

# **CITY OF STOUGHTON**

Stoughton, Wisconsin

## **FINANCIAL STATEMENTS**

Including Independent Auditors' Report

As of and for the Year Ended December 31, 2014

# CITY OF STOUGHTON

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## INDEPENDENT AUDITORS' REPORT

To the City Council  
City of Stoughton  
Stoughton, Wisconsin

### **Report on the Financial Statements**

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, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City of Stoughton's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

To the City Council  
City of Stoughton

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Stoughton, Wisconsin, as of December 31, 2014 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Required Supplementary Information*

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

#### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Stoughton's basic financial statements. The combining fund financial statements as listed in the table of contents are presented for purposes of additional analysis and are 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 combining fund financial statements are fairly stated in all material respects, in relation to the basic financial statements as a whole.

*Baker Tilly Virchow Krause, LLP*

Madison, Wisconsin  
May 15, 2015



## CITY OF STOUGHTON

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

For the Year Ended December 31, 2014

As management of the City of Stoughton, we offer readers of the City of Stoughton's financial statements this narrative overview and analysis of the financial activities of the City of Stoughton for the fiscal year ended December 31, 2014. We encourage readers to consider the information presented here in conjunction with the city's financial statements.

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#### FINANCIAL HIGHLIGHTS

When revenues exceed expenses, the result is an increase in net position. When expenses exceed revenues, the result is a decrease in net position. You can think of this relationship between revenues and expenses as the city's operating results and the net position, as measured in the Statement of Net Position, as one way to measure the city's financial health, or financial position. Over time, increases and decreases in the city's net position, as measured by the Statement of Activities, are one indicator of whether its financial health is improving or deteriorating. However, the city's goal is to provide services that improve the quality of life of our residents, not to generate profits as companies do. For this reason, you will need to consider many other non-financial factors, such as the condition of our roads, or the quality of our services, in assessing the overall health of our city.

- The assets of the City of Stoughton exceeded its liabilities by \$70,106,511 (net position). Of this amount, \$13,471,660 is considered unrestricted net position, \$4,611,557 is restricted for specific purposes (restricted net position), and \$52,023,294 is net investment in capital assets.
- The city's total net position increased by \$2,525,257. Governmental activities net position increased by \$1,570,630 while business-type net position increased by \$954,627.
- On December 31, 2014, the city's governmental funds reported combined fund balances of \$9,145,708, an increase of \$632,074 from 2013. Unassigned fund balance was \$2,249,166 at year-end.
- The City of Stoughton's total debt increased by \$2,864,838 (10%) during 2014.

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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.
- The remaining statements are fund financial statements that focus in individual parts of city government, reporting the city's operations in more detail than the government-wide statements.

# CITY OF STOUGHTON

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) For the Year Ended December 31, 2014

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### OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

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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, liabilities, and deferred inflows of resources. 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 and the condition of the city's roads.

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 balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

# CITY OF STOUGHTON

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) For the Year Ended December 31, 2014

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### OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

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The city maintains thirty-two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, and construction fund, all of which are considered to be major funds. 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 five different proprietary funds, all 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 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. The accounting used for fiduciary funds is much like that used for proprietary funds.

*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. The combining statements referred to earlier in connection with nonmajor 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 Revenues, Expenses and Changes in Net Position. 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) For the Year Ended December 31, 2014

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### FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (cont.)

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A summary of the city's Statement of Net Position is presented below.

	Governmental Activities		Business Type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$19,356,019	\$18,049,985	\$14,475,740	\$13,510,252	\$33,831,759	\$31,560,237
Capital assets	34,731,512	33,127,006	47,007,223	44,639,381	81,738,735	77,766,387
<b>Total Assets</b>	<b>54,087,531</b>	<b>51,176,991</b>	<b>61,482,963</b>	<b>58,149,633</b>	<b>115,570,494</b>	<b>109,326,624</b>
Long-term liabilities	18,853,828	18,221,758	14,538,026	12,277,137	33,391,854	30,498,895
Other liabilities	1,361,058	829,232	1,742,972	1,625,158	3,104,030	2,454,390
<b>Total Liabilities</b>	<b>20,214,886</b>	<b>19,050,990</b>	<b>16,280,998</b>	<b>13,902,295</b>	<b>36,495,884</b>	<b>32,953,285</b>
Unearned revenue	8,968,099	8,792,085	-	-	8,968,099	8,792,085
<b>Total Deferred Inflows     of Resources</b>	<b>8,968,099</b>	<b>8,792,085</b>	<b>-</b>	<b>-</b>	<b>8,968,099</b>	<b>8,792,085</b>
Net investment in capital assets	18,744,830	17,339,852	33,278,464	32,933,752	52,023,294	50,273,604
Restricted	1,626,071	1,605,607	2,985,486	2,732,801	4,611,557	4,338,408
Unrestricted	4,533,645	4,388,457	8,938,015	8,580,785	13,471,660	12,969,242
<b>Total Net Position</b>	<b>\$24,904,546</b>	<b>\$23,333,916</b>	<b>\$45,201,965</b>	<b>\$44,247,338</b>	<b>\$70,106,511</b>	<b>\$67,581,254</b>

The largest portion of the city's net position (74%) 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 is still outstanding. The city uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. 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, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the city's net position (7%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (19%) may be used to meet the government's ongoing obligation to citizens and creditors.



# CITY OF STOUGHTON

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) For the Year Ended December 31, 2014

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### FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (cont.)

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A summary of the city's Statement of Activities is presented below.

**Table 2**  
**Condensed Statement of Revenues,**  
**Expenses and Changes in Net Position**

	Governmental Activities		Business Type Activities		Totals	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<b>REVENUES</b>						
Program Revenues						
Charges for services	\$ 2,425,418	\$ 2,213,716	\$ 20,401,073	\$ 20,061,969	\$ 22,826,491	\$ 22,275,685
Operating grants and contributions	1,824,502	1,807,152	34,803	33,704	1,859,305	1,840,856
Capital grants and contributions	147,212	57,938	145,049	100,262	292,261	158,200
General Revenues						
Property taxes	8,077,598	7,821,919	-	-	8,077,598	7,821,919
Other taxes	133,025	85,272	-	-	133,025	85,272
Intergovernmental	826,333	790,431	-	-	826,333	790,431
Other	455,937	610,839	101,782	68,167	557,719	679,006
Total Revenues	<u>13,890,025</u>	<u>13,387,267</u>	<u>20,682,707</u>	<u>20,264,102</u>	<u>34,572,732</u>	<u>33,651,369</u>
<b>EXPENSES</b>						
General government	1,504,920	1,609,588	-	-	1,504,920	1,609,588
Public safety	4,326,901	3,981,314	-	-	4,326,901	3,981,314
Public works	3,119,861	3,077,800	-	-	3,119,861	3,077,800
Culture, education and recreation	3,415,138	3,072,021	-	-	3,415,138	3,072,021
Conservation and development	235,355	265,029	-	-	235,355	265,029
Water	-	-	1,399,195	1,251,374	1,399,195	1,251,374
Sewer	-	-	1,777,275	1,636,293	1,777,275	1,636,293
Electric	-	-	14,849,750	14,674,202	14,849,750	14,674,202
EMS	-	-	620,578	609,659	620,578	609,659
Storm sewer	-	-	341,487	331,627	341,487	331,627
Interest and fiscal charges	457,015	726,121	-	-	457,015	726,121
Total Expenses	<u>13,059,190</u>	<u>12,731,873</u>	<u>18,988,285</u>	<u>18,503,155</u>	<u>32,047,475</u>	<u>31,235,028</u>
Income Before Transfers	830,835	655,394	1,694,422	1,760,947	2,525,257	2,416,341
Transfers	739,795	700,505	(739,795)	(700,505)	-	-
Change in Net Position	1,570,630	1,355,899	954,627	1,060,442	2,525,257	2,416,341
Beginning Net Position	23,333,916	21,978,017	44,247,338	43,186,896	67,581,254	65,164,913
<b>ENDING NET POSITION</b>	<u>\$ 24,904,546</u>	<u>\$ 23,333,916</u>	<u>\$ 45,201,965</u>	<u>\$ 44,247,338</u>	<u>\$ 70,106,511</u>	<u>\$ 67,581,254</u>

# CITY OF STOUGHTON

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) For the Year Ended December 31, 2014

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### FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (cont.)

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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 Revenues, Expenses and Changes in Net Position as shown above in Table 2.

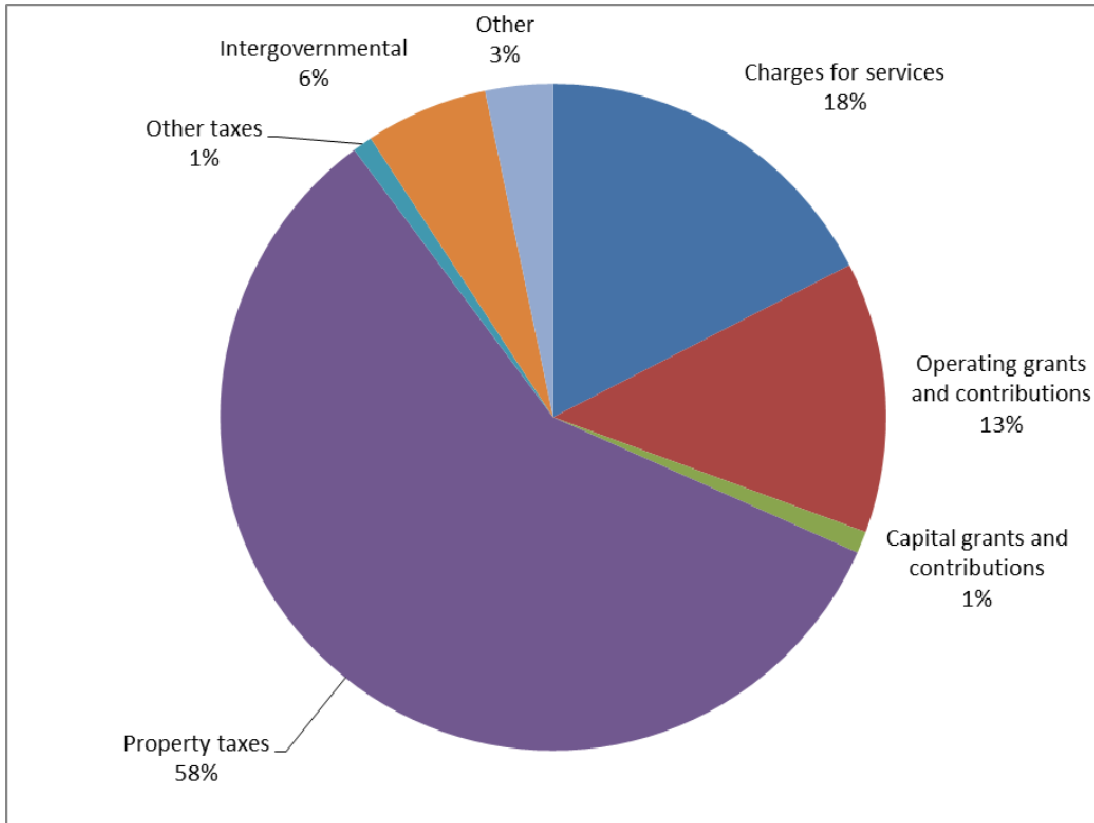
#### Governmental Activities – Revenues

Governmental activities increased the city's net position by \$1,570,630. This increase is primarily a result of operational efficiencies instituted throughout the year.

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 state aids and investment income. 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 and recycling programs. Capital grants fluctuate annually and are received to assist the city in capital asset purchases.

Property taxes are the largest revenue source for the governmental activities accounting for 58% of total revenues.

#### Governmental Activities by Revenue Source



# CITY OF STOUGHTON

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) For the Year Ended December 31, 2014

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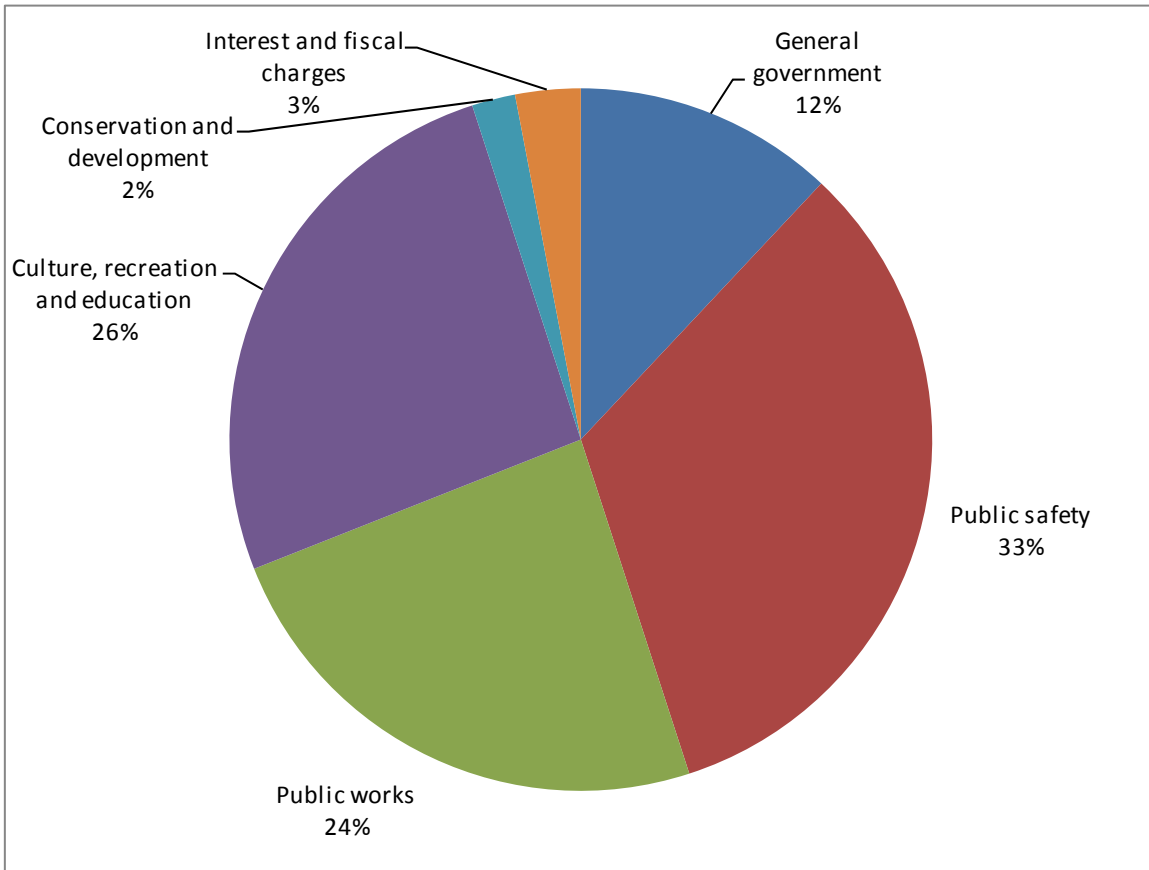
### FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (cont.)

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#### Governmental Activities – Expenses

Governmental activities expenses are broken down into various functions. General government includes administrative type costs including Council, Clerk, Finance, Legal and Assessment services. Costs associated with the city's Police Department and Fire services are shown within the public safety function. The public works function includes expenses for street and sidewalk maintenance, winter and forestry operations, and refuse and recycling efforts. Health and human services include the senior center, parks, recreation, cemetery and cable television. Conservation and development are the expenses of the planning department and TIF funds.

**Governmental Activities Expenses Shown by Function**



# CITY OF STOUGHTON

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) For the Year Ended December 31, 2014

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### FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (cont.)

