

CITY OF STOUGHTON

Stoughton, Wisconsin

FINANCIAL STATEMENTS

Including Independent Auditors' Report

As of and for the Year Ended December 31, 2013

CITY OF STOUGHTON

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INDEPENDENT AUDITORS' REPORT

To the City Council
City of Stoughton
Stoughton, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Stoughton, Wisconsin, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City of Stoughton's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

To the City Council
City of Stoughton

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Stoughton, Wisconsin, as of December 31, 2013 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note I, the City of Stoughton adopted the provisions of GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an Amendment of GASB Statements No. 14 and No. 34*, effective January 1, 2013. Our opinions are not modified with respect to this matter.

As discussed in Note I, the City of Stoughton adopted the provisions of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, effective January 1, 2013. Our opinions are not modified with respect to this matter.

As discussed in Note IV. (I) to the financial statements, fund balance/net position as of December 31, 2012 has been restated to reflect the activities of the Storm Sewer fund as an enterprise fund. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

To the City Council
City of Stoughton

Supplementary Information

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

Baker Tilly Vuchow Krause, LLP

Madison, Wisconsin
May 9, 2014



CITY OF STOUGHTON

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

For the Year Ended December 31, 2013

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, 2013. 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 position. When expenses exceed revenues, the result is a decrease in net position. You can think of this relationship between revenues and expenses as the city's operating results and the net position, as measured in the Statement of Net Position, as one way to measure the city's financial health, or financial position. Over time, increases and decreases in the city's net position, as measured by the Statement of Activities, are one indicator of whether its financial health is improving or deteriorating. However, the city's goal is to provide services that improve the quality of life of our residents, not to generate profits as companies do. For this reason, you will need to consider many other non-financial factors, such as the condition of our roads, or the quality of our services, in assessing the overall health of our city.

- The assets of the City of Stoughton exceeded its liabilities by \$67,581,254 (net position). Of this amount, \$12,969,242 is considered unrestricted net position, \$4,338,408 is restricted for specific purposes (restricted net position), and \$50,273,604 is net investment in capital assets.
- The city's total net position increased by \$2,416,341. Governmental activities net position increased by \$1,355,899 while business-type net position increased by \$1,060,442.
- On December 31, 2013, the city's governmental funds reported combined fund balances of \$8,513,634, an increase of \$392,330 from 2012. Unassigned fund balance was \$2,338,307 at year-end.
- The City of Stoughton's total debt decreased by \$2,241,037 (7.3%) during 2013.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the city's overall financial status.
- The remaining statements are fund financial statements that focus in individual parts of city government, reporting the city's operations in more detail than the government-wide statements.

CITY OF STOUGHTON

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Unaudited)

For the Year Ended December 31, 2013

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 position includes all of the government's assets, liabilities, and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

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

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

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

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

CITY OF STOUGHTON

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Unaudited)

For the Year Ended December 31, 2013

OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

The city maintains thirty-two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, and construction fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

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

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

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

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the city's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information – In addition to the basic financial statements and accompanying notes, required supplementary information presents a detailed budgetary comparison schedule for the general fund to demonstrate compliance with the budget. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information.

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 Position and the Statement of Revenues, Expenses and Changes in Net Position. These two statements report the city's net position and changes therein. It should be noted that the financial position could also be affected by non-financial factors, including economic conditions, population growth and new regulations.

CITY OF STOUGHTON

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) For the Year Ended December 31, 2013

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

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

	Governmental Activities		Business Type Activities		Totals	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$18,049,985	\$17,947,032	\$13,510,252	\$13,796,739	\$31,560,237	\$31,743,771
Capital assets	33,127,006	33,072,811	44,639,381	44,097,208	77,766,387	77,170,019
Total Assets	51,176,991	51,019,843	58,149,633	57,893,947	109,326,624	108,913,790
Long-term liabilities	18,221,758	19,581,887	12,277,137	12,984,379	30,498,895	32,566,266
Other liabilities	829,232	959,142	1,625,158	1,707,532	2,454,390	2,666,674
Total Liabilities	19,050,990	20,541,029	13,902,295	14,691,911	32,953,285	35,232,940
Unearned revenue	8,792,085	8,519,937	-	-	17,312,022	8,519,937
Total Deferred Inflows of Resources	8,792,085	8,519,937	-	-	17,312,022	8,519,937
Net investment in capital assets	17,339,852	16,961,378	32,933,752	31,384,092	50,273,604	48,345,470
Restricted	1,605,607	1,527,101	2,732,801	2,971,940	4,338,408	4,499,041
Unrestricted	4,388,457	3,474,398	8,580,785	8,846,004	12,969,242	12,320,402
Total Net Position	\$23,333,916	\$21,962,877	\$44,247,338	\$43,202,036	\$67,581,254	\$65,164,913

The largest portion of the city's net position (74%) reflects its investment in capital assets (e.g., land, buildings and improvements, machinery and equipment, and infrastructure), less any debt used to acquire those assets that is still outstanding. The city uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the city's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the city's net position (6%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (20%) may be used to meet the government's ongoing obligation to citizens and creditors.

CITY OF STOUGHTON

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) For the Year Ended December 31, 2013

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

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

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

	Governmental Activities		Business Type Activities		Totals	
	2013	2012	2013	2012	2013	2012
REVENUES						
Program Revenues						
Charges for services	\$ 2,213,716	\$ 2,044,708	\$ 20,061,969	\$ 19,708,776	\$ 22,275,685	\$ 21,753,484
Operating grants and contributions	1,807,152	2,024,954	33,704	36,880	1,840,856	2,061,834
Capital grants and contributions	57,938	111,207	100,262	188,816	158,200	300,023
General Revenues						
Property taxes	7,821,919	7,737,729	-	-	7,821,919	7,737,729
Other taxes	85,272	97,430	-	-	85,272	97,430
Intergovernmental	790,431	767,873	-	-	790,431	767,873
Other	610,839	441,278	68,167	121,233	679,006	562,511
Total Revenues	<u>13,387,267</u>	<u>13,225,179</u>	<u>20,264,102</u>	<u>20,055,705</u>	<u>33,651,369</u>	<u>33,280,884</u>
EXPENSES						
General government	1,609,588	1,673,120	-	-	1,609,588	1,673,120
Public safety	3,981,314	4,056,405	-	-	3,981,314	4,056,405
Public works	3,077,800	3,231,739	-	-	3,077,800	3,231,739
Culture, education and recreation	3,072,021	3,064,282	-	-	3,072,021	3,064,282
Conservation and development	265,029	132,263	-	-	265,029	132,263
Water	-	-	1,251,374	1,207,856	1,251,374	1,207,856
Sewer	-	-	1,636,293	1,612,155	1,636,293	1,612,155
Electric	-	-	14,674,202	14,522,808	14,674,202	14,522,808
EMS	-	-	609,659	615,794	609,659	615,794
Storm Sewer	-	-	331,627	-	331,627	-
Interest and Fiscal charges	726,121	575,346	-	-	726,121	575,346
Total Expenses	<u>12,731,873</u>	<u>12,733,155</u>	<u>18,503,155</u>	<u>17,958,613</u>	<u>31,235,028</u>	<u>30,691,768</u>
Income Before Transfers	655,394	492,024	1,760,947	2,097,092	2,416,341	2,589,116
Transfers	700,505	681,270	(700,505)	(681,270)	-	-
Change in Net Position	1,355,899	1,173,294	1,060,442	1,415,822	2,416,341	2,589,116
Beginning Net Position (as restated)	<u>21,978,017</u>	<u>20,789,583</u>	<u>43,186,896</u>	<u>41,786,214</u>	<u>65,164,913</u>	<u>62,575,797</u>
ENDING NET POSITION	<u>\$ 23,333,916</u>	<u>\$ 21,962,877</u>	<u>\$ 44,247,338</u>	<u>\$ 43,202,036</u>	<u>\$ 67,581,254</u>	<u>\$ 65,164,913</u>

CITY OF STOUGHTON

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) For the Year Ended December 31, 2013

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

As previously noted, the Statement of Net Position shows the change in financial position of net position. The specific nature or source of these changes then becomes more evident in the Statement of Revenues, Expenses and Changes in Net Position as shown above in Table 2. The ending net position balance in 2012 does not equal the beginning balance in 2013 due to a restatement in the current year. See Note IV. I. in the financial statements for a detailed calculation of this restatement.

