

PRELIMINARY OFFICIAL STATEMENT DATED JUNE 3, 2022

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

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

New Issue

Rating Application Made: S&P Global Ratings

CITY OF PORTAGE, WISCONSIN (Columbia County)

\$2,135,000* GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2022A

BID OPENING: June 13, 2022, 09:30 A.M., C.T.

CONSIDERATION: Not later than 11:59 P.M., C.T. on June 13, 2022 (PARAMETERS RESOLUTION)

PURPOSE/AUTHORITY/SECURITY: The \$2,135,000* General Obligation Corporate Purpose Bonds, Series 2022A (the "Bonds") of the City of Portage, Wisconsin (the "City") are being issued pursuant to Section 67.04, Wisconsin Statutes, for the public purposes of financing fire department equipment, street improvement projects, parks and public grounds projects, construction of a building for housing machinery and equipment and sewerage projects consisting of storm water projects within the City. 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 Quarles & Brady LLP, Milwaukee, Wisconsin.

DATE OF BONDS:

June 29, 2022

MATURITY:

April 1 as follows:

Year	Amount*	Year	Amount*	Year	Amount*
2023	\$70,000	2030	\$110,000	2037	\$115,000
2024	95,000	2031	120,000	2038	115,000
2025	95,000	2032	95,000	2039	120,000
2026	95,000	2033	100,000	2040	120,000
2027	100,000	2034	100,000	2041	130,000
2028	105,000	2035	105,000	2042	130,000
2029	105,000	2036	110,000		

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 \$50,000 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:

April 1, 2023 and semiannually thereafter.

OPTIONAL

REDEMPTION:

Bonds maturing on April 1, 2032 and thereafter are subject to call for prior optional redemption on April 1, 2031 or any date thereafter, at a price of par plus accrued interest.

MINIMUM BID:

\$2,108,312.50.

MAXIMUM BID:

\$2,263,100.

GOOD FAITH DEPOSIT:

A good faith deposit in the amount of \$42,700 shall be made by the winning bidder by wire transfer of funds.

PAYING AGENT:

Bond Trust Services Corporation.

BOND COUNSEL:

Quarles & Brady LLP.

MUNICIPAL ADVISOR:

Ehlers and Associates, Inc.

BOOK-ENTRY-ONLY:

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

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



BUILDING COMMUNITIES. IT'S WHAT WE DO.

info@ehlers-inc.com

1 (800) 552-1171

www.ehlers-inc.com

REPRESENTATIONS

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

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

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

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

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

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

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

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

CLOSING CERTIFICATES

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

TABLE OF CONTENTS

INTRODUCTORY STATEMENT.	1	TAX LEVIES AND COLLECTIONS.	22
THE BONDS.	1	TAX LEVIES AND COLLECTIONS.	22
GENERAL.	1	PROPERTY TAX RATES.	23
OPTIONAL REDEMPTION.	1	LEVY LIMITS.	23
AUTHORITY; PURPOSE.	2	THE ISSUER.	25
ESTIMATED SOURCES AND USES.	2	CITY GOVERNMENT.	25
SECURITY.	2	EMPLOYEES; PENSIONS.	25
CONCURRENT FINANCING.	2	OTHER POST EMPLOYMENT BENEFITS.	26
RATING.	3	LITIGATION.	26
CONTINUING DISCLOSURE.	3	MUNICIPAL BANKRUPTCY.	27
LEGAL OPINION.	3	FUNDS ON HAND.	28
STATEMENT REGARDING COUNSEL		ENTERPRISE FUNDS.	29
PARTICIPATION.	4	SUMMARY GENERAL FUND INFORMATION.	30
TAX EXEMPTION.	4	GENERAL INFORMATION.	31
ORIGINAL ISSUE DISCOUNT.	4	LOCATION.	31
BOND PREMIUM.	5	LARGER EMPLOYERS.	31
QUALIFIED TAX-EXEMPT OBLIGATIONS.	6	BUILDING PERMITS.	32
MUNICIPAL ADVISOR.	6	U.S. CENSUS DATA.	33
MUNICIPAL ADVISOR AFFILIATED COMPANIES.	6	EMPLOYMENT/UNEMPLOYMENT DATA.	33
INDEPENDENT AUDITORS.	6	FINANCIAL STATEMENTS.	A-1
RISK FACTORS.	6	FORM OF LEGAL OPINION.	B-1
VALUATIONS.	10	BOOK-ENTRY-ONLY SYSTEM.	C-1
WISCONSIN PROPERTY VALUATIONS;		FORM OF CONTINUING DISCLOSURE	
PROPERTY TAXES.	10	CERTIFICATE.	D-1
CURRENT PROPERTY VALUATIONS.	11	NOTICE OF SALE.	E-1
2021 EQUALIZED VALUE BY CLASSIFICATION.	11	BID FORM	
TREND OF VALUATIONS.	11		
LARGER TAXPAYERS.	12		
DEBT.	13		
DIRECT DEBT.	13		
SCHEDULE OF GENERAL OBLIGATION DEBT.	14		
SCHEDULE OF SEWER REVENUE DEBT.	17		
SCHEDULE OF WATER REVENUE DEBT.	18		
DEBT LIMIT.	20		
OVERLAPPING DEBT.	20		
DEBT RATIOS.	21		
DEBT PAYMENT HISTORY.	21		
FUTURE FINANCING.	21		

CITY OF PORTAGE COMMON COUNCIL

		<u>Term Expires</u>
Mitchel Craig	Mayor	April 2025
Susan Bauer Frye	Alderman	April 2025
Mike Charles	Alderman	April 2023
Christopher Crawley	Alderman	April 2023
Martin Havlovic	Alderman	April 2024
Karen Melito	Alderman	April 2025
Dennis Nachreiner	Alderman	April 2024
Allan Radant	Alderman	April 2023
Steven Rohrbeck	Alderman	April 2024
Eric Shimpach	Alderman	April 2025

ADMINISTRATION

Shawn Murphy, City Administrator
Jennifer Becker, Finance Director/Treasurer
Marie Moe, City Clerk

PROFESSIONAL SERVICES

Miller & Miller LLC, City Attorney, Portage, Wisconsin
Quarles & Brady LLP, Bond Counsel, Milwaukee, Wisconsin
Ehlers and Associates, Inc., Municipal Advisors, Waukesha, Wisconsin
(Other offices located in Roseville, Minnesota and Denver, Colorado)

INTRODUCTORY STATEMENT

This Preliminary Official Statement contains certain information regarding the City of Portage, Wisconsin (the "City") and the issuance of its \$2,135,000* General Obligation Corporate Purpose Bonds, Series 2022A (the "Bonds"). **The Common Council adopted a resolution on May 12, 2022 (the "Parameters Resolution") which authorizes the City Administrator or Mayor to accept a bid for the Bonds if the parameters and conditions set forth in the Parameters Resolution are satisfied. If the parameters and conditions set forth in the Parameters Resolution are not met through the competitive bids received on June 13, 2022, neither the City Administrator nor Mayor will have the authority to accept a bid for 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 Preliminary Official Statement may be downloaded from Ehlers' web site at www.ehlers-inc.com by connecting to the Bond Sales link and following the directions at the top of the site.

THE BONDS

GENERAL

The Bonds will be issued in fully registered form as to both principal and interest in denominations of \$5,000 each or any integral multiple thereof, and will be dated, as originally issued, as of June 29, 2022. The Bonds will mature on April 1 in the years and amounts set forth on the cover of this Preliminary Official Statement. Interest will be payable on April 1 and October 1 of each year, commencing April 1, 2023, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board ("MSRB"). All Bonds of the same maturity must bear interest from the date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

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

The City has selected Bond Trust Services Corporation, Roseville, Minnesota, to act as paying agent (the "Paying Agent"). Bond Trust Services Corporation and Ehlers are affiliate companies. The City will pay the charges for Paying Agent services. The City reserves the right to remove the Paying Agent and to appoint a successor.

OPTIONAL REDEMPTION

At the option of the City, the Bonds maturing on or after April 1, 2032 shall be subject to optional redemption prior to maturity on April 1, 2031 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

*Preliminary, subject to change

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

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

AUTHORITY; PURPOSE

The Bonds are being issued pursuant to Section 67.04, Wisconsin Statutes, for the public purposes of financing fire department equipment, street improvement projects, parks and public grounds projects, construction of a building for housing machinery and equipment and sewerage projects consisting of storm water projects within the City.

ESTIMATED SOURCES AND USES*

Sources		
Par Amount of Bonds	\$2,135,000	
Estimated Interest Earnings	<u>635</u>	
Total Sources		\$2,135,635
Uses		
Estimated Underwriter's Discount	\$26,688	
Costs of Issuance	47,350	
Deposit to Project Construction Fund	2,061,141	
Rounding Amount	<u>457</u>	
Total Uses		\$2,135,635

*Preliminary, subject to change

SECURITY

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

CONCURRENT FINANCING

By means of a separate Preliminary Official Statement, the City will be offering for sale its Sewerage System Revenue Bonds, Series 2022B and its Water System Revenue Bonds, Series 2022C (the "Concurrent Obligations" or the "Series 2022B Bonds" and the "Series 2022C Bonds"), which are scheduled to close on June 29, 2022.

RATING

General obligation debt of the City is currently rated "AA-" by S&P Global Ratings ("S&P"). Outstanding sewer and water revenue debt of the City is currently rated "A+" by S&P.

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

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

CONTINUING DISCLOSURE

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

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

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

In the previous five years, the City believes it has not failed to comply in all material respects with its prior undertakings under the Rule. The City has reviewed its continuing disclosure responsibilities along with any changes to the Rule, to ensure compliance. Ehlers is currently engaged as dissemination agent for the City.

LEGAL OPINION

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

STATEMENT REGARDING COUNSEL PARTICIPATION

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

TAX EXEMPTION

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

"The interest on the Bonds is excludable for federal income tax purposes from the gross income of the owners of the Bonds. The interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") on individuals. The Code contains requirements that must be satisfied subsequent to the issuance of the Bonds in order for interest on the Bonds to be or continue to be excludable from gross income for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the Bonds to be included in gross income retroactively to the date of issuance of the Bonds. The City has agreed to comply with all of those requirements. The opinion set forth in the first sentence of this paragraph is subject to the condition that the City comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the Bonds."

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

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

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

ORIGINAL ISSUE DISCOUNT

To the extent that the initial public offering price of certain of the Bonds is less than the principal amount payable at maturity, such Bonds ("Discounted Bonds") will be considered to be issued with original issue discount. The original issue discount is the excess of the stated redemption price at maturity of a Discounted Bond over the initial offering price to the public, excluding underwriters or other intermediaries, at which price a substantial amount of such Discounted Bonds were sold (issue price). With respect to a taxpayer who purchases a Discounted Bond in the initial public offering at the issue price and who holds such Discounted Bond to maturity, the full amount of original issue discount will constitute interest that is not includible in the gross income of the owner of such Discounted Bond for federal income tax purposes and such owner will not, subject to the caveats and provisions herein described, realize taxable capital gain upon payment of such Discounted Bond upon maturity.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discounted Bond, on days that are determined by reference to the maturity date of such

Discounted Bond. The amount treated as original issue discount on a Discounted Bond for a particular semiannual accrual period is generally equal to (a) the product of (i) the yield to maturity for such Discounted Bond (determined by compounding at the close of each accrual period) and (ii) the amount that would have been the tax basis of such Discounted Bond at the beginning of the particular accrual period if held by the original purchaser; and less (b) the amount of any interest payable for such Discounted Bond during the accrual period. The tax basis is determined by adding to the initial public offering price on such Discounted Bond the sum of the amounts that have been treated as original issue discount for such purposes during all prior periods. If a Discounted Bond is sold or exchanged between semiannual compounding dates, original issue discount that would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

For federal income tax purposes, the amount of original issue discount that is treated as having accrued with respect to such Discounted Bond is added to the cost basis of the owner in determining gain or loss upon disposition of a Discounted Bond (including its sale, exchange, redemption, or payment at maturity). Amounts received upon disposition of a Discounted Bond that are attributable to accrued original issue discount will be treated as tax-exempt interest, rather than as taxable gain.

The accrual or receipt of original issue discount on the Discounted Bonds may result in certain collateral federal income tax consequences for the owners of such Discounted Bonds. The extent of these collateral tax consequences will depend upon the owner's particular tax status and other items of income or deduction.

The Code contains additional provisions relating to the accrual of original issue discount. Owners who purchase Discounted Bonds at a price other than the issue price or who purchase such Discounted Bonds in the secondary market should consult their own tax advisors with respect to the tax consequences of owning the Discounted Bonds. Under the applicable provisions governing the determination of state and local taxes, accrued interest on the Discounted Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment until a later year. Owners of Discounted Bonds should consult their own tax advisors with respect to the state and local tax consequences of owning the Discounted Bonds.

BOND PREMIUM

To the extent that the initial offering price of certain of the Bonds is more than the principal amount payable at maturity, such Bonds ("Premium Bonds") will be considered to have bond premium.

Any Premium Bond purchased in the initial offering at the issue price will have "amortizable bond premium" within the meaning of Section 171 of the Code. The amortizable bond premium of each Premium Bond is calculated on a daily basis from the issue date of such Premium Bond until its stated maturity date (or call date, if any) on the basis of a constant interest rate compounded at each accrual period (with straight line interpolation between the compounding dates). An owner of a Premium Bond that has amortizable bond premium is not allowed any deduction for the amortizable bond premium; rather the amortizable bond premium attributable to a taxable year is applied against (and operates to reduce) the amount of tax-exempt interest payments on the Premium Bonds. During each taxable year, such an owner must reduce his or her tax basis in such Premium Bond by the amount of the amortizable bond premium that is allocable to the portion of such taxable year during which the holder held such Premium Bond. The adjusted tax basis in a Premium Bond will be used to determine taxable gain or loss upon a disposition (including the sale, exchange, redemption, or payment at maturity) of such Premium Bond.

Owners of Premium Bonds who did not purchase such Premium Bonds in the initial offering at the issue price should consult their own tax advisors with respect to the tax consequences of owning such Premium Bonds. Owners of Premium Bonds should consult their own tax advisors with respect to the state and local tax consequences of owning the Premium Bonds.

QUALIFIED TAX-EXEMPT OBLIGATIONS

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

MUNICIPAL ADVISOR

Ehlers has served as municipal advisor to the City in connection with the issuance of the Bonds. The Municipal Advisor cannot participate in the underwriting of the Bonds. The financial information included in this Preliminary Official Statement has been compiled by the Municipal Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. Ehlers is not a firm of certified public accountants. Ehlers is registered with the Securities and Exchange Commission and the MSRB as a municipal advisor. Ehlers makes no representation, warranty or guarantee regarding the accuracy or completeness of the information in this Preliminary Official Statement, and its assistance in preparing this Preliminary Official Statement should not be construed as a representation that it has independently verified such information.

MUNICIPAL ADVISOR AFFILIATED COMPANIES

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

INDEPENDENT AUDITORS

The basic financial statements of the City for the fiscal year ended December 31, 2020 have been audited by Baker Tilly US, 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 – FINANCIAL STATEMENTS". The Auditor has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The Auditor also has not performed any procedures relating to this Preliminary Official Statement.

RISK FACTORS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

On March 12, 2020, Wisconsin Governor Tony Evers declared a public health emergency in the State in response to the growing threat of COVID-19. That declaration included direction to the state Department of Health Services to use any and all required resources to respond to and contain the outbreak. Governor Evers followed that up with a "safer at home" order (the "Order") on March 24, 2020, closing nonessential businesses, banning gatherings of any size and imposing strict travel restrictions through April 24, 2020. On April 16, 2020, the Order was extended from April 24, 2020 through May 26, 2020. On April 21, 2020, Republican legislators in the State filed a lawsuit challenging the legality of the Order. On May 13, 2020, the Wisconsin Supreme Court ruled that the State's Order is unlawful, invalid and unenforceable because the emergency rulemaking procedures under Section 227.24 of the Wisconsin Statutes and procedures established by the Wisconsin Legislature for rulemaking if criminal penalties were to follow were not followed in connection with the Order. The Supreme Court's decision does not invalidate any local health officials' orders or prevent future local health officials' orders related to the COVID-19 pandemic.

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. The public health emergency and mask orders have been extended multiple times, with the most recent extension on January 19, 2021 through March 20, 2021. On February 4, 2021, the Wisconsin Assembly voted to repeal the Governor's order requiring face coverings. Later the same day, Governor Evers issued a new Emergency Order #1 requiring the use of face coverings through April 5, 2021. On March 31, 2021, the Wisconsin Supreme Court struck down Emergency Order #1, finding that legislative approval was required to continue the order beyond its original 60-day period. The ruling does not impact the validity of local mandates.

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 distributed \$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 was \$165,599. These funds were disbursed up to the amount of the allocation after eligible expenditures were reported through the State's cost tracker application. On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021, which provides local governments an additional \$130.2 billion through the Coronavirus Local Fiscal Recovery Fund. These funds can be used to mitigate increased expenditures, lost revenue and economic hardship related to the COVID-19 pandemic, with half received in 2021 and half to be received in 2022. The City's allocation is \$1,088,488.

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

VALUATIONS

WISCONSIN PROPERTY VALUATIONS; PROPERTY TAXES

Equalized Value

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

Assessed Value

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

CURRENT PROPERTY VALUATIONS

2021 Equalized Value	\$752,147,300
2021 Equalized Value Reduced by Tax Increment Valuation	\$737,820,700
2021 Assessed Value	\$723,966,800

2021 EQUALIZED VALUE BY CLASSIFICATION

	2021 Equalized Value¹	Percent of Total Equalized Value
Residential	\$442,551,400	58.838%
Commercial	219,362,200	29.165%
Manufacturing	70,889,400	9.425%
Agricultural	98,000	0.013%
Undeveloped	160,800	0.021%
Ag Forest	5,300	0.001%
Forest	518,000	0.069%
Personal Property	18,562,200	2.468%
Total	<u><u>\$752,147,300</u></u>	<u><u>100.000%</u></u>

TREND OF VALUATIONS

Year	Assessed Value	Equalized Value¹	Percent Increase/Decrease in Equalized Value
2017	\$601,226,228	\$613,154,600	6.99%
2018	646,059,028	634,193,100	3.43%
2019	670,919,028	680,563,500	7.31%
2020	695,211,500	704,466,600	3.51%
2021	723,966,800	752,147,300	6.77%

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

¹ Includes tax increment valuation.

LARGER TAXPAYERS

Taxpayer	Type of Business/Property	2021 Equalized Value¹	Percent of City's Total Equalized Value
Cardinal Glass Industries, Inc.	Industrial	\$22,176,447	2.95%
Divine Savior Healthcare Inc.	Commercial	10,332,647	1.37%
Premier Rolling Woods LLC	Commercial	9,458,207	1.26%
Silver Lake Apartments LLC	Commercial	9,381,739	1.25%
Wal-Mart Real Estate Business Trust	Commercial	8,427,085	1.12%
Penda Corporation (Wisconsin) LLC	Industrial	7,090,924	0.94%
AMPI	Industrial	6,239,164	0.83%
Saint-Gobain Performance Plastics	Industrial	5,439,007	0.72%
Encapsys LLC	Industrial	5,281,078	0.70%
Fox Run Apartments Portage LLC	Commercial	5,146,452	0.68%
Total		\$88,972,750	11.83%

City's Total 2021 Equalized Value² \$752,147,300

Source: The City.

¹ Calculated by dividing the 2021 Assessed Values by the 2021 Aggregate Ratio of assessment for the City.

² Includes tax increment valuation.

DEBT

DIRECT DEBT¹

General Obligation Debt (see schedules following)

Total General Obligation Debt (includes the Bonds)*	<u><u>\$17,934,455</u></u>
---	----------------------------

Revenue Debt (see schedules following)

Total revenue debt secured by sewer revenues (includes the Series 2022B Bonds, as defined herein)*	<u><u>\$9,076,624</u></u>
--	---------------------------

Total revenue debt secured by water revenues (includes the Series 2022C Bonds, as defined herein)*	<u><u>\$4,651,006</u></u>
--	---------------------------

*Preliminary, subject to change.

