

PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 20, 2020

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 current Wisconsin income or franchise taxes.

New Issue

Rating Application Made: Moody's Investors Service, Inc.

CITY OF STEVENS POINT, WISCONSIN (Portage County)

\$3,590,000* TAXABLE GENERAL OBLIGATION COMMUNITY DEVELOPMENT BONDS, SERIES 2020B

BID OPENING: November 30, 2020, 10:00 A.M., C.T.

CONSIDERATION: Not later than 11:59 P.M., C.T. on November 30, 2020 (PRIOR AUTHORIZING RESOLUTION)

PURPOSE/AUTHORITY/SECURITY: The \$3,590,000* Taxable General Obligation Community Development Bonds, Series 2020B (the "Bonds") of the City of Stevens Point, Wisconsin (the "City") are being issued pursuant to Chapter 67 of the Wisconsin Statutes, to finance development incentives within Tax Incremental Districts No. 5 and 10. The Bonds are general obligations of the City, and all the taxable property in the City is subject to the levy of a tax to pay the principal of and interest on the Bonds as they become due which tax may, under current law, be levied without limitation as to rate or amount. Delivery is subject to receipt of an approving legal opinion of Foley & Lardner LLP, Milwaukee, Wisconsin.

DATE OF BONDS: December 17, 2020

MATURITY: February 1 as follows:

Year	Amount*	Year	Amount*	Year	Amount*
2021	\$765,000	2028	\$110,000	2035	\$125,000
2022	510,000	2029	115,000	2036	130,000
2023	260,000	2030	115,000	2037	130,000
2024	105,000	2031	115,000	2038	135,000
2025	105,000	2032	120,000	2039	140,000
2026	110,000	2033	120,000	2040	145,000
2027	110,000	2034	125,000		

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, up to a maximum of \$200,000 per maturity. 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: February 1, 2021 and semiannually thereafter.

OPTIONAL REDEMPTION: Bonds maturing on February 1, 2031 and thereafter are subject to redemption prior to maturity on February 1, 2030 and on any date thereafter, at a price of par plus accrued interest.

MINIMUM BID: \$3,545,125.

MAXIMUM BID: \$3,733,600.

GOOD FAITH DEPOSIT: A good faith deposit in the amount of \$71,800 shall be made by the winning bidder by wire transfer.

FISCAL AGENT: To be named by Issuer.

BOND COUNSEL: Foley & Lardner LLP.

MUNICIPAL ADVISOR: Ehlers and Associates, Inc.

BOOK-ENTRY-ONLY: See "Book-Entry-Only System" in Appendix C.



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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 bidders. 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. ("Ehlers") 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, 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 bidders in the interest of receiving competitive bids in accordance with the Notice of Sale contained herein. Unless an addendum is posted prior to the sale, this Preliminary Official Statement shall be deemed near final for purposes of the Rule subject to completion, revision and amendment in a Final Preliminary 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 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 bid received from a bidder. 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 winning bidder (Underwriter or Syndicate Manager) within seven business days following the bid 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 or Syndicate Manager will be furnished with the following items: (1) a certificate of the appropriate officials to the effect that on the date of the sale of the Bonds and on all dates subsequent thereto up to and including the date of the delivery of the Bonds, the Final 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; and (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 STEVENS POINT COMMON COUNCIL

		<u>Term Expires</u>
Mike Wiza	Mayor	April 2023
Polly Dalton	Aldersperson	April 2021
Keely Fishler	Aldersperson	April 2022
Tori Jennings	Aldersperson	April 2021
Meleesa Johnson	Council President	April 2021
Mary Kneebone	Aldersperson	April 2021
Thomas Leek	Aldersperson	April 2022
Shaun Morrow	Aldersperson	April 2021
Cindy Nebel	Aldersperson	April 2021
David Shorr	Aldersperson	April 2022
Jeremy Slowinski	Aldersperson	April 2022
Mykeerah Zarazua	Aldersperson	April 2022

ADMINISTRATION

Corey Ladick, City Comptroller/Treasurer

Kari Yenter, City Clerk

PROFESSIONAL SERVICES

Andrew Beveridge, City Attorney, Stevens Point, Wisconsin

Foley & Lardner 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 Official Statement contains certain information regarding the City of Stevens Point, Wisconsin (the "City") and the issuance of its \$3,590,000* Taxable General Obligation Community Development Bonds, Series 2020B (the "Bonds"). **The Common Council adopted an authorizing resolution on November 16, 2020 (the "Authorizing Resolution"), which authorized the Comptroller-Treasurer or, in his absence, the Mayor, to accept bids for the Bonds and to award the sale of the Bonds if the parameters and conditions set forth in the Authorizing Resolution and restated in the Notice of Sale attached in Appendix E are met. In the Authorizing Resolution, if the parameters and conditions are not met through the competitive bids received on the sale date, then neither the Mayor nor the Comptroller-Treasurer will have the authority to award the sale of the Bonds, and all bids for the Bonds will be rejected.**

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 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 multiple thereof, and will be dated as of December 17, 2020, the date of original issuance. The Bonds will mature on February 1 in the years and amounts set forth on the cover of this Official Statement. Interest will be payable on February 1 and August 1 of each year, commencing February 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.

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" in Appendix C.) 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, 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, and interest on, the Bonds shall be payable as provided in the Authorizing Resolution.

The City may appoint its Treasurer or may select a bank or trust company to act as authentication agent, paying agent and registrar (the "Fiscal Agent"). If an outside Fiscal Agent is selected, then the City will pay the fees for Fiscal Agent services. The City reserves the right to remove the Fiscal Agent and to appoint a successor.

OPTIONAL REDEMPTION

At the option of the City, the Bonds maturing on and after February 1, 2031 shall be subject to optional redemption prior to maturity on February 1, 2030 and on any date thereafter, at a price of par plus accrued interest.

*Preliminary, subject to change

Redemption may be in whole or in part. If redemption is in part, then 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 Fiscal Agent 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 redemption shall be sent by first-class mail not more than 60 days and not less than 30 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 maintained by the Fiscal Agent.

A notice of optional redemption may be revoked by sending a notice, by first class mail, not less than 15 days prior to the proposed redemption date to the registered owners of the Bonds which have been called for redemption.

AUTHORITY; PURPOSE

The Bonds are being issued pursuant to Chapter 67 of the Wisconsin Statutes, to finance development incentives within Tax Incremental Districts No. 5 and 10.

ESTIMATED SOURCES AND USES*

Sources

Par Amount of Bonds	<u>\$3,590,000</u>	
Total Sources		\$3,590,000

Uses

Estimated Underwriter's Discount	\$44,875	
Costs of Issuance	45,350	
Deposit to Borrowed Money Fund	<u>3,499,775</u>	
Total Uses		\$3,590,000

*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 and credit 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

As described in a separate offering document, the City expects to issue its General Obligation Promissory Notes, Series 2020A (the "Series 2020A Notes") on December 17, 2020.

RATING

General obligation debt of the City is currently rated "Aa2" by Moody's Investors Service, Inc. ("Moody's").

The City has requested a rating on the Bonds from Moody's, 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 Moody's. 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 Agreement 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

To assist the underwriters in complying with SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission, pursuant to the Securities Exchange Act of 1934 (the "Rule"), the City will enter into a Continuing Disclosure Agreement (the "Disclosure Agreement") for the benefit of the owners (including beneficial owners) of the Bonds to be executed and delivered by the City on the date the Bonds are delivered. The Disclosure Agreement obligates the City to provide certain annual financial information and operating data relating to the City annually to the Municipal Securities Rulemaking Board (the "MSRB") and to provide to the MSRB notice of the occurrence of certain events with respect to the Bonds which are listed in the Rule. The Rule was amended effective February 27, 2019 to include two additional listed events. Information provided to the MSRB is required to be submitted through its Electronic Municipal Market Access ("EMMA") system or through any system that may be prescribed by the MSRB in the future.

The Disclosure Agreement provides that the annual financial information will be filed not later than nine months after the end of each fiscal year. The City's fiscal year ends December 31. The type of information comprising the annual financial information and the specific listed events are set forth in the form of the Disclosure Agreement attached hereto as Appendix D. A failure by the City to comply with the Disclosure Agreement will not constitute an event of default on the Bonds (although owners of the Bonds will have the right to compel performance of the obligations under the Disclosure Agreement). Nevertheless, such a 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. Consequently, such a failure may adversely affect the liquidity of the Bonds and their market price.

LEGAL OPINION

An opinion as to the validity of the Bonds will be furnished by Foley & Lardner LLP, Milwaukee, Wisconsin, bond counsel to the City and will be available on the date of delivery of the Bonds. The legal opinion will be issued on the basis of existing law and will state that the Bonds are valid and binding general obligations of the City; provided that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding).

STATEMENT REGARDING 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" and the "Form of Legal Opinion" attached in Appendix B) and has not performed any investigation as to its accuracy, completeness or sufficiency.

TAXABILITY OF INTEREST

Interest on the Bonds will be includible in gross income for federal income tax purposes and is not exempt from current State of Wisconsin income or franchise taxes. Prospective investors should consult their own tax advisors about the federal, state, and local tax consequences of owning a Bond.

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 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 Official Statement, and its assistance in preparing this 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, 2019 have been audited by Baker Tilly Virchow Krause, LLP, Madison, 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. 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 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, or the interpretation thereof, which would have a material effect on the City or the taxing authority of the City.

Ratings; Interest Rates; Tax 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, or income rates may be reduced, any such 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 Agreement (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 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 the Bonds will be delivered by the Fiscal Agent 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 on the Bonds.

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. On March 13, 2020, 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 (the "Order") on March 24, 2020, closing nonessential businesses, banning gatherings of any size and imposing strict travel restrictions. On April 21, 2020, Republican legislators in the State filed a lawsuit challenging the legality of the Order and on May 13, 2020, the Wisconsin Supreme Court ruled that the Order was unlawful and struck down the Order with immediate effect. 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 effects of the spread of COVID-19 and the government and private responses to the spread continue to 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 largely depend on future developments, including the duration of the outbreak and measures taken to address the outbreak, which are highly uncertain and cannot be predicted by the City.

However, the pandemic and the emergency responses have resulted in closures of restaurants, bars, malls, theatres, and other businesses, reductions in travel, and cancellations of numerous events as well as reduced business demand, worker layoffs, furloughs, and reductions in hours, and supply shortages. Consequently, the City expects to experience reductions in room tax, parking, and fine and forfeiture revenues while the order is in effect, and possibly for some time thereafter. In addition, City taxpayers may be adversely affected, which could result in higher than usual delinquencies and uncollected taxes.

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 November 17, 2020. The State allocated funds based on population with a guaranteed minimum allocation of \$5,000. The City's allocation is \$430,662. These funds will be disbursed up to the amount of the allocation after eligible expenditures are reported through the State's cost tracker application.

On July 30, 2020, Governor Evers issued Executive Order #82, declaring a public health emergency in Wisconsin to combat the spread of COVID-19. In conjunction with Executive Order #82, Governor Evers issued Emergency Order #1, requiring most people to wear face coverings when indoors, with certain exemptions in accordance with CDC guidelines. On September 22, 2020, Emergency Order #1 was extended through November 21, 2020.

On October 6, 2020, Governor Evers issued Emergency Order #3 was issued, which limits public gatherings to no more than 25% of the total occupancy limits for the room or building (or no more than 10 people for indoor spaces without occupancy limits), with certain exceptions. Emergency Order #3 expired November 6, 2020.

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 Preliminary 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

2020 Equalized Value	\$2,201,302,700
2020 Equalized Value Reduced by Tax Increment Valuation	\$1,929,784,700
2020 Assessed Value	\$1,936,968,200

2020 EQUALIZED VALUE BY CLASSIFICATION

	2020 Equalized Value¹	Percent of Total Equalized Value
Residential	\$ 1,141,233,100	53.910%
Commercial	908,850,400	42.932%
Manufacturing	56,950,000	2.690%
Agricultural	117,000	0.006%
Undeveloped	50,300	0.002%
Ag Forest	287,100	0.014%
Other	70,300	0.003%
Personal Property	9,374,500	0.443%
Total	<u>\$ 2,116,932,700</u>	<u>100.000%</u>

TREND OF VALUATIONS

Year	Assessed Value	Equalized Value¹	Percent Increase/Decrease in Equalized Value
2016	\$ 1,530,509,200	\$ 1,777,286,600	2.12%
2017	1,795,042,900	1,881,393,200	5.86%
2018	1,848,143,900	1,926,218,900	2.38%
2019	1,919,938,800	2,121,130,600	10.12%
2020	1,936,968,200	2,201,302,700	3.78%

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

¹ Includes tax increment valuation.

LARGEST TAXPAYERS

Taxpayer	Type of Business/Property	2020 Equalized Value¹	Percent of City's Total Equalized Value
Sentry Insurance	Insurance	\$ 92,170,700	4.19%
John Parker Development ²	Commercial	74,799,300	3.40%
Lineage SCS Wisconsin LLC	Refrigerated Storage	45,560,600	2.07%
SkyGroup (Skyward)	Software	41,532,700	1.89%
American International Realty Corp. (AIG Travelguard)	Travel Insurance & Service	25,315,400	1.15%
Marshfield Clinic	Health Care	21,471,100	0.98%
Ascension	Health Care	18,887,400	0.86%
Verso Corporation	Paper Manufacturer	17,414,700	0.79%
Aspirus	Health Care	15,320,800	0.70%
S-H Forty-Nine Oakridge	Senior Living Center	14,195,700	0.64%
Total		\$ 366,668,400	16.66%
City's Total 2020 Equalized Value ³		\$2,201,302,700	

Source: The City.

¹ Calculated by dividing the 2020 Assessed Values by the 2020 Aggregate Ratio of assessment for the City.

² John Parker Development is a related business entity of Sentry Insurance.

³ Includes tax increment valuation.

DEBT

DIRECT DEBT¹

General Obligation Debt (see schedules following)

Total General Obligation Debt (includes the Bonds and the 2020A Notes)*	<u><u>\$ 27,303,767</u></u>
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Revenue Debt (see schedules following)

Total revenue debt secured by sewer revenues	<u><u>\$ 19,502,685</u></u>
Total revenue debt secured by storm sewer revenues	<u><u>\$ 1,600,000</u></u>
Total revenue debt secured by water revenues	<u><u>\$ 6,892,360</u></u>

Lease Purchase Obligations (see schedule following)

Total lease purchase obligations paid by annual appropriations ²	<u><u>\$ 396,134</u></u>
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*Preliminary, subject to change.

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

² Non-general obligation debt has not been included in the debt ratios.

City of Stevens Point, Wisconsin
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Taxes
(As of 12/17/2020)

Water System Revenue Bonds (SDWFL) 1)									
Series 2009									
Dated	12/09/2009								
Amount	\$1,417,130								
Maturity	05/01								
Calendar	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Interest
Year Ending									
2021	76,702	19,487							
2022	78,749	17,414							
2023	80,850	15,285							
2024	83,007	13,099							
2025	85,221	10,855							
2026	87,495	8,551							
2027	89,830	6,185							
2028	92,226	3,757							
2029	94,687	1,263							
2030									
2031									
2032									
2033									
2034									
2035									
2036									
2037									
2038									
2039									
2040									
	768,767	95,895	700,000	9,765	500,000	5,588	750,000	31,500	1,350,000
									48,015
									11,700

1) Pursuant to the Wisconsin Capital Finance Office, Project No. 4915-01, this issue was closed out on 11/14/2012.

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City of Stevens Point, Wisconsin
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Taxes
(As of 12/17/2020)

Dated Amount	Refunding Bonds Series 2016B		Bank Note Series 2017		Corporate Purpose Bonds Series 2017B		Bank Note Series 2018A		Promissory Notes Series 2018B		Bank Note Series 2019	
	05/11/2016 \$3,305,000	05/01	04/05/2017 \$3,050,000	02/01	12/27/2017 \$6,590,000	03/01	06/06/2018 \$1,200,000	02/01	11/01/2018 \$4,095,000	02/01	11/01/2019 \$4,950,000	02/01
Maturity												
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2021	265,000	38,475	100,000	14,600	375,000	146,800	0	37,200	100,000	78,500	2,450,000	24,378
2022	265,000	33,175	100,000	12,825	375,000	139,300	150,000	35,025	100,000	74,500		
2023	270,000	27,825	100,000	10,900	380,000	131,750	150,000	30,600	100,000	70,500		
2024	270,000	22,425	100,000	8,775	610,000	121,850	450,000	21,375	100,000	66,500		
2025	275,000	17,663	100,000	6,450	690,000	108,850	450,000	7,200	100,000	62,500		
2026	275,000	13,400	100,000	3,975	695,000	93,263			575,000	49,000		
2027	280,000	8,400	100,000	1,350	755,000	75,138			600,000	27,750		
2028	280,000	2,800			765,000	54,225			600,000	9,000		
2029					475,000	35,625						
2030					475,000	21,375						
2031					475,000	7,125						
2032												
2033												
2034												
2035												
2036												
2037												
2038												
2039												
2040	2,180,000	164,163	700,000	58,875	6,070,000	935,300	1,200,000	131,400	2,275,000	438,250	2,450,000	24,378

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City of Stevens Point, Wisconsin

Taxable Community Development			
Promissory Notes		Bonds	
Series 2020A		Series 2020B	
Dated Amount	12/17/2020 \$4,170,000*	12/17/2020 \$3,590,000*	
Maturity	02/01	02/01	
Calendar Year Ending	Principal	Estimated Interest	Principal
2021	525,000	26,288	765,000
2022	0	41,630	510,000
2023	0	41,630	260,000
2024	0	41,630	37,958
2025	0	41,630	105,000
2026	2,620,000	27,220	110,000
2027	515,000	9,720	110,000
2028	510,000	3,315	110,000
2029			115,000
2030			115,000
2031			115,000
2032			115,000
2033			120,000
2034			120,000
2035			125,000
2036			130,000
2037			130,000
2038			135,000
2039			140,000
2040			145,000
	4,170,000	233,063	3,590,000
			510,479

* Preliminary, subject to change.

**City of Stevens Point, Wisconsin
Schedule of Bonded Indebtedness
Revenue Debt Secured by Sewer Revenues
(As of 12/17/2020)**

		Sewer System Revenue Bonds (CWFL) 1) Series 2010		Sewer System Revenue Bonds (CWFL) 2) Series 2018		Sewerage System Revenue Refunding Bonds Series 2019					
Dated Amount	04/28/2010 \$3,019,439	09/12/2018 \$15,182,437	12/30/2019 \$2,975,000								
Maturity	05/01	05/01	05/01								
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2021	161,872	37,973	715,858	280,480	250,000	1,127,730	393,790	1,521,520	18,374,955	5.78%	2021
2022	165,892	33,904	729,402	266,808	255,000	1,150,294	368,161	1,518,455	17,224,661	11.68%	2022
2023	170,011	29,733	743,202	252,877	265,000	1,178,213	341,598	1,519,811	16,046,449	17.72%	2023
2024	174,232	25,460	757,264	238,682	270,000	1,201,496	313,767	1,515,263	14,844,953	23.88%	2024
2025	178,558	21,080	771,591	224,219	285,000	1,235,149	285,212	1,520,361	13,609,804	30.22%	2025
2026	182,992	16,591	786,190	209,483	285,000	1,254,181	256,011	1,510,193	12,355,622	36.65%	2026
2027	187,536	11,991	801,064	194,467	285,000	1,273,600	226,421	1,500,021	11,082,022	43.18%	2027
2028	192,192	7,277	816,220	179,168	280,000	1,288,412	198,619	1,487,032	9,793,610	49.78%	2028
2029	196,964	2,445	831,663	163,579	270,000	1,298,627	172,699	1,471,327	8,494,983	56.44%	2029
2030			847,398	147,695	265,000	1,112,398	149,682	1,262,081	7,382,584	62.15%	2030
2031			863,431	131,510		863,431	131,510	994,942	6,519,153	66.57%	2031
2032			879,767	115,020		879,767	115,020	994,787	5,639,386	71.08%	2032
2033			896,412	98,217		896,412	98,217	994,630	4,742,973	75.68%	2033
2034			913,373	81,097		913,373	81,097	994,469	3,829,601	80.36%	2034
2035			930,654	63,652		930,654	63,652	994,306	2,898,947	85.14%	2035
2036			948,262	45,878		948,262	45,878	994,139	1,950,686	90.00%	2036
2037			966,203	27,767		966,203	27,767	993,969	984,483	94.95%	2037
2038			984,483	9,313		984,483	9,313	993,796	0	100.00%	2038
	1,610,249	186,453	15,182,437	2,729,910	2,710,000	19,502,685	3,278,414	22,781,099			

1) Pursuant to the Wisconsin Capital Finance Office, Project No. 4001-05, this issue was closed out on 8/10/2011

2) Pursuant to the Wisconsin Capital Finance Office, Project No. 4001-14.

City of Stevens Point, Wisconsin
Schedule of Bonded Indebtedness
Revenue Debt Secured by Storm Sewer Revenues
(As of 12/17/2020)

Storm System Revenue Bonds
Series 2019

Calendar Year Ending	Dated Amount	Maturity	12/30/2019 \$1,600,000		05/01		Principal	Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2021			115,000	40,375	115,000				115,000	40,375	155,375	1,485,000	7.19%	2021
2022			115,000	36,925	115,000				115,000	36,925	151,925	1,370,000	14.38%	2022
2023			120,000	33,400	120,000				120,000	33,400	153,400	1,250,000	21.88%	2023
2024			125,000	29,725	125,000				125,000	29,725	154,725	1,125,000	29.69%	2024
2025			130,000	25,900	130,000				130,000	25,900	155,900	995,000	37.81%	2025
2026			130,000	22,000	130,000				130,000	22,000	152,000	865,000	45.94%	2026
2027			135,000	18,025	135,000				135,000	18,025	153,025	730,000	54.38%	2027
2028			140,000	13,900	140,000				140,000	13,900	153,900	590,000	63.13%	2028
2029			145,000	10,350	145,000				145,000	10,350	155,350	445,000	72.19%	2029
2030			145,000	7,450	145,000				145,000	7,450	152,450	300,000	81.25%	2030
2031			150,000	4,500	150,000				150,000	4,500	154,500	150,000	90.63%	2031
2032			150,000	1,500	150,000				150,000	1,500	151,500	0	100.00%	2032
			1,600,000	244,050	1,600,000				1,600,000	244,050	1,844,050			

**City of Stevens Point, Wisconsin
Schedule of Bonded Indebtedness
Revenue Debt Secured by Water Revenues
(As of 12/17/2020)**

**Water System Revenue Bonds
(SDWFL) 1)
Series 2011**

Dated Amount	07/13/2011 \$10,964,228	
Maturity	05/01	
Calendar Year Ending	Principal	Interest
2021	560,651	145,465
2022	572,986	132,995
2023	585,592	120,250
2024	598,475	107,226
2025	611,641	93,914
2026	625,097	80,310
2027	638,849	66,407
2028	652,904	52,198
2029	667,268	37,676
2030	681,948	22,834
2031	696,950	7,666
	6,892,360	866,941

Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
560,651	145,465	706,116	6,331,709	8.13%	2021
572,986	132,995	705,981	5,758,723	16.45%	2022
585,592	120,250	705,842	5,173,131	24.94%	2023
598,475	107,226	705,700	4,574,657	33.63%	2024
611,641	93,914	705,555	3,963,016	42.50%	2025
625,097	80,310	705,407	3,337,919	51.57%	2026
638,849	66,407	705,256	2,699,070	60.84%	2027
652,904	52,198	705,101	2,046,166	70.31%	2028
667,268	37,676	704,943	1,378,898	79.99%	2029
681,948	22,834	704,782	696,950	89.89%	2030
696,950	7,666	704,617	0	100.00%	2031
6,892,360	866,941	7,759,301			

1) Pursuant to the Wisconsin Capital Finance Office, Project No. 4915-03, this issue was closed out on 12/26/2012.

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Lease Rev Bonds									
RDA Bond									
Dated Amount	06/01/2017		\$538,796						
Maturity	06/01								
Calendar Year Ending	Principal	Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending	
2021	50,921	12,974	50,921	12,974	63,894	345,213	12.85%	2021	
2022	52,703	11,160	52,703	11,160	63,863	292,510	26.16%	2022	
2023	54,548	9,283	54,548	9,283	63,831	237,963	39.93%	2023	
2024	56,457	7,341	56,457	7,341	63,798	181,506	54.18%	2024	
2025	58,433	5,330	58,433	5,330	63,763	123,073	68.93%	2025	
2026	60,478	3,249	60,478	3,249	63,727	62,595	84.20%	2026	
2027	62,595	1,095	62,595	1,095	63,690	0	100.00%	2027	
	396,134	50,432	396,134	50,432	446,567				

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	\$ 2,201,302,700
Multiply by 5%	<u>0.05</u>
Statutory Debt Limit	\$ 110,065,135
Less: General Obligation Debt (includes the Bonds and the 2020A Notes)*	<u>(27,303,767)</u>
Unused Debt Limit*	<u><u>\$ 82,761,368</u></u>

*Preliminary, subject to change.

OVERLAPPING DEBT¹

Taxing District	2020 Equalized Value ²	% In City	Total G.O. Debt ³	City's Proportionate Share
Portage County	\$ 6,645,640,400	33.1240%	\$14,510,000	\$ 4,806,292
Mid-State Technical College	15,499,078,862	14.2028%	34,475,000	4,896,415
Stevens Point Area School District	5,334,753,964	41.2634%	98,590,000	<u>40,681,586</u>
City's Share of Total Overlapping Debt				<u><u>\$50,384,294</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 \$2,201,302,700	Debt/ Per Capita 26,269¹
Total General Obligation Debt (includes the Bonds and the 2020A Notes)*	\$ 27,303,767	1.24%	\$ 1,039.39
City's Share of Total Overlapping Debt	<u>50,384,294</u>	<u>2.29%</u>	<u>1,918.01</u>
Total*	\$ 77,688,061	3.53%	\$ 2,957.40

*Preliminary, subject to change.

DEBT PAYMENT HISTORY

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

FUTURE FINANCING

In addition to the Series 2020A Notes, the City plans to finance its annual capital projects in 2021. Aside from the aforementioned, the City has no current plans for additional financing in the next 12 months.

¹ Estimated 2020 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	\$14,180,785	100%	\$8.49
2016/17	14,397,020	100%	8.56
2017/18	16,197,211	100%	9.12
2018/19	16,494,789	100%	9.26
2019/20	17,006,643	100%	9.01

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. Portage County and the City have 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	\$9.21	\$5.08	\$8.49	\$0.18	\$22.96
2016/17	8.96	5.11	8.56	0.18	22.81
2017/18	8.34	5.14	9.12	0.00	22.60
2018/19	9.11	5.23	9.26	0.00	23.60
2019/20	9.58	5.17	9.01	0.00	23.76

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, as amended most recently by 2017 Wisconsin Act 59, establishes a levy increase limit on the property tax levy imposed by a city, village, town, or county (a "**political subdivision**").

Subject to certain adjustments and exceptions, no political subdivision may increase its levy in any year, from the actual levy for the prior year, by a percentage that exceeds its valuation factor. The term "**valuation factor**" means a percentage equal to the greater of either (i) zero percent or (ii) the percentage change in the political subdivision's January 1st equalized value due to new construction, less improvements removed, between the previous year and the current year. However, the levy increase limit may be increased in either (but not both) of the following ways, by action of the governing body:

1. If a political subdivision's allowable levy in the prior year was greater than its actual levy, the levy increase limit otherwise applicable may be increased by the difference between the two amounts, up to a maximum increase of 1.5 percent of the actual levy in the prior year.

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.

2. The levy increase limit may be increased by the total amount by which the valuation factor exceeded the actual percentage increase in the levy for each of the previous five years, up to a maximum increase of 5 percent of the actual levy in the prior year, to the extent such excess had not previously formed the basis for such an increase.

A political subdivision may also exceed the levy limit by action of its governing body that is approved by a referendum.

The levy increase limit otherwise applicable does not apply to amounts levied by a political subdivision to pay debt service on general obligations authorized on or after July 1, 2005, such as these Bonds.

For general 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 increase limit otherwise applicable is increased by the difference between the two amounts.

If a political subdivision's levy for the payment of debt service on general obligations originally issued before July 1, 2005 (and general obligations issued to fund or refund such general obligations) is less in the current year than it was in the previous year, then the political subdivision shall reduce its levy increase limit in the current year by an amount equal to the amount that its levy was reduced.

The levy increase limit otherwise applicable does not apply to the amount that a political subdivision levies to make up any revenue shortfall for the debt service on a revenue bond issued under Section 66.0621 of the Wisconsin Statutes, or a special assessment B bond issued under Section 66.0713 (4) of the Wisconsin Statutes. In determining the levy increase limit for any year, the tax increment calculated for tax incremental districts is subtracted. If the Wisconsin Department of Revenue does not certify a value increment for a tax incremental district for the current year as a result of the district's termination, the levy increase limit otherwise applicable is increased by an amount equal to the political subdivision's maximum allowable levy for the immediately preceding year, multiplied by a percentage equal to 50 percent of the amount determined by dividing the value increment of the terminated tax incremental district for the previous year by the political subdivision's equalized value for the previous year.

Other adjustments or exceptions to the levy increase limit, which are not described in this summary, are made in specified situations.

THE ISSUER

CITY GOVERNMENT

The City was incorporated in 1858 and is governed by a Mayor and an 11-member Common Council. The Mayor does not vote except in the case of a tie. All Council Members are elected to two-year terms. The elected City Clerk and Comptroller/Treasurer are responsible for administrative details and financial records.

EMPLOYEES; PENSIONS

The City employs a staff of 231 full-time, 27 part-time, and 28 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 \$1,275,086, \$1,323,037 and \$1,367,013, respectively.

The City implemented Governmental Accounting Standards Board Statement No. 68 ("GASB 68") beginning with the fiscal year ended December 31, 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 \$100.3 billion and the fiduciary net position of the WRS was calculated as \$96.7 billion, resulting in a net pension liability of \$3.6 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 \$4,477,130 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 0.12584388% 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.

Under 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 MERA, there are no impasse resolution procedures for most 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
AFSCME Local 309 Transit	December 31, 2020
WPPA Police Officers	December 31, 2020
Teamsters Local 662 Water/Wastewater	December 31, 2020
IAFF Local 484	December 31, 2021

OTHER POST EMPLOYMENT BENEFITS

The City has obligations for some post-employment benefits for its employees. Accounting for these obligations is dictated by Governmental Accounting Standards Board Statement No. 75 (GASB 75). The City's most recent audit shows a total OPEB liability of \$563,731 as of December 31, 2019. The City has been funding these obligations on a pay-as-you-go basis.

