

**CITY OF STOUGHTON
REPORT TO THE CITY COUNCIL**

May 28, 2019

Presented By:



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Carla A. Gogin, CPA, Partner

Actual data was derived from current and prior years audited financial statements

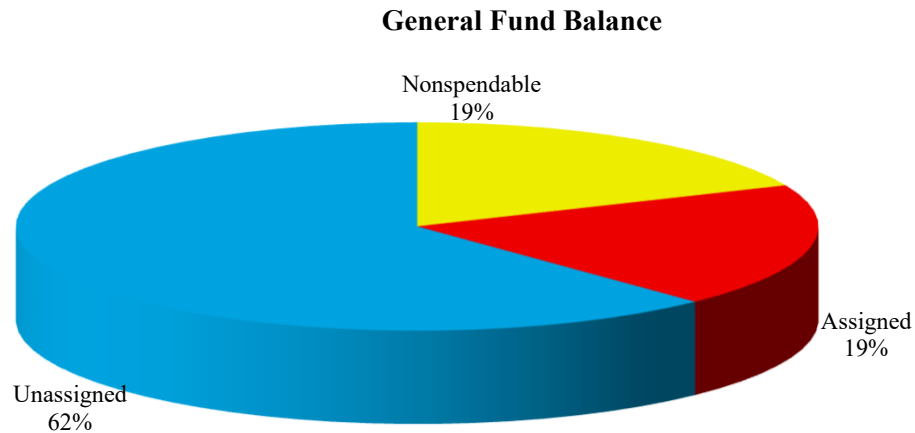
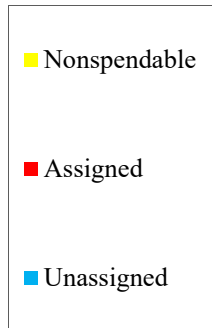
This communication is intended solely for the information and use of management, the board/council, and others within the organization, and is not intended to be, and should not be, used by anyone other than the specified parties.

CITY OF STOUGHTON

2018 FINANCIAL STATEMENT HIGHLIGHTS

DETAILS OF GENERAL FUND BALANCE

<u>Nonspendable</u>		<u>2018</u>
	<i>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 remain intact.</i>	\$1,159,444
<u>Assigned</u>		
	<i>includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed.</i>	1,206,970
<u>Unassigned</u>		
	<i>includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories.</i>	3,884,355
Total General Fund Balance		\$ 6,250,769

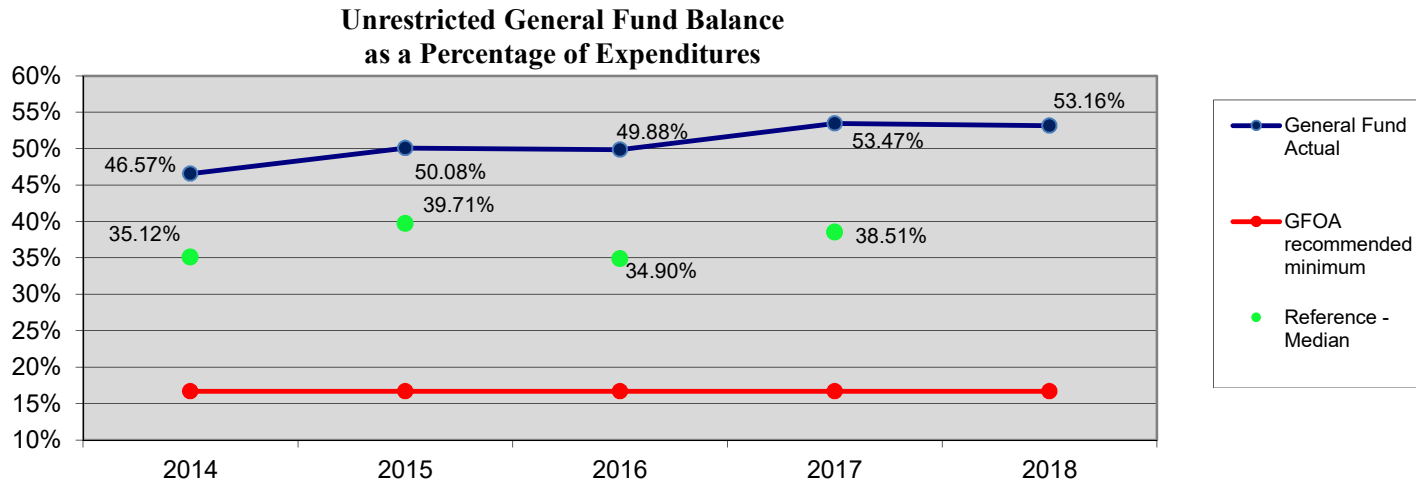


CITY OF STOUGHTON

2018 FINANCIAL STATEMENT HIGHLIGHTS

ANALYSIS OF GENERAL FUND BALANCE

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Unrestricted Fund Balance	3,947,569	4,269,500	4,434,514	4,862,797	5,091,325
Expenditures	8,477,043	8,525,735	8,890,260	9,095,032	9,577,938
% of operating revenues	46.57%	50.08%	49.88%	53.47%	53.16%



