

FINAL OFFICIAL STATEMENT DATED JUNE 15, 2023

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; however, interest on the Bonds is taken into account in determining "adjusted financial statement income" for purposes of computing the federal alternative minimum tax imposed on Applicable Corporations (as defined in Section 59(k) of the Code) for taxable years beginning after December 31, 2022. 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 Bonds shall be designated as "qualified tax-exempt obligations".

New Issue

Rating: S&P Global Ratings "AA-"/Stable

CITY OF PORTAGE, WISCONSIN (Columbia County)

\$3,055,000 GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2023A

PURPOSE/AUTHORITY/SECURITY: The \$3,055,000 General Obligation Corporate Purpose Bonds, Series 2023A (the "Bonds") are being issued pursuant to Section 67.04, Wisconsin Statutes, by the City of Portage, Wisconsin (the "City"), for the public purposes of financing construction of a building for the housing of machinery and equipment, street improvement projects, parks and public grounds projects and sewerage projects consisting of storm water projects. 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: July 6, 2023

DATE OF DELIVERY: July 6, 2023

SERIAL MATURITIES: April 1 as follows:

Interest					Interest				
Year	Amount	Rate	Yield	CUSIP Base	Year	Amount	Rate	Yield	CUSIP Base
2024	\$85,000	5.000%	3.400%	736032 QM8	2029	\$120,000	5.000%	3.150%	736032 QS5
2025	\$110,000	5.000%	3.300%	736032 QN6	2030	\$140,000	5.000%	3.150%	736032 QT3
2026	\$115,000	5.000%	3.250%	736032 QP1	2031	\$135,000	5.000%	3.150%	736032 QU0
2027	\$115,000	5.000%	3.200%	736032 QQ9	2032	\$145,000	5.000%	3.200%*	736032 QV8
2028	\$120,000	5.000%	3.150%	736032 QR7	2033	\$145,000	5.000%	3.250%*	736032 QW6

TERM BONDS: \$320,000 4.000% Term Bonds Due April 1, 2035 – Yield 3.500%* CUSIP 736032 QY2

TERM BONDS: \$335,000 4.000% Term Bonds Due April 1, 2037 – Yield 3.650%* CUSIP 736032 RA3

TERM BONDS: \$360,000 4.000% Term Bonds Due April 1, 2039 – Yield 3.800%* CUSIP 736032 RC9

TERM BONDS: \$385,000 4.000% Term Bonds Due April 1, 2041 – Yield 3.850%* CUSIP 736032 RE5

TERM BONDS: \$425,000 4.000% Term Bonds Due April 1, 2043 – Yield 3.900%* CUSIP 736032 RG0

*Priced to call.

INTEREST: April 1, 2024 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 to the date of optional redemption.

MANDATORY REDEMPTION: The Bonds maturing on April 1, 2035, April 1, 2037, April 1, 2039, April 1, 2041 and April 1, 2043 are subject to mandatory redemption as described under "THE BONDS- Mandatory Redemption" herein.

PAYING AGENT: Bond Trust Services Corporation.

BOND COUNSEL &

DISCLOSURE 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).

The Bonds are offered, subject to prior sale, when, as and if accepted by the Underwriter named below and subject to an opinion as to the validity and tax exemption by Quarles & Brady LLP, Milwaukee, Wisconsin, Bond Counsel, and certain other conditions. Quarles & Brady LLP will also act as Disclosure Counsel to the City. It is expected that delivery of the Bonds will be made on or about July 6, 2023 against payment therefor. Subject to applicable securities laws and prevailing market conditions, the Underwriter intends, but is not obligated, to effect secondary market trading in the Bonds. For information with respect to the Underwriter, see "Underwriting" herein.

THE BAKER GROUP
Oklahoma City, Oklahoma

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 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 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 Official Statement is not to be construed as a contract with the Underwriter. 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 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. Quarles & Brady LLP will serve as Disclosure Counsel to the City with respect to the Bonds. Compensation of Ehlers and Associates, Inc., payable entirely by the City, is contingent upon the delivery of the Bonds.

The Underwriter has reviewed the information in this Final Official Statement in accordance with, and as a part of, the Underwriter's responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

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").

Final Official Statement: Copies of the Final Official Statement will be delivered to the Underwriter 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 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 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 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.

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CITY OF PORTAGE COMMON COUNCIL

		<u>Term Expires</u>
Mitchel Craig	Mayor	April 2025
Susan Bauer Frye	Alderman	April 2025
Christopher Crawley	Alderman	April 2026
Martin Havlovic	Alderman	April 2024
Alan Radant	Alderman	April 2026
Dennis Nachreiner	Alderman	April 2024
Steven Rohrbeck	Alderman	April 2024
Eric Shimpach	Alderman	April 2025
Karyn Wetzel	Alderman	April 2026
Tim Green	Alderman	April 2025

ADMINISTRATION

Michael Bablick, City Administrator
Jennifer Becker, Finance Director/Treasurer
Rebecca Ness, City Clerk

PROFESSIONAL SERVICES

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

INTRODUCTORY STATEMENT

This Official Statement contains certain information regarding the City of Portage, Wisconsin (the "City") and the issuance of its \$3,055,000 General Obligation Corporate Purpose Bonds, Series 2023A (the "Bonds"). **The Common Council adopted a resolution on May 11, 2023 (the "Parameters Resolution") which authorized the Finance Director or the Mayor to accept a bid for the Bonds if the parameters and conditions set forth in the Parameters Resolution are satisfied. The parameters and conditions set forth in the Parameters Resolution were met through the competitive bids received on June 15, 2023 and a bid for the Bonds was accepted.**

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 Final Official Statement is available at emma.msrb.org.

THE BONDS

GENERAL

The Bonds will be issued in fully registered form as to both principal and interest in denominations of \$5,000 each or any integral multiple thereof, and will be dated, as originally issued, as of July 6, 2023. The Bonds will mature on April 1 in the years and amounts set forth on the cover of this Final Official Statement. Interest will be payable on April 1 and October 1 of each year, commencing April 1, 2024, 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").

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 ("BTSC"), to act as paying agent (the "Paying Agent"). BTSC 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.

MANDATORY REDEMPTION

Bonds maturing on April 1, 2035 will be called for mandatory redemption at par on April 1, in the years 2034 and 2035 in the respective amounts set forth below.

Year	Amount
2034	\$155,000
2035 (maturity)	165,000

Bonds maturing on April 1, 2037 will be called for mandatory redemption at par on April 1, in the years 2036 and 2037 in the respective amounts set forth below.

Year	Amount
2036	\$160,000
2037 (maturity)	175,000

Bonds maturing on April 1, 2039 will be called for mandatory redemption at par on April 1, in the years 2038 and 2039 in the respective amounts set forth below.

Year	Amount
2038	\$180,000
2039 (maturity)	180,000

Bonds maturing on April 1, 2041 will be called for mandatory redemption at par on April 1, in the years 2040 and 2041 in the respective amounts set forth below.

Year	Amount
2040	\$190,000
2041 (maturity)	195,000

Bonds maturing on April 1, 2043 will be called for mandatory redemption at par on April 1, in the years 2042 and 2043 in the respective amounts set forth below.

Year	Amount
2042	\$205,000
2043 (maturity)	220,000

AUTHORITY; PURPOSE

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

SOURCES AND USES

Sources

Par Amount of Bonds	\$3,055,000	
Reoffering Premium	135,350	
Estimated Interest Earnings	<u>30,178</u>	
Total Sources		\$3,220,528

Uses

Total Underwriter's Discount	\$31,721	
Costs of Issuance	65,683	
Deposit to Project Construction Fund	3,017,820	
Premium Deposit to Debt Service	103,629	
Rounding Amount	<u>1,675</u>	
Total Uses		\$3,220,528

SECURITY

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

RATING

The City received a rating of "AA-" (stable outlook) by S&P Global Ratings ("S&P") and bidders were notified as to the assigned rating prior to the sale. Such rating reflects only the views of such organization and explanations of the significance of such rating may be obtained from S&P.

Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency, if in the judgment of such rating agency circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

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

CONTINUING DISCLOSURE

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

On the date of issue and delivery of the Bonds, 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 the Disclosure Undertaking will not constitute an event of default on the Bonds. However, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

The City failed to timely file notice of the incurrence of a financial obligation incurred in October 2021. Except to the extent the preceding is deemed to be material, 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, including the two new material events, to help ensure compliance in the future. Ehlers is currently engaged as dissemination agent for the City.

LEGAL MATTERS

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 ("Bond Counsel"), 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). (See "FORM OF LEGAL OPINION" found in Appendix B).

Quarles & Brady LLP has also been retained by the City to serve as Disclosure Counsel to the City with respect to the Bonds. Although, as Disclosure Counsel to the City, Quarles & Brady LLP has assisted the City with certain disclosure matters, Quarles & Brady LLP has not undertaken to independently verify the accuracy, completeness or sufficiency of this Official Statement or other offering material relating to the Bonds and assumes no responsibility whatsoever nor shall have any liability to any other party for the statements or information contained or incorporated by reference in this Official Statement. Further, Quarles & Brady LLP makes no representation as to the suitability of the Bonds for any investor.

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; however, interest on the Bonds is taken into account in determining "adjusted financial statement income" for purposes of computing the federal alternative minimum tax imposed on Applicable Corporations (as defined in Section 59(k) of the Code) for taxable years beginning after December 31, 2022. 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.

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 Bonds shall be designated 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 Official Statement has been compiled by the Municipal Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. Ehlers is not a firm of certified public accountants. Ehlers is registered with the Securities and Exchange Commission and the MSRB as a municipal advisor.

MUNICIPAL ADVISOR AFFILIATED COMPANIES

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.

UNDERWRITING

The Underwriter named on the cover page hereof (the "Underwriter") has agreed to purchase the Bonds from the City for a purchase price of \$3,158,629.27 plus accrued interest to the date of closing. The Underwriter will be obligated to purchase all such Bonds if any such Bonds are purchased. The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) at prices lower than the offering prices derived from the coupons and yields for each maturity set forth on the cover page.

INDEPENDENT AUDITORS

The basic financial statements of the City for the fiscal year ended December 31, 2021 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 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. Potential investors should review this Official Statement, including the appendices, in its entirety.

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: 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.

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 received in 2022. The City's allocation was \$1,088,488.

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

2022 Equalized Value	\$871,556,800
2022 Equalized Value Reduced by Tax Increment Valuation	\$847,788,200
2022 Assessed Value	\$812,616,300

2022 EQUALIZED VALUE BY CLASSIFICATION

	2022 Equalized Value ¹	Percent of Total Equalized Value
Residential	\$514,968,900	59.086%
Commercial	263,237,700	30.203%
Manufacturing	74,225,200	8.516%
Agricultural	96,500	0.011%
Undeveloped	198,800	0.023%
Ag Forest	20,000	0.002%
Forest	604,000	0.069%
Personal Property	18,205,700	2.089%
Total	<u>\$871,556,800</u>	<u>100.000%</u>

TREND OF VALUATIONS

Year	Assessed Value	Equalized Value ¹	Percent Increase/Decrease in Equalized Value
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%
2022	812,616,300	871,556,800	15.88%

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	2022 Equalized Value ¹	Percent of City's Total Equalized Value
Cardinal Glass Industries Inc.	Glass Manufacturer	\$23,280,212	2.67%
Divine Savior Healthcare Inc.	Hospital/Clinic	11,687,073	1.34%
Silver Lake Apartments LLC	Apartments	10,222,042	1.17%
Wal-Mart Real Estate Business Trust	General Retail	8,695,499	1.00%
Penda (WI) LLC	Thermoformed Plastics Manufacturer	7,303,682	0.84%
Premier Rolling Woods LLC	Apartments	7,194,613	0.83%
AMPI	Cheese Production	6,420,606	0.74%
Encapsys LLC	Chemical Manufacturer	5,509,618	0.63%
Fox Run Apartments Portage LLC	Apartments	5,310,373	0.61%
Saint-Gobain Performance Plastics Corp.	Plastics Manufacturer	5,178,760	0.59%
		<hr/>	<hr/>
Total		\$90,802,478	10.42%
City's Total 2022 Equalized Value ²		\$871,556,800	

Source: The City.

¹ Calculated by dividing the 2022 Assessed Values by the 2022 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>\$19,443,125</u>
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Revenue Debt (see schedules following)

Total revenue debt secured by sewer revenues	<u>\$8,643,594</u>
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Total revenue debt secured by water revenues	<u>\$4,404,741</u>
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DEBT PAYMENT HISTORY

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

FUTURE FINANCING

The City expects to borrow for capital projects in 2024, but the amount of such borrowing has not yet been determined. The City may pursue a taxable borrowing later in 2023 for ambulance services (see "SUMMARY GENERAL FUND INFORMATION"). The City is planning to finance improvements to its public works facility building of approximately \$12 million. The City currently expects that it may pursue an interim financing in 2024 with a long-term USDA loan to refinance the interim financing in 2025. The City expects to issue water and sewer system revenue bonds for utility projects in 2024, but the amount and timing of such borrowing has not yet been determined. The City may also pursue a Clean Water Fund Loan for upgrades at the City's wastewater treatment plant, but such borrowing is currently not expected until 2025. Aside from the preceding, the City has no current plans for additional financing in the next 12 months.

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

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	\$871,556,800
Multiply by 5%	0.05
Statutory Debt Limit ¹	<u>\$43,577,840</u>
Less: General Obligation Debt	<u>(19,443,125)</u>
Unused Debt Limit	<u><u>\$24,134,715</u></u>

¹ The Common Council has adopted a resolution establishing a limitation on the amount of general obligation debt that the City may issue equal to no more than 4% of the total assessed property value as established by the City’s Board of Review annually.

City of Portage, Wisconsin
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Taxes
(As of 07/06/2023)

	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	
Dated	08/02/2012		08/02/2012		04/16/2015		05/19/2016		04/13/2017	
Amount	\$5,520,000		\$2,175,000		\$3,620,000		\$1,855,000		\$3,730,000	
Maturity	04/01		04/01		04/01		05/01		04/01	
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023	0	23,748	0	11,603	0	33,119	0	13,600	0	38,713
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										
2043										
	1,920,000	125,763	710,000	60,290	2,185,000	476,725	1,130,000	196,375	2,355,000	413,925

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City of Portage, Wisconsin
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Taxes
(As of 07/06/2023)

	Bank Note		Corporate Purpose Bonds Series 2019A		Bank Note		Corporate Purpose Bonds Series 2021A		Promissory Note	
Dated	08/17/2018		05/15/2019		10/05/2020		06/03/2021		10/25/2021	
Amount	\$424,000		\$3,055,000		\$300,000		\$2,990,000		\$74,000	
Maturity	02/01 & 08/01		04/01		02/01 & 08/01		04/01		02/01 & 08/01	
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023	31,551	2,859	0	38,625	21,107	1,606	0	37,300	12,340	376
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			145,000	55,875			165,000	47,700		
2029			155,000	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										
2043										
	163,374	8,676	2,575,000	669,900	196,234	8,183	2,805,000	587,850	37,388	759

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City of Portage, Wisconsin
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Taxes
(As of 07/06/2023)

