

CITY OF PLATTEVILLE, WISCONSIN

FINANCIAL STATEMENTS

Including Independent Auditor's Report

As of and for the year ended December 31, 2014

Johnson Block & Company, Inc.
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CITY OF PLATTEVILLE, WISCONSIN
DECEMBER 31, 2014

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AND COMPANY, INC.

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INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Platteville, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Platteville, Wisconsin ("City"), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other-Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 13 and page 57 through 58 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

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

Johnson Block & Company, Inc.

A handwritten signature in cursive script that reads "Johnson Block and Company, Inc." The signature is written in black ink and is positioned below the printed name of the firm.

June 12, 2015
Mineral Point, Wisconsin

Management's Discussion and Analysis

On behalf of Platteville's management team, I am pleased to offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2014. We encourage readers to consider the information presented here in conjunction with additional information that can be found in our annual audit report issued by Johnson Block and Company, Inc. Copies may be obtained at the Municipal Building at 75 North Bonson St. or the City Web Site at www.platteville.org.

Financial Highlights

- The assets of the City of Platteville again exceeded its liabilities as of December 31, 2014. The total net position of the City are categorized by investment in capital assets (i.e. land, buildings, infrastructure, machinery and equipment), net of related debt used to acquire these assets still outstanding, restricted net position (resources subject to external restrictions on how they may be used) and unrestricted net position (may be used to meet the City's ongoing obligations to citizens and creditors). Over the last two years, the following changes have occurred:

<u>Year</u>	<u>Net Position*</u>	<u>\$ Change (+/-)</u>
2013	\$66,703,178	(\$ 1,252,926)
2014	\$65,258,891	(\$ 1,444,287)

**see net position-pg 15*

- As of December 31, 2014, the City of Platteville's governmental activities reported total current assets of \$11,558,380 (page 14, Exhibit A-1). This compares to the prior year as follows:

<u>Year</u>	<u>Current Assets</u>	<u>\$ Change (+/-)</u>
2013	\$11,664,790	\$ 1,567,973
2014	\$11,558,380	(\$ (106,410)

About 65.9 percent of this total, or \$7,613,517, represents cash and investments.

- The city's general fund balance increased by \$255,153 from 2013 to 2014. In the past 2 years, changes have been as follows:

<u>Year</u>	<u>General Fund Bal.*%age Change (+/-)</u>	
2013	\$4,596,924	15.2%
2014	\$4,852,077	5.6%

**Exhibit A-3, Page 17*

- In 2014, the city's long-term obligations increased by \$ 3,411,917, as compared to an increase of \$3,627,361 during 2013 (page 43). Notes totaling \$5,500,000 and tax increment revenue bonds totaling \$3,700,000 were issued in 2014.

Overview of the Financial Statements

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

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

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

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

Both of the government-wide financial statements distinguish functions of the City of Platteville that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Platteville include general government, public safety, public works, community enrichment services, and conservation and development. The business-type activities of the City of Platteville include the Water and Wastewater Utility.

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

The government-wide financial statements can be found on pages 14-16 of this report. Supplementary information is included starting on page 59.

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

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

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

The City of Platteville maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances. Major categories include the General Fund, the Capital Projects Fund, TIF No. 5, TIF No. 7, and Debt Service.

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

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

The basic proprietary fund financial statements can be found on pages 22-26 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City of Platteville's programs. The fiduciary funds maintained by the City of Platteville are the Tax Collection Fund which records the tax roll and tax collections for other taxing jurisdictions within the City of Platteville, and the EMT fund.

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

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 28-56 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 to demonstrate compliance with the budget and complements the statement included in the basic governmental fund financial statements. This exhibit can be found starting on page 57 of this report.

The combining statements referred to earlier in connection with non-major governmental funds and other information related to the individual funds is presented immediately following the required supplementary information. Individual fund statements and schedules can be found on pages 59-60 of this report.

Government-wide Financial Analysis

Changes in net position can serve as a useful indicator of a government's financial position over time. In the case of the City of Platteville, assets and deferred outflows of resources exceeded liabilities and deferred inflow of resources by \$66,703,178 at the close of 2013, which decreased to \$65,258,891 by the end of 2014.

TABLE 1: CITY OF PLATTEVILLE'S NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current/other assets	\$ 14,133,742	\$ 13,067,172	\$ 5,740,851	\$ 5,813,317	\$ 19,874,593	\$ 18,880,489
Capital Assets	59,469,829	58,250,669	33,337,508	33,262,616	92,807,337	91,513,285
Total Assets	\$ 73,603,571	\$ 71,317,841	\$ 39,078,359	\$ 39,075,933	\$112,681,930	\$110,393,774
Deferred outflows of resources			\$ 62,407		\$ 62,407	
Current Liabilities	\$ 2,897,016	\$ 2,161,835	\$ 817,293	\$ 1,052,658	\$ 3,714,309	\$ 3,214,493
Other Liabilities	22,315,305	18,881,772	15,556,715	16,154,795	37,872,020	35,036,567
Total Liabilities	\$ 25,212,321	\$ 21,043,607	\$ 16,374,008	\$ 17,207,453	\$ 41,586,329	\$ 38,251,060
Deferred inflows of resources	\$ 5,899,117	\$ 5,439,536			\$ 5,899,117	\$ 5,439,536
Net Position:						
Net investment						
In capital assets	\$ 37,979,829	\$ 40,902,109	\$ 17,565,754	\$ 16,865,162	\$ 55,545,583	\$ 57,767,271
Restricted	2,656,719	2,322,186	3,153,700	3,045,002	5,810,419	5,367,188
Unrestricted	1,855,585	1,610,403	2,047,304	1,958,316	3,902,889	3,568,719
Total Net Position	\$ 42,492,133	\$ 44,834,698	\$ 22,766,758	\$ 21,868,480	\$ 65,258,891	\$ 66,703,178

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

The largest portion of the City of Platteville's net position reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment) less any related outstanding debt against those assets (approximately 91 percent). The city uses these capital assets to provide services to citizens; subsequently these assets are not available for future spending. Although Platteville's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must come from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City of Platteville's net position (approximately 9 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$3,902,889) may be used to meet the city's ongoing obligations to citizens and creditors.

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

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

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues						
Program Revenues						
Charges for Service	\$ 1,810,381	\$ 1,936,704	\$ 4,537,055	\$ 4,365,976	\$ 6,347,436	\$ 6,302,680
Operating grants and contributions	1,808,985	1,854,211			1,808,985	1,854,211
Capital grants and contributions	1,283,549	409,850	107,238	1,613	1,390,787	411,463
Property taxes	5,281,193	5,098,551			5,281,193	5,098,551
Other taxes	299,464	132,645			299,464	132,645
Intergovernmental rev’s not restricted to specific programs	2,627,414	2,595,325			2,627,414	2,595,325
Investment income	58,562	130,909	7,520	8,055	66,082	138,964
Other	(245,738)	(721,726)	(4,626)	13,387	(250,364)	(708,339)
Total revenues	12,923,810	11,436,469	4,647,187	4,389,031	17,570,997	15,825,500
Expenses						
General Gov’t	1,039,017	1,003,638			1,039,017	1,003,638
Public safety	3,483,150	3,436,654			3,483,150	3,436,654
Public works	3,765,517	4,379,654			3,765,517	4,379,654
Hlth & Hum Serv.	110,923	197,528			110,923	197,528
Leisure Activities	1,724,958	1,769,314			1,724,958	1,769,314
Urban Redev. and Housing	280,596	262,533			280,596	262,533
Industrial Dev.	4,622,731	2,173,129			4,622,731	2,173,129
Interest and Fiscal Charges	632,937	555,044			632,937	555,044
Water and Sewer			3,355,455	3,300,932	3,355,455	3,300,932
Total expenses	15,659,829	13,777,494	3,355,455	3,300,932	19,015,284	17,078,426
Incr.(Decr.) in net position before Transfers	(2,736,019)	(2,341,025)	1,291,732	1,088,099	(1,444,287)	(1,252,926)
Transfers	393,454	414,791	(393,454)	(414,791)		
Incr.(Decr.) in net position	(2,342,565)	(1,926,234)	898,278	673,308	(1,444,287)	(1,252,926)
Net position – beginning of Year	44,834,698	46,760,932	21,868,480	21,195,172	66,703,178	67,956,104
Net position – end of year	\$ 42,492,133	\$44,834,698	\$22,766,758	\$21,868,480	\$65,258,891	\$66,703,178

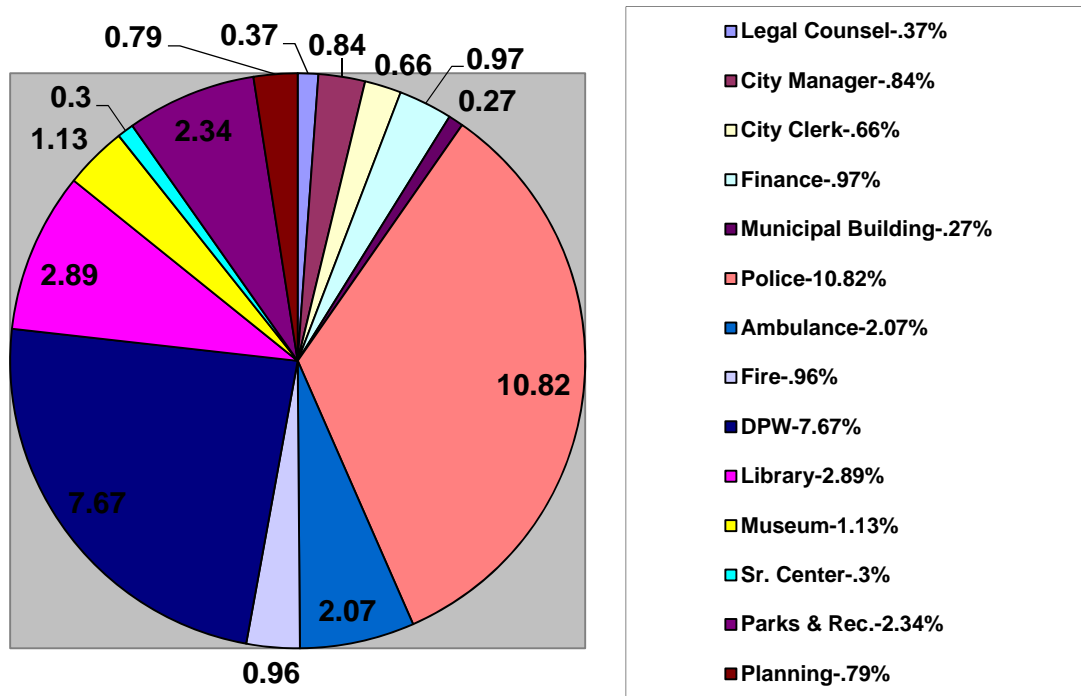
Source: Exhibit A-2, Page 16

Public safety activities accounted for 22 percent of the total expenses within the governmental activities of the City of Platteville, as compared to 25 percent in the prior year. This includes police, fire, and ambulance services. Expenses in this area increased by approximately \$46,496 from 2013.

Industrial development expenses increased by approximately \$2,449,602, or 115% from 2013. Health and Human Services expenses decreased by \$86,605, or 44% from 2013.

