

# **City of Stoughton**

Financial Statements and  
Supplementary Information

December 31, 2021

# City of Stoughton

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Table of Contents  
December 31, 2021

	<u>Page</u>
<b>Independent Auditors' Report</b>	i
<b>Required Supplementary Information</b>	
Management's Discussion and Analysis	iv
<b>Basic Financial Statements</b>	
Government-Wide Financial Statements	
Statement of Net Position	1
Statement of Activities	3
Fund Financial Statements	
Balance Sheet - Governmental Funds	4
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	6
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	7
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	9
Statement of Net Position - Proprietary Funds	10
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	14
Statement of Cash Flows - Proprietary Funds	16
Statement of Fiduciary Net Position - Fiduciary Fund	20
Statement of Changes in Fiduciary Net Position - Fiduciary Fund	21
Index to Notes to Financial Statements	22
Notes to Financial Statements	23

# City of Stoughton

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Table of Contents  
December 31, 2021

	<u>Page</u>
<b>Required Supplementary Information</b>	
Detailed Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	73
Schedule of Proportionate Share of the Net Pension Liability (Asset) - Wisconsin Retirement System	76
Schedule of Employer Contributions - Wisconsin Retirement System	76
Schedule of Changes in the Total Pension Liability - Firemen's Pension Plan	77
Schedule of Covered Payroll - Firemen's Pension Plan	77
Schedule of Proportionate Share of the Net OPEB Liability - Local Retiree Life Insurance Fund	78
Schedule of Employer Contributions - Local Retiree Life Insurance Fund	78
Schedule of Changes in Employer's Total OPEB Liability and Related Ratios - Health Insurance	79
Notes to Required Supplementary Information	80
<b>Supplementary Information</b>	
Combining Balance Sheet - Nonmajor Governmental Funds	81
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	87
Combining Statement of Net Position - Nonmajor Enterprise Funds	93
Combining Statement of Revenue, Expenses and Changes in Fund Net Position - Nonmajor Enterprise Funds	94
Combining Statement of Cash Flows - Nonmajor Enterprise Funds	95

## Independent Auditors' Report

To the City Council of  
City of Stoughton

### Opinions

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

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

### Basis for Opinions

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

### Emphasis of Matter

As discussed in Note 1, the City adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* effective January 1, 2021. Our opinions are not modified with respect to this matter.

### Responsibilities of Management for the Financial Statements

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

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

## **Auditors' Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with GAAS, we:

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

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

## **Required Supplementary Information**

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

## Supplementary Information

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

*Baker Tilly US, LLP*

Madison, Wisconsin  
September 8, 2022



## CITY OF STOUGHTON

### MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

As of and For the Year Ended December 31, 2021

Management of the City of Stoughton offers readers of the City of Stoughton's ("City") financial statements this narrative overview and analysis of the financial activities of the City of Stoughton for the calendar year ended December 31, 2021. We encourage readers to consider the information presented here in conjunction with the City's financial statements.

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### FINANCIAL HIGHLIGHTS

A successful city seeks outgrowth opportunities and prudently allocates its limited resources to provide the best goods and services to its residents. Prudent management of financial assets seeks to both maximize the value of current goods and services and future needs, wants and opportunities. Management presents this analysis with a view to the current period and the future.

- Net position increased by \$5.8 million (6.0%) between 2021 and 2020. Of this increase, \$1.3 million (3.7%) was for governmental activities and \$4.5 million (7.3%) was for business-type activities.
- Net investment in capital assets increased by \$5.3 million, or 7.5%, in 2021 from 2020. Major 2021 capital projects include street reconstruction, storm water improvements, downtown parking lot and sidewalk improvements and utility infrastructure improvements.
- Long term debt, which is a component of the net investment in capital assets, decreased by \$3.8 million (7.6%) as compared to the prior year.
- The City's governmental funds reported combined fund balances of \$16.5 million at year-end, which was an increase of \$1.2 million from the prior year. Of this total, \$4.2 million of the fund balance was unassigned and able to fund future city expenditures. The remainder of the fund balance was nonspendable, restricted, committed or assigned for various purposes.
- The unassigned general fund balance at year-end was \$4,887,570. This amount was 32.5% of the adopted budget for General Fund expenditures for budget year 2022. This exceeds the city's policy of 20% to 25% of general fund annual budgeted expenditures.

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### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. These financial statements consist of two parts: Management's Discussion and Analysis (this section) and the basic financial statements. The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the city's overall financial status.

# CITY OF STOUGHTON

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) As of and For the Year Ended December 31, 2021

- The majority of the remaining statements are fund financial statements that focus on individual parts of city government, reporting the city's operations in more detail than the government-wide statements.
- The City has one fiduciary fund for property taxes collected on behalf of other taxing units within Dane County.

These financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

The government-wide statements report information about the city as a whole using accounting methods similar to those used by private-sector companies. The *Statement of Net Position* includes all of the government's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. All of the current year's revenues and expenses are accounted for in the *Statement of Activities* regardless of when cash is received or paid.

The two government-wide statements report the City's net position and how they have changed. Net position – the City's assets plus deferred outflows of resources less liabilities and deferred inflows of resources – is one way to measure the City's financial health, or position. Over time, increases or decreases in the City's net position are an indicator of whether its financial health is improving or deteriorating. To assess the overall health of the City you need to consider additional non-financial factors such as changes in the City's property tax base, changes in the local, state and national economies, and the condition of the City's roads and other infrastructure.

The *Statement of Activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenue and expenses reported in this statement for some items will only result in cash flows in future fiscal periods.

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



# CITY OF STOUGHTON

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) As of and For the Year Ended December 31, 2021

The City maintains thirty-seven individual governmental funds. Information is presented separately in the *Balance Sheet* and *Statement of Revenues, Expenditures and Changes in Fund Balances* for the following major funds: General Fund, Debt Service Fund, and Construction Fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

*Proprietary Funds* – The City maintains six different proprietary funds, five of which are enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Proprietary fund financial statements present the same type of information as the government-wide financial statements, only in more detail.

*Internal Service Fund* – The internal service fund, which is a type of proprietary fund, is used to account for and report the financing of goods or services provided by one department or agency to other departments or agencies of the city, on a cost-reimbursement basis.

*Fiduciary Funds* – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the city's own programs.

*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.

*Other Information* – In addition to the basic financial statements and accompanying notes, required supplementary information presents a detailed budgetary comparison schedule for the General Fund to demonstrate compliance with the budget, followed by the City's pension and Other Post-Employment Benefits (OPEBs) related information. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information.

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## FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

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

# CITY OF STOUGHTON

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) As of and For the Year Ended December 31, 2021

A summary of the City's *Statement of Net Position* is presented in the four tables on the subsequent pages. Selected highlights of changes are listed below:

- **Governmental Activities**
  - Cash and investments – The increase in cash of \$2.1 million was partially due to receipt of \$0.7 million in American Rescue Plan Act (ARPA) funds from the federal government.
  - Cash, investments and receivables - Taking the reduced receivables of \$1.6 million into account, cash decreased by \$0.2 million from all other activities.
  - Net Pension Asset – The increase in the Net Pension Asset is due to the Wisconsin Retirement Fund going from 102.96% funded in 2020 to 105.26% funded in 2021.
  - Other post-employment benefits – Although Governmental Accounting Standards No. 75 – *Other Post-Employment Benefits* was effective for calendar year 2018, the City elected not to record this activity in the past due to materiality. This was changed in 2021, so the amounts are technically life-to-date values.
  - Unearned revenues -- The \$686,312 was the first payment received from the federal government for ARPA.
  - Restricted Net Position – Net Pension Asset – This amount is the same as the Net Pension Asset.
- **Business-type Activities**
  - Net Pension Asset – The increase in the Net Pension Asset is due to the Wisconsin Retirement Fund going from 102.96% funded in 2020 to 105.26% funded in 2021.
  - Other post-employment benefits – Although Governmental Accounting Standards No. 75 – *Other Post-Employment Benefits* was effective for calendar year 2018, the City elected not to record this activity in the past due to materiality. This was changed in 2021, so the amounts are technically life-to-date values.
  - Restricted Net Position – Net Pension Asset – This amount is the same as the Net Pension Asset.

The largest portion of the City's net position (75.9%) reflects its investment in capital assets (e.g., land, buildings and improvements, machinery and equipment, and infrastructure), less any debt used to acquire those assets that are still outstanding. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources as the capital assets themselves cannot generally be liquidated to pay these liabilities. The investment in capital assets increased by \$5.3 million, or 7.5%, in 2021 from 2020

An additional portion of the City's net position (8.3%) represents resources that are subject to external restrictions on how they may be used. These restricted balances increased by \$1.7 million, or 21.2%, in 2021 from 2020. The largest factor for this increase was the reclassification of Affordable Housing net position.

The remaining balance of unrestricted net position (15.3%) may be used to meet the government's ongoing obligations. The unrestricted net position decreased by \$1.3 million, or 7.5% in 2021 from 2020.

# CITY OF STOUGHTON

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) As of and For the Year Ended December 31, 2021

**Table 1**  
**Condensed Statement of Net Position**  
**Governmental Activities**

	2021	2020	Increase Decrease	Increase Decrease
<b><u>Assets</u></b>				
Cash and investments	\$ 16,699,384	\$ 14,638,477	\$ 2,060,907	14.1%
Receivables (net)	12,802,214	14,383,088	(1,580,874)	-11.0%
Internal balances	1,012,802	929,469	83,333	9.0%
All other current assets	262,854	461,696	(198,842)	-43.1%
Net Pension Asset	2,421,947	1,244,940	1,177,007	94.5%
Land held for resale	901,224	1,125,797	(224,573)	-19.9%
Capital assets, net of depreciation	55,172,317	54,973,284	199,033	0.4%
<b>Total Assets</b>	<b>89,272,742</b>	<b>87,756,751</b>	<b>1,515,991</b>	<b>1.7%</b>
<b><u>Deferred Outflows of Resources</u></b>				
Pension related amounts	4,187,549	3,029,971	1,157,578	38.2%
Other post employment benefits	277,001	-	277,001	100.0%
<b>Total Deferred Outflows of Resources</b>	<b>4,464,550</b>	<b>3,029,971</b>	<b>1,434,579</b>	<b>47.3%</b>
<b><u>Liabilities</u></b>				
Current liabilities	1,608,382	1,897,266	(288,884)	-15.2%
Unearned revenues	794,397	-	794,397	100.0%
Non-current liabilities - due within one year	3,901,925	3,150,105	751,820	23.9%
Non-current liabilities - due more than one year	31,659,337	33,414,204	(1,754,867)	-5.3%
Net pension liability - fire	1,196,146	1,067,144	129,002	12.1%
Other post employment benefits	1,557,849	286,702	1,271,147	443.4%
<b>Total Liabilities</b>	<b>40,718,036</b>	<b>39,815,421</b>	<b>902,615</b>	<b>2.3%</b>
<b><u>Deferred Inflows of Resources</u></b>				
Unearned revenues	12,015,966	12,060,684	(44,718)	-0.4%
Pension related items	5,609,565	4,143,920	1,465,645	35.4%
Other post employment benefits	68,160	-	68,160	100.0%
<b>Total Deferred Inflows of Resources</b>	<b>17,693,691</b>	<b>16,204,604</b>	<b>1,489,087</b>	<b>9.2%</b>
<b><u>Net Position</u></b>				
Net Investment in capital assets	23,468,349	22,184,250	1,284,099	5.8%
Restricted - Net Pension Asset	2,421,947	1,244,940	1,177,007	94.5%
Restricted - All others	3,564,342	3,378,495	185,847	5.5%
Unrestricted	5,870,927	7,245,704	(1,374,777)	-19.0%
<b>Total Net Position</b>	<b>\$ 35,325,565</b>	<b>\$ 34,053,389</b>	<b>\$ 1,272,176</b>	<b>3.6%</b>

# CITY OF STOUGHTON

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) As of and For the Year Ended December 31, 2021

**Table 2**  
**Condensed Statement of Net Position**  
**Business Type Activities**

	2021	2020	Increase Decrease	Increase Decrease
<b><u>Assets</u></b>				
Cash and investments	\$ 9,039,672	\$ 10,272,064	\$ (1,232,392)	-12.0%
Receivables (net)	4,179,166	2,836,385	1,342,781	47.3%
Internal balances	(1,012,802)	(929,469)	(83,333)	9.0%
Restricted cash and investments	3,127,572	3,231,368	(103,796)	-3.2%
All other current assets	892,897	1,028,360	(135,463)	-13.2%
Net Pension Asset	736,333	392,879	343,454	87.4%
Capital assets, net of depreciation	63,920,204	61,511,842	2,408,362	3.9%
<b>Total Assets</b>	<b>80,883,042</b>	<b>78,343,429</b>	<b>2,539,613</b>	<b>3.2%</b>
<b><u>Deferred Outflows of Resources</u></b>				
Pension related amounts	1,259,235	932,797	326,438	35.0%
Other post employment benefits	88,869	-	88,869	100.0%
<b>Total Deferred Outflows of Resources</b>	<b>1,348,104</b>	<b>932,797</b>	<b>415,307</b>	<b>44.5%</b>
<b><u>Liabilities</u></b>				
Current liabilities	2,443,413	1,993,314	450,099	22.6%
Current portion of revenue bonds	1,461,501	1,446,722	14,779	1.0%
Accrued interest	48,033	50,661	(2,628)	-5.2%
Non-current liabilities - due within one year	327,813	320,916	6,897	2.1%
Non-current liabilities - due more than one year	10,058,461	12,841,371	(2,782,910)	-21.7%
Other post employment benefits	286,702	-	286,702	100.0%
<b>Total Liabilities</b>	<b>14,625,923</b>	<b>16,652,984</b>	<b>(2,027,061)</b>	<b>-12.2%</b>
<b><u>Deferred Inflows of Resources</u></b>				
Pension related items	1,684,592	1,216,201	468,391	38.5%
Other post employment benefits	23,821	-	23,821	100.0%
<b>Total Deferred Inflows of Resources</b>	<b>1,708,413</b>	<b>1,216,201</b>	<b>492,212</b>	<b>40.5%</b>
<b><u>Net Position</u></b>				
Net Investment in capital assets	52,745,233	48,786,175	3,959,058	8.1%
Restricted - Debt Service	1,913,332	1,905,471	7,861	0.4%
Restricted - Net Pension Asset	736,333	392,879	343,454	87.4%
Restricted - Equipment Replacement	1,166,203	1,164,904	1,299	0.1%
Unrestricted	9,335,709	9,157,612	178,097	1.9%
<b>Total Net Position</b>	<b>\$ 65,896,810</b>	<b>\$ 61,407,041</b>	<b>\$ 4,489,769</b>	<b>7.3%</b>

## CITY OF STOUGHTON

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

**Table 3**  
**Net Position**  
**Government-Wide Activities - Current Year Only**

<u>Category</u>	<u>Governmental</u>		<u>Business-Type</u>		<u>Adjust*</u>	<u>Total</u>	
Net Investments in							
Capital Assets	\$ 23,468,349	66.4%	\$ 52,745,233	80.0%	\$ (176,530)	\$ 76,037,052	75.1%
Restricted Net							
Position	5,986,289	16.9%	3,815,868	5.8%	-	9,802,157	9.7%
Unrestricted Net							
Position	5,870,927	16.6%	9,335,709	14.2%	176,530	15,383,166	15.2%
Total	<u>\$ 35,325,565</u>	<u>100.0%</u>	<u>\$ 65,896,810</u>	<u>100.0%</u>	<u>\$ -</u>	<u>\$ 101,222,375</u>	<u>100.0%</u>

\* Adjustment for capital assets owned by business-type activities financed by debt of governmental activities.

**Table 4**  
**Comparative Net Position**  
**Government-Wide Activities**

<u>Category</u>	<u>Current Year</u>		<u>Prior Year</u>		<u>Increase (Decrease)</u>	
Net Investments in						
Capital Assets	\$ 76,037,052	75.1%	\$ 70,738,295	74.1%	\$ 5,298,757	7.5%
Restricted Net						
Position	9,802,157	9.7%	8,086,699	8.5%	1,715,458	21.2%
Unrestricted Net						
Position	15,383,166	15.2%	16,635,446	17.4%	(1,252,280)	-7.5%
Total	<u>\$ 101,222,375</u>	<u>100.0%</u>	<u>\$ 95,460,440</u>	<u>100.0%</u>	<u>\$ 5,761,935</u>	<u>6.0%</u>

As previously noted, the *Statement of Net Position* shows the change in financial position of net position. The specific nature or source of these changes then becomes more evident in the *Statement of Activities* as shown below in Table 5 and Table 6 below.

Governmental activities increased the City's net position by about \$1.3 million for the current year as compared to \$2.3 million for the prior year. While grants received (both operating and capital) increased by about \$1.0 million or 20.3%, this was offset by expenses increasing by almost \$1.9 million or 11.7%. The largest increase in expenses was \$0.9 million for conservation and development for infrastructure (streets and lighting) in the City.

Business-type activities increased by City's net position by \$4.5 million or 7.3%. There were two primary areas for this increase. The water utility finished the lead line replacement project. This increased expenses by \$3.5 million, but this was offset by \$3.5 million in related grant funding. Due to increased road projects, the electric utility expenses increased by \$0.9 million but this was offset by an additional \$2.1 million in contributed capital.

# CITY OF STOUGHTON

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) As of and For the Year Ended December 31, 2021

**Table 5**  
**Comparative Condensed Statement of Activities**  
**Governmental Activities**

	<u>2021</u>	<u>2020</u>	<u>Increase (Decrease)</u>	<u>Increase (Decrease)</u>
<b><u>Expenses</u></b>				
General government	\$ 2,775,516	\$ 3,231,833	\$ (456,317)	-14.1%
Public safety	5,605,600	4,819,494	786,106	16.3%
Public works	3,977,559	3,871,840	105,719	2.7%
Culture, recreation and education	3,694,716	3,008,077	686,639	22.8%
Conservation & development	1,150,303	273,326	876,977	320.9%
Interest and fiscal charges	815,402	933,151	(117,749)	-12.6%
Total expenses	<u>18,019,096</u>	<u>16,137,721</u>	<u>1,881,375</u>	11.7%
<b><u>Program Revenues</u></b>				
Charges for services	2,495,111	2,401,419	93,692	3.9%
Operating grants and contributions	2,593,720	2,084,001	509,719	24.5%
Capital grants and contributions	397,931	76,568	321,363	419.7%
Total program revenues	<u>5,486,762</u>	<u>4,561,988</u>	<u>924,774</u>	20.3%
Net (expenses) revenues and changes in net position	<u>(12,532,334)</u>	<u>(11,575,733)</u>	<u>(956,601)</u>	8.3%
<b><u>General Revenues</u></b>				
Taxes, property tax	9,462,065	9,383,998	78,067	0.8%
Taxes, property, TIF	1,678,578	1,297,116	381,462	29.4%
Taxes, other	171,065	94,727	76,338	80.6%
Intergovernmental	1,466,921	1,404,140	62,781	4.5%
Investment income	56,285	199,386	(143,101)	-71.8%
Miscellaneous	435,326	758,720	(323,394)	-42.6%
Total general revenues	<u>13,270,240</u>	<u>13,138,087</u>	<u>132,153</u>	1.0%
Transfers	<u>534,260</u>	<u>700,244</u>	<u>(165,984)</u>	-23.7%
Changes in net position	1,272,166	2,262,598	(990,432)	-43.8%
Beginning net position	<u>34,053,399</u>	<u>31,790,801</u>	<u>2,262,598</u>	7.1%
<b>ENDING NET POSITION</b>	<u>\$ 35,325,565</u>	<u>\$ 34,053,399</u>	<u>\$ 1,272,166</u>	3.7%

# CITY OF STOUGHTON

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

**Table 6**  
**Comparative Condensed Statement of Activities**  
**Business-Type Activities**

	<u>2021</u>	<u>2020</u>	<u>Increase (Decrease)</u>	<u>Increase (Decrease)</u>
<b><u>Expenses</u></b>				
Water	\$ 5,131,321	\$ 1,631,375	\$ 3,499,946	214.5%
Wastewater	1,899,994	1,953,613	(53,619)	-2.7%
Electric	14,498,571	13,648,917	849,654	6.2%
EMS	689,774	638,636	51,138	8.0%
Storm sewer	627,032	623,644	3,388	0.5%
Total expenses	<u>22,846,692</u>	<u>18,496,185</u>	<u>4,350,507</u>	23.5%
<b><u>Program Revenues</u></b>				
Charges for services	21,591,811	20,646,050	945,761	4.6%
Operating grants and contributions	3,523,696	39,446	3,484,250	8833.0%
Capital grants and contributions	2,664,608	531,227	2,133,381	401.6%
Total program revenues	<u>27,780,115</u>	<u>21,216,723</u>	<u>6,563,392</u>	30.9%
Net (expenses) revenues and changes in net position	<u>4,933,423</u>	<u>2,720,538</u>	<u>2,212,885</u>	81.3%
<b><u>General Revenues</u></b>				
Investment income	62,029	178,320	(116,291)	-65.2%
Gain on sale of assets	11,505	-	11,505	100.0%
Miscellaneous	17,072	-	17,072	100.0%
Total general revenues	<u>90,606</u>	<u>178,320</u>	<u>(87,714)</u>	-49.2%
Transfers	<u>(534,260)</u>	<u>(700,244)</u>	<u>165,984</u>	-23.7%
Changes in net position	4,489,769	2,198,614	2,291,155	104.2%
Beginning net position	<u>61,407,041</u>	<u>59,208,427</u>	<u>2,198,614</u>	3.7%
<b>ENDING NET POSITION</b>	<u>\$ 65,896,810</u>	<u>\$ 61,407,041</u>	<u>\$ 4,489,769</u>	7.3%

## **Revenues**

Program revenues are those revenues that can be directly related to a particular activity, whereas general revenues represent revenues that are not directly related to one specific function.

- General revenues include property taxes, state aids and investment income. None of the City's proprietary funds are on the tax levy.
- Charges for services are primarily made up of licenses, permits, public charges for services such as library, garbage, recycling, park, and recreation fees.
- Operating grants are mainly from state resources received for highway maintenance, taxi service and recycling programs.
- Capital grants fluctuate annually and are received to assist the city in capital asset purchases.

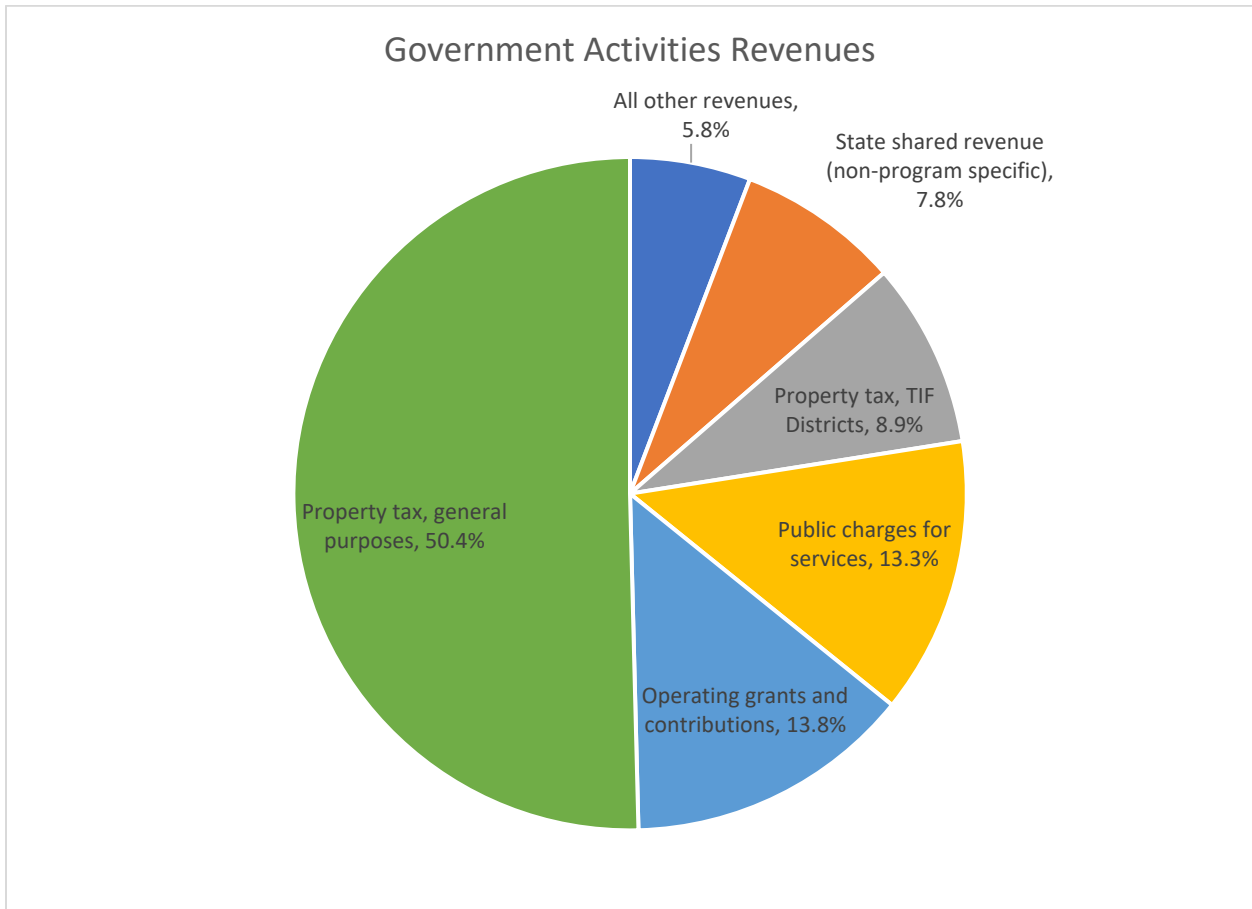
# CITY OF STOUGHTON

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

As of and For the Year Ended December 31, 2021

For governmental activities, program revenues increase by \$0.9 million or 20.3%. The single largest factor was grant funding received due to the COVID-19 pandemic. This grant funding allowed many departments to remain open.