GFOA recommended range for % of operating revenues: no less than 2 months of GF operating revenues

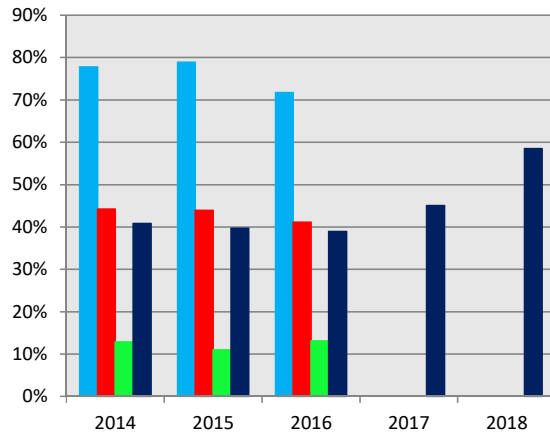
Reference values for the population range: 10,000 to 17,500 generated from 2014-2017 Baker Tilly municipal client data for Wisconsin. The City's policy is to maintain unassigned general fund balance within a range of 20% to 25% of general fund annual budgeted expenditures. The unassigned general fund balance at year-end was \$3,523,093 or 26.83% of general fund budgeted expenditures. The city includes deficit fund balances for Opera House, Economic Development and Redevelopment Authority within this unassigned general fund balance calculation.

CITY OF STOUGHTON 2018 FINANCIAL STATEMENT HIGHLIGHTS

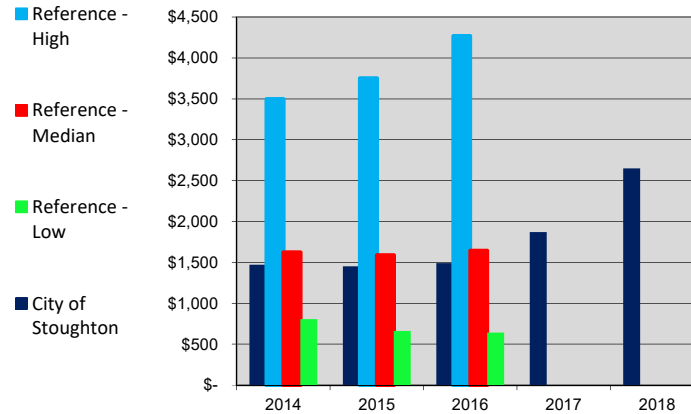
GENERAL OBLIGATION DEBT OUTSTANDING

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<u>CITY OF STOUGHTON</u>					
City	\$ 17,285,084	\$ 16,545,527	\$ 20,681,106	\$ 21,992,572	\$ 32,483,453
Utilities	1,560,601	2,553,436	2,240,027	2,490,351	2,109,381
Subtotal	18,845,685	19,098,963	22,921,133	24,482,923	34,592,834
Less: Fund equity available for debt	(216,537)	(169,228)	(3,427,418)	(480,476)	(562,002)
TOTAL	\$ 18,629,148	\$ 18,929,735	\$ 19,493,715	\$ 24,002,447	\$ 34,030,832
Population	12,646	13,039	13,067	12,834	12,854
G.O. Debt Capacity	\$ 45,654,025	\$ 47,713,100	\$ 50,039,825	\$ 53,277,055	\$ 58,163,075
G.O. debt per capita	\$ 1,473	\$ 1,452	\$ 1,492	\$ 1,870	\$ 2,647
% of debt limit	41%	40%	39%	45%	59%

Percentage of Debt Limit



G.O. Debt Outstanding - Per Capita



2014-2016 Reference values for the population range: 10,000 to 17,500 taken from *MunicipalFacts18* publication by the Wisconsin Policy Forum, 2018.

NOTE: The City has a debt policy to maintain total outstanding general obligation debt at 4% or less of equalized value. The City's outstanding general obligation debt was at 3.0%.