Public works expenditures decreased by approximately \$614,137, or 14% from 2013. General Government increased by approximately \$35,379, or 4% from 2013.

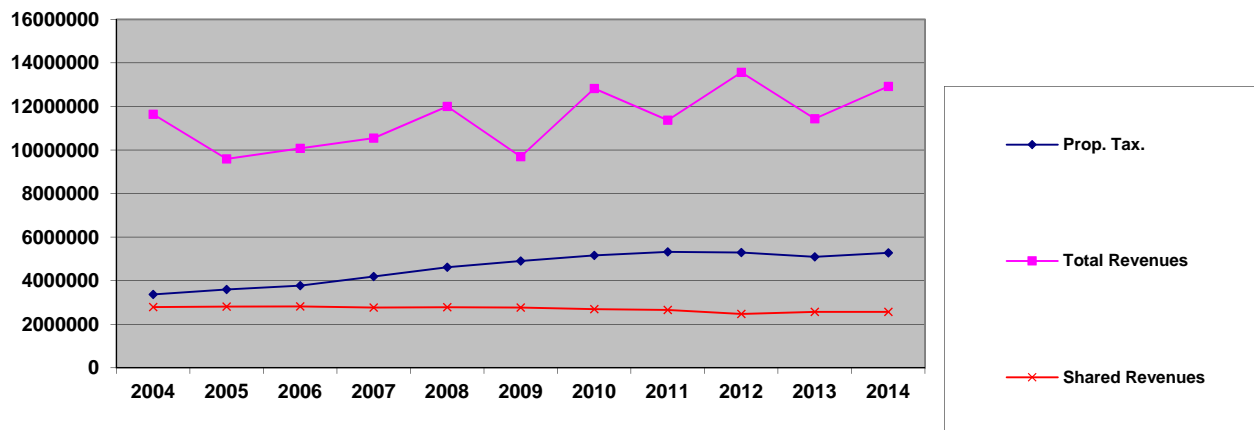
Figure 1: Municipal Expenditures by Major Department as a Percentage Share of Total 2014 Budget



Source: City of Platteville 2014 Budget

In recent years, property taxes have been the largest revenue source for governmental activities, followed closely by state shared revenue. Property taxes accounted for approximately 44.6% of total revenues in 2013, and 40.9% in 2014.

Figure 2: Property Tax Revenue As Compared to Total Revenue

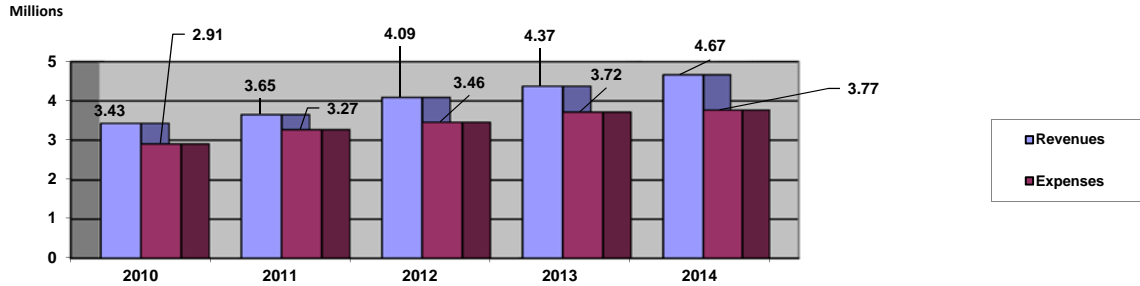


Business-type activities (Proprietary Funds).

In 2014, net position in the proprietary funds increased by \$898,278. This compares to a \$673,308 increase in 2013. Major water and sewer line replacements and improvements and upgrades to the utility’s facilities increase net position.

The Platteville Water and Wastewater Utility is fairly unique in that it is a combined utility. While rates are established separately for water and sewer, revenues and expenses are combined into a single operating unit. Rates are monitored and set according to the policies of the Wisconsin Public Service Commission. The last time the PSC allowed a water rate increase was on January 15, 2013, and the last time for a sewer rate increase on January 15, 2012.

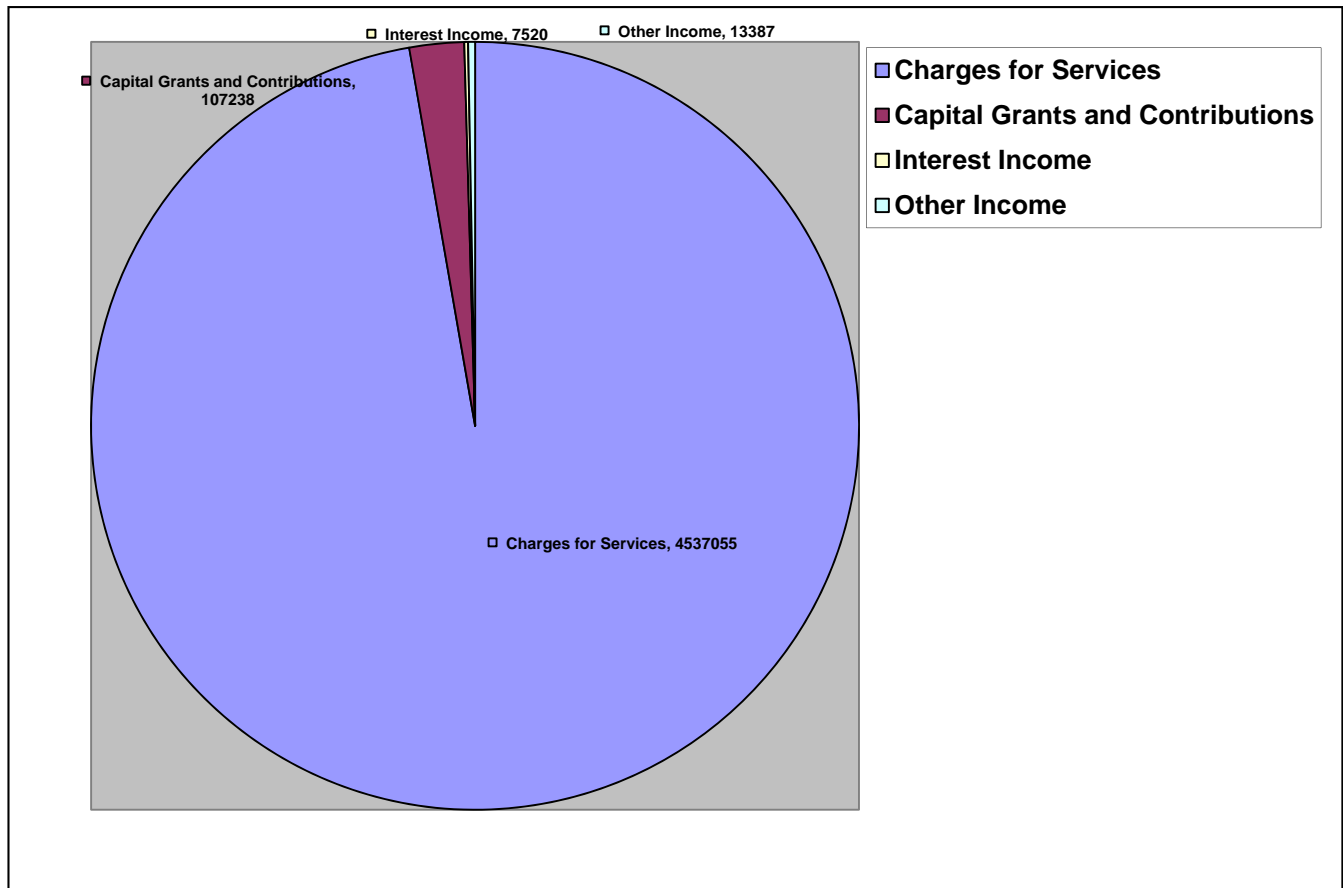
Figure 3: Comparison of Utility Revenues to Expenses, By Year



Source: Exhibit A-2, Page 16

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

Figure 4: Revenues by Source - Business-type Activities



Source: Exhibit A-2, Page 16

Financial Analysis of the Government's Funds

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

Governmental funds. The focus of the City of Platteville's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Platteville's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Please note that major funds may change from year to year depending on whether the fund meets the definition of major fund for the year or established by GASB Statement No. 34.

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

<u>Year</u>	<u>Governmental Fund Balance*</u>	<u>\$ Change (+/-)</u>
2013	\$5,153,535	\$1,328,672
2014	\$5,707,475	\$ 553,940

**As of the end of the year.*

The fund balance gives the overall total funds, and includes positive and negative balances in individual allocations. This is a useful tool for examining the fiscal changes in the city's major funds, which may otherwise be masked by being included in totals. Part of the reason for the increase in fund balance for 2014 was due to excess revenues over expenditures of \$255,153, and \$290,391 in the general fund and the capital projects fund respectively.

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

<u>Year</u>	<u>General Fund Balance*</u>	<u>\$ Change (+/-)</u>
2013	\$4,596,924	\$ 605,008
2014	\$4,852,077	\$ 255,153

**As of the end of the year.*

The balance in the general fund accounts for 85% of the overall governmental funds balance.

The *Capital Projects Fund* provides funding for capital projects of the City of Platteville or other unique expenditures, which are not normal operating or maintenance type expenditures reportable within the general fund or other governmental funds (example-large equipment acquisition). The total fund balance as of December 31, 2014, is \$486,304. This is an increase of \$290,391 from 2013 (*Exhibit A-5, page 19*).

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

The net position of the Water and Wastewater Utility at the end of 2014 amounted to \$22,766,758, up \$898,278 from the year before.

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

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were relatively minor. Actual revenue exceeded budget by \$136,062. Actual expenditures were under budget by \$204,840. These positive variances will be used to transfer funds to the capital projects fund in 2015.

Capital Asset and Debt Administration

Capital assets- The City of Platteville's investment in capital assets for its governmental and business type activities is considerable. Recent changes are as follows (*Notes to Financial Statements-Page 41-42*):

Year	Capital Assets	\$ Change (+/-)
2013	\$91,513,285	+\$ 869,628
2014	\$92,807,337	+\$1,294,052

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

TABLE 3: CITY OF PLATTEVILLE'S GOVERNMENTAL CAPITAL ASSETS

	Governmental Activities		Business Activities		Total	
	2014	2013	2014	2013	2014	2013
Land**	\$ 2,598,552	\$ 2,408,331			\$ 2,598,552	\$ 2,408,331
Land improvements	3,517,340	2,617,340			3,517,340	2,617,340
Buildings and improvements	9,442,244	9,354,682			9,442,244	9,354,682
Machinery and Equipment	4,295,477	4,028,562			4,295,477	4,028,562
Vehicles	3,999,382	3,946,538			3,999,382	3,946,538
Infrastructure	56,951,404	55,945,865			56,951,404	55,945,865
Intangible Plant			8,978	8,978	8,978	8,978
Land & Land Rights			40,345	40,345	40,345	40,345
Const. in Progress	107,365	41,243	154,347		261,712	41,243
Water:						
Source of supply			774,164	774,164	774,164	774,164
Pumping			2,090,485	2,082,976	2,090,485	2,082,976
Water treatment			1,413,693	1,413,526	1,413,693	1,413,526
Transmis. & Distr.			17,253,819	16,728,805	17,253,819	16,728,805
General plant			783,936	825,666	783,936	825,666
Sewer:						
Collection system			14,296,173	13,952,269	14,296,173	13,952,269
Treatment and disp.			10,292,565	10,271,577	10,292,565	10,271,577
General plant			996,673	975,575	996,673	975,575
Total capital assets	80,911,764	78,342,561	48,105,178	47,073,881	129,016,942	125,416,442
Less accumulated depreciation	(21,441,935)	(20,091,892)	(14,767,670)	(13,811,265)	(36,209,605)	(33,903,157)
Capital assets net of depreciation	\$ 59,469,829	\$ 58,250,669	\$ 33,337,508	\$ 33,262,616	\$ 92,807,337	\$ 91,513,285

Source: *Notes to the Basic Financial Statements-Note 4, pages 41-42*

**Note that land is not depreciated.

The total increase in the City of Platteville's net investment in governmental-type activities capital assets totals \$1,294,052 net of depreciation, or a 2% increase.

