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**PLATTEVILLE**

W I S C O N S I N

**CITY OF PLATTEVILLE, WISCONSIN**  
FINANCIAL STATEMENTS  
Including Independent Auditor's Report  
As of and for the year ended December 31, 2020

Johnson Block and Company, Inc.  
Certified Public Accountants  
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CITY OF PLATTEVILLE, WISCONSIN  
DECEMBER 31, 2020

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## INDEPENDENT AUDITOR'S REPORT

To the City Council  
City of Platteville, Wisconsin

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Platteville, Wisconsin ("City"), as of and for the year ended December 31, 2020, 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 from material misstatement.

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 13, and the budgetary comparison information, the Local Retiree Life Insurance Fund schedules, the Schedule of Changes in the City's Total OPEB Liability and Related Ratios, and Wisconsin Retirement System schedules on pages 72 through 77, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## **Other Information**

### *Prior Year Summarized Information*

We have previously audited the City's 2019 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information in our report dated June 22, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

## **Other Information (Continued)**

### *Other Supplementary Information*

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

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

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

### **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* in considering the City's internal control over financial reporting and compliance.

*Johnson Block & Company, Inc.*

Johnson Block & Company, Inc.  
June 24, 2021

## MANAGEMENT'S DISCUSSION AND ANALYSIS

## 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, 2020. 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](http://www.platteville.org).

### Financial Highlights

- The assets of the City of Platteville exceeded its liabilities as of December 31, 2020. The total net position of the City is categorized by investment in capital assets (i.e. land, buildings, infrastructure, machinery and equipment), net of related debt used to acquire these assets still outstanding, restricted net position (resources subject to external restrictions on how they may be used) and unrestricted net position (may be used to meet the City's ongoing obligations to citizens and creditors). Over the last two years, the following changes have occurred:

<u>Year</u>	<u>Net Position*</u>	<u>\$ Change (+/-)</u>
2020	\$68,943,634	\$ 537,289
2019	\$68,406,345	\$ 2,333,459

*\*see net position-pg 15*

- As of December 31, 2020, the City of Platteville's governmental activities reported total current assets of \$13,617,138 (page 14, Exhibit A-1). This compares to the prior year as follows:

<u>Year</u>	<u>Current Assets</u>	<u>\$ Change (+/-)</u>
2020	\$13,617,138	\$ 192,841
2019	\$13,424,297	\$ 798,394

About 62.36 percent of this total, or \$8,491,230 represents cash and investments.

- The City's general fund balance increased by \$226,127 from 2019 to 2020. In the past 2 years, changes have been as follows:

<u>Year</u>	<u>General Fund Bal.</u>	<u>% Change (+/-)</u>
2020	\$4,560,038	5.2%
2019	\$4,333,911	(3.4%)

*\*Exhibit A-3, Page 17*

- In 2020, the City's long-term obligations decreased by \$869,117, as compared to a decrease of \$233,169 during 2019 (page 45). General obligation bonds of \$2,435,000 and utility revenue bonds of \$1,420,000 were issued in 2020.

## Overview of the Financial Statements

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

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

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

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

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

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

The government-wide financial statements can be found on pages 14-16 of this report. Supplementary information is included starting on page 78.

**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, 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 fund maintained by the City of Platteville is the Tax Collection Fund which records the tax roll and tax collections for other taxing jurisdictions within the City of Platteville.

The basic fiduciary fund financial statements can be found on pages 27-28 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 29-71 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, *required supplementary information* presents a detailed budgetary comparison schedule for the General Fund, information on the Wisconsin Retirement System pension plan, and information on the City's OPEB plans for the Local Retiree Insurance Fund and retiree health insurance. The budgetary comparison schedules, Wisconsin Retirement System Schedules, and OPEB Schedules are on pages 72-77. The budgetary comparison schedules demonstrate compliance with the budget and complements the statement included in the basic governmental fund financial statements. The Wisconsin Retirement System, Local Retiree Life Insurance Fund, and retiree health insurance schedules present 10-year plan trend information.

The combining statements referred to earlier in connection with non-major governmental funds and other information related to the individual funds is presented immediately following the required supplementary information. Individual fund statements and schedules can be found on pages 78-79 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 \$68,406,345 at the close of 2019, which increased to \$68,943,634 at the end of 2020.

TABLE 1: CITY OF PLATTEVILLE'S NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current/other assets	\$ 16,558,128	\$ 15,400,208	\$ 7,873,826	\$ 7,198,114	\$ 24,431,954	\$ 22,598,322
Capital Assets	56,528,004	57,889,583	36,907,875	36,631,572	93,435,879	94,521,155
<b>Total Assets</b>	<b>\$ 73,086,132</b>	<b>\$ 73,289,791</b>	<b>\$ 44,781,701</b>	<b>\$ 43,829,686</b>	<b>\$117,867,833</b>	<b>\$117,119,477</b>
Deferred outflows of resources	\$ 2,192,337	\$ 2,604,853	\$ 516,772	\$ 500,943	\$ 2,709,109	\$ 3,105,796
Current Liabilities	\$ 3,590,640	\$ 3,264,883	\$ 1,170,001	\$ 1,256,488	\$ 4,760,641	\$ 4,521,371
Other Liabilities	21,372,175	23,521,106	15,463,032	15,167,092	36,835,207	38,688,198
<b>Total Liabilities</b>	<b>\$ 24,962,815</b>	<b>\$ 26,785,989</b>	<b>\$ 16,633,033</b>	<b>\$ 16,423,580</b>	<b>\$ 41,595,848</b>	<b>\$ 43,209,569</b>
Deferred inflows of resources	\$ 9,563,701	\$ 8,328,891	\$ 473,759	\$ 280,468	\$ 10,037,460	\$ 8,609,359
<b>Net Position:</b>						
Net investment						
In capital assets	\$ 36,923,102	\$ 37,582,134	\$ 21,355,461	\$ 21,747,892	\$ 58,278,563	\$ 59,330,026
Restricted	3,209,131	2,925,181	4,727,183	4,359,114	7,936,314	7,284,295
Unrestricted	619,720	272,449	2,109,037	1,519,575	2,728,757	1,792,024
<b>Total Net Position</b>	<b>\$ 40,751,953</b>	<b>\$ 40,779,764</b>	<b>\$ 28,191,681</b>	<b>\$ 27,626,581</b>	<b>\$ 68,943,634</b>	<b>\$ 68,406,345</b>

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 85 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 12 percent) represents resources that are subject to external restrictions on how they may be used. Any remaining balance of unrestricted net position 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.

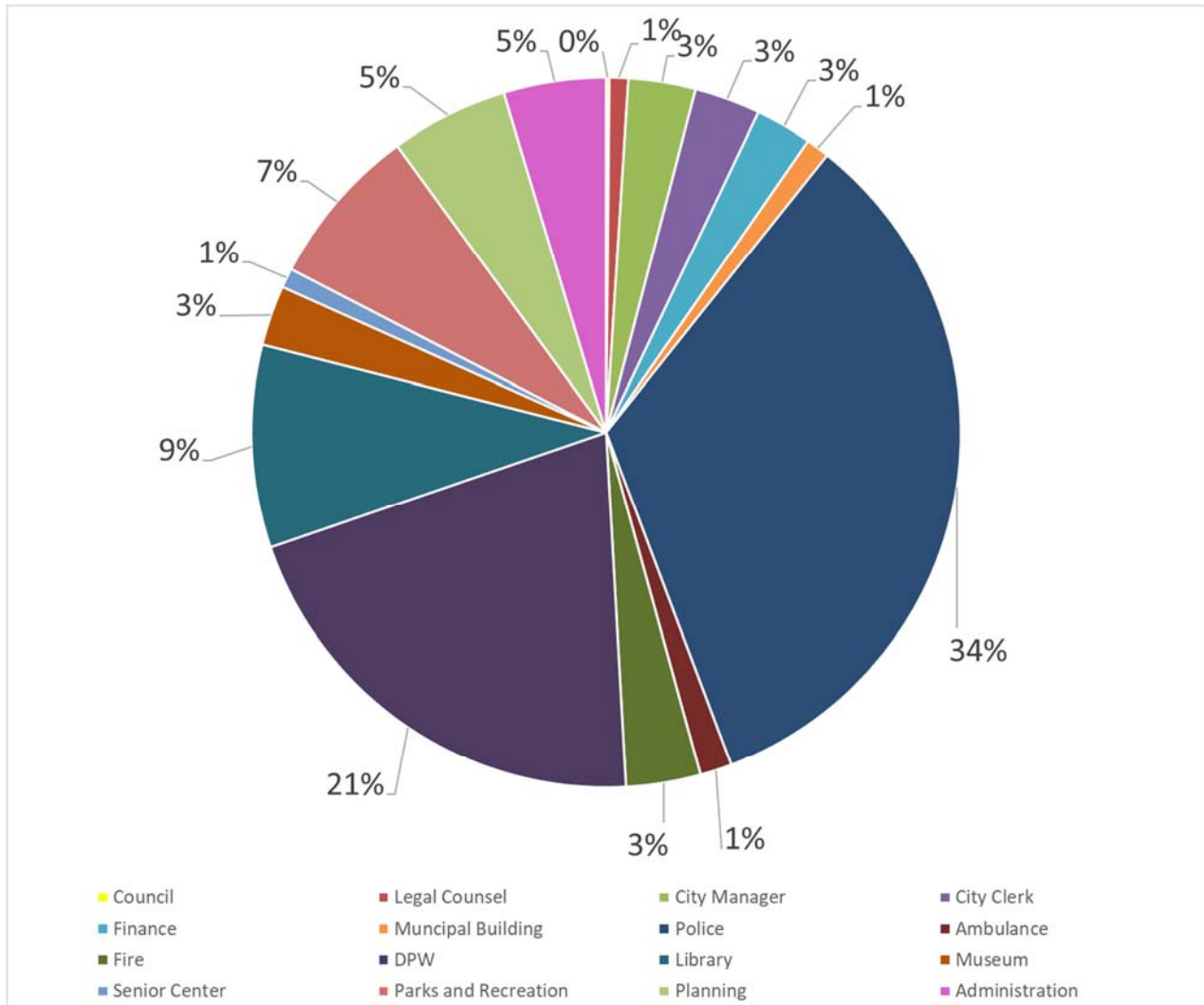
TABLE 2: CITY OF PLATTEVILLE’S PRIMARY GOVERNMENT STATEMENT OF ACTIVITIES

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues						
Program Revenues						
Charges for Service	\$ 1,310,607	\$ 1,376,998	\$ 4,675,675	\$ 4,847,604	\$ 5,986,282	\$ 6,224,602
Operating grants and contributions	2,311,447	1,948,214			2,311,447	1,948,214
Capital grants and contributions	88,302	2,410,209	53,450		141,752	2,410,209
Property taxes	6,670,553	6,535,387			6,670,553	6,535,387
Other taxes	223,379	284,851			223,379	284,851
Intergovernmental rev’s not restricted to specific programs	2,644,819	2,622,233			2,644,819	2,622,233
Investment income	81,116	190,051	45,344	151,782	126,460	341,833
Other	(134,989)	(162,169)	18,753	12,085	(116,236)	(150,084)
Total revenues	13,195,234	15,205,774	4,793,222	5,011,471	17,988,456	20,217,245
Expenses						
General Gov’t	1,447,421	1,247,365			1,447,421	1,247,365
Public safety	3,549,055	3,752,551			3,549,055	3,752,551
Public works	5,006,636	5,027,021			5,006,636	5,027,021
Hlth & Hum Serv.	124,682	154,023			124,682	154,023
Leisure Activities	2,108,800	2,355,433			2,108,800	2,355,433
Conservation and Development	721,272	980,565			721,272	980,565
Interest and Fiscal Charges	693,853	701,186			693,853	701,186
Water and Sewer			3,799,448	3,665,642	3,799,448	3,665,642
Total expenses	13,651,719	14,218,144	3,799,448	3,665,642	17,451,167	17,883,786
Incr.(Decr.) in net position before Transfers	(456,485)	987,630	993,774	1,345,829	537,289	2,333,459
Transfers	428,674	421,440	(428,674)	(421,440)		
Incr.(Decr.) in net position	(27,811)	1,409,070	565,100	924,389	537,289	2,333,459
Net position – beginning of year	40,779,764	39,370,694	27,626,581	26,702,192	68,406,345	66,072,886
Net position – end of year	\$ 40,751,953	\$ 40,779,764	\$ 28,191,681	\$ 27,626,581	\$ 68,943,634	\$ 68,406,345

Source: Exhibit A-2, Page 16

General Government increased by approximately \$200,056, or 16% from 2019. Public Safety expenses decreased by approximately \$203,496, or 5% from 2019. Public works expenditures decreased by approximately \$20,385, or .4% from 2019. Health and Human Services expenses decreased by \$29,341, or 19% from 2019. Leisure expenses decreased by \$246,633, or 10% from 2019. Conservation and development expenses decreased by approximately \$259,193, or 26% from 2019.

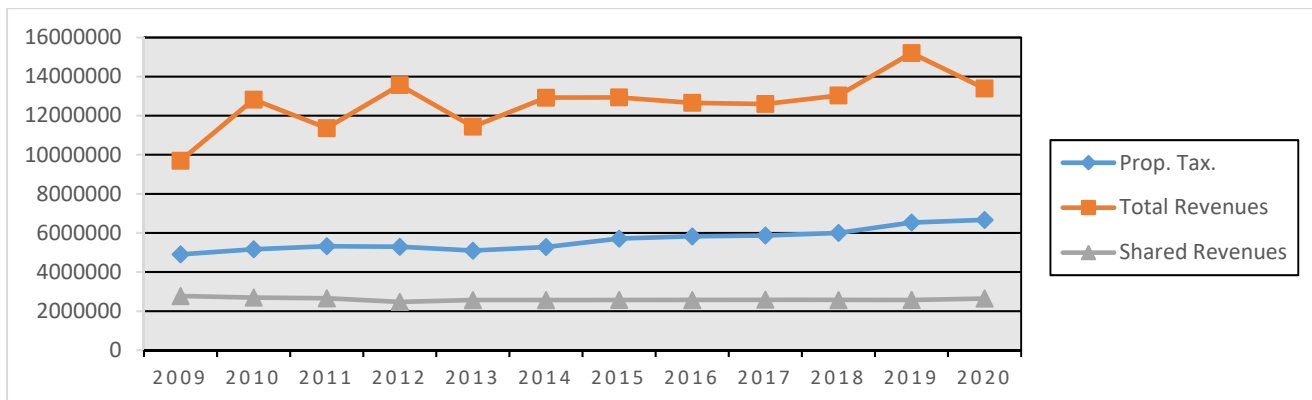
**Figure 1: Municipal Expenditures by Major Department as a Percentage Share of Total 2020 Budget**



Source: City of Platteville 2020 Budget

In recent years, property taxes have been the largest revenue source for governmental activities, with state shared revenue providing the second largest funding source. Property taxes accounted for approximately 43.0% of total revenues in 2019, and 50.6% in 2020.

