
(Increase) decrease in other accounts receivable	(1,531)	(1,663)
(Increase) decrease in due from other funds	(522)	(3,693)
(Increase) decrease in inventories	2,516	(6,021)
Increase (decrease) in accounts payable	(89,244)	(57,972)
Increase (decrease) in accrued payroll	2,254	8,398
Increase (decrease) in due other funds	14,435	6,689
Increase (decrease) in compensated absences	6,410	15,249
	\$ 2,790,312	\$ 2,845,261
Net cash provided by operating activities		

Exhibit A-10
 City of Platteville, Wisconsin
 Statement of Net Position
 Fiduciary Funds
 December 31, 2019

(With summarized financial information as of December 31, 2018)

	Custodial Fund	Total	
	Tax Collection Fund	2019	2018
ASSETS			
Cash and investments	\$ 2,698,828	\$ 2,698,828	\$ 3,580,687
Taxes receivable	6,247,263	6,247,263	5,243,968
Total assets	\$ 8,946,091	\$ 8,946,091	\$ 8,824,655
LIABILITIES			
Due to other taxing units	\$ 8,946,091	\$ 8,946,091	\$ 8,824,655
NET POSITION			
Restricted			
Total liabilities and net position	\$ 8,946,091	\$ 8,946,091	\$ 8,824,655

Exhibit A-11
 City of Platteville, Wisconsin
 Statement of Changes in Net Position
 Fiduciary Funds
 December 31, 2019

(With summarized financial information as of December 31, 2018)

	Custodial Fund	Total	
	Tax Collection Fund	2019	2018
ASSETS			
Property tax collections for other governments	\$ 5,660,501	\$ 5,660,501	\$ 5,904,724
DEDUCTIONS			
Property tax collections paid or owed to other governments	5,660,501	5,660,501	5,904,724
Net increase (decrease) in fiduciary net position			
Net position - beginning of year			
Net position - end of year	\$	\$	\$

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NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 expenditures/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.

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)

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)

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
- Boji 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. 5 – Accounts for the activity of tax incremental district No. 5, 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. 7 – Accounts for the activity of tax incremental district No. 7, 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

Fiduciary Funds

The City reports the following fiduciary fund:

Custodial Funds – used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units. The City accounts for tax collections payable to overlying taxing jurisdictions in a custodial fund.

-Tax collection

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 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 custodial fund statement of net position.

Property tax calendar - 2019 tax roll:

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

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 airport fuel and expendable supplies held for consumption. Expendable supplies, 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 three years. 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. 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, 2019 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 \$23,477,150, 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 (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, 2018, 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 benefit terms. Investments are reported at fair value.

R. Other Postemployment Benefits

Group life insurance plan

The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIF's fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

City health insurance plan

For purposes of measuring the OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information of the City's Other Postemployment Benefit Plan (the Plan) has been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

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 and advances) 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 is to strive to maintain an unassigned fund balance equal to 20% of the General Fund budget.

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)

S. 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 items that qualify for reporting in this category. The deferred outflows of resources were derived from the OPEB plans and the WRS pension system.

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 items that qualify for reporting in this category. Deferred inflows of resources related to the OPEB plans are discussed in Note 7 and Note 8, deferred inflows of resources related to the WRS pension system are discussed in Note 9, and the remaining deferred inflows of resources are discussed in Note 14.

T. Change in Accounting Principle

Effective January 1, 2019, the City adopted provisions of GASB statement No. 84, Fiduciary Activities. GASB No. 84 establishes general criteria for determining what activities should be reported in the fiduciary funds and requires the recognition of a liability when an event has occurred that requires the disbursement of fiduciary resources. GASB No. 84 replaces Agency Fund types with Custodial Funds for the accumulation of assets for entities outside the government's reporting entity. Unlike Agency Funds, custodial funds present a statement of net position and a statement of changes in net position. The statement of changes in fiduciary net position report additions and deductions for taxes collected and distributed on behalf of or to other governments.

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, 2019, the cash and investments included the following:

Deposits with financial institutions	\$ 4,907,855
Wisconsin Local Government Investment Pool	12,486,211
Petty cash	1,381
<u>Total</u>	<u>\$ 17,395,447</u>

Cash and investments as of December 31, 2019 are classified in the accompanying financial statements as follows:

Exhibit A-1:	
Cash and investments	\$ 9,703,322
Restricted cash and investments	4,993,297
Exhibit A-10:	
Cash and investments	2,698,828
<u>Total cash and investments</u>	<u>\$ 17,395,447</u>

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.
- Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, 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 five years from the date of purchase.

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Bank accounts and the local government investment pool are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the relatively small size of the Guarantee 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, 2019, \$3,894,596 of the City's deposits were insured by the FDIC or NCUA, \$756,960 were insured by a federal home loan bank letter of credit, and \$1,206 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.

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 based on stated rates (both 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 <https://doa.wis.gov/Pages/StateFinances/LGIP.aspx>. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2019, the fair value of the City's share of the LGIP's assets was substantially equal to the amount 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, 2019 was: 88.05% in U.S. Government Securities, 2.70% in Bankers' Acceptances and 9.25% 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 3 CASH AND INVESTMENTS (CONTINUED)

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 to 24 months	
		Amount	Percentage	Amount	Percentage
Certificates of deposit	\$ 3,588,103	\$ 3,535,011	98.5%	\$ 53,092	1.5%
Local Government Investment Pool	12,486,211	12,486,211	100%		
Totals	\$ 16,074,314	\$ 16,021,222	99.7%	\$ 53,092	0.3%

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, 2019, the City's investments were rated as follows:

Wisconsin Local Government Investment Pool	Amount	Rating
	\$ 12,486,211	Not Rated

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.

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NOTE 4

CAPITAL ASSETS

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

	Balance 1/1/19	Additions	Deletions	Balance 12/31/19
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 3,540,998	\$ 17,700		\$ 3,558,698
Construction in progress	589,828	1,065,922	(473,989)	1,181,761
Total capital asset not being depreciated	4,130,826	1,083,622	(473,989)	4,740,459
Other capital assets				
Land improvements	3,621,841	24,659		3,646,500
Buildings and improvements	9,299,119	104,015		9,403,134
Machinery and equipment	5,236,435	5,000		5,241,435
Vehicles	4,586,391	165,680	(98,992)	4,653,079
Infrastructure	62,090,960	3,217,381	(418,032)	64,890,309
Total other capital assets at historical costs	84,834,746	3,516,735	(517,024)	87,834,457
Less accumulated depreciation for:				
Land improvements	931,813	166,442		1,098,255
Buildings and improvements	4,290,003	207,723		4,497,726
Machinery and equipment	2,464,318	463,888		2,928,206
Vehicles	2,439,527	294,640	(86,291)	2,647,876
Infrastructure	21,537,265	2,167,249	(191,244)	23,513,270
Total accumulated depreciation	31,662,926	3,299,942	(277,535)	34,685,333
Net other capital assets	53,171,820	2,167,793	(239,489)	55,149,124
Total net capital assets	\$ 57,302,646	\$ 1,500,415	\$ (713,478)	\$ 57,889,583
Depreciation expense was charged to functions as follows:				
Governmental Activities				
General government			\$ 60,623	
Public safety			282,719	
Transportation, which includes the depreciation of infrastructure			2,520,591	
Leisure activities			426,568	
Health and human services			5,522	
Industrial development			3,919	
Total governmental activities depreciation expense			\$ 3,299,942	

NOTE 4

CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Additions	Removals	Ending Balance
Business-Type Activities:				
Capital assets not being depreciated:				
Intangible plant	\$ 8,978	\$	\$	\$ 8,978
Land and land rights	40,438			40,438
Construction in progress	458,189	436,227	(458,189)	436,227
Total capital assets not being depreciated	507,605	436,227	(458,189)	485,643
Capital assets being depreciated:				
Water:				
Source of supply	765,539	895,328	(86,228)	1,574,639
Pumping	2,079,252	15,600	(30,000)	2,064,852
Water treatment	1,413,694			1,413,694
Transmission and distribution	19,605,219	991,908	(308,700)	20,288,427
General plant	795,621	15,970		811,591
Sewer:				
Collection system	16,261,383	604,736	(96,825)	16,769,294
Treatment and disposal	10,245,812	32,069	(33,441)	10,244,440
General plant	1,146,235	115,220	(113,394)	1,148,061
Total capital assets being depreciated	52,312,755	2,670,831	(668,588)	54,314,998
Less: accumulated depreciation for:				
Water:				
Source of supply	270,381	33,662	(116,078)	187,965
Pumping	1,041,141	62,662	(30,000)	1,073,803
Water treatment	412,070	44,206		456,276
Transmission and distribution	4,495,779	379,629	(308,700)	4,566,708
General plant	653,116	57,134		710,250
Sewer:				
Collection system	1,942,202	194,328	(90,158)	2,046,372
Treatment and disposal	8,089,015	282,082	(32,937)	8,338,160
General plant	741,719	85,711	(37,895)	789,535
Total accumulated depreciation	17,645,423	1,139,414	(615,768)	18,169,069
Net capital assets being depreciated	34,667,332	1,531,417	(52,820)	36,145,929
Total net capital assets	\$ 35,174,937	\$ 1,967,644	\$ (511,009)	\$ 36,631,572
Depreciation expense consisted of the following:				
Business-Type Activities:				
Water and sewer depreciation (Per Exhibit A-6)			\$ 1,139,414	

NOTE 5

LONG-TERM OBLIGATIONS

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

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due within One Year
Governmental Activities					
General obligation debt-nondirect:	\$ 20,140,000	\$ 1,125,000	\$ (1,690,000)	\$ 19,575,000	\$ 1,590,000
Bonds and Notes from direct borrowings and direct placements	1,445,415		(57,017)	1,388,398	52,882
Tax increment revenue bonds-direct borrowings and direct placements	2,917,031		(476,139)	2,440,892	491,502
Other liabilities:					
Compensated absences	382,160		(2,118)	380,042	74,976
Total governmental activities long-term liabilities	\$ 24,884,606	\$ 1,125,000	\$ (2,225,274)	\$ 23,784,332	\$ 2,209,360
Business-type Activities					
Revenue bonds - nondirect	\$ 10,360,000	\$ 1,625,000	\$ (440,000)	\$ 11,545,000	\$ 321,825
Revenue bonds - direct borrowings and direct placements	3,991,279		(314,305)	3,676,974	535,000
Other liabilities:					
Compensated absences	138,113	6,410		144,523	15,108
Total business-type activities long-term liabilities	\$ 14,489,392	\$ 1,631,410	\$ (754,305)	\$ 15,366,497	\$ 871,933

The compensated absences liability attributed to governmental activities are typically being liquidated in the general fund.

General Obligation Debt

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, 2019 was \$35,394,570. Total general obligation debt outstanding at year-end was \$20,963,398. City policy limits general obligation indebtedness to 3.5% of the equalized value of taxable property within the city's jurisdiction, or \$24,776,199. As of December 31, 2019, outstanding general obligation debt was within the limits established by Wisconsin Statutes and City policy.

NOTE 5

LONG-TERM OBLIGATIONS (CONTINUED)

General Obligation Debt (Continued)

	Date of Issue	Final Maturity	Interest Rates	Original Amount	Balance 12/31/2019
Governmental Activities					
General obligator: debt:					
General obligation bonds	3/7/2012	3/1/2023	2.0-3.0%	\$ 1,725,000	\$ 1,050,000
General obligation notes	3/28/2013	10/1/2021	2.125-2.25	935,000	200,000
General obligation bonds	3/28/2013	10/1/2028	2.25-3.0	3,240,000	3,240,000
General obligation notes	10/1/2013	10/1/2023	2.5-3.25	5,000,000	2,375,000
General obligation notes	2/12/2014	10/1/2020	2.00	5,000,000	380,000
General obligation notes	4/6/2015	4/6/2022	1.98	172,000	137,770
General obligation bonds	12/29/2015	3/1/2033	1.875-3.8	3,790,000	3,450,000
General obligation bonds	6/2/2016	12/1/2025	1.05-1.85	2,520,000	2,160,000
General obligation bonds	6/1/2017	9/1/2036	1.55-3.35	1,375,000	1,375,000
General obligation bonds	10/4/2017	10/1/2029	2.5-3.0	2,975,000	2,975,000
State trust fund loan	4/27/2018	3/15/2038	4.00	1,300,000	1,250,628
General obligation bonds	5/10/2018	3/1/2026	3.0-3.25	1,245,000	1,245,000
General obligation bonds	5/20/2019	9/1/2034	3.0-4.0	1,125,000	1,125,000
Total governmental activities - general obligation debt					\$ 20,963,398

Debt service requirements to maturity are as follows:

Years	Bonds and Notes - Nondirect		Bonds and Notes from Direct Borrowings and Direct Placements		Total
	Principal	Interest	Principal	Interest	
2020	\$ 1,590,000	\$ 529,686	\$ 2,119,686	\$ 52,882	\$ 105,698
2021	1,965,000	484,641	2,449,641	54,978	105,698
2022	2,045,000	435,849	2,480,849	170,927	218,065
2023	2,160,000	382,245	2,542,245	50,863	95,247
2024	1,750,000	327,490	2,077,490	52,781	42,466
2025-2029	7,325,000	972,263	8,297,263	297,849	178,387
2030-2034	2,540,000	236,388	2,776,388	362,406	476,236
2035-2038	200,000	10,050	210,050	345,712	380,989
Totals	\$ 19,575,000	\$ 3,378,612	\$ 22,953,612	\$ 1,388,398	\$ 1,953,416

NOTE 5

LONG-TERM OBLIGATIONS (CONTINUED)

Tax Incremental 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.

Tax increment revenue bonds payable at December 31, 2019 consist of the following:

Date of Issue	Final Maturity	Interest Rates	Original Amount	Balance 12/31/2019
9/12/2013	9/12/2026	4.303%	\$ 2,000,000	\$ 1,214,551
3/29/2018	3/31/2023	2.49%	1,720,000	1,226,341
Total governmental activities – tax increment revenue bonds				\$ 2,440,892

Debt service requirements to maturity are as follows:

Governmental Activities

Tax Increment Revenue Debt - Direct

Years	Borrowing and Direct Placements		
	Principal	Interest	Total
2020	\$ 491,502	\$ 80,633	\$ 572,135
2021	506,633	65,502	572,135
2022	522,175	49,960	572,135
2023	354,205	33,905	388,110
2024	179,842	24,229	204,071
2025-2026	386,535	24,910	411,445
Totals	\$ 2,440,892	\$ 279,139	\$ 2,720,031

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, 2019 consists of the following:

	Date of Issue	Final Maturity	Interest Rates	Original Amount	Balance 12/31/2019
Clean water revenue bonds	12/10/2008	5/1/2028	2.339%	\$ 2,473,498	\$ 1,264,386
Clean water revenue bonds	11/1/2010	5/1/2030	2.428	3,964,010	2,412,588
Revenue bonds	3/7/2012	5/1/2032	3.0-4.0	6,750,000	5,350,000
Revenue bonds	6/24/2015	5/1/2035	3.0-4.0	5,425,000	4,570,000
Revenue bonds	12/4/2019	5/1/2038	2.0-4.0	1,625,000	1,625,000
Total				\$ 15,227,508	\$ 15,221,974

NOTE 5

LONG-TERM OBLIGATIONS (CONTINUED)

Business-type Activities

Debt service requirements to maturity are as follows:

Years	Revenue Bonds - Non-direct		Revenue Bonds from Direct Borrowings and Direct Placements	
	Principal	Interest	Principal	Interest
2020	\$ 535,000	\$ 390,613	\$ 321,825	\$ 84,302
2021	540,000	377,793	329,526	76,509
2022	580,000	360,293	337,410	68,530
2023	615,000	341,618	345,483	60,361
2024	620,000	322,343	353,750	51,995
2025-2029	3,725,000	1,272,015	1,742,413	129,161
2030-2034	4,170,000	447,370	246,567	2,993
2034-2035	760,000	28,004	788,004	
Totals	\$ 11,545,000	\$ 3,540,049	\$ 15,085,049	\$ 473,851

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 to 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, 2019, the "net revenues" of the system were \$2,989,805 or 2.25 times the annual debt service requirement.

NOTE 6

LONG-TERM ADVANCES

The following is a schedule of interfund advances at December 31, 2019:

Receivable Fund	Payable Fund	Amount
Debt service	Airport	\$ 62,673
General	TIF #6	378,724
Water and sewer utility	TIF #6	65,552
Water and sewer utility	TIF #7	262,306
	Total	\$ 769,255

On December 31, 2019 the airport was obligated to the debt service fund for \$62,673 on long-term advances for improvements which matures as follows:

Year	Principal	Interest	Total
2020	\$ 14,662	\$ 2,438	\$ 17,100
2021	15,314	1,786	17,100
2022	15,993	1,107	17,100
2023	16,704	396	17,100
Total	\$ 62,673	\$ 5,727	\$ 68,400

The final payment on the \$62,673 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

OTHER POSTEMPLOYMENT BENEFITS – MULTIPLE EMPLOYER LIFE INSURANCE PLAN

Plan description. The Local Retiree Life Insurance Fund (LRLIF) is a multiple-employer defined benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides post-employment life insurance benefits for all eligible employees.

OPEB Plan Fiduciary Net Position. ETF issues a standalone Comprehensive Annual Financial Report (CAFR), which can be found at <http://efw.tn.gov/publications/cafr.htm>.

Benefits provided. The LRLIF plan provides fully paid up life insurance benefits for post-age 64 retired employees and pre-65 retirees who pay for their coverage.

NOTE 7 OTHER POSTEMPLOYMENT BENEFITS – MULTIPLE EMPLOYER LIFE INSURANCE PLAN (CONTINUED)

Contributions. The Group Insurance Board approves contribution rates annually, based on recommendations from the insurance carrier. Recommended rates are based on an annual valuation, taking into consideration an estimate of the present value of future benefits and the present value of future contributions. A portion of employer contributions made during a member's working lifetime funds a post-retirement benefit.

Employees are required to pay the following contributions based on employee contributions for active members to those age 70 and over. There are no employer contributions required for pre-age 65 annuitant coverage. If a member retires prior to age 65, they must continue paying the employee premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution rates as of December 31, 2019 are:

Coverage Type	Employer Contribution
25% Post Retirement Coverage	20% of employee contribution

Employee contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The employee contribution rates in effect for the year ended December 31, 2018 are as listed below:

Life Insurance Employee Contribution Rates* For the year ended December 31, 2018		
Attained Age	Basic	Supplemental
Under 30	\$0.05	\$0.05
30-34	0.06	0.06
35-39	0.07	0.07
40-44	0.08	0.08
45-49	0.12	0.12
50-54	0.22	0.22
55-59	0.39	0.39
60-64	0.49	0.49
65-69	0.57	0.57

* Disabled members under age 70 receive a waiver-of-premium benefit

During the reporting period, the LRLIF recognized \$1,666 in contributions from the employer.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

At December 31, 2019, the LRLIF Employer reported a liability (asset) of \$223,142 for its proportionate share of the net OPEB liability (asset). The net OPEB liability (asset) was measured as of December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net OPEB liability (asset) was based on the City's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2018, the City's proportion was .08647800%, which was a decrease of .0178435% from its proportion measured as of December 31, 2017.