Property taxes are the largest revenue source for the governmental activities accounting for 59.3% of total revenues. For business-type activities, the largest revenue source is charges for services.

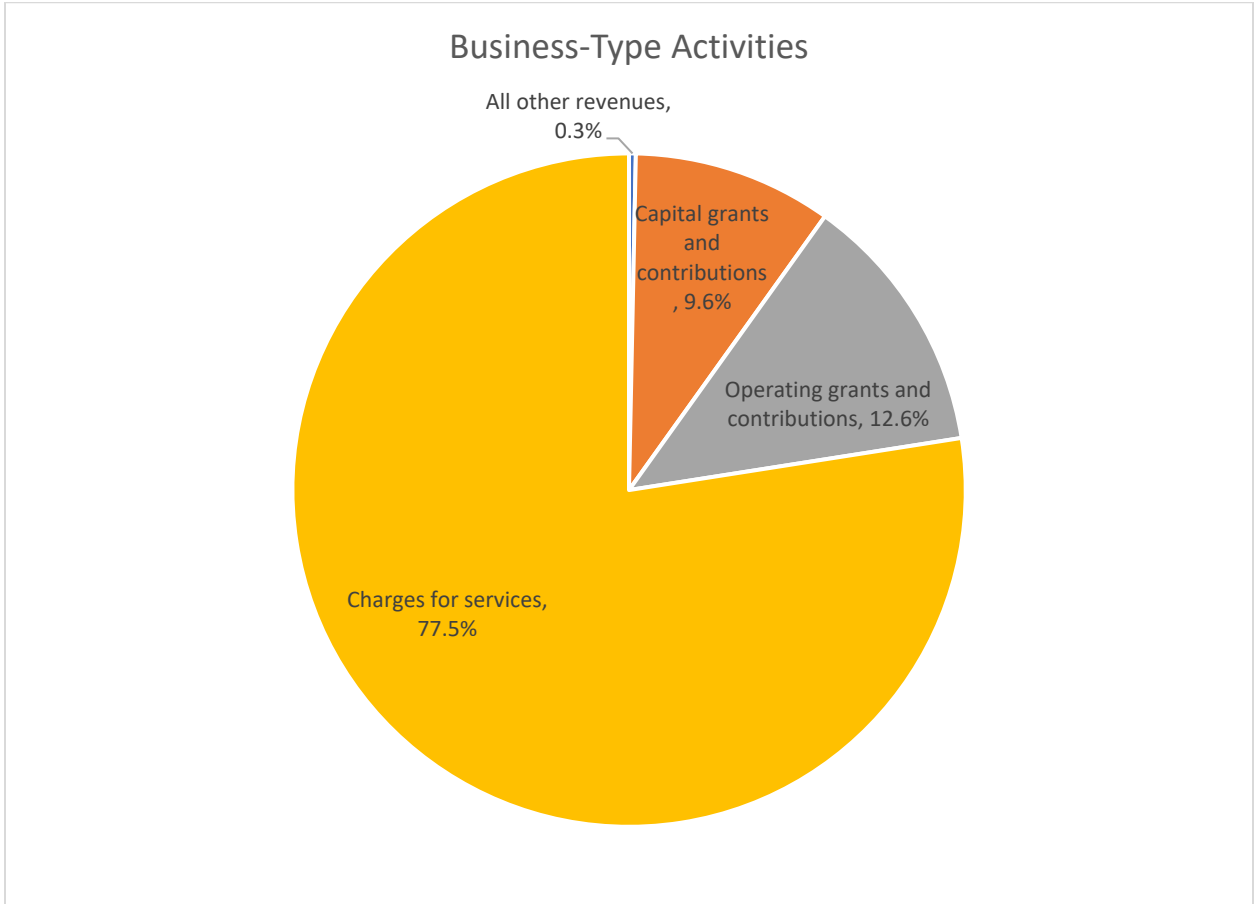




# CITY OF STOUGHTON

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

As of and For the Year Ended December 31, 2021



# CITY OF STOUGHTON

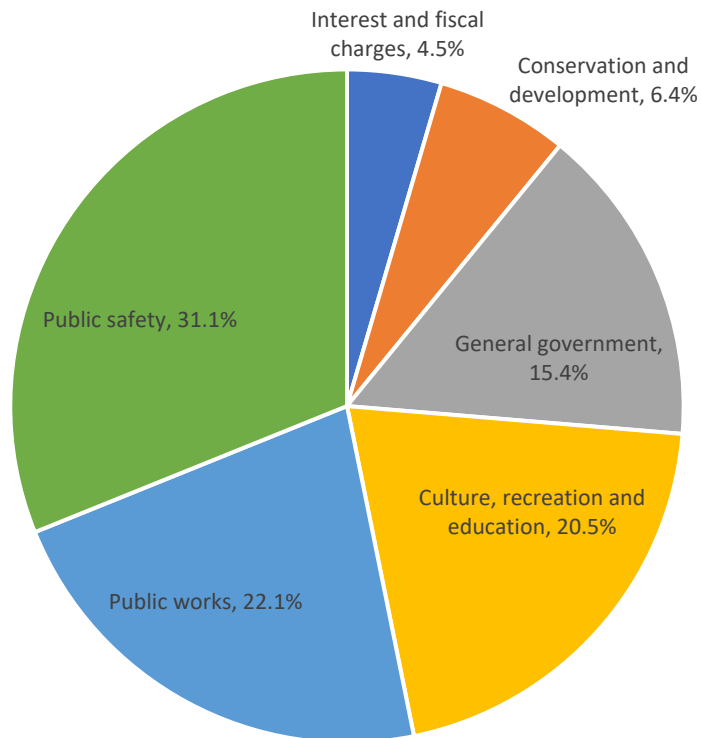
## MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

As of and For the Year Ended December 31, 2021

Governmental activities expenses are broken down into various functions.

- General Government includes administrative type costs including Council, Clerk, Human Resources, Finance, Legal and Assessment services.
- Public Safety includes the Police Department and Fire Department
- Public Works includes expenses for street and sidewalk maintenance, winter and forestry operations, and refuse and recycling efforts.
- Health and Human Services include the senior center and two cemeteries.
- Culture, Recreation and Education includes Parks and Cable Television.
- Conservation and Development are the expenses of the Planning Department and TIF funds.

### Governmental activities expenses 2021



# CITY OF STOUGHTON

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) As of and For the Year Ended December 31, 2021

### Business Type Activities

Table 7  
Net Position by Enterprise Fund (Business Type Activities)  
December 31, 2021

	Water	Wastewater	Electric	Storm Water	EMS	Total
Net Position, Beginning	\$ 15,528,074	\$ 18,229,531	\$ 22,285,449	\$ 3,979,858	\$ 1,384,129	\$ 61,407,041
Net Position, Ending	16,096,400	18,670,526	25,268,098	4,390,259	1,471,527	65,896,810
Change in Net Position	\$ 568,326	\$ 440,995	\$ 2,982,649	\$ 410,401	\$ 87,398	\$ 4,489,769
% Net Position Increase	3.7%	2.4%	13.4%	10.3%	6.3%	7.3%

The Water Utility net position increase was primarily due to increased capital assets due to the lead service lateral replacement program.

The Wastewater Utility net position increase was primarily due to related bond/note liabilities decreasing by more than new capital activity/depreciation.

The Electric Utility net position increase was primarily due to capital contributions for a large pole replacement project.

The Stormwater net position increase was primarily due to two factors. Capital assets (net of depreciation) increased by \$230,509. The balance of the increase was due to an operating surplus during 2021.

For the Emergency Medical Services, there were two large factors causing the net position increase. The first was \$57,785 from operations due to a reduction in accounts receivable. The second was an increase in net position due to actuarial activity for pension and other post-employment benefits. Storm water experienced a significant 16% increase in net position. \$418,657 of \$539,159 of storm water's net position increase was related to contributions in aid of construction and capital contributions from the city's governmental funds.

### Governmental Funds

The focus of the City of Stoughton's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the government's net resources available for spending at the end of the calendar year.

As of December 31, 2021, the city's governmental funds reported combined fund balances of \$16.5 million which is an increase of about \$1.2 million or 7.7% from the prior year. Approximately 25.4% or \$4.2 million is in the unassigned fund balance, which is available to meet the city's current and future needs.

# CITY OF STOUGHTON

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) As of and For the Year Ended December 31, 2021

**Table 8  
Fund Balances  
December 31, 2021**

<u>Category</u>	<u>General Fund</u>	<u>Debit Service</u>	<u>Construction</u>	<u>Non-Major</u>	<u>Total</u>
Non-spendable	\$ 1,320,654	\$ -	\$ -	\$ 2,250	\$ 1,322,904
Restricted	-	682,468	173,864	3,582,163	4,438,495
Committed	-	-	-	2,207,284	2,207,284
Assigned	1,111,773	-	1,903,579	1,308,981	4,324,333
Unassigned	4,887,570	-	-	(695,666)	4,191,904
<b>Total</b>	<b>\$ 7,319,997</b>	<b>\$ 682,468</b>	<b>\$ 2,077,443</b>	<b>\$ 6,405,012</b>	<b>\$ 16,484,920</b>
Beginning balance	\$ 7,030,962	\$ 696,580	\$ 2,005,994	\$ 5,566,437	\$ 15,299,973
Ending fund balance	7,319,997	682,468	2,077,443	6,405,012	16,484,920
Increase (decrease)	\$ 289,035	\$ (14,112)	\$ 71,449	\$ 838,575	\$ 1,184,947
Increase (decrease)	4.1%	-2.0%	3.6%	15.1%	7.7%

**General Fund** - The City's General Fund is the chief operating fund of the city. The increase is primarily due to operating expenditures being below budget. See the following General Fund Budgetary Highlights section for further details.

**Debt Service Fund** – The City's Debt Service Fund accounts for the accumulation of resources for, and payment of, general long-term debt principal, interest and related costs. The decrease was a planned and budgeted spend down of fund balance.

**Construction Capital Projects Fund** – The City's construction capital projects fund accounts for the funds accumulated for the purpose of obtaining capital assets or for capital projects and other expenditures that are unique and are not normal operating or maintenance type expenditures reportable within the General Fund or other governmental funds. The actual fund balance increase differs from the planned and budgeted spend down of fund balance.

**Nonmajor Governmental Funds** - Fund balance of all other governmental funds increased by 15.1% from the prior year. There are 34 different nonmajor governmental funds, each with a different purpose.

### Proprietary Funds

The City of Stoughton's proprietary fund financial statements provide the same type of information found in the government-wide financial statements but in more detail. Factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

### Internal Service Fund

In December 2011, the city paid off its Wisconsin Retirement System Unfunded Actuarial Accrued Liability. The city borrowed money from the Electric Utility to pay off its portion of liability. This advance has been recorded in the Retirement Fund, which is an Internal Service Fund that the city created for this purpose. The internal service fund had a deficit of \$157,976 as of December 31, 2021, which represents the amount to be paid to the Electric Utility and funded through future years' charges to governmental funds.

# CITY OF STOUGHTON

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) As of and For the Year Ended December 31, 2021

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### GENERAL FUND BUDGETARY HIGHLIGHTS

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The General Fund budget had total appropriations, excluding transfers out, of \$9,693,648. Actual expenditures were \$9,536,166 resulting in a \$157,482 favorable variance. The departments that went over their authorized expenditures were:

- General Government – City Council - \$710 or 1.5% of allowed expenditures
  - Elected officials' salaries were \$660 more than budgeted. The remainder of the variance is due to Social Security taxes.
- Public Safety – Police - \$24,401 or 0.7% of allowed expenditures
  - Wages and benefits account for approximately 92% of the operating budget for the Police Department. In total, wages and benefits were approximately \$27,000 over budgeted amounts.
- Public Safety – Inspection - \$10,294 or 2.6% of allowed expenditures
  - Wages and benefit account for about 96% of the operating budget for Inspection. In total, wages and benefits were approximately \$10,200 over budget.
- Public Works – Street Maintenance – \$72,674 or 5.4% of allowed expenditures
  - Wages and benefits account for about 74% of the operating budget for Public Works for street maintenance. Wages and benefits were approximately \$104,000 over budgeted amounts.
- Public Works – Snow and ice control -- \$923 or 1.4% of allowed expenditures
  - The only expenditure charged to snow and ice control is for road salt.
- Culture, recreation, education – Cemetery - \$4,684 or 13.0% of allowed expenditures
  - The Public Works Department oversees the two cemeteries for the city. No wages or benefits are charged to this area. Miscellaneous expenditures, which include grave opening charges, were approximately \$5,700 over budgeted amounts.
- Capital Outlay – all departments - \$64,158 (zero budgeted)

Total actual revenues and other financing sources were \$14,388,737, which was \$114,798 more than the adopted/amended budget. A high-level recap of larger items is below:

- Taxes
  - The city's portion of room taxes was \$4,161 more than budgeted
  - Payment in lieu of taxes (PILTs) from Stoughton Utilities was (\$57,933) less than budgeted.
- Intergovernmental revenues
  - Federal and state police grants exceeded the budget by \$26,779. Only \$2,000 was originally budgeted. It is possible that the \$9,600 budgeted in "other grants" could include those for the Police Department.
  - The state grant for shared ride services (taxi program) was (\$27,876) less than budgeted.
  - The grant for the School Resource Officer was (\$32,000) below budget. The related wages/benefits were used elsewhere in the Police Department budget.
- Licenses and permits
  - Liquor licenses were \$11,520 over budgeted amounts.
  - Various permits issued by Planning and Development Department for new construction and remodeling were \$77,329 over the budgeted amounts.
- Fines, forfeitures and penalties – Revenue from the municipal courts and parking fine for the Police Department were down (\$37,385) as compared to the budgeted amounts.
- Public charges for services
  - Tree planting fees for developers was \$11,100 more than budgeted, primary due to increased growth in the city.
  - Parks and recreation fees, in total, were (\$49,195) below the budgeted amounts.

# CITY OF STOUGHTON

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) As of and For the Year Ended December 31, 2021

- Cable franchise fees were (\$14,121) below budget amounts. This trend is anticipated to continue as the general public “cuts the cord” and reducing cable services.
- Miscellaneous revenues
  - Interest and dividend earnings were \$25,577 more than budgeted primarily due to very conservative budgeting.
  - Insurance recoveries were \$33,176 more than budgeted. Only \$3,000 total was conservatively budgeted.
  - Donations in total were \$19,734 more than budgeted.

Further details can be found in the budget to actual section of this report and the City's year-end budget to actual report.

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### CAPITAL ASSETS

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At the end of 2021, the City had invested a total of \$119.1 million in capital assets (net of depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, and infrastructure.

For the governmental activities, capital assets net of depreciation increased by only 0.4%.

For business-type activities, the capital assets net of depreciation increased by 3.9%. Categories with materials changes are summarized below.

- General – The Water Utility is the only fund with these capital assets.
- Storm Sewer – The Stormwater Fund is the only fund with these capital assets. The increase can be attributed to new road construction as well as planned replacements.
- Transmission and Distribution
  - Water Utility – The increase was \$0.2 million due to planned additions and replacements.
  - Electric Utility – The increase was \$2.4 million due to planned additions and replacements.
- Completed Construction not classified – The entire \$1.7 million is in the Water Utility.

# CITY OF STOUGHTON

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) As of and For the Year Ended December 31, 2021

**Table 9  
Capital Assets**

	<u>2021</u>	<u>2020</u>	<u>Increase</u> <u>(Decrease)</u>	<u>Decrease</u> <u>(Decrease)</u>
<b><u>Governmental activities</u></b>				
Land and other assets, not being depreciated	\$ 10,988,474	\$ 10,961,836	\$ 26,638	0.2%
Buildings & improvements	26,840,705	26,114,584	726,121	2.8%
Machinery & equipment	11,234,639	10,955,620	279,019	2.5%
Streets	23,022,473	22,462,876	559,597	2.5%
Sidewalks	5,970,488	5,765,422	205,066	3.6%
Street lighting	227,551	227,551	-	0.0%
Bridges	845,989	845,989	-	0.0%
Storm sewers	4,903,133	4,903,133	-	0.0%
Traffic signals	411,974	411,974	-	0.0%
Dams	592,997	592,997	-	0.0%
Total Capital Assets	85,038,423	83,241,982	1,796,441	2.2%
Less: Accumulated depreciation	(29,866,106)	(28,268,698)	(1,597,408)	5.7%
<b>Governmental activities net capital assets</b>	<b>\$ 55,172,317</b>	<b>\$ 54,973,284</b>	<b>\$ 199,033</b>	<b>0.4%</b>
<b><u>Business-type activities</u></b>				
Land and other assets, not being depreciated	\$ 1,209,646	\$ 2,015,841	\$ (806,195)	-40.0%
Administration and general assets	5,558,475	5,495,214	63,261	1.2%
Buildings and Improvements	1,240,308	1,240,308	-	0.0%
Collection system	14,609,016	14,454,576	154,440	1.1%
Collection system pumping	756,008	755,459	549	0.1%
Equipment	973,260	941,588	31,672	3.4%
General	1,007,359	610,364	396,995	65.0%
Pumping	1,598,744	1,598,745	(1)	0.0%
Sources of supply	595,730	595,730	-	0.0%
Storm sewer	6,339,906	5,973,935	365,971	6.1%
Transmission and distribution	54,656,534	52,029,525	2,627,009	5.0%
Treatment	90,795	90,763	32	0.0%
Treatment and disposal	15,684,336	15,672,308	12,028	0.1%
Completed construction not classified	1,667,296	-	1,667,296	100.0%
Total Capital Assets	105,987,413	101,474,356	4,513,057	4.4%
Less: Accumulated depreciation	(42,067,209)	(39,962,514)	(2,104,695)	5.3%
<b>Business-type activities net capital assets</b>	<b>\$ 63,920,204</b>	<b>\$ 61,511,842</b>	<b>\$ 2,408,362</b>	<b>3.9%</b>
<b>Total capital assets, net of depreciation</b>	<b>\$ 119,092,521</b>	<b>\$ 116,485,126</b>	<b>\$ 2,607,395</b>	<b>2.2%</b>

# CITY OF STOUGHTON

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) As of and For the Year Ended December 31, 2021

### LONG-TERM DEBT

**Table 10**  
**Long Term Debt**

	<u>2021</u>	<u>2020</u>	<u>Increase (Decrease)</u>	<u>Increase (Decrease)</u>
<b><u>Governmental activities</u></b>				
General obligation (GO) debt	\$ 32,850,386	\$ 33,789,470	\$ (939,084)	-2.8%
GO debt, direct placement	719,192	755,213	(36,021)	-4.8%
Unamortized premiums on debt	<u>746,920</u>	<u>829,549</u>	<u>(82,629)</u>	-10.0%
Total governmental activities	<u>34,316,498</u>	<u>35,374,232</u>	<u>(1,057,734)</u>	-3.0%
<b><u>Business -type activities</u></b>				
General obligation (GO) debt	1,964,614	2,135,530	(170,916)	-8.0%
Revenue bonds	5,740,000	6,815,000	(1,075,000)	-15.8%
Revenue debt, direct placement	3,414,751	3,786,472	(371,721)	-9.8%
Unamortized premiums on debt	<u>103,029</u>	<u>124,615</u>	<u>(21,586)</u>	-17.3%
Total business-type activities	<u>11,222,394</u>	<u>12,861,617</u>	<u>(1,639,223)</u>	-12.7%
 Total debt	 <u>\$ 45,538,892</u>	 <u>\$ 48,235,849</u>	 <u>\$ (2,696,957)</u>	 -5.6%
 Governmental - GO debt	 \$ 32,850,386	Total equalized value (TID out)		\$ 1,341,278,100
Governmental - Direct GO debt	719,192	GO Debt as a percentage		
Business-type - GO debt	<u>1,964,614</u>	of equalized value		2.6%
Total general obligation debt	<u>\$ 35,534,192</u>			
		GO Debt limit	\$ 67,063,905	
		Current GO debt	<u>35,534,192</u>	
		Amount available	<u>\$ 31,529,713</u>	

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 City's general obligation debt is \$31.5 million below that statutory limit.

The City has a debt policy to maintain total outstanding general obligation debt at 4% or less of the equalized value. The City's outstanding general obligation debt is at 2.6%, which is well below the self-imposed limit.

### CURRENTLY KNOWN FACTS/ECONOMIC CONDITIONS

The City has received \$686,312 in American Rescue Plan Act (ARPA) funds in both calendar years 2021 and 2022. As of the drafting of this document, the Council still has not authorized the use of the remaining funds of \$1,134,505, which includes investment income.



# **CITY OF STOUGHTON**

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

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## **REQUESTS FOR INFORMATION**

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The financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the City's finances. If you have questions about this report or need any additional information, contact the City of Stoughton Director of Finance/Comptroller at 207 S. Forrest St, Stoughton, WI 53589.