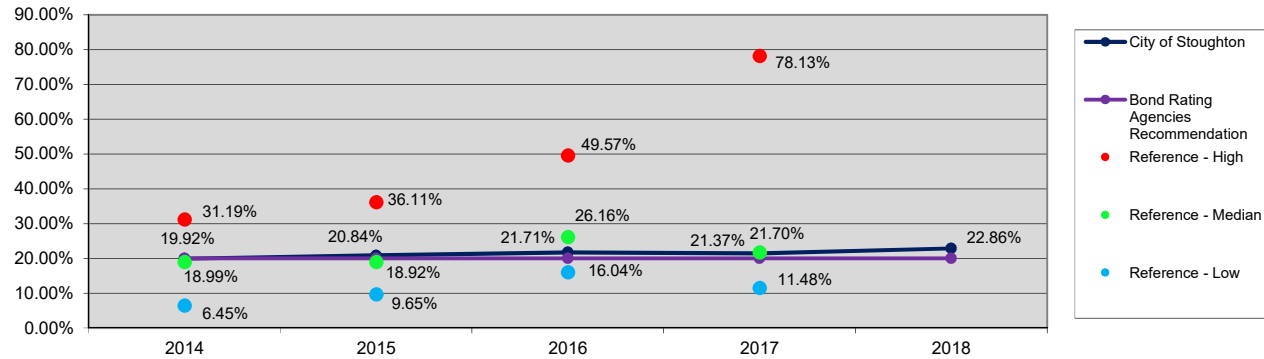
CITY OF STOUGHTON 2018 FINANCIAL STATEMENT HIGHLIGHTS

ANALYSIS OF DEBT SERVICE - GOVERNMENTAL FUNDS

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<u>Total Debt Service</u>					
Principal	\$ 2,174,479	\$ 2,284,557	\$ 2,544,421	\$ 2,593,534	\$ 2,869,119
Interest	449,980	486,630	554,501	478,487	688,873
TOTAL	\$ 2,624,459	\$ 2,771,187	\$ 3,098,922	\$ 3,072,021	\$ 3,557,992
<u>Total Non-Capital Expenditures</u>					
Total governmental funds expenditures*	\$ 16,828,266	\$ 16,853,121	\$ 22,034,495	\$ 19,370,890	\$ 28,405,707
Less: capital outlay	(3,654,793)	(3,555,740)	(7,760,873)	(4,994,448)	(12,841,539)
TOTAL NON-CAPITAL EXPENDITURES	\$ 13,173,473	\$ 13,297,381	\$ 14,273,622	\$ 14,376,442	\$ 15,564,168
% of debt service to non-capital expenditures	19.92%	20.84%	21.71%	21.37%	22.86%

* excludes refunded principal

Debt Service to Non-Capital Expenditures



	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Bond rating agencies recommended %	20.00%	20.00%	20.00%	20.00%
High - Reference:	58.78%	59.17%	45.45%	32.23%
Median - Reference:	18.80%	20.67%	25.18%	21.10%
Low - Reference:	15.94%	4.23%	16.76%	0.02%

Reference values for the population range: 10,000 to 17,500 generated from 2014-2017 Baker Tilly municipal client data for Wisconsin.