The City does not pay directly for retirees' post-employment benefits. The City has some obligations for post-employment benefits. Specifically, the City currently allows retirees to be covered by the City's health care plan as long as the retiree pays his/her premiums.

The City 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 \$4,209. For Fiscal Year 2019, the City reported a liability of \$563,731 for its proportionate share of the net OPEB liability of the LRLIF. The net OPEB liability was measured as of December 31, 2019 based on the City's share of contributions to the LRLIF relative to the contributions of all participating employers. The City's proportion was .21847200% 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 Note V. E. in "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 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. 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.

FUNDS ON HAND (as of September 30, 2020)

Fund	Total Cash and Investments
General	\$ 15,488,144
Special Revenue	3,946,215
Debt Service	2,045,085
Capital Projects	3,820,831
Enterprise Funds	13,583,721
Internal Service Funds	6,138,009
Trust Funds	1,817,383
Total Funds on Hand	<u>\$ 46,839,389</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	2018	2019
Water			
Total Operating Revenues	\$ 4,293,013	\$ 4,680,169	\$ 4,780,567
Less: Operating Expenses	<u>(3,138,154)</u>	<u>(3,268,753)</u>	<u>(3,363,775)</u>
Operating Income	\$ 1,154,859	\$ 1,411,416	\$ 1,416,792
Plus: Depreciation	1,172,223	1,186,845	1,260,252
Interest Income	<u>32,714</u>	<u>63,481</u>	<u>26,104</u>
Revenues Available for Debt Service	<u><u>\$ 2,359,796</u></u>	<u><u>\$ 2,661,742</u></u>	<u><u>\$ 2,703,148</u></u>
Sewer			
Total Operating Revenues	\$ 4,284,137	\$ 4,594,882	\$ 4,908,592
Less: Operating Expenses	<u>(3,166,764)</u>	<u>(3,229,543)</u>	<u>(3,922,325)</u>
Operating Income	\$ 1,117,373	\$ 1,365,339	\$ 986,267
Plus: Depreciation	1,083,844	1,092,192	1,134,247
Interest Income	<u>12,570</u>	<u>28,549</u>	<u>39,881</u>
Revenues Available for Debt Service	<u><u>\$ 2,213,787</u></u>	<u><u>\$ 2,486,080</u></u>	<u><u>\$ 2,160,395</u></u>
Stormwater			
Total Operating Revenues	\$ 1,324,975	\$1,321,707	\$1,337,915
Less: Operating Expenses	<u>(1,248,084)</u>	<u>(1,495,918)</u>	<u>(1,455,554)</u>
Operating Income	\$ 76,891	\$ (174,211)	\$ (117,639)
Plus: Depreciation	381,867	395,438	439,199
Interest Income	<u>2,462</u>	<u>157</u>	<u>639</u>
Revenues Available for Debt Service	<u><u>\$ 461,220</u></u>	<u><u>\$ 221,384</u></u>	<u><u>\$ 322,199</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. See Appendix A for the City's 2019 audited financial statements.

COMBINED STATEMENT	FISCAL YEAR ENDING DECEMBER 31				
	2017 Audited	2018 Audited	2019 Audited	2020 Adopted Budget ¹	2021 Adopted Budget ²
Revenues					
Taxes and special assessments	\$ 11,518,857	\$ 11,689,875	\$ 11,691,383	\$ 12,923,743	\$ 13,185,750
Intergovernmental	6,145,089	6,308,724	6,626,536	6,744,420	6,662,443
Licenses and permits	465,813	438,123	542,493	434,352	443,312
Penalties and forfeitures	438,000	288,968	278,719	290,363	290,363
Public charges for services	213,806	271,339	183,971	237,800	232,800
Intergovernmental charges for services	2,223,417	2,247,093	2,330,733	2,387,216	2,543,454
Interest	389,698	448,968	972,277	460,000	460,000
Miscellaneous general revenues	202,956	238,519	130,713	18,100	19,600
Total Revenues	<u>\$ 21,597,636</u>	<u>\$ 21,931,609</u>	<u>\$ 22,756,825</u>	<u>\$ 23,495,994</u>	<u>\$ 23,837,722</u>
Expenditures					
Current:					
General government	\$ 2,399,709	\$ 2,475,127	\$ 2,484,452	\$ 3,091,308	\$ 3,245,934
Public safety	10,713,854	11,160,084	11,566,372	11,975,372	11,993,437
Public works	5,205,361	5,553,870	5,599,408	6,180,947	6,186,008
Health and social services	100,233	96,749	100,837	104,679	104,100
Culture and recreation	1,403,574	1,477,920	1,543,783	1,685,799	1,686,478
Conservation and development	344,958	395,895	374,178	331,214	336,615
Capital outlay	641,885	521,205	1,011,097	0	0
Total Expenditures	<u>\$ 20,809,574</u>	<u>\$ 21,680,850</u>	<u>\$ 22,680,127</u>	<u>\$ 23,369,319</u>	<u>\$ 23,552,572</u>
Excess of revenues over (under) expenditures	\$ 788,062	\$ 250,759	\$ 76,698	\$ 126,675	\$ 285,150
Other Financing Sources (Uses)					
Proceeds from capital lease	0	0	0	0	0
Proceeds of sale of city property	875	4	1	0	0
Transfers in	1,150,012	1,363,041	1,387,850	524,625	578,000
Transfers out	(894,040)	(986,734)	(1,208,035)	(1,625,300)	(1,941,150)
Total Other Financing Sources (Uses)	<u>\$ 256,847</u>	<u>\$ 376,311</u>	<u>\$ 179,816</u>	<u>\$ (1,100,675)</u>	<u>\$ (1,363,150)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	\$ 1,044,909	\$ 627,070	\$ 256,514	\$ (974,000)	\$ (1,078,000)
General Fund Balance January 1	<u>20,591,151</u>	<u>21,636,060</u>	<u>22,263,130</u>	<u>22,519,644</u>	<u>21,545,644</u>
General Fund Balance December 31	<u>\$ 21,636,060</u>	<u>\$ 22,263,130</u>	<u>\$ 22,519,644</u>	<u>\$ 21,545,644</u>	<u>\$ 20,467,644</u>
DETAILS OF DECEMBER 31 FUND BALANCE					
Nonspendable	7,898,249	7,890,168	7,288,297		
Restricted	22,748	147,064	176,507		
Assigned	2,596,298	2,626,212	2,406,461		
Unassigned	11,118,765	11,599,686	12,648,379		
Total	<u>\$ 21,636,060</u>	<u>\$ 22,263,130</u>	<u>\$ 22,519,644</u>		

¹ The 2020 budget was adopted on November 18, 2019.

² The 2021 budget was adopted on November 16, 2020.

GENERAL INFORMATION

LOCATION

The City, with a 2010 U.S. Census population of 26,717 and a current estimated population of 26,269 comprises an area of 16.89 square miles and is located in central Wisconsin in Portage County.

LARGER EMPLOYERS¹

Larger employers in the City include the following:

Firm	Type of Business/Product	Estimated No. of Employees
Sentry Insurance	Insurance company	2,000
UW Stevens Point	College	1,004
Stevens Point Public School District	Elementary and secondary education	969
Lands' End	Retail	700
AIG Travelguard	Travel insurance and services	582
Portage County	County government	546
Associated Bank	Bank	475
Donaldson Co. Inc.	Filtration equipment	400
Skyward	Software	376
Copps Food Center	Grocers	360

Source: *ReferenceUSA, written and telephone survey (October 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	20	9	14	11	11
Valuation	\$4,962,250	\$2,155,900	\$2,613,840	\$2,620,245	\$2,152,900
<u>New Multiple Family Buildings</u>					
No. of building permits	2	2	0	6	8
Valuation	\$428,100	\$2,176,047	\$0	\$17,124,830	\$4,389,370
<u>New Commercial/Industrial</u>					
No. of building permits	1	12	17	11	7
Valuation	\$3,175,000	\$84,629,295	\$10,039,836	\$10,843,457	\$53,218,736
<u>All Building Permits</u> <i>(including additions and remodelings)</i>					
No. of building permits	939	1,053	1,288	1,446	1,307
Valuation	\$54,324,725	\$118,793,958	\$48,089,191	\$80,015,231	\$69,311,458

Source: The City.

¹ As of October 30, 2020.

U.S. CENSUS DATA

Population Trend: The City

2000 U.S. Census	24,551
2010 U.S. Census	26,717
2020 Estimated Population	26,269
Percent of Change 2000 - 2010	+ 8.82%

Income and Age Statistics

	The City	Portage County	State of Wisconsin	United States
2018 per capita income	\$24,319	\$29,742	\$32,018	\$32,621
2018 median household income	\$45,040	\$57,368	\$59,209	\$60,293
2018 median family income	\$70,148	\$76,500	\$75,313	\$73,965
2018 median gross rent	\$706	\$743	\$837	\$1,023
2018 median value owner occupied	\$136,000	\$163,300	\$173,600	\$204,900
2018 median age	26.8 yrs.	36.7 yrs.	39.3 yrs.	37.9 yrs.

	State of Wisconsin	United States
City % of 2018 per capita income	75.95%	74.55%
City % of 2018 median family income	93.14%	94.84%

Housing Statistics

	<u>The City</u>		
	2010	2018	Percent of Change
All Housing Units	11,544	11,119	-3.68%

Source: 2000 and 2010 Census of Population and Housing, and 2018 American Community Survey (Based on a five-year estimate), U.S. Census Bureau (<https://data.census.gov/cedsci>).

EMPLOYMENT/UNEMPLOYMENT DATA

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

Year	<u>Average Employment</u>	<u>Average Unemployment</u>	
	Portage County	Portage County	State of Wisconsin
2016	38,046	3.8%	4.0%
2017	38,417	3.1%	3.3%
2018	37,897	3.0%	3.0%
2019	37,327	3.3%	3.3%
2020, September ¹	36,164	4.0%	4.7%

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 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 that there have been no material adverse change in the financial position or results of operations of the City, nor has the City incurred any material liabilities, which would make such financial statements misleading.

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

CITY OF STEVENS POINT

Stevens Point, Wisconsin

FINANCIAL STATEMENTS

Including Independent Auditors' Report

As of and for the Year Ended December 31, 2019

CITY OF STEVENS POINT

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CITY OF STEVENS POINT

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INDEPENDENT AUDITORS' REPORT

To the City Council
City of Stevens Point
Stevens Point, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Stevens Point, Wisconsin, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City of Stevens Point's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of component unit were not audited in accordance with *Government Auditing Standards*.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Stevens Point, Wisconsin, as of December 31, 2019 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

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

Other Matters

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Stevens Point's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

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

Baker Tilly Virchow Krause, LLP

Madison, Wisconsin
July 16, 2020

CITY OF STEVENS POINT

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

Our discussion and analysis of the City of Stevens Point's financial performance provides an overview of the city's financial activities for the year ended December 31, 2019. Please read it in conjunction with the city's financial statements following this section.

FINANCIAL HIGHLIGHTS

Combined net position increased by 4% in 2019 to \$ 156.6 million. Of this amount, \$116.4 million represents the city's net investment in capital assets, while \$9.5 million was held for restricted purposes, and \$30.7 million was unrestricted.

At the end of 2019, the city's governmental activities reported total net position of \$67.0 million, including unrestricted net position of \$20.8 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual financial report consists of four parts:

- > Management's discussion and analysis
- > Basic financial statements
 - Government-wide Financial Statements
 - Fund Financial Statements
 - Notes to the Financial Statements
- > Required supplementary information
- > Supplementary Information: combining statements for nonmajor and internal service funds.

The basic financial statements include governmental activities and business-type activities that provide both long-term and short-term information about the city's overall financial status. The remaining statements are fund financial statements that focus on individual parts of city government and report the operations in more detail than the government-wide statements. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. In addition to these required elements, we have included a section with combining statements that provide details about our nonmajor governmental funds, nonmajor enterprise funds, and internal service funds.

GOVERNMENT-WIDE STATEMENTS

Government-wide statements report information about the city as a whole using accounting methods similar to those used by private-sector companies.

CITY OF STEVENS POINT

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

OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

GOVERNMENT-WIDE STATEMENTS (cont.)

The first of these government-wide statements is the Statement of Net Position. This is the citywide statement of position presenting information that includes all of the city's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the city as a whole is improving or deteriorating. Evaluation of the overall health of the city should extend to other nonfinancial factors such as the diversification of the tax base or the condition of city infrastructure, in addition to the financial information provided in this report.

The second government-wide statement is the Statement of Activities, which reports how the city's net position changed during the current fiscal year. All of the current year's revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the Statement of Activities is to show the financial reliance of the city's distinct activities or functions on revenues provided by the city's taxpayers.

The government-wide financial statements of the city are divided into two categories:

- > Governmental Activities – The city's basic services are included, such as police, fire, public works, parks, community development, assessor, finance, and administration. These activities are principally supported by taxes and intergovernmental revenues.
- > Business-type Activities – The Stevens Point Water, Wastewater, and Stormwater Utilities charge user fees to cover the costs of the service they provide. The Stevens Point Transit System charges user fees which are coupled with Federal/State capital and operating subsidies and the property tax levy to cover the costs of the services they provide. The Stevens Point Airport charges user fees combined with the property tax levy to cover the costs of services provided. Edgewater Manor provides citizens with housing. Parking fund charge user fees to cover operation and maintenance for the parking structure. Fiber charge user fees to cover the cost of the service it provides.

The government-wide financial statements include the Redevelopment Authority (RDA). The RDA is a legally separate organization, which is presented as a discrete column separate from the primary government.

FUND FINANCIAL STATEMENTS

The fund statements provide detailed information about the city's significant funds. Funds are accounting devices that the city uses to keep track of specific sources of funding and spending for particular purposes. Major funds are separately reported while all others are combined into a single aggregated presentation. Individual fund data for nonmajor funds is provided in the form of combining statements in a later section of this report.

CITY OF STEVENS POINT

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

OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

FUND FINANCIAL STATEMENTS (cont.)

The city has three kinds of funds:

> **Governmental Funds** – are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the government-wide financial statements. The focus, however, is very different with fund statements providing a distinctive view on the city's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financial requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-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 assist in understanding the differences between these two perspectives.

> **Proprietary Funds** – are reported in the fund financial statements and generally report services for which the city charges customers a fee. The city has eight proprietary funds – water, wastewater, and stormwater utilities, transit system, airport, parking, fiber and Edgewater funds. Proprietary fund statements offer short and long-term financial information about activities the city operates like a business. A second type of proprietary fund, the internal service fund, reports activities that provide services to other city programs.

> **Fiduciary Funds** – are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the city's own programs. The accounting used for Fiduciary funds is much like that used for proprietary funds.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

STATEMENT OF NET POSITION

The city had combined net position of \$156.6 million, of which 43% or \$67.0 million are related to the governmental activities. There was a 4% increase or \$6.0 million increase in the net position from the prior year. Of this net increase, \$3.4 million was attributable to an increase in governmental activities and \$2.6 million was attributable to an increase in business-type activities (see Table 1).

Total net position of the city's governmental activities increased by 5% to \$67.0 million. Investment in capital assets and restricted net position totaling \$46.2 million (restricted to the purposes they can be used for or invested in capital assets such as buildings, roads, equipment, etc.), represent 69% of the total. Unrestricted net position of \$20.8 million represents the remaining 31% of the total.

Total net position of the city's business-type activities increased by 3% to \$89.6 million at December 31, 2019. Unrestricted net position totaled \$9.7 million, representing 11% of the total. The increase is due primarily to operating income in the Water, Wastewater, and Stormwater utilities.

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CITY OF STEVENS POINT

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

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

STATEMENT OF NET POSITION (cont.)

	Governmental Activities		Business-Type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 61.4	\$ 60.8	\$ 16.8	\$ 15.1	\$ 78.2	\$ 75.9
Capital assets	59.7	57.1	105.2	91.8	164.9	148.9
Total Assets	121.1	117.9	122.0	106.9	243.1	224.8
Deferred outflows of resources	10.5	5.8	1.9	1.0	12.4	6.8
Long-term liabilities outstanding	34.1	31.3	32.0	17.5	66.1	48.8
Other liabilities	2.0	2.3	1.3	2.3	3.3	4.6
Total Liabilities	36.1	33.6	33.3	19.8	69.4	53.4
Deferred inflows of resources	28.5	26.5	1.0	1.1	29.5	27.5
Net Position						
Net investment in capital assets	40.1	37.5	76.6	75.7	116.4*	112.8*
Restricted	6.1	9.5	3.4	3.6	9.5	13.1
Unrestricted	20.8	16.6	9.7	7.7	30.7*	24.7*
Total Net Position – End of Year	\$ 67.0	\$ 63.6	\$ 89.6	\$ 87.0	\$ 156.6	\$ 150.7

Note: Figures may not total due to rounding.

* The net position section includes an adjustment for capital assets owned by the business-type activities, but financed by the debt of the governmental activities column.

STATEMENT OF ACTIVITIES

The city had combined total revenues of \$51.9 million in 2019 and combined total expenses of \$46.0 million. After transfers, governmental activities had a net increase of \$3.4 million and business activities had a net increase of \$2.6 million. Table 2 and the following narrative consider the operations of governmental and business-type activities separately.

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CITY OF STEVENS POINT

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

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

STATEMENT OF ACTIVITIES (cont.)

Table 2 Change in City of Stevens Point 2019 and 2018 Net Position (In millions of dollars)						
	Governmental Activities		Business-type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Revenues						
Program Revenues						
Charges for services	\$ 4.6	\$ 4.8	\$ 13.3	\$ 12.8	\$ 17.9	\$ 17.6
Operating grants and contributions	0.6	0.7	1.7	1.5	2.3	2.3
Capital grants and contributions	1.8	1.8	2.0	0.5	3.8	2.2
General Revenues						
Property taxes	19.9	18.6	-	-	19.9	18.6
Other taxes	1.2	1.3	-	-	1.2	1.3
Intergovernmental (not restricted)	4.9	4.6	-	-	4.9	4.6
Investment income	1.2	0.6	0.1	0.1	1.2	0.7
Others	0.7	0.2	-	0.1	0.7	0.3
Total Revenues	34.9	32.6	17.0	15.0	51.9	47.7
Expenses						
General government	3.7	3.0	-	-	3.7	3.0
Public safety	13.8	12.2	-	-	13.8	12.2
Public works	8.4	10.0	-	-	8.4	10.0
Health and human services	0.1	0.1	-	-	0.1	0.1
Culture, recreation and education	3.1	2.5	-	-	3.1	2.5
Conservation and development	1.9	2.1	-	-	1.9	2.1
Interest and fiscal charges	0.6	0.5	-	-	0.6	0.5
Water	-	-	3.5	3.5	3.5	3.5
Wastewater	-	-	4.4	3.5	4.4	3.5
Stormwater	-	-	1.5	1.5	1.5	1.5
Transit	-	-	3.3	3.0	3.3	3.0
Edgewater/Parking/Fiber	-	-	0.7	0.6	0.7	0.6
Airport	-	-	1.0	1.1	1.0	1.1
Total Expenses	31.6	30.5	14.4	13.1	46.0	43.6
Excess (Deficiency) Before Transfers	3.3	2.1	2.7	2.0	6.0	4.0
Transfers	0.1	0.1	(0.1)	(0.1)	-	-
Change In Net Position	3.4	2.2	2.6	1.9	6.0	4.0
Net Position – Beginning of Year	63.6	61.5	87.0	85.2	150.7	146.6
ENDING NET POSITION	67.0	63.6	89.6	87.0	156.6	150.7

Note: Figures may not total due to rounding.

CITY OF STEVENS POINT

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

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

GOVERNMENTAL ACTIVITIES

The City of Stevens Point received a total of \$34.9 million in combined governmental activity revenues in 2019. As Table 2 indicates, the largest revenue source is the property tax, which accounts for \$19.9 million, or 57%, of governmental activity revenues. This is followed by nonrestricted intergovernmental aid, capital grant and contributions, and charges for services, which combine to a total of \$11.3 million or 32%. All other revenues account for the remaining \$3.7 million, or 11%.

Total governmental activities expenses were \$31.6 million in 2019. Public safety, including police, EMS, inspection and fire services, accounts for the largest share of city expenses at 44%. This is followed by public works at 26%, general government of 12%, and culture and recreation at 10%. All other expenses account for the remaining 8%.

BUSINESS-TYPE ACTIVITIES

The City of Stevens Point received \$17.0 million in business-type activity revenue during 2019 from its water, wastewater, and stormwater utilities, transit system, airport, parking, fiber, and Edgewater funds. Charges for services are by far the largest revenue sources for these operations, representing 78% of total revenues.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

GOVERNMENTAL FUNDS

The focus of the city's governmental funds is to provide information regarding near-term inflows, outflows, and spendable resources. Such information can be useful in addressing the city's financing requirements. In particular, the level of unassigned fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. At the end of 2019, the combined fund balance for the city's governmental funds was \$25.1 million. Of this total, \$7.5 million is considered nonspendable, \$5.7 million is restricted or committed and \$5.6 million is assigned for specific purposes that are not considered restricted or committed. The balance of *unassigned* government fund balances is \$6.3 million. These funds are allocated across the following areas:

Unassigned Governmental Fund Balances (Deficits): (in millions of dollars)		2019	2018
General Fund	\$	12.6	\$ 11.6
Capital Project Funds		(6.3)	(7.0)
Special Revenue Funds		-	(.1)
Total	\$	6.3	\$ 4.5

Note: Figures may not total due to rounding.

CITY OF STEVENS POINT

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

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

GOVERNMENTAL FUNDS (cont.)

General Fund

The general fund is the primary operating fund of the city.

- > Total fund balance as of December 31, 2019 was \$22.5 million of which \$7.3 million was considered nonspendable. Included in the nonspendable amount are prepaids and inventories, noncurrent receivables, and minor amounts for delinquent personal property taxes.
- > Assigned fund balance remained consistent from 2018 to 2019 at \$2.6 and \$2.4 million respectively.
- > Unassigned fund balance increased by \$1.0 million to \$12.6 million. The unassigned fund balance is now approximately 55% of general fund revenues.

Debt Service Fund

General debt service is supported by reimbursements from the water and sewage utility, and tax levy.

- > At the end of 2019, there was a total fund balance of \$0.7 million in the general debt service fund.
- > During 2019, the debt service fund had total revenues of \$5.1 million, primarily from tax collections.
- > Total expenditures were \$5.3 million for the year for principal and interest payments.

Capital Project Funds

The city has assigned funds on an annual basis for the repair and replacement of capital assets, including improvements to public highways and streets to maintain and upgrade the street system in the city. In 2019, the city completed significant street and facility improvements.

Also included as a major fund is TIF No. 6. Fund balance in TIF No. 6 increased by \$7 million to a deficit of \$5.6 million. This increase was due to increase increment subsidy from TIF No. 5 and TIF No. 7.

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CITY OF STEVENS POINT

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

GENERAL FUND BUDGETARY HIGHLIGHTS

The general fund budget is adopted at the functional level of expenditure. There was one budget amendment made on 2019. The city ended the year with a favorable variance in general fund revenues and a favorable variance in general fund expenditures. Overall, the city had a favorable variance to budget of \$1.4 million.

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS

As of December 31, 2019, the city reported a combined investment in capital assets of \$164.9 million net of accumulated depreciation. Of this amount, \$59.7 million, or 36%, is attributable to governmental activities. The business-type activities report \$105.2 million of capital assets. Total accumulated depreciation for both governmental and business-type activities was \$110.0 million. A schedule of capital asset activity can be found in Footnote IV.D.

Significant capital projects included the complete reconstruction of several streets on the Northside of the City and a major renovation of the Willett Ice Arena.

The Sewer Utility also completed a major upgrade of the wastewater treatment facility, including improvements allowing for expanded anaerobic digestion and biosolids dewatering. The Sewer Utility issued revenue debt through the State of Wisconsin, Clean Water Fund Program, in order to finance this project.

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CITY OF STEVENS POINT

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

CAPITAL ASSETS AND DEBT ADMINISTRATION (cont.)

LONG-TERM DEBT

At year-end, the governmental activities had \$25.5 million in general obligation bonds, a decrease of \$1.1 million or 4%. At the end of 2019, the business-type activities had a total of \$30.0 million in outstanding revenue bonds and general obligation debt. That amount is an increase of \$13.4 million, or 81%, from the prior year. The city issued one general obligation borrowing during 2019:

- > The city borrowed \$4,950,000 general obligation promissory notes to finance various capital projects.

Moody's Investor Services affirmed the city's rating of Aa2. The rating opinion includes the following statements: Financial profile will remain strong due to ample cash reserves and management's commitment to maintaining a healthy General Fund Fund Balance.

State law limits the city to issuing general obligation bonds totaling no more than 5% of the city's equalized value. Based on 2019 equalized value of \$2.1 billion, this limit is \$106 million. The city currently has \$26.5 million of general obligation notes and bonds outstanding representing approximately 25% of legal debt capacity. A schedule of long-term debt activity can be found in Note IV.F.

Table 3
City of Stevens Point
Outstanding Debt
(in millions)

	Governmental Activities		Business-Type Activities		Totals	
	2019	2018	2019	2018	2019	2018
General obligation debt	\$ 25.5	\$ 26.6	\$ 1.0	\$ 1.3	\$ 26.5	\$ 27.8
Revenue debt	-	-	29.0	15.4	29.0	15.4
Totals	\$ 25.5	\$ 26.6	\$ 30.0	\$ 16.6	\$ 55.5	\$ 43.3

Note: Figures may not total due to rounding.

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CITY OF STEVENS POINT

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The assessed value increased from \$1,848,143,900 on January 1, 2018 to \$1,919,938,800 on January 1, 2019, an increase of 3.9%. The growth in assessed value was mainly due to new construction. The equalized value of the city, including TID, increased from \$1,926,218,900 on January 1, 2018 to \$2,121,130,600 on January 1, 2019, an increase of 10%. The growth in equalized value was led by new construction. The Wisconsin Department of Revenue determines the final equalized and assessed valuations.

The City of Stevens Point has a diverse economy, which is anchored by Sentry Insurance and the University of Wisconsin – Stevens Point. Additional major employers include, but are not limited to, Ascension Medical Group, Associated Banc-Corp, AIG Travel Guard, Land's End, Skyward, Donaldson Co., and Worzalla Publishing.

Economic Development has remained active, led by expansions of existing businesses. In 2019, Ortho Molecular completed construction of a facility expansion and Martin Machining constructed a facility within the City of Stevens Point.

In December 2019, a novel strain of coronavirus was reported in Wuhan, Hubei province, China. In the first several months of 2020, the virus, SARS-CoV-2, and resulting disease, COVID-19, spread to the United States, including to areas impacting the city. As of the date of issuance, the city's evaluation of the effects of this event is ongoing; however, we anticipate this situation could cause a decline in room tax, parking and municipal court revenues and an increase in delinquencies or uncollectible accounts receivable or loans receivable.

The extent of the impact of COVID-19 on the city's operational and financial performance will depend on future developments, including the duration and spread of the outbreak and related governmental or other regulatory actions. The City is currently estimating an impact on overall revenues of 1-3%.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, elected officials, and creditors with a general overview of the city's finances and to demonstrate the city's accountability for the money it receives. If you have any questions about this report or need additional information, please contact the City of Stevens Point. Corey Ladick, Comptroller-Treasurer, 1515 Strongs Ave, Stevens Point, WI 54481, cladick@stevenspoint.com.

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CITY OF STEVENS POINT

STATEMENT OF NET POSITION As of December 31, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Totals	
ASSETS				
Cash and investments	\$ 30,525,123	\$ 7,100,466	\$ 37,625,589	\$ 3,245,972
Receivables (net)				
Taxes	18,855,761	-	18,855,761	-
Delinquent personal property taxes	45,627	-	45,627	-
Special assessments	30,349	503,517	533,866	-
Accounts receivable	679,690	1,779,774	2,459,464	-
Accrued interest	72,814	-	72,814	265
Due from other governments	4,102,549	485,878	4,588,427	-
Due from primary government	-	-	-	27,800
Prepaid items and inventories	1,029,844	488,423	1,518,267	-
Internal balances	505,371	(505,371)	-	-
Notes receivable	2,347,879	-	2,347,879	445,333
Loans receivable	-	-	-	1,350,499
Other assets	-	1,815,620	1,815,620	-
Restricted Assets				
Cash and investments	-	5,159,569	5,159,569	-
Receivables	-	41,182	41,182	-
Land held for resale	3,182,963	-	3,182,963	-
Capital Assets				
Land	7,796,325	2,552,534	10,348,859	1,105,794
Construction in progress	198,006	17,309,024	17,507,030	-
Other capital assets, net of depreciation	51,725,466	85,315,280	137,040,746	2,390,937
Total Assets	121,097,767	122,045,896	243,143,663	8,566,600
DEFERRED OUTFLOWS OF RESOURCES				
Pension related amounts	10,308,833	1,846,751	12,155,584	-
OPEB related amounts - health	100,560	17,514	118,074	-
OPEB related amounts - life	67,795	27,038	94,833	-
Total Deferred Outflows of Resources	10,477,188	1,891,303	12,368,491	-
LIABILITIES				
Accounts payable and accrued expenses	1,660,652	1,307,546	2,968,198	1,029
Claims payable	244,527	-	244,527	-
Special deposits	629	41,182	41,811	-
Due to other governments	71,809	-	71,809	-
Unearned revenue	29,467	-	29,467	-
Due to component unit	27,800	-	27,800	-
Noncurrent Liabilities				
OPEB liability - health	1,441,248	251,014	1,692,262	-
Net OPEB liability - life	397,558	166,173	563,731	-
Net pension liability	3,808,026	669,104	4,477,130	-
Due within one year	6,427,263	1,158,199	7,585,462	-
Due in more than one year	21,960,996	29,698,041	51,659,037	-
Total Liabilities	36,069,975	33,291,259	69,361,234	1,029
DEFERRED INFLOWS OF RESOURCES				
Unearned revenue	22,951,899	-	22,951,899	-
Pension related amounts	5,265,150	938,374	6,203,524	-
OPEB related amounts - health	192,325	33,496	225,821	-
OPEB related amounts - life	115,590	47,857	163,447	-
Total Deferred Inflows of Resources	28,524,964	1,019,727	29,544,691	-
NET POSITION				
Net investment in capital assets	40,143,341	76,561,757	116,413,799	3,496,731
Restricted	6,064,051	3,393,740	9,457,791	-
Unrestricted	20,772,624	9,670,716	30,734,639	5,068,840
TOTAL NET POSITION	\$ 66,980,016	\$ 89,626,213	\$ 156,606,229	\$ 8,565,571

See accompanying notes to financial statements.