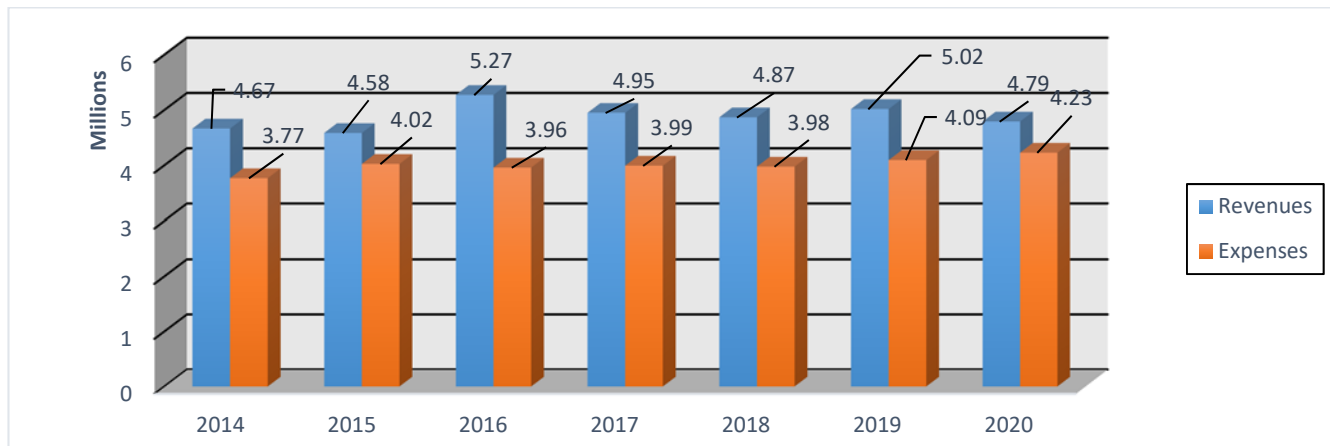
**Figure 2: Property Tax Revenue as Compared to Total Revenue**



**Business-type activities (Proprietary Funds).**

In 2020, net position in the proprietary funds increased by \$565,100. This compares to a \$924,389 increase in 2019. Major water and sewer line replacements and improvements and upgrades to the utility’s facilities increased net position. The Platteville Water and Wastewater Utility is fairly unique in that it is a combined utility. While rates are established separately for water and sewer, revenues and expenses are combined into a single operating unit. Rates are monitored and set according to the policies of the Wisconsin Public Service Commission. In 2020, the PSC approved deregulation of the Wastewater Utility. A sewer rate increase took effect on August 15, 2016. The last time the PSC allowed a water rate increase was on January 15, 2013.

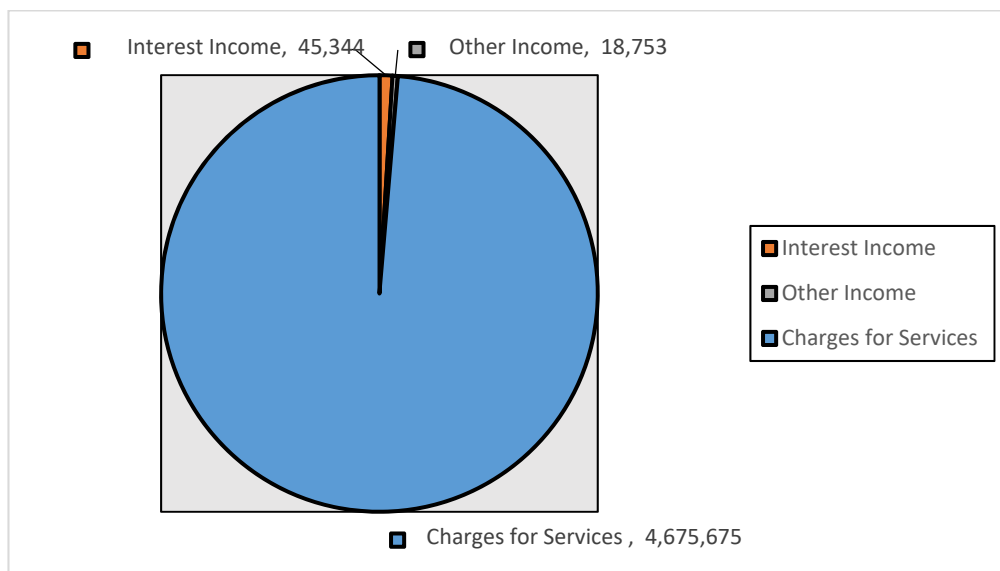
**Figure 3: Comparison of Utility Revenues to Expenses, By Year**



Source: Exhibit A-2, Page 16

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

**Figure 4: Revenues by Source - Business-type Activities**



Source: Exhibit A-2, Page 16

## Financial Analysis of the Government's Funds

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

**Governmental funds.** The focus of the City of Platteville's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Platteville's 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 governmental standards.

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 as of year-end</u>	<u>\$ Change (+/-)</u>
2020	\$5,676,399	\$ 407,257
2019	\$5,269,142	\$ 262,196

The fund balance gives the overall total funds, and includes positive and negative balances in individual allocations. This is a useful tool for examining the fiscal changes in the City's major funds, which may otherwise be masked by being included in totals. The primary reasons for the increase in fund balance as of December 31, 2020 was due to actual revenues exceeding budget and actual expenditures being under budget. The primary reason for the increase in fund balance as of December 31, 2019 was due to a large net income in TIF District No. 7. TIF District No. 7's increment revenue increased significantly during 2019 and TIF District No. 5 continued to share its excess increment revenue with TIF District No. 7.

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

<u>Year</u>	<u>General Fund Balance as of year-end</u>	<u>\$ Change (+/-)</u>
2020	\$4,560,038	\$ 226,127
2019	\$4,333,911	\$ (154,111)

The balance in the general fund accounts for 80% 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, 2020 was \$124,749. This is a decrease of \$202,530 from 2019 (*Exhibit A-5, page 19*). The balance in this fund increased at the end of 2019 due to a delay in completion of some projects. The accumulated fund balance was then utilized to complete those projects in 2020.

**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 2020 amounted to \$28,191,681, up \$565,100 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 \$206,690. Although some revenue sources were negatively impacted by the pandemic, new revenues from various pandemic-related grants resulted greater than budgeted revenues.

Actual expenditures were under budget by \$440,045. In response to the projected impact of the pandemic on certain revenue streams, city departments were asked to suspend any discretionary spending in their budgets, which contracted expenditures. In addition, some programs were canceled resulting in a further reduction in expenditures.

## 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 43-44*):

<u>Year</u>	<u>Capital Assets</u>	<u>\$ Change (+/-)</u>
2020	\$93,435,879	(1,085,276)
2019	\$94,521,155	2,043,572

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	
	2020	2019	2020	2019	2020	2019
Land**	\$ 3,558,698	\$ 3,558,698			\$ 3,558,698	\$ 3,558,698
Land improvements	3,646,500	3,646,500			3,646,500	3,646,500
Buildings and improvements	10,058,965	9,403,134			10,058,965	9,403,134
Machinery and Equipment	5,915,178	5,241,435			5,915,178	5,241,435
Vehicles	5,035,784	4,653,079			5,035,784	4,653,079
Infrastructure	66,123,772	64,890,309			66,123,772	64,890,309
Intangible Plant			8,978	8,978	8,978	8,978
Land & Land Rights			40,438	40,438	40,438	40,438
Const. in Progress	77,190	1,181,761	134,788	436,227	211,978	1,617,988
Water:						
Source of supply			1,574,639	1,574,639	1,574,639	1,574,639
Pumping			2,064,852	2,064,852	2,064,852	2,064,852
Water treatment			1,413,694	1,413,694	1,413,694	1,413,694
Transmis. & Distr.			20,897,304	20,288,427	20,897,304	20,288,427
General plant			811,591	811,591	811,591	811,591
Sewer:						
Collection system			17,226,270	16,769,294	17,226,270	16,769,294
Treatment and disp.			10,585,519	10,244,440	10,585,519	10,244,440
General plant			1,148,061	1,148,061	1,148,061	1,148,061
Total capital assets	94,416,087	92,574,916	55,906,134	54,800,641	150,322,221	147,375,557
Less accumulated depreciation	(37,888,083)	(34,685,333)	(18,998,259)	(18,169,069)	(56,886,342)	(52,854,402)
Capital assets net of depreciation	\$ 56,528,004	\$ 57,889,583	\$ 36,907,875	\$ 36,631,572	\$ 93,435,879	\$ 94,521,155

Source: *Notes to the Basic Financial Statements-Note 4, pages 43-44*

\*\*Note that land is not depreciated.

The total decrease in the City of Platteville's governmental-type activities capital assets totals \$1,361,579 net of depreciation, or a 2% decrease. Depreciation on these assets was \$3,422,314.

In Business Type Activities, the biggest gains have been seen in the investment into the water distribution and sewer collection and treatment systems. The water transmission and distribution plant had additions of \$794,594. The sewer collection system and sewer treatment and disposal had additions of \$569,963 and \$355,698, respectively.

**Long-term debt.** At the end of 2020, the City of Platteville had total bonded debt outstanding of \$20,549,975 entirely backed by the full faith and credit of the government (general obligation bonds).

The City of Platteville issued general obligation debt in 2020, in the amount of \$1,170,000 to pay the cost of street improvement projects. During 2020, the City also issued \$1,265,000 taxable general obligation refunding bonds to refund a loan from the BCPL State Trust Fund, taking advantage of low interest opportunities. The City issued \$1,420,000 of Utility Revenue Bonds for improvements to water and wastewater infrastructure.

**TABLE 4: CITY OF PLATTEVILLE OUTSTANDING DEBT**

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
G.O. debt	\$20,549,975	\$20,963,398	\$	\$	\$20,549,975	\$20,963,398
Revenue Bonds –						
Utility			15,785,149	15,221,974	15,785,149	15,221,974
Tax Increment	1,949,390	2,440,982			1,949,390	2,440,982
Other Long-term liabilities	415,850	380,042	131,843	144,523	547,693	524,565
<b>Total</b>	<b>\$22,915,215</b>	<b>\$23,784,332</b>	<b>\$15,916,992</b>	<b>\$15,366,497</b>	<b>\$38,832,207</b>	<b>\$39,150,829</b>

Source: Notes to the Basic Financial Statements, Note 5, pages 45-48

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 12/31/20 for the City of Platteville was \$36,305,015, which significantly exceeds the City of Platteville's current outstanding general obligation debt. As of December 31, 2020, the City of Platteville's outstanding general obligation debt equaled 56.6 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 undertake 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 45.

**Economic Factors and Next Year's Budgets and Rates**

- In early 2020, a novel strain of coronavirus (COVID-19) spread throughout the world, including in the United States and Wisconsin. The extent to which COVID-19 impacts the financial condition of the City will depend on future developments at the federal and state level as well as with the virus itself. The City proactively monitored changes to revenues and expenditures in 2020 and took measures to restrain spending where possible. The City also submitted COVID-19 related eligible expenses for reimbursement through programs including the Coronavirus Aid, Relief and Economic Security (CARES) Act. In 2021 and beyond the City will continue to monitor and respond to impacts from the pandemic on revenues and expenses, and will apply for federal and state resources made available by those entities in response to financial pressures on municipalities.
- The unemployment rate as of December 2020, for Grant County, which includes the City of Platteville, was 3.9 percent. This compares to a rate of 4.0 percent for the State of Wisconsin. (Source: Bureau of Labor Statistics)
- The rate of inflation for 2020 was 1.25 percent before seasonal adjustment. The equalized tax rate for taxes collected for 2021 operations (2020 tax bill) decreased from 7.51 to 7.45 per thousand of equalized valuation. The taxes to be collected increased by 2.4 percent.

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



## BASIC FINANCIAL STATEMENTS

Exhibit A-1  
City of Platteville, Wisconsin  
Statement of Net Position  
December 31, 2020  
(With summarized financial information as of December 31, 2019)

	Governmental Activities	Business-Type Activities	Total Governmental and Business-Type activities		Component Unit Housing Authority	
			2020	2019	2020	2019
<b>ASSETS</b>						
Current assets:						
Cash and investments	\$ 8,491,230	\$ 1,866,528	\$ 10,357,758	\$ 9,703,322	\$ 36,301	\$ 18,252
Receivables						
Taxes	4,364,546		4,364,546	4,764,299		
Customer		742,483	742,483	757,289		
Due from other governmental units	443,101		443,101	216,568		
Other	167,220	16,093	183,313	173,957	3,264	4,154
Special assessments	11,031		11,031	9,150		
Prepaid expenses					268	115
Internal balances	115,623	(115,623)				
Inventory	24,387	30,314	54,701	47,228		
Total current assets	13,617,138	2,539,795	16,156,933	15,671,813	39,833	22,521
Noncurrent assets:						
Restricted assets:						
Net pension asset	863,682	139,676	1,003,358			
Cash and investments	42,910	5,194,355	5,237,265	4,993,297	28,344	1,606
Other assets:						
Mortgages receivable	1,457,726		1,457,726	1,473,886		
Loans receivable	576,672		576,672	459,326		
Capital assets:	94,416,087	55,906,134	150,322,221	147,375,557		
Less: Accumulated depreciation	37,888,083	18,998,259	56,886,342	52,854,402		
Net book value of capital assets	56,528,004	36,907,875	93,435,879	94,521,155		
Total noncurrent assets	59,468,994	42,241,906	101,710,900	101,447,664	28,344	1,606
Total assets	73,086,132	44,781,701	117,867,833	117,119,477	68,177	24,127
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred pension outflows	2,024,550	327,413	2,351,963	3,031,224		
OPEB - group life insurance plan outflows	95,741	39,984	135,725	28,511		
OPEB - City health insurance plan outflows	72,046	20,321	92,367	46,061		
Unamortized major repairs		129,054	129,054			
Total deferred outflows of resources	2,192,337	516,772	2,709,109	3,105,796		
Total assets and deferred outflows of resources	\$ 75,278,469	\$ 45,298,473	\$ 120,576,942	\$ 120,225,273	\$ 68,177	\$ 24,127

Exhibit A-1 (Continued)  
City of Platteville, Wisconsin  
Statement of Net Position  
December 31, 2020  
(With summarized financial information as of December 31, 2019)