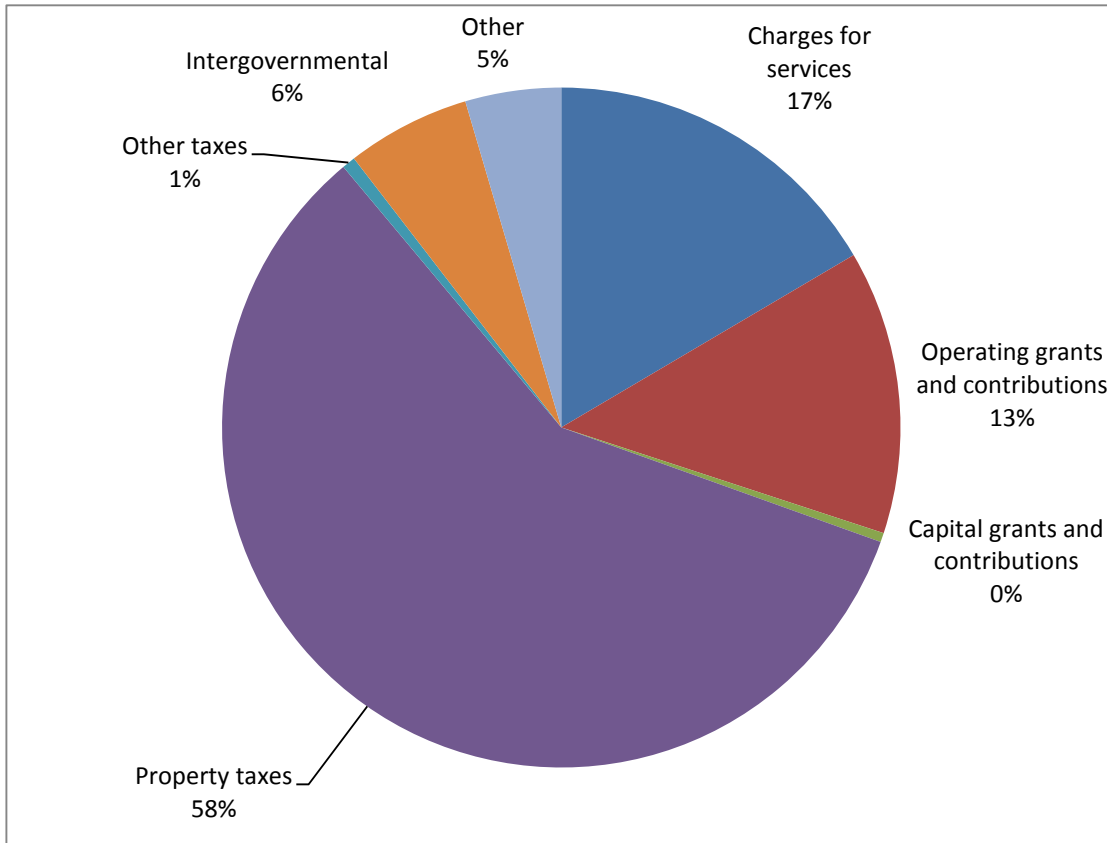
Governmental Activities – Revenues

Governmental activities increased the city's net position by \$1,355,899. This increase is primarily a result of operational efficiencies instituted throughout the year.

Program revenues are those revenues that can be directly related to a particular activity, whereas general revenues represent revenues that are not directly related to one specific function. General revenues include state aids and investment income. Charges for services are primarily made up of licenses, permits, public charges for services such as library, garbage, recycling, park, and recreation fees. Operating grants are mainly from state resources received for highway maintenance and recycling programs. Capital grants fluctuate annually and are received to assist the city in capital asset purchases.

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

Governmental Activities by Revenue Source



CITY OF STOUGHTON

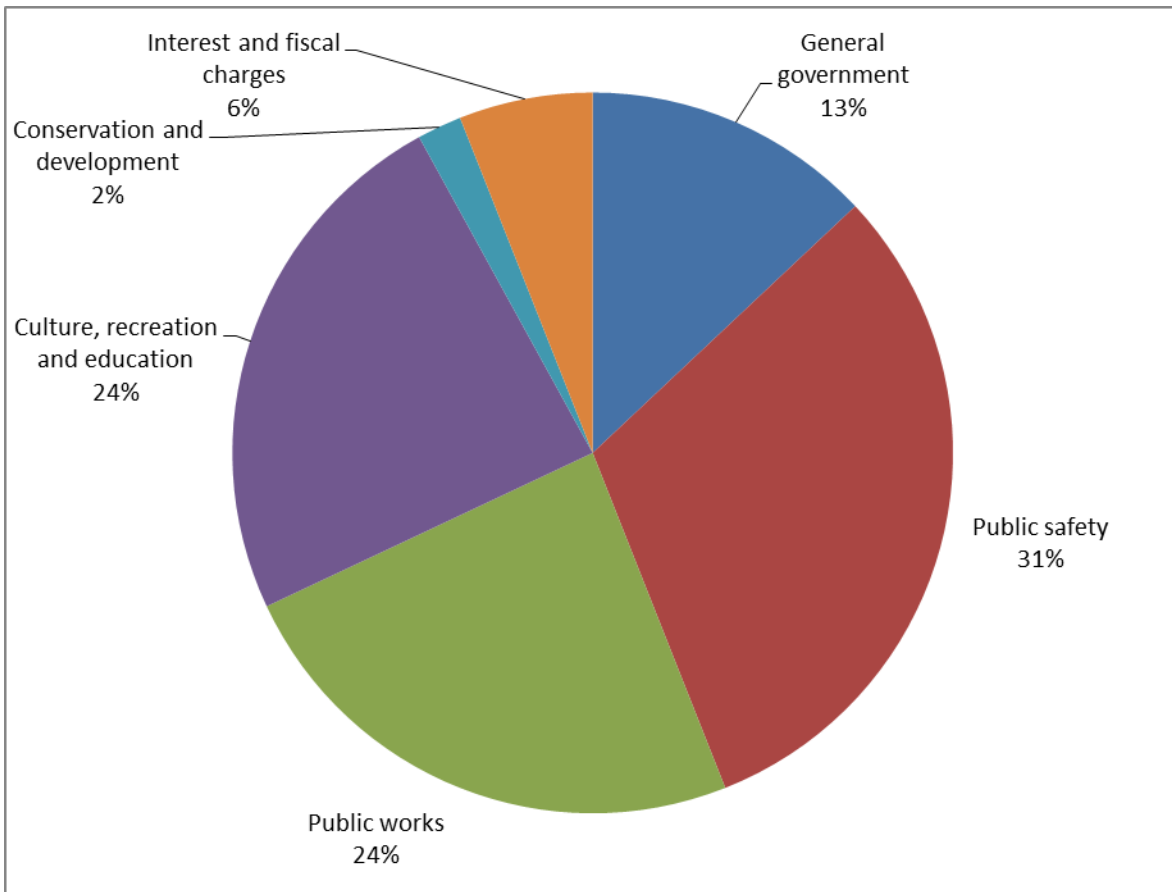
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) For the Year Ended December 31, 2013

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 and Fire services are shown within the public safety function. The public works function includes expenses for street and sidewalk maintenance, winter and forestry operations, and refuse and recycling efforts. Health and human services include the senior center, parks, recreation, cemetery and cable television. Conservation and development are the expenses of the planning department and TIF funds.

Governmental Activities Expenses Shown by Function



CITY OF STOUGHTON

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) For the Year Ended December 31, 2013

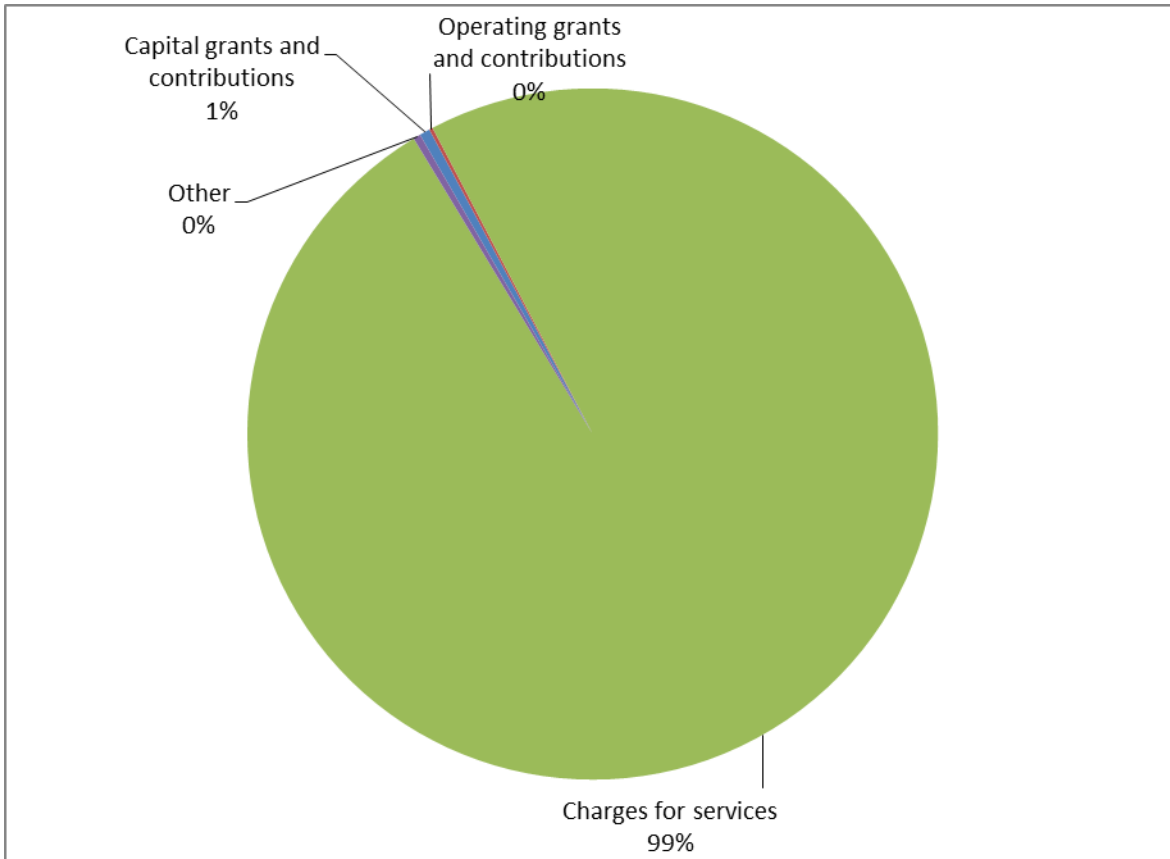
FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (cont.)

Business Type Activities

Business-type activities increased the City of Stoughton's net position by \$1,060,442. The net investment in capital assets increased by approximately 5% or \$1,549,660. This is due primarily to the fact that each of the utilities had more capital asset additions than debt issued to acquire capital assets.