CITY OF STEVENS POINT

STATEMENT OF ACTIVITIES For the Year Ended December 31, 2019

Functions/Programs	Program Revenues			Net Expenses (Revenues) and Changes in Net Position		
	Expenses	Charges for Services	Operating		Primary Government	
			Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities
Primary Government						
Governmental Activities						
General government	\$ 3,679,441	\$ 547,650	\$ 134,256	\$ -	\$ (2,997,535)	\$ -
Public safety	13,800,307	2,994,035	263,527	-	(10,542,745)	-
Public works	8,405,772	234,305	19,145	1,768,425	(6,383,897)	-
Health and human services	100,125	-	1,000	-	(99,125)	-
Culture, recreation and education	3,128,119	778,074	215,212	525	(2,134,308)	-
Conservation and development	1,916,390	55,218	25	-	(1,861,147)	-
Interest and fiscal charges	576,277	-	9,160	-	(567,117)	-
Total Governmental Activities	31,606,431	4,609,282	642,325	1,768,950	(24,585,874)	-
Business-type Activities						
Water	3,525,532	4,780,567	-	7,574	-	1,262,609
Wastewater	4,440,346	4,908,592	59,091	288,840	-	816,177
Stormwater	1,510,576	1,337,915	-	1,304	-	(171,357)
Transit	3,261,551	896,920	1,608,876	1,659,708	-	903,953
Edgewater	491,451	584,070	-	-	-	92,619
Parking	155,487	323,432	-	-	-	167,945
Fiber	10,305	-	-	-	-	(10,305)
Airport	988,315	478,559	-	-	-	(509,756)
Total Business-type Activities	14,383,563	13,310,055	1,667,967	1,957,426	-	2,551,885
Total Primary Government	\$ 45,989,994	\$ 17,919,337	\$ 2,310,292	\$ 3,726,376	(24,585,874)	2,551,885
Component Unit						
Redevelopment Authority	\$ 139,889	-	-	-	-	-
General Revenues						
Taxes						
Property taxes, levied for general purposes					11,364,789	-
Property taxes, levied for debt service					5,130,000	-
Property taxes, TIF increment					3,429,787	-
Other taxes					1,156,813	-
Intergovernmental revenues not restricted to specific programs					4,917,434	-
Investment income					1,171,474	95,228
Gain on sale of capital assets					18,849	-
Miscellaneous					685,937	883
Total General Revenues					27,875,083	96,111
Transfers					74,948	-
Change in Net Position					3,364,157	(43,778)
NET POSITION - Beginning of Year					63,615,859	8,609,349
NET POSITION - END OF YEAR					\$ 66,980,016	\$ 156,606,229
						\$ 8,565,571

See accompanying notes to financial statements.

CITY OF STEVENS POINT

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2019

	General Fund	General Debt Service Fund	Capital Project Funds General Capital Projects	TID No. 6	Nonmajor Governmental Funds	Totals
ASSETS						
Cash and investments	\$ 14,827,755	\$ 726,847	\$ 3,489,379	\$ -	\$ 4,702,206	\$ 23,746,187
Taxes receivable						
Property taxes	8,176,927	5,130,000	-	282,603	5,266,231	18,855,761
Delinquent personal property taxes (net)	45,627	-	-	-	-	45,627
Special assessments	4,616	-	-	-	25,733	30,349
Accounts receivable (net)						
Interest	72,814	-	-	-	-	72,814
Sundry	180,326	215,300	15,594	-	224,195	635,415
Due from other governments	4,024,820	-	-	-	77,729	4,102,549
Due from other funds	1,245,793	-	-	-	3,959	1,249,752
Inventories and prepaid items	1,027,543	-	-	-	2,301	1,029,844
Advances to other funds	6,225,844	-	-	-	-	6,225,844
Notes receivable	-	-	-	-	2,347,879	2,347,879
TOTAL ASSETS	\$ 35,832,065	\$ 6,072,147	\$ 3,504,973	\$ 282,603	\$ 12,650,233	\$ 58,342,021
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 505,090	\$ -	\$ 188,776	\$ 69,653	\$ 73,585	\$ 837,104
Accrued liabilities	607,358	-	-	-	135	607,493
Deposits	629	-	-	-	-	629
Due to other governments	64,571	-	-	6,000	1,238	71,809
Due to other funds	67,674	-	1,037	-	115,336	184,047
Due to component unit	-	-	-	-	27,800	27,800
Unearned revenue	-	-	-	-	29,467	29,467
Advances from other funds	-	-	-	5,558,641	640,486	6,199,127
Total Liabilities	<u>1,245,322</u>	<u>-</u>	<u>189,813</u>	<u>5,634,294</u>	<u>888,047</u>	<u>7,957,476</u>
Deferred Inflows of Resources						
Unearned revenue	11,993,661	5,130,000	-	282,603	5,266,231	22,672,495
Unavailable revenue	73,438	215,300	-	-	2,341,213	2,629,951
Total Deferred Inflows of Resources	<u>12,067,099</u>	<u>5,345,300</u>	<u>-</u>	<u>282,603</u>	<u>7,607,444</u>	<u>25,302,446</u>
Fund Balances (Deficits)						
Nonspendable	7,288,297	-	-	-	246,679	7,534,976
Restricted	176,507	726,847	231,523	-	2,616,809	3,751,686
Committed	-	-	-	-	1,939,832	1,939,832
Assigned	2,406,461	-	3,083,637	-	75,754	5,565,852
Unassigned (deficits)	12,648,379	-	-	(5,634,294)	(724,332)	6,289,753
Total Fund Balances (Deficits)	<u>22,519,644</u>	<u>726,847</u>	<u>3,315,160</u>	<u>(5,634,294)</u>	<u>4,154,742</u>	<u>25,082,099</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 35,832,065	\$ 6,072,147	\$ 3,504,973	\$ 282,603	\$ 12,650,233	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds.	59,719,797
Land held for resale in governmental funds are not financial resources and, therefore, are not reported in the funds.	3,182,963
Some receivables that are not currently available are reported as unearned revenue in the fund financial statements but are recognized as revenue when earned in the government-wide statements. See Note II-A.	2,629,951
The net pension liability does not relate to current financial resources and is not reported in the governmental funds.	(3,808,026)
Deferred outflows and inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	5,043,683
Deferred outflows and inflows of resources related to OPEB do not relate to current financial resources and are not reported in the governmental funds.	(139,560)
Internal service funds are used by management to charge costs of insurance coverage to individual funds. The assets, liabilities, and deferred inflows of resources of the internal service funds are included in government activities in the statement of net position. See Note II-A.	5,690,559
Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds. See Note II-A.	(30,421,450)

NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ 66,980,016**

See accompanying notes to financial statements.

CITY OF STEVENS POINT

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

	General Fund	General Debt Service Fund	Capital Project Funds General Capital Projects	TID No. 6	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	\$ 11,574,593	\$ 5,130,000	\$ -	\$ 227,505	\$ 4,150,438	\$ 21,082,536
Special assessments	116,790	-	-	-	165,616	282,406
Intergovernmental	6,626,536	9,160	-	240,573	180,808	7,057,077
Licenses and permits	542,493	-	-	-	-	542,493
Fines, forfeitures and penalties	278,719	-	-	-	-	278,719
Public charges for services	183,971	-	-	-	556,421	740,392
Intergovernmental charges for services	2,330,733	-	-	-	169,089	2,499,822
Investment income (loss)	972,277	34	84,362	59	95,814	1,152,546
Miscellaneous	130,713	-	18,460	79,608	1,466,262	1,695,043
Total Revenues	<u>22,756,825</u>	<u>5,139,194</u>	<u>102,822</u>	<u>547,745</u>	<u>6,784,448</u>	<u>35,331,034</u>
EXPENDITURES						
Current						
General government	2,484,452	-	-	1,608	371,544	2,857,604
Public safety	11,566,372	-	8,150	-	115,405	11,689,927
Public works	5,599,408	-	-	-	278,482	5,877,890
Health and human services	100,837	-	-	-	-	100,837
Culture, recreation and education	1,543,783	-	-	-	825,135	2,368,918
Conservation and development	374,178	-	-	231,406	1,969,673	2,575,257
Capital Outlay	1,011,097	-	5,641,984	-	1,216,344	7,869,425
Debt Service						
Principal retirement	-	5,052,584	-	480,685	530,000	6,063,269
Interest and fiscal charges	-	250,862	7,000	134,307	209,128	601,297
Total Expenditures	<u>22,680,127</u>	<u>5,303,446</u>	<u>5,657,134</u>	<u>848,006</u>	<u>5,515,711</u>	<u>40,004,424</u>
Excess (deficiency) of revenues over expenditures	<u>76,698</u>	<u>(164,252)</u>	<u>(5,554,312)</u>	<u>(300,261)</u>	<u>1,268,737</u>	<u>(4,673,390)</u>
OTHER FINANCING SOURCES (USES)						
Long-term debt issued	-	-	4,950,000	-	-	4,950,000
Pledge revenue	-	47,100	-	-	-	47,100
Sale of city property	1	-	-	-	97,972	97,973
Transfers in	1,387,850	-	264,061	964,000	193,712	2,809,623
Transfers out	(1,208,035)	(110,029)	(203,113)	-	(1,538,498)	(3,059,675)
Total Other Financing Sources (Uses)	<u>179,816</u>	<u>(62,929)</u>	<u>5,010,948</u>	<u>964,000</u>	<u>(1,246,814)</u>	<u>4,845,021</u>
Net Change in Fund Balance	256,514	(227,181)	(543,364)	663,739	21,923	171,631
FUND BALANCES (DEFICITS) -						
Beginning of Year	<u>22,263,130</u>	<u>954,028</u>	<u>3,858,524</u>	<u>(6,298,033)</u>	<u>4,132,819</u>	<u>24,910,468</u>
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ 22,519,644</u>	<u>\$ 726,847</u>	<u>\$ 3,315,160</u>	<u>\$ (5,634,294)</u>	<u>\$ 4,154,742</u>	<u>\$ 25,082,099</u>

See accompanying notes to financial statements.

CITY OF STEVENS POINT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended December 31, 2019

Net change in fund balances - total governmental funds	\$ 171,631
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of net position, the cost of these assets are capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.	
Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements	7,869,425
Some items reported as outlay are not capitalized	(2,421,298)
Depreciation is reported in the government-wide statements	(2,715,364)
Loss on disposal of assets is reported in the government-wide statements	(92,022)
Purchase of land held for resale is reported as an expense in the fund financial statements.	598,489
Receivables not currently available are reported as unavailable revenue in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.	
Special assessments	(4,462)
Other	(383,199)
Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Debt issued	(4,950,000)
Principal repaid	6,063,269
Part of the change in net position in the internal service fund is reported with governmental activities	789,348
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
Compensated absences	(62,254)
Other postemployment benefits	83,576
Deferred outflows and inflows of resources related to OPEB	(174,228)
Accrued interest on debt	11,191
Net pension liability/asset	(6,914,182)
Deferred outflows and inflows of resources related to pensions	5,480,408
Governmental funds report debt premiums and debt discount as other financing sources (uses) or expenditures. However, in the statement of net position, these are reported as additions to or deductions from long-term debt. These are allocated over the period the debt is outstanding in the statement of activities and are reported as interest expense.	
	13,829
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 3,364,157

See accompanying notes to financial statements.

CITY OF STEVENS POINT

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

	Business-type Activities - Enterprise Funds						Governmental
	Water Department	Wastewater Department	Stormwater Department	Transit	Nonmajor Enterprise Funds	Totals	Activities - Internal Service Funds
ASSETS							
CURRENT ASSETS							
Cash and investments	\$ 2,293,321	\$ 1,822,986	\$ 394,525	\$ 1,202,079	\$ 1,387,555	\$ 7,100,466	\$ 6,778,936
Accounts receivable							
Customers	734,319	689,440	201,733	57,889	139	1,683,520	44,275
Sundry	42,524	50,530	3,200	-	-	96,254	-
Restricted assets							
Redemption account	566,753	315,610	-	-	-	882,363	-
Receivables	-	-	-	-	41,182	41,182	-
Due from other governmental units	-	-	-	485,878	-	485,878	-
Due from other funds	677,367	23,623	16,330	-	1,037	718,357	-
Inventory and prepaid items	345,654	32,714	-	62,965	47,090	488,423	-
Accrued utility revenue	567,084	657,556	182,254	-	-	1,406,894	-
Total Current Assets	<u>5,227,022</u>	<u>3,592,459</u>	<u>798,042</u>	<u>1,808,811</u>	<u>1,477,003</u>	<u>12,903,337</u>	<u>6,823,211</u>
NONCURRENT POSITION							
Restricted Assets							
Replacement account	-	2,622,717	-	-	-	2,622,717	-
Reserve account	-	1,493,323	161,166	-	-	1,654,489	-
Total Restricted Assets	<u>-</u>	<u>4,116,040</u>	<u>161,166</u>	<u>-</u>	<u>-</u>	<u>4,277,206</u>	<u>-</u>
Capital Assets							
Utility plant	53,774,737	44,964,947	26,535,192	-	-	125,274,876	-
Land	979,117	824,317	30,306	324,290	394,504	2,552,534	-
Land improvements	-	-	-	-	2,037	2,037	-
Intangible assets	-	-	-	-	34,256	34,256	-
Buildings and improvements	-	-	-	4,926,258	3,967,469	8,893,727	-
Equipment and vehicles	-	-	-	5,049,784	1,608,418	6,658,202	-
Runway infrastructure	-	-	-	-	6,998,900	6,998,900	-
Accumulated depreciation	(18,539,525)	(18,982,409)	(10,602,704)	(3,967,198)	(10,454,882)	(62,546,718)	-
Construction work in progress	-	17,309,024	-	-	-	17,309,024	-
Total Capital Assets	<u>36,214,329</u>	<u>44,115,879</u>	<u>15,962,794</u>	<u>6,333,134</u>	<u>2,550,702</u>	<u>105,176,838</u>	<u>-</u>
Other Assets							
Land held for future use	398,806	-	-	-	-	398,806	-
Preliminary survey and investigation	-	9,920	-	-	-	9,920	-
Special assessments	-	503,517	-	-	-	503,517	-
Total Other Assets	<u>398,806</u>	<u>513,437</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>912,243</u>	<u>-</u>
Total Noncurrent Assets	<u>36,613,135</u>	<u>48,745,356</u>	<u>16,123,960</u>	<u>6,333,134</u>	<u>2,550,702</u>	<u>110,366,287</u>	<u>-</u>
Total Assets	<u>41,840,157</u>	<u>52,337,815</u>	<u>16,922,002</u>	<u>8,141,945</u>	<u>4,027,705</u>	<u>123,269,624</u>	<u>6,823,211</u>
DEFERRED OUTFLOWS OF RESOURCES							
Pension related amounts	581,462	381,629	132,828	677,672	73,160	1,846,751	-
OPEB related amounts - health	6,476	3,104	-	7,467	467	17,514	-
OPEB related amounts - life	9,663	4,382	2,333	9,610	1,050	27,038	-
Total deferred outflows of resources	<u>597,601</u>	<u>389,115</u>	<u>135,161</u>	<u>694,749</u>	<u>74,677</u>	<u>1,891,303</u>	<u>-</u>

	Business-type Activities - Enterprise Funds						Governmental
	Water Department	Wastewater Department	Stormwater Department	Transit	Nonmajor Enterprise Funds	Totals	Activities - Internal Service Funds
LIABILITIES							
CURRENT LIABILITIES							
Accounts payable	\$ 106,711	\$ 943,583	\$ 1,687	\$ 30,383	\$ 37,404	\$ 1,119,768	\$ 21,670
Accrued liabilities	11,143	16,665	6,534	35,854	6,241	76,437	-
Claims payable	-	-	-	-	-	-	244,527
Due to other funds	918,076	450,445	248,365	123,778	43,398	1,784,062	-
Current liabilities payable from restricted assets							
Accrued interest	27,283	84,058	-	-	-	111,341	-
Current portion of revenue bonds payable	548,583	422,950	-	-	-	971,533	-
Deposits	-	-	-	-	41,182	41,182	-
Current portion of advances	-	-	-	-	10,717	10,717	-
Current portion of general obligation debt	74,709	-	-	111,957	-	186,666	-
Total Current Liabilities	<u>1,686,505</u>	<u>1,917,701</u>	<u>256,586</u>	<u>301,972</u>	<u>138,942</u>	<u>4,301,706</u>	<u>266,197</u>
NONCURRENT LIABILITIES							
Revenue bonds payable	6,892,360	19,502,686	1,600,000	-	-	27,995,046	-
General obligation notes payable	768,767	-	-	119,649	-	888,416	-
Unamortized debt discount	-	163,345	64,564	-	-	227,909	-
Advance from municipality	-	-	-	-	16,000	16,000	-
Compensated absences	162,826	122,658	60,005	228,011	13,170	586,670	-
Net pension liability	218,500	122,639	54,831	248,137	24,997	669,104	-
OPEB liability - health	92,813	44,493	-	107,019	6,689	251,014	-
Net OPEB liability - life	58,114	20,889	14,595	65,880	6,695	166,173	-
Total Noncurrent Liabilities	<u>8,193,380</u>	<u>19,976,710</u>	<u>1,793,995</u>	<u>768,696</u>	<u>67,551</u>	<u>30,800,332</u>	<u>-</u>
Total Liabilities	<u>9,879,885</u>	<u>21,894,411</u>	<u>2,050,581</u>	<u>1,070,668</u>	<u>206,493</u>	<u>35,102,038</u>	<u>266,197</u>
DEFERRED INFLOWS OF RESOURCES							
Unearned revenue	-	-	-	-	-	-	279,404
Pension related amounts	311,923	188,428	68,913	332,152	36,958	938,374	-
OPEB related amounts - health	12,385	5,937	-	14,281	893	33,496	-
OPEB related amounts - life	16,829	6,328	4,192	18,591	1,917	47,857	-
Total Deferred Inflows of Resources	<u>341,137</u>	<u>200,693</u>	<u>73,105</u>	<u>365,024</u>	<u>39,768</u>	<u>1,019,727</u>	<u>279,404</u>
NET POSITION							
Net investment in capital assets	27,929,910	25,520,221	14,459,396	6,101,528	2,550,702	76,561,757	-
Restricted for							
Equipment replacement	-	2,622,717	-	-	-	2,622,717	-
Debt service	539,470	231,553	-	-	-	771,023	-
Unrestricted	<u>3,747,356</u>	<u>2,257,335</u>	<u>474,081</u>	<u>1,299,474</u>	<u>1,305,419</u>	<u>9,083,665</u>	<u>6,277,610</u>
TOTAL NET POSITION	<u>\$ 32,216,736</u>	<u>\$ 30,631,826</u>	<u>\$ 14,933,477</u>	<u>\$ 7,401,002</u>	<u>\$ 3,856,121</u>	<u>89,039,162</u>	<u>\$ 6,277,610</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds						<u>587,051</u>	
NET POSITION OF BUSINESS-TYPE ACTIVITIES						<u>\$ 89,626,213</u>	

See accompanying notes to financial statements.

CITY OF STEVENS POINT

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended December 31, 2019

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water Department	Wastewater Department	Stormwater Department	Transit	Nonmajor Enterprise Funds	Totals
OPERATING REVENUES						
Public charges for services						
Bus fare revenues	\$ -	\$ -	\$ -	\$ 318,490	\$ -	\$ 318,490
Water revenues	4,643,250	-	-	-	-	4,643,250
Wastewater revenues	-	4,892,187	-	-	-	4,892,187
Stormwater revenues	-	-	1,334,805	-	-	1,334,805
Airport revenues	-	-	-	-	478,559	478,559
Parking revenues	-	-	-	-	323,432	323,432
Edgewater revenues	-	-	-	-	560,869	560,869
Intergovernmental charges for services						
Local governmental subsidies	-	-	-	-	-	-
Other Items	137,317	16,405	3,110	578,430	23,201	758,463
Total Operating Revenues	<u>4,780,567</u>	<u>4,908,592</u>	<u>1,337,915</u>	<u>896,920</u>	<u>1,386,061</u>	<u>13,310,055</u>
OPERATING EXPENSES						
General government	-	-	-	-	424,358	424,358
Public works/transportation/airport/fiber	2,103,523	2,788,078	1,016,355	2,747,862	688,667	9,344,485
Depreciation	1,260,252	1,134,247	439,199	538,682	554,995	3,927,375
Total Operating Expenses	<u>3,363,775</u>	<u>3,922,325</u>	<u>1,455,554</u>	<u>3,286,544</u>	<u>1,668,020</u>	<u>13,696,218</u>
Operating Income (Loss)	<u>1,416,792</u>	<u>986,267</u>	<u>(117,639)</u>	<u>(2,389,624)</u>	<u>(281,959)</u>	<u>(386,163)</u>
NONOPERATING REVENUES (EXPENSES)						
Mass transit aids	-	-	-	1,565,772	-	1,565,772
Local governmental subsidies	-	-	-	43,104	-	43,104
IRS BAB interest subsidy	-	59,091	-	-	-	59,091
Investment income	26,104	39,881	639	-	830	67,454
Other items	15,416	6,929	900	18,673	212	42,130
Interest expense	(190,788)	(537,262)	(65,625)	(5,763)	-	(799,438)
Loss on disposal	-	-	-	(9,005)	-	(9,005)
Total Nonoperating Revenue (Expenses)	<u>(149,268)</u>	<u>(431,361)</u>	<u>(64,086)</u>	<u>1,612,781</u>	<u>1,042</u>	<u>969,108</u>
Income (Loss) Before Contributions & Transfers	1,267,524	554,906	(181,725)	(776,843)	(280,917)	582,945
CAPITAL CONTRIBUTIONS	7,574	288,840	1,304	1,659,708	-	1,957,426
CAPITAL CONTRIBUTIONS - MUNICIPALITY	-	-	-	483,302	23,313	506,615
TRANSFERS IN	-	-	-	524,142	155,420	679,562
TRANSFERS OUT	<u>(870,000)</u>	<u>-</u>	<u>-</u>	<u>(264,061)</u>	<u>(127,064)</u>	<u>(1,261,125)</u>
CHANGE IN NET POSITION	405,098	843,746	(180,421)	1,626,248	(229,248)	2,465,423
NET POSITION – Beginning of Year	<u>31,811,638</u>	<u>29,788,080</u>	<u>15,113,898</u>	<u>5,774,754</u>	<u>4,085,369</u>	<u>5,367,164</u>
NET POSITION – END OF YEAR	<u>\$ 32,216,736</u>	<u>\$ 30,631,826</u>	<u>\$ 14,933,477</u>	<u>\$ 7,401,002</u>	<u>\$ 3,856,121</u>	<u>\$ 6,277,610</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds						121,098
CHANGE IN NET POSITION OF BUSINESS-TYPE ACTIVITIES						<u>\$ 2,586,521</u>

See accompanying notes to financial statements.

CITY OF STEVENS POINT

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2019

	Business-type Activities - Enterprise Funds						Governmental Activities - Internal Service Funds
	Water Department	Wastewater Department	Stormwater Department	Transit	Nonmajor Enterprise Funds	Totals	
CASH FLOWS FROM OPERATING ACTIVITIES							
Received from customers	\$ 4,937,902	\$ 5,052,032	\$ 1,351,048	\$ 1,176,710	\$ 1,408,585	\$ 13,926,277	\$ 4,379,082
Paid to suppliers for goods and services	(1,108,634)	(2,180,541)	(798,263)	(1,435,596)	(921,341)	(6,444,375)	(3,690,153)
Paid to employees for services	(867,097)	(554,118)	(233,004)	(1,190,739)	(168,447)	(3,013,405)	-
Net Cash Flows From Operating Activities	<u>2,962,171</u>	<u>2,317,373</u>	<u>319,781</u>	<u>(1,449,625)</u>	<u>318,797</u>	<u>4,468,497</u>	<u>688,929</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Paid to municipality for tax equivalent	(843,766)	-	-	-	-	(843,766)	-
Mass transit aids received	-	-	-	1,474,402	-	1,474,402	-
Local government subsidies received	-	-	-	43,104	-	43,104	-
Fuel tax discount	-	-	-	18,673	-	18,673	-
Transfers (out)	-	-	-	-	(127,064)	(127,064)	-
Transfers in	-	-	-	150,052	155,420	305,472	325,000
Net Cash Flows From Noncapital Financing Activities	<u>(843,766)</u>	<u>-</u>	<u>-</u>	<u>1,686,231</u>	<u>28,356</u>	<u>870,821</u>	<u>325,000</u>
CASH FLOWS FROM INVESTING ACTIVITIES							
Investment income	26,104	39,881	639	-	830	67,454	63,301
Net Cash Flows From Investing Activities	<u>26,104</u>	<u>39,881</u>	<u>639</u>	<u>-</u>	<u>830</u>	<u>67,454</u>	<u>63,301</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Debt retired	(609,541)	(3,574,123)	-	-	-	(4,183,664)	-
Interest paid	(193,080)	(414,125)	-	-	-	(607,205)	-
Debt issued	-	16,110,861	1,600,000	-	-	17,710,861	-
Capital contributions received	-	288,840	1,304	1,635,442	-	1,925,586	-
Capital related advance from (to) the municipality	-	(90,038)	-	-	23,313	(66,725)	-
Debt issuance costs and premiums	-	86,820	3,656	-	-	90,476	-
Salvage on retirement of plant	22,209	-	-	-	-	22,209	-
Acquisition and construction of capital assets	(376,245)	(13,864,504)	(2,641,909)	(1,558,182)	(68,455)	(18,509,295)	-
IRS BAB interest subsidy received	-	58,978	-	-	-	58,978	-
Special assessments received	-	6,929	6,929	-	-	13,858	-
Net Cash Flows From Capital and Related Financing Activities	<u>(1,156,657)</u>	<u>(1,390,362)</u>	<u>(1,030,020)</u>	<u>77,260</u>	<u>(45,142)</u>	<u>(3,544,921)</u>	<u>-</u>
Net Change in Cash and Cash Equivalents	<u>987,852</u>	<u>966,892</u>	<u>(709,600)</u>	<u>313,866</u>	<u>302,841</u>	<u>1,861,851</u>	<u>1,077,230</u>
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>1,872,222</u>	<u>5,037,744</u>	<u>1,265,291</u>	<u>888,213</u>	<u>1,084,714</u>	<u>10,148,184</u>	<u>5,701,706</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 2,860,074</u>	<u>\$ 6,004,636</u>	<u>\$ 555,691</u>	<u>\$ 1,202,079</u>	<u>\$ 1,387,555</u>	<u>\$ 12,010,035</u>	<u>\$ 6,778,936</u>

	Business-type Activities, Enterprise Funds						Governmental Activities - Internal Service Funds
	Water Department	Wastewater Department	Stormwater Department	Transit	Nonmajor Enterprise Funds	Totals	
RECONCILIATION OF OPERATING INCOME (LOSS)							
TO NET CASH FROM OPERATING ACTIVITIES							
Operating income (loss)	\$ 1,416,792	\$ 986,267	\$ (117,639)	\$ (2,389,624)	\$ (281,959)	\$ (386,163)	\$ 522,145
Miscellaneous non-operating revenue	8,487	113	(6,029)	-	212	2,783	-
Noncash items included in income (loss)							
Depreciation	1,260,252	1,134,247	439,199	538,682	554,995	3,927,375	-
Depreciation charged to clearing and other utilities	111,020	-	-	-	-	111,020	-
Change in Assets, Liabilities, and							
Deferred Inflows and Outflows of Resources							
Accounts receivable	40,214	76,493	27,139	279,790	20,867	444,503	179,075
Inventory and prepaid items	(1,567)	-	-	(62,965)	23,901	(40,631)	-
Due to/from other funds	74,037	33,019	(11,111)	52,859	3,190	151,994	-
Accounts payable and accrued liabilities	(67,508)	25,424	(45,212)	25,582	(13,069)	(74,783)	(15,966)
Deposits	-	-	-	-	303	303	-
Pension and OPEB related amounts	101,015	38,830	20,112	69,508	6,855	236,320	-
Accrued sick leave and vacation	19,429	22,980	13,322	36,543	3,502	95,776	-
Unearned revenues	-	-	-	-	-	-	3,675
NET CASH FLOWS FROM OPERATING ACTIVITIES	\$ 2,962,171	\$ 2,317,373	\$ 319,781	\$ (1,449,625)	\$ 318,797	\$ 4,468,497	\$ 688,929
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET ASSETS - PROPRIETARY FUNDS							
Cash and investments	\$ 2,293,321	\$ 1,822,986	\$ 394,525	\$ 1,202,079	\$ 1,387,555	\$ 7,100,466	\$ 6,778,936
Restricted assets - cash and investments	566,753	4,431,650	161,166	-	-	5,159,569	-
Less: Noncash equivalents	-	(250,000)	-	-	-	(250,000)	-
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 2,860,074	\$ 6,004,636	\$ 555,691	\$ 1,202,079	\$ 1,387,555	\$ 12,010,035	\$ 6,778,936
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES							
Principal and interest forgiven through transfer	\$ -	\$ -	\$ -	\$ (110,029)	\$ -	\$ (110,029)	\$ -
Grant funded capital asset	\$ -	\$ -	\$ -	\$ 15,000	\$ -	\$ 15,000	\$ -
Capital contributions	\$ -	\$ -	\$ 1,304	\$ -	\$ -	\$ 1,304	\$ -
Capital contributions by customer	\$ 7,574	\$ -	\$ -	\$ -	\$ -	\$ 7,574	\$ -
Capital assets paid by city funds	\$ -	\$ -	\$ -	\$ 483,302	\$ -	\$ 483,302	\$ -

See accompanying notes to financial statements.

CITY OF STEVENS POINT

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

	Tax Collection Fund
ASSETS	
Cash and investments	\$ 19,097,201
Taxes receivable	<u>8,745,201</u>
TOTAL ASSETS	<u>27,842,402</u>
LIABILITIES	
Due to other taxing units	<u>27,842,402</u>
TOTAL LIABILITIES	<u>27,842,402</u>
TOTAL NET POSITION	<u>\$ -</u>

See accompanying notes to financial statements.