# City of Stoughton

Statement of Net Position  
December 31, 2021

	<b>Governmental Activities</b>	<b>Business- Type Activities</b>	<b>Total</b>
<b>Assets and Deferred Outflows of Resources</b>			
<b>Assets</b>			
Cash and investments	\$ 16,699,384	\$ 9,039,672	\$ 25,739,056
Receivables (net)	12,802,214	4,179,166	16,981,380
Internal balances	1,012,802	(1,012,802)	-
Inventories and prepaid items	5,049	369,774	374,823
Investment in mutual insurance company	257,805	-	257,805
Restricted cash and investments	-	3,127,572	3,127,572
Restricted net pension asset	2,421,947	736,333	3,158,280
Other assets	-	523,123	523,123
Land held for resale	901,224	-	901,224
Capital assets:			
Capital assets not being depreciated	10,988,474	980,549	11,969,023
Capital assets net of depreciation	<u>44,183,843</u>	<u>62,939,655</u>	<u>107,123,498</u>
Total assets	<u>89,272,742</u>	<u>80,883,042</u>	<u>170,155,784</u>
<b>Deferred Outflows of Resources</b>			
Pension related amounts	4,187,549	1,259,235	5,446,784
Other post-employment benefits related amounts	<u>277,001</u>	<u>88,869</u>	<u>365,870</u>
Total deferred outflows of resources	<u>4,464,550</u>	<u>1,348,104</u>	<u>5,812,654</u>
<b>Liabilities, Deferred inflows of Resources and Net Position</b>			
<b>Liabilities</b>			
Accounts payable	830,209	2,199,499	3,029,708
Accrued liabilities and deposits	778,173	222,481	1,000,654
Other liabilities	-	21,433	21,433
Unearned revenues	794,397	-	794,397
Liabilities payable from restricted assets:			
Current portion of revenue bonds	-	1,461,501	1,461,501
Accrued interest	-	48,033	48,033
Noncurrent liabilities:			
Due within one year	3,901,925	327,813	4,229,738
Due in more than one year	31,659,337	10,058,461	41,717,798
Net fire pension liability	1,196,146	-	1,196,146
Other post-employment benefits	<u>1,557,849</u>	<u>286,702</u>	<u>1,844,551</u>
Total liabilities	<u>40,718,036</u>	<u>14,625,923</u>	<u>55,343,959</u>
<b>Deferred Inflows of Resources</b>			
Unearned revenue	12,015,966	-	12,015,966
Pension related amounts	5,609,565	1,684,592	7,294,157
Other post-employment benefits related amounts	<u>68,160</u>	<u>23,821</u>	<u>91,981</u>
Total deferred inflows of resources	<u>17,693,691</u>	<u>1,708,413</u>	<u>19,402,104</u>

See notes to financial statements

# City of Stoughton

Statement of Net Position  
December 31, 2021

	<b>Governmental Activities</b>	<b>Business- Type Activities</b>	<b>Total</b>
<b>Net Position</b>			
Net investment in capital assets	\$ 23,468,349	\$ 52,745,233	\$ 76,037,052
Restricted for:			
Debt service	376,332	1,913,332	2,289,664
Firemen pension	904,009	-	904,009
Pension	2,421,947	736,333	3,158,280
Equipment replacement	-	1,166,203	1,166,203
TID activities	921,153	-	921,153
Library	352,280	-	352,280
Impact fees	497,919	-	497,919
Affordable housing	512,649	-	512,649
Unrestricted	<u>5,870,927</u>	<u>9,335,709</u>	<u>15,383,166</u>
Total net position	<u>\$ 35,325,565</u>	<u>\$ 65,896,810</u>	<u>\$101,222,375</u>

See notes to financial statements

# City of Stoughton

Statement of Activities  
Year Ended December 31, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental activities:</b>							
General government	\$ 2,775,516	\$ 220,547	\$ 206,315	\$ -	\$ (2,348,654)	\$ -	\$ (2,348,654)
Public safety	5,605,600	557,533	317,580	86,464	(4,644,023)	-	(4,644,023)
Public works	3,977,559	878,547	1,092,402	311,467	(1,695,143)	-	(1,695,143)
Culture, recreation and education	3,694,716	783,752	977,423	-	(1,933,541)	-	(1,933,541)
Conservation and development	1,150,303	54,732	-	-	(1,095,571)	-	(1,095,571)
Interest and fiscal charges	815,402	-	-	-	(815,402)	-	(815,402)
<b>Total governmental activities</b>	<b>18,019,096</b>	<b>2,495,111</b>	<b>2,593,720</b>	<b>397,931</b>	<b>(12,532,334)</b>	<b>-</b>	<b>(12,532,334)</b>
<b>Business-type activities:</b>							
Water	5,131,321	2,384,852	3,505,294	215,280	-	974,105	974,105
Wastewater	1,899,994	2,193,890	-	136,469	-	430,365	430,365
Electric	14,498,571	15,545,034	-	2,312,859	-	3,359,322	3,359,322
EMS	689,774	686,438	18,402	-	-	15,066	15,066
Storm sewer	627,032	781,597	-	-	-	154,565	154,565
<b>Total business-type activities</b>	<b>22,846,692</b>	<b>21,591,811</b>	<b>3,523,696</b>	<b>2,664,608</b>	<b>-</b>	<b>4,933,423</b>	<b>4,933,423</b>
<b>Total</b>	<b>\$ 40,865,788</b>	<b>\$ 24,086,922</b>	<b>\$ 6,117,416</b>	<b>\$ 3,062,539</b>	<b>(12,532,334)</b>	<b>4,933,423</b>	<b>(7,598,911)</b>
<b>General Revenues</b>							
<b>Taxes</b>							
Property taxes, levied for general purposes					9,462,065	-	9,462,065
Property taxes, levied for TIF districts					1,678,578	-	1,678,578
Other taxes					171,065	-	171,065
Intergovernmental revenues not restricted to specific programs					1,466,921	-	1,466,921
Investment income					56,285	62,029	118,314
Gain on sale of assets					-	11,505	11,505
Miscellaneous					435,326	17,072	452,398
<b>Total general revenues</b>					<b>13,270,240</b>	<b>90,606</b>	<b>13,360,846</b>
<b>Transfers</b>							
Change in net position					1,272,166	4,489,769	5,761,935
<b>Net Position, Beginning</b>					<b>34,053,399</b>	<b>61,407,041</b>	<b>95,460,440</b>
<b>Net Position, Ending</b>					<b>\$ 35,325,565</b>	<b>\$ 65,896,810</b>	<b>\$ 101,222,375</b>

See notes to financial statements

# City of Stoughton

Balance Sheet  
Governmental Funds  
December 31, 2021

	<u>General</u>	<u>Debt Service</u>	<u>Construction Capital Projects</u>
<b>Assets</b>			
Cash and investments	\$ 5,690,743	\$ 377,143	\$ 2,260,819
Receivables (net):			
Taxes	9,935,773	-	-
Delinquent personal property taxes	4,986	-	-
Accounts	137,416	-	-
Special assessments	-	-	-
Delinquent special assessments	9,041	-	-
Loans	-	-	-
Due from other funds	884,319	-	43,726
Advances to other funds	1,046,023	305,325	-
Other investments	257,805	-	-
Prepaid items	2,799	-	-
	<u>\$ 17,968,905</u>	<u>\$ 682,468</u>	<u>\$ 2,304,545</u>
Total assets			
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ 278,031	\$ -	\$ 224,554
Accrued liabilities	374,583	-	2,548
Deposits	62,414	-	-
Due to other funds	22,296	-	-
Unearned revenues	-	-	-
Advances from other funds	-	-	-
	<u>737,324</u>	<u>-</u>	<u>227,102</u>
Total liabilities			
<b>Deferred Inflows of Resources</b>			
Unearned revenues	9,911,584	-	-
Unavailable revenues	-	-	-
	<u>9,911,584</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources			
<b>Fund Balances</b>			
Nonspendable	1,320,654	-	-
Restricted	-	682,468	173,864
Committed	-	-	-
Assigned	1,111,773	-	1,903,579
Unassigned (deficit)	4,887,570	-	-
	<u>7,319,997</u>	<u>682,468</u>	<u>2,077,443</u>
Total fund balances			
	<u>\$ 17,968,905</u>	<u>\$ 682,468</u>	<u>\$ 2,304,545</u>
Total liabilities and fund balance			

See notes to financial statements

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<b>Nonmajor Governmental Funds</b>	<b>Total</b>
\$ 8,370,679	\$ 16,699,384
2,132,189	12,067,962
-	4,986
81,091	218,507
337,700	337,700
-	9,041
164,018	164,018
8,635	936,680
-	1,351,348
-	257,805
2,250	5,049
<b>\$ 11,096,562</b>	<b>\$ 32,052,480</b>

\$ 327,624	\$ 830,209
32,493	409,624
-	62,414
48,931	71,227
794,397	794,397
1,046,023	1,046,023
2,249,468	3,213,894

2,104,382	12,015,966
337,700	337,700
2,442,082	12,353,666

2,250	1,322,904
3,582,163	4,438,495
2,207,284	2,207,284
1,308,981	4,324,333
(695,666)	4,191,904
6,405,012	16,484,920
<b>\$ 11,096,562</b>	<b>\$ 32,052,480</b>

## City of Stoughton

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

<b>Total Fund Balances, Governmental Funds</b>	\$ 16,484,920
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds. See Note 2.	55,172,317
Land held for resale.	901,224
Some receivables that are not currently available are reported as unavailable revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements.	337,700
The net pension asset and liability does not relate to current financial resources and is not reported in the governmental funds.	1,225,801
Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	4,187,549
Deferred outflows of resources related to other post employment liabilities do not relate to current financial resources and are not reported in the governmental funds.	277,001
Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	(5,609,565)
Deferred inflows of resources related to other post employment liabilities do not relate to current financial resources and are not reported in the governmental funds.	(68,160)
Internal service funds are reported in the statement of net position as governmental activities.	(157,976)
The OPEB liabilities do not relate to current financial resources and are not reported in the governmental funds.	(1,557,849)
Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds. See Note 2.	<u>(35,867,397)</u>
<b>Net Position of Governmental Activities</b>	<b><u>\$ 35,325,565</u></b>

## City of Stoughton

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

	<u>General</u>	<u>Debt Service</u>	<u>Construction Capital Projects</u>
<b>Revenues</b>			
Taxes	\$ 9,519,518	\$ -	\$ -
Intergovernmental	2,272,957	-	-
Licenses and permits	282,504	-	-
Fines, forfeitures and penalties	109,615	-	-
Public charges for services	630,749	-	-
Intergovernmental charges for services	-	73,975	-
Special assessments	17,577	-	-
Investment income	32,237	63	715
Miscellaneous revenues	472,730	-	-
Total revenues	<u>13,337,887</u>	<u>74,038</u>	<u>715</u>
<b>Expenditures</b>			
Current:			
General government	2,094,323	-	-
Public safety	4,266,365	-	-
Public works	1,685,147	-	-
Culture, recreation and education	1,426,173	-	-
Conservation and development	-	-	80,502
Capital outlay	64,158	-	1,356,680
Debt service:			
Principal	-	3,150,105	-
Interest and fiscal charges	-	939,408	37,548
Total expenditures	<u>9,536,166</u>	<u>4,089,513</u>	<u>1,474,730</u>
Excess (deficiency) of revenues over expenditures	<u>3,801,721</u>	<u>(4,015,475)</u>	<u>(1,474,015)</u>
<b>Other Financing Sources (Uses)</b>			
Debt issued	-	-	1,387,822
Premium on debt	-	76,042	7,642
Sales of fixed assets	-	-	-
Transfers in	1,050,850	3,925,321	150,000
Transfers out	<u>(4,563,536)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(3,512,686)</u>	<u>4,001,363</u>	<u>1,545,464</u>
Net change in fund balances	289,035	(14,112)	71,449
<b>Fund Balances, Beginning</b>	<u>7,030,962</u>	<u>696,580</u>	<u>2,005,994</u>
<b>Fund Balances, Ending</b>	<u>\$ 7,319,997</u>	<u>\$ 682,468</u>	<u>\$ 2,077,443</u>

See notes to financial statements



<b>Nonmajor Governmental Funds</b>	<b>Total</b>
\$ 1,792,190	\$ 11,311,708
1,007,535	3,280,492
-	282,504
-	109,615
1,453,157	2,083,906
2,704	76,679
295,089	312,666
23,270	56,285
<u>772,392</u>	<u>1,245,122</u>
<u>5,346,337</u>	<u>18,758,977</u>
336,775	2,431,098
18,793	4,285,158
819,739	2,504,886
2,161,493	3,587,666
284,840	365,342
2,029,573	3,450,411
-	3,150,105
<u>21,297</u>	<u>998,253</u>
<u>5,672,510</u>	<u>20,772,919</u>
<u>(326,173)</u>	<u>(2,013,942)</u>
787,178	2,175,000
4,335	88,019
145,803	145,803
2,118,809	7,244,980
<u>(1,891,377)</u>	<u>(6,454,913)</u>
<u>1,164,748</u>	<u>3,198,889</u>
838,575	1,184,947
<u>5,566,437</u>	<u>15,299,973</u>
<u>\$ 6,405,012</u>	<u>\$ 16,484,920</u>

See notes to financial statements

## City of Stoughton

Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
Year Ended December 31, 2021

**Net Change in Fund Balances, Total Governmental Funds** \$ 1,184,947

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

Governmental funds report capital outlays as expenditures. However, in the statement of net position the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.

Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements	3,450,411
Some items reported as capital outlay were not capitalized	(442,357)
Depreciation is reported in the government-wide financial statements	(2,371,362)
Net book value of assets retired	(162,748)

Capital assets contributed to business-type activities are reported as capital outlay in the fund financial statements.	(274,911)
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Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.

Special assessments	(303,930)
Revolving loan	(37,950)

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

Debt issued	(2,175,000)
Principal repaid	3,150,105

Governmental funds report debt premiums and discounts as other financing sources (uses) or financing sources or uses. However, in the statement of net position, these are reported as additions to or deductions from long-term debt. These are allocated over the period the debt is outstanding in the statement of activities and are reported as interest expense.

Amortization	82,629
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Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Compensated absences	(54,687)
Assets held for resale	(224,573)
Net pension asset/liability	1,048,005
Net other post-employment benefits liability	(1,557,849)
Deferred outflows of resources related to pensions	1,157,578
Deferred inflows of resources related to pensions	(1,465,645)
Deferred outflows of resources related to other post-employment benefits	277,001
Deferred inflows of resources related to other post-employment benefits	(68,160)
Accrued interest on debt	12,203

Internal service funds are used by management to charge self insurance costs to individual funds. The change in net position of the internal service fund reported with governmental activities

48,459

**Change in Net Position of Governmental Activities** \$ 1,272,166

# City of Stoughton

Statement of Net Position  
Proprietary Funds  
December 31, 2021

## Business-Type Activities - Enterprise Funds

	<u>Water</u>	<u>Wastewater</u>	<u>Electric</u>
<b>Assets</b>			
Current assets:			
Cash and investments	\$ -	\$ 1,195,304	\$ 5,557,085
Interest receivable	5,805	3,981	3,555
Receivables (net):			
Other receivables	1,590,263	228,310	1,907,404
Current portion of special assessments	29,026	19,905	-
Due from other funds	32,673	23,652	893,017
Current portion of advance to other funds	-	-	51,006
Inventories	59,773	-	293,297
Prepaid items	3,141	3,926	9,637
Restricted assets:			
Redemption account	296,319	247,178	533,153
Total current assets	<u>2,017,000</u>	<u>1,722,256</u>	<u>9,248,154</u>
Noncurrent assets:			
Restricted assets:			
Reserve account	340,710	-	460,722
Depreciation account	25,000	33,283	25,000
Equipment replacement	-	1,166,203	-
Construction account	4	-	-
Net pension asset	153,762	161,017	373,541
Capital assets:			
Land and land rights	24,841	100	344,364
Construction in progress	214,160	19,115	367,983
Plant in service	27,098,486	32,651,038	36,474,769
Property held for future use	-	-	229,097
Less Accumulated depreciation	(8,679,244)	(13,691,236)	(17,756,883)
Other assets:			
Special assessments	87,077	59,716	-
Other prepaid asset	-	29,710	-
Plant and maintenance reserve account	195,382	-	533,326
Sick leave reserve account	311,399	119,303	161,356
Advance to other funds	-	-	106,970
Investment in ATC	-	-	484,175
Nonutility property (net of amortization)	9,238	-	-
Total noncurrent assets	<u>19,780,815</u>	<u>20,548,249</u>	<u>21,804,420</u>
Total assets	<u>21,797,815</u>	<u>22,270,505</u>	<u>31,052,574</u>
<b>Deferred Outflows of Resources</b>			
Pension related amounts	249,043	255,476	678,903
Other post-employment benefits related amounts	16,645	2,274	48,825
Total deferred outflows of resources	<u>265,688</u>	<u>257,750</u>	<u>727,728</u>

See notes to financial statements

<b>Business-Type Activities - Enterprise Funds</b>		<b>Governmental Activities - Internal Service Fund</b>
<b>Nonmajor Enterprise Funds</b>	<b>Total</b>	
\$ 966,517	\$ 7,718,906	\$ -
-	13,341	-
244,124	3,970,101	-
-	48,931	-
58,889	1,008,231	-
-	51,006	-
-	353,070	-
-	16,704	-
-	1,076,650	-
<u>1,269,530</u>	<u>14,256,940</u>	<u>-</u>
-	801,432	-
-	83,283	-
-	1,166,203	-
-	4	-
48,013	736,333	-
9,986	379,291	-
-	601,258	-
8,553,474	104,777,767	-
-	229,097	-
(1,939,846)	(42,067,209)	-
-	146,793	-
-	29,710	-
-	728,708	-
-	592,058	-
-	106,970	-
-	484,175	-
-	9,238	-
<u>6,671,627</u>	<u>68,805,111</u>	<u>-</u>
<u>7,941,157</u>	<u>83,062,051</u>	<u>-</u>
75,813	1,259,235	-
21,125	88,869	-
<u>96,938</u>	<u>1,348,104</u>	<u>-</u>

See notes to financial statements

# City of Stoughton

Statement of Net Position  
Proprietary Funds  
December 31, 2021

## Business-Type Activities - Enterprise Funds

	<u>Water</u>	<u>Wastewater</u>	<u>Electric</u>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	\$ 949,030	\$ 148,539	\$ 1,078,131
Accrued liabilities	3,323	2,952	88,431
Public benefits	-	-	21,433
Deposits	650	-	92,333
Due to other funds	1,289,738	-	583,946
Current portion of general obligation debt	54,000	36,000	-
Liabilities Payable from Restricted Assets			
Current portion of revenue bonds	426,571	349,930	685,000
Accrued interest	13,944	15,160	18,929
Total current liabilities	<u>2,737,256</u>	<u>552,581</u>	<u>2,568,203</u>
Noncurrent liabilities:			
Long-term debt:			
Revenue bonds payable	2,510,885	2,787,365	2,395,000
Unamortized debt premium	50,888	-	52,141
General obligation debt payable	165,000	110,000	-
Customer advances for construction	-	-	229,065
Compensated absences	111,399	84,619	161,356
Other post-employment benefits	55,433	1,101	165,992
Advances from other funds	-	-	-
Total noncurrent liabilities	<u>2,893,605</u>	<u>2,983,085</u>	<u>3,003,554</u>
Total liabilities	<u>5,630,861</u>	<u>3,535,666</u>	<u>5,571,757</u>
<b>Deferred Inflows of Resources</b>			
Pension related amounts	331,761	321,985	927,043
Other post-employment benefits related amounts	4,481	78	13,404
Total deferred inflows of resources	<u>336,242</u>	<u>322,063</u>	<u>940,447</u>
<b>Net Position</b>			
Net investment in capital assets	15,450,903	15,695,722	16,527,189
Restricted for:			
Debt service	648,085	265,301	999,946
Equipment replacement	-	1,166,203	-
Pension	153,762	161,017	373,541
Unrestricted (deficit)	<u>(156,350)</u>	<u>1,382,283</u>	<u>7,367,422</u>
Total net position	<u>\$ 16,096,400</u>	<u>\$ 18,670,526</u>	<u>\$ 25,268,098</u>

See notes to financial statements

<b>Business-Type Activities - Enterprise Funds</b>		<b>Governmental Activities - Internal Service Fund</b>
<b>Nonmajor Enterprise Funds</b>	<b>Totals</b>	
\$ 23,799	\$ 2,199,499	\$ -
34,792	129,498	-
-	21,433	-
-	92,983	-
-	1,873,684	51,006
237,813	327,813	-
-	1,461,501	-
-	48,033	-
<u>296,404</u>	<u>6,154,444</u>	<u>51,006</u>
-	7,693,250	-
-	103,029	-
1,361,801	1,636,801	-
-	229,065	-
38,942	396,316	-
64,176	286,702	-
305,325	305,325	106,970
<u>1,770,244</u>	<u>10,650,488</u>	<u>106,970</u>
<u>2,066,648</u>	<u>16,804,932</u>	<u>157,976</u>
103,803	1,684,592	-
5,858	23,821	-
<u>109,661</u>	<u>1,708,413</u>	<u>-</u>
5,071,419	52,745,233	-
-	1,913,332	-
-	1,166,203	-
48,013	736,333	-
742,354	9,335,709	(157,976)
<u>\$ 5,861,786</u>	<u>\$ 65,896,810</u>	<u>\$ (157,976)</u>

See notes to financial statements

# City of Stoughton

## Statement of Revenues, Expenses and Changes in Net Position

### Proprietary Funds

Year Ended December 31, 2021

### Business-Type Activities - Enterprise Funds

	<u>Water</u>	<u>Wastewater</u>	<u>Electric</u>
<b>Operating Revenues</b>	<u>\$ 2,384,852</u>	<u>\$ 2,193,890</u>	<u>\$ 15,545,034</u>
<b>Operating Expenses</b>			
Operation and maintenance	1,056,916	1,036,462	13,163,306
Depreciation	<u>497,314</u>	<u>774,018</u>	<u>1,252,922</u>
Total operating expenses	<u>1,554,230</u>	<u>1,810,480</u>	<u>14,416,228</u>
Operating income	<u>830,622</u>	<u>383,410</u>	<u>1,128,806</u>
<b>Nonoperating Revenues (Expenses)</b>			
Investment income	6,261	(875)	56,550
Interest and fiscal charges	(79,943)	(89,514)	(79,280)
Miscellaneous expenses	-	-	(14,020)
Intergovernmental	-	-	-
Amortization of premium	10,629	-	10,957
Miscellaneous revenue	-	-	4,804
Lead service replacement grant proceeds	3,505,294	-	-
Lead service replacement expenses	(3,507,777)	-	-
Gain on sale of assets	-	11,505	-
Total nonoperating revenues (expenses)	<u>(65,536)</u>	<u>(78,884)</u>	<u>(20,989)</u>
Income (loss) before contributions and transfers	<u>765,086</u>	<u>304,526</u>	<u>1,107,817</u>
<b>Contributions and Transfers</b>			
Contributions in aid of construction	215,280	136,469	2,312,859
Capital contributions - City	-	-	-
Transfers out	<u>(412,040)</u>	<u>-</u>	<u>(438,027)</u>
Total contributions and transfers	<u>(196,760)</u>	<u>136,469</u>	<u>1,874,832</u>
Change in net position	568,326	440,995	2,982,649
<b>Net Position (Deficit), Beginning</b>	<u>15,528,074</u>	<u>18,229,531</u>	<u>22,285,449</u>
<b>Net Position (Deficit), Ending</b>	<u>\$ 16,096,400</u>	<u>\$ 18,670,526</u>	<u>\$ 25,268,098</u>

See notes to financial statements

<b>Business-Type Activities - Enterprise Funds</b>		
<b>Nonmajor Enterprise Funds</b>	<b>Total</b>	<b>Governmental Activities - Internal Service Fund</b>
<u>\$ 1,468,035</u>	<u>\$ 21,591,811</u>	<u>\$ 54,652</u>
972,086	16,228,770	-
<u>304,729</u>	<u>2,828,983</u>	<u>-</u>
<u>1,276,815</u>	<u>19,057,753</u>	<u>-</u>
<u>191,220</u>	<u>2,534,058</u>	<u>54,652</u>
93	62,029	-
(39,991)	(288,728)	(6,193)
-	(14,020)	-
18,402	18,402	-
-	21,586	-
12,268	17,072	-
-	3,505,294	-
-	(3,507,777)	-
<u>-</u>	<u>11,505</u>	<u>-</u>
<u>(9,228)</u>	<u>(174,637)</u>	<u>(6,193)</u>
<u>181,992</u>	<u>2,359,421</u>	<u>48,459</u>
-	2,664,608	-
334,911	334,911	-
<u>(19,104)</u>	<u>(869,171)</u>	<u>-</u>
<u>315,807</u>	<u>2,130,348</u>	<u>-</u>
497,799	4,489,769	48,459
<u>5,363,987</u>	<u>61,407,041</u>	<u>(206,435)</u>
<u>\$ 5,861,786</u>	<u>\$ 65,896,810</u>	<u>\$ (157,976)</u>

