

CITY OF STOUGHTON

Stoughton, Wisconsin

FINANCIAL STATEMENTS

Including Independent Auditors' Report

Year Ended December 31, 2009

CITY OF STOUGHTON

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INDEPENDENT AUDITORS' REPORT

To the City Council
City of Stoughton
Stoughton, Wisconsin

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Stoughton, Wisconsin, as of and for the year ended December 31, 2009, which collectively comprise the city's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Stoughton's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Stoughton, Wisconsin, as of December 31, 2009, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison information as shown in the table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

To the City Council
City of Stoughton

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 financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Baker Tilly Virchow Krause, LLP
Madison, Wisconsin
April 9, 2010



**CITY OF STOUGHTON
MANAGEMENT'S DISCUSSION AND
ANALYSIS
(Unaudited)
For the Year Ended December 31, 2009**

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, 2009. We encourage readers to consider the information presented here in conjunction with the city's financial statements.

FINANCIAL HIGHLIGHTS

When revenues exceed expenses, the result is an increase in net assets. When expenses exceed revenues, the result is a decrease in net assets. You can think of this relationship between revenues and expenses as the city's operating results and the net assets, as measured in the Statement of Net Assets, as one way to measure the city's financial health, or financial position. Over time, increases and decreases in the city's net assets, as measured by the Statement of Activities, are an 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 \$58,127,414 (net assets). Of this amount, \$8,694,249 is considered unrestricted net assets, \$5,992,028 is restricted for specific purposes (restricted net assets), and \$43,441,137 is invested in capital assets, net of related debt.
- The city's total net assets increased by \$1,334,690. Governmental activities net assets increased by \$85,150 while business-type net assets increased by \$1,249,540.
- On December 31, 2009, the city's governmental funds reported combined fund balances of \$6,711,944, an increase of \$224,853 from 2008. Undesignated fund balance was \$1,676,285 at year-end, an increase of \$196,296 over the prior year.
- The City of Stoughton's total debt decreased by \$942,758 (3%) during 2009.

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

OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

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 assets includes all of the government's assets and liabilities. 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 assets and how they have changed. Net Assets – the difference between the city's assets and liabilities – is one way to measure the city's financial health, or position. Over time, increases or decreases in the city's net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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.

The government-wide financial statements include the City of Stoughton (primary government) and the Stoughton Housing Authority (component unit). The Stoughton Housing Authority is a separate legal entity for which the city is financially accountable. Financial information for the component unit is reported separately from the primary government information. Separately issued financial statements of the Stoughton Housing Authority may be obtained from the Housing Authority's office.

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.

OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

The city maintains twenty-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 and the debt service fund, both 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 three different types of 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.

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.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

An analysis of the city's financial position begins with a review of the Statement of Net Assets and the Statement of Revenues, Expenses and Changes in Net Assets. These two statements report the city's net assets 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)
December 31, 2009

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

A summary of the city's Statement of Net Assets is presented below in Table 1.

**Table 1
Condensed Statements of Net Assets**

	Governmental Activities		Business Type Activities		Totals	
	2009	2008	2009	2008	2009	2008
Current and other Assets	\$15,741,711	\$15,179,620	\$13,337,759	\$14,438,881	\$29,079,470	\$29,618,501
Capital Assets	33,709,620	33,597,352	41,028,522	39,935,977	74,738,142	73,533,329
Total Assets	49,451,331	48,776,972	54,366,281	54,374,858	103,817,612	103,151,830
Long Term liabilities	20,720,741	20,382,848	15,013,614	16,166,657	35,734,355	36,549,505
Other liabilities	8,487,972	8,236,656	1,467,871	1,572,945	9,955,843	9,809,601
Total liabilities	29,208,713	28,619,504	16,481,485	17,739,602	45,690,198	46,359,106
Invested in capital assets net of related debt	17,105,770	17,191,617	26,335,367	24,090,786	43,441,137	41,282,403
Restricted	3,167,733	3,325,288	2,824,295	2,702,118	5,992,028	6,027,406
Unrestricted (deficit)	(30,885)	(359,437)	8,725,134	9,842,352	8,694,249	9,482,915
Total Net Assets	\$20,242,618	\$20,157,468	\$37,884,796	\$36,635,256	\$58,127,414	\$56,792,724

Current and other assets for governmental activities primarily represent cash, investments, and taxes receivable and they increased by \$562,091 for the following reasons: The city has reserved funds borrowed in 2009 to complete storm water projects in 2010, and taxes receivable are higher than in 2008.

Other liabilities represent accounts payable, accrued payroll liabilities, deferred revenues and debt payments due within one year. These liabilities increased slightly due to increase in debt service payments and several employee retirements in 2009.

The largest portion of the city's net assets (75%) 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 assets (10%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (15%) may be used to meet the government's ongoing obligation to citizens and creditors.

City of Stoughton
Management's Discussion and Analysis
(Unaudited)
December 31, 2009

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

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

	Governmental Activities		Business Type Activities		Totals	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
REVENUES						
Program Revenues						
Charges for services	\$ 2,276,622	\$ 2,012,109	\$ 16,066,660	\$ 16,138,069	\$ 18,343,282	\$ 18,150,178
Operating grants and contributions	1,568,570	1,865,539	-	-	1,568,570	1,865,539
General Revenues						
Property Taxes	7,023,058	6,735,752	-	-	7,023,058	6,735,752
Other Taxes	87,846	96,063	-	-	87,846	96,063
Intergovernmental	978,613	936,511	-	-	978,613	936,511
Other	637,449	903,421	528,611	416,784	1,166,060	1,320,205
Total Revenues	<u>12,572,158</u>	<u>12,549,395</u>	<u>16,595,271</u>	<u>16,554,853</u>	<u>29,167,429</u>	<u>29,104,248</u>
EXPENSES						
General government	1,556,268	1,672,099	-	-	1,556,268	1,672,099
Public Safety	4,326,042	3,988,593	-	-	4,326,042	3,988,593
Public Works	3,306,372	3,248,006	-	-	3,306,372	3,248,006
Culture, education and Recreation	2,812,250	2,988,490	-	-	2,812,250	2,988,490
Conservation & Develop	223,780	-	-	-	223,780	-
Water	-	-	1,148,865	1,407,775	1,148,865	1,407,775
Sewer	-	-	1,658,764	1,546,892	1,658,764	1,546,892
Electric	-	-	12,054,516	12,455,162	12,054,516	12,455,162
Interest and Fiscal charges	836,088	783,854	-	-	836,088	783,854
Total Expenses	<u>13,060,800</u>	<u>12,681,042</u>	<u>14,862,145</u>	<u>15,409,829</u>	<u>27,922,945</u>	<u>28,090,871</u>
Income(loss) before Capital Grants and Contributions and Transfers	(488,642)	(131,647)	1,733,126	1,145,024	1,244,484	1,013,377
Capital Grants & Contrib.	48,783	1,043,909	41,424	305,591	90,207	1,349,500
Transfers	525,009	493,330	(525,009)	(493,330)	-	-
Change in Net Assets	85,150	1,405,592	1,249,541	957,285	1,334,691	2,362,877
Beginning Net Assets	<u>20,157,468</u>	<u>18,751,876</u>	<u>36,635,256</u>	<u>35,677,971</u>	<u>56,792,724</u>	<u>54,429,847</u>
CHANGES IN NET ASSETS	<u>\$ 20,242,618</u>	<u>\$ 20,157,468</u>	<u>\$ 37,884,797</u>	<u>\$ 36,635,256</u>	<u>\$ 58,127,415</u>	<u>\$ 56,792,724</u>

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

As previously noted, the Statement of Net Assets shows the change in financial position of net assets. The specific nature or source of these changes then becomes more evident in the Statement of Revenues, Expenses and Changes in Net Assets as shown above in Table 2.

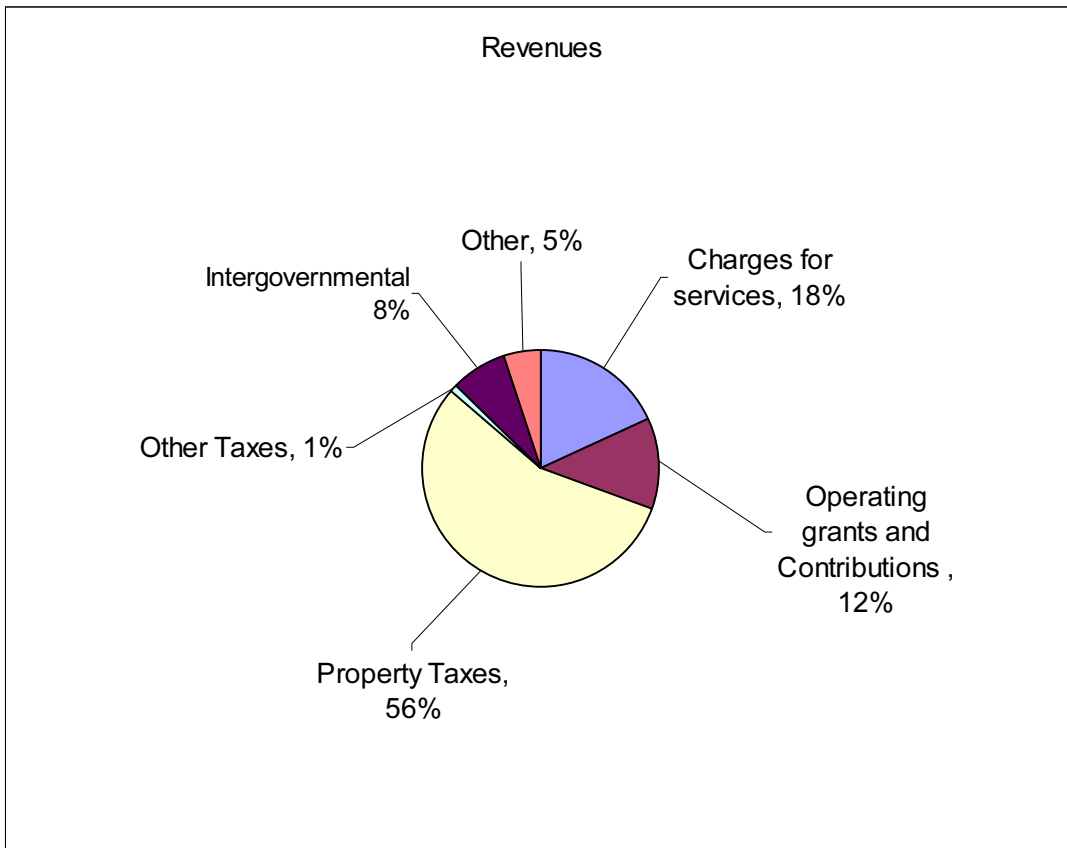
Governmental Activities – Revenues

Governmental activities increased the city's net assets by \$85,150. This increase is primarily a result 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 56% of total revenues.

Governmental Activities by Revenue Source



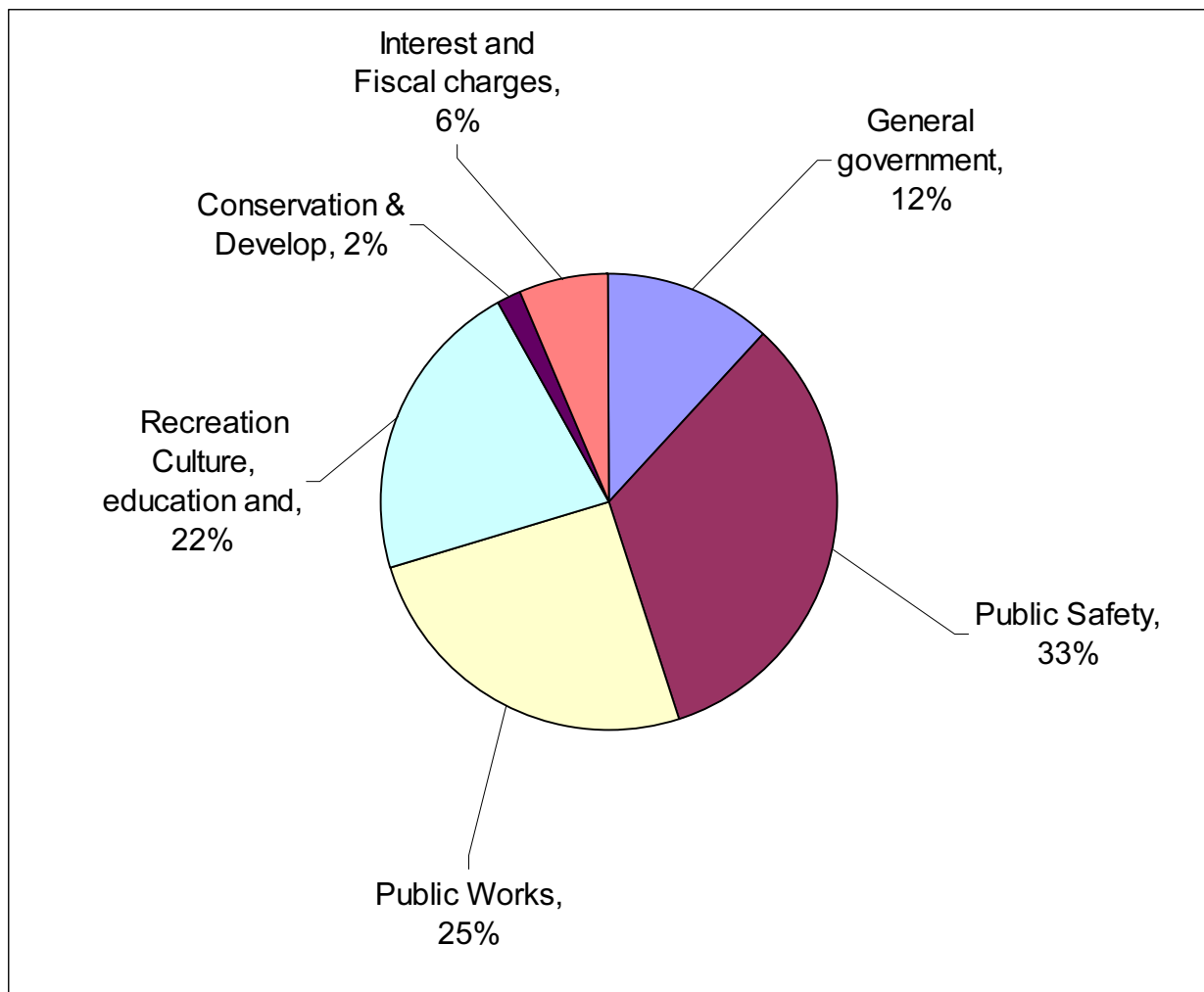
FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (cont.)

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, Fire and EMS 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 includes the senior center, parks, recreation, cemetery and cable television. Conservation and development are the expenses of the planning department and TIF funds.