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

Revenues by Source - Business Type Activities

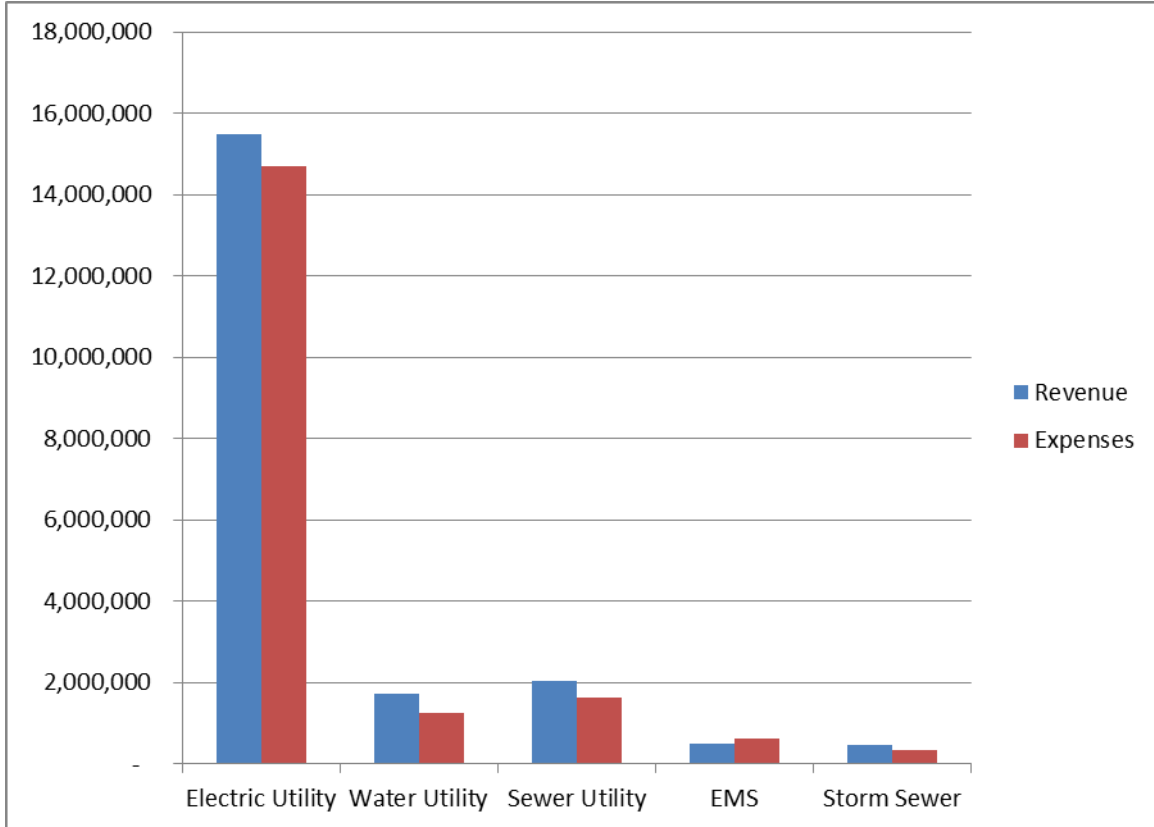


CITY OF STOUGHTON

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) For the Year Ended December 31, 2013

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

Operating Expenses and Revenues - Business-type Activities



Governmental Funds

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

At December 31, 2013, the city's governmental funds reported combined fund balances of \$8,513,634. Approximately 27% of this amount, \$2,338,307, constitutes the unassigned fund balance, which is available to meet the city's current and future needs. An additional \$5,072,899 is included in the restricted, committed, or assigned category which has been designated for specific projects or expenditures. The remaining \$1,102,428 is non-spendable for prepaid expenditures, long-term receivables, non-current assets, or CVMIC equity.

CITY OF STOUGHTON

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Unaudited)

For the Year Ended December 31, 2013

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

General Fund

The city's general fund is the chief operating fund of the city. Total fund balance in the general fund increased \$262,085 or 6%. These changes are primarily due to an overall savings in the 2013 operating budget. See the following General Fund Budgetary Highlights section for further details.

The city evaluates general fund balance by measuring the unassigned general fund balance as a percentage of the subsequent year's general fund budget. For 2013, unassigned fund balance is \$2,965,631 and the 2014 general fund expenditure budget is \$11,612,662, resulting in an unassigned fund balance percentage of 26%.

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 \$100,064, which is a decrease of \$50,690 from the prior year, is restricted for future debt service.

Construction Capital Projects Fund

The city's construction capital projects fund accounts for the funds accumulated for the purpose of obtaining capital assets or for capital projects and other expenditures that are unique and are not normal operating or maintenance type expenditures reportable within the general fund or other governmental funds. The total fund balance as of December 31, 2013 is \$960,035, of which \$810,035 is assigned for the completion of projects that were begun but were not fully complete by year end. The remaining \$150,000 is nonspendable for prepaid items.

Non-Major Governmental Funds

Fund balance of all other governmental funds is \$2,656,270, an increase of \$399,360 from the prior year.

Proprietary Funds

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

Internal Service Fund

In December 2011, the city paid off its Wisconsin Retirement System Unfunded Actuarial Accrued Liability. The city borrowed money from the Electric Utility to pay off its portion of liability. This advance has been recorded in the Retirement Fund, which is an Internal Service Fund that the city created for this purpose. The internal service fund had a deficit of \$481,925 as of December 31, 2013, which represents the amount to be paid to the Electric Utility and funded through future years' charges to governmental funds.

CITY OF STOUGHTON

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) For the Year Ended December 31, 2013

GENERAL FUND BUDGETARY HIGHLIGHTS

The final amended General Fund budget had total appropriations, including those for transfers out, of \$11,150,755. Actual expenditures and transfers out were \$11,214,586, resulting in a \$63,831 unfavorable variance. Total revenues and other sources were \$11,476,671, \$434,431 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 2013, the city had invested a total of \$77,766,387 in capital assets. This investment in capital assets includes land, buildings and improvements, machinery and equipment, and infrastructure.

**Table 3
Capital Assets**

	Governmental Activities		Business Type Activities		Totals	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Land and other assets not being depreciated	\$ 9,957,524	\$ 8,584,118	\$ 1,024,570	\$ 867,387	\$ 10,982,094	\$ 9,451,505
Buildings & improvements	14,612,600	14,597,600	1,240,308	1,240,308	15,852,908	15,837,908
Machinery & equipment	8,568,943	8,473,594	909,407	655,091	9,478,350	9,128,685
Infrastructure	26,873,146	27,123,954	-	-	26,873,146	27,123,954
Utility plant	-	-	68,451,277	66,326,860	68,451,277	66,326,860
Total Capital Assets	60,012,213	58,779,266	71,625,562	69,089,646	131,637,775	127,868,912
Less: Accumulated depreciation	(26,885,207)	(25,706,455)	(26,986,181)	(24,992,438)	(53,871,388)	(50,698,893)
NET CAPITAL ASSETS	\$ 33,127,006	\$ 33,072,811	\$ 44,639,381	\$ 44,097,208	\$ 77,766,387	\$ 77,170,019

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

Governmental Activities

- Infrastructure reconstruction projects of sidewalks throughout the city and street reconstruction on Milwaukee and Fourth Street as well as Hillside and Ridge.
- Various equipment purchases.
- Purchase of Moe property for TIF expansion.

Business-type Activities

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

CITY OF STOUGHTON

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Unaudited)

For the Year Ended December 31, 2013

LONG-TERM DEBT

At December 31, 2013, the city had \$28,541,778 of long-term bonds and notes outstanding. \$10,400,668 of this is revenue debt and the rest relates to general obligation issues. Total long-term bonds and loans outstanding at December 31, 2013 decreased by \$2,241,037. 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, 2013 was \$44,706,275. Total general obligation debt outstanding at year end was \$18,141,110. Therefore, the city was at 41% of the legal debt limit.

CURRENTLY KNOWN FACTS/ECONOMIC CONDITIONS

All currently known facts and economic conditions were considered in preparing the 2014 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.

CITY OF STOUGHTON

STATEMENT OF NET POSITION As of December 31, 2013

	Governmental Activities	Business-type Activities	Totals
ASSETS			
Cash and investments	\$ 7,360,952	\$ 8,218,110	\$ 15,579,062
Receivables	9,688,499	2,248,385	11,936,884
Internal balances	337,656	(337,656)	-
Inventories and prepaid items	180,500	209,456	389,956
Investment in mutual insurance company	257,805	-	257,805
Restricted cash and investments	-	2,801,144	2,801,144
Other assets	-	370,813	370,813
Land held for resale	224,573	-	224,573
Capital Assets			
Capital assets not being depreciated	9,957,524	1,024,570	10,982,094
Capital assets net of depreciation	<u>23,169,482</u>	<u>43,614,811</u>	<u>66,784,293</u>
Total Assets	<u>51,176,991</u>	<u>58,149,633</u>	<u>109,326,624</u>
LIABILITIES			
Accounts payable and accrued expenses	829,232	1,556,938	2,386,170
Liabilities Payable from Restricted Assets			
Current portion of revenue bonds	-	887,310	887,310
Accrued interest	-	68,220	68,220
Noncurrent Liabilities			
Due within one year	2,331,066	144,285	2,475,351
Due in more than one year	<u>15,890,692</u>	<u>11,245,542</u>	<u>27,136,234</u>
Total Liabilities	<u>19,050,990</u>	<u>13,902,295</u>	<u>32,953,285</u>
DEFERRED INFLOWS OF RESOURCES			
Unearned revenue	<u>8,792,085</u>	-	<u>8,792,085</u>
Total Deferred Inflows of Resources	<u>8,792,085</u>	-	<u>8,792,085</u>
NET POSITION			
Net investment in capital assets	17,339,852	32,933,752	50,273,604
Restricted for			
Debt service	173,127	1,703,502	1,876,629
Equipment replacement	-	1,029,299	1,029,299
TID activities	1,142,315	-	1,142,315
Library	195,435	-	195,435
Impact fees	94,730	-	94,730
Unrestricted	<u>4,388,457</u>	<u>8,580,785</u>	<u>12,969,242</u>
TOTAL NET POSITION	<u>\$ 23,333,916</u>	<u>\$ 44,247,338</u>	<u>\$ 67,581,254</u>

See accompanying notes to financial statements.