In Business Type Activities, the biggest gains have been seen in the investment in to the water distribution system and sewer collection and treatment systems. Water transmission and distribution plant accounted for \$525,014 of additions, while sewer collection system accounted for \$343,904.

Long-term debt. At the end of 2014, the City of Platteville had total bonded debt outstanding of \$17,318,640 entirely backed by the full faith and credit of the government (general obligation bonds).

The City of Platteville issued debt in 2014, in the amount of \$9,200,000. This debt was issued to finance various capital projects and utility projects and refinance \$3,800,000 of outstanding debt.

TABLE 4: CITY OF PLATTEVILLE OUTSTANDING DEBT

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
G.O. debt	\$ 17,223,640	\$16,702,047	\$ 95,000	\$ 241,440	\$17,318,640	\$16,943,487
Revenue Bonds –						
Utility			11,576,754	12,056,014	11,576,754	12,056,014
Tax Increment	5,466,989	2,000,000			5,466,989	2,000,000
Anticipation notes						
Taxable note	1,070,000	1,070,000			1,070,000	1,070,000
Revenue Bond			4,100,000	4,100,000	4,100,000	4,100,000
Other Long-term						
Liabilities	466,834	415,324	138,972	141,447	605,806	556,771
Total	\$ 24,227,463	\$20,187,371	\$15,910,726	\$16,538,901	\$40,138,189	\$36,726,272

Source: Notes to the Basic Financial Statements, Note 5, pages 43-46

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

State statutes limit the amount of general obligation debt a governmental entity may issue to 5 percent of its total equalized valuation. The debt limitation as of 12/31/14 for the City of Platteville was \$31,089,610, which significantly exceeds the City of Platteville's current outstanding general obligation debt. As of December 31, 2014, the City of Platteville's outstanding general obligation debt equaled 55.7 percent of the state authorized debt limit.

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

Additional information of the City of Platteville's long-term debt can be found in note 5 beginning on page 43.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate as of December 2014, for Grant County, which includes the City of Platteville, was 4.1 percent. This compares to a rate of 5.2 percent for the State of Wisconsin. (Source: Bureau of Labor Statistics)
- The rate of inflation for 2014 was .8 percent, down from 1.5 percent for 2013. The equalized tax rate for taxes collected for 2015 operations (2014 tax bill) went down from 7.58 to 7.21 per thousand of equalized valuation. The taxes to be collected increased by 6.52 percent, which includes additional tax increments to be collected.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

Exhibit A-1
City of Platteville, Wisconsin
Statement of Net Position
December 31, 2014

	Governmental Activities	Business-Type Activities	Total	Component Unit Housing Authority
ASSETS				
Current assets:				
Cash and investments	\$ 7,613,517	\$ 1,312,618	\$ 8,926,135	\$ 7,502
Receivables				
Taxes	4,190,412		4,190,412	
Customer	137,102	661,924	799,026	
Less: allowance for uncollectibles	(30,000)		(30,000)	
Due from other governmental units	153,639		153,639	
Other	50,173	13,379	63,552	5,473
Special assessments	13,679		13,679	
Prepaid expenses				268
Internal balances	(570,142)	570,142		
Materials and supplies		29,088	29,088	
	<hr/>			
Total current assets	11,558,380	2,587,151	14,145,531	13,243
	<hr/>			
Noncurrent assets:				
Restricted assets:				
Cash and investments	1,240,655	3,153,700	4,394,355	1,661
	<hr/>			
Other assets:				
Mortgages receivable	895,869		895,869	
Loans receivable	438,838		438,838	
Total other assets	1,334,707		1,334,707	
	<hr/>			
Capital assets:	80,911,764	48,105,178	129,016,942	7,820
Less: Accumulated depreciation	21,441,935	14,767,670	36,209,605	7,776
Net book value of capital assets	59,469,829	33,337,508	92,807,337	44
	<hr/>			
Total noncurrent assets	62,045,191	36,491,208	98,536,399	1,705
	<hr/>			
Total assets	73,603,571	39,078,359	112,681,930	14,948
	<hr/>			
DEFERRED OUTFLOWS OF RESOURCES				
Unamortized well rehabilitation costs		62,407	62,407	
	<hr/>			
Total assets and deferred outflows of resources	73,603,571	39,140,766	112,744,337	14,948
	<hr/> <hr/>			

Exhibit A-1 (Continued)
City of Platteville, Wisconsin
Statement of Net Position
December 31, 2014

	Governmental Activities	Business-Type Activities	Total	Component Unit Housing Authority
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 626,055	\$ 142,984	\$ 769,039	\$ 1,859
Due to other governments	41,683		41,683	
Accrued wages	131,031	18,461	149,492	
Accrued interest	159,364	67,571	226,935	
Current portion of:				
Long-term debt	1,874,597	580,942	2,455,539	
Compensated absences	64,066	7,335	71,401	
Deposits	220		220	
Total current liabilities	2,897,016	817,293	3,714,309	1,859
Noncurrent liabilities:				
General obligation debt	17,223,640	95,000	17,318,640	
Taxable note anticipation notes	1,070,000		1,070,000	
Tax increment revenue bonds	5,466,989		5,466,989	
Water and Sewer revenue bonds		11,576,754	11,576,754	
Water and Sewer revenue bond anticipation notes		4,100,000	4,100,000	
Unamortized bond premium	26,505	234,266	260,771	
Compensated absences	466,834	138,972	605,806	
Less current portion of long-term debt	(1,938,663)	(588,277)	(2,526,940)	
Total noncurrent liabilities	22,315,305	15,556,715	37,872,020	
Total Liabilities	25,212,321	16,374,008	41,586,329	1,859
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue	5,899,117		5,899,117	
NET POSITION				
Net investment in capital assets	37,979,829	17,565,754	55,545,583	44
Restricted	2,656,719	3,153,700	5,810,419	1,661
Unrestricted	1,855,585	2,047,304	3,902,889	11,384
Total net position	42,492,133	22,766,758	65,258,891	13,089
Total liabilities, deferred inflows of resources, and net position	\$ 73,603,571	\$ 39,140,766	\$ 112,744,337	\$ 14,948

Exhibit A-2
City of Platteville, Wisconsin
Statement of Activities
For the Year Ended December 31, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Totals
Primary Government:							
Governmental activities:							
General government	\$ 1,039,017	\$ 195,957	\$ 49,845	\$	\$ (793,215)	\$	\$ (793,215)
Public safety	3,483,150	724,367	383,943		(2,374,840)		(2,374,840)
Transportation	3,375,012	442,231	1,099,821	890,622	(942,338)		(942,338)
Sanitation	390,505	155,560	43,949		(190,996)		(190,996)
Health and human services	110,923	32,505			(78,418)		(78,418)
Leisure activities	1,724,958	201,614	224,830	6,700	(1,291,814)		(1,291,814)
Urban redevelopment and housing	280,596	58,147	5,152		(217,297)		(217,297)
Industrial development	4,622,731		1,445	386,227	(4,235,059)		(4,235,059)
Interest and fiscal charges	632,937				(632,937)		(632,937)
Total governmental activities	<u>15,659,829</u>	<u>1,810,381</u>	<u>1,808,985</u>	<u>1,283,549</u>	<u>(10,756,914)</u>		<u>(10,756,914)</u>
Business-type activities:							
Water and sewer	<u>3,355,455</u>	<u>4,537,055</u>		<u>107,238</u>		<u>1,288,838</u>	<u>1,288,838</u>
Total business-type activities	<u>3,355,455</u>	<u>4,537,055</u>		<u>107,238</u>		<u>1,288,838</u>	<u>1,288,838</u>
Total primary government	<u>\$ 19,015,284</u>	<u>\$ 6,347,436</u>	<u>\$ 1,808,985</u>	<u>\$ 1,390,787</u>	<u>(10,756,914)</u>	<u>1,288,838</u>	<u>(9,468,076)</u>
Component Unit:							
Housing Authority	<u>420,186</u>		<u>376,129</u>				<u>(44,057)</u>
Total component unit	<u>420,186</u>		<u>376,129</u>				<u>(44,057)</u>
General revenues:							
Property taxes							
General purposes					2,875,194		2,875,194
Debt service					869,977		869,977
Tax increments					1,536,022		1,536,022
Other taxes					299,464		299,464
Federal and State aid not restricted for specific purposes							
General					2,627,414		2,627,414
Interest and investment earnings					58,562	7,520	66,082
Loss on sale/disposal of fixed assets					(268,341)	(18,013)	(286,354)
Miscellaneous					22,603	13,387	35,990
Transfers					393,454	(393,454)	
Total general revenues					<u>8,414,349</u>	<u>(390,560)</u>	<u>8,023,789</u>
Changes in net position					(2,342,565)	898,278	(1,444,287)
Net position-beginning of year					<u>44,834,698</u>	<u>21,868,480</u>	<u>66,703,178</u>
Net position-end of year					<u>\$ 42,492,133</u>	<u>\$ 22,766,758</u>	<u>\$ 65,258,891</u>
							<u>\$ 13,089</u>

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

Exhibit A-3
City of Platteville, Wisconsin
Balance Sheet
Governmental Funds
December 31, 2014

	General	Capital Projects	TIF No. 5	TIF No. 7	Debt Service
ASSETS					
Cash and investments	\$ 5,714,885	\$ 709,021	\$ 29,797	\$	\$
Restricted cash and investments					
Receivables:					
Taxes	2,407,137		925,549	46,454	
Customer	137,102				
Less: allowance for uncollectibles	(30,000)				
Other accounts	41,765	6,360			
Other governments	92,259	29,400			
Special assessments	13,679				
Mortgages					
Loans					
Due from other funds	804,486				
Advances to other funds	653,516				127,148
Total assets	\$ 9,834,829	\$ 744,781	\$ 955,346	\$ 46,454	\$ 127,148
LIABILITIES					
Accounts payable	\$ 326,961	\$ 218,026	\$	\$ 3,914	\$
Accrued payroll	131,031				
Due to other governments	491	40,451			
Due to other funds	15,973				30,472
Advances from other funds			245,956	1,448,963	
Unearned revenue					
Deposits	220				
Total liabilities	474,676	258,477	245,956	1,452,877	30,472
DEFERRED INFLOWS OF RESOURCES					
Deferred revenues	4,508,076		925,549	46,454	
FUND BALANCES					
Nonspendable	662,587				96,676
Restricted	495,412				
Assigned	1,379,137	486,304			
Unassigned (Deficit)	2,314,941		(216,159)	(1,452,877)	
Total fund equity	4,852,077	486,304	(216,159)	(1,452,877)	96,676
Total liabilities, deferred outflow of resources and fund equity	\$ 9,834,829	\$ 744,781	\$ 955,346	\$ 46,454	\$ 127,148