	Governmental Activities	Business-Type Activities	Total Governmental and Business-Type activities		Component Unit Housing Authority	
			2020	2019	2020	2019
<b>LIABILITIES</b>						
Current liabilities:						
Accounts payable	\$ 671,761	\$ 122,938	\$ 794,699	\$ 914,951	\$ 2,406	\$ 1,298
Accrued wages	62,190	11,604	73,794	226,366	2,262	1,490
Accrued interest	170,583	77,685	248,268	297,040		
Unearned revenue	6,375		6,375	1,191		
Current portion of:						
Long-term debt	2,539,586	929,526	3,469,112	2,991,209		
Compensated absences	139,515	28,248	167,763	90,084		
Deposits	630		630	530		
Total current liabilities	3,590,640	1,170,001	4,760,641	4,521,371	4,668	2,788
Noncurrent liabilities:						
General obligation debt	20,549,975		20,549,975	20,963,398		
Tax increment revenue bonds	1,949,390		1,949,390	2,440,892		
Water and Sewer revenue bonds		15,785,149	15,785,149	15,221,974		
Unamortized bond premium	298,111	234,437	532,548	508,671		
Net pension liability				1,120,880		
OPEB - group life insurance plan	243,620	101,745	345,365	223,142		
OPEB - City health insurance plan	594,330	167,632	761,962	765,969		
Compensated absences	415,850	131,843	547,693	524,565		
Less current portion of long-term debt	(2,679,101)	(957,774)	(3,636,875)	(3,081,293)		
Total noncurrent liabilities	21,372,175	15,463,032	36,835,207	38,688,198		
Total liabilities	24,962,815	16,633,033	41,595,848	43,209,569	4,668	2,788
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred pension inflows	2,590,294	418,905	3,009,199	1,543,143		
OPEB - group life insurance plan inflows	73,004	30,489	103,493	103,148		
OPEB - City health insurance plan inflows	86,385	24,365	110,750	21,983		
Deferred revenue	6,814,018		6,814,018	6,941,085	9,144	
Total deferred inflows of resources	9,563,701	473,759	10,037,460	8,609,359	9,144	
<b>NET POSITION</b>						
Net investment in capital assets	36,923,102	21,355,461	58,278,563	59,330,026		
Restricted for:						
Redevelopment authority	271,084		271,084	276,858		
Housing conservation	84,951		84,951	84,820		
Donor specified	335,487		335,487	317,585		
Impact fees	77,964		77,964	86,487		
Community development receivables	1,482,258		1,482,258	1,481,360		
Perpetual care	527,896		527,896	564,737		
Taxi/bus	164,254		164,254	41,364		
TIF expenditures	42,910		42,910	66,065		
Affordable housing	214,763		214,763			
Other	7,564		7,564	5,905		
Debt service - revenue bond funds		1,980,182	1,980,182	1,876,001		
Equipment replacement		2,747,001	2,747,001	2,483,113		
Housing assistance payments					19,200	1,606
Unrestricted	619,720	2,109,037	2,728,757	1,792,024	35,165	19,733
Total net position	40,751,953	28,191,681	68,943,634	68,406,345	54,365	21,339
Total liabilities, deferred inflows of resources, and net position	\$ 75,278,469	\$ 45,298,473	\$ 120,576,942	\$ 120,225,273	\$ 68,177	\$ 24,127

Exhibit A-2  
City of Platteville, Wisconsin  
Statement of Activities  
For the Year Ended December 31, 2020  
(With summarized financial information for the year ended December 31, 2019)

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		Component Unit Housing Authority	
							2020	2019	2020	2019
Primary Government:										
Governmental activities:										
General government	\$ 1,447,421	\$ 129,118	\$ 259,932	\$	\$ (1,058,371)	\$	\$ (1,058,371)	\$ (1,130,960)	\$	\$
Public safety	3,549,055	391,622	290,355		(2,867,078)		(2,867,078)	(3,090,606)		
Public works	5,006,636	614,265	1,399,102	22,885	(2,970,384)		(2,970,384)	(1,084,073)		
Health and human services	124,682	57,155	2,745		(64,782)		(64,782)	(107,375)		
Leisure activities	2,108,800	104,887	359,313		(1,644,600)		(1,644,600)	(1,825,143)		
Conservation and development	721,272	13,560		65,417	(642,295)		(642,295)	(543,380)		
Interest, issuance costs, and fiscal charges	693,853				(693,853)		(693,853)	(701,186)		
Total governmental activities	<u>13,651,719</u>	<u>1,310,607</u>	<u>2,311,447</u>	<u>88,302</u>	<u>(9,941,363)</u>		<u>(9,941,363)</u>	<u>(8,482,723)</u>		
Business-type activities:										
Water and sewer	3,799,448	4,675,675		53,450		929,677	929,677	1,181,962		
Total business-type activities	<u>3,799,448</u>	<u>4,675,675</u>		<u>53,450</u>		<u>929,677</u>	<u>929,677</u>	<u>1,181,962</u>		
Total primary government	<u>\$ 17,451,167</u>	<u>\$ 5,986,282</u>	<u>\$ 2,311,447</u>	<u>\$ 141,752</u>	<u>(9,941,363)</u>	<u>929,677</u>	<u>(9,011,686)</u>	<u>(7,300,761)</u>		
Component Unit:										
Housing Authority	517,744		550,736						32,992	(22,827)
Total component unit	<u>517,744</u>		<u>550,736</u>						<u>32,992</u>	<u>(22,827)</u>
General revenues and transfers:										
Property taxes										
General purposes					3,118,799		3,118,799	2,963,792		
Debt service					1,501,998		1,501,998	1,486,964		
Tax Increments					2,049,756		2,049,756	2,084,631		
Other taxes					223,379		223,379	284,851		
Federal and State aid not restricted for specific purposes										
General					2,644,819		2,644,819	2,622,233		
Interest and investment earnings					81,116	45,344	126,460	341,833	34	58
Loss on sale/disposal of fixed assets					(196,537)		(196,537)	(232,424)		
Miscellaneous					61,548	18,753	80,301	82,340		
Transfers					428,674	(428,674)				
Total general revenues and transfers					<u>9,913,552</u>	<u>(364,577)</u>	<u>9,548,975</u>	<u>9,634,220</u>	<u>34</u>	<u>58</u>
Changes in net position					(27,811)	565,100	537,289	2,333,459	33,026	(22,769)
Net position - beginning of year					40,779,764	27,626,581	68,406,345	66,072,886	21,339	44,108
Net position-end of year					<u>\$ 40,751,953</u>	<u>\$ 28,191,681</u>	<u>\$ 68,943,634</u>	<u>\$ 68,406,345</u>	<u>\$ 54,365</u>	<u>\$ 21,339</u>

Exhibit A-3  
City of Platteville, Wisconsin  
Balance Sheet  
Governmental Funds  
December 31, 2020  
(With summarized financial information as of December 31, 2019)

	General	Capital Projects	Debt Service	Other Governmental Funds	Total Governmental Funds	
					2020	2019
<b>ASSETS</b>						
Cash and investments	\$ 6,032,993	\$ 253,038	\$ 118,770	\$ 2,086,429	\$ 8,491,230	\$ 8,172,358
Restricted cash and investments				42,910	42,910	42,699
Receivables:						
Taxes	3,144,947			1,219,599	4,364,546	4,764,299
Other accounts	125,056			42,164	167,220	167,011
Other governments	201,420	7,357		234,324	443,101	216,568
Special assessments	11,031				11,031	9,150
Mortgages				1,457,726	1,457,726	1,473,886
Loans	231,149			345,523	576,672	459,326
Inventory				24,387	24,387	15,805
Due from other funds	449,203				449,203	426,667
Advances to other funds	402,738		48,011		450,749	441,397
<b>Total assets</b>	<b>\$ 10,598,537</b>	<b>\$ 260,395</b>	<b>\$ 166,781</b>	<b>\$ 5,453,062</b>	<b>\$ 16,478,775</b>	<b>\$ 16,189,166</b>
<b>LIABILITIES</b>						
Accounts payable	\$ 374,593	\$ 135,646	\$	\$ 161,522	\$ 671,761	\$ 646,651
Accrued payroll	62,143			47	62,190	186,957
Due to other funds	35,193			20,529	55,722	19,703
Advances from other funds				728,607	728,607	769,255
Unearned revenue				6,375	6,375	1,191
Deposits	630				630	530
<b>Total liabilities</b>	<b>472,559</b>	<b>135,646</b>		<b>917,080</b>	<b>1,525,285</b>	<b>1,624,287</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred revenues	5,565,940			3,711,151	9,277,091	9,295,737
<b>FUND BALANCES</b>						
Nonspendable	418,349		48,011	24,387	490,747	469,316
Restricted	413,451		118,770	1,344,294	1,876,515	1,613,284
Assigned	433,910	124,749			558,659	906,887
Unassigned (deficit)	3,294,328			(543,850)	2,750,478	2,279,655
<b>Total fund balance</b>	<b>4,560,038</b>	<b>124,749</b>	<b>166,781</b>	<b>824,831</b>	<b>5,676,399</b>	<b>5,269,142</b>
<b>Total liabilities, deferred outflow of resources and fund balance</b>	<b>\$ 10,598,537</b>	<b>\$ 260,395</b>	<b>\$ 166,781</b>	<b>\$ 5,453,062</b>	<b>\$ 16,478,775</b>	<b>\$ 16,189,166</b>

Exhibit A-4  
City of Platteville, Wisconsin  
Reconciliation of the Governmental Funds Balance Sheet  
with the Statement of Net Position  
December 31, 2020  
(With summarized financial information as of December 31, 2019)

	2020	2019
Total fund balances-governmental funds:	\$ 5,676,399	\$ 5,269,142
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	94,416,087	92,574,916
Governmental accumulated depreciation	<u>(37,888,083)</u> 56,528,004	<u>(34,685,333)</u> 57,889,583
The net pension asset is not a current financial resource and is, therefore, not reported in the fund statements		
	863,682	
Pension and OPEB deferred outflows and inflows of resources are actuarially determined by the plans. These items are reflected in the statement of net position and are being amortized with pension and OPEB expense in the statement of activities. The deferred outflows of resources and deferred inflows of resources are not financial resources or uses and therefore are not reported in the fund statements.		
Deferred outflows of resources	2,192,337	2,604,853
Deferred inflows of resources	(2,749,683)	(1,387,806)
Other long-term assets that are not available to pay for current-period expenditures and therefore are deferred inflows for the fund statements.		
Long-term notes and loans	2,034,399	1,933,212
Subsequent year tax equivalent from utility	428,674	421,440
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds statements. Long-term liabilities reported in the statement of net position that are not reported in the funds balance sheet are:		
Bonds and notes payable	(20,549,975)	(20,963,398)
Tax increment revenue bonds	(1,949,390)	(2,440,892)
Bond premium	(298,111)	(255,481)
Accrued interest	(170,583)	(220,194)
OPEB - group life insurance plan	(243,620)	(158,230)
OPEB - City health insurance plan	(594,330)	(589,796)
Net pension liability	(942,627)	(942,627)
Compensated absences	<u>(415,850)</u>	<u>(380,042)</u>
Net position of governmental activities	<u>\$ 40,751,953</u>	<u>\$ 40,779,764</u>

Exhibit A-5  
City of Platteville, Wisconsin  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2020  
(With summarized financial information for the year ended December 31, 2019)

	General	Capital Projects	Debt Service	Other Governmental Funds	Total Governmental Funds	
					2020	2019
<b>REVENUES</b>						
Taxes	\$ 2,941,407	\$ 355,990	\$ 1,501,998	\$ 2,094,537	\$ 6,893,932	\$ 6,820,239
Special assessments	20,245	5,000			25,245	14,891
Intergovernmental	4,141,091			706,130	4,847,221	4,721,724
Licenses and permits	126,676				126,676	105,553
Fines and forfeitures	90,063			2,881	92,944	132,719
Public charges for services	626,714	112,047		355,880	1,094,641	1,305,826
Interest income	70,420		1,928	6,312	78,660	187,001
Loan repayments	12,565			34,329	46,894	111,095
Miscellaneous	164,111	57,534	2,437	1,788	225,870	214,456
<b>Total revenues</b>	<b>8,193,292</b>	<b>530,571</b>	<b>1,506,363</b>	<b>3,201,857</b>	<b>13,432,083</b>	<b>13,613,504</b>
<b>EXPENDITURES</b>						
Current:						
General government	1,267,083			14,655	1,281,738	1,162,404
Public safety	3,201,298				3,201,298	3,140,725
Public works	1,405,483			802,762	2,208,245	2,405,379
Health and social services	119,159				119,159	148,501
Leisure activities	1,686,423			7,448	1,693,871	1,898,850
Conservation and development	291,898			338,433	630,331	687,789
Capital outlay	40,535	2,344,508		318,880	2,703,923	2,578,857
Debt service:						
Principal retirement			1,240,000	893,272	2,133,272	2,223,156
Interest and fiscal charges			308,211	377,314	685,525	675,466
Debt issuance costs		33,188	15,108	38,981	87,277	47,237
<b>Total expenditures</b>	<b>8,011,879</b>	<b>2,377,696</b>	<b>1,563,319</b>	<b>2,791,745</b>	<b>14,744,639</b>	<b>14,968,364</b>
Excess (deficiency) of revenues over over expenditures	181,413	(1,847,125)	(56,956)	410,112	(1,312,556)	(1,354,860)
<b>OTHER FINANCING SOURCES (USES)</b>						
Long-term debt proceeds		1,170,000			1,170,000	1,125,000
Other financing source—refunding bonds				1,265,000	1,265,000	
Current refunding of debt principal				(1,205,541)	(1,205,541)	
Debt premium			68,203		68,203	71,768
Proceeds from sale of capital assets	711				711	13,283
Transfer to other funds	(424,595)			(906,675)	(1,331,270)	(1,202,378)
Transfer from other funds	47,158	474,595		809,517	1,331,270	1,202,378
Transfer from utility-tax equivalent	421,440				421,440	407,005
<b>Total other financing sources (uses)</b>	<b>44,714</b>	<b>1,644,595</b>	<b>68,203</b>	<b>(37,699)</b>	<b>1,719,813</b>	<b>1,617,056</b>
Net change in fund balances	226,127	(202,530)	11,247	372,413	407,257	262,196
Fund balance-beginning of year	4,333,911	327,279	155,534	452,418	5,269,142	5,006,946
<b>Fund balance-end of year</b>	<b>\$ 4,560,038</b>	<b>\$ 124,749</b>	<b>\$ 166,781</b>	<b>\$ 824,831</b>	<b>\$ 5,676,399</b>	<b>\$ 5,269,142</b>

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, 2020  
(With summarized financial information for the year ended December 31, 2019)

	2020	2019
Net change in fund balances-total governmental funds	\$ 407,257	\$ 262,196
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	2,270,483	4,126,368
Depreciation expenses reported in the statement of activities	(3,422,314)	(3,299,942)
Amount by which capital outlays are greater (less) than depreciation in the current period	(1,151,831)	826,426
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, donations, and disposals) is to increase/decrease net position:	(209,748)	(239,489)
Compensated absences and OPEB are reported in the governmental funds when amounts are paid. The statement of activities reports the amount earned during the year.		
Change in OPEB - group life insurance plan liability and related deferred outflows and inflows of resources	(9,728)	(6,648)
Change in OPEB - City health insurance plan liability and related deferred outflows and inflows of resources	(37,413)	(55,494)
Change in compensated absences	(35,808)	2,118
Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net position and does not affect the statement of activities		
The amount of long-term debt principal payments in the current year is:	3,339,925	2,223,156
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	(2,435,000)	(1,125,000)
Repayments of economic development loans receivable are reflected as revenue in governmental funds, but are reported as a reduction of notes receivable in the statement of net position and does not affect the statement of activities	(38,814)	(99,406)
Additional economic development loans are reflected as expenditures in governmental funds, but are reported as additions to loans receivable in statement of net position and does not affect the statement of activities	140,000	34,777