	Corporate Purpose Bonds Series 2022A		Promissory Note		Corporate Purpose Bonds Series 2023A							
Dated Amount	06/29/2022 \$2,125,000		10/27/2022 \$265,000		07/06/2023 \$3,055,000							
Maturity	04/01		02/01 & 08/01		04/01							
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2023	0	36,695	16,907	4,641	0	0	81,905	242,882	324,788	19,361,220	.42%	2023
2024	95,000	71,965	34,682	8,414	85,000	164,132	1,937,201	624,066	2,561,267	17,424,019	10.38%	2024
2025	95,000	69,044	36,035	7,061	110,000	127,500	1,636,507	540,062	2,176,569	15,787,511	18.80%	2025
2026	95,000	66,051	37,418	5,678	115,000	121,875	1,611,555	488,911	2,100,467	14,175,956	27.09%	2026
2027	100,000	62,930	38,854	4,241	115,000	116,125	1,588,723	438,174	2,026,897	12,587,233	35.26%	2027
2028	105,000	59,599	40,339	2,757	120,000	110,250	1,375,339	390,253	1,765,592	11,211,894	42.33%	2028
2029	105,000	56,134	41,894	1,202	120,000	104,250	1,281,894	347,137	1,629,031	9,930,000	48.93%	2029
2030	110,000	52,533			140,000	97,750	1,115,000	307,428	1,422,428	8,815,000	54.66%	2030
2031	120,000	48,620			135,000	90,875	1,095,000	271,303	1,366,303	7,720,000	60.29%	2031
2032	95,000	44,911			145,000	83,875	1,060,000	236,181	1,296,181	6,660,000	65.75%	2032
2033	100,000	41,498			145,000	76,625	1,020,000	201,443	1,221,443	5,640,000	70.99%	2033
2034	100,000	37,948			155,000	69,900	850,000	171,393	1,021,393	4,790,000	75.36%	2034
2035	105,000	34,256			165,000	63,500	875,000	145,081	1,020,081	3,915,000	79.86%	2035
2036	110,000	30,333			160,000	57,000	690,000	121,023	811,023	3,225,000	83.41%	2036
2037	115,000	26,169			175,000	50,300	630,000	100,444	730,444	2,595,000	86.65%	2037
2038	115,000	21,856			180,000	43,200	575,000	81,081	656,081	2,020,000	89.61%	2038
2039	120,000	17,375			180,000	36,000	585,000	62,000	647,000	1,435,000	92.62%	2039
2040	120,000	12,725			190,000	28,600	445,000	44,875	489,875	990,000	94.91%	2040
2041	130,000	7,800			195,000	20,900	435,000	29,800	464,800	555,000	97.15%	2041
2042	130,000	2,600			205,000	12,900	335,000	15,500	350,500	220,000	98.87%	2042
2043					220,000	4,400	220,000	4,400	224,400	0	100.00%	2043
	2,065,000	801,040	246,130	33,992	3,055,000	1,479,957	19,443,125	4,863,435	24,306,560			

City of Portage, Wisconsin
Schedule of Bonded Indebtedness Revenue Debt
Secured by Sewerage Revenues (As of 07/06/2023)

	Sewerage System Revenue Bonds (CWFL) Series 2008		Sewerage System Revenue Bonds Series 2017B		Sewerage System Revenue Bonds Series 2019C		Sewerage System Revenue Bonds Series 2021B	
Dated	03/26/2008		04/13/2017		05/15/2019		06/03/2021	
Amount	\$1,159,443		\$2,180,000		\$1,265,000		\$4,335,000	
Maturity	05/01		05/01		05/01		05/01	
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023	0	3,413	0	28,556	0	15,975	0	48,369
2024	69,639	6,002	100,000	55,613	55,000	31,125	170,000	93,338
2025	71,286	4,335	100,000	52,613	55,000	29,475	180,000	86,338
2026	72,972	2,629	100,000	49,613	55,000	27,825	185,000	79,038
2027	74,697	883	105,000	46,538	55,000	26,175	195,000	71,438
2028			110,000	43,313	60,000	24,450	200,000	63,538
2029			115,000	39,938	60,000	22,650	210,000	55,338
2030			120,000	36,113	60,000	20,850	215,000	49,659
2031			120,000	31,913	65,000	18,975	225,000	46,634
2032			125,000	27,469	65,000	17,025	225,000	43,400
2033			130,000	22,688	70,000	15,000	225,000	40,025
2034			135,000	17,719	70,000	12,900	230,000	36,325
2035			140,000	12,563	75,000	10,725	235,000	32,256
2036			145,000	7,219	75,000	8,475	240,000	27,800
2037			120,000	2,250	80,000	6,150	245,000	22,950
2038					80,000	3,750	245,000	18,050
2039					85,000	1,275	255,000	13,050
2040							260,000	7,900
2041							265,000	2,650
2042								
	288,594	17,263	1,665,000	474,113	1,065,000	292,800	4,005,000	838,094

City of Portage, Wisconsin
Schedule of Bonded Indebtedness Revenue Debt
Secured by Sewerage Revenues (As of 07/06/2023)

Sewerage System Revenue Bonds Series 2022B								
Dated	06/29/2022							
Amount	\$1,655,000							
Maturity	05/01							
Calendar Year Ending	Principal	Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2023	0	32,400	0	128,713	128,713	8,643,594	.00%	2023
2024	35,000	64,100	429,639	250,177	679,816	8,213,955	4.97%	2024
2025	35,000	62,700	441,286	235,460	676,746	7,772,669	10.08%	2025
2026	40,000	61,200	452,972	220,304	673,276	7,319,697	15.32%	2026
2027	40,000	59,600	469,697	204,633	674,331	6,850,000	20.75%	2027
2028	60,000	57,600	430,000	188,900	618,900	6,420,000	25.73%	2028
2029	60,000	55,200	445,000	173,125	618,125	5,975,000	30.87%	2029
2030	70,000	52,600	465,000	159,222	624,222	5,510,000	36.25%	2030
2031	75,000	49,700	485,000	147,222	632,222	5,025,000	41.86%	2031
2032	75,000	46,700	490,000	134,594	624,594	4,535,000	47.53%	2032
2033	80,000	43,600	505,000	121,313	626,313	4,030,000	53.38%	2033
2034	85,000	40,300	520,000	107,244	627,244	3,510,000	59.39%	2034
2035	85,000	36,900	535,000	92,444	627,444	2,975,000	65.58%	2035
2036	90,000	33,400	550,000	76,894	626,894	2,425,000	71.94%	2036
2037	95,000	29,700	540,000	61,050	601,050	1,885,000	78.19%	2037
2038	130,000	25,200	455,000	47,000	502,000	1,430,000	83.46%	2038
2039	130,000	20,000	470,000	34,325	504,325	960,000	88.89%	2039
2040	145,000	14,500	405,000	22,400	427,400	555,000	93.58%	2040
2041	145,000	8,700	410,000	11,350	421,350	145,000	98.32%	2041
2042	145,000	2,900	145,000	2,900	147,900	0	100.00%	2042
	1,620,000	797,000	8,643,594	2,419,269	11,062,862			

City of Portage, Wisconsin
Schedule of Bonded Indebtedness
Revenue Debt Secured by Water Revenues
(As of 07/06/2023)

	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	04/25/2007		04/16/2015		05/19/2016		05/15/2019	
Amount	\$103,719		\$855,000		\$2,190,000		\$1,335,000	
Maturity	05/01		05/01		05/01		05/01	
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023	0	244	0	9,938	0	23,875	0	16,800
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								
	19,741	985	585,000	141,950	1,725,000	351,350	1,120,000	306,450

City of Portage, Wisconsin
Schedule of Bonded Indebtedness
Revenue Debt Secured by Water Revenues
(As of 07/06/2023)

Water System Revenue Bonds Series 2022C								
Dated	06/29/2022							
Amount	\$990,000							
Maturity	05/01							
Calendar Year Ending	Principal	Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2023	0	19,100	0	69,957	69,957	4,404,741	.00%	2023
2024	35,000	37,500	236,420	136,709	373,129	4,168,321	5.37%	2024
2025	35,000	36,100	286,579	129,798	416,377	3,881,742	11.87%	2025
2026	40,000	34,600	296,742	122,208	418,950	3,585,000	18.61%	2026
2027	40,000	33,000	295,000	113,588	408,588	3,290,000	25.31%	2027
2028	40,000	31,400	250,000	104,788	354,788	3,040,000	30.98%	2028
2029	40,000	29,800	295,000	95,988	390,988	2,745,000	37.68%	2029
2030	45,000	28,100	300,000	86,400	386,400	2,445,000	44.49%	2030
2031	45,000	26,300	305,000	76,625	381,625	2,140,000	51.42%	2031
2032	50,000	24,400	315,000	66,588	381,588	1,825,000	58.57%	2032
2033	50,000	22,400	320,000	56,288	376,288	1,505,000	65.83%	2033
2034	50,000	20,400	325,000	45,825	370,825	1,180,000	73.21%	2034
2035	55,000	18,300	305,000	35,550	340,550	875,000	80.14%	2035
2036	55,000	16,100	250,000	26,525	276,525	625,000	85.81%	2036
2037	60,000	13,800	140,000	20,100	160,100	485,000	88.99%	2037
2038	60,000	11,400	145,000	15,225	160,225	340,000	92.28%	2038
2039	60,000	9,000	145,000	10,275	155,275	195,000	95.57%	2039
2040	65,000	6,500	65,000	6,500	71,500	130,000	97.05%	2040
2041	65,000	3,900	65,000	3,900	68,900	65,000	98.52%	2041
2042	65,000	1,300	65,000	1,300	66,300	0	100.00%	2042
	955,000	423,400	4,404,741	1,224,135	5,628,876			

OVERLAPPING DEBT¹

Taxing District	2022 Equalized Value ²	% In City	Total G.O. Debt ³	City's Proportionate Share
Columbia County	\$7,444,613,300	11.7072%	\$40,450,000	\$4,735,562
Madison Area Technical College District	121,047,942,384	0.7200%	174,585,000	<u>1,257,012</u>
City's Share of Total Overlapping Debt				<u><u>\$5,992,574</u></u>

DEBT RATIOS

	G.O. Debt	Debt/Equalized Value \$871,556,800	Debt/ Per Capita 10,325 ⁴
Total General Obligation Debt	\$19,443,125	2.23%	\$1,883.11
City's Share of Total Overlapping Debt	<u>5,992,574</u>	<u>0.69%</u>	<u>\$580.39</u>
Total	\$25,435,699	2.92%	\$2,463.51

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.

⁴ Estimated 2022 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
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	100%	8.69
2022/23	6,683,541	In Process	7.88

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.

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	Schools ¹	County	Local	Total
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
2022/23	7.60	3.82	7.88	19.30

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 the Wisconsin Department of Revenue ("DOR") call into question the availability of this exception if the revenue shortfall is planned or ongoing. 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 City Administrator, Finance Director/Treasurer and City Clerk are responsible for administrative details and financial records.

EMPLOYEES; PENSIONS

The City employs a staff of 77 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, 2019 ("Fiscal Year 2019"), the fiscal year ended December 31, 2020 ("Fiscal Year 2020") and the fiscal year ended December 31, 2021 ("Fiscal Year 2021"), the City's portion of contributions to WRS (not including any employee contributions) totaled \$417,493, \$448,361 and \$471,398, respectively.

The City implemented Governmental Accounting Standards Board Statement No. 68 ("GASB 68") for the fiscal year ended December 31, 2015.

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

As of December 31, 2020, the total pension liability of the WRS was calculated as \$118.72 billion and the fiduciary net position of the WRS was calculated as \$124.97 billion, resulting in a net pension asset of \$6.24 billion.

Under GASB 68, each participating employer in a cost-sharing pension plan must report the employer's proportionate share of the net pension liability or net pension asset of the pension plan. Accordingly, for Fiscal Year 2021, the City reported an asset of \$2,450,032 for its proportionate share of the net pension asset of the WRS. The net pension asset was measured as of December 31, 2020 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 0.03924360% of the aggregate WRS net pension asset as of December 31, 2020.

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 Note 4 in "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

OTHER POST EMPLOYMENT BENEFITS

The City provides "other post-employment benefits" ("OPEB") (i.e., post-employment benefits, other than pension benefits, owed to its employees and former employees) to employees who have terminated their employment with the City and have satisfied specified eligibility standards through a single-employer defined benefit plan. Membership of the plan consisted of 16 retirees receiving benefits and 64 active eligible plan members as of December 31, 2021, the date of the latest actuarial valuation.

Key Benefit Concepts, LLC ("KBC") completed an actuarial valuation of the City's OPEB in 2022 with an actuarial valuation date of December 31, 2021. Based on such review, the City's auditors determined that the City's OPEB was not material for purposes of the City's audited financial statements.

For Fiscal Year 2021, benefit payments totaled \$66,835. The City's current funding practice is to fully fund the yearly cost of benefits on a "pay-as-you-go" basis.

Under GASB 74/75, a net OPEB liability is calculated as the difference between the plan's total OPEB liability and the plan's fiduciary net position, which terms have similar meanings as under GASB 68 for pension plans. Based on KBC's review, as of December 31, 2021, the total OPEB liability of the plan was \$793,576, and the plan fiduciary net position was \$0, resulting in a net OPEB liability of \$793,576.

The calculation of the total OPEB liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial calculations.

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.

The City is currently in a dispute with Aspirus Medevac ("Aspirus") related to contractual ambulance services rendered by Aspirus to the City in 2021 and 2022. The City disputes Aspirus's rights to receive certain amounts under such contracts due to failure to comply with the terms of the agreements. On May 24, 2023, the City received a notice of claim with respect to such amounts, which are approximately \$1.13 million. The City has alerted its insurance carrier regarding the matter, but has not yet received a response and cannot predict whether insurance coverage would be applicable in the matter.

The City contracts with four neighboring municipalities with respect to ambulance services. Therefore, any amounts owed to Aspirus would be split among the parties, with the City's share being approximately 65%. The City intends to vigorously defend its position in the dispute with Aspirus, but can make no representation regarding the outcome of the matter. In the event the City is responsible for payment of any disputed amounts to Aspirus, the City expects to pay from its available General Fund balance, a taxable general obligation borrowing or a potential future referendum to exceed its levy limits (see "SUMMARY GENERAL FUND INFORMATION").

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 April 30, 2023)

Fund	Total Cash and Investments
General	\$3,527,178
Special Revenue	2,172,958
Debt Service	198,361
Capital Projects	2,605,864
Enterprise Funds	<u>9,869,176</u>
Total Funds on Hand	<u><u>\$18,373,538</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:

	2020 Audited	2021 Audited	2022 Unaudited
Water			
Total Operating Revenues	\$2,188,927	\$2,199,928	\$2,139,254
Less: Operating Expenses	<u>(1,519,257)</u>	<u>(1,468,976)</u>	<u>(1,451,305)</u>
Operating Income	\$669,670	\$730,952	\$687,949
Plus: Depreciation	507,727	552,991	522,017
Interest Income	<u>36,662</u>	<u>12,153</u>	<u>42,402</u>
Revenues Available for Debt Service	<u><u>\$1,214,059</u></u>	<u><u>\$1,296,096</u></u>	<u><u>\$1,252,368</u></u>
Sewer			
Total Operating Revenues	\$1,848,212	\$2,019,766	\$1,959,543
Less: Operating Expenses	<u>(1,901,506)</u>	<u>(1,906,037)</u>	<u>(2,080,830)</u>
Operating Income	(\$53,294)	\$113,729	(\$121,287)
Plus: Depreciation	779,697	815,039	847,111
Interest Income	<u>53,211</u>	<u>18,890</u>	<u>46,701</u>
Revenues Available for Debt Service	<u><u>\$779,614</u></u>	<u><u>\$947,658</u></u>	<u><u>\$772,525</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 statements are available upon request. Appendix A includes the City's 2021 audited financial statements.