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

City of Portage, Wisconsin
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Taxes
(As of 06/29/2022)

Dated Amount Maturity	Corporate Purpose Bonds Series 2012B		Taxable Corporate Purpose Bonds Series 2012C		Corporate Purpose Bonds Series 2015A		Corporate Purpose Bonds Series 2016A		Corporate Purpose Bonds Series 2017A	
	08/02/2012 \$5,520,000 04/01	Principal Interest	08/02/2012 \$2,175,000 04/01	Principal Interest	04/16/2015 \$3,620,000 04/01	Principal Interest	05/19/2016 \$1,855,000 05/01	Principal Interest	04/13/2017 \$3,730,000 04/01	Principal Interest
Calendar Year Ending										
2022		31,045		13,913		34,969		14,325		42,013
2023	695,000	54,793	165,000	25,515	185,000	68,088	100,000	27,925	0	80,725
2024	720,000	39,395	170,000	20,655	105,000	65,188	105,000	26,360	220,000	73,575
2025	355,000	26,946	175,000	15,305	100,000	63,138	100,000	24,645	230,000	65,700
2026	355,000	18,071	180,000	9,490	100,000	60,888	100,000	22,820	250,000	57,300
2027	210,000	10,763	185,000	3,238	245,000	56,575	100,000	20,870	250,000	48,550
2028	180,000	5,415			270,000	49,463	100,000	18,770	250,000	40,425
2029	100,000	1,425			245,000	41,431	100,000	16,470	250,000	32,925
2030					190,000	34,125	100,000	13,970	250,000	25,425
2031					190,000	27,475	70,000	11,708	250,000	17,925
2032					190,000	20,825	70,000	9,783	225,000	10,238
2033					200,000	14,000	75,000	7,695	180,000	3,150
2034					175,000	7,875	75,000	5,445		
2035					175,000	2,625	70,000	3,200		
2036							65,000	1,040		
2037										
2038										
2039										
2040										
2041										
2042										
	2,615,000	187,853	875,000	88,115	2,370,000	546,663	1,230,000	225,025	2,575,000	497,950

--Continued on next page

City of Portage, Wisconsin
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Taxes
(As of 06/29/2022)

Dated Amount	Promissory Bank Note		Corporate Purpose Bonds Series 2019A		Promissory Bank Note		Corporate Purpose Bonds Series 2021A		Promissory Note	
	08/17/2018 \$424,000	02/01 & 08/01	05/15/2019 \$3,055,000	04/01	10/05/2020 \$300,000	02/01 & 08/01	06/03/2021 \$2,990,000	04/01	10/25/2021 \$74,000	02/01 & 08/01
Maturity										
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2022	30,475	3,935	0	40,575	20,766	1,947	0	39,300	12,095	620
2023	62,559	6,261	130,000	79,200	42,014	3,412	100,000	76,600	24,548	883
2024	64,768	4,052	155,000	74,925	42,703	2,723	115,000	72,300	25,048	383
2025	67,055	1,765	170,000	70,050	43,418	2,008	155,000	66,900		
2026			170,000	64,950	44,137	1,289	165,000	60,500		
2027			145,000	60,225	44,868	558	155,000	54,100		
2028			155,000	55,875			165,000	47,700		
2029			150,000	51,375			165,000	41,925		
2030			150,000	46,800			175,000	36,825		
2031			150,000	42,300			180,000	32,400		
2032			150,000	37,800			185,000	28,750		
2033			155,000	33,225			165,000	25,250		
2034			165,000	28,425			180,000	21,800		
2035			170,000	23,400			190,000	18,100		
2036			170,000	18,300			185,000	14,350		
2037			175,000	13,125			165,000	10,850		
2038			175,000	7,875			105,000	8,150		
2039			175,000	2,625			110,000	6,000		
2040							135,000	3,550		
2041							110,000	1,100		
2042										
	224,857	16,013	2,705,000	751,050	237,907	11,935	2,905,000	666,450	61,691	1,887

--Continued on next page

City of Portage, Wisconsin

**Corporate Purpose Bonds
Series 2022A**

* Preliminary, subject to change.

City of Portage, Wisconsin
Schedule of Bonded Indebtedness
Revenue Debt Secured by Sewer Revenues
(As of 06/29/2022)

Sewer System Revenue Bonds			Sewerage System Revenue Bonds			Sewerage System Revenue Bonds			Sewer Revenue Bonds			Sewer Revenue Bonds		
(CWF)			Series 2017B			Series 2019C			Series 2021B			Series 2022B		
Dated	03/26/2008	05/01	04/13/2017	05/01	05/15/2019	06/03/2021	06/29/2022	05/01	06/03/2021	05/01	06/29/2022	06/03/2021	05/01	06/29/2022
Amount	\$1,159,443		\$2,180,000		\$1,265,000	\$4,335,000	\$1,680,000*							
Maturity														
Calendar	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Estimated	Interest
Year Ending														
2022	0	4,217	0	29,906	0	16,725	0	51,669	0	24,168	0	126,685	0	126,685
2023	68,030	7,630	90,000	58,463	50,000	32,700	165,000	100,038	35,000	70,729	408,030	269,558	35,000	269,558
2024	69,639	6,002	100,000	55,613	55,000	31,125	170,000	93,338	35,000	69,511	429,639	255,588	35,000	255,588
2025	71,286	4,335	100,000	52,613	55,000	29,475	180,000	86,338	35,000	68,226	441,286	240,987	35,000	240,987
2026	72,972	2,629	100,000	49,613	55,000	27,825	185,000	79,038	40,000	66,822	452,972	225,926	40,000	225,926
2027	74,697	883	105,000	46,538	55,000	26,175	195,000	71,438	40,000	65,300	469,697	210,333	40,000	210,333
2028			110,000	43,313	60,000	24,450	200,000	63,538	60,000	63,345	430,000	194,645	60,000	194,645
2029			115,000	39,938	60,000	22,650	210,000	55,338	60,000	60,954	445,000	178,879	60,000	178,879
2030			120,000	36,113	60,000	20,850	215,000	49,659	70,000	58,316	465,000	164,938	70,000	164,938
2031			120,000	31,913	65,000	18,975	225,000	46,634	75,000	55,332	485,000	152,854	75,000	152,854
2032			125,000	27,469	65,000	17,025	225,000	43,400	80,000	52,208	490,000	140,102	80,000	140,102
2033			130,000	22,688	70,000	15,000	225,000	40,025	80,000	48,945	505,000	126,658	80,000	126,658
2034			135,000	17,719	70,000	12,900	230,000	36,325	85,000	45,438	520,000	112,382	85,000	112,382
2035			140,000	12,563	75,000	10,725	235,000	32,256	85,000	41,796	535,000	97,340	85,000	97,340
2036			145,000	7,219	75,000	8,475	240,000	27,800	90,000	38,020	550,000	81,514	90,000	81,514
2037			120,000	2,230	80,000	6,150	245,000	22,950	95,000	33,996	540,000	65,346	95,000	65,346
2038					80,000	3,750	245,000	18,050	135,000	28,957	460,000	50,757	135,000	50,757
2039					85,000	1,275	255,000	13,050	150,000	25,017	475,000	37,342	150,000	37,342
2040							260,000	7,900	150,000	16,725	410,000	24,625	150,000	24,625
2041							265,000	2,650	150,000	10,073	415,000	12,723	150,000	12,723
2042									150,000	3,368	150,000	3,368	150,000	3,368
	356,624	25,697	1,755,000	533,925	1,115,000	326,250	4,170,000	941,431	1,680,000	945,242	9,076,624	2,772,545	11,849,169	11,849,169

* Preliminary, subject to change.

City of Portage, Wisconsin
Schedule of Bonded Indebtedness
Revenue Debt Secured by Water Revenues
(As of 06/29/2022)

Water System Revenue Bonds (SDWFL) Series 2007				Water System Revenue Bonds Series 2015B		Water System Revenue Bonds Series 2016B		Water System Revenue Bonds Series 2019B	
Dated Amount	04/25/2007 \$103,719			04/16/2015 \$855,000		05/19/2016 \$2,190,000		05/15/2019 \$1,335,000	
Maturity	05/01			05/01		05/01		05/01	
Calendar Year Ending	Principal	Interest		Principal	Interest	Principal	Interest	Principal	Interest
2022	0	322		0	10,349	0	24,875	0	17,625
2023	6,265	566		35,000	20,286	100,000	48,750	55,000	34,425
2024	6,420	409		40,000	19,275	100,000	46,750	55,000	32,775
2025	6,579	248		40,000	18,075	150,000	44,250	55,000	31,125
2026	6,742	83		40,000	16,875	150,000	41,250	60,000	29,400
2027				45,000	15,488	150,000	37,500	60,000	27,600
2028				45,000	13,913	100,000	33,750	65,000	25,725
2029				45,000	12,338	145,000	30,075	65,000	23,775
2030				50,000	10,675	140,000	25,800	65,000	21,825
2031				50,000	8,925	140,000	21,600	70,000	19,800
2032				55,000	7,088	140,000	17,400	70,000	17,700
2033				55,000	5,163	140,000	13,200	75,000	15,525
2034				60,000	3,150	140,000	9,000	75,000	13,275
2035				60,000	1,050	115,000	5,175	75,000	11,025
2036						115,000	1,725	80,000	8,700
2037								80,000	6,300
2038								85,000	3,825
2039								85,000	1,275
2040									
2041									
2042									
	26,006	1,629		620,000	162,648	1,825,000	401,100	1,175,000	341,700

City of Portage, Wisconsin
Schedule of Bonded Indebtedness
Revenue Debt Secured by Water Revenues
(As of 06/29/2022)

Water Revenue Bonds
Series 2022C

Dated Amount	06/29/2022 \$1,005,000*		
Maturity	05/01		
Calendar Year Ending	Principal	Estimated Interest	
2022	0	14,241	
2023	35,000	41,436	
2024	35,000	40,218	
2025	35,000	38,933	
2026	40,000	37,529	
2027	40,000	36,007	
2028	40,000	34,447	
2029	40,000	32,853	
2030	45,000	31,128	
2031	45,000	29,277	
2032	50,000	27,298	
2033	50,000	25,193	
2034	50,000	23,068	
2035	55,000	20,818	
2036	55,000	18,444	
2037	60,000	15,943	
2038	60,000	13,315	
2039	65,000	10,564	
2040	65,000	7,695	
2041	70,000	4,701	
2042	70,000	1,572	
	1,005,000	504,673	

Calendar Year Ending	Principal Outstanding	% Paid	Calendar Year Ending
2022	4,651,006	.00%	2022
2023	4,419,741	4.97%	2023
2024	4,183,321	10.06%	2024
2025	3,896,742	16.22%	2025
2026	3,600,000	22.60%	2026
2027	3,305,000	28.94%	2027
2028	3,055,000	34.32%	2028
2029	2,760,000	40.66%	2029
2030	2,460,000	47.11%	2030
2031	2,155,000	53.67%	2031
2032	1,840,000	60.44%	2032
2033	1,520,000	67.32%	2033
2034	1,195,000	74.31%	2034
2035	890,000	80.86%	2035
2036	640,000	86.24%	2036
2037	500,000	89.25%	2037
2038	355,000	92.37%	2038
2039	205,000	95.59%	2039
2040	140,000	96.99%	2040
2041	70,000	98.49%	2041
2042	0	100.00%	2042

Total Principal	Total Interest	Total P & I	Principal Outstanding
0	67,411	67,411	4,651,006
231,265	145,463	376,728	4,419,741
236,420	139,427	375,847	4,183,321
286,579	132,632	419,211	3,896,742
296,742	125,137	421,879	3,600,000
295,000	116,594	411,594	3,305,000
250,000	107,834	357,834	3,055,000
295,000	99,040	394,040	2,760,000
300,000	89,428	389,428	2,460,000
305,000	79,602	384,602	2,155,000
315,000	69,485	384,485	1,840,000
320,000	59,080	379,080	1,520,000
325,000	48,493	373,493	1,195,000
305,000	38,068	343,068	890,000
250,000	28,869	278,869	640,000
140,000	22,243	162,243	500,000
145,000	17,140	162,140	355,000
150,000	11,839	161,839	205,000
65,000	7,695	72,695	140,000
70,000	4,701	74,701	70,000
70,000	1,572	71,572	0
4,651,006	1,411,750	6,062,756	

* Preliminary, subject to change.

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	\$752,147,300
Multiply by 5%	0.05
Statutory Debt Limit	\$37,607,365
Less: General Obligation Debt (includes the Bonds)*	(17,934,455)
Unused Debt Limit*	<u>\$19,672,910</u>

*Preliminary, subject to change.

OVERLAPPING DEBT¹

Taxing District	2021 Equalized Value ²	% In City	Total G.O. Debt ³	City's Proportionate Share
County of:				
Columbia County	\$6,540,618,676	11.4996%	\$45,600,000	\$5,243,818
School Districts of:				
School District of Portage	1,575,241,787	47.7481%	0	0
Madison Area Technical College District	104,977,856,204	0.7165%	167,690,000	<u>1,201,499</u>
City's Share of Total Overlapping Debt				<u>\$6,445,316</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 \$752,147,300	Debt/ Per Capita 10,412¹
Total General Obligation Debt (includes the Bonds)*	\$17,934,455	2.38%	\$1,722.48
City's Share of Total Overlapping Debt	<u>6,445,316</u>	<u>0.86%</u>	<u>\$619.03</u>
Total*	\$24,379,771	3.24%	\$2,341.51

*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 Concurrent Obligations, the City has identified \$100,000 in 2022 for a General Obligation Note for a new generator and minor capital library project within the next 12 months. Aside from the preceding, has no current plans for additional financing in the next 12 months.

¹ Estimated 2021 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
2017/18	\$5,571,593	100%	\$9.19
2018/19	5,682,547	100%	9.10
2019/20	5,991,150	100%	8.94
2020/21	6,169,037	100%	8.92
2021/22	6,409,807	In Process	8.69

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 2019 Wisconsin Act 185, which provided that for property taxes payable in 2020, a taxation district could, 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 was required to first adopt a resolution authorizing such waiver and determining criteria for determining hardship and then the taxation district was required to subsequently adopt a similar resolution. In the case of a county adopting such a resolution, the county proportionally settled with the taxation districts any taxes, interest and penalties collected on or before July 31, 2020 on August 20, 2020, and settled the remaining unpaid taxes, interest, and penalties on

September 20, 2020. Columbia County and the City did not adopt such resolutions. The City cannot predict whether any similar legislation may be adopted in the future.

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	Total
2017/18	\$10.18	\$5.01	\$9.19	\$24.38
2018/19	10.20	4.85	9.10	24.15
2019/20	9.78	4.66	8.94	23.38
2020/21	9.17	4.55	8.92	22.64
2021/22	8.74	4.31	8.69	21.74

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

LEVY LIMITS

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

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

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

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

Special provisions are made with respect to property taxes levied to pay general obligation debt service. Those are described below. In addition, the statute provides for certain other adjustments to and exclusions from the tax levy limit. Among the exclusions, Section 66.0602(3)(e)5. of the Wisconsin Statutes provides that the levy limit does not apply to "the amount that a political subdivision levies in that year to make up any revenue shortfall for the debt service on a revenue bond issued under Section 66.0621 by that political subdivision." Recent positions taken by Wisconsin Department of Revenue ("DOR") staff call into question the availability of this exception, including by limiting its availability depending on the circumstances surrounding the pertinent revenue shortfall. To date, such DOR positions have not been expressed formally in a declaratory ruling under Section 227.41(5)(a) of the Wisconsin Statutes, nor have they been the subject of any court challenge or resulting court ruling.

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

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

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

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

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

THE ISSUER

CITY GOVERNMENT

The City was incorporated in 1854 and is governed by a Mayor and a nine-member Common Council. All Council Members are elected to three-year terms. The appointed Administrator, Clerk and Finance Director/Treasurer are responsible for administrative details and financial records.

EMPLOYEES; PENSIONS

The City employs a staff of 78 full-time, 30 part-time, and 12 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, 2018 ("Fiscal Year 2018"), the fiscal year ended December 31, 2019 ("Fiscal Year 2019") and the fiscal year ended December 31, 2020 ("Fiscal Year 2020"), the City's portion of contributions to WRS (not including any employee contributions) totaled \$401,118, \$417,493 and \$448,361 respectively.

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

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

As of December 31, 2019, the total pension liability of the WRS was calculated as \$108.87 billion and the fiduciary net position of the WRS was calculated as \$112.09 billion, resulting in a net pension asset of \$3.22 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 2020, the City reported an asset of \$1,254,891 for its proportionate share of the net pension asset of the WRS. The net pension asset was measured as of December 31, 2019 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 0.03891791% of the aggregate WRS net pension asset as of December 31, 2019.

The calculation of the total pension asset 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 asset of the WRS, which may also cause the ETF Board to change the contribution requirements for employers and employees. For more detailed information regarding the WRS and such actuarial assumptions, see "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

Recognized and Certified Bargaining Units

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

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

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

The following bargaining units represent employees of the City:

Bargaining Unit	Expiration Date of Current Contract
International Association of Fire Fighters Union Local No. 2775	December 31, 2023
Wisconsin Professional Police Association Law Enforcement Employee Relations Division	December 31, 2023
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 actuarial study shows a total OPEB liability of \$457,630 as of December 31, 2020. The City has been funding these obligations on a pay-as-you-go basis.

LITIGATION

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

MUNICIPAL BANKRUPTCY

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

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

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

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

FUNDS ON HAND (as of March 31, 2022)

Fund	Total Cash and Investments
General	\$4,175,457
Special Revenue	1,878,213
Debt Service	240,372
Capital Projects	3,082,664
Enterprise Funds	8,601,303
Total Funds on Hand	<u><u>\$17,978,009</u></u>

ENTERPRISE FUNDS

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

	2019	2020	2021 Unaudited
Water			
Total Operating Revenues	\$2,043,559	\$2,188,927	\$2,199,928
Less: Operating Expenses	<u>(1,471,765)</u>	<u>(1,519,257)</u>	<u>(1,468,969)</u>
Operating Income	\$571,794	\$669,670	\$730,959
Plus: Depreciation	502,546	507,727	552,991
Interest Income	<u>68,423</u>	<u>36,662</u>	<u>12,153</u>
Revenues Available for Debt Service	<u><u>\$1,142,763</u></u>	<u><u>\$1,214,059</u></u>	<u><u>\$1,296,103</u></u>
Sewer			
Total Operating Revenues	\$1,889,444	\$1,848,212	\$2,019,767
Less: Operating Expenses	<u>(1,904,721)</u>	<u>(1,901,506)</u>	<u>(1,906,038)</u>
Operating Income	(\$15,277)	(\$53,294)	\$113,729
Plus: Depreciation	766,406	779,697	815,039
Interest Income	<u>82,421</u>	<u>53,211</u>	<u>18,890</u>
Revenues Available for Debt Service	<u><u>\$833,550</u></u>	<u><u>\$779,614</u></u>	<u><u>\$947,658</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 2020 audited financial statements.

COMBINED STATEMENT	FISCAL YEAR ENDING DECEMBER 31				
	2018 Audited	2019 Audited	2020 Audited	2021 Unaudited ¹	2022 Adopted Budget ²
Revenues					
Taxes and special assessments	\$ 3,997,425	\$ 4,213,310	\$ 4,346,856	\$ 4,525,608	\$ 4,668,247
Intergovernmental	2,541,817	2,574,723	2,862,324	2,686,037	2,686,017
Licenses and permits	191,029	194,368	166,873	167,181	165,694
Fines, forfeitures and penalties	153,411	152,773	103,858	117,862	157,850
Public charges for services	97,365	93,466	60,260	116,433	99,790
Intergovernmental charges for services	246,097	242,546	248,067	319,318	282,413
Investment income	53,090	72,413	32,185	22,916	30,000
Miscellaneous general revenues	119,024	104,722	140,880	82,277	87,545
Total Revenues	\$ 7,399,258	\$ 7,648,321	\$ 7,961,303	\$ 8,037,632	\$ 8,177,556
Expenditures					
Current:					
General government	\$ 986,928	\$ 1,077,538	\$ 1,192,026	\$ 1,111,295	\$ 1,268,038
Public safety	3,897,412	3,979,304	3,772,066	3,841,187	3,982,242
Public works	1,834,529	1,920,336	1,751,757	1,852,036	1,968,722
Health and social services	60,500	58,573	72,490	62,960	74,700
Culture, recreation and education	671,824	663,029	652,466	709,979	749,018
Conservation and development	82,102	84,354	75,084	75,287	78,717
Total Expenditures	\$ 7,533,295	\$ 7,783,134	\$ 7,515,889	\$ 7,652,744	\$ 8,121,438
Excess of revenues over (under) expenditures	\$ (134,037)	\$ (134,813)	\$ 445,414	\$ 384,888	\$ 56,118
Other Financing Sources (Uses)					
Proceeds from sale of capital assets	4,949	32173	4223	7,197	4,000
Transfers in	384,963	385,892	378,750	391,696	390,737
Transfers out	(371,190)	(388,233)	(473,139)	(459,234)	(450,855)
Total Other Financing Sources (Uses)	\$ 18,722	\$ 29,832	\$ (90,166)	\$ (60,341)	\$ (56,118)
Excess of revenues and other financing sources over (under) expenditures and other financing uses	\$ (115,315)	\$ (104,981)	\$ 355,248	\$ 324,547	\$ 0
General Fund Balance January 1	3,897,498	3,782,183	3,677,202	4,032,450	
General Fund Balance December 31	\$ 3,782,183	\$ 3,677,202	\$ 4,032,450	\$ 4,356,997	
DETAILS OF DECEMBER 31 FUND BALANCE					
Nonspendable	1,620,633	1,513,102	1,988,423	1,617,236	
Assigned	60,000	0	0	0	
Unassigned	2,101,550	2,164,100	2,044,027	2,739,761	
Total	\$ 3,782,183	\$ 3,677,202	\$ 4,032,450	\$ 4,356,997	

¹ Unaudited data is as of December 31, 2021.