CITY OF STOUGHTON

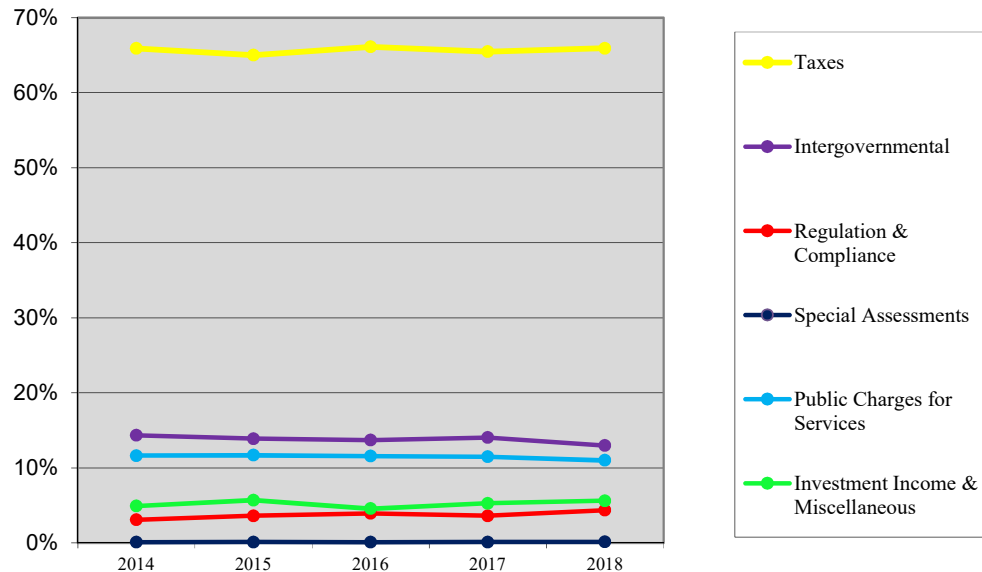
2018 FINANCIAL STATEMENT HIGHLIGHTS

GENERAL & DEBT SERVICE FUND REVENUES

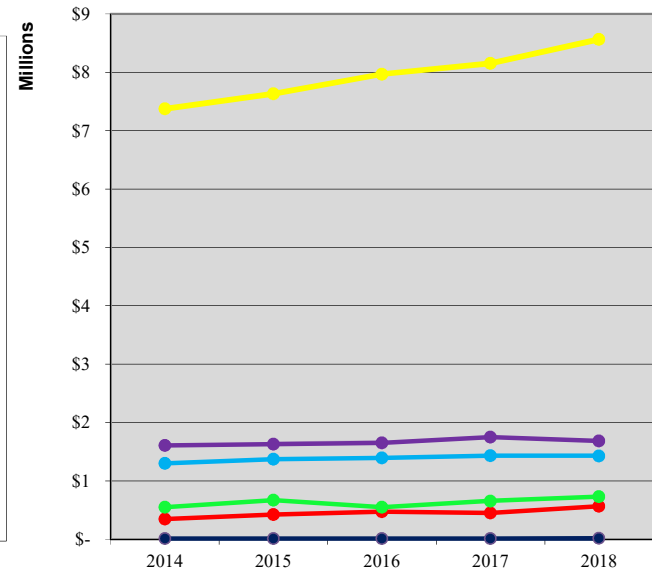
	<u>2014</u>	<u>%</u>	<u>2015</u>	<u>%</u>	<u>2016</u>	<u>%</u>	<u>2017</u>	<u>%</u>	<u>2018</u>	<u>%</u>
CITY OF STOUGHTON										
Taxes	\$ 7,374,779	66%	\$ 7,630,400	65%	\$ 7,968,616	66%	\$ 8,154,172	65%	\$ 8,564,436	66%
Intergovernmental	1,606,752	14%	1,629,581	14%	1,651,832	14%	1,749,196	14%	1,684,947	13%
Regulation and Compliance*	345,829	3%	423,975	4%	472,986	4%	449,980	4%	568,574	4%
Special Assessments	11,711	0%	12,875	0%	12,855	0%	13,600	0%	16,717	0%
Public Charges for Services	1,302,212	12%	1,371,253	12%	1,393,649	12%	1,431,359	11%	1,429,250	11%
Investment Income & Miscellaneous	551,150	5%	669,147	6%	549,511	5%	657,326	5%	729,986	6%
TOTAL	\$ 11,192,433	100%	\$ 11,737,231	100%	\$ 12,049,449	100%	\$ 12,455,633	100%	\$ 12,993,910	100%

* Regulation and Compliance included Licenses and permits, fines, forfeitures and penalties, and intergovernmental charges for services.