	Other Governmental Funds		Total Governmental Funds
\$	1,159,814	\$	7,613,517
	1,240,655		1,240,655
	811,272		4,190,412
			137,102
			(30,000)
	2,048		50,173
	31,980		153,639
			13,679
	895,869		895,869
	438,838		438,838
			804,486
			780,664
<u>\$</u>	<u>4,580,476</u>	<u>\$</u>	<u>16,289,034</u>
\$	77,154	\$	626,055
			131,031
	741		41,683
	161,228		207,673
	252,700		1,947,619
	1,220		1,220
			220
	493,043		2,955,501
	2,145,979		7,626,058
			759,263
	2,047,579		2,542,991
			1,865,441
	(106,125)		539,780
	1,941,454		5,707,475
<u>\$</u>	<u>4,580,476</u>	<u>\$</u>	<u>16,289,034</u>

Exhibit A-4
City of Platteville, Wisconsin
Reconciliation of the Governmental Funds Balance Sheet
with the Statement of Net Position
December 31, 2014

Total fund balances-governmental funds: \$ 5,707,475

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

Capital assets used in governmental funds are not financial resources and therefore are not reported in the fund statements. Amounts reported for governmental activities in the statement of net position:

Governmental capital asset	80,911,764	
Governmental accumulated depreciation	<u>(21,441,935)</u>	59,469,829

Other long-term assets that are not available to pay for current-period expenditures and therefore are deferred in the funds.

Long-term notes and loans		1,334,707
2014 tax equivalent from utility		393,454

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds statements. Long-term liabilities reported in the statement of net position that are not reported in the funds balance sheet are:

Bonds and notes payable		(17,223,640)
Taxable note anticipation notes		(1,070,000)
Tax increment revenue bonds		(5,466,989)
Bond premium		(26,505)
Accrued interest		(159,364)
Compensated absences		<u>(466,834)</u>

Net position of Governmental Activities		<u>\$ 42,492,133</u>
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Exhibit A-5
City of Platteville, Wisconsin
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2014

	General	Capital Projects	TIF No. 5	TIF No. 7	Debt Service
REVENUES					
Taxes	\$ 2,052,055	\$ 1,010,355	\$ 933,858	\$ 84,616	\$ 869,977
Special assessments	18,018				
Intergovernmental	4,092,390	51,400	3,338	4,486	
Licenses and permits	195,592				
Fines and forfeitures	159,017				
Public charges for services	988,703			103,191	188,827
Interest income	19,135				464
Loan repayments					
Miscellaneous	108,248				34,258
Total revenues	7,633,158	1,061,755	937,196	192,293	1,093,526
EXPENDITURES					
Current:					
General government	986,741	2,793	974		
Public safety	3,285,909				
Transportation	1,268,447				
Sanitation	392,915				
Health and social services	112,624				
Leisure activities	1,570,288				
Urban redevelopment and housing	241,959				
Industrial development	59,965		10,331	41,958	
Capital outlay	21,205	2,425,578	4,428,018	89,868	
Debt service:					
Principal retirement			115,000	25,000	4,593,560
Interest and fiscal charges			67,551	54,813	326,081
Total expenditures	7,940,053	2,428,371	4,621,874	211,639	4,919,641
Excess (deficiency) of revenues over over expenditures	(306,895)	(1,366,616)	(3,684,678)	(19,346)	(3,826,115)
OTHER FINANCING SOURCES (USES)					
Long-term debt proceeds		1,315,000	3,700,000		3,800,000
Premium on debt issued					17,754
Proceeds from sale of capital assets	262,567				
Insurance proceeds	167,659				
Transfer to other funds	(282,969)				
Transfer from other funds		342,007			
Transfer from utility-tax equivalent	414,791				
Net change in fund balances	255,153	290,391	15,322	(19,346)	(8,361)
Fund balance-beginning of year	4,596,924	195,913	(231,481)	(1,433,531)	105,037
Fund balance-end of year	\$ 4,852,077	\$ 486,304	\$ (216,159)	\$ (1,452,877)	\$ 96,676

Other Governmental Funds	Total Governmental Funds
\$ 629,796	\$ 5,580,657
	18,018
32,865	4,184,479
	195,592
	159,017
465,936	1,746,657
4,704	24,303
120,268	120,268
640	143,146
<hr/>	<hr/>
1,254,209	12,172,137
9,283	999,791
	3,285,909
389,300	1,657,747
	392,915
975	113,599
75	1,570,363
60,678	302,637
30,713	142,967
374,823	7,339,492
477,858	5,211,418
215,685	664,130
<hr/>	<hr/>
1,559,390	21,680,968
(305,181)	(9,508,831)
385,000	9,200,000
	17,754
	262,567
	167,659
(59,038)	(342,007)
	342,007
	414,791
<hr/>	<hr/>
20,781	553,940
1,920,673	5,153,535
<hr/>	<hr/>
\$ 1,941,454	\$ 5,707,475
<hr/>	<hr/>

Exhibit A-6
City of Platteville, Wisconsin
Reconciliation of Statement of Revenues, Expenditures and Changes
in Fund Balance of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2014

Net change in fund balances-total governmental funds	\$	553,940
Amounts reported for governmental activities in the statement of activities are different because:		
The acquisition of capital assets are reported in the governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities.		
Capital outlay reported in governmental fund statements		2,603,313
Depreciation expenses reported in the statement of activities		<u>(1,682,277)</u>
Amount by which capital outlays are greater (less) than depreciation in the current period.		921,036
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, donations, and disposals) is to increase/decrease net position:		
		298,124
Compensated absences are reported in the governmental funds when amounts are paid. The statement of activities reports the amount earned during the year. The difference between the amount paid and earned was:		
		(51,510)
Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net position and does not affect the statement of activities		
The amount of long-term debt principal payments in the current year is:		5,211,418
The issuance of long-term debt (e.g. bonds, notes) provides current financial resources to governmental funds but does not affect the statement of activities		
		(9,200,000)

Exhibit A-6 (Continued)
City of Platteville, Wisconsin
Reconciliation of Statement of Revenues, Expenditures and Changes
in Fund Balance of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2014

Repayments of economic development loans receivable are reflected as revenue in governmental funds, but are reported as a reduction of notes receivable in the statement of net position and does not affect the statement of activities	(67,676)	
Debt premiums are reported in the governmental funds as revenues when those amounts are received. However, the premium is shown in the statement of net position and allocated over the life of the debt issue as amortization expense in the statement of activities		
Amount of debt premium amortized in the current year	3,058	
In governmental funds, the current year utility tax equivalent is deferred and recognized as revenue in the subsequent year. In the statement of activities, this amount is recognized as a transfer in the year accrued.		
2013 utility tax equivalent recognized as revenue in 2014 in the governmental funds	(414,791)	
2014 utility tax equivalent recognized as a transfer in for the statement of activities	393,454	
		(21,337)
In governmental funds, interest payments on outstanding debt are reported as an expenditure when paid. In the statement of activities, interest is reported as incurred.		
The amount of interest paid during the current period	663,667	
The amount of interest accrued during the current period	(653,285)	
Interest paid is greater (less) than interest expensed by		10,382
Change in net position-governmental activities		\$ (2,342,565)

Exhibit A-7
City of Platteville, Wisconsin
Statement of Net Position
Proprietary Funds
December 31, 2014

	Water and Sewer Utility
ASSETS	
Current assets:	
Cash	\$ 1,312,293
Petty cash	325
Customer accounts receivable	661,924
Other accounts receivable	13,379
Due from other funds	15,973
Inventories	29,088
Total current assets	2,032,982
Non-current assets:	
Restricted assets:	
Cash and Investments:	
Replacement fund	1,280,758
Depreciation fund	1,103,672
Debt reserve fund	769,270
Total restricted assets	3,153,700
<u>Capital assets:</u>	
Property and plant	48,105,178
Less: accumulated provision for depreciation	14,767,670
Net property and plant	33,337,508
<u>Other assets:</u>	
Advances due from other funds	1,166,955
Total other assets	1,166,955
DEFERRED OUTFLOWS OF RESOURCES	
Unamortized well rehabilitation costs	62,407
Total assets and deferred outflows of resources	\$ 39,753,552

Exhibit A-7 (Continued)
City of Platteville, Wisconsin
Statement of Net Position
Proprietary Funds
December 31, 2014

	Water and Sewer Utility
LIABILITIES	
<u>Current liabilities:</u>	
Accounts payable	\$ 142,984
Accrued payroll	18,461
Accrued interest	67,571
Current portion of:	
General obligation notes	95,000
Revenue bonds	485,942
Compensated absences	7,335
Due to other funds	612,786
Total current liabilities	1,430,079
<u>Non-current liabilities</u>	
General obligation notes	95,000
Revenue bonds	11,576,754
Revenue bond anticipation notes	4,100,000
Unamortized bond premium	234,266
Compensated absences	138,972
Less current portion of long-term debt	(588,277)
Total long-term liabilities	15,556,715
NET POSITION	
Net investment in capital assets	17,565,754
Restricted	3,153,700
Unrestricted	2,047,304
Total net position	22,766,758
Total liabilities and net position	\$ 39,753,552

Exhibit A-8
City of Platteville, Wisconsin
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2014

	Water	Sewer	Totals
OPERATING REVENUES			
Metered sales	\$ 1,269,877		\$ 1,269,877
Private fire protection	86,645		86,645
Public fire protection	612,727		612,727
Public authorities	255,603		255,603
Measured sewer service		2,133,208	2,133,208
Forfeited discounts	7,823	7,412	15,235
Miscellaneous	154,489	9,271	163,760
	2,387,164	2,149,891	4,537,055
OPERATING EXPENDITURES			
Pumping expenses	195,948		195,948
Treatment expenses	94,377	355,313	449,690
Transmission and distribution	199,129		199,129
Customer accounts expense	38,564	11,031	49,595
Administrative and general	271,770	361,089	632,859
Rent	1,080	6,005	7,085
Transportation expenses		23,010	23,010
Maintenance of sewage system		133,024	133,024
Depreciation	486,342	633,335	1,119,677
Taxes	11,897	49,143	61,040
	1,299,107	1,571,950	2,871,057
Operating income	\$ 1,088,057	\$ 577,941	1,665,998
NONOPERATING REVENUES (EXPENSES)			
*Interest and dividends on investments			7,520
*Interest expense			(484,398)
*Amortization of debt premium			13,387
*Loss on sale of fixed assets			(18,013)
*Transfer of tax equivalent			(393,454)
			(874,958)
Income before contributions			791,040
*Receipt of contributed capital			107,238
Change in net position			898,278
Net position-beginning of year			21,868,480
Net position-end of year			\$ 22,766,758
* Not allocated			

Exhibit A-9
City of Platteville, Wisconsin
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2014