FISCAL YEAR ENDING DECEMBER 31					
COMBINED STATEMENT	2019 Audited	2020 Audited	2021 Audited	2022 Projected	2023 Adopted Budget 1)
Revenues					
Taxes and special assessments	\$4,213,310	\$4,346,856	\$4,489,682	\$4,613,663	\$5,095,014
Intergovernmental	2,574,723	2,862,324	2,721,962	2,753,149	2,705,236
Licenses and permits	194,368	166,873	167,180	169,847	167,744
Fines, forfeitures and penalties	152,773	103,858	117,863	111,841	152,250
Public charges for services	93,466	60,260	116,432	121,171	101,985
Intergovernmental charges for services	242,546	248,067	319,318	328,938	313,420
Investment Income	72,413	32,185	24,531	57,168	42,000
Miscellaneous general revenues	104,722	140,880	80,661	123,484	111,476
Total Revenues	\$7,648,321	\$7,961,303	\$8,037,629	\$8,279,261	\$8,689,125
Expenditures					
Current:					
General government	\$1,077,538	\$1,192,026	\$1,111,284	\$1,250,911	\$1,470,124
Public safety	3,979,304	3,772,066	3,841,188	4,031,868	4,229,377
Public works	1,920,336	1,751,757	1,853,109	2,005,534	2,062,653
Health and social services	58,573	72,490	62,960	73,213	65,700
Culture, recreation and education	663,029	652,466	708,909	732,158	779,571
Conservation and development	0	75,084	75,287	77,971	81,700
Capital outlay	84,354	0	0	0	0
Total Expenditures	\$7,783,134	\$7,515,889	\$7,652,737	\$8,171,655	\$8,689,125
Excess of revenues over (under) expenditures	(\$134,813)	\$445,414	\$384,892	\$107,606	(\$0)
Other Financing Sources (Uses)					
Proceeds from sale of capital assets	\$32,173	\$4,223	\$7,198	\$1,605	
Transfers in	385,892	378,750	391,696	353,270	
Transfers out	(388,233)	(473,139)	(459,234)	(445,042)	
Total Other Financing Sources (Uses)	\$29,832	(\$90,166)	(\$60,340)	(\$90,167)	\$0
Net changes in Fund Balances	(\$104,981)	\$355,248	\$324,552	\$17,439	(\$0)
General Fund Balance January 1	\$3,782,183	\$3,677,202	\$4,032,450	\$4,357,002	
General Fund Balance December 31	\$3,677,202	\$4,032,450	\$4,357,002	\$4,374,441	
DETAILS OF DECEMBER 31 FUND BALANCE					
Nonspendable	\$1,513,102	\$1,988,423	\$1,617,237	\$2,185,653	
Assigned	0	0	0	18,500	
Unassigned	2,164,100	2,044,027	2,739,765	2,170,288	
Total	\$3,677,202	\$4,032,450	\$4,357,002	\$4,374,441	

- 1) The 2023 budget was adopted on 11/22/2022. The Common Council approved a new one-year contract for ambulance services with Aspirus following adoption of the budget, with expenses expected to be approximately \$450,000 for 2023. The City expects to either pay such expenses from its General Fund balance if it allows the City to maintain a fund balance in excess of the City's fund balance policy or to pursue a taxable general obligation borrowing later in 2023 to pay such amounts, if necessary. The City plans to seek referendum approval in 2024 to exceed its levy limit to fund future ambulance services expenses.

GENERAL INFORMATION

LOCATION

The City, with a 2020 U.S. Census population of 10,581 and a current estimated population of 10,325 comprises an area of 9.5 square miles and is located 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	Hospital/clinic	901 ²
Penda Corporation	Plastics manufacturer	595
Columbia County	Municipal government and services	572
Columbia Correctional Institute	Prison	351
Associated Milk Producers, Inc.	Cheese packaging	345
Portage Community School District	Elementary and secondary education	320
Wal-Mart	General retail	300
Saint-Gobain Performance Plastics	Engineered industrial plastics	300
Cardinal FG	Glass manufacturer	250
Spectrum Brands, Inc. (Rayovac) ³	Hearing aid battery manufacturer	190

Source: Data Axle Reference Solutions, written and telephone survey, 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.

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

³ It was reported in 2023 that Energizer plans to close this facility. The City believes there may be a possibility of a subsequent owner buying the facility, but no representations can be made regarding the future plans for the facility.

BUILDING PERMITS

	2019	2020	2021	2022	2023 ¹
<u>New Single Family Homes</u>					
No. of building permits	5	8	4	3	3
Valuation	\$1,101,221	\$1,825,000	\$695,000	\$850,000	\$670,000
<u>New Multiple Family Buildings</u>					
No. of building permits	0	1	1	1	0
Valuation	\$0	\$491,254	\$460,000	\$450,000	\$0
<u>New Commercial/Industrial</u>					
No. of building permits	2	6	4	0	0
Valuation	\$4,570,401	\$3,676,214	\$2,763,105	\$0	\$0
<u>All Building Permits</u>					
<i>(including additions and remodelings)</i>					
No. of building permits	309	343	335	336	92
Valuation	\$10,832,391	\$11,987,662	\$13,126,967	\$15,860,951	\$5,646,462

Source: The City.

¹ As of May 1, 2023.

U.S. CENSUS DATA

Population Trend: The City

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

2022 Estimated Population	10,325
---------------------------	--------

Income and Age Statistics

	The City	Columbia County	State of Wisconsin	United States
2021 per capita income	\$27,640	\$36,988	\$36,754	\$37,638
2021 median household income	\$56,303	\$73,786	\$67,080	\$69,021
2021 median family income	\$66,932	\$87,753	\$85,623	\$85,028
2021 median gross rent	\$881	\$865	\$916	\$1,163
2021 median value owner occupied units	\$151,000	\$214,600	\$200,400	\$244,900
2021 median age	36.4 yrs.	42.6 yrs.	39.6 yrs.	38.4 yrs.

	State of Wisconsin	United States
City % of 2021 per capita income	75.20%	73.44%
City % of 2021 median family income	78.17%	78.72%

Housing Statistics

	<u>The City</u>		
	2020	2021	Percent of Change
All Housing Units	4,588	4,296	-6.36%

Source: 2010 and 2020 Census of Population and Housing, Wisconsin Demographic Services Center https://doa.wi.gov/Pages/LocalGovtsGrants/Population_Estimates.aspx and 2021 American Community Survey (Based on a five-year estimate), U.S. Census Bureau (<https://data.census.gov/cedsci>).

EMPLOYMENT/UNEMPLOYMENT DATA

Year	<u>Average Employment</u>	<u>Average Unemployment</u>	
	Columbia County	Columbia County	State of Wisconsin
2019	30,801	2.9%	3.2%
2020	29,537	6.0%	6.4%
2021	30,587	3.4%	3.8%
2022	30,907	2.6%	2.9% ¹
2023, April ¹	31,757	1.9%	2.3%

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

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

City of Portage

Financial Statements and Supplementary Information

December 31, 2021

City of Portage

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Independent Auditors' Report

To the City Council of
City of Portage

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Portage (the City), Wisconsin as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City as of December 31, 2021 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Supplementary Information

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

Baker Tilly US, LLP

Madison, Wisconsin
July 20, 2022

CITY OF PORTAGE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
As of and for the Year Ended December 31, 2021

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, 2021. 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 \$47,245,994 (net position). Of this amount, \$6,941,286 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 increased by \$8,436,920 in 2021.
- > As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$7,015,936 which represents an increase of \$2,287,985 in comparison with 2020.
- > At the end of the current fiscal year, unassigned fund balance for the general fund was \$2,739,765 or approximately 36% of the total general fund expenditures.
- > Total governmental activities general obligation debt increased \$1,479,105 to \$15,337,234 and business-type general obligation debt decreased \$150,000 to \$2,115,000.

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, 2021

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 – 3 of this report.

FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and 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 financials, 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 and the Capital Projects Fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report. In future years, the Council may choose to designate other significant governmental funds.

The basic governmental fund financial statements can be found on pages 4 – 9 of this report.

CITY OF PORTAGE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
As of and for the Year Ended December 31, 2021

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 10 – 14 of this report.

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

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 17 – 50 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 51 – 58 of this report. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining statements can be found on pages 59 – 70 of this report.

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

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

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

As noted earlier, net position may serve over time as a useful indicator of government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$47,245,994 as of December 31, 2021.

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CITY OF PORTAGE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
As of and for the Year Ended December 31, 2021

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

The largest portion of the City's net position (approximately 71%) 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 15%) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position of \$6,941,286 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
	2021	2020	2021	2020	2020
Current and other assets	\$ 19,149,945	\$ 15,448,834	\$ 9,098,862	\$ 7,681,227	\$ 28,248,807
	Capital assets	38,608,370	31,377,826	21,846,354	22,084,387
Total Assets	57,758,315	46,826,660	30,945,216	29,715,614	88,703,531
Pension related amounts	3,651,100	2,613,760	427,538	319,502	4,078,638
Total Deferred Outflows of Resources	3,651,100	2,613,760	427,538	319,502	4,078,638
Other liabilities	1,832,851	1,481,153	306,829	203,460	2,139,680
Long-term liabilities	16,948,409	15,354,942	14,310,672	13,368,827	31,259,081
Total Liabilities	18,781,260	16,836,095	14,617,501	13,572,287	33,388,761
Unearned revenues	6,771,045	6,493,926	-	-	6,771,045
Pension related amounts	4,793,280	3,349,292	573,089	414,862	5,366,369
Total Deferred Inflows of Resources	11,564,325	9,843,218	573,089	414,862	12,137,414
Net investment in capital assets	24,016,232	18,247,480	9,343,571	9,879,793	33,359,803
Restricted	5,067,869	3,380,773	1,877,036	1,417,182	6,944,905
Unrestricted	1,979,729	1,132,854	4,961,557	4,750,992	6,941,286
TOTAL NET POSITION	\$ 31,063,830	\$ 22,761,107	\$ 16,182,164	\$ 15,047,967	\$ 47,245,994

Analysis of the City's Operations – The following table provides a summary of the City's operations for the year ended December 31, 2021. Net position for governmental activities increased by \$8,302,723 to a total of \$31,063,830. Business-type activities increased \$134,197 to a total of \$16,182,164.

CITY OF PORTAGE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
As of and for the Year Ended December 31, 2021

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
	2021	2020	2021	2020	
Revenues:					
Program revenues:					
Charges for services	\$ 1,176,663	\$ 1,080,286	4,219,694	\$ 4,035,023	\$ 5,396,357
Operating grants and contributions	1,251,836	1,410,952	18,012	33,537	1,269,848
Capital grants and contributions	7,982,514	1,606,721	94,247	31,491	8,076,761
General revenues:					
Property taxes	6,453,316	6,243,767	-	-	6,453,316
Other taxes	365,742	284,975	-	-	365,742
Intergovernmental	2,115,434	2,215,411	-	-	2,115,434
Investment income	47,640	85,692	31,043	89,873	78,683
Gain on disposal of assets	453,669	-	-	-	453,669
Miscellaneous	146,333	305,260	35,111	38,496	181,444
Total Revenues	19,993,147	13,233,064	4,398,107	4,228,420	24,391,254
					17,461,484
Expenses:					
General government	1,168,979	1,311,536	-	-	1,168,979
Public safety	3,786,086	5,063,681	-	-	3,786,086
Public works	4,297,363	4,243,992	-	-	4,297,363
Health and human services	62,960	72,490	-	-	62,960
Culture, education and recreation	1,869,196	2,944,951	-	-	1,869,196
Conservation and development	302,869	221,018	-	-	302,869
Interest and fiscal charges	474,667	377,380	-	-	474,667
Water utility	-	-	1,620,134	1,666,292	1,620,134
Sewer utility	-	-	2,252,080	2,123,602	2,252,080
Total Expenses	12,082,120	14,235,048	3,872,214	3,789,894	15,954,334
					18,024,942
Income Before Transfers	7,911,027	(1,001,984)	525,893	438,526	8,436,920
Transfers	391,696	224,037	(391,696)	(224,037)	-
Increase (Decrease) in net position	8,302,723	(777,947)	134,197	214,489	8,436,920
Net Position - beginning	22,761,107	29,599,054	16,047,967	15,833,478	38,809,074
Net Position - Ending	\$ 31,063,830	\$ 22,761,107	\$ 16,182,164	\$ 16,047,967	\$ 47,245,994
					\$ 38,809,074

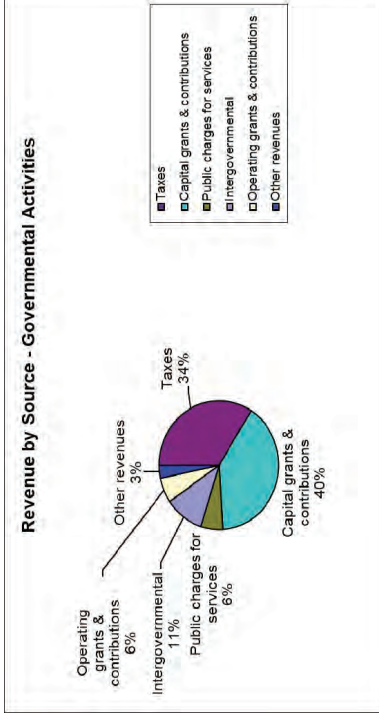
CITY OF PORTAGE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
As of and for the Year Ended December 31, 2021

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

GOVERNMENTAL ACTIVITIES

The City received a total of \$19,993,147 in governmental activity revenues in 2021. As the following chart indicates, the largest revenue source is taxes followed by intergovernmental revenues.



Total governmental activities expenses were \$12,082,120 in 2021. Revenue exceeded expenses by \$7,911,027. After transfers in, there was an increase in net position of \$8,302,723.

In 2021, Public Works activities accounted for the largest share of City expenditures at 36%. This was followed closely by expenditures on Public Safety (police, fire, EMS, emergency government) activities at 31%. Other expenditure areas included General Government at 10%; Culture, Education, and Recreation at 16%; Interest and Fiscal Charges at 4%; Conservation and Development at 3% and Health and Human Services at less than 1%.

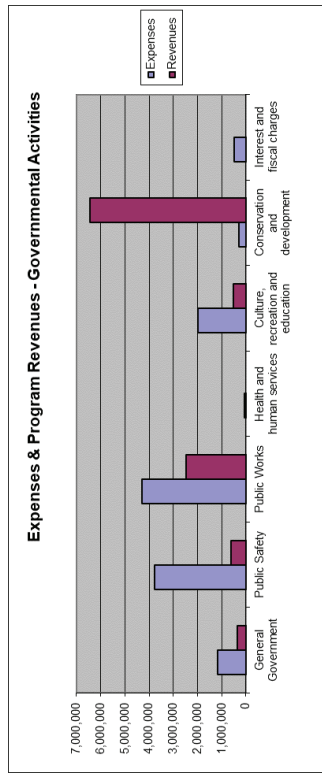
CITY OF PORTAGE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)

As of and for the Year Ended December 31, 2021

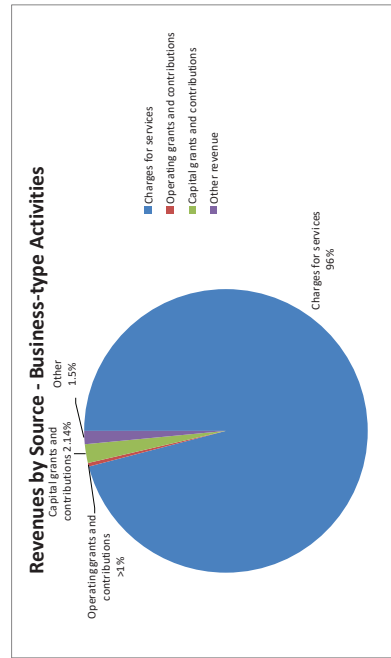
FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (cont.)

GOVERNMENTAL ACTIVITIES (cont.)



BUSINESS-TYPE ACTIVITIES

The City generated \$4,398,107 in business-type activity revenue in 2021 from its Water and Sewer Utilities. Charges for services are by far the largest revenue source for these operations, representing 96% of revenues.



CITY OF PORTAGE, WISCONSIN

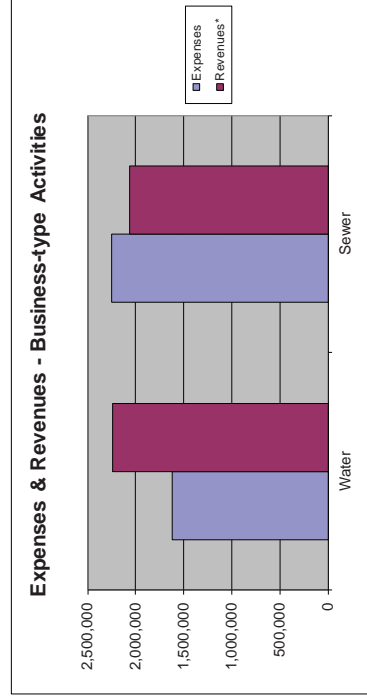
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)

As of and for the Year Ended December 31, 2021

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

BUSINESS-TYPE ACTIVITIES (cont.)

Business-type activities increased the City's net position by \$134,197 in 2021, which represents a 0.84% increase over the previous year. The net operating income of the Water and Sewer Utilities was \$844,681. The following graph compares the revenues to the expenses for each utility. The current water and sewer rates became effective July 2019 and October 2021, respectively.



* Revenues do not include contributions/transfers

CITY OF PORTAGE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
As of and for the Year Ended December 31, 2021

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 \$7,015,936. \$3,630,827 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 \$4,032,450 to \$4,357,002, or \$324,552. Overall, expenditures in the General Fund were under budget by \$256,824; total revenues were \$56,071 higher than budgeted with other financing sources and uses were below budget by \$11,657. 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 2021, the loan portfolio of this fund shows the net receivable balance decreased from \$1,321,566 to \$1,233,717, or \$87,849.