See notes to financial statements



# City of Stoughton

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

## Business-Type Activities - Enterprise Funds

	<u>Water</u>	<u>Wastewater</u>	<u>Electric</u>
<b>Cash Flows From Operating Activities</b>			
Received from customers	\$ 2,436,650	\$ 2,212,226	\$ 15,153,892
Received from municipality for services	-	-	-
Received for street lighting	-	-	91,088
Paid to suppliers for goods and services	(559,934)	(549,818)	(12,382,100)
Paid to employees for services	<u>(463,702)</u>	<u>(455,924)</u>	<u>(806,959)</u>
Net cash flows from operating activities	<u>1,413,014</u>	<u>1,206,484</u>	<u>2,055,921</u>
<b>Cash Flows From Investing Activities</b>			
Investments sold and matured	225,750	226,963	1,092,133
Investment income	1,205	3,212	71,858
Investments purchased	-	(199,688)	-
Dividends from ATC	<u>-</u>	<u>-</u>	<u>30,145</u>
Net cash flows from investing activities	<u>226,955</u>	<u>30,487</u>	<u>1,194,136</u>
<b>Cash Flows From Noncapital Financing Activities</b>			
Paid to municipality for tax equivalent	(437,266)	-	(445,995)
Received from municipality principal on Wisconsin Retirement UAAL advance	-	-	48,459
Received from municipality interest on Wisconsin Retirement UAAL advance	-	-	6,193
Paid to utilities principal on Wisconsin Retirement UAAL advance	-	-	-
Paid to utilities interest on Wisconsin Retirement UAAL advance	-	-	-
Temporary advance to water utility	-	-	(877,698)
Lead service replacement proceeds	3,505,294	-	-
Lead service replacement expenses	(3,507,777)	-	-
Temporary advance from electric utility	<u>877,698</u>	<u>-</u>	<u>-</u>
Net cash flows from noncapital financing activities	<u>437,949</u>	<u>-</u>	<u>(1,269,041)</u>
<b>Cash Flows From Capital and Related Financing Activities</b>			
Debt issued	-	-	-
Debt retired	(486,751)	(374,970)	(670,000)
Interest paid	(79,305)	(89,652)	(84,310)
Special assessments received	29,026	19,905	-
Acquisition and construction of capital assets	(1,326,875)	(249,498)	(2,492,138)
Lead service replacement receivable	(1,155,482)	-	-
Capital contributions received	-	-	2,347,085
Construction Grant Received	-	-	-
Customer advances for construction received	-	-	(1,115,851)
Capital contribution to city	<u>-</u>	<u>-</u>	<u>-</u>
Net cash flows from capital and related financing activities	<u>(3,019,387)</u>	<u>(694,215)</u>	<u>(2,015,214)</u>
Net change in cash and cash equivalents	(941,469)	542,756	(34,198)
<b>Cash and Cash Equivalents, Beginning</b>	<u>2,110,283</u>	<u>1,665,176</u>	<u>6,362,425</u>
<b>Cash and Cash Equivalents, Ending</b>	<u>\$ 1,168,814</u>	<u>\$ 2,207,932</u>	<u>\$ 6,328,227</u>

See notes to financial statements

<b>Business-Type Activities - Enterprise Funds</b>		<b>Governmental Activities - Internal Service Fund</b>
<b>Nonmajor Enterprise Funds</b>	<b>Total</b>	
\$ 1,452,679	\$ 21,255,447	\$ -
-	-	54,652
-	91,088	-
(405,812)	(13,897,664)	-
<u>(547,288)</u>	<u>(2,273,873)</u>	<u>-</u>
499,579	5,174,998	54,652
-	1,544,846	-
93	76,368	-
-	(199,688)	-
<u>-</u>	<u>30,145</u>	<u>-</u>
93	1,451,671	-
-	(883,261)	-
-	48,459	-
-	6,193	-
-	-	(48,459)
-	-	(6,193)
-	(877,698)	-
-	3,505,294	-
-	(3,507,777)	-
<u>-</u>	<u>877,698</u>	<u>-</u>
<u>-</u>	<u>(831,092)</u>	<u>(54,652)</u>
150,000	150,000	-
(235,916)	(1,767,637)	-
(42,683)	(295,950)	-
-	48,931	-
(179,515)	(4,248,026)	-
-	(1,155,482)	-
60,000	2,407,085	-
260,640	260,640	-
-	(1,115,851)	-
<u>(19,104)</u>	<u>(19,104)</u>	<u>-</u>
<u>(6,578)</u>	<u>(5,735,394)</u>	<u>-</u>
493,094	60,183	-
<u>473,423</u>	<u>10,611,307</u>	<u>-</u>
<u>\$ 966,517</u>	<u>\$ 10,671,490</u>	<u>\$ -</u>

See notes to financial statements

# City of Stoughton

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

## Business-Type Activities - Enterprise Funds

	<u>Water</u>	<u>Wastewater</u>	<u>Electric</u>
<b>Reconciliation of Operating Income to Net Cash Flows From Operating Activities</b>			
Operating income	\$ 830,622	\$ 383,410	\$ 1,128,806
Nonoperating revenue (expense)	-	-	(3,621)
Adjustments to reconcile operating income to net cash flows from operating activities:			
Depreciation	497,314	774,018	1,252,922
Depreciation charged to other funds	33,512	-	68,292
Changes in assets, deferred outflows of resources and liabilities and deferred inflows of resources:			
Customer accounts receivable	6,596	10,348	(33,460)
Other accounts receivable	12,258	5,436	(300,467)
Due from other funds	4,488	2,552	58,395
Due to other funds	76,363	-	52,174
Inventories	(18,734)	-	150,158
Prepaid items	(3,141)	(3,926)	(8,637)
Accounts payable	(10,704)	124,262	(355,182)
Accrued wages	(15,678)	-	-
Compensated absences	8,321	(27,616)	10,635
Customer deposits	(1,179)	-	(15,306)
Other current liabilities	-	(13,967)	(2,287)
Commitment to community	-	-	(122)
Pension related deferrals and liabilities	(50,293)	(58,823)	(76,950)
Other prepaid asset	-	11,885	-
OPEB related deferrals and liabilities	43,269	(1,095)	130,571
	<u>\$ 1,413,014</u>	<u>\$ 1,206,484</u>	<u>\$ 2,055,921</u>
Net cash flows from operating activities			
<b>Reconciliation of Cash and Cash Equivalents to the Statement of Net Position, Proprietary Funds</b>			
Cash and investments	\$ -	\$ 1,195,304	\$ 5,557,085
Restricted cash and investments			
Redemption account	296,319	247,178	533,153
Reserve account	340,710	-	460,722
Depreciation account	25,000	33,283	25,000
Construction account	4	-	-
Plant and maintenance reserve account	195,382	-	533,326
Sick leave reserve account	311,399	119,303	161,356
Replacement account	-	1,166,203	-
	<u>1,168,814</u>	<u>2,761,271</u>	<u>7,270,642</u>
Total cash and investments			
Less noncash equivalents	<u>-</u>	<u>(553,339)</u>	<u>(942,415)</u>
Cash and cash equivalents	<u>\$ 1,168,814</u>	<u>\$ 2,207,932</u>	<u>\$ 6,328,227</u>
<b>Noncash Capital and Related Financing Activities</b>			
Unrealized gain (loss) on investments	<u>\$ 8,856</u>	<u>\$ 311</u>	<u>\$ (60,381)</u>
Contributed capital assets	<u>\$ -</u>	<u>\$ 136,469</u>	<u>\$ -</u>
ATC earnings allocated	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,072</u>
Customer contribution receivable	<u>\$ 210,280</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to financial statements

<b>Business-Type Activities - Enterprise Funds</b>		<b>Governmental Activities - Internal Service Fund</b>
<b>Nonmajor Enterprise Funds</b>	<b>Total</b>	
\$ 191,220	\$ 2,534,058	\$ 54,652
30,670	27,049	-
304,729	2,828,983	-
-	101,804	-
1,162	(15,354)	-
(41,235)	(324,008)	-
(7,172)	58,263	-
-	128,537	-
-	131,424	-
-	(15,704)	-
(25,395)	(267,019)	-
-	(15,678)	-
7,500	(1,160)	-
-	(16,485)	-
4,626	(11,628)	-
-	(122)	-
(15,435)	(201,501)	-
-	11,885	-
48,909	221,654	-
<u>\$ 499,579</u>	<u>\$ 5,174,998</u>	<u>\$ 54,652</u>
\$ 966,517	\$ 7,718,906	\$ -
-	1,076,650	-
-	801,432	-
-	83,283	-
-	4	-
-	728,708	-
-	592,058	-
-	1,166,203	-
966,517	12,167,244	-
-	(1,495,754)	-
<u>\$ 966,517</u>	<u>\$ 10,671,490</u>	<u>\$ -</u>
<u>\$ -</u>		<u>\$ -</u>
<u>\$ 274,911</u>		<u>\$ -</u>
<u>\$ -</u>		<u>\$ -</u>
<u>\$ -</u>		<u>\$ -</u>

See notes to financial statements

# City of Stoughton

## Statement of Fiduciary Net Position

Fiduciary Fund

December 31, 2021

	<b>Custodial Fund</b>
<b>Assets</b>	
Cash and Investments	\$ 11,127,425
Tax roll receivable	<u>5,513,309</u>
Total assets	<u>16,640,734</u>
<b>Liabilities</b>	
Due to other taxing units	<u>16,640,734</u>
Total liabilities	<u>16,640,734</u>
<b>Net Position</b>	
Total net position	<u><u>\$ -</u></u>

See notes to financial statements

## City of Stoughton

Statement of Changes in Fiduciary Net Position

Fiduciary Fund

Year Ended December 31, 2021

	<b>Custodial Fund</b>
<b>Additions</b>	
Property taxes collected for other governments	\$ 4,309,142
Total additions	<u>4,309,142</u>
<b>Deductions</b>	
Property taxes distributed to other governments	<u>4,309,142</u>
Total deductions	<u>4,309,142</u>
Change in fiduciary net position	-
<b>Net Position, Beginning</b>	<u>-</u>
<b>Net Position, Ending</b>	<u><u>\$ -</u></u>

# City of Stoughton

Index to Notes to Financial Statements  
December 31, 2021

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	<u>Page</u>
<b>1. Summary of Significant Accounting Policies</b>	<b>23</b>
Reporting Entity	23
Government-Wide and Fund Financial Statements	23
Measurement Focus, Basis of Accounting and Financial Statement Presentation	26
Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity	27
Deposits and Investments	27
Receivables	28
Inventories and Prepaid Items	29
Restricted Assets	29
Capital Assets	30
Land Held for Resale	30
Other Assets	31
Deferred Outflows of Resources	31
Compensated Absences	31
Long-Term Obligations	32
Deferred Inflows of Resources	32
Equity Classifications	32
Pension	34
Postemployment Benefits Other Than Pensions (OPEB)	34
Basis for Existing Rates	34
<b>2. Reconciliation of Government-Wide and Fund Financial Statements</b>	<b>34</b>
Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Statement of Net Position	34
<b>3. Stewardship, Compliance and Accountability</b>	<b>35</b>
Budgetary Information	35
Excess Expenditures and Other Financing Uses Over Budget	35
Deficit Balances	36
Limitations on the City's Tax Levy	36
<b>4. Detailed Notes on All Funds</b>	<b>36</b>
Deposits and Investments	36
Receivables	39
Restricted Assets	40
Capital Assets	41
Interfund Receivables/Payables, Advances and Transfers	45
Long-Term Obligations	48
Net Position/Fund Balances	53
<b>5. Other Information</b>	<b>55</b>
Employees' Retirement System	55
Risk Management	60
Commitments and Contingencies	61
Other Postemployment Benefits	62
Subsequent Events	69
Tax Abatement	69
Effect of New Accounting Standards on Current-Period Financial Statements	70
Firemen's Pension Plan	70

# City of Stoughton

Notes to Financial Statements  
December 31, 2021

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## 1. Summary of Significant Accounting Policies

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

### Reporting Entity

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

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

### Blended Component Unit

The Stoughton Redevelopment Authority (RDA) serves all the citizens of the government and is governed by a board of seven Commissioners. The rates for user charges and bond issuance authorizations are approved by the government's council and the government is legally obligated to provide resources in case there are deficiencies in debt service payments and resources are not available from other remedies. The RDA is reported as a special revenue fund. The RDA does not issue separate financial statements.

### Government-Wide and Fund Financial Statements

In June 2015, the GASB issued statement No. 75 - *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended*, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB*. This standard was implemented January 1, 2021.



## Government-Wide Financial Statements

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

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

## Fund Financial Statements

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

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

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

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

The City reports the following major governmental funds:

### General Fund

General Fund accounts for the City's primary operating activities. It is used to account for and report all financial resources except those accounted for and reported in another fund.

# City of Stoughton

Notes to Financial Statements  
December 31, 2021

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## Debt Service Fund

Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for the payment of general long-term debt principal, interest and related costs, other than TID or enterprise debt.

## Capital Projects Fund

Construction Capital Project Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

## Enterprise Funds

The City reports the following major enterprise funds:

Water Utility accounts for operations of the water system

Wastewater Utility accounts for operations of the wastewater system

Electric Utility accounts for operations of the electric system

The City reports the following nonmajor governmental and enterprise funds:

## Special Revenue Funds

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

Library	Food Pantry
Ambulance	Landmarks
Opera House	Fire Department Special
Opera House Repair	Senior Center Wood Shop
Township Outreach	Senior Center Special
Tourism	Affordable Housing Fund
Seniors in Need	Redevelopment Authority
ARPA fund	Special Assessments
Cemetery	K9 Unit
Revolving loan fund	Tree Commission
Firemen's Pension Fund	Refuse fund

## Capital Projects Funds

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

Fire Equipment	TIF District No. 3
Park Acquisition	TIF District No. 4
Equipment Replacement	TIF District No. 5
Building Maintenance	TIF District No. 6
Outlay	TIF District No. 7
Technology	TIF District No. 8

# City of Stoughton

Notes to Financial Statements  
December 31, 2021

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## Enterprise Funds

Enterprise Funds are used to account for and report any activity for which a fee is charged to external users for goods or services, and must be used for activities which meet certain debt or cost recovery criteria.

EMS

Storm Sewer

In addition, the City reports the following fund types:

## Internal Service Fund

Internal Service Fund is used to account for and report the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governmental units, on a cost-reimbursement basis.

Retirement fund

## Custodial Fund

Custodial Fund is used to account for and report assets controlled by the City and the assets are for the benefit of individuals, private organizations and/or other governmental units.

Tax Collections Fund

## Measurement Focus, Basis of Accounting and Financial Statement Presentation

### Government-Wide Financial Statements

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

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, wastewater, and electric utilities and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

### Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for 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 Stoughton

Notes to Financial Statements  
December 31, 2021

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

Intergovernmental aids and grants are recognized as revenues in the period the City is entitled the resources and the amounts are available. Amounts owed to the City which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and unavailable revenues. Delinquent special assessments being held for collection by the county are reported as receivables and nonspendable fund balance in the general fund.

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

## **Proprietary and Fiduciary Funds**

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

The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water, wastewater, storm sewer, electric utility funds and EMS fund are charges to customers for sales and services. Special assessments are recorded as receivables and contribution revenue when levied. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

## **All Financial Statements**

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

## **Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity**

### **Deposits and Investments**

For purposes of the statement of cash flows, the City considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

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

- a. Time deposits in any credit union, bank, savings bank or trust company.

## City of Stoughton

Notes to Financial Statements  
December 31, 2021

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

The City has adopted an investment policy. That policy follows the state statute for allowable investments, and does not address the risks disclosed in Note 4.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on methods and inputs as outlined in Note 4. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances. The difference between the bank statement balance and carrying value is due to outstanding checks and/or deposits in transit.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF) and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2021, the fair value of the City's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

PMA Financial Network, Inc. is the administrator for the Wisconsin Investment Series Cooperative (WISC). The investment manager for WISC is PMA Financial Network, Inc. The WISC is not registered with the Securities and Exchange Commission, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in WISC are valued at WISC's share price, the price for which the investments could be sold. At December 31, 2021 the City's share of the WISC's assets was substantially equal to the amount reported in these statements.

See Note 4 for further information.

### Receivables

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

# City of Stoughton

Notes to Financial Statements  
December 31, 2021

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Property tax calendar - 2021 tax roll:

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

Accounts receivable have been shown net of an allowance for uncollectible accounts. Delinquent real estate taxes as of July 31 are paid in full by the County, which assumes the collection thereof. No provision for uncollectible accounts receivable has been made for the water, wastewater, and electric utilities because they have the right by law to place substantially all delinquent bills on the tax roll and other delinquent bills are generally not significant.

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 a nonspendable fund balance account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation or by a restricted fund balance account, if the funds will ultimately be restricted when the advance is repaid.

It is the City's policy to record receivable when the initial loan is made. Interest received from loan repayments is recognized as revenue when received in cash. Any unspent loan repayments at year-end are presented as committed fund balance in the fund financial statements.

## Inventories and Prepaid Items

Governmental fund inventory items are charged to expenditure accounts when purchased. Year-end inventory was not significant. Proprietary fund inventories are generally used for construction and/or for operation and maintenance work. They are not for resale. They are valued at cost based on weighted average and charged to construction and/or operation and maintenance expense when used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

## 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.

# City of Stoughton

Notes to Financial Statements  
December 31, 2021

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## Capital Assets

### Government-Wide Statements

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the City government as assets with an initial cost of more than \$5,000 general capital assets and \$15,000 for infrastructure assets and an estimated useful life in excess of one year. All capital assets are valued at historical cost or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

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

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

Buildings	15 - 75 Years
Land Improvements	15 - 30 Years
Machinery and Equipment	3 - 15 Years
Utility System	5 - 100 Years
Infrastructure	30 - 75 Years

### Fund Financial Statements

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

### Land Held for Resale

Land held for resale consists of land and improvements and is valued at cost of acquisition, demolition, and site improvement.

## City of Stoughton

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Notes to Financial Statements  
December 31, 2021

### Other Assets

These accounts include costs related to the Utility's investment in American Transmission Company (ATC) and nonutility property.

The electric utility is a member of ATC. ATC was formed by approximately 25 utilities to plan, construct, maintain, monitor and own electric transmission facilities in Wisconsin. The Utility owns less than 1/2 of 1% of ATC. The investment earns dividends quarterly, some of which is paid in cash and some of which is required to be reinvested. From time to time, the Utility has the option to contribute additional funds to maintain their proportionate share of ownership. The asset is valued at net asset value per share which is equal to original cost plus additional contributions and reinvested dividends and approximates fair value.

The water and electric utilities have plant and maintenance reserve accounts. Monthly deposits are made into this account and made available for routine capital projects and other large operating expenses.

The water, wastewater and electric utilities have sick leave reserve accounts. Upon retirement, these funds are used for insurance coverage for utility employees.

### Nonutility Property

Water utility non-utility property consists of a park shelter with a balance of \$107,000 at December 31, 2021. The cost is being amortized on a straight-line basis over its useful life. The unamortized balance as of December 31, 2021 was \$9,238.

### Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net position/fund balance that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

### Compensated Absences

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

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

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave balances at December 31, 2021 are determined on the basis of current salary rates and include salary related payments.

The City provides post-employment health insurance benefits for all eligible employees who chose to convert accumulated sick leave benefits to post-employment health insurance. The benefits are based on contractual agreements with employee groups, local ordinances, or employee benefit policies. Employees may convert 100% of accumulated sick leave to pay for health care premiums. The cost of those premiums is recognized as an expenditure as the premiums are paid. The entire cost is paid by the City. Funding for those costs is provided out of the general fund. Total expenditures for premiums during the year were \$36,355. Two participants were eligible during 2021 to receive benefits. There is no amount outstanding at year-end to be paid in the future.



# City of Stoughton

Notes to Financial Statements  
December 31, 2021

## Long-Term Obligations

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

For the government-wide statements and proprietary fund statements, bond premiums and discounts are amortized over the life of the issue using the straight-line method. The balance at year-end is shown as an increase or decrease in the liability section of the statement of net position.

The City has a debt policy to maintain total outstanding general obligation debt of 4% or less of the equalized value of taxable property within the City's jurisdiction. The City's total outstanding general obligation debt was at 2.65%.

## Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position/fund balance that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

## Equity Classifications

### Government-Wide Statements

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

- a. **Net Investment in Capital Assets** - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- 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 positions that do not meet the definitions of *restricted* or *net investment in capital assets*.

The net position section includes an adjustment for capital assets owned by the business-type activities column, but financed by the debt of the governmental activities column. The amount is a reduction of *net investment in capital assets* and an increase in *unrestricted* net position, shown only in the total column. A reconciliation of this adjustment is as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Adjustment</u>	<u>Total</u>
Net investment in capital assets	\$ 23,468,349	\$ 52,745,233	\$ (176,530)	\$ 76,037,052
Unrestricted	5,870,927	9,335,709	176,530	15,383,166

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

## Fund Statements

Governmental fund balances are displayed as follows:

- a. **Nonspendable** - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. **Restricted** - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. **Committed** - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the City Council. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the City Council that originally created the commitment.
- d. **Assigned** - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The City Council has, by resolution, adopted a financial policy authorizing the finance director to assign amounts for a specific purpose. Assignments may take place after the end of the reporting period.
- e. **Unassigned** - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those purposes.

Proprietary fund equity is classified the same as in the government-wide statements.

The City considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents / contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The City has a formal minimum fund balance policy. That policy is to maintain an unassigned general fund balance within a range of 20% to 25% of general fund annual budgeted expenditures. The unassigned general fund balance at year-end was \$4,887,570 or 34.25% of 2021 general fund budgeted expenditures and other financing uses.

See Note 4 for further information.

# City of Stoughton

Notes to Financial Statements  
December 31, 2021

## Pension

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

## Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information about City health insurance OPEB Plan has been determined on the same basis as reported by the City health insurance OPEB Plan. For this purpose, the City health insurance OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

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.

## Basis for Existing Rates

Current water rates were approved by the PSCW effective June 1, 2021.

Current electric rates were approved by the PSCW on July 1, 2020.

Current wastewater rates were approved by the utilities committee effective June 1, 2020.

## 2. Reconciliation of Government-Wide and Fund Financial Statements

### Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Statement of Net Position

The governmental fund balance sheet includes a reconciliation between fund balance, total governmental funds and net position, governmental activities as reported in the government-wide statement of net position. The details of this reconciliation include the following items.

Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds.

Capital assets not being depreciated	\$	10,988,474
Capital assets, net of depreciation		<u>44,183,843</u>
Combined adjustment for capital assets	\$	<u>55,172,317</u>

## City of Stoughton

Notes to Financial Statements  
December 31, 2021

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities-both current and long-term-are reported in the statement of net position.

Bonds and notes payable	\$	33,569,578
Compensated absences		1,244,764
Accrued interest		306,135
Unamortized premium on debt		<u>746,920</u>
Combined adjustment for long-term liabilities	\$	<u>35,867,397</u>

### 3. Stewardship, Compliance and Accountability

#### Budgetary Information

A budget has been adopted for all funds except Fire Equipment Fund and ARPA Fund. Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds.

#### Excess Expenditures and Other Financing Uses Over Budget

<u>Funds</u>	<u>Budgeted Expenditures and Other Financing Uses</u>	<u>Actual Expenditures and Other Financing Uses</u>	<u>Excess Expenditures and Other Financing Uses Over Budget</u>
Refuse	\$ 817,171	\$ 819,739	\$ 2,568
Redevelopment Authority	8,000	18,962	10,962
Cemetery	200	496	296
TIF District No. 3	894,000	900,570	6,570
TIF District No. 4	105,500	447,387	341,887
TIF District No. 6	138,731	144,290	5,559
TIF District No. 7	544,725	889,701	344,976
Equipment Replacement Fund	280,520	363,647	83,127
Tree Commission	1,500	2,840	1,340
Ambulance	8,230	62,873	54,643
Fire Department Special	23,400	24,243	843
Tourism	72,000	113,612	41,612

The City controls expenditures at the object level. Some individual line items experienced expenditures which exceeded appropriations. The detail of those items can be found in the City's year-end budget to actual report.

# City of Stoughton

Notes to Financial Statements  
December 31, 2021

## Deficit Balances

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year-end.

As of December 31, 2021, the following individual funds held a deficit balance:

<u>Fund</u>	<u>Amount</u>	<u>Reason</u>
Special revenue - ARPA	\$ 3,440	Expenditures in excess of revenues
Special revenue - Redevelopment Authority	1,962	Expenditures in excess of revenues
Capital projects - TIF District No. 5	690,264	Expenditures in excess of revenues

TIF district deficits are anticipated to be funded with future incremental taxes levied over the life of the districts, which is 27 years for the districts created before October 1, 1995, and 23 years for districts created thereafter through September 30, 2004. Beginning October 1, 2004, the life of new districts varies by type of district (20-27 years) and may be extended in some cases. Other fund deficits are anticipated to be funded with future contributions, general tax revenues, or long-term borrowing.

## Limitations on the City's Tax Levy

Wisconsin law limits the City's future tax levies. Generally the City is limited to its prior tax levy dollar amount (excluding TIF Districts), increased by the greater of the percentage change in the City's equalized value due to new construction or 0%. Changes in debt service from one year to the next are generally exempt from this limit with certain exceptions. The City is required to reduce its allowable levy by the estimated amount of fee revenue it collects for certain services, if those services were funded in 2013 by the property tax levy. Levies can be increased above the allowable limits if the amount is approved by referendum.