CITY OF STEVENS POINT

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

	Tax Collection Fund
ADDITIONS	
Property taxes collected for other governments	
Portage County	\$ 9,201,968
Stevens Point Area Schools	14,374,626
Mid-state Technical College	<u>1,641,678</u>
TOTAL ADDITIONS	<u>25,218,272</u>
DEDUCTIONS	
Property taxes distributed to other governments	
Portage County	9,201,968
Stevens Point Area Schools	14,374,626
Mid-state Technical College	<u>1,641,678</u>
TOTAL DEDUCTIONS	<u>25,218,272</u>
Change in Net Position	<u>-</u>
NET POSITION - Beginning of Year	<u>-</u>
NET POSITION - END OF YEAR	<u><u>\$ -</u></u>

See accompanying notes to financial statements.

CITY OF STEVENS POINT

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CITY OF STEVENS POINT

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CITY OF STEVENS POINT

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. REPORTING ENTITY

This report includes all of the funds of the city. The reporting entity for the city consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if: (1) it appoints a voting majority of the organization's governing body and is able to impose its will on that organization; (2) it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government; and (3) the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. Certain legally separate, tax-exempt organizations should also be reported as a component unit if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government, or its component units, is entitled to, or has the ability to access, a majority of the economic resources received or held by the separate organization; and (3) the economic resources received or held by an individual organization that the primary government, or its component units, is entitled to, or had the ability to otherwise access, are significant to the primary government.

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

Discretely Presented Component Unit

Redevelopment Authority of the City of Stevens Point

The government-wide financial statements include the Redevelopment Authority ("Authority") as a component unit. The Authority is a legally separate organization. The Authority performs development activities within the city and provides housing and zero interest loans to low income residents within the government's jurisdiction. The members of the Authority's governing body are appointed by the common council. See Note IV. I. for additional disclosure information. The Authority has a December 31, 2019 year-end. Separately issued financial statements of the Redevelopment Authority may be obtained from the administrative offices at 1515 Strongs Avenue, Stevens Point, WI 54481.

CITY OF STEVENS POINT

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

Separate financial statements are provided for governmental funds and 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.

CITY OF STEVENS POINT

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

Fund Financial Statements (cont.)

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

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

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 accounted for and reported in another fund.

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

General Capital Projects Fund – used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including acquisition or construction of capital facilities or other capital assets.

Tax Incremental District No. 6 Capital Projects Fund – used to account for and report financial resources that are restricted, committed, or assigned to expenditures outlined in the TID project plan.

The city reports the following major enterprise funds:

Water Department Fund – accounts for operations of the water system
Wastewater Department Fund – accounts for operations of the sewer system
Stormwater Department Fund – accounts for operations of the storm sewer system
Transit Fund – accounts for operations of the transit system

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CITY OF STEVENS POINT

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

Fund Financial Statements (cont.)

The city reports the following nonmajor governmental and enterprise funds:

Special Revenue Funds – used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes (other than debt service or capital projects).

Hotel/Motel Room Tax	Police Grants
McDill Lake Management	Fire Grants
CAP Loan Levy	Museum
Fuel Dispenser System Replacement	Natural Disaster Fund
Riverfront Festival	Community Rehab Grant Program
EMS Funding Assistance Program	Willett Ice Arena
Blight Elimination	Cell Tower Rent
Soil Remediation	Arts Center
Department of Administration	Park Trust
HRRP Project Grant	Funds in Lieu of Parks
Federal Forfeiture	Section A-125
Drug Task Force	Special Assessments
Community Media	Skate Park

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

Athletic Field Fund
Fire Safety Smoke House
TID No. 5
TID No. 7
TID No. 8
TID No. 9
TID No. 10
City Property Fund
Vehicle/Equipment

Permanent Funds – used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs, that is, for the benefit of the government or its citizenry.

United Way
Forest Cemetery Trust
Willett Trust Parks
Smongeski Trust

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CITY OF STEVENS POINT

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

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

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

Fund Financial Statements (cont.)

The city reports the following nonmajor governmental and enterprise funds (cont.):

Enterprise Fund – may be used to report any activity for which a fee is charged to external users for goods or services, and must be used for activities which meet certain debt or cost recovery criteria.

Airport
Fiber
Parking
Edgewater

In addition, the city reports the following fund types:

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the city, or to other governmental units, on a cost-reimbursement basis.

Employee Self-Insurance
Worker's Comp Self-Insurance
Property/Liability Reserve
Employee Sick Leave

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

Tax Collection Fund

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

Government-Wide Financial Statements

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the city's water, wastewater treatment department, stormwater department, transit utility, airport fund, parking fund, fiber, edgewater fund, 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.

CITY OF STEVENS POINT

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

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

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

Fund Financial Statements

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

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

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

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and unavailable revenues. At December 31, 2019, there were \$1,361,533 of unrecorded anticipated future assessments which are not recorded as receivables because collection is subject to certain events occurring in the future. No formal repayment schedule has been established.

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

Proprietary fund and fiduciary 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, wastewater, stormwater, transit, parking, airport, fiber, and edgewater funds are charges to customers for sales and services. Special assessments are recorded as receivables and contribution revenue when levied. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

CITY OF STEVENS POINT

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

Fund Financial Statements (cont.)

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

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

1. Deposits and Investments

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

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

- Time deposits in any credit union, bank, savings bank or trust company.
- Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, the University of Wisconsin Hospitals and Clinics Authority, or the Wisconsin Aerospace Authority.
- 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.

Investment of most trust funds including cemetery perpetual care funds is regulated by Chapter 881 of the Wisconsin Statutes. Investment of library trust funds is regulated by Chapter 112. Those sections give broad authority to use such funds to acquire various kinds of investments including stocks, bonds and debentures.

The city has adopted an investment policy. That policy follows the state statute for allowable investments.

The city's investment policy addresses custodial credit risk. For deposits in excess of those insured by FDIC and the State Municipal Guarantee Fund, the policy requires a secondary pledge of assets, if deemed necessary by the Treasurer.

CITY OF STEVENS POINT

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

1. Deposits and Investments (cont.)

Concentration of credit is also addressed by the city's investment policy. The policy specifies that with the exception of U.S. Treasury securities and authorized pools, no more than 50% of the City of Stevens Point investment portfolio will be invested in a single security type or with a single financial institution.

The city's investment policy does not provide for credit risk, interest rate risk, or investments highly sensitive to interest rate changes.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on methods and inputs as outlined in Note IV.A. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated to the general fund. Interest on commingled investments earned by other funds is considered immaterial. Investment income on commingled investments of the capital projects funds is allocated based on average fund balances.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2019, the fair value of the city's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note IV.A. for further information.

2. Receivables

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

Property tax calendar – 2019 tax roll:

Lien date and levy date	December 2019
Tax bills mailed	December 2019
Payment in full, or	January 31, 2020
First installment due	January 31, 2020
Second installment due	April 30, 2020
Third installment due	July 31, 2020
Fourth installment due	January 31, 2020
Personal property taxes in full	January 31, 2020
Tax sale – 2019 delinquent real estate taxes	October 2022

CITY OF STEVENS POINT

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

2. Receivables (cont.)

Accounts receivable have been shown net of an allowance for uncollectible accounts. Delinquent real estate taxes as of July 31 are paid in full by the county, which assumes the collection thereof. No provision for uncollectible accounts receivable has been made for the water, wastewater, and stormwater departments because they have the right by law to place delinquent bills on the tax roll, and other delinquent bills are generally not significant.

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

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

The city has received federal grant funds for economic development and housing rehabilitation loan programs to various businesses and individuals. The city records a loan receivable when the loan has been made and funds have been disbursed.

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

3. Inventories and Prepaid Items

Governmental fund inventories are recorded at cost based on the average cost method using the consumption method of accounting. Proprietary fund inventories are generally used for construction and for operation and maintenance work. They are not for resale. They are valued at the lower of cost or market based on the "first-in, first-out method," and charged to construction and/or operation and maintenance expense when used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

CITY OF STEVENS POINT

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

4. Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net position.

5. Capital Assets

Government-Wide Statements

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements and are defined by the government as assets with an initial cost of more than \$5,000 for general capital assets, \$5,000 for enterprise fund assets and \$50,000 for infrastructure assets, and an estimated useful life in excess of one year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated fixed assets are recorded at their estimated acquisition value at the date of donation.

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

Depreciation and amortization of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation and amortization reflected in the statement of net position. Depreciation and amortization 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 and improvements	40-50 Years
Land improvements	15-30 Years
Machinery and equipment and vehicles	3-15 Years
Intangible assets	7 Years
Infrastructure	20-70 Years
Water system	7-77 Years
Wastewater system	7-70 Years
Stormwater system	20 Years
Airport runway infrastructure	5-50 Years
Airport building and equipment	

CITY OF STEVENS POINT

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

5. Capital Assets (cont.)

Fund Financial Statements

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

6. Other Assets

In the governmental activities column on the statement of net position, land held for resale consists of land and improvements and is valued at lower of cost or market value. Properties include both land intended for resale and land designated as public area.

Other assets in the business-type activities consist of nonutility property.

7. Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net position/fund balance that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

8. 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.

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CITY OF STEVENS POINT

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

9. Long-Term Obligations

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable, 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.

For the government-wide statements and proprietary fund statements, bond premiums and discounts are deferred and amortized over the life of the issue using the effective interest method. The balance at year-end is shown as an increase or decrease in the liability section of the statement of net position.

10. Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position/fund balance that applies to a future period and, therefore, will not be recognized as an inflow of resources (revenue) until that future time.

11. Equity Classifications

Government-Wide Statements

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

- Net Investment in Capital Assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation/amortization and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- 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.
- Unrestricted net position – All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

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CITY OF STEVENS POINT

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

11. Equity Classifications (cont.)

Government-Wide Statements (cont.)

The net position section includes an adjustment for capital assets owned by the business-type activities column, but financed by debt of the governmental activities column. The amount is a reduction in "net investment in capital assets," and an increase in "unrestricted" net position, shown only in the total column. A reconciliation of this adjustment is as follows:

	Governmental Activities	Business-type Activities	Adjustment	Totals
Net investment in capital assets	\$ 40,143,341	\$ 76,561,757	\$ (291,299)	\$ 116,413,799
Unrestricted	20,772,624	9,670,716	291,299	30,734,639

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

Fund Statements

Governmental fund balances are displayed as follows:

- Nonspendable – Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- Restricted – Consists of fund balances with constraints placed on their use either by: (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- Committed – Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the city. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the city that originally created the commitment.
- Assigned – Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The City Council has, by resolution, adopted a financial policy authorizing the Comptroller/Treasurer to assign amounts for a specific purpose. 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.

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CITY OF STEVENS POINT

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

11. Equity Classifications (cont.)

Fund Statements (cont.)

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

The city has a formal minimum fund balance policy. That policy is to maintain a minimum of four months of the following years' budgeted general fund expenditures, with a targeted maximum of six months of the following year's budgeted general fund expenditures. The balance required at year-end was \$8,331,540 to \$12,497,310. Unassigned fund balance totaled \$12,648,379 at December 31, 2019.

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

See Note IV. H. for further information.

12. Basis for Existing Rates

Current water rates were approved by the PSOW on August 8, 2019. The rates were made effective by the department as of September 1, 2018, and are designed to provide a 3.50% rate of return.

Current wastewater rates were approved by the utility commission effective September 1, 2018.

Current stormwater rates were approved by the utility commission effective January 1, 2013.

13. Pension

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

14. Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information has been determined on the same basis as they are reported by the city OPEB Plan. For this purpose, the city OPEB plan recognizes benefit payments when due and payable in accordance with the benefit terms.

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CITY OF STEVENS POINT

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

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

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

14. Postemployment Benefits Other Than Pensions (OPEB) (cont.)

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 postemployment benefits, OPEB expense, and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIFs 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.

NOTE II – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE STATEMENT OF NET POSITION

The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds and net position – governmental activities* as reported in the government-wide statement of net position. Additional details of this reconciliation are as follows.

Some receivables that are not currently available are reported as unavailable revenue in the fund financial statements, but are recognized as revenue when earned in the government-wide statements.

Special assessments	\$ 30,099
Loans receivable	2,311,329
Grants receivable	4,081
Pledges	215,300
Interest receivable	26,508
PILOT	42,634
Combined Adjustment for Unavailable Revenue	<u>\$ 2,629,951</u>

Long-term liabilities applicable to the city's governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities – both current and long-term – are reported in the statement of net position.

Bonds and notes payable	\$ 25,963,725
Premium on bonds and notes payable	154,423
Compensated absences	2,200,111
Accrued interest	194,385
Other postemployment benefits	1,838,806
Lease obligation	70,000
Combined Adjustment for Long-Term Liabilities	<u>\$ 30,421,450</u>

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CITY OF STEVENS POINT

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

NOTE II – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE STATEMENT OF NET POSITION (cont.)

Internal service funds are used by management to charge costs of insurance coverage to individual funds. The assets, liabilities, and deferred inflows of resources of the internal service funds are included in the statement of net position.

Internal service fund assets	\$ 6,823,211
Less: Internal service fund liabilities	(266,197)
Less: Internal service fund deferred inflows of resources	(279,404)
Sub-total	<u>6,277,610</u>
Less: Internal service activities related to enterprise funds	<u>(587,051)</u>
Combined Adjustment for Internal Service Funds	<u>\$ 5,690,559</u>

NOTE III – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

A budget has been adopted for all governmental funds except for the Skate park, park trust special revenue funds, the athletic field, fire safety smoke house, and TID No. 10 capital project fund, the Willett trust parks permanent funds. Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds.

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CITY OF STEVENS POINT

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

NOTE III – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (cont.)

B. EXCESS EXPENDITURES OVER APPROPRIATIONS

Total expenditures exceeded the budget for the following funds:

Fund	Budgeted Expenditures and Transfers	Actual Expenditures and Transfers	Excess Expenditures Over Appropriations
Hotel/motel room tax	\$ 800,000	\$ 911,815	\$ 111,815
Department of administration	80,050	95,243	15,193
EMS funding assistance program	7,000	7,249	249
Soil remediation	100,000	131,863	31,863
HRRP project grant	4,530	13,976	9,446
Community Media	284,571	289,320	4,749
Police grants	8,960	24,463	15,503
Fire grants	50,000	74,267	24,267
Cell tower rent	40,142	97,163	57,021
General capital projects	5,179,000	5,860,247	681,247
City property fund	145,000	207,220	62,220
Tax Incremental Financing District No. 5	655,100	1,017,246	362,146
Tax Incremental Financing District No. 7	698,200	718,700	20,500
Tax Incremental Financing District No. 9	1,553,000	2,590,825	1,037,825
Smongeski trust	6,000	6,196	196

The city controls expenditures at the functional level for the general fund and total expenditure level for other funds. Some individual departments experienced expenditures which exceeded appropriations. The detail of those items can be found in the city's year-end budget to actual report. There may be offsetting revenues relating to excess expenditures.

CITY OF STEVENS POINT

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

NOTE III – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (cont.)

C. DEFICIT BALANCES

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

As of December 31, 2019, the following individual funds held a deficit balance:

Fund	Amount	Reason
TID No. 6	\$ 5,634,294	Expenditures in excess of revenues
Soil remediation	16,506	Timing of grant reimbursements
Fire grants	1,882	Timing of grant reimbursements
TID No. 8	623,261	Expenditures in excess of revenues
TID No. 10	21,612	Expenditures in excess of revenues
City property fund	61,071	Expenditures in excess of revenues
Fiber	10,305	Expenditures in excess of revenues

TIF District deficits are anticipated to be funded with future incremental taxes levied over the life of the districts, which is 27 years for the districts created before October 1, 1995, and 23 years for districts created through September 30, 2004. Beginning October 1, 2004, the life of new districts varies by type of district (20-27 years) and may be extended in some cases. Other fund deficits are anticipated to be funded with future contributions or general tax revenues.

D. LIMITATIONS ON THE CITY'S TAX LEVY

Wisconsin law limits the city's future tax levies. Generally, the city is limited to its prior tax levy dollar amount (excluding TIF districts), increased by the greater of the percentage change in the city's equalized value due to new construction, or zero percent. Changes in debt service from one year to the next are generally exempt from this limit with certain exceptions. The city is required to reduce its allowable levy by the estimated amount of fee revenue it collects for certain services, if those services were funded in 2013 by the property tax levy. Levies can be increased above the allowable limits if the amount is approved by referendum.

CITY OF STEVENS POINT

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

NOTE IV – DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

The city maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the statement of net position and balance sheet as cash and investments. In addition, investments are separately held by several of the city's funds.

The city's cash and investments at year-end were comprised of the following:

	Carrying Value	Statement Balance	Associated Risks
Deposits			
State and local bonds	\$ 39,906,840	\$ 42,605,564	Custodial credit risk, interest rate risk, credit risk, concentration of credit risk, highly sensitive to interest rate changes
U.S. Agencies – implicitly guaranteed	686,020	686,020	Custodial credit risk, interest rate risk, credit risk, concentration of interest rate changes
U.S. Treasuries	3,092,476	3,092,476	Custodial credit risk, interest rate risk, highly sensitive to interest rate changes
Mutual funds (bonds)	147,355	147,355	Credit risk, interest rate risk, highly sensitive to interest rate changes
Wisconsin LGIP	13,330,258	13,330,258	Credit risk
Certificates of deposit -negotiable	934,739	934,739	Custodial credit risk, interest rate risk, credit risk, concentration of credit risk, highly sensitive to interest rate changes
Petty cash/cash on hand	269,813	-	None
Total Cash and Investments	\$ 61,882,359	\$ 64,311,271	

CITY OF STEVENS POINT

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

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Reconciliation to financial statements	
Per statement of net position	\$ 37,625,589
Unrestricted cash and investments	5,159,569
Restricted cash and investments	
Per statement of fiduciary net position – Custodial fund	19,097,201
Total Cash and Investments	\$ 61,882,359

The difference between the bank balance and carrying value is due to outstanding checks and/or deposits in transit.

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit amounts (interest-bearing and noninterest bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposits.

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual municipalities. This coverage has been considered in computing custodial credit risk.

The Securities Investor Protection Corporation (SIPC), created by the Securities Investor Protection Act of 1970, is an independent government-sponsored corporation (not an agency of the U.S. government).

SIPC membership provides account protection up to a maximum of \$500,000 per customer, of which \$100,000 may be in cash. \$500,000 at each financial institution of the city's investments are covered by SIPC. In addition, the institutions have purchased additional insurance to fully cover all investments as of December 31, 2019.

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

CITY OF STEVENS POINT

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

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

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

- > Market approach

Investment Type	December 31, 2019			Total
	Level 1	Level 2	Level 3	
State and local bonds	\$ -	\$ 3,514,858	\$ -	\$ 3,514,858
U.S. Agencies – implicitly guaranteed	-	686,020	-	686,020
U.S. Treasuries	-	3,092,476	-	3,092,476
Mutual funds (bonds)	-	147,355	-	147,355
Certificates of deposit - negotiable	-	934,739	-	934,739
Totals	\$ -	\$ 8,375,448	\$ -	\$ 8,375,448

Custodial Credit Risk

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

The city maintains collateral agreements with five of its banks. At December 31, 2019, the banks had pledged various government securities in the amount of \$20,767,696 to secure the city's deposits. The city also has letters of credit with two of their banks in the amount of \$23,100,000 at December 31, 2019.

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

Investments – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the city will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The city does not have any investments exposed to custodial credit risk.

Credit Risk

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

As of December 31, 2019, the city's investments were rated as follows:

Investment Type	Moody's Investors Services	Standard & Poors
State and local bonds	Aaa – A1, not rated	AAA – A+, not rated
U.S. Agencies – implicitly guaranteed	Aaa	AAA

CITY OF STEVENS POINT

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

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Credit Risk (cont.)

The mutual fund and certificates of deposit ratings at December 31, 2019 were unknown.

The city held investments in the Local Government Investment Pool (LGIP), which was not rated.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

At December 31, 2019, no individual security was over 5% of the city's investment portfolio.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

As of December 31, 2019, the city's investments were as follows:

Investment Type	Fair Value	Maturity (In Years)		
		Less than one year	1 – 5	5 – 20
Mutual fund	\$ 147,355	\$ -	\$ -	\$ 147,355
State and local bonds	3,514,858	81,117	259,614	3,174,127
U.S. agencies – implicitly guaranteed	686,020	-	98,252	587,768
U.S. Treasuries	3,092,476	3,092,476	-	-
Certificates of deposit – negotiable	934,739	441,707	493,032	-
Totals	\$ 8,375,448	\$ 3,615,300	\$ 850,898	\$ 3,909,250

Investments Highly Sensitive to Market Changes

The city held securities of \$2,212,659 with maturities exceeding ten years.

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

CITY OF STEVENS POINT

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

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

B. RECEIVABLES

Receivables as of year-end for the government's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	General Dues Service Fund	General Capital Projects	TID No. 6	Nonmajor Funds	Totals
Gross receivables	\$ 12,507,369	\$ 5,345,300	\$ 15,594	\$ 282,603	\$ 7,941,767	\$ 26,092,633
Less: Allowance for uncollectibles	(2,239)	-	-	-	-	(2,239)
Net Total Receivables	\$ 12,505,130	\$ 5,345,300	\$ 15,594	\$ 282,603	\$ 7,941,767	\$ 26,090,304

Amounts not expected to be collected within one year \$ 45,627 \$ 186,700 \$ - \$ - \$ 2,373,612 \$ 2,605,939

Receivables of the city are reported net of uncollectible amounts of \$2,081 for delinquent taxes, and \$158 for accounts receivable.

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

	Unearned	Unavailable
Property taxes receivable for subsequent year	\$ 22,672,495	\$ -
Special assessments not yet due	-	30,099
Pledges receivable not yet due	-	215,300
Loan receivable not yet due	-	2,311,329
Grant revenues	-	4,081
PILOT	-	42,634
Interest income	-	26,508
Total Unearned/Unavailable Revenue For Governmental Funds	\$ 22,672,495	\$ 2,629,951
Unearned revenue included in deferred inflows	\$ 22,672,495	-
Unearned revenue included in liabilities	29,467	-
Sub-total	22,701,962	-
Unearned revenue included in the internal service funds deferred inflows of resources	279,404	-
Total Unearned Revenue for Governmental Funds	\$ 22,981,366	\$ -

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CITY OF STEVENS POINT

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

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

B. RECEIVABLES (cont.)

For economic development loans, the city is limited by the Wisconsin Department of Administration to the amount of program income from economic development loans that it may retain to be loaned to other businesses and/or the amount of time for which funds may be held without use. Program income includes the principal and interest received from economic development loans repayments. At December 31, 2019, the city has not exceeded the maximum amount of program income that it may retain or the amount of time for which funds may be held without use. When it does, a liability to the State will be recorded.

C. RESTRICTED ASSETS

The following represent the balances of the restricted assets:

Long-Term Debt Accounts

Redemption	-	Used to segregate resources accumulated for debt service payments over the next twelve months.
Reserve	-	Used to report resources set aside to make up potential future deficiencies in the redemption account.

Equipment Replacement Account

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

Receivables

Restricted assets have been recorded in connection with security deposits.

Following is a list of Business-type Activities restricted assets at December 31, 2019. See Note IV.H for Governmental Activities.

Restricted Assets	
Redemption account	\$ 882,363
Reserve account	1,654,489
Equipment replacement account	2,622,717
Receivables	<u>41,182</u>
Total Restricted Assets	5,200,751
Restricted Assets Not Funded by Revenues	(1,654,489)
Current Liabilities Payable From Restricted Assets	<u>(152,522)</u>
Total Restricted Net Position as Calculated	\$ 3,393,740

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CITY OF STEVENS POINT

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

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS

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

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated/amortized				
Land	\$ 7,671,328	\$ 135,497	\$ 10,500	\$ 7,796,325
Total Capital Assets Not Being Depreciated/ Amortized	198,006	-	-	198,006
Capital assets being depreciated/ amortized	7,869,334	135,497	10,500	7,994,331
Buildings and improvements	21,328,637	2,252,767	-	23,581,404
Machinery and equipment	8,548,447	225,613	65,963	8,708,297
Intangibles - software	584,183	-	-	584,183
Vehicles	9,851,352	99,758	767,822	9,183,288
Bridges	9,089,747	-	-	9,089,747
Streets	34,371,060	2,215,039	294,951	36,291,148
Street lighting	2,292,122	62,992	-	2,355,114
Sidewalks	5,852,449	456,261	30,353	6,278,357
Traffic signals	1,161,949	-	-	1,161,949
Trails	919,013	-	-	919,013
Fiber optic network	978,933	-	-	978,933
Total Capital Assets Being Depreciated/ Amortized	94,977,892	5,312,630	1,159,089	99,131,433
Less: Accumulated depreciation/amortization for				
Buildings and improvements	(13,331,498)	(436,952)	-	(13,768,450)
Machinery and equipment	(4,975,351)	(403,346)	45,555	(5,333,142)
Intangibles – software	(294,803)	(59,669)	-	(354,472)
Vehicles	(4,739,785)	(583,690)	706,708	(4,616,767)
Bridges	(3,681,995)	(181,795)	-	(3,863,790)
Streets	(14,157,967)	(725,823)	294,951	(14,588,839)
Street lighting	(1,379,933)	(95,858)	-	(1,475,791)
Sidewalks	(1,830,289)	(125,567)	30,353	(1,925,503)
Traffic signals	(964,299)	(34,900)	-	(999,199)
Trails	(255,579)	(48,186)	-	(303,765)
Fiber optic network	(156,671)	(19,578)	-	(176,249)
Total Accumulated Depreciation/Amortization	(45,768,170)	(2,715,364)	1,077,567	(47,405,967)
Total Capital Assets, Net of Depreciation/ Amortization	49,209,722	2,597,266	81,522	51,725,466
Capital Assets, Net of Depreciation/ Amortization	\$ 57,079,056	\$ 2,732,763	\$ 92,022	\$ 59,719,797

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CITY OF STEVENS POINT

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

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

Depreciation/amortization expense was charged to functions as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
General government				\$ 455,867
Public safety				326,952
Public works, which includes the depreciation of infrastructure				1,781,363
Culture, recreation and education				151,182
Total Governmental Activities Depreciation/Amortization Expense				\$ 2,715,364
Business-type Activities				
Capital assets not being depreciated				
Land and land rights	\$ 2,003,004	\$ 549,530	\$ -	\$ 2,552,534
Construction in progress	11,826,313	12,384,937	6,902,226	17,309,024
Total Capital Assets Not Being Depreciated	13,829,317	12,934,467	6,902,226	19,861,558
Other Capital Assets				
Water system	49,499,941	4,432,637	157,841	53,774,737
Wastewater treatment system	42,970,508	2,427,252	432,813	44,964,947
Stormwater system	24,231,610	2,390,122	86,540	26,535,192
Transit vehicles and buildings	9,107,761	2,076,976	1,208,695	9,976,042
Airport runway infrastructure	6,998,900	-	-	6,998,900
Airport buildings and equipment	2,721,342	32,078	-	2,753,420
Parking equipment and vehicles	308,440	-	-	308,440
Edgewater buildings and improvements	2,515,718	34,602	-	2,550,320
Total Capital Assets Being Depreciated	138,354,220	11,393,667	1,885,889	147,861,998
Less: Accumulated depreciation for				
Water system	(17,303,885)	(1,393,481)	157,841	(18,539,525)
Wastewater treatment system	(18,272,993)	(1,142,229)	432,813	(18,982,409)
Stormwater system	(10,248,529)	(440,715)	86,540	(10,602,704)
Transit vehicles and buildings	(4,628,207)	(538,681)	1,199,690	(3,967,198)
Airport runway infrastructure	(6,504,710)	(349,945)	-	(6,854,655)
Airport buildings and equipment	(1,136,958)	(109,893)	-	(1,246,851)
Parking equipment and vehicles	(43,417)	(28,064)	-	(71,481)
Edgewater buildings and improvements	(2,214,802)	(67,093)	-	(2,281,895)
Total Accumulated Depreciation	(60,353,501)	(4,070,101)	1,876,884	(62,546,718)
Total Capital Assets, Net of Depreciation	78,000,719	7,323,566	(9,005)	85,315,280
Net Capital Assets	\$ 91,830,036			\$ 105,176,838

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CITY OF STEVENS POINT

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

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

Depreciation expense was charged to functions as follows:

Business-type Activities	
Water	\$ 1,260,252
Wastewater	1,134,247
Stormwater	439,199
Transit	538,682
Airport	459,838
Parking	28,064
Edgewater	67,093
Total Business-type Activities	<u>\$ 3,927,375</u>
Depreciation Expense	

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

CITY OF STEVENS POINT

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

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS

Interfund Receivables/Payables

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

Receivable Fund	Payable Fund	Amount	Amount Not Due Within One Year
General fund	Water utility	\$ 918,076	\$ -
General fund	Wastewater utility	33,815	-
General fund	Stormwater utility	12,154	-
General fund	Transit fund	123,778	-
General fund	Nonmajor enterprise funds	42,634	-
General fund	Nonmajor governmental funds	115,336	-
Nonmajor governmental funds	Stormwater utility	3,959	-
Water utility	General fund	29,296	-
Water utility	Wastewater utility	415,819	-
Water utility	Stormwater utility	232,252	-
Sewer utility	General fund	23,623	-
Stormwater utility	General fund	14,755	-
Stormwater utility	Wastewater utility	811	-
Stormwater utility	Nonmajor enterprise funds	764	-
Nonmajor enterprise funds	General capital projects	1,037	-
Subtotal – Fund Financial Statements		1,968,109	-
Less: Fund eliminations		(764,982)	-
Less: Government-wide eliminations		(137,422)	-
Less: Interfund receivable created with internal service fund elimination		(587,051)	-
Plus: Interfund advances		26,717	-
Total – Government-Wide Statement of Net Position		<u>\$ 505,371</u>	<u>\$ -</u>

Receivable Fund	Payable Fund	Amount
Governmental activity	Business-type activity	\$ 1,161,133
Business-type activity	Governmental activity	<u>(655,762)</u>
Total		<u>\$ 505,371</u>

CITY OF STEVENS POINT

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

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

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

Interfund Receivables/Payables (cont.)

Interfund balances resulted from the time lag between the dates that: (1) interfund goods and services are provided or reimbursable expenditures occur; (2) transactions are recorded in the accounting system; and (3) payments between funds are made.

Advances

The general fund is advancing funds to TID No. 6, TID No. 8, and TID No. 10. The amount of the advance is determined by the deficiency of revenues over expenditures and other financing sources since the districts' inception. No repayment schedule has been established. The general fund is also advancing funds to the Airport. No repayment schedule has been established.