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 \$208,996. The program received special assistance through the CARES Act which covers a portion of the deficit of the program.

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 \$310,967 increased due to borrowing in 2021.

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 \$441,911 to \$495,400, an increase of \$53,489. This increase is due to borrowed funds not being spent by the end of 2021.

NON-MAJOR GOVERNMENTAL FUNDS

Fund balance of all other governmental funds is a surplus of \$1,527,404 and is comprised of restricted, committed, and assigned amounts, in addition to some unassigned (deficit) balances. This is an increase of \$1,448,097 from 2020. The substantial change is due to Canal funding not spent at the end of 2021 \$634,606, the Vehicle replacement fund being moved into this category \$1,495,845 and improvements in TIF #4 increase of \$238,268 and TIF #7 up by \$329,779, offset by decreases in other funds.

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CITY OF PORTAGE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
As of and for the Year Ended December 31, 2021

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 \$296,762 or 3.0%. Operating income was \$730,952, compared to \$669,670 in the prior year.

Sewer Utility – The wastewater treatment plant provides sewer service for the City residents. The sewer utility net position decreased \$162,565 or 2.7%. Operating income was \$113,729, compared to a loss of \$53,294 in the prior year.

GENERAL FUND BUDGETARY HIGHLIGHTS

The total original and final budget expenditures, including those for transfers out, were \$8,376,295, while the actual expenditures were \$8,111,371 under budget by \$264,324. Actual revenues and other financing sources were above budgeted revenues in total by \$60,228, resulting in a \$324,552 favorable change to budget.

The actual expenditures were below budget in the following areas: public works (\$111,078), general government (\$88,550) culture, rec (\$52,969), public safety (\$462), and other departments (\$3,765), for a total of (\$256,824).

Revenues were higher than budget overall leading with intergovernmental \$47,138, followed by intergovernmental charges for services \$41,338, public charges for services 18,457, and Taxes \$12,742. Transfers in \$11,657, licenses & permits \$1,836 offset by Fines, forfeitures and penalties (\$39,737), Investment Income (\$22,469), and miscellaneous (\$3,234), netting to \$67,728.

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CITY OF PORTAGE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
As of and for the Year Ended December 31, 2021

CAPITAL ASSETS

At the end of 2021, the City had invested a total of \$60,454,724 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; radio tower installation, playground improvements, ballfield improvements, down-payment on fire truck, fire UTV and canal projects.

CITY OF PORTAGE CAPITAL ASSETS AT YEAR-END NET OF ACCUMULATED DEPRECIATION			
	Governmental Activities 2021	Business-type Activities 2021	Total
Land	\$ 2,144,350	\$ 500,618	\$ 2,644,968
Construction in progress	7,469,256	125,712	7,594,968
Buildings and improvement	15,742,427		15,742,427
Equipment	9,591,665		9,591,665
Infrastructure	36,971,292		36,971,292
Water plant		23,987,298	23,987,298
Sewer plant		28,380,332	28,380,332
Less Depreciation	(33,310,620)	(31,147,606)	(64,458,226)
Totals	\$ 38,608,370	\$ 21,846,354	\$ 60,454,724

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

LONG-TERM DEBT

The City had \$29,062,436 in outstanding notes and bonds payable at the end of 2021. Of the bonded debt, \$15,337,234 is to be repaid with general property taxes (of which \$3,360,000 are TID obligations), \$13,725,202 are water and sewer utility obligations.

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CITY OF PORTAGE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
As of and for the Year Ended December 31, 2021

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 \$17,452,234, which is 46.4% of the maximum \$37,607,365 allowable.

CITY OF PORTAGE'S OUTSTANDING BONDS AND NOTES			
	Governmental Activities 2021	Business-type Activities 2021	Total
General obligation bonds and notes payable	\$ 15,337,234	\$ 2,115,000	\$ 17,452,234
Revenue bonds	-	11,610,202	11,610,202
Totals	\$ 15,337,234	\$ 13,725,202	\$ 29,062,436

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 2020 was 10,581, making it the largest city within the county.

The property tax base posted a 6.77% increase in equalized value for 2021. Assessment data indicates that the rate of appreciation in value of all classes of property as 4.14% in 2021.

The City of Portage Council adopted the 2021 budget in November 2020. The budget authorizes General Fund expenditures of \$8.38 million, a 1.5% increase from the previous year. The combined property tax levy for all funds is \$6.17 million, a 2.97% 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 received 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 2022 budget.

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CITY OF PORTAGE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
As of and for the Year Ended December 31, 2021

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/>.

City of Portage

Statement of Net Position
December 31, 2021

	Governmental Activities		Business-Type Activities	Total	BID Fund
Assets and Deferred Outflows of Resources					
Assets					
Cash and investments	\$	7,867,637	\$	4,461,396	\$ 12,329,033
Receivables (net):					\$ 54,752
Taxes receivable		6,771,045		18,699	6,789,744
Accounts		229,993		419,150	89,500
Delinquent personal property taxes				-	-
Loans		1,233,717		-	2,150
Special assessments		84,192		26,072	1,233,717
Other receivables		205,605		-	110,264
Internal balances		391,696		(391,696)	205,605
Due from other governmental units		21,330		-	-
Inventories and prepaid items		97,079		48,705	21,330
Restricted assets:					3,847
Cash and investments		37,423		4,274,582	286
Inventories and prepaid items		2,208,078		241,954	-
Net pension asset				-	-
Capital assets:					
Land		2,144,350		500,618	-
Construction in progress		7,469,256		125,712	-
Capital assets, being depreciated		62,305,384		52,367,630	7,594,968
Less accumulated depreciation		(33,310,620)		(31,147,606)	35,347
Total assets		57,758,315		30,945,216	(21,125)
				88,703,531	162,607
Deferred Outflows of Resources					
Pension related amounts		3,651,100		427,538	-
Total deferred outflows of resources		3,651,100		427,538	-
Liabilities, Deferred Inflows of Resources and Net Position					
Liabilities					
Accounts payable		856,431		217,903	4,625
Accrued liabilities and deposits		415,749		34,543	-
Other accrued liabilities		1,092		-	-
Due to other governmental units		1,508		-	1,092
Due to component unit		3,847		-	1,508
Deposits		10,000		-	3,847
Unearned revenues		544,224		-	10,000
Liabilities payable from restricted assets:					544,224
Accrued interest		-		54,383	-
Revenue bonds payable		-		567,572	-
Noncurrent liabilities:					-
Due within one year		1,685,128		418,321	-
Due in more than one year		15,263,281		13,324,779	2,103,449
Total liabilities		18,781,260		14,617,501	28,588,060
				33,398,761	4,625
Deferred Inflows of Resources					
Unearned revenues		6,771,045		-	89,500
Pension related amounts		4,793,280		573,089	5,366,369
Total deferred inflows of resources		11,564,325		573,089	-
				12,137,414	89,500
See notes to financial statements					

See notes to financial statements

City of Portage

Statement of Net Position
December 31, 2021

Net Position			
	Governmental Activities	Business-Type Activities	BID Fund
Net investment in capital assets	\$ 24,016,232	\$ 9,343,571	\$ 33,359,803
Restricted for:			
Debt service	178,207	769,771	947,978
Pension	2,208,078	241,954	2,450,032
Equipment replacement	197,088	865,311	1,062,399
Loan programs	1,480,183	-	1,480,183
Grants	151,962	-	151,962
Capital projects	97,139	-	97,139
TIF projects	416,216	-	416,216
Library	205,288	-	205,288
Donations	133,708	-	133,708
Unrestricted	1,979,729	4,961,557	6,941,286
Total net position	\$ 31,063,830	\$ 16,182,164	\$ 47,245,994

City of Portage			
Statement of Activities			
Year Ended December 31, 2021			
Functional Programs	Program Revenues		Net (Expense) Revenues and Charges in Net Position
	Expenses	Charges for Services	Governmental Activities
Governmental activities:			
General government	\$ 1,168,379	\$ 165,800	\$ 195,850
Public safety	3,786,686	483,723	57,442
Health and human services	4,237,363	423,213	63,772
Culture, education and recreation	62,360	-	-
Conservation and development	1,989,198	90,488	283,252
Infrastructure and fiscal charges	302,869	31,429	81,570
Total governmental activities	474,667	-	-
Business-type activities:			
Water utility	12,082,120	1,176,663	1,251,836
Sewer utility	1,620,134	2,199,328	-
Total business-type activities	2,452,690	2,013,260	18,012
Total primary government activities	3,872,214	4,213,684	18,012
Total primary government	\$ 15,954,334	\$ 5,396,367	\$ 1,269,848
Component Unit			
BID Fund	\$ 159,349	\$ 2,538	\$ 31,130
General Revenues			
Taxes			
Property taxes, levied for general purposes			4,453,239
Property taxes, levied for debt service			1,194,520
Property taxes, levied for TIF districts			284,280
Property taxes, levied for the library			325,777
Other government			362,742
Intergovernmental revenues not restricted to specific programs			2,115,434
Investment income			31,043
Gain on sale of capital assets			47,640
Miscellaneous			146,333
Total general revenues			9,582,134
Transfers			66,154
Change in net position			8,302,723
Net Position, Beginning			16,047,967
Net Position, Ending			31,063,830

See notes to financial statements

City of Portage

Balance Sheet
Governmental Funds
December 31, 2021

	General Fund	CDBG Fund	Mass Transit Fund	Debt Service Fund
Assets				
Cash and investments	\$ 2,629,313	\$ 196,286	\$ 196,434	\$ 310,967
Receivables:				
Taxes	4,607,400	-	-	1,258,301
Accounts	186,670	-	452	-
Special assessments	-	-	-	-
Delinquent personal property taxes	2,150	-	-	-
Loans	-	1,233,717	-	-
Other	-	-	-	-
Due from other governments	21,330	-	-	-
Due from other funds	453,819	-	-	-
Prepaid items	85,328	-	-	-
Restricted cash and investments	-	-	-	-
Advances to other funds	1,529,759	-	-	-
	<u>\$ 9,495,769</u>	<u>\$ 1,430,003</u>	<u>\$ 196,886</u>	<u>\$ 1,569,268</u>
Total assets				

Liabilities, Deferred Inflows of Resources and Fund Balances

Liabilities				
Accounts payable	\$ 276,137	\$ 21,044	\$ 46,360	\$ -
Accrued liabilities	247,820	-	-	-
Deposits	2,055	-	-	-
Due to other governments	1,508	-	-	-
Due to other funds	-	-	-	-
Due to component units	3,847	-	-	-
Advances from other funds	-	-	-	-
Unearned revenue	-	-	-	-
	<u>\$ 531,367</u>	<u>\$ 21,044</u>	<u>\$ 46,360</u>	<u>\$ -</u>
Total liabilities				

Deferred Inflows of Resources

Property taxes levied for next period	4,607,400	-	-	1,258,301
Unavailable revenues	-	1,234,322	-	-
	<u>\$ 4,607,400</u>	<u>\$ 1,234,322</u>	<u>\$ -</u>	<u>\$ 1,258,301</u>
Total deferred inflows of resources				

Fund Balances

Nonspendable	1,617,237	-	-	-
Restricted	-	174,637	150,526	310,967
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned (deficit)	2,739,765	-	-	-
	<u>\$ 4,357,002</u>	<u>\$ 174,637</u>	<u>\$ 150,526</u>	<u>\$ 310,967</u>
Total fund balances				
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 9,495,769</u>	<u>\$ 1,430,003</u>	<u>\$ 196,886</u>	<u>\$ 1,569,268</u>

See notes to financial statements
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	Capital Projects Fund	Nonmajor Governmental Funds	Total
	\$ 474,964	\$ 4,059,673	\$ 7,867,637
	11,228	894,116	6,771,045
	62,871	229,993	229,993
	30,607	53,585	84,192
	-	2,150	2,150
	-	-	1,233,717
	-	88,990	88,990
	116,615	-	137,945
	-	-	453,819
	-	11,751	97,079
	-	37,423	37,423
	-	-	1,529,759
	<u>\$ 633,414</u>	<u>\$ 5,208,409</u>	<u>\$ 18,533,749</u>

	\$ 96,179	\$ 416,711	\$ 856,431
	-	24,487	272,307
	-	19,719	21,774
	-	-	1,508
	-	62,123	62,123
	-	-	3,847
	-	1,529,759	1,529,759
	-	544,224	544,224
	<u>\$ 96,179</u>	<u>\$ 2,597,023</u>	<u>\$ 3,291,973</u>

	11,228	894,116	6,771,045
	30,607	189,866	1,454,795
	41,835	1,083,982	8,225,840

	-	11,751	1,628,988
	397,125	968,584	2,001,839
	-	2,286	2,286
	98,275	2,154,889	2,253,164
	-	(1,610,106)	1,129,659
	495,400	1,527,404	7,015,936
	<u>\$ 633,414</u>	<u>\$ 5,208,409</u>	<u>\$ 18,533,749</u>

See notes to financial statements
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City of Portage

Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
December 31, 2021

Total Fund Balances, Governmental Funds

\$ 7,015,936

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	7,469,256
Other capital assets	62,305,384
Less accumulated depreciation	(33,310,620)

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.

1,454,795

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

2,208,078

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

3,651,100

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

(4,793,280)

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	(15,337,234)
Compensated absences	(927,805)
Accrued interest	(132,760)
Unamortized debt premium	(473,538)
Retiree health insurance	(209,832)

Net Position of Governmental Activities

\$ 31,063,830

City of Portage

Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds
Year Ended December 31, 2021

	General Fund	CDBG Fund	Mass Transit Fund	Debt Service Fund
Revenues				
Taxes	\$ 4,489,682	\$ -	\$ -	\$ 1,194,520
Special assessments	-	-	-	-
Intergovernmental	2,721,962	-	724,096	-
Licenses and permits	167,180	-	-	-
Fines, forfeitures and penalties	117,863	-	-	-
Public charges for services	116,432	169,419	345,606	-
Intergovernmental charges for services	319,318	-	-	-
Investment income	24,531	727	-	-
Miscellaneous revenues	80,661	-	-	-
Total revenues	8,037,629	170,146	1,069,702	1,194,520
Expenditures				
Current:				
General government	1,111,284	-	-	-
Public safety	3,841,188	-	-	-
Public works	1,853,109	-	931,706	-
Health and human services	62,960	-	-	-
Culture, recreation and education	708,909	-	-	-
Conservation and development	75,287	101,708	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	1,225,313
Interest and fiscal charges	-	-	-	376,181
Total expenditures	7,652,737	101,708	931,706	1,601,494
Excess (deficiency) of revenues over expenditures	384,892	68,438	137,996	(406,974)
Other Financing Sources (Uses)				
Debt issued	-	-	-	-
Transfers in	391,696	-	71,000	409,103
Sale of capital assets	7,198	-	-	-
Premium on debt issued	-	-	-	182,284
Transfers out	(459,234)	-	-	-
Total other financing sources (uses)	(60,340)	-	71,000	591,387
Net change in fund balances	324,552	68,438	208,996	184,413
Fund Balances (Deficit), Beginning	4,032,450	106,199	(58,470)	126,554
Fund Balances (Deficit), Ending	\$ 4,357,002	\$ 174,637	\$ 150,526	\$ 310,967

See notes to financial statements
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See notes to financial statements
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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, 2021

Net Change in Fund Balances, Total Governmental Funds

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
Some items reported as capital outlay were not capitalized
Depreciation is reported in the government-wide financial statements
Net book value of assets retired

Contributed capital assets are not reported in the fund statements

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.

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

Debt issued
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.

