Dave Ehlinger

From: David Ferris <DFerris@ehlers-inc.com>
Sent: Tuesday, October 31, 2023 12:58 PM
To: Dave Ehlinger; Tim Swadley
Cc: Lisa Trebatoski; Na Lee Lee; Kathy Myers
Subject: City of Stoughton, WI General Obligation Corporate Purpose Bonds, Series 2023A
Attachments: SaleDayReport.Stoughton.2023A.pdf

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Good afternoon Dave,

As you are aware, we took bids today actually at 10:00 on the City's Corporate Purpose Bonds. We had great demand for the Bond issue, which lead to a successful sale for the City. Here is a quick summary:

- General Obligation Corporate Purpose Bonds, Series 2023A:
  - We received 6 bids with the winning bid coming from The Baker Group, out of Oklahoma City, OK with a True Interest Cost of 4.5137%. The high bid came in at 4.7264%.
  - The reduction of issuance costs along with receiving a small premium bid allowed for the following.
    - The amount issued was downsized by $80,000, so the amount to be approved today will be $6,225,000; and
    - The remaining premium of $6,301 will be deposited to the debt service to make a portion of the 2024 interest payments.
  - When compared to the presale report, the overall P&I on this issue will be $3,122 higher. The presale report had an estimated True Interest Cost of 4.4562%, so this one was close. Rates have tracked upwards about 0.47% per maturity since the presale presentation on 9/26/23.

I have attached our Sale Day Reports for you to provide to the Council. Also, you will see an email from Quarles this afternoon that will include the approving certificate and bid form that you will sign. Please cc Ehlers in your reply to Quarles with the signed documents.

We are happy to have a call with you to talk about the sale if you desire a call. If you would like to have a call, please let us know what works in your schedule.

Congratulations on the sale results!

David Ferris
Senior Municipal Advisor
O: (262) 796-6194 | **ehlers-inc.com**

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October 31, 2023

SALE DAY REPORT FOR:

City of Stoughton, Wisconsin

$6,225,000 General Obligation Corporate Purpose Bonds, Series 2023A

Prepared by:

Ehlers
N19W24400 Riverwood Drive,
Suite 100
Waukesha, WI 53188

David Ferris, CPA,
Senior Municipal Advisor

Lisa Trebatoski,
Associate Municipal Advisor

BUILDING COMMUNITIES. IT'S WHAT WE DO.

Competitive Sale Results

PURPOSE: For the public purposes of financing equipment of the fire department, library projects, parks and public grounds projects, sewerage projects consisting of storm sewer projects, and street improvement projects.

RATING: Moody's Investor's Service "Aa2"

NUMBER OF BIDS: 6

LOW BIDDER: The Baker Group, Oklahoma City, Oklahoma

COMPARISON FROM LOWEST TO HIGHEST BID:
(TIC as bid)

LOW BID:* 4.5137%

HIGH BID: 4.7264%

Summary of Sale Results:	
Principal Amount*:	$6,225,000
Underwriter's Discount:	$64,153
Reoffering Premium:	$70,454
True Interest Cost:	4.5132%
Costs of Issuance:	$78,800
Yield:	4.00%-4.67%
Total Net P&I	$8,897,225

NOTES: Associated Trust Company, N.A., Green Bay, Wisconsin will serve as Paying Agent on the Bonds.

The Bonds maturing April 1, 2032 and thereafter are callable April 1, 2031 or any date thereafter.

* Subsequent to bid opening, the issue size was decreased from $6,305,000.

CLOSING DATE: November 16, 2023

DESIGNATED OFFICIAL ACTION: Award the sale of $6,225,000 General Obligation Corporate Purpose Bonds, Series 2023A.

SUPPLEMENTARY ATTACHMENTS

- Bid Tabulation
- Sources and Uses of Funds
- Updated Debt Service/Tax Impact Schedule
- Updated Issue Allocation
- Updated Debt Limit Chart
- Rating Report
- BBI Graph

BID TABULATION

$6,305,000* General Obligation Corporate Purpose Bonds, Series 2023A

City of Stoughton, Wisconsin

SALE: October 31, 2023

AWARD: THE BAKER GROUP

Rating: Moody's Investor's Service "Aa2"

Tax Exempt - Bank Qualified

NAME OF BIDDER	MATURITY (April 1)	REOFFERING YIELD	COUPON RATE	PRICE	TRUE INTEREST RATE
THE BAKER GROUP				$6,311,702.60	4.5137%
Oklahoma City, Oklahoma	2024	4.250%	5.000%		
	2025	4.150%	5.000%		
	2026	4.050%	5.000%		
	2027	4.000%	5.000%		
	2028	4.000%	5.000%		
	2029	4.000%	5.000%		
	2030	4.000%	5.000%		
	2031	4.000%	5.000%		
	2032	4.050%	5.000%		
	2033	4.100%	5.000%		
	2034	4.150%	5.000%		
	2035	4.200%	4.000%		
	2036	4.250%	4.000%		
	2037	4.350%	4.125%		
	2038	4.400%	4.250%		
	2039	4.500%	4.250%		
	2040	4.550%	4.375%		
	2041	4.600%	4.500%		
	2042	4.630%	4.500%		
	2043	4.670%	4.500%		

* Subsequent to bid opening the issue size was decreased to $6,225,000.