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Amount Not Due Within One Year</u>
General fund	Airport fund	\$ 26,717	\$ 16,000
General fund	TID No. 6	5,558,641	5,558,641
General fund	TID No. 8	623,261	623,261
General fund	TID No. 10	17,225	17,225
Sub-total – Fund Financial Statements		6,225,844	
Less: Fund eliminations		<u>(6,199,127)</u>	
Total – Interfund Advances		<u>\$ 26,717</u>	

CITY OF STEVENS POINT

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

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

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

Transfers

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
General Fund	Special Revenue Funds		
General	Community Media	\$ 107,000	Operating transfer
General	Hotel/motel room tax	283,786	Operating transfer
General	Enterprise Fund		
General	Water utility	870,000	PLOT
General	Parking fund	127,064	Operating transfer
Special Revenue Funds	General Fund		
Section A-125	General	10,000	Operating transfer
Special Revenue Funds	Special Revenue Funds		
Williett ice arena	Hotel/motel room tax	80,000	Operating transfer
Arts center	Hotel/motel room tax	20,000	Operating transfer
Capital Projects Funds	Capital Projects Funds		
TID No. 6	TID No. 5	750,000	Increment sharing
TID No. 6	TID No. 7	214,000	Increment sharing
Capital Projects Funds	Special Revenue Funds		
Athletic Field	Hotel/motel room tax	20,000	Operating transfer
	Cell tower rent	63,712	Operating transfer
Capital Projects Funds	Enterprise Fund		
General capital projects	Transit	264,061	Operating transfer
Enterprise Funds	Debt Service Fund		
Transit	Debt service	110,029	Debt service

CITY OF STEVENS POINT

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

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

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

Transfers (cont.)

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
Enterprise Funds	General Fund		
Transit	General	\$ 303,502	Capital contribution
Transit	General	414,113	Operating subsidy
Airport	General	155,420	Operating subsidy
Enterprise Funds	Capital Projects Funds		
Transit	General capital projects	179,800	Capital contribution
Airport	General capital projects	23,313	Capital contribution
Internal Service Funds	General Fund		
Employee sick leave	General	255,000	Sick leave payments
Property/liability reserve	General	70,000	Operating transfer
Subtotal – Fund Financial Statements		4,320,800	
Less: Fund eliminations		(1,873,498)	
Less: Government-wide eliminations		(2,372,354)	
Total – Government-Wide Statement of Activities		\$ 74,948	
<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	
Governmental activity	Business-type activity	\$ 1,261,125	
Business-type activity	Governmental activity	(1,186,177)	
Total		\$ 74,948	

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

CITY OF STEVENS POINT

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

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
GOVERNMENTAL ACTIVITIES					
Bonds and Notes Payable					
General obligation debt	\$ 12,260,000	\$ -	2,325,000	\$ 9,935,000	\$ 655,000
General obligation debt from direct borrowings and direct placements	14,314,125	4,950,000	3,680,733	15,583,392	5,273,042
Promissory note from direct placement	492,869	-	47,536	445,333	49,199
Add/(Subtract) deferred amounts for Premiums	168,252	-	13,829	154,423	-
Total Bonds and Notes Payable	27,235,246	4,950,000	6,067,068	26,118,148	5,977,241
Other Liabilities					
Lease obligation	80,000	-	10,000	70,000	10,000
Vested compensated absences	2,137,857	489,825	427,571	2,200,111	440,022
Sub-totals	2,217,857	489,825	437,571	2,270,111	450,022
Total Governmental Activities Long-Term Liabilities	\$ 29,453,103	\$ 5,439,825	\$ 6,504,639	\$ 28,388,289	\$ 6,427,263
BUSINESS-TYPE ACTIVITIES					
Bonds and Notes Payable					
General obligation debt from direct borrowings and direct placements	\$ 1,252,115	\$ -	177,033	\$ 1,075,082	\$ 186,666
Revenue bonds	3,420,000	4,575,000	3,420,000	4,575,000	265,000
Revenue bonds from direct borrowings and direct placements	11,946,615	13,135,861	690,897	24,391,579	706,633
Add/(Subtract) deferred amounts for Premiums	-	227,909	-	227,909	-
Sub-totals	16,618,730	17,938,770	4,287,930	30,269,570	1,158,199
Other Liabilities					
Vested compensated absences	490,894	117,571	21,795	586,670	-
Total Business-type Activities Long-Term Liabilities	\$ 17,109,624	\$ 18,056,341	\$ 4,309,725	\$ 30,856,240	\$ 1,158,199

In addition to the liabilities above, information on the net pension liability (asset) and OPEB liabilities are provided in Note V.A and Note V.E., respectively.

CITY OF STEVENS POINT

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

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt

All general obligation notes and bonds payable are backed by the full faith and credit of the city. Notes and bonds in the governmental funds will be retired by future property tax levies or tax increments accumulated by the debt service fund. Business-type activities debt is payable by revenues from user fees of those funds or, if the revenues are not sufficient, by future tax levies.

In accordance with Wisconsin Statutes, total general obligation indebtedness of the city may not exceed 5% of the equalized value of taxable property within the city's jurisdiction. The debt limit as of December 31, 2019 was \$106,056,530. Total general obligation debt outstanding at year-end was \$26,593,474.

Governmental Activities					
General Obligation Debt					
	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/19
G.O. notes*	05/02/11	11/01/20	2.65%	\$ 3,315,000	\$ 465,000
G.O. bonds*	02/22/12	08/01/21	1.86%	3,308,000	1,123,392
G.O. notes*	02/01/13	08/01/21	1.49%	3,250,000	1,100,000
G.O. notes*	04/01/13	10/01/23	2.10%	1,700,000	300,000
G.O. notes	12/30/13	12/01/23	2.0-3.5%	2,085,000	860,000
G.O. notes	12/30/13	12/01/23	1.0-2.6%	775,000	365,000
G.O. notes*	03/12/14	02/01/24	2.00%	2,360,000	850,000
G.O. notes*	03/11/15	02/01/23	1.98%	1,750,000	1,450,000
G.O. notes*	03/16/16	02/01/22	1.95%	1,510,000	900,000
G.O. refunding bonds*	05/11/16	05/01/28	1.5-2.0%	3,305,000	2,445,000
G.O. notes*	04/05/17	02/01/27	1.45-2.7%	3,050,000	800,000
G.O. bonds	12/27/17	03/01/31	2.0-3.0%	6,590,000	6,335,000
G.O. notes*	06/06/18	02/01/25	2.9-3.2%	1,200,000	1,200,000
G.O. bonds	11/01/18	02/01/28	3.0-4.0%	4,095,000	2,375,000
G.O. notes*	11/01/19	02/01/21	1.99%	4,950,000	4,950,000
Total Governmental Activities – General Obligation Debt					<u>\$ 25,518,392</u>
Business-type Activities					
General Obligation Debt					
	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/19
G.O. notes*	12/09/09	05/01/29	2.67%	\$ 1,207,203	\$ 843,476
G.O. bonds*	02/22/12	08/01/21	1.86%	682,000	231,606
Total Business-type Activities General Obligation Debt					<u>\$ 1,075,082</u>

* The debt noted is directly placed with a third party.

CITY OF STEVENS POINT

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

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

Debt service requirements to maturity are as follows:

Years	Governmental Activities		Years	Governmental Activities		Years	Business-type Activities	
	Principal	Interest		Principal	Interest		Principal	Interest
2020	\$ 655,000	\$ 272,520	Totals	\$ 9,935,000	\$ 1,705,990	2020	\$ 5,273,042	\$ 251,220
2021	775,000	254,140				2021	4,445,350	176,350
2022	785,000	234,360				2022	1,765,000	111,275
2023	805,000	212,770				2023	1,220,000	80,275
2024	710,000	188,350				2024	1,020,000	54,575
2025-2029	5,255,000	515,350				2025-2028	1,860,000	61,237
2030-2031	950,000	28,500				Totals	\$ 15,583,392	\$ 734,932
							<u>\$ 1,075,082</u>	<u>\$ 121,902</u>
Revenue Debt								
				Governmental Activities		Business-type Activities		
				General Obligation Debt from Direct Borrowings and Direct Placements		General Obligation Debt from Direct Borrowings and Direct Placements		
				Principal	Interest	Principal	Interest	
				\$ 5,273,042	\$ 251,220	\$ 186,666	\$ 25,338	
				4,445,350	176,350	196,351	21,156	
				1,765,000	111,275	78,749	17,414	
				1,220,000	80,275	80,850	15,285	
				1,020,000	54,575	83,007	12,099	
				1,860,000	61,237	449,459	30,610	

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

CITY OF STEVENS POINT

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

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

Revenue Debt (cont.)

Business-type Activities Revenue Debt (cont.)

	Date of Issue	Final Maturity	Interest Rates	Original Indebted- ness	Balance 12/31/19
<u>Wastewater Department</u>					
Sewer system bonds*	04/28/2010	05/01/2029	2.48%	3,019,439	\$ 1,768,199
Sewer system bonds*	09/12/2018	05/01/2038	1.892%	15,182,437	15,182,437
Sewer system bonds	12/30/2019	05/01/2030	1.5-3.5%	2,975,000	2,975,000
<u>Water Department</u>					
Water system bonds*	07/13/2011	05/01/2031	2.20%	10,964,228	7,440,943
<u>Stormwater Department</u>					
Stormwater system bonds	12/30/2019	05/01/2032	2.0-3.0%	1,600,000	1,600,000
Total Business-type Activities Revenue Debt					<u>\$ 28,966,579</u>

* The debt noted is directly placed with a third party.

CITY OF STEVENS POINT

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

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

Revenue Debt (cont.)

Business-type Activities Revenue Debt (cont.)

Debt service requirements to maturity are as follows:

Years	Business-type Activities Direct Revenue Debt		Business-type Activities Revenue Debt	
	Principal	Interest	Principal	Interest
2020	\$ 706,533	\$ 485,636	\$ 265,000	\$ 104,482
2021	1,438,381	463,918	365,000	115,713
2022	1,488,280	433,707	370,000	104,375
2023	1,498,805	402,860	385,000	92,387
2024	1,529,971	371,366	395,000	79,350
2025-2029	8,140,728	1,360,803	2,085,000	198,838
2030-2034	5,779,279	604,039	710,000	15,437
2035-2038	3,829,602	146,608	-	-
Totals	<u>\$ 24,391,579</u>	<u>\$ 4,268,937</u>	<u>\$ 4,575,000</u>	<u>\$ 710,582</u>

All utility revenues net of specified operating expenses are pledged as security of the above revenue bonds until the bonds are defeased. Principal and interest paid for 2019 was \$4,693,276. A total customer net revenue as defined for 2019 was \$4,857,630. Annual principal and interest payments are expected to require 27%, 57%, and 46% of net revenues on average, respectively, for the Water Utility, Wastewater Utility and the Stormwater Utility. Total principal and interest remaining to be paid on the bonds is \$33,946,098.

CITY OF STEVENS POINT

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

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

Promissory Notes Payable

Promissory notes are payable in the governmental funds will be retired by future property tax levies.

Promissory notes payable at December 31, 2019 consist of the following:

Governmental Activities Promissory Notes Payable	Date of Issue	Final Maturity	Interest Rates	Original Indebted- ness	Balance 12/31/19
RDA promissory note	06/01/2017	06/01/2027	3.50%	\$ 538,796	\$ 445,333
Debt service requirements to maturity are as follows:					
Years	Governmental Activities Promissory Notes				
	Principal	Interest			
2020	\$ 49,199	\$	15,587		
2021	50,921		13,865		
2022	52,703		12,082		
2023	54,548		10,238		
2024	56,457		8,329		
2025-2027	181,505		12,853		
Totals	\$ 445,333	\$	72,954		

Other Debt Information

Estimated payments of compensated absences are not included in the debt service requirement schedules. Compensated absences attributable to governmental activities will be liquidated primarily by the general fund. The lease obligation will be liquidated by TID No. 6.

Current Refunding

On Monday, December 30, 2019, bonds in the amount of \$2,975,000 were issued with an average interest rate of 2.95% to refund \$3,165,000 of outstanding Sewerage System Revenue, Series 2010A Build America bonds with an average interest rate of 5.34%. The net proceeds were used to prepay the outstanding debt service requirements on the old bonds.

The cash flow requirements on the old bonds prior to the current refunding was \$3,836,444 from 2020 through 2030. The cash flow requirements on the new bonds are \$3,406,332 from 2020 through 2030. The current refunding resulted in an economic gain of \$210,318

CITY OF STEVENS POINT

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

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

G. LEASE DISCLOSURES

Lessor – Operating Leases

During 2013, the Community Development Authority (CDA) assigned a lease obligation in the amount of \$140,000 for Old Dunham's building to the city. The CDA retained ownership of the building. On January 1, 2014, the CDA dissolved and the Redevelopment Authority (RDA) took over ownership of the building. This lease obligation will be liquidated by TID No. 6.

Debt service requirements to maturity are as follows:

Years	Lease Obligation Principal
2020	\$ 10,000
2021	10,000
2022	10,000
2023	10,000
2024	10,000
2025-2026	20,000
Totals	\$ 70,000

The city has no other material operating or capital leases as lessee or lessor.

CITY OF STEVENS POINT

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

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

H. NET POSITION/FUND BALANCES

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

Governmental Activities

Land	\$ 7,796,325
Net Investment in Capital Assets	
Construction in progress	198,006
Other capital assets, net of accumulated depreciation/amortization	51,725,466
Less: Related long-term debt outstanding (excluding unspent capital related debt proceeds)	(19,422,033)
Less: Premium on long-term debt	(154,423)
Total Net Investment in Capital Assets	40,143,341
Restricted	
Debt service	747,762
Tourism promotion	335,930
Health	186,108
Arts center	873,843
Cemetery	71,313
Parks	534,344
Housing rehabilitation	2,436,576
Public safety – law enforcement	317,127
TID development	561,048
Total Restricted	6,064,051
Unrestricted	
	20,772,624
Total Governmental Activities Net Position	\$ 66,980,016

CITY OF STEVENS POINT

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

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

H. NET POSITION/FUND BALANCES (cont.)

Governmental Activities (cont.)

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

	General Fund	Debt Service	General Capital Projects	TID No.6	Nonmajor Funds	Totals
Fund Balances						
Nonspendable:						
Inventories and prepaids	\$ 1,027,543	\$ -	\$ -	\$ -	2,301	\$ 1,029,844
Delinquent PPT	45,627	-	-	-	-	45,627
Long-term receivables	6,215,127	-	-	-	-	6,215,127
Permanent - cemetery	-	-	-	-	71,313	71,313
Permanent - park	-	-	-	-	5,130	5,130
Permanent - health	-	-	-	-	167,935	167,935
Sub-total	7,288,297	-	-	-	246,679	7,534,976
Restricted for:						
Debt service	-	726,847	-	-	-	726,847
Capital projects	-	-	231,523	-	294,931	526,454
TID purposes	-	-	-	-	561,048	561,048
Vets memorial	10,333	-	-	-	-	10,333
Donations	133,090	-	-	-	-	133,090
Parks	28,561	-	-	-	57,115	85,676
Auxiliary	4,523	-	-	-	-	4,523
Arts	-	-	-	-	873,843	873,843
Section A-125	-	-	-	-	18,173	18,173
Tourism promotion	-	-	-	-	335,470	335,470
Housing rehabilitation	-	-	-	-	159,102	159,102
Public safety	-	-	-	-	317,127	317,127
Sub-total	176,507	726,847	231,523	-	2,616,809	3,751,686
Committed to:						
Capital projects	-	-	-	-	459,214	459,214
Housing rehabilitation	-	-	-	-	18,494	18,494
Recreation	-	-	-	-	189,589	189,589
Conservation	-	-	-	-	22,513	22,513
Community Media	-	-	-	-	653,963	653,963
Public works	-	-	-	-	445,750	445,750
Natural disaster	-	-	-	-	1,185	1,185
Parks	-	-	-	-	149,124	149,124
Sub-total	-	-	-	-	1,939,832	1,939,832

CITY OF STEVENS POINT

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

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

H. NET POSITION/FUND BALANCES (cont.)

Governmental Activities (cont.)

	General Fund	Debt Service	General Capital Projects	TID No.6	Nonmajor Funds	Totals
Assigned to:						
Subsequent year's budget	\$ 974,000	\$ -	\$ -	\$ -	\$ -	\$ 974,000
Encumbrances	258,118	-	-	-	-	258,118
PILOT	870,000	-	-	-	-	870,000
Landfill	137,858	-	-	-	-	137,858
Emerald Ash Borer	131,327	-	-	-	-	131,327
County ambulance funds	24,916	-	-	-	-	24,916
Other	10,242	-	-	-	-	10,242
Dam repair and management	-	-	-	-	31,014	31,014
Capital projects	-	-	3,083,637	-	44,740	3,128,377
Sub-total	2,406,461	-	3,083,637	-	75,754	5,565,852
Unassigned (deficit):	12,648,379	-	-	(5,634,294)	(724,332)	6,289,753
Total Fund Balances	\$ 22,519,644	\$ 726,847	\$ 3,315,160	\$ (5,634,294)	\$ 4,154,742	\$ 25,082,099
(Deficit)						

Business-type Activities

Net Investment in Capital Assets	
Land	\$ 2,552,534
Construction in progress	17,309,024
Other capital assets, net of accumulated depreciation	85,315,280
Add: Reserve from borrowing	1,854,489
Less: Related long-term debt outstanding	(30,041,661)
Less: Premium on long-term debt	(227,909)
Total Net Investment in Capital Assets	76,561,757
Restricted (See Note IV. C.)	3,393,740
Unrestricted	9,670,716
Total Business-type Activities Net Position	\$ 89,626,213

CITY OF STEVENS POINT

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

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

I. COMPONENT UNIT

Redevelopment Authority of the City of Stevens Point

This report contains the Redevelopment Authority (Authority), which is included as a discretely presented component unit.

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

1. Basis of Accounting/Measurement Focus

The Authority prepares its financial statements in accordance with generally accepted accounting principles. The accounting records are kept on the accrual basis of accounting and the flow of economic resources measurement focus. No conversion entries are necessary to convert the Authority financial statements to the full accrual method.

2. Cash and Investments

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

Investment of Authority funds is restricted by state statutes. Available investments are limited to those listed in Note I.D.1.

The Authority has adopted an investment policy, which includes allowable investments. The Authority's policy does not address the following risks.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on methods and inputs as outlined in this footnote. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. The difference between the bank balance and carrying value is due to outstanding checks and/or deposits in transit.

CITY OF STEVENS POINT

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

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

I. COMPONENT UNIT (cont.)

Redevelopment Authority of the City of Stevens Point (cont.)

2. Cash and Investments (cont.)

The Authority's cash and investments at year-end were comprised of the following:

	Carrying Value	Bank Balance	Associated Risks
Demand deposits	\$ 1,469,804	\$ 1,472,511	Custodial credit risk
U.S. agencies – explicitly guaranteed	329,979	329,979	Custodial credit risk, interest rate risk, investments highly sensitive to interest rate changes
U.S. agencies – implicitly guaranteed	34,697	34,697	Custodial credit risk, interest rate risk, credit risk, investments highly sensitive to interest rate changes
U.S. treasuries	1,016,853	1,016,853	Custodial credit risk, interest rate risk, investments highly sensitive to interest rate changes
State and local bonds	394,404	394,404	Custodial credit risk, interest rate risk, credit risk, concentration of credit risk, investments highly sensitive to interest rate changes
Petty cash	235	-	Not applicable
Total Cash and Investments	\$ 3,245,972	\$ 3,248,444	
Reconciliation to financial statements			
Per statement of net position	\$ 3,245,972		
Unrestricted cash and investments	\$ 3,245,972		
Total Cash and Investments	\$ 3,245,972		

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

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

- > Market approach

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CITY OF STEVENS POINT

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

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

I. COMPONENT UNIT (cont.)

Redevelopment Authority of the City of Stevens Point (cont.)

2. Cash and Investments (cont.)

	Investment Type	December 31, 2019		
		Level 1	Level 2	Level 3
U.S. agencies – explicitly guaranteed		\$ -	\$ 329,979	\$ -
U.S. agencies – implicitly guaranteed		-	34,697	-
U.S. treasuries		-	1,016,853	-
State and local bonds		-	394,404	-
Totals		\$ -	\$ 1,775,933	\$ -

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit amounts (interest-bearing and noninterest bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposits.

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual municipalities. This coverage has been considered in computing the amounts collateralized.

Custodial Credit Risk

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

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

Investments – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The Authority does not have any investments exposed to custodial credit risk.

Credit Risk

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

The state and local bonds were rated Aaa and Aa3 by Moody's at December 31, 2019.

U.S. Agencies – implicitly guaranteed were rated Aaa by Moody's at December 31, 2019.

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CITY OF STEVENS POINT

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

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

I. COMPONENT UNIT (cont.)

Redevelopment Authority of the City of Stevens Point (cont.)

2. Cash and Investments (cont.)

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

At December 31, 2019, the Authority held investments in the following bonds and the percentage in the Authority's total investment portfolio:

City of Lake Mills, WI	6%
Baraboo, WI	8%
Milwaukee County, WI	6%

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

As of December 31, 2019, the Authority's investments were as follows:

Investment Type	Fair Value	Maturity (in Years)		
		Less than one year	1 – 5	6 – 30
State and local bonds	\$ 394,404	\$ -	\$ 253,617	\$ 140,787
U.S. agencies – explicitly guaranteed	329,979	4,885	15,617	309,477
U.S. agencies – implicitly guaranteed	34,697	-	467	34,230
U.S. treasuries	1,016,853	1,016,853	-	-
Total	\$ 1,775,933	\$ 1,021,738	\$ 269,701	\$ 484,494

Investments Highly Sensitive to Market Changes

The Authority held securities of \$308,429 with maturities exceeding ten years.

3. Receivables

The Authority has used local funds for housing rehabilitation loan programs to loan to various individuals. The Authority has also issued a loan to the Children's Museum of the City of Stevens Point. The Authority records a loan receivable when the loan has been made and funds have been disbursed.

CITY OF STEVENS POINT

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

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

I. COMPONENT UNIT (cont.)

Redevelopment Authority of the City of Stevens Point (cont.)

3. Receivables (cont.)

It is the Authority's policy to record a receivable when the initial loan is made. The net amount of the loan receivable balance is included in unrestricted net position. Interest received from loan repayments is recognized as revenue when received in cash. Any unspent loan repayments at year-end are presented as unrestricted net position in the financial statements.

All of the receivables on the statement of net position are expected to be collected within one year except for loans receivable and notes receivable. There is a portion of loans that are being repaid. Loans receivable that are due within one year total \$14,311. The current portion of notes receivable total \$49,199.

In 2017, the Redevelopment Authority provided funds to the City of Stevens Point so that the city could refinance a 10-year General Obligation State Trust fund loan. The intended use of interest proceeds are for projects within the Redevelopment Authority and other investment opportunities.

Repayment requirements to maturity are as follows:

Years	Principal	Interest
2020	\$ 49,199	\$ 15,587
2021	50,921	13,865
2022	52,703	12,082
2023	54,548	10,238
2024	56,457	8,329
2025-2027	181,505	12,853
Totals	\$ 445,333	\$ 72,954

4. Land Held for Resale

On the statement of net position, land held for resale consists of land and improvements and is valued at cost of acquisition, demolition, and site improvement. Properties include both land intended for resale and land designated as public area. The balance at year end was \$0.

5. Capital Assets

Capital assets are defined by the Authority as assets with an initial cost of more than \$1,000 and an estimated useful life in excess of one year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated fair value at the date of donation. The Authority has no infrastructure assets.

CITY OF STEVENS POINT

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

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

I. COMPONENT UNIT (cont.)

Redevelopment Authority of the City of Stevens Point (cont.)

5. Capital Assets (cont.)

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

Depreciation of all exhaustible capital assets is recorded as an expense in the statement of revenues, expenses, and changes in net position, 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:

Land improvements	15-25 years
Buildings	40 years

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

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets Not Being Depreciated				
Land	\$ 1,105,794	\$ -	\$ -	\$ 1,105,794
Total Capital Assets Not Being Depreciated	\$ 1,105,794	\$ -	\$ -	\$ 1,105,794
Other Capital Assets				
Land Improvements	\$ 1,761,436	\$ -	\$ -	\$ 1,761,436
Buildings	1,528,100	-	-	1,528,100
Total Capital Assets Being Depreciated	3,289,536	-	-	3,289,536
Less: Accumulated depreciation for				
Land Improvements	(494,650)	(69,676)	-	(564,326)
Buildings	(286,070)	(38,203)	-	(324,273)
Total Accumulated Depreciation	(790,720)	(107,879)	-	(898,599)
Net Other Capital Assets	\$ 2,498,816			\$ 2,390,937

CITY OF STEVENS POINT

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

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

I. COMPONENT UNIT (cont.)

Redevelopment Authority of the City of Stevens Point (cont.)

6. Lease Disclosures

During 2013, the Community Development Authority (CDA) of the City of Stevens Point assigned a lease obligation in the amount of \$140,000 for Old Dunham's building to the city. The CDA retained ownership of the building. On January 1, 2014, the CDA dissolved and the Redevelopment Authority (RDA) took over ownership of the building. This lease obligation will be liquidated by TID No. 6.

7. Compensated Absences/Other Postemployment Benefits

The City of Stevens Point employees provide the necessary staffing to operate the Authority's operations. These employees receive benefits according to the City of Stevens Point's policies. All vested vacation and sick leave pay is accrued when incurred.

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.

Other postemployment benefit information related specifically to the Authority is unavailable. See the other postemployment benefits note (Note V. E.).

8. Net Position

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

- Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent bond proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- 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.
- Unrestricted net position – All other net position that do 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 Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

CITY OF STEVENS POINT

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

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

I. COMPONENT UNIT (cont.)

Redevelopment Authority of the City of Stevens Point (cont.)

8. Net Position (cont.)

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

Investment in Capital Assets	
Land	\$ 1,105,794
Other capital assets, net of accumulated depreciation	2,390,937
Total Investment in Capital Assets	3,496,731
Unrestricted	5,068,840
Total Net Position	\$ 8,565,571

9. Revenue and Expenses

The Authority distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Authority's principal ongoing operations. The principal operating revenues of the Authority are charges to tenants for rent. Operating expenses for enterprise funds include the cost of providing services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

10. Other Information

Employer's Retirement System

The City of Stevens Point employees provide the necessary staffing to operate the Authority operations and the city makes the required contributions to the Wisconsin Retirement System. Information related to the Wisconsin Retirement System specific to the Authority is unavailable. See Note V. A.

Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets and errors and omission. All of these risks are covered through the purchase of commercial insurance, with a \$25,000 deductible. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

CITY OF STEVENS POINT

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

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

I. COMPONENT UNIT (cont.)

Redevelopment Authority of the City of Stevens Point (cont.)

10. Other Information (cont.)

Commitments and Contingencies

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments are recorded as expenses when the related liabilities are incurred.

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

Related Parties

The administration and operation of the Authority is performed by employees of the city. The Authority pays the city for these services, as well as other allocated costs.

NOTE V – OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

Plan description. The WRS is a cost sharing multiple employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1,200 hours a year (880 hours teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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

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

CITY OF STEVENS POINT

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

NOTE V – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

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

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

The WRS also provides death and disability benefits for employees.

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

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

CITY OF STEVENS POINT

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

NOTE V – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

During the reporting period, the WRS recognized \$1,322,850 in contributions from the city. Contribution rates as of December 31, 2019 are:

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

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

At December 31, 2019, the city reported a liability of \$4,477,130 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension 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 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 .12584388%, which was an increase of .00328433% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the city recognized pension expense of \$2,984,351.

CITY OF STEVENS POINT

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

NOTE V – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,487,006	\$ 6,163,774
Changes of actuarial assumptions	754,680	-
Net differences between projected and actual earnings on pension plan investments	6,538,543	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	8,342	39,750
Employer contributions subsequent to the measurement date	1,367,013	-
Totals	\$ 12,155,584	\$ 6,203,524

\$1,367,013 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred outflows (inflows) of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31:	Deferred Outflows Of Resources and Deferred Inflows of Resources (net)
2020	\$ 1,664,287
2021	407,483
2022	725,469
2023	1,787,808
Thereafter	-

CITY OF STEVENS POINT

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

NOTE V – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

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

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

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

CITY OF STEVENS POINT

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

NOTE V – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

Core Fund Asset Class	Current Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global Equities	49%	8.1%	5.5%
Fixed Income	24.5	4.0	1.5
Inflation Sensitive Assets	15.5	3.8	1.3
Real Estate	9	6.5	3.9
Private Equity/Debt	8	9.4	6.7
Multi-Asset	4	6.7	4.1
Total Core Fund	110	7.3	4.7
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: 2.50%
Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations

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

CITY OF STEVENS POINT

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

NOTE V – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Sensitivity of the city's proportionate share of the net pension liability (asset) to changes in the discount rate. The following presents the city's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.00 percent, as well as what the city's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.00 percent) or 1 percentage point higher (8.00 percent) than the current rate:

	1% Decrease to Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase to Discount Rate (8.00%)
City's proportionate share of the net pension liability (asset)	\$ 17,792,586	\$ 4,477,130	\$ (5,423,943)

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://efi.wi.gov/publications/cafr.htm>.

At December 31, 2019, the city reported a payable to the pension plan which represents contractually required contributions outstanding as of the end of the year.

B. RISK MANAGEMENT

The city is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. The city purchases commercial insurance to provide coverage for losses from most of these risks excluding health care of its employees and worker's compensation. However, the risks related to providing for the health care of its employees and worker's compensation are accounted for and financed by the city in internal service funds -- the employee self-insurance fund and the worker's comp self-insurance internal service fund. There were no material reductions in purchased coverage for 2019 and settled claims have not exceeded the commercial coverage in any of the past three years.

Self Insurance – Health Care

For employee health care claims, the uninsured risk of loss is \$70,000 annually per covered individual. The number of covered participants is 450. The city has purchased commercial insurance for claims in excess of those amounts.

All funds of the city other than the enterprise funds, participate in the risk management program. Amounts payable to the employee self-insurance fund are based on actuarial estimates of the amounts necessary to pay prior and current claims and to establish a reserve for catastrophic losses.

A liability for a claim is established if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss is reasonably estimable. Liabilities include an amount for claims that have been incurred but not reported. The city does not allocate overhead costs or other nonincremental costs to the claims liability.

CITY OF STEVENS POINT

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

NOTE V – OTHER INFORMATION (cont.)