² The 2022 budget was adopted on November 23, 2021.

GENERAL INFORMATION

LOCATION

The City, with a 2020 U.S. Census population of 10,581 and a current estimated population of 10,412 comprises an area of 9.5 square miles and is located in Columbia County approximately 40 miles north of the City of Madison, the state capital. Portage is the county seat of Columbia County. Highways serving the City include Interstate Highways 90, 94 and 39.

LARGER EMPLOYERS¹

Larger employers in the City include the following:

Firm	Type of Business/Product	Estimated No. of Employees
Divine Savior Healthcare	Healthcare services	901 ²
Columbia County	Municipal government and services	572
Penda Corporation	Plastics manufacturer	350
Columbia Correctional Institute	Prison	350
Associated Milk Producers, Inc.	Cheese packaging	345
School District of Portage	Elementary and secondary education	332
Wal-Mart	General retail	300
Saint-Gobain Performance Plastics	Engineered industrial plastics	300
Cardinal FG	Flat glass manufacturer	250
Spectrum Brands, Inc. (Rayovac)	Hearing aid battery manufacturer	190

Source: *Data Axle Reference Solutions, written and telephone survey (May 2022), 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").

² This includes their Pardeeville and Oxford locations as well as Portage.

BUILDING PERMITS

	2018	2019	2020	2021	2022 ¹
<u>New Single Family Homes</u>					
No. of building permits	6	5	8	4	2
Valuation	\$1,441,000	\$1,101,221	\$1,825,000	\$695,000	\$430,000
<u>New Multiple Family Buildings</u>					
No. of building permits	0	0	1	1	0
Valuation	\$0	\$0	\$491,254	\$460,000	\$0
<u>New Commercial/Industrial</u>					
No. of building permits	1	2	6	4	0
Valuation	\$100,000	\$4,570,401	\$3,676,214	\$2,763,105	\$0
<u>All Building Permits</u>					
<i>(including additions and remodelings)</i>					
No. of building permits	259	309	343	335	74
Valuation	\$14,263,318	\$10,832,391	\$11,987,662	\$13,126,967	\$911,970

Source: The City.

¹ As of May 16, 2022.

U.S. CENSUS DATA

Population Trend: The City

2010 U.S. Census	10,324
2020 U.S. Census	10,581
2021 Estimated Population	10,412
Percent of Change 2010 - 2020	2.49%

Income and Age Statistics

	The City	Columbia County	State of Wisconsin	United States
2020 per capita income	\$27,905	\$35,547	\$34,450	\$35,384
2020 median household income	\$52,183	\$69,262	\$63,293	\$64,994
2020 median family income	\$68,174	\$83,664	\$80,844	\$80,069
2020 median gross rent	\$815	\$834	\$872	\$1,096
2020 median value owner occupied units	\$143,400	\$202,000	\$189,200	\$229,800
2020 median age	37.3 yrs.	42.7 yrs. yrs.	39.6 yrs.	38.2 yrs.

	State of Wisconsin	United States
City % of 2020 per capita income	81.00%	78.86%
City % of 2020 median family income	84.33%	85.14%

Housing Statistics

	<u>The City</u>		
	2010	2020	Percent of Change
All Housing Units	4,266	4,467	4.71%

Source: 2010 and 2020 Census of Population and Housing, and 2020 American Community Survey (Based on a five-year estimate), U.S. Census Bureau (<https://data.census.gov/cedsci>).

EMPLOYMENT/UNEMPLOYMENT DATA

	<u>Average Employment</u>	<u>Average Unemployment</u>	
Year	Columbia County	Columbia County	State of Wisconsin
2018	30,724	2.7%	3.0%
2019	30,890	2.9%	3.2%
2020	29,655	6.0%	6.3%
2021 ¹	30,897	3.4%	3.8%
2022, March ¹	31,340	3.1%	3.3%

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 Preliminary Official Statement, nor has the City requested that the Auditor consent to the use of such financial statements in this Preliminary Official Statement. Although the inclusion of the financial statements in this Preliminary Official Statement is not intended to demonstrate the fiscal condition of the City since the date of the financial statements, in connection with the issuance of the Bonds, the City represents that there have been no material adverse change in the financial position or results of operations of the City, nor has the City incurred any material liabilities, which would make such financial statements misleading.

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

City of Portage

Financial Statements and Supplementary Information

December 31, 2020

City of Portage

Table of Contents

December 31, 2020

	Page
Independent Auditors' Report	i
Required Supplementary Information	
Management's Discussion and Analysis	iii
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	1
Statement of Activities	3
Fund Financial Statements	
Balance Sheet - Governmental Funds	5
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	7
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	8
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	10
Statement of Net Position - Proprietary Funds	11
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	13
Statement of Cash Flows - Proprietary Funds	14
Statement of Fiduciary Net Position - Fiduciary Fund	16
Statement of Changes in Fiduciary Net Position - Fiduciary Fund	17
Index to Notes to Financial Statements	18
Notes to Financial Statements	19
Required Supplementary Information	
Detailed Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	55
Special Revenue Funds	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - CDBG Fund	59
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Mass Transit	60

	<u>Page</u>
Schedule of Proportionate Share of the Net Pension Liability (Asset) - Wisconsin Retirement System	61
Schedule of Employer Contributions - Wisconsin Retirement System	61
Notes to Required Supplementary Information	62
Supplementary Information	
Combining Balance Sheet - Nonmajor Governmental Funds	63
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	68

Independent Auditors' Report

To the City Council of
City of Portage

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 Portage, Wisconsin, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City of Portage'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.

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 Portage'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 Portage'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 Portage, Wisconsin, as of December 31, 2020 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.

Baker Tilly US, LLP, trading as Baker Tilly, is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the 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 Portage's basic financial statements. The accompanying supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying 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 Portage'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 Portage'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 Portage's internal control over financial reporting and compliance.

Baker Tilly US, LLP

Madison, Wisconsin
July 7, 2021

CITY OF PORTAGE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)

As of and for the Year Ended December 31, 2020

As management of the City of Portage, Wisconsin (City), we offer readers of the City's financial statement this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2020. We encourage readers to consider the information presented here in conjunction with the City's financial statements.

FINANCIAL HIGHLIGHTS

- > The assets and deferred outflows of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$38,809,074 (net position). Of this amount, \$5,883,846 is available for spending at the government's discretion (unrestricted net position). The total net position includes all major infrastructure networks.
- > The City's total net position decreased by \$563,458 in 2020.
- > As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$4,727,951, which represents a decrease of \$1,831,215 in comparison with 2019.
- > At the end of the current fiscal year, unassigned fund balance for the general fund was \$2,044,027 or approximately 27% of the total general fund expenditures.
- > Total governmental activities general obligation debt decreased \$931,425 to \$13,858,129 and business-type general obligation debt decreased \$530,000 to \$2,265,000.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

GOVERNMENT-WIDE STATEMENTS

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

The *Statement of Net Position* presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. To assess the overall health of the City you need to consider additional non-financial factors such as changes in the City's property tax base and the condition of the City's infrastructure.

The *Statement of Activities* presents information showing how the City's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

CITY OF PORTAGE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)

As of and for the Year Ended December 31, 2020

OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

GOVERNMENT-WIDE STATEMENTS (cont.)

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government; public safety; public works; health and human services; culture, education and recreation; conservation and development; and interest. The business-type activities of the City include Portage Water Utility and Sewer Utility.

The government-wide financial statements can be found on pages 1 – 4 of this report.

FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and agency funds.

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains 35 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, CDBG Fund, Mass Transit Fund, Debt Service Fund, Capital Projects Fund, and the Vehicle Equipment Replacement Fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report. In future years, the Council may choose to designate other significant governmental funds.

The basic governmental fund financial statements can be found on pages 5 – 10 of this report.

CITY OF PORTAGE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)

As of and for the Year Ended December 31, 2020

OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

FUND FINANCIAL STATEMENTS (cont.)

Proprietary Funds – The City maintains two major Proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Water and Sewer Utilities.

Enterprise funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Sewer and Water Utilities since they are considered to be major funds of the City.

The basic proprietary fund financial statements can be found on pages 11 - 15 of this report.

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

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 18 - 54 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, *required supplementary information* presents a detailed budgetary comparison schedule for the General Fund, the CDBG special revenue fund, and the Mass Transit special revenue fund to demonstrate compliance with the budget for these three funds, followed by the City's pension related information. This information can be found on pages 55 - 62 of this report. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining statements can be found on pages 63 - 73 of this report.

The financial statements also include the "BID" as a component unit. Business Improvement District (BID's) financial statements have been presented as a discrete column in the financial statements.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

An analysis of the City's financial position begins with a review of the Statement of Net Position and the Statement of Activities. These two statements report the City's net position and changes therein. It should be noted that the financial position can also be affected by non-financial factors, including economic conditions, population growth and new regulations.

As noted earlier, net position may serve over time as a useful indicator of government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$38,809,074 as of December 31, 2020.

CITY OF PORTAGE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
As of and for the Year Ended December 31, 2020

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

The largest portion of the City's net position (approximately 72%) reflects its investments in capital assets (e.g., land, building, equipment, improvements, construction in progress and infrastructure), less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide service to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (approximately 12%) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position of \$5,883,846 may be used to meet the government's ongoing obligation to citizens and creditors.

CITY OF PORTAGE'S STATEMENT OF NET POSITION					
	Governmental Activities		Business-Type Activities		Totals
	2020	2019	2020	2019	
Current and other assets	\$ 15,448,834	\$ 15,720,488	\$ 7,681,227	\$ 9,040,954	\$ 23,130,061
Capital assets	31,377,826	31,172,538	22,034,387	22,090,134	53,412,213
Total Assets	46,826,660	46,893,026	29,715,614	31,131,088	78,024,114
Pension related amounts	2,613,760	3,319,103	319,502	354,792	2,933,262
Total Deferred Outflows of Resources	2,613,760	3,319,103	319,502	354,792	2,933,262
Other liabilities	1,481,153	1,184,287	203,460	205,673	1,684,613
Long-term liabilities	15,354,943	17,509,947	13,368,827	14,418,886	28,773,769
Total Liabilities	16,836,095	18,694,234	13,572,287	14,684,559	30,408,382
Unearned revenues	6,493,926	6,298,655	-	-	6,493,926
Pension related amounts	3,349,292	1,680,186	414,862	193,583	3,764,154
Total Deferred Inflows of Resources	9,843,218	7,978,841	414,862	193,583	10,258,080
Net investment in capital assets	18,247,480	18,067,229	9,879,793	9,945,022	28,127,273
Restricted	3,380,773	2,213,706	1,417,182	1,230,223	4,797,955
Unrestricted	1,132,854	3,258,119	4,750,992	4,658,233	5,883,846
TOTAL NET POSITION	\$ 22,761,107	\$ 23,539,054	\$ 16,047,967	\$ 15,833,478	\$ 38,809,074

Analysis of the City's Operations – The following table provides a summary of the City's operations for the year ended December 31, 2020. Net position for governmental activities decreased by \$777,947 to a total of \$22,761,107. Business-type activities increased \$214,489 to a total of \$16,047,967.

vi

CITY OF PORTAGE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
As of and for the Year Ended December 31, 2020

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

CHANGES IN NET POSITION

The following tables and narrative reviews separately the operational results of governmental and business-type activities.

CITY OF PORTAGE CONDENSED STATEMENT OF ACTIVITIES						
	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 1,080,286	\$ 1,432,863	\$ 4,035,023	\$ 3,933,003	\$ 5,115,309	\$ 5,365,866
Operating grants and contributions	1,410,952	1,371,496	33,537	33,997	1,444,489	1,405,493
Capital grants and contributions	1,906,721	646,582	31,491	1,000	1,638,212	647,582
General revenues:						
Property taxes	6,243,767	5,924,364	-	-	6,243,767	5,924,364
Other taxes	284,975	343,012	-	-	284,975	343,012
Intergovernmental	2,215,411	2,011,208	-	-	2,215,411	2,011,208
Investment income	83,692	176,059	89,873	150,844	173,565	326,903
Gain on disposal of assets	-	151,680	-	-	-	151,680
Miscellaneous	305,260	43,187	38,496	17,461	343,756	60,648
Total Revenues	13,233,064	12,110,651	4,228,420	4,136,305	17,461,484	16,246,956
Expenses:						
General government	1,311,536	1,329,272	-	-	1,311,536	1,329,272
Public safety	5,063,681	4,651,409	-	-	5,063,681	4,651,409
Public works	4,243,992	4,502,857	-	-	4,243,992	4,502,857
Health and human services	72,490	58,573	-	-	72,490	58,573
Culture, education and recreation	2,944,951	2,105,149	-	-	2,944,951	2,105,149
Conservation and development	221,018	371,903	-	-	221,018	371,903
Interest and fiscal charges	377,380	451,841	-	-	377,380	451,841
Water utility	-	-	1,666,292	1,689,021	1,666,292	1,689,021
Sewer utility	-	-	2,123,602	2,191,816	2,123,602	2,191,816
Total Expenses	14,235,048	13,471,004	3,789,894	3,880,837	18,024,942	17,351,841
Income Before Transfers	(1,001,984)	(1,360,353)	438,526	255,468	(563,458)	(1,105,085)
Transfers	224,037	385,892	(224,037)	(385,892)	-	-
Increase (Decrease) in net position	(777,947)	(974,661)	214,489	(130,424)	(563,458)	(1,105,085)
Net Position - beginning	23,539,054	24,513,715	15,833,478	15,963,902	39,372,532	40,477,617
Net Position - Ending	\$ 22,761,107	\$ 23,539,054	\$ 16,047,967	\$ 15,833,478	\$ 38,809,074	\$ 39,372,532

vii

CITY OF PORTAGE, WISCONSIN

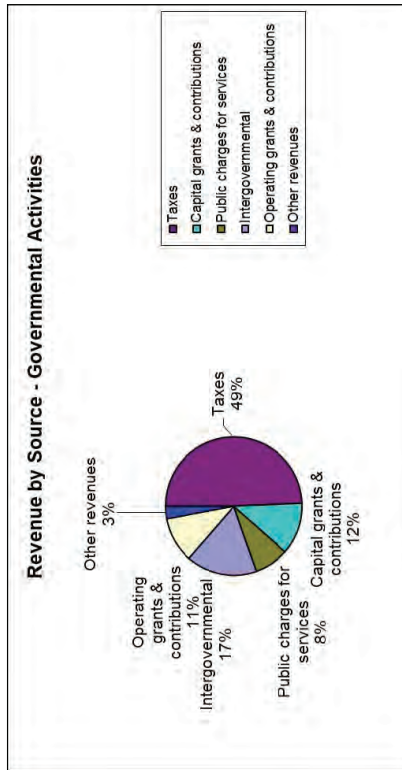
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)

As of and for the Year Ended December 31, 2020

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

GOVERNMENTAL ACTIVITIES

The City received a total of \$13,233,064 in governmental activity revenues in 2020. As the following chart indicates, the largest revenue source is taxes followed by intergovernmental revenues.



Total governmental activities expenses were \$14,235,048 in 2020. Expenses exceeded revenues by \$1,001,984. After transfers in, there was a decrease in net position of \$777,947.

In 2020, Public Safety (police, fire, EMS, emergency government) accounted for the largest share of City expenditures at 36%. This was followed closely by expenditures on Public Works activities at 30%. Other expenditure areas included General Government at 9%, Culture, Education, and Recreation at 21%, Interest and Fiscal Charges at 3%, Conservation and Development at 2% and Health and Human Services at less than 1%.

CITY OF PORTAGE, WISCONSIN

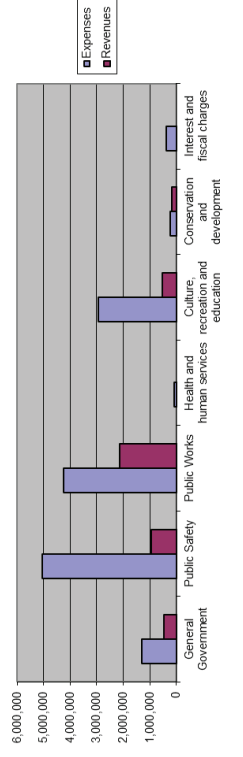
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)

As of and for the Year Ended December 31, 2020

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

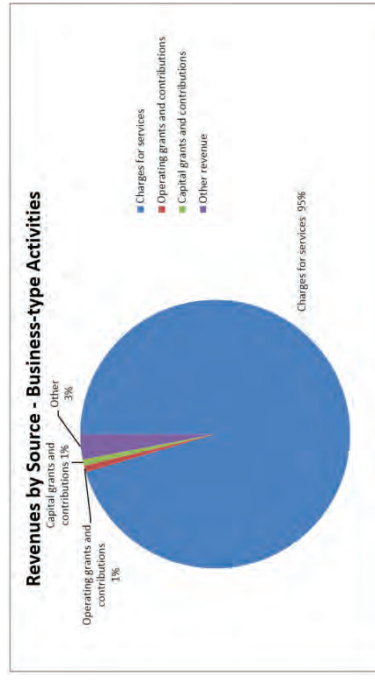
GOVERNMENTAL ACTIVITIES (cont.)

Expenses & Program Revenues - Governmental Activities



BUSINESS-TYPE ACTIVITIES

The City generated \$4,228,420 in business-type activity revenue in 2020 from its Water and Sewer Utilities. Charges for services are by far the largest revenue source for these operations, representing 95% of revenues.



CITY OF PORTAGE, WISCONSIN

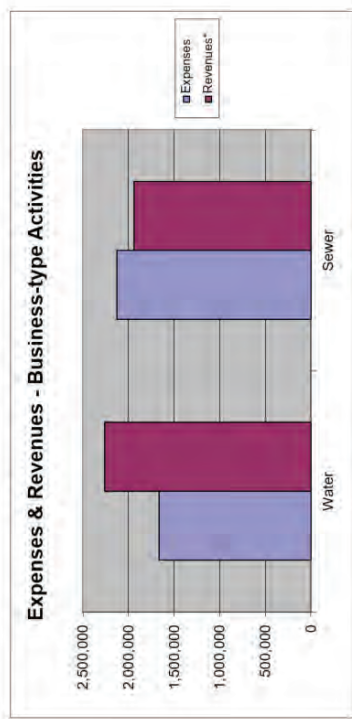
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)

As of and for the Year Ended December 31, 2020

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

BUSINESS-TYPE ACTIVITIES (cont.)

Business-type activities increased the City's net position by \$214,489 in 2020, which represents a 1.4% increase over the previous year. The net operating income of the Water and Sewer Utilities was \$616,376. The following graph compares the revenues to the expenses for each utility. The current water and sewer rates became effective July 2019 and May 2015, respectively.



* Revenues do not include contributions/transfers

CITY OF PORTAGE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)

As of and for the Year Ended December 31, 2020

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

GOVERNMENTAL FUNDS

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the government's net resources available for spending at the end of the fiscal year.

At the end of current fiscal year, the City's governmental funds reported combined ending fund balances of \$3,796,322 of the fund balance is not available for new spending because it is either restricted or is in a nonspendable format.

MAJOR FUNDS

General Fund – The General Fund is the main operating fund of the City. The general fund balance increased from \$3,677,202 to \$4,032,450, or \$355,248. Overall, expenditures in the General Fund were under budget by \$265,797; total revenues were \$101,215 higher than budgeted with other financing sources and uses were below budget by (\$11,764). The General Fund's activities are funded by state aids, property taxes, charges for services and other minor miscellaneous revenues.

CDBG Fund – This fund accounts for grants and local revenues being loaned for community housing programs. During 2020, the loan portfolio of this fund shows the net receivable balance decreased from \$1,376,331 to \$1,321,566, or \$54,765.

Mass Transit Fund – This special revenue fund is used to report grants and local match amounts for the taxi program of the City. After transfers and other financing sources, the fund had an increase in fund balance of \$9,857. The program received special assistance through the CARES Act which covers 100% of the deficit of the program. The fourth quarter Federal payment of \$152,468 was received in April 2021.

Debt Service Fund – The Debt Service Fund accounts for the accumulation of resources for, and the payment of general long-term principal, interest and related costs. The Fund balance of \$126,554 remained stagnant as there was no significant borrowing in 2020.

Capital Projects Fund – This fund accounts for proceeds from long-term borrowing and other resources to be used for capital improvement projects. Fund balance changed from \$1,680,616 to \$441,911, a decrease of \$1,238,705. This decrease is due to spend down from the 2019 borrowing for both 2019 and 2020 projects.