Adjusted Price - $6,231,301.35 Adjusted Net Interest Cost - $2,672,225.21 Adjusted TIC - 4.5132%

NAME OF BIDDER	MATURITY (April 1)	PRICE	TRUE INTEREST RATE
TD SECURITIES (USA) LLC New York, New York		$6,483,440.45	4.6014%
NORTHLAND SECURITIES, INC. Minneapolis, Minnesota		$6,478,847.60	4.6114%
BAIRD Milwaukee, Wisconsin		$6,301,741.95	4.6146%
HILLTOPSECURITIES Dallas, Texas		$6,357,240.70	4.6823%
BOK FINANCIAL SECURITIES, INC. Milwaukee, Wisconsin		$6,426,689.05	4.7264%

Financing Plan / Issue Sizing

	Preliminary	Final
	GO Bonds 2023	GO Bonds 2023
Projects		
Street Improvement Projects	3,737,887	3,737,887
Fire Department Equipment	452,630	452,630
Library Projects	50,000	50,000
Park Projects	957,725	957,725
Stormwater Utility	966,470	966,470
Project Needs	6,164,712	6,164,712
Reoffering Premium (built into rates)	0	(70,454)
Bid Premium Deposit to Debt Service	0	6,301
Issuance Expenses		
Municipal Advisor	38,500	38,500
Bond Counsel	25,000	20,000
Rating	17,500	19,500
Paying Agent	850	800
Underwriter Fees	78,813	64,153
Total Funds Needed	6,325,375	6,243,512
Less Interest Earnings[1]	(20,549)	(20,549)
Rounding	175	2,037
Size of Issue	6,305,000	6,225,000

Notes:

[1] Interest on project funds is calculated at 4.00% for 1 months.

THE CITY OF STOUGHTON

EHLERS PUBLIC FINANCE ADVISORS

Projected Impact of Proposed Projects

Existing Debt Payments

YEAR	Equalized Value Projection	Change in Value	Total of All Obligations	Total Abatement Sources	Net Debt Service Levy
2022	1,286,313,900	7.28%	5,202,535	(1,636,982)	3,565,553
2023	1,499,453,200	16.57%	5,313,136	(1,334,462)	3,978,674
2024	1,706,623,300	13.82%	5,040,202	(1,613,155)	3,427,047
2025	1,740,755,766	2.00%	5,026,239	(1,592,171)	3,434,068
2026	1,775,570,881	2.00%	4,825,255	(1,463,416)	3,361,839
2027	1,811,082,299	2.00%	4,365,901	(1,419,427)	2,946,474
2028	1,847,303,945	2.00%	3,273,328	(1,310,479)	1,962,848
2029	1,884,250,024	2.00%	2,885,034	(1,111,099)	1,773,935
2030	1,921,935,024	2.00%	1,931,351	(666,766)	1,264,585
2031	1,960,373,725	2.00%	1,699,624	(566,594)	1,133,030
2032	1,999,581,199	2.00%	1,375,154	(494,429)	880,725
2033	2,039,572,823	2.00%	1,302,635	(492,661)	809,974
2034	2,080,364,280	2.00%	1,299,091	(490,146)	808,945
2035	2,121,971,565	2.00%	959,473	(152,596)	806,876
2036	2,164,410,997	2.00%	954,454	(150,374)	804,080
2037	2,207,699,217	2.00%	885,375	(85,400)	799,975
2038	2,251,853,201	2.00%	881,725	(82,600)	799,125
2039	2,296,890,265	2.00%	262,400	(79,800)	182,600
2040	2,342,828,070	2.00%	253,200	(77,000)	176,200
2041	2,389,684,632	2.00%	244,000	(74,200)	169,800
2042	2,437,478,324	2.00%	239,700	(71,400)	168,300
2043	2,486,227,891	2.00%			
TOTALS			48,219,811	(14,965,158)	33,254,652

Projected Debt Service

YEAR	Capital Plan Debt Service: Principal	Interest	Premium	Total	Less Abatements: Sewerage System Projects -	Total Projected Debt Service Less Abatements	Net Debt Service Levy	Levy Change	YEAR
2022							3,565,553		2022
2023							3,978,674	413,121	2023
2024	800,000	235,008	(6,301)	1,028,706	(73,620)	955,086	4,382,133	403,459	2024
2025	200,000	246,438		446,438	(72,638)	373,800	3,807,868	(574,265)	2025
2026	205,000	236,313		441,313	(76,013)	365,300	3,727,138	(80,729)	2026
2027	255,000	224,813		479,813	(74,263)	405,550	3,352,024	(375,115)	2027
2028	275,000	211,563		486,563	(72,513)	414,050	2,376,898	(975,126)	2028
2029	280,000	197,688		477,688	(75,638)	402,050	2,175,984	(200,913)	2029
2030	280,000	183,688		463,688	(73,638)	390,050	1,654,635	(521,350)	2030
2031	285,000	169,563		454,563	(71,638)	382,925	1,515,955	(138,680)	2031
2032	295,000	155,063		450,063	(74,513)	375,550	1,256,275	(259,680)	2032
2033	295,000	140,313		435,313	(72,263)	363,050	1,173,023	(83,251)	2033
2034	295,000	125,563		420,563	(74,888)	345,675	1,154,620	(18,404)	2034
2035	295,000	112,288		407,288	(72,638)	334,650	1,141,526	(13,094)	2035
2036	300,000	100,388		400,388	(75,538)	324,850	1,128,930	(12,596)	2036
2037	300,000	88,200		388,200	(73,303)	314,897	1,114,872	(14,058)	2037
2038	305,000	75,531		380,531	(75,894)	304,637	1,103,762	(11,110)	2038
2039	305,000	62,569		367,569	(73,344)	294,225	476,825	(626,938)	2039
2040	310,000	49,306		359,306	(75,647)	283,659	459,859	(16,966)	2040
2041	310,000	35,550		345,550	(72,763)	272,787	442,587	(17,272)	2041
2042	315,000	21,488		336,488	(74,725)	261,763	430,063	(12,525)	2042
2043	320,000	7,200		327,200	(71,575)	255,625	255,625	(174,438)	2043
TOTALS	6,225,000	2,678,527	(6,301)	8,897,225	(1,477,052)	7,420,173	40,674,825		TOTALS
Preliminary	6,305,000	2,589,103	0	8,894,103					
Difference	(80,000)	89,423	(6,301)	3,122					