The city's expenses for governmental activities came in under budget a total of \$212,731 in 2009. This was due primarily to a citywide initiative to cut costs when mid-year revenue results were down from the expected amounts. Cost cuts for 2009 included the postponing the hiring of a police officer, reducing seasonal work staff, and general cutting back of operational spending.

Governmental Activities Expenses Shown by Function



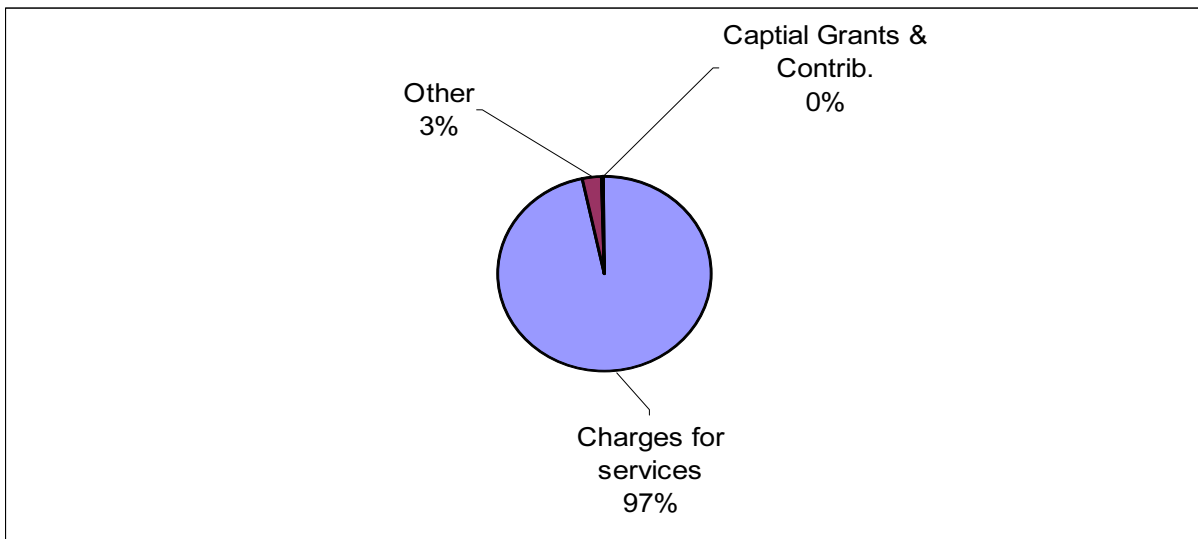
FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (cont.)

Business Type Activities

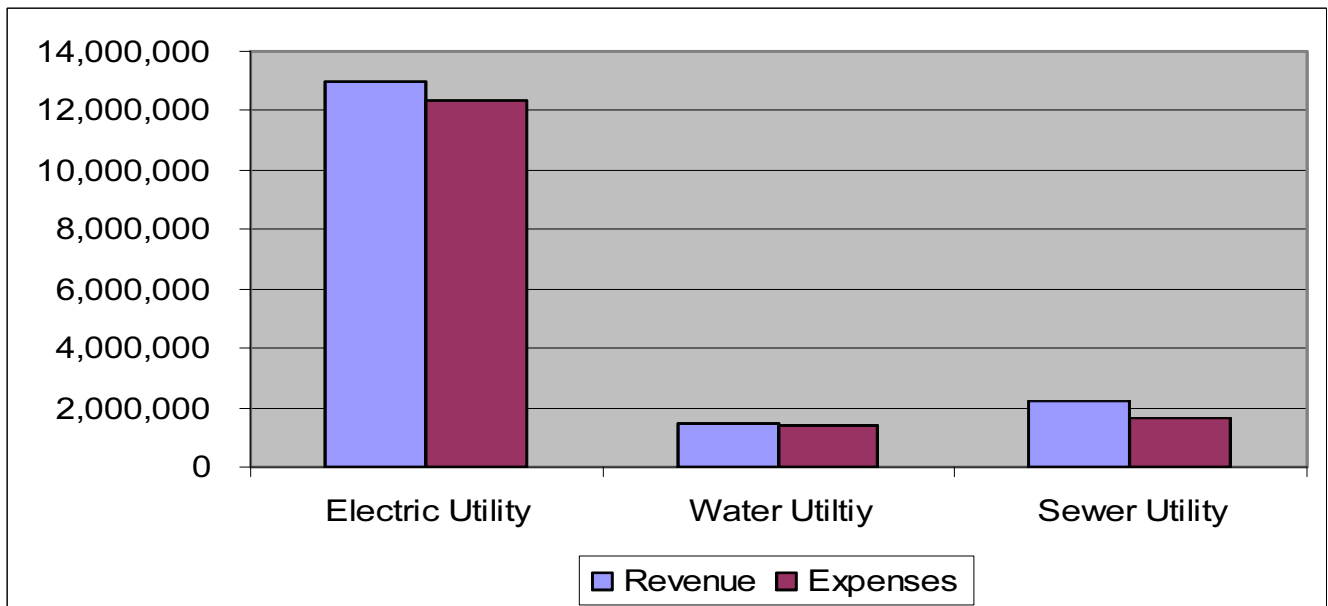
Business-type activities increased the City of Stoughton's net assets by \$1,249,540. The investment in capital assets net of related debt increased by approximately 9.32% or \$2,244,581. This is due primarily to the fact that each of the utilities had a net income during the year, and Capital assets were paid for with current assets rather than with borrowed funds.

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



Operating Expenses and Revenues - Business-type Activities



FINANCIAL ANALYSIS OF THE CITY'S FUNDS (cont.)

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, unreserved 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, 2009, the city's governmental funds reported combined fund balances of \$6,711,944. Approximately 29% of this amount, \$1,967,682, constitutes unreserved and undesignated fund balance, which is available to meet the city's current and future needs. An additional \$2,831,792 is unreserved, but has been designated for specific projects or expenditures. The remaining \$1,912,470 is reserved for noncurrent asset balances, the city's investment in the mutual insurance company, and debt service.

As previously noted, the Statement of Net Assets shows the change in financial position of net assets. The specific nature or source of these changes then becomes more evident in the Statement of Revenues, Expenses and Changes in Net Assets as shown above in Table 2.

General Fund

The city's general fund is the chief operating fund of the city. Total fund balance in the general fund decreased \$103,273 or 3%. Undesignated fund balance increased \$196,296. These changes are primarily due to transfers of reserved funds to Special Revenue funds and an overall savings in the 2009 operating budget. See the following General Fund Budgetary Highlights section for further details.

The city evaluates general fund balance by measuring the undesignated general fund balance as a percentage of the subsequent year's general fund budget. For 2009, undesignated fund balance is \$1,676,285 and the 2009 general fund expenditure budget is \$11,166,647, resulting in an undesignated fund balance of 15%.

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 \$230,772 which is a decrease of \$71,939 from the prior year, is reserved for future debt service

Capital Projects Fund

The city's 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, 2009 is \$242,025, all of which is earmarked for the completion of projects that were begun in 2009 but were not fully complete by year end.

Non-Major Governmental Funds

Fund balance of all other governmental funds is \$2,589,767, which is designated for future projects and expenditures.

City of Stoughton
Management's Discussion and Analysis
(Unaudited)
December 31, 2009

FINANCIAL ANALYSIS OF THE CITY'S FUNDS (cont.)

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.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original and final amended General Fund budget had total appropriations, including those for transfers out, of \$11,236,648. Actual expenditures and transfers out were \$11,309,745, resulting in a \$73,097 unfavorable variance. Transfers of reserved funds to Special Revenue Funds were not budgeted items. General Fund departments overall came in under budget by \$212,731. Total revenues and other sources were \$11,206,472, \$39,825 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 2009, the city had invested a total of \$116,498,706 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	
	2009	2008	2009	2008	2009	2008
Land and other assets						
not being depreciated	\$ 8,488,118	\$ 8,588,092	\$ -	\$ -	\$ 8,488,118	\$ 8,588,092
Buildings & Improvements	14,816,111	14,679,660	-	-	14,816,111	14,679,660
Machinery & Equipment	8,376,114	8,067,933	-	-	8,376,114	8,067,933
Infrastructure	24,417,623	23,296,305	-	-	24,417,623	23,296,305
Utility Plant	-	-	60,400,740	57,557,358	60,400,740	57,557,358
Total Capital Assets	56,097,966	54,631,990	60,400,740	57,557,358	116,498,706	112,189,348
Less: Accumulated						
Depreciation	(22,388,346)	(21,034,638)	(19,372,218)	(17,621,381)	(41,760,564)	(38,656,019)
NET CAPITAL ASSETS	\$ 33,709,620	\$ 33,597,352	\$41,028,522	\$ 39,935,977	\$ 74,738,142	\$ 73,533,329

City of Stoughton
Management's Discussion and Analysis
(Unaudited)
December 31, 2009

CAPITAL ASSETS (cont.)

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

Governmental Activities

- Infrastructure reconstruction projects totaled \$1,179,369
- Various equipment and vehicle purchases totaled \$402,546

Business-type Activities

- Utility capital assets increased \$1,092,545 mainly due to the administrative building remodel and routine additions and replacements.

LONG-TERM DEBT

At December 31, 2009, the city had \$33,279,112 of long-term bonds and notes outstanding. \$14,699,112 of this is revenue debt and the rest relates to general obligation issues. Total long-term bonds and loans outstanding at December 31, 2009 decreased by \$942,758. 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, 2009, was \$49,108,090. Total general obligation debt outstanding at year end was \$18,580,000. Therefore, the city was at 38% of the legal debt limit.

CURRENTLY KNOWN FACTS/ECONOMIC CONDITIONS

All currently known facts and economic conditions were considered in preparing the 2009 city budget. None of these conditions are anticipated to change the overall financial position of the city.

REQUESTS FOR INFORMATION

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.

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CITY OF STOUGHTON

STATEMENT OF NET ASSETS December 31, 2009

	Governmental Activities	Business-type Activities	Totals	Component Unit Housing Authority
ASSETS				
Cash and investments	\$ 6,133,059	\$ 8,297,486	\$ 14,430,545	\$ 149,220
Receivables	8,749,266	1,999,547	10,748,813	2,523
Internal balances	455,503	(455,503)	-	-
Inventories and prepaid items	-	213,680	213,680	5,335
Investment in mutual insurance company	257,805	-	257,805	-
Restricted cash and investments	-	2,945,306	2,945,306	330,654
Other assets	146,078	337,243	483,321	-
Capital assets (net of accumulated depreciation)				
Capital assets not being depreciated	8,488,118	891,927	9,380,045	117,191
Capital assets, net of depreciation	<u>25,221,502</u>	<u>40,136,595</u>	<u>65,358,097</u>	<u>1,147,496</u>
Total Assets	<u>49,451,331</u>	<u>54,366,281</u>	<u>103,817,612</u>	<u>1,752,419</u>
LIABILITIES				
Accounts payable and accrued expenses	620,278	1,461,912	2,082,190	48,221
Unearned revenue	7,867,694	-	7,867,694	-
Other noncurrent liabilities	-	5,959	5,959	-
Noncurrent liabilities				
Due within one year	2,210,171	1,238,657	3,448,828	34,338
Due in more than one year	<u>18,510,570</u>	<u>13,774,957</u>	<u>32,285,527</u>	<u>1,771,928</u>
Total Liabilities	<u>29,208,713</u>	<u>16,481,485</u>	<u>45,690,198</u>	<u>1,854,487</u>
NET ASSETS				
Invested in capital assets, net of related debt (deficit)	17,105,770	26,335,367	43,441,137	(541,579)
Restricted for				
Debt service and equipment replacement	2,284,240	2,824,295	5,108,535	330,654
Special activities	883,493	-	883,493	-
Unrestricted	<u>(30,885)</u>	<u>8,725,134</u>	<u>8,694,249</u>	<u>108,857</u>
TOTAL NET ASSETS (DEFICIT)	<u>\$ 20,242,618</u>	<u>\$ 37,884,796</u>	<u>\$ 58,127,414</u>	<u>\$ (102,068)</u>

See accompanying notes to financial statements.

CITY OF STOUGHTON

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2009

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	\$ 1,556,268	\$ 106,543	\$ 174,656	\$ -
Public safety	4,326,042	821,284	124,249	48,783
Public works	3,306,372	799,273	692,715	-
Culture, recreation and education	2,812,250	501,420	575,950	-
Conservation and development	223,780	48,102	1,000	-
Interest and fiscal charges	836,088	-	-	-
Total Governmental Activities	<u>13,060,800</u>	<u>2,276,622</u>	<u>1,568,570</u>	<u>48,783</u>
Business-type Activities				
Water	1,148,865	1,320,413	-	3,421
Wastewater	1,658,764	2,198,566	-	-
Electric	12,054,516	12,547,681	-	38,002
Total Business-type Activities	<u>14,862,145</u>	<u>16,066,660</u>	<u>-</u>	<u>41,423</u>
Total Primary Government	<u>\$ 27,922,945</u>	<u>\$ 18,343,282</u>	<u>\$ 1,568,570</u>	<u>\$ 90,206</u>
Component Unit				
Housing Authority	<u>\$ 594,794</u>	<u>\$ 299,737</u>	<u>\$ 302,129</u>	<u>\$ -</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 assets

NET ASSETS (Deficit) - Beginning of Year

NET ASSETS (DEFICIT) - END OF YEAR

Net (Expenses) Revenues and Changes in Net Assets			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Totals	Housing Authority
\$ (1,275,069)	\$ -	\$ (1,275,069)	\$ -
(3,331,726)	-	(3,331,726)	-
(1,814,384)	-	(1,814,384)	-
(1,734,880)	-	(1,734,880)	-
(174,678)	-	(174,678)	-
(836,088)	-	(836,088)	-
<u>(9,166,825)</u>	<u>-</u>	<u>(9,166,825)</u>	<u>-</u>
-	174,969	174,969	-
-	539,802	539,802	-
-	531,167	531,167	-
<u>-</u>	<u>1,245,938</u>	<u>1,245,938</u>	<u>-</u>
<u>(9,166,825)</u>	<u>1,245,938</u>	<u>(7,920,887)</u>	<u>-</u>
-	-	-	7,072
6,598,817	-	6,598,817	-
424,241	-	424,241	-
87,846	-	87,846	-
978,613	-	978,613	-
86,279	528,611	614,890	1,670
551,170	-	551,170	-
<u>8,726,966</u>	<u>528,611</u>	<u>9,255,577</u>	<u>1,670</u>
<u>525,009</u>	<u>(525,009)</u>	<u>-</u>	<u>-</u>
85,150	1,249,540	1,334,690	8,742
<u>20,157,468</u>	<u>36,635,256</u>	<u>56,792,724</u>	<u>(110,810)</u>
<u>\$ 20,242,618</u>	<u>\$ 37,884,796</u>	<u>\$ 58,127,414</u>	<u>\$ (102,068)</u>

See accompanying notes to financial statements.