Debt premium received, net of current amortization

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
Retiree health insurance
Accrued interest on debt
Net pension asset/liability
Deferred outflows of resources related to pensions
Deferred inflows of resources related to pensions

Change in Net Position of Governmental Activities

\$ 8,302,723

\$ 8,302,723

City of Portage

Statement of Net Position
Proprietary Funds
December 31, 2021

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

Assets

Current assets:			
Cash and investments	\$ 1,918,160	\$ 2,543,236	\$ 4,461,396
Receivables:			
Tax roll receivable	6,167	12,532	18,699
Accounts	390,381	28,769	419,150
Due from other funds	-	66,950	66,950
Special assessments	-	26,072	26,072
Inventories and prepaid items	40,843	7,862	48,705
Restricted Cash and investments:			
Redemption account	306,932	517,222	824,154
Total current assets	2,662,483	3,202,643	5,865,126

Noncurrent assets:

Restricted assets:			
Net pension asset	111,316	130,638	241,954
Construction account	492,814	1,246,087	1,738,901
Reserve account	334,072	512,144	846,216
Equipment replacement	-	865,311	865,311
Capital assets:			
Land and land rights	118,723	381,895	500,618
Construction in progress	27,983	97,729	125,712
Property and equipment	23,987,298	28,380,332	52,367,630
Less accumulated depreciation	(11,146,506)	(20,001,100)	(31,147,606)
Total noncurrent assets	13,925,700	11,613,036	25,538,736
Total assets	16,588,183	14,815,679	31,403,862

Deferred Outflows of Resources

Pension related amounts			
Total deferred outflows of resources	216,213	211,325	427,538

City of Portage

Statement of Net Position
Proprietary Funds
December 31, 2021

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

Liabilities

Current liabilities:			
Accounts payable	\$ 137,477	\$ 80,426	\$ 217,903
Accrued interest	10,995	2,969	13,964
Accrued wages	6,162	7,344	13,506
Accrued taxes	-	7,073	7,073
Current portion of compensated absences	19,537	23,784	43,321
Current portion of general obligation debt	290,000	85,000	375,000
Due to other funds	458,646	-	458,646
Current liability from restricted assets			
Accrued interest payable	18,494	35,889	54,383
Revenue bonds payable	196,114	371,458	567,572
Total current liabilities	1,137,425	613,943	1,751,368

Noncurrent liabilities:

Long-term debt:			
General obligation debt payable	1,190,000	550,000	1,740,000
Revenue debt payable	3,646,006	7,396,624	11,042,630
Unamortized premium	98,180	329,798	427,978
Other liabilities:			
Compensated absences	47,535	66,636	114,171
Total noncurrent liabilities	4,981,721	8,343,058	13,324,779
Total liabilities	6,119,146	8,957,001	15,076,147

Deferred Inflows of Resources

Pension related amounts			
Total deferred inflows of resources	291,216	281,873	573,089

Net Position

Net investment in capital assets	7,971,956	1,371,615	9,343,571
Restricted for:			
Debt service	288,438	481,333	769,771
Pension	111,316	130,638	241,954
Equipment replacement	-	865,311	865,311
Unrestricted	2,022,324	2,939,233	4,961,557
Total net position	\$ 10,394,034	\$ 5,788,130	\$ 16,182,164

See notes to financial statements
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See notes to financial statements
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City of Portage

Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
Year Ended December 31, 2021

	Business-Type Activities - Enterprise Funds		
	Water Utility Fund	Sewer Utility Fund	Total
Operating Revenues			
Public charges for services	\$ 2,199,928	\$ 2,019,766	\$ 4,219,694
Total operating revenues	2,199,928	2,019,766	4,219,694
Operating Expenses			
Operation and maintenance	906,013	1,090,998	1,997,011
Depreciation	552,991	815,039	1,368,030
Taxes	9,972	-	9,972
Total operating expenses	1,468,976	1,906,037	3,375,013
Operating income	730,952	113,729	844,681
Nonoperating Revenues (Expenses)			
Investment income	12,153	18,890	31,043
Interest and fiscal charges	(151,158)	(346,043)	(497,201)
Rebate on Build America bonds	-	18,012	18,012
Miscellaneous revenues	30,527	4,584	35,111
Total nonoperating revenues (expenses)	(108,478)	(304,557)	(413,035)
Income (loss) before contributions and transfers	622,474	(190,828)	431,646
Contributions and Transfers			
Contributions in aid of construction	65,984	28,263	94,247
Transfers out	(391,696)	-	(391,696)
Total contributions and transfers	(325,712)	28,263	(297,449)
Change in net position	296,762	(162,565)	134,197
Net Position, Beginning	10,097,272	5,950,695	16,047,967
Net Position, Ending	\$ 10,394,034	\$ 5,788,130	\$ 16,182,164

See notes to financial statements
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City of Portage

Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2021

	Business-Type Activities - Enterprise Funds		
	Water Utility Fund	Sewer Utility Fund	Total
Cash Flows From Operating Activities			
Received from customers	\$ 2,302,900	\$ 2,054,353	\$ 4,357,253
Paid to suppliers for goods and services	(616,508)	(759,474)	(1,375,982)
Paid to employees for services	(309,161)	(344,426)	(653,587)
Net cash flows from operating activities	1,377,231	950,453	2,327,684
Cash Flows From Investing Activities			
Investment income	12,153	18,890	31,043
Net cash flows from investing activities	12,153	18,890	31,043
Cash Flows From Noncapital Financing Activities			
Paid to municipality for tax equivalent	(391,696)	-	(391,696)
Net cash flows from noncapital financing activities	(391,696)	-	(391,696)
Cash Flows From Capital and Related Financing Activities			
Debt retired	(480,966)	(3,488,823)	(3,969,789)
Interest paid	(155,829)	(357,972)	(513,801)
Premium on debt issued	5,630	245,879	251,509
Special assessments received	-	8,840	8,840
Proceeds from debt issued	360,000	4,335,000	4,695,000
Acquisition and construction of capital assets	(216,027)	(927,273)	(1,143,300)
Contribution received for construction	-	28,263	28,263
Build America Bonds interest subsidy	-	18,012	18,012
Net cash flows from capital and related financing activities	(487,192)	(138,074)	(625,266)
Net change in cash and cash equivalents	510,496	831,269	1,341,765
Cash and Cash Equivalents, Beginning	2,541,482	4,852,731	7,394,213
Cash and Cash Equivalents, Ending	\$ 3,051,978	\$ 5,684,000	\$ 8,735,978

See notes to financial statements
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City of Portage

Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2021

Reconciliation of Operating Income to Net Cash Flows From Operating Activities

Operating income
Nonoperating revenue
Adjustments to reconcile operating income to net cash flows from operating activities:
Depreciation
Depreciation charged to other funds
Changes in assets and liabilities:
Customer accounts receivable
Receivable from municipality
Other accounts receivable
Receivable from other utility
Material and supplies
Prepayments
Accounts payable
Payable to municipality
Payable to other utility
Other current liabilities
Accrued sick leave
Pension related deferrals and liabilities

Business-Type Activities - Enterprise Funds			
Water Utility	Sewer Utility	Fund	Total
\$ 730,952	\$ 113,729	\$	844,681
30,527	4,584		35,111
546,413	815,038		1,361,451
35,866	-		35,866
16,907	2,830		19,737
19,672	-		19,672
-	(19,692)		(19,692)
-	46,865		46,865
(296)	-		(296)
1,547	730		2,277
85,751	41,442		127,193
12,946	-		12,946
(46,865)	-		(46,865)
(13,011)	(12,950)		(25,961)
(7,658)	(8,480)		(16,138)
(35,520)	(33,643)		(69,163)
\$ 1,377,231	\$ 950,453	\$	2,327,684

Net cash flows from operating activities

Reconciliation of Cash and Cash Equivalents to the Statement of Net Position, Proprietary Funds

Unrestricted cash and investments
Restricted cash and investments
Redemption account
Reserve account
Equipment replacement account
Construction account

\$ 1,918,160	\$ 2,543,236	\$	4,461,396
306,932	517,222		824,154
334,072	512,144		846,216
-	865,311		865,311
492,814	1,246,087		1,738,901
\$ 3,051,978	\$ 5,684,000	\$	8,735,978

Cash and cash equivalents

Noncash Capital and Related Financing Activities

Amortization of debt premium
Contributed capital

\$ 6,211	\$ 11,928
\$ 65,984	\$ -

City of Portage

Statement of Fiduciary Net Position
Fiduciary Fund
December 31, 2021

Assets

Cash and investments
Property taxes receivable
Total assets

Custodial Fund	
Tax Roll Fund	
\$ 4,424,495	
5,205,788	
9,630,283	

Liabilities

Due to other governments
Total liabilities

9,630,283
9,630,283

Net Position

Total net position

\$ -

See notes to financial statements

See notes to financial statements

City of Portage

Statement of Changes in Fiduciary Net Position
Fiduciary Fund
Year Ended December 31, 2021

	Custodial Fund
	<u>Tax Roll Fund</u>
Additions	
Property taxes collected for other governments	\$ 6,608,522
Total additions	<u>6,608,522</u>
Deductions	
Property taxes distributed to other governments	6,608,522
Total deductions	<u>6,608,522</u>
Change in fiduciary net position	-
Net Position, Beginning	-
Net Position, Ending	<u>\$ -</u>

See notes to financial statements
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City of Portage

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December 31, 2021

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City of Portage

Notes to Financial Statements
December 31, 2021

1. Summary of Significant Accounting Policies

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

Reporting Entity

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

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

Discretely Presented Component Units

Community Development Authority

The government-wide financial statements include the Community Development Authority (CDA) as a component unit. The CDA is a legally separate organization. The board of the CDA is appointed by the City Council. Wisconsin Statutes provide for circumstances whereby the City can impose its will on the CDA and also create a potential financial benefit to or burden on the City. The Community Development Authority is part of the reporting entity of the City of Portage. However, the CDA had no financial transactions during 2021 which are material to these financial statements. Also, the CDA does not own any assets nor is it liable for any debt. Therefore, no financial statements are presented in this report. The CDA does not issue separate financial statements.

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City of Portage

Notes to Financial Statements
December 31, 2021

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, 2021. 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:

- Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type and
- The same element of the individual governmental or enterprise fund that met the 10% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.

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City of Portage

Notes to Financial Statements
December 31, 2021

- 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.

Special Revenue Funds

CDBG 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 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.

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

City of Portage

Notes to Financial Statements
December 31, 2021

The City reports the following nonmajor governmental funds:

Special Revenue Funds

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

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

Capital Projects Funds

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

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

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.

City of Portage

Notes to Financial Statements
December 31, 2021

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 unmaturing interest on long-term debt, claims, judgments, compensated absences and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

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

Intergovernmental aids and grants are recognized as revenues in the period the City is entitled 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.

City of Portage

Notes to Financial Statements
December 31, 2021

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:

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

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.

City of Portage

Notes to Financial Statements
December 31, 2021

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.

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, 2021, 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 - 2021 tax roll:

Lien date and levy date	December 2021
Tax bills mailed	December 2021
Payment in full, or	January 31, 2022
First installment due	January 31, 2022
Second installment due	July 31, 2022
Personal property taxes in full	January 31, 2022
Tax sale - 2021 delinquent real estate taxes	October 2024

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.

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City of Portage

Notes to Financial Statements
December 31, 2021

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.

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.

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City of Portage

Notes to Financial Statements
December 31, 2021

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead and an allowance for the cost of funds used during construction when significant. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

Depreciation of all exhaustible 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.

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% 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 ten participants currently eligible and receiving benefits. The total amount outstanding at year-end to be paid in the future is \$209,832 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, 2021, are determined on the basis of current salary rates and include salary related payments.

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City of Portage

Notes to Financial Statements
December 31, 2021

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.

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City of Portage

Notes to Financial Statements
December 31, 2021

- c. **Committed** - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the City Council. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the City Council that originally created the commitment.
- d. **Assigned** - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The City Council has, by resolution, adopted a financial policy authorizing the Finance Committee to assign amounts for a specific purpose. Assignments may take place after the end of the reporting period.
- e. **Unassigned** - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those purposes.
- Proprietary fund equity is classified the same as in the government-wide statements.
- 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 September 23, 2021 and were effective October 1, 2021.

City of Portage

Notes to Financial Statements
December 31, 2021

2. Stewardship, Compliance and Accountability

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
Capital Projects Fund	\$ 1,485,000	\$ 1,566,705	\$ 81,705
Vehicle Replacement Fund	201,282	298,843	97,561
Tourism Fund	129,450	144,333	14,883
Inspection Fund	80,003	96,894	16,891
Donation Fund	55,069	70,424	15,355
Post Retirement Benefits Fund	90,136	112,226	22,090
Airport Fund	-	5,567	5,567
TIF #5	173,427	173,452	25
Revolving Sidewalk Fund	103,177	114,681	11,504
Library - Restricted Fund	11,500	15,658	4,158

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, 2021, the following individual funds held a deficit balance:

Fund	Amount	Reason
Swimming Pool Fund	\$ 98,066	Costs exceed accumulated revenues
Inspection Fund	38,434	Costs exceed accumulated revenues
Post Retirement Benefits Fund	20,264	Costs exceed accumulated revenues
Revolving Sidewalk Fund	5,428	Costs exceed accumulated revenues
TIF #4	839,595	Costs exceed accumulated increments
TIF #5	570,887	Costs exceed accumulated increments
TIF #9	24,120	Costs exceed accumulated increments
TIF #10	12,679	Costs exceed accumulated increments
TIF district deficits are anticipated to be funded with future incremental taxes levied over the life of the districts, which is 27 years for the districts created before October 1, 1995 and 23 years for districts created thereafter through September 30, 2004. Beginning October 1, 2004, the life of new districts varies by type of district (20-27 years) and may be extended in some cases. Swimming Pool, Inspection, Post Retirement Benefits Fund and Revolving Sidewalk fund deficits are anticipated to be funded with future contributions, charges for services, general tax revenues or long-term borrowing.		

City of Portage

Notes to Financial Statements
December 31, 2021

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	\$ 19,859,897	\$ 19,921,468	Custodial credit
LGIP	1,258,319	1,258,319	Credit
Petty cash	2,069	-	N/A
Total deposits and investments	<u>\$ 21,120,285</u>	<u>\$ 21,179,787</u>	
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 12,329,033		
Restricted cash and investments	4,312,005		
BID Fund	54,752		
Per statement of net position - fiduciary fund			
Custodial Fund	4,424,495		
Total deposits and investments	<u>\$ 21,120,285</u>		

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

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

The City maintains collateral agreements with its banks. At December 31, 2021, the banks had pledged various government securities in the amount of \$2,444,487 to secure the City's deposits.

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City of Portage

Notes to Financial Statements
December 31, 2021

Custodial Credit Risk

Deposits

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

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

Credit Risk

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

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

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

Receivables

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

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

	Unearned	Unavailable
Property taxes receivable for subsequent year	\$ 6,771,045	\$ -
Loans	-	1,288,815
Special assessments not yet due	-	84,192
ARPA Funds	544,224	-
Donations	-	6,767
Developer payment	-	75,021
Total unearned/unavailable revenue for governmental funds	<u>\$ 7,315,269</u>	<u>\$ 1,454,795</u>
Unearned revenue included in liabilities	\$ 544,224	
Unearned revenue included in deferred inflows	6,771,045	
Total unearned revenue for governmental funds	<u>\$ 7,315,269</u>	

At December 31, 2021, 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.