CITY OF STOUGHTON

STATEMENT OF ACTIVITIES For the Year Ended December 31, 2013

<u>Functions/Programs</u>	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General government	\$ 1,609,588	\$ 156,167	\$ 158,952	\$ -
Public safety	3,981,314	381,611	328,146	57,938
Public works	3,077,800	834,211	592,616	-
Culture, recreation and education	3,072,021	810,487	669,320	-
Conservation and development	265,029	31,240	26,019	-
Interest and fiscal charges	<u>726,121</u>	<u>-</u>	<u>32,099</u>	<u>-</u>
Total Governmental Activities	<u>12,731,873</u>	<u>2,213,716</u>	<u>1,807,152</u>	<u>57,938</u>
Business-type Activities				
Water	1,251,374	1,727,969	-	-
Wastewater	1,636,293	2,029,464	-	21,773
Electric	14,674,202	15,379,679	-	78,489
EMS	609,659	472,554	33,704	-
Storm sewer	<u>331,627</u>	<u>452,303</u>	<u>-</u>	<u>-</u>
Total Business-type Activities	<u>18,503,155</u>	<u>20,061,969</u>	<u>33,704</u>	<u>100,262</u>
Totals	<u>\$ 31,235,028</u>	<u>\$ 22,275,685</u>	<u>\$ 1,840,856</u>	<u>\$ 158,200</u>

General Revenues

 Taxes

 Property taxes, levied for general purposes

 Property taxes, levied for TIF districts

 Other taxes

 Intergovernmental revenues not restricted to specific programs

 Investment income

 Miscellaneous

 Total General Revenues

Transfers

Change in net position

NET POSITION - Beginning of Year (as restated)

NET POSITION - END OF YEAR

Net (Expenses) Revenues and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>
\$ (1,294,469)	\$ -	\$ (1,294,469)
(3,213,619)	-	(3,213,619)
(1,650,973)	-	(1,650,973)
(1,592,214)	-	(1,592,214)
(207,770)	-	(207,770)
<u>(694,022)</u>	<u>-</u>	<u>(694,022)</u>
<u>(8,653,067)</u>	<u>-</u>	<u>(8,653,067)</u>
-	476,595	476,595
-	414,944	414,944
-	783,966	783,966
-	(103,401)	(103,401)
-	<u>120,676</u>	<u>120,676</u>
-	<u>1,692,780</u>	<u>1,692,780</u>
<u>(8,653,067)</u>	<u>1,692,780</u>	<u>(6,960,287)</u>
7,136,381	-	7,136,381
685,538	-	685,538
85,272	-	85,272
790,431	-	790,431
48,618	68,167	116,785
<u>562,221</u>	<u>-</u>	<u>562,221</u>
<u>9,308,461</u>	<u>68,167</u>	<u>9,376,628</u>
<u>700,505</u>	<u>(700,505)</u>	<u>-</u>
1,355,899	1,060,442	2,416,341
<u>21,978,017</u>	<u>43,186,896</u>	<u>65,164,913</u>
<u>\$ 23,333,916</u>	<u>\$ 44,247,338</u>	<u>\$ 67,581,254</u>

See accompanying notes to financial statements.

CITY OF STOUGHTON

BALANCE SHEET GOVERNMENTAL FUNDS As of December 31, 2013

	General	Debt Service	Construction
ASSETS			
Cash and investments	\$ 2,759,344	\$ -	\$ 822,653
Receivables			
Taxes	8,100,778	-	-
Delinquent personal property tax	14,579	-	-
Accounts	253,117	-	-
Special assessments	-	-	-
Delinquent special assessments	9,317	-	-
Leases	-	234,311	-
Due from other governments	141	-	-
Due from other funds	1,243,261	100,064	-
Advances to other funds	598,427	-	-
Other investments	257,805	-	-
Prepaid items	-	-	150,000
	\$ 13,236,769	\$ 334,375	\$ 972,653
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 234,723	\$ -	\$ 12,618
Accrued liabilities	149,205	-	-
Deposits	1,658	-	-
Other liabilities	-	-	-
Due to other funds	22,887	-	-
Advances from other funds	-	-	-
Total Liabilities	408,473	-	12,618
Deferred Inflows of Resources			
Unearned revenues	8,031,031	-	-
Unavailable revenues	-	234,311	-
Total Deferred Inflows of Resources	8,031,031	234,311	-
Fund Balances			
Nonspendable for prepaid expenditures	-	-	150,000
Nonspendable for long-term receivables	640,227	-	-
Nonspendable for non-current assets	23,896	-	-
Nonspendable for CVMIC Equity	257,805	-	-
Restricted	-	100,064	-
Committed	-	-	-
Assigned	909,706	-	810,035
Unassigned (deficit)	2,965,631	-	-
Total Fund Balances	4,797,265	100,064	960,035
	\$ 13,236,769	\$ 334,375	\$ 972,653

See accompanying notes to financial statements.

Nonmajor Governmental Funds	Totals
\$ 3,778,955	\$ 7,360,952
761,054	8,861,832
-	14,579
215,999	469,116
99,203	99,203
-	9,317
-	234,311
-	141
-	1,343,325
-	598,427
-	257,805
<u>30,500</u>	<u>180,500</u>
<u>\$ 4,885,711</u>	<u>\$ 19,429,508</u>

\$ 93,522	\$ 340,863
18,579	167,784
-	1,658
157,679	157,679
500,857	523,744
<u>598,427</u>	<u>598,427</u>
<u>1,369,064</u>	<u>1,790,155</u>

761,054	8,792,085
<u>99,323</u>	<u>333,634</u>
<u>860,377</u>	<u>9,125,719</u>

30,500	180,500
-	640,227
-	23,896
-	257,805
1,439,424	1,539,488
1,073,089	1,073,089
740,581	2,460,322
<u>(627,324)</u>	<u>2,338,307</u>
<u>2,656,270</u>	<u>8,513,634</u>

<u>\$ 4,885,711</u>	<u>\$ 19,429,508</u>
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See accompanying notes to financial statements.

CITY OF STOUGHTON

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION As of December 31, 2013

Total Fund Balances - Governmental Funds \$ 8,513,634

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

Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds. See Note II. A. 33,351,579

Some receivables that are not currently available are reported as unavailable revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements.

Special assessments receivable 99,323
Lease receivable 234,311

Internal service funds are reported in the statement of net position as governmental activities. (481,925)

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. (18,383,006)

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 23,333,916

CITY OF STOUGHTON

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

For the Year Ended December 31, 2013

	General	Debt Service	Construction
REVENUES			
Taxes	\$ 7,179,236	\$ -	\$ -
Intergovernmental	1,551,047	32,099	53,890
Licenses and permits	134,056	-	-
Fines, forfeitures and penalties	107,798	-	-
Public charges for services	1,215,710	-	-
Intergovernmental charges for services	-	48,783	-
Special assessments	17,148	-	-
Investment income	39,822	6	3,695
Miscellaneous	444,341	57,858	94,611
Total Revenues	10,689,158	138,746	152,196
EXPENDITURES			
Current			
General government	1,539,173	-	-
Public safety	3,305,741	-	-
Public works	1,875,905	-	-
Culture, recreation and education	1,249,079	-	-
Conservation and development	-	-	-
Capital Outlay	-	-	487,452
Debt Service			
Principal	-	2,196,937	-
Interest and fiscal charges	-	493,184	-
Total Expenditures	7,969,898	2,690,121	487,452
Excess (deficiency) of revenues over expenditures	2,719,260	(2,551,375)	(335,256)
OTHER FINANCING SOURCES (USES)			
Debt issued	-	-	-
Property sales	-	-	-
Transfers in	787,513	2,500,685	116,831
Transfers out	(3,244,688)	-	-
Total Other Financing Sources (Uses)	(2,457,175)	2,500,685	116,831
Net Change in Fund Balances	262,085	(50,690)	(218,425)
FUND BALANCES - Beginning of Year (as restated)	4,535,180	150,754	1,178,460
FUND BALANCES - END OF YEAR	\$ 4,797,265	\$ 100,064	\$ 960,035

See accompanying notes to financial statements.

Nonmajor Governmental Funds	Totals
\$ 727,955	\$ 7,907,191
298,122	1,935,158
-	134,056
-	107,798
633,217	1,848,927
-	48,783
76,641	93,789
5,095	48,618
<u>662,736</u>	<u>1,259,546</u>
<u>2,403,766</u>	<u>13,383,866</u>
-	1,539,173
76,939	3,382,680
-	1,875,905
1,680,478	2,929,557
81,199	81,199
2,198,222	2,685,674
-	2,196,937
<u>23,016</u>	<u>516,200</u>
<u>4,059,854</u>	<u>15,207,325</u>
<u>(1,656,088)</u>	<u>(1,823,459)</u>
1,400,000	1,400,000
11,217	11,217
1,324,344	4,729,373
<u>(680,113)</u>	<u>(3,924,801)</u>
<u>2,055,448</u>	<u>2,215,789</u>
399,360	392,330
<u>2,256,910</u>	<u>8,121,304</u>
<u>\$ 2,656,270</u>	<u>\$ 8,513,634</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, 2013

Net change in fund balances - total governmental funds	\$	392,330
Amounts reported for governmental activities in the statement of net position are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of net position the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.		
Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements		2,685,674
Some items reported as capital outlay were not capitalized		(519,722)
Depreciation is reported in the government-wide financial statements		(1,542,605)
Net book value of assets retired		(21,708)
Capital asset contributions to business-type activities.		(104,067)
Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.		
Special assessments		(4,666)
Loan activity		(49,795)
Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Debt issued		(1,400,000)
Principal repaid		2,196,937
Governmental funds report debt premiums and discounts as other financing sources (uses) or expenditures. However, in the statement of net position, these are 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.		
Amortization		(218,663)
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		(126,707)
Compensated absences - retirees		21,698
Self insurance auto and general liability		5,905
Self insurance health liability		1,296
Accrued interest on debt		8,742
Internal service funds are used by management to charge self insurance costs to individual funds. The change in net position of the internal service fund reported with governmental activities		
		31,250
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	1,355,899

See accompanying notes to financial statements.

