CITY OF STOUGHTON, 207 S FORREST ST, STOUGHTON, WISCONSIN

RESOLUTION OF THE COMMON COUNCIL		
Amend Revolving Loan Program Budget for Calendar Year 2022		
Committee Action:	Finance Committee recommended approval _____ on 7/26/22	
Fiscal Impact:	None	
File Number:	R-xxx-2022	**Date 8/9//2022**

The City of Stoughton, Wisconsin, Common Council does proclaim as follows:

RECITALS:

WHEREAS, the City of Stoughton reports the revolving loan program within a governmental special revenue fund (Fund 248 Revolving Loan Fund) and the Redevelopment Authority of the City of Stoughton within a separate governmental special revenue fund (Fund 261 Redevelopment Authority); and,

WHEREAS, the current revolving loan program activity in Fund 248 is for loans issued to downtown merchants and is under the control of the Redevelopment Authority; and,

WHEREAS, the Director of Finance/Comptroller recommends that all activity for the Redevelopment Authority be accounted for within a single fund; and,

WHEREAS, the Redevelopment Authority was amenable to this change at their meeting of July 13, 2022; and,

WHEREAS, governmental accounting indicates that revenues are recognized when they are both measurable and available; and,

WHEREAS, the City considers revenues to be available if they are collected within sixty (60) days of the end of the current calendar year; and,

WHEREAS, the City of Stoughton has in prior years previously recognized 100% of the principal amounts of the loans paid out as revenue even though the loan amortization schedules are for multiple years; and,

WHEREAS, this early recognition of revenue in Fund 248 Revolving Loan Fund has resulted in the fund balance in Fund 248 being overstated by $164.018.22 at December 31, 2021; and,

WHEREAS, the overstatement of fund balance needs to be reclassified as a deferred inflow of resources which will become revenue in future years as principal balances are remitted back to the City of Stoughton; and,

WHEREAS, the reclassification of the overstated fund balance will result in additional expenditures for the revolving loan program for calendar year 2022

NOW THEREFORE BE IT RESOLVED, that the 2022 budget for Fund 248 Revolving Loan Fund be transferred into the 2022 budget for Fund 261 Redevelopment Authority; and

BE IT FURTHER RESOLVED, that the 2022 budget be amended to correct the overstatement of fund balance in the Revolving Loan Fund; and

BE IT FURTHER RESOLVED, that the 2022 budget be amended to include projected revenue of $50,000 for principal repayment that was not previously included in the adopted budget for 2022; and,

BE IT FINALLY RESOLVED, that total expenditures and revenues be increased by $436,675 as indicated in the following table:

Account Number	Account Description	Revenue Increase	Revenue Decreased	Expenditures Increase	Expenditures Decreased	
248-00000-48108	Interest - RLF		(6,000)			A
248-57120-49910	Fund balance applied	272,657				B
248-57120-50850	Administration				(4,000)	C
248-57120-59740	Fund closure transfer			272,657		D
Fund 248 net totals		266,657		268,657		
261-57120-48108	Interest - RLF	6,000				A
261-57120-48600	RLF principal payments	50,000				E
261-57120-49740	Fund closure transfer	272,657				D
261-57120-49910	Fund balance applied		(50,000)			E
261-57120-49910	Fund balance applied		(272,657)			B
261-57120-49910	Fund balance applied	164,018				E
261-57120-50405	Professional services			4,000		C
261-57120-59988	Prior year correction			164,018		E
Fund 261 net totals		170,018		168,018		
Totals		436,675		436,675		

Fiscal note: Budget amendments require two-thirds (2/3) vote of members elected.

Council Action: ☐ **Adopted** ☐ **Failed** **Vote** _____

Mayoral Action: ☐ **Accept** ☐ **Veto**

_____

Mayor Tim Swadley Date

Council Action: _____ ☐ **Override** **Vote** _____