NOTE 7 OTHER POSTEMPLOYMENT BENEFITS—MULTIPLE EMPLOYER LIFE INSURANCE PLAN (CONTINUED)

For the year ended December 31, 2019, the City recognized OPEB expense of \$15,071.

OPEB 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 OPEB plan made by the proprietary fund and business-type activities relative to the total contributions made by the City.

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 21,291	\$ 11,319
Changes of assumptions		48,368
Net differences between projected and actual earnings on OPEB plan investments	5,333	
Changes in proportion and differences between employer contributions and proportionate share of contributions		43,461
Employer contributions subsequent to the measurement date	1,887	
Totals	\$ 28,511	\$ 103,148

\$1,887 reported as deferred outflows related to OPEB resulting from the City employer's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	Net Outflows (Inflows) of Resources
Year ended December 31:	
2020	\$ (11,488)
2021	(11,488)
2022	(11,488)
2023	(12,237)
2024	(13,009)
Thereafter	(16,814)
Total	\$ (76,524)

NOTE 7 OTHER POSTEMPLOYMENT BENEFITS—MULTIPLE EMPLOYER LIFE INSURANCE PLAN (CONTINUED)

Actuarial assumptions. The total OPEB liability in the January 1, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2018	December 31, 2018
Measurement Date of Net OPEB Liability (Asset)	December 31, 2018	
Actuarial Cost Method:	Entry Age Normal	
20 Year Tax-Exempt Municipal Bond Yield:	4.10%	
Long-Term Expected Rate of Return:	5.00%	
Discount Rate:	4.22%	
Salary Increases	3.00%	
Inflation:	0.1% - 5.6%	
Seniority/Merit:		Wisconsin 2018 Mortality Table
Mortality:		

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. Based on this experience study, actuarial assumptions used to measure the Total OPEB Liability changed from prior year, including the discount rate, wage inflation rate, mortality and separation rates. The Total OPEB Liability for December 31, 2018 is based upon a roll-forward of the liability calculated from the December 31, 2017 actuarial valuation.

Long-term expected Return on Plan Assets. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Investments for the LRLIF are held with Securitan, the insurance carrier. Interest is calculated and credited to the LRLIF based on the rate of return for a segment of the insurance carriers' general fund, specifically 10-year A-Bonds (as a proxy, and not tied to any specific investments). The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were originally invested and the rate of return for that year. Investment interest is credited based on the aggregate rate of return and assets are not adjusted to fair market value. Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto.

**Local OPEB Life Insurance
Asset Allocation Targets and Expected Returns
As of December 31, 2018**

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
US Government Bonds	Barclays Government	1%	1.44%
US Credit Bonds	Barclays Credit	40%	2.69%
US Long Credit Bonds	Barclays Long Credit	4%	3.01%
US Mortgages	Barclays MBS	54%	2.25%
US Municipal Bonds	Bloomberg Barclays Muni	1%	1.68%
Inflation			2.30%
Long-Term Expected Rate of Return			5.00%

NOTE 7 OTHER POSTEMPLOYMENT BENEFITS – MULTIPLE EMPLOYER LIFE INSURANCE PLAN (CONTINUED)

Single Discount rate. A single discount rate of 4.22% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 3.63% for the prior year. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

Sensitivity of the City's proportionate share of the net OPEB liability (asset) to changes in the discount rate. The following presents the City's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 4.22 percent, as well as what the City's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (3.22 percent) or 1-percentage-point higher (5.22 percent) than the current rate:

	1% Decrease to Discount Rate (3.22%)	Current Discount Rate (4.22%)	1% Increase to Discount Rate (5.22%)
City's proportionate share of the net OPEB liability (asset)	\$317,435	\$223,142	\$150,417

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

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS – SINGLE EMPLOYER HEALTH INSURANCE PLAN

Plan Description – The City operates a single-employer retiree benefit plan that provides postemployment health insurance benefits to eligible employees. Benefits and eligibility are established and amended by the City Council. The plan does not issue stand-alone financial statements. Current approved benefits are as follows:

Employees Retiring from the City that are also eligible for the Wisconsin Retirement System: Retirees may choose to remain on the City's group medical plan until age 65 provided they self-pay the full (100%) amount of all required premiums. Eligible retirees also receive an HRA benefit for reimbursement of a portion of the high deductible health plan up to \$1,100 for single and \$2,200 for family coverage.

Funding Policy – The City will fund the OPEB with a pay-as-you go basis. There are no assets accumulated in a trust that meet the criteria in Governmental Accounting Standards to pay related benefits.

Employees Covered by Benefit Terms – At December 31, 2017, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	10
Inactive employees entitled to but not yet receiving benefit payments	68
Active employees	<u>78</u>

Total OPEB Liability – The City's total OPEB Liability of \$765,969 was measured at December 31, 2018, and was determined by an actuarial valuation as of December 31, 2017, rolled forward to December 31, 2018. No material changes in assumptions or benefit terms occurred between the actuarial date and the measurement date.

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS – SINGLE EMPLOYER HEALTH INSURANCE PLAN (CONTINUED)

Actuarial Assumptions and Other Inputs – The total OPEB liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	December 31, 2017
Measurement date	December 31, 2018
Actuarial cost method	Entry age normal (level percent of salary)
Inflation	2.5 percent
Salary increases	3.0 percent, average, including inflation
Discount rate	3.5 percent
Healthcare cost trend rates	4.50% in the first year then 7.0% decreasing by 0.50% per year down to 6.50%, then down by 0.10% per year down to 5.0%, and level thereafter

Retirees' share of benefit-related costs Retirees are responsible for the full (100%) amount of premiums.

The discount rate is based on the Bond Buyer Go 20-Year AA Bond Index published by the Federal Reserve for the week at the beginning of the measurement period.

Mortality rates were based on the Wisconsin 2012 Mortality Table.

The actuarial assumptions used in the December 31, 2017 valuation were based on a study conducted in 2015 using the Wisconsin Retirement System (WRS) experience from 2012-2014

Changes in the Total OPEB Liability:

Balance at 12/31/2017	\$ 752,532	Total OPEB Liability
Changes for the year:		
Service cost	57,334	
Interest	26,537	
Changes of benefit terms	-	
Differences between expected and actual experience	(24,426)	
Changes in assumptions or other inputs	(46,008)	
Benefit payments	13,437	
Net Changes	<u>13,437</u>	
Balance at 12/31/2018	\$ 765,969	

There were no changes of benefit terms.

The discount rate was increased to be reflective of a 20-year AA municipal bond rate (4.00%) as of the measurement date in order to be compliant with GASB 75. All other assumptions and methods remained unchanged from the valuation performed as of December 31, 2017.

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS – SINGLE EMPLOYER HEALTH INSURANCE PLAN (CONTINUED)

\$46,061 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended December 31, 2020. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31:	\$
2020	(2,443)
2021	(2,443)
2022	(2,443)
2023	(2,443)
2024	(2,443)
Thereafter	(9,768)
Total	\$ (21,983)

NOTE 9 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://efw.wi.gov/publications/cafr.htm>.

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

Benefits provided. Employees who retire at or after age 65 (\$4 for protective occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before 12/31/2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

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

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

The WRS also provides death and disability benefits for employees.

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS – SINGLE EMPLOYER HEALTH INSURANCE PLAN (CONTINUED)

Sensitivity of the total OPEB liability to changes in the discount rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.00 percent) or 1-percentage-point higher (5.00 percent) than the current discount rate:

	1% Decrease 3.00%	Current Discount Rate 4.00%	1% Increase 5.00%
Total OPEB Liability 12/31/2018	\$ 815,555	\$ 765,969	\$ 719,409

Sensitivity of the total OPEB liability to changes in healthcare cost trend rates

The following represents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.0 percent decreasing to 4.0 percent) or 1-percentage-point higher (8.0 decreasing to 6.0 percent) than the current healthcare cost trend rates:

	1% Decrease (3.5% in First Year, then 6.0% decreasing to 4.0%)	Healthcare Cost Trend Rates (4.5% in First Year, then 7.0% decreasing to 5.0%)	1% Increase (5.5% in First Year, then 8.0% decreasing to 6.0%)
Total OPEB Liability 12/31/2018	\$ 695,795	\$ 765,969	\$ 849,525

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2019, the City recognized OPEB expense of \$81,428.

OPEB 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 OPEB plan made by the proprietary fund and business-type activities relative to the total contributions made by the City.

At December 31, 2019 the city reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	\$ -	\$ -
Changes of assumptions or other inputs	46,061	21,983
Contributions after the measurement date	-	-
Total	\$ 46,061	\$ 21,983

NOTE 9 DEFINED BENEFIT PENSION PLAN (CONTINUED)

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 (42%)
2009	(2.1%)	
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17

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. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee Category. Required contributions for protective employees are the same rate as general employees. 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.

During the reporting period, the WRS recognized \$316,289 in contributions from the employer.

Contribution rates as of December 31, 2019 are:

	2019	
	Employee	Employer
General (including teachers, executives, and elected officials)	6.55%	6.55%
Protective with social security	6.55%	10.55%
Protective without social security	6.55%	14.95%

NOTE 9 DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

At December 31, 2019, the City reported a liability (asset) of \$1,120,880 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2018, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension liability (asset) was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2018, the City's proportion was 0.03150589%, which was a decrease of 0.00052886% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the City recognized pension expense of \$765,426.

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, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 872,996	\$ 1,543,143
Changes of assumptions	188,939	
Net differences between projected and actual earnings on pension plan investments	1,636,970	
Changes in proportion and differences between employer contributions and proportionate share of contributions	11,999	
Employer contributions subsequent to the measurement date	320,320	
Total	\$ 3,031,224	\$ 1,543,143

NOTE 9 DEFINED BENEFIT PENSION PLAN (CONTINUED)

\$320,320 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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year ended December 31:	Net Outflows (Inflows) of Resources
2020	\$ 425,537
2021	109,226
2022	184,424
2023	448,574
Total	\$ 1,167,761

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

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

* No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.9% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. Based on this experience study, actuarial assumptions used to measure the Total Pension Liability changed from prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, mortality and separation rates. The Total Pension Liability for December 31, 2018 is based upon a roll-forward of the liability calculated from the December 31, 2017 actuarial valuation.

NOTE 9 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:

Asset Allocation Targets and Expected Returns As of December 31, 2018	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Core Fund Asset Class	49	8.1	5.5
Global Equities			
Fixed Income	24.5	4.0	1.5
Inflation Sensitive Assets	15.5	3.8	1.3
Real Estate	9	6.5	3.9
Private Equity/Debt	8	9.4	6.7
Multi-Asset	4	6.7	4.1
Total Core Fund	110	7.3	4.7
Variable Fund Asset Class			
U.S. Equities	70	7.6	5.0
International Equities	30	8.5	5.9
Total Variable Fund	100	8.0	5.4

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

Single Discount rate. A single discount rate of 7.00% was used to measure the Total Pension Liability, as opposed to a discount rate of 7.20% for the prior year. This single discount rate is based on the expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.71%. Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 9 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 7.00 percent, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease to Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase to Discount Rate (8.00%)
City's proportionate share of the net pension liability (asset)	\$4,454,497	\$1,120,880	(\$1,357,921)

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/csf.htm>.

NOTE 10 CONTINGENT LIABILITIES

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

1. 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.
2. 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 11 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, 2019, the compensated absences consisted of:

Sick leave	\$ 434,481
Vacation	90,084
Total	\$ 524,565

NOTE 12 TAX INCREMENTAL DISTRICTS

Transactions of the tax incremental district to December 31, 2019 are summarized below:

	TIF #4	TIF #5	TIF #6	TIF #7
Project expenditures to 12/31/19	\$ 4,286,936	\$ 12,093,044	\$ 9,063,656	\$ 11,928,292
Accumulated credits to project expenditures:				
Tax increments collected	2,906,288	10,738,526	3,425,877	1,422,418
Developer agreement payments			112,247	433,756
EDA grant	1,366,543		382,667	178,808
Community development block grant				909,276
WEDC grants				392,279
Tax exempt computer aid	24,960	105,964	5,445	47,556
Tax exempt personal property aid	1,854	5,369	3,001	2,568
Interest income			215,010	92,164
Miscellaneous income	3,303	24,198	15,176	107,506
Transfer from other funds				1,898,977
Total accumulated credits	4,302,948	10,874,057	4,159,423	5,485,308
Excess of project expenditures over accumulated credits to 12/31/19	\$ (16,012)	\$ 1,218,987	\$ 4,904,233	\$ 6,442,984
Notes payable				
outstanding 12/31/19	\$	\$ 1,226,341	\$ 4,459,551	\$ 6,250,627
Fund balance (positive) 12/31/19	(16,012)	(7,354)	444,682	192,357
Project expenditures to be recovered subsequent to 12/31/19	\$ (16,012)	\$ 1,218,987	\$ 4,904,233	\$ 6,442,984

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.

In 2017, TIF #5 began increment sharing with TIF #7. The increment sharing is recorded as a TIF #5 project expenditure in the table above and reflected as a transfer in the statement of revenues, expenditures, and changes in fund balances for the governmental funds.

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	11/12/06	11/12/14	3/24/20
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

The life of District #6 is expected to be extended to allow additional time to recover its project costs.

NOTE 13 GOVERNMENTAL ACTIVITIES NET POSITION/FUND BALANCES (CONTINUED)

GOVERNMENTAL FUND BALANCES (Continued)

Restricted:		
Major Funds:		
General Fund:		\$ 32,406
Donor restricted:		
Parking spaces		18,268
Parks Beining Trust:		41,653
Parks		31,391
Museum		8,505
Museum donations		1,227
New park		19,370
M. Harrison Trust		300
Swim team		40,240
Park camping		2,102
Legion Park Trust		321
Tree		7,877
Automated external defibrillator		425
Recreation scholarships		6,439
Family theatre		1,980
Fireworks		9,211
Splash playground		17,794
Police		5,691
Cyril Clayton Trust		70,073
Cemetery		984
Senior Center		40
Historic Preservation Community		1,288
Sports complex		86,487
Animal care		404,072
Park impact fees		92,861
Total General Fund		79,287
Debt service		576,220
Community development block grant		
Total Major Funds		

NOTE 13 GOVERNMENTAL ACTIVITIES NET POSITION/FUND BALANCES

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

GOVERNMENTAL ACTIVITIES		
Net investment in capital assets		\$ 4,740,459
Land and construction work in progress		53,149,124
Other capital assets, net of accumulated depreciation		(20,051,968)
Less: long-term capital debt outstanding		(255,481)
Less: unamortized bond premium		37,582,134
Total net investment in capital assets		
Restricted for:		
Redevelopment authority		276,858
Housing conservation		84,820
Donor specified		317,585
Impact fees		86,487
Community development grant restricted		1,481,360
Library endowment		5,905
Perpetual care		564,737
Taxi/Bus		41,364
TIF expenditures		66,065
Total restricted		2,925,181
Unrestricted		272,449
Total governmental activities net position		\$ 40,779,764

GOVERNMENTAL FUND BALANCES

Governmental fund balances reported on the fund financial statements at December 31, 2019 includes the following:

Nonspendable:		
Major Funds:		
General Fund:		\$ 378,724
Advances to other funds		12,114
Delinquent taxes		
Debt Service:		
Advances to other funds		62,673
Total Major Funds		453,511
Non-Major Funds:		
Airport:		
Fuel inventory		15,805
Total Non-Major Funds		15,805
Total nonspendable		\$ 469,316

NOTE 13 GOVERNMENTAL ACTIVITIES NET POSITION/FUND BALANCES (CONTINUED)

GOVERNMENTAL FUND BALANCES (Continued)

Restricted (Continued):

Non-Major Funds:	
Airport	152,839
Redevelopment authority	193,147
Perpetual care	564,737
Housing conservation	13,007
Library	5,905
Taxi/Bus	41,364
TIF District No. 4	16,012
TIF District No. 5	7,354
TIF District No. 7	42,699
Total Non-Major Funds	<u>1,037,064</u>
Total restricted	<u>\$ 1,613,284</u>

Assigned:

Major Funds:

General Fund:	
Police funds	\$ 249
Museum funds	46,976
Fire department	3,253
Library building	18,448
Ambulance outlay	4,209
Ambulance services	4,679
Senior center	7,841
Street maintenance	14,200
Capital outlay	479,753
Capital Projects:	309,075
Total assigned	<u>\$ 888,683</u>

The following funds had (deficit) unassigned fund balances at December 31, 2019:

Non-Major Funds:	
TIF District No. 6	(444,682)
TIF District No. 7	(235,056)
Total non-major funds	<u>(679,738)</u>
Total (deficit)	<u>\$ (679,738)</u>

NOTE 14 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, 2019 the various components of deferred inflows of resources reported in the governmental funds were as follows:

Property tax receivable and tax roll special charges	\$ 4,780,915
Tax increment receivable	2,049,756
Tax Equivalent	421,440
Payment in lieu of taxes received for subsequent year	110,414
Loans receivable	459,326
Mortgages receivable	1,473,886
Total deferred inflows of resources for governmental funds	<u>\$ 9,295,737</u>

The mortgages receivable of \$1,473,886 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 \$459,326 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 15

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, 2019 was \$2,483,113.

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.

NOTE 16

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	Purpose
Governmental Funds:			
General	Water and sewer	\$ 421,440	Tax Equivalent
General	Community Development Block Grant	5,227	Cash flow
	Total	<u>\$ 426,667</u>	
Enterprise Funds:			
Water and sewer	General Fund	<u>\$ 14,476</u>	Tax roll items

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	Purpose
Governmental Funds:			
Capital projects	General	\$ 557,848	Various outlays
General	Capital projects	50,000	Library outlay
TIF #7	TIF #5	594,530	Tax increment sharing
	Total	<u>\$ 1,202,378</u>	
Proprietary Funds			
General	Water utility	<u>\$ 421,440</u>	Tax equivalent

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 17

COMMITMENTS/SUBSEQUENT EVENTS

The following items were approved and will be purchased or completed subsequent to December 31, 2019:

- Utility digester cleaning for \$95,470.
- The City is in the process of renovating City Hall. The total project is estimated to cost \$750,000. Costs of approximately \$403,000 were incurred through December 31, 2019, leaving approximately \$347,000 remaining to be completed after yearend.
- Deregulation of the sewer utility.
- Replacing up to 10 manholes at a cost of approximately \$87,000.
- Market Street reconstruction for approximately \$764,000.
- S. Court Street and N. 3rd Street water main replacement for approximately \$200,000.

The recent spread of the COVID-19 coronavirus has created economic uncertainty domestically and internationally. The potential of COVID-19 having financial and economic impact on the City is a possibility, although the full impact is unknown at this time.