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, 2020  
(With summarized financial information for the year ended December 31, 2019)

	2020	2019
Debt premiums are reported in the governmental funds as revenues when those amounts are received. However, the premium is shown in the statement of net position and allocated over the life of the debt issue as amortization expense in the statement of activities		
Amount of debt premium received in the current year	(68,203)	(71,768)
Amount of debt premium amortized in the current year	25,573	22,096
In governmental funds, the current year utility tax equivalent is deferred and recognized as revenue in the subsequent year. In the statement of activities, this amount is recognized as a transfer in the year accrued.		
Prior year utility tax equivalent recognized as revenue in current year in the governmental funds	(421,440)	(407,005)
Current year utility tax equivalent recognized as a transfer in for the statement of activities	428,674	421,440
	7,234	14,435
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	683,614	674,666
The amount of interest accrued during the current period	(634,003)	(678,051)
Interest paid is greater (less) than interest expensed by	49,611	(3,385)
Pension expense reported in the governmental funds represents current year required contributions into the defined benefit pension plan. Pension expense in the statement of activities is actuarially determined by the defined benefit pension plan as the difference between the net pension liability from the prior year to the current year, with some adjustments.		
Difference between the required contributions into the defined benefit plan and the actuarially determined change in net pension liability between years, with adjustments	(10,866)	(374,944)
Change in net position-governmental activities	\$ (27,811)	\$ 1,409,070

Exhibit A-7  
City of Platteville, Wisconsin  
Statement of Net Position  
Proprietary Funds  
December 31, 2020

(With summarized financial information as of December 31, 2019)

	Water and Sewer Utility	
	2020	2019
<b>ASSETS</b>		
Current assets:		
Cash	\$ 1,866,328	\$ 1,530,764
Petty cash	200	200
Customer accounts receivable	742,483	757,289
Other accounts receivable	16,093	6,946
Due from other funds	35,193	14,476
Inventories	30,314	31,423
Total current assets	2,690,611	2,341,098
Noncurrent assets:		
Restricted assets:		
Net pension asset	139,676	
Cash and Investments:		
Bond proceeds - unspent	467,172	591,484
Replacement fund	2,747,001	2,483,113
Depreciation fund	854,034	849,839
Debt reserve fund	1,126,148	1,026,162
Total restricted assets	5,334,031	4,950,598
Capital assets:		
Property and plant	55,906,134	54,800,641
Less: accumulated provision for depreciation	18,998,259	18,169,069
Net property and plant	36,907,875	36,631,572
Other assets:		
Advances due from other funds	277,858	327,858
Total noncurrent assets	42,519,764	41,910,028
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred pension outflows	327,413	482,055
OPEB - Group life insurance plan outflows	39,984	8,294
OPEB - City health insurance plan outflows	20,321	10,594
Unamortized major repairs	129,054	
Total deferred outflows of resources	516,772	500,943
Total assets and deferred outflows of resources	\$ 45,727,147	\$ 44,752,069

Exhibit A-7 (Continued)  
City of Platteville, Wisconsin  
Statement of Net Position  
Proprietary Funds  
December 31, 2020

(With summarized financial information as of December 31, 2019)

	Water and Sewer Utility	
	2020	2019
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	\$ 122,938	\$ 268,300
Accrued payroll	11,604	39,409
Accrued interest	77,685	76,846
Current portion of:		
Revenue bonds	929,526	856,825
Compensated absences	28,248	15,108
Due to other funds	428,674	421,440
	1,598,675	1,677,928
Non-current liabilities		
Revenue bonds	15,785,149	15,221,974
Unamortized bond premium	234,437	253,190
Net pension liability		178,253
OPEB - Group life insurance plan	101,745	64,912
OPEB - City health insurance plan	167,632	176,173
Compensated absences	131,843	144,523
Less current portion of long-term debt	(957,774)	(871,933)
	15,463,032	15,167,092
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred pension inflows	418,905	245,406
OPEB - Group life insurance plan inflows	30,489	30,006
OPEB - City health insurance plan inflows	24,365	5,056
	473,759	280,468
<b>NET POSITION</b>		
Net investment in capital assets	21,355,461	21,747,892
Restricted		
Debt service - revenue bond funds	1,980,182	1,876,001
Equipment replacement	2,747,001	2,483,113
Unrestricted	2,109,037	1,519,575
Total net position	28,191,681	27,626,581
Total liabilities, deferred inflows of resources, and net position	\$ 45,727,147	\$ 44,752,069

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, 2020  
(With summarized financial information for the year ended December 31, 2019)

	Water	Sewer	Total	
			2020	2019
<b>OPERATING REVENUES</b>				
Metered sales	\$ 1,334,878	\$	\$ 1,334,878	\$ 1,340,861
Private fire protection	89,001		89,001	88,521
Public fire protection	625,252		625,252	623,811
Public authorities	185,273		185,273	258,652
Measured sewer service		2,272,868	2,272,868	2,342,419
Forfeited discounts	1,118	1,181	2,299	14,089
Miscellaneous	149,770	16,334	166,104	179,251
Total operating revenues	<u>2,385,292</u>	<u>2,290,383</u>	<u>4,675,675</u>	<u>4,847,604</u>
<b>OPERATING EXPENDITURES</b>				
Pumping expenses	185,185		185,185	178,701
Treatment expenses	117,840	463,716	581,556	551,984
Transmission and distribution	226,061		226,061	172,331
Customer accounts expense	51,083	9,429	60,512	57,329
Administrative and general	319,609	504,554	824,163	760,134
Rent	1,080	6,528	7,608	7,240
Transportation expenses		22,877	22,877	34,584
Maintenance of sewage system		187,337	187,337	186,617
Depreciation	521,642	620,871	1,142,513	1,139,414
Taxes	8,371	54,600	62,971	60,661
Total operating expenses	<u>1,430,871</u>	<u>1,869,912</u>	<u>3,300,783</u>	<u>3,148,995</u>
Operating income	<u>\$ 954,421</u>	<u>\$ 420,471</u>	<u>1,374,892</u>	<u>1,698,609</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
*Interest and dividends on investments			45,344	151,782
*Interest expense			(475,753)	(457,373)
*Amortization of debt premium			18,753	18,753
*Debt issuance costs			(22,912)	(59,274)
*Loss on sale/disposal of fixed assets				(6,668)
*Transfer of tax equivalent			(428,674)	(421,440)
Total nonoperating revenues (expenses)			<u>(863,242)</u>	<u>(774,220)</u>
Income before contributions			511,650	924,389
*Capital contributions			53,450	
Change in net position			565,100	924,389
Net position - beginning of year			27,626,581	26,702,192
Net position-end of year			<u>\$ 28,191,681</u>	<u>\$ 27,626,581</u>
* Not allocated				

Exhibit A-9  
City of Platteville, Wisconsin  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2020  
(With summarized financial information for the year ended December 31, 2019)

	2020	2019
<b>CASH FLOWS FROM (USED BY) OPERATING ACTIVITIES</b>		
Received from customers	\$ 4,681,334	\$ 4,805,243
Payments to employees	(791,440)	(771,859)
Payment for employee benefits	(319,443)	(360,097)
Payment to suppliers	(999,444)	(882,975)
	2,571,007	2,790,312
<b>CASH FLOWS FROM (USED BY) NONCAPITAL FINANCING ACTIVITIES</b>		
Repayment of advanced funds from TIF #7	50,000	593,142
Paid to municipality for tax equivalent	(428,674)	(421,440)
	(378,674)	171,702
<b>CASH FLOWS FROM (USED BY) CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition and construction of capital assets	(1,615,837)	(2,572,867)
Contributed capital received	53,450	
Cost of removal		(29,850)
Debt retired	(856,825)	(754,305)
Debt issuance costs	(22,912)	(59,274)
Debt proceeds	1,420,000	1,625,000
Interest paid	(474,914)	(457,210)
Payment for major repair	(161,318)	
	(1,658,356)	(2,248,506)
<b>CASH FLOWS FROM (USED BY) INVESTING ACTIVITIES</b>		
Receipt of investments maturing	754,090	1,890,455
Investment income	45,344	151,782
	799,434	2,042,237
Net cash flows from (used by) from investing activities	799,434	2,042,237
Net change in cash and cash equivalents	1,333,411	2,755,745
Cash and cash equivalents - beginning of year	4,721,180	1,965,435
Cash and cash equivalents - end of year	\$ 6,054,591	\$ 4,721,180
<b>Reconciliation of cash and cash equivalents to statement of net position accounts</b>		
Cash	\$ 1,866,328	\$ 1,530,764
Petty cash	200	200
Restricted cash and investments	5,194,355	4,950,598
Less: long-term investments	(1,006,292)	(1,760,382)
Total cash and cash equivalents	\$ 6,054,591	\$ 4,721,180

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

Exhibit A-9 (Continued)  
City of Platteville, Wisconsin  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2020  
(With summarized financial information for the year ended December 31, 2019)

	2020	2019
<b>Reconciliation of operating income to net cash provided</b>		
<b>by operating activities:</b>		
Operating income	\$ 1,374,892	\$ 1,698,609
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	1,142,513	1,139,414
Pension expense	10,212	72,112
Life insurance OPEB expense	5,626	6,816
Health insurance OPEB expense	1,041	(20,127)
Amortization of major repairs	32,264	
Changes in assets and liabilities:		
(Increase) decrease in customer accounts receivable	14,806	(40,830)
(Increase) decrease in other accounts receivable	(9,147)	(1,531)
(Increase) decrease in due from other funds	(20,717)	(522)
(Increase) decrease in inventories	1,109	2,516
Increase (decrease) in accounts payable	51,659	(89,244)
Increase (decrease) in accrued payroll	(27,805)	2,254
Increase (decrease) in due other funds	7,234	14,435
Increase (decrease) in compensated absences	(12,680)	6,410
	<u>\$ 2,571,007</u>	<u>\$ 2,790,312</u>
Net cash provided by operating activities		

Exhibit A-10  
City of Platteville, Wisconsin  
Statement of Fiduciary Net Position  
Fiduciary Funds  
December 31, 2020

(With summarized financial information as of December 31, 2019)

	Custodial Fund	Total	
	Tax Collection Fund	2020	2019
<b>ASSETS</b>			
Cash and investments	\$ 3,138,991	\$ 3,138,991	\$ 2,698,828
Taxes receivable	5,561,951	5,561,951	6,247,263
Total assets	\$ 8,700,942	\$ 8,700,942	\$ 8,946,091
<b>LIABILITIES</b>			
Due to other taxing units	\$ 8,700,942	\$ 8,700,942	\$ 8,946,091
<b>NET POSITION</b>			
Restricted			
Total liabilities and net position	\$ 8,700,942	\$ 8,700,942	\$ 8,946,091

Exhibit A-11  
City of Platteville, Wisconsin  
Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
December 31, 2020  
(With summarized financial information as of December 31, 2019)

	Custodial Fund	Total	
	Tax Collection Fund	2020	2019
<b>ASSETS</b>			
Property tax collections for other governments	\$ 6,549,491	\$ 6,549,491	\$ 5,660,501
<b>DEDUCTIONS</b>			
Property tax collections paid or owed to other governments	6,549,491	6,549,491	5,660,501
Net increase (decrease) in fiduciary net position			
Net position - beginning of year			
Net position - end of year	\$	\$	\$



NOTES TO THE BASIC FINANCIAL STATEMENTS

City of Platteville, Wisconsin  
December 31, 2020  
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City of Platteville, Wisconsin  
Notes to the Basic Financial Statements  
December 31, 2020

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NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

Discretely Presented Component Unit

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

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, 2020

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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, deferred outflows of resources, liabilities, deferred inflows of resources, 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.

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

Major Enterprise Funds:

The City reports the following major enterprise funds:

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

City of Platteville, Wisconsin  
Notes to the Basic Financial Statements  
December 31, 2020

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NOTE 1                      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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
- Community Development Block Grant
- Redevelopment Authority
- Housing Conservation Program
- Library (Littlefield)
- Zeigert Trust
- Boll Cemetery
- Taxi/Bus
- Affordable Housing
- Broske Center

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

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

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

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

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

-Cemetery perpetual care

Fiduciary Funds (Not included in Government-Wide Statements)

Fiduciary funds consist of pension (and other employee benefit) trust funds, private-purpose trust funds, investment trust funds, and custodial funds. Fiduciary funds should be used only to report resources held for individuals, private organizations, or other governments. A fund is presented as a fiduciary fund when all of the following criteria are met: a) the government controls the assets that finance the activity, b) assets are not generated from the government's own-source revenues or from government-mandated or voluntary nonexchange transactions, c) assets are administered through a qualifying trust or the government does not have administrative involvement and the assets are not generated from the government's delivery of goods or services to the beneficiaries, or the assets are for the benefit of entities that are not part of the government's reporting entity.

City of Platteville, Wisconsin  
Notes to the Basic Financial Statements  
December 31, 2020

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NOTE 1                      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The City reports the following fiduciary fund:

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

-Tax collection

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.

City of Platteville, Wisconsin  
Notes to the Basic Financial Statements  
December 31, 2020

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NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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

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

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

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

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

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

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

City of Platteville, Wisconsin  
Notes to the Basic Financial Statements  
December 31, 2020

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NOTE 1                      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Cash and Cash Equivalent/Investments

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

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

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

E. Receivables

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

Property tax calendar - 2020 tax roll:

Lien date and levy date	December 2020
Tax bills mailed	December 2020
Payment in full, or	January 31, 2021
First installment due	January 31, 2021
Second installment due	July 31, 2021
Personal property taxes in full	January 31, 2021
Tax sale- 2020 delinquent real estate taxes	October 2024

No provision for uncollectible accounts receivable has been made for customer accounts receivable since the Water and Sewer Utility has the right by law to place delinquent bills on the tax roll.

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

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



City of Platteville, Wisconsin  
Notes to the Basic Financial Statements  
December 31, 2020

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NOTE 1                      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Inventories and Prepaid Items

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

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

G. Restricted Assets

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

H. Capital Assets

**Government-Wide Statements**

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

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

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

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

**Fund Financial Statements**

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

City of Platteville, Wisconsin  
Notes to the Basic Financial Statements  
December 31, 2020

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NOTE 1                      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Compensated Absences

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

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

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

J. Long-Term Obligations/Conduit Debt

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

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

The City has approved the issuance of industrial revenue bonds (IRB) for the benefit of private business enterprises. IRB's are secured by mortgages or revenue agreements on the associated projects, and do not constitute indebtedness of the City. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The total amount of IRB's outstanding at the end of the year is approximately \$22,820,231, made up of two issues.

K. Claims and Judgments

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

L. Risk Management

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

City of Platteville, Wisconsin  
Notes to the Basic Financial Statements  
December 31, 2020

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NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Equity Classifications

**Government-Wide Statements**

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

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

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

**Fund Statements**

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

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

The City's fund balance policy is to strive to maintain an unassigned fund balance equal to 20% of the General Fund budget.