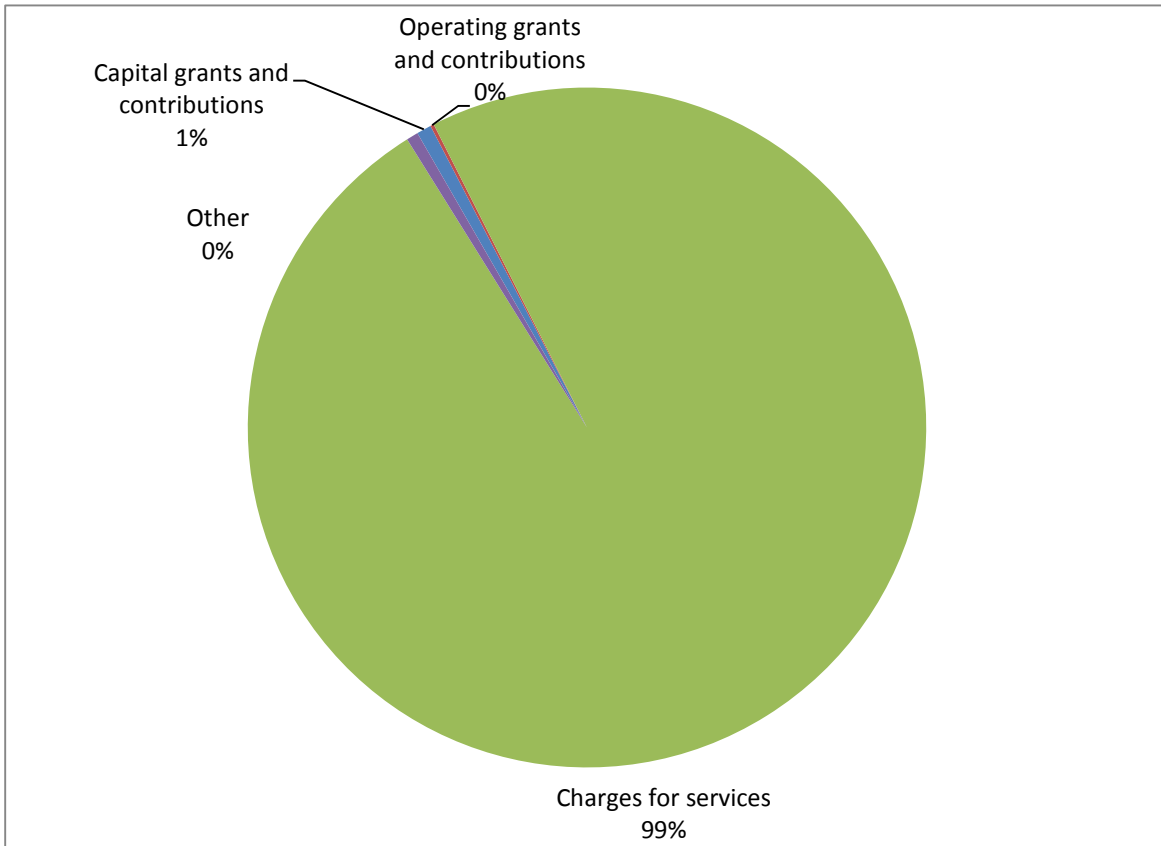
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#### Business Type Activities

Business-type activities increased the City of Stoughton's net position by \$954,627. The net investment in capital assets increased by approximately 1% or \$344,712. This is due primarily to the fact that each of the utilities had more capital asset additions than debt issued to acquire capital assets.

As shown on the following chart, the major source of revenues for the business-type activities is charges for services; other revenues include grants, contributions and investment income.

**Revenues by Source - Business Type Activities**



# CITY OF STOUGHTON

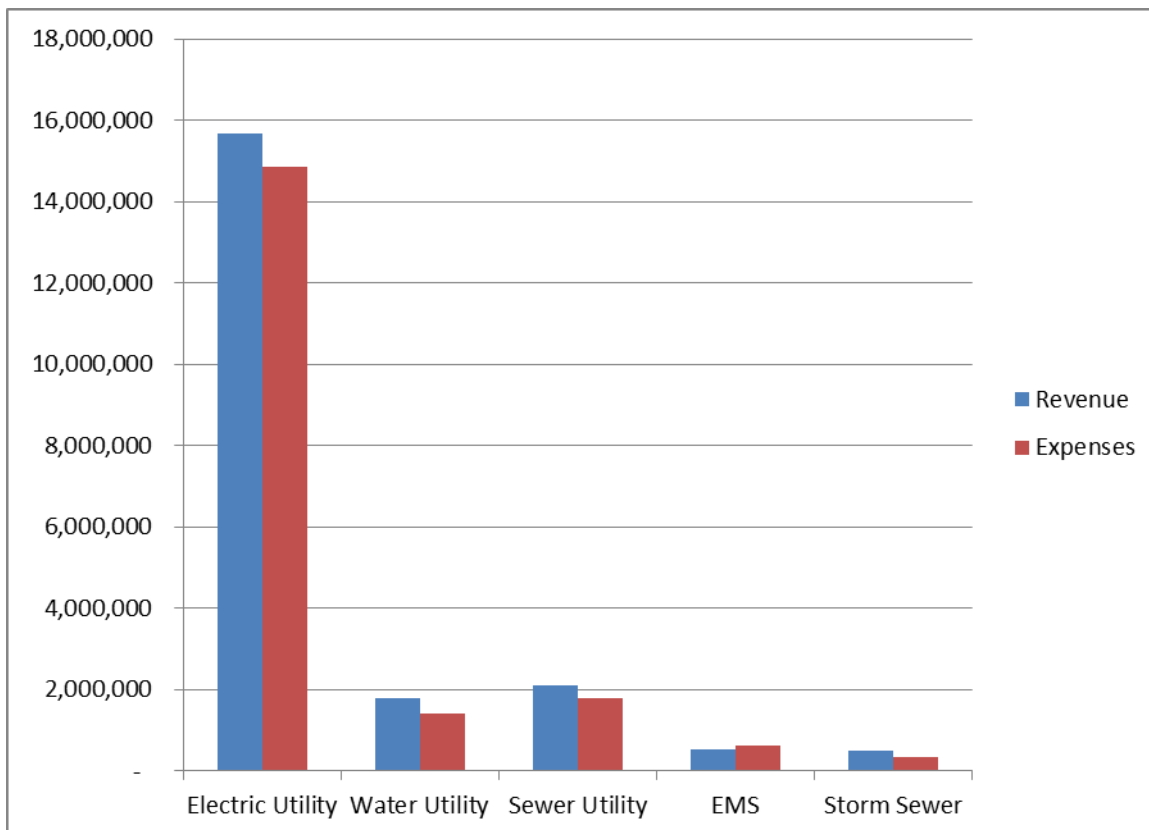
## MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) For the Year Ended December 31, 2014

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### FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (cont.)

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#### Operating Expenses and Revenues - Business-type Activities



#### 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 fiscal year.

At December 31, 2014, the city's governmental funds reported combined fund balances of \$9,145,708. Approximately 25% of this amount, \$2,249,166, constitutes the unassigned fund balance, which is available to meet the city's current and future needs. An additional \$5,918,873 is included in the restricted, committed, or assigned category which has been designated for specific projects or expenditures. The remaining \$977,669 is non-spendable for prepaid expenditures, long-term receivables, non-current assets, or CVMIC equity.

# CITY OF STOUGHTON

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) For the Year Ended December 31, 2014

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### FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (cont.)

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#### General Fund

The city's general fund is the chief operating fund of the city. Total fund balance in the general fund increased \$98,223 or 2%. These changes are primarily due to an overall savings in the 2014 operating budget. See the following General Fund Budgetary Highlights section for further details.

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 \$2,930,387 or 25% of 2014 general fund budgeted expenditures.

#### 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 entire fund balance of \$216,537, which is an increase of \$116,473 from the prior year, is restricted for future debt service.

#### 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 total fund balance as of December 31, 2014 is \$1,698,683, of which \$719,142 is restricted unspent debt proceeds and \$979,541 is assigned for the completion of projects that were begun but were not fully complete by year end.

#### Non-Major Governmental Funds

Fund balance of all other governmental funds is \$2,335,000, a decrease of \$321,270 from the prior year.

#### 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 \$448,806 as of December 31, 2014, 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) For the Year Ended December 31, 2014

### GENERAL FUND BUDGETARY HIGHLIGHTS

The final amended General Fund budget had total appropriations, including those for transfers out, of \$11,725,862. Actual expenditures and transfers out were \$11,710,629, resulting in a \$15,233 favorable variance. Total revenues and other sources were \$11,808,852, \$156,651 more than the budget. Further details can be found in the budget to actual section of this report and the city's year-end budget to actual report.

### CAPITAL ASSETS

At the end of 2014, the city had invested a total of \$81,738,735 in capital assets. This investment in capital assets includes land, buildings and improvements, machinery and equipment, and infrastructure.

**Table 3  
Capital Assets**

	Governmental Activities		Business Type Activities		Totals	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Land and other assets						
not being depreciated	\$ 11,103,621	\$ 9,957,524	\$ 693,840	\$ 1,024,570	\$ 11,797,461	\$ 10,982,094
Buildings & improvements	14,666,123	14,612,600	1,240,308	1,240,308	15,906,431	15,852,908
Machinery & equipment	9,473,746	8,568,943	909,407	909,407	10,383,153	9,478,350
Infrastructure	27,431,115	26,873,146	-	-	27,431,115	26,873,146
Utility plant	-	-	72,174,208	68,451,277	72,174,208	68,451,277
Total Capital Assets	62,674,605	60,012,213	75,017,763	71,625,562	137,692,368	131,637,775
Less: Accumulated depreciation	(27,943,093)	(26,885,207)	(28,010,540)	(26,986,181)	(55,953,633)	(53,871,388)
<b>NET CAPITAL ASSETS</b>	<b>\$ 34,731,512</b>	<b>\$ 33,127,006</b>	<b>\$ 47,007,223</b>	<b>\$ 44,639,381</b>	<b>\$ 81,738,735</b>	<b>\$ 77,766,387</b>

Major capital asset events during the current fiscal year included the following:

#### Governmental Activities

- Infrastructure reconstruction projects of sidewalks throughout the city and street reconstruction on Forton, Ridge, and Church Streets.
- Various equipment purchases.
- Purchase of Listol property for future Streets Department building.

#### Business-type Activities

- Business-type activities capital assets increased mainly due to additions and replacements to utility plant.

# CITY OF STOUGHTON

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) For the Year Ended December 31, 2014

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### LONG-TERM DEBT

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At December 31, 2014, the city had \$31,406,616 of long-term bonds and notes outstanding. \$12,560,931 of this is revenue debt and the rest relates to general obligation issues. Total long-term bonds and loans outstanding at December 31, 2014 increased by \$2,864,838. 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, 2014 was \$45,654,025. Total general obligation debt outstanding at year end was \$18,845,685. Therefore, the city was at 41% of the legal debt limit.

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### CURRENTLY KNOWN FACTS/ECONOMIC CONDITIONS

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All currently known facts and economic conditions were considered in preparing the 2015 city budget. None of these conditions are anticipated to change the overall financial position of the city.

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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 Finance Director.



# CITY OF STOUGHTON

## STATEMENT OF NET POSITION As of December 31, 2014

	Governmental Activities	Business-type Activities	Totals
<b>ASSETS</b>			
Cash and investments	\$ 8,766,340	\$ 8,766,917	\$ 17,533,257
Receivables	9,607,129	2,574,467	12,181,596
Internal balances	470,422	(470,422)	-
Inventories and prepaid items	29,750	169,176	198,926
Investment in mutual insurance company	257,805	-	257,805
Restricted cash and investments	-	3,061,969	3,061,969
Other assets	-	373,633	373,633
Land held for resale	224,573	-	224,573
Capital Assets			
Capital assets not being depreciated	11,103,621	693,840	11,797,461
Capital assets net of depreciation	<u>23,627,891</u>	<u>46,313,383</u>	<u>69,941,274</u>
Total Assets	<u>54,087,531</u>	<u>61,482,963</u>	<u>115,570,494</u>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	1,361,058	1,666,612	3,027,670
Liabilities Payable from Restricted Assets			
Current portion of revenue bonds	-	1,012,958	1,012,958
Accrued interest	-	76,360	76,360
Noncurrent Liabilities			
Due within one year	2,384,918	187,165	2,572,083
Due in more than one year	<u>16,468,910</u>	<u>13,337,903</u>	<u>29,806,813</u>
Total Liabilities	<u>20,214,886</u>	<u>16,280,998</u>	<u>36,495,884</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unearned revenue	<u>8,968,099</u>	-	<u>8,968,099</u>
Total Deferred Inflows of Resources	<u>8,968,099</u>	-	<u>8,968,099</u>
<b>NET POSITION</b>			
Net investment in capital assets	18,744,830	33,278,464	52,023,294
Restricted for			
Debt service	226,045	1,831,996	2,058,041
Equipment replacement	-	1,153,490	1,153,490
TID activities	920,151	-	920,151
Library	330,691	-	330,691
Impact fees	149,184	-	149,184
Unrestricted	<u>4,533,645</u>	<u>8,938,015</u>	<u>13,471,660</u>
<b>TOTAL NET POSITION</b>	<u>\$ 24,904,546</u>	<u>\$ 45,201,965</u>	<u>\$ 70,106,511</u>

See accompanying notes to financial statements.

# CITY OF STOUGHTON

## STATEMENT OF ACTIVITIES For the Year Ended December 31, 2014

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities</b>				
General government	\$ 1,504,920	\$ 170,426	\$ 131,715	\$ -
Public safety	4,326,901	423,796	174,543	147,212
Public works	3,119,861	779,646	609,567	-
Culture, recreation and education	3,415,138	985,232	879,599	-
Conservation and development	235,355	66,318	-	-
Interest and fiscal charges	<u>457,015</u>	<u>-</u>	<u>29,078</u>	<u>-</u>
Total Governmental Activities	<u>13,059,190</u>	<u>2,425,418</u>	<u>1,824,502</u>	<u>147,212</u>
<b>Business-type Activities</b>				
Water	1,399,195	1,750,961	-	26,500
Wastewater	1,777,275	2,050,885	-	37,600
Electric	14,849,750	15,603,989	-	80,949
EMS	620,578	492,049	34,803	-
Storm sewer	<u>341,487</u>	<u>503,189</u>	<u>-</u>	<u>-</u>
Total Business-type Activities	<u>18,988,285</u>	<u>20,401,073</u>	<u>34,803</u>	<u>145,049</u>
Total	<u>\$ 32,047,475</u>	<u>\$ 22,826,491</u>	<u>\$ 1,859,305</u>	<u>\$ 292,261</u>

**General Revenues**

    Taxes

        Property taxes, levied for general purposes

        Property taxes, levied for TIF districts

        Other taxes

    Intergovernmental revenues not restricted to specific programs

    Investment income

    Miscellaneous

        Total General Revenues

Transfers

**Change in net position**

NET POSITION - Beginning of Year

**NET POSITION - END OF YEAR**

Net (Expenses) Revenues and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>
\$ (1,202,779)	\$ -	\$ (1,202,779)
(3,581,350)	-	(3,581,350)
(1,730,648)	-	(1,730,648)
(1,550,307)	-	(1,550,307)
(169,037)	-	(169,037)
<u>(427,937)</u>	<u>-</u>	<u>(427,937)</u>
<u>(8,662,058)</u>	<u>-</u>	<u>(8,662,058)</u>
-	378,266	378,266
-	311,210	311,210
-	835,188	835,188
-	(93,726)	(93,726)
-	<u>161,702</u>	<u>161,702</u>
-	<u>1,592,640</u>	<u>1,592,640</u>
<u>(8,662,058)</u>	<u>1,592,640</u>	<u>(7,069,418)</u>
7,316,544	-	7,316,544
761,054	-	761,054
133,025	-	133,025
826,333	-	826,333
45,982	94,708	140,690
<u>409,955</u>	<u>7,074</u>	<u>417,029</u>
<u>9,492,893</u>	<u>101,782</u>	<u>9,594,675</u>
<u>739,795</u>	<u>(739,795)</u>	<u>-</u>
1,570,630	954,627	2,525,257
<u>23,333,916</u>	<u>44,247,338</u>	<u>67,581,254</u>
<u>\$ 24,904,546</u>	<u>\$ 45,201,965</u>	<u>\$ 70,106,511</u>

See accompanying notes to financial statements.