NOTE 18

TAX ABATEMENTS

Tax abatements are a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forego tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

The City of Platteville, through its Tax Incremental Financing District No. 6, has entered into a tax abatement agreement with a developer in the form of tax incremental financing incentives to stimulate economic development. The abatements are authorized through the Tax Incremental Financing District No. 6 project plan. The agreement requires the City to make annual repayments of property taxes collected within the TID to the developer based upon the terms of the agreements.

For the year ended December 31, 2019, the City abated property taxes totaling \$70,243 related to a Tax Incremental Financing District No. 6 agreement.

NOTE 19

TAX LEVY LIMIT

Wisconsin Act 32 imposes a limit on the property tax levies for all Wisconsin cities, villages, towns and counties. Under 2011 Wisconsin Act 32, in 2011 and all future years, a municipality is allowed to increase its levy over the amount it levied in the prior year by the percentage increase in equalized value from net new construction or zero percent. All of the exceptions and modifications to levy limits that existed under previous law continue to apply.

In addition, as part of Wisconsin's Act 20 (2013), legislation was passed that further limits future tax levies. If the City adopts a new fee or a fee increase for covered services (which were partly or wholly funded by property tax levy), the City must reduce its levy limit in the current year by the amount of the new fee or fee increase, less any previous reductions. Covered services include garbage collection, snow plowing, and street sweeping. The City has the ability to increase tax levies through the unutilized debt service adjustment.

City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2019

NOTE 20 COMPONENT UNIT – HOUSING AUTHORITY

A. Cash and Investments

At year-end, the carrying amount of the housing authority's deposits was \$19,858 and the bank balance was \$21,342. 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:

	Balance 1/1/19	Additions	Retirements	Balance 12/31/19
Cost:				
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 21 EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT PERIOD FINANCIAL STATEMENTS

The Governmental Accounting Standards Board (GASB) has adopted GASB Statement No. 87, Leases. When this standard becomes effective, portions of these financial statements may be restated.

**BUDGETARY COMPARISON SCHEDULE FOR THE GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Budgeted Amounts		Actual	Variances- Positive (Negative)	
	Original	Final		Original to Actual	Final to Actual
REVENUES					
Taxes	\$ 2,973,905	\$ 2,973,905	\$ 3,007,396	\$ 33,491	\$ 33,491
Special assessments	12,680	12,680	14,891	2,211	2,211
Intergovernmental	3,851,629	3,851,629	3,805,192	(46,437)	(46,437)
Licenses and permits	163,200	163,200	105,553	(57,647)	(57,647)
Fines and forfeitures	162,500	162,500	129,611	(32,889)	(32,889)
Public charges for services	618,997	618,997	700,031	81,034	81,034
Interest income	86,090	86,090	153,729	67,639	67,639
Loan repayments	12,565	12,565	12,565		
Miscellaneous	91,820	91,820	211,395	119,575	119,575
Total revenues	7,973,386	7,973,386	8,140,363	166,977	166,977
EXPENDITURES					
General government	1,276,000	1,267,098	1,162,404	113,596	104,694
Public safety	3,383,191	3,383,191	3,140,725	242,466	242,466
Public Works	1,619,513	1,625,149	1,526,928	92,585	98,221
Health and social services	158,524	158,524	148,501	10,023	10,023
Leisure activities	1,809,368	1,823,390	1,898,011	(88,643)	(74,621)
Conservation and development	330,689	330,689	322,336	8,353	8,353
Total expenditures	8,577,285	8,588,041	8,198,905	378,380	389,136
Excess (deficiency) of revenues over over expenditures	(603,899)	(614,655)	(58,542)	545,357	556,113
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of capital assets	600	600	5,274	4,674	4,674
Transfer to other funds	(492,033)	(499,119)	(557,848)	(65,815)	(58,729)
Transfer from other funds	2,520	2,520	50,000	47,480	47,480
Transfer from utility-tax equivalent	400,320	400,320	407,005	6,685	6,685
Total other financing sources (uses)	(88,593)	(95,679)	(95,569)	(6,976)	110
Net change in fund balances	(692,492)	(710,334)	(154,111)	538,381	556,223
Fund balance-beginning of year	4,488,022	4,488,022	4,488,022		
Fund balance-end of year	\$ 3,795,530	\$ 3,777,688	\$ 4,333,911	\$ 538,381	\$ 556,223

See accompanying notes to the required supplementary information.

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
Last 10 Calendar Years****

Year ended	Proportion of the net OPEB liability (asset)	Proportionate share of the net OPEB liability (asset)	Covered-employee payroll	Proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total OPEB liability (asset)
December 31, 2018	0.086478000%	\$ 223,142	\$ 3,904,000	5.72%	48.69%
2017	0.104321000%	\$ 313,858	\$ 4,386,996	7.15%	44.81%

**The proportionate share of the net OPEB 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	Contractually required contributions		Contributions in relation to the contractually required contributions		Contributions as a percentage of covered-employee payroll	
	2019	2018	2019	2018	2019	2018
December 31,	\$ 1,887	\$ 1,948	\$ (1,887)	\$ (1,948)	3,988,169	3,904,000
					0.05%	0.05%

**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.

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	2018	2017
Total OPEB Liability		
Service cost	\$ 57,334	\$ 57,334
Interest	26,537	24,773
Changes in benefit terms	-	-
Differences between expected and actual experience	-	-
Changes of assumptions or other inputs	(24,426)	-
Benefit payments	(46,008)	(17,427)
Net change in total OPEB	\$ 13,437	\$ 64,680
Total OPEB Liability- Beginning	752,532	687,852
Total OPEB Liability- Ending	\$ 765,969	\$ 752,532
Covered Employee Payroll	\$ 3,718,609	\$ 3,718,609
Total OPEB liability as a percentage of covered-employee payroll	20.60%	20.24%

This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is only presented for the years for which the required supplementary information is available.

Year ended December 31,	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	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)
2018	0.03150589%	\$ 1,120,880	\$ 4,040,929	27.74%	96.45%
2017	(0.03203475)%	(951,149)	4,148,866	(22.93%)	(102.93%)
2016	0.03215436%	265,028	4,094,108	6.47%	99.12%
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	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	Covered-employee payroll	Contributions as a percentage of covered-employee payroll
2019	\$ 320,320	\$ (320,320)	\$ -	\$ 3,988,169	8.03%
2018	318,909	(318,909)	-	4,040,929	7.89%
2017	328,551	(328,551)	-	4,148,866	7.92%
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.

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 3 preceding years.

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

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

NOTE 3

LOCAL RETIREE LIFE INSURANCE SCHEDULES

Governmental Accounting Standards Board Statement No. 75 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 LRLIF.

Changes of assumptions. Actuarial assumptions are based upon an experience study conducted in 2018 using experience from 2015 – 2017. Based on the experience study conducted in 2018, actuarial assumptions used to develop Total OPEB Liability changed, including the discount rate, wage inflation rate, and mortality and separation rates.

NOTE 4

OTHER POSTEMPLOYMENT BENEFITS PLAN – CITY HEALTH INSURANCE PLAN

Governmental Accounting Standards Board Statement No. 75 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 during the year.

Changes of assumptions. The discount rate was changed to be reflective of a 70-year AA municipal bond rate (4.00%) as of the measurement date in order to be compliant with GASB 75. All other assumptions and methods remained unchanged from the valuation performed as of December 31, 2017.

Assets. There are no assets accumulated in a trust that meet the criteria in governmental accounting standards to pay related benefits.

NOTE 5

EXCESS EXPENDITURES OVER APPROPRIATIONS

The following expenditures exceeded budget appropriations in the general fund:

	Excess Expenditure
Leisure activities	\$ 74,621

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Exhibit C-1
 City of Plattville, Wisconsin
 Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2019

	Special Revenue Funds				
	Airport	Redevelopment Authority	Housing Conservation Program	Livery (Litchfield)	Zaiger Trust
ASSETS					
Cash and investments	\$ 308,249	\$ 190,637	\$ 13,007	\$ 5,905	\$ 158,147
Receivables:					
Taxes		3,108			
Other accounts					
Other governments			71,813		
Mortgages					
Loans		231,481			
Inventory	15,805				
Total assets	\$ 333,096	\$ 415,226	\$ 84,820	\$ 5,905	\$ 158,147
LIABILITIES					
Accounts payable	\$ 100,515	\$ 598	\$	\$	\$
Accrued payroll	71				
Advances from other funds	62,673				
Unearned revenue	1,191				
Total liabilities	164,452	598			
DEFERRED INFLOWS OF RESOURCES					
Deferred revenue		221,481	71,813		
FUND BALANCES					
Nonspendable	15,805				
Restricted	152,839	193,147	13,007	5,905	158,147
Unassigned (deficit)	168,644	193,147	13,007	5,905	158,147
Total fund balances					
Total liabilities, deferred inflows of resources, and fund balances	\$ 333,096	\$ 415,226	\$ 84,820	\$ 5,905	\$ 158,147

Supplementary Information

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Exhibit C-2
City of Plainville, Wisconsin
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2019

Special Revenue Funds		Capital Projects Funds				Permanent Fund		Total
Boil Cemetery	Tax/Bus	TIF No. 4	TIF No. 5	TIF No. 6	TIF No. 7	Cemetery Perpetual Care	Non-Major Governmental Funds	
\$ 137,015	\$ 9,091	\$ 86,355	\$ 276,647	\$ 170,406	\$ 109,072	\$ 269,575	\$ 1,734,106	
		161,962	622,494	394,456	252,480		42,699	
	77,139				27,625		1,431,392	
							77,139	
							71,813	
							221,481	
							15,805	
\$ 137,015	\$ 86,230	\$ 248,317	\$ 899,141	\$ 564,862	\$ 431,876	\$ 269,575	\$ 3,634,210	
\$	\$ 44,866	\$ 376	\$ 375	\$ 406	\$ 375	\$	\$ 147,511	
				444,276	262,306		769,255	73
							1,191	
44,866	376	375	375	444,652	262,681		918,030	
		231,929	891,412	564,862	361,552		2,343,049	
137,015	41,364	16,012	7,354	(444,682)	42,699	269,575	15,805	
				(235,056)	(679,238)		1,037,064	
137,015	41,364	16,012	7,354	(444,682)	(192,357)	269,575	373,131	
\$ 137,015	\$ 86,230	\$ 248,317	\$ 899,141	\$ 564,862	\$ 431,876	\$ 269,575	\$ 3,634,210	

	Special Revenue Funds				
	Airport	Redevelopment Authority	Housing Conservation Program	Library (Littlefield)	Zeigert Trust
REVENUES					
Taxes	\$	\$	\$	\$	\$
Intergovernmental					
Fines and forfeitures		3,108			
Public charges for services	315,352				
Interest income	7,780		332		821
Loan repayments	49,629				
Total revenues	323,132	52,737	332	496	821
EXPENDITURES					
Current:					
Public works	386,454				
Leisure activities				839	
Conservation and development		6,444			
Capital outlay		7,644			
Debt service:		2,807			
Principal retirement					
Interest and fiscal charges					
Total expenditures	386,454	16,895		839	
Excess (deficiency) of revenues over expenditures	(63,322)	35,842	332	(343)	821
OTHER FINANCING SOURCES (USES)					
Transfer to other funds					
Transfer from other funds					
Total other financing sources (uses)					
Net change in fund balances	(63,322)	35,842	332	(343)	821
Fund balance-beginning of year	231,966	157,305	12,675	6,248	157,326
Fund balance-End of year	\$ 168,644	\$ 193,147	\$ 13,007	\$ 5,905	\$ 158,147

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City of Platteville, Wisconsin Schedule of Insurance
December 31, 2019

Special Revenue Funds	Capital Projects Funds				Permanent Fund Cemetery Perpetual Care	Total Nonmajor Governmental Funds
	TIF No. 4	TIF No. 5	TIF No. 6	TIF No. 7		
Boil Cemetery	\$ 44,647	\$ 969,956	\$ 546,373	\$ 395,256	\$	\$ 2,129,279
	\$ 527,643	\$ 12,550	\$ 4,014	\$ 248,759		\$ 795,301
	1,600		1,019	172,841	2,100	3,108
				941		492,912
						13,359
						49,629
	2,989	573,890	175,380	982,506	551,408	817,797
					2,100	3,483,588
	549,858					936,312
						839
						325,450
						397,041
						1,033,156
						377,702
						3,070,500
	2,989	24,032	(35,677)	594,530	(12,600)	(135,616)
					2,100	413,088
						(594,530)
						594,530
	2,989	24,032	(35,677)	594,530	594,530	413,088
					2,100	138,957
	134,026	17,332	\$1,689	7,354	(432,082)	(651,271)
						267,475
	\$ 137,015	\$ 41,364	\$ 16,012	\$ 7,354	\$ (444,682)	\$ (192,357)
						\$ 269,575
						\$ 373,131

Company	Type	Coverage	Term
Employers	Workers Compensation	\$500,000/Accident \$500,000/Disease/Employee \$500,000 Disease/Policy Limit	1/1/1-12/31/19
Employers	Inland Marine	\$1,334,210 Contractors Equipment, \$500 Deductible \$90,000 Fine Arts, \$500 Deductible \$75,000 Miscellaneous Property, \$500 Deductible	1/1/1-12/31/19
Employers	Umbrella	\$1,000,000 Each Loss \$1,000,000 Aggregate \$3,000 Deductible Per Loss	1/1/1-12/31/19
Employers	Umbrella Liability	\$8,000,000 Occurrence \$8,000,000 Aggregate \$0 Retained Limit	1/1/1-12/31/19
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	1/1/1-12/31/19
Employers	Automobile	\$1,000,000 Liability \$10,000 Medical Payment \$300,000 Uninsured Motorists \$300,000 Underinsured Motorists \$1,000 Deductible Comprehensive Per Schedule \$1,000 Deductible Collision Per Schedule Hired Autos & Non-Owned Auto Liability	1/1/1-12/31/19
Employers	Property	\$39,544,909 Blanket Buildings & Property in the Open \$10,794,893 Blanket Business Personal Property & Property in the Open \$55,000 Blanket Personal Property of Others \$5,000 Deductible	1/1/1-12/31/19
Employers	Commercial Crime	\$100,000 Employee Theft, \$1,000 Deductible \$25,000 Theft of Money Securities Inside \$250 Deductible; \$25,000 Outside \$250 Deductible \$100,000 Computer & Funds Transfer Fraud, \$3,000 Deductible; \$100,000 Fraudulent Impersonation, \$1,000 Deductible	1/1/1-12/31/19
Ohio Casualty	Fidelity Bond	\$10,000 Chief of Police \$10,000 City Clerk \$10,000 City Assessor \$250,000 Finance Director	6/1/19-6/1/21
Employers	Employee Benefit Liability	\$1,000,000 Each Employee \$2,000,000 Aggregate	1/1/1-12/31/19
Employers	Law Enforcement Liability	\$1,000,000 Occurrence \$1,000,000 Aggregate \$2,500 Deductible Per Loss	1/1/1-12/31/19
Employers	Cybersolutions	Data Compromise-\$100,000 Response Expense Limit \$1,000,000 Deductible, \$100,000 Defense & Liability \$1,000 Cyber Coverage-\$100,000 Computer Attack \$1,000 Deductible, \$100,000 Network Security Defense & Liability \$1,000 Deductible, \$100,000 Electronic Media Liability \$1,000 Deductible	1/1/1-12/31/19

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Schedule 2
 Piateville Water and Sewer Utility
 Other Information
 December 31, 2019

1. The number of customers at the end of the year was as follows:

	2019	2018
Residential	3,570	3,557
Commercial	362	360
Multifamily residential	70	71
Public authority	93	95
Industrial	9	8
Interdepartmental	3	3
Total	4,107	4,094

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

	2019	2018
Gallons	271,359,000	262,208,000

Pioneering the Good Life

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PLATTEVILLE

W I S C O N S I N

CITY OF PLATTEVILLE, WISCONSIN
FINANCIAL STATEMENTS
Including Independent Auditor's Report
As of and for the year ended December 31, 2018

Johnson Block and 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, 2018

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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, 2018, 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, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, effective January 1, 2018, the City of Platteville adopted the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions. In addition, beginning sewer utility accumulated depreciation has been restated. Several sewer utility capital assets were over depreciated in prior years. Our opinions are not modified with respect to these matters.

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, the Local Retiree Life Insurance Fund schedules, the Schedule of Changes in the City's Total OPEB Liability and Related Ratios, and Wisconsin Retirement System schedules on pages 69 through 74, 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 2017 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 31, 2018. Except as noted in the emphasis of matter paragraph above related to several sewer utility capital assets being over depreciated in prior years, in our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Information (Continued)

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.

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 and Company, Inc.
Mineral Point, Wisconsin
July 5, 2019

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, 2018. 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, Black 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 exceeded its liabilities as of December 31, 2018. The total net position of the City is 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:

Year	Net Position*	\$ Change (+/-)
2018	\$66,072,886	(\$ 627,511)
2017	\$67,624,341	\$ 411,731

* see net position pg 15

- As of December 31, 2018, the City of Platteville's governmental activities reported total current assets of \$12,625,903 (page 14, Exhibit A-1). This compares to the prior year as follows:

Year	Current Assets	\$ Change (+/-)
2018	\$12,625,903	\$ 1,051,191
2017	\$11,574,712	\$ 483,736

About 60.7 percent of this total, or \$7,666,798 represents cash and investments.

- The City's general fund balance increased by \$181,457 from 2017 to 2018. In the past 2 years, changes have been as follows:

Year	General Fund Bal.	% Change (+/-)
2018	\$4,488,022	4.2%
2017	\$4,306,565	5.5%

* Exhibit A-3, Page 17

- In 2018, the City's long-term obligations decreased by \$233,391, as compared to a decrease of \$1,808,602 during 2017 (page 44). General obligation bonds totaling \$2,545,000 were issued in 2018.

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. A separate audited financial statement report is also issued for the Housing Authority.

The government-wide financial statements can be found on pages 14-16 of this report. Supplementary information is included starting on page 75.

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	
	2018	2017	2018	2017	2018	2017	2018	2017
Current/other assets	\$ 15,636,561	\$ 13,992,040	\$ 7,052,483	\$ 7,143,365	\$ 22,679,044	\$ 21,135,405		
Capital Assets	57,302,646	58,450,089	35,174,937	34,979,574	92,477,583	92,929,663		
Total Assets	\$ 72,939,207	\$ 72,442,129	\$ 42,227,420	\$ 42,122,939	\$ 115,156,627	\$ 114,065,068		
Deferred outflows of resources	\$ 1,516,866	\$ 1,723,437	\$ 300,685	\$ 343,569	\$ 1,817,551	\$ 2,067,006		
Current Liabilities	\$ 3,057,963	\$ 2,999,199	\$ 1,236,206	\$ 968,706	\$ 4,294,169	\$ 3,967,905		
Other Liabilities	23,741,762	22,741,939	14,287,795	14,802,808	38,029,557	37,544,747		
Total Liabilities	\$ 26,799,725	\$ 25,741,138	\$ 15,524,001	\$ 15,771,514	\$ 42,323,726	\$ 41,512,652		
Deferred inflows of resources	\$ 8,275,654	\$ 6,861,827	\$ 301,912	\$ 133,254	\$ 8,577,566	\$ 6,995,081		
Net Position:								
Net investment in capital assets	\$ 36,261,521	\$ 38,311,075	\$ 20,551,716	\$ 19,386,334	\$ 56,813,237	\$ 57,697,409		
Restricted	2,945,042	3,094,431	4,166,396	5,063,576	7,111,438	8,158,007		
Unrestricted	184,131	157,095	1,984,080	1,611,830	1,148,211	1,768,925		
Total Net Position	\$ 39,370,694	\$ 41,562,601	\$ 26,702,192	\$ 26,061,740	\$ 66,072,886	\$ 67,624,341		

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 86 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 \$2,148,211 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, and TIF No. 7.