CASH FLOWS FROM (USED BY) OPERATING ACTIVITIES

Received from customers	\$ 4,524,336
Payments to employees	(598,973)
Payment for employee benefits	(326,209)
Payment to suppliers	<u>(904,111)</u>
 Net cash flows from operating activities	 <u>2,695,043</u>

CASH FLOWS (USED BY) NONCAPITAL FINANCING ACTIVITIES

Paid to municipality for tax equivalent	<u>(393,454)</u>
 Net cash flows (used by) noncapital financing activities:	 <u>(393,454)</u>

CASH FLOWS FROM (USED BY) CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition and construction of capital assets	(1,319,557)
Payments for major repairs	(78,008)
Contributed capital	17,340
Debt retired	(625,699)
Interest paid	<u>(486,831)</u>
 Net cash flows (used by) capital and related financing activities	 <u>(2,492,755)</u>

CASH FLOWS FROM (USED BY) INVESTING ACTIVITIES

Purchase of investments	(500,000)
Receipt of investments maturing	500,000
Investment income	<u>7,520</u>
 Net cash flows from investing activities	 <u>7,520</u>

Net change in cash and cash equivalents (183,646)

Cash and cash equivalents - beginning of year	<u>4,149,964</u>
Cash and cash equivalents - end of year	<u><u>\$ 3,966,318</u></u>

Reconciliation of cash and cash equivalents to statement of net position accounts

Cash	\$ 1,312,293
Petty cash	325
Restricted cash and investments	3,153,700
Less: long-term investments	<u>(500,000)</u>
 Total cash and cash equivalents	 <u><u>\$ 3,966,318</u></u>

Exhibit A-9 (Continued)
City of Platteville, Wisconsin
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2014

**Reconciliation of operating income to net cash provided
by operating activities:**

Operating income	\$ 1,665,998
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	1,119,677
Amortization of major repairs	15,601
Changes in assets and liabilities:	
(Increase) decrease in customer accounts receivable	(2,804)
(Increase) decrease in other accounts receivable	(9,915)
(Increase) decrease in due from other funds	3,561
(Increase) decrease in inventories	1,417
Increase (decrease) in accounts payable	(84,818)
Increase (decrease) in accrued payroll	2,342
Increase (decrease) in due other funds	(13,541)
Increase (decrease) in compensated absences	(2,475)
Net cash provided by operating activities	\$ 2,695,043

Exhibit A-10
City of Platteville, Wisconsin
Statement of Net Position
Fiduciary Funds
December 31, 2014

	Tax Collection Fund	EMT Fund	Total
ASSETS			
Cash and investments	\$ 2,641,797	\$ 1,969	\$ 2,643,766
Taxes receivable	6,136,418		6,136,418
Total assets	\$ 8,778,215	\$ 1,969	\$ 8,780,184
LIABILITIES			
Deposit	\$	\$ 1,969	\$ 1,969
Due to other taxing units	8,778,215		8,778,215
Total liabilities	\$ 8,778,215	\$ 1,969	\$ 8,780,184

NOTES TO THE BASIC FINANCIAL STATEMENTS

City of Platteville, Wisconsin
December 31, 2014
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City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2014

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

Discretely Presented Component Unit

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

B. Government-Wide and Fund Financial Statements

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

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

City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2014

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Financial Statements

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

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

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

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

Major Governmental Funds:

The City reports the following major governmental funds:

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

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

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

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

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

City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Major Enterprise Funds:

The City reports the following major enterprise funds:

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

Non-Major Governmental Funds:

The City reports the following non-major governmental funds:

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

- Airport
- Redevelopment Authority
- Housing Conservation Program
- Library (Littlefield)
- Zeigert Trust
- Boll Cemetery
- Community Development Block Grant

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

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

TIF District No. 8 – Accounts for the activity of tax incremental district No. 8, including the payment of general long-term debt principal, interest and related costs.

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

- Freudenreich animal care
- Cemetery perpetual care
- Graham trust

In addition, the City reports the following fund types:

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

- Tax agency
- EMT trust

City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2014

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Government-Wide Financial Statements

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

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

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

Fund Financial Statements

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

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

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

City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2014

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

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

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

City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2014

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Cash and Cash Equivalent/Investments

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

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

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

E. Receivables

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

Property tax calendar - 2014 tax roll:

Lien date and levy date	December 2014
Tax bills mailed	December 2014
Payment in full, or	January 31, 2015
First installment due	January 31, 2015
Second installment due	July 31, 2015
Personal property taxes in full	January 31, 2015
Tax sale- 2014 delinquent real estate taxes	October 2017

Accounts receivable from ambulance services have been shown net of an allowance for uncollectible accounts of \$30,000. No provision for uncollectible accounts receivable has been made for other customer accounts receivable since the Water and Sewer Utility has the right by law to place delinquent bills on the tax roll.

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

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

City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2014

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Inventories and Prepaid Items

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

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

G. Restricted Assets

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

H. Capital Assets

Government-Wide Statements

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

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

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

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

Fund Financial Statements

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

City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2014

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Deferred Outflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Costs of \$78,008 for well rehabilitation are being amortized over five years as authorized by the Wisconsin Public Service Commission. The balance at December 31, 2014 was \$62,407.

J. Compensated Absences

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

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

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2014 are determined on the basis of current salary rates and include salary related payments.

K. Long-Term Obligations/Conduit Debt

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

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

The city has approved the issuance of industrial revenue bonds (IRB) for the benefit of private business enterprises. IRB's are secured by mortgages or revenue agreements on the associated projects, and do not constitute indebtedness of the city. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The total amount of IRB's outstanding at the end of the year is approximately \$25,996,779, made up of two issues.

L. Claims and Judgments

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

City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2014

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Equity Classifications

Government-Wide Statements

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

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets.
- b. Restricted net position - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

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

Fund Statements

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

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

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

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

City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

N. Transfers

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

O. Housing Conservation and Community Development Block Grant

Long-term loans which have become receivable (defaulted) under the Housing Conservation and Community Development Block Program are shown as loans receivable and deferred inflows of resources. Loans, which have been made under the programs but have not yet become due (non-defaulted) are not shown in the financial statements. The totals of non-defaulted loans at December 31, 2014 were \$71,813 for the Housing Conservation Program and \$625,324 for the Community Development Block Grant program.

P. Risk Management

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

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

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

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

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

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

City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2014

NOTE 3

CASH AND INVESTMENTS

At December 31, 2014, the cash and investments included the following:

Deposits with financial institutions	\$ 4,551,619
Wisconsin Local Government Investment Pool	11,411,164
Petty cash	1,473
Total	<u>\$ 15,964,256</u>

Cash and investments as of December 31, 2014 are classified in the accompanying financial statements as follows:

Exhibit A-1:	
Cash and investments	\$ 8,926,135
Restricted cash and investments	4,394,355
Exhibit A-10:	
Cash and investments	2,643,766
Total cash and investments	<u>\$ 15,964,256</u>

Investments Authorized by Wisconsin State Statutes

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

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

Interest Rate Risk

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

City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2014

NOTE 3

CASH AND INVESTMENTS (CONTINUED)

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

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

Investment Type	Amount	12 months or less	13-24 months
Certificates of deposit	\$ 1,612,362	\$ 1,482,290	\$ 130,072
Local Government Investment Pool	11,411,164	11,411,164	
Totals	\$13,023,526	\$12,893,454	\$ 130,072

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments in commercial paper, corporate bonds and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The City's investment policy limits investments to those authorized by Wisconsin State Statutes. As of December 31, 2014, the City's investments were rated as follows:

	Amount	Rating
Wisconsin Local Government Investment Pool	\$ 11,411,164	Not Rated

Custodial Credit Risk

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

Federal Deposit Insurance Corporation (FDIC) Insurance

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

City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2014

NOTE 3

CASH AND INVESTMENTS (CONTINUED)

Collateralization of Public Unit Deposits

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

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

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

As of December 31, 2014, \$13,289 of the City's demand deposits with financial institutions were in excess of federal depository insurance limits and collateral pledged by a local bank. The Wisconsin State Guaranty Fund would provide coverage for this amount, providing funds are available at the time of any potential loss.

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

Wisconsin Local Government Investment Pool

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board (SWIB). The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2014, the fair value of the City's share of the LGIP's assets was substantially equal to the amount reported above. Information on derivatives was not available to the City.

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

Investment allocation in the local government investment pool as of December 31, 2014 was: 99.03% in U.S. Government Securities, 0.62% in Bankers' Acceptances and .35% in commercial paper and corporate notes. The Wisconsin State Treasurer updates the investment allocations on a monthly basis.

Concentration of Credit Risk

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

City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2014

NOTE 4

CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2014 was as follows:

	Balance 1/1/14	Additions	Deletions	Balance 12/31/14
<u>Governmental Activities:</u>				
Capital assets not being depreciated:				
Land	\$ 2,408,331	\$ 230,646	\$ (40,425)	\$ 2,598,552
Construction in progress	41,243	83,959	(17,837)	107,365
Total capital asset not being depreciated	<u>2,449,574</u>	<u>314,605</u>	<u>(58,262)</u>	<u>2,705,917</u>
Other capital assets				
Land improvements	2,617,340	900,000		3,517,340
Buildings and improvements	9,354,682	87,562		9,442,244
Machinery and equipment	4,066,062	388,985	(159,570)	4,295,477
Vehicles	3,909,038	173,275	(82,931)	3,999,382
Infrastructure	55,945,865	1,676,497	(670,958)	56,951,404
Total other capital assets at historical costs	<u>75,892,987</u>	<u>3,226,319</u>	<u>(913,459)</u>	<u>78,205,847</u>
Less accumulated depreciation for:				
Land improvements	165,145	115,140		280,285
Buildings and improvements	3,327,645	130,380		3,458,025
Machinery and equipment	1,392,886	170,232	(68,817)	1,494,301
Vehicles	1,848,179	181,780	(73,810)	1,956,149
Infrastructure	13,358,037	1,084,745	(189,607)	14,253,175
Total accumulated depreciation	<u>20,091,892</u>	<u>1,682,277</u>	<u>(332,234)</u>	<u>21,441,935</u>
Net other capital assets	<u>55,801,095</u>	<u>1,544,042</u>	<u>(581,225)</u>	<u>56,763,912</u>
Total net capital assets	<u>\$ 58,250,669</u>	<u>\$ 1,858,647</u>	<u>\$ (639,487)</u>	<u>\$ 59,469,829</u>

Depreciation expense was charged to functions as follows:

Governmental Activities

General government	\$ 29,230
Public safety	143,881
Transportation, which includes the depreciation of infrastructure	1,362,647
Leisure activities	133,655
Health and human services	8,371
Industrial development	4,493
Total governmental activities depreciation expense	<u>\$ 1,682,277</u>