Vehicle Replacement Fund – This fund is used to account for amounts assigned to vehicle and equipment acquisitions. For 2020, there was a decrease in this fund of \$26,274 for scheduled replacements.

NON-MAJOR GOVERNMENTAL FUNDS

Fund balance of all other governmental funds is a deficit of \$1,427,242 and is comprised of restricted, committed, and assigned amounts, in addition to some unassigned (deficit) balances. This is a decrease of \$978,433 from 2019, including a \$689,946 decrease in overall TIF related funds mainly due to a development in TIF# 4.

CITY OF PORTAGE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
As of and for the Year Ended December 31, 2020

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

PROPRIETARY FUNDS

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

Water Utility – The water utility net position increased \$292,275 or 3.0%. Operating income was \$669,670, compared to \$571,794 in the prior year.

Sewer Utility – The wastewater treatment plant provides sewer service for the City residents. The sewer utility net position decreased \$77,786 or 1.3%. Operating loss was \$53,294, compared to a loss of \$15,277 in the prior year.

GENERAL FUND BUDGETARY HIGHLIGHTS

The total original and final budget expenditures, including those for transfers out, were \$8,254,825, while the actual expenditures were \$7,989,028 under budget by \$265,797. Actual revenues and other financing sources were above budgeted revenues in total by \$89,451, resulting in a \$355,248 favorable change to budget.

The actual expenditures were below budget in the following areas: public works (\$178,955), culture, rec (\$72,567), public safety (\$23,548), and other departments (\$9,997). These were offset by above budget expenditures in general government of \$19,270 for a total of (\$265,797).

Revenues were higher than budget overall leading with intergovernmental \$204,337, followed by Miscellaneous \$61,635 and Taxes \$38, offset by Fines, forfeitures and penalties (\$74,742), Public Charges for Services (\$38,630), intergovernmental Charges for Services (\$28,534), Investment Income (\$14,815), and Transfer Ins (\$11,764), netting to \$89,451.

CITY OF PORTAGE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
As of and for the Year Ended December 31, 2020

CAPITAL ASSETS

At the end of 2020, the City had invested a total of \$53,412,213 in capital assets (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, machinery and equipment, infrastructure, water and sewer plant, and construction work in progress.

Major capital asset events during the current fiscal year included the following: street reconstruction including water mains, sewer laterals, sidewalk project; and storm water, police & fire radio replacements; council chambers audio upgrade; museum repairs; Paquette multi use shelter; sewer SCADA, RBC replacements; water pickup truck, three police vehicles; dump truck; two ½ ton pickup trucks.

CITY OF PORTAGE CAPITAL ASSETS AT YEAR-END NET OF ACCUMULATED DEPRECIATION			
	Governmental Activities 2020	Business-type Activities 2020	Total
Land	\$ 2,144,350	\$ 500,618	\$ 2,644,968
Construction in progress	402,188	119,878	522,066
Buildings and improvement	15,236,604		15,236,604
Equipment	8,923,173		8,923,173
Infrastructure	36,643,268		36,643,268
Water plant		23,760,153	23,760,153
Sewer plant		27,850,893	27,850,893
Less Depreciation	(31,971,757)	(30,197,155)	(62,168,912)
Totals	\$ 31,377,826	\$ 22,034,387	\$ 53,412,213

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

LONG-TERM DEBT

The City had \$26,858,120 in outstanding notes and bonds payable at the end of 2020. Of the bonded debt, \$13,858,129 is to be repaid with general property taxes (of which \$2,445,000 are TID obligations), \$12,999,991 are water and sewer utility obligations.

CITY OF PORTAGE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)

As of and for the Year Ended December 31, 2020

LONG-TERM DEBT (cont.)

Under Wisconsin State Statutes, Chapter 67, the City's aggregate general obligation indebtedness may not exceed 5% of the equalized value of taxable property located in the City. The net amount of debt that is applicable to the statutory limit is \$16,123,129, which is 48% of the maximum \$35,223,330 allowable.

CITY OF PORTAGE'S OUTSTANDING BONDS AND NOTES			
	Governmental Activities 2020	Business-type Activities 2020	Total
General obligation bonds and notes payable	\$ 13,858,129	\$ 2,265,000	\$ 16,123,129
Revenue bonds	-	10,734,991	10,734,991
Totals	\$ 13,858,129	\$ 12,999,991	\$ 26,858,120

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

CURRENTLY KNOWN FACTS/ECONOMIC CONDITIONS

The City is located approximately 45 miles north of Madison and it is also the county seat of Columbia County. The population as of 2010 was 10,662, making it the largest city within the county.

The property tax base posted a 7.31% increase in equalized value for 2020. Assessment data indicates that the rate of appreciation in value of all classes of property as 3.85% in 2020.

The City of Portage Council adopted the 2021 budget in November 2020. The budget authorizes General Fund expenditures of \$8.3 million, a slight increase from the previous year. The combined property tax levy for all funds is \$6.0 million, a 5.4% increase from the previous year.

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

All other currently known facts and economic conditions were considered in preparing the 2020 budget.

xiv

CITY OF PORTAGE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)

As of and for the Year Ended December 31, 2020

REQUESTS FOR INFORMATION

The financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the City's finances. If you have questions about this report or need any additional information, contact Shawn Murphy, City Administrator.

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

xv

Statement of Net Position
December 31, 2020

See notes to financial statements

Statement of Net Position
December 31, 2020

See notes to financial statements

City of Portage

Statement of Activities
Year Ended December 31, 2020

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities:				
General government	\$ 1,311,536	\$ 165,834	\$ 163,071	\$ -
Public safety	5,063,681	422,001	87,362	429,334
Public works	4,243,992	411,606	887,492	836,666
Health and human services	72,490	-	-	-
Culture, education and recreation	2,944,951	37,052	288,120	209,717
Conservation and development	221,018	43,793	4,907	131,004
Interest and fiscal charges	377,380	-	-	-
Total governmental activities	14,235,048	1,080,286	1,410,952	1,606,721
Business-type activities:				
Water utility	1,666,292	2,188,207	720	-
Sewer utility	2,123,602	1,846,816	32,817	31,491
Total business-type activities	3,789,894	4,035,023	33,537	31,491
Total primary government	\$ 18,024,942	\$ 5,115,309	\$ 1,444,489	\$ 1,638,212
Component Unit				
BID Fund	\$ 81,130	\$ 1,573	\$ 975	\$ -

General Revenues

Taxes
Property taxes, levied for general purposes
Property taxes, levied for debt service
Property taxes, levied for TIF districts
Property taxes, levied for the library
Other taxes
Intergovernmental revenues
not restricted to specific programs
Investment income
Miscellaneous

Total general revenues

Transfers

Change in net position

Net Position, Beginning

Net Position, Ending

Net (Expenses) Revenues and Changes in Net Position					Component Unit
Primary Government			Total		BID Fund
Governmental Activities	Business-Type Activities				
\$ (982,631)	\$ -	\$ (982,631)	\$ -		-
(4,124,984)	-	(4,124,984)	-		-
(2,108,228)	-	(2,108,228)	-		-
(72,490)	-	(72,490)	-		-
(2,430,062)	-	(2,430,062)	-		-
(41,314)	-	(41,314)	-		-
(377,380)	-	(377,380)	-		-
(10,137,089)	-	(10,137,089)	-		-
-	522,635	522,635	-		-
-	(212,478)	(212,478)	-		-
-	310,157	310,157	-		-
(10,137,089)	310,157	(9,826,932)	-		-
-	-	-	-		(78,582)
4,326,111	-	4,326,111	-		89,500
1,146,854	-	1,146,854	-		-
250,490	-	250,490	-		-
520,312	-	520,312	-		-
284,975	-	284,975	-		-
2,215,411	-	2,215,411	-		-
85,692	89,873	175,565	-		1,539
305,260	38,496	343,756	-		-
9,135,105	128,369	9,263,474	-		91,039
224,037	(224,037)	-	-		-
(777,947)	214,489	(563,458)	-		12,457
23,539,054	15,833,478	39,372,532	-		117,560
\$ 22,761,107	\$ 16,047,967	\$ 38,809,074	\$ -		130,017

See notes to financial statements

See notes to financial statements

City of Portage

Balance Sheet
Governmental Funds
December 31, 2020

	General Fund	CDBG Fund	Mass Transit Fund	Debt Service Fund
Assets				
Cash and investments	\$ 2,055,218	\$ 106,804	\$ 13,425	\$ 126,554
Receivables:				
Taxes	4,456,710	-	-	1,194,520
Accounts	150,947	-	452	-
Special assessments	-	-	-	-
Delinquent personal property taxes	1,690	-	-	-
Loans	-	1,321,566	-	-
Other	-	-	-	-
Due from other governments	18,435	-	152,468	-
Due from other funds	449,638	-	-	-
Prepaid items	86,430	-	-	-
Restricted cash and investments	-	-	-	-
Advances to other funds	1,900,303	-	-	-
	<u>\$ 9,119,371</u>	<u>\$ 1,428,370</u>	<u>\$ 166,345</u>	<u>\$ 1,321,074</u>
Total assets				

Liabilities, Deferred Inflows of Resources and Fund Balances

Liabilities				
Accounts payable	\$ 274,133	\$ -	\$ 72,347	\$ -
Accrued liabilities	346,496	-	-	-
Deposits	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	7,906	-	-	-
Advances from other funds	-	-	-	-
	<u>630,211</u>	<u>-</u>	<u>72,347</u>	<u>-</u>
Total liabilities				
Deferred Inflows of Resources				
Property taxes levied for next period	4,456,710	-	-	1,194,520
Unavailable revenues	-	1,322,171	152,468	-
	<u>4,456,710</u>	<u>1,322,171</u>	<u>152,468</u>	<u>1,194,520</u>
Total deferred inflows of resources				
Fund Balances (Deficit)				
Nonspendable	1,988,423	-	-	-
Restricted	-	106,199	-	126,554
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned (deficit)	2,044,027	-	(58,470)	-
	<u>4,032,450</u>	<u>106,199</u>	<u>(58,470)</u>	<u>126,554</u>
Total fund balances (deficit)				
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 9,119,371</u>	<u>\$ 1,428,370</u>	<u>\$ 166,345</u>	<u>\$ 1,321,074</u>

See notes to financial statements
5

	Capital Projects Fund	Vehicle Equipment Replacement Fund	Nonmajor Governmental Funds	Total
\$	734,938	\$ 1,555,349	\$ 683,703	\$ 5,275,991
	7,442	-	835,254	6,493,926
	638	-	68,867	220,904
	19,302	-	38,798	58,100
	-	-	-	1,690
	-	-	-	1,321,566
	-	121,006	140,641	261,647
	-	-	-	170,903
	-	-	-	449,638
	-	-	14,043	100,473
	-	-	40,499	40,499
	-	-	-	1,900,303
	<u>762,320</u>	<u>\$ 1,676,355</u>	<u>\$ 1,821,805</u>	<u>\$ 16,295,640</u>
\$	293,665	\$ 169,806	\$ 179,441	\$ 989,392
	-	-	37,776	384,272
	-	-	8,115	8,115
	-	-	-	1,676
	-	-	70,888	78,794
	-	-	1,900,303	1,900,303
	<u>293,665</u>	<u>169,806</u>	<u>2,196,523</u>	<u>3,362,552</u>
	7,442	-	835,254	6,493,926
	19,302	-	217,270	1,711,211
	<u>26,744</u>	-	<u>1,052,524</u>	<u>8,205,137</u>
	-	-	14,043	2,002,466
	997,965	188,363	374,775	1,793,856
	-	-	1,804	1,804
	-	1,318,186	242,218	1,560,404
	<u>(556,054)</u>	-	<u>(2,060,082)</u>	<u>(630,579)</u>
	<u>441,911</u>	<u>1,506,549</u>	<u>(1,427,242)</u>	<u>4,727,951</u>
\$	762,320	\$ 1,676,355	\$ 1,821,805	\$ 16,295,640

See notes to financial statements
6

City of Portage

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
December 31, 2020

Total Fund Balances, Governmental Funds

\$ 4,727,951

Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:

Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds.

Land	2,144,350
Construction in progress	402,188
Other capital assets	60,803,045
Less accumulated depreciation	(31,971,757)

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

1,711,211

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

1,132,291

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

2,613,760

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

(3,349,292)

Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds.

Bonds and notes payable	(13,858,129)
Compensated absences	(999,024)
Accrued interest	(97,698)
Unamortized debt premium	(270,182)
Retiree health insurance	(227,607)

Net Position of Governmental Activities

\$ 22,761,107

City of Portage

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
Year Ended December 31, 2020

	General Fund	CDBG Fund	Mass Transit Fund	Debt Service Fund
Revenues				
Taxes	\$ 4,346,856	\$ -	\$ -	\$ 1,146,854
Special assessments	-	-	-	-
Intergovernmental	2,862,324	-	802,879	-
Licenses and permits	166,873	-	-	-
Fines, forfeitures and penalties	103,858	-	-	-
Public charges for services	60,260	59,671	384,979	-
Intergovernmental charges for services	248,067	-	-	-
Investment income	32,185	584	-	-
Miscellaneous revenues	140,880	-	-	-
Total revenues	7,961,303	60,255	1,187,858	1,146,854
Expenditures				
Current:				
General government	1,192,026	-	-	-
Public safety	3,772,066	-	-	-
Public works	1,751,757	-	1,257,116	-
Health and human services	72,490	-	-	-
Culture, recreation and education	652,466	-	-	-
Conservation and development	75,084	13,162	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	1,231,425
Interest and fiscal charges	-	-	-	402,812
Total expenditures	7,515,889	13,162	1,257,116	1,634,237
Excess (deficiency) of revenues over expenditures	445,414	47,093	(69,258)	(487,383)
Other Financing Sources (Uses)				
Debt issued	-	-	-	-
Transfers in	378,750	-	71,000	487,382
Sale of capital assets	4,223	-	8,115	-
Transfers out	(473,139)	-	-	-
Total other financing sources (uses)	(90,166)	-	79,115	487,382
Net change in fund balances	355,248	47,093	9,857	(1)
Fund Balances (Deficit), Beginning	3,677,202	59,106	(68,327)	126,555
Fund Balances (deficit), Ending	\$ 4,032,450	\$ 106,199	\$ (58,470)	\$ 126,554

See notes to financial statements

See notes to financial statements

City of Portage

Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended December 31, 2020

Net Change in Fund Balances, Total Governmental Funds	\$	(1,831,215)
Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:		
Governmental funds report capital outlays as expenditures. However, in the statement of net position the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities. Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements		3,580,341
Some items reported as capital outlay were not capitalized		(365,876)
Depreciation is reported in the government-wide financial statements		(1,461,563)
Net book value of assets retired		(249,471)
Capital assets contributed to business-type activities.		(154,713)
Net book value of assets removed are reported in the government-wide financial statements		(1,143,430)
Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.		(71,594)
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.		(300,000)
Debt issued		1,231,425
Principal repaid		
Governmental funds report debt premiums and discounts as other financing sources (uses) or financing sources or uses. However, in the statement of net position, these are reported as additions to or deductions from long-term debt. These are allocated over the period the debt is outstanding in the statement of activities and are reported as interest expense.		
Amortization of debt premium		18,705
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		100,898
Retiree health insurance		(119,060)
Accrued interest on debt		6,727
Net pension asset/liability		2,355,328
Deferred outflows of resources related to pensions		(705,343)
Deferred inflows of resources related to pensions		(1,669,106)
Change in Net Position of Governmental Activities	\$	(777,947)

See notes to financial statements
10

Capital Projects Fund	Vehicle Equipment Replacement Fund	Nonmajor Governmental Funds	Total
\$ -	\$ -	\$ 1,035,032	\$ 6,528,742
-	-	62,881	62,881
72,585	159,733	433,101	4,330,622
-	-	90,398	257,271
-	-	-	103,858
31,245	-	21,493	557,648
-	269,601	81,533	599,201
43,906	13,018	17,337	107,030
156,979	153,389	278,041	729,289
304,715	595,741	2,019,816	13,276,542
-	-	-	1,192,026
-	-	294,724	4,066,790
-	-	296,206	3,305,079
-	-	-	72,490
-	-	1,088,957	1,741,423
-	-	133,995	222,241
1,893,420	886,775	800,146	3,580,341
-	-	-	1,231,425
-	-	-	402,812
1,893,420	886,775	2,614,028	15,814,627
(1,588,705)	(291,034)	(594,212)	(2,538,085)
300,000	-	-	300,000
98,500	251,668	286,471	1,573,771
1,500	13,092	1,190	28,120
(50,000)	-	(671,882)	(1,195,021)
350,000	264,760	(384,221)	706,870
(1,238,705)	(26,274)	(978,433)	(1,831,215)
1,680,616	1,532,823	(448,809)	6,559,166
\$ 441,911	\$ 1,506,549	\$ (1,427,242)	\$ 4,727,951

See notes to financial statements
9

City of Portage

Statement of Net Position
Proprietary Funds
December 31, 2020

Business-Type Activities - Enterprise Funds			
	Water Utility	Sewer Utility	Total
Fund	Fund	Fund	

Assets			
Current assets:			
Cash and investments	\$ 1,762,633	\$ 2,468,222	\$ 4,230,855
Receivables:			
Tax roll receivable	17,933	15,362	33,295
Accounts	407,288	9,077	416,365
Due from other funds	7,906	113,815	121,721
Special assessments	-	34,912	34,912
Inventories and prepaid items	42,094	8,592	50,686
Restricted Cash and investments:			
Redemption account	265,539	238,567	504,106
Total current assets	2,503,393	2,888,547	5,391,940

Noncurrent assets:			
Restricted assets:			
Net pension asset	56,635	65,965	122,600
Construction account	179,238	867,550	1,046,788
Reserve account	334,072	434,601	768,673
Equipment replacement	-	843,791	843,791
Capital assets:			
Land and land rights	118,723	381,895	500,618
Construction in progress	27,983	91,895	119,878
Property and equipment	23,760,153	27,850,893	51,611,046
Less accumulated depreciation	(10,619,093)	(19,578,062)	(30,197,155)
Total noncurrent assets	13,857,711	10,958,528	24,816,239
Total assets	16,361,104	13,847,075	30,208,179

Deferred Outflows of Resources

Pension related amounts	162,578	156,924	319,502
Total deferred outflows of resources	162,578	156,924	319,502

City of Portage

Statement of Net Position
Proprietary Funds
December 31, 2020

Business-Type Activities - Enterprise Funds			
	Water Utility	Sewer Utility	Total
Fund	Fund	Fund	

Liabilities			
Current liabilities:			
Accounts payable	\$ 51,726	\$ 38,984	\$ 90,710
Accrued interest	8,801	4,094	12,895
Accrued wages	19,173	22,189	41,362
Accrued taxes	-	5,178	5,178
Current portion of compensated absences	22,969	27,382	50,351
Current portion of general obligation debt	320,000	190,000	510,000
Due to other funds	492,565	-	492,565
Current liability from restricted assets	19,148	34,167	53,315
Accrued interest payable	160,966	264,623	425,589
Revenue bonds payable	1,095,348	586,617	1,681,965
Total current liabilities			

Noncurrent liabilities:			
Long-term debt:			
General obligation debt payable	1,120,000	635,000	1,755,000
Revenue debt payable	3,842,120	646,282	10,309,402
Unamortized premium	98,761	96,445	195,206
Other liabilities:			
Compensated absences	51,761	71,518	123,279
Total noncurrent liabilities	5,112,642	7,270,245	12,382,887
Total liabilities	6,207,990	7,856,862	14,064,852

Deferred Inflows of Resources

Pension related amounts	218,420	196,442	414,862
Total deferred inflows of resources	218,420	196,442	414,862

Net Position

Net investment in capital assets	7,923,669	1,956,124	9,879,793
Restricted for:			
Debt service	246,391	204,400	450,791
Pension	56,635	65,965	122,600
Equipment replacement	-	843,791	843,791
Unrestricted	1,870,577	2,880,415	4,750,992
Total net position	\$ 10,097,272	\$ 5,950,695	\$ 16,047,967

See notes to financial statements
11

See notes to financial statements
12

City of Portage

Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
Year Ended December 31, 2020

	Business-Type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Total
	Fund	Fund	
Operating Revenues			
Public charges for services	\$ 2,188,207	\$ 1,846,816	\$ 4,035,023
Other	720	1,396	2,116
Total operating revenues	2,188,927	1,848,212	4,037,139
Operating Expenses			
Operation and maintenance	999,908	1,121,809	2,121,717
Depreciation	507,727	779,697	1,287,424
Taxes	11,622	-	11,622
Total operating expenses	1,519,257	1,901,506	3,420,763
Operating income (loss)	669,670	(53,294)	616,376
Nonoperating Revenues (Expenses)			
Investment income	36,662	53,211	89,873
Interest and fiscal charges	(147,035)	(222,096)	(369,131)
Rebate on Build America bonds	-	31,421	31,421
Miscellaneous revenues	33,557	4,939	38,496
Total nonoperating revenues (expenses)	(76,816)	(132,525)	(209,341)
Income (loss) before contributions and transfers	592,854	(185,819)	407,035
Contributions and Transfers			
Contributions in aid of construction	-	31,491	31,491
Capital paid in by municipality	78,171	76,542	154,713
Transfers out	(378,750)	-	(378,750)
Total contributions and transfers	(300,579)	108,033	(192,546)
Change in net position	292,275	(77,786)	214,489
Net Position, Beginning	9,804,997	6,028,481	15,833,478
Net Position, Ending	<u>\$ 10,097,272</u>	<u>\$ 5,950,695</u>	<u>\$ 16,047,967</u>