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City of PortageNotes to Financial Statements
December 31, 2021**Restricted Assets**

The following represent the balances of the restricted assets:

Long-Term Debt Accounts**Redemption** - Used to segregate resources accumulated for debt service payments over the next twelve months.**Reserve** - Used to report resources set aside to make up potential future deficiencies in the redemption account.**Construction** - Used to report proceeds of revenue bond issuances that are restricted for use in construction.**Equipment Replacement Account**

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

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 at December 31, 2021:

Restricted assets:	
Redemption account	\$ 824,154
Reserve account	846,216
Replacement account	865,311
Construction account	1,738,901
Net pension asset	2,450,032
Library restricted funds	37,423
Total restricted assets	<u>\$ 6,762,037</u>

City of PortageNotes to Financial Statements
December 31, 2021**Capital Assets**

Capital asset activity for the year ended December 31, 2021, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 2,144,350	\$ -	\$ -	\$ 2,144,350
Construction in progress	402,188	7,461,539	394,471	7,469,256
Total capital assets not being depreciated	2,546,538	7,461,539	394,471	9,613,606
Capital assets being depreciated:				
Buildings	11,493,220	74,386	24,903	11,542,703
Land improvements	3,743,384	456,340	-	4,199,724
Equipment	3,128,068	396,693	36,058	3,488,703
Vehicles	5,795,105	541,945	234,088	6,102,962
Infrastructure	36,643,268	328,024	-	36,971,292
Total capital assets being depreciated	60,803,045	1,797,388	295,049	62,305,384
Total capital assets	63,349,583	9,258,927	689,520	71,918,990
Less accumulated depreciation for:				
Buildings	(4,886,848)	(242,633)	15,463	(5,114,018)
Land improvements	(1,578,551)	(106,935)	-	(1,685,486)
Equipment	(2,419,382)	(116,447)	36,058	(2,499,771)
Vehicles	(3,855,873)	(438,929)	230,863	(4,061,939)
Infrastructure	(19,231,103)	(716,303)	-	(19,949,406)
Total accumulated depreciation	(31,971,757)	(1,621,247)	282,384	(33,310,620)
Net capital assets being depreciated	28,831,288	176,141	12,665	28,994,764
Total governmental activities capital assets, net of accumulated depreciation	<u>\$ 31,377,826</u>	<u>\$ 7,637,680</u>	<u>\$ 407,136</u>	<u>\$ 38,608,370</u>
Depreciation expense was charged to functions as follows:				
Governmental Activities				
General government	\$		\$ 95,557	
Public safety			228,140	
Public works			910,718	
Culture, education and recreation			386,832	
Total governmental activities depreciation expense			<u>\$ 1,621,247</u>	

City of Portage

Notes to Financial Statements
December 31, 2021

Business-Type Activities

	Beginning Balance	Additions	Deletions	Ending Balance
Water				
Capital assets not being depreciated:				
Land	\$ 118,723	\$ -	\$ -	\$ 118,723
Construction in progress	27,983	-	-	27,983
Total capital assets not being depreciated	146,706	-	-	146,706
Capital assets being depreciated:				
Source of supply	5,561,549	-	-	5,561,549
Pumping	793,668	-	-	793,668
Water treatment	2,507,715	40,446	-	2,548,161
Transmission and distribution	12,135,425	217,027	36,928	12,315,524
General	2,761,796	31,120	24,520	2,768,396
Total capital assets being depreciated	23,760,153	288,593	61,448	23,987,298
Total capital assets	23,906,859	288,593	61,448	24,134,004
Less accumulated depreciation for:				
Water System	(10,619,093)	(588,861)	61,448	(11,146,506)
Total accumulated depreciation	(10,619,093)	(588,861)	61,448	(11,146,506)
Net capital assets being depreciated	13,141,060	(300,268)	-	12,840,792
Net water capital assets	\$ 13,287,766	\$ (300,268)	\$ -	\$ 12,987,498
Sewer				
Capital assets not being depreciated:				
Land	\$ 381,895	\$ -	\$ -	\$ 381,895
Construction in progress	91,895	85,622	79,788	97,729
Total capital assets not being depreciated	473,790	85,622	79,788	479,624
Capital assets being depreciated:				
Buildings and structures	8,083,477	-	-	8,083,477
Collecting system	7,742,940	448	-	7,743,388
Pumping	1,772,990	456,881	192,000	2,037,871
Treatment and disposal	9,303,795	464,110	200,000	9,567,905
General	947,691	-	-	947,691
Total capital assets being depreciated	27,850,893	921,439	392,000	28,380,332
Total capital assets	28,324,683	1,007,061	471,788	28,859,956
Less accumulated depreciation for				
Sewer System	(19,578,062)	(815,038)	392,000	(20,001,100)
Total accumulated depreciation	(19,578,062)	(815,038)	392,000	(20,001,100)
Net capital assets being depreciated	8,272,831	106,401	-	8,379,232
Net sewer capital assets	\$ 8,746,621	\$ 192,023	\$ 79,788	\$ 8,858,856
Business-type capital assets, net of accumulated depreciation	\$ 22,034,387	\$ (108,245)	\$ 79,788	\$ 21,846,354

City of Portage

Notes to Financial Statements
December 31, 2021

Depreciation expense was charged to functions as follows:

Business-Type Activities

Water	\$ 552,991
Sewer	815,039
	<u>\$ 1,368,030</u>

Total business-type activities depreciation expense

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

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 Sidewalk Fund	5,633
General Fund	Post Retirement Benefits Fund	20,264
General Fund	Inspection Fund	35,722
General Fund	Wheel Tax Fund	504
General Fund	Water Utility	391,696
Sewer Utility	Water Utility	66,950
Total, fund financial statements		520,769
Less fund eliminations		<u>(129,073)</u>
Total internal balances, government-wide statement of net position		<u>\$ 391,696</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 \$391,696. All remaining balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur.

(2) transactions are recorded in the accounting system and (3) payments between funds are made.

Advances

The general fund is advancing funds to the TIF Districts No. 4, No. 5, 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.

City of Portage

Notes to Financial Statements
December 31, 2021

The following is a schedule of interfund advances:

Receivable Fund	Payable Fund	Amount	Amount Not Due Within One Year
General Fund	Swimming Pool Fund	\$ 93,566	\$ 93,566
General Fund	TIF #4	828,507	828,507
General Fund	TIF #5	570,887	570,887
General Fund	TIF #9	24,120	24,120
General Fund	TIF #10	12,679	12,679
Total, fund financial statements		1,529,759	
Less fund eliminations		(1,529,759)	
Total, interfund advances, government-wide statement of net position		\$ -	

The principal purpose of these advances is cash deficits.

Transfers

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
General Fund	Water Utility Fund	\$ 391,696	PILOT
Debt Service Fund	TIF #4	155,734	Debt service
Debt Service Fund	TIF #5	169,368	Debt service
Debt Service Fund	TIF #6	15,640	Debt service
Debt Service Fund	TIF #7	23,273	Debt service
Debt Service Fund	TIF #8	45,088	Debt service
Vehicle Equipment	General Fund	239,492	Capital outlay
Post Retirement Benefits Fund	General Fund	90,136	Retirement funding
TIF #4	Portage Enterprise Center Fund	12,116	TIF development
Mass Transit Fund	General Fund	71,000	Subsidy
Swimming Pool Fund	General Fund	20,000	Fund operations
Capital Projects Fund	Wheel Tax Fund	54,173	Capital projects
School Liaison Fund	General Fund	38,606	Equipment purchase
Canal Projects Fund	Capital Projects Fund	342,500	Canal improvements
Subtotal, fund financial statements		1,668,822	
Less fund eliminations		(1,277,126)	
Total transfers, government-wide statement of activities		\$ 391,696	

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, 2021

Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2021, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and notes payable:					
General obligation debt	\$ 13,245,000	\$ 2,630,000	\$ 1,125,000	\$ 14,750,000	\$ 1,215,000
General obligation debt from direct borrowings and direct placements	613,129	74,000	99,895	587,234	114,064
Premiums	270,182	-	24,399	473,536	-
Subtotal	14,128,311	2,831,755	1,249,294	15,810,772	1,329,064
Other liabilities:					
Vested compensated absences	999,024	219,012	290,231	927,805	254,735
Retiree health insurance	227,607	-	17,775	209,832	101,329
Total other liabilities	1,226,631	219,012	308,006	1,137,837	356,064
Total governmental activities long-term liabilities	\$ 15,354,942	\$ 3,150,767	\$ 1,557,300	\$ 16,948,409	\$ 1,685,128
Business-Type Activities					
Bonds and notes payable:					
General obligation debt	\$ 2,265,000	\$ 360,000	\$ 510,000	\$ 2,115,000	\$ 375,000
Revenue bonds	7,110,000	4,335,000	290,000	11,155,000	495,000
Revenue bonds from direct borrowings and direct placements	3,624,991	-	3,169,789	455,202	72,572
Premiums	195,206	251,509	18,737	427,978	-
Subtotal	13,195,197	4,946,509	3,988,526	14,153,180	942,572
Other liabilities:					
Vested compensated absences	173,631	34,212	50,351	157,492	43,321
Total other liabilities	173,631	34,212	50,351	157,492	43,321
Total business-type activities long-term liabilities	\$ 13,368,828	\$ 4,980,721	\$ 4,038,877	\$ 14,310,672	\$ 985,893

In accordance with Wisconsin Statutes, total general obligation indebtedness of the City may not exceed 5% of the equalized value of taxable property within the City's jurisdiction. The debt limit as of December 31, 2021, was \$37,607,365. Total general obligation debt outstanding at year end was \$17,452,234.

City of Portage

Notes to Financial Statements
December 31, 2021

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, 2021
General Obligation Debt	General Obligation Debt					
General obligation refunding bonds		03/18/09	04/01/22	2.25 - 4.35%	\$ 810,000	\$ 100,000
General obligation promissory bonds		08/02/12	04/01/27	0.55 - 3.50%	2,175,000	1,035,000
General obligation promissory notes		08/02/12	04/01/22	0.50 - 2.00%	1,995,000	370,000
General obligation promissory bonds		08/02/12	04/01/29	2.00 - 2.85%	3,130,000	2,130,000
General obligation promissory bonds		08/16/15	04/01/28	2.00 - 3.50%	2,950,000	2,165,000
General obligation promissory bonds		05/19/16	05/01/36	0.75 - 3.20%	1,450,000	1,080,000
General obligation promissory bonds		04/13/17	04/01/32	3.00 - 3.50%	3,225,000	2,405,000
General obligation promissory notes (direct)		08/17/18	08/01/25	3.50%	424,000	254,764
General obligation promissory bonds		05/15/19	04/01/39	2.75%	3,055,000	2,835,000
General obligation promissory notes (direct)		10/05/20	08/01/27	1.65%	300,000	258,470
General obligation promissory notes		06/03/21	04/01/41	2.00 - 4.00%	2,630,000	2,630,000
General promissory obligation notes (direct)		10/25/21	08/01/24	2.00%	74,000	74,000
Total governmental activities, general obligation debt						\$ 15,337,234
Business-Type Activities		Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2021
General Obligation Debt	General Obligation Debt					
General obligation corporate purpose bonds		08/02/12	04/01/24	2.00 - 2.25%	\$ 2,390,000	\$ 730,000
General obligation promissory bonds		08/16/15	04/01/28	2.00 - 3.50%	670,000	380,000
General obligation promissory bonds		05/19/16	05/01/30	0.75 - 3.20%	405,000	255,000
General obligation promissory bonds		04/13/17	04/01/32	3.00 - 3.50%	505,000	390,000
General obligation promissory bonds		06/03/21	04/01/41	2.00 - 4.00%	360,000	360,000
Total business-type activities, general obligation debt						\$ 2,115,000

City of Portage

Notes to Financial Statements
December 31, 2021

Debt service requirements to maturity are as follows:

Years	Governmental Activities		Business-Type Activities	
	General Obligation Debt	Interest	General Obligation Debt	Interest
2022	\$ 1,215,000	\$ 428,591	\$ 375,000	\$ 50,378
2023	1,225,000	373,621	370,000	39,226
2024	1,230,000	341,531	370,000	30,866
2025	1,165,000	307,602	120,000	25,082
2026	1,180,000	272,371	140,000	21,647
2027-2031	4,620,000	890,085	500,000	56,837
2032-2036	3,075,000	319,575	140,000	15,700
2037-2041	1,050,000	48,274	100,000	5,000
Total	\$ 14,750,000	\$ 2,981,650	\$ 2,115,000	\$ 244,736

Years	Governmental Activities		Business-Type Activities	
	General Obligation Debt from Direct Borrowings and Placements	Interest	General Obligation Debt	Interest
2022	\$ 114,064	\$ 12,897		
2023	116,688	10,293		
2024	119,680	7,282		
2025	122,789	4,149		
2026	56,597	1,545		
2027	57,456	684		
Total	\$ 587,234	\$ 36,850		

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 20.12% of net revenues. The total principal and interest remaining to be paid on the bonds is \$4,804,678. Principal and interest paid for the current year and total customer net revenues were \$273,891 and \$1,326,623, respectively.

The sewer utility fund has pledged future sewer revenues, net of specified operating expenses, to repay revenue bonds issued in 2008-2021. Proceeds from the bonds provided financing for the sewer system. The bonds are payable solely from sewer revenues and are payable through 2041. Annual principal and interest payments on the bonds are expected to require 50.00% of net revenues. The total principal and interest remaining to be paid on the bonds is \$9,703,087. Principal and interest paid for the current year and total customer net revenues were \$3,508,604 and \$970,254, respectively.

City of Portage

Notes to Financial Statements
December 31, 2021

Revenue debt payable at December 31, 2021, consists of the following:

Business-Type Activities Revenue Debt

Water Utility	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2021
Water system revenue bonds (direct)	04/25/07	05/01/26	2.475%	\$ 121,379	\$ 32,120
Water system revenue bonds	04/16/15	05/01/35	1.00 - 3.50%	855,000	655,000
Water system revenue bonds	05/19/16	05/01/36	2.00 - 3.00%	2,190,000	1,925,000
Water system revenue bonds	05/15/19	05/01/39	2.89%	1,335,000	1,230,000
Total Water Utility					3,842,120
Sewer Utility					
Sewer system revenue bonds (direct)	03/26/08	05/01/27	2.36%	1,159,443	423,082
USDA Build America Bonds (direct)	10/06/10	10/01/50	3.00%	3,645,000	-
Sewer system revenue bonds	04/13/17	05/01/37	3.00 - 3.75%	2,180,000	1,845,000
Sewer system revenue bonds	05/15/19	05/01/39	2.86%	1,265,000	1,165,000
Sewer system revenue bonds	06/03/21	05/01/41	1.37 - 4.00%	4,335,000	4,335,000
Total Sewer Utility					7,768,082
Total business-type activities, revenue debt					\$ 11,610,202
Debt service requirements to maturity are as follows:					

Years	Business-Type Activities Revenue Debt	Principal	Interest
2022	\$ 485,000	\$ 309,935	
2023	495,000	294,660	
2024	520,000	278,876	
2025	580,000	261,874	
2026	590,000	244,001	
2027-2031	3,150,000	926,305	
2032-2036	3,440,000	460,763	
2037-2041	1,885,000	89,425	
Total	\$ 11,155,000	\$ 2,865,839	

City of Portage

Notes to Financial Statements
December 31, 2021

Years	Business-Type Activities Revenue Debt from Direct Borrowings and Direct Placements	Principal	Interest
2022	\$ 72,572	\$ 9,939	
2023	74,295	8,196	
2024	76,059	6,411	
2025	77,865	4,583	
2026	79,714	1,712	
2027	74,697	883	
Total	\$ 455,202	\$ 31,724	

Other Debt Information

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

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

The City's 2018, 2020 and 2021 general obligation promissory note outstanding as of December 31, 2021, 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.

Current Refunding

On June 1, 2021, the sewer utility issued \$4,335,000 in revenue bonds with an average coupon rate of 3.00% to refund \$3,645,000 of outstanding bonds with an average coupon rate of 3.00%. The net proceeds along with existing funds of the sewer utility were used to prepay the outstanding debt.

The cash flow requirements on the refunded debt prior to the current refunding was \$4,075,004 from 2021 through 2050. The cash flow requirements on the 2021 refunding bonds are \$3,266,032 from 2021 through 2041. The current refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$339,468.