**CITY OF STOUGHTON**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
As of December 31, 2014

	<u>General</u>	<u>Debt Service</u>	<u>Construction</u>
<b>ASSETS</b>			
Cash and investments	\$ 3,175,668	\$ 2,712	\$ 1,969,494
Receivables			
Taxes	8,272,569	-	-
Delinquent personal property tax	20,022	-	-
Accounts	283,230	-	-
Special assessments	-	-	-
Delinquent special assessments	29,865	-	-
Leases	-	183,718	-
Other	33,962	-	-
Due from other funds	1,123,857	213,825	-
Advances to other funds	598,427	-	-
Other investments	257,805	-	-
Prepaid items	-	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>TOTAL ASSETS</b>	<b><u>\$ 13,795,405</u></b>	<b><u>\$ 400,255</u></b>	<b><u>\$ 1,969,494</u></b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
Liabilities			
Accounts payable	\$ 183,483	\$ -	\$ 270,811
Accrued liabilities	371,367	-	-
Deposits	1,658	-	-
Other liabilities	-	-	-
Due to other funds	13,329	-	-
Due to other governments	519	-	-
Advances from other funds	-	-	-
Total Liabilities	<u>570,356</u>	<u>-</u>	<u>270,811</u>
Deferred Inflows of Resources			
Unearned revenues	8,329,561	-	-
Unavailable revenues	-	183,718	-
Total Deferred Inflows of Resources	<u>8,329,561</u>	<u>183,718</u>	<u>-</u>
Fund Balances			
Nonspendable for prepaid expenditures	-	-	-
Nonspendable for long-term receivables	640,227	-	-
Nonspendable for non-current assets	49,887	-	-
Nonspendable for CVMIC Equity	257,805	-	-
Restricted	-	216,537	719,142
Committed	-	-	-
Assigned	1,017,182	-	979,541
Unassigned (deficit)	<u>2,930,387</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>4,895,488</u>	<u>216,537</u>	<u>1,698,683</u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b><u>\$ 13,795,405</u></b>	<b><u>\$ 400,255</u></b>	<b><u>\$ 1,969,494</u></b>

See accompanying notes to financial statements.

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Nonmajor Governmental Funds	Totals
\$ 3,618,466	\$ 8,766,340
638,538	8,911,107
-	20,022
49,466	332,696
95,759	95,759
-	29,865
-	183,718
-	33,962
-	1,337,682
-	598,427
-	257,805
<u>29,750</u>	<u>29,750</u>
<u>\$ 4,431,979</u>	<u>\$ 20,597,133</u>

\$ 134,658	\$ 588,952
31,179	402,546
33,000	34,658
160,173	160,173
405,125	418,454
-	519
<u>598,427</u>	<u>598,427</u>
<u>1,362,562</u>	<u>2,203,729</u>

638,538	8,968,099
<u>95,879</u>	<u>279,597</u>
<u>734,417</u>	<u>9,247,696</u>

29,750	29,750
-	640,227
-	49,887
-	257,805
1,406,400	2,342,079
893,820	893,820
686,251	2,682,974
<u>(681,221)</u>	<u>2,249,166</u>
<u>2,335,000</u>	<u>9,145,708</u>

<u>\$ 4,431,979</u>	<u>\$ 20,597,133</u>
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See accompanying notes to financial statements.

## CITY OF STOUGHTON

### RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION As of December 31, 2014

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Total Fund Balances - Governmental Funds	\$ 9,145,708
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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 II. A.	34,956,085
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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.

Special assessments receivable	95,879
Lease receivable	183,718

Internal service funds are reported in the statement of net position as governmental activities.	(448,806)
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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 II. A.	<u>(19,028,038)</u>
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<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 24,904,546</u></b>
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## CITY OF STOUGHTON

### STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

For the Year Ended December 31, 2014

	General	Debt Service	Construction
<b>REVENUES</b>			
Taxes	\$ 7,374,779	\$ -	\$ -
Intergovernmental	1,577,674	29,078	90,000
Licenses and permits	141,759	-	-
Fines, forfeitures and penalties	118,039	-	-
Public charges for services	1,302,212	-	-
Intergovernmental charges for services	37,248	48,783	-
Special assessments	11,711	-	-
Investment income	43,800	23	1,048
Miscellaneous	450,205	57,122	-
Total Revenues	11,057,427	135,006	91,048
<b>EXPENDITURES</b>			
Current			
General government	1,483,909	-	-
Public safety	3,613,383	-	-
Public works	1,997,518	-	-
Culture, recreation and education	1,382,233	-	-
Conservation and development	-	-	-
Capital Outlay	-	-	1,790,120
Debt Service			
Principal	-	2,174,479	-
Interest and fiscal charges	-	449,980	12,433
Total Expenditures	8,477,043	2,624,459	1,802,553
Excess (deficiency) of revenues over expenditures	2,580,384	(2,489,453)	(1,711,505)
<b>OTHER FINANCING SOURCES (USES)</b>			
Debt issued	-	-	1,530,000
Premium on debt	-	69,060	-
Property sales	-	-	-
Transfers in	751,425	2,536,866	920,153
Transfers out	(3,233,586)	-	-
Total Other Financing Sources (Uses)	(2,482,161)	2,605,926	2,450,153
<b>Net Change in Fund Balances</b>	98,223	116,473	738,648
FUND BALANCES - Beginning of Year	4,797,265	100,064	960,035
<b>FUND BALANCES - END OF YEAR</b>	\$ 4,895,488	\$ 216,537	\$ 1,698,683

See accompanying notes to financial statements.

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Nonmajor Governmental Funds	Totals
\$ 835,844	\$ 8,210,623
277,706	1,974,458
10,725	152,484
-	118,039
805,576	2,107,788
-	86,031
43,515	55,226
1,111	45,982
<u>603,686</u>	<u>1,111,013</u>
<u>2,578,163</u>	<u>13,861,644</u>
-	1,483,909
52,170	3,665,553
-	1,997,518
1,845,219	3,227,452
111,449	111,449
1,864,673	3,654,793
-	2,174,479
<u>50,700</u>	<u>513,113</u>
<u>3,924,211</u>	<u>16,828,266</u>
<u>(1,346,048)</u>	<u>(2,966,622)</u>
1,225,000	2,755,000
-	69,060
34,841	34,841
1,571,995	5,780,439
<u>(1,807,058)</u>	<u>(5,040,644)</u>
<u>1,024,778</u>	<u>3,598,696</u>
(321,270)	632,074
<u>2,656,270</u>	<u>8,513,634</u>
<u>\$ 2,335,000</u>	<u>\$ 9,145,708</u>

See accompanying 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 For the Year Ended December 31, 2014

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Net change in fund balances - total governmental funds	\$ 632,074
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	3,654,793
Some items reported as capital outlay were not capitalized	(454,792)
Depreciation is reported in the government-wide financial statements	(1,585,510)
Net book value of assets retired	(9,985)
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	(3,444)
Loan activity	(50,593)
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	(2,755,000)
Principal repaid	2,174,479
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	(109,815)
Compensated absences - retirees	26,737
Self insurance auto and general liability	45,000
Self insurance health liability	(13,471)
Accrued interest on debt	(12,962)
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	<u>33,119</u>
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 1,570,630</u></b>

See accompanying notes to financial statements.

# CITY OF STOUGHTON

## STATEMENT OF NET POSITION PROPRIETARY FUNDS As of December 31, 2014

ASSETS	Business-type Activities - Enterprise Funds		
	Water	Wastewater	Electric
<b>Current Assets</b>			
Cash and investments	\$ 227,481	\$ 1,055,750	\$ 5,787,365
Receivables			
Other receivables	197,698	227,577	2,004,745
Due from other funds	-	-	13,329
Current portion of advance to other funds	-	-	35,065
Inventories	34,597	-	130,091
Prepaid items	698	872	2,918
Restricted Assets			
Redemption account	120,935	328,068	397,337
Total Current Assets	581,409	1,612,267	8,370,850
<b>Noncurrent Assets</b>			
Restricted Assets			
Reserve account	274,005	-	704,728
Depreciation account	25,000	33,283	25,000
Replacement account	-	1,153,490	-
Construction account	-	123	-
Capital Assets			
Land and land rights	24,841	-	220,797
Construction in progress	30,627	38,856	26,055
Plant in service	18,673,007	26,620,265	26,345,928
Property held for future use	-	-	352,664
Less: Accumulated depreciation	(5,981,157)	(8,727,985)	(12,594,695)
Other Assets			
Plant and maintenance reserve account	189,226	-	506,807
Sick leave reserve account	94,638	91,605	173,704
Advance to other funds	-	-	413,741
Investment in ATC	-	-	312,822
Non-utility property (net of amortization)	39,198	-	21,613
Total Noncurrent Assets	13,369,385	19,209,637	16,509,164
Total Assets	13,950,794	20,821,904	24,880,014

See accompanying notes to financial statements.

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Business-type Activities - Enterprise Funds		Governmental Activities - Internal Service Fund
Nonmajor Enterprise Funds	Totals	
\$ 640,341	\$ 7,710,937	\$ -
144,447	2,574,467	-
37,893	51,222	-
-	35,065	-
-	164,688	-
-	4,488	-
-	846,340	-
<u>822,681</u>	<u>11,387,207</u>	<u>-</u>
-	978,733	-
-	83,283	-
-	1,153,490	-
-	123	-
-	245,638	-
-	95,538	-
2,684,723	74,323,923	-
-	352,664	-
(706,703)	(28,010,540)	-
-	696,033	-
-	359,947	-
-	413,741	-
-	312,822	-
-	60,811	-
<u>1,978,020</u>	<u>51,066,206</u>	<u>-</u>
<u>2,800,701</u>	<u>62,453,413</u>	<u>-</u>

See accompanying notes to financial statements.

# CITY OF STOUGHTON

## STATEMENT OF NET POSITION PROPRIETARY FUNDS As of December 31, 2014

	Business-type Activities - Enterprise Funds		
	Water	Wastewater	Electric
<b>LIABILITIES</b>			
Current Liabilities			
Accounts payable	\$ 6,926	\$ 118,866	\$ 1,183,584
Accrued liabilities	15,033	16,670	114,472
Public benefits	-	-	31,052
Deposits	1,733	-	135,472
Due to other funds	352,700	-	403,925
Current portion of GO notes	-	-	-
Current portion of advance	-	-	-
Liabilities Payable from Restricted Assets			
Current portion of revenue bonds	151,257	381,701	480,000
Accrued interest	13,606	24,894	37,860
Total Current Liabilities	541,255	542,131	2,386,365
Noncurrent Liabilities			
Long-Term Debt			
Customer advances for construction	-	-	14,350
Revenue bonds payable	1,775,381	5,312,592	4,460,000
Unamortized premium on bond refunding	-	-	60,835
General obligation debt payable	-	-	-
Compensated absences	83,431	91,005	166,873
Advances from other funds	-	-	-
Total Noncurrent Liabilities	1,858,812	5,403,597	4,702,058
Total Liabilities	2,400,067	5,945,728	7,088,423
<b>NET POSITION (DEFICIT)</b>			
Net investment in capital assets	10,820,680	12,236,966	9,349,914
Restricted for			
Restricted for debt service	406,334	336,457	1,089,205
Restricted for equipment replacement	-	1,153,490	-
Unrestricted (deficit)	323,713	1,149,263	7,352,472
<b>TOTAL NET POSITION (DEFICIT)</b>	<b>\$ 11,550,727</b>	<b>\$ 14,876,176</b>	<b>\$ 17,791,591</b>

See accompanying notes to financial statements.

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<u>Nonmajor Enterprise Funds</u>	<u>Totals</u>	<u>Governmental Activities - Internal Service Funds</u>
\$ 11,772	\$ 1,321,148	\$ -
31,032	177,207	-
-	31,052	-
-	137,205	-
213,825	970,450	-
187,165	187,165	-
-	-	35,065
-	1,012,958	-
-	76,360	-
<u>443,794</u>	<u>3,913,545</u>	<u>35,065</u>
-	14,350	-
-	11,547,973	-
-	60,835	-
1,373,436	1,373,436	-
-	341,309	-
-	-	413,741
<u>1,373,436</u>	<u>13,337,903</u>	<u>413,741</u>
<u>1,817,230</u>	<u>17,251,448</u>	<u>448,806</u>
870,904	33,278,464	-
-	1,831,996	-
-	1,153,490	-
<u>112,567</u>	<u>8,938,015</u>	<u>(448,806)</u>
<u>\$ 983,471</u>	<u>\$ 45,201,965</u>	<u>\$ (448,806)</u>

See accompanying notes to financial statements.

## CITY OF STOUGHTON

### STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION PROPRIETARY FUNDS For the Year Ended December 31, 2014

	Business-type Activities - Enterprise Funds		
	Water	Wastewater	Electric
<b>OPERATING REVENUES</b>	<u>\$ 1,750,961</u>	<u>\$ 2,050,885</u>	<u>\$ 15,603,989</u>
<b>OPERATING EXPENSES</b>			
Operation and maintenance	924,261	944,780	13,770,271
Depreciation	<u>390,653</u>	<u>726,884</u>	<u>934,151</u>
Total Operating Expenses	<u>1,314,914</u>	<u>1,671,664</u>	<u>14,704,422</u>
Operating Income	<u>436,047</u>	<u>379,221</u>	<u>899,567</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment income	2,118	11,559	80,893
Interest and fiscal charges	(80,004)	(105,611)	(155,041)
Miscellaneous expenses	(4,277)	-	(3,913)
Intergovernmental grants	-	-	-
Interest subsidy	-	-	-
Amortization of premium on bond refunding	-	-	13,626
Miscellaneous revenue	-	-	-
Total Nonoperating Revenues (Expenses)	<u>(82,163)</u>	<u>(94,052)</u>	<u>(64,435)</u>
Income Before Contributions and Transfers	<u>353,884</u>	<u>285,169</u>	<u>835,132</u>
<b>CONTRIBUTIONS AND TRANSFERS</b>			
Contributions in aid of construction	26,500	37,600	80,949
Transfers in	-	-	-
Transfers out	<u>(358,701)</u>	<u>-</u>	<u>(385,244)</u>
Total Contributions and Transfers	<u>(332,201)</u>	<u>37,600</u>	<u>(304,295)</u>
Change in Net Position	21,683	322,769	530,837
NET POSITION (DEFICIT) - Beginning of Year	<u>11,529,044</u>	<u>14,553,407</u>	<u>17,260,754</u>
<b>NET POSITION (DEFICIT) - END OF YEAR</b>	<u>\$ 11,550,727</u>	<u>\$ 14,876,176</u>	<u>\$ 17,791,591</u>

See accompanying notes to financial statements.

Business-type Activities - Enterprise Funds		Governmental Activities - Internal Service Fund
Nonmajor Enterprise Funds	Totals	
<u>\$ 995,238</u>	<u>\$ 20,401,073</u>	<u>\$ 47,577</u>
798,098	16,437,410	-
<u>117,846</u>	<u>2,169,534</u>	<u>-</u>
<u>915,944</u>	<u>18,606,944</u>	<u>-</u>
<u>79,294</u>	<u>1,794,129</u>	<u>47,577</u>
138	94,708	-
(46,121)	(386,777)	(14,458)
-	(8,190)	-
24,700	24,700	-
10,103	10,103	-
-	13,626	-
<u>7,074</u>	<u>7,074</u>	<u>-</u>
<u>(4,106)</u>	<u>(244,756)</u>	<u>(14,458)</u>
<u>75,188</u>	<u>1,549,373</u>	<u>33,119</u>
-	145,049	-
4,150	4,150	-
-	(743,945)	-
<u>4,150</u>	<u>(594,746)</u>	<u>-</u>
79,338	954,627	33,119
<u>904,133</u>	<u>44,247,338</u>	<u>(481,925)</u>
<u>\$ 983,471</u>	<u>\$ 45,201,965</u>	<u>\$ (448,806)</u>

See accompanying notes to financial statements.