CITY OF STOUGHTON

STATEMENT OF NET POSITION PROPRIETARY FUNDS As of December 31, 2013

Business-type Activities - Enterprise Funds			
	Water	Wastewater	Electric
ASSETS			
Current Assets			
Cash and investments	\$ 317,809	\$ 738,999	\$ 5,622,496
Receivables			
Other receivables	190,796	223,406	1,712,185
Due from other funds	2,709	2,789	17,389
Current portion of advance to other funds	-	-	33,119
Inventories	36,627	-	136,045
Prepaid items	7,157	8,946	20,681
Restricted Assets			
Redemption account	123,710	198,451	387,545
Total Current Assets	678,808	1,172,591	7,929,460
Noncurrent Assets			
Restricted Assets			
Reserve account	274,005	-	704,728
Depreciation account	25,000	33,283	25,000
Replacement account	-	1,029,299	-
Construction account	-	123	-
Capital Assets			
Land and land rights	24,841	-	220,797
Construction in progress	24,194	400,229	1,845
Plant in service	18,075,566	23,965,448	25,893,457
Property held for future use	-	-	352,664
Less: Accumulated depreciation	(5,578,071)	(9,062,641)	(11,742,374)
Other Assets			
Plant and maintenance reserve account	447,924	-	505,712
Sick leave reserve account	94,638	91,605	173,704
Advance to other funds	-	-	448,806
Investment in ATC	-	-	302,062
Non-utility property (net of amortization)	43,478	-	25,273
Total Noncurrent Assets	13,431,575	16,457,346	16,911,674
Total Assets	14,110,383	17,629,937	24,841,134

See accompanying notes to financial statements.

Business-type Activities - Enterprise Funds		Governmental Activities - Internal Service Fund
Nonmajor Enterprise Funds	Totals	
\$ 225,223	\$ 6,904,527	\$ -
121,998	2,248,385	-
72,753	95,640	-
-	33,119	-
-	172,672	-
-	36,784	-
-	709,706	-
<u>419,974</u>	<u>10,200,833</u>	<u>-</u>
-	978,733	-
-	83,283	-
-	1,029,299	-
-	123	-
-	245,638	-
-	426,268	-
2,666,521	70,600,992	-
-	352,664	-
(603,095)	(26,986,181)	-
-	953,636	-
-	359,947	-
-	448,806	-
-	302,062	-
-	68,751	-
<u>2,063,426</u>	<u>48,864,021</u>	<u>-</u>
<u>2,483,400</u>	<u>59,064,854</u>	<u>-</u>

See accompanying notes to financial statements.

CITY OF STOUGHTON

STATEMENT OF NET POSITION PROPRIETARY FUNDS As of December 31, 2013

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Water</u>	<u>Wastewater</u>	<u>Electric</u>
LIABILITIES			
Current Liabilities			
Accounts payable	\$ 20,627	\$ 47,522	\$ 1,071,358
Accrued liabilities	13,123	20,838	154,369
Public benefits	-	-	30,854
Deposits	39	-	155,552
Due to other funds	361,820	-	453,337
Current portion of GO notes	-	-	-
Current portion of advance	-	-	-
Liabilities Payable from Restricted Assets			
Current portion of revenue bonds	150,575	256,735	480,000
Accrued interest	13,879	13,110	41,231
Total Current Liabilities	<u>560,063</u>	<u>338,205</u>	<u>2,386,701</u>
Noncurrent Liabilities			
Long-Term Debt			
Customer advances for construction	-	-	5,514
Revenue bonds payable	1,926,638	2,646,720	4,940,000
Unamortized premium on bond refunding	-	-	74,461
General obligation debt payable	-	-	-
Compensated absences	94,638	91,605	173,704
Advances from other funds	-	-	-
Total Noncurrent Liabilities	<u>2,021,276</u>	<u>2,738,325</u>	<u>5,193,679</u>
Total Liabilities	<u>2,581,339</u>	<u>3,076,530</u>	<u>7,580,380</u>
NET POSITION			
Net investment in capital assets	10,469,317	12,399,704	9,231,928
Restricted for			
Restricted for debt service	408,836	218,624	1,076,042
Restricted for equipment replacement	-	1,029,299	-
Unrestricted (deficit)	<u>650,891</u>	<u>905,780</u>	<u>6,952,784</u>
TOTAL NET POSITION (DEFICIT)	<u>\$ 11,529,044</u>	<u>\$ 14,553,407</u>	<u>\$ 17,260,754</u>

See accompanying notes to financial statements.

<u>Business-type Activities - Enterprise Funds</u>		Governmental Activities - Internal Service Funds
<u>Nonmajor Enterprise Funds</u>	<u>Totals</u>	<u>Service Funds</u>
\$ 16,353	\$ 1,155,860	\$ -
26,303	214,633	-
-	30,854	-
-	155,591	-
100,064	915,221	-
144,285	144,285	-
-	-	33,119
-	887,310	-
-	68,220	-
<u>287,005</u>	<u>3,571,974</u>	<u>33,119</u>
-	5,514	-
-	9,513,358	-
-	74,461	-
1,292,262	1,292,262	-
-	359,947	-
-	-	448,806
<u>1,292,262</u>	<u>11,245,542</u>	<u>448,806</u>
<u>1,579,267</u>	<u>14,817,516</u>	<u>481,925</u>
832,803	32,933,752	-
-	1,703,502	-
-	1,029,299	-
<u>71,330</u>	<u>8,580,785</u>	<u>(481,925)</u>
<u>\$ 904,133</u>	<u>\$ 44,247,338</u>	<u>\$ (481,925)</u>

See accompanying notes to financial statements.

CITY OF STOUGHTON

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION PROPRIETARY FUNDS For the Year Ended December 31, 2013

	Business-type Activities - Enterprise Funds		
	Water	Wastewater	Electric
OPERATING REVENUES	<u>\$ 1,727,969</u>	<u>\$ 2,029,464</u>	<u>\$ 15,379,679</u>
OPERATING EXPENSES			
Operation and maintenance	779,963	877,420	13,512,427
Depreciation	<u>381,278</u>	<u>673,593</u>	<u>918,885</u>
Total Operating Expenses	<u>1,161,241</u>	<u>1,551,013</u>	<u>14,431,312</u>
Operating Income	<u>566,728</u>	<u>478,451</u>	<u>948,367</u>
NONOPERATING REVENUES (EXPENSES)			
Investment income	5,245	3,498	59,346
Interest and fiscal charges	(85,856)	(85,280)	(251,192)
Miscellaneous expenses	(4,277)	-	(3,660)
Intergovernmental grants	-	-	-
Interest subsidy	-	-	-
Amortization of premium on bond refunding	-	-	11,962
Total Nonoperating Revenues (Expenses)	<u>(84,888)</u>	<u>(81,782)</u>	<u>(183,544)</u>
Income Before Contributions and Transfers	<u>481,840</u>	<u>396,669</u>	<u>764,823</u>
CONTRIBUTIONS AND TRANSFERS			
Contributions in aid of construction	-	21,773	78,489
Contribution from municipality	-	-	-
Transfers out	<u>(372,699)</u>	<u>-</u>	<u>(410,573)</u>
Total Contributions and Transfers	<u>(372,699)</u>	<u>21,773</u>	<u>(332,084)</u>
Change in Net Position	109,141	418,442	432,739
NET POSITION (DEFICIT) - Beginning of Year (as restated)	<u>11,419,903</u>	<u>14,134,965</u>	<u>16,828,015</u>
NET POSITION (DEFICIT) - END OF YEAR	<u>\$ 11,529,044</u>	<u>\$ 14,553,407</u>	<u>\$ 17,260,754</u>

See accompanying notes to financial statements.

Business-type Activities - Enterprise Funds		Governmental Activities - Internal Service Fund
Nonmajor Enterprise Funds	Totals	
<u>\$ 924,857</u>	<u>\$ 20,061,969</u>	<u>\$ 46,645</u>
806,161	15,975,971	-
<u>97,076</u>	<u>2,070,832</u>	<u>-</u>
<u>903,237</u>	<u>18,046,803</u>	<u>-</u>
<u>21,620</u>	<u>2,015,166</u>	<u>46,645</u>
78	68,167	-
(38,049)	(460,377)	(15,395)
-	(7,937)	-
10,804	10,804	-
22,900	22,900	-
-	11,962	-
<u>(4,267)</u>	<u>(354,481)</u>	<u>(15,395)</u>
<u>17,353</u>	<u>1,660,685</u>	<u>31,250</u>
-	100,262	-
104,067	104,067	-
<u>(21,300)</u>	<u>(804,572)</u>	<u>-</u>
<u>82,767</u>	<u>(600,243)</u>	<u>-</u>
100,120	1,060,442	31,250
<u>804,013</u>	<u>43,186,896</u>	<u>(513,175)</u>
<u>\$ 904,133</u>	<u>\$ 44,247,338</u>	<u>\$ (481,925)</u>

See accompanying notes to financial statements.