NOTES

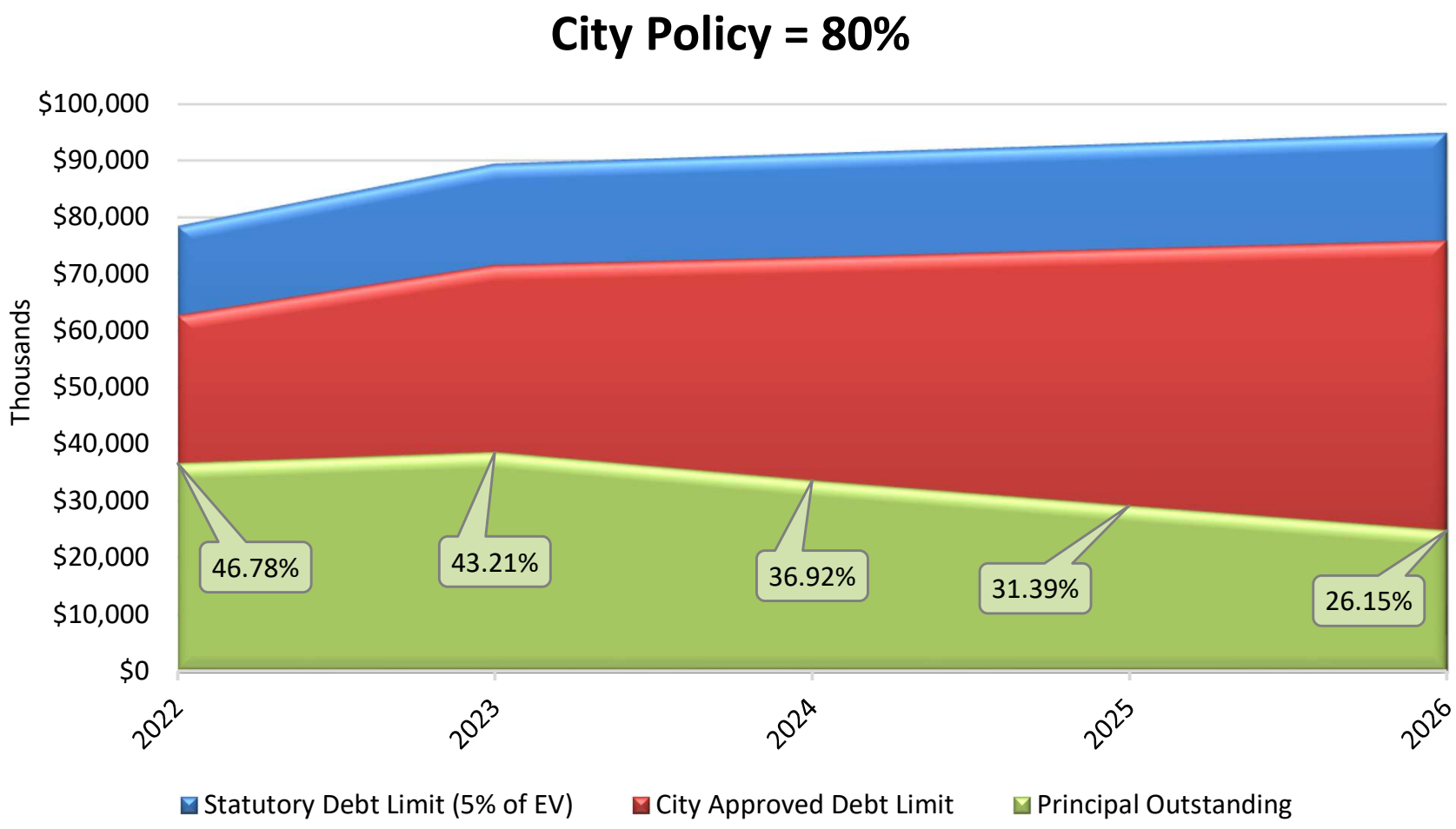
THE CITY OF STOUGHTON

Allocation of General Obligation Bonds, 2023

Issue	Issue 1													
Purpose	Street Improvement Projects - Levy					Sewerage System Projects - Stormwater Utility				Fire Department Equipment - Levy				
Amount	$3,770,000					$980,000				$460,000				
Dated	11/16/2023					11/16/2023				11/16/2023				
Payment Date	4/1					4/1				4/1				
Year	Principal	Rate	Interest	Premium	Total	Principal	Rate	Interest	Total	Principal	Rate	Interest	Premium	Total
2023														
2024	695,000	5.00%	137,872	(2,055)	830,817	35,000	5.00%	38,620	73,620	20,000	5.00%	18,203	(532)	37,671
2025	100,000	5.00%	140,175		240,175	30,000	5.00%	42,638	72,638	20,000	5.00%	19,875		39,875
2026	100,000	5.00%	135,175		235,175	35,000	5.00%	41,013	76,013	20,000	5.00%	18,875		38,875
2027	150,000	5.00%	128,925		278,925	35,000	5.00%	39,263	74,263	20,000	5.00%	17,875		37,875
2028	170,000	5.00%	120,925		290,925	35,000	5.00%	37,513	72,513	20,000	5.00%	16,875		36,875
2029	170,000	5.00%	112,425		282,425	40,000	5.00%	35,638	75,638	20,000	5.00%	15,875		35,875
2030	170,000	5.00%	103,925		273,925	40,000	5.00%	33,638	73,638	20,000	5.00%	14,875		34,875
2031	170,000	5.00%	95,425		265,425	40,000	5.00%	31,638	71,638	20,000	5.00%	13,875		33,875
2032	170,000	5.00%	86,925		256,925	45,000	5.00%	29,513	74,513	25,000	5.00%	12,750		37,750
2033	170,000	5.00%	78,425		248,425	45,000	5.00%	27,263	72,263	25,000	5.00%	11,500		36,500
2034	170,000	5.00%	69,925		239,925	50,000	5.00%	24,888	74,888	25,000	5.00%	10,250		35,250
2035	170,000	4.00%	62,275		232,275	50,000	4.00%	22,638	72,638	25,000	4.00%	9,125		34,125
2036	170,000	4.00%	55,475		225,475	55,000	4.00%	20,538	75,538	25,000	4.00%	8,125		33,125
2037	170,000	4.13%	48,569		218,569	55,000	4.13%	18,303	73,303	25,000	4.13%	7,109		32,109
2038	170,000	4.25%	41,450		211,450	60,000	4.25%	15,894	75,894	25,000	4.25%	6,063		31,063
2039	170,000	4.25%	34,225		204,225	60,000	4.25%	13,344	73,344	25,000	4.25%	5,000		30,000
2040	170,000	4.38%	26,894		196,894	65,000	4.38%	10,647	75,647	25,000	4.38%	3,922		28,922
2041	170,000	4.50%	19,350		189,350	65,000	4.50%	7,763	72,763	25,000	4.50%	2,813		27,813
2042	170,000	4.50%	11,700		181,700	70,000	4.50%	4,725	74,725	25,000	4.50%	1,688		26,688
2043	175,000	4.50%	3,938		178,938	70,000	4.50%	1,575	71,575	25,000	4.50%	563		25,563
	$3,770,000		$1,513,997	$ (2,055)	$5,281,942	$ 980,000		$ 497,045	$1,477,045	$ 460,000		$ 215,234	$ (532)	$ 674,702

Library Projects - Levy					Park Projects - Levy					TOTAL				
$50,000					$965,000									
11/16/2023					11/16/2023									
4/1					4/1									
Principal	Rate	Interest	Premium	Total	Principal	Rate	Interest	Premium	Total	Principal	Interest	Premium	Total	Outstanding