# CITY OF STOUGHTON

## STATEMENT OF CASH FLOWS PROPRIETARY FUNDS For the Year Ended December 31, 2014

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Water</u>	<u>Wastewater</u>	<u>Electric</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Received from customers	\$ 1,752,973	\$ 2,046,857	\$ 15,206,898
Received from municipality for services	-	-	137,049
Paid to suppliers for goods and services	(589,326)	(639,382)	(12,903,408)
Paid to employees for services	(339,126)	(346,158)	(754,837)
Customer deposit	-	-	(20,080)
Net Cash Flows From Operating Activities	<u>824,521</u>	<u>1,061,317</u>	<u>1,665,622</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investments sold and matured	1,049,556	874,044	907,919
Investment income	21,098	14,508	95,257
Investments purchased	(1,030,000)	(846,000)	(1,292,597)
Net Cash Flows From Investing Activities	<u>40,654</u>	<u>42,552</u>	<u>(289,421)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Paid to municipality for tax equivalent	(361,820)	-	(380,584)
Received from municipality principal on Wisconsin Retirement UAAL advance	-	-	33,119
Received from municipality interest on Wisconsin Retirement UAAL advance	-	-	14,458
Transfers to/from other funds	(6,001)	-	(19,212)
Paid to utilities principal on Wisconsin Retirement UAAL advance	-	-	-
Paid to utilities interest on Wisconsin Retirement UAAL advance	-	-	-
Net Cash Flows From Noncapital Financing Activities	<u>(367,821)</u>	<u>-</u>	<u>(352,219)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Debt issued	-	3,047,573	-
Debt retired	(150,575)	(256,735)	(480,000)
Interest paid	(80,277)	(93,827)	(158,412)
Acquisition and construction of capital assets	(590,292)	(3,254,921)	(621,075)
Advances from other funds	-	-	-
Capital contributions received	-	37,600	53,749
Cost of removal of capital assets	-	-	5,091
Received from the sale of capital assets	1,798	15,347	-
Net Cash Flows From Capital and Related Financing Activities	<u>(819,346)</u>	<u>(504,963)</u>	<u>(1,200,647)</u>
<b>Net Change in Cash and Cash Equivalents</b>	(321,992)	598,906	(176,665)
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>670,403</u>	<u>1,449,778</u>	<u>3,752,549</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 348,411</u>	<u>\$ 2,048,684</u>	<u>\$ 3,575,884</u>

See accompanying notes to financial statements.



Business-type Activities - Enterprise Funds		Governmental Activities - Internal Service Fund
Nonmajor Enterprise Funds	Totals	
\$ 1,049,526	\$ 20,056,254	\$ -
-	137,049	47,577
(314,689)	(14,446,805)	-
(486,022)	(1,926,143)	-
-	(20,080)	-
<u>248,815</u>	<u>3,800,275</u>	<u>47,577</u>
-	2,831,519	-
138	131,001	-
-	(3,168,597)	-
<u>138</u>	<u>(206,077)</u>	<u>-</u>
-	(742,404)	-
-	33,119	-
-	14,458	-
4,150	(21,063)	-
-	-	(33,119)
-	-	(14,458)
<u>4,150</u>	<u>(715,890)</u>	<u>(47,577)</u>
280,000	3,327,573	-
(155,946)	(1,043,256)	-
(43,360)	(375,876)	-
(32,440)	(4,498,728)	-
113,761	113,761	-
-	91,349	-
-	5,091	-
-	17,145	-
<u>162,015</u>	<u>(2,362,941)</u>	<u>-</u>
415,118	515,367	-
<u>225,223</u>	<u>6,097,953</u>	<u>-</u>
<u>\$ 640,341</u>	<u>\$ 6,613,320</u>	<u>\$ -</u>

See accompanying notes to financial statements.

**CITY OF STOUGHTON**

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 For the Year Ended December 31, 2014

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Water</u>	<u>Wastewater</u>	<u>Electric</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating income	\$ 436,047	\$ 379,221	\$ 899,567
Nonoperating revenue (expense)	(4,277)	-	13,373
Adjustments to Reconcile Operating Income to Net Cash Flows From Operating Activities			
Depreciation	390,653	726,884	934,151
Depreciation charged to other funds	28,315	-	39,600
Changes in assets and liabilities			
Customer accounts receivable	(15,515)	(6,817)	(124,540)
Other accounts receivable	(114)	-	(139,309)
Due from other funds	2,709	2,789	4,060
Due to other funds	-	-	(34,860)
Inventories	2,030	-	5,954
Prepaid items	6,459	8,074	17,763
Accounts payable	(14,183)	(44,066)	130,099
Accrued wages	1,910	-	-
Compensated absences	(11,207)	(600)	(6,831)
Customer deposits	1,694	-	(20,080)
Other current liabilities	-	(4,168)	(53,523)
Public benefits	-	-	198
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b><u>\$ 824,521</u></b>	<b><u>\$ 1,061,317</u></b>	<b><u>\$ 1,665,622</u></b>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS</b>			
Cash and investments - statement of net position	\$ 227,481	\$ 1,055,750	\$ 5,787,365
Redemption account	120,935	328,068	397,337
Reserve account	274,005	-	704,728
Depreciation account	25,000	33,283	25,000
Construction account	-	123	-
Plant and maintenance reserve account	189,226	-	506,807
Sick leave reserve account	94,638	91,605	173,704
Replacement account	-	1,153,490	-
Total Cash and Investments	<u>931,285</u>	<u>2,662,319</u>	<u>7,594,941</u>
Less: Noncash equivalents	<u>(582,874)</u>	<u>(613,635)</u>	<u>(4,019,057)</u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>CASH AND CASH EQUIVALENTS</b>	<b><u>\$ 348,411</u></b>	<b><u>\$ 2,048,684</u></b>	<b><u>\$ 3,575,884</u></b>
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Unrealized gain (loss) on investments	<u>\$ (10,253)</u>	<u>\$ (303)</u>	<u>\$ (32,257)</u>
Contributed capital assets	<u>\$ 26,500</u>	<u>\$ -</u>	<u>\$ 10,760</u>

See accompanying notes to financial statements.

Business-type Activities - Enterprise Funds		Governmental Activities - Internal Service Fund
Nonmajor Enterprise Funds	Totals	
\$ 79,294	\$ 1,794,129	\$ 47,577
41,877	50,973	-
117,846	2,169,534	-
-	67,915	-
(34,234)	(181,106)	-
11,785	(127,638)	-
34,860	44,418	-
-	(34,860)	-
-	7,984	-
-	32,296	-
(4,581)	67,269	-
-	1,910	-
-	(18,638)	-
-	(18,386)	-
1,968	(55,723)	-
-	198	-
<u>\$ 248,815</u>	<u>\$ 3,800,275</u>	<u>\$ 47,577</u>
\$ 640,341	\$ 7,710,937	\$ -
-	846,340	-
-	978,733	-
-	83,283	-
-	123	-
-	696,033	-
-	359,947	-
-	1,153,490	-
640,341	11,828,886	-
-	(5,215,566)	-
<u>\$ 640,341</u>	<u>\$ 6,613,320</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

# CITY OF STOUGHTON

## STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS As of December 31, 2014

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	<u>Pension Trust</u>	<u>Agency Fund</u>
<b>ASSETS</b>		
Cash and Investments	\$ 691,344	\$ 11,227,192
Tax roll receivable	-	2,664,009
Total Assets	<u>691,344</u>	<u>13,891,201</u>
<b>LIABILITIES</b>		
Due to other taxing units	-	13,891,201
Total Liabilities	<u>-</u>	<u>13,891,201</u>
<b>NET POSITION</b>		
Held in trust for pension benefits	<u>\$ 691,344</u>	<u>\$ -</u>

See accompanying notes to financial statements.

# CITY OF STOUGHTON

## STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS For the Year Ended December 31, 2014

---

	<u>Pension Trust</u>
<b>ADDITIONS</b>	
Contributions	
Employer	\$ 38,731
Total Contributions	<u>38,731</u>
Investment income	<u>4,215</u>
Total Additions	<u>42,946</u>
<b>Change in Net Position</b>	42,946
NET POSITION - Beginning of Year	<u>648,398</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 691,344</u></u>

See accompanying notes to financial statements.

# CITY OF STOUGHTON

## INDEX TO NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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# CITY OF STOUGHTON

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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### **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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The accounting policies of the City of Stoughton, Wisconsin 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).

#### ***A. 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 two methods, discrete presentation or blending. 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 Authority is reported as a special revenue fund. The Authority does not issue separate financial statements.

# CITY OF STOUGHTON

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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### **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

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#### ***B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS***

##### ***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.



# CITY OF STOUGHTON

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### ***B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)***

##### ***Fund Financial Statements (cont.)***

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 - 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.
- Debt Service Fund - 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.
- Construction capital project fund - 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.

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 - 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            | Economic Development    |
| Seniors in Need    | Redevelopment Authority |
| Holiday            | Special Assessments     |
| CDBG               | K9 Unit                 |
| Cemetery           | Tree Commission         |

# CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2014

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## NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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### ***B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)***

#### ***Fund Financial Statements (cont.)***

The city reports the following nonmajor governmental and enterprise funds: (cont.)

Capital Projects Funds - 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
River Trail	TIF District No. 5
Building Maintenance	Outlay
Equipment Replacement	

Enterprise Funds - used to account for and report any activity for which a fee is charged to external uses 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 - 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

Pension (and Other Employee Benefit) Trust Fund - used to account for and report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, other postemployment benefit plans, or other employee benefit plans.

Firemen's Pension Trust

Agency Fund - used to account for and report assets held by the city in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units.

Tax Collections Fund

# CITY OF STOUGHTON

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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### **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

---

#### ***C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION***

##### ***Government-Wide Financial Statements***

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows. 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.

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 by the county are reported as receivables and unavailable revenues.

# CITY OF STOUGHTON

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### ***C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)***

##### ***Fund Financial Statements (cont.)***

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 fund financial statements (other than agency funds) are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note. Agency funds follow the accrual basis of accounting, and do not have a measurement focus.

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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

#### ***D. ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY***

##### ***1. 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 maturing in three years or less.
- 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.

# CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2014

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## NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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### *D. ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)*

#### *1. Deposits and Investments (cont.)*

- 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 IV.A.

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 quoted market prices. 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, 2014, the fair value of the city's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note IV. A. for further information.

#### *2. 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 net position - fiduciary funds.

# CITY OF STOUGHTON

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### *D. ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)*

##### **2. Receivables (cont.)**

Property tax calendar - 2014 tax roll:

Lien date and levy date	December 2014
Tax bills mailed	December 2014
Payment in full, or	January 31, 2015
First installment due	January 31, 2015
Second installment due	July 31, 2015
Personal property taxes in full	January 31, 2015
Tax sale - 2014 delinquent real estate taxes	October 2017

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 governmental-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.

##### **3. 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.

# CITY OF STOUGHTON

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### *D. ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)*

##### **4. 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.

##### **5. 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 government as assets with an initial cost of more than \$5,000 for 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 fair 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, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. No interest was capitalized during the current year. 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.

# CITY OF STOUGHTON

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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### **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

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#### ***D. ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

##### **6. Other Assets**

These accounts include costs related to the utility's investment in ATC and non-utility 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 percent 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 original cost plus additional contributions and reinvested dividends.

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.

##### ***Non-Utility Property***

Electric utility non-utility property consists of the city dam with a balance of \$84,212 and leasehold rental property with a balance of \$91,458 at December 31, 2014. Water utility non-utility property consists of a park shelter with a balance of \$107,000 at December 31, 2014. The costs are being amortized on a straight-line basis over their useful life.

##### **7. 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, 2014 are determined on the basis of current salary rates and include salary related payments.



# CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2014

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## NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

### *D. ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)*

#### **7. *Compensated Absences*** (cont.)

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 \$63,474. Three participants are currently eligible to receive benefits. The total amount outstanding at year end to be paid in the future is \$11,072. The city does not incur an implicit rate subsidy on these benefits.

#### **8. *Long-Term Obligations/Conduit Debt***

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

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

For the government-wide statements and proprietary fund statements, bond premiums and discounts are amortized over the life of the issue using the effective interest 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 approved the issuance of industrial revenue bonds (IRB) for the benefit of private business enterprises. IRB's are secured by mortgages or revenue agreements on the associated projects, and do not constitute indebtedness of the city. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. There were no IRB's outstanding at year end.

#### **9. *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.

# CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2014

---

## NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

### *D. ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)*

#### **10. 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."

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.

# CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2014

---

## NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

### *D. ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)*

#### **10. Equity Classifications (cont.)**

##### ***Fund Statements (cont.)***

- d. Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed. Fund balance may be assigned through the following; 1) The city has adopted a financial policy authorizing the finance director to assign amounts for a specific purpose. 2) All remaining positive spendable amounts in governmental funds, other than the general fund, that are neither restricted nor committed. 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 \$2,930,387 or 25% of 2014 general fund budgeted expenditures.

See Note IV. H. for further information.

Fiduciary fund equity is classified as held in trust for pension benefits on the statement of fiduciary net position. Various donor restrictions apply, including authorizing and spending trust income, and the village believes it is in compliance with all significant restrictions. Net appreciation of \$42,946 was available for the year ended .

#### **11. Basis for Existing Rates**

Current water rates were approved by the PSCW effective June 1, 2014.

Current electric rates were approved by the PSCW on January 3, 2011.

Current wastewater rates were approved by the utilities committee effective July 5, 2007.

# CITY OF STOUGHTON

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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### NOTE II - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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#### *A. 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	\$ 11,103,621
Capital assets, net of depreciation	23,627,891
Land held for resale	<u>224,573</u>
Combined Adjustment for Capital Assets	<u>\$ 34,956,085</u>

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	\$ 17,285,084
Compensated absences	1,468,383
Compensated absences - retirees	11,072
Self-insurance health liability	89,289
Accrued interest	<u>174,210</u>
Combined Adjustment for Long-Term Liabilities	<u>\$ 19,028,038</u>

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### NOTE III - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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#### *A. BUDGETARY INFORMATION*

A budget has been adopted for the general, debt service, opera house, construction, ambulance, library, and outlay funds. A budget has not been formally adopted for any other funds. Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds.

# CITY OF STOUGHTON

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

### **NOTE III - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (cont.)**

#### ***B. EXCESS EXPENDITURES OVER APPROPRIATIONS***

Funds	Budgeted Expenditures	Actual Expenditures	Excess Expenditures Over Budget
Opera House	\$ 578,050	\$ 776,566	\$ 198,516
Library	789,979	836,722	46,743

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.

#### ***C. DEFICIT BALANCES***

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

As of December 31, 2014, the following individual funds held a deficit balance:

Fund	Amount	Reason
Special revenue - Opera House	\$ 99,784	Expenditures in excess of revenues
Capital projects - TIF District No. 5	551,687	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. Opera House fund deficits are anticipated to be funded with future contributions, general tax revenues, or long-term borrowing.

#### ***D. 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 zero percent. 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.

# CITY OF STOUGHTON

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

### NOTE IV - DETAILED NOTES ON ALL FUNDS

#### A. DEPOSITS AND INVESTMENTS

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

	Carrying Value	Statement Balances	Associated Risks
Deposits	\$ 25,857,469	\$ 21,998,468	Custodial credit
US agencies	2,750,094	2,750,094	Credit, custodial credit, concentration of credit, interest rate
Mutual funds	45,037	45,037	Credit
LGIP	1,133,755	1,133,755	Credit
Negotiable certificates of deposit	2,725,606	2,725,606	Credit, custodial credit, concentration of credit, interest rate
Petty cash	1,801	-	N/A
Total Deposits and Investments	<u>\$ 32,513,762</u>	<u>\$ 28,652,960</u>	
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 17,533,257		
Restricted cash and investments	3,061,969		
Per statement of net position - fiduciary funds			
Pension Trust	691,344		
Agency Fund	11,227,192		
Total Deposits and Investments	<u>\$ 32,513,762</u>		

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.

# CITY OF STOUGHTON

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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### NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)

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#### A. DEPOSITS AND INVESTMENTS (cont.)

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, 2014, the banks had pledged various government securities in the amount of \$32,544,515 to secure the city's deposits.