% of Total Revenue



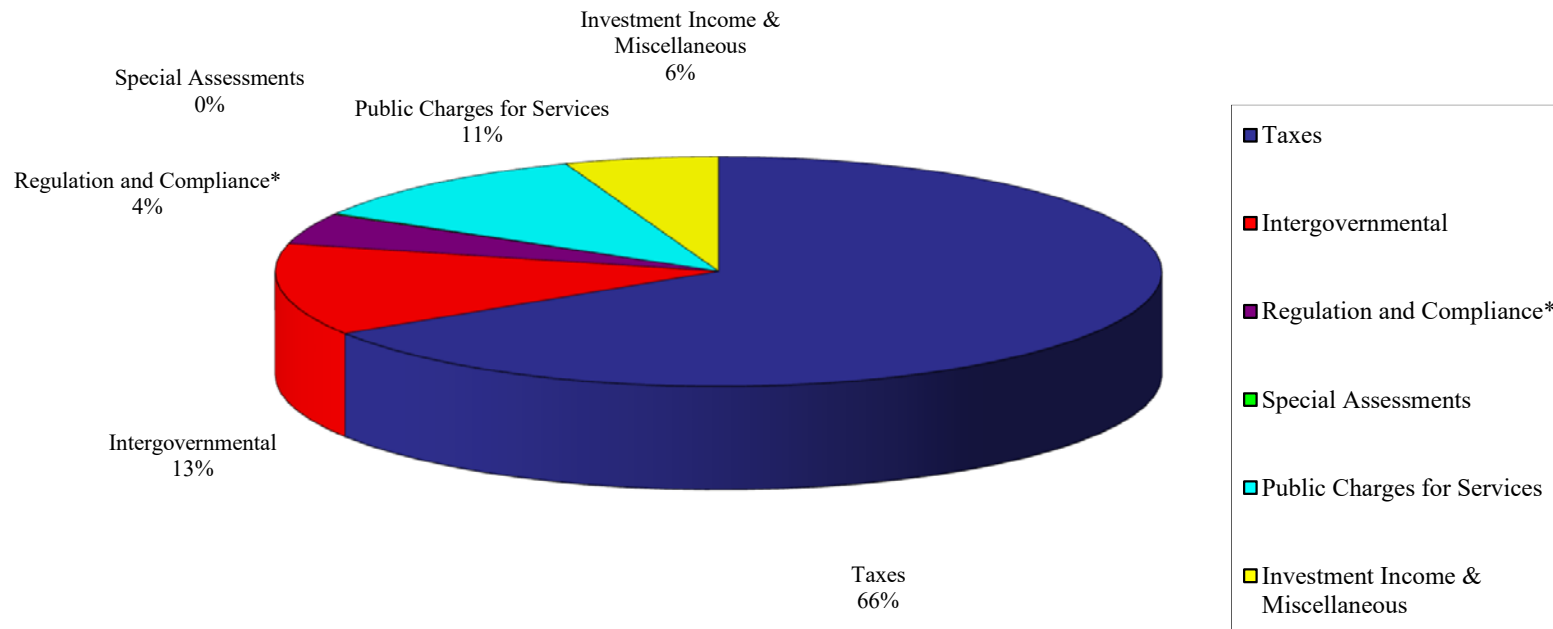
Total Revenue



CITY OF STOUGHTON
2018 FINANCIAL STATEMENT HIGHLIGHTS

2018 GENERAL & DEBT SERVICE FUND REVENUES

Total Revenues: \$12,993,910



CITY OF STOUGHTON

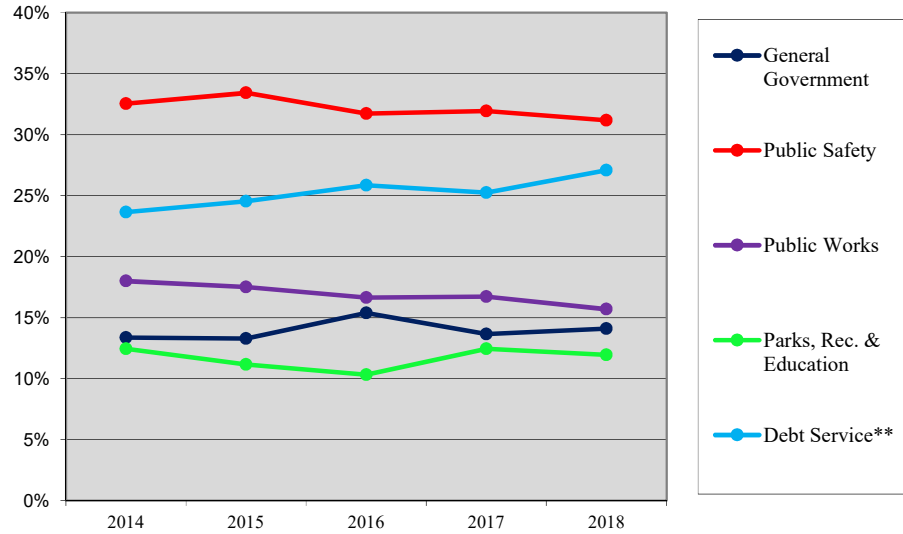
2018 FINANCIAL STATEMENT HIGHLIGHTS

GENERAL & DEBT SERVICE FUND EXPENDITURES

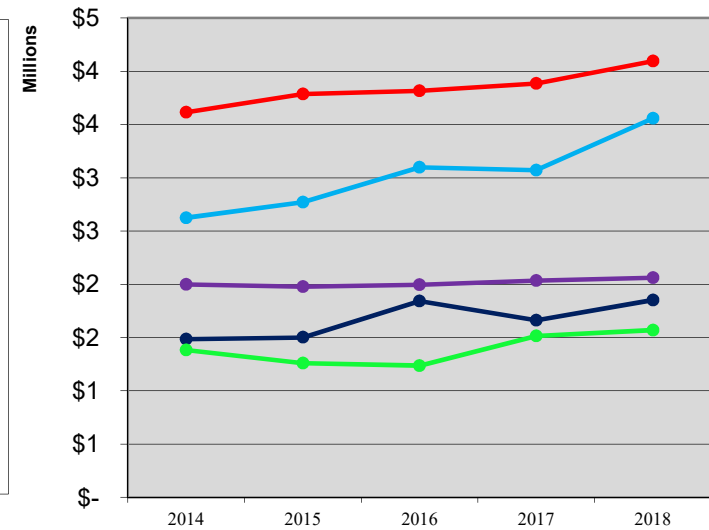
	<u>2014</u>	<u>%</u>	<u>2015</u>	<u>%</u>	<u>2016</u>	<u>%</u>	<u>2017</u>	<u>%</u>	<u>2018</u>	<u>%</u>
<u>Total Expenditures</u>										
General Government	\$ 1,483,909	13%	\$ 1,501,376	13%	\$ 1,843,239	15%	\$ 1,660,722	14%	\$ 1,852,615	14%
Public Safety	3,613,383	33%	3,786,470	33%	3,814,855	32%	3,884,807	32%	4,094,906	31%
Public Works	1,997,518	18%	1,977,034	18%	1,995,483	17%	2,034,622	17%	2,060,491	16%
Parks, Rec. & Education	1,382,233	12%	1,260,855	11%	1,236,683	10%	1,514,881	12%	1,569,926	12%
Debt Service**	<u>2,624,459</u>	24%	<u>2,771,187</u>	25%	<u>3,098,922</u>	26%	<u>3,072,021</u>	25%	<u>3,557,992</u>	27%
TOTAL	\$ 11,101,502	100%	\$ 11,296,922	100%	\$ 11,989,182	100%	\$ 12,167,053	100%	\$ 13,135,930	100%