## 4. Detailed Notes on All Funds

### Deposits and Investments

The City's deposits and investments at year-end were comprised of the following:

	<u>Carrying Value</u>	<u>Statement Balances</u>	<u>Associated Risks</u>
Deposits	\$ 9,327,203	\$ 9,326,639	Custodial credit Credit, custodial credit, concentration of credit, interest rate
U.S. agencies - implicitly guaranteed	74,538	74,538	interest rate
LGIP	1,381,990	1,381,990	Credit Credit, custodial credit, concentration of credit, interest rate
State and local bonds	703,987	703,987	interest rate
Wisconsin Investment Series Cooperative	24,282,751	22,005,012	Credit
Mutual funds - other than bonds	58,343	58,343	N/A
Certificates of deposit - negotiable	1,204,670	1,204,670	Credit, custodial credit, concentration of credit, interest rate
Cash on hand	<u>2,960,571</u>	<u>2,960,571</u>	
Total deposits and investments	<u>\$ 39,994,053</u>	<u>\$ 37,715,750</u>	

# City of Stoughton

Notes to Financial Statements  
December 31, 2021

## Reconciliation to financial statements

### Per statement of net position:

Unrestricted cash and investments	\$ 25,739,056
Restricted cash and investments	3,127,572

### Per statement of net position - fiduciary fund:

Custodial fund	<u>11,127,425</u>
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Total deposits and investments	<u><u>\$ 39,994,053</u></u>
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Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit accounts (interest-bearing and noninterest-bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts. Deposits in the credit union are insured by the National Credit Union Administration in the amount of \$250,000 for all share draft accounts and \$250,000 for all share certificate and regular share accounts.

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

The Securities Investor Protection Corporation (SIPC), created by the Securities Investor Protection Act of 1970, is an independent government-sponsored corporation (not an agency of the U.S. government).

SIPC membership provides account protection up to a maximum of \$500,000 per customer, of which \$100,000 may be in cash. \$500,000 of the City's investments are covered by SIPC.

The City maintains collateral agreements with its banks. At December 31, 2021, the banks had pledged various government securities in the amount of \$6,200,150 to secure the City's deposits.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The valuation methods for recurring fair value measurements are as follows:

- Market approach

Investment Type	December 31, 2021			
	Level 1	Level 2	Level 3	Total
U.S. agencies	\$ -	\$ 74,538	\$ -	\$ 74,538
State and local bonds	-	703,987	-	703,987
Certificates of deposit - negotiable	-	1,204,670	-	1,204,670
Mutual funds - other than bonds	-	<u>58,343</u>	-	<u>58,343</u>
Total	<u>\$ -</u>	<u>\$ 2,041,538</u>	<u>\$ -</u>	<u>\$ 2,041,538</u>

# City of Stoughton

Notes to Financial Statements  
December 31, 2021

## Custodial Credit Risk

### Deposits

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

As of December 31, 2021, \$1,046,182 of the City's total bank balances were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 1,046,182
Total	<u>\$ 1,046,182</u>

### Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

#### U.S. Agencies

Neither insured nor registered and held by counterparty	<u>\$ 74,538</u>
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#### State and Local Bonds

Neither insured nor registered and held by counterparty	<u>\$ 703,987</u>
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#### Certificates of Deposit - Negotiable

Neither insured nor registered and held by counterparty	<u>\$ 200,542</u>
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## Credit Risk

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

As of December 31, 2021, the City's investments were rated as follows:

<u>Investment Type</u>	<u>Standard &amp; Poors</u>	<u>Moody's Investors Services</u>
U.S. Agencies implicitly guaranteed	AAA	Aaa
Certificates of deposit - negotiable	AAA-A+	Aa1
State and local bonds	AA	Aa1
Wisconsin Investment Series Cooperative	AAAm	

The City also held investments in the following external pool which is not rated:

Local Government Investment Pool

There are also negotiable certificates of deposit in the amount of \$1,004,128 that are not rated.

# City of Stoughton

Notes to Financial Statements  
December 31, 2021

## Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment.

As of December 31, 2021, the City's investments were as follows:

Investment Type	Fair Value	Maturity (In Years)		
		Less than 1	1-3	3 or more
U.S. agencies implicitly guaranteed	\$ 74,538	\$ -	\$ -	\$ 74,538
State and local bonds	703,987	703,987	-	-
Certificates of deposit - negotiable	<u>1,204,670</u>	<u>1,004,128</u>	<u>200,542</u>	<u>-</u>
Total	<u>\$ 1,983,195</u>	<u>\$ 1,708,115</u>	<u>\$ 200,542</u>	<u>\$ 74,538</u>

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

## Receivables

All receivables, except \$14,027 in general fund, \$87,077 in water utility, \$59,716 in wastewater utility and \$501,718 in nonmajor funds are expected to be collected within one year.

Revenues of the EMS fund are reported net of uncollectible amounts. Total uncollectible amounts related to revenues of the current period are as follows:

Uncollectibles related to ambulance receivables (nonmajor enterprise fund - EMS)	<u>\$ 117,695</u>
Total uncollectibles of the current fiscal year	<u>\$ 117,695</u>

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

	<u>Unearned</u>	<u>Unavailable</u>
Property taxes receivable for subsequent year	\$ 12,015,966	\$ -
Special assessments not yet due	-	337,700
Opera house prepaid tickets revenue	108,085	-
Grants received prior to meeting all eligibility requirements	<u>686,312</u>	<u>-</u>
Total unearned/unavailable revenue for governmental funds	<u>\$ 12,810,363</u>	<u>\$ 337,700</u>
Unearned revenue included in liabilities	\$ 794,397	
Unearned revenue included in deferred inflows	<u>12,015,966</u>	
Total unearned revenue for governmental funds	<u>\$ 12,810,363</u>	



# City of Stoughton

Notes to Financial Statements  
December 31, 2021

## Restricted Assets

The following represent the balances of the restricted assets:

### Long-Term Debt Accounts

**Redemption** - Used to segregate resources accumulated for debt service payments over the next twelve months.

**Reserve** - Used to report resources set aside to make up potential future deficiencies in the redemption account.

**Depreciation** - Used to report resources set aside to fund plant renewals and replacement or make up potential future deficiencies in the redemption account.

**Construction** - Used to report proceeds of revenue bond issuances that are restricted for use in construction.

### Equipment Replacement Account

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

### Net Pension Asset

Restricted assets have been reported in connection with the net pension asset balance since this balance must be used to fund employee benefits.

Following is a list of restricted assets at December 31, 2021:

	<b>Restricted Assets</b>	<b>Liabilities Payable from Restricted Assets</b>	<b>Restricted Net Position</b>
Bond redemption account	\$ 1,076,650	\$ 48,033	\$ 1,028,617
Bond reserve account	801,432	-	801,432
Bond depreciation account	83,283	-	83,283
Construction account	4	-	n/a
Equipment replacement account	1,166,203	-	1,166,203
Net pension asset - business-type activities	736,333	-	736,333
Net pension asset - governmental activities	2,421,947	-	2,421,947
Total	<u>\$ 6,285,852</u>	<u>\$ 48,033</u>	<u>\$ 6,237,815</u>

# City of Stoughton

Notes to Financial Statements  
December 31, 2021

## Capital Assets

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
Capital assets not being depreciated:				
Land	\$ 9,001,575	\$ -	\$ 96,000	\$ 8,905,575
Construction in progress	505,368	188,558	65,920	628,006
Inexhaustible portion of streets	1,454,893	-	-	1,454,893
	<u>10,961,836</u>	<u>188,558</u>	<u>161,920</u>	<u>10,988,474</u>
Total capital assets not being depreciated				
Capital assets being depreciated:				
Buildings and improvements	26,114,584	726,121	-	26,840,705
Machinery and equipment	10,955,620	729,266	450,247	11,234,639
Streets	22,462,876	923,120	363,523	23,022,473
Sidewalks	5,765,422	231,998	26,932	5,970,488
Street lighting	227,551	-	-	227,551
Bridges	845,989	-	-	845,989
Storm sewers	4,903,133	-	-	4,903,133
Traffic signals	411,974	-	-	411,974
Dams	592,997	-	-	592,997
	<u>72,280,146</u>	<u>2,610,505</u>	<u>840,702</u>	<u>74,049,949</u>
Total capital assets being depreciated				
Total capital assets				
	<u>83,241,982</u>	<u>2,799,063</u>	<u>1,002,622</u>	<u>85,038,423</u>
Less accumulated depreciation for:				
Buildings and improvements	(7,926,900)	(471,033)	-	(8,397,933)
Machinery and equipment	(5,754,023)	(820,454)	383,499	(6,190,978)
Streets	(8,249,549)	(766,648)	363,523	(8,652,674)
Sidewalks	(3,101,416)	(119,410)	26,932	(3,193,894)
Street lighting	(56,329)	(3,034)	-	(59,363)
Bridges	(244,446)	(11,280)	-	(255,726)
Storm sewers	(2,654,801)	(163,274)	-	(2,818,075)
Traffic signals	(210,074)	(10,299)	-	(220,373)
Dams	(71,160)	(5,930)	-	(77,090)
	<u>(28,268,698)</u>	<u>(2,371,362)</u>	<u>773,954</u>	<u>(29,866,106)</u>
Total accumulated depreciation				
Net capital assets being depreciated				
	<u>44,011,448</u>	<u>239,143</u>	<u>66,748</u>	<u>44,183,843</u>
Total governmental activities capital assets, net of accumulated depreciation				
	<u>\$ 54,973,284</u>	<u>\$ 427,701</u>	<u>\$ 228,668</u>	<u>\$ 55,172,317</u>

Depreciation expense was charged to functions as follows:

### Governmental Activities

General government	\$ 156,598
Public Safety	453,856
Public works, which includes the depreciation of infrastructure	1,435,171
Culture, recreation and education	325,737

Total governmental activities depreciation expense \$ 2,371,362

# City of Stoughton

Notes to Financial Statements  
December 31, 2021

## Business-Type Activities

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Water</b>				
Capital assets not being depreciated:				
Land and land rights	\$ 430,131	\$ -	\$ 405,290	\$ 24,841
Construction in progress	11,147	203,013	-	214,160
Total capital assets not being depreciated	<u>441,278</u>	<u>203,013</u>	<u>405,290</u>	<u>239,001</u>
Capital assets being depreciated:				
Source of supply	595,730	-	-	595,730
Pumping	1,598,745	-	1	1,598,744
Treatment	90,763	1,533	1,501	90,795
Transmission and distribution	21,892,475	254,774	8,687	22,138,562
General	610,364	401,775	4,780	1,007,359
Completed construction not classified	-	1,667,296	-	1,667,296
Total capital assets being depreciated	<u>24,788,077</u>	<u>2,325,378</u>	<u>14,969</u>	<u>27,098,486</u>
Total capital assets	<u>25,229,355</u>	<u>2,528,391</u>	<u>420,259</u>	<u>27,337,487</u>
Less accumulated depreciation for:				
Source of supply	(438,817)	(17,276)	-	(456,093)
Pumping	(1,414,584)	(50,125)	-	(1,464,709)
Treatment	(90,388)	(1,907)	1,500	(90,795)
Transmission and distribution	(5,400,638)	(409,002)	97,620	(5,712,020)
General	(824,712)	(111,518)	4,779	(931,451)
Completed construction not classified	-	(24,176)	-	(24,176)
Total accumulated depreciation	<u>(8,169,139)</u>	<u>(614,004)</u>	<u>103,899</u>	<u>(8,679,244)</u>
Net capital assets being depreciated	<u>16,618,938</u>	<u>1,711,374</u>	<u>(88,930)</u>	<u>18,419,242</u>
Net water capital assets	<u>\$ 17,060,216</u>	<u>\$ 1,914,387</u>	<u>\$ 316,360</u>	<u>\$ 18,658,243</u>

# City of Stoughton

Notes to Financial Statements  
December 31, 2021

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>
<b>Wastewater</b>				
Capital assets not being depreciated:				
Land and land rights	\$ -	\$ 100	\$ -	\$ 100
Construction in progress	9,793	9,322	-	19,115
Total capital assets not being depreciated	<u>9,793</u>	<u>9,422</u>	<u>-</u>	<u>19,215</u>
Capital assets being depreciated:				
Collection system	14,454,576	156,094	1,654	14,609,016
Collection system pumping	755,459	5,104	4,555	756,008
Treatment and disposal	15,672,308	34,689	22,661	15,684,336
Administrative and general assets	1,499,649	133,410	31,381	1,601,678
Total capital assets being depreciated	<u>32,381,992</u>	<u>329,297</u>	<u>60,251</u>	<u>32,651,038</u>
Total capital assets	<u>32,391,785</u>	<u>338,719</u>	<u>60,251</u>	<u>32,670,253</u>
Less accumulated depreciation for				
Wastewater	<u>(12,977,468)</u>	<u>(774,019)</u>	<u>60,251</u>	<u>(13,691,236)</u>
Total accumulated depreciation	<u>(12,977,468)</u>	<u>(774,019)</u>	<u>60,251</u>	<u>(13,691,236)</u>
Net capital assets being depreciated	<u>19,404,524</u>	<u>(444,722)</u>	<u>-</u>	<u>18,959,802</u>
Net wastewater capital assets	<u>\$ 19,414,317</u>	<u>\$ (435,300)</u>	<u>\$ -</u>	<u>\$ 18,979,017</u>
	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>
<b>Electric</b>				
Capital assets not being depreciated:				
Land and land rights	\$ 344,364	\$ -	\$ -	\$ 344,364
Construction in progress	981,323	-	613,340	367,983
Property held for future use	229,097	-	-	229,097
Total capital assets not being depreciated	<u>1,554,784</u>	<u>-</u>	<u>613,340</u>	<u>941,444</u>
Capital assets being depreciated:				
Transmission	15,019	-	-	15,019
Distribution	30,122,031	2,998,214	617,292	32,502,953
Administrative and general assets	3,995,565	22,330	61,098	3,956,797
Total capital assets being depreciated	<u>34,132,615</u>	<u>3,020,544</u>	<u>678,390</u>	<u>36,474,769</u>
Total capital assets	<u>35,687,399</u>	<u>3,020,544</u>	<u>1,291,730</u>	<u>37,416,213</u>
Less accumulated depreciation for:				
Transmission	(19,366)	-	-	(19,366)
Distribution	(14,499,187)	(1,139,085)	629,914	(15,008,358)
Administrative and general assets	(2,605,454)	(180,802)	57,097	(2,729,159)
Total accumulated depreciated	<u>(17,124,007)</u>	<u>(1,319,887)</u>	<u>687,011</u>	<u>(17,756,883)</u>
Net capital assets being depreciated	<u>17,008,608</u>	<u>1,700,657</u>	<u>(8,621)</u>	<u>18,717,886</u>
Net electric capital assets	<u>\$ 18,563,392</u>	<u>\$ 1,700,657</u>	<u>\$ 604,719</u>	<u>\$ 19,659,330</u>

# City of Stoughton

Notes to Financial Statements  
December 31, 2021

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Stormwater</b>				
Capital assets not being depreciated:				
Land	\$ 9,986	\$ -	\$ -	\$ 9,986
Total capital assets not being depreciated	<u>9,986</u>	<u>-</u>	<u>-</u>	<u>9,986</u>
Capital assets being depreciated:				
Storm Sewer	5,973,935	365,971	-	6,339,906
Total capital assets being depreciated	<u>5,973,935</u>	<u>365,971</u>	<u>-</u>	<u>6,339,906</u>
Total capital assets	<u>5,983,921</u>	<u>365,971</u>	<u>-</u>	<u>6,349,892</u>
Less accumulated depreciation for:				
Storm Sewer	(649,850)	(221,378)	-	(871,228)
Total accumulated depreciated	<u>(649,850)</u>	<u>(221,378)</u>	<u>-</u>	<u>(871,228)</u>
Net capital assets being depreciated	<u>5,324,085</u>	<u>144,593</u>	<u>-</u>	<u>5,468,678</u>
Net stormwater capital assets	<u>\$ 5,334,071</u>	<u>\$ 144,593</u>	<u>\$ -</u>	<u>\$ 5,478,664</u>

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>EMS</b>				
Capital assets being depreciated:				
Buildings and improvements	\$ 1,240,308	\$ -	\$ -	\$ 1,240,308
Equipment	941,588	88,455	56,783	973,260
Total capital assets being depreciated	<u>2,181,896</u>	<u>88,455</u>	<u>56,783</u>	<u>2,213,568</u>
Less accumulated depreciation for:				
Buildings and improvements	(379,989)	(24,526)	-	(404,515)
Equipment	(662,061)	(58,825)	56,783	(664,103)
Total accumulated depreciation	<u>(1,042,050)</u>	<u>(83,351)</u>	<u>56,783</u>	<u>(1,068,618)</u>
Net capital assets being depreciated	<u>1,139,846</u>	<u>5,104</u>	<u>-</u>	<u>1,144,950</u>
Net other enterprise capital assets	<u>\$ 1,139,846</u>	<u>\$ 5,104</u>	<u>\$ -</u>	<u>\$ 1,144,950</u>
Business-type capital assets, net of accumulated depreciation	<u>\$ 61,511,842</u>	<u>\$ 3,329,441</u>	<u>\$ 921,079</u>	<u>\$ 63,920,204</u>

Depreciation expense was charged to functions as follows:

## Business-Type Activities

Water	\$ 497,314
Wastewater	774,018
Electric	1,252,922
Storm sewer	221,378
EMS	<u>83,351</u>
Total business-type activities depreciation expense	<u>\$ 2,828,983</u>

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

# City of Stoughton

Notes to Financial Statements  
December 31, 2021

## Interfund Receivables/Payables, Advances and Transfers

### Interfund Receivables/Payables

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Amount Not Due Within One Year</u>
General	Electric Utility	\$ 472,279	\$ -
General	Water Utility	412,040	-
Storm Sewer	Electric Utility	58,889	-
Water Utility	Electric Utility	417	-
Electric Utility	Water Utility	877,698	-
Electric Utility	General	15,319	-
Water Utility	General	3,230	-
Wastewater Utility	General	3,747	-
Water Utility	Special Assessments	29,026	-
Wastewater Utility	Special Assessments	19,905	-
Construction	Electric Utility	43,726	-
Building Maintenance	Electric Utility	<u>8,635</u>	-
Total, fund financial statements		1,944,911	
Less fund eliminations		(937,004)	
Less government-wide eliminations		(142,454)	
Add interfund advances		<u>147,349</u>	
Total internal balances, government-wide statement of net position		<u>\$ 1,012,802</u>	
<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	
Governmental activities	Business-type activities	\$ 1,242,005	
Business-type activities	Governmental activities	<u>(229,203)</u>	
Total government-wide financial statements		<u>\$ 1,012,802</u>	

The principal purpose of these interfunds is to fund ongoing operations. All remaining balances resulted from the time lag between the dates that: (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

### Advances

The general fund is advancing funds to the TIF District Nos. 5, 6 and 8 capital project funds. The amount advanced is determined by the deficiency of revenues over expenditures and other financing sources since the district's inception. No interest is being charged and a repayment schedule has not been established.

## City of Stoughton

Notes to Financial Statements  
December 31, 2021

In December 2011, the Electric Utility provided an advance to the Internal Service Fund for the purpose of full payment of the Wisconsin Retirement System Unfunded Actuarial Accrued Liability. The Internal Service Fund will repay the Electric Utility over a period of fourteen years at 3%. A repayment schedule has been established.

The debt service fund is advancing funds to EMS enterprise fund for the purpose of funding deficiency of cash. No interest is being charged and a repayment schedule has not been established.

The following is a schedule of interfund advances:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Amount Not Due Within One Year</u>
General Fund	TIF District No. 5	\$ 761,320	\$ 761,320
General Fund	TIF District No. 6	140,399	140,399
General Fund	TIF District No. 8	144,304	144,304
Debt service Fund	EMS	305,325	305,325
Electric utility	Internal service fund	<u>157,976</u>	106,970
Total, fund financial statements		1,509,324	
Less fund eliminations		(1,046,023)	
Less government-wide eliminations		<u>(315,952)</u>	
Total, interfund advances		<u>\$ 147,349</u>	

<u>Years</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 51,006	\$ 4,739
2023	53,651	3,209
2024	47,388	1,600
2025	<u>5,931</u>	<u>178</u>
Total	<u>\$ 157,976</u>	<u>\$ 9,726</u>

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

# City of Stoughton

Notes to Financial Statements  
December 31, 2021

## Transfers

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
General	Building maintenance	\$ 52,000	Fund capital projects
Debt service	TIF District No. 7	334,725	Debt service
Debt service	TIF District No. 8	24,741	Debt service
General	Water utility	412,040	Payment in lieu of taxes and dividend
General	Electric utility	438,027	Payment in lieu of taxes and dividend
Debt service	General	3,284,186	Debt service
Debt service	Special Assessment	35,000	Debt service
Debt service	TIF District No. 5	112,938	Debt service
Debt Service	TIF District No. 6	133,731	Debt service
Redevelopment authority	General	17,000	Fund operations
Revolving loan	TIF District No. 4	15,000	Fund loans
General	Tourism	11,361	Room tax revenue
General	TIF District No. 3	137,422	Refund on close out of TID
Affordable housing	TIF District No. 3	512,638	Affordable housing transfer on close out of TID
TIF District No. 5	TIF District No. 4	25,000	Donor contribution to TID
Construction	Special Assessment	50,000	Fund capital projects
Outlay	General	100,000	Fund capital projects
Library	General	632,350	Fund annual operations
Landmarks	General	15,000	Fund operations
Opera house	General	195,000	Fund operations
TIF District No. 8	TIF District No. 4	386,821	Donor contribution to TID
Equipment replacement	General	220,000	Fund capital projects
Construction	General	100,000	Fund capital projects
EMS	Ambulance	60,000	Capital contributions
		<u>7,304,980</u>	
	Total, fund financial statements	7,304,980	
	Less fund eliminations	(6,394,913)	
	Less government-wide eliminations	(120,000)	
	Capital assets contributions from business-type activities to governmental activities	19,104	
	Capital assets contributions from governmental activities to business-type activities	<u>(274,911)</u>	
	Total transfers, government-wide statement of activities	<u>\$ 534,260</u>	
<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	
Governmental activities	Business-type activities	\$ 869,171	
Business-type activities	Governmental activities	<u>(334,911)</u>	
	Total government-wide financial statements	<u>\$ 534,260</u>	



# City of Stoughton

Notes to Financial Statements  
December 31, 2021

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

## Long-Term Obligations

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

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>Governmental Activities</b>					
Bonds and notes payable:					
General obligation debt	\$ 33,789,470	\$ 2,175,000	\$ 3,114,084	\$ 32,850,386	\$ 3,864,643
General obligation debt from direct borrowings and direct placements	755,213	-	36,021	719,192	37,282
Premiums	<u>829,549</u>	<u>-</u>	<u>82,629</u>	<u>746,920</u>	<u>-</u>
Total bonds and notes payable	<u>35,374,232</u>	<u>2,175,000</u>	<u>3,232,734</u>	<u>34,316,498</u>	<u>3,901,925</u>
Other liabilities:					
Compensated absences	<u>1,190,077</u>	<u>136,850</u>	<u>82,163</u>	<u>1,244,764</u>	<u>-</u>
Total other liabilities	<u>1,190,077</u>	<u>136,850</u>	<u>82,163</u>	<u>1,244,764</u>	<u>-</u>
Total governmental activities long-term liabilities	<u>\$ 36,564,309</u>	<u>\$ 2,311,850</u>	<u>\$ 3,314,897</u>	<u>\$ 35,561,262</u>	<u>\$ 3,901,925</u>
<b>Business-Type Activities</b>					
Bonds and notes payable:					
General obligation debt	\$ 2,135,530	\$ 150,000	\$ 320,916	\$ 1,964,614	\$ 327,813
Revenue bonds	6,815,000	-	1,075,000	5,740,000	1,080,000
Revenue debt from direct borrowings and direct placements	3,786,472	-	371,721	3,414,751	381,501
Premiums	<u>124,615</u>	<u>-</u>	<u>21,586</u>	<u>103,029</u>	<u>-</u>
Total bonds and notes payable	<u>12,861,617</u>	<u>150,000</u>	<u>1,789,223</u>	<u>11,222,394</u>	<u>1,789,314</u>
Other liabilities:					
Vested compensated absences	<u>397,476</u>	<u>94,986</u>	<u>96,146</u>	<u>396,316</u>	<u>-</u>
Customer advances for construction	<u>1,349,916</u>	<u>199,649</u>	<u>1,320,500</u>	<u>229,065</u>	<u>-</u>
Total other liabilities	<u>1,747,392</u>	<u>294,635</u>	<u>1,416,646</u>	<u>625,381</u>	<u>-</u>
Total business-type activities long-term liabilities	<u>\$ 14,609,009</u>	<u>\$ 444,635</u>	<u>\$ 3,205,869</u>	<u>\$ 11,847,775</u>	<u>\$ 1,789,314</u>

In accordance with Wisconsin Statutes, total general obligation indebtedness of the City may not exceed 5% of the equalized value of taxable property within the City's jurisdiction. The debt limit as of December 31, 2021, was \$67,063,905. Total general obligation debt outstanding at year-end was \$35,534,192.