CITY OF STOUGHTON

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS For the Year Ended December 31, 2013

	Business-type Activities - Enterprise Funds		
	Water	Wastewater	Electric
CASH FLOWS FROM OPERATING ACTIVITIES			
Received from customers	\$ 1,728,676	\$ 2,034,979	\$ 15,181,787
Received from municipality for services	-	-	132,993
Paid to suppliers for goods and services	(494,642)	(514,833)	(12,528,169)
Paid to employees for services	(281,176)	(341,225)	(758,112)
Customer deposit	-	-	11,293
Net Cash Flows From Operating Activities	952,858	1,178,921	2,039,792
CASH FLOWS FROM INVESTING ACTIVITIES			
Investments sold and matured	370,430	428,919	1,847,051
Investment income	1,926	1,123	35,824
Investments purchased	(608,868)	(608,868)	(1,473,764)
Net Cash Flows From Investing Activities	(236,512)	(178,826)	409,111
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Paid to municipality for tax equivalent	(342,159)	-	(363,359)
Received from municipality principal on Wisconsin Retirement UAAL advance	-	-	31,250
Received from municipality interest on Wisconsin Retirement UAAL advance	-	-	15,395
Transfers to other funds	(10,879)	-	(29,989)
Paid to utilities principal on Wisconsin Retirement UAAL advance	-	-	-
Paid to utilities interest on Wisconsin Retirement UAAL advance	-	-	-
Net Cash Flows From Noncapital Financing Activities	(353,038)	-	(346,703)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Debt issued	-	-	3,170,000
Debt retired	(184,910)	(649,737)	(3,655,000)
Interest paid	(87,147)	(88,589)	(225,835)
Debt issuance costs paid	-	-	(51,813)
Premium received	-	-	86,423
Acquisition and construction of capital assets	(434,301)	(1,053,700)	(570,320)
Capital contributions received	-	-	64,739
Received from the sale of capital assets	-	-	6,513
Net Cash Flows From Capital and Related Financing Activities	(706,358)	(1,792,026)	(1,175,293)
Net Change in Cash and Cash Equivalents	(343,050)	(791,931)	926,907
CASH AND CASH EQUIVALENTS - Beginning of Year	1,013,453	2,241,709	2,825,642
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 670,403	\$ 1,449,778	\$ 3,752,549

See accompanying notes to financial statements.

Business-type Activities - Enterprise Funds		Governmental Activities - Internal Service Fund
Nonmajor Enterprise Funds	Totals	
\$ 903,689	\$ 19,849,131	\$ -
-	132,993	46,645
(365,632)	(13,903,276)	-
(449,514)	(1,830,027)	-
-	11,293	-
<u>88,543</u>	<u>4,260,114</u>	<u>46,645</u>
-	2,646,400	-
78	38,951	-
-	(2,691,500)	-
<u>78</u>	<u>(6,149)</u>	<u>-</u>
-	(705,518)	-
-	31,250	-
-	15,395	-
(21,300)	(62,168)	-
-	-	(31,250)
-	-	(15,395)
<u>(21,300)</u>	<u>(721,041)</u>	<u>(46,645)</u>
-	3,170,000	-
(124,453)	(4,614,100)	-
(41,393)	(442,964)	-
-	(51,813)	-
-	86,423	-
(135,340)	(2,193,661)	-
-	64,739	-
-	6,513	-
<u>(301,186)</u>	<u>(3,974,863)</u>	<u>-</u>
(233,865)	(441,939)	-
<u>459,088</u>	<u>6,539,892</u>	<u>-</u>
<u>\$ 225,223</u>	<u>\$ 6,097,953</u>	<u>\$ -</u>

See accompanying notes to financial statements.

CITY OF STOUGHTON

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS For the Year Ended December 31, 2013

	Business-type Activities - Enterprise Funds		
	Water	Wastewater	Electric
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income	\$ 566,728	\$ 478,451	\$ 948,367
Nonoperating revenue (expense)	(4,276)	-	(3,660)
Adjustments to Reconcile Operating Income to Net Cash			
Flows From Operating Activities			
Depreciation	381,278	673,593	918,885
Depreciation charged to other funds	27,342	-	39,600
Changes in assets and liabilities			
Customer accounts receivable	(9,382)	(1,309)	(182,246)
Other accounts receivable	(5,808)	3,642	113,478
Due from other funds	3,632	3,182	7,529
Due to other funds	-	-	72,753
Inventories	(1,383)	-	3,136
Prepaid items	(93)	(117)	(256)
Accounts payable	(7,753)	16,341	58,635
Accrued wages	933	-	-
Compensated absences	2,192	(112)	1,885
Customer deposits	(552)	-	11,293
Other current liabilities	-	5,250	(4,525)
Public benefits	-	-	54,918
	\$ 952,858	\$ 1,178,921	\$ 2,039,792
NET CASH FLOWS FROM OPERATING ACTIVITIES			
	\$ 952,858	\$ 1,178,921	\$ 2,039,792
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS			
Cash and investments - statement of net position	\$ 317,809	\$ 738,999	\$ 5,622,496
Redemption account	123,710	198,451	387,545
Reserve account	274,005	-	704,728
Depreciation account	25,000	33,283	25,000
Construction account	-	123	-
Plant and maintenance reserve account	447,924	-	505,712
Sick leave reserve account	94,638	91,605	173,704
Replacement account	-	1,029,299	-
Total Cash and Investments	1,283,086	2,091,760	7,419,185
Less: Noncash equivalents	(612,683)	(641,982)	(3,666,636)
	\$ 670,403	\$ 1,449,778	\$ 3,752,549
CASH AND CASH EQUIVALENTS			
	\$ 670,403	\$ 1,449,778	\$ 3,752,549
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES			
Unrealized gain (loss) on investments	\$ 14,871	\$ 22,685	\$ (63,334)
Contributed capital assets	-	21,773	-
ATC earnings allocated	-	-	31,995
	\$ 14,871	\$ 22,685	\$ (63,334)

See accompanying notes to financial statements.

CITY OF STOUGHTON

STATEMENT OF NET POSITION
FIDUCIARY FUNDS
As of December 31, 2013

	<u>Pension Trust</u>	<u>Agency Fund</u>
ASSETS		
Cash and Investments	\$ 648,398	\$ 11,499,522
Tax roll receivable	-	2,926,634
Total Assets	<u>648,398</u>	<u>14,426,156</u>
LIABILITIES		
Due to other taxing units	-	14,426,156
Total Liabilities	<u>-</u>	<u>14,426,156</u>
NET POSITION		
Held in trust for pension benefits	<u>\$ 648,398</u>	<u>\$ -</u>

CITY OF STOUGHTON

STATEMENT OF CHANGES IN NET POSITION FIDUCIARY FUND For the Year Ended December 31, 2013

	<u>Pension Trust</u>
ADDITIONS	
Contributions	
Employer	\$ 66,713
Total Contributions	<u>66,713</u>
Investment income	<u>8,736</u>
Total Additions	<u>75,449</u>
DEDUCTIONS	
Benefits and refunds	<u>31,785</u>
Total Deductions	<u>31,785</u>
Change in Net Position	43,664
NET POSITION - Beginning of Year	<u>604,734</u>
NET POSITION - END OF YEAR	<u><u>\$ 648,398</u></u>

See accompanying notes to financial statements.

CITY OF STOUGHTON

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CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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

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

Blended Component Units

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

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

In November 2010, the GASB issued statement No. 61 - *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*. This statement modifies certain requirements for inclusion of component units in the financial reporting entity. This standard was implemented effective January 1, 2013.

In March 2012, the GASB issued statement No. 65 - *Items Previously Reported as Assets and Liabilities*. This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This standard was implemented effective January 1, 2013.

Government-Wide Financial Statements

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

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

Fund Financial Statements

Financial statements of the 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, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund equity, revenues, and expenditures/expenses.

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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

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

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

The city reports the following major governmental funds:

- General Fund - accounts for the city's primary operating activities. It is used to account for and report all financial resources except those accounted for and reported in another fund.
- Debt Service Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for the payment of general long-term debt principal, interest, and related costs, other than TID or enterprise debt.
- Construction capital project fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

The city reports the following major enterprise funds:

- Water Utility - accounts for operations of the water system
- Wastewater Utility - accounts for operations of the wastewater system
- Electric Utility - accounts for operations of the electric system

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

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 nonmajor governmental and enterprise funds:

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

Library	Food Pantry
Ambulance	Landmarks
Opera House	Fire Department Special
Opera House Repair	Senior Center Wood Shop
Township Outreach	Senior Center Special
Tourism	Economic Development
Seniors in Need	Redevelopment Authority
Holiday	Special Assessments
CDBG	K9 Unit
Cemetery	Tree Commission

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

Fire Equipment	TIF District No. 3
Park Acquisition	TIF District No. 4
River Trail	TIF District No. 5
Building Maintenance	Outlay
Equipment Replacement	

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

EMS	Storm Sewer
-----	-------------

In addition, the city reports the following fund types:

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

Retirement fund

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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

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

Fund Financial Statements (cont.)

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

Firemen's Pension Trust

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

Tax Collections Fund

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

Government-Wide Financial Statements

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the city's water, wastewater, and electric utilities and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the city considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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

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

Fund Financial Statements (cont.)

Property taxes are recorded in the year levied as receivables and unearned 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 unavailable revenues. Amounts received before eligibility requirements (excluding time) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

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

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

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

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

All Financial Statements

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

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

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

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY

1. Deposits and Investments

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

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

- a. Time deposits in any credit union, bank, savings bank or trust company maturing in three years or less.
- b. Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, the University of Wisconsin Hospitals and Clinics Authority, or the Wisconsin Aerospace Authority.
- 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 As of and for the Year Ended December 31, 2013

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

D. ASSETS, LIABILITIES, AND NET POSITION 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, 2013, the fair value of the city's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note IV. A. for further information.

2. Receivables

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

Property tax calendar - 2013 tax roll:

Lien date and levy date	December 2013
Tax bills mailed	December 2013
Payment in full, or	January 31, 2014
First installment due	January 31, 2014
Second installment due	July 31, 2014
Personal property taxes in full	January 31, 2014
Tax sale - 2013 delinquent real estate taxes	October 2016

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

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as internal balances.

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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

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

2. Receivables (cont.)

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

3. Inventories and Prepaid Items

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net position.