**Excludes debt refunding

% of Total Expenditures



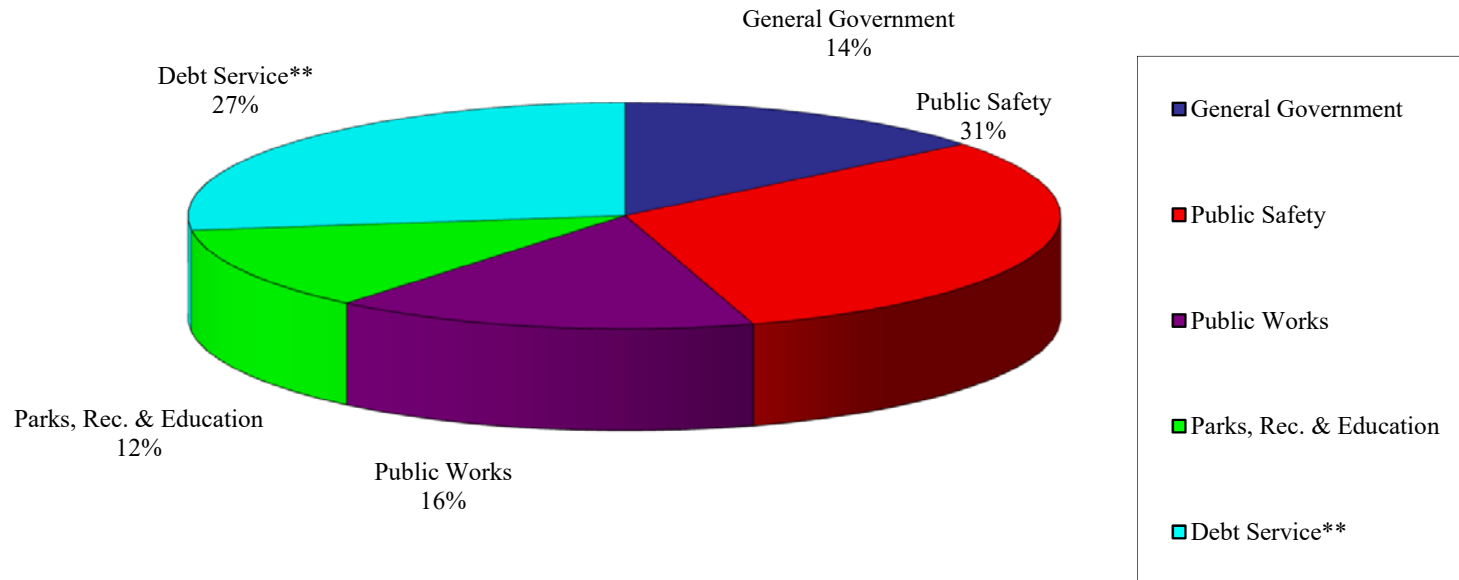
Total Expenditures



CITY OF STOUGHTON
2018 FINANCIAL STATEMENT HIGHLIGHTS

2018 GENERAL & DEBT SERVICE FUND EXPENDITURES

Total Expenditures: \$13,135,930



**Excludes debt refunding

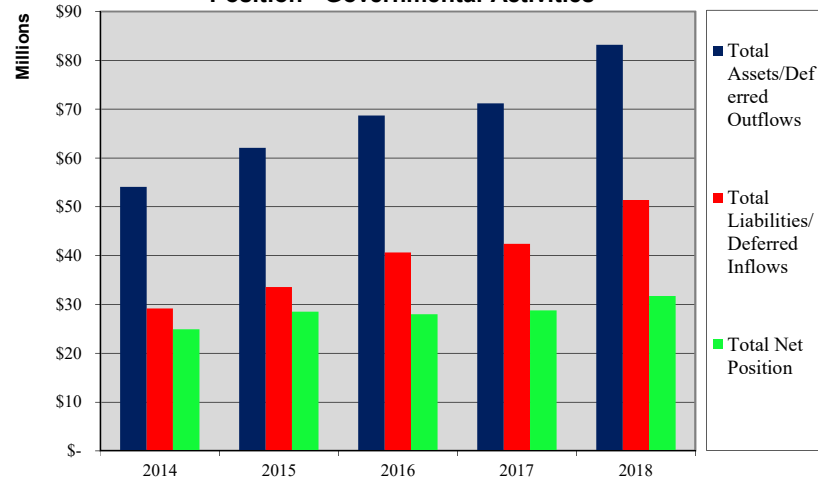
CITY OF STOUGHTON

2018 FINANCIAL STATEMENT HIGHLIGHTS

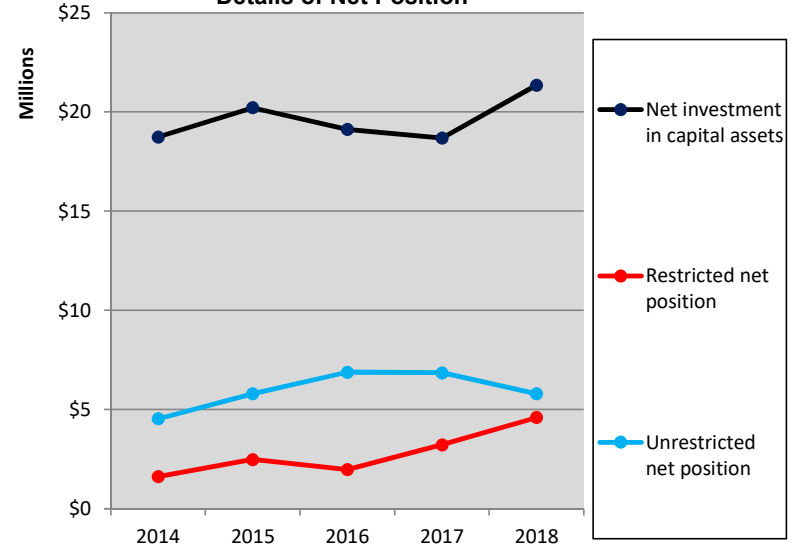
ANALYSIS OF NET POSITION - GOVERNMENTAL ACTIVITIES

	<u>2014</u>	<u>%</u>	<u>2015</u>	<u>%</u>	<u>2016</u>	<u>%</u>	<u>2017</u>	<u>%</u>	<u>2018</u>	<u>%</u>
CITY OF STOUGHTON										
Total Assets/Deferred Outflows	\$ 54,087,531		\$ 62,052,502		\$ 68,723,740		\$ 71,169,015		\$ 83,158,717	
Total Liabilities/Deferred Inflows	29,182,985		33,557,185		40,676,462		42,404,086		51,399,463	
Net investment in capital assets	18,744,830	75%	20,218,136	71%	19,120,712	68%	18,683,527	65%	21,358,159	67%
Restricted net position	1,626,071	7%	2,484,622	9%	1,969,261	7%	3,226,847	11%	4,600,716	14%
Unrestricted net position	4,533,645	18%	5,792,559	20%	6,887,305	25%	6,854,555	24%	5,800,379	19%
Total Net Position	<u>\$ 24,904,546</u>	100%	<u>\$ 28,495,317</u>	100%	<u>\$ 27,977,278</u>	100%	<u>\$ 28,764,929</u>	100%	<u>\$ 31,759,254</u>	100%
Net Position as a % of Total Assets		46%		46%		41%		40%		38%

Summary of Total Assets, Total Liabilities, and Net Position - Governmental Activities