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

City of Platteville, Wisconsin  
Notes to the Basic Financial Statements  
December 31, 2020

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NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Equity Classifications (Continued)

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

N. Transfers

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

O. Housing Conservation and Community Development Block Grant

Long-term loans receivable under the Housing Conservation and Community Development Block Program are shown as loans receivable and deferred inflows of resources in the governmental fund statements.

P. Summarized Comparative Information

The basic financial statements include certain prior year summarized comparative information in total, but not at the level of detail for a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended December 31, 2019, from which the summarized information was derived.

Q. Pensions

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

R. Other Postemployment Benefits

*Group life insurance plan*

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

*City health insurance plan*

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

City of Platteville, Wisconsin  
Notes to the Basic Financial Statements  
December 31, 2020

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

S. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expenditure) until then. The City has items that qualify for reporting in this category. The deferred outflows of resources were derived from the OPEB plans, the WRS pension system, and unamortized major repairs as approved by the Public Service Commission.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until then. The City has items that qualify for reporting in this category. Deferred inflows of resources related to the OPEB plans are discussed in Note 7 and Note 8, deferred inflows of resources related to the WRS pension system are discussed in Note 9, and the remaining deferred inflows of resources are discussed in Note 14.

T. Unamortized Major Repairs

The water utility incurred \$161,318 of water tower painting and repair costs in 2020. This amount is being amortized to expense over five years per authorization from the Public Service Commission. The balance at December 31, 2020 was \$129,054.

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, 2020

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NOTE 3

CASH AND INVESTMENTS

At December 31, 2020, the cash and investments included the following:

Deposits with financial institutions	\$ 4,435,118
Wisconsin Local Government Investment Pool	14,297,429
Petty cash	1,467
Total	\$ 18,734,014

Cash and investments as of December 31, 2020 are classified in the accompanying financial statements as follows:

Exhibit A-1:	
Cash and investments	\$ 10,357,758
Restricted cash and investments	5,237,265
Exhibit A-10:	
Cash and investments	3,138,991
Total cash and investments	\$ 18,734,014

Investments Authorized by Wisconsin State Statutes

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

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

Interest Rate Risk

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

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

City of Platteville, Wisconsin  
Notes to the Basic Financial Statements  
December 31, 2020

NOTE 3

CASH AND INVESTMENTS (CONTINUED)

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

Investment Type	Amount	12 months or less	13 to 24 months	25 to 36 months
Certificates of deposit	\$ 2,138,301	\$ 1,265,053	\$ 622,902	\$ 250,346
Local Government Investment Pool	14,297,429	14,297,429		
Totals	<u>\$ 16,435,730</u>	<u>\$ 15,562,482</u>	<u>\$ 622,902</u>	<u>\$ 250,346</u>

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, 2020, the City's investments were rated as follows:

	<u>Amount</u>	<u>Rating</u>
Wisconsin Local Government Investment Pool	\$ 14,297,429	Not Rated

Custodial Credit Risk

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

*Federal Deposit Insurance Corporation (FDIC) Insurance*

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

*Collateralization of Public Unit Deposits*

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

City of Platteville, Wisconsin  
Notes to the Basic Financial Statements  
December 31, 2020

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NOTE 3

CASH AND INVESTMENTS (CONTINUED)

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

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

As of December 31, 2020, \$2,412,637 of the City's deposits were insured by the FDIC or NCUA, \$863,463 were insured by a federal home loan bank letter of credit, and \$1,206 were in excess of federal depository insurance limits, national credit union insurance limits, and pledged collateral. The Wisconsin State Guaranty Fund would provide coverage for this amount, providing funds are available at the time of any potential loss.

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

*Wisconsin Local Government Investment Pool*

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board (SWIB). The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. All investments are valued at amortized cost by the SIF for purposes of calculating earnings to each participant. Specifically, the SIF distributes income to pool participants monthly, based on their average daily share balance. Distributions include interest income based on stated rates (both paid and accrued), amortization of discounts and premiums on a straight-line basis, realized investment gains and losses calculated on an amortized cost basis, and investment expenses. This method does not distribute to participants any unrealized gains or losses generated by the pool's investments.

Detailed information about the SIF is available in separately issued financial statements available at <https://doa.wi.gov/Pages/StateFinances/LGIP.aspx>. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2020, 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, 2020 was: 86.76% in U.S. Government Securities, 2.39% in Bankers' Acceptances and 10.85% 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, 2020

NOTE 4

CAPITAL ASSETS

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

	Balance 1/1/20	Additions	Deletions	Balance 12/31/20
<b><u>Governmental Activities:</u></b>				
Capital assets not being depreciated:				
Land	\$ 3,558,698			\$ 3,558,698
Construction in progress	1,181,761	67,263	(1,171,834)	77,190
Total capital asset not being depreciated	4,740,459	67,263	(1,171,834)	3,635,888
Other capital assets				
Land improvements	3,646,500			3,646,500
Buildings and improvements	9,403,134	655,831		10,058,965
Machinery and equipment	5,241,435	700,143	(26,400)	5,915,178
Vehicles	4,653,079	382,705		5,035,784
Infrastructure	64,890,309	1,636,376	(402,913)	66,123,772
Total other capital assets at historical costs	87,834,457	3,375,055	(429,313)	90,780,199
Less accumulated depreciation for:				
Land improvements	1,098,255	166,442		1,264,697
Buildings and improvements	4,497,726	235,941		4,733,667
Machinery and equipment	2,928,206	466,871	(20,752)	3,374,325
Vehicles	2,647,876	310,491		2,958,367
Infrastructure	23,513,270	2,242,569	(198,812)	25,557,027
Total accumulated depreciation	34,685,333	3,422,314	(219,564)	37,888,083
Net other capital assets	53,149,124	(47,259)	(209,749)	52,892,116
Total net capital assets	\$ 57,889,583	\$ 20,004	\$ (1,381,583)	\$ 56,528,004

Depreciation expense was charged to functions as follows:

<b>Governmental Activities</b>	
General government	\$ 104,575
Public safety	268,018
Public works, which includes the depreciation of infrastructure	2,601,051
Leisure activities	439,228
Health and human services	5,523
Conservation and development	3,919
Total governmental activities depreciation expense	\$ 3,422,314

City of Platteville, Wisconsin  
Notes to the Basic Financial Statements  
December 31, 2020

NOTE 4

CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Additions	Removals	Ending Balance
<b><u>Business-type Activities:</u></b>				
Capital assets not being depreciated:				
Intangible plant	\$ 8,978	\$	\$	\$ 8,978
Land and land rights	40,438			40,438
Construction in progress	436,227	134,788	(436,227)	134,788
Total capital assets not being depreciated	485,643	134,788	(436,227)	184,204
Capital assets being depreciated:				
Water:				
Source of supply	1,574,639			1,574,639
Pumping	2,064,852			2,064,852
Water treatment	1,413,694			1,413,694
Transmission and distribution	20,288,427	794,594	(185,717)	20,897,304
General plant	811,591			811,591
Sewer:				
Collection system	16,769,294	569,963	(112,987)	17,226,270
Treatment and disposal	10,244,440	355,698	(14,619)	10,585,519
General plant	1,148,061			1,148,061
Total capital assets being depreciated	54,314,998	1,720,255	(313,323)	55,721,930
Less: accumulated depreciation for:				
Water:				
Source of supply	187,965	45,419		233,384
Pumping	1,073,803	62,662		1,136,465
Water treatment	456,276	44,206		500,482
Transmission and distribution	4,566,708	390,900	(185,717)	4,771,891
General plant	710,250	18,457		728,707
Sewer:				
Collection system	2,046,372	200,989	(112,987)	2,134,374
Treatment and disposal	8,338,160	294,137	(14,619)	8,617,678
General plant	789,535	85,743		875,278
Total accumulated depreciation	18,169,069	1,142,513	(313,323)	18,998,259
Net capital assets being depreciated	36,145,929	577,742		36,723,671
Total net capital assets	\$ 36,631,572	\$ 712,530	\$ (436,227)	\$ 36,907,875

Depreciation expense consisted of the following:

**Business-Type Activities:**

Water and sewer depreciation (Per Exhibit A-8) \$ 1,142,513

City of Platteville, Wisconsin  
Notes to the Basic Financial Statements  
December 31, 2020

NOTE 5

LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2020 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due within One Year
<b><u>Governmental Activities</u></b>					
General obligation debt-nondirect	\$ 19,575,000	\$ 2,435,000	\$ (1,590,000)	\$ 20,420,000	\$ 2,025,000
Bonds and Notes from direct borrowings and direct placements	1,388,398		(1,258,423)	129,975	7,953
Tax increment revenue bonds-direct borrowings and direct placements	2,440,892		(491,502)	1,949,390	506,633
Other liabilities:					
Compensated absences	380,042	35,808		415,850	139,515
Total governmental activities long-term liabilities	<u>\$ 23,784,332</u>	<u>\$ 2,470,808</u>	<u>\$ (3,339,925)</u>	<u>\$ 22,915,215</u>	<u>\$ 2,679,101</u>
<b><u>Business-type Activities</u></b>					
Revenue bonds - nondirect	\$ 11,545,000	\$ 1,420,000	\$ (535,000)	\$ 12,430,000	\$ 329,526
Revenue bonds - direct borrowings and direct placements	3,676,974		(321,825)	3,355,149	600,000
Other liabilities:					
Compensated absences	144,523		(12,680)	131,843	28,248
Total business-type activities long-term liabilities	<u>\$ 15,366,497</u>	<u>\$ 1,420,000</u>	<u>\$ (869,505)</u>	<u>\$ 15,916,992</u>	<u>\$ 957,774</u>

The compensated absences liability attributed to governmental activities are typically being liquidated in the general fund. In addition to the City's governmental debt service fund, debt service payments are also being made by the City's redevelopment authority fund and TIF District funds.

General Obligation Debt

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

In accordance with Wisconsin Statutes, total general obligation indebtedness of the City may not exceed 5% of the equalized value of taxable property within the City's jurisdiction. The debt limit per Wisconsin Statutes as of December 31, 2020 was \$36,305,015. Total general obligation debt outstanding at year-end was \$20,549,975. City policy limits general obligation indebtedness to 3.5% of the equalized value of taxable property within the city's jurisdiction, or \$25,413,511. As of December 31, 2020, outstanding general obligation debt was within the limits established by Wisconsin Statutes and City policy.

City of Platteville, Wisconsin  
Notes to the Basic Financial Statements  
December 31, 2020

NOTE 5

LONG-TERM OBLIGATIONS (CONTINUED)

General Obligation Debt (Continued)

	Date of Issue	Final Maturity	Interest Rates	Original Amount	Balance 12/31/2020
<u>Governmental Activities</u>					
General obligation debt:					
General obligation bonds	3/7/2012	3/1/2023	2.0-3.0%	\$ 1,725,000	\$ 825,000
General obligation notes	3/28/2013	10/1/2021	2.25	935,000	100,000
General obligation bonds	3/28/2013	10/1/2028	2.25-3.0	3,240,000	3,240,000
General obligation notes	10/1/2013	10/1/2023	2.75-3.25	5,000,000	1,775,000
General obligation notes	4/6/2015	4/6/2022	1.98	172,000	129,975
General obligation bonds	12/29/2015	3/1/2033	2.125-3.8	3,790,000	3,335,000
General obligation bonds	6/2/2016	12/1/2025	1.2-1.85	2,520,000	1,990,000
General obligation bonds	6/1/2017	9/1/2036	1.55-3.35	1,375,000	1,375,000
General obligation bonds	10/4/2017	10/1/2029	2.5-3.0	2,975,000	2,975,000
General obligation bonds	5/10/2018	3/1/2026	3.0-3.25	1,245,000	1,245,000
General obligation bonds	5/30/2019	9/1/2034	3.0-4.0	1,125,000	1,125,000
General obligation bonds	7/30/2020	3/1/2028	0.6-2.4	1,265,000	1,265,000
General obligation bonds	9/10/2020	3/1/2030	1.0-2.0	1,170,000	1,170,000
Total governmental activities – general obligation debt					<u>\$ 20,549,975</u>

Debt service requirements to maturity are as follows:

Years	Governmental Activities					
	Bonds and Notes - Nondirect			Bonds and Notes from Direct Borrowings and Direct Placements		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 2,025,000	\$ 524,627	\$ 2,549,627	\$ 7,953	\$ 2,498	\$ 10,451
2022	2,110,000	474,234	2,584,234	122,022	797	122,819
2023	2,225,000	420,191	2,645,191			
2024	1,885,000	364,249	2,249,249			
2025	1,935,000	318,188	2,253,188			
2026-2030	6,925,000	913,430	7,838,430			
2031-2035	2,975,000	231,370	3,206,370			
2036-2038	340,000	11,910	351,910			
Totals	<u>\$ 20,420,000</u>	<u>\$ 3,258,199</u>	<u>\$ 23,678,199</u>	<u>\$ 129,975</u>	<u>\$ 3,295</u>	<u>\$ 133,270</u>

City of Platteville, Wisconsin  
Notes to the Basic Financial Statements  
December 31, 2020

NOTE 5

LONG-TERM OBLIGATIONS (CONTINUED)

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, 2020 consist of the following:

	Date of Issue	Final Maturity	Interest Rates	Original Amount	Balance 12/31/2020
Tax increment revenue bonds	9/12/2013	9/12/2026	4.303%	\$ 2,000,000	\$ 1,062,600
Tax increment revenue bonds	3/29/2018	3/31/2023	2.49%	1,720,000	886,790
Total governmental activities – tax increment revenue bonds					<u>\$ 1,949,390</u>

Debt service requirements to maturity are as follows:

Governmental Activities			
Tax Increment Revenue Debt - Direct			
Borrowing and Direct Placements			
Years	Principal	Interest	Total
2021	\$ 506,633	\$ 65,503	\$ 572,136
2022	522,175	49,960	572,135
2023	354,205	33,905	388,110
2024	179,842	24,229	204,071
2025	187,581	16,491	204,072
2026	198,954	8,419	207,373
Totals	<u>\$ 1,949,390</u>	<u>\$ 198,507</u>	<u>\$ 2,147,897</u>

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, 2020 consists of the following:

	Date of Issue	Final Maturity	Interest Rates	Original Amount	Balance 12/31/2020
Clean water revenue bonds	12/10/2008	5/1/2028	2.339%	\$ 2,473,498	\$ 1,136,537
Clean water revenue bonds	11/1/2010	5/1/2030	2.428	3,964,010	2,218,612
Revenue bonds	3/7/2012	5/1/2032	3.0-4.0	6,750,000	5,100,000
Revenue bonds	6/24/2015	5/1/2035	3.0-4.0	5,425,000	4,350,000
Revenue bonds	12/4/2019	5/1/2038	2.0-4.0	1,625,000	1,560,000
Revenue bonds	5/1/2020	5/1/2039	1.15-2.0	1,420,000	1,420,000
Total					<u>\$ 15,785,149</u>

City of Platteville, Wisconsin  
Notes to the Basic Financial Statements  
December 31, 2020

NOTE 5

LONG-TERM OBLIGATIONS (CONTINUED)

Debt service requirements to maturity are as follows:

Years	Business-type Activities					
	Revenue Bonds - Nondirect			Revenue Bonds from Direct Borrowings and Direct Placements		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 600,000	\$ 377,793	\$ 977,793	\$ 329,526	\$ 76,509	\$ 406,035
2022	640,000	360,293	1,000,293	337,410	68,530	405,940
2023	675,000	341,618	1,016,618	345,483	60,361	405,844
2024	680,000	322,343	1,002,343	353,750	51,995	405,745
2025	720,000	302,443	1,022,443	362,214	43,430	405,644
2026-2030	4,365,000	1,133,655	5,498,655	1,626,766	88,725	1,715,491
2031-2035	4,020,000	299,356	4,319,356			
2036-2039	730,000	11,933	741,933			
Totals	\$ 12,430,000	\$ 3,149,434	\$ 15,579,434	\$ 3,355,149	\$ 389,550	\$ 3,744,699

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, 2020, the "net revenues" of the system were \$2,562,749 or 1.85 times the annual debt service requirement.