B. Risk Management (cont.)

Claims Liability – Health Care

	Prior Year	Current Year
Unpaid claims – beginning of year	\$ 205,169	\$ 266,063
Current year claims and changes in estimates	3,286,469	3,322,045
Claim payments	(3,225,575)	(3,353,696)
Unpaid Claims – End of Year	\$ 266,063	\$ 234,412

Self-Insurance – Worker's Compensation

The city's retained liability for worker's compensation is limited to \$500,000 per covered individual. An actuarially determined estimate has been recorded for this liability, as well as for claims incurred but not reported at December 31, 2019. A total liability of approximately \$10,115 at December 31, 2019, was recorded as claims payable in the worker's compensation self-insurance internal service fund. Changes in the fund's claims loss liability follow:

	Prior Year	Current Year
Unpaid claims – beginning of year	\$ 41,566	\$ 10,497
Current year claims and changes in estimates	192,680	173,562
Claim payments	(223,749)	(173,944)
Unpaid Claims – End of Year	\$ 10,497	\$ 10,115

Public Entity Risk Pool

Wisconsin Municipal Insurance Commission (WMIC) Cities and Villages Mutual Insurance Company (CVMIC)

WMIC is an intergovernmental cooperation commission created by contract under Section 66.30 of the Wisconsin Statutes. It was created in August, 1987 for the purpose of facilitating the organization, establishment and capitalization of the CVMIC, and has numerous cities and villages as members.

CVMIC is a municipal mutual insurance company established on September 14, 1987 under Section 611.23 of the Wisconsin Statutes. The CVMIC provides liability insurance coverage to the cities and villages which make up the membership of the WMIC.

CVMIC is self-insured up to a maximum of \$2,000,000 of each insurance risk. Losses paid by CVMIC plus administrative expenses will be recovered through premiums to the participating pool of municipalities. The city's share of such losses is approximately .271%.

Management of each organization consists of a board of directors or officers comprised of representatives elected by each of three classes of participants based on population. The city does not exercise any control over the activities of the agencies beyond the election of the officers and board.

CITY OF STEVENS POINT

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

NOTE V – OTHER INFORMATION (cont.)

B. Risk Management (cont.)

Public Entity Risk Pool (cont.)

Wisconsin Municipal Insurance Commission (WMIC) Cities and Villages Mutual Insurance Company (CVMIC) (cont.)

Financial statements of WMIC and CVMIC can be obtained directly from CVMIC's offices.

The city pays an annual premium to CVMIC for its general liability insurance, which provides coverage up to \$5,000,000 per occurrence, less the city's retained liability of \$25,000. The city also maintains excess liability coverage of an additional \$5 million for a combined coverage limit of \$10 million.

Transit Mutual Insurance Corporation of Wisconsin (TMI)

Transit Mutual Insurance Corporation of Wisconsin (TMI) is a municipal mutual insurance corporation, which insures auto liability and auto physical damage for municipally-owned transit systems in Wisconsin. Each insured property is an owner of the mutual insurance corporation. The city insures its transit systems' auto liability and physical damage with TMI and is an owner of the corporation.

The city's auto liability insurance policy has a \$250,000 per person policy limit and a \$7,000,000 per accident policy limit. Of the per accident policy limit, TMI insures \$2,500,000 and reinsures \$4,500,000 with Genesis Insurance. In addition, the city's policy provides for \$25,000 per person and \$50,000 per accident in uninsured motorist insurance.

The physical damage policy issued by TMI to the city provides collision and comprehensive coverage for the lesser of the agreed value or the cost of repairs minus a \$500 per accident deductible for private passenger and service units and a \$1,000 per accident deductible for bus units.

Management of TMI consists of a board of directors comprised of one representative for each member. The city does not exercise any control over the activities of the corporation beyond its representation on the board of directors.

Premiums are determined in advance of each premium year, which begins on January 1. TMI is an assessable mutual; accordingly, the board of directors may require that supplemental contributions be made by members to ensure adequate funds are available to meet the obligations applicable to the premium year. Members are required by Wisconsin statute and TMI bylaws to fund any deficit attributable to a premium year during which they were a member. TMI was incorporated in 1985 and began issuing insurance policies in 1986; there has never been a member assessment beyond the annual premiums.

The city's share of this corporation is 1.85% for auto liability and 4.35% of physical damage liability. A list of the other members and their share of participation is available in the TMI report which can be obtained directly from TMI's offices.

CITY OF STEVENS POINT

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

NOTE V – OTHER INFORMATION (cont.)

C. COMMITMENTS AND CONTINGENCIES

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

From time to time, the city is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted 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.

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

TIF Districts

In 2006, the city committed to a municipal revenue obligation as part of a development agreement with Northpoint Center, LLC. The amount of the obligation is \$556,062, and is payable to the developer solely from tax increments collected from a specific portion of the development in TID No. 5. Payments are scheduled through the year 2025, and carry an interest rate of 5.5%. The interest payment on the liability is in addition to the maximum obligation of \$556,062. The obligation does not constitute a charge upon any funds of the city. In the event that future tax increments are not sufficient to pay off the obligation, the obligation terminates with no further liability to the city. Since the amount of future payments is contingent on the collection of future TID increments, the obligation is not reported as a liability in the accompanying financial statements. The balance of the commitment outstanding at year-end has not been determined. \$40,794 was paid to the developer during 2019. As of December 31, 2019, a total of \$610,108 has been paid out on the agreement.

CITY OF STEVENS POINT

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

NOTE V – OTHER INFORMATION (cont.)

C. COMMITMENTS AND CONTINGENCIES (cont.)

In 2007, the city entered into a developer agreement with Executive Place at Point, LLC. The city agreed to make a contribution of \$1,000,000 to the project, which was paid in 2007 out of TID No. 6. In consideration for the city's contribution, the developer agreed to pay a minimum real estate tax payment for 2008 through 2028. In 2014, the agreement was amended to require the developer to provide \$147,000 to the city to pay down debt related to the agreement. In exchange, the city released collateral securing the agreement and removed the requirement to make minimum real estate tax payments.

In 2008, the city committed to a municipal revenue obligation as part of a development agreement with Gerard Corporation. The amount of the obligation may be up to \$244,000, and is payable to the developer solely from tax increments collected from a specific portion of the development in TIF No. 5. Payments are scheduled through the year 2022, and carry an interest rate of 6%. The interest payment on the liability is in addition to the maximum obligation of \$244,000. The obligation does not constitute a charge upon any funds of the city. In the event that future tax increments are not sufficient to pay off the obligation, the obligation terminates with no further liability to the city. Since the amount of future payments is contingent on the collection of future TID increments, the obligation is not reported as a liability in the accompanying financial statements. The balance of the commitment outstanding at year-end has not been determined. \$40,434 was paid to the developer during 2019. As of December 31, 2019, a total of \$323,012 has been paid out on the agreement.

In 2008, the city entered into a developer agreement with Meridian TG LLC. The city agreed to make a developer incentive payment of \$1,000,000 and contribute \$530,000 for site work. The site work payment of \$530,000 and \$757,313 of developer incentive payment were expended in 2008. The balance of the developer incentive payments of \$242,687 was made in 2009. The city also agreed to make tenant incentive payments through 2028 contingent upon the tenant maintaining certain employment levels. The tenant incentive payments are payable solely from excess revenues generated by TID No. 7. The tenant incentive payments are not considered general obligation debt. After 2028, there is no further liability to the city. Since the amount of future payments is contingent on the collection of future TID increments, the obligation is not reported as a liability in the accompanying financial statements. The balance of the commitment outstanding at year-end has not been determined. \$169,015 was paid by the city as a tenant incentive during 2019. This project was sold to American International Realty Corp in 2018, \$1,783,252 has been paid out on this agreement.

In 2013, the city entered into a developer agreement with Service Cold Storage, LLC. The city agreed to make a contribution of \$419,000 to the project, as well as reimburse the developer \$19,200 for clearing vegetation from the Development site for a total of \$438,200, which was paid in 2013 by TID No. 9. During 2013, the city also gave Service Cold Storage, LLC land as part of this agreement. The value of the land was estimated to be \$807,500. In 2017, this agreement was amended. The developer paid the city \$2,005,210 in 2017 in exchange for switching the agreement to a pay as you go development agreement. The city will pay 70% of the tax increment to the developer annually until 2033. The balance of the commitment outstanding at year-end has not been determined. \$358,160 was paid to the developer during 2019. As of December 31, 2019, a total of \$924,111 has been paid out on the agreement.

CITY OF STEVENS POINT

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

NOTE V – OTHER INFORMATION (cont.)

C. COMMITMENTS AND CONTINGENCIES (cont.)

In 2014, the city committed to a municipal revenue obligation as part of a development agreement with SkyGroup, LLC. The city will reimburse the developer for improvements made up to the amount of increment earned by the development. This obligation is payable to the developer solely from tax increments collected from a specific portion of the development in TID No. 9. The obligation does not constitute a charge upon any funds of the city. In the event that future tax increments are not sufficient to pay off the obligation, the obligation terminates with no further liability to the city. Since the amount of future payments is contingent on the collection of future TID increments, the obligation is not reported as a liability in the accompanying financial statements. The balance of the commitment outstanding at year-end has not been determined. \$747,465 was paid to the developer during 2019. As of December 31, 2019, a total of \$1,978,207 has been paid out on the agreement.

In 2015, the city entered into a developer agreement with KI Properties, LLC. The city agreed to loan the developer's parent company, KI Mobility, LLC \$475,000. The loan has a term of eleven (11) years and carries an interest rate of 3%. The loan will be repaid with 75% of the increase in tax increment generated by the development. The city will pay any surplus to the developer and the developer will pay any deficiency to the city. A payment of \$9,410 was paid by the city in 2019. A total of \$15,826 has been paid out on this agreement.

In 2017, the city entered into a developer agreement with Big Thinker, LLC. The city agreed to make a future payout grant of \$500,000 to the developer. Upon closing, the city agreed to convey a development site to the developer for \$1. In consideration for the city's contribution, the developer agreed to make private improvements and pay a minimum real estate tax payment of \$65,000-\$163,406 until 2033. The balance of the commitment outstanding at year-end has not been determined. As of December 31, 2019, no amounts have been paid out on the amended agreement.

In 2019, the city entered into a developer agreement with Delta Dental of Wisconsin, Inc. The city agreed to make pay as you go incentive based on the tax increment the property generates. Delta Dental of Wisconsin Inc. will receive 50% of the increment that the property generates back until tax year 2033. As of December 31, 2019, no amounts have been paid out.

In 2019, the city entered into a developer agreement with Merge, LLC. The city agreed to an upfront incentive combined with a pay as you go incentive on the value over \$11,425,000. Pay as you go incentive will terminate after the 2041 tax year. As of December 31, 2019, no amounts have been paid out.

In 2019, the city entered into a developer agreement with Stevens Point Student Housing, LLC. The city agreed as part of Phase 3 to a pay as you go incentive of 50% of the increment, up to a maximum of \$500,000. The incentive terminates when the TIF No. 5 terminates. As of December 31, 2019 no amounts have been paid out.

CITY OF STEVENS POINT

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

NOTE V – OTHER INFORMATION (cont.)

D. JOINT VENTURE

Stevens Point-Plover Municipal Court

The city and the Village of Plover jointly operate the local municipal court which is called the Stevens Point-Plover Municipal Court and provides noncriminal citation processing.

The communities share in the annual operation of the municipal court based on the joint venture agreement as follows:

Municipality	Participation %
City of Stevens Point Village of Plover	75% 25
Total	100%

The governing committee is made up of citizens from each community. Local representatives are appointed by the chief executive officer of each community. The committee recommends its own budget which is ratified by each community member. The committee also controls the financial affairs of the courts.

Financial information of the court as of December 31, 2019 is available directly from the municipal court in Stevens Point, Wisconsin.

The city accounts for the operation in the general fund. The city has an equity interest in the organization equal to its share of participation. The equity interest relative to capital assets is reported in the governmental activities.

E. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Health Insurance Plan

Plan description. The city's defined benefit OPEB plan provides coverage to active employees and retirees (or other qualified terminated employees) at blended premium rates. The city's plan is a single-employer defined benefit OPEB plan administered by the city. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the City Council. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits provided. The city's group health insurance plan provides coverage to active employees and retirees (or other qualified terminated employees) at blended premium rates. This results in another postemployment benefit (OPEB) for the retirees, commonly referred to as an implicit rate subsidy. Retirees participating in the plan contribute 100% of the blended premium. The city, by paying the blended premium for active employees, in effect contributes the difference between the blended premium and the age adjustment premium towards retiree benefits.

CITY OF STEVENS POINT

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

NOTE V – OTHER INFORMATION (cont.)

E. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (cont.)

Health Insurance Plan (cont.)

Employees covered by benefit terms. At December 31, 2019, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	12
Active plan members	174
Total Plan Members	186

Total OPEB Liability

The total OPEB liability of \$1,692,262 is based on an actuarial valuation performed as of January 1, 2019 with roll forward to December 31, 2019 and a measurement date of December 31, 2019.

Actuarial assumptions and other inputs. The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	2.75 percent
Salary increases	2.0 percent annual salary increase
	4.0 percent initial, increasing to 6.0 percent in 2021 and decreasing 0.5 percent every two years to an ultimate rate of 5.0 for 2025 and later years.
Healthcare cost trend rates	45 percent of projected health insurance premiums for retirees

The discount rate was based on the yield for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

Mortality rates are a blend of the Death-In-Service and Retired Lives mortality rates from the "Wisconsin Retirement System 2015 – 2017 Experience Study" with the MP-2018 generational improvement scale (multiplied by 50%).

The actuarial assumptions used in the January 1, 2019 valuation were based on the results of the Wisconsin Retirement System 2015-2017 Experience Study.

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CITY OF STEVENS POINT

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

NOTE V – OTHER INFORMATION (cont.)

E. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (cont.)

Health Insurance Plan (cont.)

Changes in the Total OPEB Liability

	Total OPEB Liability (a)
Balances at 12/31/2018	\$ 1,731,182
Changes for the year:	
Service cost	99,535
Interest	47,169
Differences between expected and actual experience	(241,951)
Changes in assumptions	126,508
Benefit payments	(70,181)
Net changes	(38,920)
Balances at 12/31/2019	\$ 1,692,262

Changes in assumptions reflects the change from 3.5% to 2.75% to be reflective of a 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. In addition, changes in assumptions reflects the change in retirement, withdrawal, disability, and mortality rates based on the Wisconsin Retirement System 2015-2017 Experience Study.

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 (1.75 percent) or 1-percentage-point higher (3.75 percent) than the current discount rate:

	1% Decrease (1.75%)	Discount Rate (2.75%)	1% Increase (3.75%)
Total OPEB liability	\$ 1,867,357	\$ 1,692,262	\$ 1,533,928

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following shows the city's total OPEB liability as of December 31, 2019 calculated using the current trend rates, as well as what the city's total OPEB liability would be if it were calculated using trend rates that are 1-percentage-point lower (3.0 percent) or 1-percentage-point higher (5.0 percent):

	1% Decrease (3.0%)	Healthcare Cost Trend Rates (4.0%)	1% Increase (5.0%)
Total OPEB liability	\$ 1,509,140	\$ 1,692,262	\$ 1,911,754

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CITY OF STEVENS POINT

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

NOTE V – OTHER INFORMATION (cont.)

E. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (cont.)

Health Insurance Plan (cont.)

OPEB Expense

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 225,821
Changes of actuarial assumptions	118,074	-
Totals	\$ 118,074	\$ 225,821

Other amounts reported as deferred outflows of resources and deferred outflows (inflows) of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31:	Deferred Outflows Of Resources and Deferred Inflows of Resources (net)
2020	\$ (7,696)
2021	(7,696)
2022	(7,696)
2023	(7,696)
2024	(7,696)
Thereafter	(69,267)

LOCAL RETIREE LIFE INSURANCE FUND (LRLIF)

Plan description. The 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 postemployment life insurance benefits for all eligible employees.

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

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

CITY OF STEVENS POINT

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

NOTE V – OTHER INFORMATION (cont.)

E. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (cont.)

Health Insurance Plan (cont.)

LOCAL RETIREE LIFE INSURANCE FUND (LRLIF) (cont.)

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.

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.

Employers are required to pay the following contribution 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 for the plan year reported as of December 31, 2019 are:

Coverage Type	Employer Contributions
50% Post Retirement Coverage	40% of Employee Contribution
25% Post Retirement Coverage	20% of Employee Contribution

CITY OF STEVENS POINT

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

NOTE V – OTHER INFORMATION (cont.)

E. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (cont.)

LOCAL RETIREE LIFE INSURANCE FUND (LRLIF) (cont.)

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 plan year are as listed below.

Life Insurance Employee Contribution Rates* For The Plan Year	
Attained Age	Basic
Under 30	\$0.05
30-34	0.06
34-39	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

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

During the reporting period, the LRLIF recognized \$4,209 in contributions from the city.

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

At December 31, 2019, the city reported a liability of \$563,731 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability 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 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 21847200%, which was an increase of 0.00983100% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the city recognized OPEB expense of \$57,149.

CITY OF STEVENS POINT

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

NOTE V – OTHER INFORMATION (cont.)

E. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (cont.)

LOCAL RETIREE LIFE INSURANCE FUND (LRLIF) (cont.)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs (cont.)

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 experience	\$ -	\$ 28,598
Changes of actuarial assumptions	53,789	122,195
Net differences between projected and actual earnings on plan investments	13,472	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	23,048	12,654
Employer contributions subsequent to the measurement date	4,524	-
Total	\$ 94,833	\$ 163,447

\$4,524 reported as deferred outflows related to OPEB resulting from the LRLIF Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability 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:

Year Ended December 31:	Deferred Outflows of Resources and Deferred Inflows of Resources (net)
2020	\$ (9,635)
2021	(9,635)
2022	(9,635)
2023	(11,527)
2024	(13,476)
Thereafter	(19,230)

CITY OF STEVENS POINT

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

NOTE V – OTHER INFORMATION (cont.)

E. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (cont.)

LOCAL RETIREE LIFE INSURANCE FUND (LRLIF) (cont.)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs (cont.)

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

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
Measurement Date of Net OPEB Liability:	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:	
Inflation	3.00%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table

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.

CITY OF STEVENS POINT

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

NOTE V – OTHER INFORMATION (cont.)

E. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (cont.)

LOCAL RETIREE LIFE INSURANCE FUND (LRLIF) (cont.)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs (cont.)

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 %
U.S. Government Bonds	Barclays Government	1%	1.44%
U.S. Credit Bonds	Barclays Credit	40	2.69
U.S. Long Credit Bonds	Barclays Long Credit	4	3.01
U.S. Mortgages	Barclays MBS	54	2.25
US Municipal Bonds	Bloomberg Barclays Muni	1	1.68
Inflation			2.3
Long-Term Expected Rate of Return			5.0

Single discount rate. A single discount rate of 4.22% 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.

Sensitivity of the city's proportionate share of the net OPEB liability to changes in the discount rate. The following presents the city's proportionate share of the net OPEB liability calculated using the discount rate of 4.22 percent, as well as what the city's proportionate share of the net OPEB liability 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 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	\$ 801,945	\$ 563,731	\$ 380,004

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/cafr.htm>.

CITY OF STEVENS POINT

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

NOTE V – OTHER INFORMATION (cont.)

F. SIGNIFICANT CUSTOMERS

Water Utility

The water utility has one significant customer who is responsible for 22% of operating revenues in 2019.

G. RELATED ORGANIZATION

Housing Authority

The city's officials are responsible for appointing board members of the Stevens Point Housing Authority, but the city's accountability for this organization does not extend beyond making the appointments.

H. TAX ABATEMENT

Tax abatements are a reduction in tax revenues that results from an agreement between one or more governments and an individual or an 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 citizens of those governments.

The city through its Tax Incremental Financing Districts (TID) Nos. 5, 7, 8, and 9, has entered into tax abatement agreements with developers in the form of tax incremental financing incentive payments to stimulate economic development. The abatements are authorized through the TID project plans. The developers pay property taxes as they become due, and after meeting the criteria established in the development agreements, are entitled to future incentive payments that directly correlate to the taxes paid.

The following is a summary of agreements that include tax abatements at December 31, 2019:

TID	Incentive	Use of funds	Amount
TID No. 5	Available increment	Construction of improvements	\$ 40,794
TID No. 5	Available increment	Construction of improvements	40,434
TID No. 7	Available increment	Construction of improvements	189,015
TID No. 8	\$56,659 is forgiven annually if increment is sufficient	Construction of improvements	9,410
TID No. 9	Available increment	Construction of improvements	747,465
TID No. 9	70% of available increment	Construction of improvements	358,160

CITY OF STEVENS POINT

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

NOTE V – OTHER INFORMATION (cont.)

I. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS

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

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

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

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

J. SUBSEQUENT EVENTS

In December 2019, a novel strain of coronavirus was reported in Wuhan, Hubei province, China. In the first several months of 2020, the virus, SARS-CoV-2, and resulting disease, COVID-19, spread to the United States, including to areas impacting the city. As of the date of issuance, the city's evaluation of the effects of this event is ongoing; however, we anticipate this situation could cause a decline in room tax, parking and municipal court revenues and an increase in delinquencies or uncollectible accounts receivable or loans receivable.

The extent of the impact of COVID-19 on the city's operational and financial performance will depend on future developments, including the duration and spread of the outbreak and related governmental or other regulatory actions. The city is currently estimating an impact on overall revenues of 1-3%.

CITY OF STEVENS POINT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended December 31, 2019

REVENUES	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
TAXES				
Property taxes	\$ 11,364,789	11,364,789	\$ 11,366,127	\$ 1,338
Mobile home taxes	55,000	55,000	58,425	3,425
Sales taxes retained	100	100	121	21
Fuel tax refund	8,000	8,000	8,552	552
Payment in lieu of tax	99,200	99,200	114,473	15,273
Interest on taxes	18,000	18,000	26,895	8,895
TOTALS	11,545,089	11,545,089	11,574,593	29,504
SPECIAL ASSESSMENTS	49,000	77,000	116,790	39,790
INTERGOVERNMENTAL REVENUES				
State shared revenue	3,341,883	3,341,883	3,340,820	(1,063)
State exempt computer aid	334,537	334,537	342,658	8,121
State exempt personal property	157,000	157,000	157,098	98
Fire insurance	80,000	80,000	86,840	6,840
State general transportation aid	1,502,280	1,502,280	1,501,591	(689)
State other transportation aid	104,000	104,000	177,148	73,148
State expenditure restraint aid	500,000	500,000	499,673	(327)
State payment for municipal services	438,800	438,800	453,476	14,676
State police training	6,880	6,880	6,720	(160)
Other local payments	59,576	55,976	60,512	4,536
TOTALS	6,524,956	6,521,356	6,626,536	105,180
LICENSES AND PERMITS				
Operator licenses	17,000	17,000	17,522	522
Liquor licenses	41,000	41,000	43,257	2,257
Dog and cat licenses	2,600	2,600	2,653	53
Other nonbusiness licenses	3,313	5,313	7,377	2,064
Business and occupational licenses	8,310	8,310	8,118	(192)
Building and zoning permits	266,938	266,938	463,456	196,518
Other permits	100	100	110	10
TOTALS	339,261	341,261	542,493	201,232
FINES, FORFEITURES AND PENALTIES				
Court fees	302,808	302,808	277,971	(24,837)
Other	400	400	748	348
TOTALS	303,208	303,208	278,719	(24,489)

REQUIRED SUPPLEMENTARY INFORMATION

See independent auditors' report and accompanying notes to required supplementary information.
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CITY OF STEVENS POINT

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND (cont.)
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
PUBLIC CHARGES FOR SERVICES				
Clerk fees	\$ 250	\$ 250	\$ 852	\$ 602
Public safety	22,850	22,850	36,673	13,823
Public works	500	500	-	(500)
Engineering	500	500	-	(500)
Boat slip rentals	10,500	10,500	10,498	(2)
Parks	7,300	7,300	8,205	905
Recreation department	45,000	45,000	70,341	25,341
Swimming	42,350	42,350	44,006	1,656
Other charges for services	45,600	15,600	13,396	(2,204)
TOTALS	174,850	144,850	183,971	39,121
INTERGOVERNMENTAL CHARGES FOR SERVICES				
Local utilities	-	3,600	3,490	(110)
Stormwater street sweeping subsidy	70,000	70,000	70,000	-
County ambulance subsidy	2,057,610	2,027,645	2,027,645	-
School district police liaison	173,573	173,573	176,413	2,840
Area wage reimbursement	50,000	50,000	50,000	-
Other public safety	2,500	2,500	3,185	685
TOTALS	2,353,683	2,327,318	2,330,733	3,415
INVESTMENT INCOME				
Investments	309,000	309,000	971,840	662,840
Special assessments	-	-	437	437
TOTALS	309,000	309,000	972,277	663,277
MISCELLANEOUS				
Equipment and property rental	49,000	49,000	52,630	3,630
Insurance recoveries	-	-	12	12
Donations	-	-	52,508	52,508
Material sales	2,000	2,000	6,511	4,511
Other	27,300	27,300	19,052	(8,248)
TOTALS	78,300	78,300	130,713	52,413
OTHER FINANCING SOURCES				
Equipment and vehicle sales	-	-	1	1
Transfer in	474,064	474,064	517,850	43,786
Transfer in - tax equivalent	790,000	819,965	870,000	50,035
TOTALS	1,264,064	1,294,029	1,387,851	93,822
TOTAL REVENUES AND OTHER SOURCES	22,941,411	22,941,411	24,144,676	1,203,265

See independent auditors' report and accompanying notes to required supplementary information.

CITY OF STEVENS POINT

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND (cont.)
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
EXPENDITURES				
GENERAL GOVERNMENT				
Common council	\$ 70,991	\$ 70,991	\$ 64,729	\$ 6,262
Legal	203,790	203,790	197,918	5,872
Mayor	182,834	182,834	182,121	713
Comptroller-Treasurer	470,537	470,537	465,879	4,658
Clerk	252,501	252,501	236,496	16,005
Personnel	123,024	123,024	122,419	605
Elections	37,300	37,300	26,778	10,522
Information technology	254,421	284,386	359,747	(75,361)
Audit	66,000	66,000	60,510	5,490
Assessor	237,743	237,743	234,727	3,016
City hall	195,000	195,000	165,477	29,523
Municipal memberships	8,200	8,200	8,167	33
Police and fire commission	3,503	3,503	4,108	(605)
Insurance	162,000	162,000	158,347	3,653
Other general government	279,000	279,000	197,029	81,971
TOTALS	2,546,844	2,576,809	2,484,452	92,357
PUBLIC SAFETY				
Police	5,401,390	5,401,390	5,366,089	35,301
Fire stations	-	-	104	(104)
Fire department operations	3,310,406	3,310,406	3,320,359	(9,953)
Fire protection administration	-	-	4,282	(4,282)
Fire safety and education	-	-	662	(662)
Ambulance	2,057,610	2,027,645	2,030,158	(2,513)
Municipal court	122,712	122,712	115,991	6,721
Inspection	783,930	783,930	728,727	55,203
TOTALS	11,676,048	11,646,083	11,566,372	79,711

See independent auditors' report and accompanying notes to required supplementary information.

CITY OF STEVENS POINT

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND (cont.)
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
PUBLIC WORKS				
Public works administration	\$ 1,629,164	\$ 1,629,164	\$ 1,616,089	\$ 13,075
Fleet maintenance	723,442	723,442	689,974	33,468
Public works - eligible	2,720,213	2,720,213	2,504,515	215,698
Public works - ineligible	97,573	97,573	142,383	(44,810)
Special events	12,300	12,300	13,063	(763)
City owned property expenses	-	-	53	(53)
Downtown maintenance	48,500	48,500	46,376	2,124
Weed harvester	11,799	11,799	5,176	6,623
Refuse and garbage collections	469,249	469,249	528,233	(58,984)
Recycling	57,862	57,862	53,546	4,316
TOTALS	5,770,102	5,770,102	5,599,408	170,694
HEALTH AND HUMAN SERVICES				
Humane Society	78,000	78,000	73,532	4,468
Cemetery	26,679	26,679	27,305	(626)
TOTALS	104,679	104,679	100,837	3,842
CULTURE, RECREATION AND EDUCATION				
Parks and recreation	842,268	842,268	806,776	35,492
Recreation programs	607,793	607,793	567,559	40,234
Celebrations	6,100	6,100	6,100	-
Historical society program	1,000	1,000	1,000	-
Winter recreation	31,773	31,773	17,727	14,046
Swimming pool	124,947	124,947	144,621	(19,674)
TOTALS	1,613,881	1,613,881	1,543,783	70,098
CONSERVATION AND DEVELOPMENT				
Forestry	325,324	325,324	374,178	(48,854)

See independent auditors' report and accompanying notes to required supplementary information.
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CITY OF STEVENS POINT

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND (cont.)
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
CAPITAL OUTLAY				
General Government				
City hall	\$ 155,000	\$ 155,000	\$ 115,571	\$ 39,429
Total General Government	155,000	155,000	115,571	39,429
Public Safety				
Police	681,000	681,000	653,244	27,756
Fire protection	56,000	56,000	56,112	(112)
Total Public Safety	737,000	737,000	709,356	42,644
Public Works				
DPW/Engineering	-	-	52,759	(52,759)
Garbage and recycling	15,000	15,000	14,606	394
Transit	104,000	104,000	-	104,000
Total Public Works	119,000	119,000	67,365	51,635
Culture, Recreation and Education				
Parks	107,000	107,000	118,805	(11,805)
Pools	8,000	8,000	-	8,000
Total Culture, Recreation and Education	115,000	115,000	118,805	(3,805)
TOTALS	1,141,000	1,141,000	1,011,097	129,903
OTHER FINANCING USES				
Transfer out				
	904,533	904,533	1,208,035	(303,502)
TOTAL EXPENDITURES AND OTHER USES	24,082,411	24,082,411	23,888,162	194,249
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(1,141,000)	(1,141,000)	256,514	1,397,514
FUND BALANCE - BEGINNING OF YEAR	22,263,130	22,263,130	22,263,130	-
FUND BALANCE - END OF YEAR	\$ 21,122,130	\$ 21,122,130	\$ 22,519,644	\$ 1,397,514

See independent auditors' report and accompanying notes to required supplementary information.
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CITY OF STEVENS POINT

SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS For the Year Ended December 31, 2019

	2017	2018	2019
Total OPEB Liability			
Service cost	\$ 83,854	\$ 81,341	\$ 99,535
Interest	58,732	61,300	47,169
Differences between expected and actual experience	-	-	(241,951)
Changes of assumptions	-	-	126,508
Benefit payments	(66,738)	(81,515)	(70,181)
Net Change in Total OPEB Liability	75,848	61,126	(38,920)
Total OPEB Liability - Beginning	1,594,208	1,670,056	1,731,182
Total OPEB Liability - Ending	\$ 1,670,056	\$ 1,731,182	\$ 1,692,262
Covered-employee payroll	\$ 14,065,794	\$ 13,765,158	\$ 15,668,165
Total OPEB liability as a percentage of covered-employee payroll	11.87%	12.58%	10.80%

Notes to Schedule:

Benefit changes: There were no changes of benefit terms.