CITY OF STOUGHTON

BALANCE SHEET GOVERNMENTAL FUNDS December 31, 2009

	General	Debt Service	Construction
ASSETS			
Cash and investments	\$ 3,859,592	\$ -	\$ 289,943
Receivables			
Taxes	7,555,751	-	-
Delinquent personal property tax	3,707	-	-
Accounts	250,005	6,998	-
Special assessments	-	-	-
Delinquent special assessments	14,571	-	-
Leases	-	414,710	-
Due from other funds	960,749	264,515	24,958
Other investments	257,805	-	-
TOTAL ASSETS	\$ 12,902,180	\$ 686,223	\$ 314,901
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 216,718	\$ 85	\$ 72,876
Accrued liabilities	117,454	-	-
Due to other funds	1,413,699	40,656	-
Deferred revenues	7,504,929	414,710	-
Total Liabilities	9,252,800	455,451	72,876
Fund Balances			
Reserved			
Debt service	532,000	230,772	-
Investment in CVMIC	257,805	-	-
Noncurrent assets	18,278	-	-
Noncurrent interfunds	386,304	-	-
Utility PILOT	487,311	-	-
Unreserved, reported in:			
General fund designated	291,397	-	-
General fund undesignated	1,676,285	-	-
Special revenue funds	-	-	-
Capital projects funds	-	-	242,025
Total Fund Balances	3,649,380	230,772	242,025
TOTAL LIABILITIES AND FUND BALANCES	\$ 12,902,180	\$ 686,223	\$ 314,901

See accompanying notes to financial statements.

Nonmajor Governmental Funds	Totals
\$ 1,983,524	\$ 6,133,059
362,765	7,918,516
-	3,707
24,732	281,735
116,027	116,027
-	14,571
-	414,710
1,535,805	2,786,027
<u>-</u>	<u>257,805</u>
<u>\$ 4,022,853</u>	<u>\$ 17,926,157</u>

\$ 63,033	\$ 352,712
14,972	132,426
876,169	2,330,524
<u>478,912</u>	<u>8,398,551</u>
<u>1,433,086</u>	<u>11,214,213</u>

-	762,772
-	257,805
-	18,278
-	386,304
-	487,311
-	291,397
-	1,676,285
1,061,437	1,061,437
<u>1,528,330</u>	<u>1,770,355</u>
<u>2,589,767</u>	<u>6,711,944</u>
<u>\$ 4,022,853</u>	<u>\$ 17,926,157</u>

See accompanying notes to financial statements.

CITY OF STOUGHTON

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS December 31, 2009

Total Fund Balances - Governmental Funds	\$ 6,711,944
Amounts reported for governmental activities in the statement of net assets 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.	33,709,620
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	
Special assessments receivable	116,147
MCCI lease receivable	414,710
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>(20,709,803)</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 20,242,618</u>

CITY OF STOUGHTON

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

For the Year Ended December 31, 2009

	General	Debt Service	Construction
REVENUES			
Taxes	\$ 6,640,573	\$ -	\$ -
Intergovernmental	1,814,270	-	36,159
Licenses and permits	91,081	-	-
Fines, forfeitures and penalties	113,943	-	-
Public charges for services	1,621,702	-	-
Intergovernmental charges for services	-	48,783	-
Special assessments	6,219	-	-
Investment income	74,625	519	44
Miscellaneous	310,119	187,747	-
Total Revenues	10,672,532	237,049	36,203
EXPENDITURES			
Current			
General government	1,444,752	-	-
Public safety	3,455,957	-	-
Public works	1,818,931	-	-
Culture, recreation and education	1,226,810	-	-
Conservation and development	-	-	-
Capital Outlay	-	-	1,963,081
Debt Service			
Principal	-	3,976,690	-
Interest and fiscal charges	-	835,966	-
Total Expenditures	7,946,450	4,812,656	1,963,081
Excess (deficiency) of revenues over expenditures	2,726,082	(4,575,607)	(1,926,878)
OTHER FINANCING SOURCES (USES)			
Debt issued	-	3,441,000	1,619,000
Payment to refunding escrow	-	(912,933)	-
Transfers in	533,940	1,975,601	422,233
Transfers out	(3,363,295)	-	-
Contribution from other districts	-	-	-
Contribution to other districts	-	-	-
Total Other Financing Sources (Uses)	(2,829,355)	4,503,668	2,041,233
Net Change in Fund Balances	(103,273)	(71,939)	114,355
FUND BALANCES - Beginning of Year	3,752,653	302,711	127,670
FUND BALANCES - END OF YEAR	\$ 3,649,380	\$ 230,772	\$ 242,025

See accompanying notes to financial statements.

Nonmajor Governmental Funds	Totals
\$ 470,331	\$ 7,110,904
283,048	2,133,477
-	91,081
-	113,943
348,385	1,970,087
-	48,783
160,187	166,406
11,091	86,279
<u>421,306</u>	<u>919,172</u>
<u>1,694,348</u>	<u>12,640,132</u>
74,489	1,519,241
145,124	3,601,081
-	1,818,931
1,367,093	2,593,903
108,065	108,065
670,397	2,633,478
-	3,976,690
-	835,966
<u>2,365,168</u>	<u>17,087,355</u>
<u>(670,820)</u>	<u>(4,447,223)</u>
-	5,060,000
-	(912,933)
1,515,222	4,446,996
(558,692)	(3,921,987)
146,647	146,647
<u>(146,647)</u>	<u>(146,647)</u>
<u>956,530</u>	<u>4,672,076</u>
285,710	224,853
<u>2,304,057</u>	<u>6,487,091</u>
<u>\$ 2,589,767</u>	<u>\$ 6,711,944</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, 2009

Net change in fund balances - total governmental funds \$ 224,853

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

Governmental funds report capital outlays as expenditures. However, in the statement of net assets 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	2,633,478
Some items reported as capital outlay were not capitalized	(1,015,086)
Depreciation is reported in the government-wide financial statements	(1,481,150)
Net book value of assets retired	(24,974)

Governmental funds report loan repayments and special assessment payments as revenues. These activities are reported as additions and reductions of the receivables in the government-wide statements.

Loan activity	(40,000)
New special assessments	151,403
Special assessment payments	(128,015)

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

Debt issued	(5,060,000)
Principal repaid	3,976,689

Advance refunding of bond issuances are reported as an other financing use in the governmental funds. However, advance refunding are considered a change in long-term liabilities in the Statement of Net Assets. 870,000

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

Debt issuance costs	60,419
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Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Compensated absences	(95,924)
Compensated absences - retirees	(14,929)
Self insurance health liability	(2,172)
Unfunded prior service cost	(11,557)
Accrued interest on debt	42,115
	42,115

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES **\$ 85,150**

See accompanying notes to financial statements.

CITY OF STOUGHTON

STATEMENT OF NET ASSETS PROPRIETARY FUNDS December 31, 2009

ASSETS	Business-type Activities - Enterprise Funds			
	Water	Wastewater	Electric	Totals
Current Assets				
Cash and investments	\$ 576,512	\$ 1,697,636	\$ 5,314,779	\$ 7,588,927
Receivables				
Other receivables	175,151	268,418	1,555,978	1,999,547
Due from other funds	-	-	33,959	33,959
Inventories	33,175	-	131,388	164,563
Prepaid items	9,623	12,029	27,465	49,117
Restricted Assets				
Redemption account	97,287	432,003	481,077	1,010,367
Total Current Assets	891,748	2,410,086	7,544,646	10,846,480
Noncurrent Assets				
Restricted Assets				
Reserve account	235,660	-	838,094	1,073,754
Depreciation account	25,000	33,283	25,000	83,283
Replacement account	-	777,779	-	777,779
Construction account	-	123	-	123
Capital Assets				
Construction in progress	240,812	2,408	50,405	293,625
Plant in service	14,908,422	21,646,283	23,199,746	59,754,451
Property held for future use	-	-	352,664	352,664
Less: Accumulated depreciation	(4,169,917)	(6,605,232)	(8,597,069)	(19,372,218)
Other Assets				
Plant and maintenance reserve account	366,870	-	103,498	470,368
Sick leave reserve account	79,861	61,330	97,000	238,191
Unamortized debt issuance expenses	-	-	5,834	5,834
Investment in ATC	-	-	230,898	230,898
Non-utility property (net of amortization)	60,598	-	39,913	100,511
Total Noncurrent Assets	11,747,306	15,915,974	16,345,983	44,009,263
Total Assets	12,639,054	18,326,060	23,890,629	54,855,743

See accompanying notes to financial statements.

	Business-type Activities - Enterprise Funds			
	Water	Wastewater	Electric	Totals
LIABILITIES				
Current Liabilities				
Accounts payable	\$ 9,564	\$ 40	\$ 1,071,807	\$ 1,081,411
Accrued liabilities	11,466	14,621	98,045	124,132
Public benefits	-	-	106,450	106,450
Deposits	-	-	29,031	29,031
Due to other funds	230,665	-	258,797	489,462
Liabilities Payable from Restricted Assets				
Current portion of revenue bonds	115,000	593,657	530,000	1,238,657
Accrued interest	15,794	25,766	79,328	120,888
Total Current Liabilities	382,489	634,084	2,173,458	3,190,031
Noncurrent Liabilities				
Long-Term Debt				
Customer advances for construction	-	-	5,959	5,959
Revenue bonds payable	2,035,000	4,795,455	6,630,000	13,460,455
Compensated absences	73,672	82,291	158,539	314,502
Total Noncurrent Liabilities	2,108,672	4,877,746	6,794,498	13,780,916
Total Liabilities	2,491,161	5,511,830	8,967,956	16,970,947
NET ASSETS				
Invested in capital assets net of related debt	8,829,317	9,654,470	7,851,580	26,335,367
Restricted for				
Restricted for debt service and equipment replacement	342,153	1,217,299	1,264,843	2,824,295
Unrestricted net assets	976,423	1,942,461	5,806,250	8,725,134
TOTAL NET ASSETS	\$ 10,147,893	\$ 12,814,230	\$ 14,922,673	\$ 37,884,796

See accompanying notes to financial statements.

CITY OF STOUGHTON

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS PROPRIETARY FUNDS For the Year Ended December 31, 2009

	Business-type Activities - Enterprise Funds			
	Water	Wastewater	Electric	Totals
OPERATING REVENUES	<u>\$ 1,320,413</u>	<u>\$ 2,198,566</u>	<u>\$ 12,547,681</u>	<u>\$ 16,066,660</u>
OPERATING EXPENSES				
Operation and maintenance	727,627	861,703	10,927,087	12,516,417
Depreciation	<u>321,225</u>	<u>636,277</u>	<u>792,269</u>	<u>1,749,771</u>
Total Operating Expenses	<u>1,048,852</u>	<u>1,497,980</u>	<u>11,719,356</u>	<u>14,266,188</u>
Operating Income	<u>271,561</u>	<u>700,586</u>	<u>828,325</u>	<u>1,800,472</u>
NONOPERATING REVENUES (EXPENSES)				
Investment income	134,766	23,852	369,993	528,611
Interest and fiscal charges	(95,733)	(160,784)	(325,283)	(581,800)
Amortization of issuance costs and discount	-	-	(4,033)	(4,033)
Miscellaneous expenses	<u>(4,280)</u>	<u>-</u>	<u>(5,844)</u>	<u>(10,124)</u>
Total Nonoperating Revenues (Expenses)	<u>34,753</u>	<u>(136,932)</u>	<u>34,833</u>	<u>(67,346)</u>
Income Before Contributions and Transfers	<u>306,314</u>	<u>563,654</u>	<u>863,158</u>	<u>1,733,126</u>
CONTRIBUTIONS AND TRANSFERS				
Contributions in aid of construction	3,421	-	38,002	41,423
Transfers out	<u>(233,770)</u>	<u>-</u>	<u>(291,239)</u>	<u>(525,009)</u>
Total Contributions and Transfers	<u>(230,349)</u>	<u>-</u>	<u>(253,237)</u>	<u>(483,586)</u>
Change in Net Assets	75,965	563,654	609,921	1,249,540
NET ASSETS - Beginning of Year	<u>10,071,928</u>	<u>12,250,576</u>	<u>14,312,752</u>	<u>36,635,256</u>
NET ASSETS - END OF YEAR	<u><u>\$ 10,147,893</u></u>	<u><u>\$ 12,814,230</u></u>	<u><u>\$ 14,922,673</u></u>	<u><u>\$ 37,884,796</u></u>

See accompanying notes to financial statements.

CITY OF STOUGHTON

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended December 31, 2009

	Business-type Activities - Enterprise Funds			
	Water	Wastewater	Electric	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Received from customers	\$ 1,304,703	\$ 2,226,097	\$ 12,394,609	\$ 15,925,409
Received from municipality for services	-	-	129,151	129,151
Paid to suppliers for goods and services	(441,889)	(487,121)	(10,153,139)	(11,082,149)
Paid to employees for services	(284,516)	(397,445)	(807,264)	(1,489,225)
Customer deposit	-	-	4,042	4,042
Net Cash Flows From Operating Activities	<u>578,298</u>	<u>1,341,531</u>	<u>1,567,399</u>	<u>3,487,228</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investments sold and matured	1,854,367	756,829	3,139,050	5,750,246
Investment income	83,868	43,985	265,902	393,755
Investments purchased	(1,369,931)	(1,147,412)	(2,733,928)	(5,251,271)
Investment in ATC	-	-	(21,532)	(21,532)
Net Cash Flows From Investing Activities	<u>568,304</u>	<u>(346,598)</u>	<u>649,492</u>	<u>871,198</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Paid to municipality for tax equivalent	(211,710)	-	(237,414)	(449,124)
Transfers to other funds	(5,256)	-	(32,442)	(37,698)
Cash implicitly financed by electric utility	2,151	-	-	2,151
Cash implicitly financed for the water utility	-	-	(2,151)	(2,151)
Net Cash Flows From Noncapital Financing Activities	<u>(214,815)</u>	<u>-</u>	<u>(272,007)</u>	<u>(486,822)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Debt retired	(80,000)	(576,069)	(500,000)	(1,156,069)
Interest paid	(96,448)	(163,358)	(325,624)	(585,430)
Acquisition and construction of capital assets	(835,671)	(808,292)	(1,281,384)	(2,925,347)
Capital contributions received	3,421	-	28,998	32,419
Received from the sale of capital assets	-	-	12,820	12,820
Net Cash Flows From Capital and Related Financing Activities	<u>(1,008,698)</u>	<u>(1,547,719)</u>	<u>(2,065,190)</u>	<u>(4,621,607)</u>
Net Change in Cash and Cash Equivalents	(76,911)	(552,786)	(120,306)	(750,003)
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>76,911</u>	<u>2,419,429</u>	<u>2,297,997</u>	<u>4,794,337</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ -</u>	<u>\$ 1,866,643</u>	<u>\$ 2,177,691</u>	<u>\$ 4,044,334</u>

See accompanying notes to financial statements.