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 28-68 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, information on the Wisconsin Retirement System pension plan, and information on the City's OP&B plans for the Local Retiree Insurance Fund and retiree health insurance. The budgetary comparison schedule, Wisconsin Retirement System Schedules, and OP&B Schedules are on pages 69-74. 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, Local Retiree Life Insurance Fund, and retiree health insurance schedules present 10-year 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 75-76 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 \$67,624,341 at the close of 2017, which decreased to \$66,072,886 at the end of 2018.

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.

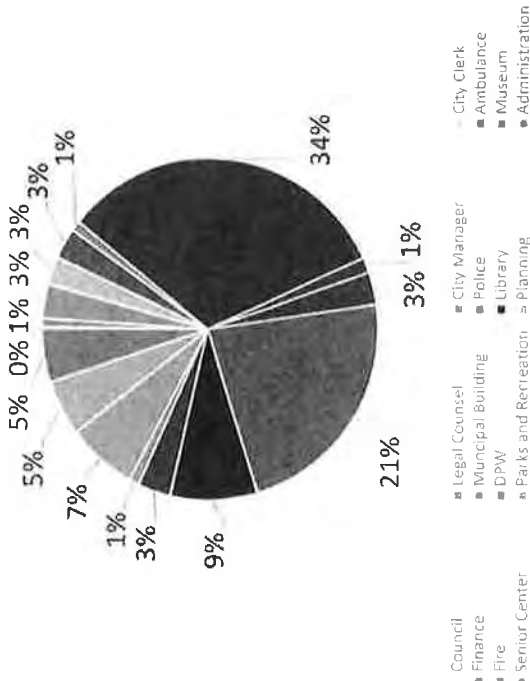
TABLE 2. CITY OF PLATTEVILLE'S PRIMARY GOVERNMENT STATEMENT OF ACTIVITIES

	2018	2017	2018	2017	Total	2018	2017
	Governmental Activities		Business-Type Activities			Total	
Revenues							
Program Revenues	\$ 1,692,216	\$ 1,510,680	\$ 4,764,256	\$ 4,891,704	\$ 6,456,472	\$ 6,402,384	
Charges for Service	1,978,764	1,882,857			1,978,764	1,882,857	
Operating grants and contributions	572,665	790,011			572,665	790,011	
Capital grants	6,002,977	5,869,999			6,002,977	5,869,999	
and contributions	292,900	234,487			292,900	234,487	
Property taxes							
Other taxes							
Intergovernmental							
rev's not restricted							
to specific programs	2,589,826	2,587,049			2,589,826	2,587,049	
Investment income	132,741	79,219	85,700	40,214	318,441	119,433	
Other	(227,580)	(354,332)	18,753	18,753	(209,333)	(335,579)	
Total revenues	13,034,103	12,599,270	4,868,709	4,950,671	17,902,812	17,550,641	
Expenses							
General Gov't	1,297,603	1,221,249			1,297,603	1,221,249	
Public safety	3,471,312	3,549,925			3,471,312	3,549,925	
Public works	5,026,039	5,129,239			5,026,039	5,129,239	
Hlth & Hum Serv	127,651	106,722			127,651	106,722	
Leisure Activities	2,156,235	2,006,121			2,156,235	2,006,121	
Conservation and							
Development	2,168,611	657,715			2,168,611	657,715	
Interest and Fiscal							
Charges	703,798	875,519			703,798	875,519	
Water and Sewer							
Total expenses	14,961,249	13,546,490	3,569,074	3,592,420	18,530,323	17,138,910	
Incr (Decr) in net	(1,927,146)	(946,520)	1,299,635	1,358,251	(627,511)	411,731	
position before Transfers			(407,005)	(400,316)			
Transfers	407,005	400,316			407,005	400,316	
Incr (Decr) in net	(1,520,141)	(546,204)	892,630	957,935	(627,511)	411,731	
position							
Net position - beginning	41,562,601	42,108,805	26,061,740	25,103,805	67,624,341	67,212,610	
of year, previous	(671,766)	(671,766)	(252,178)	(252,178)	(923,944)	(923,944)	
Prior Period adjustment							
- GASB 75 implementation							
Net position - beginning	40,890,835	41,437,039	25,809,562	24,851,627	66,700,397	66,288,666	
retailed							
Net position - end of year	\$ 39,370,694	\$ 41,562,601	\$ 26,702,192	\$ 26,061,740	\$ 66,072,886	\$ 67,624,341	

Source: Exhibit A.2, Page 16

General Government increased by approximately \$76,354 or 0% from 2017. Public Safety expenses decreased by approximately \$78,613 or 2% from 2017. Public works expenditures decreased by approximately \$103,200, or 2% from 2017. Health and Human Services expenses increased by \$20,929, or 20% from 2017. Leisure expenses increased by \$160,114 or 8% from 2017. Conservation and development expenses increased by approximately \$1,510,896 or 230% from 2017.

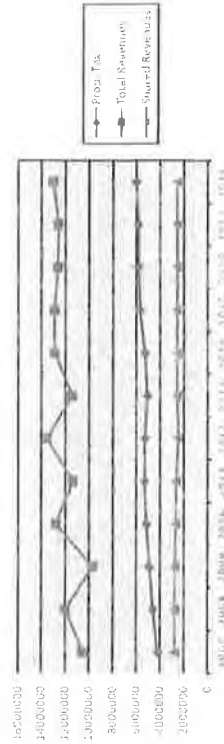
Figure 1: Municipal Expenditures by Major Department as a Percentage Share of Total 2018 Budget



Source: City of Platteville 2018 Budget

In recent years, property taxes have been the largest revenue source for governmental activities, with state shared revenue providing the second largest funding source. Property taxes accounted for approximately 46.6% of total revenues in 2017, and 46.1% in 2018.

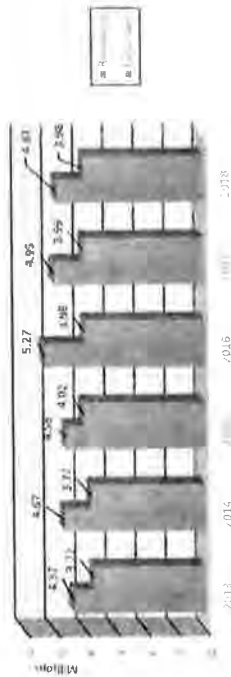
Figure 2: Property Tax Revenue as Compared to Total Revenue



Business-type activities (Proprietary Funds).

In 2018, net position in the proprietary funds increased by \$892,630. This compares to an \$957,935 increase in 2017. 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.

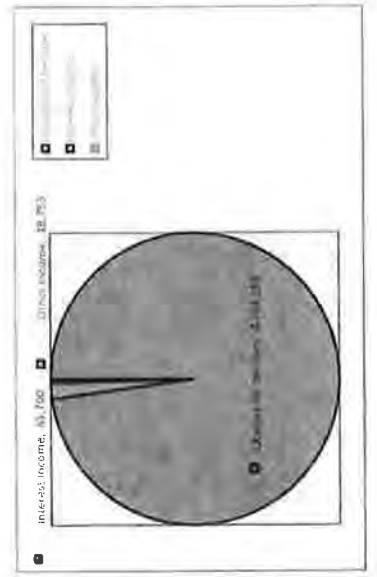
Figure 3: Comparison of Utility Revenues to Expenses, By Year



Source: Exhibit A-2, Page 16

As shown on the following chart, the revenues of the Platteville Water and Wastewater Utility consisted primarily of 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 financial requirements. In particular, unassigned fund balance may serve as an 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 governmental standards.

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

Year	Governmental Fund Balance*	\$ Change (+/-)
2018	\$5,006,946	\$ 538,670
2017	\$4,448,276	\$ 321,380

*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 reasons for the increase in fund balance as of December 31, 2018 was due to actual revenues exceeding budget and actual expenditures being under budget. Debt borrowings not being fully expended by December 31, and receipt of \$200,000 from the partial repayment of a long-term Community Development Block Grant receivable. The primary reason for the increase in fund balance as of December 31, 2017 was due to actual revenues exceeding budget and actual expenditures being under budget. Specifically, street maintenance and storm sewer maintenance costs were below budgeted costs.

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 (+/-)
2018	\$4,488,022	\$ 181,457
2017	\$4,306,565	\$ 225,029

*As of the end of the year.

The balance in the general fund accounts for 90% 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, 2018, is \$414,888. This is an increase of \$222,970 from 2017 (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 2018 amounted to \$26,702,192, up \$892,630 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.

In Business Type Activities, the biggest gains have been seen in the investment into the water distribution system and sewer collection and treatment systems. Water transmission and distribution plant accounted for \$515,573 of additions, while sewer collection system accounted for \$470,975.

Long-term debt. At the end of 2018, the City of Platteville had total bonded debt outstanding of \$21,585,415 entirely backed by the full faith and credit of the government (general obligation bonds).

The City of Platteville issued debt in 2018, in the amount of \$4,265,000. \$1,300,000 of debt was issued to finance a developer incentive. \$1,245,000 of debt was issued to pay the cost of street improvement projects. \$1,720,000 of debt was issued to restructure the City's outstanding debt by refinancing certain obligations.

TABLE 4: CITY OF PLATTEVILLE OUTSTANDING DEBT

	Governmental Activities		Business-Type Activities		Total
	2018	2017	2018	2017	
G O debt	\$ 21,585,415	\$ 20,572,865	\$	\$	\$ 21,585,415
Revenue Bonds - Utility			14,351,279	15,093,240	14,351,279
Tax increment	2,917,031	3,392,936			2,917,031
Anticipation notes					
Taxable note					
Other Long-term Liabilities	383,160	425,484	138,113	122,864	520,273
Total	\$ 24,884,606	\$ 24,391,285	\$ 14,489,392	\$ 15,216,104	\$ 39,373,998

Source: Notes to the Basic Financial Statements, Note 5, pages 44-47

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 12/31/18 for the City of Platteville was \$34,711,400, which significantly exceeds the City of Platteville's current outstanding general obligation debt. As of December 31, 2018, the City of Platteville's outstanding general obligation debt equaled 62.0 percent of the state authorized debt limit.

The Platteville Water and Wastewater Utility generally has 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 2018, for Grant County, which includes the City of Platteville, was 2.5 percent. This compares to a rate of 3.0 percent for the State of Wisconsin (Source: Bureau of Labor Statistics).
- The rate of inflation for 2018 was 1.9 percent before seasonal adjustment. The equalized tax rate for taxes collected for 2019 operations (2018 tax bill) increased from 7.28 to 7.42 per thousand of equalized valuation. The taxes to be collected increased by 4.5 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>

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were relatively minor. Actual revenue exceeded budget by \$654,966. Actual expenditures were under budget by \$329,656.

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 (+/-)	
	2018	2017	2018	2017
2018	\$92,477,583	\$92,477,583	(\$272,445)	\$ 3,377,792
2017	\$92,750,028	\$92,750,028	(\$1,002,649)	3,621,841

	Governmental Activities		Business Activities		Total
	2018	2017	2018	2017	
Land**	\$ 3,540,998	\$ 3,577,792	\$ 3,540,998	\$ 3,577,792	\$ 7,121,996
Land improvements	3,621,841	3,621,841	3,621,841	3,621,841	7,243,682
Buildings and improvements	9,299,119	9,550,768	9,299,119	9,550,768	18,849,887
Machinery and equipment	5,236,435	5,106,629	5,236,435	5,106,629	10,343,064
Vehicles	4,586,391	4,216,261	4,586,391	4,216,261	8,802,652
Infrastructure	62,090,960	61,346,523	62,090,960	61,346,523	123,437,483
Intangible Plant		8,978	8,978	8,978	17,956
Land & Land Rights		40,438	40,438	40,438	80,876
Const. in Progress	589,828	39,336	458,189	109,181	567,370
Water:					
Source of supply			765,539	765,539	1,531,078
Pumping			2,079,252	2,067,302	4,146,554
Water treatment			1,413,694	1,413,694	2,827,388
Transmis & Distr			19,605,219	19,089,646	38,694,865
General plant			795,621	784,240	1,579,861
Sewer					
Collection system			16,261,383	15,790,408	31,951,791
Treatment and disp			10,245,812	10,245,812	20,491,624
General plant			1,146,235	1,222,637	2,368,872
Total capital assets	88,965,572	87,459,150	52,820,360	51,577,894	140,443,454
Less accumulated depreciation	(31,662,926)	(29,009,061)	(17,645,423)	(17,098,320)	(58,765,726)
Capital assets net of depreciation	\$ 57,302,646	\$ 58,450,089	\$ 35,174,937	\$ 34,479,574	\$ 91,677,728

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

**Note that land is not depreciated.

The total decrease in the City of Platteville's governmental-type activities capital assets totals (\$1,147,443) net of depreciation, or a 2% decrease.

Exhibit A-1
City of Platteville, Wisconsin
Statement of Net Position
December 31, 2018
(With summarized financial information as of December 31, 2017)

	Governmental Activities	Business-Type Activities	Total Governmental and Business-Type activities		Component Unit Housing Authority	
			2018	2017	2018	2017
ASSETS						
Current assets:						
Cash and investments	\$ 7,666,798	\$ 1,449,876	\$ 9,116,674	\$ 8,376,851	\$ 14,970	\$ 13,140
Receivables						
Taxes	4,840,326		4,840,326	4,327,546		
Customer		716,459	716,459	756,041		
Due from other governmental units	416,437		416,437	799,324		
Other	191,602	5,415	197,017	318,843	1,787	2,154
Special assessments	9,155		9,155	11,911		
Prepaid expenses					268	115
Internal balances	(527,949)	527,949				
Inventory	29,534	33,939	63,473	43,263		
Total current assets	12,625,903	2,733,638	15,359,541	14,633,779	17,025	15,409
Noncurrent assets:						
Restricted assets:						
Net pension asset	798,700	152,449	951,149			
Cash and investments	204,117	4,166,396	4,370,513	4,260,284	28,583	3,689
Other assets:						
Mortgages receivable	1,488,011		1,488,011	1,704,899		
Loans receivable	509,830		509,830	536,443		
Capital assets:	88,965,572	52,820,360	141,785,932	139,037,044	7,820	7,820
Less: Accumulated depreciation	31,662,926	17,645,423	49,308,349	46,107,381	7,820	7,820
Net book value of capital assets	57,302,646	35,174,937	92,477,583	92,929,663		
Total noncurrent assets	60,303,304	39,493,782	99,797,086	99,431,289	28,583	3,689
Total assets	72,929,207	42,227,420	115,156,627	114,065,068	45,608	19,098
DEFERRED OUTFLOWS OF RESOURCES						
Deferred pension outflows	1,457,463	278,189	1,735,652	2,051,404		
OPEB - group life insurance plan outflows	25,817	10,074	35,891			
OPEB - City health insurance plan outflows	33,586	12,422	46,008			
Unamortized well rehabilitation costs				15,602		
Total deferred outflows of resources	1,516,866	300,685	1,817,551	2,067,006		
Total assets and deferred outflows of resources	\$ 74,446,073	\$ 42,528,105	\$ 116,974,178	\$ 116,132,074	\$ 45,608	\$ 19,098

Exhibit A-1 (Continued)
City of Platteville, Wisconsin
Statement of Net Position
December 31, 2018
(With summarized financial information as of December 31, 2017)

	Governmental Activities	Business-Type Activities	Total Governmental and Business-Type activities		Component Unit Housing Authority	
			2018	2017	2018	2017
LIABILITIES						
Current liabilities:						
Accounts payable	\$ 544,071	\$ 357,544	\$ 901,615	\$ 672,799	\$ 412	\$ 456
Accrued wages	172,227	37,155	209,382	201,202	1,088	1,438
Accrued interest	216,809	76,684	293,493	258,740		
Unearned revenue	637		637	8,879		
Current portion of:						
Long-term debt	2,057,392	754,305	2,811,697	2,764,127		
Compensated absences	66,367	10,518	76,885	61,868		
Deposits	460		460	290		
Total current liabilities	<u>3,057,963</u>	<u>1,236,206</u>	<u>4,294,169</u>	<u>3,967,905</u>	<u>1,500</u>	<u>1,894</u>
Noncurrent liabilities:						
General obligation debt	21,585,415		21,585,415	20,572,865		
Tax increment revenue bonds	2,917,031		2,917,031	3,392,936		
Water and Sewer revenue bonds		14,351,279	14,351,279	15,093,240		
Unamortized bond premium	205,809	271,942	477,751	498,325		
Net pension liability				265,028		
OPEB - group life insurance plan	225,758	88,100	313,858			
OPEB - City health insurance plan	549,348	203,184	752,532			
Compensated absences	382,160	138,113	520,273	548,348		
Less current portion of long-term debt	(2,123,759)	(764,823)	(2,888,582)	(2,825,995)		
Total noncurrent liabilities	<u>23,741,762</u>	<u>14,287,795</u>	<u>38,029,557</u>	<u>37,544,747</u>		
Total liabilities	<u>26,799,725</u>	<u>15,524,001</u>	<u>42,323,726</u>	<u>41,512,652</u>	<u>1,500</u>	<u>1,894</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred pension inflows	1,572,414	300,130	1,872,544	833,492		
OPEB - group life insurance plan inflows	4,566	1,782	6,348			
Deferred revenue	6,698,674		6,698,674	6,161,589		
Total deferred inflows of resources	<u>8,275,654</u>	<u>301,912</u>	<u>8,577,566</u>	<u>6,995,081</u>		
NET POSITION						
Net investment in capital assets	36,261,521	20,551,716	56,813,237	57,697,409		
Restricted	2,945,042	4,166,396	7,111,438	8,158,007	28,583	3,689
Unrestricted	164,131	1,984,080	2,148,211	1,768,925	15,525	13,515
Total net position	<u>39,370,694</u>	<u>26,702,192</u>	<u>66,072,886</u>	<u>67,624,341</u>	<u>44,108</u>	<u>17,204</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 74,446,073</u>	<u>\$ 42,528,105</u>	<u>\$ 116,974,178</u>	<u>\$ 116,132,074</u>	<u>\$ 45,608</u>	<u>\$ 19,098</u>

Exhibit A-2
City of Platteville, Wisconsin
Statement of Activities

For the Year Ended December 31, 2018

(With summarized financial information for the year ended December 31, 2017)