# City of Stoughton

Notes to Financial Statements  
December 31, 2021

## General Obligation Debt

All general obligation debt payable is backed by the full faith and credit of the City. Debt in the governmental funds will be retired by future property tax levies or tax increments accumulated by the debt service fund. Business-type activities debt is payable by revenues from user fees of those funds or, if the revenues are not sufficient, by future tax levies.

<u>Governmental Activities</u>					<b>Balance</b>
<u>General Obligation Debt</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>December 31, 2021</u>
2012 General Obligation Notes	4/15/12	3/1/22	0.40 - 2.00%	\$ 2,759,000	\$ 236,550
2014 General Obligation Notes	6/1/14	4/1/24	2.00 - 2.25	2,755,000	635,000
2015 General Obligation Notes	7/9/15	4/1/25	2.00 - 2.25	1,545,000	715,000
2016 General Obligation Notes	5/26/16	4/1/26	3.25 - 3.75	5,830,000	3,700,000
2016 State Trust Fund Loan*	12/28/16	3/15/36	3.5	850,000	719,192
2017 General Obligation Notes	6/8/17	4/1/27	2.00 - 3.00	7,085,000	5,170,000
2018 General Obligation Bonds	4/26/18	4/1/38	2.00 - 4.00	12,585,000	11,265,000
2018 General Obligation Notes	4/26/18	4/1/28	3.20 - 4.00	775,000	775,000
2019 General Obligation Notes	4/24/19	4/1/29	2.13 - 4.00	6,980,000	6,313,836
2020 General Obligation Notes	6/18/20	4/1/30	2.00 - 3.00	2,005,000	1,865,000
2021 General Obligation Notes	6/23/21	5/1/31	1.10 - 2.00	2,175,000	<u>2,175,000</u>
Total governmental activities, general obligation debt					<u>\$ 33,569,578</u>
<u>Business-Type Activities</u>					<b>Balance</b>
<u>General Obligation Debt</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>December 31, 2021</u>
2012 General Obligation Notes	4/15/12	3/1/22	0.40 - 2.00%	\$ 661,000	\$ 93,450
2014 General Obligation Notes	6/1/14	4/1/24	2.00 - 2.25	280,000	90,000
2015 General Obligation Notes	7/9/15	4/1/25	2.00 - 2.25	1,180,000	495,000
2017 General Obligation Notes	6/8/17	4/1/27	2.00 - 3.00	575,000	360,000
2019 General Obligation Notes	4/24/19	4/1/29	2.13 - 4.00	450,000	376,164
2020 General Obligation Notes	6/18/20	4/1/30	2.00 - 3.00	410,000	400,000
2021 General Obligation Notes	6/23/21	5/1/31	1.10 - 2.00	150,000	<u>150,000</u>
Total business-type activities, general obligation debt					<u>\$ 1,964,614</u>

\* - Direct borrowing or direct placement.

# City of Stoughton

Notes to Financial Statements  
December 31, 2021

Debt service requirements to maturity are as follows:

<u>Years</u>	<b>Governmental Activities General Obligation Debt</b>		<b>Business-Type Activities General Obligation Debt</b>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 3,864,643	\$ 866,501	\$ 327,813	\$ 41,828
2023	3,636,596	760,891	330,948	33,074
2024	3,560,100	689,571	299,900	25,240
2025	3,638,603	565,251	276,397	18,212
2026	3,667,106	468,719	157,894	13,057
2027-2031	9,738,338	1,281,202	571,662	32,243
2032-2036	3,565,000	458,250	-	-
2037-2038	1,180,000	39,800	-	-
Total	<u>\$ 32,850,386</u>	<u>\$ 5,130,185</u>	<u>\$ 1,964,614</u>	<u>\$ 163,654</u>

<u>Years</u>	<b>Governmental Activities Notes from Direct Borrowings and Direct Placements</b>	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 37,282	\$ 25,172
2023	38,587	23,867
2024	39,876	22,578
2025	41,333	21,121
2026	42,780	19,674
2027-2031	237,383	110,580
2032-2036	281,951	30,316
Total	<u>\$ 719,192</u>	<u>\$ 253,308</u>

The City's outstanding debt from direct borrowing and placements related to governmental activities of \$719,192 contain a provision that in an event of default, any delinquent payment amount is subject to a penalty of one percent per month.

## Revenue Debt

Business-type activities revenue bonds are payable only from revenues derived from the operation of the water, wastewater and electric utilities.

The Utility has pledged future revenues to repay revenue bonds issued in between 2003-2019. Proceeds from the bonds provided financing for the Utility construction, improvements, and additions. The bonds are payable solely from Utility revenues and are payable through 2036. Annual principal and interest payments on the bonds are expected to require 2%, 11% and 13%, respectively, of electric, water and wastewater gross revenues. The total principal and interest remaining to be paid on the bonds is \$10,451,694. Principal and interest paid for the current year and total customer gross revenues were \$1,689,899 and \$20,185,712, respectively.

# City of Stoughton

Notes to Financial Statements  
December 31, 2021

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

## Business-Type Activities Revenue Debt

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2021</u>
<b>Water Utility</b>					
2010 Water Utility Revenue Bonds*	1/27/10	5/1/29	2.67%	\$ 575,018	\$ 277,456
2016 Water Utility Revenue Bonds	5/26/16	5/1/26	1.00 - 2.75	2,520,000	1,035,000
2019 Water Utility Revenue Bonds	11/14/19	5/1/34	2.00 - 3.00	1,825,000	<u>1,625,000</u>
				Total Water Utility	<u>2,937,456</u>
* - Direct borrowing or direct placement					
<b>Wastewater Utility</b>					
2003 Wastewater Utility Clean Water Fund Loan*	9/10/03	5/1/23	2.766	1,670,624	212,327
2007 Wastewater Utility Clean Water Fund Loan*	6/27/07	5/1/27	2.475	1,539,762	587,385
2014 Wastewater Utility Clean Water Fund Loan*	11/1/14	5/1/34	2.625	3,305,713	<u>2,337,583</u>
				Total Wastewater Utility	<u>3,137,295</u>
* - Direct borrowing or direct placement					
<b>Electric Utility</b>					
2013 Electric Utility Revenue Bonds	4/1/13	4/1/23	2.00 - 2.25	3,170,000	665,000
2016 Electric Utility Revenue Bonds	5/26/16	4/1/36	2.00 - 3.00	4,005,000	<u>2,415,000</u>
				Total Electric Utility	<u>3,080,000</u>
Total business-type activities, revenue debt					<u>\$ 9,154,751</u>

# City of Stoughton

Notes to Financial Statements  
December 31, 2021

Debt service requirements to maturity are as follows:

<u>Years</u>	<b>Business-Type Activities Revenue Debt</b>	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 1,080,000	\$ 127,238
2023	1,110,000	104,644
2024	355,000	89,106
2025	365,000	80,450
2026	375,000	70,856
2027-2031	1,290,000	249,875
2032-2036	<u>1,165,000</u>	<u>72,513</u>
Total	<u>\$ 5,740,000</u>	<u>\$ 794,682</u>

<u>Years</u>	<b>Business-Type Activities Revenue Debt from Direct Borrowings and Direct Placements</b>	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 381,501	\$ 84,156
2023	391,540	73,986
2024	291,253	65,077
2025	298,768	57,466
2026	306,477	49,657
2027-2031	1,133,892	147,571
2032-2034	<u>611,320</u>	<u>24,348</u>
Total	<u>\$ 3,414,751</u>	<u>\$ 502,261</u>

## Other Debt Information

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

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

The water and electric mortgage revenue bond ordinances require segregation of the proceeds of the bond issues and the creation and continual funding of several funds from operating revenues. The City was in compliance with funding requirements in all material respects at December 31, 2021.

# City of Stoughton

Notes to Financial Statements  
December 31, 2021

## Net Position/Fund Balances

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

### Governmental Activities

Net investment in capital assets:

Land	\$ 8,905,575
Construction in progress	628,006
Inexhaustible portion of streets	1,454,893
Other capital assets, net of accumulated depreciation	44,183,843
Less Capital related long-term debt outstanding (excluding unspent capital related debt proceeds)	(30,957,048)
Less unamortized debt premium	<u>(746,920)</u>
Total net investment in capital assets	<u>\$ 23,468,349</u>

### Governmental Funds

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

	<u>General Fund</u>	<u>Debt Service</u>	<u>Construction</u>	<u>Nonmajor Funds</u>	<u>Total</u>
<b>Fund Balances</b>					
<b>Nonspendable:</b>					
Prepaid items	\$ 2,799	\$ -	\$ -	\$ 2,250	\$ 5,049
Delinquent items	14,027	-	-	-	14,027
Noncurrent interfunds	1,046,023	-	-	-	1,046,023
CVMIC equity	<u>257,805</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>257,805</u>
Subtotal	<u>1,320,654</u>	<u>-</u>	<u>-</u>	<u>2,250</u>	<u>1,322,904</u>
<b>Restricted for:</b>					
Library	-	-	-	352,280	352,280
Parks	-	-	-	497,919	497,919
TID activities	-	-	-	1,315,306	1,315,306
Debt service	-	682,468	-	-	682,468
Capital projects	-	-	173,864	-	173,864
Firemen Pension	-	-	-	904,009	904,009
Affordable housing	<u>-</u>	<u>-</u>	<u>-</u>	<u>512,649</u>	<u>512,649</u>
Subtotal	<u>-</u>	<u>682,468</u>	<u>173,864</u>	<u>3,582,163</u>	<u>4,438,495</u>

# City of Stoughton

Notes to Financial Statements  
December 31, 2021

	<u>General Fund</u>	<u>Debt Service</u>	<u>Construction</u>	<u>Nonmajor Funds</u>	<u>Total</u>
<b>Committed to:</b>					
Seniors in need	\$ -	\$ -	\$ -	\$ 63,614	\$ 63,614
Senior center wood shop	-	-	-	9,963	9,963
Food pantry	-	-	-	389,139	389,139
K9 unit	-	-	-	19,511	19,511
Tree commission	-	-	-	3,012	3,012
Cemetery	-	-	-	23,810	23,810
Revolving loans	-	-	-	272,656	272,656
Refuse	-	-	-	7,187	7,187
Ambulance	-	-	-	18,224	18,224
Fire department special	-	-	-	56,921	56,921
Opera house repair	-	-	-	6,778	6,778
Township outreach	-	-	-	14,123	14,123
Tourism	-	-	-	25,927	25,927
Landmarks	-	-	-	9,101	9,101
Senior center special	-	-	-	616,798	616,798
Opera house	-	-	-	41,234	41,234
Capital projects	-	-	-	629,286	629,286
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,207,284</u>	<u>2,207,284</u>
<b>Assigned to:</b>					
Safety camp	31,745	-	-	-	31,745
Youth gift	20,221	-	-	-	20,221
Bryant grant	129,341	-	-	-	129,341
Pool sinking fund	21,233	-	-	-	21,233
Shop with a cop	6,790	-	-	-	6,790
Tree plantings developer	36,395	-	-	-	36,395
Police federal grants	2,599	-	-	-	2,599
Paul Kraby memorial	4,576	-	-	-	4,576
Utility payment in lieu of taxes	850,067	-	-	-	850,067
Virgin lake boardwalk	148	-	-	-	148
Buddy bags	46	-	-	-	46
Arts council	6,442	-	-	-	6,442
National night out	2,170	-	-	-	2,170
Fire equipments	-	-	-	16,613	16,613
Equipment replacement	-	-	-	182,620	182,620
Capital projects	-	-	1,903,579	403,606	2,307,185
Outlay	-	-	-	674,206	674,206
Technology	-	-	-	31,936	31,936
Subtotal	<u>1,111,773</u>	<u>-</u>	<u>1,903,579</u>	<u>1,308,981</u>	<u>4,324,333</u>
<b>Unassigned (deficit):</b>	<u>4,887,570</u>	<u>-</u>	<u>-</u>	<u>(695,666)</u>	<u>4,191,904</u>
Total fund balances (deficit)	<u>\$ 7,319,997</u>	<u>\$ 682,468</u>	<u>\$ 2,077,443</u>	<u>\$ 6,405,012</u>	<u>\$ 16,484,920</u>

# City of Stoughton

Notes to Financial Statements  
December 31, 2021

## Business-Type Activities

Net investment in capital assets:	
Land	\$ 379,291
Construction in progress	601,258
Other capital assets, net of depreciation	62,939,655
Less capital related long-term debt outstanding (excluding unspent capital related debt proceeds)	(11,071,942)
Less unamortized debt premium	<u>(103,029)</u>
Total net investment in capital assets	<u>\$ 52,745,233</u>

## 5. Other Information

### Employees' Retirement System

#### Plan Description

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

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

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

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

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

The WRS also provides death and disability benefits for employees.



**Post-Retirement Adjustments**

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

<u>Year</u>	<u>Core Fund Adjustment %</u>	<u>Variable Fund Adjustment %</u>
2011	(1.2)	11.0
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0

# City of Stoughton

Notes to Financial Statements  
December 31, 2021

## Contributions

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

During the reporting period, the WRS recognized \$561,501 in contributions from the City.

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

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Executives & Elected Officials)	6.75 %	6.75 %
Protective with Social Security	6.75 %	11.65 %
Protective without Social Security	6.75 %	16.25 %

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

At December 31, 2021, the City reported an asset of \$3,158,280 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2020, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019 rolled forward to December 31, 2020. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2020, the City's proportion was 0.05058802%, which was a decrease of 0.00020564% from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the City recognized pension expense of \$(400,505).

At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 4,571,001	\$ 984,585
Changes in assumptions	71,635	-
Net differences between projected and actual earnings on pension plan investments	-	5,929,413
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	13,240
Employer contributions subsequent to the measurement date	<u>542,592</u>	<u>-</u>
Total	<u>\$ 5,185,228</u>	<u>\$ 6,927,238</u>

## City of Stoughton

Notes to Financial Statements  
December 31, 2021

\$542,592 reported as deferred outflows of resources related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Years Ending December 31:</u>	<u>Deferred Outflows of Resources and Deferred Inflows of Resources (net)</u>
2022	\$ (590,464)
2023	(161,345)
2024	(1,076,521)
2025	(456,272)

### Actuarial Assumptions

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

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

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

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

## City of Stoughton

Notes to Financial Statements  
December 31, 2021

### Long-Term Expected Return on Plan Assets

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

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

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

### Single Discount Rate

A single discount rate of 7.00% was used to measure the total pension liability for the current and prior year. This single discount rate was based on the expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.00%. (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2020. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.) Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

## City of Stoughton

Notes to Financial Statements  
December 31, 2021

### Sensitivity of the City's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.00%, 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%) or 1-percentage-point higher (8.00%) than the current rate:

	<u>1% Decrease to Discount Rate (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase to Discount Rate (8.00%)</u>
City's proportionate share of the net pension liability (asset)	\$ 3,006,245	\$ (3,158,280)	\$ (7,686,078)

### 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>.

At December 31, 2021, the City reported a payable to the pension plan which represents contractually required contributions outstanding as of the end of the year.

### Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; workers compensation; and health care of its employees. The City participates in a public entity risk pool called CVMIC to provide coverage for losses from theft of, damage to, or destruction of assets and workers compensation. However, other risks, such as (torts; theft of, damage to, or destruction of assets; errors and omission; workers compensation; and health care of its employees) are accounted for and financed by the City in the general fund.

### Public Entity Risk Pool

#### Wisconsin Municipal Insurance Commission (WMIC) Cities and Villages Mutual Insurance Company (CVMIC)

The WMIC is an intergovernmental cooperation commission created by contract under Section 66.30 of the Wisconsin Statutes. It was created in August, 1987 for the purpose of facilitating the organization, establishment and capitalization of the CVMIC, and has numerous cities and villages as members.

The CVMIC is a municipal mutual insurance company established on September 14, 1987 under Section 611.23 of the Wisconsin Statutes. The CVMIC provides liability insurance coverage to the cities and villages which make up the membership of the WMIC.

The CVMIC is self-insured up to a maximum of \$2,000,000 of each insurance risk. Losses paid by CVMIC plus administrative expenses will be recovered through premiums to the participating pool of municipalities. The City's share of such losses is approximately 1%.

Management of each organization consists of a board of directors or officers comprised of representatives elected by each of three classes of participants based on population. The City does not exercise any control over the activities of the agencies beyond the election of the officers and board.

Financial statements of WMIC and CVMIC can be obtained directly from CVMIC's offices.

## City of Stoughton

Notes to Financial Statements  
December 31, 2021

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The initial investment in WMIC is refundable upon withdrawal from the commission and has been reported at the original amount of \$257,805 in the general fund.

The City pays an annual premium to CVMIC for its general liability insurance, which provides coverage up to \$5,000,000 per occurrence, less the City's retained liability. The City's retained liability is limited to \$25,000 per occurrence and an annual aggregate limit of \$100,000. An actuarially determined estimate has been recorded for this liability, as well as for claims incurred but not reported at December 31, 2021.

### Commitments and Contingencies

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

From time to time, the City is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted 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.

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

The City has active construction projects as of December 31, 2021. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures.

### Long-Term Contracts, WPPI Energy

The electric utility is one of 51 WPPI Energy member municipalities located throughout the States of Wisconsin, Michigan and Iowa. On December 1, 1989, each initial WPPI Energy member commenced purchasing electric service from WPPI Energy under a long-term Power Supply Contract for Participating Members (long-term contract). Under the long-term contract, WPPI Energy is obligated to provide and sell, and each member is obligated to take and pay for, the electric power and energy required for the operation of each member's electric utility.

The long-term contract requires all WPPI Energy members to pay for power and energy requirements supplied or made available by WPPI Energy at rates sufficient to cover WPPI Energy's revenue requirement including power supply costs, administrative expenses and debt service. WPPI Energy's subsequent year's operating budget and rates are approved annually by its Board of Directors, consisting of representatives from each member. The members have agreed to charge rates to retail customers sufficient to meet their WPPI Energy obligations. The long-term contract provides that all payments to WPPI Energy constitute operating expenses of the Utility payable from any operating and maintenance fund established for that system.

Fifty members, representing approximately 99.8% of WPPI Energy's existing load, have long-term contracts through December 31, 2055. The remaining member has a long-term contract through December 31, 2037.

WPPI Energy's outstanding debt service obligation to be paid by its members through their wholesale power charges through the remainder of the long-term contract was \$291 million as of December 31, 2021.

# City of Stoughton

Notes to Financial Statements  
December 31, 2021

## Other Postemployment Benefits

### General Information about the OPEB Plan

#### Plan Description

The City's defined benefit OPEB plan, Retiree Benefits Plan (RBP), provides OPEB for all permanent full-time general and public safety employees of the City. RBP is a single-employer defined benefit OPEB plan administered by the City. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the City Council. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

#### Benefits Provided

RBP provides healthcare and life insurance benefits for retirees and their dependents. This results in an other post-employment benefit (OPEB) for the retirees, commonly referred to as an implicit rate subsidy. Retirees participating in the plan contribute 100% of the blended premium. The City, by paying the blended premium for active employees, contributes the difference between the blended premium and the age-adjusted premium towards retiree benefits.

#### Employees Covered by Benefit Terms

At December 31, 2021, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	3
Active plan members	<u>94</u>
Total	<u><u>97</u></u>

#### Total OPEB Liability

The City's total OPEB liability of \$1,126,960 was measured as of December 31, 2021, and was determined by an actuarial valuation as of December 31, 2021.

#### Actuarial Assumptions and Other Inputs

The total OPEB liability in the actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25%
Salary increases	3.20%
Healthcare cost trend rates	0.00% increasing to 5.00%
Retirees' share of benefit-related costs	100%

The discount rate was based on the Municipal Bond Rate based on the Bond Buyer 20-Bond GO Index.

Mortality rates were based on the rates from Wisconsin Retirement Experience Study Report dated November 19, 2021 with the MP-2021 generational improvement scale.

## City of Stoughton

Notes to Financial Statements  
December 31, 2021

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of an actuarial experience study dated November 19, 2021.

### Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balances at December 31, 2020	\$ 1,058,739
Changes for the year:	
Service cost	72,403
Interest	22,101
Changes in assumptions or other inputs	6,230
Benefit payments	<u>(32,513)</u>
Net changes	<u>68,221</u>
Balances at December 31, 2021	<u>\$ 1,126,960</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.12% to 2.06%.

### 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 (1.06%) or 1-percentage-point higher (3.06%) than the current discount rate:

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
Total OPEB liability	\$ 1,238,224	\$ 1,126,960	\$ 1,029,101

### Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

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 healthcare cost trend rates that are 1-percentage-point lower ( (1.0)% decreasing to 4.0%) or 1-percentage-point higher (1.0% increasing to 6.0%) than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Total OPEB liability	\$ 1,005,382	\$ 1,126,960	\$ 1,269,912



# City of Stoughton

Notes to Financial Statements  
December 31, 2021

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

For the year ended December 31, 2021, the City recognized OPEB expense of \$95,160. At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Change in actuarial assumptions	\$ 5,574	\$ -
Changes of assumptions or other inputs	<u>32,513</u>	<u>-</u>
Total	<u>\$ 38,087</u>	<u>\$ -</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Years Ending December 31:</u>	<u>Deferred Outflows of Resources and Deferred inflows of Resources (Net)</u>
2022	\$ 656
2023	656
2024	656
2025	656
2026	656
Thereafter	<u>2,294</u>
Total	<u>\$ 5,574</u>

## Local Retiree Life Insurance Fund (LRLIF)

### Plan Description

The 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.

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

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

### 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 Stoughton

Notes to Financial Statements  
December 31, 2021

### 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 contribution 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 for the plan year reported as of December 31, 2021 are:

<u>Coverage Type</u>	<u>Employer Contribution</u>
50% Post Retirement Coverage	40% of employee contribution
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 members must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The member contribution rates in effect for the plan year are as listed below:

#### Life Insurance Member Contribution Rates For the Plan Year

<u>Attained Age</u>	<u>Basic</u>	<u>Supplemental</u>
Under 30	\$0.05	\$0.05
30-34	0.06	0.06
34-39	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 \$2,601 in contributions from the employer.

# City of Stoughton

Notes to Financial Statements  
December 31, 2021

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

At December 31, 2021, the City reported a liability of \$717,591 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2020 rolled forward to December 31, 2020. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net OPEB liability was based on the City's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2020, the City's proportion was 0.13045400%, which was an increase of 0.00098400% from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the City recognized OPEB expense of \$(67,179).

At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 34,241
Net differences between projected and actual earnings on OPEB plan investments	10,448	-
Changes in assumptions	279,153	49,236
Changes in proportion and differences between employer contributions and proportionate share of contributions	21,779	8,504
Employer contributions subsequent to the measurement date	<u>16,403</u>	<u>-</u>
Total	<u>\$ 327,783</u>	<u>\$ 91,981</u>

\$16,403 reported as deferred outflows of resources related to OPEB resulting from the LRLIF Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Years Ending December 31:</u>	<u>Deferred Outflows of Resources and Deferred Inflows of Resources (Net)</u>
2022	\$ 39,761
2023	38,597
2024	36,214
2025	44,223
Thereafter	19,713

## City of Stoughton

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Notes to Financial Statements  
December 31, 2021

### Actuarial Assumptions

The total OPEB liability in the January 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2020
Measurement Date of Net OPEB Liability	December 31, 2020
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield	2.12%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	2.25%
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, 2020 is based upon a roll-forward of the liability calculated from the January 1, 2020 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, 2020**

<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	50	1.47
US Mortgages	Barclays MBS	50	0.82
Inflation			2.20
Long-Term Expected Rate of Return			4.25

The long-term expected rate of return and expected inflation rate remained unchanged from the prior year at 4.25% and 2.20%, respectively. 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.