										-	-	-	-	6,225,000
5,000	5.00%	2,063	(1,433)	5,629	45,000	5.00%	38,250	(2,281)	80,969	800,000	235,008	(6,301)	1,028,706	5,425,000
5,000	5.00%	2,125		7,125	45,000	5.00%	41,625		86,625	200,000	246,438	-	446,438	5,225,000
5,000	5.00%	1,875		6,875	45,000	5.00%	39,375		84,375	205,000	236,313	-	441,313	5,020,000
5,000	5.00%	1,625		6,625	45,000	5.00%	37,125		82,125	255,000	224,813	-	479,813	4,765,000
5,000	5.00%	1,375		6,375	45,000	5.00%	34,875		79,875	275,000	211,563	-	486,563	4,490,000
5,000	5.00%	1,125		6,125	45,000	5.00%	32,625		77,625	280,000	197,688	-	477,688	4,210,000
5,000	5.00%	875		5,875	45,000	5.00%	30,375		75,375	280,000	183,688	-	463,688	3,930,000
5,000	5.00%	625		5,625	50,000	5.00%	28,000		78,000	285,000	169,563	-	454,563	3,645,000
5,000	5.00%	375		5,375	50,000	5.00%	25,500		75,500	295,000	155,063	-	450,063	3,350,000
5,000	5.00%	125		5,125	50,000	5.00%	23,000		73,000	295,000	140,313	-	435,313	3,055,000
					50,000	5.00%	20,500		70,500	295,000	125,563	-	420,563	2,760,000
					50,000	4.00%	18,250		68,250	295,000	112,288	-	407,288	2,465,000
					50,000	4.00%	16,250		66,250	300,000	100,388	-	400,388	2,165,000
					50,000	4.13%	14,219		64,219	300,000	88,200	-	388,200	1,865,000
					50,000	4.25%	12,125		62,125	305,000	75,531	-	380,531	1,560,000
					50,000	4.25%	10,000		60,000	305,000	62,569	-	367,569	1,255,000
					50,000	4.38%	7,844		57,844	310,000	49,306	-	359,306	945,000
					50,000	4.50%	5,625		55,625	310,000	35,550	-	345,550	635,000
					50,000	4.50%	3,375		53,375	315,000	21,488	-	336,488	320,000
					50,000	4.50%	1,125		51,125	320,000	7,200	-	327,200	-
$50,000		$12,188	$ (1,433)	$60,754	$ 965,000		$ 440,063	$ (2,281)	$1,402,781	$6,225,000	$2,678,527	$ (6,301)	$8,897,225	

Debt Limit Calculation



MOODY'S
INVESTORS SERVICE

CREDIT OPINION
25 October 2023

Send Your Feedback

Contacts

Tatum Drazen +1.312.706.9986
Associate Lead Analyst
tatum.drazen@moodys.com

Benjamin J VanMetre +1.312.706.9951
VP-Senior Analyst
ben.vanmetre@moodys.com

CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454

City of Stoughton, WI

Update to credit analysis

Summary

The City of Stoughton's (Aa2) credit profile benefits from a growing tax base near the Madison (Aaa stable) metropolitan area with a growing population and continued economic development underway. Despite strict levy limits, the city has a consistently healthy financial profile supported by good budget management and stable revenue sources. Resident income and wealth trail similarly rated peers and leverage is moderate but will likely grow because of the expansion of the city and associated capital needs.