See notes to financial statements
13

City of Portage

Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2020

	Business-Type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Total
	Fund	Fund	
Cash Flows From Operating Activities			
Received from customers	\$ 2,210,658	\$ 1,841,957	\$ 4,052,615
Paid to suppliers for goods and services	(631,213)	(796,952)	(1,428,165)
Paid to employees for services	(342,628)	(373,836)	(716,464)
Net cash flows from operating activities	1,236,817	671,169	1,907,986
Cash Flows From Investing Activities			
Investment income	36,662	53,211	89,873
Net cash flows from investing activities	36,662	53,211	89,873
Cash Flows From Noncapital Financing Activities			
Paid to municipality for tax equivalent	(378,750)	-	(378,750)
Net cash flows from noncapital financing activities	(378,750)	-	(378,750)
Cash Flows From Capital and Related Financing Activities			
Debt retired	(470,822)	(461,123)	(931,945)
Interest paid	(155,535)	(230,316)	(385,851)
Special assessments received	-	5,747	5,747
Acquisition and construction of capital assets	(1,605,687)	(271,950)	(1,877,637)
Contribution received for construction	-	31,491	31,491
Build America Bonds interest subsidy	-	31,421	31,421
Net cash flows from capital and related financing activities	(2,232,044)	(894,730)	(3,126,774)
Net change in cash and cash equivalents	(1,337,315)	(170,350)	(1,507,665)
Cash and Cash Equivalents, Beginning	3,878,797	5,023,081	8,901,878
Cash and Cash Equivalents, Ending	<u>\$ 2,541,482</u>	<u>\$ 4,852,731</u>	<u>\$ 7,394,213</u>

See notes to financial statements
14

City of Portage

Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2020

	Business-Type Activities - Enterprise Funds		
	Water Utility Fund	Sewer Utility Fund	Total
Reconciliation of Operating Income (Loss) to Net Cash Flows From Operating Activities			
Operating income (loss)	\$ 669,670	\$ (53,294)	\$ 616,376
Nonoperating revenue	33,557	4,939	38,496
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:			
Depreciation	507,727	779,697	1,287,424
Depreciation charged to other funds	26,413	-	26,413
Changes in assets and liabilities:			
Customer accounts receivable	(24,224)	1,993	(22,231)
Receivable from municipality	(14,015)	-	(14,015)
Other accounts receivable	-	1,595	1,595
Material and supplies	9,341	-	9,341
Prepayments	763	604	1,367
Accounts payable	5,557	(24,492)	(18,935)
Payable to municipality	(7,142)	-	(7,142)
Payable to other utility	14,782	(14,782)	-
Other current liabilities	(3,387)	(35,022)	(38,409)
Accrued sick leave	10,624	12,339	22,963
Pension related deferrals and liabilities	7,151	(2,408)	4,743
Net cash flows from operating activities	<u>\$ 1,236,817</u>	<u>\$ 671,169</u>	<u>\$ 1,907,986</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position, Proprietary Funds			
Unrestricted cash and investments	\$ 1,762,633	\$ 2,468,222	\$ 4,230,855
Restricted cash and investments			
Redemption account	265,539	238,567	504,106
Reserve account	334,072	434,601	768,673
Equipment replacement account	-	843,791	843,791
Construction account	<u>179,238</u>	<u>867,550</u>	<u>1,046,788</u>
Cash and cash equivalents	<u>\$ 2,541,482</u>	<u>\$ 4,852,731</u>	<u>\$ 7,394,213</u>
Noncash Capital and Related Financing Activities			
Amortization of debt premium	\$ 6,055	\$ 5,796	
Contributed capital	<u>\$ 78,171</u>	<u>\$ 76,542</u>	

See notes to financial statements
15

City of Portage

Statement of Fiduciary Net Position
Fiduciary Fund
December 31, 2020

	Custodial Fund	
	Tax Roll Fund	
Assets		
Cash and investments	\$ 3,810,057	
Property taxes receivable	5,681,527	
Total assets	<u>9,491,584</u>	
Liabilities		
Due to other governments	9,491,584	
Total liabilities	<u>9,491,584</u>	
Net Position		
Total net position	<u>\$ -</u>	

See notes to financial statements
16

City of Portage

Statement of Changes in Fiduciary Net Position
Fiduciary Fund
Year Ended December 31, 2020

	Custodial Fund
	<u>Tax Roll Fund</u>
Additions	
Property taxes collected for other governments	\$ 6,747,148
Total additions	<u>6,747,148</u>
Deductions	
Property taxes distributed to other governments	<u>6,747,148</u>
Total deductions	<u>6,747,148</u>
Change in fiduciary net position	-
Net Position, Beginning	-
Net Position, Ending	<u>\$ -</u>

City of Portage

Index to Notes to Financial Statements
December 31, 2020

	Page
1. Summary of Significant Accounting Policies	19
Reporting Entity	19
Government-Wide and Fund Financial Statements	20
Measurement Focus, Basis of Accounting and Financial Statement Presentation	22
Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity	23
Deposits and Investments	23
Receivables	25
Inventories and Prepaid Items	26
Restricted Assets	26
Capital Assets	26
Deferred Outflows of Resources	27
Compensated Absences	27
Long-Term Obligations	27
Deferred Inflows of Resources	27
Equity Classifications	28
Pension	29
Basis for Existing Rates	30
2. Stewardship, Compliance and Accountability	30
Budgetary Information	30
Excess Expenditures and Other Financing Uses Over Appropriations	30
Deficit Balances	30
Limitations on the City's Tax Levy	31
3. Detailed Notes on All Funds	31
Deposits and Investments	31
Receivables	33
Restricted Assets	33
Capital Assets	35
Interfund Receivables/Payables, Advances and Transfers	37
Long-Term Obligations	40
Net Position/Fund Balances	46
Component Unit	48
4. Other Information	48
Employees' Retirement System	48
Risk Management	53
Commitments and Contingencies	53
Joint Ventures	54
Subsequent Events	54
Effect of New Accounting Standards on Current-Period Financial Statements	54

1. Summary of Significant Accounting Policies

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

Reporting Entity

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

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

Discretely Presented Component Unit

Business Improvement District

The government-wide financial statements include the Business Improvement District (BID) as a component unit. The BID is a legally separate organization. The board of the BID is appointed by the mayor and confirmed by the local legislative body. Wisconsin Statutes provide for circumstances whereby the City can impose its will on the BID, and also create a potential financial benefit to or burden on the City. See Note 3. As a component unit, the BID's financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended December 31, 2020. The BID does not issue separate financial statements.

Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

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

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

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

General Fund

General Fund accounts for the City's primary operating activities. It is used to account for and report all financial resources except those accounted for and reported in another fund.

City of Portage

Notes to Financial Statements
December 31, 2020

Special Revenue Funds

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

Mass Transit Special Revenue Fund is used to account for and report grants and local revenues legally restricted or committed to supporting expenditures for the mass transit program.

Debt Service Fund

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

Capital Projects Funds

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

Vehicle Equipment Replacement Capital Project Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for vehicle acquisitions.

Enterprise Funds

The City reports the following major enterprise funds:

Water Utility accounts for operations of the water system

Sewer Utility accounts for operations of the sewer system

The City reports the following nonmajor governmental funds:

Special Revenue Funds

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

Park Land Dedication Fund	Swimming Pool Fund
Inspection Fund	Library Fund
Library - Restricted Fund	Criminal Investigation Fund
Tourism Promotion Fund	School Liaison Fund
Donation Fund	Economic Development Fund
Portage Enterprise Center Fund	Housing and Urban Development (HUD) Fund
Wheel Tax Fund	Ambulance Fund
Post Retirement Benefits Fund	Recycling Fund
Library Memorial Fund	

City of Portage

Notes to Financial Statements
December 31, 2020

Capital Projects Funds

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

Industrial Development Fund	TIF #5
Revolving Alley Fund	TIF #6
Airport Construction Fund	TIF #7
Revolving Sidewalk Fund	TIF #8
Canal Project Fund	TIF #9
TIF #4	TIF #10

In addition, the City reports the following fund type:

Custodial Fund

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

Tax Roll Fund

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide Financial Statements

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water and sewer and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements

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

City of Portage

Notes to Financial Statements
December 31, 2020

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

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

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and unavailable revenues.

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

Proprietary and Fiduciary Funds

Proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note.

The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and sewer funds are charges to customers for sales and services. Special assessments are recorded as receivables and contribution revenue when levied. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

All Financial Statements

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

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

Deposits and Investments

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

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

- a. Time deposits in any credit union, bank, savings bank or trust company.

23

City of Portage

Notes to Financial Statements
December 31, 2020

- b. Bonds or securities of any county, city, drainage district, technical college district, village, town or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, the University of Wisconsin Hospitals and Clinics Authority or the Wisconsin Aerospace Authority.
- c. Bonds or securities issued or guaranteed by the federal government.
- d. The local government investment pool.
- e. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- f. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- g. Repurchase agreements with public depositories, with certain conditions.

The City has adopted an investment policy. That policy contains the following guidelines for allowable investments.

Credit Risk: The City of Portage will minimize credit risk, which is the risk of loss due to failure of the security issuer or backer, by limiting investments to the types of securities permitted under Wisconsin Statutes Chapter 66.0603; approve by resolution the public depositories that are deemed appropriate for use under Wisconsin and Federal law; diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized.

Interest Rate Risk: The City of Portage will minimize interest rate risk, which is risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by structuring the investment portfolio so that the securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.

Custodial Risk: The City of Portage will minimize custodial risk, which is the risk that in the event of a financial institution failure, the City's deposits may not be returned to it, by maintaining a list of public depositories, financial institutions and brokers/dealers authorized to provide deposit and investment services; all public depositories, financial institutions and brokers/dealers authorized to provide deposit and investment services must supply as appropriate audited financial statements demonstrating compliance with state and federal capital adequacy guidelines. The City is currently not in compliance with this policy. See Note 3 for deposits exposed to custodial credit risk.

No policy exists for the following risks:

Concentration of credit risk

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances. The difference between the bank statement balance and carrying value is due to outstanding checks and/or deposits in transit.

24

City of Portage

Notes to Financial Statements
December 31, 2020

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, 2020, the fair value of the City's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note 3. for further information.

Receivables

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

Property tax calendar - 2020 tax roll:

Lien date and levy date	December 2020
Tax bills mailed	December 2020
Payment in full, or	January 31, 2021
First installment due	January 31, 2021
Second installment due	July 31, 2021
Personal property taxes in full	January 31, 2021
Tax sale - 2020 delinquent real estate taxes	October 2023

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

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

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

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

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

25

City of Portage

Notes to Financial Statements
December 31, 2020

Inventories and Prepaid Items

Governmental fund inventories, if material, are recorded at cost based on the FIFO method using the purchases method of accounting. Proprietary fund inventories are generally used for construction and/or for operation and maintenance work. They are not for resale.

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

Restricted Assets

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

Capital Assets

Government-Wide Statements

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

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

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

Fund Financial Statements

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

26

Deferred Outflows of Resources

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

Compensated Absences

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

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

The City provides postemployment health insurance benefits for all eligible employees. Eligibility is based on terms of employee policies. The benefits are based on contractual agreements with employee groups, local ordinances, or employee benefit policies. Employees may convert balance of accumulated sick leave to pay for health care premiums. The cost of those premiums is recognized as an expenditure as the premiums are paid. The City pays for 88 percent of the premium for the lowest cost plan. Funding for those costs is provided out of the current operating budget of the city. The contributions are financed on a pay as you go basis. Total expenditures for such premiums during the year were not material. There are six participants currently eligible and receiving benefits. The total amount outstanding at year end to be paid in the future is \$227,607 and is included in the government-wide statement of net position.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2020, are determined on the basis of current salary rates and include salary related payments.

Long-Term Obligations

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

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

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

Deferred Inflows of Resources

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

Equity Classifications

Government-Wide Statements

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

- Net investment in capital assets* - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- 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 positions that do not meet the definitions of "restricted" or "net investment in capital assets."

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

Fund Statements

Governmental fund balances are displayed as follows:

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

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

City of Portage

Notes to Financial Statements
December 31, 2020

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

See Note 3. for further information.

Pension

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

Basis for Existing Rates

Water Utility Fund

Current water rates were approved by the Public Service Commission of Wisconsin on June 26, 2019.

Sewer Utility Fund

Current sewer rates were approved by the Common Council on May 28, 2015.

City of Portage

Notes to Financial Statements
December 31, 2020

2. Stewardship, Compliance and Accountability

Budgetary Information

Excess Expenditures and Other Financing Uses Over Appropriations

Funds	Budgeted Expenditures and Other Financing Uses		Actual Expenditures and Other Financing Uses		Excess Expenditures and Other Financing Uses Over Budget
	\$		\$		
Vehicle Replacement Fund	354,162		886,775		532,613
Park Land Dedication Fund	10,000		24,418		14,418
Criminal Investigation Fund	7,000		7,576		576
Portage Enterprise Center Fund	141,008		192,981		51,973
Donation Fund	69,881		103,710		33,829
Inspection Fund	118,427		119,600		1,173
Library Memorial Fund	2,675		5,152		2,477
Revolving Alley Fund	113,065		115,582		2,517
Recycling Fund	20,000		40,006		20,006
TIF #4	628,359		729,696		101,337
TIF #5	171,838		171,907		69
TIF #6	34,861		79,705		44,844
TIF #7	114,692		210,591		95,899
TIF #8	49,109		49,143		34
TIF #10	1,165		5,148		3,983
Revolving Sidewalk Fund	3,065		3,179		114

The City controls expenditures at the department level. Some individual departments experienced expenditures which exceeded appropriations. The detail of those items can be found in the City's year-end budget to actual report.

Deficit Balances

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

As of December 31, 2020, the following individual funds held a deficit balance:

Fund	Amount	Reason
Mass Transit Fund	58,470	Costs exceed accumulated revenues
Swimming Pool Fund	110,960	Costs exceed accumulated revenues
Inspection Fund	38,950	Costs exceed accumulated revenues
Wheel Tax Fund	8,321	Costs exceed accumulated revenues
Canal Project Fund	53,397	Costs exceed accumulated revenues
Revolving Alley Fund	33,248	Costs exceed accumulated revenues
TIF #4	1,077,863	Costs exceed accumulated increments
TIF #5	545,257	Costs exceed accumulated increments
TIF #6	111,552	Costs exceed accumulated increments
TIF #7	36,223	Costs exceed accumulated increments
TIF #9	20,826	Costs exceed accumulated increments
TIF #10	22,736	Costs exceed accumulated increments

City of Portage

Notes to Financial Statements
December 31, 2020

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

Limitations on the City's Tax Levy

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

3. Detailed Notes on All Funds

Deposits and Investments

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

The City's deposits and investments at year end were comprised of the following:

	Carrying Value	Statement Balances	Associated Risks
Deposits	\$ 15,167,886	\$ 15,222,802	Custodial credit
LGIP	1,257,588	1,257,588	Credit
Negotiable certificates of deposit	219,304	219,304	Credit, custodial credit, concentration of credit, interest rate
Petty cash	2,069	-	N/A
Total deposits and investments	\$ 16,646,847	\$ 16,699,694	
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 9,506,846		
Restricted cash and investments	3,203,857		
BID Fund	126,087		
Per statement of net position - fiduciary fund			
Custodial Fund	3,810,057		
Total deposits and investments	\$ 16,646,847		

31

City of Portage

Notes to Financial Statements
December 31, 2020

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

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

The City maintains collateral agreements with its banks. At December 31, 2020, the banks had pledged various government securities in the amount of \$4,801,278 to secure the City's deposits.

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

	Investment Type	Level 1	Level 2	Level 3	Total
Negotiable certificates of deposit		\$ -	\$ 219,304	\$ -	\$ 219,304
Total		\$ -	\$ 219,304	\$ -	\$ 219,304

Custodial Credit Risk

Deposits

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

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

Credit Risk

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

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

The City had investments in negotiable certificates of deposits which are 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, 2020, the investment portfolio was concentrated as follows:

Issuer	Investment Type	Percentage of Portfolio
LPL Financial	Negotiable certificates of deposit	14.85 %

32

City of Portage

Notes to Financial Statements
December 31, 2020

Interest Rate Risk

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

As of December 31, 2020, the City's investments were as follows:

Investment Type	Fair Value	Maturity (In Years)	
		Less than 1	1-4
Negotiable certificates of deposit	\$ 219,304	\$ 219,304	\$ -

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

Receivables

All of the receivables on the balance sheet are expected to be collected within one year with the exception of a portion of the delinquent personal property taxes and the loans receivable balance in its entirety.

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

	Unearned	Unavailable
Property taxes receivable for subsequent year	\$ 6,493,926	\$ -
Loans	-	1,376,664
Special assessments not yet due	-	58,094
Transit aids	-	152,468
Donations	-	11,454
Developer payment	-	112,531
Total unearned/unavailable revenue for governmental funds	\$ 6,493,926	\$ 1,711,211

At December 31, 2020, the City has not exceeded the maximum amount of program income that it may retain or the amount of time for which funds may be held without use. When it does, a liability to the state will be recorded.

Restricted Assets

The following represent the balances of the restricted assets:

Long-Term Debt Accounts

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

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

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

City of Portage

Notes to Financial Statements
December 31, 2020

Equipment Replacement Account

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

Net Pension Asset

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

Library Restricted Account

Used to report amounts donated for library purposes.

Following is a list of restricted assets for Business-Type Activities at December 31, 2020:

Restricted assets:	
Redemption account	\$ 504,106
Reserve account	768,673
Replacement account	843,791
Construction account	1,046,788
Net pension asset	122,600
Total restricted assets	3,285,958
Less restricted assets not funded by revenues	
Reserve from borrowing	(768,673)
Construction account	(1,046,788)
Total restricted assets not funded by revenues	(1,815,461)
Current liabilities payable from restricted assets	(53,315)
Total restricted net position	\$ 1,417,182

City of Portage

Notes to Financial Statements
December 31, 2020

Capital Assets

Capital asset activity for the year ended December 31, 2020, was as follows:

	Beginning Balance	Adjustments*	Additions	Deletions	Ending Balance
Governmental Activities					
Capital assets not being depreciated:					
Land	\$ 2,144,350	\$ -	\$ -	\$ -	\$ 2,144,350
Construction in progress	302,945	-	313,594	214,351	402,188
Total capital assets not being depreciated	2,447,295	-	313,594	214,351	2,546,538
Capital assets being depreciated:					
Buildings	13,910,664	(2,760,869)	343,425	-	11,493,220
Land improvements	3,749,966	(19,625)	13,043	-	3,743,384
Equipment	3,406,123	(575,708)	309,492	11,839	3,128,068
Vehicles	5,551,185	(7,601)	479,341	227,820	5,795,105
Infrastructure	35,265,378	(310)	1,815,208	437,008	36,643,268
Total capital assets being depreciated	61,883,316	(3,364,113)	2,960,509	676,667	60,803,045
Total capital assets	64,330,611	(3,364,113)	3,274,103	891,018	63,349,583
Less accumulated depreciation for:					
Buildings	(6,332,492)	1,677,122	(231,478)	-	(4,886,848)
Land improvements	(1,491,610)	19,625	(106,366)	-	(1,578,351)
Equipment	(2,881,462)	520,255	(69,728)	11,553	(2,419,382)
Vehicles	(3,659,207)	3,596	(379,784)	179,522	(3,855,873)
Infrastructure	(18,793,102)	85	(674,207)	236,121	(19,231,103)
Total accumulated depreciation	(33,158,073)	2,220,683	(1,461,563)	427,196	(31,971,757)
Net capital assets being depreciated	28,725,243	(1,143,430)	1,498,946	249,471	28,831,288
Total governmental activities capital assets, net of accumulated depreciation	\$ 31,172,538	\$ (1,143,430)	\$ 1,812,540	\$ 463,822	\$ 31,377,826

* Adjustments were made in 2020 to remove reported assets below City's capitalization threshold and remove duplicate assets within the City's capital asset system.