**Single Discount Rate**

A single discount rate of 2.25% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 2.87% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 2.74% as of December 31, 2019 to 2.12% as of December 31, 2020. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive employees. 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.

## City of Stoughton

Notes to Financial Statements  
December 31, 2021

### Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the net OPEB liability calculated using the discount rate of 2.25%, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.25%) or 1-percentage-point higher (3.25%) than the current rate:

	<b>1% Decrease to Discount Rate (1.25%)</b>	<b>Current Discount Rate (2.25%)</b>	<b>1% Increase to Discount Rate (3.25%)</b>
City's proportionate share of the net OPEB liability	<u>\$ 976,129</u>	<u>\$ 717,591</u>	<u>\$ 522,066</u>

### Subsequent Events

In April 2022, the City Council approved the creation of Tax Incremental District No. 9.

On May 16, 2022, the Utilities Committee approved a street reconstruction contract for \$1,776,000.

On June 9, 2022, the City issued General Obligation Corporate Purpose Bonds, Series 2022A, in the amount of \$5,400,000 with an interest rate of 3.00 - 4.00%. This amount will be used to fund TID 7 and TID 8 projects as well as additional city capital projects. The maturity on these bonds is 20 years.

On August 10, 2022 the City issued Waterworks System Revenue Bonds Series 2022 in the amount of \$1,659,096 with an interest rate of 2.145 percent. This amount will be used to fund Water Utility projects.

### Tax Abatement

Tax abatements are a reduction in tax revenues that results 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 has entered into a tax abatement agreement with a developer in the form of a tax incremental financing incentive payment to stimulate economic development. The abatement is authorized through the TID project plan. The developer pays property taxes as they become due, and after meeting the criteria established in the development agreement, is entitled to a future incentive payment that directly correlates to the taxes paid. The incentive is calculated based on the lesser of the cost of grading work performed, or \$550,000, and the developer commitment includes completion of the site grading work. Incentive payments for the year ended December 31, 2021 were \$550,000.

# City of Stoughton

Notes to Financial Statements  
December 31, 2021

## Effect of New Accounting Standards on Current-Period Financial Statements

The Governmental Accounting Standards Board (GASB) has approved the following:

- Statement No. 87, *Leases*
- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*
- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
- Statement No. 96, *Subscription-Based Information Technology Arrangements*
- Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*

When they become effective, application of these standards may restate portions of these financial statements.

## Firemen's Pension Plan

**Plan description.** The City reports a single-employer defined benefit pension plan for fire department employees (the Plan). Management of the Plan is vested in the Firemen's Pension Board. No assets have been accumulated in a trust for payment of these benefits.

**Benefits provided.** The plan is administered by the Firemen's Pension Board and provides pension benefits to fire department employees. The amount paid to retirees each year is based on the years of service at the time of retirement and the position the retiree held while a member of the department.

**Plan membership.** At December 31, 2020, the plan's membership consisted of:

Retirees and beneficiaries	26
Inactive, nonretired members	-
Active members	<u>34</u>
Total	<u><u>60</u></u>

The City paid \$35,781 for pension benefits as they came due during the reporting period. The City has accumulated assets to pay for these benefits; however, the arrangement does not meet the definition of a trust under GASB Statement No. 73. The specific criteria that are not met include:

- Contributions from employers and nonemployer contributing entities to the pension plan and earnings on those contributions are irrevocable.
- Pension plan assets are legally protected from the creditors of employers, nonemployer contributing entities, the pension plan administrator and plan members

## City of Stoughton

Notes to Financial Statements  
December 31, 2021

**Changes in total pension liability.** The City's change in total pension liability for the year ended December 31, 2021 was as follows:

	<b>Total Pension Liability</b>
Beginning of Year Balance	\$ 1,067,144
Service cost	31,013
Interest on total pension liability	29,603
Changes of assumptions	104,167
Benefit payments	<u>(35,781)</u>
End of Year Balance	<u>\$ 1,196,146</u>

**Assumptions.** The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Measurement Date:	December 31, 2020
Actuarial Valuation Date:	December 31, 2020
Inflation:	2.3%
Salary Changes:	2.3%
Discount Rate:	2.12%
Source of Discount Rate:	Bond Buyer GO 20-Year Municipal Bond Index
Source of Mortality Assumptions:	Wisconsin 2020 Mortality table
Dates of Experience Studies:	Experience study conducted using WRS experience from 2018-2020

**Sensitivity of the total pension liability to changes in the discount rate.** The following is a sensitivity analysis of the total pension liability to changes in the discount rate. The table below presents the pension liability of the District calculated using the current discount rate of 2.12% as well as what the total pension liability would be if it were to be calculated using a discount rate that is 1 percentage point lower (1.12%) or 1 percentage point higher (3.12%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Total pension liability	\$ 1,400,567	\$ 1,196,146	\$ 1,034,640

**Pension expense, deferred outflows of resources and deferred inflows of resources related to pensions.** For the year ended December 31, 2021, the City recognized pension expense of \$24,636.

At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 213,523
Changes in assumptions	<u>261,556</u>	<u>153,396</u>
Total	<u>\$ 261,556</u>	<u>\$ 366,919</u>



# City of Stoughton

Notes to Financial Statements  
December 31, 2021

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Amounts reported as deferred outflows and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<b>Years Ending December 31:</b>	<b>Deferred Outflows and Deferred Inflows of Resources (Net)</b>
2022	\$ (35,980)
2023	(35,980)
2024	(31,565)
2025	(37,689)
2026	6,948
Thereafter	28,903

**REQUIRED SUPPLEMENTARY INFORMATION**

## City of Stoughton

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

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>			
<b>Taxes</b>			
General property taxes	\$ 9,462,070	\$ 9,462,065	\$ (5)
Payments in lieu of taxes	<u>57,500</u>	<u>57,453</u>	<u>(47)</u>
Total taxes	<u>9,519,570</u>	<u>9,519,518</u>	<u>(52)</u>
<b>Intergovernmental Revenues</b>			
Fed law - operating	-	8,903	8,903
Federal aid - other transportation	203,000	178,277	(24,723)
Other fed - operating	28,031	28,031	-
State shared revenues	808,550	792,870	(15,680)
Fire insurance tax (2% fire dues)	51,400	51,839	439
State grants	22,350	41,669	19,319
State - operating	9,600	-	(9,600)
State aid - other law enforcement	2,000	19,876	17,876
State aid - general transportation aids	1,005,000	1,005,381	381
State aid - connecting streets	51,900	51,955	55
State aid - recycling	34,100	34,196	96
Other state payments	<u>59,500</u>	<u>59,960</u>	<u>460</u>
Total intergovernmental revenues	<u>2,275,431</u>	<u>2,272,957</u>	<u>(2,474)</u>
<b>Licenses and Permits</b>			
Business and occupational licenses	37,100	46,542	9,442
Dog and cat licenses	3,400	3,632	232
Building permits	<u>155,000</u>	<u>232,330</u>	<u>77,330</u>
Total licenses and permits	<u>195,500</u>	<u>282,504</u>	<u>87,004</u>
<b>Fines, Forfeitures and Penalties</b>			
Law and ordinance violations	<u>147,000</u>	<u>109,615</u>	<u>(37,385)</u>
<b>Public Charges for Services</b>			
Publication fees	2,000	-	(2,000)
Law enforcement fees	7,500	14,650	7,150
Fire protection fees	180,000	180,234	234
Transportation	10,000	15,657	5,657
Other transportation	500	3,284	2,784
Cemetery	11,000	18,386	7,386
Other health services	204,199	190,680	(13,519)
Culture, recreation and education	124,699	86,075	(38,624)
Parks	7,000	11,731	4,731
Stadium	70,000	54,698	(15,302)
Trees	2,000	3,914	1,914
Other public charges for services	12,000	23,100	11,100
Refuse and garbage collection	<u>25,000</u>	<u>28,340</u>	<u>3,340</u>
Total public charges for services	<u>655,898</u>	<u>630,749</u>	<u>(25,149)</u>
<b>Intergovernmental Charges</b>			
Local - law enforcement services	<u>32,000</u>	<u>-</u>	<u>(32,000)</u>
<b>Special Assessments</b>			
Other	<u>12,250</u>	<u>17,577</u>	<u>5,327</u>

See notes to required supplementary information

## City of Stoughton

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

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Investment Income</b>			
Investment income	\$ 22,000	\$ 32,237	\$ 10,237
<b>Miscellaneous</b>			
Rent	10,000	16,000	6,000
Insurance recoveries	3,000	36,176	33,176
Donations	131,890	158,961	27,071
Other miscellaneous	226,200	218,852	(7,348)
Insurance dividends	31,000	42,741	11,741
Total miscellaneous	<u>402,090</u>	<u>472,730</u>	<u>70,640</u>
Total revenues	<u>13,261,739</u>	<u>13,337,887</u>	<u>76,148</u>
<b>Expenditures</b>			
<b>General Government</b>			
Council/Board	46,505	47,215	(710)
Legislative support	102,636	101,206	1,430
Judicial	62,924	60,235	2,689
Administrator	221,950	220,579	1,371
Information technology	315,679	270,274	45,405
Treasury	956,860	891,565	65,295
Legal	140,000	133,562	6,438
Personnel	196,575	187,657	8,918
General buildings/plant/hall	49,000	44,507	4,493
Assessment of property	44,200	43,684	516
Other general government	162,700	93,839	68,861
Total general government	<u>2,299,029</u>	<u>2,094,323</u>	<u>204,706</u>
<b>Public Safety</b>			
Police	3,272,169	3,296,570	(24,401)
Fire protection	569,527	567,940	1,587
Inspection	391,561	401,855	(10,294)
Total public safety	<u>4,233,257</u>	<u>4,266,365</u>	<u>(33,108)</u>
<b>Public Works</b>			
Highway and street maintenance and construction	122,678	109,133	13,545
Highway and street maintenance for local	1,244,210	1,316,884	(72,674)
Snow and ice control	68,000	68,923	(923)
Buildings and grounds operations	211,655	190,207	21,448
Total public works	<u>1,646,543</u>	<u>1,685,147</u>	<u>(38,604)</u>
<b>Culture, Recreation and Education</b>			
Parks	289,856	271,737	18,119
Senior center	600,861	585,260	15,601
Community center	175,582	155,491	20,091
Recreation	348,950	313,379	35,571
Cemetery	36,000	40,684	(4,684)
Cable television	63,570	59,622	3,948
Total culture, recreation and education	<u>1,514,819</u>	<u>1,426,173</u>	<u>88,646</u>

See notes to required supplementary information

## City of Stoughton

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

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Capital Outlay</b>			
Capital outlay	\$ -	\$ 64,158	\$ (64,158)
Total expenditures	<u>9,693,648</u>	<u>9,536,166</u>	<u>157,482</u>
Excess of revenues over expenditures	<u>3,568,091</u>	<u>3,801,721</u>	<u>233,630</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in	1,012,200	1,050,850	38,650
Transfers out	<u>(4,576,536)</u>	<u>(4,563,536)</u>	<u>13,000</u>
Total other financing sources (uses)	<u>(3,564,336)</u>	<u>(3,512,686)</u>	<u>51,650</u>
Net change in fund balance	3,755	289,035	285,280
<b>Fund Balance, Beginning</b>	<u>7,030,962</u>	<u>7,030,962</u>	<u>-</u>
<b>Fund Balance, Ending</b>	<u>\$ 7,034,717</u>	<u>\$ 7,319,997</u>	<u>\$ 285,280</u>

See notes to required supplementary information

## City of Stoughton

Schedule of Proportionate Share of the Net Pension Liability (Asset) -  
Wisconsin Retirement System  
Year Ended December 31, 2021

WRS Fiscal Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/15	0.04486493 %	\$ (1,102,005)	\$ 5,696,627	19.34 %	102.74 %
12/31/16	0.04597674 %	747,113	6,169,077	12.11 %	98.20 %
12/31/17	0.04705035 %	387,807	6,266,372	6.23 %	99.12 %
12/31/18	0.04873732 %	(1,447,068)	6,542,867	22.12 %	102.93 %
12/31/19	0.04989755 %	1,775,198	6,864,771	25.86 %	96.45 %
12/31/20	0.05079366 %	(1,637,819)	7,034,407	23.28 %	102.96 %
12/31/21	0.05058802 %	(3,158,280)	7,128,846	44.30 %	105.26 %

Schedule of Employer Contributions - Wisconsin Retirement System  
Year Ended December 31, 2021

City Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/15	\$ 465,913	\$ 465,913	\$ -	\$ 6,169,077	7.55 %
12/31/16	461,771	461,771	-	7,032,737	6.57 %
12/31/17	511,909	511,909	-	7,308,112	7.00 %
12/31/18	533,009	533,009	-	6,864,764	7.76 %
12/31/19	533,847	533,847	-	7,034,407	7.59 %
12/31/20	529,789	529,789	-	7,015,788	7.55 %
12/31/21	542,592	542,592	-	7,015,787	7.73 %

See notes to the required supplementary information

**City of Stoughton**

## Schedule of Changes in the Total Pension Liability

Firemen's Pension Plan

Year Ended December 31, 2021

<u>Fiscal Year Ending</u>	<u>Beginning Balance</u>	<u>Service Cost</u>	<u>Interest on Total Pension Liability</u>	<u>Changes in Benefit Terms</u>	<u>Difference Between Expected and Actual Experience</u>	<u>Changes of Assumptions</u>	<u>Benefit Payments</u>	<u>Ending Balance</u>
12/31/21	\$ 1,067,144	\$ 31,013	\$ 29,603	\$ -	\$ -	\$ 104,167	\$ (35,781)	\$ 1,196,146
12/31/20	868,177	20,856	35,715	-	-	178,613	(36,217)	1,067,144
12/31/19	1,392,161	47,261	48,829	-	-	(579,792)	(40,282)	868,177
12/31/18	1,268,731	41,400	48,805	-	-	71,580	(38,355)	1,392,161
12/31/17	1,259,717	42,477	45,829	-	-	(42,041)	(37,251)	1,268,731

## Schedule of Covered Payroll

Firemen's Pension Plan

Year Ended December 31, 2021

<u>Fiscal Year Ending</u>	<u>Total Pension Liability</u>	<u>Covered Payroll</u>	<u>Total Pension Liability as a Percentage of Covered Payroll</u>
12/31/21	\$ 1,196,146	\$ 90,193	1326 %
12/31/20	1,067,144	87,401	1221 %
12/31/19	868,177	92,307	941 %
12/31/18	1,392,161	102,773	1355 %
12/31/17	1,268,731	93,830	1352 %

See notes to the required supplementary information

**City of Stoughton**

## Schedule of Proportionate Share of the Net OPEB Liability -

Local Retiree Life Insurance Fund

Year Ended December 31, 2021

<b>WRS Fiscal Year Ending</b>	<b>Proportion of the Net OPEB Liability</b>	<b>Proportionate Share of the Net OPEB Liability</b>	<b>Covered Payroll</b>	<b>Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</b>
12/31/21	0.13045400 %	\$ 717,591	\$ 6,809,000	10.54 %	31.36 %

## Schedule of Employer Contributions - Local Retiree Life Insurance Fund

Year Ended December 31, 2021

<b>City Fiscal Year Ending</b>	<b>Contractually Required Contributions</b>	<b>Contributions in Relation to the Contractually Required Contributions</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
12/31/21	\$ 16,403	\$ 16,403	\$ -	\$ 7,566,973	0.22 %

See notes to the required supplementary information



## City of Stoughton

### Schedule of Changes in Employer's Total OPEB Liability and Related Ratios

Health Insurance

Year Ended December 31, 2021

<b>Total OPEB Liability</b>	
Service cost	\$ 72,403
Interest	22,101
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions	6,230
Benefit payments	<u>(32,513)</u>
Net change in total OPEB liability	68,221
<b>Total OPEB Liability, Beginning</b>	<u>1,058,739</u>
<b>Total OPEB Liability, Ending</b>	<u><u>\$ 1,126,960</u></u>
<b>Covered-Employee Payroll</b>	\$ 7,566,973
<b>Total OPEB Liability as a Percentage of Covered-Employee Payroll</b>	14.89 %

#### Notes to Schedule:

No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Changes in benefit terms: There were no changes in benefit terms.

Changes in assumptions: The discount rate changed in the current year to 2.06.

#### Other Information:

The City implemented GASB Statement No. 75 in 2021. Information prior to 2021 is not available.

## City of Stoughton

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Notes to Required Supplementary Information  
Year Ended December 31, 2021

### **Budgetary Information**

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

Department heads submit budget requests by mid-August. The mayor and finance director produce the executive budget, which is reviewed with the finance committee in mid-September. The City Council then reviews the budget and holds a public hearing. Council adoption of the budget follows the public hearing, usually in November. Department heads have the authority to make budget transfers within their own department, except for wage accounts and capital outlay items. Council action is required for adjustments to wage and outlay accounts, and to change a department's total budget.

Appropriations lapse at year-end unless specifically carried over. There were no carryovers to the following year. Budgets are adopted at the department level of expenditure.

### **Wisconsin Retirement System**

The amounts determined for each fiscal year were determined as of the calendar year-end and occurred within the fiscal year.

The City is required to present the last ten years of data; however, accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

*Changes in benefit terms.* There were no changes of benefit terms for any participating employer in the Wisconsin Retirement System.

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

### **Firemen's Pension Plan**

The amounts determined for each fiscal year were determined as of the calendar year-end and occurred within the fiscal year.

The City is required to present the last ten years of data; however, accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

*Changes in benefit terms.* There were no changes of benefit terms

*Changes in assumptions.* Discount rate changed from 2.74% to 2.12%.

### **Local Retiree Life Insurance Fund**

The amounts determined for each fiscal year were determined as of the calendar year-end and occurred within the fiscal year.

The City is required to present the last ten years of data; however accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

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

*Changes in 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 above for additional details.

**SUPPLEMENTARY INFORMATION**

# City of Stoughton

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 December 31, 2021

	<b>Special Revenue Funds</b>				
	<u>Library</u>	<u>Ambulance</u>	<u>Opera House</u>	<u>Opera House Repair</u>	<u>Township Outreach</u>
<b>Assets</b>					
Cash and investments	\$ 383,523	\$ 18,348	\$ 235,206	\$ 6,778	\$ 12,622
Due from other funds	-	-	-	-	-
Receivables (net):					
Taxes	-	-	-	-	-
Accounts	-	-	4,250	-	1,809
Special assessments	-	-	-	-	-
Loans	-	-	-	-	-
Prepaid items	-	-	2,250	-	-
	<u>383,523</u>	<u>18,348</u>	<u>241,706</u>	<u>6,778</u>	<u>14,431</u>
Total assets	<u>\$ 383,523</u>	<u>\$ 18,348</u>	<u>\$ 241,706</u>	<u>\$ 6,778</u>	<u>\$ 14,431</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 7,035	\$ 124	\$ 82,176	\$ -	\$ -
Accrued liabilities	24,208	-	7,961	-	308
Due to other funds	-	-	-	-	-
Unearned revenues	-	-	108,085	-	-
Advances from other funds	-	-	-	-	-
	<u>31,243</u>	<u>124</u>	<u>198,222</u>	<u>-</u>	<u>308</u>
Total liabilities	<u>31,243</u>	<u>124</u>	<u>198,222</u>	<u>-</u>	<u>308</u>
<b>Deferred Inflows of Resources</b>					
Unearned revenues	-	-	-	-	-
Unavailable revenues	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances (Deficit)</b>					
Nonspendable	-	-	2,250	-	-
Restricted	352,280	-	-	-	-
Committed	-	18,224	41,234	6,778	14,123
Assigned	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
	<u>352,280</u>	<u>18,224</u>	<u>43,484</u>	<u>6,778</u>	<u>14,123</u>
Total fund balances (deficit)	<u>352,280</u>	<u>18,224</u>	<u>43,484</u>	<u>6,778</u>	<u>14,123</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 383,523</u>	<u>\$ 18,348</u>	<u>\$ 241,706</u>	<u>\$ 6,778</u>	<u>\$ 14,431</u>

**Special Revenue Funds**

<u>Tourism</u>	<u>Seniors in Need</u>	<u>Food Pantry</u>	<u>Landmarks</u>	<u>Fire Department Special</u>	<u>Senior Center Wood Shop</u>	<u>Senior Center Special</u>
\$ 24,261	\$ 63,614	\$ 396,665	\$ 10,761	\$ 62,197	\$ 9,993	\$ 616,798
-	-	-	-	-	-	-
-	-	-	-	-	-	-
16,665	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>40,926</u>	<u>63,614</u>	<u>396,665</u>	<u>10,761</u>	<u>62,197</u>	<u>9,993</u>	<u>616,798</u>
\$ 14,999	\$ -	\$ 7,526	\$ 1,660	\$ 5,276	\$ 30	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>14,999</u>	<u>-</u>	<u>7,526</u>	<u>1,660</u>	<u>5,276</u>	<u>30</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
25,927	63,614	389,139	9,101	56,921	9,963	616,798
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>25,927</u>	<u>63,614</u>	<u>389,139</u>	<u>9,101</u>	<u>56,921</u>	<u>9,963</u>	<u>616,798</u>
<u>\$ 40,926</u>	<u>\$ 63,614</u>	<u>\$ 396,665</u>	<u>\$ 10,761</u>	<u>\$ 62,197</u>	<u>\$ 9,993</u>	<u>\$ 616,798</u>

# City of Stoughton

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 December 31, 2021

	<b>Special Revenue Funds</b>				
	<u>ARPA Fund</u>	<u>Redevelopment Authority</u>	<u>Special Assessments</u>	<u>K9 Unit</u>	<u>Tree Commission</u>
<b>Assets</b>					
Cash and investments	\$ 682,872	\$ 302	\$ 560,881	\$ 20,274	\$ 3,012
Due from other funds	-	-	-	-	-
Receivables (net):					
Taxes	-	-	127,122	-	-
Accounts	-	-	-	-	-
Special assessments	-	-	337,700	-	-
Loans	-	-	-	-	-
Prepaid items	-	-	-	-	-
Total assets	<u>\$ 682,872</u>	<u>\$ 302</u>	<u>\$ 1,025,703</u>	<u>\$ 20,274</u>	<u>\$ 3,012</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ -	\$ 2,264	\$ 9,786	\$ 763	\$ -
Accrued liabilities	-	-	-	-	-
Due to other funds	-	-	48,931	-	-
Unearned revenues	686,312	-	-	-	-
Advances from other funds	-	-	-	-	-
Total liabilities	<u>686,312</u>	<u>2,264</u>	<u>58,717</u>	<u>763</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>					
Unearned revenues	-	-	-	-	-
Unavailable revenues	-	-	337,700	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>337,700</u>	<u>-</u>	<u>-</u>
<b>Fund Balances (Deficit)</b>					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	629,286	19,511	3,012
Assigned	-	-	-	-	-
Unassigned (deficit)	<u>(3,440)</u>	<u>(1,962)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances (deficit)	<u>(3,440)</u>	<u>(1,962)</u>	<u>629,286</u>	<u>19,511</u>	<u>3,012</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 682,872</u>	<u>\$ 302</u>	<u>\$ 1,025,703</u>	<u>\$ 20,274</u>	<u>\$ 3,012</u>

Special Revenue Funds					Capital Projects Funds	
Cemetery	Revolving Loan Fund	Firemen's Pension Fund	Refuse Fund	Affordable Housing Fund	Fire Equipment	Park Acquisition
\$ 23,810	\$ 84,693	\$ 904,009	\$ 75,311	\$ 512,649	\$ 16,613	\$ 498,323
-	-	-	-	-	-	-
-	-	-	870,489	-	-	-
-	23,945	-	-	-	-	417
-	-	-	-	-	-	-
-	164,018	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 23,810</u>	<u>\$ 272,656</u>	<u>\$ 904,009</u>	<u>\$ 945,800</u>	<u>\$ 512,649</u>	<u>\$ 16,613</u>	<u>\$ 498,740</u>
\$ -	\$ -	\$ -	\$ 68,108	\$ -	\$ -	\$ 821
-	-	-	16	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	68,124	-	-	821
-	-	-	-	-	-	-
-	-	-	870,489	-	-	-
-	-	-	-	-	-	-
-	-	-	870,489	-	-	-
-	-	-	-	-	-	-
23,810	272,656	904,009	7,187	512,649	16,613	497,919
-	-	-	-	-	-	-
-	-	-	-	-	16,613	-
-	-	-	-	-	-	-
<u>23,810</u>	<u>272,656</u>	<u>904,009</u>	<u>7,187</u>	<u>512,649</u>	<u>16,613</u>	<u>497,919</u>
<u>\$ 23,810</u>	<u>\$ 272,656</u>	<u>\$ 904,009</u>	<u>\$ 945,800</u>	<u>\$ 512,649</u>	<u>\$ 16,613</u>	<u>\$ 498,740</u>