	Business-type Activities - Enterprise Funds			
	Water	Wastewater	Electric	Totals
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income	\$ 271,561	\$ 700,586	\$ 828,325	\$ 1,800,472
Nonoperating revenue (expense)	-	-	(5,844)	(5,844)
Adjustments to Reconcile Operating Income to Net Cash Flows From Operating Activities				
Depreciation	321,225	636,277	792,269	1,749,771
Depreciation charged to other funds	30,831	-	63,600	94,431
Changes in assets and liabilities				
Customer accounts receivable	(14,014)	24,753	(21,214)	(10,475)
Other accounts receivable	(4,389)	(1,595)	17,338	11,354
Due from other funds	2,693	4,373	(17,830)	(10,764)
Inventories	2,768	-	8,379	11,147
Prepaid items	(9,061)	(11,311)	(25,177)	(45,549)
Accounts payable	(26,789)	(10,975)	(8,551)	(46,315)
Accrued wages	936	2,704	-	3,640
Compensated absences	2,537	-	(2,215)	322
Customer deposits	-	-	4,042	4,042
Other current liabilities	-	(3,281)	(71,038)	(74,319)
Public benefits	-	-	5,315	5,315
NET CASH FLOWS FROM OPERATING ACTIVITIES	\$ 578,298	\$ 1,341,531	\$ 1,567,399	\$ 3,487,228
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET ASSETS - PROPRIETARY FUNDS				
Cash and investments - statement of net assets	\$ 576,512	\$ 1,697,636	\$ 5,314,779	\$ 7,588,927
Redemption account	97,287	432,003	481,077	1,010,367
Reserve account	235,660	-	838,094	1,073,754
Depreciation account	25,000	33,283	25,000	83,283
Replacement account	-	777,779	-	777,779
Construction account	-	123	-	123
Plant and maintenance reserve account	366,870	-	103,498	470,368
Sick leave reserve account	79,861	61,330	97,000	238,191
Total Cash and Investments	1,381,190	3,002,154	6,859,448	11,242,792
Less: Noncash equivalents	(1,381,190)	(1,135,511)	(4,681,757)	(7,198,458)
CASH AND CASH EQUIVALENTS	\$ -	\$ 1,866,643	\$ 2,177,691	\$ 4,044,334
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Unrealized gain (loss) on investments	\$ 78,580	\$ (17,206)	\$ -	

See accompanying notes to financial statements.

CITY OF STOUGHTON

STATEMENT OF FIDUCIARY NET ASSETS FIDUCIARY FUNDS December 31, 2009

	<u>Pension Trust</u>	<u>Agency Fund</u>
ASSETS		
Cash and Investments		
Deposits	\$ 523,438	\$ 7,993,363
Mutual fund	34,690	-
Taxes receivable	-	4,270,758
Total Assets	<u>558,128</u>	<u>12,264,121</u>
LIABILITIES		
Due to other taxing units	-	12,264,121
Total Liabilities	<u>-</u>	<u>12,264,121</u>
NET ASSETS		
Held in trust for pension benefits	<u>\$ 558,128</u>	<u>\$ -</u>

See accompanying notes to financial statements.

CITY OF STOUGHTON

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS FIDUCIARY FUNDS For the Year Ended December 31, 2009

	<u>Pension Trust</u>
ADDITIONS	
Contributions	-
Fiduciary / pension trust	\$ 9,700
Total Contributions	<u>9,700</u>
Investment income	<u>23,293</u>
Total Additions	<u>32,993</u>
DEDUCTIONS	
Benefits and refunds	<u>26,001</u>
Total Deductions	<u>26,001</u>
Change in Net Assets	6,992
NET ASSETS - Beginning of Year	<u>551,136</u>
NET ASSETS - END OF YEAR	<u><u>\$ 558,128</u></u>

See accompanying notes to financial statements.

CITY OF STOUGHTON

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CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 of Stoughton. The reporting entity for the city consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) 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 or incomplete. A legally separate organization should be reported as a component unit if the elected officials of the primary government are financially accountable for the organization. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government.

A legally separate, tax exempt organization should be reported as a component unit of a reporting entity 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 is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. Blended component units, although legally separate entities, are, in substance, part of the government's operations and are reported with similar funds of the primary government. The discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the primary government.

Blended Component Units

Stoughton Redevelopment Authority

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 legal liability for the general obligation portion of the RDA's debt remains with the government. The RDA is reported as a special revenue fund. The RDA does not issue separate financial statements.

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS December 31, 2009

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

A. REPORTING ENTITY (cont.)

Discretely Presented Component Unit

City of Stoughton Housing Authority

The government-wide financial statements include the City of Stoughton Housing Authority ("Housing Authority") as a component unit. The Housing Authority is a legally separate organization. The board of the Housing Authority is appointed by the mayor. Wisconsin Statutes provide for circumstances whereby the city can impose its will on the Housing Authority, and also create a potential financial benefit to or burden on the city. See Note IV.I. As a component unit, the Housing Authority's financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended December 31, 2009. Separately issued financial statements of the City of Stoughton Housing Authority may be obtained from the Housing Authority's office.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-Wide Financial Statements

The statement of net assets 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 reporting entity 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, liabilities, net assets/fund equity, revenues, and expenditure/expenses.

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS December 31, 2009

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

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

Fund Financial Statements (cont.)

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

Separate financial statements are provided for governmental funds and 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 all financial resources except those required to be accounted for in another fund.

Debt Service Fund - accounts for resources accumulated and payments made for principal and interest on long-term debt other than TID or enterprise fund debt.

Construction capital project fund - accounts for resources to be used for the acquisition or construction of equipment and/or capital facilities.

The city reports the following major enterprise funds:

Wastewater Utility - accounts for operations of the wastewater system

Water Utility - accounts for operations of the water system

Electric Utility - accounts for operations of the electric system

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS
December 31, 2009

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

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

Fund Financial Statements (cont.)

The city reports the following non-major governmental funds:

Special Revenue Funds - used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

Library	Food Pantry
Sick Leave	Landmarks
Ambulance	Preserve America Grant
Safety Building	Fire Department Special
Opera House	Senior Center Wood Shop
Opera House Repair	Senior Center Special
Township Outreach	Economic Development
Tourism	Redevelopment Authority
Seniors in Need	Special Assessments
Holiday	

Capital Projects Funds - used to account for financial resources to be used for the acquisition or construction of equipment and/or major capital facilities.

Fire Equipment	TIF District No. 2
Park Acquisition	TIF District No. 3
Storm Sewer	TIF District No. 4
Ambulance	Outlay
River Trail	

In addition, the city reports the following fund types:

Pension (and other employee benefit) trust funds are used to 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 funds are used to account for 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 December 31, 2009

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 assets 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 unearned revenue. 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.

The business-type activities follow all pronouncements of the Governmental Accounting Standards Board, and have elected not to follow Financial Accounting Standards Board pronouncements issued after November 30, 1989.

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 utility 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 revenues. 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 deferred revenues. Amounts received prior to the entitlement period are also recorded as deferred revenues.

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 deferred revenues. Delinquent special assessments being held by the county are reported as receivables and deferred revenue.

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS December 31, 2009

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

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.

The city reports deferred revenues on its governmental funds balance sheet. Deferred revenues arise from taxes levied in the current year which are for subsequent year's operations. For governmental fund financial statements, deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received before the city has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the city has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

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 enterprise funds follow all pronouncements of the Governmental Accounting Standards Board, and have elected not to follow Financial Accounting Standards Board pronouncements issued after November 30, 1989. 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, and electric utility funds 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.

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS December 31, 2009

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

D. ASSETS, LIABILITIES, AND NET ASSETS 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, or by the University of Wisconsin Hospitals and Clinics Authority.
- c. Bonds or securities issued or guaranteed by the federal government.
- d. The local government investment pool.
- e. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- f. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- g. Repurchase agreements with public depositories, with certain conditions.

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

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS December 31, 2009

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

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

1. Deposits and Investments (cont.)

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, 2009, 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 agency fund statement of fiduciary net assets.

Property tax calendar - 2009 tax roll:

Lien date and levy date	December 2009
Tax bills mailed	December 2009
Payment in full, or	January 31, 2010
First installment due	January 31, 2010
Second installment due	July 31, 2010
Personal property taxes in full	January 31, 2010
Tax sale - 2009 delinquent real estate taxes	October 2012

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 assets. Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as internal balances.

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS December 31, 2009

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

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

2. Receivables (cont.)

In the governmental fund financial statements, advances to other funds are offset equally by a fund balance reserve account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation.

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.

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 assets.

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.

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS December 31, 2009

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

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

5. Capital Assets (cont.)

Government-Wide Statements (cont.)

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 assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. 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.

6. Other Assets

In governmental funds, debt issuance costs are recognized as expenditures in the current period. For the government-wide and the proprietary fund type financial statements, debt issuance costs are deferred and amortized over the term of the debt issue.

These accounts include bond issuance costs which are being amortized using the effective interest method, preliminary survey and investigation costs, and costs related to the utility's conservation program.

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.

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.

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS December 31, 2009

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

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

6. *Other Assets* (cont.)

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, 2009. Water utility non-utility property consists of a park shelter with a balance of \$107,000 at December 31, 2009. 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, 2009 are determined on the basis of current salary rates and include salary related payments.

The city provides post-employment health insurance benefits for all eligible employees who chose to convert accumulated sick leave benefits to post-employment health insurance. The benefits are based on contractual agreements with employee groups, local ordinances, or employee benefit policies. Employees may convert 100% of accumulated sick leave to pay for health care premiums. The cost of those premiums is recognized as an expenditure as the premiums are paid. The entire cost is paid by the city. Funding for those costs is provided out of a separate fund set up for that purpose. The contributions are financed out of the existing resources of the sick leave fund. The general fund contributes to the sick leave fund on an as-needed basis. Total expenditures for premiums during the year were \$71,878. Six participants are currently eligible to receive benefits. The total amount outstanding at year end to be paid in the future is \$95,597. 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.

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS December 31, 2009

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

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

8. Long-Term Obligations/Conduit Debt (cont.)

For the government-wide statements and proprietary fund statements, bond premiums and discounts are deferred and amortized over the life of the issue using the straight-line method. Gains or losses on prior refundings are amortized over the remaining life of the old debt, or the life of the new debt, whichever is shorter. The balance at year end for both premiums/discounts and gains/losses, as applicable, is shown as an increase or decrease in the liability section of the statement of net assets.

The city may approve 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. Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental funds. The liability for claims and judgments is only reported in governmental funds if it has matured. The related expenditure is recognized when the liability is liquidated. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred. There were no significant claims or judgments at year end.

10. Equity Classifications

Government-Wide Statements

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

- a. Invested in capital assets, net of related debt - 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 assets - Consists of net assets 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 assets - All other net assets that do not meet the definitions of "restricted" or "invested in capital assets, net of related debt."

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS December 31, 2009

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

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

10. *Equity Classifications (cont.)*

Government-Wide Statements (cont.)

The net asset section includes an adjustment for capital assets owned by the business-type activities column, but financed by the debt of the governmental activities column. The amount is a reduction of "invested in capital assets, net of related debt", and an increase in "unrestricted" net assets, shown only in the total column.

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 equity is classified as fund balance. Fund balance is further classified as reserved and unreserved. Reserved fund balance is that portion of fund balance that is not available for the subsequent year's budget due to legal restrictions or resources which are not available for current spending. Unreserved fund balance includes funds set aside by management for specific uses, which are labeled "designated". The balance of unreserved fund balance is labeled "undesignated", which indicates it is available for appropriation. Proprietary fund equity is classified the same as in the government-wide statements.

Fiduciary fund equity is classified as held in trust for pension benefits on the statement of fiduciary net assets. Various donor restrictions apply, including authorizing and spending trust income, and the city believes it is in compliance with all significant restrictions. Net appreciation of \$6,992 was available for the year ended December 31, 2009.

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

A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE STATEMENT OF NET ASSETS

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

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE II - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE STATEMENT OF NET ASSETS (cont.)

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

Capital assets not being depreciated	\$	8,488,118
Capital assets, net of depreciation		<u>25,221,502</u>
Combined Adjustment for Capital Assets	\$	<u>33,709,620</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 assets.

Bonds and notes payable	\$	18,580,000
Compensated absences		1,142,265
Compensated absences - retirees		95,597
Self-insurance auto and general liability		10,611
Self-insurance health liability		72,837
Unfunded prior service cost		819,431
Accrued interest		135,140
Unamortized debt issuance costs		<u>(146,078)</u>
Combined Adjustment for Long-Term Liabilities	\$	<u>20,709,803</u>

NOTE III - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. 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.

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

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.

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS December 31, 2009

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

A. BUDGETARY INFORMATION (cont.)

Appropriations lapse at year end unless specifically carried over. Carryovers to the following year were \$141,397. Budgets are adopted at the object level of expenditure.

B. EXCESS EXPENDITURES OVER APPROPRIATIONS

<u>Funds</u>	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Excess Expenditures Over Budget</u>
General	\$ 11,236,648	\$ 11,309,745	\$ 73,097
Debt Service	2,394,147	5,725,589	3,331,442
Opera House	181,580	349,939	168,359
Library	794,158	838,516	44,358
Outlay	326,998	567,836	240,838

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, 2009, the following individual funds held a deficit balance:

<u>Fund</u>	<u>Amount</u>	<u>Reason</u>
Special revenue - sick leave	\$ 10,127	Expenditures in excess of revenues
Special revenue - opera house	15,283	Expenditures in excess of revenues
Special revenue - redevelopment authority	15,261	Expenditures in excess of revenues
Capital projects - TIF District No. 4	259,479	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.

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS December 31, 2009

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

D. LIMITATIONS ON THE CITY'S TAX LEVY

As part of Wisconsin's Act 28 (2009), legislation was passed that 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 3% for the 2009 levy collected in 2010 and 3% for the 2010 levy collected in 2011. Changes in debt service from one year to the next are generally exempt from this limit. The levy limit is set to expire after the 2010 levy.