Credit strengths

» Positive demographic trends benefitting from access to Madison metro

» Strong reserves and liquidity

Credit challenges

» Below average resident income metrics

» Moderate leverage that is expected to rise with future borrowing

Rating outlook

Outlooks are typically not assigned to local governments issuers with this amount of debt.

Factors that could lead to an upgrade

» Continued economic growth and improved resident incomes

» Further strengthening of reserves

Factors that could lead to a downgrade

» Economic contraction resulting in population, tax base, or income declines

» Decline in financial reserves

» Growth in long-term liabilities or fixed cost burden

Key indicators

Exhibit 1
Stoughton (City of) WI

	2019	2020	2021	2022	Aa Medians
Economy					
Resident income ratio (%)	109.1%	105.6%	100.8%	N/A	115.0%
Full Value ($000)	$1,233,724	$1,268,042	$1,341,278	$1,567,794	$2,649,338
Population	13,097	13,146	13,158	N/A	22,694
Full value per capita ($)	$94,199	$96,458	$101,936	N/A	$108,666
Economic growth metric (%)	N/A	0.4%	0.1%	N/A	-0.5%
Financial Performance					
Revenue ($000)	$38,157	$38,088	$43,987	$42,751	$48,404
Available fund balance ($000)	$18,052	$18,856	$19,536	$20,999	$24,069
Net unrestricted cash ($000)	$25,362	$24,074	$24,676	$27,848	$32,092
Available fund balance ratio (%)	47.3%	49.5%	44.4%	49.1%	51.0%
Liquidity ratio (%)	66.5%	63.2%	56.1%	65.1%	69.0%
Leverage					
Debt ($000)	$50,517	$48,236	$45,539	$46,763	$34,496
Adjusted net pension liabilities ($000)	$18,674	$24,958	$31,040	$28,920	$55,543
Adjusted net OPEB liabilities ($000)	$0	$0	$1,698	$1,560	$6,316
Other long-term liabilities ($000)	$1,644	$2,937	$1,870	$2,591	$1,623
Long-term liabilities ratio (%)	185.6%	199.9%	182.2%	186.7%	244.8%
Fixed costs					
Implied debt service ($000)	$3,407	$3,683	$3,454	$3,194	$2,436
Pension tread water contribution ($000)	$621	$423	$317	N/A	$1,565
OPEB contributions ($000)	$0	$0	$49	$47	$178
Implied cost of other long-term liabilities ($000)	$119	$120	$210	$131	$109
Fixed-costs ratio (%)	10.9%	11.1%	9.2%	8.6%	11.1%

For definitions of the metrics in the table above please refer to the US Cities and Counties Methodology or see the Glossary in the Appendix below. Metrics represented as N/A indicate the data were not available at the time of publication. The medians come from our most recently published US Cities and Counties Median Report.
The Economic Growth metric cited above compares the five-year CAGR of real GDP for Madison, WI Metropolitan Statistical Area to the five-year CAGR of real GDP for the US.
Sources: US Census Bureau, Stoughton (City of) WI's financial statements and Moody's Investors Service, US Bureau of Economic Analysis

Profile

The City of Stoughton is in southeastern Wisconsin (Aa1 stable), approximately 15 miles southeast of the City of Madison (Aaa stable). The city provides public safety (police and fire), water, sewer, storm sewer and electric service to approximately 13,000 residents.

Detailed credit considerations

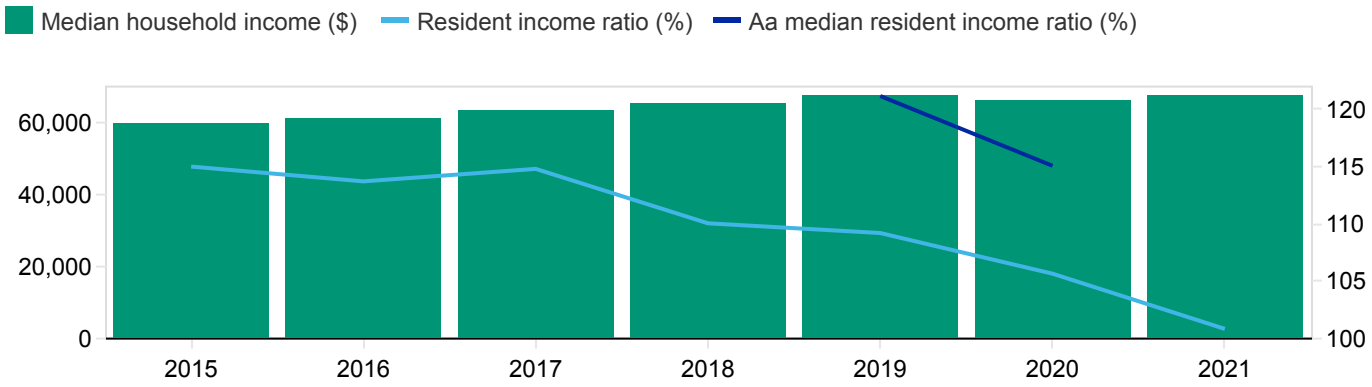
Stoughton, WI benefits from a consistently strong financial position with significant liquidity in government and business-type activity funds. The regional economy is growing though resident income and wealth indicators trail similarly rated cities nationally. Stoughton is within commuting distance to Madison (Aaa stable), home of the Wisconsin (Aa1 stable) state capital and the flagship campus of the University of Wisconsin (Aa3 stable). Key credit challenges for the city include moderate long-term liabilities, which are expected to rise because of material capital borrowing needs.