City of Platteville, Wisconsin  
Notes to the Basic Financial Statements  
December 31, 2020

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NOTE 6

LONG-TERM ADVANCES

The following is a schedule of interfund advances at December 31, 2020:

Receivable Fund	Payable Fund	Amount
Debt service	Airport	\$ 48,011
General	TIF #6	378,724
General	TIF #7	24,014
Water and sewer utility	TIF #6	65,552
Water and sewer utility	TIF #7	212,306
	Total	\$ 728,607

On December 31, 2020 the airport was obligated to the debt service fund for \$48,011 on long-term advances for improvements which matures as follows:

Year	Principal	Interest	Total
2021	\$ 15,314	\$ 1,786	\$ 17,100
2022	15,993	1,107	17,100
2023	16,704	396	17,100
Total	\$ 48,011	\$ 3,289	\$ 51,300

The final payment on the \$48,011 advance is due December 1, 2023 with monthly payments of \$1,425 at 4.35% interest until maturity.

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

NOTE 7      OTHER POSTEMPLOYMENT BENEFITS – MULTIPLE EMPLOYER LIFE INSURANCE PLAN

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

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

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

City of Platteville, Wisconsin  
Notes to the Basic Financial Statements  
December 31, 2020

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

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

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

Contribution rates as of December 31, 2020 are:

<b>Coverage Type</b>	<b>Employer Contribution</b>
25% Post Retirement Coverage	20% of employee contribution

Member contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The employee contribution rates in effect for the year ended December 31, 2019 are as listed below:

<b>Life Insurance Employee Contribution Rates* For the year ended December 31, 2019</b>		
<b>Attained Age</b>	<b>Basic</b>	<b>Supplemental</b>
Under 30	\$0.05	\$0.05
30-34	0.06	0.06
35-39	0.07	0.07
40-44	0.08	0.08
45-49	0.12	0.12
50-54	0.22	0.22
55-59	0.39	0.39
60-64	0.49	0.49
65-69	0.57	0.57
*Disabled members under age 70 receive a waiver-of-premium benefit		

During the reporting period, the LRLIF recognized \$1,466 in contributions from the employer.

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

At December 31, 2020, the City reported a liability (asset) of \$345,365 for its proportionate share of the net OPEB liability (asset). The net OPEB liability (asset) was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of December 31, 2018 rolled forward to December 31, 2019. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City’s proportion of the net OPEB liability (asset) was based on the City’s share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2019, the City’s proportion was 0.08110600%, which was a decrease of 0.0053724% from its proportion measured as of December 31, 2018.



City of Platteville, Wisconsin  
Notes to the Basic Financial Statements  
December 31, 2020

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

For the year ended December 31, 2020, the City recognized OPEB expense of \$27,235.

OPEB amounts have been allocated to the proprietary funds and business-type activities. Allocations were based on the proportionate share of current year contributions to the OPEB plan made by the proprietary fund and business-type activities relative to the total contributions made by the City.

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

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$	\$ 15,472
Changes of assumptions	127,407	37,988
Net differences between projected and actual earnings on OPEB plan investments	6,515	
Changes in proportion and differences between employer contributions and proportionate share of contributions		50,033
Employer contributions subsequent to the measurement date	1,803	
Totals	\$ 135,725	\$ 103,493

\$1,803 reported as deferred outflows related to OPEB resulting from the City employer's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<b>Net Outflows (Inflows) of Resources</b>
Year ended December 31:	
2021	\$ 4,419
2022	4,419
2023	3,717
2024	2,993
2025	947
Thereafter	13,934
Total	\$ 30,429

City of Platteville, Wisconsin  
Notes to the Basic Financial Statements  
December 31, 2020

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

**Actuarial assumptions.** The total OPEB liability in the January 1, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2019
Measurement Date of Net OPEB Liability (Asset)	December 31, 2019
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield:	2.74%
Long-Term Expected Rated of Return:	4.25%
Discount Rate:	2.87%
Salary Increases	
Inflation:	3.00%
Seniority/Merit:	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table

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

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

**Local OPEB Life Insurance  
Asset Allocation Targets and Expected Returns  
As of December 31, 2019**

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>
US Credit Bonds	Barclays Credit	45%	2.12%
US Long Credit Bonds	Barclays Long Credit	5%	2.90%
US Mortgages	Barclays MBS	50%	1.53%
Inflation			2.20%
Long-Term Expected Rate of Return			4.25%

The long-term expected rate of return decreased slightly from 5.00% in the prior year to 4.25% in the current year. This change was primarily based on the target asset allocation and capital market expectations. The expected inflation rate also decreased slightly from 2.30% in the prior year to 2.20% in the current year. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation.

City of Platteville, Wisconsin  
Notes to the Basic Financial Statements  
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NOTE 7 OTHER POSTEMPLOYMENT BENEFITS – MULTIPLE EMPLOYER LIFE INSURANCE PLAN (CONTINUED)

**Single Discount rate.** A single discount rate of 2.87% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 4.22% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 4.10% as of December 31, 2018 to 2.74% as of December 31, 2019. The plan’s fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. Therefore, the discount rate for calculating the total OPEB liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan’s fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan’s fiduciary net position is projected to be insufficient. The plan’s fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made according to the current employer contribution schedule and that contributions are made by plan members retiring prior to age 65.

**Sensitivity of the City’s proportionate share of the net OPEB liability (asset) to changes in the discount rate.** The following presents the City’s proportionate share of the net OPEB liability (asset) calculated using the discount rate of 2.87 percent, as well as what the City’s proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (1.87 percent) or 1-percentage-point higher (3.87 percent) than the current rate:

	<b>1% Decrease to Discount Rate (1.87%)</b>	<b>Current Discount Rate (2.87%)</b>	<b>1% Increase to Discount Rate (3.87%)</b>
City’s proportionate share of the net OPEB liability (asset)	\$476,891	\$345,365	\$245,299

**OPEB plan fiduciary net position.** Additionally, ETF issued a standalone Retiree Life Insurance Financial Report, which can be found at <https://etfonline.wi.gov/ETFGASBPublicWeb/gasb75Local.do>.

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS – SINGLE EMPLOYER HEALTH INSURANCE PLAN

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

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

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

City of Platteville, Wisconsin  
Notes to the Basic Financial Statements  
December 31, 2020

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

**Employees Covered by Benefit Terms** – At December 31, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	9
Inactive employees entitled to but not yet receiving benefit payments	
Active employees	67
	76

**Total OPEB Liability** – The City’s total OPEB liability of \$761,962 was measured at December 31, 2019, and was determined by an actuarial valuation as of December 31, 2019.

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

Valuation date	December 31, 2019
Measurement date	December 31, 2019
Actuarial cost method	Entry age normal (level percent of salary)
Inflation	2.5 percent
Salary increases	3.0 percent, average, including inflation
Discount rate	2.75 percent
Healthcare cost trend rates	7.50% decreasing by 0.50% per year down to 6.50%, then by 0.10% per year down to 5.0%, and level thereafter
Retirees' share of benefit-related costs	Retirees are responsible for the full (100%) amount of premiums.

The discount rate is based on the Bond Buyer GO 20-Year AA Bond Index published by the Federal Reserve as of the week of the measurement date.

Mortality rates were based on the Wisconsin 2018 Mortality Table.

The actuarial assumptions used in the December 31, 2019 valuation were based on a study conducted in 2018 using the Wisconsin Retirement System (WRS) experience from 2015-2017.

City of Platteville, Wisconsin  
Notes to the Basic Financial Statements  
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NOTE 8 OTHER POSTEMPLOYMENT BENEFITS – SINGLE EMPLOYER HEALTH INSURANCE PLAN (CONTINUED)

**Changes in the Total OPEB Liability:**

	Total OPEB Liability
<b>Balance at 12/31/2018</b>	\$ 765,969
<b>Changes for the year:</b>	
Service cost	53,091
Interest	30,779
Changes of benefit terms	
Differences between expected and actual experience	(101,345)
Changes in assumptions or other inputs	59,529
Benefit payments	(46,061)
<b>Net Changes</b>	<b>(4,007)</b>
<b>Balance at 12/31/2019</b>	<b>\$ 761,962</b>

There were no changes of benefit terms.

The discount rate was increased to be reflective of a 20-year AA municipal bond rate (2.75%) as of the measurement date in order to be compliant with GASB 75. All other assumptions and methods remained unchanged from the valuation performed as of December 31, 2017.

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

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.75 percent) or 1-percentage-point higher (3.75 percent) than the current discount rate:

		1% Decrease 1.75%	Current Discount Rate 2.75%	1% Increase 3.75%
Total OPEB liability	12/31/2019	\$ 817,889	\$ 761,962	\$ 710,023

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

The following represents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.5 percent decreasing to 4.0 percent) or 1-percentage-point higher (8.5 decreasing to 6.0 percent) than the current healthcare cost trend rates:

		1% Decrease (6.5% decreasing to 4.0%)	Healthcare Cost Trend Rates (7.5% decreasing to 5.0%)	1% Increase (8.5% decreasing to 6.0%)
Total OPEB liability	12/31/2019	\$ 690,605	\$ 761,962	\$ 847,793

City of Platteville, Wisconsin  
Notes to the Basic Financial Statements  
December 31, 2020

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

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

For the year ended December 31, 2020, the City recognized OPEB expense of \$77,245.

OPEB amounts have been allocated to the proprietary funds and business-type activities. Allocations were based on the proportionate share of current year contributions to the OPEB plan made by the proprietary fund and business-type activities relative to the total contributions made by the City.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	\$	\$ 91,210
Changes of assumptions or other inputs	53,576	19,540
Contributions after the measurement date	38,791	
Total	\$ 92,367	\$ 110,750

\$38,791 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended December 31, 2021. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31:	
2021	\$ (6,625)
2022	(6,625)
2023	(6,625)
2024	(6,625)
2025	(6,625)
Thereafter	(24,049)
Total	\$ (57,174)

NOTE 9 DEFINED BENEFIT PENSION PLAN

***Plan description.*** The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee’s date of hire are eligible to participate in the WRS.

ETF issued a standalone WRS Financial Report, which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

City of Platteville, Wisconsin  
Notes to the Basic Financial Statements  
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NOTE 9

DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

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

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

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

The WRS also provides death and disability benefits for employees.

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

Year	Core Fund Adjustment	Variable Fund Adjustment
2010	(1.3%)	22%
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17
2019	0.0	(10)

City of Platteville, Wisconsin  
Notes to the Basic Financial Statements  
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NOTE 9

DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

During the reporting period, the WRS recognized \$318,551 in contributions from the employer.

Contribution rates as of December 31, 2020 are:

	2020	
	Employee	Employer
General (including teachers, executives, and elected officials)	6.75%	6.75%
Protective with social security	6.75%	11.65%
Protective without social security	6.75%	16.25%

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

At December 31, 2020, the City reported a liability (asset) of (\$1,003,358) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2019, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2018 rolled forward to December 31, 2019. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension liability (asset) was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2019, the City's proportion was 0.03111714%, which was a decrease of 0.00038875% from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the City recognized pension expense of \$384,553.

Pension amounts have been allocated to the proprietary funds and business-type activities. Allocations were based on the proportionate share of current year contributions to the pension plan made by the proprietary funds and business-type activities relative to the total contributions made by the City.



City of Platteville, Wisconsin  
Notes to the Basic Financial Statements  
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NOTE 9

DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 1,904,604	\$ 953,126
Changes of assumptions	78,188	
Net differences between projected and actual earnings on pension plan investments		2,051,222
Changes in proportion and differences between employer contributions and proportionate share of contributions	4,550	4,851
Employer contributions subsequent to the measurement date	364,621	
Total	\$ 2,351,963	\$ 3,009,199

\$364,621 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as an increase or reduction of the net pension asset in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year ended December 31:	<b>Net Outflows (Inflows) of Resources</b>
2021	\$ (300,901)
2022	(226,665)
2023	34,215
2024	(528,506)
Total	\$ (1,021,857)

City of Platteville, Wisconsin  
Notes to the Basic Financial Statements  
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NOTE 9

DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

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

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

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

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

City of Platteville, Wisconsin  
Notes to the Basic Financial Statements  
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NOTE 9

DEFINED BENEFIT PENSION PLAN (CONTINUED)

<b>Asset Allocation Targets and Expected Returns</b>			
<b>As of December 31, 2019</b>			
<u>Core Fund Asset Class</u>	<u>Asset Allocation</u>	<u>Long-Term</u>	<u>Long-Term</u>
	%	Expected Nominal	Expected Real
		Rate of Return %	Rate of Return %
Global Equities	49	8.0	5.1
Fixed Income	24.5	4.9	2.1
Inflation Sensitive Assets	15.5	4.0	1.2
Real Estate	9	6.3	3.5
Private Equity/Debt	8	10.6	7.6
Multi-Asset	4	6.9	4.0
Total Core Fund	110	7.5	4.6
<u>Variable Fund Asset Class</u>			
U.S. Equities	70	7.5	4.6
International Equities	30	8.2	5.3
Total Variable Fund	100	7.8	4.9
New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.75%			
Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations			

**Single Discount rate.** A single discount rate of 7.00% was used to measure the total pension liability for the current and prior year. This single discount rate is based on the expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.75% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index’s “20-year Municipal GO AA Index” as of December 31, 2019. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

City of Platteville, Wisconsin  
Notes to the Basic Financial Statements  
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NOTE 9

DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

	<b>1% Decrease to Discount Rate (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase to Discount Rate (8.00%)</b>
City's proportionate share of the net pension liability (asset)	\$2,583,827	(\$1,003,358)	(\$3,685,193)

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

NOTE 10

CONTINGENT LIABILITIES

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

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

NOTE 11

COMPENSATED ABSENCES

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Upon termination or retirement, a City employee is paid any vested accrued vacation or sick leave benefits. As of December 31, 2020, the compensated absences consisted of:

Sick leave	\$ 379,930
Vacation	167,763
Total	<u>\$ 547,693</u>

City of Platteville, Wisconsin  
Notes to the Basic Financial Statements  
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NOTE 12

TAX INCREMENTAL DISTRICTS

Transactions of the tax incremental district to December 31, 2020 are summarized below:

	<u>TIF #4</u>	<u>TIF #5</u>	<u>TIF #6</u>	<u>TIF #7</u>
Project expenditures to 12/31/20	<u>\$ 4,539,145</u>	<u>\$ 12,663,727</u>	<u>\$ 9,240,570</u>	<u>\$ 12,577,769</u>
Accumulated credits to project expenditures:				
Tax increments collected	3,138,217	11,629,938	3,990,739	1,783,971
Developer agreement payments			112,247	491,452
EDA grant	1,366,543		382,667	178,808
Community development block grant				909,276
WEDC grants				400,000
Tax exempt computer aid	25,441	113,145	6,458	51,468
Tax exempt personal property aid	5,641	9,656	5,317	8,991
Interest income			215,010	92,375
Miscellaneous income	3,303	24,198	16,196	107,506
Transfer from other funds				2,341,207
Total accumulated credits	<u>4,539,145</u>	<u>11,776,937</u>	<u>4,728,634</u>	<u>6,365,054</u>
Excess of project expenditures over accumulated credits to 12/31/20	<u>\$</u>	<u>\$ 886,790</u>	<u>\$ 4,511,936</u>	<u>\$ 6,212,715</u>
Notes payable				
outstanding 12/31/20	\$	\$ 886,790	\$ 4,208,711	\$ 6,015,000
Fund balance (positive) 12/31/20			303,225	197,715
Project expenditures to be recovered subsequent to 12/31/20	<u>\$</u>	<u>\$ 886,790</u>	<u>\$ 4,511,936</u>	<u>\$ 6,212,715</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.