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 Portage

Notes to Financial Statements
December 31, 2021

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 2021 as follows:

Operating revenues	\$ 2,199,928
Investment income	12,153
Miscellaneous nonoperating income	30,527
Less operation and maintenance expenses (including taxes)	(915,985)
Net defined earnings	\$ 1,326,623
Minimum required earnings per resolution:	
Annual debt service	\$ 273,891
Coverage factor	1.25
Minimum required earnings	\$ 342,364
Annual Debt Coverage	4.84 %

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 2021 as follows:

Operating revenues	\$ 2,019,766
Investment income	18,890
Miscellaneous nonoperating income	22,596
Less operation and maintenance expenses	(1,090,998)
Net defined earnings	\$ 970,254
Minimum Required Earnings per Resolution:	
Annual debt service	\$ 474,404
Coverage factor	1.25
Minimum required earnings	\$ 593,005
Actual Debt Coverage	2.05 %

City of Portage

Notes to Financial Statements
December 31, 2021

Net Position/Fund Balances

Net position reported on the government-wide statement of net position at December 31, 2021, includes the following:

Governmental Activities

Net investment in capital assets:	
Land	\$ 2,114,350
Construction in progress	7,469,256
Other capital assets, net of accumulated depreciation	28,994,764
Less long-term capital debt outstanding	(15,337,234)
Plus unspent capital related debt proceeds	1,248,634
Less unamortized debt premium	(473,538)
Total net investment in capital assets	\$ 24,016,232

Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2021, include the following:

	General Fund	CDBG Fund	Mass Transit Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Funds	Total
Fund Balances							
Nonspendable:							
Prepaid items	\$ 85,328	\$ -	\$ -	\$ -	\$ -	\$ 11,751	\$ 97,079
Delinquent personal property taxes	2,150	-	-	-	-	-	2,150
Long-term receivables	1,529,759	-	-	-	-	-	1,529,759
Subtotal	1,617,237	-	-	-	-	11,751	1,628,988
Restricted for:							
Transit	-	-	150,526	-	-	-	150,526
Debt service	-	-	-	310,967	-	-	310,967
Library	-	-	-	-	-	197,225	197,225
Capital projects	-	-	-	-	397,125	-	410,072
TIF activities	-	-	-	-	-	416,216	416,216
Hazmat vehicles	-	-	-	-	-	197,088	197,088
Grants	-	-	-	-	-	436	436
Donations	-	-	-	-	-	126,541	126,541
HUD	-	-	-	-	-	16,731	16,731
CDBG	-	174,637	-	-	-	-	174,637
Subtotal	-	174,637	150,526	310,967	397,125	988,584	2,001,839
Committed to:							
Recycling	-	-	-	-	-	2,286	2,286
Subtotal	-	-	-	-	-	2,286	2,286
Assigned to:							
Capital projects	-	-	-	-	98,275	1,300,581	1,398,856
Special revenue	-	-	-	-	-	854,308	854,308
Subtotal	-	-	-	-	98,275	2,154,889	2,253,164
Unassigned (deficit):							
Subtotal	2,739,765	-	-	-	-	(1,610,106)	1,129,659
Total fund balances	\$ 4,357,002	\$ 174,637	\$ 150,526	\$ 310,967	\$ 495,400	\$ 1,527,404	\$ 7,015,936

City of Portage

Notes to Financial Statements
December 31, 2021

Business-Type Activities

Net investment in capital assets:	
Land	\$ 500,618
Construction in progress	125,712
Other capital assets, net of accumulated depreciation	21,220,024
Less long-term capital debt outstanding	(13,725,202)
Plus unspent capital related debt proceeds	1,650,397
Less unamortized debt premium	(427,978)
Total net investment in capital assets	\$ 9,343,571

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.

- Basis of Accounting/Measurement Focus

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

- Deposits and Investments

At year end, the carrying amount of the BID's deposits was \$54,752 and is part of the City's commingled cash. See Note 3, Cash and Investments.

- 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 \$14,222. The BID considers a capital asset to have an initial cost of \$1,000 and an estimated useful life in excess of three years.

4. Other Information

Employees' Retirement System

Plan Description

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

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

City of Portage

Notes to Financial Statements
December 31, 2021

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 (64 for protective occupation employees, 62 for elected officials and executive service retirement participants, if hired on or before 12/31/2016) are entitled to retirement benefit based on a formula factor, their average earnings and creditable service.

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

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

The WRS also provides death and disability benefits for employees.

Post-Retirement Adjustments

The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases.

By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the floor) set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

Year	Core Fund		Variable Fund	
	Adjustment %		Adjustment %	
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)	
2020	1.7		21.0	

City of Portage

Notes to Financial Statements
December 31, 2021

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 and 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 \$446,457 in contributions from the City.

Contribution rates for the plan year reported as of December 31, 2021 are:

	Employee Category	Employee	Employer
General (executives & elected officials)	6.75 %	6.75 %	6.75 %
Protective with Social Security	6.75 %	6.75 %	11.65 %
Protective without Social Security	6.75 %	6.75 %	16.25 %

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

At December 31, 2021, the City reported an asset of \$2,450,032 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2020 and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019 rolled forward to December 31, 2020. 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 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, 2020, the City's proportion was 0.03924360%, which was an increase of 0.00032569% from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the City recognized pension expense of \$(289,941).

At December 31, 2021, 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	\$ 3,545,949	\$ 763,791
Changes in assumptions	55,571	-
Net differences between projected and actual earnings on pension plan investments	-	4,599,736
Changes in proportion and differences between employer contributions and proportionate share of contributions	5,720	2,842
Employer contributions subsequent to the measurement date	471,398	-
Total	\$ 4,078,638	\$ 5,366,369

City of Portage

Notes to Financial Statements
December 31, 2021

\$471,398 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, 2022. Other amounts reported as deferred outflows of resources related to pension will be recognized in pension expense as follows:

Years Ended December 31:	Deferred Outflows of Resources and Deferred Inflows of Resources (Net)
2022	\$ (452,727)
2023	(122,291)
2024	(831,730)
2025	(352,381)

Actuarial Assumptions

The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2019
Measurement Date of Net Pension Liability (Asset):	December 31, 2020
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table
Post-Retirement Adjustments*:	1.9%

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

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The total pension liability for December 31, 2020 is based upon a roll-forward of the liability calculated from the December 31, 2019 actuarial valuation.

City of Portage

Notes to Financial Statements
December 31, 2021

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	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global Equities	51	7.2	4.7
Fixed Income	25	3.2	0.8
Inflation Sensitive Assets	16	2.0	(0.4)
Real Estate	8	5.6	3.1
Private Equity/Debt	11	10.2	7.6
Multi-Asset	4	5.8	3.3
Total Core Fund	115	6.6	4.1
Variable Fund Asset Class			
U.S. Equities	70	6.6	4.1
International Equities	30	7.4	4.9
Total Variable Fund	100	7.1	4.6

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.4%
Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations

Single Discount Rate

A single discount rate of 7.00% was used to measure the total pension liability 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% and a municipal bond rate of 2.00%. (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, 2020. 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% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

City of Portage

Notes to Financial Statements
December 31, 2021

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 asset calculated using the discount rate of 7.00%, as well as what the City's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) 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)	\$ 2,332,091	\$ (2,450,032)	\$ (5,962,466)

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, 2021, 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, 2021. 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, 2021

Joint Ventures

Fire Protection Agreement

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

Subsequent Events

On June 29, 2022, the City issued general obligation corporate purpose bonds in the amount of \$2,125,000 with an average interest rate of 3.50%. This amount will be used for various city projects.

On June 29, 2022, the City issued sewerage system revenue bonds in the amount of \$1,655,000 with an interest rate of 4.00%. This amount will be used for sewer utility projects.

On June 29, 2022 the City issued water system revenue bonds in the amount of \$990,000 with an interest rate of 4.00%. This amount will be used water utility projects.

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. 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.

REQUIRED SUPPLEMENTARY INFORMATION

City of Portage

Detailed Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - General Fund
Year Ended December 31, 2021

	Original and Final Budget	Actual	Variance with Final Budget
Revenues			
Taxes			
General property taxes	\$ 4,453,240	\$ 4,453,239	\$ (1)
Mobile home lottery credit	22,500	20,243	(2,257)
Forest cropland and managed forest land taxes	1,160	1,160	-
Sales and use	40	40	-
Payments in lieu of taxes	-	15,000	15,000
Total taxes	4,476,940	4,489,682	12,742
Intergovernmental Revenues			
State shared revenues	1,646,258	1,662,099	15,841
State expenditure restraint	171,871	171,871	-
Fire insurance tax	30,000	31,799	1,799
State aid, law enforcement improvement	4,920	3,360	(1,560)
State aid, general transportation aids	573,366	572,815	(551)
State aid, connecting streets	126,653	126,653	-
Other state payments, operating	50,163	50,163	-
Video service provider payment	27,153	27,153	-
Payments for municipal services	37,000	62,234	25,234
In lieu of taxes on state conservation lands	440	455	15
Other state payments	5,000	9,360	4,360
County aid, highway and bridges	2,000	4,000	2,000
Total intergovernmental revenues	2,674,824	2,721,962	47,138
Licenses and Permits			
Business and occupational licenses	1,800	1,380	(420)
Liquor and malt beverage licenses	33,000	34,330	1,330
Operators' license	2,000	1,345	(655)
Mobile home park licenses	300	350	50
Cable television franchise fees	108,614	109,915	1,301
Dog and cat licenses	6,000	5,676	(324)
Other nonbusiness licenses	450	-	(450)
Other regulatory permits and fees	13,180	13,512	332
Electrical contractor licenses	-	672	672
Total licenses and permits	165,344	167,180	1,836
Fines, forfeitures and penalties			
Court penalties and costs	152,600	112,151	(40,449)
Parking violations	4,500	5,260	760
Judgments and damages	500	452	(48)
Total fines, forfeitures and penalties	157,600	117,863	(39,737)

See notes to required supplementary information
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City of Portage

Detailed Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - General Fund
Year Ended December 31, 2021

	Original and Final Budget	Actual	Variance with Final Budget
Public Charges for Services			
Clerk's fees	\$ 500	\$ 99	\$ (401)
Law enforcement fees	5,700	5,938	238
Street related facilities	5,000	23,899	18,899
Parking lots, ramps and meters	25	-	(25)
Other transportation	500	405	(95)
Solid waste disposal	7,250	6,257	(993)
Weed and nuisance control	-	75	75
Culture, recreation and education	3,700	3,991	291
Parks	47,000	47,854	854
Recreation programs	3,500	2,815	(685)
Park rental	10,500	8,796	(1,704)
Conservation and development	3,500	3,116	(384)
Other public charges for services	10,800	12,768	1,968
Fire protection fees	-	399	399
Total public charges for services	97,975	116,432	18,457
Intergovernmental Charges for Services			
Local, rural fire services	155,000	177,728	22,728
Local, HAZMAT services	19,000	37,612	18,612
Local, intra-agency administration fees	103,980	103,978	(2)
Total intergovernmental charges for services	277,980	319,318	41,338
Investment Income			
Interest on investments	45,000	22,916	(22,084)
Interest on special assessments	2,000	1,615	(385)
Total investment income	47,000	24,531	(22,469)
Miscellaneous Revenues			
Rent	52,895	56,428	3,533
Insurance recoveries, police	1,000	4,905	3,905
Donations	7,000	2,222	(4,778)
Insurance dividends	20,000	14,478	(5,522)
Other miscellaneous	2,000	75	(1,925)
Insurance recoveries, highway	1,000	-	(1,000)
Insurance recoveries, other	-	2,553	2,553
Total miscellaneous revenues	83,895	80,661	(3,234)
Total revenues	7,981,558	8,037,629	56,071

See notes to required supplementary information
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City of Portage

Detailed Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - General Fund
Year Ended December 31, 2021

	Original and Final Budget	Actual	Variance with Final Budget
Expenditures			
General Government			
Council	\$ 38,114	\$ 36,962	\$ 1,152
Judicial	131,203	121,439	9,764
Legal	30,000	21,100	8,900
Mayor	17,066	15,098	1,968
Administrator	161,284	154,819	6,465
General administration	318,866	298,286	20,580
Financial administration	277,672	274,950	2,722
General buildings/plant/hall	190,820	186,520	4,300
Safety program	2,000	(110)	2,110
Contingency	32,809	-	32,809
Total general government	1,199,834	1,111,284	88,550
Public Safety			
Police	522,976	523,516	(540)
Patrol	1,812,460	1,829,174	(16,714)
Criminal investigation	345,092	333,011	12,081
Fire protection	221,853	223,362	(1,509)
Suppression	643,958	656,318	(12,360)
Prevention	97,315	91,541	5,774
Hazmat	14,600	17,715	(3,115)
Emergency government	3,500	3,697	(197)
Police special services	179,896	162,854	17,042
Total public safety	3,841,650	3,841,188	462
Public Works			
Engineering	235,515	211,425	24,090
Highway and street maintenance for local	1,277,258	1,184,426	92,832
Highway and street construction for local	4,000	-	4,000
Storm sewer maintenance	17,500	14,747	2,753
Parking facilities	5,350	-	5,350
Airport	48,776	52,930	(4,154)
Solid waste disposal	370,768	385,382	(14,594)
Weed and nuisance control	5,000	4,199	801
Total public works	1,964,187	1,853,109	111,078
Health and Human Services			
Public health services	13,500	11,460	2,040
Cemetery	51,500	51,500	-
Total health and human services	65,000	62,960	2,040

See notes to required supplementary information
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City of Portage

Detailed Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - General Fund
Year Ended December 31, 2021

	Original and Final Budget	Actual	Variance with Final Budget
Culture, Recreation and Education			
Cable television	\$ 25,037	\$ 19,918	\$ 5,119
Parks	195,354	188,343	7,011
Recreation programs and events	93,212	71,975	21,237
Park maintenance	448,275	428,673	19,602
Total culture, recreation and education	761,878	708,909	52,969
Conservation and Development			
Community development	77,012	75,287	1,725
Total conservation and development	77,012	75,287	1,725
Total expenditures	7,909,561	7,652,737	256,824
Excess of revenues over expenditures	71,997	384,892	312,895
Other Financing Sources (Uses)			
Sale of capital assets	4,000	7,198	3,198
Transfers in	390,737	391,696	959
Transfers out	(466,734)	(459,234)	7,500
Total other financing sources (uses)	(71,997)	(60,340)	11,657
Net change in fund balance	-	324,552	324,552
Fund Balance, Beginning	4,032,450	4,032,450	-
Fund Balance, Ending	\$ 4,032,450	\$ 4,357,002	\$ 324,552

See notes to required supplementary information
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City of Portage

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - CDBG Fund
Year Ended December 31, 2021

	Original and Final Budget	Actual	Variance with Final Budget
Revenues			
Public charges for services	\$ 45,000	\$ 169,419	\$ 124,419
Investment income	500	727	227
Total revenues	<u>45,500</u>	<u>170,146</u>	<u>124,646</u>
Expenditures			
Current			
Conservation and development	94,000	101,708	(7,708)
Total expenditures	<u>94,000</u>	<u>101,708</u>	<u>(7,708)</u>
Net change in fund balance	(48,500)	68,438	116,938
Fund Balance, Beginning	<u>106,199</u>	<u>106,199</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 57,699</u>	<u>\$ 174,637</u>	<u>\$ 116,938</u>

See notes to required supplementary information
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City of Portage

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - Mass Transit Fund
Year Ended December 31, 2021

	Original and Final Budget	Actual	Variance with Final Budget
Revenues			
Intergovernmental	\$ 809,136	\$ 724,096	\$ (85,040)
Public charges for services	545,130	345,606	(199,524)
Total revenues	<u>1,354,266</u>	<u>1,069,702</u>	<u>(284,564)</u>
Expenditures			
Current			
Public works	1,449,757	931,706	518,051
Total expenditures	<u>1,449,757</u>	<u>931,706</u>	<u>518,051</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(95,491)</u>	<u>137,996</u>	<u>233,487</u>
Other Financing Sources			
Transfers in	71,000	71,000	-
Sale of capital assets	6,000	-	(6,000)
Total other financing sources	<u>77,000</u>	<u>71,000</u>	<u>(6,000)</u>
Net change in fund balance	(18,491)	208,996	227,487
Fund Balance (Deficit), Beginning	<u>(58,470)</u>	<u>(58,470)</u>	<u>-</u>
Fund Balance (Deficit), Ending	<u>\$ (76,961)</u>	<u>\$ 150,526</u>	<u>\$ 227,487</u>

See notes to required supplementary information
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City of Portage
Schedule of Proportionate Share of the Net Pension Liability (Asset) -
Wisconsin Retirement System
Year Ended December 31, 2021

City Fiscal Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	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
			Covered Payroll	Payroll	
12/31/21	0.039243600 %	\$ (2,450,032)	\$ 4,781,122	51.24 %	105.26 %
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	0.036339660 %	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, 2021

City Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions		Contribution Deficiency (Excess)	Contributions as a Percentage of Covered Payroll	
		Contractually Required Contributions	Covered Payroll		Covered Payroll	Payroll
12/31/21	\$ 471,398	\$ 471,398	\$ -	\$ -	4,951,235	9.52 %
12/31/20	448,361	448,361	-	-	4,781,123	9.38 %
12/31/19	417,493	417,493	-	-	4,707,658	8.87 %
12/31/18	310,688	310,688	-	-	4,456,064	6.97 %
12/31/17	389,956	389,956	-	-	4,382,904	8.90 %
12/31/16	351,000	351,000	-	-	4,273,077	8.21 %
12/31/15	356,206	356,206	-	-	4,085,943	8.72 %

See notes to required supplementary information
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City of Portage
Notes to Required Supplementary Information
Year Ended December 31, 2021

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.