The city's stable financial operations and conservative budgeting are credit strengths and will support the maintenance of healthy reserves. Management plans for a balanced budget in fiscal 2024. In fiscal 2023, management expects modest surpluses in the general fund and across the business-type activities. The general fund receives annual PILOT payments from the city's utility systems, the amounts of which are based on the net assets of the utilities. In fiscal 2022, the city's water, wastewater, and electric utility systems transferred about $826,000 to the general fund. The city's waterworks (A1) and electric (A1) systems are expected to remain stable while providing annual transfers to the general fund. The current 5-year capital improvement plan (CIP) calls for $5-$13 million in annual borrowings, which would result in a notable increase in the city's leverage.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the issuer/deal page on https://ratings.moodys.com for the most updated credit rating action information and rating history.

Economy

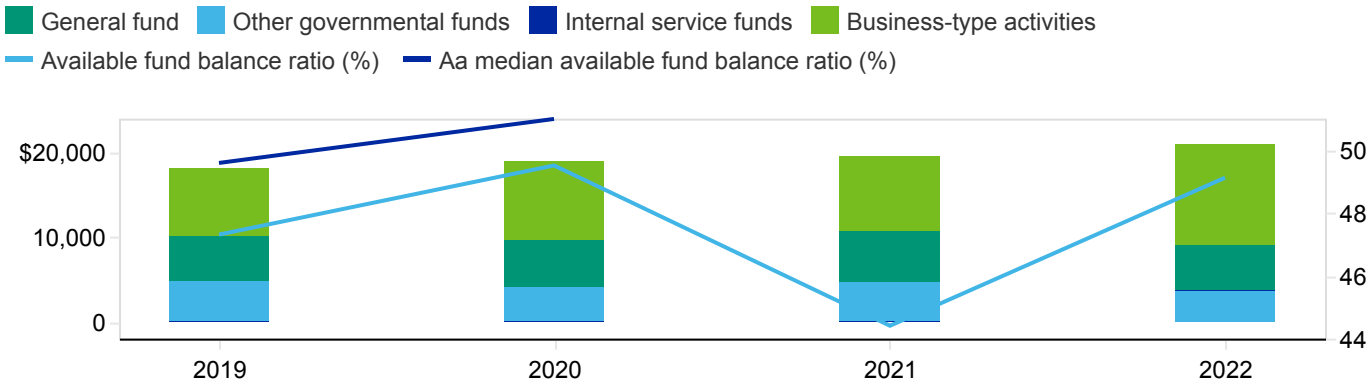
Exhibit 2
Resident Income



Source: Moody's Investors Service

Financial operations

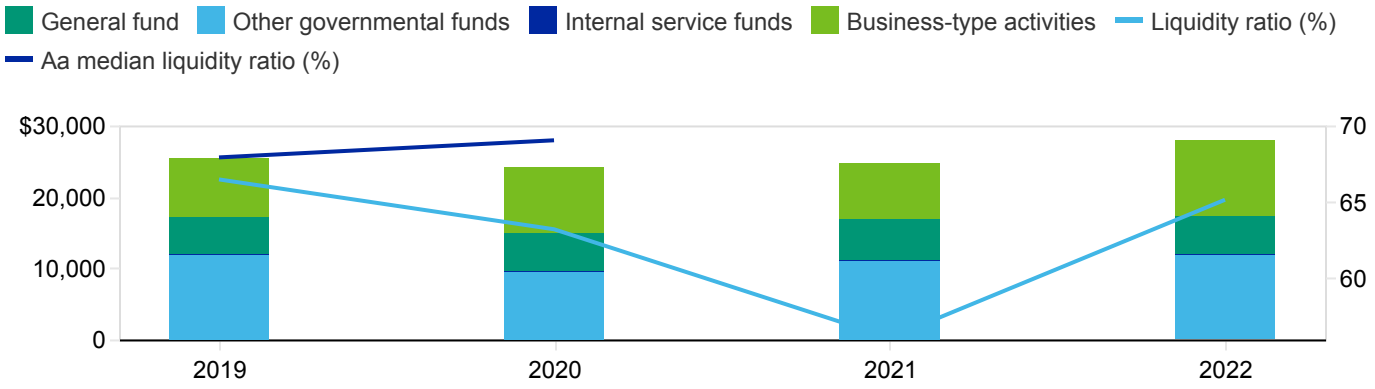
Exhibit 3
Fund Balance



Source: Moody's Investors Service

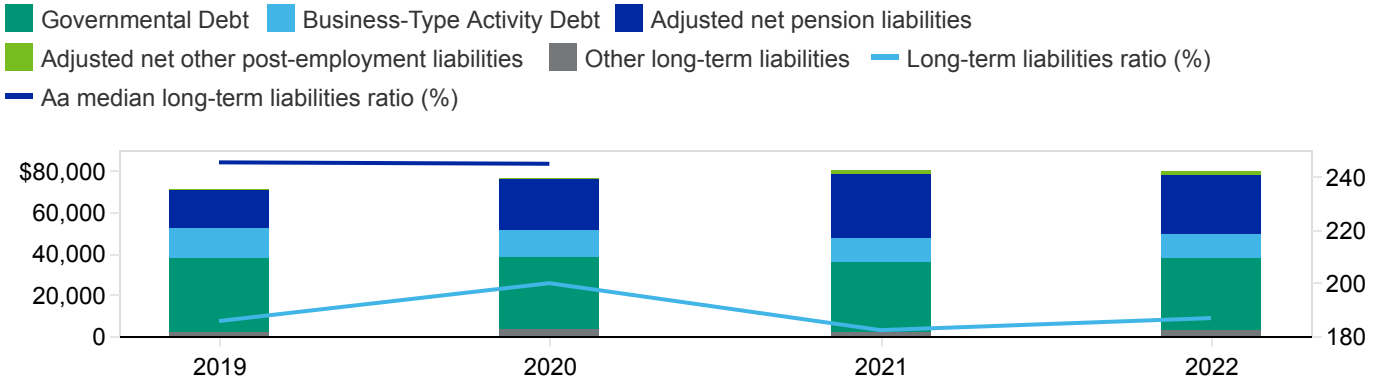
Liquidity

Exhibit 4
Cash



Source: Moody's Investors Service

Exhibit 5
Total Primary Government - Long Term Liabilities



Source: Moody's Investors Service

ESG considerations

Stoughton (City of) WI's ESG Credit Impact Score is Neutral-to-Low CIS-2

Exhibit 6
ESG Credit Impact Score

CIS-2

Neutral-to-Low

For an issuer scored CIS-2 (Neutral-to-Low), its ESG attributes are overall considered as having a neutral-to-low impact on the current rating; i.e., the overall influence of these attributes on the rating is non-material.

Source: Moody's Investors Service

Stoughton's overall ESG Credit Impact Score is neutral to low (**CIS-2**), reflecting neutral to low exposure to environmental, social, and governance risks.

Exhibit 7
ESG Issuer Profile Scores

Source: Moody's Investors Service

Environmental

Stoughton's E issuer profile score is neutral to low (**E-2**), reflecting relatively low exposure to environmental risks across all categories, including physical climate risk, carbon transition, natural resources management, waste and pollution. Dane County, where the city is located, maintains a comprehensive plan for mitigation, preparedness, response and recovery in the event of disaster.

Social

Stoughton's S issuer profile score is neutral to low (**S-2**), reflecting relatively neutral to low exposure to social risks across categories, including demographics, housing, health and safety, and access to basic services. The city has relatively strong economic trends, high educational attainment, low unemployment rate and an average labor force participation rate.

Governance

Stoughton's G issuer profile score is neutral to low (**G-2**), reflecting solid transparency and budget management balanced against a relatively restrictive institutional structure. Property tax revenue is the city's major revenue source and is subject to a cap that limits increases to the growth in net new construction. Stoughton has several adopted policies, including a formal fund balance policy and a long-term capital improvement plan.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click here to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

Rating methodology and scorecard factors

The US Cities and Counties Rating Methodology includes a scorecard, which summarizes the rating factors generally most important to city and county credit profiles. Because the scorecard is a summary, and may not include every consideration in the credit analysis for a specific issuer, a scorecard-indicated outcome may or may not map closely to the actual rating assigned.

Exhibit 8
Stoughton (City of) WI

	Measure	Weight	Score
Economy			
Resident income ratio	100.8%	10.0%	Aa
Full value per capita	135,869	10.0%	Aa
Economic growth metric	0.1%	10.0%	Aaa
Financial Performance			
Available fund balance ratio	49.1%	20.0%	Aaa
Liquidity ratio	65.1%	10.0%	Aaa
Institutional Framework			
Institutional Framework	Aa	10.0%	A