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		2018	2017
							2018	2017		
Primary Government:										
Governmental activities:										
General government	\$ 1,297,603	\$ 219,416	\$ 3,595	\$ -	\$ (1,074,592)	\$ -	\$ (971,903)	\$ -	\$ (971,903)	\$ -
Public safety	3,471,312	451,610	327,306	-	(2,692,396)	-	(2,902,683)	-	(2,902,683)	-
Public works	5,026,039	703,987	1,326,897	481,154	(2,514,001)	-	(2,945,855)	-	(2,945,855)	-
Health and human services	127,651	37,653	2,520	-	(87,478)	-	(62,794)	-	(62,794)	-
Leisure activities	2,166,235	254,697	306,704	-	(1,604,834)	-	(1,106,281)	-	(1,106,281)	-
Conservation and development	2,168,611	24,853	11,742	91,511	(2,040,505)	-	(497,907)	-	(497,907)	-
Interest, issuance costs, and fiscal charges	703,798	-	-	-	(703,798)	-	(875,519)	-	(875,519)	-
Total governmental activities	14,961,249	1,692,216	1,978,764	572,665	(10,717,604)	-	(9,362,942)	-	(9,362,942)	-
Business-type activities:										
Water and sewer	3,569,074	4,764,256	-	-	-	1,195,182	1,299,284	-	1,299,284	-
Total business-type activities	3,569,074	4,764,256	-	-	-	1,195,182	1,299,284	-	1,299,284	-
Total primary government	\$ 18,530,323	\$ 6,456,472	\$ 1,978,764	\$ 572,665	(10,717,604)	1,195,182	(9,522,422)	-	(8,063,658)	-
Component Unit:										
Housing Authority	453,953	-	480,805	-	-	-	-	26,852	-	(17,055)
Total component unit	453,953	-	480,805	-	-	-	-	26,852	-	(17,055)
General revenues:										
Property taxes										
General purposes					3,032,274		2,681,803			
Debt service					1,226,854		1,473,517			
Tax increments					1,743,849		1,714,679			
Other taxes					292,900		234,487			
Federal and State aid not restricted for specific purposes										
General					2,589,826		2,587,049			
Interest and investment earnings					132,741	85,700	119,433			60
Loss on sale/disposal of fixed assets					(271,384)		(380,454)			
Miscellaneous					43,398	18,753	44,875			
Transfers					407,005	(407,005)	-			
Total general revenues					9,197,463	(302,552)	8,475,389	52	60	
Changes in net position					(1,520,141)	892,630	(627,511)	26,904	(6,995)	
Net position - beginning of year, as previously reported					41,562,601	26,061,740	67,032,975	17,204	24,199	
Prior period adjustments					(671,766)	(252,178)	(923,944)	17,204	24,199	
Net position - beginning of year, restated					40,890,835	25,809,562	66,700,397	17,204	24,199	
Net position-end of year					\$ 39,370,694	\$ 26,702,192	\$ 66,072,886	\$ 44,108	\$ 17,204	

Exhibit A-3
City of Platteville, Wisconsin
Balance Sheet
Governmental Funds
December 31, 2018

(With summarized financial information as of December 31, 2017)

	General	Capital Projects	Community Development Block Grant	TIF No. 7
ASSETS				
Cash and investments	\$ 5,574,080	\$ 365,748	\$ 68,277	\$ 587,221
Restricted cash and investments		162,359		41,758
Receivables:				
Taxes	2,755,694			395,256
Other accounts	175,835	1,020		
Other governments	333,760	6,652		
Special assessments	9,155			
Mortgages			1,416,198	
Loans	244,375			
Inventory				
Due from other funds	419,547			
Advances to other funds	790,839			
Total assets	\$ 10,303,285	\$ 535,779	\$ 1,484,475	\$ 1,024,235
LIABILITIES				
Accounts payable	\$ 362,924	\$ 120,891		\$ 462
Accrued payroll	172,103			
Due to other funds	13,954		17	
Advances from other funds				1,279,788
Unearned revenue	400			
Deposits	460			
Total liabilities	549,841	120,891	17	1,280,250
DEFERRED INFLOWS OF RESOURCES				
Deferred revenues	5,265,422		1,416,198	395,256
FUND BALANCES				
Nonspendable	799,482			
Restricted	415,542	162,359	68,260	41,758
Assigned	689,492	252,529		
Unassigned (deficit)	2,583,506			(693,029)
Total fund balance	4,488,022	414,888	68,260	(651,271)
Total liabilities, deferred outflow of resources and fund balance	\$ 10,303,285	\$ 535,779	\$ 1,484,475	\$ 1,024,235

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

Other Governmental Funds	Total Governmental Funds	
	2018	2017
\$ 1,071,472	\$ 7,666,798	\$ 6,636,440
	204,117	175,986
1,689,376	4,840,326	4,327,546
14,747	191,602	315,091
76,025	416,437	799,324
	9,155	11,911
71,813	1,488,011	1,704,899
265,455	509,830	536,443
29,534	29,534	15,345
	419,547	423,056
76,712	867,551	1,024,406
<u>\$ 3,295,134</u>	<u>\$ 16,642,908</u>	<u>\$ 15,970,447</u>
\$ 59,794	\$ 544,071	\$ 558,904
124	172,227	172,445
12,525	26,496	33,002
508,763	1,788,551	1,945,406
237	637	8,879
	460	290
<u>581,443</u>	<u>2,532,442</u>	<u>2,718,926</u>
<u>2,026,644</u>	<u>9,103,520</u>	<u>8,803,245</u>
106,246	905,728	1,043,872
1,013,862	1,701,781	1,648,002
	942,021	709,600
(433,061)	1,457,416	1,046,802
<u>687,047</u>	<u>5,006,946</u>	<u>4,448,276</u>
<u>\$ 3,295,134</u>	<u>\$ 16,642,908</u>	<u>\$ 15,970,447</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, 2018
(With summarized financial information as of December 31, 2017)

	2018	2017
Total fund balances-governmental funds:	\$ 5,006,946	\$ 4,448,276
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	88,965,572	87,459,150
Governmental accumulated depreciation	<u>(31,662,926)</u>	<u>(29,009,061)</u>
	57,302,646	58,450,089
The net pension asset is not a current financial resource and is, therefore, not reported in the fund statements		
	798,700	
Pension and OPEB deferred outflows and inflows of resources are actuarially determined by the plans. These items are reflected in the statement of net position and are being amortized with pension and OPEB 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	1,516,866	1,737,583
Deferred inflows of resources	(1,576,980)	(700,238)
Other long-term assets that are not available to pay for current-period expenditures and therefore are deferred inflows for the fund statements.		
Long-term notes and loans	1,997,841	2,241,341
Subsequent year tax equivalent from utility	407,005	400,316
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	(21,585,415)	(20,572,865)
Tax increment revenue bonds	(2,917,031)	(3,392,936)
Bond premium	(205,809)	(207,630)
Accrued interest	(216,809)	(179,048)
OPEB - group life insurance plan	(225,758)	(183,780)
OPEB - City health insurance plan	(549,348)	(502,132)
Net pension liability		(222,657)
Compensated absences	<u>(382,160)</u>	<u>(425,484)</u>
Net position of governmental activities	<u>\$ 39,370,694</u>	<u>\$ 40,890,835</u>

Exhibit A-5
City of Platteville, Wisconsin
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2018
(With summarized financial information for the year ended December 31, 2017)

	General	Capital Projects	Community Development Block Grant	TIF No. 7
REVENUES				
Taxes	\$ 2,878,536	\$ 405,000	\$	\$ 156,336
Special assessments	10,429			
Intergovernmental	4,066,790	26,574		13,154
Licenses and permits	215,773			
Fines and forfeitures	174,657			
Public charges for services	795,390	115,028		82,176
Interest income	101,033		1,111	778
Loan repayments	12,565		216,888	
Miscellaneous	152,075			
Total revenues	8,407,248	546,602	217,999	252,444
EXPENDITURES				
Current:				
General government	1,188,708			
Public safety	3,081,498			
Public works	1,354,207			
Health and social services	124,869			
Leisure activities	1,825,671			
Conservation and development	333,476		28	1,643,097
Capital outlay	206,772	2,171,899		
Debt service:				
Principal retirement				200,000
Interest and fiscal charges				143,175
Debt issuance costs		33,308		
Total expenditures	8,115,201	2,205,207	28	1,986,272
Excess (deficiency) of revenues over over expenditures	292,047	(1,658,605)	217,971	(1,733,828)
OTHER FINANCING SOURCES (USES)				
Long-term debt proceeds		1,245,000		1,300,000
Other financing source—refunding bonds				
Current refunding of debt principal				
Debt premium				
Payment to bond escrow agents				
Proceeds from sale of capital assets	91,325	101,000		
Transfer to other funds	(619,615)	(17,384)	(200,000)	
Transfer from other funds	17,384	552,959		726,327
Transfer from utility-tax equivalent	400,316			
Total other financing sources (uses)	(110,590)	1,881,575	(200,000)	2,026,327
Net change in fund balances	181,457	222,970	17,971	292,499
Fund balance—beginning of year	4,306,565	191,918	50,289	(943,770)
Fund balance—end of year	\$ 4,488,022	\$ 414,888	\$ 68,260	\$ (651,271)

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

Other Governmental Funds	Total Governmental Funds	
	2018	2017
\$ 2,856,005	\$ 6,295,877	\$ 6,104,486
	10,429	8,964
509,106	4,615,624	4,592,746
	215,773	238,086
10,141	184,798	154,634
416,860	1,409,454	1,176,665
26,170	129,092	74,990
50,413	279,866	376,009
4,114	156,189	571,759
<u>3,872,809</u>	<u>13,297,102</u>	<u>13,298,339</u>
	1,188,708	1,103,913
	3,081,498	3,127,012
971,342	2,325,549	2,273,567
	124,869	100,126
496	1,826,167	1,758,770
57,912	2,034,513	606,229
236,885	2,615,556	2,658,193
1,808,355	2,008,355	2,441,655
493,253	636,428	653,818
18,214	51,522	130,025
<u>3,586,457</u>	<u>15,893,165</u>	<u>14,853,308</u>
286,352	(2,596,063)	(1,554,969)
	2,545,000	1,375,000
1,720,000	1,720,000	2,975,000
(1,720,000)	(1,720,000)	
17,092	17,092	194,651
		(3,060,344)
	192,325	2,750
(529,732)	(1,366,731)	(583,158)
70,061	1,366,731	583,158
	400,316	389,292
<u>(442,579)</u>	<u>3,154,733</u>	<u>1,876,349</u>
(156,227)	558,670	321,380
843,274	4,448,276	4,126,896
<u>\$ 687,047</u>	<u>\$ 5,006,946</u>	<u>\$ 4,448,276</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, 2018
(With summarized financial information for the year ended December 31, 2017)

	2018	2017
Net change in fund balances-total governmental funds	\$ 558,670	\$ 321,380
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	2,494,214	2,195,271
Depreciation expenses reported in the statement of activities	<u>(3,177,948)</u>	<u>(3,000,009)</u>
Amount by which capital outlays are greater (less) than depreciation in the current period	(683,734)	(804,738)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, donations, and disposals) is to increase/decrease net position:		
	(463,709)	(343,205)
Compensated absences and OPEB are reported in the governmental funds when amounts are paid. The statement of activities reports the amount earned during the year.		
Change in OPEB - group life insurance plan liability and related deferred outflows and inflows of resources	(22,151)	
Change in OPEB - City health insurance plan liability and related deferred outflows and inflows of resources	(26,352)	
Change in compensated absences	43,324	3,526
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:	3,728,355	5,421,655
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		
	(4,265,000)	(4,350,000)
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		
	(267,136)	(357,918)
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		
	23,636	17,758

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, 2018
(With summarized financial information for the year ended December 31, 2017)

	2018	2017
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 received in the current year	(17,092)	(194,651)
Amount of debt premium amortized in the current year	18,913	7,410
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.		
Prior year utility tax equivalent recognized as revenue in current year in the governmental funds	(400,316)	(389,292)
Current year utility tax equivalent recognized as a transfer in for the statement of activities	407,005	400,316
	6,689	11,024
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	636,428	653,818
The amount of interest accrued during the current period	(674,189)	(683,009)
Interest paid is greater (less) than interest expensed by	(37,761)	(29,191)
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	(116,793)	(249,254)
Change in net position-governmental activities	\$ (1,520,141)	\$ (546,204)

Exhibit A-7
City of Platteville, Wisconsin
Statement of Net Position
Proprietary Funds
December 31, 2018

(With summarized financial information as of December 31, 2017)

	Water and Sewer Utility	
	2018	2017
ASSETS		
Current assets:		
Cash	\$ 1,449,676	\$ 1,740,211
Petty cash	200	200
Customer accounts receivable	716,459	756,041
Other accounts receivable	5,415	3,752
Due from other funds	13,954	10,262
Inventories	33,939	27,918
Total current assets	2,219,643	2,538,384
Noncurrent assets:		
Restricted assets:		
Net pension asset	152,449	
Cash and Investments:		
Replacement fund	2,282,301	2,213,488
Depreciation fund	831,118	822,215
Debt reserve fund	1,052,977	1,048,595
Total restricted assets	4,318,845	4,084,298
Capital assets:		
Property and plant	52,820,360	51,577,894
Less: accumulated provision for depreciation	17,645,423	17,098,320
Net property and plant	35,174,937	34,479,574
Other assets:		
Advances due from other funds	921,000	920,999
Total noncurrent assets	40,414,782	39,484,871
DEFERRED OUTFLOWS OF RESOURCES		
Deferred pension outflows	278,189	327,967
OPEB - Group life insurance plan outflows	10,074	
OPEB - City health insurance plan outflows	12,422	
Unamortized well rehabilitation costs		15,602
Total deferred outflows of resources	300,685	343,569
Total assets and deferred outflows of resources	\$ 42,935,110	\$ 42,366,824

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

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Exhibit A-7 (Continued)
City of Platteville, Wisconsin
Statement of Net Position
Proprietary Funds
December 31, 2018

(With summarized financial information as of December 31, 2017)

	Water and Sewer Utility	
	2018	2017
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 357,544	\$ 113,895
Accrued payroll	37,155	28,757
Accrued interest	76,684	79,692
Current portion of:		
Revenue bonds	754,305	741,961
Compensated absences	10,518	4,401
Due to other funds	407,005	400,316
	1,643,211	1,369,022
Non-current liabilities		
Revenue bonds	14,351,279	15,093,240
Unamortized bond premium	271,942	290,695
Net pension liability		42,371
OPEB - Group life insurance plan	88,100	
OPEB - City health insurance plan	203,184	
Compensated absences	138,113	122,864
Less current portion of long-term debt	(764,823)	(746,362)
	14,287,795	14,802,808
DEFERRED INFLOWS OF RESOURCES		
Deferred pension inflows	300,130	133,254
OPEB - Group life insurance plan inflows	1,782	
	301,912	133,254
NET POSITION		
Net investment in capital assets	20,551,716	19,386,334
Restricted	4,166,396	5,063,576
Unrestricted	1,984,080	1,611,830
Total net position	26,702,192	26,061,740
Total liabilities, deferred inflows of resources, and net position	\$ 42,935,110	\$ 42,366,824

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, 2018
(With summarized financial information for the year ended December 31, 2017)

	Water	Sewer	Total	
			2018	2017
OPERATING REVENUES				
Metered sales	\$ 1,325,874	\$	\$ 1,325,874	\$ 1,324,227
Private fire protection	88,247		88,247	87,659
Public fire protection	619,517		619,517	618,301
Public authorities	248,413		248,413	232,546
Measured sewer service		2,296,662	2,296,662	2,448,598
Forfeited discounts	7,598	7,858	15,456	15,371
Miscellaneous	153,449	16,638	170,087	165,002
Total operating revenues	2,443,098	2,321,158	4,764,256	4,891,704
OPERATING EXPENDITURES				
Pumping expenses	191,279		191,279	177,230
Treatment expenses	99,447	451,386	550,833	520,189
Transmission and distribution	214,853		214,853	226,976
Customer accounts expense	42,968	11,904	54,872	46,685
Administrative and general	297,976	420,635	718,611	763,841
Rent	1,080	7,841	8,921	8,704
Transportation expenses		26,030	26,030	22,943
Maintenance of sewage system		148,845	148,845	138,934
Depreciation	517,970	603,075	1,121,045	1,135,251
Taxes	11,789	49,359	61,148	61,750
Total operating expenses	1,377,362	1,719,075	3,096,437	3,102,503
Operating income	\$ 1,065,736	\$ 602,083	1,667,819	1,789,201
NONOPERATING REVENUES (EXPENSES)				
*Interest and dividends on investments			85,700	40,214
*Interest expense			(472,637)	(489,917)
*Amortization of debt premium			18,753	18,753
*Transfer of tax equivalent			(407,005)	(400,316)
Total nonoperating revenues (expenses)			(775,189)	(831,266)
Change in net position			892,630	957,935
Net position - beginning of year, as previously reported			26,061,740	24,924,170
Prior period adjustments			(252,178)	179,635
Net position - beginning of year, restated			25,809,562	25,103,805
Net position-end of year			\$ 26,702,192	\$ 26,061,740
* Not allocated				

Exhibit A-9
City of Platteville, Wisconsin
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2018
(With summarized financial information for the year ended December 31, 2017)

	2018	2017
CASH FLOWS FROM (USED BY) OPERATING ACTIVITIES		
Received from customers	\$ 4,802,175	\$ 4,838,422
Payments to employees	(756,013)	(668,426)
Payment for employee benefits	(348,168)	(361,178)
Payment to suppliers	(852,733)	(863,079)
	2,845,261	2,945,739
CASH FLOWS (USED BY) NONCAPITAL FINANCING ACTIVITIES		
Paid to municipality for tax equivalent	(407,005)	(400,316)
	(407,005)	(400,316)
CASH FLOWS FROM (USED BY) CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(1,514,787)	(1,202,732)
Debt retired	(741,961)	(704,789)
Interest paid	(475,645)	(492,427)
	(2,732,393)	(2,399,948)
CASH FLOWS FROM (USED BY) INVESTING ACTIVITIES		
Purchase of investments	(1,750,837)	(3,754,501)
Receipt of investments maturing	1,854,501	500,000
Investment income	85,700	40,214
	189,364	(3,214,287)
Net cash flows from (used by) from investing activities	189,364	(3,214,287)
Net change in cash and cash equivalents	(104,773)	(3,068,812)
Cash and cash equivalents - beginning of year	2,070,208	5,139,020
Cash and cash equivalents - end of year	\$ 1,965,435	\$ 2,070,208
Reconciliation of cash and cash equivalents to statement of net position accounts		
Cash	\$ 1,449,676	\$ 1,740,211
Petty cash	200	200
Restricted cash and investments	4,166,396	4,084,298
Less: long-term investments	(3,650,837)	(3,754,501)
	\$ 1,965,435	\$ 2,070,208

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

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Exhibit A-9 (Continued)
City of Platteville, Wisconsin
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2018
(With summarized financial information for the year ended December 31, 2017)

	2018	2017
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 1,667,819	\$ 1,789,201
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	1,121,045	1,135,251
Pension expense	21,834	110,304
Life insurance OPEB expense	8,645	
Health insurance OPEB expense	9,747	
Amortization of major repairs	15,602	15,601
Changes in assets and liabilities:		
(Increase) decrease in customer accounts receivable	39,582	(51,983)
(Increase) decrease in other accounts receivable	(1,663)	(1,299)
(Increase) decrease in due from other funds	(3,693)	(2,306)
(Increase) decrease in inventories	(6,021)	2,667
Increase (decrease) in accounts payable	(57,972)	(34,588)
Increase (decrease) in accrued payroll	8,398	500
Increase (decrease) in due other funds	6,689	11,023
Increase (decrease) in compensated absences	15,249	(28,632)
	\$ 2,845,261	\$ 2,945,739

Exhibit A-10
City of Platteville, Wisconsin
Statement of Net Position
Fiduciary Funds
December 31, 2018

(With summarized financial information as of December 31, 2017)

	Tax Collection Fund	Total	
		2018	2017
ASSETS			
Cash and investments	\$ 3,580,687	\$ 3,580,687	\$ 3,641,336
Taxes receivable	5,243,968	5,243,968	5,084,462
Total assets	\$ 8,824,655	\$ 8,824,655	\$ 8,725,798
LIABILITIES			
Due to other taxing units	\$ 8,824,655	\$ 8,824,655	\$ 8,725,798
Total liabilities	\$ 8,824,655	\$ 8,824,655	\$ 8,725,798

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

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NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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)
- Zaiger Trust
- Boil 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. 5 – Accounts for the activity of tax incremental district No. 5, 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.