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

City of Platteville, Wisconsin  
Notes to the Basic Financial Statements  
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NOTE 12

TAX INCREMENTAL DISTRICTS (CONTINUED)

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

	Creation Date	Last Date to Incur Project Costs	Final Dissolution Date
District #4	11/12/96	11/12/14	3/24/20
District #5	6/28/05	6/28/20	6/28/25
District #6	3/28/06	3/28/21	3/28/32
District #7	3/28/06	3/28/28	3/28/33

TIF District #4 was dissolved on March 24, 2020, when a Final Accounting Report was filed with the State of Wisconsin

NOTE 13

GOVERNMENTAL ACTIVITIES NET POSITION/FUND BALANCES

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

**GOVERNMENTAL ACTIVITIES**

Net investment in capital assets	
Land and construction work in progress	\$ 3,635,888
Other capital assets, net of accumulated depreciation	52,892,116
Less: long-term capital debt outstanding	(19,306,791)
Less: unamortized bond premium	(298,111)
Total net investment in capital assets	36,923,102
Restricted for:	
Redevelopment authority	271,084
Housing conservation	84,951
Donor specified	335,487
Impact fees	77,964
Community development grant restricted	1,482,258
Library endowment	6,992
Perpetual care	527,896
Taxi/Bus	164,254
Affordable housing	214,763
Broske Center	572
TIF expenditures	42,910
Total restricted	3,209,131
Unrestricted	619,720
Total governmental activities net position	\$ 40,751,953

City of Platteville, Wisconsin  
Notes to the Basic Financial Statements  
December 31, 2020

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

**GOVERNMENTAL FUND BALANCES**

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

**Nonspendable:**

**Major Funds:**

General Fund:

Advances to other funds	\$ 402,738
Delinquent taxes	15,611

Debt Service:

Advances to other funds	48,011
Total Major Funds	<u>466,360</u>

**Non-Major Funds:**

Airport:

Fuel inventory	24,387
Total Non-Major Funds	<u>24,387</u>

Total nonspendable	<u><u>\$ 490,747</u></u>
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City of Platteville, Wisconsin  
Notes to the Basic Financial Statements  
December 31, 2020

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

**GOVERNMENTAL FUND BALANCES (CONTINUED)**

**Restricted:**

**Major Funds:**

General Fund:

Donor restricted:

Parking spaces	\$	37,371
Parks Beining Trust:		
Parks		20,829
Museum		20,452
Museum donations		24,489
New park		8,505
M. Harrison Trust		1,227
Swim team		19,370
Park camping		300
Legion Park Trust		50,314
Tree		2,102
Automated external defibrillator		321
Recreation scholarships		9,761
Family theatre		425
Fireworks		6,290
Splash playground		2,480
Police		5,956
Cyril Clayton Trust		27,482
Cemetery		5,691
Government cash deposits		263
Senior Center		89,587
Historic Preservation Commission		984
Animal care		1,288
Park impact fees		77,964
Total General Fund		413,451
Debt service		118,770
Total Major Funds		532,221



City of Platteville, Wisconsin  
Notes to the Basic Financial Statements  
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NOTE 13      GOVERNMENTAL ACTIVITIES NET POSITION/FUND BALANCES (CONTINUED)

**GOVERNMENTAL FUND BALANCES (CONTINUED)**

<b>Non-Major Funds:</b>	
Airport	221,889
Community development block grant	96,345
Redevelopment authority	55,535
Perpetual care	527,896
Housing conservation	13,138
Library	6,992
Taxi/Bus	164,254
Affordable housing	214,763
Broske Center	572
TIF District No. 7	42,910
Total Non-Major Funds	1,344,294
Total restricted	\$ 1,876,515
 <b>Assigned:</b>	
<b>Major Funds:</b>	
General Fund:	
Police funds	\$ 1,037
Museum funds	45,066
Fire department	10,753
Library building	18,448
Ambulance outlay	5,332
Ambulance services	7,381
Library payroll	9,429
Friends of the Museum	12,234
Fire department outlay	9,423
Administration outlay	2,382
Municipal building outlay	6,500
Communications outlay	3,025
Trail maintenance	1,800
Street maintenance	1,100
Capital outlay	300,000
Capital Projects:	124,749
Total assigned	\$ 558,659

City of Platteville, Wisconsin  
Notes to the Basic Financial Statements  
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NOTE 13                    GOVERNMENTAL ACTIVITIES NET POSITION/FUND BALANCES (CONTINUED)

The following funds had (deficit) unassigned fund balances at December 31, 2020:

**Non-Major Funds:**

TIF District No. 6	\$ (303,225)
TIF District No. 7	(240,625)
Total (deficit)	\$ (543,850)

Deficits are expected to be eliminated by increment revenues in future years.

NOTE 14                    DEFERRED INFLOWS OF RESOURCES

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes receivable for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At December 31, 2020 the various components of deferred inflows of resources reported in the governmental funds were as follows:

Property tax receivable and tax roll special charges	\$ 4,906,118
Tax increment receivable	1,907,901
Tax equivalent	428,674
Loans receivable	576,672
Mortgages receivable	1,457,726
Total deferred inflows of resources for governmental funds	\$ 9,277,091

The mortgages receivable of \$1,457,726 represent loans to local businesses originally financed from economic development grants received by the City from the State of Wisconsin. Repayment of principal and interest on the mortgages is recorded as revenue in the community development block grant and housing conservation program special revenue funds and is used to finance additional development loans.

The loans receivable of \$576,672 represents various economic development loans that are being paid to the City, including interest, on an installment basis. Repayment of principal and interest on the loans is recorded as revenue when received in the funds statements.

NOTE 15                    RESTRICTED ASSETS

DNR Replacement Account

The Wisconsin Department of Natural Resources required as a condition of the sewer grant that a replacement fund be established and funded on an annual basis. The balance in this account at December 31, 2020 was \$2,747,001.

City of Platteville, Wisconsin  
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December 31, 2020

NOTE 15 RESTRICTED ASSETS (CONTINUED)

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 District #7 which have yet to be expended.

NOTE 16 INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
Governmental Funds:			
General	Water and sewer	\$ 428,674	Tax Equivalent
General	Taxi/bus	20,529	Cash flow
	Total	<u>\$ 449,203</u>	
Enterprise Funds:			
Water and sewer	General Fund	<u>\$ 35,193</u>	Tax roll items

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

The following is a schedule of interfund transfers:

<u>Fund Transfer To</u>	<u>Fund Transfer From</u>	<u>Amount</u>	<u>Purpose</u>
Governmental Funds:			
Capital projects	General	\$ 424,595	Various outlays
Capital projects	TIF #7	50,000	Street outlay
General	Perpetual care	42,264	Street outlay
General	TIF #4	4,894	Tax increment district closing
TIF #7	TIF #5	442,230	Tax increment sharing
Affordable housing	TIF #4	236,197	Tax increment district closing
TIF #6	TIF #5	65,545	Reimbursement of economic development costs
TIF #6	TIF #7	65,545	Reimbursement of economic development costs
	Total	<u>\$ 1,331,270</u>	
Proprietary Funds:			
General	Water utility	<u>\$ 428,674</u>	Tax equivalent

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

City of Platteville, Wisconsin  
Notes to the Basic Financial Statements  
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NOTE 17

COMMITMENTS/ SUBSEQUENT EVENTS

The following items were approved and will be purchased or completed subsequent to December 31, 2020:

- Sidewalk construction on Business Highway 151 for approximately \$71,000.
- Dewey Street reconstruction for \$1,400,000.
- Deborah Court drainage repair for approximately \$121,000.
- Street maintenance contract for approximately \$124,000.
- Trine Pickleball Complex and Tennis Court resurfacing for approximately \$348,000.
- Aeration blower replacement for approximately \$668,000.
- Commerce Street Utility replacement and Southwest Road Water main relocation for approximately \$288,000.

Prior to December 31, 2020, the State of Wisconsin approved a Highway 151 project. The State will pay for this project and bill the City for their portion. The City portion is estimated around approximately \$810,000 with an additional \$30,000 estimated for the water and sewer utility. Work related to this project will begin in 2021.

Prior to December 31, 2020, the City received notification of a \$367,776 Community Development Block grant for the museum to replace the roof on the Hanmer Robbins building. All related costs will be incurred in 2021.

In late 2019, a novel strain of coronavirus (COVID-19) originated and subsequently spread worldwide. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. The spread of COVID-19 coronavirus created economic uncertainty domestically and internationally. The full financial impact of the City is unknown, but it did not cause a material adverse impact on City finances in 2020.

NOTE 18

TAX ABATEMENTS

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

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

For the year ended December 31, 2020, the City abated property taxes totaling \$72,003 related to a Tax Incremental Financing District No. 6 agreement.

City of Platteville, Wisconsin  
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NOTE 19

TAX LEVY LIMIT

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

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

The City has the ability to increase tax levies through the debt service adjustment that the City has historically underutilized.

NOTE 20

COMPONENT UNIT – HOUSING AUTHORITY

A. Cash and Investments

At year-end, the carrying amount of the housing authority's deposits was \$64,645 and the bank balance was \$68,667. All the bank balance was covered by federal depository insurance.

B. Line of Credit

The Housing Authority has a \$10,000 line of credit with a local bank. No draws on the line of credit were made during the year.

C. Deferred Revenue

The Housing Authority received Cares Act grant advances during the year. Unexpended grant related costs are reported as deferred revenue.

NOTE 21 EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT PERIOD FINANCIAL STATEMENTS

The Governmental Accounting Standards Board (GASB) has adopted GASB Statement No. 87, *Leases*, effective for periods beginning after June 15, 2021, and GASB Statement No. 91, *Conduit Debt Obligations*, effective for periods beginning after December 15, 2021. When these becomes effective, application of these standards may restate portions of these financial statements.

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, 2020

	Budgeted Amounts		Actual	Variances-	
				Positive (Negative)	
	Original	Final		Original to Actual	Final to Actual
<b>REVENUES</b>					
Taxes	2,989,386	\$ 2,989,386	\$ 2,941,407	\$ (47,979)	\$ (47,979)
Special assessments	12,680	12,680	20,245	7,565	7,565
Intergovernmental	3,790,523	3,798,364	4,141,091	350,568	342,727
Licenses and permits	156,200	156,200	126,676	(29,524)	(29,524)
Fines and forfeitures	162,500	162,500	90,063	(72,437)	(72,437)
Public charges for services	693,497	693,497	626,714	(66,783)	(66,783)
Interest income	86,590	86,590	70,420	(16,170)	(16,170)
Loan repayments	12,565	12,565	12,565		
Miscellaneous	74,820	74,820	164,111	89,291	89,291
<b>Total revenues</b>	<b>7,978,761</b>	<b>7,986,602</b>	<b>8,193,292</b>	<b>214,531</b>	<b>206,690</b>
<b>EXPENDITURES</b>					
General government	1,274,376	1,274,376	1,267,083	7,293	7,293
Public safety	3,318,942	3,331,332	3,201,298	117,644	130,034
Public works	1,557,298	1,547,298	1,446,018	111,280	101,280
Health and social services	160,000	155,000	119,159	40,841	35,841
Leisure activities	1,744,261	1,809,685	1,686,423	57,838	123,262
Conservation and development	334,233	334,233	291,898	42,335	42,335
<b>Total expenditures</b>	<b>8,389,110</b>	<b>8,451,924</b>	<b>8,011,879</b>	<b>377,231</b>	<b>440,045</b>
Excess (deficiency) of revenues over over expenditures	(410,349)	(465,322)	181,413	591,762	646,735
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from sale of capital assets	600	600	711	111	111
Transfer to other funds	(479,753)	(414,200)	(424,595)	55,158	(10,395)
Transfer from other funds	2,745	2,745	47,158	44,413	44,413
Transfer from utility-tax equivalent	407,004	407,004	421,440	14,436	14,436
<b>Total other financing sources (uses)</b>	<b>(69,404)</b>	<b>(3,851)</b>	<b>44,714</b>	<b>114,118</b>	<b>48,565</b>
Net change in fund balances	(479,753)	(469,173)	226,127	705,880	695,300
Fund balance-beginning of year	4,333,911	4,333,911	4,333,911		
Fund balance-end of year	<u>\$ 3,854,158</u>	<u>\$ 3,864,738</u>	<u>\$ 4,560,038</u>	<u>\$ 705,880</u>	<u>\$ 695,300</u>

Exhibit B-2  
City of Platteville, Wisconsin  
Local Retiree Life Insurance Fund Schedules  
December 31, 2020

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

Year ended December 31,	Proportion of the net OPEB liability (asset)	Proportionate share of the net OPEB liability (asset)	Covered- employee payroll	Proportionate share of the net OPEB liability (asset) as a percentage of its covered- employee payroll	Plan fiduciary net position as a percentage of the total OPEB liability (asset)
2019	0.08110600%	\$ 345,365	\$ 3,820,000	9.04%	37.58%
2018	0.08647800%	223,142	3,904,000	5.72%	48.69%
2017	0.10432100%	313,858	4,386,996	7.15%	44.81%

\*The proportionate share of the net OPEB liability (asset) and other amounts presented above for each year were determined as of the calendar year-end that occurred 12 months prior to the financial reporting period.