Depreciation expense was charged to functions as follows:

Governmental Activities	
General government	\$ 91,212
Public safety	162,197
Culture, education and recreation	370,216
Total governmental activities depreciation expense	\$ 1,461,563

City of Portage

Notes to Financial Statements
December 31, 2020

Business-Type Activities

	Beginning Balance	Additions	Deletions	Ending Balance
Water				
Capital assets not being depreciated:				
Land	\$ 118,723	\$ -	\$ -	\$ 118,723
Construction in progress	32,802	1,200	6,019	27,983
Total capital assets not being depreciated	151,525	1,200	6,019	146,706
Capital assets being depreciated:				
Source of supply	5,537,006	24,543	-	5,561,549
Pumping	793,668	-	-	793,668
Water treatment	2,507,715	-	-	2,507,715
Transmission and distribution	10,571,637	1,626,315	62,527	12,135,425
General	2,748,865	37,818	24,887	2,761,796
Total capital assets being depreciated	22,158,891	1,688,676	87,414	23,760,153
Total capital assets	22,310,416	1,689,876	93,433	23,906,859
Less accumulated depreciation for:				
Water System	(10,172,368)	(534,139)	87,414	(10,619,093)
Total accumulated depreciation	(10,172,368)	(534,139)	87,414	(10,619,093)
Net capital assets being depreciated	11,986,523	1,154,537	-	13,141,060
Net water capital assets	\$ 12,138,048	\$ 1,155,737	\$ 6,019	\$ 13,287,766
Sewer				
Capital assets not being depreciated:				
Land	\$ 381,895	\$ -	\$ -	\$ 381,895
Construction in progress	83,175	28,945	20,225	91,895
Total capital assets not being depreciated	465,070	28,945	20,225	473,790
Capital assets being depreciated:				
Buildings and structures	8,083,477	-	-	8,083,477
Collecting system	7,427,006	336,576	20,642	7,742,940
Pumping	1,772,990	-	-	1,772,990
Treatment and disposal	9,300,599	3,196	-	9,303,795
General	947,691	-	-	947,691
Total capital assets being depreciated	27,531,763	339,772	20,642	27,850,893
Total capital assets	27,996,833	368,717	40,867	28,324,683
Less accumulated depreciation for:				
Buildings and structures	(6,209,820)	(242,504)	-	(6,452,324)
Collecting system	(6,379,967)	(226,470)	20,642	(6,585,795)
Pumping	(1,225,725)	(31,657)	-	(1,257,382)
Treatment and disposal	(4,055,803)	(279,066)	-	(4,334,869)
General	(947,692)	-	-	(947,692)
Total accumulated depreciation	(18,819,007)	(779,697)	20,642	(19,578,062)
Net capital assets being depreciated	8,712,756	(439,925)	-	8,272,831
Net sewer capital assets	\$ 9,177,826	\$ (410,980)	\$ 20,225	\$ 8,746,621
Business-type capital assets, net of accumulated depreciation	\$ 21,315,874	\$ 744,757	\$ 26,244	\$ 22,034,387

City of Portage

Notes to Financial Statements
December 31, 2020

Depreciation expense was charged to functions as follows:

Business-Type Activities	
Water	\$ 507,727
Sewer	<u>779,697</u>
Total business-type activities depreciation expense	<u>\$ 1,287,424</u>

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

Interfund Receivables/Payables, Advances and Transfers

Interfund Receivables/Payables

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

Receivable Fund	Payable Fund	Amount
General Fund	Revolving Alley fund	\$ 30,770
General Fund	Inspection fund	31,876
General Fund	Wheel Tax Fund	8,242
General Fund	Water Utility Fund	378,750
Water Utility Fund	General Fund	7,906
Sewer Utility	Water Utility	<u>113,815</u>
Total, fund financial statements		571,359
Less fund eliminations		<u>(200,515)</u>
Total internal balances, government-wide statement of net position		<u>\$ 370,844</u>

Receivable Fund	Payable Fund	Amount
Governmental activities	Business-type activities	\$ 378,750
Business-type activities	Governmental activities	<u>(7,906)</u>
Total government-wide financial statements		<u>\$ 370,844</u>

All amounts are due within one year.

The principal purpose of these interfunds is the PILOT due from the water utility to the general fund in the amount of \$378,750. All remaining balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

City of Portage

Notes to Financial Statements
December 31, 2020

Advances

The general fund is advancing funds to the TIF Districts No. 4, No. 5, No. 6, No. 7, No. 9, and No. 10. The amount advanced is determined by the deficiency of revenues over expenditures and other financing sources since the district's inception. No repayment schedule has been established.

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

The following is a schedule of interfund advances:

Receivable Fund	Payable Fund	Amount	Amount Not Due Within One Year
General Fund	Swimming Pool Fund	\$ 110,496	\$ 110,496
General Fund	TIF #4	1,077,838	1,077,838
General Fund	TIF #5	545,257	545,257
General Fund	TIF #6	102,749	102,749
General Fund	TIF #7	20,401	20,401
General Fund	TIF #9	20,826	20,826
General Fund	TIF #10	<u>22,736</u>	<u>22,736</u>
Total, fund financial statements		1,900,303	
Less fund eliminations		<u>(1,900,303)</u>	
Total, interfund advances		\$ -	\$ -

The principal purpose of these advances is cash deficits.

City of Portage

Notes to Financial Statements
December 31, 2020

Transfers

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
General Fund	Water Utility Fund	\$ 378,750	PILOT
Debt Service Fund	TIF #4	180,863	Debt service
Debt Service Fund	TIF #5	167,806	Debt service
Debt Service Fund	TIF #6	10,719	Debt service
Debt Service Fund	TIF #7	82,206	Debt service
Debt Service Fund	TIF #8	45,788	Debt service
Vehicle Equipment Replacement Fund	General Fund	251,668	Capital outlay
Post Retirement Benefits Fund	General Fund	97,532	Retirement funding
TIF #4	Portage Enterprise Center Fund	86,000	TIF development
Mass Transit Fund	General Fund	71,000	Subsidy
Swimming Pool Fund	General Fund	14,000	Fund operations
Capital Projects Fund	Wheel Tax Fund	98,500	Capital projects
TIF #4	Capital Projects Fund	40,000	Capital Projects
School Liaison Fund	General Fund	38,939	Fund operations
Revolving Sidewalk Fund	Capital Projects Fund	10,000	Capital Projects
	Subtotal, fund financial statements	1,573,771	
	Less fund eliminations	(1,195,021)	
	Capital contribution to Water Utility	(78,171)	
	Capital contribution to Sewer Utility	(76,542)	
	Total transfers, government-wide statement of activities	\$ 224,037	
<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	
Governmental activities	Business-type activities	\$ 378,750	
Business-type activities	Governmental activities	(154,713)	
	Total government-wide financial statements	\$ 224,037	

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

City of Portage

Notes to Financial Statements
December 31, 2020

Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2020, 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:	\$ 14,420,000	\$ -	\$ 1,175,000	\$ 13,245,000	\$ 1,125,000
General obligation debt from direct borrowings and direct placements	389,554	300,000	56,425	613,129	99,895
Premiums	288,887	-	18,705	270,182	-
Subtotal	15,078,441	300,000	1,250,130	14,128,311	1,224,895
Other liabilities:					
Vested compensated absences	1,099,922	145,385	246,283	999,024	290,231
Retiree health insurance	108,547	169,292	50,232	227,607	73,590
Total other liabilities	1,208,469	314,677	296,515	1,226,631	363,821
Total governmental activities long-term liabilities	16,286,910	614,677	1,546,645	15,354,942	1,588,716
Business-Type Activities					
Bonds and notes payable:					
General obligation debt:	\$ 2,795,000	\$ -	\$ 530,000	\$ 2,265,000	\$ 510,000
Revenue bonds	7,380,000	-	270,000	7,110,000	290,000
Revenue bonds from direct borrowings and direct placements	3,756,836	-	131,945	3,624,991	135,589
Premiums	207,057	-	11,851	195,206	-
Subtotal	14,138,893	-	943,796	13,195,197	935,589
Other liabilities:					
Vested compensated absences	150,667	47,270	24,306	173,631	50,351
Total other liabilities	150,667	47,270	24,306	173,631	50,351
Total business-type activities long-term liabilities	14,289,560	47,270	968,102	13,368,828	985,940

In accordance with Wisconsin Statutes, total general obligation indebtedness of the City may not exceed 5 percent of the equalized value of taxable property within the City's jurisdiction. The debt limit as of December 31, 2020, was \$35,223,330. Total general obligation debt outstanding at year end was \$16,123,129.

City of Portage

Notes to Financial Statements
December 31, 2020

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.

Governmental Activities		Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2020
General Obligation Debt						
General obligation refunding bonds		3/18/09	4/01/22	2.25 - 4.35%	\$ 810,000	\$ 200,000
General obligation promissory notes		5/17/11	4/01/21	2.00 - 3.00%	1,890,000	45,000
General obligation promissory bonds		8/02/12	4/01/27	.55 - 3.50%	2,175,000	1,190,000
General obligation promissory notes		8/02/12	4/01/22	.50 - 2.00%	1,995,000	690,000
General obligation promissory bonds		8/02/12	4/01/29	2.00 - 2.85%	3,130,000	2,130,000
General obligation promissory bonds		8/16/15	4/01/28	2.00 - 3.50%	2,950,000	2,285,000
General obligation promissory bonds		5/19/16	5/01/36	.75 - 3.20%	1,450,000	1,155,000
General obligation promissory bonds		4/13/17	4/01/32	3.00 - 3.50%	3,225,000	2,590,000
General obligation promissory notes (direct)		8/17/18	8/01/25	3.50%	424,000	313,129
General obligation promissory bonds		5/15/19	4/01/39	2.75%	3,055,000	2,960,000
General obligation promissory notes (direct)		10/5/20	8/1/27	1.65%	300,000	300,000
Total governmental activities, general obligation debt						
						\$ 13,858,129
Business-Type Activities		Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2020
General Obligation Debt						
General obligation promissory notes		5/17/11	4/01/21	2.00 - 3.00%	\$ 1,450,000	\$ 155,000
General obligation corporate purpose bonds		8/02/12	4/01/24	2.00 - 2.25%	2,390,000	970,000
General obligation promissory bonds		8/16/15	4/01/28	2.00 - 3.50%	670,000	435,000
General obligation promissory bonds		5/19/16	5/01/30	0.75 - 3.20%	405,000	285,000
General obligation promissory bonds		4/13/17	4/01/32	3.00 - 3.50%	505,000	420,000
Total business-type activities, general obligation debt						
						\$ 2,265,000

City of Portage

Notes to Financial Statements
December 31, 2020

Debt service requirements to maturity are as follows:

Years	Governmental Activities		Business-Type Activities	
	General Obligation Debt	Interest	General Obligation Debt	Interest
2021	\$ 1,125,000	\$ 355,774	\$ 510,000	\$ 47,430
2022	1,145,000	331,751	360,000	37,965
2023	1,140,000	305,771	355,000	30,476
2024	1,120,000	277,581	355,000	22,716
2025	1,025,000	248,252	105,000	17,532
2026-2030	4,275,000	824,773	500,000	42,859
2031-2035	2,655,000	304,393	80,000	2,700
2036-2039	760,000	42,955	-	-
Total	\$ 13,245,000	\$ 2,691,060	\$ 2,265,000	\$ 201,578
Years	Governmental Activities		Business-Type Activities	
	General Obligation Notes from Direct Borrowings and Direct Placements	Interest	General Obligation Debt	Interest
2021	\$ 99,895	\$ 14,351		
2022	101,755	12,490		
2023	104,573	9,673		
2024	107,471	6,775		
2025	110,429	3,773		
2026-2030	89,006	1,846		
Total	\$ 613,129	\$ 48,908		

Revenue Debt

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

The water utility fund has pledged future water revenues, net of specified operating expenses, to repay revenue bonds issued in 2007-2019. Proceeds from the bonds provided financing for the water system. The bonds are payable solely from water revenues and are payable through 2039. Annual principal and interest payments on the bonds are expected to require 21.42 percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$5,078,569. Principal and interest paid for the current year and total customer net revenues were \$257,379 and \$1,247,616, respectively.

The sewer utility fund has pledged future sewer revenues, net of specified operating expenses, to repay revenue bonds issued in 2008-2019. Proceeds from the bonds provided financing for the sewer system. The bonds are payable solely from sewer revenues and are payable through 2050. Annual principal and interest payments on the bonds are expected to require 38.32 percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$9,381,432. Principal and interest paid for the current year and total customer net revenues were \$470,860 and \$815,974, respectively.

City of Portage

Notes to Financial Statements
December 31, 2020

Revenue debt payable at December 31, 2020, consists of the following:

Business-Type Activities Revenue Debt

<u>Water Utility</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2020</u>
Water system revenue bonds (direct)	4/25/07	5/01/26	2.475%	\$ 121,379	\$ 38,086
Water system revenue bonds	4/16/15	5/01/35	1.00 - 3.50%	855,000	690,000
Water system revenue bonds	5/19/16	5/01/36	2.00 - 3.00%	2,190,000	1,990,000
Water system revenue bonds	5/15/19	5/01/39	2.89%	1,335,000	1,285,000
				Total Water Utility	4,003,086

Sewer Utility

Sewer system revenue bonds (direct)	3/26/08	5/01/27	2.365%	1,159,443	488,005
USDA Build America Bonds (direct)	10/06/10	10/01/50	3%	3,645,000	3,098,900
Sewer system revenue bonds	4/13/17	5/01/37	3.00 - 3.75%	2,180,000	1,930,000
Sewer system revenue bonds	5/15/19	5/01/39	2.86%	1,265,000	1,215,000
				Total Sewer Utility	6,731,905
					<u>\$ 10,734,991</u>

Total business-type activities, revenue debt

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 290,000	\$ 211,546
2022	330,000	203,297
2023	330,000	194,623
2024	350,000	185,538
2025	400,000	175,537
2026-2030	2,065,000	703,451
2031-2035	2,315,000	356,050
2036-2039	1,030,000	50,944
Total	<u>\$ 7,110,000</u>	<u>\$ 2,080,986</u>

City of Portage

Notes to Financial Statements
December 31, 2020

<u>Years</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 135,589	\$ 103,640
2022	139,172	99,966
2023	142,995	96,193
2024	146,759	92,317
2025	150,765	88,336
2026-2030	553,611	386,670
2031-2035	463,800	319,463
2036-2040	538,900	244,397
2041-2045	626,000	157,184
2046-2050	727,400	55,861
Total	<u>\$ 3,624,991</u>	<u>\$ 1,644,027</u>

Other Debt Information

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

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

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

Bond Covenant Disclosures

Insurance

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

City of PortageNotes to Financial Statements
December 31, 2020**Debt Coverage Water**

Under terms of the resolutions providing for the issue of revenue bonds, revenues less operating expenses excluding depreciation (defined net earnings) must exceed 1.25 times the annual debt service. The coverage only includes revenue debt and does not include general obligation or other debt. The coverage requirement was met in 2020 as follows:

Operating revenues	\$	2,188,927
Investment income		36,662
Miscellaneous nonoperating income		33,557
Less operation and maintenance expenses (including taxes)		(1,011,530)
Net defined earnings	\$	1,247,616
Minimum Required Earnings per Resolution:		
Annual debt service	\$	257,379
Coverage factor		1.25
Minimum required earnings	\$	321,724
Annual Debt Coverage		4.85 %

Debt Coverage Sewer

Under terms of the resolutions providing for the issue of revenue bonds, revenues less operating expenses excluding depreciation (defined net earnings) must exceed 1.25 times the annual debt service. The coverage only includes revenue debt and does not include general obligation or other debt. The coverage requirement was met in 2020 as follows:

Operating revenues	\$	1,848,212
Investment income		53,211
Miscellaneous nonoperating income		36,360
Less operation and maintenance expenses		(1,121,809)
Net defined earnings	\$	815,974
Minimum Required Earnings per Resolution:		
Annual debt service	\$	470,860
Coverage factor		1.25
Minimum required earnings	\$	588,575
Actual Debt Coverage		1.73 %

City of PortageNotes to Financial Statements
December 31, 2020**Net Position/Fund Balances**

Net position reported on the government-wide statement of net position at December 31, 2020, includes the following:

Governmental Activities

Net investment in capital assets:		
Land	\$	2,144,350
Construction in progress		402,188
Other capital assets, net of accumulated depreciation		28,831,288
Less long-term debt outstanding		(13,858,129)
Plus unspent capital related debt proceeds		997,965
Less unamortized debt premium		(270,182)
Total net investment in capital assets	\$	18,247,480

City of Portage

Notes to Financial Statements
December 31, 2020

City of Portage

Notes to Financial Statements
December 31, 2020

Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2020, include the following:

	General Fund	CDBG Fund	Mass Transit Fund	Debt Service Fund	Capital Projects Fund	Vehicle Replacement Fund	Nonmajor Funds	Total
Nonspendable:								
Prepaid items	\$ 86,430	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,043	\$ 100,473
Delinquent personal property taxes	1,600	-	-	-	-	-	-	1,600
Long-term receivables	1,900,303	-	-	-	-	-	-	1,900,303
Subtotal	1,988,423	-	-	-	-	-	14,043	2,002,466
Restricted for:								
Debt service	-	-	-	126,554	-	-	-	126,554
Library	-	-	-	-	-	-	176,781	176,781
Capital projects	-	-	-	-	997,965	-	-	997,965
TIF activities	-	-	-	-	-	-	96,243	96,243
Hazmat vehicles	-	-	-	-	-	188,363	-	188,363
Donations	-	-	-	-	-	-	85,045	85,045
HUD	-	-	-	-	-	-	16,706	16,706
CDBG	-	106,199	-	-	-	-	-	106,199
Subtotal	-	106,199	-	126,554	997,965	188,363	374,775	1,793,856
Committed to:								
Recycling	-	-	-	-	-	-	1,804	1,804
Subtotal	-	-	-	-	-	-	1,804	1,804
Assigned to:								
Capital projects	-	-	-	-	-	1,318,186	37,473	1,355,659
Police	-	-	-	-	-	-	34,255	34,255
Investigation	-	-	-	-	-	-	16,633	16,633
Tourism	-	-	-	-	-	-	74,174	74,174
School liaison	-	-	-	-	-	-	13,412	13,412
Enterprise center	-	-	-	-	-	-	11,281	11,281
Ambulance	-	-	-	-	-	-	53,164	53,164
Post-retirement	-	-	-	-	-	-	1,826	1,826
Subtotal	-	-	-	-	-	1,318,186	242,218	1,560,404
Unassigned (deficit):								
	2,044,027	-	(58,470)	-	(556,054)	-	(2,080,082)	(630,579)
Total fund balances	\$4,032,450	\$ 106,199	\$ (58,470)	\$ 126,554	\$ 441,911	\$ 1,506,549	\$ (1,427,242)	\$4,727,951

Business-Type Activities

Net investment in capital assets:

Land		\$
Construction in progress		500,618
Other capital assets, net of accumulated depreciation		119,968
Less Long-term debt outstanding		21,413,891
Plus unspent capital related debt proceeds		(12,989,981)
Less unamortized debt premium		1,040,513
		(195,206)
Total net investment in capital assets		\$ 9,879,793

Component Unit

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

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

a. Basis of Accounting/Measurement Focus

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

b. Deposits and Investments

At year end, the carrying amount of the BID's deposits was \$126,087 and is part of the City's commingled cash. See Note 3, Cash and Investments.

c. Capital Assets

At year end, the capital assets in the BID consisted of a bobcat and a shed, net of depreciation with an ending balance of \$17,766. The BID considers a capital asset to have an initial cost of \$1,000 and an estimated useful life in excess of three years.

4. Other Information

Employees' Retirement System

Plan Description

The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, 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, 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.

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.

City of Portage

Notes to Financial Statements
December 31, 2020

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:

Year	Core Fund Adjustment	Variable Fund Adjustment
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
2019	0.0	(10.0)

City of Portage

Notes to Financial Statements
December 31, 2020

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 \$414,089 in contributions from the City.

Contribution rates for the plan year reported as of December 31, 2020 are:

Employee Category	Employee	Employer
General (Executives & Elected Officials)	6.55 %	6.55 %
Protective with Social Security	6.55 %	10.55 %
Protective without Social Security	6.55 %	14.95 %

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

At December 31, 2020, the City reported an liability (asset) of \$(1,254,891) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2018 rolled forward to December 31, 2019. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension liability (asset) was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2019, the City's proportion was 0.03891791 percent, which was an increase of 0.00090828 percent from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the City recognized pension expense of \$441,357.

At December 31, 2020, the City reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,382,070	\$ 1,192,066
Changes in assumptions	97,789	-
Net differences between projected and actual earnings on pension plan investments	-	2,565,443
Changes in proportion and differences between employer contributions and proportionate share of contributions	5,042	6,645
Employer contributions subsequent to the measurement date	448,361	-
Total	\$ 2,933,262	\$ 3,764,154

City of Portage

Notes to Financial Statements
December 31, 2020

\$448,361 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2021. Other amounts reported as deferred outflows and deferred inflows of resources (net) 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)
2021	\$ (381,745)
2022	(283,118)
2023	44,577
2024	(658,967)

Actuarial Assumptions

The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2018
Measurement Date of Net Pension Liability (Asset):	December 31, 2019
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 percent is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The Total Pension Liability for December 31, 2019 is based upon a roll-forward of the liability calculated from the December 31, 2018 actuarial valuation.