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

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

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 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 Equivalents/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 statement of net position.

Property tax calendar - 2018 tax roll

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

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 (current 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 airport fuel and expendable supplies held for consumption, expendable supplies, 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 three years. 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)

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 and advances) 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 is to strive to maintain an unassigned fund balance equal to 20% of the General Fund budget

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)

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, 2018 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 \$24,079,080, 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 omission; 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 (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, 2017, 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 benefit terms. Investments are reported at fair value.

R. Other Postemployment Benefits

Group life insurance plan

The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net OPFB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPFB expense, and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIF's fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

City health insurance plan

For purposes of measuring the OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information of the City's Other Postemployment Benefit Plan (the Plan) has been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

S. 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 inflow of resources (revenue) until then. The City has items that qualify for reporting in this category. The deferred outflows of resources were derived from the OPEB plans and the WRS pension system.

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 items that qualify for reporting in this category. Deferred inflows of resources related to the OPEB plans are discussed in Note 7 and 8; deferred inflows of resources related to the WRS pension system are discussed in Note 9; and the remaining deferred inflows of resources are discussed in Note 14.

T. Change in Accounting Principle

Effective January 1, 2018, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions Implementation of GASB 75 required net position in the governmental activities and business-type activities to be decreased by \$671,766 and \$252,178, respectively.

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.

City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2018

NOTE 3 CASH AND INVESTMENTS

At December 31, 2018, the cash and investments included the following:

Deposits with financial institutions	\$ 8,259,057
Wisconsin Local Government Investment Pool	8,807,549
Petty cash	1,268
Total	\$ 17,067,874

Cash and investments as of December 31, 2018 are classified in the accompanying financial statements as follows:

Exhibit A-1:	
Cash and investments	\$ 9,116,674
Restricted cash and investments	4,370,513
Exhibit A-10:	
Cash and investments	3,580,687
Total cash and investments	\$ 17,067,874

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
- Bonds or securities of any county, city, drainage district, technical college district, village, town, or school 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 five years from the date of purchase

City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2018

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

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 to 24 months
Certificates of deposit	\$ 5,193,175	\$ 3,129,680	\$ 2,063,495
Local Government Investment Pool	8,807,549	8,807,549	
Totals	\$ 14,000,724	\$ 11,937,229	\$ 2,063,495

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, 2018, the City's investments were rated as follows:

Wisconsin Local Government Investment Pool	\$ 8,807,549	Not Rated
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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.

NOTE 4

CAPITAL ASSETS

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

	Balance 1/1/18	Additions	Deletions	Balance 12/31/18
Land	\$ 3,577,792	\$	\$ (36,704)	\$ 3,540,998
Construction in progress	39,336	565,996	(15,504)	589,828
Total capital assets not being depreciated	3,617,128	565,996	(52,208)	4,130,826

Governmental Activities:

Capital assets not being depreciated:				
Land	\$ 3,577,792	\$	\$ (36,704)	\$ 3,540,998
Construction in progress	39,336	565,996	(15,504)	589,828
Total capital assets not being depreciated	3,617,128	565,996	(52,208)	4,130,826
Other capital assets				
Land improvements	3,621,841			3,621,841
Buildings and improvements	9,550,768	12,420	(264,069)	9,299,119
Machinery and equipment	5,106,629	276,834	(147,028)	5,236,435
Vehicles	4,216,261	543,964	(173,834)	4,586,391
Infrastructure	61,346,523	1,215,749	(471,312)	62,090,960
Total other capital assets at historical costs	83,842,022	2,048,967	(1,056,243)	84,834,746

Less accumulated depreciation for:

Land improvements	767,837	165,976		931,813
Buildings and improvements	4,217,049	212,080	(139,126)	4,290,003
Machinery and equipment	2,072,659	450,278	(58,619)	2,464,318
Vehicles	2,358,702	254,659	(173,834)	2,439,527
Infrastructure	19,502,814	2,096,955	(152,504)	21,537,265
Total accumulated depreciation	29,009,061	3,177,948	(524,083)	31,662,926
Net other capital assets	54,832,961	(1,128,981)	(532,160)	53,171,820
Total net capital assets	\$ 58,450,089	\$ (562,985)	\$ (584,458)	\$ 57,302,646

Depreciation expense was charged to functions as follows:

Governmental Activities		
General government	\$	\$ 55,730
Public safety		274,686
Transportation, which includes the depreciation of infrastructure		2,439,374
Leisure activities		398,717
Health and human services		5,522
Industrial development		3,919
Total governmental activities depreciation expense		\$ 3,177,948

NOTE 3

CASH AND INVESTMENTS (CONTINUED)

Bank accounts and the local government investment pool are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the relatively small size of the Guarantee 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, 2018, \$5,502,239 of the City's deposits were insured by the FDIC or NCUA, \$817,684 were insured by a federal home loan bank letter of credit, and \$1,206 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.

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 <https://ba.wis.gov/Pages/StateFinance/LGIP.aspx>. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2018, the fair value of the City's share of the LGIP's assets was substantially equal to the amount 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, 2018 was: 87.25% in U.S. Government Securities, 2.19% in Bankers' Acceptances and 10.56% 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.

City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2018

NOTE 4

CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Additions	Removals	Ending Balance
Business-Type Activities:				
Capital assets not being depreciated:				
Intangible plant	\$ 8,978	\$	\$	\$ 8,978
Land and land rights	40,438			40,438
Construction in progress	109,181	458,189	(109,181)	458,189
Total capital assets not being depreciated	158,597	458,189	(109,181)	507,605
Capital assets being depreciated:				
Water:				
Source of supply	765,539			765,539
Pumping	2,067,302	14,450	(2,500)	2,079,252
Water treatment	1,413,694			1,413,694
Transmission and distribution	19,089,646	582,749	(67,176)	19,605,219
General plant	784,240	21,059	(9,678)	795,621
Sewer:				
Collection system	15,790,408	505,067	(34,092)	16,261,383
Treatment and disposal	10,285,831	225,652	(265,671)	10,245,812
General plant	1,222,637	118,425	(194,825)	1,146,235
Total capital assets being depreciated	51,419,297	1,467,400	(573,942)	52,312,755
Less: accumulated depreciation for:				
Water:				
Source of supply	248,475	21,996		270,471
Pumping	979,419	64,222	(2,500)	1,041,141
Water treatment	367,864	44,206		412,070
Transmission and distribution	4,196,108	366,847	(67,176)	4,495,779
General plant	603,627	59,167	(9,678)	653,116
Sewer:				
Collection system	1,788,014	188,280	(34,092)	1,942,202
Treatment and disposal	8,066,859	287,827	(265,671)	8,089,015
General plant	847,954	88,590	(194,825)	741,719
Total accumulated depreciation	17,098,320	1,121,045	(573,942)	17,645,423
Net capital assets being depreciated	34,320,977	346,355		34,667,332
Total net capital assets	\$ 34,479,574	\$ 804,544	\$ (109,181)	\$ 35,174,937

Depreciation expense consisted of the following:

Business-Type Activities:	
Water and sewer depreciation (Per Exhibit A-8)	\$ 1,121,045

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City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2018

NOTE 5

LONG-TERM OBLIGATIONS

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

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due within One Year
Governmental Activities					
Bonds and notes payable					
General obligation debt	\$ 20,572,865	\$ 2,545,000	\$ (1,532,450)	\$ 21,585,415	\$ 1,747,017
Tax increment revenue bonds	3,392,936	1,720,000	(2,195,905)	2,917,031	310,375
Other liabilities:					
Compensated absences	425,484		(43,324)	382,160	66,307
Total governmental activities	\$ 24,391,285	\$ 4,265,000	\$ (3,771,679)	\$ 24,884,606	\$ 2,123,759
Business-Type Activities					
Revenue bonds	\$ 15,095,240	\$	\$ (741,961)	\$ 14,353,279	\$ 754,305
Other liabilities:					
Compensated absences	122,864	15,249		138,113	10,518
Total business-type activities	\$ 15,218,104	\$ 15,249	\$ (741,961)	\$ 14,489,392	\$ 764,823

The compensated absences liability attributed to governmental activities are typically being liquidated in the general fund.

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, 2018 was \$34,711,400. Total general obligation debt outstanding at year-end was \$21,585,415. City policy limits general obligation indebtedness to 3.5% of the equalized value of taxable property within the city's jurisdiction, or \$24,297,980. As of December 31, 2018, outstanding general obligation debt was within the limits established by Wisconsin Statutes and City policy.

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City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2018

NOTE 5

LONG-TERM OBLIGATIONS (CONTINUED)

Governmental Activities	Date of Issue	Final Maturity	Interest Rates	Original Amount	Balance 12/31/2018
General obligation debt:					
General obligation bonds	3/7/2012	3/1/2023	2.0-3.0%	\$ 1,725,000	\$ 1,250,000
General obligation notes	3/28/2013	10/1/2021	2.0-2.25	935,000	300,000
General obligation bonds	3/28/2013	10/1/2028	2.25-3.0	3,240,000	3,240,000
General obligation notes	10/1/2013	10/1/2023	2.0-3.25	5,000,000	2,975,000
General obligation notes	2/12/2014	10/1/2020	2.00	5,000,000	920,000
General obligation notes	4/6/2015	4/6/2022	1.98	172,000	145,415
General obligation bonds	12/29/2015	3/1/2033	1.625-3.8	3,790,000	3,560,000
General obligation bonds	6/2/2016	12/1/2025	1.0-1.85	2,520,000	2,300,000
General obligation bonds	6/1/2017	9/1/2036	1.55-3.35	1,375,000	1,375,000
General obligation bonds	10/4/2017	10/1/2029	2.5-3.0	2,975,000	2,975,000
State trust fund loan	4/27/2018	3/15/2038	4.00	1,300,000	1,300,000
General obligation bonds	5/10/2018	3/1/2026	3.0-3.25	1,245,000	1,245,000
Total governmental activities - general obligation debt					\$ 21,585,415

Debt service requirements to maturity are as follows:

Years	Governmental Activities		
	Principal	Interest	Total
2019	\$ 1,747,017	\$ 578,669	\$ 2,325,686
2020	1,642,882	537,089	2,179,971
2021	2,019,978	499,111	2,519,089
2022	2,215,927	446,737	2,662,664
2023	2,160,863	391,379	2,552,242
2024-2028	8,046,282	1,241,022	9,287,304
2029-2033	2,928,467	401,991	3,330,458
2034-2038	823,999	75,963	897,962
Totals	\$ 21,585,415	\$ 4,169,961	\$ 25,755,376

As of December 31, 2018, there is \$162,359 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.

City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2018

NOTE 5

LONG-TERM OBLIGATIONS (CONTINUED)

Tax Incremental Revenue Bonds

Tax incremental 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 incremental 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.

Tax incremental revenue bonds payable at December 31, 2018 consist of the following:

	Date of Issue	Final Maturity	Interest Rates	Original Amount	Balance 12/31/2018
Tax incremental revenue bonds	9/12/2013	9/12/2026	4.303%	\$ 2,000,000	\$ 1,359,356
Tax incremental revenue bonds	3/29/2018	3/31/2023	2.49%	1,720,000	1,537,675
Total governmental activities - tax incremental revenue bonds					\$ 2,917,031

Debt service requirements to maturity are as follows:

Years	Governmental Activities	
	Principal	Interest
2019	\$ 310,375	\$ 77,729
2020	318,593	69,510
2021	327,212	60,891
2022	336,138	51,965
2023	345,444	42,659
2024-2026	1,279,269	71,505
Totals	\$ 2,917,031	\$ 374,259

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, 2018 consists of the following:

	Date of Issue	Final Maturity	Interest Rates	Original Amount	Balance 12/31/2018
Clean water revenue bonds	12/10/2008	5/1/2028	2.339%	\$ 2,473,498	\$ 1,389,313
Clean water revenue bonds	11/1/2010	5/1/2030	2.428	3,964,010	2,601,966
Revenue bonds	3/7/2012	5/1/2032	3.0-4.0	6,750,000	5,575,000
Revenue bonds	6/24/2015	5/1/2035	2.0-4.0	5,425,000	4,785,000
Total					\$ 14,351,279

City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2018

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Debt service requirements to maturity are as follows:

Years	Business-type Activities		
	Principal	Interest	Total
2019	\$ 754,305	\$ 457,212	\$ 1,211,517
2020	791,825	437,027	1,228,852
2021	804,526	415,059	1,219,585
2022	842,410	392,380	1,234,790
2023	885,483	368,536	1,254,019
2024-2028	4,870,440	1,432,735	6,303,175
2029-2033	4,692,290	539,052	5,231,342
2034-2035	710,000	28,400	738,400
Totals	\$ 14,351,279	\$ 4,070,401	\$ 18,421,680

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, 2018, the "net revenues" of the system were \$2,884,311 or 2.38 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, 2018

NOTE 6 LONG-TERM ADVANCES

The following is a schedule of interfund advances at December 31, 2018:

Debt service	Receivable Fund	Payable Fund	Amount
General	Airport		\$ 76,712
General	TIF #7		424,340
Water and sewer utility	TIF #6		366,499
Water and sewer utility	TIF #6		65,552
Water and sewer utility	TIF #7		855,448
	Total		\$ 1,788,551

On December 31, 2018, the airport was obligated to the debt service fund for \$76,712 on long-term advances for improvements which matures as follows:

Year	Principal	Interest	Total
2019	\$ 14,039	\$ 3,061	\$ 17,100
2020	14,662	2,438	17,100
2021	15,314	1,786	17,100
2022	15,993	1,107	17,100
2023	16,704	396	17,100
Total	\$ 76,712	\$ 8,788	\$ 85,500

The final payment on the \$76,712 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 OTHER POSTEMPLOYMENT BENEFITS - MULTIPLE EMPLOYER LIFE INSURANCE PLAN

Plan description The Local Retiree Life Insurance Fund (LRLIF) is a multiple-employer defined benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides post-employment life insurance benefits for all eligible employees.

OPEB Plan Fiduciary Net Position ETF issues a standalone Comprehensive Annual Financial Report (CAFR), which can be found at <http://at.wis.gov/publications/cabl.htm>

Benefits provided The LRLIF plan provides fully paid up life insurance benefits for post-age 64 retired employees and pre-65 retirees who pay for their coverage.

NOTE 7 OTHER POSTEMPLOYMENT BENEFITS - MULTIPLE EMPLOYER LIFE INSURANCE PLAN (CONTINUED)

Contributions. The Group Insurance Board approves contribution rates annually, based on recommendations from the insurance carrier. Recommended rates are based on an annual valuation, taking into consideration an estimate of the present value of future benefits and the present value of future contributions. A portion of employer contributions made during a member's working lifetime funds a post-retirement benefit.

Employees are required to pay the following contributions based on employee contributions for active members to provide them with Basic Coverage after age 65. There are no employer contributions required for pre-age 65 annuitant coverage. If a member retires prior to age 65, they must continue paying the employee premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution rates as of December 31, 2018 are:

Coverage Type	Employer Contribution
35% Post Retirement Coverage	20% of employee contribution

Employee contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The employee contribution rates in effect for the year ended December 31, 2017 are as listed below:

Attained Age	Basic
Under 30	\$0.05
30-34	0.06
35-39	0.07
40-44	0.08
45-49	0.12
50-54	0.22
55-59	0.39
60-64	0.49
65-69	0.57

During the reporting period, the LRLIF recognized \$1,981 in contributions from the employer.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

At December 31, 2018, the LRLIF Employer reported a liability (asset) of \$313,858 for its proportionate share of the net OPEB liability (asset). The net OPEB liability (asset) was measured as of December 31, 2017 and the total OPEB liability (asset) used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of December 31, 2016 rolled forward to December 31, 2017. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net OPEB liability (asset) was based on the City's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2017, the City's proportion was 10432100%, which was a decrease of 000915% from its proportion measured as of December 31, 2016.

NOTE 7 OTHER POSTEMPLOYMENT BENEFITS - MULTIPLE EMPLOYER LIFE INSURANCE PLAN (CONTINUED)

For the year ended December 31, 2018, the City recognized OPEB expense of \$32,916.

OPEB 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 OPEB plan made by the proprietary fund and business-type activities relative to the total contributions made by the City.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 30,329	\$ 4,422
Changes of assumptions		
Net differences between projected and actual earnings on OPEB plan investments	3,614	
Changes in proportion and differences between employer contributions and proportionate share of contributions		1,926
Employee contributions subsequent to the measurement date	1,948	
Totals	\$ 35,891	\$ 6,348

\$1,948 reported as deferred outflows related to OPEB resulting from the City employer's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31	Net Outflows (Inflows) of Resources
2019	\$ 4,576
2020	4,576
2021	4,576
2022	4,576
2023	3,672
Thereafter	5,619
Total	\$ 27,595

NOTE 7 OTHER POSTEMPLOYMENT BENEFITS - MULTIPLE EMPLOYER LIFE INSURANCE PLAN (CONTINUED)

Actuarial assumptions. The total OPEB liability in the January 1, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date	January 1, 2017	December 31, 2017
Measurement Date of Net OPEB Liability (Asset)		
Actuarial Cost Method	Entry Age Normal	
20 Year Tax-Exempt Municipal Bond Yield	3.44%	
Long-Term Expected Rate of Return	5.00%	
Discount Rate	3.03%	
Salary Increases	3.20%	
Inflation	0.2% - 5.0%	
Seniority/Merit		Wisconsin 2012 Mortality Table
Mortality		

Long-term expected Return on Plan Assets. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Investments for the LRLIF are held with Securitan, the insurance carrier. Interest is calculated and credited to the LRLIF based on the rate of return for a segment of the insurance carrier's general fund, specifically 10-year A-Bonds (as a proxy, and not tied to any specific investments). The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were originally invested and the rate of return for that year. Investment interest is credited based on the aggregate rate of return and assets are not adjusted to fair market value. Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto.