# City of Stoughton

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 December 31, 2021

	<b>Capital Projects Funds</b>				
	<b>TIF District No. 3</b>	<b>TIF District No. 4</b>	<b>TIF District No. 5</b>	<b>TIF District No. 6</b>	<b>TIF District No. 7</b>
<b>Assets</b>					
Cash and investments	\$ -	\$ 20,651	\$ 71,056	\$ 689,191	\$ 561,534
Due from other funds	-	-	-	-	-
Receivables (net):					
Taxes	-	163,178	66,352	65,877	832,281
Accounts	-	-	-	-	32,917
Special assessments	-	-	-	-	-
Loans	-	-	-	-	-
Prepaid items	-	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ 183,829</u>	<u>\$ 137,408</u>	<u>\$ 755,068</u>	<u>\$ 1,426,732</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ -	\$ 15,645	\$ -	\$ 37,365	\$ 1,316
Accrued liabilities	-	-	-	-	-
Due to other funds	-	-	-	-	-
Unearned revenues	-	-	-	-	-
Advances from other funds	-	-	761,320	140,399	-
Total liabilities	<u>-</u>	<u>15,645</u>	<u>761,320</u>	<u>177,764</u>	<u>1,316</u>
<b>Deferred Inflows of Resources</b>					
Unearned revenues	-	163,178	66,352	65,877	847,106
Unavailable revenues	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>163,178</u>	<u>66,352</u>	<u>65,877</u>	<u>847,106</u>
<b>Fund Balances (Deficit)</b>					
Nonspendable	-	-	-	-	-
Restricted	-	5,006	-	511,427	578,310
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned (deficit)	-	-	(690,264)	-	-
Total fund balances (deficit)	<u>-</u>	<u>5,006</u>	<u>(690,264)</u>	<u>511,427</u>	<u>578,310</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ -</u>	<u>\$ 183,829</u>	<u>\$ 137,408</u>	<u>\$ 755,068</u>	<u>\$ 1,426,732</u>



<b>Capital Projects Funds</b>					
<b>TIF District No. 8</b>	<b>Equipment Replacement</b>	<b>Building Maintenance</b>	<b>Outlay</b>	<b>Technology</b>	<b>Total Nonmajor Governmental Funds</b>
\$ 450,153	\$ 187,884	\$ 401,596	\$ 730,766	\$ 34,333	\$ 8,370,679
-	-	8,635	-	-	8,635
6,890	-	-	-	-	2,132,189
-	-	1,088	-	-	81,091
-	-	-	-	-	337,700
-	-	-	-	-	164,018
-	-	-	-	-	2,250
<u>\$ 457,043</u>	<u>\$ 187,884</u>	<u>\$ 411,319</u>	<u>\$ 730,766</u>	<u>\$ 34,333</u>	<u>\$ 11,096,562</u>
\$ 796	\$ 5,264	\$ 7,713	\$ 56,560	\$ 2,397	\$ 327,624
-	-	-	-	-	32,493
-	-	-	-	-	48,931
-	-	-	-	-	794,397
144,304	-	-	-	-	1,046,023
<u>145,100</u>	<u>5,264</u>	<u>7,713</u>	<u>56,560</u>	<u>2,397</u>	<u>2,249,468</u>
91,380	-	-	-	-	2,104,382
-	-	-	-	-	337,700
<u>91,380</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,442,082</u>
-	-	-	-	-	2,250
220,563	-	-	-	-	3,582,163
-	-	-	-	-	2,207,284
-	182,620	403,606	674,206	31,936	1,308,981
-	-	-	-	-	(695,666)
<u>220,563</u>	<u>182,620</u>	<u>403,606</u>	<u>674,206</u>	<u>31,936</u>	<u>6,405,012</u>
<u>\$ 457,043</u>	<u>\$ 187,884</u>	<u>\$ 411,319</u>	<u>\$ 730,766</u>	<u>\$ 34,333</u>	<u>\$ 11,096,562</u>

# City of Stoughton

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

	<b>Special Revenue Funds</b>				
	<u>Library</u>	<u>Ambulance</u>	<u>Opera House</u>	<u>Opera House Repair</u>	<u>Township Outreach</u>
<b>Revenues</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	265,431	-	486,927	-	7,237
Public charges for services	4,627	-	598,282	-	-
Intergovernmental charges for services	-	-	-	-	-
Special assessments	-	-	-	-	-
Investment income	72	2	11	-	1
Miscellaneous revenues	<u>83,853</u>	<u>62,837</u>	<u>22,938</u>	<u>-</u>	<u>2,500</u>
Total revenues	<u>353,983</u>	<u>62,839</u>	<u>1,108,158</u>	<u>-</u>	<u>9,738</u>
<b>Expenditures</b>					
Current:					
General government	-	-	-	-	-
Public safety	-	2,873	-	-	-
Public works	-	-	-	-	-
Culture, recreation and education	914,003	-	1,031,155	-	8,041
Conservation and development	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Interest and fiscal charges	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>914,003</u>	<u>2,873</u>	<u>1,031,155</u>	<u>-</u>	<u>8,041</u>
Excess (deficiency) of revenues over expenditures	<u>(560,020)</u>	<u>59,966</u>	<u>77,003</u>	<u>-</u>	<u>1,697</u>
<b>Other Financing Sources (Uses)</b>					
Debt issued	-	-	-	-	-
Premium on debt	-	-	-	-	-
Sales of fixed assets	-	-	-	-	-
Transfers in	632,350	-	195,000	-	-
Transfers out	<u>-</u>	<u>(60,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>632,350</u>	<u>(60,000)</u>	<u>195,000</u>	<u>-</u>	<u>-</u>
Net change in fund balances	72,330	(34)	272,003	-	1,697
<b>Fund Balances, Beginning</b>	<u>279,950</u>	<u>18,258</u>	<u>(228,519)</u>	<u>6,778</u>	<u>12,426</u>
<b>Fund Balances, Ending</b>	<u>\$ 352,280</u>	<u>\$ 18,224</u>	<u>\$ 43,484</u>	<u>\$ 6,778</u>	<u>\$ 14,123</u>

**Special Revenue Funds**

<u>Tourism</u>	<u>Seniors in Need</u>	<u>Food Pantry</u>	<u>Landmarks</u>	<u>Fire Department Special</u>	<u>Senior Center Wood Shop</u>	<u>Senior Center Special</u>
\$ 113,612	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1	7	64	-	8	1	471
-	<u>27,892</u>	<u>142,486</u>	-	<u>41,560</u>	<u>2,340</u>	<u>112,155</u>
<u>113,613</u>	<u>27,899</u>	<u>142,550</u>	-	<u>41,568</u>	<u>2,341</u>	<u>112,626</u>
-	-	-	-	-	-	-
-	-	-	-	9,254	-	-
-	-	-	-	-	-	-
102,251	16,170	49,819	3,763	-	1,067	8,715
-	-	-	-	-	-	-
-	-	-	-	14,989	-	-
-	-	-	-	-	-	-
<u>102,251</u>	<u>16,170</u>	<u>49,819</u>	<u>3,763</u>	<u>24,243</u>	<u>1,067</u>	<u>8,715</u>
<u>11,362</u>	<u>11,729</u>	<u>92,731</u>	<u>(3,763)</u>	<u>17,325</u>	<u>1,274</u>	<u>103,911</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	15,000	-	-	-
<u>(11,361)</u>	-	-	-	-	-	-
<u>(11,361)</u>	-	-	<u>15,000</u>	-	-	-
1	11,729	92,731	11,237	17,325	1,274	103,911
<u>25,926</u>	<u>51,885</u>	<u>296,408</u>	<u>(2,136)</u>	<u>39,596</u>	<u>8,689</u>	<u>512,887</u>
<u>\$ 25,927</u>	<u>\$ 63,614</u>	<u>\$ 389,139</u>	<u>\$ 9,101</u>	<u>\$ 56,921</u>	<u>\$ 9,963</u>	<u>\$ 616,798</u>

# City of Stoughton

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

	<b>Special Revenue Funds</b>				
	<u>ARPA Fund</u>	<u>Redevelopment Authority</u>	<u>Special Assessments</u>	<u>K9 Unit</u>	<u>Tree Commission</u>
<b>Revenues</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Public charges for services	-	-	-	-	-
Intergovernmental charges for services	-	-	-	-	-
Special assessments	-	-	295,089	-	-
Investment income	16	-	14,201	-	-
Miscellaneous revenues	-	-	-	12,489	870
Total revenues	<u>16</u>	<u>-</u>	<u>309,290</u>	<u>12,489</u>	<u>870</u>
<b>Expenditures</b>					
Current:					
General government	3,456	-	-	-	-
Public safety	-	-	-	6,666	-
Public works	-	-	-	-	-
Culture, recreation and education	-	-	-	-	-
development	-	18,962	-	-	2,840
Capital outlay	-	-	-	-	-
Debt service:					
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>3,456</u>	<u>18,962</u>	<u>-</u>	<u>6,666</u>	<u>2,840</u>
Excess (deficiency) of revenues over expenditures	<u>(3,440)</u>	<u>(18,962)</u>	<u>309,290</u>	<u>5,823</u>	<u>(1,970)</u>
<b>Other Financing Sources (Uses)</b>					
Debt issued	-	-	-	-	-
Premium on debt	-	-	-	-	-
Sales of fixed assets	-	-	-	-	-
Transfers in	-	17,000	-	-	-
Transfers out	-	-	(85,000)	-	-
Total other financing sources (uses)	<u>-</u>	<u>17,000</u>	<u>(85,000)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(3,440)</u>	<u>(1,962)</u>	<u>224,290</u>	<u>5,823</u>	<u>(1,970)</u>
<b>Fund Balances, Beginning</b>	<u>-</u>	<u>-</u>	<u>404,996</u>	<u>13,688</u>	<u>4,982</u>
<b>Fund Balances, Ending</b>	<u><u>\$ (3,440)</u></u>	<u><u>\$ (1,962)</u></u>	<u><u>\$ 629,286</u></u>	<u><u>\$ 19,511</u></u>	<u><u>\$ 3,012</u></u>

Special Revenue Funds				Capital Projects Funds		
Cemetery	Revolving Loan Fund	Firemen's Pension Fund	Refuse Fund	Affordable Housing Fund	Fire Equipment	Park Acquisition
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	822,530	-	-	27,718
-	-	-	-	-	-	-
-	-	-	-	-	-	-
6	7,297	215	10	11	4	122
-	-	26,523	-	-	-	10,238
<u>6</u>	<u>7,297</u>	<u>26,738</u>	<u>822,540</u>	<u>11</u>	<u>4</u>	<u>38,078</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	819,739	-	-	-
496	-	-	-	-	-	26,013
-	3,972	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>496</u>	<u>3,972</u>	<u>-</u>	<u>819,739</u>	<u>-</u>	<u>-</u>	<u>26,013</u>
-	-	-	-	-	-	-
(490)	3,325	26,738	2,801	11	4	12,065
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	15,000	-	-	512,638	-	-
-	-	-	-	-	-	-
-	15,000	-	-	512,638	-	-
(490)	18,325	26,738	2,801	512,649	4	12,065
<u>24,300</u>	<u>254,331</u>	<u>877,271</u>	<u>4,386</u>	<u>-</u>	<u>16,609</u>	<u>485,854</u>
<u>\$ 23,810</u>	<u>\$ 272,656</u>	<u>\$ 904,009</u>	<u>\$ 7,187</u>	<u>\$ 512,649</u>	<u>\$ 16,613</u>	<u>\$ 497,919</u>

# City of Stoughton

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

	<b>Capital Projects Funds</b>				
	<b>TIF District No. 3</b>	<b>TIF District No. 4</b>	<b>TIF District No. 5</b>	<b>TIF District No. 6</b>	<b>TIF District No. 7</b>
<b>Revenues</b>					
Taxes	\$ 512,638	\$ 174,190	\$ 49,621	\$ 149,306	\$ 762,486
Intergovernmental	19,849	15,478	39,592	-	(1,959)
Public charges for services	-	-	-	-	-
Intergovernmental charges for services	-	-	-	-	-
Special assessments	-	-	-	-	-
Investment income	45	112	2	158	104
Miscellaneous revenues	-	-	-	-	31,684
<b>Total revenues</b>	<b>532,532</b>	<b>189,780</b>	<b>89,215</b>	<b>149,464</b>	<b>792,315</b>
<b>Expenditures</b>					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Culture, recreation and education	-	-	-	-	-
Conservation and development	242,185	-	-	8,475	4,976
Capital outlay	8,325	20,566	975	2,084	550,000
Debt service:					
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>250,510</b>	<b>20,566</b>	<b>975</b>	<b>10,559</b>	<b>554,976</b>
Excess (deficiency) of revenues over expenditures	282,022	169,214	88,240	138,905	237,339
<b>Other Financing Sources (Uses)</b>					
Debt issued	-	-	-	-	-
Premium on debt	-	-	-	-	-
Sales of fixed assets	-	60,212	-	-	-
Transfers in	-	-	25,000	-	-
Transfers out	(650,060)	(426,821)	(112,938)	(133,731)	(334,725)
<b>Total other financing sources (uses)</b>	<b>(650,060)</b>	<b>(366,609)</b>	<b>(87,938)</b>	<b>(133,731)</b>	<b>(334,725)</b>
Net change in fund balances	(368,038)	(197,395)	302	5,174	(97,386)
<b>Fund Balances, Beginning</b>	<b>368,038</b>	<b>202,401</b>	<b>(690,566)</b>	<b>506,253</b>	<b>675,696</b>
<b>Fund Balances, Ending</b>	<b>\$ -</b>	<b>\$ 5,006</b>	<b>\$ (690,264)</b>	<b>\$ 511,427</b>	<b>\$ 578,310</b>

<b>Capital Projects Funds</b>						<b>Total Nonmajor Governmental Funds</b>
<b>TIF District No. 8</b>	<b>Equipment Replacement</b>	<b>Building Maintenance</b>	<b>Outlay</b>	<b>Technology</b>		
\$ 30,337	\$ -	\$ -	\$ -	\$ -	\$	1,792,190
-	67,504	-	107,476	-	-	1,007,535
-	-	-	-	-	-	1,453,157
-	2,704	-	-	-	-	2,704
-	-	-	-	-	-	295,089
5	83	131	110	-	-	23,270
-	-	192,027	-	-	-	772,392
<u>30,342</u>	<u>70,291</u>	<u>192,158</u>	<u>107,586</u>	<u>-</u>	<u>-</u>	<u>5,346,337</u>
-	-	270,109	-	63,210	-	336,775
-	-	-	-	-	-	18,793
-	-	-	-	-	-	819,739
-	-	-	-	-	-	2,161,493
3,430	-	-	-	-	-	284,840
105,610	363,647	-	963,377	-	-	2,029,573
-	-	-	21,297	-	-	21,297
<u>109,040</u>	<u>363,647</u>	<u>270,109</u>	<u>984,674</u>	<u>63,210</u>	<u>-</u>	<u>5,672,510</u>
<u>(78,698)</u>	<u>(293,356)</u>	<u>(77,951)</u>	<u>(877,088)</u>	<u>(63,210)</u>	<u>-</u>	<u>(326,173)</u>
-	-	-	787,178	-	-	787,178
-	-	-	4,335	-	-	4,335
-	4,102	-	81,489	-	-	145,803
386,821	220,000	-	100,000	-	-	2,118,809
(24,741)	-	(52,000)	-	-	-	(1,891,377)
<u>362,080</u>	<u>224,102</u>	<u>(52,000)</u>	<u>973,002</u>	<u>-</u>	<u>-</u>	<u>1,164,748</u>
283,382	(69,254)	(129,951)	95,914	(63,210)	-	838,575
<u>(62,819)</u>	<u>251,874</u>	<u>533,557</u>	<u>578,292</u>	<u>95,146</u>	<u>-</u>	<u>5,566,437</u>
<u>\$ 220,563</u>	<u>\$ 182,620</u>	<u>\$ 403,606</u>	<u>\$ 674,206</u>	<u>\$ 31,936</u>	<u>\$</u>	<u>6,405,012</u>

# City of Stoughton

Combining Statement of Net Position  
 Nonmajor Enterprise Funds  
 December 31, 2021

	<u>Storm Sewer</u>	<u>EMS</u>	<u>Total Nonmajor Enterprise Funds</u>
<b>Assets</b>			
Current assets:			
Cash and investments	\$ 448,822	\$ 517,695	\$ 966,517
Receivables	59,458	184,666	244,124
Due from other funds	58,889	-	58,889
Total current assets	<u>567,169</u>	<u>702,361</u>	<u>1,269,530</u>
Noncurrent assets:			
Capital assets:			
Land	9,986	-	9,986
Property and equipment	6,339,906	2,213,568	8,553,474
Less accumulated depreciation	(871,228)	(1,068,618)	(1,939,846)
Restricted assets:			
Net pension asset	-	48,013	48,013
Total noncurrent assets	<u>5,478,664</u>	<u>1,192,963</u>	<u>6,671,627</u>
Total assets	<u>6,045,833</u>	<u>1,895,324</u>	<u>7,941,157</u>
<b>Deferred Outflows of Resources</b>			
Pension related amounts	-	75,813	75,813
Other post-employment benefits related amounts	16,079	5,046	21,125
Total deferred outflows of resources	<u>16,079</u>	<u>80,859</u>	<u>96,938</u>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	14,255	9,544	23,799
Accrued liabilities	15,493	19,299	34,792
Current portion of general obligation debt	237,813	-	237,813
Total current liabilities	<u>267,561</u>	<u>28,843</u>	<u>296,404</u>
Noncurrent liabilities:			
General obligation debt payable	1,361,801	-	1,361,801
Compensated absences	-	38,942	38,942
Other post-employment benefits	37,652	26,524	64,176
Advances from other funds	-	305,325	305,325
Total noncurrent liabilities	<u>1,399,453</u>	<u>370,791</u>	<u>1,770,244</u>
Total liabilities	<u>1,667,014</u>	<u>399,634</u>	<u>2,066,648</u>
<b>Deferred Inflows of Resources</b>			
Pension related amounts	-	103,803	103,803
Other post-employment benefits related amounts	4,639	1,219	5,858
Total deferred inflows of resources	<u>4,639</u>	<u>105,022</u>	<u>109,661</u>
<b>Net Position</b>			
Net investment in capital assets	3,926,469	1,144,950	5,071,419
Restricted for pension	-	48,013	48,013
Unrestricted	463,790	278,564	742,354
Total net position	<u>\$ 4,390,259</u>	<u>\$ 1,471,527</u>	<u>\$ 5,861,786</u>



## City of Stoughton

Combining Statement of Revenues, Expenses and  
Changes in Fund Net Position  
Nonmajor Enterprise Funds  
Year Ended December 31, 2021

	<u>Storm Sewer</u>	<u>EMS</u>	<u>Total Nonmajor Enterprise Funds</u>
<b>Operating Revenues</b>			
Charges for services	\$ 781,597	\$ 686,438	\$ 1,468,035
Total operating revenues	<u>781,597</u>	<u>686,438</u>	<u>1,468,035</u>
<b>Operating Expenses</b>			
Operation and maintenance	365,663	606,423	972,086
Depreciation expense	<u>221,378</u>	<u>83,351</u>	<u>304,729</u>
Total operating expenses	<u>587,041</u>	<u>689,774</u>	<u>1,276,815</u>
Operating income (loss)	<u>194,556</u>	<u>(3,336)</u>	<u>191,220</u>
<b>Nonoperating Revenues (Expenses)</b>			
Investment income	29	64	93
Interest and fiscal charges	(39,991)	-	(39,991)
Intergovernmental grants	-	18,402	18,402
Miscellaneous revenues	<u>-</u>	<u>12,268</u>	<u>12,268</u>
Total nonoperating revenues (expenses)	<u>(39,962)</u>	<u>30,734</u>	<u>(9,228)</u>
Net income (loss) before transfers	<u>154,594</u>	<u>27,398</u>	<u>181,992</u>
<b>Contributions and Transfers</b>			
Capital contributions, city	274,911	60,000	334,911
Transfers out	<u>(19,104)</u>	<u>-</u>	<u>(19,104)</u>
Total contributions and transfers	<u>255,807</u>	<u>60,000</u>	<u>315,807</u>
Change in net position	410,401	87,398	497,799
<b>Net Position, Beginning</b>	<u>3,979,858</u>	<u>1,384,129</u>	<u>5,363,987</u>
<b>Net Position, Ending</b>	<u>\$ 4,390,259</u>	<u>\$ 1,471,527</u>	<u>\$ 5,861,786</u>

## City of Stoughton

Combining Statement of Cash Flows  
 Nonmajor Enterprise Funds  
 Year Ended December 31, 2021

	<u>Storm Sewer</u>	<u>EMS</u>	<u>Total Nonmajor Enterprise Funds</u>
<b>Cash Flows From Operating Activities</b>			
Received from customers	\$ 716,461	\$ 736,218	\$ 1,452,679
Paid to suppliers for goods and services	(152,627)	(253,185)	(405,812)
Paid to employees for services	(201,071)	(346,217)	(547,288)
Net cash flows from operating activities	<u>362,763</u>	<u>136,816</u>	<u>499,579</u>
<b>Cash Flows From Investing Activities</b>			
Investment income	<u>29</u>	<u>64</u>	<u>93</u>
Net cash flows from investing activities	<u>29</u>	<u>64</u>	<u>93</u>
<b>Cash Flows From Capital and Related Financing Activities</b>			
Debt issued	150,000	-	150,000
Debt retired	(235,916)	-	(235,916)
Interest paid	(42,683)	-	(42,683)
Acquisition and construction of capital assets	(91,060)	(88,455)	(179,515)
Construction grant received	260,640	-	260,640
Capital contribution to city	(19,104)	-	(19,104)
Capital contribution from city	-	60,000	60,000
Net cash flows from capital and related financing activities	<u>21,877</u>	<u>(28,455)</u>	<u>(6,578)</u>
Net change in cash and cash equivalents	384,669	108,425	493,094
<b>Cash and Cash Equivalents, Beginning</b>	<u>64,153</u>	<u>409,270</u>	<u>473,423</u>
<b>Cash and Cash Equivalents, Ending</b>	<u>\$ 448,822</u>	<u>\$ 517,695</u>	<u>\$ 966,517</u>

## City of Stoughton

Combining Statement of Cash Flows  
Nonmajor Enterprise Funds  
Year Ended December 31, 2021

	<u>Storm Sewer</u>	<u>EMS</u>	<u>Total Nonmajor Enterprise Funds</u>
<b>Reconciliation of Operating Income to Net Cash Flows From Operating Activities</b>			
Operating income	\$ 194,556	\$ (3,336)	\$ 191,220
Nonoperation revenue	-	30,670	30,670
Adjustments to reconcile operating income to net cash flows from operating activities:			
Depreciation	221,378	83,351	304,729
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:			
Customer accounts receivable	1,162	-	1,162
Other accounts receivable	(59,126)	17,891	(41,235)
Due from other funds	(7,172)	-	(7,172)
Compensated absences	-	7,500	7,500
Accounts payable	(14,163)	(11,232)	(25,395)
Other current liabilities	(84)	4,710	4,626
Pension related deferrals and liabilities	-	(15,435)	(15,435)
Other post-employment benefits related deferrals and liabilities	<u>26,212</u>	<u>22,697</u>	<u>48,909</u>
Net cash flows from operating activities	<u>\$ 362,763</u>	<u>\$ 136,816</u>	<u>\$ 499,579</u>
<b>Reconciliation of Cash and Cash Equivalents to the Statement of Net Position</b>			
Cash and investments	<u>\$ 448,822</u>	<u>\$ 517,695</u>	<u>\$ 966,517</u>
Cash and cash equivalents	<u>\$ 448,822</u>	<u>\$ 517,695</u>	<u>\$ 966,517</u>
<b>Noncash Capital and Related Financing Activities</b>			
Contributed assets	<u>\$ 274,911</u>	<u>\$ -</u>	