5. Capital Assets

Government-Wide Statements

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

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. No interest was capitalized during the current year. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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

D. ASSETS, LIABILITIES, AND NET POSITION 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 position. Depreciation is provided over the assets' estimated useful lives using the straight-line method. The range of estimated useful lives by type of asset is as follows:

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

Fund Financial Statements

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

6. Other Assets

These accounts include costs related to the utility's investment in ATC and non-utility property.

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

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

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

Non-Utility Property

Electric utility non-utility property consists of the city dam with a balance of \$84,212 and leasehold rental property with a balance of \$91,458 at December 31, 2013 and 2012. Water utility non-utility property consists of a park shelter with a balance of \$107,000 at December 31, 2013 and 2012. The costs are being amortized on a straight-line basis over their useful life.

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

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

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

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, 2013 are determined on the basis of current salary rates and include salary related payments.

The city provides post-employment health insurance benefits for all eligible employees who chose to convert accumulated sick leave benefits to post-employment health insurance. The benefits are based on contractual agreements with employee groups, local ordinances, or employee benefit policies. Employees may convert 100% of accumulated sick leave to pay for health care premiums. The cost of those premiums is recognized as an expenditure as the premiums are paid. The entire cost is paid by the city. Funding for those costs is provided out of the general fund. Total expenditures for premiums during the year were \$33,682. Five participants are currently eligible to receive benefits. The total amount outstanding at year end to be paid in the future is \$37,809. The city does not incur an implicit rate subsidy on these benefits.

8. *Long-Term Obligations/Conduit Debt*

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

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

For the government-wide statements and proprietary fund statements, bond premiums and discounts are amortized over the life of the issue using the effective interest method. 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 premiums/discounts is shown as an increase or decrease in the liability section of the statement of net position. The balance at year end for gains/losses is shown as a deferred outflow/inflow in the statement of net position.

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

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

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

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

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. Deferred Inflows of Resources

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

10. Equity Classifications

Government-Wide Statements

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

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net positions that do not meet the definitions of "restricted" or "net investment in capital assets."

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

Fund Statements

Governmental fund equity is classified as fund balance and displayed as follows:

- a. Nonspendable - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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

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

10. Equity Classifications (cont.)

Fund Statements (cont.)

- b. Restricted - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the City Council. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the City Council that originally created the commitment.
- d. Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed. Fund balance may be assigned through the following; 1) The city has adopted a financial policy authorizing the finance director to assign amounts for a specific purpose. 2) All remaining positive spendable amounts in governmental funds, other than the general fund, that are neither restricted nor committed. Assignments may take place after the end of the reporting period.
- e. Unassigned - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

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

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

See Note IV. H. for further information.

Fiduciary fund equity is classified as held in trust for pension benefits on the statement of fiduciary net position. Various donor restrictions apply, including authorizing and spending trust income, and the village believes it is in compliance with all significant restrictions. Net appreciation of \$43,664 was available for the year ended.

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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

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

11. Basis for Existing Rates

Current water rates were approved by the PSCW effective September 1, 2010.

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

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

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 POSITION

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

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

Capital assets not being depreciated	\$	9,957,524
Capital assets, net of depreciation		23,169,482
Land held for resale		<u>224,573</u>
Combined Adjustment for Capital Assets	\$	<u>33,351,579</u>

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

Bonds and notes payable	\$	16,704,563
Compensated absences		1,358,568
Compensated absences - retirees		37,809
Self-insurance auto and general liability		45,000
Self-insurance health liability		75,818
Accrued interest		<u>161,248</u>
Combined Adjustment for Long-Term Liabilities	\$	<u>18,383,006</u>

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

NOTE III - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

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

B. EXCESS EXPENDITURES OVER APPROPRIATIONS

Funds	Budgeted Expenditures	Actual Expenditures	Excess Expenditures Over Budget
Opera House	\$ 516,832	\$ 634,947	\$ 118,115
Library	756,523	797,851	41,328

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, 2013, the following individual funds held a deficit balance:

Fund	Amount	Reason
Special revenue - Opera House	\$ 57,772	Expenditures in excess of revenues
Capital projects - TIF District No. 5	539,052	Expenditures in excess of revenues

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

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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

D. LIMITATIONS ON THE CITY'S TAX LEVY

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

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	\$ 24,300,898	\$ 18,376,176	Custodial credit
US agencies	2,694,972	2,694,972	Credit, custodial credit, concentration of credit, interest rate
Mutual funds	45,858	45,858	Credit
LGIP	996,875	996,875	Credit
Negotiable certificates of deposit	2,487,792	2,487,792	Credit, custodial credit, concentration of credit, interest rate
Petty cash	1,731	-	N/A
Total Deposits and Investments	\$ 30,528,126	\$ 24,601,673	
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 15,579,062		
Restricted cash and investments	2,801,144		
Per statement of net position - fiduciary funds			
Pension Trust	648,398		
Agency Fund	11,499,522		
Total Deposits and Investments	\$ 30,528,126		

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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 time and savings accounts (including NOW accounts) and \$250,000 for demand deposit accounts (interest-bearing and noninterest-bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts. Deposits in the credit union are insured by the National Credit Union Administration in the amount of \$250,000 for all share draft accounts and \$250,000 for all share certificate and regular share accounts.

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

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

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

The city maintains collateral agreements with its banks. At December 31, 2013, the banks had pledged various government securities in the amount of \$14,124,108 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, 2013, \$4,112,673 of the city's total bank balances were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	<u>\$ 4,111,673</u>
Total	<u><u>\$ 4,111,673</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.

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

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

A. DEPOSITS AND INVESTMENTS (cont.)

Custodial Credit Risk (cont.)

Investments (cont.)

U.S. Agencies

Neither insured nor registered and held by counterparty \$ 2,194,972

Negotiable Certificates of Deposit

Neither insured nor registered and held by counterparty \$ 261,113

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, 2013, the city's investments were rated as follows:

<u>Investment Type</u>	<u>Standard & Poors</u>	<u>Moody's Investors Services</u>	<u>Morning-Star</u>
U.S. Agencies	AAA	Aa	
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.

At December 31, 2013, the investment portfolio was concentrated as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Percentage of Portfolio</u>
GNMA	U.S. Agencies	5.10%

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

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

A. DEPOSITS AND INVESTMENTS (cont.)

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, 2013, the city's investments were as follows:

Investment Type	Fair Value	Maturity (In Years)		
		Less than 1	1-3	3 or more
US agencies	\$ 2,694,972	\$ 216,701	\$ -	\$ 2,478,271
Negotiable certificates of deposit	<u>2,487,792</u>	<u>735,710</u>	<u>1,752,082</u>	<u>-</u>
Totals	<u>\$ 5,182,764</u>	<u>\$ 952,411</u>	<u>\$ 1,752,082</u>	<u>\$ 2,478,271</u>

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

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

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	\$ 8,100,778	\$ -	\$ -	\$ -	\$ -	\$ 761,054	\$ 8,861,832
Delinquent personal property tax	14,579	-	-	-	-	-	14,579
Accounts	253,117	-	190,796	223,406	1,712,185	491,875	2,871,379
Special assessments	-	-	-	-	-	99,203	99,203
Delinquent special assessments	9,317	-	-	-	-	-	9,317
Leases	-	234,311	-	-	-	-	234,311
Due from other governments	141	-	-	-	-	-	141
Gross receivables	8,377,932	234,311	190,796	223,406	1,712,185	1,352,132	12,090,762
Less: Allowance for uncollectibles	-	-	-	-	-	(153,878)	(153,878)
Net Total Receivables	<u>\$ 8,377,932</u>	<u>\$ 234,311</u>	<u>\$ 190,796</u>	<u>\$ 223,406</u>	<u>\$ 1,712,185</u>	<u>\$ 1,198,254</u>	<u>\$ 11,936,884</u>
Amounts not expected to be collected within one year	<u>\$ 23,896</u>	<u>\$ 184,311</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 99,203</u>	<u>\$ 307,410</u>

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

	<u>Unearned</u>	<u>Unavailable</u>
Property taxes receivable for subsequent year	\$ 8,792,085	\$ -
Special assessments not yet due	-	99,323
Lease receivable	-	234,311
Total Unearned/Unavailable Revenue for Governmental Funds	<u>\$ 8,792,085</u>	<u>\$ 333,634</u>

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

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

C. RESTRICTED ASSETS

The following represent the balances of the restricted assets:

Long-Term Debt Accounts

- Redemption - Used to segregate resources accumulated for debt service payments over the next twelve months.
- Reserve - Used to report resources set aside to make up potential future deficiencies in the redemption account.
- Depreciation - Used to report resources set aside to fund plant renewals and replacement or make up potential future deficiencies in the redemption account.
- Construction - Used to report proceeds of revenue bond issuances that are restricted for use in construction.