**Local OPEB Life Insurance
Asset Allocation Targets and Expected Returns**
As of December 31, 2017

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
US Government Bonds	Barclays Government	1%	1.13%
US Credit Bonds	Barclays Credit	65%	2.61%
US Long Credit Bonds	Barclays Long Credit	3%	3.08%
US Mortgages	Barclays MBS	31%	2.19%
Inflation			2.30%
Long-Term Expected Rate of Return			5.00%

Single Discount rate. A single discount rate of 3.63% was used to measure the total OPEB liability. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total OPEB liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment; to the extent that the plan's fiduciary net position is projected to be insufficient.

NOTE 7 OTHER POSTEMPLOYMENT BENEFITS - MULTIPLE EMPLOYER LIFE INSURANCE PLAN (CONTINUED)

Sensitivity of the City's proportionate share of the net OPEB liability (asset) to changes in the discount rate. The following presents the City's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 3.63 percent, as well as what the City's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (2.63 percent) or 1-percentage-point higher (4.63 percent) than the current rate.

	1% Decrease to Discount Rate (2.63%)	Current Discount Rate (3.63%)	1% Increase to Discount Rate (4.63%)
City's proportionate share of the net OPEB liability (asset)	\$443,601	\$313,858	\$214,294

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

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS - SINGLE EMPLOYER HEALTH INSURANCE PLAN

The City of Platteville implemented GASB Statement No. 75, "Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions" for the year ended December 31, 2018. This implementation requires reporting of an actuarially determined other post-employment benefits liability for the present value of projected future benefits for retired and active employees.

Plan Description - The City operates a single-employer retiree benefit plan that provides postemployment health insurance benefits to eligible employees. Benefits and eligibility are established and amended by the City Council. The plan does not issue stand-alone financial statements. Current approved benefits are as follows:

Employees Retiring from the City that are also eligible for the Wisconsin Retirement System: Retirees may choose to remain on the City's group medical plan until age 65 provided they self-pay the full (100%) amount of all required premiums. Eligible retirees also receive an HRA benefit for reimbursement of a portion of the high deductible health plan up to \$1,000 for single and \$2,000 for family coverage.

Funding Policy - The City will fund the OPEB with a pay-as-you-go basis.

Employees Covered by Benefit Terms - At December 31, 2017, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	10
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	68
	<hr/> 78

Total OPEB liability. The City's total OPEB liability of \$752,532 was measured at December 31, 2017, and was determined by an actuarial valuation as of December 31, 2017.

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS - SINGLE EMPLOYER HEALTH INSURANCE PLAN (CONTINUED)

Actuarial Assumptions and Other Inputs - The total OPEB liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	December 31, 2017
Measurement date	December 31, 2017
Actuarial cost method	Entry age normal (level percent of salary)
Inflation	2.5 percent
Salary increases	3.0 percent, average, including inflation
Discount rate	3.5 percent
Healthcare cost trend rates	4.50% in the first year then 7.0%, decreasing by 0.50% per year down to 6.50%, then down by 0.10% per year down to 5.0%, and level thereafter
Retirees' share of benefit-related costs	Retirees are responsible for the full (100%) amount of premiums

The discount rate is based on the Bond Buyer Go 20-Year AA Bond Index published by the Federal Reserve for the week at the beginning of the measurement period.

Mortality rates were based on the Wisconsin 2012 Mortality Table

The actuarial assumptions used in the December 31, 2017 valuation were based on a study conducted in 2015 using the Wisconsin Retirement System (WRS) experience from 2012-2014.

Changes in the Total OPEB Liability:

	Total OPEB Liability
Balance at 12/31/2016	\$ 687,852
Changes for the year:	
Service cost	57,334
Interest	24,773
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	(17,427)
Benefit payments	64,680
Net Changes	\$ 752,532
Balance at 12/31/2017	\$ 752,532

There were no changes of benefit terms

There were no changes of assumptions

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS - SINGLE EMPLOYER HEALTH INSURANCE PLAN (CONTINUED)

Sensitivity of the total OPEB liability to changes in the discount rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current discount rate:

	1% Decrease	Current	1% Increase
	2.50%	3.50%	4.50%
Total OPEB Liability	\$ 800,400	\$ 752,532	\$ 707,268

Sensitivity of the total OPEB liability to changes in healthcare cost trend rates

The following represents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.0 percent decreasing to 4.0 percent) or 1-percentage-point higher (8.0 decreasing to 6.0 percent) than the current healthcare cost trend rates

	1% Decrease (3.5% in First Year, then 6.0% decreasing to 4.0%)	Healthcare Cost Trend Rates (4.5% in First Year, then 7.0% decreasing to 5.0%)	1% Increase (5.5% in First Year, then 8.0% decreasing to 6.0%)
Total OPEB Liability	\$ 688,899	\$ 752,532	\$ 827,948

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2018, the City recognized OPEB expense of \$82,107

OPEB 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 OPEB plan made by the proprietary fund and business-type activities relative to the total contributions made by the City.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	\$ -	\$ -
Changes of assumptions or other inputs	-	-
Contributions after the measurement date	46,008	-
Total	\$ 46,008	\$ -

\$46,008 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended December 31, 2019. There are no other amounts reported as deferred outflows of resources or deferred inflows of resources related to pension that will be recognized in pension expense in future years.

NOTE 9
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://ef.wis.gov/publications/cafr.htm>

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

Benefits provided. Employees who retire at or after age 65 (54 for protective occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before 12/31/2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

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

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

The WRS also provides death and disability benefits for employees

NOTE 9
DEFINED BENEFIT PENSION PLAN (CONTINUED)

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
2008	6.6%	0%
2009	(2.1)	(42)
2010	(1.5)	22
2011	(1.3)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5.0)
2017	7.0	4.0

Contributions. Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers and executives and elected officials. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee Category. Required contributions for protective employees are the same rate as general employees. 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.

During the reporting period, the WRS recognized \$526,229 in contributions from the employer

Contribution rates as of December 31, 2018 are:

	2018	
	Employee	Employer
General (including teachers, executives, and elected officials)	6.7%	6.7%
Protective with social security	6.7%	10.7%
Protective without social security	6.7%	14.9%

NOTE 9 DEFINED BENEFIT PENSION PLAN (CONTINUED)

\$318,909 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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year ended December 31:	Net Outflows (Inflows) of Resources
2019	\$ 111,356
2020	(945)
2021	(322,504)
2022	(245,994)
2023	2,286
Total	\$ (455,801)

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

Actuarial Valuation Date:	December 31, 2016
Measurement Date of Net Pension Liability (Asset)	December 31, 2017
Actuarial Cost Method:	Fair Market Value
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.

Actuarial assumptions are based upon an experience study conducted in 2015 using experience from 2012 - 2014. The total pension liability for December 31, 2017 is based upon a roll-forward of the liability calculated from the December 31, 2016 actuarial valuation.

NOTE 9 DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

At December 31, 2018, the City reported a liability (asset) of (\$951,149) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2017, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2016 rolled forward to December 31, 2017. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension liability (asset) was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2017, the City's proportion was 0.03203475%, which was a decrease of 0.00011961% from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the City recognized pension expense of \$421,028.

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, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,208,459	\$ 565,277
Changes of assumptions	187,928	
Net differences between projected and actual earnings on pension plan investments		1,307,267
Changes in proportion and differences between employer contributions and proportionate share of contributions	20,356	
Employer contributions subsequent to the measurement date	318,909	
Total	\$ 1,735,652	\$ 1,872,544

NOTE 9 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:

Asset Allocation Targets and Expected Returns As of December 31, 2017	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Core Fund Asset Class	50	8.2	5.3
Global Equities	24.5	4.2	1.4
Fixed Income	15.5	3.8	1.0
Inflation Sensitive Assets	8	6.5	3.6
Real Estate	8	9.4	6.5
Private Equity/Debt	4	6.5	3.6
Multi-Asset	11.0	7.3	4.4
Variable Fund Asset Class			
U.S. Equities	70	7.5	4.6
International Equities	30	7.8	4.9
Total Variable Fund	100	7.9	5.0

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

Single Discount Rate. A single discount rate of 7.20% was used to measure the total pension 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 3.1%. 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 9 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)	\$2,460,949	(\$951,149)	(\$3,544,450)

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://gfd.wi.gov/publications/clair.htm>.

NOTE 10 CONTINGENT LIABILITIES

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

- 1 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.
- 2 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 11 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, 2018, the compensated absences consisted of:

Sick leave	\$ 443,388
Vacation	76,885
Total	\$ 520,273

City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2018

NOTE 12 TAX INCREMENTAL DISTRICTS

Transactions of the tax incremental district to December 31, 2018 are summarized below:

	TIF #4	TIF #5	TIF #6	TIF #7
Project expenditures to 12/31/18	\$ 4,275,879	\$ 11,441,872	\$ 8,744,453	\$ 11,224,252
Accumulated credits to project expenditures:				
Tax increments collected	2,733,243	9,768,570	2,879,502	1,027,162
Developer agreement payments			112,247	260,915
EDA grant	1,366,543		382,667	178,808
Community development block grant				909,276
SAG grant				130,000
Tax exempt computer aid	24,479	98,783	4,432	43,644
Interest income			215,010	91,223
Miscellaneous income	3,303	24,198	14,157	107,506
Transfer from other funds				1,304,447
Total accumulated credits	4,127,568	9,891,551	3,608,015	4,072,981
Excess of project expenditures over accumulated credits to 12/31/18	\$ 148,311	\$ 1,550,321	\$ 5,136,438	\$ 7,151,271
Notes payable				
outstanding 12/31/18	\$ 200,000	\$ 1,557,675	\$ 4,704,356	\$ 6,500,000
Fund balance (positive) 12/31/18	(51,689)	(7,354)	432,082	651,271
Project expenditures to be recovered subsequent to 12/31/18	\$ 148,311	\$ 1,550,321	\$ 5,136,438	\$ 7,151,271

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.

In 2017, TIF #5 began increment sharing with TIF #7. The increment sharing is recorded as a TIF #5 project expenditure in the table above and reflected as a transfer in the statement of revenues, expenditures, and changes in fund balances for the governmental funds.

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 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

During the summer of 2019, the City intends to adopt an affordable housing resolution for District #4. The life of District #4 is expected to be extended until 4/15/2020. In addition, the life of District #6 is expected to be extended to allow additional time to recover its project costs.

City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2018

NOTE 13 GOVERNMENTAL ACTIVITIES NET POSITION/FUND BALANCES

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

GOVERNMENTAL ACTIVITIES	
Net investment in capital assets	
Land and construction work in progress	\$ 4,130,826
Other capital assets, net of accumulated depreciation	53,171,820
Less: long-term capital debt outstanding	(20,835,316)
Less: unamortized bond premium	(205,809)
Total net investment in capital assets	<u>36,261,521</u>
Restricted for:	
Redevelopment authority	277,346
Housing conservation	84,488
Donor specified	312,334
Impact fees	103,208
Community development grant restricted	1,484,458
Library endowment	6,248
Perpetual care	558,827
Tax/Bus	17,332
TIF expenditures	100,801
Total restricted	<u>2,945,042</u>
Unrestricted	<u>164,131</u>
Total governmental activities net position	<u>\$ 39,370,694</u>

GOVERNMENTAL FUND BALANCES

Governmental fund balances reported on the fund financial statements at December 31, 2018 includes the following:

Nonspendable:	
Major Funds:	
General Fund:	
Advances to other funds	\$ 790,839
Delinquent taxes	8,643
Total Major Funds	<u>799,482</u>
Non-Major Funds:	
Debt Service:	
Advances to other funds	76,712
Airport	
Fuel inventory	29,534
Total Non-Major Funds	<u>106,246</u>
Total nonspendable	<u>\$ 905,728</u>

NOTE 13 GOVERNMENTAL ACTIVITIES NET POSITION/FUND BALANCES (CONTINUED)

GOVERNMENTAL FUND BALANCES (Continued)

Restricted:	
Major Funds:	
General Fund:	
Donor restricted:	\$
Ice rink	225
Parking spaces	16,528
Parks Beirning Trust	
Parks	17,990
Museum	44,303
Museum donations	32,755
New park	11,200
M. Harrison Trust	3,150
Swim team	18,335
Senior center bus	115
Legion Park Trust	28,575
Tree	2,102
Automated external defibrillator	321
Recreation scholarships	6,453
Family theatre	500
Fireworks	8,263
Splash playground	1,980
Police	10,359
Caryl Clayton Trust	9,787
Cemetery	5,691
Senior Center	91,124
Historic Preservation Community	984
Sports complex	40
Animal care	1,554
Park impact fees	103,208
Total General Fund	415,542
Capital projects	162,359
Community development block grant	68,260
TIF District No. 7	41,758
Total Major Funds	687,919

NOTE 13 GOVERNMENTAL ACTIVITIES NET POSITION/FUND BALANCES (CONTINUED)

GOVERNMENTAL FUND BALANCES (Continued)

Restricted (Continued):	
Non-Major Funds:	
Airport	202,432
Redevelopment authority	157,305
Perpetual care	558,827
Housing conservation	12,675
Library	6,248
Taxi/Bus	17,332
TIF District No. 4	51,689
TIF District No. 5	7,354
Total Non-Major Funds	1,013,862
Total restricted	\$ 1,701,781

Assigned:	
Major Funds:	
General Fund	\$
Police explorers	1,020
Museum funds	46,619
Fire department	3,253
Library building	18,448
Ambulance outlay	104,832
Ambulance services	2,265
Cemetery outlay	7,086
LED street lights	1,697
Stop light maintenance	3,939
Tree planting	1,300
Pool heat exchanger	7,000
Capital outlay	492,033
Capital Projects	252,529
Total assigned	\$ 942,021

The following funds had (deficit) unassigned fund balances at December 31, 2018:

Major Funds:	
TIF District No. 7	\$ (693,029)
Non-Major Funds:	
TIF District No. 6	(432,082)
Debt service	(979)
Total non-major funds	(433,061)
Total (deficit)	\$ (1,126,090)

City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2018

NOTE 14 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, 2018 the various components of deferred inflows of resources reported in the governmental funds were as follows:

Property tax receivable and tax roll special charges	\$ 4,614,043
Tax increment receivable	2,084,651
Tax Equivalent	407,005
Loans receivable	509,830
Mortgages receivable	1,488,011
Total deferred inflows of resources for governmental funds	<u>\$ 9,103,520</u>

The mortgages receivable of \$1,488,011 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 \$509,830 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 15 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, 2018 was \$2,282,301.

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, 2018

NOTE 16 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	Purpose
General	Water and sewer	\$ 407,005	Tax Equivalent
General	Community Development Block Grant	17	Cash flow
General	Taxi/bus	12,525	Cash flow
	Total	<u>\$ 419,547</u>	
Enterprise Funds	General Fund	\$ 13,954	Tax roll items
Water and sewer			

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	Purpose
Governmental Funds:			
Capital projects	General	\$ 549,554	Various outlays
Capital projects	Cemetery perpetual care	3,405	Cemetery outlay
Debt service	General	70,061	Debt payment
General	Capital projects	17,384	Library outlay
TIF #7	TIF #5	526,327	Tax increment sharing
			Construction of low to moderate income rental units
TIF #7	Community development block grant	200,000	
	Total	<u>\$ 1,366,731</u>	
Proprietary Funds:			
General	Water utility	\$ 407,005	Tax equivalent

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 17 COMMITMENTS/SUBSEQUENT EVENTS

The following items were approved and will be purchased or completed subsequent to December 31, 2018:

- 1 Replacement of Well #4 with Well #6 for approximately \$738,000. \$505,575 of costs remain for the project.
- 2 City Hall renovations for approximately \$750,000. The project is spread over three years so the project does not add any additional debt.
- 3 Street maintenance for approximately \$123,000.
- 4 Lewis and Court Street construction for approximately \$1,854,000.
- 5 Pitt Street water main replacement for approximately \$181,000.
- 6 Alden Avenue water main replacement for approximately \$209,000.

City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2018

NOTE 17 COMMITMENTS/SUBSEQUENT EVENTS (CONTINUED)

7 On May 30, 2019, the City issued a \$1,125,000 General Obligation Street Improvement Bonds with interest rates of 3-4% for the purpose of improving City streets. Debt requirements are as follows:

Year	Principal	Interest	Total
2020	\$ 45,413	\$ 45,413	\$ 45,413
2021	36,250	36,250	36,250
2022	36,250	36,250	36,250
2023	50,000	35,250	85,250
2024	50,000	33,250	83,250
2025-2029	470,000	124,000	594,000
2030-2034	553,000	41,925	596,925
Totals	\$ 1,125,000	\$ 352,338	\$ 1,477,338

NOTE 18 TAX ABATEMENTS

Tax abatements are a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

The City of Platteville, through its Tax Incremental Financing District No. 6, has entered into a tax abatement agreement with a developer in the form of tax incremental financing incentives to stimulate economic development. The abatements are authorized through the Tax Incremental Financing District No. 6 project plan. The agreement requires the City to make annual repayments of property taxes collected within the TID to the developer based upon the terms of the agreements.

For the year ended December 31, 2018, the City abated property taxes totaling \$70,097 related to a Tax Incremental Financing District No. 6 agreement.

NOTE 19 TAX LEVY LIMIT

Wisconsin Act 32 imposes a limit on the property tax levies for all Wisconsin cities, villages, towns and counties. Under 2011 Wisconsin Act 32, in 2011 and all future years, a municipality is allowed to increase its levy over the amount it levied in the prior year by the percentage increase in equalized value from net new construction or zero percent. All of the exceptions and modifications to levy limits that existed under previous law continue to apply.

In addition, as part of Wisconsin's Act 20 (2013), legislation was passed that further limits future tax levies if the City adopts a new fee or a fee increase for covered services (which were partly or wholly funded by property tax levy), the City must reduce its levy limit in the current year by the amount of the new fee or fee increase, less any previous reductions. Covered services include garbage collection, snow plowing, street sweeping, and stormwater management.

The City has the ability to increase tax levies through the unutilized debt service adjustment.

City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2018

NOTE 20 COMPONENT UNIT - HOUSING AUTHORITY

A. Cash and Investments

At year-end, the carrying amount of the housing authority's deposits was \$43,553 and the bank balance was \$43,867. 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:

	Balance 1/1/18	Additions	Retirements	Balance 12/31/18
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 21 EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT PERIOD FINANCIAL STATEMENTS

The Government Accounting Standards Board (GASB) has adopted GASB Statement No. 83, *Certain Asset Retirement Obligations*, GASB Statement No. 84, *Judiciary Activities*, GASB Statement No. 87, *Leases*, and GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. When these standards become effective, portions of these financial statements may be restated.