#### ***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, 2014, \$4,391,809 of the city's total bank balances were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	<u>\$ 4,391,809</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>U.S. Agencies</u>	
Neither insured nor registered and held by counterparty	<u>\$ 2,250,094</u>
<u>Negotiable Certificates of Deposit</u>	
Neither insured nor registered and held by counterparty	<u>\$ 258,003</u>

#### ***Credit Risk***

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

**CITY OF STOUGHTON**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2014

**NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)**

**A. DEPOSITS AND INVESTMENTS (cont.)**

**Credit Risk (cont.)**

As of December 31, 2014, the city's investments were rated as follows:

Investment Type	Standard & Poors	Moody's Investors Services	Morning-Star
U.S. Agencies	AAA	Aa	
Negotiable Certificates of Deposit	not rated		
Mutual Fund - Fidelity Puritan			5 star

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

Local Government Investment Pool

**Concentration of Credit Risk**

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

At December 31, 2014, the investment portfolio was concentrated as follows:

Issuer	Investment Type	Percentage of Portfolio
GNMA	U.S. Agencies	5.00%

**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, 2014, the city's investments were as follows:

Investment Type	Fair Value	Maturity (In Years)		
		Less than 1	1-3	3 or more
US agencies	\$ 2,750,094	\$ -	\$ -	\$ 2,750,094
Negotiable certificates of deposit	<u>2,725,606</u>	<u>998,657</u>	<u>1,726,949</u>	<u>-</u>
Totals	<u>\$ 5,475,700</u>	<u>\$ 998,657</u>	<u>\$ 1,726,949</u>	<u>\$ 2,750,094</u>



**CITY OF STOUGHTON**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2014

**NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)**

**B. RECEIVABLES**

Receivables as of year end for the government's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General Fund</u>	<u>Debt Service</u>	<u>Water Utility</u>	<u>Wastewater Utility</u>	<u>Electric Utility</u>	<u>Nonmajor and Other Funds</u>	<u>Totals</u>
Receivables							
Taxes	\$ 8,272,569	\$ -	\$ -	\$ -	\$ -	\$ 638,538	\$ 8,911,107
Delinquent personal property tax	20,022	-	-	-	-	-	20,022
Accounts	283,230	-	197,698	227,577	2,004,745	250,277	2,963,527
Special assessments	-	-	-	-	-	95,759	95,759
Delinquent special assessments	29,865	-	-	-	-	-	29,865
Leases	-	183,718	-	-	-	-	183,718
Other	<u>33,962</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,962</u>
Gross receivables	8,639,648	183,718	197,698	227,577	2,004,745	984,574	12,237,960
Less: Allowance for uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(56,364)</u>	<u>(56,364)</u>
Net Total Receivables	<u>\$ 8,639,648</u>	<u>\$ 183,718</u>	<u>\$ 197,698</u>	<u>\$ 227,577</u>	<u>\$ 2,004,745</u>	<u>\$ 928,210</u>	<u>\$12,181,596</u>
Amounts not expected to be collected within one year	<u>\$ 49,887</u>	<u>\$ 129,128</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 95,759</u>	<u>\$ 274,774</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	\$ 8,968,099	\$ -
Special assessments not yet due	-	95,879
Lease receivable	<u>-</u>	<u>183,718</u>
Total Unearned/Unavailable Revenue for Governmental Funds	<u>\$ 8,968,099</u>	<u>\$ 279,597</u>

**CITY OF STOUGHTON**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2014

**NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)**

**C. 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.

Following is a list of restricted assets at December 31, 2014:

	Restricted Assets	Liabilities Payable from Restricted Assets	Restricted Net Position
Bond redemption account	\$ 846,340	\$ 76,360	\$ 769,980
Bond reserve account	978,733	-	978,733
Bond depreciation account	83,283	-	83,283
Construction account	123	-	n/a
Equipment replacement account	1,153,490	-	1,153,490
Total	\$ 3,061,969	\$ 76,360	\$ 2,985,486

**CITY OF STOUGHTON**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2014

**NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)**

**D. CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2014, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities</b>				
Capital assets not being depreciated				
Land	\$ 8,581,105	\$ 228,105	\$ -	\$ 8,809,210
Construction in progress	-	917,992	-	917,992
Inexhaustible portion of streets	<u>1,376,419</u>	-	-	<u>1,376,419</u>
Total Capital Assets Not Being Depreciated	<u>9,957,524</u>	<u>1,146,097</u>	-	<u>11,103,621</u>
Capital assets being depreciated				
Buildings and improvements	14,612,600	74,416	20,893	14,666,123
Machinery and equipment	8,568,943	1,060,859	156,056	9,473,746
Streets	14,480,024	780,533	342,576	14,917,981
Storm sewers	5,840,232	-	-	5,840,232
Street lighting	227,551	-	-	227,551
Bridges	845,989	-	-	845,989
Sidewalks	4,474,379	138,096	18,084	4,594,391
Traffic signals	411,974	-	-	411,974
Dams	<u>592,997</u>	-	-	<u>592,997</u>
Total Capital Assets Being Depreciated	<u>50,054,689</u>	<u>2,053,904</u>	<u>537,609</u>	<u>51,570,984</u>
Total Capital Assets	<u>60,012,213</u>	<u>3,200,001</u>	<u>537,609</u>	<u>62,674,605</u>

**CITY OF STOUGHTON**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2014

**NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)**

**D. CAPITAL ASSETS (cont.)**

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities (cont.)</b>				
Less: Accumulated depreciation for				
Buildings and improvements	\$ (5,503,413)	\$ (365,655)	\$ 20,893	\$ (5,848,175)
Machinery and equipment	(6,530,631)	(406,175)	146,071	(6,790,735)
Streets	(9,607,630)	(496,769)	342,576	(9,761,823)
Storm sewers	(2,561,422)	(194,480)	-	(2,755,902)
Street lighting	(35,091)	(3,034)	-	(38,125)
Bridges	(165,486)	(11,280)	-	(176,766)
Sidewalks	(2,313,903)	(91,888)	18,084	(2,387,707)
Traffic signals	(137,981)	(10,299)	-	(148,280)
Dams	(29,650)	(5,930)	-	(35,580)
Total Accumulated Depreciation	<u>(26,885,207)</u>	<u>(1,585,510)</u>	<u>527,624</u>	<u>(27,943,093)</u>
Net Capital Assets Being Depreciated	<u>23,169,482</u>	<u>468,394</u>	<u>9,985</u>	<u>23,627,891</u>
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 33,127,006</u>	<u>\$ 1,614,491</u>	<u>\$ 9,985</u>	<u>\$ 34,731,512</u>

Depreciation expense was charged to functions as follows:

<b>Governmental Activities</b>	
General government	\$ 88,699
Public safety	355,647
Public works, which includes the depreciation of infrastructure	1,007,776
Culture, recreation and education	133,388
Total Governmental Activities Depreciation Expense	<u>\$ 1,585,510</u>

**CITY OF STOUGHTON**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2014

**NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)**

**D. CAPITAL ASSETS (cont.)**

**Business-type Activities**

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Water</u>				
Capital assets not being depreciated				
Land and land rights	\$ 24,841	\$ -	\$ -	\$ 24,841
Construction in progress	24,194	538,384	531,951	30,627
Total Capital Assets Not Being Depreciated	49,035	538,384	531,951	55,468
Capital assets being depreciated				
Source of supply	570,123	-	-	570,123
Pumping	1,461,654	-	-	1,461,654
Treatment	90,763	-	-	90,763
Transmission and distribution	14,763,312	596,098	17,680	15,341,730
Administrative and general assets	1,189,714	19,023	-	1,208,737
Total Capital Assets Being Depreciated	18,075,566	615,121	17,680	18,673,007
Total Capital Assets	18,124,601	1,153,505	549,631	18,728,475
Less: Accumulated depreciation for				
Source of supply	(318,998)	(16,534)	-	(335,532)
Pumping	(1,100,476)	(57,136)	-	(1,157,612)
Treatment	(87,329)	(437)	-	(87,766)
Transmission and distribution	(3,461,841)	(279,584)	17,680	(3,723,745)
Administrative and general assets	(609,427)	(67,075)	-	(676,502)
Total Accumulated Depreciation	(5,578,071)	(420,766)	17,680	(5,981,157)
Net Capital Assets Being Depreciated	12,497,495	194,355	-	12,691,850
Net Water Capital Assets	\$ 12,546,530	\$ 732,739	\$ 531,951	\$ 12,747,318

**CITY OF STOUGHTON**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2014

**NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)**

**D. CAPITAL ASSETS (cont.)**

**Business-type Activities (cont.)**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<u>Wastewater</u>				
Capital assets not being depreciated				
Construction in progress	\$ 400,229	\$ 3,334,405	\$ 3,695,778	\$ 38,856
Total Capital Assets Not Being Depreciated	<u>400,229</u>	<u>3,334,405</u>	<u>3,695,778</u>	<u>38,856</u>
Capital assets being depreciated				
Collection system	9,092,573	277,337	9,754	9,360,156
Collection system pumping	397,412	7,153	3,500	401,065
Treatment and disposal	13,319,526	2,969,255	738,632	15,550,149
Administrative and general assets	<u>1,155,937</u>	<u>477,958</u>	<u>325,000</u>	<u>1,308,895</u>
Total Capital Assets Being Depreciated	<u>23,965,448</u>	<u>3,731,703</u>	<u>1,076,886</u>	<u>26,620,265</u>
Total Capital Assets	<u>24,365,677</u>	<u>7,066,108</u>	<u>4,772,664</u>	<u>26,659,121</u>
Less: Accumulated depreciation for				
Wastewater	<u>(9,062,641)</u>	<u>(742,230)</u>	<u>1,076,886</u>	<u>(8,727,985)</u>
Total Accumulated Depreciation	<u>(9,062,641)</u>	<u>(742,230)</u>	<u>1,076,886</u>	<u>(8,727,985)</u>
Net Capital Assets Being Depreciated	<u>14,902,807</u>	<u>2,989,473</u>	<u>-</u>	<u>17,892,280</u>
Net Wastewater Capital Assets	<u>\$ 15,303,036</u>	<u>\$ 6,323,878</u>	<u>\$ 3,695,778</u>	<u>\$ 17,931,136</u>

**CITY OF STOUGHTON**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2014

**NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)**

**D. CAPITAL ASSETS (cont.)**

**Business-type Activities (cont.)**

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Electric</u>				
Capital assets not being depreciated				
Land and land rights	\$ 220,797	\$ -	\$ -	\$ 220,797
Construction in progress	1,845	435,235	411,025	26,055
Property held for future use	352,664	-	-	352,664
Total Capital Assets Not Being Depreciated	575,306	435,235	411,025	599,516
Capital assets being depreciated				
Transmission	15,019	-	-	15,019
Distribution	21,845,300	532,798	91,221	22,286,877
Administrative and general assets	4,033,138	44,694	33,800	4,044,032
Total Capital Assets Being Depreciated	25,893,457	577,492	125,021	26,345,928
Total Capital Assets	26,468,763	1,012,727	536,046	26,945,444
Less: Accumulated depreciation for				
Transmission	(19,366)	-	-	(19,366)
Distribution	(9,329,006)	(800,994)	92,721	(10,037,279)
Administrative and general assets	(2,394,002)	(177,848)	33,800	(2,538,050)
Total Accumulated Depreciation	(11,742,374)	(978,842)	126,521	(12,594,695)
Net Capital Assets Being Depreciated	14,151,083	(401,350)	(1,500)	13,751,233
Net Electric Capital Assets	\$ 14,726,389	\$ 33,885	\$ 409,525	\$ 14,350,749

**CITY OF STOUGHTON**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2014

**NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)**

**D. CAPITAL ASSETS (cont.)**

**Business-type Activities (cont.)**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<u>Stormwater</u>				
Capital assets being depreciated				
Storm Sewer	\$ 516,806	\$ 32,440	\$ 14,238	\$ 535,008
Total Capital Assets Being depreciated	<u>516,806</u>	<u>32,440</u>	<u>14,238</u>	<u>535,008</u>
Less: Accumulated depreciation for				
Storm Sewer	(32,516)	(17,834)	14,238	(36,112)
Total Accumulated Depreciation	<u>(32,516)</u>	<u>(17,834)</u>	<u>14,238</u>	<u>(36,112)</u>
Net Capital Assets Being depreciated	<u>484,290</u>	<u>14,606</u>	<u>-</u>	<u>498,896</u>
Net Stormwater Capital Assets	<u>\$ 484,290</u>	<u>\$ 14,606</u>	<u>\$ -</u>	<u>\$ 498,896</u>
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<u>EMS</u>				
Capital assets being depreciated				
Buildings and improvements	1,240,308	-	-	1,240,308
Equipment	<u>909,407</u>	<u>-</u>	<u>-</u>	<u>909,407</u>
Total Capital Assets Being Depreciated	<u>2,149,715</u>	<u>-</u>	<u>-</u>	<u>2,149,715</u>
Less: Accumulated depreciation for				
Buildings and improvements	(204,108)	(25,226)	-	(229,334)
Equipment	<u>(366,471)</u>	<u>(74,786)</u>	<u>-</u>	<u>(441,257)</u>
Total Accumulated Depreciation	<u>(570,579)</u>	<u>(100,012)</u>	<u>-</u>	<u>(670,591)</u>
Net Capital Assets Being Depreciated	<u>1,579,136</u>	<u>(100,012)</u>	<u>-</u>	<u>1,479,124</u>
Net EMS Capital Assets	<u>\$ 1,579,136</u>	<u>\$ (100,012)</u>	<u>\$ -</u>	<u>\$ 1,479,124</u>
Business-type Capital Assets, Net of Accumulated Depreciation	<u>\$ 44,639,381</u>	<u>\$ 7,005,096</u>	<u>\$ 4,637,254</u>	<u>\$ 47,007,223</u>



**CITY OF STOUGHTON**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2014

**NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)**

**D. CAPITAL ASSETS (cont.)**

Depreciation expense was charged to functions as follows:

**Business-type Activities**

Water	\$ 390,653
Waste water	726,884
Electric	934,151
Storm sewer	17,834
EMS	<u>100,012</u>
Total Business-type Activities Depreciation Expense	<u>\$ 2,169,534</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.

**E. 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:

Receivable Fund	Payable Fund	Amount	Amount Not Due Within One Year
General	Tourism	\$ 2,523	\$ -
General	TIF District No. 4	360,802	-
General	Water Utility	352,700	-
General	Electric Utility	366,032	-
General	Redevelopment Authority	41,800	41,800
Debt Service	EMS	213,825	-
Electric Utility	General	13,329	-
Storm Sewer	Electric Utility	<u>37,893</u>	-
Total - Fund Financial Statements		1,388,904	
Less: Fund eliminations		(469,676)	
Less: Interfund advances		<u>(448,806)</u>	
Total Internal Balances - Government-Wide Statement of Net Position		<u>\$ 470,422</u>	

**CITY OF STOUGHTON**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2014

**NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)**

***E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS (cont.)***

***Interfund Receivables/Payables (cont.)***

Receivable Fund	Payable Fund	Amount
Governmental Activities	Business-type Activities	\$ 932,557
Business-type Activities	Governmental Activities	(462,135)
Total Government-Wide Financial Statements		\$ 470,422

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 No. 5 capital project fund. The amount advanced is determined by the deficiency of revenues over expenditures and other financing sources since the district's inception. The general fund is charging the interest on the advance based on the average outstanding advance balance during the year at a rate of 4%. A repayment schedule has been established.

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.

**CITY OF STOUGHTON**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2014

**NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)**

***E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS (cont.)***

***Advances (cont.)***

The following is a schedule of interfund advances:

Receivable Fund	Payable Fund	Amount	Amount Not Due Within One Year
General Fund	TIF District No. 5	\$ 598,427	\$ 588,703
Electric Utility	Internal service fund	448,806	413,741
Total - Fund Financial Statements		1,047,233	
Less: Fund eliminations		(598,427)	
Total - Interfund Advances		\$ 448,806	

Years	TIF Advance Principal	Internal Service Fund Advance	
	Principal	Principal	Interest
2015	\$ 9,724	\$ 35,065	\$ 13,464
2016	10,697	37,088	12,412
2017	11,724	39,190	11,300
2018	12,809	41,375	10,124
2019	13,955	43,646	8,883
2020-2024	89,297	246,511	23,314
2025-2029	128,967	5,931	178
2030-2034	180,553	-	-
2035-2037	140,701	-	-
Totals	\$ 598,427	\$ 448,806	\$ 79,675

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  
As of and for the Year Ended December 31, 2014

**NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)**

***E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS (cont.)***

***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	Tourism	\$ 7,480	Room tax revenue
General	Water utility	358,701	Payment in lieu of taxes and dividend
General	Electric utility	385,244	Payment in lieu of taxes and dividend
Debt service	General	2,204,733	Payments on non-TID debt
Debt service	TIF District No. 3	220,929	Payments on TIF District debt
Debt service	TIF District No. 4	111,204	Payments on TIF District debt
Construction	Special Assessments	108,000	Fund capital projects
EMS	Ambulance	4,150	Transfer donations
Library	General	528,853	Fund annual operations
Outlay	Fire Department Special	7,042	Fund capital projects
Outlay	Equipment Replacement	449,900	Fund capital projects
Outlay	General	200,000	Fund capital projects
Outlay	Building Maintenance	86,200	Fund capital projects
Construction	TIF District No. 3	812,153	Fund uncompleted project
Equipment Replacement	General	<u>300,000</u>	Equipment replacement
Total - Fund Financial Statements		5,784,589	
Less: Fund eliminations		<u>(5,044,794)</u>	
Total Transfers - Government-Wide Statement of Activities		<u>\$ 739,795</u>	

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>
Governmental Activities	Business-type Activities	\$ 743,945
Business-type Activities	Governmental Activities	<u>(4,150)</u>
Total Government-wide Financial Statements		<u>\$ 739,795</u>

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.