City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2014

NOTE 4

CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Additions	Removals	Ending Balance
<u>Business-type Activities:</u>				
Capital assets not being depreciated:				
Intangible plant	\$ 8,978	\$	\$	\$ 8,978
Land and land rights	40,345			40,345
Construction in progress		154,347		154,347
Total capital assets not being depreciated	49,323	154,347		203,670
Capital assets being depreciated:				
Water:				
Source of supply	774,164			774,164
Pumping	2,082,976	7,509		2,090,485
Water treatment	1,413,526	167		1,413,693
Transmission and distribution	16,728,805	566,560	(41,546)	17,253,819
General plant	825,666		(41,730)	783,936
Sewer:				
Collection system	13,952,269	380,287	(36,383)	14,296,173
Treatment and disposal	10,271,577	20,988		10,292,565
General plant	975,575	99,525	(78,427)	996,673
Total capital assets being depreciated	47,024,558	1,075,036	(198,086)	47,901,508
Less: accumulated depreciation for:				
Water:				
Source of supply	169,101	22,156		191,257
Pumping	751,174	68,180		819,354
Water treatment	151,845	46,139		197,984
Transmission and distribution	3,223,857	323,831	(41,546)	3,506,142
General plant	633,646	61,283	(23,716)	671,213
Sewer:				
Collection system	1,357,712	157,776	(36,383)	1,479,105
Treatment and disposal	6,944,848	343,908		7,288,756
General plant	579,082	96,404	(61,627)	613,859
Total accumulated depreciation	13,811,265	1,119,677	(163,272)	14,767,670
Net capital assets being depreciated	33,213,293	(44,641)	(34,814)	33,133,838
Total net capital assets	\$ 33,262,616	\$ 109,706	\$ (34,814)	\$ 33,337,508

Depreciation expense consisted of the following:

Business-Type Activities:

Water and sewer depreciation

\$ 1,119,677

City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2014

NOTE 5

LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2014 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due within One Year
<u>Governmental Activities</u>					
Bonds and notes payable					
General obligation debt	\$ 16,702,047	\$ 5,500,000	\$ (4,978,407)	\$ 17,223,640	\$ 1,401,508
Tax increment revenue bonds	2,000,000	3,700,000	(233,011)	5,466,989	473,089
Taxable note anticipation notes	1,070,000			1,070,000	
Other liabilities:					
Compensated absences	415,324	51,510		466,834	64,066
Total governmental activities					
long-term liabilities	\$ 20,187,371	\$ 9,251,510	\$ (5,211,418)	\$ 24,227,463	\$ 1,938,663
<u>Business-type Activities</u>					
Revenue bonds	\$ 12,056,014		\$ (479,260)	\$ 11,576,754	\$ 485,942
Revenue bond anticipation notes	4,100,000			4,100,000	
General obligation debt	241,440		(146,440)	95,000	95,000
Other liabilities:					
Compensated absences	141,447		(2,475)	138,972	7,335
Total business-type activities					
long-term liabilities	\$ 16,538,901	\$	\$ (628,175)	\$ 15,910,726	\$ 588,277

All general obligation notes and bonds payable are backed by the full faith and credit of the City. In accordance with Wisconsin statutes, notes and bonds in the governmental funds will be retired by future property tax levies or tax increments. Business-type activities debt is payable by revenues from user fees of those funds or, if the revenues are not sufficient, by future tax levies.

Statutes, total general obligation indebtedness of the City may not exceed five percent of the equalized value of taxable property within the city's jurisdiction. The debt limit as of December 31, 2014 was \$31,089,610. Total general obligation debt outstanding at year-end was \$17,318,640.

	Date of Issue	Final Maturity	Interest Rates	Original Amount	Balance 12/31/14
<u>Governmental Activities</u>					
General obligation debt:					
General obligation notes	10/16/06	12/1/15	3.75%	1,240,000	\$ 210,000
General obligation notes	4/15/09	10/1/18	3.0-3.5	5,435,786	475,000
General obligation notes	8/14/12	8/1/15	1.75	290,162	266,946
General obligation notes	3/7/12	3/1/23	2.0-3.0	1,725,000	1,725,000
General obligation notes	8/14/12	9/10/19	2.2	175,000	121,694
General obligation notes	3/28/13	10/1/21	1.0-2.25	935,000	935,000
General obligation notes	3/28/13	10/1/28	2.25-3.0	3,240,000	3,240,000
General obligation notes	10/1/13	10/1/23	2.0-3.25	5,000,000	4,750,000
General obligation notes	2/12/14	10/1/23	1.0-2.75	3,800,000	5,500,000
Total governmental activities – general obligation debt					\$17,223,640

City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2014

NOTE 5

LONG-TERM OBLIGATIONS (CONTINUED)

	Date of Issue	Final Maturity	Interest Rates	Original Amount	Balance 12/31/14
<u>Business-type Activities</u>					
General obligation debt:					
General obligation notes	10/16/06	12/1/15	3.75%	745,000	\$ 95,000
Total business-type activities – general obligation debt					<u>\$ 95,000</u>

Debt service requirements to maturity are as follows:

Years	Governmental Activities General Obligation Debt		Business-Type Activities General Obligation Debt	
	Principal	Interest	Principal	Interest
2015	\$ 1,401,508	\$ 408,374	\$ 95,000	\$ 3,563
2016	1,375,109	382,379		
2017	1,460,681	354,057		
2018	1,601,260	322,903		
2019	1,720,082	288,574		
2020-2024	7,565,000	844,050		
2025-2028	2,100,000	155,250		
Totals	<u>\$ 17,223,640</u>	<u>\$ 2,755,587</u>	<u>\$ 95,000</u>	<u>\$ 3,563</u>

Tax Increment Revenue Bonds

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

Tax increment revenue bonds payable at December 31, 2014 consist of the following:

	Date of Issue	Final Maturity	Interest Rates	Original Amount	Balance 12/31/14
Tax increment revenue bonds	9/12/13	9/12/26	4.303%	\$ 2,000,000	\$ 1,881,989
Tax increment revenue bonds	2/3/14	9/30/25	2.75%	3,700,000	3,585,000
Total governmental activities – tax increment revenue bonds					<u>\$ 5,466,989</u>

City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2014

NOTE 5

LONG-TERM OBLIGATIONS (CONTINUED)

Debt service requirements to maturity are as follows:

Years	Governmental Activities Tax Increment Revenue Debt		
	Principal	Interest	Total
2015	\$ 473,089	\$ 179,890	\$ 652,979
2016	478,386	166,225	644,611
2017	483,910	150,942	634,852
2018	489,672	134,858	624,530
2019	495,683	119,827	615,510
2020-2024	2,578,015	352,375	2,930,390
2025-2026	468,234	27,481	495,715
Totals	\$ 5,466,989	\$ 1,131,598	\$ 6,598,587

Anticipation Debt

Governmental activities long-term debt includes \$1,070,000 in taxable note anticipation notes dated October 1, 2013 which mature October 1, 2016. The notes carry an interest rate of 2.75%. The anticipation notes were issued for the purpose of financing the acquisition of land in Tax Incremental District No. 6. The anticipation notes are special obligations of the City and do not constitute general obligation indebtedness of the City nor a charge against its general credit or taxing power.

Business-type activities long-term debt includes \$4,100,000 in water and sewer bond anticipation notes dated March 22, 2011 which mature December 1, 2015. The notes carry an interest rate of 3.1%. The anticipation notes were issued for the purpose of paying the cost of utility system additions, improvements, and extensions. On June 9, 2015, the anticipation notes were redeemed and financed into a long-term revenue bond debt structure. Accordingly, the anticipation notes are not reflected as a short-term obligation in these financial statements. The newly issued revenue bonds are payable solely from revenues of the water and sewer system.

Debt service requirements are as follows:

	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2015	\$	\$ 29,425	\$ 4,100,000	\$ 127,100
2016		29,425		
Totals	\$ 1,070,000	\$ 58,850	\$ 4,100,000	\$ 127,100

Water and Sewer Revenue Debt

Revenue bonds are payable only from revenues derived from the operation of the utility.

Revenue debt payable at December 31, 2014 consists of the following:

	Date of Issue	Final Maturity	Interest Rates	Original Amount	Balance 12/31/14
Clean water revenue bonds	12/10/08	5/1/28	2.339%	2,264,019	\$ 1,861,115
Clean water revenue bonds	11/1/10	5/1/30	2.428	3,964,010	3,315,639
Revenue bonds	3/7/12	5/1/32	2.0-4.0	6,750,000	6,400,000
Total					\$ 11,576,754

City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2014

NOTE 5

LONG-TERM OBLIGATIONS (CONTINUED)

Debt service requirements to maturity are as follows:

Years	Business-type Activities		
	Revenue Debt		
	Principal	Interest	Total
2015	\$ 485,942	\$ 340,302	\$ 826,244
2016	492,783	329,379	822,162
2017	499,788	318,290	818,078
2018	531,961	305,656	837,617
2019	539,305	291,474	830,779
2020-2024	3,062,994	1,224,010	4,287,004
2025-2029	3,667,413	748,004	4,415,417
2030-2032	2,296,568	130,993	2,427,561
Totals	\$ 11,576,754	\$ 3,688,108	\$ 15,264,862

Water and Sewer System Mortgage Revenue Bonds

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

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

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

Section 6 requires that the "net revenues" of the system for each year be not less than 1.25 times the sum of the annual debt service requirement and the annual debt service on all other revenue bonds and notes. For the year ended December 31, 2014, the "net revenues" of the system were \$2,793,195 or 3.38 times the annual debt service requirement.

Current Refunding

On February 12, 2014, the City issued \$3,800,000 of general obligation promissory notes with interest rates of 1.0-2.75%. Net proceeds were used to currently refund \$3,800,000 of 2010 taxable general obligation bonds with interest rates of 3.2-4.75%. The City completed the current refunding to reduce its debt service payments and to obtain an economic gain (difference between the present value of the amount paid plus issuance costs and the old debt service payments) of \$111,910.

City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2014

NOTE 5

LONG-TERM OBLIGATIONS (CONTINUED)

Other Debt Information

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

NOTE 6

LONG-TERM ADVANCES

The following is a schedule of interfund advances at December 31, 2014:

Receivable Fund	Payable Fund	Amount
Debt service	Airport	\$ 127,148
General	TIF #7	593,516
General	Airport	60,000
Water and sewer utility	TIF #6	65,552
Water and sewer utility	TIF #7	855,447
Water and sewer utility	TIF #5	245,956
	Total	\$ 1,947,619

On December 31, 2014 the airport was obligated to the debt service fund for \$127,148 on long-term advances for improvements which matures as follows:

Year	Principal	Interest	Total
2015	\$ 11,800	\$ 5,300	\$ 17,100
2016	12,324	4,776	17,100
2017	12,871	4,229	17,100
2018	13,442	3,658	17,100
2019	14,039	3,061	17,100
2020-2023	62,672	5,727	68,399
Total	\$ 127,148	\$ 26,751	\$ 153,899

The final payment on the \$127,148 advance is due December 1, 2023 with monthly payments of \$1,425 at 4.35% interest until maturity.

No repayment schedule exists on the \$60,000 advance between the general fund and the airport fund.

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

City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2014

NOTE 7

EMPLOYEE RETIREMENT PLAN

All eligible City of Platteville employees participate in the Wisconsin Retirement System (WRS), a cost-sharing, multiple-employer, defined benefit, public employee retirement system. All employees, initially employed by a participating WRS employer prior to July 1, 2011, expected to work at least 600 hours a year (440 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. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS. Note: Employees hired to work nine or ten months per year, (e.g. teachers contracts), but expected to return year after year are considered to have met the one-year requirement.