Leverage			
Long-term liabilities ratio	186.7%	20.0%	Aa
Fixed-costs ratio	8.6%	10.0%	Aaa
Notching factors			
No notchings applied			
Scorecard-Indicated Outcome			Aa2
Assigned Rating			**Aa2**

The complete list of outstanding ratings assigned to the Stoughton (City of) WI is available on their issuer page. Details on the current ESG scores assigned to the Stoughton (City of) WI are available on their ESGView page.
Sources: US Census Bureau, Stoughton (City of) WI's financial statements and Moody's Investors Service

Appendix

Exhibit 9
Key Indicators Glossary

	Definition	Typical Source*
Economy		
Resident income ratio	Median Household Income (MHI) for the city or county, adjusted for Regional Price Parity (RPP), as a % of the US MHI	MHI: US Census Bureau - American Community Survey 5-Year Estimates RPP: US Bureau of Economic Analysis
Full value	Estimated market value of taxable property in the city or county	State repositories; audited financial statements; continuing disclosures
Population	Population of the city or county	US Census Bureau - American Community Survey 5-Year Estimates
Full value per capita	Full value / population	
Economic growth metric	Five year CAGR of real GDP for Metropolitan Statistical Area or county minus the five-year CAGR of real GDP for the US	Real GDP: US Bureau of Economic Analysis
Financial performance		
Revenue	Sum of revenue from total governmental funds, operating and non-operating revenue from total business-type activities, and non-operating revenue from internal services funds, excluding transfers and one-time revenue, e.g., bond proceeds or capital contributions	Audited financial statements
Available fund balance	Sum of all fund balances that are classified as unassigned, assigned or committed in the total governmental funds, plus unrestricted current assets minus current liabilities from the city's or county's business-type activities and internal services funds	Audited financial statements
Net unrestricted cash	Sum of unrestricted cash in governmental activities, business type activities and internal services fund, net of short-term debt	Audited financial statements
Available fund balance ratio	Available fund balance (including net current assets from business-type activities and internal services funds) / Revenue	
Liquidity ratio	Net unrestricted cash / Revenue	
Leverage		
Debt	Outstanding long-term bonds and all other forms of long-term debt across the governmental and business-type activities, including debt of another entity for which it has provided a guarantee disclosed in its financial statements	Audited financial statements; official statements
Adjusted net pension liabilities (ANPL)	Total primary government's pension liabilities adjusted by Moody's to standardize the discount rate used to compute the present value of accrued benefits	Audited financial statements; Moody's Investors Service
Adjusted net OPEB liabilities (ANOL)	Total primary government's net other post-employment benefit (OPEB) liabilities adjusted by Moody's to standardize the discount rate used to compute the present value of accrued benefits	Audited financial statements; Moody's Investors Service
Other long-term liabilities (OLTL)	Miscellaneous long-term liabilities reported under the governmental and business-type activities entries	Audited financial statements
Long-term liabilities ratio	Debt + ANPL + ANOL + OLTL / Revenue	
Fixed costs		
Implied debt service	Annual cost to amortize city or county's long-term debt over 20 years with level payments	Audited financial statements; official statements; Moody's Investors Service
Pension tread water contribution	Pension contribution necessary to prevent reported unfunded pension liabilities from growing, year over year, in nominal dollars, if all actuarial assumptions are met	Audited financial statements; Moody's Investors Service
OPEB contribution	City or county's actual contribution in a given period	Audited financial statements
Implied cost of OLTL	Annual cost to amortize city or county's other long-term liabilities over 20 years with level payments	Audited financial statements; Moody's Investors Service
Fixed-costs ratio	Implied debt service + Pension tread water + OPEB contributions + Implied cost of OLTL / Revenue	