# CITY OF STOUGHTON

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

### NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)

#### *F. LONG-TERM OBLIGATIONS*

Long-term obligations activity for the year ended December 31, 2014, 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	\$ 16,704,563	\$ 2,755,000	\$ 2,174,479	\$ 17,285,084	\$ 2,284,557
Other Liabilities					
Compensated absences (Note I.D.7)	1,358,568	109,815	-	1,468,383	-
Compensated absences - retirees (See Note I.D.7)	37,809	36,737	63,474	11,072	11,072
Self-insurance auto and general liability (Note V.B)	45,000	-	45,000	-	-
Self-insurance health liability (Note V.B)	75,818	13,471	-	89,289	89,289
Total Other Liabilities	1,517,195	160,023	108,474	1,568,744	100,361
Total Governmental Activities Long-Term Liabilities	\$ 18,221,758	\$ 2,915,023	\$ 2,282,953	\$ 18,853,828	\$ 2,384,918
<b>Business-type Activities</b>					
Bonds and Notes Payable					
General obligation debt	\$ 1,436,547	\$ 280,000	\$ 155,946	\$ 1,560,601	\$ 187,165
Revenue bonds	10,400,668	3,047,573	887,310	12,560,931	1,012,958
Unamortized premium on bonds	74,461	-	13,626	60,835	-
Sub-totals	11,911,676	3,327,573	1,056,882	14,182,367	1,200,123
Other Liabilities					
Vested compensated absences	359,947	26,184	44,822	341,309	-
Customer advances for construction	5,514	36,205	27,369	14,350	-
Total Other Liabilities	365,461	62,389	72,191	355,659	-
Total Business-type Activities Long-Term Liabilities	\$ 12,277,137	\$ 3,389,962	\$ 1,129,073	\$ 14,538,026	\$ 1,200,123

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, 2014, was \$45,654,025. Total general obligation debt outstanding at year end was \$18,845,685.

#### **General Obligation Debt**

All general obligation notes and bonds payable are backed by the full faith and credit of the city. Notes and bonds 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.

**CITY OF STOUGHTON**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2014

**NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)**

**F. LONG-TERM OBLIGATIONS (cont.)**

**General Obligation Debt (cont.)**

**Governmental Activities**

<u>General Obligation Debt</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2014</u>
2008 General Obligation Notes	2/13/08	2/1/18	3.00 - 3.50%	\$ 485,000	\$ 220,000
2008 General Obligation Notes	2/13/08	2/1/18	2.85 - 3.40	1,005,000	450,000
2008 General Obligation Bonds	2/13/08	4/1/26	3.25 - 3.75	5,530,000	4,040,000
2009 General Obligation Refunding Notes	4/14/09	3/1/19	1.60 - 3.85	5,060,000	1,855,000
2010 General Obligation Notes	4/13/10	3/1/20	1.25 - 4.40	3,000,000	2,300,000
2010 General Obligation Refunding Bonds	4/13/10	3/1/20	1.00 - 3.25	3,095,000	2,010,000
2012 General Obligation Notes	4/15/12	3/1/22	0.40 - 2.00	2,759,000	2,379,399
2012 State Trust Fund Loan	5/25/12	3/15/15	2.75	202,500	68,978
2013 State Trust Fund Loan	6/23/13	3/15/20	2.75	1,400,000	1,206,707
2014 General Obligation Notes	6/1/14	4/1/24	2.00 - 2.25	2,755,000	<u>2,755,000</u>
Total Governmental Activities - General Obligation Debt					<u>\$ 17,285,084</u>

**Business-type Activities**

<u>General Obligation Debt</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2014</u>
2010 General Obligation Notes	4/13/10	3/1/20	1.25 - 4.40%	\$ 1,015,000	\$ 725,000
2012 General Obligation Notes	4/15/12	3/1/22	0.40 - 2.00	661,000	555,601
2014 General Obligation Notes	6/1/14	4/1/24	2.00 - 2.25	280,000	<u>280,000</u>
Total Business-type Activities - General Obligation Debt					<u>\$ 1,560,601</u>

**CITY OF STOUGHTON**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2014

**NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)**

**F. LONG-TERM OBLIGATIONS (cont.)**

**General Obligation Debt (cont.)**

Debt service requirements to maturity are as follows:

Years	Governmental Activities General Obligation Debt		Business-type Activities General Obligation Debt	
	Principal	Interest	Principal	Interest
2015	\$ 2,284,557	\$ 459,445	\$ 187,165	\$ 45,064
2016	2,384,421	388,366	203,409	37,974
2017	2,428,534	328,358	209,676	32,031
2018	2,482,691	264,280	215,970	25,517
2019	2,161,973	200,497	227,289	18,418
2020-2024	4,747,908	414,986	517,092	22,531
2025-2026	795,000	29,996	-	-
Totals	<u>\$ 17,285,084</u>	<u>\$ 2,085,928</u>	<u>\$ 1,560,601</u>	<u>\$ 181,535</u>

**Revenue Debt**

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

The utilities has pledged future revenues to repay revenue bonds issued in between 1999-2014. 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 2034. Annual principal and interest payments on the bonds are expected to require 4%, 8.9%, and 16.8%, respectively, of electric, water and wastewater gross revenues. The total principal and interest remaining to be paid on the bonds is \$14,952,704. Principal and interest paid for the current year and total customer gross revenues were \$1,219,826 and \$19,500,405, respectively.

Revenue debt payable at December 31, 2014, consists of the following:

**Business-type Activities Revenue Debt**

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2014
<u>Water Utility</u>					
2006 Water Utility Revenue Bonds	11/15/06	5/1/23	4.00 - 4.50%	\$ 1,925,000	\$ 1,450,000
2010 Water Utility Revenue Bonds	1/27/10	5/1/29	2.67	575,018	<u>476,638</u>
				Total Water Utility	<u>1,926,638</u>

**CITY OF STOUGHTON**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2014

**NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)**

**F. LONG-TERM OBLIGATIONS (cont.)**

**Revenue Debt (cont.)**

**Business-type Activities Revenue Debt (cont.)**

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2014</u>
<u>Wastewater Utility</u>					
1999 Wastewater Utility Clean Water Fund Loan	12/22/99	5/1/19	3.049%	\$ 623,465	\$ 194,751
2000 Wastewater Utility Clean Water Fund Loan	7/12/00	5/1/20	3.049	1,116,259	409,276
2003 Wastewater Utility Clean Water Fund Loan	9/10/03	5/1/23	2.766	1,670,624	870,525
2007 Wastewater Utility Clean Water Fund Loan	6/27/07	5/1/27	2.475	1,539,762	1,172,166
2014 Wastewater Utility Clean Water Fund Loan	11/1/14	5/1/34	2.625	3,047,573	<u>3,047,575</u>
			Total Wastewater Utility		<u>5,694,293</u>
<u>Electric Utility</u>					
2006 Electric Utility Revenue Bonds	11/15/06	4/1/23	4.00 - 4.50%	2,550,000	2,075,000
2013 Electric Utility Revenue Bonds	4/1/13	4/1/23	2.00 - 2.25	3,170,000	<u>2,865,000</u>
			Total Electric Utility		<u>4,940,000</u>
Total Business-type Activities - Revenue Debt					<u><u>\$ 12,560,931</u></u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Business-type Activities Revenue Debt</u>	
	<u>Principal</u>	<u>Interest</u>
2015	\$ 1,012,958	\$ 364,760
2016	1,059,107	335,264
2017	1,080,563	302,721
2018	1,112,333	268,838
2019	1,139,426	233,965
2020-2024	4,951,786	627,122
2025-2029	1,289,069	197,766
2030-2034	<u>915,689</u>	<u>61,337</u>
Totals	<u><u>\$ 12,560,931</u></u>	<u><u>\$ 2,391,773</u></u>



**CITY OF STOUGHTON**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2014

**NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)**

**F. LONG-TERM OBLIGATIONS (cont.)**

**Capital Leases**

Refer to Note IV. G.

**Other Debt Information**

Estimated payments of compensated absences are not included in the debt service requirement schedules. The compensated absences liability, other post employment benefits obligation, and net pension obligation 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, 2014.

**G. LEASE DISCLOSURES**

**Lessor - Capital Leases**

In 2007, the city amended the original 1998 lease agreement with the Mandt Community Center, Inc. (MCCI). Under terms of the lease, the city is to receive monthly payments ranging from \$4,490 to \$5,113 from MCCI for the use of the ice arena. The lease payments received by the city approximately equal the annual debt service requirements of the corresponding city general obligation debt for the ice arena. Differences between the lease payments and debt payments are due to the timing difference between lease and debt payments. The lease payments may only be used to pay debt service on the city notes. Ownership of the property reverts to MCCI upon full payment of the outstanding debt. The term of the lease is from April 1, 1998 through March 1, 2018. Lease payments to maturity are as follows:

<u>Years</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 54,590	\$ 5,016	\$ 59,606
2016	55,160	3,436	58,596
2017	58,961	1,883	60,844
2018	<u>15,007</u>	<u>271</u>	<u>15,278</u>
Totals	<u>\$ 183,718</u>	<u>\$ 10,606</u>	<u>\$ 194,324</u>

# CITY OF STOUGHTON

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

### NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)

#### **H. NET POSITION/FUND BALANCES**

Net position reported on the government wide statement of net position at December 31, 2014, includes the following:

#### **Governmental Activities**

Net Investment in Capital Assets	
Land	\$ 8,809,210
Construction in progress	917,992
Inexhaustible portion of streets	1,376,419
Other capital assets, net of accumulated depreciation	23,627,891
Less: Long-term debt outstanding (excluding unspent capital related debt proceeds)	(16,565,942)
Plus: Noncapital debt proceeds	<u>579,260</u>
Total Net Investment in Capital Assets	<u>18,744,830</u>
Restricted	
Debt service	226,045
Library	330,691
Impact fees	149,184
TID activities	<u>920,151</u>
Total Restricted	<u>1,626,071</u>
Unrestricted	<u>4,533,645</u>
Total Governmental Activities Net Position	<u>\$ 24,904,546</u>

#### **Governmental Funds**

Governmental fund balances reported on the fund financial statements at December 31, 2014, include the following:

	<u>General Fund</u>	<u>Debt Service</u>	<u>Construction</u>	<u>Nonmajor Funds</u>	<u>Totals</u>
<b>Fund Balances</b>					
<b>Nonspendable:</b>					
Prepaid items	\$ -	\$ -	\$ -	\$ 29,750	\$ 29,750
Delinquent items	49,887	-	-	-	49,887
CVMIC equity	257,805	-	-	-	257,805
Noncurrent interfunds	640,227	-	-	-	640,227
<b>Restricted for:</b>					
Capital projects	-	-	719,142	-	719,142
Debt service	-	216,537	-	-	216,537
Library	-	-	-	330,691	330,691
Impact fees	-	-	-	149,184	149,184
TID activities	-	-	-	920,151	920,151
CDBG	-	-	-	6,374	6,374

# CITY OF STOUGHTON

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

### NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)

#### H. NET POSITION/FUND BALANCES (cont.)

	General Fund	Debt Service	Construction	Nonmajor Funds	Totals
<b>Committed to:</b>					
Food pantry	\$ -	\$ -	\$ -	\$ 83,724	\$ 83,724
Landmarks	-	-	-	1,697	1,697
Fire department special	-	-	-	21,959	21,959
K9 unit	-	-	-	7,038	7,038
Ambulance	-	-	-	21,270	21,270
Opera house repair	-	-	-	9,598	9,598
Township outreach	-	-	-	2,486	2,486
Tourism	-	-	-	19,605	19,605
Seniors in need	-	-	-	29,187	29,187
Holiday	-	-	-	14,366	14,366
Senior center wood shop	-	-	-	4,425	4,425
Senior center special	-	-	-	427,938	427,938
Economic development	-	-	-	46,392	46,392
Redevelopment	-	-	-	49,588	49,588
Special assessments	-	-	-	118,219	118,219
River trail	-	-	-	1,769	1,769
Tree commission	-	-	-	1,514	1,514
Cemetery	-	-	-	33,045	33,045
<b>Assigned to:</b>					
Utility payment in lieu of taxes	718,732	-	-	-	718,732
Safety camp	22,375	-	-	-	22,375
Youth gift	11,566	-	-	-	11,566
Bryant Grant	75,363	-	-	-	75,363
Pool sinking fund	16,000	-	-	-	16,000
Shop with a cop	1,778	-	-	-	1,778
Police federal grants	21,158	-	-	-	21,158
Budget appropriation	80,000	-	-	-	80,000
Liability insurance loss	70,000	-	-	-	70,000
Arts council	210	-	-	-	210
Capital projects	-	-	979,541	-	979,541
Capital outlay	-	-	-	165,698	165,698
Fire equipment	-	-	-	11,965	11,965
Equipment replacement	-	-	-	267,173	267,173
Building replacement	-	-	-	241,415	241,415
<b>Unassigned (deficit):</b>	<u>2,930,387</u>	<u>-</u>	<u>-</u>	<u>(681,221)</u>	<u>2,249,166</u>
<b>Total Fund Balances</b>	<u>\$ 4,895,488</u>	<u>\$ 216,537</u>	<u>\$ 1,698,683</u>	<u>\$ 2,335,000</u>	<u>\$ 9,145,708</u>

**CITY OF STOUGHTON**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2014

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**NOTE IV - DETAILED NOTES ON ALL FUNDS (cont.)**

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**H. NET POSITION/FUND BALANCES (cont.)**

***Business-type Activities***

Net Investment in Capital Assets	
Land	\$ 245,638
Construction in progress	95,538
Other capital assets, net of depreciation	46,666,047
Less: Long-term debt outstanding	(14,121,532)
Plus: Unspent capital related debt proceeds	453,608
Less: Unamortized debt premium	(60,835)
Total Net Investment in Capital Assets	<u>33,278,464</u>
Restricted	
Equipment replacement	1,153,490
Debt service	<u>1,831,996</u>
Total Restricted	<u>2,985,486</u>
Unrestricted	<u>8,938,015</u>
Total Business-type Activities Net Position	<u>\$ 45,201,965</u>

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**NOTE V - OTHER INFORMATION**

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**A. EMPLOYEES' RETIREMENT SYSTEM**

All eligible city employees participate in the Wisconsin Retirement System (WRS), a cost-sharing, multiple-employer, defined benefit, public employee retirement system. All employees initially employed by a participating WRS employer prior to July 1, 2011, expected to work over 600 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS. 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 and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

Effective the first day of the first pay period on or after June 29, 2011, the employee required contribution was changed to one-half of the actuarially determined contribution rate for employees in the General Employment category, and Executives and Elected Officials. Required contributions for protective employees are the same 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.

# CITY OF STOUGHTON

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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### NOTE V - OTHER INFORMATION (cont.)