City of Portage

Notes to Financial Statements
December 31, 2020

Long-Term Expected Return on Plan Assets

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

Core Fund Asset Class	Current Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global Equities	49 %	8.0 %	5.1 %
Fixed Income	24.5	4.9	2.1
Inflation Sensitive Assets	15.5	4.0	1.2
Real Estate	9	6.3	3.5
Private Equity/Debt	8	10.6	7.6
Multi-Asset	4	6.9	4.0
Total Core Fund	110	7.5	4.6
Variable Fund Asset Class			
U.S. Equities	70	7.5	4.6
International Equities	30	8.2	5.3
Total Variable Fund	100	7.8	4.9
New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.75 percent 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 percent was used to measure the total pension liability for the current and prior year. This single discount rate was based on the expected rate of return on pension plan investments of 7.00 percent and a long term bond rate of 2.75 percent. (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2019. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.) Because of the unique structure of WRS, the 7.00 percent expected rate of return implies that a dividend of approximately 1.9 percent 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 Portage

Notes to Financial Statements
December 31, 2020

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)	\$ 3,231,568	\$ (1,254,891)	\$ (4,609,035)

Pension Plan Fiduciary Net Position

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

At December 31, 2020, the City reported a payable to the pension plan which represents contractually required contributions outstanding as of the end of the year.

Risk Management

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

Commitments and Contingencies

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

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

The City has active construction projects as of December 31, 2020. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures.

City of Portage

Notes to Financial Statements
December 31, 2020

Joint Ventures

Fire Protection Agreement

The City has entered into an agreement with the Towns of Pacific, Caledonia, Lewiston and Fort Winnebago to provide fire protection services. The towns are jointly responsible for the replacement of designated firefighting apparatus used by the City to provide fire/rescue services to the towns. The towns contribute a fixed sum annually to the vehicle and equipment replacement fund. In July 2015, the City turned over the town's balance of the vehicle and equipment replacement fund to be managed by a designated agent assigned by the towns. The amount is based on the amortized replacement cost of firefighting apparatus owned by the towns. The towns contribute an additional amount annually to the Vehicle and Replacement Fund based on the amortized replacement cost of firefighting apparatus owned in common by the towns and the City. The towns' prorated contribution is 49 percent and the City's is 51 percent of the established annual amortized replacement cost of said apparatus. Each of the four towns' annual contribution is determined on the basis of their respective percentage share of the aggregated equalized assessed valuation of the four towns and is payable to the designated agent. The City does not have an equity interest in the joint venture.

Subsequent Events

On May 13, 2021, the City issued general obligation corporate purpose bonds in the amount of \$2,990,000 with an interest rate of 2.00 - 4.00 percent. This amount will be used for various city and TID projects.

On May 13, 2021, the City issued sewerage system revenue bonds in the amount of \$4,335,000 with an interest rate of 1.375 - 4.00 percent. This amount will be used for sewer utility projects and to redeem the 2010 USDA Build America Bonds.

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

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

City of Portage

Detailed Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - General
Year Ended December 31, 2020

	Original and Final Budget	Actual	Variance with Final Budget
Revenues			
Taxes			
General property taxes	\$ 4,323,984	\$ 4,326,111	\$ 2,127
Mobile home lottery credit	22,500	19,545	(2,955)
Forest cropland and managed forest land taxes	294	1,160	866
Sales and use	40	40	-
Total taxes	4,346,818	4,346,856	38
Intergovernmental Revenues			
Federal - Route to Recovery	-	128,211	128,211
State shared revenues	1,638,304	1,648,239	9,935
State expenditure restraint	170,211	170,212	1
Fire insurance tax	26,000	30,741	4,741
State aid - law enforcement improvement	4,920	3,360	(1,560)
State aid - general transportation aids	575,230	575,230	-
State aid - connecting streets	126,104	126,105	1
Other state payments - operating	49,515	49,752	237
Video service provider payment	13,283	13,283	-
Payments for municipal services	40,000	35,138	(4,862)
In lieu of taxes on state conservation lands	420	440	20
Disaster assistance	-	65,337	65,337
Other state payments	5,000	12,276	7,276
County aid - highway and bridges	2,000	-	(2,000)
Other local government grants	7,000	4,000	(3,000)
Total intergovernmental revenues	2,657,987	2,862,324	204,337
Licenses and Permits			
Business and occupational licenses	1,800	1,300	(500)
Liquor and malt beverage licenses	33,000	22,105	(10,895)
Operators' license	1,600	1,200	(400)
Mobile home park licenses	300	300	-
Cable television franchise fees	118,717	121,301	2,584
Dog and cat licenses	6,000	6,849	849
Other nonbusiness licenses	150	30	(120)
Other regulatory permits and fees	13,380	13,788	408
Total licenses and permits	174,947	166,873	(8,074)
Fines, forfeitures and penalties			
Court penalties and costs	172,600	103,048	(69,552)
Parking violations	5,500	810	(4,690)
Judgments and damages	500	-	(500)
Total fines, forfeitures and penalties	178,600	103,858	(74,742)

REQUIRED SUPPLEMENTARY INFORMATION

See notes to required supplementary information
55

City of Portage

Detailed Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - General
Year Ended December 31, 2020

	Original and Final Budget	Actual	Variance with Final Budget
Public Charges for Services			
Clerk's fees	\$ 1,000	\$ 244	\$ (756)
Law enforcement fees	6,000	3,636	(2,364)
Street related facilities	6,000	17,399	11,399
Parking lots, ramps and meters	100	10	(90)
Other transportation	500	331	(169)
Solid waste disposal	7,250	5,119	(2,131)
Culture, recreation and education	3,800	3,146	(654)
Parks	46,000	15,073	(30,927)
Recreation programs	3,700	-	(3,700)
Park rental	10,500	4,054	(6,446)
Conservation and development	3,500	2,286	(1,214)
Other public charges for services	10,540	8,962	(1,578)
Total public charges for services	98,890	60,260	(38,630)
Intergovernmental Charges for Services			
Local - rural fire services	155,000	139,630	(15,370)
Local - HAZMAT services	19,000	7,316	(11,684)
Local - intra-agency administration fees	102,601	101,121	(1,480)
Total intergovernmental charges for services	276,601	248,067	(28,534)
Investment Income			
Interest on investments	45,000	31,009	(13,991)
Interest on special assessments	2,000	1,176	(824)
Total investment income	47,000	32,185	(14,815)
Miscellaneous Revenues			
Rent	49,245	49,266	21
Insurance recoveries - police	1,000	8,796	7,796
Donations	6,000	5,976	(24)
Insurance dividends	20,000	12,382	(7,618)
Other miscellaneous	2,000	1,331	(669)
Insurance recoveries - highway	1,000	300	(700)
Insurance recoveries - other	-	62,829	62,829
Total miscellaneous revenues	79,245	140,880	61,635
Total revenues	7,860,088	7,961,303	101,215

See notes to required supplementary information
56

City of Portage

Detailed Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - General
Year Ended December 31, 2020

	Original and Final Budget	Actual	Variance with Final Budget
Expenditures			
General Government			
Council	\$ 38,145	\$ 37,614	\$ 531
Judicial	126,758	117,225	9,533
Legal	30,000	16,897	13,103
Mayor	15,151	14,538	613
Administrator	155,517	154,128	1,389
General administration	329,377	340,720	(11,343)
Financial administration	266,651	259,500	7,151
General buildings/plant/hall	182,545	249,495	(66,950)
Safety program	2,000	1,909	91
Contingency	26,612	-	26,612
Total general government	1,172,756	1,192,026	(19,270)
Public Safety			
Police	530,721	519,871	10,850
Patrol	1,805,361	1,806,620	(1,259)
Criminal investigation	338,375	278,418	59,957
Fire protection	220,663	234,077	(13,414)
Suppression	629,434	657,229	(27,795)
Prevention	84,456	86,491	(2,035)
Hazmat	15,940	13,996	1,944
Emergency government	3,000	12,614	(9,614)
Police special services	167,664	162,750	4,914
Total public safety	3,795,614	3,772,066	23,548
Public Works			
Engineering	230,981	216,955	14,026
Highway and street maintenance for local	1,250,640	1,155,400	95,240
Highway and street construction for local	4,000	4,000	-
Storm sewer maintenance	22,500	13,915	8,585
Parking facilities	5,350	-	5,350
Airport	48,620	49,100	(480)
Solid waste disposal	361,421	308,429	52,992
Weed and nuisance control	7,200	3,958	3,242
Total public works	1,930,712	1,751,757	178,955
Health and Human Services			
Public health services	16,000	15,990	10
Cemetery	56,500	56,500	-
Total health and human services	72,500	72,490	10

See notes to required supplementary information
57

City of Portage

Detailed Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - General
Year Ended December 31, 2020

	Original and Final Budget	Actual	Variance with Final Budget
Culture, Recreation and Education			
Cable television	\$ 20,518	\$ 13,645	\$ 6,873
Parks	185,085	177,630	7,455
Recreation programs and events	84,983	34,411	50,572
Park maintenance	434,447	426,780	7,667
Total culture, recreation and education	725,033	652,466	72,567
Conservation and Development			
Community development	77,571	67,600	9,971
Planning	7,500	7,484	16
Total conservation and development	85,071	75,084	9,987
Total expenditures	7,781,686	7,515,889	265,797
Excess of revenues over expenditures	78,402	445,414	367,012
Other Financing Sources (Uses)			
Sale of capital assets	4,000	4,223	223
Transfers in	390,737	378,750	(11,987)
Transfers out	(473,139)	(473,139)	-
Total other financing sources (uses)	(78,402)	(90,166)	(11,764)
Net change in fund balance	-	355,248	355,248
Fund Balance, Beginning	3,677,202	3,677,202	-
Fund Balance, Ending	\$ 3,677,202	\$ 4,032,450	\$ 355,248

See notes to required supplementary information
58

City of Portage

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - CDBG Fund
Year Ended December 31, 2020

	Original and Final Budget	Actual	Variance with Final Budget
Revenues			
Public charges for services	\$ 45,000	\$ 59,671	\$ 14,671
Investment income	500	584	84
Total revenues	45,500	60,255	14,755
Expenditures			
Current			
Conservation and development	94,000	13,162	80,838
Total expenditures	94,000	13,162	80,838
Net change in fund balance	(48,500)	47,093	95,593
Fund Balance, Beginning	59,106	59,106	-
Fund Balance, Ending	\$ 10,606	\$ 106,199	\$ 95,593

See notes to required supplementary information
59

City of Portage

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - Mass Transit Fund
Year Ended December 31, 2020

	Original and Final Budget	Actual	Variance with Final Budget
Revenues			
Intergovernmental	\$ 761,319	\$ 802,879	\$ 41,560
Public charges for services	545,130	384,979	(160,151)
Total revenues	1,306,449	1,187,858	(118,591)
Expenditures			
Current			
Public works	1,381,103	1,257,116	123,987
Total expenditures	1,381,103	1,257,116	123,987
Excess (deficiency) of revenues over (under) expenditures	(74,654)	(69,258)	5,396
Other Financing Sources			
Transfers in	71,000	71,000	-
Sale of capital assets	2,654	8,115	5,461
Total other financing sources	73,654	79,115	5,461
Net change in fund balance	(1,000)	9,857	10,857
Fund Balance (Deficit), Beginning	(68,327)	(68,327)	-
Fund Balance (Deficit), Ending	<u>\$(69,327)</u>	<u>\$(58,470)</u>	<u>\$ 10,857</u>

See notes to required supplementary information
60

City of Portage

Schedule of Proportionate Share of the Net Pension Liability (Asset) -
Wisconsin Retirement System
Year Ended December 31, 2020

City Fiscal Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/20	0.038917910%	\$ (1,254,891)	\$ 4,707,027	26.66%	102.96%
12/31/19	0.038009630%	1,352,263	4,473,631	30.23%	96.45%
12/31/18	0.037133770%	(1,102,545)	4,382,903	25.16%	102.93%
12/31/17	0.036339680%	299,526	4,267,076	7.02%	99.12%
12/31/16	0.035892190%	583,241	4,168,161	13.99%	98.20%
12/31/15	0.035646970%	(875,587)	4,085,943	21.43%	102.74%

Schedule of Employer Contributions - Wisconsin Retirement System
Year Ended December 31, 2020

City Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/20	\$ 448,361	\$ 448,361	\$ -	\$ 4,781,123	9.38%
12/31/19	417,493	417,493	-	4,707,658	8.87%
12/31/18	310,688	310,688	-	4,456,064	6.97%
12/31/17	389,956	389,956	-	4,382,904	8.90%
12/31/16	351,000	351,000	-	4,273,077	8.21%
12/31/15	356,206	356,206	-	4,085,943	8.72%

See notes to required supplementary information
61

City of Portage

Notes to Required Supplementary Information
Year Ended December 31, 2020

Budgetary Information

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note 1.

The budgeted amounts presented are as presented in the original budget and no amendments were adopted during the year. The City may authorize transfers of budgeted amounts within departments. Transfers between departments and changes to the overall budget must be approved by a two-thirds action.

Appropriations lapse at year-end unless specifically carried over. There were no carryovers to the following year. Budgets are adopted at the department level of expenditure.

Wisconsin Retirement System

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

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

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

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

S U P P L E M E N T A R Y I N F O R M A T I O N

City of Portage

Combining Balance Sheet
 Normajor Governmental Funds
 December 31, 2020

	Special Revenue Funds				
	Park Land Dedication Fund	Swimming Pool Fund	Inspection Fund	Library Fund	Library - Restricted Fund
Assets					
Cash and investments	\$ 34,255	\$ -	\$ -	\$ 131,039	\$ 38,947
Receivables:					
Taxes	-	-	-	521,277	-
Accounts	-	-	2,617	-	-
Special assessments	-	-	-	-	-
Other	-	-	-	-	-
Prepaid items	-	106	643	10,078	-
Restricted cash and investments	-	-	-	-	-
Total assets	<u>\$ 34,255</u>	<u>\$ 106</u>	<u>\$ 3,260</u>	<u>\$ 662,394</u>	<u>\$ 38,947</u>
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	\$ -	\$ 33	\$ 7,748	\$ 6,806	\$ 132
Accrued liabilities	-	537	2,586	26,369	-
Deposits	-	-	-	-	-
Due to other funds	-	-	31,876	-	-
Advances from other funds	-	110,496	-	-	-
Total liabilities	<u>-</u>	<u>111,066</u>	<u>42,210</u>	<u>33,175</u>	<u>132</u>
Deferred Inflows of Resources					
Property taxes levied for next period	-	-	-	521,277	-
Unavailable revenues	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>521,277</u>	<u>-</u>
Fund Balances (Deficit)					
Nonspendable	-	106	643	10,078	-
Restricted	-	-	-	97,864	38,815
Committed	-	-	-	-	-
Assigned	34,255	-	-	-	-
Unassigned (deficit)	-	(111,066)	(39,593)	-	-
Total fund balances (deficit)	<u>34,255</u>	<u>(110,960)</u>	<u>(38,950)</u>	<u>107,942</u>	<u>38,815</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 34,255</u>	<u>\$ 106</u>	<u>\$ 3,260</u>	<u>\$ 662,394</u>	<u>\$ 38,947</u>

	Special Revenue Funds						
	Library Memorial Fund	Criminal Investigation Fund	Tourism Promotion Fund	School Liaison Fund	Donation Fund	Portage Enterprise Center Fund	HUD Fund
\$ -	\$ -	\$ 16,633	\$ 74,793	\$ 19,008	\$ 90,384	\$ 9,481	\$ 16,706
-	-	-	-	-	-	-	-
-	-	-	-	-	11,454	-	54,493
-	-	-	14,636	-	-	13,474	-
-	-	-	-	1,727	-	1,489	-
40,499	-	-	-	-	-	-	-
<u>\$ 40,499</u>	<u>\$ 16,633</u>	<u>\$ 89,429</u>	<u>\$ 20,735</u>	<u>\$ 101,838</u>	<u>\$ 24,444</u>	<u>\$ 71,199</u>	
\$ 397	-	\$ 12,313	\$ 163	\$ 5,339	\$ 3,650	\$ -	-
-	-	-	5,433	-	2,851	-	-
-	-	2,942	-	-	5,173	-	-
-	-	-	-	-	-	-	-
397	-	15,255	5,596	5,339	11,674	-	-
-	-	-	-	-	-	-	-
-	-	-	-	11,454	-	54,493	-
-	-	-	-	-	-	-	-
40,102	-	-	-	1,727	-	1,489	-
-	-	-	-	-	85,045	-	16,706
-	16,633	74,174	13,412	-	-	11,281	-
-	-	-	-	-	-	-	-
40,102	16,633	74,174	15,139	85,045	12,770	-	16,706
<u>\$ 40,499</u>	<u>\$ 16,633</u>	<u>\$ 89,429</u>	<u>\$ 20,735</u>	<u>\$ 101,838</u>	<u>\$ 24,444</u>	<u>\$ 71,199</u>	

City of Portage

Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2020

	Special Revenue Funds			Capital Projects Funds	
	Wheel Tax Fund	Ambulance Fund	Post Retirement Benefits Fund	Recycling Fund	Industrial Development Fund
Assets					
Cash and investments	\$ -	\$ 62,368	\$ 1,826	\$ 1,804	\$ 50
Receivables:					
Taxes	-	-	-	-	-
Accounts	-	-	-	-	-
Special assessments	-	-	-	-	-
Other	-	-	-	-	-
Prepaid items	-	-	-	-	-
Restricted cash and investments	-	-	-	-	-
Total assets	\$ -	\$ 62,368	\$ 1,826	\$ 1,804	\$ 50

Liabilities, Deferred Inflows of Resources and Fund Balances

Liabilities					
Accounts payable	\$ 79	\$ 9,204	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	-
Deposits	-	-	-	-	-
Due to other funds	8,242	-	-	-	-
Advances from other funds	-	-	-	-	-
Total liabilities	8,321	9,204	-	-	-
Deferred Inflows of Resources					
Property taxes levied for next period	-	-	-	-	-
Unavailable revenues	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
Fund Balances (Deficit)					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	1,804	-
Assigned	-	53,164	1,826	-	50
Unassigned (deficit)	(8,321)	-	-	-	-
Total fund balances (deficit)	(8,321)	53,164	1,826	1,804	50
Total liabilities, deferred inflows of resources and fund balances	\$ -	\$ 62,368	\$ 1,826	\$ 1,804	\$ 50

	Capital Projects Funds						
	Revolving Sidewalk Fund	Revolving Alley Fund	Canal Project Fund	Airport Construction Fund	TIF #4	TIF #5	TIF #6
\$ 30,253	\$ 30,253	\$ -	\$ 52,613	\$ 7,300	\$ -	\$ -	\$ -
18,227	18,227	9,242	-	-	18,607	110,312	-
303	303	-	-	-	-	-	-
29,892	29,892	8,906	-	-	-	112,531	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
78,675	78,675	18,148	52,613	7,300	18,607	222,843	-
433	433	2,484	106,010	-	25	-	8,803
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	30,770	-	-	-	-	-
-	-	-	-	-	1,077,838	545,257	102,749
433	433	33,254	106,010	-	1,077,863	545,257	111,552
18,227	18,227	9,242	-	-	18,607	110,312	-
29,892	29,892	8,900	-	-	-	112,531	-
48,119	48,119	18,142	-	-	18,607	222,843	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
30,123	30,123	-	-	7,300	-	-	-
-	-	(33,248)	(53,397)	-	(1,077,863)	(545,257)	(111,552)
30,123	30,123	(33,248)	(53,397)	7,300	(1,077,863)	(545,257)	(111,552)
78,675	78,675	18,148	52,613	7,300	18,607	222,843	-