Effective the first day of the first pay period on or after June 29, 2011 the employee required contribution was changed to one-half of the actuarially determined contribution rate for General category employees, including Teachers, and Executive and Elected Officials. Required contributions for protective contributions 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. The City did have an existing collective bargaining agreement in place which required additional payments by the City for the employee required contribution. Contribution rates are as follows:

	2014	
	Employee	Employer
General (including Teachers)	7.0%	7.0%
Executive & Elected Officials	7.75%	7.75%
Protective with Social Security	7.0%	10.10%
Protective without Social Security	7.0%	13.70%

The payroll for City of Platteville employees covered by the WRS for the year ended December 31, 2014 was \$4,080,595; the employer's total payroll was \$4,435,462. The total required contribution for the year ended December 31, 2014 was \$605,701, which consisted of \$320,060 or 7.8% of the covered payroll from the employer and \$285,641 or 7.0 % of the covered payroll from the employee. Total contributions for the years ending December 31, 2013 and 2012 were \$570,587 and \$505,682 respectively, equal to the required contributions for each year.

Employees who retire at or after age 65 (62 for elected officials and 54 for protective occupation employees with less than 25 years of service, 53 for protective occupation employees with more than 25 years of service) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are (1) final average earnings, (2) years of creditable service, and (3) a formula factor. A final average earnings is the average of the employee's three highest years earnings. Employees terminating covered employment and submitting application before becoming eligible for a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit. 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 become WRS eligible on or after July 1, 2011 must have five years of creditable service to be vested.

The WRS also provides death and disability benefits for employees. Eligibility for and the amount of all benefits are determined under Chapter 40 of Wisconsin Statutes. The WRS issues an annual financial report that may be obtained by writing to the Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931.

City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2014

NOTE 8

CONTINGENT LIABILITIES

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

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

NOTE 9

COMPENSATED ABSENCES

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Upon termination or retirement, a City employee is paid any vested accrued vacation or sick leave benefits. As of December 31, 2014, the compensated absences consisted of:

Sick leave	\$ 534,405
Vacation	<u>71,401</u>
Total	<u>\$ 605,806</u>

City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2014

NOTE 10

TAX INCREMENTAL DISTRICTS

Transactions of the tax incremental district to December 31, 2014 are summarized below:

	<u>TIF #4</u>	<u>TIF #5</u>	<u>TIF #6</u>	<u>TIF #7</u>	<u>TIF #8</u>
Project costs to 12/31/14	\$2,773,175	\$9,865,246	\$6,913,908	\$5,090,153	\$1,069,643
Accumulated credits to project costs:					
Tax increments collected	2,038,578	5,972,266	780,159	507,821	904,797
Developer agreement payments			112,247	103,191	155,948
EDA grant	653,472		382,667	178,808	
Community development block grant				417,938	
Tax exempt computer aid	22,654	67,623	796	29,718	323
Interest income			215,010	87,294	8,575
Miscellaneous income	2,006	24,198	150	107,506	
Total accumulated credits	<u>2,716,710</u>	<u>6,064,087</u>	<u>1,491,029</u>	<u>1,432,276</u>	<u>1,069,643</u>
Excess of project costs over accumulated credits to 12/31/14	<u>\$ 56,465</u>	<u>\$3,801,159</u>	<u>\$5,422,879</u>	<u>\$3,657,877</u>	<u>\$</u>
Notes payable					
outstanding 12/31/14	\$ 875,000	\$3,585,000	\$5,616,988	\$2,205,000	
Fund balance (positive) 12/31/14	<u>(818,535)</u>	<u>216,159</u>	<u>(194,109)</u>	<u>1,452,877</u>	
Project costs to be recovered subsequent to 12/31/14	<u>\$ 56,465</u>	<u>\$3,801,159</u>	<u>\$5,422,879</u>	<u>\$3,657,877</u>	<u>\$</u>

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

Project costs may be incurred up to five years before the District's mandatory termination date. The statutes allow the municipality to collect tax increments until the net project cost has been fully recovered, or for a maximum of years. An industrial and mixed-use TID has the option to extend the maximum life by 5 years. Project cost uncollected at the dissolution date are absorbed by the municipality.

	<u>Creation Date</u>	<u>Last Date to Incur Project Costs</u>	<u>Final Dissolution Date</u>
District #4	11/12/96	11/11/14	11/11/19
District #5	7/18/05	7/18/20	7/18/25
District #6	3/28/06	3/28/21	3/28/26
District #7	3/28/06	3/28/28	3/28/33

TIF District #8 was dissolved on October 21, 2014 when a Final Accounting Report was filed with the State of Wisconsin.

City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2014

NOTE 11

GOVERNMENTAL ACTIVITIES NET POSITION/FUND BALANCES

Governmental activities net position reported on the government wide statement of net position at December 31, 2014 includes the following:

GOVERNMENTAL ACTIVITIES

Net investment in capital assets	
Land and construction work in progress	\$ 2,705,917
Other capital assets, net of accumulated depreciation	56,763,912
Less: long-term capital debt outstanding	<u>(21,490,000)</u>
Total net investment in capital assets	<u>37,979,829</u>
Restricted for:	
Redevelopment authority	437,628
Housing conservation	14,077
Donor specified	254,184
Impact fees	102,020
Community development grant restricted	1,108,538
Land purchase account	25,000
Developer grant	100,000
Animal care endowment - expendable	2,645
Leisure and culture endowment - expendable	39,556
Library endowment	18,344
Perpetual care	540,519
Act 102	5,462
Parking space fees	6,540
EMS service	<u>2,206</u>
Total restricted	<u>2,656,719</u>
Unrestricted	<u>1,855,585</u>
Total governmental activities net position	<u><u>\$ 42,492,133</u></u>

GOVERNMENTAL FUND BALANCES

Governmental fund balances reported on the fund financial statements at December 31, 2014 includes the following:

Nonspendable:	
Advances to other funds	\$ 750,192
Delinquent taxes	<u>9,071</u>
Total nonspendable	<u><u>\$ 759,263</u></u>

City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2014

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

GOVERNMENTAL FUND BALANCES (Continued)

Restricted:	
General Fund:	
Donor restricted:	
Ice rink	\$ 225
Parks Beining Trust:	
Parks	29,855
Museum	44,303
Ambulance	36,527
Art Gallery	44,303
New park	7,205
Swim team	18,992
Senior center bus	1,960
Legion Park Trust	13,850
Tree	300
EMS	16,071
Skateboard park	110
Recreation scholarships	2,100
Sports Complex	5,643
Family theatre	500
Fireworks	635
Police	10,896
Clayton memorial	1,000
Cemetery	5,691
Senior Center	4,435
Historic Preservation Community	984
Rountree Eva Beining Trust	8,599
Land purchase account	25,000
Developer grant	100,000
Park impact fees	102,020
Act 102	5,462
Parking space fees	6,540
EMS township payments	2,206
Non-Major Funds:	
Redevelopment authority	214,657
Endowments	42,201
Perpetual care	540,519
Housing conservation	14,077
Library	18,344
Community development block grant	205,137
TIF District No. 4	818,535
TIF District No. 6	194,109
Total restricted	<u><u>\$ 2,542,991</u></u>

City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2014

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

GOVERNMENTAL FUND BALANCES (Continued)

Assigned:	
Major Funds:	
General Fund:	
Police explorers	\$ 3,156
Museum funds	101,733
Ambulance outlay	179,162
Museum billboard advertising	3,185
Arts gallery	5,783
Fire department	12,710
Subsequent year's tax levy	10,000
Capital outlay	1,063,408
Capital Projects:	486,304
Total assigned	<u><u>\$ 1,865,441</u></u>

The following non-major fund had a (deficit) unassigned fund balance at December 31, 2014:

Airport	<u><u>\$ (106,125)</u></u>
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City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2014

NOTE 12

DEFERRED INFLOWS OF RESOURCES

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes receivable for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At December 31, 2014 the various components of deferred inflows of resources reported in the governmental funds were as follows:

Property tax receivable	\$ 4,114,622
Tax increment receivable	1,783,275
Tax Equivalent	393,454
Loans receivable	438,838
Mortgages receivable	895,869
Total deferred inflow of resources for government funds	<u>\$ 7,626,058</u>

The mortgages receivable of \$895,869 represents a loan to a local business that was originally financed from economic development grants received by the city from the State of Wisconsin. Repayment of principal and interest on the mortgages is recorded as revenue in the community development block grant and housing conservation program special revenue funds and is used to finance additional development loans.

The loans receivable of \$438,838 represents various economic development loans that are being paid to the City, including interest, on an installment basis. Repayment of principal and interest on the loans is recorded as revenue when received in the funds statements.

NOTE 13

RESTRICTED ASSETS

DNR Replacement Account

The Wisconsin Department of Natural Resources required as a condition of the sewer grant that a replacement fund be established and funded on an annual basis. The balance in this account at December 31, 2014 was \$1,280,758.

Tax Incremental Financing Borrowed Funds

Restricted cash and investments in the governmental activities and governmental fund statements represents funds that were borrowed by Tax Incremental Financing Districts #4 and #6 which have yet to be expended.

City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2014

NOTE 14

INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Governmental Funds:		
General	Debt service	\$ 30,472
General	Water and sewer	612,786
General	TIF No. 4	161,228
	Total	<u>\$ 804,486</u>
Enterprise Funds:		
Water and sewer	General Fund	<u>\$ 15,973</u>

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

The following is a schedule of interfund transfers:

<u>Fund Transfer To</u>	<u>Fund Transfer From</u>	<u>Amount</u>
Governmental Funds:		
Capital projects	General	\$ 282,969
Capital projects	TIF #8	38
Capital projects	Graham Trust	59,000
	Total	<u>\$ 342,007</u>
Proprietary Funds		
General	Water utility	<u>\$ 393,454</u>

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations and (3) move fund balances whose designated purpose has been removed.

City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2014

NOTE 15

COMMITMENTS/ SUBSEQUENT EVENTS

The following items were approved and will be purchased or completed subsequent to December 31, 2014:

- Contract for engineering services for an Economic Development Administration (EDA) project totaling \$152,100.
- A borrowing of \$172,000 to be loaned to a local business for the purpose of remodeling a building.
- Trail paving and lighting engineering costs of \$219,852.
- Contract for the Fourth Street reconstruction project for \$1,857,332.
- Approved a developer agreement for a Library Block Development project. The agreement includes a tax incremental financing loan of \$2,000,000 from the City to the Developer. The City's obligation to provide the loan is subject to the multiple conditions which must be satisfied no later than August 1, 2015.

NOTE 16

COMPONENT UNIT

A. Cash and Investments

At year-end, the carrying amount of the housing authority's deposit was \$9,738 and the bank balance was \$9,163. All the bank balance was covered by federal depository insurance.