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	\$ 16,944,270	\$ 15,071,548	Custodial credit
US agencies	2,678,848	2,678,848	Credit, custodial credit, concentration of credit, interest rate
Corporate bonds	1,035,385	1,035,385	Credit, custodial credit, concentration of credit, interest rate
Mutual funds	34,690	34,690	Credit, interest rate
LGIP	1,993,974	1,993,974	Credit, interest rate
Negotiable certificates of deposit	3,239,224	3,239,224	Credit, custodial credit, concentration of credit, interest rate
Petty cash	951	-	N/A
Total Deposits and Investments	<u>\$ 25,927,342</u>	<u>\$ 24,053,669</u>	
Reconciliation to financial statements			
Per statement of net assets			
Unrestricted cash and investments	\$ 14,430,545		
Restricted cash and investments	2,945,306		
Per statement of net assets- fiduciary funds			
Pension trust	558,128		
Agency Fund	7,993,363		
Total Deposits and Investments	<u>\$ 25,927,342</u>		

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS December 31, 2009

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

A. DEPOSITS AND INVESTMENTS (cont.)

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for interest bearing accounts and unlimited amounts for noninterest bearing 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 relatively small size of the Guarantee Fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses may not be significant to individual municipalities. This coverage has not been considered in computing custodial credit risk.

The Securities Investor Protection Corporation (SIPC), created by the Securities Investor Protection Act of 1970, is an independent government-sponsored corporation (not an agency of the U.S. government). SIPC membership provides account protection up to a maximum of \$500,000 per customer, of which \$100,000 may be in cash.

The city maintains collateral agreements with its banks. At December 31, 2009, the banks had pledged various government securities in the amount of \$5,804,095 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, 2009, \$15,071,548 of the city's total bank balances were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$	6,759,044
Uninsured and collateral held by the pledging financial institution's trust department or agent		<u>5,804,095</u>
Total	\$	<u><u>12,563,139</u></u>

Investments

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

U.S. Agencies

Neither insured nor registered and held by counterparty	\$	<u><u>2,678,848</u></u>
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CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS
December 31, 2009

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

A. DEPOSITS AND INVESTMENTS (cont.)

Custodial Credit Risk (cont.)

Investments (cont.)

Corporate Bonds

Neither insured nor registered and held by counterparty \$ 1,035,385

Negotiable Certificates of Deposit

Neither insured nor registered and held by counterparty \$ 3,239,224

Credit Risk

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

As of December 31, 2009, the city's investments were rated as follows:

Investment Type	Standard & Poors	Moody's Investors Services	Morning-Star
U.S. Agencies	AAA	Aaa	
Corporate Bonds	AA	Aa2	
Negotiable Certificates of Deposit	not rated		
Mutual Fund - Fidelity Puritan			4 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.

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS
December 31, 2009

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

A. DEPOSITS AND INVESTMENTS (cont.)

Concentration of Credit Risk (cont.)

At December 31, 2009, the investment portfolio was concentrated as follows:

Issuer	Investment Type	Percentage of Portfolio
FHLB	U.S. Agencies	7.19%
GNMA	U.S. Agencies	20.75%
GE Capital	Corporate bond	14.89%

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, 2009, the city's investments were as follows:

Investment Type	Fair Value	Maturity (In Years)		
		Less than 1	1-3	3 or more
U.S. agencies	\$ 2,678,848	\$ -	\$ 500,000	\$ 2,178,848
Corporate bonds	1,035,385	-	512,750	522,635
Negotiable certificates of deposit	3,239,224	838,816	2,152,532	247,876
Totals	<u>\$ 6,953,457</u>	<u>\$ 838,816</u>	<u>\$ 3,165,282</u>	<u>\$ 2,949,359</u>

In addition, the local government investment pool (LGIP) has a weighted average maturity of 88 days.

The mutual fund does not have a maturity date.

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

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS December 31, 2009

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:

	General Fund	Debt Service	Water Utility	Wastewater Utility	Electric Utility	Nonmajor and Other Funds	Totals
Receivables							
Taxes	\$7,555,751	\$ -	\$ -	\$ -	\$ -	\$ 362,765	\$ 7,918,516
Delinquent personal property tax	3,707	-	-	-	-	-	3,707
Accounts	366,805	6,998	175,151	268,418	1,555,978	-	2,373,350
Special assessments	-	-	-	-	-	116,027	116,027
Delinquent special assessments	14,571	-	-	-	-	-	14,571
Leases	-	414,710	-	-	-	-	414,710
Other	-	-	-	-	-	24,732	24,732
Gross receivables	7,940,834	421,708	175,151	268,418	1,555,978	503,524	10,865,613
Less: Allowance for uncollectibles	(116,800)	-	-	-	-	-	(116,800)
Net Total Receivables	<u>\$7,824,034</u>	<u>\$ 421,708</u>	<u>\$ 175,151</u>	<u>\$ 268,418</u>	<u>\$ 1,555,978</u>	<u>\$ 503,524</u>	<u>\$10,748,813</u>
Amounts not expected to be collected within one year	<u>\$ -</u>	<u>\$ 374,710</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 116,027</u>	<u>\$ 490,737</u>

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS December 31, 2009

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

B. RECEIVABLES (cont.)

Governmental funds report *deferred 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 *deferred revenue* and *unearned revenue* reported in the governmental funds were as follows:

	Unavailable	Unearned	Totals
Property taxes receivable for subsequent year	\$ -	\$ 7,867,694	\$ 7,867,694
Special assessments not yet due	116,147	-	116,147
Lease receivable	414,710	-	414,710
 Total Deferred/Unearned Revenue for Governmental Funds	 \$ 530,857	 \$ 7,867,694	 \$ 8,398,551

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

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS
December 31, 2009

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

C. RESTRICTED ASSETS (cont.)

Following is a list of restricted assets at December 31, 2009:

	Restricted Assets	Liabilities Payable from Restricted Assets	Restricted Net Assets
	<u> </u>	<u> </u>	<u> </u>
Bond redemption account	\$ 1,010,367	\$ 120,888	\$ 889,479
Bond reserve account	1,073,754	-	1,073,754
Bond depreciation account	83,283	-	83,283
Construction account	123	-	n/a
Equipment replacement account	<u>777,779</u>	<u>-</u>	<u>777,779</u>
 Total Restricted Assets	 <u>\$ 2,945,306</u>	 <u>\$ 120,888</u>	 <u>\$ 2,824,295</u>

D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2009, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 7,111,699	\$ -	\$ -	\$ 7,111,699
Inexhaustible portion of streets	1,376,419	-	-	1,376,419
Construction in progress	<u>99,974</u>	<u>-</u>	<u>99,974</u>	<u>-</u>
Total Capital Assets Not Being Depreciated	<u>8,588,092</u>	<u>-</u>	<u>99,974</u>	<u>8,488,118</u>
Capital assets being depreciated				
Buildings and improvements	14,679,660	136,451	-	14,816,111
Machinery and equipment	8,067,933	402,546	94,365	8,376,114
Streets	13,231,088	244,634	28,084	13,447,638
Storm sewers	4,592,620	173,486	19,916	4,746,190
Street lighting	227,551	-	-	227,551
Bridges	845,989	-	-	845,989
Sidewalks	3,987,083	168,252	10,051	4,145,284
Traffic signals	411,974	-	-	411,974
Dams	<u>-</u>	<u>592,997</u>	<u>-</u>	<u>592,997</u>
Total Capital Assets Being Depreciated	<u>46,043,898</u>	<u>1,718,366</u>	<u>152,416</u>	<u>47,609,848</u>
Total Capital Assets	<u>54,631,990</u>	<u>1,718,366</u>	<u>252,390</u>	<u>56,097,966</u>

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS
December 31, 2009

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

D. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities (cont.)				
Less: Accumulated depreciation for				
Buildings and improvements	\$ (4,183,171)	\$ (370,737)	\$ -	\$ (4,553,908)
Machinery and equipment	(5,039,129)	(391,110)	69,391	(5,360,848)
Streets	(7,705,577)	(447,806)	28,084	(8,125,299)
Storm sewers	(1,954,397)	(158,048)	19,916	(2,092,529)
Street lighting	(19,921)	(3,034)	-	(22,955)
Bridges	(109,086)	(11,280)	-	(120,366)
Sidewalks	(1,936,873)	(82,906)	10,051	(2,009,728)
Traffic signals	(86,484)	(10,299)	-	(96,783)
Dams	-	(5,930)	-	(5,930)
Total Accumulated Depreciation	(21,034,638)	(1,481,150)	127,442	(22,388,346)
Net Capital Assets Being Depreciated	25,009,260	237,216	24,974	25,221,502
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	\$ 33,597,352	\$ 237,216	\$ 124,948	\$ 33,709,620

Depreciation expense was charged to functions as follows:

Governmental Activities

General government	\$ 78,872
Public safety	366,006
Public works, which includes the depreciation of infrastructure	889,616
Culture, recreation and education	146,656
Total Governmental Activities Depreciation Expense	\$ 1,481,150

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	9,143	696,394	464,725	240,812
Total Capital Assets Not Being Depreciated	33,984	696,394	464,725	265,653

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS
December 31, 2009

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

D. CAPITAL ASSETS (cont.)

Business-type Activities (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Water (cont.)</u>				
Capital assets being depreciated				
Source of supply	\$ 552,160	\$ 11,834	\$ -	\$ 563,994
Pumping	1,482,499	23,864	-	1,506,363
Treatment	90,763	-	-	90,763
Transmission and distribution	11,472,082	349,667	6,595	11,815,154
Administrative and general assets	<u>688,670</u>	<u>218,637</u>	<u>-</u>	<u>907,307</u>
Total Capital Assets Being Depreciated	<u>14,286,174</u>	<u>604,002</u>	<u>6,595</u>	<u>14,883,581</u>
Total Capital Assets	<u>14,320,158</u>	<u>1,300,396</u>	<u>471,320</u>	<u>15,149,234</u>
Less: Accumulated depreciation for				
Source of supply	(237,545)	(16,184)	-	(253,729)
Pumping	(860,192)	(58,840)	-	(919,032)
Treatment	(76,633)	(2,981)	-	(79,614)
Transmission and distribution	(2,260,922)	(214,826)	6,595	(2,469,153)
Administrative and general assets	<u>(389,164)</u>	<u>(59,225)</u>	<u>-</u>	<u>(448,389)</u>
Total Accumulated Depreciation	<u>(3,824,456)</u>	<u>(352,056)</u>	<u>6,595</u>	<u>(4,169,917)</u>
Net Capital Assets Being Depreciated	<u>10,461,718</u>	<u>251,946</u>	<u>-</u>	<u>10,713,664</u>
Net Water Plant	<u>\$ 10,495,702</u>	<u>\$ 948,340</u>	<u>\$ 464,725</u>	<u>\$ 10,979,317</u>

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS December 31, 2009

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

D. CAPITAL ASSETS (cont.)

Business-type Activities (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Wastewater</u>				
Capital assets not being depreciated				
Construction in progress	\$ 49,149	\$ 585,331	\$ 632,072	\$ 2,408
Total Capital Assets Not Being Depreciated	49,149	585,331	632,072	2,408
Capital assets being depreciated				
Collection system	7,264,526	421,295	1,670	7,684,151
Collection system pumping	387,063	2,491	-	389,554
Treatment and disposal	12,582,116	153,633	-	12,735,749
Administrative and general assets	559,216	277,613	-	836,829
Total Capital Assets Being Depreciated	20,792,921	855,032	1,670	21,646,283
Total Capital Assets	20,842,070	1,440,363	633,742	21,648,691
Less: Accumulated depreciation for				
Collection system	(5,970,625)	(636,277)	1,670	(6,605,232)
Total Accumulated Depreciation	(5,970,625)	(636,277)	1,670	(6,605,232)
Net Capital Assets Being Depreciated	14,822,296	218,755	-	15,041,051
Net Wastewater Plant	\$ 14,871,445	\$ 804,086	\$ 632,072	\$ 15,043,459

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS
December 31, 2009

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	347,181	1,514,812	1,811,588	50,405
Property held for future use	-	352,664	-	352,664
Total Capital Assets Not Being Depreciated	567,978	1,867,476	1,811,588	623,866
Capital assets being depreciated				
Transmission	15,019	-	-	15,019
Distribution	18,950,697	633,121	84,075	19,499,743
Administrative and general assets	2,861,436	602,751	-	3,464,187
Total Capital Assets Being Depreciated	21,827,152	1,235,872	84,075	22,978,949
Total Capital Assets	22,395,130	3,103,348	1,895,663	23,602,815
Less: Accumulated depreciation for				
Transmission	(19,366)	-	-	(19,366)
Distribution	(6,147,373)	(709,078)	97,920	(6,758,531)
Administrative and general assets	(1,659,561)	(159,611)	-	(1,819,172)
Total Accumulated Depreciation	(7,826,300)	(868,689)	97,920	(8,597,069)
Net Capital Assets Being Depreciated	14,000,852	367,183	(13,845)	14,381,880
Net Electric Plant	\$ 14,568,830	\$ 2,234,659	\$ 1,797,743	\$ 15,005,746
Business-type Capital Assets, Net of Accumulated Depreciation	\$ 39,935,977	\$ 3,987,085	\$ 2,894,540	\$ 41,028,522

Depreciation expense was charged to functions as follows:

Business-type Activities

Water	\$ 321,225
Waste collection	636,277
Electric	792,269
 Total Business-type Activities Depreciation Expense	 \$ 1,749,771

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS December 31, 2009

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

D. CAPITAL ASSETS (cont.)

Expense is different from additions because of joint metering, salvage cost of removal, internal allocations, and 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	Opera House	\$ 16,334	\$ 16,334
General	Tourism	4,678	-
General	TIF District No. 4	360,802	360,802
General	Water Utility	228,514	-
General	Electric Utility	258,797	-
General	Debt Service	40,656	-
General	Sick Leave	9,168	9,168
TIF District No. 3	General Fund	1,381,891	-
TIF District No. 4	TIF District No. 2	97,243	-
TIF District No. 4	TIF District No. 3	49,404	-
Debt Service	TIF District No. 3	176,895	-
Debt Service	TIF District No. 4	87,620	-
Construction	Park Acquisition	24,958	-
Outlay	Park Acquisition	7,267	-
Electric Utility	General	33,959	-
General	Redevelopment Authority	41,800	-
Total - Fund Financial Statements		2,819,986	
Less: Fund eliminations		(2,364,483)	
Total Internal Balances - Government-Wide Statement of Net Assets		\$ 455,503	
Receivable Fund	Payable Fund	Amount	
Governmental Activities	Business-type Activities	\$ 487,311	
Business-type Activities	Governmental Activities	(31,808)	
Total Government-Wide Financial Statements		\$ 455,503	

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS December 31, 2009

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

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

Interfund Receivables/Payables (cont.)

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.