**SCHEDULE OF CONTRIBUTIONS**  
Last 10 Calendar Years\*\*

Year ended December 31,	Contractually required contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	Covered- employee payroll	Contributions as a percentage of covered- employee payroll
2020	\$ 1,803	\$ (1,803)		\$ 4,389,484	0.04%
2019	1,466	(1,466)		3,820,000	0.04%
2018	1,666	(1,666)		3,904,000	0.04%

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



Exhibit B-3  
City of Platteville, Wisconsin  
Schedule of Changes in the City's Total OPEB Liability and Related Ratios  
December 31, 2020

	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Total OPEB Liability</b>			
Service cost	\$ 53,091	\$ 57,334	\$ 57,334
Interest	30,779	26,537	24,773
Changes in benefit terms			
Differences between expected and actual experience	(101,345)		
Changes of assumptions or other inputs	59,529	(24,426)	
Benefit payments	(46,061)	(46,008)	(17,427)
Net change in total OPEB	\$ (4,007)	\$ 13,437	\$ 64,680
Total OPEB liability- beginning	765,969	752,532	687,852
Total OPEB liability- ending	<u>\$ 761,962</u>	<u>\$ 765,969</u>	<u>\$ 752,532</u>
<b>Covered Employee Payroll</b>	\$ 4,040,655	\$ 3,718,609	\$ 3,718,609
<b>Total OPEB liability as a percentage of covered-employee payroll</b>	18.86%	20.60%	20.24%

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

Exhibit B-4  
City of Platteville, Wisconsin  
Wisconsin Retirement System Schedules  
December 31, 2020

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

Year ended December 31,	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered- employee payroll	Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability (asset)
2019	(0.03111714%)	\$ (1,003,358)	\$ 4,122,588	(24.34%)	(102.96%)
2018	0.03150589%	1,120,880	4,040,929	27.74%	96.45%
2017	(0.03203475%)	(951,149)	4,148,866	(22.93%)	(102.93%)
2016	0.03215436%	265,028	4,094,108	6.47%	99.12%
2015	0.03277933%	532,658	4,139,057	12.87%	98.20%
2014	(0.03337575%)	(819,574)	4,080,595	(20.08%)	(102.74%)

\*The proportionate share of the net pension liability (asset) and other amounts presented above for each year were determined as of the calendar year-end that occurred 12 months prior to the financial reporting period.

**SCHEDULE OF CONTRIBUTIONS**  
Last 10 Calendar Years\*\*

Year ended December 31,	Contractually required contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	Covered-employee payroll	Contributions as a percentage of covered- employee payroll
2020	\$ 364,621	\$ (364,621)		\$ 4,389,484	8.31%
2019	318,551	(318,551)		4,122,588	7.73%
2018	318,909	(318,909)		4,040,929	7.89%
2017	328,551	(328,551)		4,148,866	7.92%
2016	301,725	(301,725)		4,094,108	7.37%
2015	313,084	(313,084)		4,139,057	7.56%

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

City of Platteville, Wisconsin  
Notes to the Required Supplementary Information  
December 31, 2020

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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. No budget is required for the Community Development Block Grant fund.

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

NOTE 2

WISCONSIN RETIREMENT SYSTEM SCHEDULES

Governmental Accounting Standards Board Statement No. 68 requirements have been implemented prospectively; therefore, the illustrations do not present similar information for the 4 preceding years.

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

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

NOTE 3

LOCAL RETIREE LIFE INSURANCE SCHEDULES

Governmental Accounting Standards Board Statement No. 75 requirements have been implemented prospectively; therefore, the illustrations do not present similar information for the 7 preceding years.

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

*Changes of assumptions.* Several actuarial assumptions changed from the prior year, including the single discount rate, long-term expected rate of return and expected inflation. Please refer to the Actuarial Assumptions section in the notes to the financial statements for additional details.

City of Platteville, Wisconsin  
Notes to the Required Supplementary Information  
December 31, 2020

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NOTE 4      OTHER POSTEMPLOYMENT BENEFITS PLAN – CITY HEALTH INSURANCE PLAN

Governmental Accounting Standards Board Statement No. 75 requirements have been implemented prospectively; therefore, the illustrations do not present similar information for the 7 preceding years.

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

*Changes of assumptions.* The discount rate was changed to be reflective of a 20-year AA municipal bond rate (2.75%) as of the measurement date in order to be compliant with GASB 75. All other assumptions and methods remained unchanged from the valuation performed as of December 31, 2017.

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

Supplementary Information

Exhibit C-1  
City of Platteville, Wisconsin  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2020

	Special Revenue Funds									Capital Projects Funds			Permanent Fund	Total	
	Airport	Community Development Block Grant	Redevelopment Authority	Housing Conservation Program	Library (Littlefield)	Zeigert Trust	Boll Cemetery	Taxi/Bus	Affordable Housing	Broske Center	TIF No. 5	TIF No. 6	TIF No. 7	Cemetery Perpetual Care	Non-Major Governmental Funds
<b>ASSETS</b>															
Cash and investments	\$ 335,337	\$ 96,345	\$ 52,655	\$ 13,138	\$ 6,992	\$ 158,335	\$ 137,700	\$	\$ 220,421	\$ 4,291	\$ 327,001	\$ 347,410	\$ 154,943	\$ 231,861	\$ 2,086,429
Restricted cash and investments															42,910
Receivables:															
Taxes											579,410	365,646	274,543		1,219,599
Other accounts	36,284		2,880							3,000					42,164
Other governments							234,324								234,324
Mortgages		1,385,913		71,813											1,457,726
Loans			345,523												345,523
Inventory	24,387														24,387
<b>Total assets</b>	<b>\$ 396,008</b>	<b>\$ 1,482,258</b>	<b>\$ 401,058</b>	<b>\$ 84,951</b>	<b>\$ 6,992</b>	<b>\$ 158,335</b>	<b>\$ 137,700</b>	<b>\$ 234,324</b>	<b>\$ 220,421</b>	<b>\$ 7,291</b>	<b>\$ 906,411</b>	<b>\$ 713,056</b>	<b>\$ 472,396</b>	<b>\$ 231,861</b>	<b>\$ 5,453,062</b>
<b>LIABILITIES</b>															
Accounts payable	\$ 101,436	\$	\$	\$	\$	\$	\$	\$ 49,494	\$ 5,658	\$ 629	\$	\$	\$ 4,305	\$	\$ 161,522
Accrued payroll								47							47
Due to other funds								20,529							20,529
Advances from other funds	48,011											444,276	236,320		728,607
Unearned revenue	285									6,090					6,375
<b>Total liabilities</b>	<b>149,732</b>							<b>70,070</b>	<b>5,658</b>	<b>6,719</b>		<b>444,276</b>	<b>240,625</b>		<b>917,080</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>															
Deferred revenue		1,385,913	345,523	71,813							906,411	572,005	429,486		3,711,151
<b>FUND BALANCES</b>															
Nonspendable	24,387														24,387
Restricted	221,889	96,345	55,535	13,138	6,992	158,335	137,700	164,254	214,763	572			42,910	231,861	1,344,294
Unassigned (deficit)												(303,225)	(240,625)		(543,850)
<b>Total fund balances</b>	<b>246,276</b>	<b>96,345</b>	<b>55,535</b>	<b>13,138</b>	<b>6,992</b>	<b>158,335</b>	<b>137,700</b>	<b>164,254</b>	<b>214,763</b>	<b>572</b>		<b>(303,225)</b>	<b>(197,715)</b>	<b>231,861</b>	<b>824,831</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 396,008</b>	<b>\$ 1,482,258</b>	<b>\$ 401,058</b>	<b>\$ 84,951</b>	<b>\$ 6,992</b>	<b>\$ 158,335</b>	<b>\$ 137,700</b>	<b>\$ 234,324</b>	<b>\$ 220,421</b>	<b>\$ 7,291</b>	<b>\$ 906,411</b>	<b>\$ 713,056</b>	<b>\$ 472,396</b>	<b>\$ 231,861</b>	<b>\$ 5,453,062</b>

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, 2020

	Special Revenue Funds									Capital Projects Funds				Permanent Fund	Total	
	Airport	Community Development Block Grant	Redevelopment Authority	Housing Conservation Program	Library (Littlefield)	Zeigert Trust	Boll Cemetery	Taxi/Bus	Affordable Housing	Broske Center	TIF No. 4	TIF No. 5	TIF No. 6	TIF No. 7	Cemetery Perpetual Care	Nonmajor Governmental Funds
<b>REVENUES</b>																
Taxes	\$	\$	\$	\$	\$	\$	\$	44,781	\$	\$	\$ 231,930	\$ 891,412	\$ 564,862	\$ 361,552	\$	\$ 2,094,537
Intergovernmental	30,000							639,009			4,268	11,468	3,329	18,056		706,130
Fines and forfeitures			2,881													2,881
Public charges for services	284,369							375	7,870			1,020	57,696	4,550	355,880	
Interest Income	3,112	898		131	1,087	188	685						211		6,312	
Loan repayments		16,160	18,169												34,329	
Miscellaneous	1,626							12	150						1,788	
<b>Total revenues</b>	<b>319,107</b>	<b>17,058</b>	<b>21,050</b>	<b>131</b>	<b>1,087</b>	<b>188</b>	<b>685</b>	<b>684,177</b>	<b>8,020</b>	<b>236,198</b>	<b>902,880</b>	<b>569,211</b>	<b>437,515</b>	<b>4,550</b>	<b>3,201,857</b>	
<b>EXPENDITURES</b>																
Current:																
General government												14,655			14,655	
Public works	241,475							561,287							802,762	
Leisure activities									7,448						7,448	
Conservation and development									21,434	1,530	19,740	18,370	277,359		338,433	
Capital outlay			148,212							9,589		149,053	12,026		318,880	
Debt service:																
Principal retirement			7,796								339,551	250,839	295,086		893,272	
Interest and fiscal charges			2,654								28,513	140,582	205,565		377,314	
Debt issuance costs													38,981		38,981	
<b>Total expenditures</b>	<b>241,475</b>		<b>158,662</b>					<b>561,287</b>	<b>21,434</b>	<b>7,448</b>	<b>11,119</b>	<b>402,459</b>	<b>558,844</b>	<b>829,017</b>		<b>2,791,745</b>
Excess (deficiency) of revenues over expenditures	77,632	17,058	(137,612)	131	1,087	188	685	122,890	(21,434)	572	225,079	500,421	10,367	(391,502)	4,550	410,112
<b>OTHER FINANCING SOURCES (USES)</b>																
Other financing source—refunding bonds													1,265,000		1,265,000	
Current refunding of debt principal													(1,205,541)		(1,205,541)	
Transfer to other funds										(241,091)	(507,775)		(115,545)	(42,264)	(906,675)	
Transfer from other funds								236,197				131,090	442,230		809,517	
<b>Total other financing sources (uses)</b>								<b>236,197</b>			<b>(241,091)</b>	<b>(507,775)</b>	<b>131,090</b>	<b>386,144</b>	<b>(42,264)</b>	<b>(37,699)</b>
Net change in fund balances	77,632	17,058	(137,612)	131	1,087	188	685	122,890	214,763	572	(16,012)	(7,354)	141,457	(5,358)	(37,714)	372,413
Fund balance-beginning of year	168,644	79,287	193,147	13,007	5,905	158,147	137,015	41,364			16,012	7,354	(444,682)	(192,357)	269,575	452,418
Fund balance-End of year	\$ 246,276	\$ 96,345	\$ 55,535	\$ 13,138	\$ 6,992	\$ 158,335	\$ 137,700	\$ 164,254	\$ 214,763	\$ 572	\$	\$	\$ (303,225)	\$ (197,715)	\$ 231,861	\$ 824,831

City of Platteville, Wisconsin Schedule of Insurance  
December 31, 2020

Company	Type	Coverage	Term
Employers Mutual Casualty	Workers Compensation	\$500,000/Accident \$500,000/Disease/Employee \$500,000 Disease/Policy Limit	1/1/20-12/31/20
Employers Mutual Casualty	Inland Marine	\$1,745,630 Contractors Equipment, \$500 Deductible \$90,000 Fine Arts, \$500 Deductible \$75,000 Miscellaneous Property, \$500 Deductible	1/1/20-12/31/20
Employers Mutual Casualty	Linebacker	\$1,000,000 Each Loss \$1,000,000 Aggregate \$3,000 Deductible Per Loss	1/1/20-12/31/20
Employers Mutual Casualty	Umbrella Liability	\$8,000,000 Occurrence \$8,000,000 Aggregate \$0 Retained Limit	1/1/20-12/31/20
Employers Mutual Casualty	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	1/1/20-12/31/20
Employers Mutual Casualty	Automobile	\$1,000,000 Liability \$10,000 Medical Payment \$500,000 Uninsured Motorists \$500,000 Underinsured Motorists \$1000 Deductible Comprehensive Per Schedule \$1000 Deductible Collision Per Schedule Hired Autos & Non-Owned Auto Liability	1/1/20-12/31/20
Employers Mutual Casualty	Property	\$45,279,163 Blanket Buildings & Property in the Open \$10,983,531 Blanket Business Personal Property & Property in the Open \$55,000 Blanket Personal Property of Others \$5,000 Deductible	1/1/20-12/31/20
Employers Mutual Casualty	Commercial Crime	\$250,000 Employee Theft, \$2,500 Deductible \$25,000 Theft of Money Securities Inside \$250 Deductible; \$25,000 Outside \$250 Deductible \$250,000 Computer & Funds Transfer Fraud, \$2,500 Deductible; \$100,000 Fraudulent Impersonation, \$1,000 Deductible	1/1/20-12/31/20
Liberty Mutual	Fidelity Bond	\$10,000 Chief of Police \$10,000 City Clerk \$10,000 City Assessor \$250,000 Finance Director	6/1/19-6/1/21
Employers Mutual Casualty	Employee Benefit Liability	\$1,000,000 Each Employee \$2,000,000 Aggregate \$1,000 Deductible Each Employee	1/1/20-12/31/20
Employers Mutual Casualty	Law Enforcement Liability	\$1,000,000 Occurrence \$1,000,000 Aggregate \$2,500 Deductible Per Loss	1/1/20-12/31/20
Employers Mutual Casualty	Cybersolutions	Data Compromise-\$100,000 Response Expense Limit \$1,000 Deductible, \$100,000 Defense & Liability \$1,000 Deductible, \$25,000 Identity Recovery \$0 Deductible Cyber Coverage-\$100,000 Computer Attack \$1,000 Deductible, \$100,000 Network Security Defense & Liability \$1,000 Deductible, \$100,000 Electronic Media Liability \$1,000 Deductible	1/1/20-12/31/20



Schedule 2  
 Platteville Water and Sewer Utility  
 Other Information  
 December 31, 2020

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

	2020	2019
Residential	3,574	3,570
Commercial	363	362
Multifamily residential	70	70
Public authority	94	93
Industrial	9	9
Interdepartmental	3	3
Total	4,113	4,107

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

Gallons	
2020	2019
257,614,000	271,359,000