B. Changes in Fixed Assets

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

	Balance 1/1/14	Additions	Retirements	Balance 12/31/14
Cost:				
Land, structures, equipment	\$ 7,820	\$	\$	\$ 7,820
Accumulated depreciation	\$ 7,601	\$ 175	\$	\$ 7,776

Required Supplementary Information

Exhibit B-1
Required Supplementary Information

City of Platteville, Wisconsin
Budgetary Comparison Schedule for the General Fund
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variances-	
				Original to Actual	Final to Actual
REVENUES					
Taxes	\$ 2,026,688	\$ 2,026,688	\$ 2,052,055	\$ 25,367	\$ 25,367
Special assessments	10,200	10,200	18,018	7,818	7,818
Intergovernmental	4,048,702	4,048,702	4,092,390	43,688	43,688
Licenses and permits	270,235	270,235	195,592	(74,643)	(74,643)
Fines and forfeitures	162,736	162,736	159,017	(3,719)	(3,719)
Public charges for services	927,885	927,885	988,703	60,818	60,818
Interest income	19,150	19,150	19,135	(15)	(15)
Miscellaneous	28,955	31,500	108,248	79,293	76,748
Total revenues	7,494,551	7,497,096	7,633,158	138,607	136,062
EXPENDITURES					
General government	1,033,345	1,017,252	986,741	46,604	30,511
Public safety	3,458,957	3,470,433	3,285,909	173,048	184,524
Public Works	1,635,485	1,638,560	1,661,362	(25,877)	(22,802)
Health and social services	110,469	111,019	112,624	(2,155)	(1,605)
Leisure activities	1,645,387	1,659,140	1,570,288	75,099	88,852
Conservation and development	261,519	248,489	323,129	(61,610)	(74,640)
Total expenditures	8,145,162	8,144,893	7,940,053	205,109	204,840
Excess (deficiency) of revenues over over expenditures	(650,611)	(647,797)	(306,895)	343,716	340,902
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of capital assets			262,567	262,567	262,567
Insurance proceeds			167,659	167,659	167,659
Transfer to other funds			(282,969)	(282,969)	(282,969)
Transfer from utility-tax equivalent	405,000	405,000	414,791	9,791	9,791
Net change in fund balances	(245,611)	(242,797)	255,153	500,764	497,950
Fund balance-beginning of year	4,596,924	4,596,924	4,596,924		
Fund balance-end of year	\$ 4,351,313	\$ 4,354,127	\$ 4,852,077	\$ 500,764	\$ 497,950

City of Platteville, Wisconsin
Notes to Required Supplementary Information
December 31, 2014

NOTE 1

BUDGET SCHEDULE

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

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

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

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

NOTE 2

EXCESS EXPENDITURES OVER APPROPRIATIONS

The following expenditures exceeded budget appropriations in the general fund:

Expenditure	Excess Expenditure
Public works	\$ 22,802
Health and social services	1,605
Conservation and development	74,640

Supplementary Information

Exhibit C-1
City of Platteville, Wisconsin
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2014

	Special Revenue Funds						
	Airport	Redevelopment Authority	Housing Conservation Program	Library (Littlefield)	Zeigert Trust	Boll Cemetery	Community Development Block Grant
ASSETS							
Cash and investments	\$ 114,750	\$ 215,867	\$ 19,230	\$ 18,344	\$ 152,298	\$ 129,744	\$ 208,903
Restricted cash and investments							
Receivables:							
Taxes							
Other accounts	2,048						
Other governments							
Mortgages							895,869
Loans		438,838					
Total assets	<u>\$ 116,798</u>	<u>\$ 654,705</u>	<u>\$ 19,230</u>	<u>\$ 18,344</u>	<u>\$ 152,298</u>	<u>\$ 129,744</u>	<u>\$ 1,104,772</u>
LIABILITIES							
Accounts payable	\$ 33,814	\$ 1,210	\$ 5,153	\$	\$	\$	\$ 3,766
Due to other governments	741						
Due to other funds							
Advances from other funds	187,148						
Unearned revenue	1,220						
Total liabilities	<u>222,923</u>	<u>1,210</u>	<u>5,153</u>				<u>3,766</u>
DEFERRED INFLOWS OF RESOURCES							
Deferred revenue		438,838					895,869
FUND BALANCES							
Restricted		214,657	14,077	18,344	152,298	129,744	205,137
Unassigned (deficit)	(106,125)						
Total fund balances	<u>(106,125)</u>	<u>214,657</u>	<u>14,077</u>	<u>18,344</u>	<u>152,298</u>	<u>129,744</u>	<u>205,137</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 116,798</u>	<u>\$ 654,705</u>	<u>\$ 19,230</u>	<u>\$ 18,344</u>	<u>\$ 152,298</u>	<u>\$ 129,744</u>	<u>\$ 1,104,772</u>

Capital Projects Funds		Permanent Funds			Total
TIF No. 4	TIF No. 6	Freudenreich Animal Care	Cemetery Perpetual Care	Graham Trust	Non-Major Governmental Funds
\$ 980,918	259,737	\$ 2,645	\$ 258,477	\$ 39,556	\$ 1,159,814
182,096	629,176				1,240,655
31,980					811,272
					2,048
					31,980
					895,869
					438,838
<u>\$ 1,194,994</u>	<u>\$ 888,913</u>	<u>\$ 2,645</u>	<u>\$ 258,477</u>	<u>\$ 39,556</u>	<u>\$ 4,580,476</u>
\$ 33,135	\$ 76	\$	\$	\$	\$ 77,154
161,228					741
	65,552				161,228
					252,700
					1,220
<u>194,363</u>	<u>65,628</u>				<u>493,043</u>
<u>182,096</u>	<u>629,176</u>				<u>2,145,979</u>
818,535	194,109	2,645	258,477	39,556	2,047,579
					(106,125)
<u>818,535</u>	<u>194,109</u>	<u>2,645</u>	<u>258,477</u>	<u>39,556</u>	<u>1,941,454</u>
<u>\$ 1,194,994</u>	<u>\$ 888,913</u>	<u>\$ 2,645</u>	<u>\$ 258,477</u>	<u>\$ 39,556</u>	<u>\$ 4,580,476</u>

Exhibit C-2
City of Platteville, Wisconsin
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2014

	Special Revenue Funds						
	Airport	Redevelopment Authority	Housing Conservation Program	Library (Littlefield)	Zeigert Trust	Boll Cemetery	Community Development Block Grant
REVENUES							
Taxes	\$	\$	\$	\$	\$	\$	\$
Intergovernmental							
Public charges for services	424,077						
Interest Income	469		155	894	137	117	405
Loan repayments		79,693	1,976				38,599
Miscellaneous	640						
Total revenues	425,186	79,693	2,131	894	137	117	39,004
EXPENDITURES							
Current:							
General government							
Transportation	389,300						
Health and social services							
Leisure activities				75			
Urban redevelopment and housing		2,500	39,767				18,411
Industrial development							
Capital outlay		5,492					
Debt service:							
Principal retirement		34,847					
Interest and fiscal charges		7,779					
Total expenditures	389,300	50,618	39,767	75			18,411
Excess (deficiency) of revenues over expenditures	35,886	29,075	(37,636)	819	137	117	20,593
OTHER FINANCING SOURCES (USES)							
Proceeds from long-term debt							
Transfer to other funds							
Net change in fund balances	35,886	29,075	(37,636)	819	137	117	20,593
Fund balance-beginning of year	(142,011)	185,582	51,713	17,525	152,161	129,627	184,544
Fund balance-End of year	\$ (106,125)	\$ 214,657	\$ 14,077	\$ 18,344	\$ 152,298	\$ 129,744	\$ 205,137

Capital Projects Funds			Permanent Funds			Total
TIF No. 4	TIF No. 6	TIF No. 8	Freudenreich Animal Care	Cemetery Perpetual Care	Graham Trust	Nonmajor Governmental Funds
\$ 194,051	\$ 252,563	\$ 183,182	\$	\$	\$	\$ 629,796
32,702	125	38				32,865
		39,776		2,083		465,936
1,071			3		1,453	4,704
						120,268
						640
227,824	252,688	222,996	3	2,083	1,453	1,254,209
9,283						9,283
						389,300
			975			975
						75
						60,678
30,000	713					30,713
235,084	134,247					374,823
150,000	293,011					477,858
21,000	186,906					215,685
445,367	614,877		975			1,559,390
(217,543)	(362,189)	222,996	(972)	2,083	1,453	(305,181)
	385,000					385,000
		(38)			(59,000)	(59,038)
(217,543)	22,811	222,958	(972)	2,083	(57,547)	20,781
1,036,078	171,298	(222,958)	3,617	256,394	97,103	1,920,673
\$ 818,535	\$ 194,109	\$	\$ 2,645	\$ 258,477	\$ 39,556	\$ 1,941,454

Schedule 1
City of Platteville, Wisconsin Schedule of Insurance
December 31, 2014

Company	Type	Coverage	Term
Employers	Workers Compensation	\$500,000/Accident \$500,000/Disease/Employee \$500,000 Disease/Policy Limit	1/1/14-12/31/14
Employers	Inland Marine	\$1,012,971 Contractors Eqpmt \$240,000 Fine Arts \$75,000 Miscellaneous Property	1/1/14-12/31/14
Employers	Linebacker	\$1,000,000 Each Loss \$1,000,000 Aggregate \$3,000 Deductible	1/1/14-12/31/14
Employers	Umbrella Liability	\$8,000,000 Occurrence \$8,000,000 Aggregate \$0 Retained Limit	1/1/14-12/31/14
Employers	General Liability	\$1,000,000 Each Occurrence \$300,000 Damage to Premises Rented to You \$1,000,000 Personal/Advertising Injury \$2,000,000 General Aggregate \$2,000,000 Products/Completed Operations Aggregate	1/1/14-12/31/14
Employers	Automobile	\$1,000,000 Liability \$10,000 Medical Payment \$500,000 Uninsured Motorists \$500,000 Underinsured Motorists \$1000 Ded. Comprehensive \$1000 Ded. Collision Hired Autos; Non-Owned Auto Liability	1/1/14-12/31/14
Employers	Property	\$38,128,397 Blanket Building \$8,224,341 Blanket Business Personal Property & Property in the Open \$55,000 Blanket Personal Property of Others	1/1/14-12/31/14
Employers	Garage	\$75,000 Comprehensive \$100/500 Ded.; \$75,000 Collision \$100 Ded.	1/1/14-12/31/14
Employers	Commercial Crime	\$100,000 Employee Theft \$25,000 Theft of Money Securities Inside; \$25,000 Outside \$100,000 Computer/Funds Fraud	1/1/14-12/31/14
Ohio Casualty	Fidelity Bond	\$10,000 Chief of Police \$10,000 City Clerk \$10,000 City Assessor \$250,000 Finance Director	6/1/13-6/1/15
Employers	Employee Benefit Liability	\$1,000,000 Each Employee \$2,000,000 Aggregate \$1,000 Ded. Each Employee	1/1/14-12/31/14
Employers	Law Enforcement Liability	\$1,000,000 Occurrence \$1,000,000 Aggregate \$2,500 Ded. Per Loss	1/1/14-12/31/14
Employers	Data Compromise	\$50,000 Response Expense \$50,000 Defense & Liability \$25,000 Identity Recovery	1/1/14-12/31/14

Schedule 2
 Platteville Water and Sewer Utility
 Other Information
 December 31, 2014

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

	2014	2013
Residential	3,018	3,005
Commercial	342	353
Multifamily residential	75	63
Public authority	81	52
Industrial	7	3
Interdepartmental	1	1
Total	3,524	3,477

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

Gallons	
2014	2013
242,145,000	270,776,000