Details of Net Position



Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

CITY OF STOUGHTON 2018 FINANCIAL STATEMENT HIGHLIGHTS

HISTORICAL SUMMARY OF TAX INCREMENTAL FINANCING DISTRICTS FROM THE DATES OF CREATION THROUGH DECEMBER 31, 2018

CITY OF STOUGHTON	<u>TIF District No. 3</u>		<u>TIF District No. 4</u>		<u>TIF District No. 5</u>		<u>TIF District No. 6</u>		<u>TIF District No. 7</u>		<u>TIF District No. 8</u>	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
Sources of funds												
TIF increment	\$ 5,229,881	37%	\$ 2,467,435	33%	\$ 30,147	1%	\$ -	0%	\$ 657,976	7%	\$ -	0%
Exempt computer aid	26,237	0%	55,795	1%	119,985	5%	-	0%	-	0%	-	0%
Intergovernmental	-	0%	89,415	1%	350,000	14%	-	0%	-	0%	-	0%
Developer guarantees	48,586	0%	43,902	1%	130,168	6%	-	0%	-	0%	-	0%
Public charges for services	12,942	0%	-	0%	-	0%	-	0%	-	0%	-	0%
Contribution from other district	742,340	5%	1,405,024	19%	-	0%	-	0%	-	0%	-	0%
Transfers from other funds	181,304	1%	-	0%	100,000	4%	-	0%	-	0%	-	0%
Investment income	59,843	0%	140,909	2%	4,182	0%	-	0%	24,072	0%	-	0%
Land sales	1,383,920	10%	550	0%	116,616	5%	-	0%	-	0%	-	0%
Miscellaneous revenues	148,244	1%	-	0%	1,000	0%	21,945	4%	-	0%	-	0%
Premium on long term debt	-	0%	-	0%	-	0%	-	0%	160,820	2%	-	0%
Long-term debt issued	6,257,496	44%	3,160,750	43%	1,498,750	64%	505,000	96%	8,865,000	91%	426,250	100%
TOTAL	\$ 14,090,793	100%	\$ 7,363,780	100%	\$ 2,350,848	100%	\$ 526,945	100%	\$ 9,707,868	100%	\$ 426,250	100%
Uses of Funds												
Capital expenditures	\$ 5,571,359	41%	\$ 2,033,433	33%	\$ 2,696,159	92%	\$ 565,002	86%	\$ 4,444,071	47%	\$ 176,297	86%
Revolving loan fund	-	0%	50,000	1%	-	0%	-	0%	-	0%	-	0%
Administration (in house)	-	0%	70,139	1%	-	0%	-	0%	32,511	0%	-	0%
Professional services	141,706	1%	293,836	5%	48,607	2%	29,787	5%	6,912	0%	29,655	14%
Department of Revenue Fees	150	0%	150	0%	1,150	0%	150	0%	150	0%	1,000	0%
Developer Payments	16,091	0%	-	0%	-	0%	-	0%	-	0%	-	0%
Contribution to other district	1,106,252	8%	-	0%	-	0%	-	0%	-	0%	-	0%
Debt issuance costs	20,162	0%	26,075	0%	18,157	1%	3,374	1%	102,678	1%	-	0%
Interest on advance	-	0%	-	0%	96,965	3%	-	0%	-	0%	-	0%
Interest on long-term debt	1,397,008	10%	796,573	13%	45,082	2%	14,676	2%	155,851	2%	-	0%
Principal on long-term debt	5,413,234	40%	2,960,750	48%	32,811	1%	45,000	7%	4,775,000	50%	-	0%
TOTAL	\$ 13,665,962	100%	\$ 6,230,956	100%	\$ 2,938,931	100%	\$ 657,989	100%	\$ 9,517,173	100%	\$ 206,952	101%
TIF Fund Balance (Deficit) - December 31, 2018	\$ 424,831		\$ 1,132,824		\$ (588,083)		\$ (131,044)		\$ 190,695		\$ 219,298	
Calculation of Net Cost Recoverable through TIF Increments												
Long term debt outstanding	844,262		200,000		1,465,939		460,000		4,090,000		426,250	
Less/Add: TIF Fund Balance (Deficit) - December 31, 2018	(424,831)		(1,132,824)		588,083		131,044		(190,695)		(219,298)	
Net cost recoverable (recovered) through TIF increments - December 31, 2018	\$ 419,431		\$ (932,824)		\$ 2,054,022		\$ 591,044		\$ 3,899,305		\$ 206,952	
Creation date:	January 1, 1993		January 1, 1999		January 1, 2010		January 1, 2015		January 1, 2015		January 1, 2018	
Last date to incur project costs:	November 24, 2014		March 23, 2021		March 12, 2032		September 29, 2030		November 11, 2029		July 24, 2040	
Last year to collect increment:	2020		2026		2037		2036		2035		2046	