City of Portage

Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2021

	Special Revenue Funds			
	Park Land Dedication Fund	Swimming Pool Fund	Inspection Fund	Library - Restricted Fund
Assets				
Cash and investments	\$ 34,461	\$ -	\$ -	\$ 149,513
Receivables:				\$ 35,263
Taxes	-	-	1,308	557,474
Accounts	-	-	1,308	-
Special assessments	-	-	-	-
Other	-	-	-	-
Prepaid items	-	102	531	8,063
Restricted cash and investments	-	-	-	-
Total assets	\$ 34,461	\$ 102	\$ 3,147	\$ 715,050
				\$ 35,263
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	\$ -	\$ 44	\$ 3,003	\$ 8,960
Accrued liabilities	-	678	1,548	15,251
Deposits	-	3,880	-	-
Due to other funds	-	-	35,722	-
Advances from other funds	-	93,566	-	-
Unearned revenue	-	-	-	-
Total liabilities	-	98,168	40,273	24,211
				251
Deferred Inflows of Resources				
Property taxes levied for next period	-	-	1,308	557,474
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	-	-	1,308	557,474
				-
Fund Balances (Deficit)				
Nonspendable	-	102	531	8,063
Restricted	-	-	-	125,302
Committed	-	-	-	-
Assigned	34,461	-	-	-
Unassigned (deficit)	-	(98,168)	(38,965)	-
Total fund balances (deficit)	34,461	(98,066)	(38,434)	133,365
				35,012
Total liabilities, deferred inflows of resources and fund balances	\$ 34,461	\$ 102	\$ 3,147	\$ 715,050
				\$ 35,263

SUPPLEMENTARY INFORMATION

City of Portage

Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2021

Special Revenue Funds						
Library Memorial Fund	Criminal Investigation Fund	Tourism Promotion Fund	School Liaison Fund	Donation Fund	Portage Enterprise Center Fund	HUD Fund
\$ -	\$ 14,747	\$ 123,427	\$ 22,682	\$ 127,742	\$ 9,578	\$ 16,731
-	-	-	-	-	-	-
-	-	-	-	6,767	-	54,493
-	-	-	-	-	-	-
-	-	-	-	-	11,964	-
-	-	-	1,642	-	1,413	-
37,423	-	-	-	-	-	-
<u>\$ 37,423</u>	<u>\$ 14,747</u>	<u>\$ 123,427</u>	<u>\$ 24,324</u>	<u>\$ 134,509</u>	<u>\$ 22,955</u>	<u>\$ 71,224</u>
\$ 512	\$ -	\$ 40,444	\$ 78	\$ 801	\$ 3,378	\$ -
-	-	-	4,126	-	2,884	-
-	-	-	-	-	5,839	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
512	-	40,444	4,204	801	12,101	-
-	-	-	-	-	-	-
-	-	-	-	6,767	-	54,493
-	-	-	-	6,767	-	54,493
-	-	-	-	-	-	-
36,911	-	-	1,642	-	1,413	-
-	-	-	-	126,941	-	16,731
-	14,747	82,983	18,478	-	9,441	-
-	-	-	-	-	-	-
36,911	14,747	82,983	20,120	126,941	10,854	16,731
<u>\$ 37,423</u>	<u>\$ 14,747</u>	<u>\$ 123,427</u>	<u>\$ 24,324</u>	<u>\$ 134,509</u>	<u>\$ 22,955</u>	<u>\$ 71,224</u>

Special Revenue Funds						
	Wheel Tax Fund	Ambulance Fund	Post Retirement Benefits Fund	Recycling Fund	ARPA Fund	
Assets						
Cash and investments	\$ 12,552	\$ 62,770	\$ -	\$ 2,286	\$ 545,660	
Receivables:						
Taxes	-	-	-	-	-	
Accounts	-	-	-	-	-	
Special assessments	-	-	-	-	-	
Other	2,005	-	-	-	-	
Prepaid items	-	-	-	-	-	
Restricted cash and investments	-	-	-	-	-	
Total assets	<u>\$ 14,557</u>	<u>\$ 62,770</u>	<u>\$ -</u>	<u>\$ 2,286</u>	<u>\$ 545,660</u>	
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities						
Accounts payable	\$ 1,106	\$ 9,204	\$ -	\$ -	\$ -	
Accrued liabilities	-	-	-	-	-	
Deposits	-	-	-	-	-	
Due to other funds	504	-	20,264	-	-	
Advances from other funds	-	-	-	-	-	
Unearned revenue	-	-	-	-	544,224	
Total liabilities	<u>1,610</u>	<u>9,204</u>	<u>20,264</u>	<u>-</u>	<u>544,224</u>	
Deferred Inflows of Resources						
Property taxes levied for next period	-	-	-	-	-	
Unavailable revenues	-	-	-	-	-	
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Fund Balances (Deficit)						
Nonspendable	-	-	-	-	-	
Restricted	12,947	-	-	-	1,436	
Committed	-	-	-	2,286	-	
Assigned	-	53,566	-	-	-	
Unassigned (deficit)	-	-	(20,264)	-	-	
Total fund balances (deficit)	<u>12,947</u>	<u>53,566</u>	<u>(20,264)</u>	<u>2,286</u>	<u>1,436</u>	
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 14,557</u>	<u>\$ 62,770</u>	<u>\$ -</u>	<u>\$ 2,286</u>	<u>\$ 545,660</u>	

City of Portage

Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2021

Capital Projects Fund						
Revolving Sidewalk Fund	Revolving Alley Fund	Canal Project Fund	Airport Construction Fund	TIF #4	TIF #5	TIF #6
\$ -	\$ 6,026	\$ 830,031	\$ 1,774	\$ -	\$ -	\$ 60,252
13,076	10,806	-	-	57,170	100,191	-
303	-	-	-	-	-	-
39,632	13,953	-	-	-	75,021	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
\$ 53,011	\$ 30,785	\$ 830,031	\$ 1,774	\$ 57,170	\$ 175,212	\$ 60,252

\$ 98	\$ -	\$ 195,425	\$ -	\$ 1,088	\$ -	\$ 50,265
-	-	-	-	-	-	-
-	-	-	-	10,000	-	-
5,633	-	-	-	-	-	-
-	-	-	-	828,507	570,887	-
-	-	-	-	-	-	-
5,731	-	195,425	-	839,595	570,887	50,265

13,076	10,806	-	-	57,170	100,191	-
39,632	13,953	-	-	-	75,021	-
52,708	24,759	-	-	57,170	175,212	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	9,987
-	-	-	-	-	-	-
-	6,026	634,606	1,774	-	-	-
(5,428)	-	-	-	(839,595)	(570,887)	-
(5,428)	6,026	634,606	1,774	(839,595)	(570,887)	9,987
\$ 53,011	\$ 30,785	\$ 830,031	\$ 1,774	\$ 57,170	\$ 175,212	\$ 60,252

Capital Projects Fund						
TIF #7	TIF #8	TIF #9	TIF #10	Vehicle Equipment Replacement Fund		
\$ 395,610	\$ 112,673	\$ -	\$ -	\$ -	\$ 1,495,845	
76,501	54,455	-	23,135	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
\$ 472,111	\$ 167,128	\$ -	\$ 23,135	\$ 1,495,845		

Assets						
Cash and investments						
Receivables:						
Taxes						
Accounts						
Special assessments						
Other						
Prepaid items						
Restricted cash and investments						
Total assets						

Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities						
Accounts payable						
Accrued liabilities						
Deposits						
Due to other funds						
Advances from other funds						
Unearned revenue						
Total liabilities						

Deferred Inflows of Resources						
Property taxes levied for next period						
Unavailable revenues						
Total deferred inflows of resources						

Fund Balances (Deficit)						
Nonspendable						
Restricted						
Committed						
Assigned						
Unassigned (deficit)						
Total fund balances (deficit)						
Total liabilities, deferred inflows of resources and fund balances						

in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2021

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in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2021

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City of Portage

Combining Statement of Revenues, Expenditures and Changes
in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2021

Special Revenue Funds						
Library Memorial Fund	Criminal Investigation Fund	Tourism Promotion Fund	School Liaison Fund	Donation Fund	Portage Enterprise Center	HUD Fund
\$ -	\$ -	\$ 152,667	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	25,813	-	-
-	-	-	-	-	-	-
-	10	-	-	-	-	-
-	-	-	70,520	-	-	-
253	104	475	35	663	270	25
1,429	-	-	-	85,844	117,138	-
1,682	114	153,142	70,555	112,320	117,408	25
-	-	-	-	-	-	-
-	2,000	-	104,180	-	-	-
4,873	-	144,333	-	70,424	-	-
-	-	-	-	-	107,208	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
4,873	2,000	144,333	104,180	70,424	107,208	-
(3,191)	(1,886)	8,809	(33,625)	41,896	10,200	25
-	-	-	38,606	-	-	-
-	-	-	-	-	(12,116)	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	38,606	-	(12,116)	-
(3,191)	(1,886)	8,809	4,981	41,896	(1,916)	25
40,102	16,633	74,174	15,139	85,045	12,770	16,706
\$ 36,911	\$ 14,747	\$ 82,983	\$ 20,120	\$ 126,941	\$ 10,864	\$ 16,731

Special Revenue Funds				
	Wheel Tax Fund	Amulance Fund	Post Retirement Benefits Fund	Recycling Fund
Revenues				
Taxes	\$ 176,632	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Intergovernmental	-	-	-	20,482
Licenses and permits	-	-	-	-
Public charges for services	-	-	-	-
Intergovernmental charges for services	-	-	-	-
Investment income	264	402	-	-
Miscellaneous revenues	-	-	-	-
Total revenues	176,896	402	-	20,482
Expenditures				
Current:				
Public safety	-	-	93,363	-
Culture, recreation and education	20,471	-	-	20,000
Conservation and development	-	-	18,863	-
Capital outlay	80,984	-	-	-
Debt service:	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	101,455	-	112,226	20,000
Excess (deficiency) of revenues over expenditures	75,441	402	(112,226)	482
Other Financing Sources (Uses)				
Transfers in	-	-	90,136	-
Transfers out	(54,173)	-	-	-
Debt issued	-	-	-	-
Sale of capital assets	-	-	-	-
Premium on debt issued	-	-	-	-
Total other financing sources (uses)	(54,173)	-	90,136	-
Net change in fund balances	21,268	402	(22,090)	482
Fund Balances (Deficit), Beginning	(8,321)	53,164	1,826	1,804
Fund Balances (Deficit), Ending	\$ 12,947	\$ 53,566	\$ (20,264)	\$ 2,286

City of Portage

Combining Statement of Revenues, Expenditures and Changes
in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2021

	Capital Projects Funds					Vehicle Equipment Replacement Fund
	TIF #7	TIF #8	TIF #9	TIF #10		
Revenues						
Taxes	\$ 85,263	\$ 56,747	\$ -	\$ 13,351	\$ -	-
Special assessments	-	2,147	-	-	-	-
Intergovernmental	36,352	4,458	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Public charges for services	-	-	-	-	-	-
Intergovernmental charges for services	-	-	-	-	-	-
Investment income	-	747	-	-	-	5,625
Miscellaneous revenues	-	-	-	-	-	3,436
Total revenues	121,615	64,099	-	13,351	-	9,061
Expenditures						
Current:						
Public safety	-	-	-	-	-	-
Culture, recreation and education	-	-	-	-	-	-
Conservation and development	2,931	2,581	3,294	3,294	-	-
Capital outlay	591,689	-	-	-	-	298,843
Debt service:						
Interest and fiscal charges	29,196	-	-	-	-	-
Total expenditures	623,816	2,581	3,294	3,294	-	298,843
Excess (deficiency) of revenues over expenditures	(502,201)	61,518	(3,294)	10,057	-	(289,782)
Other Financing Sources (Uses)						
Transfers in	-	-	-	-	-	239,492
Transfers out	(23,273)	(45,088)	-	-	-	-
Debt issued	840,000	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	39,586
Premium on debt issued	15,253	-	-	-	-	-
Total other financing sources (uses)	831,980	(45,088)	-	-	-	279,078
Net change in fund balances	329,779	16,430	(3,294)	10,057	-	(10,704)
Fund Balances (Deficit), Beginning	(36,223)	96,243	(20,826)	(22,736)	-	1,506,549
Fund Balances (Deficit), Ending	\$ 293,556	\$ 112,673	\$ (24,120)	\$ (12,679)	\$ -	\$ 1,495,845

	Capital Projects Funds					Airport Construction Fund	Canal Project Fund	Revolving Alley Fund	Sidewalk Fund	TIF #4	TIF #5	TIF #6
\$												
37,245	-	\$ 41,668	-	\$ -	18,607	\$ 110,312	\$ -	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	66,798
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-
1,885	874	1,918	41	-	-	-	-	-	-	-	-	-
-	-	-	-	-	37,510	-	-	-	-	-	-	-
39,130	42,542	1,918	41	18,607	147,822	-	-	-	-	-	-	66,798
-	-	-	-	-	-	-	-	-	-	-	-	-
3,176	3,268	541,415	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-
111,505	-	-	-	9,169	4,084	-	-	-	-	-	-	2,340
-	-	-	5,567	38,620	-	-	-	-	-	-	-	336,450
-	-	-	-	-	-	-	-	-	-	-	-	12,194
114,681	3,268	541,415	5,567	47,769	4,084	-	-	-	-	-	-	350,984
(75,551)	39,274	(539,497)	(5,526)	(29,182)	143,738	(284,186)	-	-	-	-	-	-
-	-	342,500	-	12,116	-	-	-	-	-	-	-	-
-	-	-	-	(155,734)	(169,368)	-	-	-	-	-	-	(15,640)
40,000	-	885,000	-	-	-	-	-	-	-	-	-	415,000
-	-	-	-	411,068	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	6,365
40,000	-	1,227,500	-	267,450	(169,368)	405,725	-	-	-	-	-	-
(35,551)	39,274	688,003	(5,526)	238,268	(25,630)	121,539	-	-	-	-	-	-
30,123	(33,248)	(53,397)	7,300	(1,077,863)	(545,257)	(111,552)	-	-	-	-	-	-
\$ (5,428)	\$ 6,026	\$ 634,606	\$ 1,774	\$ (839,595)	\$ (570,887)	\$ 9,987	-	-	-	-	-	-

	Capital Projects Funds	Industrial Development Fund	Total Nonmajor Governmental Funds
\$	-	\$ 1,134,856	
	-	81,060	
	-	370,712	
	-	66,961	
	-	28,722	
	-	94,674	
	-	17,630	
	-	272,110	
	-		2,066,725
	-		
	-		295,745
	-		588,330
	-		1,013,642
	-		135,593
	-		1,463,658
	-		41,390
	-		3,538,358
	-		(1,471,633)
	-		
	-		742,850
	-		(475,392)
	-		2,180,000
	-		450,654
	-		21,618
	-		2,919,730
	-		
	-		1,448,097
	50		79,307
\$	50	\$ 1,527,404	

FORM OF LEGAL OPINION

(See following pages)

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

July 6, 2023

Re: City of Portage, Wisconsin ("Issuer")
\$3,055,000 General Obligation Corporate Purpose Bonds, Series 2023A,
dated July 6, 2023 ("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>
2024	\$ 85,000	5.00%
2025	110,000	5.00
2026	115,000	5.00
2027	115,000	5.00
2028	120,000	5.00
2029	120,000	5.00
2030	140,000	5.00
2031	135,000	5.00
2032	145,000	5.00
2033	145,000	5.00
2035	320,000	4.00
2037	335,000	4.00
2039	360,000	4.00
2041	385,000	4.00
2043	425,000	4.00

Interest is payable semi-annually on April 1 and October 1 of each year commencing on April 1, 2024.

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 2033, 2035, 2037, 2039, 2041 and 2043 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; however, interest on the Bonds is taken into account in determining "adjusted financial statement income" for purposes of computing the federal alternative minimum tax imposed on Applicable Corporations (as defined in Section 59(k) of the Code) for taxable years beginning after December 31, 2022. 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 \$3,055,000 General Obligation Corporate Purpose Bonds, Series 2023A, dated July 6, 2023 (the "Securities"). The Securities are being issued pursuant to resolutions adopted on May 11, 2023, as supplemented by an Approving Certificate, dated June 15, 2023 (collectively, the "Resolution") and delivered to The Baker Group (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 15, 2023 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 Municipal Building, 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 ending December 31, 2022, 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 6th day of July, 2023.

(SEAL)

Mitchel Craig
Mayor

Rebecca C. Ness
City Clerk