Changes of assumptions: Changes in assumptions reflects the change from 3.5% to 2.75% to be reflective of a 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. In addition, changes in assumptions reflects the change in retirement, withdrawal, disability, and mortality rates based on the Wisconsin Retirement System 2015-2017 Experience Study.

Valuation date:

Actuarial valuation performed as of January 1, 2019 with roll forward to December 31, 2019 and a measurement date of December 31, 2019.

Methods and assumptions used to determine the total OPEB liability:

Actuarial cost method	Entry age
Amortization method	19 Year Level Dollar
Asset valuation method	Market Value
Discount rate	2.75 percent
Healthcare cost trend rates	4.0 percent initial, increasing to 6.0 percent in 2021 and decreasing 0.5 percent every two years to an ultimate rate of 5.0 for 2025 and later years.
Salary increases	2.0 percent annual salary increase
Retirement age	In the January 1, 2019 actuarial valuation, expected retirement ages of employees were developed from the Wisconsin Retirement System 2015-2017 Experience Study
Mortality	Mortality rates are a blend of the Death-In-Service and Retired Lives mortality rates from the Wisconsin Retirement System 2015 - 2017 Experience Study with the MP-2018 generational improvement scale (multiplied by 50%).

Other information:

The city implemented GASB Statement No. 75 in fiscal year 2017. Information prior to fiscal year 2017 is not available.

Note: This schedule is to show information for 10 years.

However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

See independent auditors' report and accompanying notes to the required supplementary information.

CITY OF STEVENS POINT

SCHEDULE OF CITY'S CONTRIBUTIONS For the Year Ended December 31, 2019

	2017	2018	2019
Actuarially determined contribution	\$ 195,254	\$ 195,254	\$ 220,474
Contributions in relation to the actuarially determined contribution	66,738	81,515	70,181
Contribution Deficiency (Excess)	\$ 128,516	\$ 113,739	\$ 150,293
Covered-employee payroll	\$ 14,065,794	\$ 13,765,158	\$ 15,668,165
Contributions as a percentage of covered-employee payroll	0.47%	0.59%	0.45%

Notes to Schedule

Valuation date: Actuarially determined contribution rates are calculated as of January 1.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	19 Year Level Dollar
Asset valuation method	Market Value
Discount rate	3.5 percent
Healthcare cost trend rates	4.0 percent initial, increasing to 6.0 percent in 2021 and decreasing 0.5 percent every two years to an ultimate rate of 5.0 for 2025 and later years.
Salary increases	2.0 percent annual salary increase
Retirement age	In the January 1, 2019 actuarial valuation, expected retirement ages of employees were developed from the Wisconsin Retirement System 2015-2017 Experience Study.
Mortality	Mortality rates are a blend of the Death-In-Service and Retired Lives mortality rates from the Wisconsin Retirement System 2015 - 2017 Experience Study with the MP-2018 generational improvement scale (multiplied by 50%).

Other information:

The City implemented GASB Statement No. 75 in fiscal year 2017. Information prior to fiscal year 2017 is not available.

Note: This schedule is to show information for 10 years.

However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

See independent auditors' report and accompanying notes to the required supplementary information.

CITY OF STEVENS POINT

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

Fiscal Year Ending	Proportion of the Net Pension (Asset) Liability	Proportionate Share of the Net Pension (Asset) Liability	Covered Payroll	Proportionate Share of the Net Pension (Asset) Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/19	0.12584388%	\$ 4,477,130	\$ 13,765,157	32.53%	96.45%
12/31/18	0.12255955%	(3,638,938)	13,167,107	27.64%	102.93%
12/31/17	0.11995742%	988,736	13,248,212	7.46%	99.12%
12/31/16	0.11803414%	1,918,032	12,683,970	15.12%	98.20%
12/31/15	0.11796330%	(2,897,256)	12,351,569	23.46%	102.74%

SCHEDULE OF EMPLOYER CONTRIBUTIONS - WISCONSIN RETIREMENT SYSTEM For the Year Ended December 31, 2019

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/19	\$ 1,367,013	\$ 1,367,013	\$ -	\$ 14,659,790	9.32%
12/31/18	1,323,037	1,323,037	-	13,765,158	9.61%
12/31/17	1,275,086	1,275,086	-	13,167,108	9.68%
12/31/16	1,170,735	1,170,735	-	13,248,212	8.84%
12/31/15	1,146,347	1,146,347	-	12,684,005	9.04%

See independent auditors' report and accompanying notes to the required supplementary information.
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CITY OF STEVENS POINT

SCHEDULE OF PROPORTIONATE SHARE OF THE NET LIFE INSURANCE OPEB LIABILITY - LOCAL RETIREE LIFE INSURANCE FUND For the Year Ended December 31, 2019

Fiscal Year Ending	Proportion of the Net OPEB Liability	Proportionate Share of the Net OPEB Liability	Covered Payroll	Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
12/31/19	0.21847200%	\$ 563,731	\$ 12,100,000	4.66%	48.69%
12/31/18	0.20864100%	627,713	8,773,951	7.15%	44.81%

SCHEDULE OF EMPLOYER CONTRIBUTIONS - LOCAL RETIREE LIFE INSURANCE FUND For the Year Ended December 31, 2019

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/19	\$ 4,524	\$ 4,524	\$ -	\$ 13,005,560	0.03%
12/31/18	4,210	4,210	-	9,323,153	0.05%

See independent auditors' report and accompanying notes to the required supplementary information.
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CITY OF STEVENS POINT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended December 31, 2019

BUDGETARY INFORMATION

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note I. C.

The budgeted amounts presented include any amendments made. The city may authorize transfers of budgeted amounts within departments. Transfers between departments and changes to the overall budget must be approved by a two-thirds council action.

Appropriations lapse at year-end unless specifically carried over. Carryovers to the following year were \$1,536,461. Budgets are adopted at the functional level of expenditure in the general fund and total expenditure level for other funds.

Prior to December 31, the Comptroller/Treasurer submits to the Board a proposed operating budget for the fiscal year commencing January 1. The operating budget includes proposed expenditures and the means of financing them. Public hearings are conducted to obtain taxpayer comments. Prior to December 31, the budget is legally enacted through passage of an ordinance. Formal budgetary integration is employed as a management control device during the year.

The appropriated budget is prepared by fund, function, and department. The Comptroller/Treasurer is authorized to transfer budget amounts between departments within any fund; however, the Board must approve revisions that alter the total expenditures of any fund.

WISCONSIN RETIREMENT SYSTEM

The amounts determined for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

The city is required to present the last ten fiscal years of data; however, accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

Changes in benefit terms. There were no changes of benefit terms for any participating employer in the Wisconsin Retirement System.

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

LOCAL RETIREE LIFE INSURANCE FUND (LRLIF)

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

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

See independent auditors' report.

CITY OF STEVENS POINT

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

	Special Revenue Funds							
	Hotel/Motel Room Tax	McDill Lake Management	CAP Loan Levy	Fuel Dispenser System Replacement	Riverfront Festival	EMS Funding Assistance Program	Blight Elimination	Department of Administration
ASSETS								
Cash and investments	\$ 150,890	\$ -	\$ 16,181	\$ 99,565	\$ 30,274	\$ 109,481	\$ 22,513	\$ -
Taxes receivable	-	-	-	-	-	-	-	-
Property taxes	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Accounts receivable	184,580	-	-	-	-	-	-	-
Sundry	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
Prepaid items	460	-	-	-	-	-	-	-
Notes receivable	-	36,550	33,855	-	-	-	-	2,227,072
TOTAL ASSETS	\$ 335,930	\$ 36,550	\$ 50,036	\$ 99,565	\$ 30,274	\$ 109,481	\$ 22,513	\$ 2,326,491
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
Liabilities	\$ -	\$ -	\$ -	\$ -	\$ 3,913	\$ -	\$ -	\$ 13,986
Accounts payable	-	-	-	-	-	-	-	-
Accrued liabilities	-	-	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-	-
Due to other funds	-	5,536	-	-	1,350	-	-	76,168
Due to component unit	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	29,467	-	-
Advances from other funds	-	-	-	-	-	-	-	-
Total Liabilities	-	5,536	-	-	5,263	29,467	-	90,154
Deferred Inflows of Resources	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-
Unavailable revenue	-	-	33,855	-	-	-	-	2,227,072
Total Deferred Inflows of Resources	-	-	33,855	-	-	-	-	2,227,072
Fund Balances (Deficit)	460	-	-	-	-	-	-	-
Nonspendable	335,470	-	-	-	-	80,014	-	99,419
Restricted	-	-	-	-	-	-	-	-
Committed	-	-	16,181	99,565	25,011	-	22,513	-
Assigned	-	31,014	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-	-	-	(16,506)
Total Fund Balances (Deficit)	335,930	31,014	16,181	99,565	25,011	80,014	22,513	99,419
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 335,930	\$ 36,550	\$ 50,036	\$ 99,565	\$ 30,274	\$ 109,481	\$ 22,513	\$ 2,326,491

CITY OF STEVENS POINT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (cont.)
As of December 31, 2019

Special Revenue Funds									
	HRRP Project Grant	Federal Forfeiture	Drug Task Force	Community Media	Police Grants	Fire Grants	Museum	Natural Disaster Fund	Community Rehab Grant Program
ASSETS									
Cash and investments	\$ 59,683	\$ 53,259	\$ 78,988	\$ 654,807	\$ 106,136	\$ -	\$ 50,263	\$ 1,185	\$ 2,313
Taxes receivable	-	-	-	-	-	-	-	-	-
Property taxes	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-	-	-
Sundry	-	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	1,611	2,470	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-
Prepaid items	-	-	-	1,841	-	-	-	-	-
Notes receivable	50,402	-	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 110,085	\$ 53,259	\$ 78,988	\$ 656,648	\$ 107,747	\$ 2,470	\$ 50,263	\$ 1,185	\$ 2,313
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES									
Liabilities									
Accounts payable	\$ -	\$ 1,270	\$ -	\$ 709	\$ -	\$ -	\$ 339	\$ -	\$ -
Accrued liabilities	-	-	-	135	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	1,882	-	-	-
Due to component unit	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-	-	-	-
Total Liabilities	-	1,270	-	844	-	1,882	339	-	-
Deferred Inflows of Resources									
Unearned revenue	-	-	-	-	-	-	-	-	-
Unavailable revenue	50,402	-	-	-	1,611	2,470	-	-	-
Total Deferred Inflows of Resources	50,402	-	-	-	1,611	2,470	-	-	-
Fund Balances (Deficit)									
Nonspendable	-	-	-	1,841	-	-	-	-	-
Restricted	59,683	51,989	78,988	-	106,136	-	-	-	-
Committed	-	-	-	653,963	-	-	49,924	1,185	2,313
Assigned	-	-	-	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-	(1,882)	-	-	-
Total Fund Balances (Deficit)	59,683	51,989	78,988	655,804	106,136	(1,882)	49,924	1,185	2,313
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 110,085	\$ 53,259	\$ 78,988	\$ 656,648	\$ 107,747	\$ 2,470	\$ 50,263	\$ 1,185	\$ 2,313

CITY OF STEVENS POINT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (cont.)
As of December 31, 2019

	Special Revenue Funds							
	Willett Ice Arena	Cell Tower Rent	Arts Center	Park Trust	Funds in Lieu of Parks	Section A-125	Special Assessments	Skate Park
ASSETS								
Cash and investments	\$ 108,760	\$ 135,350	\$ 881,446	\$ 11,382	\$ 57,115	\$ 18,173	\$ 448,755	\$ 2,392
Taxes receivable	-	-	-	-	-	-	-	-
Property taxes	-	-	-	-	-	-	-	-
Special assessments							25,733	-
Accounts receivable								
Sundry	35,246	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 144,006	\$ 135,350	\$ 881,446	\$ 11,382	\$ 57,115	\$ 18,173	\$ 474,488	\$ 2,392
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
Liabilities								
Accounts payable	\$ 28,421	\$ -	\$ 7,296	\$ -	\$ -	\$ -	\$ 3,005	\$ -
Accrued liabilities	-	-	-	-	-	-	-	-
Due to other governments	931	-	307	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-
Due to component unit	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-	-	-
Total Liabilities	29,352	-	7,603	-	-	-	3,005	-
Deferred Inflows of Resources								
Unearned revenue	-	-	-	-	-	-	-	-
Unavailable revenue	-	-	-	-	-	-	25,733	-
Total Deferred Inflows of Resources	-	-	-	-	-	-	25,733	-
Fund Balances (Deficit)								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	873,843	-	57,115	18,173	-	-
Committed	114,654	135,350	-	11,382	-	-	445,750	2,392
Assigned	-	-	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-	-	-	-
Total Fund Balances (Deficit)	114,654	135,350	873,843	11,382	57,115	18,173	445,750	2,392
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 144,006	\$ 135,350	\$ 881,446	\$ 11,382	\$ 57,115	\$ 18,173	\$ 474,488	\$ 2,392

CITY OF STEVENS POINT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (cont.)
As of December 31, 2019

Capital Projects Funds											
	Athletic Field	Fire Safety Smoke House	TID No. 5	TID No. 7	TID No. 8	TID No. 9	TID No. 10	City Property Fund	Vehicle/ Equipment		
ASSETS											
Cash and investments	\$ 340,155	\$ 541	\$ 156,437	\$ 39,941	\$ -	\$ 367,541	\$ -	\$ -	\$ -	\$ 354,883	
Taxes receivable	-	-	1,957,641	694,768	206,752	2,407,070	-	-	-	-	
Property taxes	-	-	-	-	-	-	-	-	-	-	
Special assessments	-	-	-	-	-	-	-	-	-	-	
Accounts receivable	-	-	-	-	-	-	-	-	-	-	
Sundry	1,124	-	2,474	-	-	-	-	435	266	-	
Due from other governments	-	-	-	-	-	-	-	-	-	-	
Due from other funds	-	-	-	-	-	-	-	-	-	3,959	
Prepaid items	-	-	-	-	-	-	-	-	-	-	
Notes receivable	-	-	-	-	-	-	-	-	-	-	
TOTAL ASSETS	\$ 341,279	\$ 541	\$ 2,116,552	\$ 734,709	\$ 206,752	\$ 2,774,611	\$ -	\$ 435	\$ 359,108		
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES											
Liabilities											
Accounts payable	\$ 1,608	\$ -	\$ 5,345	\$ -	\$ -	\$ -	\$ 4,387	\$ 3,306	\$ -	-	
Accrued liabilities	-	-	-	-	-	-	-	-	-	-	
Due to other governments	-	-	-	-	-	-	-	-	-	-	
Due to other funds	-	-	-	-	-	-	-	30,400	-	-	
Due to component unit	-	-	-	-	-	-	-	27,800	-	-	
Unearned revenue	-	-	-	-	-	-	-	-	-	-	
Advances from other funds	-	-	-	-	623,261	-	17,225	-	-	-	
Total Liabilities	1,608	-	5,345	-	623,261	-	21,612	61,506	-	-	
Deferred Inflows of Resources											
Unearned revenue	-	-	1,957,641	694,768	206,752	2,407,070	-	-	-	-	
Unavailable revenue	-	-	-	-	-	-	-	-	-	-	
Total Deferred Inflows of Resources	-	-	1,957,641	694,768	206,752	2,407,070	-	-	-	-	
Fund Balances (Deficit)											
Nonspendable	-	-	-	-	-	-	-	-	-	-	
Restricted	294,931	-	153,566	39,941	-	367,541	-	-	-	-	
Committed	-	541	-	-	-	-	-	-	-	359,108	
Assigned	44,740	-	-	-	-	-	-	-	-	-	
Unassigned (deficit)	-	-	-	-	(623,261)	-	(21,612)	(61,071)	-	-	
Total Fund Balances (Deficit)	339,671	541	153,566	39,941	(623,261)	367,541	(21,612)	(61,071)	359,108	-	
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 341,279	\$ 541	\$ 2,116,552	\$ 734,709	\$ 206,752	\$ 2,774,611	\$ -	\$ 435	\$ 359,108		

CITY OF STEVENS POINT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (cont.)
As of December 31, 2019

	Permanent Funds					Total Nonmajor Funds
	United Way	Forest Cemetery Trust	Willett Trust Parks	Smongeski Trust		
ASSETS						
Cash and investments	\$ 15,000	\$ 71,313	\$ 5,130	\$ 152,935	\$ 4,702,206	
Taxes receivable	-	-	-	-	5,266,231	
Property taxes	-	-	-	-	25,733	
Special assessments						
Accounts receivable						
Sundry	70	-	-	-	224,195	
Due from other governments	-	-	-	-	77,729	
Due from other funds	-	-	-	-	3,959	
Prepaid items	-	-	-	-	2,301	
Notes receivable	-	-	-	-	2,347,879	
TOTAL ASSETS	\$ 15,070	\$ 71,313	\$ 5,130	\$ 152,935	\$ 12,650,233	
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ -	73,585	
Accrued liabilities	-	-	-	-	135	
Due to other governments	-	-	-	-	1,238	
Due to other funds	-	-	-	-	115,336	
Due to component unit	-	-	-	-	27,800	
Unearned revenue	-	-	-	-	29,467	
Advances from other funds	-	-	-	-	640,486	
Total Liabilities	-	-	-	-	888,047	
Deferred Inflows of Resources						
Unearned revenue	-	-	-	-	5,266,231	
Unavailable revenue	70	-	-	-	2,341,213	
Total Deferred Inflows of Resources	70	-	-	-	7,607,444	
Fund Balances (Deficit)						
Nonspendable	15,000	71,313	5,130	152,935	246,679	
Restricted	-	-	-	-	2,616,809	
Committed	-	-	-	-	1,939,832	
Assigned	-	-	-	-	75,754	
Unassigned (deficit)	-	-	-	-	(724,332)	
Total Fund Balances (Deficit)	15,000	71,313	5,130	152,935	4,154,742	
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 15,070	\$ 71,313	\$ 5,130	\$ 152,935	\$ 12,650,233	

CITY OF STEVENS POINT

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

	Special Revenue Funds							
	Hotel/Motel Room Tax	McDill Lake Management	CAP Loan Levy	Fuel Dispenser System Replacement	Riverfront Festival	EMS Funding Assistance Program	Blight Elimination	Soil Remediation
REVENUES								
Taxes	\$ 948,156	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Intergovernmental revenues	-	-	-	-	-	6,716	-	-
Public charges for services	-	-	-	-	-	-	-	-
Intergovernmental charges for services	-	-	-	21,534	-	-	-	-
Investment income (loss)	-	-	52	-	94	-	-	147,555
Miscellaneous revenues	-	661	10,929	-	118,043	-	-	-
Total Revenues	948,156	661	10,981	21,534	118,137	6,716	-	147,555
EXPENDITURES								
Current								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	7,249	-	-
Public works	-	-	-	3,326	-	-	-	131,863
Culture, recreation and education	65,827	-	-	-	110,063	-	-	-
Conservation and development	442,202	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-
Principal retirement	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total Expenditures	508,029	-	-	3,326	110,063	7,249	-	131,863
Excess (deficiency) of revenues over expenditures	440,127	661	10,981	18,208	8,074	(533)	-	15,692
OTHER FINANCING SOURCES (USES)								
Sale of city property	-	-	-	-	-	-	-	-
Transfer In	-	-	-	-	-	-	-	-
Transfer out	(403,786)	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(403,786)	-	-	-	-	-	-	-
Net Change in Fund Balance	36,341	661	10,981	18,208	8,074	(533)	-	15,692
FUND BALANCE (DEFICIT) - Beginning of Year	299,589	30,353	5,200	81,357	16,937	80,547	22,513	(32,198)
FUND BALANCE (DEFICIT) - END OF YEAR	\$ 335,930	\$ 31,014	\$ 16,181	\$ 99,565	\$ 25,011	\$ 80,014	\$ 22,513	\$ (16,506)

CITY OF STEVENS POINT

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

	Special Revenue Funds							
	Department of Administration	HRRP Project Grant	Federal Forfeiture	Drug Task Force	Community Media	Police Grants	Fire Grants	Museum
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Special assessments	-	-	-	-	-	-	-	-
Intergovernmental revenues	-	-	-	14,057	-	24,132	74,267	-
Public charges for services	-	-	-	-	255,969	-	-	-
Intergovernmental charges for services	-	-	-	-	-	-	-	-
Investment income (loss)	526	1,587	-	-	-	-	-	-
Miscellaneous revenues	144,907	4,062	7,837	-	-	-	-	14,150
Total Revenues	145,433	5,649	7,837	14,057	255,969	24,132	74,267	14,150
EXPENDITURES								
Current								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	4,265	5,161	-	24,463	74,267	-
Public works	-	-	-	-	-	-	-	-
Culture, recreation and education	-	-	-	-	182,320	-	-	1,993
Conservation and development	-	-	-	-	-	-	-	-
Capital Outlay	95,243	13,976	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-
Principal retirement	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total Expenditures	95,243	13,976	4,265	5,161	182,320	24,463	74,267	1,993
Excess (deficiency) of revenues over expenditures	50,190	(8,327)	3,572	8,896	73,649	(331)	-	12,157
OTHER FINANCING SOURCES (USES)								
Sale of city property	-	-	-	-	-	-	-	-
Transfer In	-	-	-	-	(107,000)	-	-	-
Transfer out	-	-	-	-	(107,000)	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-
Net Change in Fund Balance	50,190	(8,327)	3,572	8,896	(33,351)	(331)	-	12,157
FUND BALANCE (DEFICIT) - Beginning of Year	49,229	68,010	48,417	70,092	689,155	106,467	(1,882)	37,767
FUND BALANCE (DEFICIT) - END OF YEAR	\$ 99,419	\$ 59,683	\$ 51,989	\$ 78,988	\$ 655,804	\$ 106,136	\$ (1,882)	\$ 49,924

CITY OF STEVENS POINT

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

	Special Revenue Funds						
	Natural Disaster Fund	Community Rehab Grant Program	Willett Ice Arena	Cell Tower Rent	Arts Center	Park Trust	Funds in Lieu of Parks
REVENUES							
Taxes	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-
Intergovernmental revenues	-	-	-	-	-	-	-
Public charges for services	-	-	280,345	-	20,107	-	-
Intergovernmental charges for services	-	-	-	-	-	-	-
Investment income (loss)	-	-	-	-	64,365	-	-
Miscellaneous revenues	-	-	11	41,209	12,121	-	17,900
Total Revenues	-	-	280,356	41,209	96,593	-	17,900
EXPENDITURES							
Current							
General government	24,515	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Culture, recreation and education	-	-	380,965	33,451	44,320	-	-
Conservation and development	-	30	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-
Principal retirement	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-
Total Expenditures	24,515	30	380,965	33,451	44,320	-	-
Excess (deficiency) of revenues over expenditures	(24,515)	(30)	(100,609)	7,758	52,273	-	17,900
OTHER FINANCING SOURCES (USES)							
Sale of city property	-	-	-	-	-	-	-
Transfer In	-	-	80,000	-	20,000	-	-
Transfer out	-	-	-	(63,712)	-	-	-
Total Other Financing Sources (Uses)	-	-	80,000	(63,712)	20,000	-	-
Net Change in Fund Balance	(24,515)	(30)	(20,609)	(55,954)	72,273	-	17,900
FUND BALANCE (DEFICIT) - Beginning of Year	25,700	2,343	135,263	191,304	801,570	11,382	39,215
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ 1,185</u>	<u>\$ 2,313</u>	<u>\$ 114,654</u>	<u>\$ 135,350</u>	<u>\$ 873,843</u>	<u>\$ 11,382</u>	<u>\$ 57,115</u>

CITY OF STEVENS POINT

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

	Special Revenue Funds				Capital Projects Funds						
	Section A-125	Special Assessments	Skate Park	Athletic Field	Fire Safety Smoke House	TID No. 5	TID No. 7	TID No. 8	TID No. 9	TID No. 10	
REVENUES											
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 605,333	\$ 711,409	\$ 79,499	\$ 1,806,041	\$ -	
Special assessments	-	165,616	-	-	-	-	-	-	-	-	
Intergovernmental revenues	-	-	-	-	-	14,573	14,501	15,284	17,278	-	
Public charges for services	-	-	-	-	-	-	-	-	-	-	
Intergovernmental charges for services	-	-	-	-	-	-	-	-	-	-	
Investment income (loss)	-	-	-	-	-	2,166	-	-	-	-	
Miscellaneous revenues	91,850	-	2,392	33,477	-	285,865	-	-	519,246	-	
Total Revenues	91,850	165,616	2,392	33,477	-	907,937	725,910	94,783	2,342,565	-	
EXPENDITURES											
Current											
General government	93,584	5,820	-	-	-	52,532	1,610	1,610	1,611	17,225	
Public safety	-	-	-	-	-	-	-	-	-	-	
Public works	-	143,293	-	-	-	-	-	-	-	-	
Culture, recreation and education	-	-	-	-	-	-	-	-	-	-	
Conservation and development	-	-	-	-	-	81,228	189,015	9,410	1,105,625	-	
Capital Outlay	-	-	-	1,608	-	70,111	-	-	1,131,811	4,387	
Debt Service	-	-	-	-	-	-	-	-	-	-	
Principal retirement	-	-	-	-	-	-	265,000	-	265,000	-	
Interest and fiscal charges	-	-	-	-	-	63,375	49,075	9,900	86,778	-	
Total Expenditures	93,584	149,113	-	1,608	-	267,246	504,700	20,920	2,590,825	21,612	
Excess (deficiency) of revenues over expenditures	(1,734)	16,503	2,392	31,869	-	640,691	221,210	73,863	(248,260)	(21,612)	
OTHER FINANCING SOURCES (USES)											
Sale of city property	-	-	-	-	-	-	-	-	-	-	
Transfer in	10,000	-	-	83,712	-	(750,000)	(214,000)	-	-	-	
Transfer out	-	-	-	-	-	(750,000)	(214,000)	-	-	-	
Total Other Financing Sources (Uses)	10,000	-	-	83,712	-	(750,000)	(214,000)	-	-	-	
Net Change in Fund Balance	8,266	16,503	2,392	115,581	-	(109,309)	7,210	73,863	(248,260)	(21,612)	
FUND BALANCE (DEFICIT) - Beginning of Year	9,907	429,247	-	224,090	541	262,875	32,731	(697,124)	615,801	-	
FUND BALANCE (DEFICIT) - END OF YEAR	\$ 18,173	\$ 445,750	\$ 2,392	\$ 339,671	\$ 541	\$ 153,566	\$ 39,941	\$ (623,261)	\$ 367,541	\$ (21,612)	

CITY OF STEVENS POINT

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

	Capital Projects Funds			Permanent Funds				
	City Property Fund	Vehicle/ Equipment	United Way	Forest Cemetery Trust	Willett Trust Parks	Smongeski Trust	Totals	
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	4,150,438	
Special assessments	-	-	-	-	-	-	165,616	
Intergovernmental revenues	-	-	-	-	-	-	180,808	
Public charges for services	-	-	-	-	-	-	556,421	
Intergovernmental charges for services	-	-	-	-	-	-	169,089	
Investment income (loss)	-	-	203	4,856	-	21,965	95,814	
Miscellaneous revenues	142,433	16,229	-	2,940	-	-	1,466,262	
Total Revenues	142,433	16,229	203	7,796	-	21,965	6,784,448	
EXPENDITURES								
Current								
General government	172,834	-	203	-	-	-	371,544	
Public safety	-	-	-	-	-	-	115,405	
Public works	-	-	-	-	-	-	278,482	
Culture, recreation and education	-	-	-	-	-	6,196	825,135	
Conservation and development	32,944	-	-	-	-	-	1,969,673	
Capital Outlay	1,442	6,985	-	-	-	-	1,216,344	
Debt Service	-	-	-	-	-	-	-	
Principal retirement	-	-	-	-	-	-	530,000	
Interest and fiscal charges	-	-	-	-	-	-	209,128	
Total Expenditures	207,220	6,985	203	-	-	6,196	5,515,711	
Excess (deficiency) of revenues over expenditures	(64,787)	9,244	-	7,796	-	15,769	1,268,737	
OTHER FINANCING SOURCES (USES)								
Sale of city property	334	97,638	-	-	-	-	97,972	
Transfer In	-	-	-	-	-	-	193,712	
Transfer out	-	-	-	-	-	-	(1,538,498)	
Total Other Financing Sources (Uses)	334	97,638	-	-	-	-	(1,246,814)	
Net Change in Fund Balance	(64,453)	106,882	-	7,796	-	15,769	21,923	
FUND BALANCE (DEFICIT) - Beginning of Year	3,382	252,226	15,000	63,517	5,130	137,166	4,132,819	
FUND BALANCE (DEFICIT) - END OF YEAR	\$ (61,071)	\$ 359,108	\$ 15,000	\$ 71,313	\$ 5,130	\$ 152,935	\$ 4,154,742	

CITY OF STEVENS POINT
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
As of December 31, 2019