NOTE 22 PRIOR PERIOD ADJUSTMENTS

Prior period adjustments have been recorded as follows:

	Governmental Activities	Business-Type Activities	Total Net Position
Total net position as of			
January 1, 2017 as previously reported	\$ 42,108,805	\$ 24,924,170	\$ 67,032,975
Restate sewer utility accumulated depreciation		179,635	179,635
Total net position as of January 1, 2017 as restated	42,108,805	25,103,805	67,212,610
2017 change in net position	(546,204)	957,935	411,731
Total net position as of January 1, 2018 as revised	41,562,601	26,061,740	67,624,341
Cumulative effect of change in accounting principle effective January 1, 2018 (GASB Statement No. 75)			
OPEB - Group life insurance plan	(182,356)	(71,163)	(253,519)
OPEB - City health insurance plan	(489,410)	(181,015)	(670,425)
Net position, January 1, 2018 as restated	\$ 40,890,835	\$ 25,809,562	\$ 66,700,397

Sewer utility accumulated depreciation has been restated as of January 1, 2017. Several capital assets were over depreciated in prior years. Proprietary fund balance and business-type activities were increased accordingly. Implementation of GASB Statement No. 75 required net position to be decreased. The decrease in net position was to reflect the OPEB liability balances as of January 1, 2018 and beginning deferred outflows of resources for City contributions to the OPEB plans after the actuarial measurement dates.

Exhibit B-1
Required Supplementary Information

City of Platteville, Wisconsin
Budgetary Comparison Schedule for the General Fund
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variances-	
	Original	Final		Original to Actual	Final to Actual
REVENUES					
Taxes	\$ 2,805,586	\$ 2,805,586	\$ 2,878,536	\$ 72,950	\$ 72,950
Special assessments	9,380	9,380	10,429	1,049	1,049
Intergovernmental	3,820,747	3,826,705	4,066,790	246,043	240,085
Licenses and permits	228,130	228,130	215,773	(12,357)	(12,357)
Fines and forfeitures	160,000	160,000	174,657	14,657	14,657
Public charges for services	614,275	614,275	795,390	181,115	181,115
Interest income	21,500	21,500	101,033	79,533	79,533
Loan repayments	12,565	12,565	12,565		
Miscellaneous	72,620	74,141	152,075	79,455	77,934
Total revenues	7,744,803	7,752,282	8,407,248	662,445	654,966
EXPENDITURES					
General government	1,242,147	1,242,147	1,188,708	53,439	53,439
Public safety	3,427,760	3,427,760	3,081,498	346,262	346,262
Public Works	1,565,778	1,561,936	1,560,979	4,799	957
Health and social services	118,648	120,169	124,869	(6,221)	(4,700)
Leisure activities	1,691,715	1,824,553	1,825,671	(133,956)	(1,118)
Conservation and development	268,292	268,292	333,476	(65,184)	(65,184)
Total expenditures	8,314,340	8,444,857	8,115,201	199,139	329,656
Excess (deficiency) of revenues over expenditures	(569,537)	(692,575)	292,047	861,584	984,622
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of capital assets			91,325	91,325	91,325
Transfer to other funds	(472,443)	(619,615)	(619,615)	(147,172)	
Transfer from other funds			17,384	17,384	17,384
Transfer from utility-tax equivalent	389,292	389,292	400,316	11,024	11,024
Total other financing sources (uses)	(83,151)	(230,323)	(110,590)	(27,439)	119,733
Net change in fund balances	(652,688)	(922,898)	181,457	834,145	1,104,355
Fund balance-beginning of year	4,306,565	4,306,565	4,306,565		
Fund balance-end of year	\$ 3,653,877	\$ 3,383,667	\$ 4,488,022	\$ 834,145	\$ 1,104,355

See accompanying notes to the required supplementary information.

Exhibit B-2
City of Platteville, Wisconsin
Local Retiree Life Insurance Fund Schedules
December 31, 2018

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

Year ended December 31,	Proportionate share of the net OPEB liability (asset)	Proportionate share of the net OPEB liability (asset)	Proportionate share of the net OPEB liability (asset) as a percentage of its employee payroll	Plan fiduciary net position as a percentage of the total OPEB liability (asset)
2017	0.10452100%	\$ 313,858	7.15%	44.81%

*The proportionate share of the net OPEB 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

Year ended December 31,	Contractually required contributions	Contribution deficiency (excess)	Contributions as a percentage of covered- employee payroll
2018	\$ 1,948	\$ (1,948)	0.05%

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

Exhibit B-3
City of Platteville, Wisconsin
Schedule of Changes in the City's Total OPEB Liability and Related Ratios
December 31, 2018

Total OPEB Liability

	2017
Service cost	\$ 57,334
Interest	24,773
Changes in benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions or other inputs	-
Benefit payments	(17,427)
Net change in total OPEB	\$ 64,680
Total OPEB Liability- Beginning	\$ 687,852
Total OPEB Liability- Ending	\$ 752,532
Covered Employee Payroll	\$ 3,718,609
Total OPEB liability as a percentage of covered- employee payroll	20.24%

This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is only presented for the years for which the required supplementary information is available

BUDGET SCHEDULE

NOTE 1

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 6 preceding years.

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

Changes of assumptions: There were no changes in the assumptions.

NOTE 3

LOCAL RETIREE LIFE INSURANCE SCHEDULES

Governmental Accounting Standards Board Statement No 75 requirements have been implemented prospectively; therefore, the illustrations do not present similar information for the 9 preceding years.

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

Changes of assumptions: There were no changes in the assumptions.

NOTE 4

OTHER POSTEMPLOYMENT BENEFITS PLAN - CITY HEALTH INSURANCE PLAN

Governmental Accounting Standards Board Statement No 75 requirements have been implemented prospectively; therefore, the illustrations do not present similar information for the 9 preceding years.

Changes of benefit terms: There were no changes of benefit terms during the year.

Changes of assumptions: There were no changes in the assumptions.

Assets: There are no assets accumulated in a trust that meet the criteria in governmental accounting standards to pay related benefits.

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

Last 10 Calendar Years**

Year ended December 31,	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	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)
2017	(0.03203475%)	\$ (951,149)	\$ 4,148,866	(22.93%)	(102.93%)
2016	0.03215436%	265,028	4,094,108	6.47%	99.12%
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	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	Covered-employee payroll	Contributions as a percentage of covered-employee payroll
2018	\$ 318,909	\$ (318,909)	\$	\$ 4,040,929	7.89%
2017	328,551	(328,551)		4,148,866	7.92%
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.

City of Plattville, Wisconsin
 Notes to the Required Supplementary Information
 December 31, 2018

EXCESS EXPENDITURES OVER APPROPRIATIONS

The following expenditures exceeded budget appropriations in the general fund:

	Expenditure	Excess Expenditure
Health and social services	\$ 4,700	
Leisure activities	1,118	
Conservation and development	65,184	

Exhibit C-1
 City of Platteville, Wisconsin
 Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2018

	Special Revenue Funds				Capital Projects Funds				Permanent Fund		Total Non-Major Governmental Funds	
	Autort.	Revelopment Aurbort	Housing Conservation Program	Library (Littlial)	Zager (Full)	Boil Comden	Tax/Bus	IF No 4	TIF No 5	TIF No 6		Consistency Perpetual Care
ASSETS												
Cash and Investments	\$ 276,374	\$ 138,305	\$ 12,675	\$ 6,248	\$ 157,326						\$ 267,475	\$ 1,071,472
Receivables:												
Taxes	14,747											1,689,376
Other accounts												14,747
Other governments			71,813									76,025
Mortgages		265,435										71,813
Loans												265,435
Inventory	29,534											29,534
Advances to other funds												76,712
Total assets	\$ 320,655	\$ 423,760	\$ 84,488	\$ 6,248	\$ 157,326	\$ 134,026	\$ 76,025	\$ 224,734	\$ 977,310	\$ 546,375	\$ 2,074,75	\$ 3,295,134
LIABILITIES												
Accounts payable	\$ 11,740	\$ 1,060	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Accrued payroll												59,784
Due to other funds	76,712											124
Advances from other funds	237											11,546
Unearned revenue												432,051
Total liabilities	\$ 88,689	\$ 1,060	\$	\$	\$	\$ 47,023	\$ 1,060	\$	\$	\$ 31	\$	\$ 59,784
DEFERRED INFLOWS OF RESOURCES												
Deferred revenue		265,435	71,813									
FUND BALANCES												
Responsible	29,534											
Restricted	202,452	157,305	12,675	6,248	157,326	134,026	17,332	51,689	7,354	543,082	267,475	1,013,862
Unassigned (deficit)												(979)
Total fund balances	\$ 231,966	\$ 157,305	\$ 12,675	\$ 6,248	\$ 157,326	\$ 134,026	\$ 17,332	\$ 51,689	\$ 7,354	\$ 543,082	\$ 267,475	\$ 887,047
Total liabilities deferred inflows of resources, and fund balances	\$ 320,655	\$ 423,760	\$ 84,488	\$ 6,248	\$ 157,326	\$ 134,026	\$ 76,025	\$ 224,734	\$ 977,310	\$ 546,375	\$ 2,074,75	\$ 3,295,134

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, 2018

	Special Revenue Funds				Ziegler Trust
	Airport	Re-development Authority	Conservation Program	Library (Littlefield)	
REVENUES					
Taxes					
Intergovernmental					
Fines and forfeitures	10,141				
Public charges for services	413,210		244	362	3,353
Interest Income	5,885				
Loan repayments		50,413			
Miscellaneous	456				
Total revenues	419,551	60,554	244	362	3,353
EXPENDITURES					
Current:					
General government					
Public works	418,250			496	
Leisure activities					
Conservation and development		25,512			
Capital outlay					
Debt service		7,450			
Principal retirement		5,000			
Interest and fiscal charges					
Debt issuance costs					
Total expenditures	418,250	35,063		496	
Excess (deficiency) of revenues over expenditures	1,301	24,591	244	(134)	3,353
OTHER FINANCING SOURCES (USES)					
Other financing source--refunding bonds					
Current refunding of debt principal					
Debt premium					
Transfer to other funds					
Transfer from other funds					
Total other financing sources (uses)					
Net change in fund balances	1,301	24,591	244	(134)	3,353
Fund balance--beginning of year	230,665	132,714	12,431	6,382	153,973
Fund balance--End of year	\$ 231,966	\$ 157,305	\$ 12,675	\$ 6,248	\$ 157,326

Special Revenue Funds	Capital Projects Funds				Permanen. Fund Cemetery Perpetual Care	Total Nonmajor Governmental Funds
	Boil Cemetery	TIF No. 4	TIF No. 3	TIF No. 6		
\$	\$ 41,638	\$ 166,931	\$ 908,041	\$ 512,541	\$	\$ 2,856,005
	500,636	470	7,011	949		509,106
					1,725	10,141
	2,473					416,860
						26,170
						50,413
						4,114
	2,473	167,401	915,952	513,530	1,725	3,872,869
	553,092					971,342
		150	3,650	54,112		496
				211,373		57,912
						236,885
		173,000	337,325	238,580		1,808,355
		8,000	47,750	156,777		495,253
						18,214
	553,092	181,150	384,725	660,142		3,586,437
	2,473	(8,893)	(15,749)	(147,312)	1,725	(101,574)
						1,720,000
						(1,720,000)
						17,092
						(59,732)
						70,061
						(442,579)
	2,473	(8,893)	(15,749)	(147,312)	(1,640)	(156,227)
	131,553	26,225	67,438	2,354	269,135	843,274
\$	\$ 134,026	\$ 17,332	\$ 51,689	\$ 7,354	\$ (432,042)	\$ 75,733
						\$ 687,047

Company	Type	Coverage	Term
Employers	Workers Compensation	\$500,000/Accident \$500,000/Disease/Employee \$500,000/Disability/Pollux Limit	1/1/1-12/31/18
Employers	Inland Marine	\$1,729,672 Contractors Equipment, \$500 Deductible \$90,000 Fine Arts, \$500 Deductible \$75,000 Miscellaneous Property, \$500 Deductible \$1,000,000 Each Loss \$3,000,000 Aggregate	1/1/1-12/31/18
Employers	Linebacker	\$8,000,000 Occurrence \$0 Retained Limit	1/1/1-12/31/18
Employers	Umbrella Liability	\$1,000,000 Each Occurrence \$3,000,000 Damage to Premises Rented to You \$1,000,000 Personal/Advertising Injury \$2,000,000 General Aggregate \$2,000,000 Products/Completed Operations Aggregate	1/1/1-12/31/18
Employers	Automobile	\$1,000,000 Liability \$10,000 Medical Payment \$500,000 Uninsured Motorists \$500,000 Underinsured Motorists \$1,000 Deductible Comprehensive Per Schedule \$1,000 Deductible Collision Per Schedule Hired Autos & Non-Owned Auto Liability	1/1/1-12/31/18
Employers	Property	\$29,544,909 Blanket Buildings & Property in the Open \$10,808,393 Blanket Business Personal Property & Property in the Open \$55,000 Blanket Personal Property of Others \$3,000 Deductible	1/1/1-12/31/18
Employers	Commercial Crime	\$100,000 Employee Theft, \$1,000 Deductible \$25,000 Theft of Money Securities Inside \$250 Deductible; \$25,000 Outside \$250 Deductible \$100,000 Computer & Funds Transfer Fraud, \$1,000 Deductible	1/1/1-12/31/18
Ohio Casualty	Fidelity Bond	\$10,000 Chief of Police \$10,000 City Clerk \$10,000 City Assessor \$250,000 Finance Director \$1,000,000 Each Employee \$2,000,000 Aggregate	6/1/17-6/1/19
Employers	Employee Benefit Liability	\$1,000,000 Occurrence \$1,000,000 Aggregate	1/1/1-12/31/18
Employers	Law Enforcement Liability	\$1,000,000 Occurrence \$1,000,000 Aggregate	1/1/1-12/31/18
Employers	Cyberoperations	Data Breach/Response Expense Limit \$1,000 Deductible, \$100,000 Defense & Liability \$1,000 Deductible, \$25,000 Identity Recovery \$0 Deductible Cyber Coverage-\$100,000 Computer Attack \$1,000 Deductible, \$100,000 Network Security Defense & Liability \$1,000 Deductible, \$100,000 Electronic Media Liability \$1,000 Deductible	1/1/1-12/31/18

Schedule 2
Plattville Water and Sewer Utility
Other Information
December 31, 2018

1 The number of customers at the end of the year was as follows:

	2018	2017
Residential	3,557	3,541
Commercial	360	362
Multi-family residential	71	67
Public authority	95	84
Industrial	8	7
Interdepartmental	3	3
Total	4,094	4,064

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

	2018	2017
Gallons	262,208,000	260,765,000

FORM OF LEGAL OPINION

(See following pages.)

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

July 30, 2020

Re: City of Platteville, Wisconsin ("Issuer")
\$1,285,000 Taxable General Obligation Refunding Bonds, Series 2020A,
dated July 30, 2020 ("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	\$60,000	___%
2022	65,000	___
2023	65,000	___
2024	65,000	___
2025	65,000	___
2026	65,000	___
2027	65,000	___
2028	70,000	___
2029	70,000	___
2030	70,000	___
2031	70,000	___
2032	75,000	___
2033	75,000	___
2034	75,000	___
2035	80,000	___
2036	80,000	___
2037	85,000	___
2038	85,000	___

Interest is payable semi-annually on March 1 and September 1 of each year commencing on March 1, 2021.

The Bonds maturing on March 1, 2028 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on March 1, 2027 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 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 included for federal income tax purposes in the gross income of the owners of 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 \$1,285,000 Taxable General Obligation Refunding Bonds, Series 2020A, dated July 30, 2020 (the "Securities"). The Securities are being issued pursuant to a resolution adopted on July 14, 2020 (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 July 15, 2020 delivered in connection with the Securities, which is available from the MSRB.

"Financial Obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"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 53818, phone (608) 348-1824, fax (608) 348-6098.

"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, 2019, 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;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect holders of the Securities, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

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 30th day of July, 2020.

(SEAL)

Adam Ruechel
City Manager

Candace Klaas
City Clerk

NOTICE OF SALE

**\$1,285,000* TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2020A
CITY OF PLATTEVILLE, WISCONSIN**

Bids for the purchase of \$1,285,000* Taxable General Obligation Refunding Bonds, Series 2020A (the "Bonds") of the City of Platteville, Wisconsin (the "City") will be received at the offices of Ehlers and 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 July 14, 2020, 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 authorized pursuant to Section 67.04, Wisconsin Statutes, by the City for the purpose of effecting a current refunding of certain outstanding general obligations of the City as more fully described herein. The Bonds are general obligations of the City for which its full faith, credit and taxing powers are pledged.

DATES AND MATURITIES

The Bonds will be dated July 30, 2020, 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	\$60,000	2027	\$65,000	2033	\$75,000
2022	65,000	2028	70,000	2034	75,000
2023	65,000	2029	70,000	2035	80,000
2024	65,000	2030	70,000	2036	80,000
2025	65,000	2031	70,000	2037	85,000
2026	65,000	2032	75,000	2038	85,000

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, 2021, 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. 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.

PAYING AGENT

The City may select a bank or trust company to act as paying agent (the "Paying Agent"). The City will pay the charges for Paying Agent services. The City reserves the right to remove the Paying Agent and to appoint a successor.

OPTIONAL REDEMPTION

At the option of the City, the Bonds maturing on or after March 1, 2028 shall be subject to optional redemption prior to maturity on March 1, 2027 or 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 July 30, 2020, 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 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 will be furnished by Quarles & Brady LLP, of Milwaukee, Wisconsin, bond counsel to the City. 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).

SUBMISSION OF BIDS

Bids must not be for less than \$1,268,938 nor more than \$1,362,100 plus accrued interest on the principal sum of \$1,285,000 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) 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 \$25,700 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids. 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.

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.

NON-QUALIFIED TAX-EXEMPT OBLIGATIONS

The City will NOT designate the Bonds as "qualified tax-exempt obligations" pursuant to Section 265 of the Internal Revenue Code of 1986, as amended, which permits financial institutions to deduct interest expenses allocable to the Bonds to the extent permitted under prior law.

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 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 Official Statement.

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**

July 14, 2020

RE: \$1,285,000* Taxable General Obligation Refunding Bonds, Series 2020A (the "Bonds")
DATED: July 30, 2020

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 \$1,268,938 nor more than \$1,362,100) 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	2027	_____	% due	2033
_____	% due	2022	_____	% due	2028	_____	% due	2034
_____	% due	2023	_____	% due	2029	_____	% due	2035
_____	% due	2024	_____	% due	2030	_____	% due	2036
_____	% due	2025	_____	% due	2031	_____	% due	2037
_____	% due	2026	_____	% due	2032	_____	% due	2038

* 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.

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%.

A good faith deposit ("Deposit") in the amount of \$25,700 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids. 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. We agree to the conditions and duties of Ehlers and 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 July 30, 2020.

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 the Bonds.

We have received and reviewed the Official Statement, and any addenda thereto, 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: ___.

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 July 30, 2020 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 July 14, 2020.

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