*Note: If typical data source is not available then alternative sources or proxy data may be considered. For more detailed definitions of the metrics listed above please refer to the US City and Counties Methodology .
Source: Moody's Investors Service

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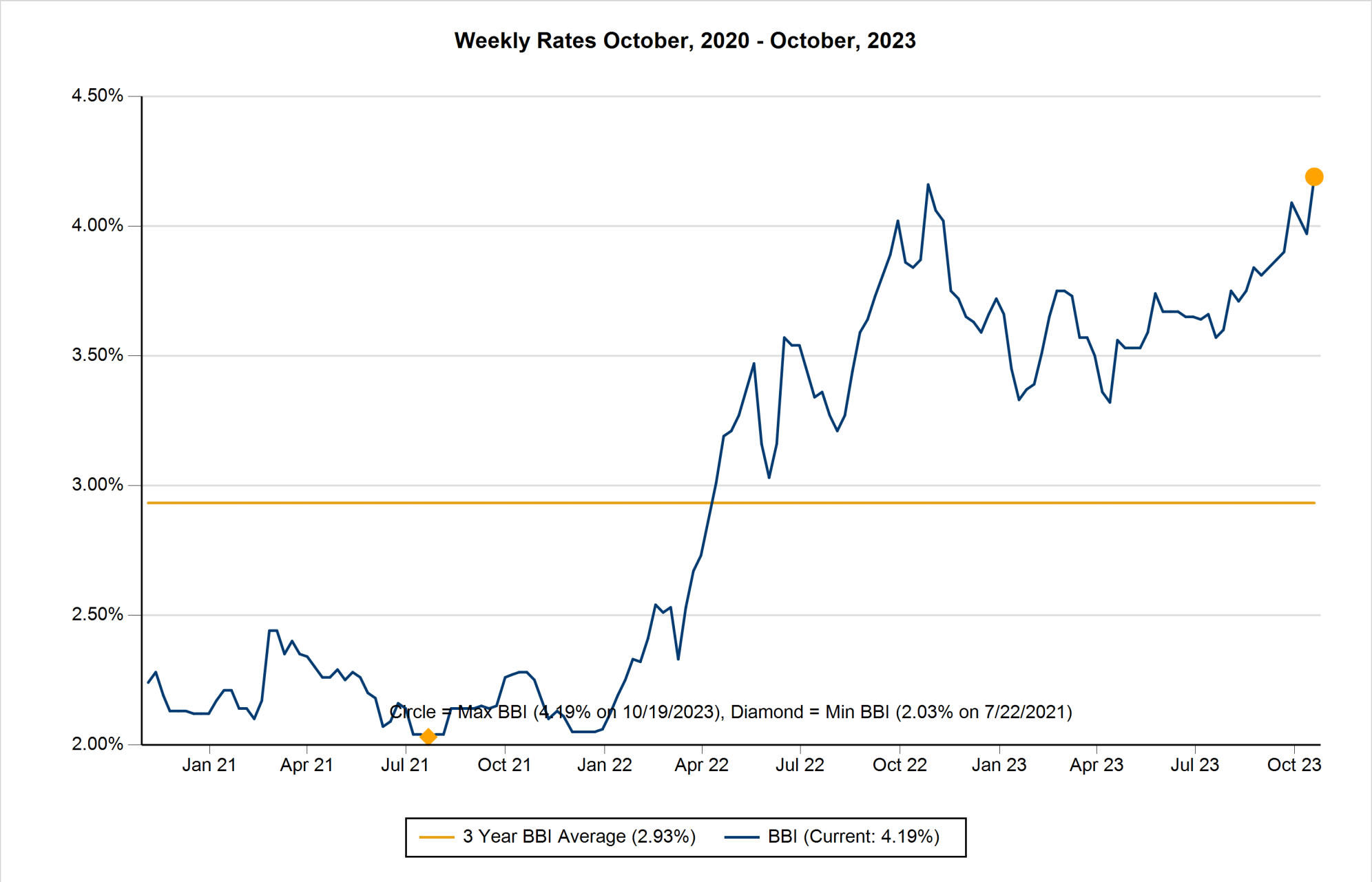
3 YEAR TREND IN MUNICIPAL BOND INDICES



The Bond Buyer "20 Bond Index" (BBI) shows average yields on a group of municipal bonds that mature in 20 years and have an average rating equivalent to Moody's Aa2 and S&P's AA.

Source: The Bond Buyer

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