	Airport Fund	Fiber Fund	Parking Fund	Edgewater Fund	Totals
ASSETS					
CURRENT ASSETS					
Cash and investments	\$ 385,452	\$ -	\$ 111,729	\$ 890,374	\$ 1,387,555
Accounts Receivable	-	-	-	-	-
Customers	-	-	-	139	139
Restricted assets	-	-	-	-	-
Receivables	-	-	-	41,182	41,182
Due from other funds	1,037	-	-	-	1,037
Inventory and prepaid items	29,618	-	17,472	-	47,090
Total Current Assets	416,107	-	129,201	931,695	1,477,003
NONCURRENT ASSETS					
Capital Assets					
Land	307,468	-	-	87,036	394,504
Intangible assets	-	-	34,256	-	34,256
Land improvements	-	-	2,037	-	2,037
Buildings and improvements	1,453,834	-	-	2,513,635	3,967,469
Equipment and vehicles	1,299,586	-	274,184	34,648	1,608,418
Runway infrastructure	6,998,900	-	-	-	6,998,900
Accumulated depreciation	(8,101,506)	-	(71,481)	(2,281,895)	(10,454,882)
Total Noncurrent Assets	1,958,282	-	236,959	355,461	2,550,702
Total Assets	2,374,389	-	366,160	1,287,156	4,027,705
DEFERRED OUTFLOWS OF RESOURCES					
Pension related amounts	73,160	-	-	-	73,160
OPEB related amount - health	467	-	-	-	467
OPEB related amount - life	1,050	-	-	-	1,050
Total Deferred Outflows of Resources	74,677	-	-	-	74,677
LIABILITIES					
CURRENT LIABILITIES					
Accounts payable	4,104	10,305	510	22,485	37,404
Accrued liabilities	3,087	-	-	3,154	6,241
Due to other funds	764	-	-	42,634	43,398
Current portion of advance	10,717	-	-	-	10,717
Current liabilities payable from restricted assets	-	-	-	-	-
Deposits	-	-	-	41,182	41,182
Total Current Liabilities	18,672	10,305	510	109,455	139,942
NONCURRENT LIABILITIES					
Advance from municipality	16,000	-	-	-	16,000
Compensated absences	13,170	-	-	-	13,170
Net pension liability	24,997	-	-	-	24,997
OPEB liability - health	6,689	-	-	-	6,689
Net OPEB liability - life	6,695	-	-	-	6,695
Total Non-Current Liabilities	67,551	-	-	-	67,551
Total Liabilities	86,223	10,305	510	109,455	206,493
DEFERRED INFLOWS OF RESOURCES					
Pension related amounts	36,958	-	-	-	36,958
OPEB related amount - health	893	-	-	-	893
OPEB related amount - life	1,917	-	-	-	1,917
Total Deferred Inflows of Resources	39,768	-	-	-	39,768
NET POSITION					
Net investment in capital assets	1,958,282	-	236,959	355,461	2,550,702
Unrestricted (deficit)	304,793	(10,305)	128,691	822,240	1,305,419
TOTAL NET POSITION (Deficit)	\$ 2,323,075	\$ (10,305)	\$ 365,650	\$ 1,177,701	\$ 3,856,121

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CITY OF STEVENS POINT
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
For the Year Ended December 31, 2019

	Airport Fund	Fiber Fund	Parking Fund	Edgewater Fund	Totals
OPERATING REVENUES					
Public charges for services	\$ 478,559	\$ -	\$ -	\$ -	\$ 478,559
Airport revenues	-	-	323,432	-	323,432
Parking revenues	-	-	-	560,869	560,869
Edgewater revenues	-	-	-	23,201	23,201
Other	-	-	-	-	-
Total Operating Revenues	478,559	-	323,432	584,070	1,386,061
OPERATING EXPENSES					
General government	-	-	-	424,358	424,358
Edgewater	-	-	-	-	-
Public works	550,939	-	-	-	550,939
Airport	-	-	-	-	-
Fiber	-	10,305	-	-	10,305
Parking	-	-	127,423	-	127,423
Depreciation	459,838	-	28,064	67,093	554,995
Total Operating Expenses	1,010,777	10,305	155,487	491,451	1,668,020
Operating Income (Loss)	(532,218)	(10,305)	167,945	92,619	(281,959)
NON-OPERATING REVENUES					
Investment income	830	-	-	-	830
Other items	212	-	-	-	212
Total Nonoperating Revenues	1,042	-	-	-	1,042
Income (Loss) Before Transfers and Contributions	(531,176)	(10,305)	167,945	92,619	(280,917)
CAPITAL CONTRIBUTIONS - MUNICIPALITY					
TRANSFERS IN	23,313	-	-	-	23,313
TRANSFERS OUT	155,420	-	-	-	155,420
CHANGE IN NET POSITION	-	-	(127,064)	-	(127,064)
NET POSITION - Beginning of Year	(352,443)	(10,305)	40,881	92,619	(229,248)
NET POSITION - End of Year	2,675,518	-	324,769	1,085,082	4,085,369
NET POSITION (DEFICIT) - END OF YEAR	\$ 2,323,075	\$ (10,305)	\$ 365,650	\$ 1,177,701	\$ 3,856,121

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CITY OF STEVENS POINT

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Year Ended December 31, 2019**

	Airport Fund	Fiber Fund	Parking Fund	Edgewater Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES					
Received from customers and services	\$ 479,913	\$ -	\$ 323,432	\$ 605,240	\$ 1,408,585
Paid to suppliers for goods and services	(414,428)	-	(76,120)	(430,792)	(921,341)
Paid to employees for services	(116,470)	-	(51,977)	-	(168,447)
Net Cash Flows From Operating Activities	(50,986)	-	195,335	174,448	318,797
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in	155,420	-	-	-	155,420
Transfer (Out)	-	-	(127,064)	-	(127,064)
Net Cash Flows From Noncapital Financing Activities	155,420	-	(127,064)	-	28,356
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment income	830	-	-	-	830
Net Cash Flows From Investing Activities	830	-	-	-	830
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital related advance from the municipality	23,313	-	-	-	23,313
Acquisition and construction of capital assets	(33,853)	-	-	(34,602)	(68,455)
Net Cash Flows From Capital and Related Financing Activities	(10,540)	-	-	(34,602)	(45,142)
Net Change in Cash and Cash Equivalents	94,724	-	68,271	139,846	302,841
CASH AND CASH EQUIVALENTS - Beginning of Year	280,728	-	43,458	750,658	1,084,714
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 385,452	\$ -	\$ 111,729	\$ 890,374	\$ 1,387,555

	Airport Fund	Fiber Fund	Parking Fund	Edgewater Fund	Totals
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES					
Operating income (loss)	\$ (532,218)	\$ (10,305)	\$ 167,945	\$ 92,619	\$ (281,959)
Marked to market operating revenue	212	-	-	-	212
Noncash items included in income (loss)	459,838	-	28,064	67,093	554,995
Depreciation	-	-	-	-	-
Change in Assets, Liabilities, Deferred Inflows and Outflows of Resources	-	-	-	-	-
Accounts receivable	-	-	-	20,867	20,867
Due from other funds	(1,033)	-	-	-	(1,033)
Prepaid items	-	-	(830)	-	(830)
Inventories	24,731	-	-	-	24,731
Accounts payable and accrued liabilities	(18,235)	10,305	156	(5,295)	(13,069)
Due to other funds	5,362	-	-	(1,139)	4,223
Deposits	-	-	-	303	303
Accrued sick leave and vacation	3,502	-	-	-	3,502
Pension and OPEB related amounts	6,855	-	-	-	6,855
NET CASH FLOWS FROM OPERATING ACTIVITIES	\$ (50,986)	\$ -	\$ 195,335	\$ 174,448	\$ 318,797
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS					
Cash and investments	\$ 385,452	\$ -	\$ 111,729	\$ 890,374	\$ 1,387,555
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 385,452	\$ -	\$ 111,729	\$ 890,374	\$ 1,387,555

CITY OF STEVENS POINT

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
As of December 31, 2019

	Employee Self Insurance	Worker's Comp Self Insurance	Property/ Liability Reserve	Employee Sick Leave	Totals
ASSETS					
Current Assets					
Cash and investments	\$ 3,894,995	\$ 1,489,023	\$ 238,300	\$ 1,156,618	\$ 6,778,936
Accounts receivable	24,448	-	19,827	-	44,275
Total Assets	3,919,443	1,489,023	258,127	1,156,618	6,823,211
LIABILITIES					
Current Liabilities					
Accounts payable	6,682	-	14,988	-	21,670
Claims payable	234,412	10,115	-	-	244,527
Total Liabilities	241,094	10,115	14,988	-	266,197
DEFERRED INFLOWS OF RESOURCES					
Unearned revenue	279,404	-	-	-	279,404
NET POSITION					
Unrestricted	3,398,945	1,478,908	243,139	1,156,618	6,277,610
TOTAL NET POSITION	\$ 3,398,945	\$ 1,478,908	\$ 243,139	\$ 1,156,618	\$ 6,277,610

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CITY OF STEVENS POINT

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION -
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2019

	Employee Self Insurance	Worker's Comp Self Insurance	Property/ Liability Reserve	Employee Sick Leave	Totals
OPERATING REVENUES					
Local charges for services	\$ 3,508,814	\$ 620,218	\$ 67,300	\$ -	\$ 4,196,332
Total Operating Revenue	3,508,814	620,218	67,300	-	4,196,332
OPERATING EXPENSES					
General government	3,322,045	173,562	54,139	124,441	3,674,187
Total Operating Expenses	3,322,045	173,562	54,139	124,441	3,674,187
Operating Income (Loss)	186,769	446,656	13,161	(124,441)	522,145
NONOPERATING REVENUES					
Investment income	-	-	-	63,301	63,301
Total Nonoperating Revenues	-	-	-	63,301	63,301
Net Income (Loss) Before Transfers	186,769	446,656	13,161	(61,140)	585,446
Transfers in	-	-	70,000	255,000	325,000
Change in Net Position	186,769	446,656	83,161	193,860	910,446
TOTAL NET POSITION - Beginning of Year	3,212,176	1,032,252	159,978	962,758	5,367,164
TOTAL NET POSITION - END OF YEAR	\$ 3,398,945	\$ 1,478,908	\$ 243,139	\$ 1,156,618	\$ 6,277,610

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CITY OF STEVENS POINT

COMBINING STATEMENT OF CASH FLOWS

INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2019

	Employee Self Insurance	Worker's Comp Self Insurance	Property Liability Reserve	Employee Sick Leave	Totals
CASH FLOWS FROM OPERATING ACTIVITIES					
Received from customers	\$ 3,704,961	\$ 620,218	\$ 53,903	\$ -	\$ 4,379,082
Paid to suppliers for goods and services	(3,350,324)	(173,944)	(41,444)	(124,441)	(3,690,153)
Net Cash Flows From Operating Activities	354,637	446,274	12,459	(124,441)	688,929
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in	-	-	70,000	255,000	325,000
Net Cash Flows From Noncapital Financing Activities	-	-	70,000	255,000	325,000
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment income	-	-	-	63,301	63,301
Net Cash Flows From Investing Activities	-	-	-	63,301	63,301
Change in Cash and Cash Equivalents	354,637	446,274	82,459	193,860	1,077,230
CASH AND CASH EQUIVALENTS - Beginning of Year	3,540,358	1,042,749	155,841	962,758	5,701,706
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 3,894,995	\$ 1,489,023	\$ 238,300	\$ 1,156,618	\$ 6,778,936
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES					
Income (Loss) from operations	\$ 186,769	\$ 446,656	\$ 13,161	\$ (124,441)	\$ 522,145
Adjustments to reconcile income (loss) to net cash flows from operating activities:					
Change in assets, liabilities and deferred inflows of resources:					
Accounts receivable	192,472	-	(13,397)	-	179,075
Accounts payable	3,372	-	12,695	-	16,067
Claims payable	(31,651)	(382)	-	-	(32,033)
Unearned revenues	3,675	-	-	-	3,675
NET CASH FLOWS FROM OPERATING ACTIVITIES	\$ 354,637	\$ 446,274	\$ 12,459	\$ (124,441)	\$ 688,929
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES					
None.					

FORM OF LEGAL OPINION

(See following pages)

December __, 2020

#

City of Stevens Point
1515 Strongs Avenue
Stevens Point, Wisconsin 54481

Subject: \$3,590,000
City of Stevens Point, Wisconsin
Taxable General Obligation
Community Development Bonds, Series 2020B

We have acted as bond counsel to the City of Stevens Point, Wisconsin (the “**Issuer**”) in connection with the issuance of its \$3,590,000 Taxable General Obligation Community Development Bonds Series 2020B, dated December 17, 2020 (the “**Obligations**”).

We examined the law, a certified copy of the proceedings relating to the issuance of the Obligations, and certifications of public officials and others. As to questions of fact material to our opinion, we relied upon the certified proceedings and certifications without independently undertaking to verify them.

Based upon this examination, it is our opinion that, under existing law:

1. The Obligations are valid and binding general obligations of the Issuer.
2. All taxable property in the Issuer’s territory is subject to *ad valorem* taxation without any limit as to rate or amount to pay the principal and interest coming due on the Obligations. The Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Obligations except to the extent that the Issuer has deposited other funds, or there is otherwise surplus money, in the account within the debt service fund created for the Obligations under Wisconsin law.

The rights of the owners of the Obligations and the enforceability of the Obligations 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 an equitable proceeding).



FOLEY & LARDNER LLP

December __, 2020

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We express no opinion as to the truth or completeness of any official statement or other disclosure document used in connection with the offer and sale of the Obligations.

Our opinion is given as of the date of this letter. We assume no duty to update our opinion to reflect any facts or circumstances that later come to our attention or any subsequent changes in law. In acting as bond counsel, we have established an attorney-client relationship only with the Issuer.

Very truly yours,

BOOK-ENTRY-ONLY SYSTEM

1. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds (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 maturity of the Securities, each in the aggregate principal amount of such maturity, and will be deposited with DTC.
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 an S&P Global Ratings 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 the 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. Principal and interest 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 Fiscal 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 principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or Fiscal 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. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the City or Fiscal Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.
10. 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.
11. 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 AGREEMENT

(See following pages)

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement, dated as of December 17, 2020 (this “**Disclosure Agreement**”), is executed and delivered by the City of Stevens Point, Wisconsin (the “**Issuer**”), a municipal securities issuer and a governmental entity located in the State of Wisconsin. The Issuer covenants and agrees as follows:

Section 1. Definitions.

The following capitalized terms have the following meanings:

“**Annual Financial Information**” means the Issuer’s financial information or operating data, for the preceding fiscal year, of the type included in the Final Official Statement as further described in Section 3(b) hereof.

“**Commission**” means the U.S. Securities and Exchange Commission.

“**Dissemination Agent**” means any agent responsible for assisting the Issuer in carrying out its obligations under this Disclosure Agreement, which has been designated as a dissemination agent in writing by the Issuer, and has filed with the Issuer a written acceptance of such designation, and the successors and assigns of such dissemination agent.

“**EMMA**” means the Electronic Municipal Market Access system for municipal securities disclosures, a Commission-approved electronic database established and operated by the MSRB to accommodate the collection and availability of required filings of secondary market disclosures under the Rule.

“**Event Notice**” means a notice of occurrence of a Listed Event provided under Section 4(b) hereof or a notice provided under Sections 3(d), 4(c), or 8 hereof, each of which shall be transmitted as described in Section 5 hereof.

“**Exchange Act**” means the Securities Exchange Act of 1934, as amended from time to time.

“**Final Official Statement**” means the offering document prepared and distributed to a Participating Underwriter in connection with the primary offering of the Obligations.

“**Financial Obligation**” means (i) a debt obligation, (ii) a 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) a guarantee of clause (i) or (ii) of this definition. 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.

“**Issuer**” means the municipal securities issuer named above.

“**Listed Event**” means any of the events listed in Section 4(a) of this Disclosure Agreement.

“**MSRB**” means the Municipal Securities Rulemaking Board, which serves as the sole repository for all required filings of all secondary market disclosures under the Rule.

“**Obligations**” means the Issuer’s \$3,590,000 Taxable General Obligation Community Development Bonds, Series 2020B, dated December 17, 2020.

“**Owners**” means the beneficial owners from time to time of the Obligations.

“**Participating Underwriter**” means any broker, dealer, or municipal securities dealer that is required to comply with the Rule when acting as an underwriter in a primary offering of the Obligations.

“**Resolution**” means collectively, the resolutions relating to the Obligations adopted by the governing body of the Issuer on October 19, 2020 and on November 16, 2020, pursuant to which the Obligations are issued.

“**Rule**” means Rule 15c2-12(b)(5) adopted by the Commission under the Exchange Act.

Section 2. Purpose of this Disclosure Agreement.

The purpose of this Disclosure Agreement is to assist a Participating Underwriter in complying with the Rule when acting as an underwriter in a primary offering of the Obligations.

Section 3. Annual Financial Information.

- (a) The Issuer shall submit its Annual Financial Information to the MSRB not later than nine months following the close of the Issuer’s fiscal year (currently December 31), beginning with the 2020 Annual Financial Information.
- (b) The Annual Financial Information will consist of (i) the Issuer’s audited annual financial statements prepared using generally accepted accounting principles, and (ii) the following operating data:
 - 1. direct debt,
 - 2. equalized value/assessed value,
 - 3. other obligations,
 - 4. debt limit, and
 - 5. tax levies and collections.

- (c) If the Issuer's audited annual financial statements are not available on the date the Annual Financial Information is due to be submitted, then the Issuer shall submit the statements to the MSRB within ten business days after they are publicly available.
- (d) If the Issuer fails to submit its Annual Financial Information to the MSRB by the date required in subsection (a) above, then the Issuer shall promptly send an Event Notice of such failure to the MSRB.

Section 4. Reporting of Listed Events; Event Notices.

- (a) This Section 4 shall govern the submission of an Event Notice after the occurrence of any of the following Listed Events with respect to the Obligations:
 - 1. Principal and interest payment delinquencies.
 - 2. Non-payment related defaults, if material under the Exchange Act.
 - 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 Obligations, or other material events affecting the tax status of the Obligations.
 - 7. Modifications to rights of Owners, if material under the Exchange Act.
 - 8. Redemptions of the Obligations, if material under the Exchange Act, and tender offers.
 - 9. Defeasances.
 - 10. Release, substitution, or sale of property securing repayment of the Obligations, if material under the Exchange Act.
 - 11. Rating changes.

12. Bankruptcy, insolvency, receivership, or similar event of the Issuer (for the purposes of this event, 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 the assets or business of the Issuer).
 13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all 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 under the Exchange Act.
 14. Appointment of a successor or additional trustee or the change of name of a trustee, if material under the Exchange Act.
 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 Owners of the Obligations, if material.
 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.
- (b) The Issuer shall submit an Event Notice to the MSRB within ten business days after the occurrence of any Listed Event.
- (c) If the Issuer determines that it failed to submit an Event Notice of an occurrence of a Listed Event as required by subsection (b) above, then it shall promptly submit an Event Notice with respect to such occurrence to the MSRB.

Section 5. Transmittal of Annual Financial Information and Event Notices.

Annual Financial Information and Event Notices shall be submitted to the MSRB in an electronic format, and accompanied by identifying information, as prescribed by the

MSRB. As of the date of this Disclosure Agreement, the MSRB requires that all submissions of secondary disclosure be made through EMMA. The Annual Financial Information may be submitted as a single document or as a package comprising separate documents. Any or all the items constituting the Annual Financial Information may be incorporated by reference from other documents available to the public on the MSRB's website or filed with the Commission. The Issuer shall clearly identify each document that is incorporated by reference.

Section 6. Duty to Confirm MSRB's Filing Format and Procedure.

The Issuer shall confirm, in the manner it deems appropriate, the MSRB's prescriptions concerning the electronic format and accompanying identifying information for submissions. As of the date of this Disclosure Agreement, information on the MSRB's required electronic format and submission procedures through EMMA can be found on the MSRB's website at www.emma.msrb.org.

Section 7. Termination of Disclosure Agreement and Reporting Obligation.

This Disclosure Agreement and the Issuer's disclosure obligations under this Disclosure Agreement with respect to the Obligations shall terminate upon the legal defeasance (if applicable), prior redemption, or payment in full of all the Obligations or if the Rule shall be revoked or rescinded by the Commission or declared invalid by a final decision of a court of competent jurisdiction.

Section 8. Amendment; Waiver.

Notwithstanding any other provision of this Disclosure Agreement, the Issuer may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, if the following conditions are met:

- (a) 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 an obligated person, or the type of business conducted;
- (b) This Disclosure Agreement, as amended or waived, would have complied with the requirements of the Rule on the date of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and
- (c) The amendment or waiver does not materially impair the interests of Owners, as determined either by parties unaffiliated with the Issuer (such as the fiscal agent, trustee, or bond counsel), or by approving vote of the Owners pursuant to the terms of the Resolution at the time of the amendment.

In the event this Disclosure Agreement 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 Financial Information 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 Financial Information 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. Dissemination Agent.

The Issuer may, from time to time, appoint or engage a Dissemination Agent and may discharge any Dissemination Agent, with or without appointing a successor Dissemination Agent.

Section 10. Additional Information.

The Issuer may from time to time choose to disseminate other information, using the means of transmittal set forth in Section 5 hereof or any other means of communication, or to include other information with its Annual Financial Information or Event Notice, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information with its Annual Financial Information or Event Notice in addition to that which is specifically required by this Disclosure Agreement, then the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Financial Information or Event Notice.

Section 11. Default.

The sole remedy of the Owners under this Disclosure Agreement in the event of any failure of the Issuer to comply with this Disclosure Agreement shall be an action to compel performance.

Section 12. Beneficiaries.

The Issuer intends to be contractually bound by this Disclosure Agreement. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Participating Underwriters, and the Owners, and shall create no rights in any other person or entity.

Section 13. Recordkeeping.

The Issuer shall maintain records of all Annual Financial Information and Event Notices submitted to the MSRB pursuant to this Disclosure Agreement, including the content and the date of filing of such submissions, until the last Obligation has been retired.

Section 14. Responsible Officer.

The Issuer's Comptroller shall be the officer, representative, agency, or agent of the Issuer ultimately responsible for submitting Annual Financial Information and Event Notices to the MSRB, to the extent required hereunder, regardless of whether a Dissemination Agent has been appointed. Any inquiries regarding this Disclosure Agreement should be directed to:

Comptroller
City of Stevens Point
1515 Strongs Avenue
Stevens Point, Wisconsin 54481
Telephone: (715) 346-1574
Fax: (715) 346-1683
Email: cladick@stevenspoint.com

[Signature Page Follows]

IN WITNESS WHEREOF, the Issuer has caused this Disclosure Agreement to be executed by its duly authorized officer or representative as of the date written above.

CITY OF STEVENS POINT, WISCONSIN
Issuer

By: _____
Title: Comptroller

[Signature Page to 2020B Continuing Disclosure Agreement]

NOTICE OF SALE

\$3,590,000* TAXABLE GENERAL OBLIGATION COMMUNITY DEVELOPMENT BONDS, SERIES 2020B CITY OF STEVENS POINT, WISCONSIN

Bids for the purchase of \$3,590,000* Taxable General Obligation Community Development Bonds, Series 2020B (the "Bonds") of the City of Stevens Point, 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 10:00 A.M., Central Time, and **ELECTRONIC BIDS** will be received via **PARITY**, in the manner described below, until 10:00 A.M. Central Time, on November 30, 2020 (the "Sale Date"), at which time they will be opened, read and tabulated. **The Common Council adopted an authorizing resolution on November 16, 2020 (the "Authorizing Resolution"), which authorized the Comptroller-Treasurer, or in his absence, the Mayor, to accept bids for the Bonds and to award the sale of the Bonds if the parameters and conditions set forth in the Authorizing Resolution and restated in this Notice of Sale are met. In accordance with the Authorizing Resolution, if the parameters and conditions are not met through the competitive bids received on the sale date, neither the Mayor nor Comptroller-Treasurer will have the authority to award the sale of the Bonds, and all bids for the Bonds will be rejected.**

PURPOSE

The Bonds are being issued pursuant to Chapter 67, Wisconsin Statutes, to finance development incentives within Tax Incremental Districts No. 5 and 10. The Bonds are general obligations of the City, and all the taxable property in the City is subject to the levy of a tax to pay the principal of and interest on the Bonds as they become due which tax may, under current law, be levied without limitation as to rate or amount.

DATES AND MATURITIES

The Bonds will be dated December 17, 2020, will be issued as fully registered Bonds in the denomination of \$5,000 each, or any multiple thereof, and will mature on February 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2021	\$765,000	2028	\$110,000	2035	\$125,000
2022	510,000	2029	115,000	2036	130,000
2023	260,000	2030	115,000	2037	130,000
2024	105,000	2031	115,000	2038	135,000
2025	105,000	2032	120,000	2039	140,000
2026	110,000	2033	120,000	2040	145,000
2027	110,000	2034	125,000		

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 up to \$200,000 in each year, on the Sale Date. If individual maturities are increased or decreased, 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 notes and term notes, subject to partial mandatory sinking fund redemption, so long as the amount of principal maturing or subject to partial mandatory sinking fund redemption in each year conforms to the maturity schedule set forth above.

INTEREST PAYMENT DATES AND RATES

Interest will be payable on February 1 and August 1 of each year, commencing February 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. 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 a multiple of 5/100 or 1/8 of 1%.

PARAMETERS AND CONDITIONS

Under the Authorizing Resolution, certain parameters and conditions for the sale and award of the Bonds were established. The purchase price to be paid to the City for the Bonds shall not be less than 98.75% nor more than 104% of the principal amount of the Bonds. The true interest cost on the Notes (computed taking the bidder's compensation into account) shall not exceed 3.25% and actual debt service in any year shall not exceed the amount levied for the same year in the Authorizing Resolution.

BOOK-ENTRY-ONLY FORMAT

The Bonds will be registered 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.

FISCAL AGENT

The City may appoint its Treasurer or may select a bank or trust company to act as authentication agent, paying agent and registrar for the Bonds (the "Fiscal Agent"). If an outside Fiscal Agent is selected, then the City will pay the fees for Fiscal Agent services. The City reserves the right to remove the Fiscal Agent and to appoint a successor.

OPTIONAL REDEMPTION

At the option of the City, the Bonds maturing on and after February 1, 2031 shall be subject to optional redemption prior to maturity on February 1, 2030 and on any date thereafter, at a price of par plus accrued interest.

Redemption may be in whole or in part. If redemption is in part, then 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 Fiscal Agent 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 redemption shall be sent by mail not more than 60 days and not less than 30 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 maintained by the Fiscal Agent.

A notice of optional redemption may be revoked by sending a notice, by first class mail, not less than 15 days prior to the proposed redemption date to the registered owners of the Bonds which have been called for redemption.

DELIVERY

On or about December 17, 2020 (the "Closing Date"), the Bonds will be delivered without cost to the winning bidder at DTC or its Fast Agent. On the Closing Date, the City will furnish to the winning bidder the opinion of bond counsel hereinafter described and a certificate 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 Closing Date in immediately available funds.

LEGAL OPINION

An opinion as to the validity of the Bonds will be furnished by Foley & Lardner LLP, Milwaukee, Wisconsin, bond counsel to the City and will be available on the Closing Date. 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 \$3,545,125, nor more than \$3,733,600, plus accrued interest, if any, on the principal sum of \$3,590,000* from date of original issue of the Bonds to the Closing Date. Prior to the time on the Sale Date 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 10:00 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 on the Sale Date 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 in the amount of \$71,800 ("Deposit") shall be made by the winning bidder by wire transfer. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time on the Sale Date. 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 winning bidder fails to comply therewith.

The City and the winning bidder hereby irrevocably agree that Ehlers shall hold the Deposit in escrow subject only to the following conditions and duties: 1) All income earned thereon shall be retained by Ehlers 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 on the Closing Date; 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 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.

No bid can be withdrawn after the time set for receiving bids.

AWARD

The Bonds will be awarded to the bidder offering the lowest interest rate to be determined on a True Interest Cost (TIC) basis subject to the Parameters and Conditions described in this Notice of Sale having been met. 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

A policy of municipal bond insurance or commitment therefor may be purchased at the option of the winning bidder, provided that the purchase of any such insurance policy or the issuance of any such commitment shall be at the sole expense of the winning bidder. In the event an insurance policy is purchased for the Bonds, the winning bidder shall also be responsible for ascertaining whether or not the municipal bond insurer requires specific language with respect to the insurer and the insurance policy to be included in the form of Bonds. The winning bidder shall provide, or cause the insurer to provide, any such required language to bond counsel no later than 1:00 p.m. Central Time on the Sale Date. Any increased costs of issuance for the Bonds resulting from the purchase of bond insurance shall be paid by the winning bidder, except that, if the City has requested and received a rating on the Bonds from a rating agency, then the City will pay that rating fee. Any other rating agency fees shall be 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 accuracy of any CUSIP numbers printed thereon, but will permit such CUSIP numbers to be printed at the expense of the winning bidder, if the winning bidder waives any delay in delivery caused by printing CUSIP numbers on the Bonds.

CONTINUING DISCLOSURE

In order to assist 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 agreement for the benefit of the owners of the Bonds. The form of agreement is set forth in Appendix D of the Official Statement.

PRELIMINARY OFFICIAL STATEMENT

Bidders may obtain 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 winning bidder will be provided with an electronic version 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 paper 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

Kari Yenter, City Clerk
City of Stevens Point, Wisconsin

BID FORM

The Common Council
City of Stevens Point, Wisconsin

November 30, 2020

RE: \$3,590,000* Taxable General Obligation Community Development Bonds, Series 2020B (the "Bonds")
DATED: December 17, 2020

For all or none of the above Bonds, in accordance with the Notice of Sale and terms of the Book-Entry System as stated in this Preliminary Official Statement, we will pay you \$_____ (not less than \$3,545,125, nor more than \$3,733,600) plus accrued interest to date of delivery for fully registered Bonds bearing interest rates and maturing February 1 in the stated years as follows:

_____ % due 2021	_____ % due 2028	_____ % due 2035
_____ % due 2022	_____ % due 2029	_____ % due 2036
_____ % due 2023	_____ % due 2030	_____ % due 2037
_____ % due 2024	_____ % due 2031	_____ % due 2038
_____ % due 2025	_____ % due 2032	_____ % due 2039
_____ % due 2026	_____ % due 2033	_____ % due 2040
_____ % due 2027	_____ % due 2034	

* 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, up to a maximum of \$200,000 per maturity. 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 a multiple of 5/100 or 1/8 of 1%.

A good faith deposit in the amount of \$71,800 ("Deposit") shall be made by the winning bidder by wire transfer. 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 winning bidder fails to comply therewith. We agree to the conditions and duties of Ehlers and Associates, Inc. to hold the Deposit in escrow 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, or its Fast Agent in accordance with the Notice of Sale. Delivery is anticipated to be on or about December 17, 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 Official Statement for the Bonds.

We have received and reviewed the Preliminary 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: _____.

If the competitive sale requirements are not met, we elect to use either the: _____ 10% test, or the _____ hold-the-offering-price rule to determine the issue price of the Bonds.

Account Manager: _____ By: _____
Account Members:

Award will be on a true interest cost basis. According to our computations (the correct computation being controlling in the award), the total dollar interest cost (including any discount or less any premium) computed from December 17, 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 Stevens Point, Wisconsin, on November 30, 2020.

By: _____
Title: _____