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

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS December 31, 2009

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:

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
General	Tourism	\$ 8,931	Room tax revenue
General	Water utility	233,770	Payment in lieu of taxes and dividend
General	Electric utility	291,239	Payment in lieu of taxes and dividend
Debt service	General	1,578,613	Payments on all other city debt
Debt service	TIF District No. 3	176,895	Payments on TIF District debt
Debt service	TIF District No. 4	220,093	Payments on TIF District debt
Construction	General	332,727	Fund capital projects
Construction	Park Acquisition	24,958	Fund capital projects
Construction	Outlay	64,548	Fund capital projects
Outlay	Park Acquisition	33,267	Fund capital projects
Outlay	General	347,712	Fund capital projects
Redevelopment Authority	TIF District No. 4	30,000	Fund activities
Library	General	536,478	Fund annual operations
Sick leave	General	52,845	Sick leave contributions
Safety Building	General	69,045	Fund annual operations
Opera House	General	10,000	Fund operations
Senior Center Wood Shop	General	73	Create fund
Senior Center Special Fund	General	306,755	Create fund
Economic Development	General	95,547	Create fund
Ambulance CPF	General	33,500	Create fund
TIF District No. 4	TIF District No. 2	97,243	Donor/donee district agreement
TIF District No. 4	TIF District No. 3	<u>49,404</u>	Donor/donee district agreement
Total - Fund Financial Statements		4,593,643	
Less: Fund eliminations		<u>(4,068,634)</u>	
Total Transfers - Government-Wide Statement of Activities		<u>\$ 525,009</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 December 31, 2009

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

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

Transfers (cont.)

For the statement of activities, interfund transfers within the governmental activities or business-type activities are netted and eliminated.

F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2009, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General obligation debt	\$ 18,366,689	\$ 5,060,000	\$ 4,846,689	\$ 18,580,000	\$ 2,035,000
Sub-totals	<u>18,366,689</u>	<u>5,060,000</u>	<u>4,846,689</u>	<u>18,580,000</u>	<u>2,035,000</u>
Other Liabilities					
Compensated absences (Note I.D.7)	1,046,341	103,698	7,774	1,142,265	6,652
Compensated absences - retirees (See Note I.D.7)	80,668	86,807	71,878	95,597	36,906
Self-insurance auto and general liability (Note V.B)	10,611	-	-	10,611	10,611
Self-insurance health liability (Note V.B)	70,665	2,172	-	72,837	72,837
Unfunded prior service costs (Note V.A)	807,874	59,722	48,165	819,431	48,165
Total Other Liabilities	<u>2,016,159</u>	<u>252,399</u>	<u>127,817</u>	<u>2,140,741</u>	<u>175,171</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 20,382,848</u>	<u>\$ 5,312,399</u>	<u>\$ 4,974,506</u>	<u>\$ 20,720,741</u>	<u>\$ 2,210,171</u>
Business-type Activities					
Bonds and Notes Payable					
Revenue bonds	\$ 15,855,181	\$ -	\$ 1,156,069	\$ 14,699,112	\$ 1,238,657
Sub-totals	<u>15,855,181</u>	<u>-</u>	<u>1,156,069</u>	<u>14,699,112</u>	<u>1,238,657</u>
Other Liabilities					
Vested compensated absences	311,476	42,992	39,966	314,502	-
Customer advances for construction	14,963	32,895	41,899	5,959	-
Total Other Liabilities	<u>326,439</u>	<u>75,887</u>	<u>81,865</u>	<u>320,461</u>	<u>-</u>
Total Business-type Activities Long-Term Liabilities	<u>\$ 16,181,620</u>	<u>\$ 75,887</u>	<u>\$ 1,237,934</u>	<u>\$ 15,019,573</u>	<u>\$ 1,238,657</u>

In accordance with Wisconsin Statutes, total general obligation indebtedness of the city may not exceed 5% of the equalized value of taxable property within the city's jurisdiction. The debt limit as of December 31, 2009, was \$49,108,090. Total general obligation debt outstanding at year end was \$18,580,000.

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS
December 31, 2009

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

F. LONG-TERM OBLIGATIONS (cont.)

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.

Governmental Activities General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/09
1999 General Obligation Refunding Bonds	2/1/99	3/1/10	4.25-5.25	\$ 1,330,000	\$ 235,000
2000 EPA Refunding Note	8/11/00	3/1/09	5.00-5.65	1,535,000	90,000
2001 General Obligation Notes	6/1/01	6/1/11	4.10-4.60	1,025,000	990,000
2001 General Obligation Notes	6/1/01	6/1/11	4.10-4.60	1,360,000	745,000
2002 General Obligation Refunding Bonds	2/15/02	8/1/18	3.125-4.80	2,110,000	1,400,000
2002 General Obligation Refunding Bonds	9/16/02	10/1/13	3.00-3.75	2,025,000	1,275,000
2002 General Obligation Notes	5/1/02	11/1/12	3.50-4.375	2,090,000	1,625,000
2003 General Obligation Notes	6/15/03	6/13/13	3.00-3.375	1,110,000	495,000
2008 General Obligation Notes	2/13/08	2/1/18	3.00 - 3.50	485,000	445,000
2008 General Obligation Notes	2/13/08	2/1/18	2.85 - 3.40	1,005,000	920,000
2008 General Obligation Bonds	2/13/08	4/1/26	3.25 - 3.75	5,530,000	5,300,000
2009 General Obligation Refunding Notes	4/14/09	3/1/19	1.60 - 3.85	5,060,000	<u>5,060,000</u>
Total Governmental Activities - General Obligation Debt					<u>\$ 18,580,000</u>

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS
December 31, 2009

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:

<u>Years</u>	Governmental Activities General Obligation Debt	
	<u>Principal</u>	<u>Interest</u>
2010	\$ 2,035,000	\$ 615,316
2011	3,320,001	523,402
2012	3,025,000	405,479
2013	1,689,999	323,915
2014	1,245,000	277,891
2015-2019	4,705,000	836,342
2020-2024	1,765,000	311,013
2025-2026	795,000	29,996
Totals	<u>\$ 18,580,000</u>	<u>\$ 3,323,354</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 have pledged future revenues, net of specified operating expenses, to repay \$14,699,112 in revenue bonds. Proceeds from the bonds provided financing for the utility construction, improvements, and additions. The bonds are payable solely from revenues and are payable through 2027. Annual principal and interest payments on the bonds are expected to require 6%, 14%, and 16%, respectively, of electric, water and wastewater net revenues. The total principal and interest remaining to be paid on the bonds is \$18,855,432. Principal and interest paid for the current year and total customer net revenues were \$1,741,499 and \$16,595,271, respectively.

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS
December 31, 2009

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

F. LONG-TERM OBLIGATIONS (cont.)

Revenue Debt (cont.)

Revenue debt payable at December 31, 2009, consists of the following:

Business-type Activities Revenue Debt

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/09</u>
<u>Water Utility</u>					
2003 Water Utility Revenue Bonds	3/25/03	2013	3.50-4.80	\$ 520,000	\$ 300,000
2006 Water Utility Revenue Bonds	11/15/06	2023	4.00-4.50	1,925,000	<u>1,850,000</u>
				Total Water Utility	<u>2,150,000</u>
<u>Wastewater Utility</u>					
1994 Wastewater Utility Clean Water Fund Loan	3/9/94- 9/10/03	2023	2.766-3.244	\$ 6,882,705	\$ 3,856,452
2007 Wastewater Utility Clean Water Fund Loan	6/27/07	2027	2.475	1,539,762	<u>1,532,660</u>
				Total Wastewater Utility	<u>5,389,112</u>
<u>Electric Utility</u>					
2003 Electric Utility Revenue Bonds	4/1/03	2023	2.25-5.10%	\$ 4,580,000	\$ 4,255,000
2004 Electric Utility Revenue Bonds	9/15/04	2010	2.83	2,090,000	430,000
2006 Electric Utility Revenue Bonds	11/15/06	2023	4.00-4.50	2,550,000	<u>2,475,000</u>
				Total Electric Utility	<u>7,160,000</u>
				Total Business-type Activities Revenue Debt	<u>\$ 14,699,112</u>

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS
December 31, 2009

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

F. LONG-TERM OBLIGATIONS (cont.)

Revenue Debt (cont.)

Debt service requirements to maturity are as follows:

Years	Business-type Activities Revenue Debt	
	Principal	Interest
2010	\$ 1,238,657	\$ 545,791
2011	1,106,788	505,946
2012	1,160,475	466,748
2013	1,209,737	425,372
2014	831,735	389,271
2015-2019	4,620,109	1,414,438
2020-2024	4,227,153	397,328
2025-2027	304,458	11,426
Totals	<u>\$ 14,699,112</u>	<u>\$ 4,156,320</u>

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 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 66.066 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.

There are a number of limitations and restrictions contained in the various bond indentures and loan agreements. The city believes it is in compliance with all significant limitations and restrictions, including federal arbitrage regulations.

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, 2009.

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS December 31, 2009

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

F. LONG-TERM OBLIGATIONS (cont.)

Refunding Debt

On April 14, 2009, the city issued \$5,060,000 in general obligation promissory notes with an average interest rate of 3.0% to refund \$3,420,000 of outstanding debt with interest rates varying between 4.80% and 5.25% and to fund construction projects.

A portion of the notes was used to advance refund outstanding debt. Net proceeds of \$912,933 (after payment of \$20,593 in underwriting fees, insurance, and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for \$917,260 of future debt service payments on the bonds. The city is still responsible for \$94,590 of future debt service payments on the bonds. As a result, the portion of the bonds for which the city is no longer responsible has been removed from these financial statements.

Another portion of the refunding notes was used to current refund outstanding debt. Net proceeds of \$2,463,025 (after payment of \$36,975 in underwriting fees, insurance, and other issuance costs) were used to prepay the outstanding debt service requirements of the old debt.

The final portion of the notes was used to raise funds for construction projects. Net proceeds of \$1,620,000 (after payment of \$21,000 in underwriting fees, insurance, and other issuance costs) were deposited into a construction fund.

The refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt plus additional funds deposited into the construction fund) of \$159,974.

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS
December 31, 2009

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

G. LEASE DISCLOSURES

Lessee - 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>	Governmental Activities	
	Principal	Interest
2010	\$ 44,516	\$ 12,534
2011	45,532	11,022
2012	45,604	9,524
2013	49,795	8,063
2014	50,593	6,529
2015-2019	178,670	10,606
Totals	\$ 414,710	\$ 58,278

H. NET ASSETS/FUND BALANCES

Net assets reported on the government wide statement of net assets at December 31, 2009, includes the following:

Governmental Activities

Invested in Capital Assets, Net of Related Debt	
Land	\$ 7,111,699
Inexhaustible portion of streets	1,376,419
Other capital assets, net of accumulated depreciation	25,221,502
Less: Long-term debt outstanding (excluding unspent capital related debt proceeds)	(18,297,408)
Plus: Non-capital debt proceeds	1,693,558
Total Invested in Capital Assets, Net of Related Debt	17,105,770

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS December 31, 2009

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

H. NET ASSETS/FUND BALANCES (cont.)

Governmental Activities (cont.)

Restricted	
Debt service	\$ 2,284,240
Senior donations	327,241
Youth special gift fund	14,181
Seniors in need	40,333
Bryant grant	3,253
Library	248,678
Ambulance	47,510
Opera house repair	71,460
Township outreach	18,636
Tourism	19,255
Fire equipment	6,963
Park acquisition	59,726
Storm sewer	25,662
River trail	595
Total Restricted	<u>3,167,733</u>
Unrestricted (deficit)	<u>(30,885)</u>
Total Governmental Activities Net Assets	<u>\$ 20,242,618</u>

Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2009, include the following:

Reserved	
Major Funds	
General Fund	
Investment in mutual insurance company	\$ 257,805
Noncurrent assets	18,278
Noncurrent interfund balances	386,304
Utility PILOT	487,311
Debt service	<u>532,000</u>
Total	<u>\$ 1,681,698</u>
Debt Service Fund	
Reserved for debt service	<u>\$ 230,772</u>

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS December 31, 2009

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

H. NET ASSETS/FUND BALANCES (cont.)

Governmental Funds (cont.)

Unreserved (designated)	
Major Funds	
General Fund	
Liability insurance losses	\$ 70,000
Cable TV operations	53,358
Cable equipment	605
Youth special gift fund	14,181
Bryant grant	3,253
Applied to 2010 budget	<u>150,000</u>
Total	<u>\$ 291,397</u>
Non-Major Funds	
Special Revenue Funds	
Library	\$ 248,678
Ambulance	47,510
Opera house repair	71,460
Township outreach	18,636
Tourism	19,255
Seniors in need	40,333
Holiday	6,953
Food pantry	73,510
Landmarks	8,293
Preserve America grant	3,223
Fire department	8,791
Senior center wood shop	129
Senior center	327,241
Economic development	62,970
Special assessments	<u>165,126</u>
Sub-Total	<u>1,102,108</u>
Capital Project Funds	
Fire equipment	6,963
Park acquisition	59,726
Storm sewer	25,662
Ambulance	81,693
River trail	595
TIF District No. 3	1,425,202
Outlay	<u>187,968</u>
Sub-Total	<u>1,787,809</u>
Total	<u>\$ 2,889,917</u>

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS
December 31, 2009

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

H. NET ASSETS/FUND BALANCES (cont.)

Governmental Funds (cont.)

Unreserved (undesignated)

Major Funds

General fund	\$ 1,676,285
Construction	<u>242,025</u>

Total \$ 1,918,310

Non-Major Funds

Special Revenue Funds

Sick leave	\$ (10,127)
Opera house	(15,283)
Redevelopment authority	<u>(15,261)</u>

Total \$ (40,671)

Capital Projects Funds

TIF District No. 4	<u>\$ (259,479)</u>
--------------------	---------------------

Business-type Activities

Invested in capital assets, net of related debt

Land	\$ 245,738
Construction in progress	293,625
Property held for future use	352,664
Other capital assets, net of accumulated depreciation	40,136,495
Less: Long-term debt outstanding	(14,699,112)
Plus: Unspent capital related debt proceeds	123
Plus: Non-capital debt proceeds	<u>5,834</u>

Total Business-type Activities Net Assets \$ 26,335,367

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS
December 31, 2009

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

I. COMPONENT UNIT

CITY OF STOUGHTON HOUSING AUTHORITY

This report contains the City of Stoughton Housing Authority (Housing Authority), which is included as a component unit. Financial information is presented as a discrete column in the statement of net assets and statement of activities.

In addition to the basic financial statements and the preceding notes to financial statements which apply, the following additional disclosures are considered necessary for a fair presentation.

a. Basis of Accounting/Measurement Focus

The Housing Authority follows the full accrual basis of accounting and the flow of economic resources measurement focus.

b. Deposits and Investments

The housing authority's cash and investments at year end were comprised of the following:

	Carrying Value	Statement Balances	Associated Risks
Deposits	\$ 479,614	\$ 492,422	Custodial
Petty cash	260	-	N/A
 Total Deposits and Investments	 \$ 479,874	 \$ 492,422	

Custodial Credit Risk

Deposits

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

The Housing Authority does not have any deposits exposed to custodial credit risk.