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#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Contribution rates for December 31, 2014 were:

	<u>Employee</u>	<u>Employer</u>
General	7.00%	7.00%
Executives and Elected Officials	7.75%	7.75%
Protective with Social Security	7.00%	10.10%
Protective without Social Security	7.00%	13.70%

The payroll for city employees covered by the WRS for the year ended December 31, 2014 was \$5,657,171; the employer's total payroll was \$6,371,231. The total required contribution for the year ended December 31, 2014 was \$850,643 or 15.0% of covered payroll. Of this amount, 61 percent was contributed by the employer and 39 was contributed by the employee for the current year. Total contributions for the years ended 2013 and 2012 were \$850,128 and \$689,265, respectively, equal to the required contributions for each year.

Employees who retire at or after age 65 (62 for elected officials and 54 for protective occupation employees with less than 25 years of service, 53 for protective occupation employees with more than 25 years of service) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor. A final average earnings is the average of the employee's three highest years' earnings. Employees terminating covered employment and submitting application before becoming eligible for a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit. 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.

The WRS also provides death and disability benefits for employees. Eligibility and the amount of all benefits are determined under Chapter 40 of Wisconsin Statutes.

The WRS issues an annual financial report which may be obtained by writing to the Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931.

As of December 31, 2014 there was no pension related debt for the city.

The city has a defined benefit pension plan for 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. Historically, the investment earnings of the pension fund are sufficient to cover annual pension payments. As of December 31, 2014, the balance in the Firemen's Pension Fund is \$691,344 and is recorded as a pension trust fund of the city. The plan has not had an actuarial valuation.

**CITY OF STOUGHTON**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2014

**NOTE V - OTHER INFORMATION (cont.)**

***B. 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 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.

***Self Insurance***

For health claims, the uninsured risk of loss is \$45,000 per incident and \$1,000,000 in the aggregate for a policy year. The city has purchased commercial insurance for claims in excess of those amounts. Settled claims have not exceeded the commercial coverage in any of the past three years.

All funds of the city participate in the risk management program. Amounts payable to the fund are based on actuarial estimates of the amounts necessary to pay prior and current year claims and to establish a reserve for catastrophic losses.

A liability for a claim is established if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss is reasonably estimable. Liabilities include an amount for claims that have been incurred but not reported. The city does not allocate overhead costs to other nonincremental costs to the claims liability. The liability is recorded in the government-wide statement of net position. The self-insurance activity is recorded in the general fund of the city.

***Claims Liability***

	Prior Year	Current Year
Unpaid claims - Beginning of Year	\$ 77,114	\$ 75,818
Current year claims and changes in estimates	928,457	1,079,669
Claim payments	(929,753)	(1,066,198)
Unpaid Claims - End of Year	\$ 75,818	\$ 89,289

***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.

**CITY OF STOUGHTON**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2014

**NOTE V - OTHER INFORMATION (cont.)**

**B. RISK MANAGEMENT (cont.)**

**Public Entity Risk Pool (cont.)**

**Wisconsin Municipal Insurance Commission (WMIC)  
Cities and Villages Mutual Insurance Company (CVMIC) (cont.)**

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 less than 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.

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 shows that there is no liability or claims incurred but not reported at December 31, 2014. Changes in the fund's claims loss liability follow:

	Beginning Balance	Incurred Claims	Claims Paid/ Settled	Ending Balance
2014	\$ 45,000	\$ -	\$ 45,000	\$ -
2013	50,905	13,930	19,835	45,000

**C. 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.

# CITY OF STOUGHTON

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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### NOTE V - OTHER INFORMATION (cont.)

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#### **C. COMMITMENTS AND CONTINGENCIES (cont.)**

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, 2014. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures.

The city has the following encumbrances outstanding at year end expected to be honored upon performance by the vendor:

Construction fund	\$	812,153
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#### ***Long-Term Contracts - WPPI Energy***

The electric utility is one of 51 WPPI Energy member municipalities located throughout the State of Wisconsin. 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.

In 2002, all WPPI Energy members ratified a 13 year extension to their original 35 year contracts. The new contract expires at midnight on 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 \$455 million as of December 31, 2014.



# CITY OF STOUGHTON

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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### NOTE V - OTHER INFORMATION (cont.)

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#### ***D. SUBSEQUENT EVENTS***

New sewer rates were approved by the utilities committee and placed into effect on January 1, 2015.

The utility has also filed an application to increase electric rates with the PSCW.

On February 24, 2015, the city council approved an initial resolution authorizing issuance of General Obligation bonds in the amount of \$4,860,000 for TIF 7 projects. These bonds have not been issued yet.

On May 12, 2015, the city council approved issuance of General Obligation promissory notes in the amount of \$2,725,000 for capital projects. These notes have not been issued yet.

#### ***E. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS***

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

- > Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*
- > Statement No. 71, *Pension - Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB No. 68*

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

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF STOUGHTON**

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND  
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
<b>TAXES</b>				
Taxes	\$ 7,361,044	\$ 7,361,044	\$ 7,374,779	\$ 13,735
<b>INTERGOVERNMENTAL REVENUES</b>				
Intergovernmental	1,543,146	1,543,146	1,577,674	34,528
<b>LICENSES AND PERMITS</b>				
Business and occupational licenses	38,500	38,500	38,800	300
Dog and cat licenses	2,000	2,000	8,035	6,035
Building permits	71,000	71,000	94,924	23,924
Total Licenses and Permits	111,500	111,500	141,759	30,259
<b>FINES, FORFEITURES AND PENALTIES</b>				
Fines, forfeitures and penalties	115,000	115,000	118,039	3,039
<b>PUBLIC CHARGES FOR SERVICES</b>				
Public charges for services	1,280,576	1,280,576	1,302,212	21,636
<b>INTERGOVERNMENTAL CHARGES</b>				
Intergovernmental charges for services	56,914	56,914	37,248	(19,666)
<b>SPECIAL ASSESSMENTS</b>				
Special assessments	-	-	11,711	11,711
<b>INVESTMENT INCOME</b>				
Investment income	20,000	20,000	43,800	23,800
<b>MISCELLANEOUS</b>				
Miscellaneous	367,153	367,153	450,205	83,052
Total Revenues	10,855,333	10,855,333	11,057,427	202,094

See independent auditors' report and accompanying notes to required supplementary information.

## CITY OF STOUGHTON

### DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>EXPENDITURES</b>				
<b>GENERAL GOVERNMENT</b>				
Council/Board	\$ 47,505	\$ 47,505	\$ 44,368	\$ 3,137
Legislative and executive	106,918	106,918	102,562	4,356
Judicial	59,192	59,192	58,745	447
General administration	268,206	268,206	228,207	39,999
Financial administration	797,445	797,445	695,708	101,737
Legal	107,500	107,500	86,030	21,470
City buildings	74,565	74,565	66,855	7,710
Assessor	45,600	45,600	44,645	955
Contingency	80,000	68,000	-	68,000
Other general government	-	-	156,789	(156,789)
Total General Government	<u>1,586,931</u>	<u>1,574,931</u>	<u>1,483,909</u>	<u>91,022</u>
<b>PUBLIC SAFETY</b>				
Police department	2,631,148	2,631,148	2,795,150	(164,002)
Fire department	499,259	499,259	504,611	(5,352)
Planning/Inspection	<u>285,952</u>	<u>285,952</u>	<u>313,622</u>	<u>(27,670)</u>
Total Public Safety	<u>3,416,359</u>	<u>3,416,359</u>	<u>3,613,383</u>	<u>(197,024)</u>
<b>PUBLIC WORKS</b>				
Highway and street maintenance and construction	114,117	114,117	109,190	4,927
Highway and street maintenance for local	1,001,349	1,013,349	1,058,349	(45,000)
Snow and ice control	70,000	70,000	60,843	9,157
Other sanitation	700,000	700,000	675,226	24,774
Buildings and grounds operations	<u>109,432</u>	<u>109,432</u>	<u>93,910</u>	<u>15,522</u>
Total Public Works	<u>1,994,898</u>	<u>2,006,898</u>	<u>1,997,518</u>	<u>9,380</u>
<b>CULTURE, RECREATION AND EDUCATION</b>				
Park maintenance	201,437	201,437	134,101	67,336
Senior Center	517,691	517,691	476,291	41,400
Culture	403,235	403,235	388,306	14,929
Recreation	282,681	282,681	339,818	(57,137)
Cemetery	36,000	36,000	37,617	(1,617)
Cable television	<u>2,700</u>	<u>2,700</u>	<u>6,100</u>	<u>(3,400)</u>
Total Culture, Recreation and Education	<u>1,443,744</u>	<u>1,443,744</u>	<u>1,382,233</u>	<u>61,511</u>
Total Expenditures	<u>8,441,932</u>	<u>8,441,932</u>	<u>8,477,043</u>	<u>(35,111)</u>

See independent auditors' report and accompanying notes to required supplementary information.

## CITY OF STOUGHTON

### DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Excess of revenues over expenditures	<u>\$ 2,413,401</u>	<u>\$ 2,413,401</u>	<u>2,580,384</u>	<u>\$ 166,983</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	796,868	796,868	751,425	(45,443)
Transfers out	<u>(3,283,930)</u>	<u>(3,283,930)</u>	<u>(3,233,586)</u>	<u>50,344</u>
Total Other Financing Sources (Uses)	<u>(2,487,062)</u>	<u>(2,487,062)</u>	<u>(2,482,161)</u>	<u>4,901</u>
<b>Net Change in Fund Balance</b>	(73,661)	(73,661)	98,223	171,884
FUND BALANCE - Beginning of Year	<u>4,797,265</u>	<u>4,797,265</u>	<u>4,797,265</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 4,723,604</u>	<u>\$ 4,723,604</u>	<u>\$ 4,895,488</u>	<u>\$ 171,884</u>

See independent auditors' report and accompanying notes to required supplementary information.

# CITY OF STOUGHTON

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended December 31, 2014

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### ***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 I. C.

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.

**SUPPLEMENTARY INFORMATION**

**CITY OF STOUGHTON**

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
As of December 31, 2014

	Special Revenue Funds			
	Library	Ambulance	Opera House	Opera House Repair
<b>ASSETS</b>				
Cash and investments	\$ 376,985	\$ 21,063	\$ 10,919	\$ 9,598
Receivables				
Taxes	-	-	-	-
Accounts	3,427	455	26,123	-
Special assessments	-	-	-	-
Prepaid items	-	-	29,750	-
<b>TOTAL ASSETS</b>	<u>\$ 380,412</u>	<u>\$ 21,518</u>	<u>\$ 66,792</u>	<u>\$ 9,598</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ 20,393	\$ 73	\$ 5,101	\$ -
Accrued liabilities	29,328	175	1,302	-
Deposits	-	-	-	-
Other liabilities	-	-	160,173	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
Total Liabilities	<u>49,721</u>	<u>248</u>	<u>166,576</u>	<u>-</u>
Deferred Inflows of Resources				
Unearned revenues	-	-	-	-
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit)				
Nonspendable	-	-	29,750	-
Restricted	330,691	-	-	-
Committed	-	21,270	-	9,598
Assigned	-	-	-	-
Unassigned (deficit)	-	-	(129,534)	-
Total Fund Balances (deficit)	<u>330,691</u>	<u>21,270</u>	<u>(99,784)</u>	<u>9,598</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<u>\$ 380,412</u>	<u>\$ 21,518</u>	<u>\$ 66,792</u>	<u>\$ 9,598</u>



Special Revenue Funds

Township Outreach Fund	Tourism	Seniors in Need	Holiday	Food Pantry	Landmarks	Fire Department Special
\$ 2,739	\$ 20,738	\$ 32,416	\$ 16,857	\$ 91,316	\$ 1,697	\$ 22,750
-	-	-	-	-	-	-
-	13,901	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 2,739</u>	<u>\$ 34,639</u>	<u>\$ 32,416</u>	<u>\$ 16,857</u>	<u>\$ 91,316</u>	<u>\$ 1,697</u>	<u>\$ 22,750</u>
\$ 26	\$ 12,511	\$ 3,229	\$ 2,491	\$ 7,592	\$ -	\$ 791
227	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	2,523	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>253</u>	<u>15,034</u>	<u>3,229</u>	<u>2,491</u>	<u>7,592</u>	<u>-</u>	<u>791</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
2,486	19,605	29,187	14,366	83,724	1,697	21,959
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>2,486</u>	<u>19,605</u>	<u>29,187</u>	<u>14,366</u>	<u>83,724</u>	<u>1,697</u>	<u>21,959</u>
<u>\$ 2,739</u>	<u>\$ 34,639</u>	<u>\$ 32,416</u>	<u>\$ 16,857</u>	<u>\$ 91,316</u>	<u>\$ 1,697</u>	<u>\$ 22,750</u>

**CITY OF STOUGHTON**

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
As of December 31, 2014

	Special Revenue Funds			
	Senior Center Wood Shop	Senior Center Special Fund	Economic Development Fund	Redevelop- ment Authority
<b>ASSETS</b>				
Cash and investments	\$ 4,425	\$ 428,419	\$ 87,468	\$ 94,505
Receivables				
Taxes	-	-	-	-
Accounts	-	-	60	-
Special assessments	-	-	-	-
Prepaid items	-	-	-	-
	<u>4,425</u>	<u>428,419</u>	<u>87,528</u>	<u>94,505</u>
<b>TOTAL ASSETS</b>	<u>\$ 4,425</u>	<u>\$ 428,419</u>	<u>\$ 87,528</u>	<u>\$ 94,505</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ -	\$ 481	\$ 8,136	\$ 3,117
Accrued liabilities	-	-	-	-
Deposits	-	-	33,000	-
Other liabilities	-	-	-	-
Due to other funds	-	-	-	41,800
Advances from other funds	-	-	-	-
Total Liabilities	<u>-</u>	<u>481</u>	<u>41,136</u>	<u>44,917</u>
Deferred Inflows of Resources				
Unearned revenues	-	-	-	-
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit)				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	4,425	427,938	46,392	49,588
Assigned	-	-	-	-
Unassigned (deficit)	-	-	-	-
Total Fund Balances (deficit)	<u>4,425</u>	<u>427,938</u>	<u>46,392</u>	<u>49,588</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<u>\$ 4,425</u>	<u>\$ 428,419</u>	<u>\$ 87,528</u>	<u>\$ 94,505</u>

Special Revenue Funds					Capital Projects Funds	
Special Assessments	CDBG	K9 Unit	Tree Commission	Cemetery	Fire Equipment	Park Acquisition
\$ 118,339	\$ 6,374	\$ 7,185	\$ 1,514	\$ 33,045	\$ 11,965	\$ 145,171
-	-	-	-	-	-	-
-	-	-	-	-	-	4,013
95,759	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 214,098</u>	<u>\$ 6,374</u>	<u>\$ 7,185</u>	<u>\$ 1,514</u>	<u>\$ 33,045</u>	<u>\$ 11,965</u>	<u>\$ 149,184</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	147	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>147</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
95,879	-	-	-	-	-	-
<u>95,879</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
-	6,374	-	-	-	-	149,184
118,219	-	7,038	1,514	33,045	-	-
-	-	-	-	-	11,965	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>118,219</u>	<u>6,374</u>	<u>7,038</u>	<u>1,514</u>	<u>33,045</u>	<u>11,965</u>	<u>149,184</u>
<u>\$ 214,098</u>	<u>\$ 6,374</u>	<u>\$ 7,185</u>	<u>\$ 1,514</u>	<u>\$ 33,045</u>	<u>\$ 11,965</u>	<u>\$ 149,184</u>

**CITY OF STOUGHTON**

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
As of December 31, 2014

	Capital Projects Funds			
	River Trail	TIF District No. 3	TIF District No. 4	TIF District No. 5
<b>ASSETS</b>				
Cash and investments	\$ 1,769	\$ 164,619	\$ 1,117,116	\$ 46,740
Receivables				
Taxes	-	459,888	178,650	-
Accounts	-	-	-	-
Special assessments	-	-	-	-
Prepaid items	-	-	-	-
	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 1,769</b>	<b>\$ 624,507</b>	<b>\$ 1,295,766</b>	<b>\$ 46,740</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable	\$ -	\$ 782	\$ -	\$ -
Accrued liabilities	-	-	-	-
Deposits	-	-	-	-
Other liabilities	-	-	-	-
Due to other funds	-	-	360,802	-
Advances from other funds	-	-	-	598,427
Total Liabilities	-	782	360,802	598,427
<b>Deferred Inflows of Resources</b>				
Unearned revenues	-	459,888	178,650	-
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	459,888	178,650	-
<b>Fund Balances (Deficit)</b>				
Nonspendable	-	-	-	-
Restricted	-	163,837	756,314	-
Committed	1,769	-	-	-
Assigned	-	-	-	-
Unassigned (deficit)	-	-	-	(551,687)
Total Fund Balances (deficit)	1,769	163,837	756,314	(551,687)
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 1,769</b>	<b>\$ 624,507</b>	<b>\$ 1,295,766</b>	<b>\$ 46,740</b>