City of Portage

Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2020

	Capital Projects Funds				Total Nonmajor Governmental Funds
	TIF #7	TIF #8	TIF #9	TIF #10	
Assets					
Cash and investments	\$ -	\$ 96,243	\$ -	\$ -	\$ 683,703
Receivables:					
Taxes	85,263	58,974	-	13,352	835,254
Accounts	-	-	-	-	68,867
Special assessments	-	-	-	-	38,798
Other	-	-	-	-	140,641
Prepaid items	-	-	-	-	14,043
Restricted cash and investments	-	-	-	-	40,499
Total assets	<u>\$ 85,263</u>	<u>\$ 155,217</u>	<u>\$ -</u>	<u>\$ 13,352</u>	<u>\$ 1,821,805</u>
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	\$ 15,822	\$ -	\$ -	\$ -	\$ 179,441
Accrued liabilities	-	-	-	-	37,776
Deposits	-	-	-	-	8,115
Due to other funds	-	-	-	-	70,888
Advances from other funds	<u>20,401</u>	<u>-</u>	<u>20,826</u>	<u>22,736</u>	<u>1,900,303</u>
Total liabilities	<u>36,223</u>	<u>-</u>	<u>20,826</u>	<u>22,736</u>	<u>2,196,523</u>
Deferred Inflows of Resources					
Property taxes levied for next period	85,263	58,974	-	13,352	835,254
Unavailable revenues	-	-	-	-	217,270
Total deferred inflows of resources	<u>85,263</u>	<u>58,974</u>	<u>-</u>	<u>13,352</u>	<u>1,052,524</u>
Fund Balances (Deficit)					
Nonspendable	-	-	-	-	14,043
Restricted	-	96,243	-	-	374,775
Committed	-	-	-	-	1,804
Assigned	-	-	-	-	242,218
Unassigned (deficit)	<u>(36,223)</u>	<u>-</u>	<u>(20,826)</u>	<u>(22,736)</u>	<u>(2,060,082)</u>
Total fund balances (deficit)	<u>(36,223)</u>	<u>96,243</u>	<u>(20,826)</u>	<u>(22,736)</u>	<u>(1,427,242)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 85,263</u>	<u>\$ 155,217</u>	<u>\$ -</u>	<u>\$ 13,352</u>	<u>\$ 1,821,805</u>

City of Portage

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2020

	Special Revenue Funds				
	Park Land Dedication Fund	Swimming Pool Fund	Inspection Fund	Library Fund	Library-Restricted Fund
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ 520,312	\$ -
Special assessments	-	-	-	-	-
Intergovernmental	-	-	-	246,333	-
Licenses and permits	-	-	90,398	-	-
Public charges for services	-	4,102	-	10,102	575
Intergovernmental charges for services	-	-	23,251	-	-
Investment income	363	-	1	3,472	473
Miscellaneous revenues	<u>38,475</u>	<u>-</u>	<u>-</u>	<u>1,069</u>	<u>20,750</u>
Total revenues	<u>38,838</u>	<u>4,102</u>	<u>117,418</u>	<u>781,288</u>	<u>21,798</u>
Expenditures					
Current:					
Public safety	-	-	118,811	-	-
Public works	-	-	-	-	-
Culture, recreation and education	-	20,113	-	750,248	9,737
Conservation and development	-	-	789	-	-
Capital Outlay	<u>24,418</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>24,418</u>	<u>20,113</u>	<u>119,600</u>	<u>750,248</u>	<u>9,737</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>14,420</u>	<u>(16,011)</u>	<u>(2,182)</u>	<u>31,040</u>	<u>12,061</u>
Other Financing Sources (Uses)					
Transfers in	-	14,000	-	-	-
Transfers out	-	-	-	-	-
Sale of capital assets	-	-	-	-	-
Total other financing sources (uses)	-	<u>14,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>14,420</u>	<u>(2,011)</u>	<u>(2,182)</u>	<u>31,040</u>	<u>12,061</u>
Fund Balances (Deficit), Beginning	<u>19,835</u>	<u>(108,949)</u>	<u>(36,768)</u>	<u>76,902</u>	<u>26,754</u>
Fund Balances (Deficit), Ending	<u>\$ 34,255</u>	<u>\$ (110,960)</u>	<u>\$ (38,950)</u>	<u>\$ 107,942</u>	<u>\$ 38,815</u>

City of Portage

Combining Statement of Revenues, Expenditures and Changes
in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2020

Special Revenue Funds						
Library Memorial Fund	Criminal Investigation Fund	Tourism Promotion Fund	School Liaison Fund	Donation Fund	Economic Development Fund	Portage Enterprise Center
\$ -	\$ -	\$ 111,998	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	21,298	-	4,905
-	-	-	-	-	-	-
-	2,946	-	-	-	-	-
-	-	-	58,282	-	-	-
471	246	727	26	920	-	1,054
99	-	125	-	78,766	-	101,246
570	3,192	112,850	58,308	100,984	-	107,205
-	7,576	-	95,892	-	-	-
-	-	-	-	-	-	-
5,152	-	182,815	-	103,710	-	-
-	-	-	-	-	4	106,981
-	-	-	-	-	-	-
5,152	7,576	182,815	95,892	103,710	4	106,981
(4,582)	(4,384)	(69,965)	(37,584)	(2,726)	(4)	224
-	-	-	38,939	-	-	-
-	-	-	1,190	-	-	(86,000)
-	-	-	-	-	-	-
-	-	-	40,129	-	-	(86,000)
(4,582)	(4,384)	(69,965)	2,545	(2,726)	(4)	(85,776)
44,684	21,017	144,139	12,594	87,771	4	98,546
\$ 40,102	\$ 16,633	\$ 74,174	\$ 15,139	\$ 85,045	\$ -	\$ 12,770

Special Revenue Funds					
	HUD Fund	Wheel Tax Fund	Ambulance Fund	Post Retirement Benefits Fund	Recycling Fund
Revenues					
Taxes	\$ -	\$ 152,232	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-
Intergovernmental	-	234	-	-	20,408
Licenses and permits	-	-	-	-	-
Public charges for services	-	-	-	-	-
Intergovernmental charges for services	-	-	-	-	-
Investment income	36	537	665	-	65
Miscellaneous revenues	-	-	-	-	-
Total revenues	36	153,003	665	-	20,473
Expenditures					
Current:					
Public safety	-	-	-	72,445	-
Public works	-	12,015	-	-	40,006
Culture, recreation and education	-	-	-	17,182	-
Conservation and development	-	-	-	-	-
Capital Outlay	-	40,249	-	-	-
Total expenditures	-	52,264	-	89,627	40,006
Excess (Deficiency) of Revenues Over Expenditures	36	100,739	665	(89,627)	(19,533)
Other Financing Sources (Uses)					
Transfers in	-	-	-	97,532	-
Transfers out	-	(98,500)	-	-	-
Sale of capital assets	-	-	-	-	-
Total other financing sources (uses)	-	(98,500)	-	97,532	-
Net change in fund balances	36	2,239	665	7,905	(19,533)
Fund Balances (Deficit), Beginning	16,670	(10,560)	52,499	(6,079)	21,337
Fund Balances (Deficit), Ending	\$ 16,706	\$ (8,321)	\$ 53,164	\$ 1,826	\$ 1,804

Continuing Statement of Governmental Funds
in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2020

Capital Projects Funds				
	TIF #6	TIF #7	TIF #8	TIF #9
Revenues				
Taxes	\$ -	\$ 69,729	\$ 56,616	\$ -
Special assessments	-	-	2,148	-
Intergovernmental	46,683	89,519	3,721	-
Licenses and permits	-	-	-	-
Public charges for services	-	-	-	-
Intergovernmental charges for services	-	-	-	-
Investment income	-	74	1,139	-
Miscellaneous revenues	-	-	-	-
Total revenues	46,683	159,322	63,624	-
Expenditures				
Current:				
Public safety	-	-	-	-
Public works	-	-	-	-
Culture, recreation and education	-	-	-	-
Conservation and development	2,771	3,999	3,355	2,778
Capital Outlay	66,215	124,386	-	-
Total expenditures	68,986	128,385	3,355	2,778
Excess (Deficiency) of Revenues Over Expenditures	(22,303)	30,937	60,269	(2,778)
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers out	(10,719)	(82,206)	(45,788)	-
Sale of capital assets	-	-	-	-
Total other financing sources (uses)	(10,719)	(82,206)	(45,788)	-
Net change in fund balances	(33,022)	(51,269)	14,481	(2,778)
Fund Balances (Deficit), Beginning	(78,530)	15,046	81,762	(18,048)
Fund Balances (Deficit), Ending	\$ (111,552)	\$ (36,223)	\$ 96,243	\$ (20,826)

Capital Projects Funds	Total Nonmajor Governmental Funds
TIF #10	
\$ -	\$ 1,035,032
-	62,881
-	433,101
-	90,398
-	21,493
-	81,533
-	17,337
-	278,041
-	2,019,816
-	294,724
-	296,206
-	1,088,957
5,148	133,995
-	800,146
5,148	2,614,028
(5,148)	(594,212)
-	286,471
-	(671,882)
-	1,190
-	(384,221)
(5,148)	(978,433)
(17,588)	(448,809)
\$ (22,736)	\$ (1,427,242)

FORM OF LEGAL OPINION

(See following pages)

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

June 29, 2022

Re: City of Portage, Wisconsin ("Issuer")
\$2,135,000 General Obligation Corporate Purpose Bonds, Series 2022A,
dated June 29, 2022 ("Bonds")

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

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

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

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2023	\$ 70,000	____%
2024	95,000	____
2025	95,000	____
2026	95,000	____
2027	100,000	____
2028	105,000	____
2029	105,000	____
2030	110,000	____
2031	120,000	____
2032	95,000	____
2033	100,000	____
2034	100,000	____
2035	105,000	____
2036	110,000	____
2037	115,000	____
2038	115,000	____
2039	120,000	____
2040	120,000	____
2041	130,000	____
2042	130,000	____

Interest is payable semi-annually on April 1 and October 1 of each year commencing on April 1, 2023.

The Bonds maturing on April 1, 2032 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on April 1, 2031 or on any date thereafter. Said Bonds are redeemable as a whole or in part, and if in part, from maturities selected by the Issuer, and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

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

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

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

1. The Bonds have been duly authorized and executed by the Issuer and are valid and binding general obligations of the Issuer.
2. All the taxable property in the territory of the Issuer is subject to the levy of ad valorem taxes to pay principal of, and interest on, the Bonds, without limitation as to rate or amount. The Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Bonds except to the extent that necessary funds have been irrevocably deposited into the debt service fund account established for the payment of the principal of and interest on the Bonds.
3. The interest on the Bonds is excludable for federal income tax purposes from the gross income of the owners of the Bonds. The interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") on individuals. The Code contains requirements that must be satisfied subsequent to the issuance of the Bonds in order for interest on the Bonds to be or continue to be excludable from gross income for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the Bonds to be included in gross income retroactively to the date of issuance of the Bonds. The Issuer has agreed to comply with all of those requirements. The opinion set forth in the first sentence of this paragraph is subject to the condition that the Issuer comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

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

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

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

QUARLES & BRADY LLP

BOOK-ENTRY-ONLY SYSTEM

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

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

FORM OF CONTINUING DISCLOSURE CERTIFICATE

(See following pages)

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the City of Portage, Columbia County, Wisconsin (the "Issuer") in connection with the issuance of \$2,135,000 General Obligation Corporate Purpose Bonds, Series 2022A, dated June 29, 2022 (the "Securities"). The Securities are being issued pursuant to resolutions adopted on May 12, 2022, as supplemented by an Approving Certificate (collectively, the "Resolution") and delivered to _____ (the "Purchaser") on the date hereof. Pursuant to the Resolution, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. In addition, the Issuer hereby specifically covenants and agrees as follows:

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

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

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

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

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

"Final Official Statement" means the Final Official Statement dated June 14, 2022 delivered in connection with the Securities, which is available from the MSRB.

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

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

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

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

"Issuer Contact" means the City Clerk of the Issuer who can be contacted at 115 W Pleasant Street, Portage, Wisconsin 53901, phone (608) 742-2176, fax (608) 742-8623.

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

"MSRB" means the Municipal Securities Rulemaking Board.

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

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

"SEC" means the Securities and Exchange Commission.

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

(a) The Issuer shall, not later than 365 days after the end of the Fiscal Year, commencing with the year ended December 31, 2021, provide the MSRB with an Annual Report filed in accordance with Section 1(b) of this Disclosure Certificate and which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report and that, if Audited Financial Statements are not available within 365 days after the end of the Fiscal Year, unaudited financial information will be provided, and Audited Financial Statements will be submitted to the MSRB when and if available.

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

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

1. DEBT - Direct Debt
2. DEBT - Debt Limit
3. VALUATIONS - Current Property Valuations
4. TAX LEVIES AND COLLECTIONS - Tax Levies and Collections

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

Section 5. Reporting of Listed Events.

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

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;
7. Modification to rights of holders of the Securities, if material;
8. Securities calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution or sale of property securing repayment of the Securities, if material;
11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the Issuer;
13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect holders of the Securities, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

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

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

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

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

Section 7. Issuer Contact; Agent. Information may be obtained from the Issuer Contact. Additionally, the Issuer may, from time to time, appoint or engage a dissemination agent to assist

it in carrying out its obligations under the Resolution and this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor dissemination agent.

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

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

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

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

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

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

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

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

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

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

IN WITNESS WHEREOF, we have executed this Certificate in our official capacities effective the 29th day of June, 2022.

(SEAL)

Mitchel Craig
Mayor

Marie A. Moe
City Clerk

APPENDIX E

NOTICE OF SALE

\$2,135,000* GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2022A CITY OF PORTAGE, WISCONSIN

Bids for the purchase of \$2,135,000 General Obligation Corporate Purpose Bonds, Series 2022A (the "Bonds") of the City of Portage, 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 09:30 A.M., Central Time, and **ELECTRONIC PROPOSALS** will be received via **PARITY**, in the manner described below, until 09:30 A.M. Central Time, on June 13, 2022, at which time they will be opened, read and tabulated. **The Common Council adopted a resolution on May 12, 2022 (the "Parameters Resolution") which authorizes the City Administrator or Mayor to accept a bid for the Bonds if the parameters and conditions set forth in the Parameters Resolution are satisfied. If the parameters and conditions set forth in the Parameters Resolution are not met through the competitive bids received on June 13, 2022, neither the City Administrator nor Mayor will have the authority to accept a bid for the Bonds, and all bids for the Bonds will be rejected.**

PURPOSE

The Bonds are being issued pursuant to Section 67.04, Wisconsin Statutes, for the public purposes of financing fire department equipment, street improvement projects, parks and public grounds projects, construction of a building for housing machinery and equipment and sewerage projects consisting of storm water projects within the City. 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 June 29, 2022, will be issued as fully registered Bonds in the denomination of \$5,000 each, or any integral multiple thereof, and will mature on April 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2023	\$70,000	2030	\$110,000	2037	\$115,000
2024	95,000	2031	120,000	2038	115,000
2025	95,000	2032	95,000	2039	120,000
2026	95,000	2033	100,000	2040	120,000
2027	100,000	2034	100,000	2041	130,000
2028	105,000	2035	105,000	2042	130,000
2029	105,000	2036	110,000		

ADJUSTMENT OPTION

* The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each, up to a maximum of \$50,000 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 BOND OPTION

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

INTEREST PAYMENT DATES AND RATES

Interest will be payable on April 1 and October 1 of each year, commencing April 1, 2023, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board. All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

BOOK-ENTRY-ONLY FORMAT

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

PAYING AGENT

The City has selected Bond Trust Services Corporation, Roseville, Minnesota, to act as paying agent (the "Paying Agent"). Bond Trust Services Corporation and Ehlers are affiliate companies. The City will pay the charges for Paying Agent services. The City reserves the right to remove the Paying Agent and to appoint a successor.

OPTIONAL REDEMPTION

At the option of the City, the Bonds maturing on or after April 1, 2032 shall be subject to optional redemption prior to maturity on April 1, 2031 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

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

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

DELIVERY

On or about June 29, 2022, the Bonds will be delivered without cost to the winning bidder at DTC. On the day of closing, the City will furnish to the winning bidder the opinion of bond counsel hereinafter described, an arbitrage certification, and certificates verifying that no litigation in any manner questioning the validity of the Bonds is then pending or, to the best knowledge of officers of the City, threatened. Payment for the Bonds must be received by the City at its designated depository on the date of closing in immediately available funds.

LEGAL OPINION

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

STATEMENT REGARDING COUNSEL PARTICIPATION

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

SUBMISSION OF BIDS

Bids must not be for less than \$2,108,312.50, nor more than \$2,263,100, plus accrued interest on the principal sum of \$2,135,000 from date of original issue of the Bonds to date of delivery. Prior to the time established above for the opening of bids, interested parties may submit a bid as follows:

- 1) Electronically to bondsale@ehlers-inc.com; or
- 2) Electronically via **PARITY** in accordance with this Notice of Sale until 09:30 A.M. Central Time, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in **PARITY** conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about **PARITY**, potential bidders may contact Ehlers or i-Deal LLC at 1359 Broadway, 2nd Floor, New York, New York 10018, Telephone (212) 849-5021.

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

A good faith deposit ("Deposit") in the amount of \$42,700 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids. The City reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the City may award the Bonds to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the City as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith.

The City and the winning bidder who chooses to so wire the Deposit hereby agree irrevocably that Ehlers shall be the escrow holder of the Deposit wired to such account subject only to these conditions and duties: 1) All income

earned thereon shall be retained by the escrow holder as payment for its expenses; 2) If the bid is not accepted, Ehlers shall, at its expense, promptly return the Deposit amount to the winning bidder; 3) If the bid is accepted, the Deposit shall be returned to the winning bidder at the closing; 4) Ehlers shall bear all costs of maintaining the escrow account and returning the funds to the winning bidder; 5) Ehlers shall not be an insurer of the Deposit amount and shall have no liability hereunder except if it willfully fails to perform or recklessly disregards, its duties specified herein; and 6) FDIC insurance on deposits within the escrow account shall be limited to \$250,000 per bidder.

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

AWARD

The Bonds will be awarded to the bidder offering the lowest interest rate to be determined on a True Interest Cost (TIC) basis. The City's computation of the interest rate of each bid, in accordance with customary practice, will be controlling. In the event of a tie, the sale of the Bonds will be awarded by lot. The City reserves the right to reject any and all bids and to waive any informality in any bid. **The Bonds will not be awarded if the TIC (taking the purchaser's compensation into account) exceeds 4.75% or if the other conditions set forth in the Parameters Resolution are not satisfied.**

BOND INSURANCE

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

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

CUSIP NUMBERS

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

QUALIFIED TAX-EXEMPT OBLIGATIONS

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

CONTINUING DISCLOSURE

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

NEW ISSUE PRICING

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

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

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

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

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

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

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

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

The winning bidder will advise the City promptly after the close of the fifth (5th) business day after the sale whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The City acknowledges that in making the representation set forth above, the winning bidder will rely on:

(i) the agreement of each underwriter to comply with requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-price rule, if applicable to the Bonds, as set forth in an agreement among underwriters and the related pricing wires,

(ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and

(iii) in the event that an underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The City further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price rule of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule as applicable to the Bonds.

(e) If all of the requirements of a "competitive sale" are not satisfied and the winning bidder selects the 10% test, the winning bidder agrees to promptly report to the City, Bond Counsel and Ehlers the prices at which the Bonds have been sold to the public. That reporting obligation shall continue, whether or not the closing date has occurred, until either (i) all Bonds of that maturity have been sold or (ii) the 10% test has been satisfied as to each maturity of the Bonds, provided that, the winning bidder's reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the City or bond counsel.

(f) By submitting a bid, each bidder confirms that:

(i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is party to such third-party distribution agreement, as applicable, to:

(A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred until either all securities of that maturity allocated to it have been sold or it is notified by the winning bidder that either the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the City or bond counsel.

(B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group and each broker dealer that is a party to a third-party distribution

agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to:

(A) to promptly notify the winning bidder of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and

(B) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the winning bidder shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public.

(g) Sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each term being used as defined below) shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

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

PRELIMINARY OFFICIAL STATEMENT

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

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

By Order of the Common Council

Marie Moe, City Clerk
City of Portage, Wisconsin

BID FORM

June 13, 2022

City of Portage, Wisconsin (the "City")

RE: \$2,135,000* General Obligation Corporate Purpose Bonds, Series 2022A (the "Bonds")

DATED: June 29, 2022

For all or none of the above Bonds, in accordance with the Notice of Sale and terms of the Global Book-Entry System (unless otherwise specified by the Purchaser) as stated in this Official Statement, we will pay you \$_____ (not less than \$2,108,312.50 nor more than \$2,263,100) plus accrued interest to date of delivery for fully registered Bonds bearing interest rates and maturing in the stated years as follows:

_____ % 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	_____ % due 2041
_____ % due 2028	_____ % due 2035	_____ % due 2042
_____ % due 2029	_____ % due 2036	

* 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 \$50,000 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 an integral multiple of 5/100 or 1/8 of 1%.

A good faith deposit ("Deposit") in the amount of \$42,700 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids. The City reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the City may award the Bonds to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the City as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith. We agree to the conditions and duties of Ehlers and Associates, Inc., as escrow holder of the Deposit, pursuant to the Notice of Sale. This bid is for prompt acceptance and is conditional upon delivery of said Bonds to The Depository Trust Company, New York, New York, in accordance with the Notice of Sale. Delivery is anticipated to be on or about June 29, 2022.

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

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

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

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

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: _____
Account Members:

By: _____

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 June 29, 2022 of the above bid is \$_____ and the true interest cost (TIC) is ____%.

The foregoing offer is hereby accepted by and on behalf of the City of Portage, Wisconsin, on June 13, 2022.

By: _____

Title: _____