The Housing Authority does not have an investment policy.

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS
December 31, 2009

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

I. COMPONENT UNIT (cont.)

CITY OF STOUGHTON HOUSING AUTHORITY (cont.)

c. Restricted Assets

The following represent the balances of the restricted assets:

Replacement Reserve Accounts and Reserve Accounts

Provisions in the loan agreement require establishment of various cash accounts. All receipts must be deposited into the General Fund Account. Monthly, cash is to be transferred into an Operation and Maintenance Account to cover necessary expenses. Any balance remaining in the General Fund Account is to be transferred to the Debt Service Account until the amount in this account equals the amount of the next installment due on the mortgage. The housing authority is permitted to retain operating reserves equal to 10% of the current approved operating budget. Any balance still remaining in the General Fund Account in excess of allowable reserves is to be transferred to the Reserve Account until the Reserve Account reaches \$265,000 for Greenspire I and \$97,400 for Greenspire III. Any funds which exceed the required reserves and not approved by FmHA for other authorized uses shall be applied promptly against the loan obligations, or made as additional contributions to the reserve funds. At December 31, 2009, Greenspire I had no excess funds in the general account. At December 31, 2009, Greenspire III had excess funds in the general account.

Following is a list of restricted assets at December 31, 2009:

	<u>Restricted Assets</u>
Replacement reserve account - Greenspire I	\$ 235,115
Replacement reserve account - Greenspire III	<u>95,539</u>
Total Restricted Assets	<u>\$ 330,654</u>

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS
December 31, 2009

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

I. COMPONENT UNIT (cont.)

CITY OF STOUGHTON HOUSING AUTHORITY (cont.)

d. Capital Assets

	Beginning Balance	Additions	Deletions	Ending Balance	Useful Lives (Years)
Land	\$ 117,191	\$ -	\$ -	\$ 117,191	N/A
Land improvements	146,178	3,345	-	149,523	10-20
Buildings	2,403,412	8,560	650	2,411,322	40
Building improvements	545,691	90,998	50,103	586,586	10-20
Furniture and fixtures	117,029	3,809	1,784	119,054	5-10
Equipment	47,167	-	-	47,167	5-10
Less: Accumulated depreciation	<u>(2,089,672)</u>	<u>(114,871)</u>	<u>(38,387)</u>	<u>(2,166,156)</u>	
Totals	<u>\$ 1,286,996</u>	<u>\$ (8,159)</u>	<u>\$ 14,150</u>	<u>\$ 1,264,687</u>	

e. Long-Term Obligations

The Housing Authority notes payable are secured by a first pledge of the annual contributions payable to the Housing Authority, pursuant to an Annual Contributions Contract between the Housing Authority and United States Department of Agriculture and by a lien on all revenues of the Housing Authority's Low Income Housing Program. The Housing Authority notes are not a general obligation of the city nor are they guaranteed by the city.

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Mortgage notes	<u>\$ 1,840,272</u>	<u>\$ -</u>	<u>\$ (34,006)</u>	<u>\$ 1,806,266</u>	<u>\$ 34,338</u>

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS December 31, 2009

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

I. COMPONENT UNIT (cont.)

CITY OF STOUGHTON HOUSING AUTHORITY (cont.)

e. Long-Term Obligations (cont.)

The Housing Authority has the following mortgages through the Rural Housing Service of the United States Department of Agriculture:

	2009
\$712,600 loan for Greenspire I construction, at 8%. Interest reduced to an effective rate of 1% through an interest credit agreement. Due in monthly installments of \$1,510 including principal and interest. Due December 6, 2028.	\$ 493,551
\$819,000 loan for Greenspire II construction, at 9%. Interest reduced to an effective rate of 1% through an interest credit agreement. Due in monthly installments of \$1,735 including principal and interest. Due May 15, 2030.	416,736
\$427,802 loan for Greenspire III - Phase I construction, at 9%. Interest reduced to an effective rate of 2.25% through an interest credit agreement with Rural Housing Service. Due in monthly installments of \$911 including principal and interest. Due October 1, 2037.	397,155
\$535,180 loan for Greenspire III - Phase II construction, at 8.75%. Interest reduced to an effective rate of 2.25% through an interest credit agreement with Rural Housing Service. Due in monthly installments of \$1,144 including principal and interest. Due July 21, 2039.	498,824
Total Mortgage Notes Payable	\$ 1,806,266

Debt service requirements to maturity are as follows:

	Principal	Interest	Totals
2010	\$ 34,338	\$ 157,628	\$ 191,966
2011	34,738	154,670	189,408
2012	35,143	151,677	186,820
2013	35,553	148,648	184,201
2014	35,970	145,584	181,554
2015-2019	186,278	680,681	866,959
2020-2024	197,534	598,462	795,996
2025-2029	412,880	493,684	906,564
2030-2034	86,765	350,750	437,515
2035-2039	747,067	271,604	1,018,671
Totals	\$ 1,806,266	\$ 3,153,388	\$ 4,959,654

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS

December 31, 2009

NOTE V - OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

All eligible city employees participate in the Wisconsin Retirement System (System), a cost-sharing multiple-employer defined benefit public employee retirement system (PERS). All permanent employees expected to work over 600 hours a year are eligible to participate in the System. Covered employees in the General category are required by statute to contribute 6.0% of their salary (3.0% for Executives and Elected Officials, 5.1% for Protective Occupations with Social Security, and 3.4% for Protective Occupations without Social Security) to the plan. Employers generally make these contributions to the plan on behalf of employees. Employers are required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

The payroll for city employees covered by the system for the year ended December 31, 2009, was \$5,234,649; the employer's total payroll was \$5,732,239. The total required contribution for the year ended December 31, 2009, was \$673,473 or 12.9% of covered payroll. Of this amount, 100% was contributed by the employer for the current year. Total contributions for the years ending December 31, 2008, and 2007 were \$669,640 and \$653,425, 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. Final average earnings is the average of the employee's three highest years earnings. Employees terminating covered employment 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 are immediately vested.

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

The pension-related debt for the city as of December 31, 2009, was \$819,430. This liability was determined in accordance with provisions of GASB Statement No. 27 regarding pension-related debt. Depending on actuarial assumptions, this estimate can vary significantly.

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, 2009, the balance in the Firemen's Pension Fund is \$558,128 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
December 31, 2009

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 \$1,545,695 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 assets. The self-insurance activity is recorded in the general fund of the city.

Claims Liability

	<u>Prior Year</u>	<u>Current Year</u>
Unpaid claims - Beginning of Year	\$ 84,657	\$ 70,668
Current year claims and changes in estimates	833,912	873,304
Claim payments	<u>(847,901)</u>	<u>(871,135)</u>
 Unpaid Claims - End of Year	 <u>\$ 70,668</u>	 <u>\$ 72,837</u>

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
December 31, 2009

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 19, 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 one percent.

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 are available from: Cities and Village Mutual Insurance Company, 1250 South Sunnyslope Road, Suite 105, Brookfield, WI 53005.

The fund has a receivable from WMIC of \$257,805 which represents assets available to retire the city's share of the debt. 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 \$17,500 per occurrence and an annual aggregate limit of \$70,000. An actuarially determined estimate has been recorded for this liability, as well as for claims incurred but not reported at December 31, 2009. A total liability of approximately \$10,611 at December 31, 2009, was recorded as claims payable in the governmental activities column of government-wide statements of net assets. Changes in the fund's claims loss liability follow:

	Beginning Balance	Incurred Claims	Claims Paid/ Settled	Ending Balance
2009	\$ 10,611	\$ 5,979	\$ 5,979	\$ 10,611
2008	10,611	23,565	23,565	10,611

C. COMMITMENTS AND CONTINGENCIES

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.

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE V - OTHER INFORMATION (cont.)

C. COMMITMENTS AND CONTINGENCIES (cont.)

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.

Funding for the operating budget of the city comes from many sources, including property taxes, grants and aids from other units of government, user fees, fines and permits, and other miscellaneous revenues. The State of Wisconsin provides a variety of aid and grant programs which benefit the city. Those aid and grant programs are dependent on continued approval and funding by the Wisconsin governor and legislature, through their budget processes. The State of Wisconsin is currently experiencing budget problems, and is considering numerous alternatives including reducing aid to local governments. Any changes made by the State to funding or eligibility of local aid programs could have a significant impact on the future operating results of the city.

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 thirteen year extension to their original thirty-five 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 \$423 million as of December 31, 2009.

D. SUBSEQUENT EVENTS

In February 2010, the city adopted a resolution for creation of TID No. 5.

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE V - OTHER INFORMATION (cont.)

D. SUBSEQUENT EVENTS (cont.)

In March 2010, the city approved the issuance of general obligation promissory notes in the amount of \$4,015,000 with an interest rate of 1.25 - 4.4% for capital projects.

In March 2010, the city approved the issuance of general obligation refunding bonds in the amount of \$3,095,000 with an interest rate of 1.0 to 3.25%. The proceeds will be used to refund notes from 2001 and 2002.

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

The Governmental Accounting Standards Board (GASB) has approved GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, and Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. 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 For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
TAXES				
Taxes	\$ 6,636,317	\$ 6,636,317	\$ 6,640,573	\$ 4,256
INTERGOVERNMENTAL REVENUES				
Intergovernmental	1,787,769	1,787,769	1,814,270	26,501
LICENSES AND PERMITS				
Business and occupational licenses	27,250	27,250	46,673	19,423
Dog and cat licenses	1,300	1,300	4,870	3,570
Building permits	40,000	40,000	39,538	(462)
Total Licenses and Permits	68,550	68,550	91,081	22,531
FINES, FORFEITURES AND PENALTIES				
Fines, forfeitures and penalties	140,000	140,000	113,943	(26,057)
PUBLIC CHARGES FOR SERVICES				
Public charges for services	1,549,064	1,549,064	1,621,702	72,638
SPECIAL ASSESSMENTS				
Special assessments	4,000	4,000	6,219	2,219
INVESTMENT INCOME				
Investment income	210,000	210,000	74,625	(135,375)
MISCELLANEOUS				
Miscellaneous	255,447	255,447	310,119	54,672
Total Revenues	10,651,147	10,651,147	10,672,532	21,385

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 For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
EXPENDITURES				
GENERAL GOVERNMENT				
Council/Board	\$ 47,505	\$ 47,505	\$ 45,896	\$ 1,609
Legislative and executive	98,531	98,531	73,745	24,786
Judicial	80,446	80,446	82,239	(1,793)
General administration	255,522	255,522	231,443	24,079
Financial administration	721,171	721,171	778,277	(57,106)
Legal	101,809	101,809	118,375	(16,566)
City buildings	68,615	68,615	71,001	(2,386)
Assessor	40,061	40,061	43,776	(3,715)
Contingency	80,000	80,000	-	80,000
Total General Government	<u>1,493,660</u>	<u>1,493,660</u>	<u>1,444,752</u>	<u>48,908</u>
PUBLIC SAFETY				
Police department	2,392,069	2,392,069	2,337,461	54,608
Fire department	460,977	460,977	447,483	13,494
Planning/Inspection	284,359	284,359	288,876	(4,517)
Ambulance	397,808	397,808	382,137	15,671
Total Public Safety	<u>3,535,213</u>	<u>3,535,213</u>	<u>3,455,957</u>	<u>79,256</u>
PUBLIC WORKS				
Highway and street maintenance and construction	119,349	119,349	108,484	10,865
Highway and street maintenance for local	1,023,821	1,023,821	1,014,169	9,652
Snow and ice control	50,855	50,855	36,305	14,550
Other sanitation	543,741	543,741	578,371	(34,630)
Buildings and grounds operations	76,227	76,227	81,602	(5,375)
Total Public Works	<u>1,813,993</u>	<u>1,813,993</u>	<u>1,818,931</u>	<u>(4,938)</u>
CULTURE, RECREATION AND EDUCATION				
Park maintenance	217,025	217,025	177,848	39,177
Senior Center	534,814	534,814	492,730	42,084
Culture	242,212	242,212	238,550	3,662
Recreation	274,264	274,264	265,871	8,393
Cemetery	32,000	32,000	35,599	(3,599)
Cable television	16,000	16,000	16,212	(212)
Total Culture, Recreation and Education	<u>1,316,315</u>	<u>1,316,315</u>	<u>1,226,810</u>	<u>89,505</u>
Total Expenditures	<u>8,159,181</u>	<u>8,159,181</u>	<u>7,946,450</u>	<u>212,731</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 For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Excess of revenues over expenditures	\$ 2,491,966	\$ 2,491,966	\$ 2,726,082	\$ 234,116
OTHER FINANCING SOURCES (USES)				
Transfers in	515,500	515,500	533,940	18,440
Transfers out	(3,077,467)	(3,077,467)	(3,363,295)	(285,828)
Total Other Financing Sources (Uses)	(2,561,967)	(2,561,967)	(2,829,355)	(267,388)
Net Change in Fund Balance	(70,001)	(70,001)	(103,273)	(33,272)
FUND BALANCE - Beginning of Year	3,752,653	3,752,653	3,752,653	-
FUND BALANCE - END OF YEAR	<u>\$ 3,682,652</u>	<u>\$ 3,682,652</u>	<u>\$ 3,649,380</u>	<u>\$ (33,272)</u>

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

CITY OF STOUGHTON

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION December 31, 2009

BUDGETARY INFORMATION

Budgetary information is derived from the annual operating budget and is presented using generally accepted accounting principles and the modified accrual basis of accounting.