<u>Capital Projects Funds</u>				Total Nonmajor Governmental Funds
<u>Outlay</u>	<u>Equipment Replacement</u>	<u>Building Maintenance</u>		
\$ 235,543	\$ 267,173	\$ 240,018	\$ 3,618,466	
-	-	-	638,538	
-	-	1,487	49,466	
-	-	-	95,759	
<u>-</u>	<u>-</u>	<u>-</u>	<u>29,750</u>	
<u>\$ 235,543</u>	<u>\$ 267,173</u>	<u>\$ 241,505</u>	<u>\$ 4,431,979</u>	
\$ 69,845	\$ -	\$ 90	\$ 134,658	
-	-	-	31,179	
-	-	-	33,000	
-	-	-	160,173	
-	-	-	405,125	
-	-	-	598,427	
<u>69,845</u>	<u>-</u>	<u>90</u>	<u>1,362,562</u>	
-	-	-	638,538	
-	-	-	95,879	
-	-	-	734,417	
-	-	-	29,750	
-	-	-	1,406,400	
-	-	-	893,820	
165,698	267,173	241,415	686,251	
-	-	-	(681,221)	
<u>165,698</u>	<u>267,173</u>	<u>241,415</u>	<u>2,335,000</u>	
<u>\$ 235,543</u>	<u>\$ 267,173</u>	<u>\$ 241,505</u>	<u>\$ 4,431,979</u>	

# CITY OF STOUGHTON

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS For the Year Ended December 31, 2014

	Special Revenue Funds			
	Library	Ambulance	Opera House	Opera House Repair
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	232,595	-	-	-
Licenses and permits	-	-	-	-
Public charges for services	26,170	-	724,988	-
Special assessments	-	-	-	-
Investment income	61	-	1	3
Miscellaneous	184,299	15,621	9,565	-
Total Revenues	443,125	15,621	734,554	3
<b>EXPENDITURES</b>				
Current				
Public safety	-	8,397	-	-
Culture, recreation and education	836,722	-	776,566	-
Conservation and development	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Interest and fiscal charges	-	-	-	-
Total Expenditures	836,722	8,397	776,566	-
Excess (deficiency) of revenues over expenditures	(393,597)	7,224	(42,012)	3
<b>OTHER FINANCING SOURCES (USES)</b>				
Debt issued	-	-	-	-
Property sales	-	-	-	-
Transfers in	528,853	-	-	-
Transfers out	-	(4,150)	-	-
Total Other Financing Sources (Uses)	528,853	(4,150)	-	-
<b>Net Change in Fund Balances</b>	135,256	3,074	(42,012)	3
FUND BALANCES (DEFICIT) - Beginning of Year	195,435	18,196	(57,772)	9,595
<b>FUND BALANCES (DEFICIT) - END OF YEAR</b>	<b>\$ 330,691</b>	<b>\$ 21,270</b>	<b>\$ (99,784)</b>	<b>\$ 9,598</b>

Special Revenue Funds

Township Outreach Fund	Tourism	Seniors in Need	Holiday	Food Pantry	Landmarks	Fire Department Special	Senior Center Wood Shop
\$ -	\$ 74,790	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4,800	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	12	-	14	-	8	-
<u>2,556</u>	<u>-</u>	<u>27,720</u>	<u>10,773</u>	<u>100,439</u>	<u>-</u>	<u>36,790</u>	<u>3,549</u>
<u>7,356</u>	<u>74,790</u>	<u>27,732</u>	<u>10,773</u>	<u>100,453</u>	<u>-</u>	<u>36,798</u>	<u>3,549</u>
-	-	-	-	-	-	37,696	-
13,741	67,320	29,778	17,107	89,224	275	-	3,515
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>13,741</u>	<u>67,320</u>	<u>29,778</u>	<u>17,107</u>	<u>89,224</u>	<u>275</u>	<u>37,696</u>	<u>3,515</u>
<u>(6,385)</u>	<u>7,470</u>	<u>(2,046)</u>	<u>(6,334)</u>	<u>11,229</u>	<u>(275)</u>	<u>(898)</u>	<u>34</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>(7,480)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,042)</u>	<u>-</u>
<u>-</u>	<u>(7,480)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,042)</u>	<u>-</u>
(6,385)	(10)	(2,046)	(6,334)	11,229	(275)	(7,940)	34
<u>8,871</u>	<u>19,615</u>	<u>31,233</u>	<u>20,700</u>	<u>72,495</u>	<u>1,972</u>	<u>29,899</u>	<u>4,391</u>
<u>\$ 2,486</u>	<u>\$ 19,605</u>	<u>\$ 29,187</u>	<u>\$ 14,366</u>	<u>\$ 83,724</u>	<u>\$ 1,697</u>	<u>\$ 21,959</u>	<u>\$ 4,425</u>

## CITY OF STOUGHTON

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2014

	Special Revenue Funds			
	Senior Center Special Fund	Economic Development Fund	Redevelop- ment Authority	Special Assessments
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and permits	-	10,725	-	-
Public charges for services	-	-	-	-
Special assessments	-	-	-	25,851
Investment income	151	38	38	92
Miscellaneous	16,637	-	-	-
Total Revenues	16,788	10,763	38	25,943
<b>EXPENDITURES</b>				
Current				
Public safety	-	-	-	-
Culture, recreation and education	10,235	-	-	-
Conservation and development	-	92,234	15,030	-
Capital Outlay	-	-	-	-
Debt Service				
Interest and fiscal charges	-	-	-	-
Total Expenditures	10,235	92,234	15,030	-
Excess (deficiency) of revenues over expenditures	6,553	(81,471)	(14,992)	25,943
<b>OTHER FINANCING SOURCES (USES)</b>				
Debt issued	-	-	-	-
Property sales	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	(108,000)
Total Other Financing Sources (Uses)	-	-	-	(108,000)
<b>Net Change in Fund Balances</b>	6,553	(81,471)	(14,992)	(82,057)
FUND BALANCES (DEFICIT) - Beginning of Year	421,385	127,863	64,580	200,276
<b>FUND BALANCES (DEFICIT) - END OF YEAR</b>	<b>\$ 427,938</b>	<b>\$ 46,392</b>	<b>\$ 49,588</b>	<b>\$ 118,219</b>



Special Revenue Funds				Capital Projects Funds			
CDBG	K9 Unit	Tree Commission	Cemetery	Fire Equipment	Park Acquisition	River Trail	TIF District No. 3
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 501,617
-	-	-	-	-	-	-	1,887
-	-	-	-	-	-	-	-
-	-	-	-	-	54,418	-	-
-	-	-	-	4	36	-	170
-	8,429	5,240	-	27,700	-	-	-
-	8,429	5,240	-	27,704	54,454	-	503,674
-	6,077	-	-	-	-	-	-
570	-	-	166	-	-	-	-
-	-	4,185	-	-	-	-	-
-	-	-	-	23,616	-	1,893	1,050,830
-	-	-	-	-	-	-	20,162
570	6,077	4,185	166	23,616	-	1,893	1,070,992
(570)	2,352	1,055	(166)	4,088	54,454	(1,893)	(567,318)
-	-	-	-	-	-	-	1,225,000
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	(1,033,082)
-	-	-	-	-	-	-	191,918
(570)	2,352	1,055	(166)	4,088	54,454	(1,893)	(375,400)
6,944	4,686	459	33,211	7,877	94,730	3,662	539,237
\$ 6,374	\$ 7,038	\$ 1,514	\$ 33,045	\$ 11,965	\$ 149,184	\$ 1,769	\$ 163,837

## CITY OF STOUGHTON

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2014

	Capital Projects Funds			
	TIF District No. 4	TIF District No. 5	Outlay	Equipment Replacement
	No. 4	No. 5	Outlay	Replacement
<b>REVENUES</b>				
Taxes	\$ 259,437	\$ -	\$ -	\$ -
Intergovernmental	5,652	1,190	31,582	-
Licenses and permits	-	-	-	-
Public charges for services	-	-	-	-
Special assessments	-	17,664	-	-
Investment income	328	-	9	124
Miscellaneous	-	-	-	-
Total Revenues	<u>265,417</u>	<u>18,854</u>	<u>31,591</u>	<u>124</u>
<b>EXPENDITURES</b>				
Current				
Public safety	-	-	-	-
Culture, recreation and education	-	-	-	-
Conservation and development	-	-	-	-
Capital Outlay	977	951	786,406	-
Debt Service				
Interest and fiscal charges	-	30,538	-	-
Total Expenditures	<u>977</u>	<u>31,489</u>	<u>786,406</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>264,440</u>	<u>(12,635)</u>	<u>(754,815)</u>	<u>124</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Debt issued	-	-	-	-
Property sales	-	-	10,800	24,041
Transfers in	-	-	743,142	300,000
Transfers out	(111,204)	-	-	(449,900)
Total Other Financing Sources (Uses)	<u>(111,204)</u>	<u>-</u>	<u>753,942</u>	<u>(125,859)</u>
<b>Net Change in Fund Balances</b>	153,236	(12,635)	(873)	(125,735)
FUND BALANCES (DEFICIT) - Beginning of Year	<u>603,078</u>	<u>(539,052)</u>	<u>166,571</u>	<u>392,908</u>
<b>FUND BALANCES (DEFICIT) - END OF YEAR</b>	<u>\$ 756,314</u>	<u>\$ (551,687)</u>	<u>\$ 165,698</u>	<u>\$ 267,173</u>

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<u>Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
<u>Building Maintenance</u>	
\$ -	\$ 835,844
-	277,706
-	10,725
-	805,576
-	43,515
22	1,111
<u>154,368</u>	<u>603,686</u>
<u>154,390</u>	<u>2,578,163</u>
-	52,170
-	1,845,219
-	111,449
-	1,864,673
-	<u>50,700</u>
-	<u>3,924,211</u>
<u>154,390</u>	<u>(1,346,048)</u>
-	1,225,000
-	34,841
-	1,571,995
<u>(86,200)</u>	<u>(1,807,058)</u>
<u>(86,200)</u>	<u>1,024,778</u>
68,190	(321,270)
<u>173,225</u>	<u>2,656,270</u>
<u>\$ 241,415</u>	<u>\$ 2,335,000</u>

## CITY OF STOUGHTON

### COMBINING STATEMENT OF NET POSITION NONMAJOR ENTERPRISE FUNDS As of December 31, 2014

	Storm Sewer	EMS	Total Nonmajor Enterprise Funds
<b>ASSETS</b>			
Current Assets			
Cash and investments	\$ 518,741	\$ 121,600	\$ 640,341
Receivables			
Other receivables	34,234	110,213	144,447
Due from other funds	37,893	-	37,893
Total Current Assets	590,868	231,813	822,681
Noncurrent Assets			
Capital Assets			
Plant in service	535,008	2,149,715	2,684,723
Less: Accumulated depreciation	(36,112)	(670,591)	(706,703)
Total Noncurrent Assets	498,896	1,479,124	1,978,020
Total Assets	1,089,764	1,710,937	2,800,701
<b>LIABILITIES</b>			
Current Liabilities			
Accounts payable	999	10,773	11,772
Accrued liabilities	7,162	23,870	31,032
Due to other funds	-	213,825	213,825
Current portion of GO debt	87,165	100,000	187,165
Total Current Liabilities	95,326	348,468	443,794
Noncurrent Liabilities			
Long-Term Debt			
General obligation debt payable	748,436	625,000	1,373,436
Total Liabilities	843,762	973,468	1,817,230
<b>NET POSITION</b>			
Net investment in capital assets	55,049	815,855	870,904
Unrestricted (deficit)	190,953	(78,386)	112,567
<b>TOTAL NET POSITION</b>	\$ 246,002	\$ 737,469	\$ 983,471

## CITY OF STOUGHTON

### COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION NONMAJOR ENTERPRISE FUNDS For the Year Ended December 31, 2014

	<u>Storm Sewer</u>	<u>EMS</u>	<u>Total Nonmajor Enterprise Funds</u>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 503,189	\$ 492,049	\$ 995,238
Total Operating Revenues	<u>503,189</u>	<u>492,049</u>	<u>995,238</u>
<b>OPERATING EXPENSES</b>			
Operation and maintenance	304,504	493,594	798,098
Depreciation expense	17,834	100,012	117,846
Total Operating Expenses	<u>322,338</u>	<u>593,606</u>	<u>915,944</u>
Operating Income (Loss)	<u>180,851</u>	<u>(101,557)</u>	<u>79,294</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Investment income	62	76	138
Interest and fiscal charges	(19,149)	(26,972)	(46,121)
Interest subsidy	-	10,103	10,103
Intergovernmental grants	-	24,700	24,700
Miscellaneous revenue	-	7,074	7,074
Total Non-Operating Revenues (Expenses)	<u>(19,087)</u>	<u>14,981</u>	<u>(4,106)</u>
Net Income (Loss) Before Transfers	<u>161,764</u>	<u>(86,576)</u>	<u>75,188</u>
<b>TRANSFERS</b>			
Transfers in	-	4,150	4,150
Total Transfers	<u>-</u>	<u>4,150</u>	<u>4,150</u>
<b>Change in Net Position</b>	161,764	(82,426)	79,338
NET POSITION - Beginning of Year	<u>84,238</u>	<u>819,895</u>	<u>904,133</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 246,002</u>	<u>\$ 737,469</u>	<u>\$ 983,471</u>

## CITY OF STOUGHTON

### COMBINING STATEMENT OF CASH FLOWS NONMAJOR ENTERPRISE FUNDS For the Year Ended December 31, 2014

	<u>Storm Sewer</u>	<u>EMS</u>	<u>Totals</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Received from customers	\$ 503,815	\$ 545,711	\$ 1,049,526
Paid to suppliers for goods and services	(114,333)	(200,356)	(314,689)
Paid to employees for services	(191,979)	(294,043)	(486,022)
Net Cash Flows From Operating Activities	<u>197,503</u>	<u>51,312</u>	<u>248,815</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment income	<u>62</u>	<u>76</u>	<u>138</u>
Net Cash Flows From Investing Activities	<u>62</u>	<u>76</u>	<u>138</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers	<u>-</u>	<u>4,150</u>	<u>4,150</u>
Net Cash Flows From Noncapital Financing Activities	<u>-</u>	<u>4,150</u>	<u>4,150</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Debt issued	280,000	-	280,000
Debt retired	(60,946)	(95,000)	(155,946)
Interest paid	(14,496)	(28,864)	(43,360)
Acquisition and construction of capital assets	(32,440)	-	(32,440)
Advances from other funds	<u>-</u>	<u>113,761</u>	<u>113,761</u>
Net Cash Flows From Capital and Related Financing Activities	<u>172,118</u>	<u>(10,103)</u>	<u>162,015</u>
<b>Net Change in Cash and Cash Equivalents</b>	369,683	45,435	415,118
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>149,058</u>	<u>76,165</u>	<u>225,223</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 518,741</u>	<u>\$ 121,600</u>	<u>\$ 640,341</u>

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	<u>Storm Sewer</u>	<u>EMS</u>	<u>Totals</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ 180,851	\$ (101,557)	\$ 79,294
Nonoperating revenue	-	41,877	41,877
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities			
Depreciation	17,834	100,012	117,846
Changes in assets and liabilities			
Customer accounts receivable	(34,234)	-	(34,234)
Other accounts receivable	-	11,785	11,785
Due from other funds	34,860	-	34,860
Accounts payable	(1,808)	(2,773)	(4,581)
Other current liabilities	-	1,968	1,968
	<u>-</u>	<u>1,968</u>	<u>1,968</u>
 <b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	 <u>\$ 197,503</u>	 <u>\$ 51,312</u>	 <u>\$ 248,815</u>