Excess expenditures over appropriations are as follows:

	<u>Amended Budget</u>	<u>Expenditures</u>	<u>Excess</u>
<u>General Fund</u>			
Public works	\$ 1,813,993	\$ 1,818,931	\$ 4,938

SUPPLEMENTARY INFORMATION

CITY OF STOUGHTON

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2009

	Special Revenue Funds				
	Library	Sick Leave	Ambulance	Safety Building	Opera House
ASSETS					
Cash and investments	\$ 270,884	\$ -	\$ 50,811	\$ 4,013	\$ -
Taxes receivable	-	-	-	-	-
Other receivables	-	-	-	-	2,335
Due from other funds	-	-	-	-	-
TOTAL ASSETS	<u>\$ 270,884</u>	<u>\$ -</u>	<u>\$ 50,811</u>	<u>\$ 4,013</u>	<u>\$ 2,335</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 9,293	\$ -	\$ 3,301	\$ 4,013	\$ 184
Accrued liabilities	12,913	959	-	-	1,100
Due to other funds	-	9,168	-	-	16,334
Deferred revenues	-	-	-	-	-
Total Liabilities	<u>22,206</u>	<u>10,127</u>	<u>3,301</u>	<u>4,013</u>	<u>17,618</u>
Fund Balances (Deficit)					
Unreserved fund balance	<u>248,678</u>	<u>(10,127)</u>	<u>47,510</u>	<u>-</u>	<u>(15,283)</u>
Total Fund Balances (deficit)	<u>248,678</u>	<u>(10,127)</u>	<u>47,510</u>	<u>-</u>	<u>(15,283)</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 270,884</u>	<u>\$ -</u>	<u>\$ 50,811</u>	<u>\$ 4,013</u>	<u>\$ 2,335</u>

Special Revenue Funds

Opera House Repair	Township Outreach	Tourism	Seniors in Need	Holiday	Food Pantry	Landmarks
\$ 71,460	\$ 16,640	\$ 18,906	\$ 40,489	\$ 14,638	\$ 74,266	\$ 8,438
-	-	-	-	-	-	-
-	2,000	18,836	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 71,460</u>	<u>\$ 18,640</u>	<u>\$ 37,742</u>	<u>\$ 40,489</u>	<u>\$ 14,638</u>	<u>\$ 74,266</u>	<u>\$ 8,438</u>
\$ -	\$ 4	\$ 13,809	\$ 156	\$ 7,685	\$ 756	\$ 145
-	-	-	-	-	-	-
-	-	4,678	-	-	-	-
-	-	-	-	-	-	-
-	4	18,487	156	7,685	756	145
<u>71,460</u>	<u>18,636</u>	<u>19,255</u>	<u>40,333</u>	<u>6,953</u>	<u>73,510</u>	<u>8,293</u>
<u>71,460</u>	<u>18,636</u>	<u>19,255</u>	<u>40,333</u>	<u>6,953</u>	<u>73,510</u>	<u>8,293</u>
<u>\$ 71,460</u>	<u>\$ 18,640</u>	<u>\$ 37,742</u>	<u>\$ 40,489</u>	<u>\$ 14,638</u>	<u>\$ 74,266</u>	<u>\$ 8,438</u>

CITY OF STOUGHTON

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2009

	Special Revenue Funds				
	Preserve America Grant	Fire Department Special	Senior Center Wood Shop	Senior Center Special	Economic Development
ASSETS					
Cash and investments	\$ 3,223	\$ 8,807	\$ 129	\$ 327,241	\$ 66,813
Taxes receivable	-	-	-	-	-
Other receivables	-	-	-	-	-
Due from other funds	-	-	-	-	-
TOTAL ASSETS	<u>\$ 3,223</u>	<u>\$ 8,807</u>	<u>\$ 129</u>	<u>\$ 327,241</u>	<u>\$ 66,813</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ -	\$ 16	\$ -	\$ -	\$ 3,843
Accrued liabilities	-	-	-	-	-
Due to other funds	-	-	-	-	-
Deferred revenues	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>16</u>	<u>-</u>	<u>-</u>	<u>3,843</u>
Fund Balances (Deficit)					
Unreserved fund balance	<u>3,223</u>	<u>8,791</u>	<u>129</u>	<u>327,241</u>	<u>62,970</u>
Total Fund Balances (deficit)	<u>3,223</u>	<u>8,791</u>	<u>129</u>	<u>327,241</u>	<u>62,970</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,223</u>	<u>\$ 8,807</u>	<u>\$ 129</u>	<u>\$ 327,241</u>	<u>\$ 66,813</u>

Special Revenue Funds		Capital Projects Fund				
Redevelopment Authority	Special Assessments	Fire Equipment	Park Acquisition	Storm Sewer	Ambulance CPF	River Trail
\$ 32,320	\$ 165,246	\$ 6,963	\$ 91,951	\$ 24,101	\$ 81,693	\$ 595
-	-	-	-	-	-	-
-	116,027	-	-	1,561	-	-
-	-	-	-	-	-	-
<u>\$ 32,320</u>	<u>\$ 281,273</u>	<u>\$ 6,963</u>	<u>\$ 91,951</u>	<u>\$ 25,662</u>	<u>\$ 81,693</u>	<u>\$ 595</u>
\$ 5,781	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
41,800	-	-	32,225	-	-	-
-	116,147	-	-	-	-	-
<u>47,581</u>	<u>116,147</u>	<u>-</u>	<u>32,225</u>	<u>-</u>	<u>-</u>	<u>-</u>
(15,261)	165,126	6,963	59,726	25,662	81,693	595
(15,261)	165,126	6,963	59,726	25,662	81,693	595
<u>\$ 32,320</u>	<u>\$ 281,273</u>	<u>\$ 6,963</u>	<u>\$ 91,951</u>	<u>\$ 25,662</u>	<u>\$ 81,693</u>	<u>\$ 595</u>

CITY OF STOUGHTON

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2009

	Capital Projects Fund				Total Nonmajor Governmental Funds
	TIF District No. 2	TIF District No. 3	TIF District No. 4	Outlay	
ASSETS					
Cash and investments	\$ 97,476	\$ 269,610	\$ 44,587	\$ 192,224	\$ 1,983,524
Taxes receivable	-	237,690	125,075	-	362,765
Other receivables	-	-	-	-	140,759
Due from other funds	-	1,381,891	146,647	7,267	1,535,805
	<u>-</u>	<u>1,381,891</u>	<u>146,647</u>	<u>7,267</u>	<u>1,535,805</u>
TOTAL ASSETS	<u>\$ 97,476</u>	<u>\$ 1,889,191</u>	<u>\$ 316,309</u>	<u>\$ 199,491</u>	<u>\$ 4,022,853</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 233	\$ -	\$ 2,291	\$ 11,523	\$ 63,033
Accrued liabilities	-	-	-	-	14,972
Due to other funds	97,243	226,299	448,422	-	876,169
Deferred revenues	-	237,690	125,075	-	478,912
Total Liabilities	<u>97,476</u>	<u>463,989</u>	<u>575,788</u>	<u>11,523</u>	<u>1,433,086</u>
Fund Balances (Deficit)					
Unreserved fund balance	-	1,425,202	(259,479)	187,968	2,589,767
Total Fund Balances (deficit)	<u>-</u>	<u>1,425,202</u>	<u>(259,479)</u>	<u>187,968</u>	<u>2,589,767</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 97,476</u>	<u>\$ 1,889,191</u>	<u>\$ 316,309</u>	<u>\$ 199,491</u>	<u>\$ 4,022,853</u>

CITY OF STOUGHTON

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2009

	Special Revenue Funds			
	Library	Sick Leave	Ambulance	Safety Building
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	223,933	-	6,397	-
Public charges for services	32,696	-	246	-
Special assessments	-	-	-	-
Investment income	642	129	130	-
Miscellaneous	27,765	-	41,745	-
Total Revenues	<u>285,036</u>	<u>129</u>	<u>48,518</u>	<u>-</u>
EXPENDITURES				
Current				
General government	-	63,101	-	-
Public safety	-	-	68,069	64,393
Culture, recreation and education	838,516	-	-	-
Conservation and development	-	-	-	-
Capital Outlay	-	-	-	4,652
Debt Service	-	-	-	-
Total Expenditures	<u>838,516</u>	<u>63,101</u>	<u>68,069</u>	<u>69,045</u>
Excess (deficiency) of revenues over expenditures	<u>(553,480)</u>	<u>(62,972)</u>	<u>(19,551)</u>	<u>(69,045)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	536,478	52,845	-	69,045
Transfers out	-	-	-	-
Contribution from other districts	-	-	-	-
Contribution to other districts	-	-	-	-
Total Other Financing Sources (Uses)	<u>536,478</u>	<u>52,845</u>	<u>-</u>	<u>69,045</u>
Net Change in Fund Balances	(17,002)	(10,127)	(19,551)	-
FUND BALANCES (DEFICIT) - Beginning of Year	<u>265,680</u>	<u>-</u>	<u>67,061</u>	<u>-</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 248,678</u>	<u>\$ (10,127)</u>	<u>\$ 47,510</u>	<u>\$ -</u>

Special Revenue Funds

Opera House	Opera House Repair	Township Outreach	Tourism	Seniors in Need	Holiday	Food Pantry
\$ -	\$ -	\$ -	\$ 46,090	\$ -	\$ -	\$ -
-	-	4,951	-	-	-	-
293,643	-	-	-	-	-	-
-	-	-	-	-	-	-
134	6	40	61	189	79	162
14,595	-	3,000	-	20,524	11,884	94,318
<u>308,372</u>	<u>6</u>	<u>7,991</u>	<u>46,151</u>	<u>20,713</u>	<u>11,963</u>	<u>94,480</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
349,939	-	5,601	48,946	25,458	14,291	59,109
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>349,939</u>	<u>-</u>	<u>5,601</u>	<u>48,946</u>	<u>25,458</u>	<u>14,291</u>	<u>59,109</u>
<u>(41,567)</u>	<u>6</u>	<u>2,390</u>	<u>(2,795)</u>	<u>(4,745)</u>	<u>(2,328)</u>	<u>35,371</u>
10,000	-	-	-	-	-	-
-	-	-	(8,931)	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>10,000</u>	<u>-</u>	<u>-</u>	<u>(8,931)</u>	<u>-</u>	<u>-</u>	<u>-</u>
(31,567)	6	2,390	(11,726)	(4,745)	(2,328)	35,371
16,284	71,454	16,246	30,981	45,078	9,281	38,139
<u>\$ (15,283)</u>	<u>\$ 71,460</u>	<u>\$ 18,636</u>	<u>\$ 19,255</u>	<u>\$ 40,333</u>	<u>\$ 6,953</u>	<u>\$ 73,510</u>

CITY OF STOUGHTON

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS For the Year Ended December 31, 2009

	Special Revenue Funds			
	Landmarks	Preserve America Grant	Fire Department Special	Senior Center Wood Shop
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Public charges for services	-	-	-	-
Special assessments	-	-	-	-
Investment income	21	14	34	-
Miscellaneous	-	6,242	18,944	4,614
Total Revenues	21	6,256	18,978	4,614
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	12,662	-
Culture, recreation and education	1,342	-	-	4,558
Conservation and development	-	8,585	-	-
Capital Outlay	-	-	15,411	-
Debt Service	-	-	-	-
Total Expenditures	1,342	8,585	28,073	4,558
Excess (deficiency) of revenues over expenditures	(1,321)	(2,329)	(9,095)	56
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	73
Transfers out	-	-	-	-
Contribution from other districts	-	-	-	-
Contribution to other districts	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	73
Net Change in Fund Balances	(1,321)	(2,329)	(9,095)	129
FUND BALANCES (DEFICIT) - Beginning of Year	9,614	5,552	17,886	-
FUND BALANCES (DEFICIT) - END OF YEAR	\$ 8,293	\$ 3,223	\$ 8,791	\$ 129

Special Revenue Funds				Capital Projects Funds		
Senior Center Special	Economic Development	Redevelopment Authority	Special Assessments	Fire Equipment	Park Acquisition	Storm Sewer
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	20,642	-	-	-	-	-
-	-	-	-	-	-	21,800
-	-	-	160,187	-	-	-
3,313	-	-	4,939	9	311	54
<u>36,506</u>	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>3,790</u>	<u>1,000</u>	<u>-</u>
<u>39,819</u>	<u>21,642</u>	<u>-</u>	<u>165,126</u>	<u>3,799</u>	<u>1,311</u>	<u>21,854</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
19,333	-	-	-	-	-	-
-	54,219	45,261	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,818</u>	<u>3,918</u>	<u>-</u>
<u>19,333</u>	<u>54,219</u>	<u>45,261</u>	<u>-</u>	<u>4,818</u>	<u>3,918</u>	<u>-</u>
<u>20,486</u>	<u>(32,577)</u>	<u>(45,261)</u>	<u>165,126</u>	<u>(1,019)</u>	<u>(2,607)</u>	<u>21,854</u>
306,755	95,547	30,000	-	-	-	-
-	-	-	-	-	(58,225)	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>306,755</u>	<u>95,547</u>	<u>30,000</u>	<u>-</u>	<u>-</u>	<u>(58,225)</u>	<u>-</u>
327,241	62,970	(15,261)	165,126	(1,019)	(60,832)	21,854
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,982</u>	<u>120,558</u>	<u>3,808</u>
<u>\$ 327,241</u>	<u>\$ 62,970</u>	<u>\$ (15,261)</u>	<u>\$ 165,126</u>	<u>\$ 6,963</u>	<u>\$ 59,726</u>	<u>\$ 25,662</u>

CITY OF STOUGHTON

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS For the Year Ended December 31, 2009

	Capital Projects Funds			
	Ambulance CPF	River Trail	TIF District No. 2	TIF District No. 3
REVENUES				
Taxes	\$ -	\$ -	\$ 95,557	\$ 220,762
Intergovernmental	-	-	151	412
Public charges for services	-	-	-	-
Special assessments	-	-	-	-
Investment income	158	8	28	164
Miscellaneous	-	-	-	135,379
Total Revenues	158	8	95,736	356,717
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Culture, recreation and education	-	-	-	-
Conservation and development	-	-	-	-
Capital Outlay	-	2,500	4,734	130,418
Debt Service	-	-	-	-
Total Expenditures	-	2,500	4,734	130,418
Excess (deficiency) of revenues over expenditures	158	(2,492)	91,002	226,299
OTHER FINANCING SOURCES (USES)				
Transfers in	33,500	-	-	-
Transfers out	-	-	-	(176,895)
Contribution from other districts	-	-	-	-
Contribution to other districts	-	-	(97,243)	(49,404)
Total Other Financing Sources (Uses)	33,500	-	(97,243)	(226,299)
Net Change in Fund Balances	33,658	(2,492)	(6,241)	-
FUND BALANCES (DEFICIT) - Beginning of Year	48,035	3,087	6,241	1,425,202
FUND BALANCES (DEFICIT) - END OF YEAR	\$ 81,693	\$ 595	\$ -	\$ 1,425,202

<u>Capital Projects Funds</u>		
<u>TIF District No. 4</u>	<u>Outlay</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 107,922	\$ -	\$ 470,331
2,102	24,460	283,048
-	-	348,385
-	-	160,187
351	115	11,091
-	-	421,306
<u>110,375</u>	<u>24,575</u>	<u>1,694,348</u>
11,388	-	74,489
-	-	145,124
-	-	1,367,093
-	-	108,065
<u>658</u>	<u>503,288</u>	<u>670,397</u>
<u>12,046</u>	<u>503,288</u>	<u>2,365,168</u>
<u>98,329</u>	<u>(478,713)</u>	<u>(670,820)</u>
-	380,979	1,515,222
(250,093)	(64,548)	(558,692)
146,647	-	146,647
-	-	(146,647)
<u>(103,446)</u>	<u>316,431</u>	<u>956,530</u>
(5,117)	(162,282)	285,710
<u>(254,362)</u>	<u>350,250</u>	<u>2,304,057</u>
<u>\$ (259,479)</u>	<u>\$ 187,968</u>	<u>\$ 2,589,767</u>