Equipment Replacement Account

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

Following is a list of restricted assets at December 31, 2013:

	Restricted Assets	Liabilities Payable from Restricted Assets	Restricted Net Position
Bond redemption account	\$ 709,706	\$ 68,220	\$ 641,486
Bond reserve account	978,733		978,733
Bond depreciation account	83,283	-	83,283
Construction account	123	-	n/a
Equipment replacement account	1,029,299	-	1,029,299
Total	\$ 2,801,144	\$ 68,220	\$ 2,732,801

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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

D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2013, was as follows:

	Beginning Balance	Adjustments*	Additions	Deletions	Ending Balance
Governmental Activities					
Capital assets not being depreciated					
Land	\$ 7,207,699	\$ -	\$ 1,373,406	\$ -	\$ 8,581,105
Inexhaustible portion of streets	<u>1,376,419</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,376,419</u>
Total Capital Assets Not Being Depreciated	<u>8,584,118</u>	<u>-</u>	<u>1,373,406</u>	<u>-</u>	<u>9,957,524</u>
Capital assets being depreciated					
Buildings and improvements	14,597,600	-	15,000	-	14,612,600
Machinery and equipment	8,473,594	-	285,103	189,754	8,568,943
Streets	14,277,778	-	353,298	151,052	14,480,024
Storm sewers	6,323,756	(458,666)	-	24,858	5,840,232
Street lighting	227,551	-	-	-	227,551
Bridges	845,989	-	-	-	845,989
Sidewalks	4,443,909	-	35,078	4,608	4,474,379
Traffic signals	411,974	-	-	-	411,974
Dams	592,997	-	-	-	592,997
Total Capital Assets Being Depreciated	<u>50,195,148</u>	<u>(458,666)</u>	<u>688,479</u>	<u>370,272</u>	<u>50,054,689</u>
Total Capital Assets	<u>58,779,266</u>	<u>(458,666)</u>	<u>2,061,885</u>	<u>370,272</u>	<u>60,012,213</u>
Less: Accumulated depreciation for					
Buildings and improvements	(5,147,281)	-	(356,132)	-	(5,503,413)
Machinery and equipment	(6,308,900)	-	(389,777)	168,046	(6,530,631)
Streets	(9,276,497)	-	(482,185)	151,052	(9,607,630)
Storm sewers	(2,407,089)	15,289	(194,480)	24,858	(2,561,422)
Street lighting	(32,057)	-	(3,034)	-	(35,091)
Bridges	(154,206)	-	(11,280)	-	(165,486)
Sidewalks	(2,229,023)	-	(89,488)	4,608	(2,313,903)
Traffic signals	(127,682)	-	(10,299)	-	(137,981)
Dams	(23,720)	-	(5,930)	-	(29,650)
Total Accumulated Depreciation	<u>(25,706,455)</u>	<u>15,289</u>	<u>(1,542,605)</u>	<u>348,564</u>	<u>(26,885,207)</u>
Net Capital Assets Being Depreciated	<u>24,488,693</u>	<u>(443,377)</u>	<u>(854,126)</u>	<u>21,708</u>	<u>23,169,482</u>
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 33,072,811</u>	<u>\$ (443,377)</u>	<u>\$ 519,280</u>	<u>\$ 21,708</u>	<u>\$ 33,127,006</u>

* Adjustment due to the Storm Sewer fund being reclassified from a special revenue fund to an enterprise fund. Capital assets acquired/constructed from 2012 and after were moved to the business-type activities.

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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

D. CAPITAL ASSETS (cont.)

Depreciation expense was charged to functions as follows:

Governmental Activities

General government	\$ 86,663
Public safety	336,875
Public works, which includes the depreciation of infrastructure	987,013
Culture, recreation and education	<u>132,054</u>
Total Governmental Activities Depreciation Expense	<u><u>\$ 1,542,605</u></u>

Business-type Activities

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<u>Water</u>				
Capital assets not being depreciated				
Land and land rights	\$ 24,841	\$ -	\$ -	\$ 24,841
Construction in progress	<u>24,233</u>	<u>475,491</u>	<u>475,530</u>	<u>24,194</u>
Total Capital Assets Not Being Depreciated	<u>49,074</u>	<u>475,491</u>	<u>475,530</u>	<u>49,035</u>
Capital assets being depreciated				
Source of supply	570,123	-	-	570,123
Pumping	1,428,958	32,696	-	1,461,654
Treatment	90,763	-	-	90,763
Transmission and distribution	14,387,194	381,074	4,956	14,763,312
Administrative and general assets	<u>1,185,462</u>	<u>4,252</u>	<u>-</u>	<u>1,189,714</u>
Total Capital Assets Being Depreciated	<u>17,662,500</u>	<u>418,022</u>	<u>4,956</u>	<u>18,075,566</u>
Total Capital Assets	<u>17,711,574</u>	<u>893,513</u>	<u>480,486</u>	<u>18,124,601</u>
Less: Accumulated depreciation for				
Source of supply	(302,464)	(16,534)	-	(318,998)
Pumping	(1,044,059)	(56,417)	-	(1,100,476)
Treatment	(86,892)	(437)	-	(87,329)
Transmission and distribution	(3,198,394)	(268,403)	4,956	(3,461,841)
Administrative and general assets	<u>(542,598)</u>	<u>(66,829)</u>	<u>-</u>	<u>(609,427)</u>
Total Accumulated Depreciation	<u>(5,174,407)</u>	<u>(408,620)</u>	<u>4,956</u>	<u>(5,578,071)</u>
Net Capital Assets Being Depreciated	<u>12,488,093</u>	<u>9,402</u>	<u>-</u>	<u>12,497,495</u>
Net Water Capital Assets	<u><u>\$ 12,537,167</u></u>	<u><u>\$ 484,893</u></u>	<u><u>\$ 475,530</u></u>	<u><u>\$ 12,546,530</u></u>

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

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

D. CAPITAL ASSETS (cont.)

Business-type Activities (cont.)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<u>Wastewater</u>				
Capital assets not being depreciated				
Construction in progress	\$ 215,757	\$ 1,028,549	\$ 844,077	\$ 400,229
Total Capital Assets Not Being Depreciated	<u>215,757</u>	<u>1,028,549</u>	<u>844,077</u>	<u>400,229</u>
Capital assets being depreciated				
Collection system	8,789,146	307,765	4,338	9,092,573
Collection system pumping	397,412	-	-	397,412
Treatment and disposal	12,914,727	457,599	52,800	13,319,526
Administrative and general assets	<u>1,150,622</u>	<u>5,315</u>	<u>-</u>	<u>1,155,937</u>
Total Capital Assets Being Depreciated	<u>23,251,907</u>	<u>770,679</u>	<u>57,138</u>	<u>23,965,448</u>
Total Capital Assets	<u>23,467,664</u>	<u>1,799,228</u>	<u>901,215</u>	<u>24,365,677</u>
Less: Accumulated depreciation for				
Wastewater	<u>(8,446,186)</u>	<u>(673,593)</u>	<u>57,138</u>	<u>(9,062,641)</u>
Total Accumulated Depreciation	<u>(8,446,186)</u>	<u>(673,593)</u>	<u>57,138</u>	<u>(9,062,641)</u>
Net Capital Assets Being Depreciated	<u>14,805,721</u>	<u>97,086</u>	<u>-</u>	<u>14,902,807</u>
Net Wastewater Capital Assets	<u>\$ 15,021,478</u>	<u>\$ 1,125,635</u>	<u>\$ 844,077</u>	<u>\$ 15,303,036</u>

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

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	29,095	593,691	620,941	1,845
Property held for future use	352,664	-	-	352,664
Total Capital Assets Not Being Depreciated	602,556	593,691	620,941	575,306
Capital assets being depreciated				
Transmission	15,019	-	-	15,019
Distribution	21,382,617	531,617	68,934	21,845,300
Administrative and general assets	4,014,818	18,320	-	4,033,138
Total Capital Assets Being Depreciated	25,412,454	549,937	68,934	25,893,457
Total Capital Assets	26,015,010	1,143,628	689,875	26,468,763
Less: Accumulated depreciation for				
Transmission	(19,366)	-	-	(19,366)
Distribution	(8,617,372)	(788,359)	76,725	(9,329,006)
Administrative and general assets	(2,217,363)	(176,639)	-	(2,394,002)
Total Accumulated Depreciation	(10,854,101)	(964,998)	76,725	(11,742,374)
Net Capital Assets Being Depreciated	14,558,353	(415,061)	(7,791)	14,151,083
Net Electric Capital Assets	\$ 15,160,909	\$ 178,630	\$ 613,150	\$ 14,726,389

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

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

D. CAPITAL ASSETS (cont.)

Business-type Activities (cont.)

	<u>Beginning Balance</u>	<u>Adjustments</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Storm Sewer					
Capital assets being depreciated					
Storm Sewer	\$ -	\$ 458,666	\$ 58,140	\$ -	\$ 516,806
Total Capital Assets Being Depreciated	<u>-</u>	<u>458,666</u>	<u>58,140</u>	<u>-</u>	<u>516,806</u>
Less: Accumulated depreciation for					
Storm Sewer	-	(15,289)	(17,227)	-	(32,516)
Total Accumulated Depreciation	<u>-</u>	<u>(15,289)</u>	<u>(17,227)</u>	<u>-</u>	<u>(32,516)</u>
Net Capital Assets Being Depreciated	<u>-</u>	<u>443,377</u>	<u>40,913</u>	<u>-</u>	<u>484,290</u>
Net Storm Sewer Capital Assets	<u>\$ -</u>	<u>\$ 443,377</u>	<u>\$ 40,913</u>	<u>\$ -</u>	<u>\$ 484,290</u>
	<u>Beginning Balance</u>	<u>Adjustments</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
EMS					
Capital assets being depreciated					
Buildings and improvements	\$ 1,240,308	\$ -	\$ -	\$ -	\$ 1,240,308
Equipment	655,091	-	281,331	27,015	909,407
Total Capital Assets Being Depreciated	<u>1,895,399</u>	<u>-</u>	<u>281,331</u>	<u>27,015</u>	<u>2,149,715</u>
Less: Accumulated depreciation for					
Buildings and improvements	(178,882)	-	(25,226)	-	(204,108)
Equipment	(338,863)	-	(54,623)	27,015	(366,471)
Total Accumulated Depreciation	<u>(517,745)</u>	<u>-</u>	<u>(79,849)</u>	<u>27,015</u>	<u>(570,579)</u>
Net Capital Assets Being Depreciated	<u>1,377,654</u>	<u>-</u>	<u>201,482</u>	<u>-</u>	<u>1,579,136</u>
Net EMS Enterprise Capital Assets	<u>\$ 1,377,654</u>	<u>\$ -</u>	<u>\$ 201,482</u>	<u>\$ -</u>	<u>\$ 1,579,136</u>
Business-type Capital Assets, Net of Accumulated Depreciation	<u>\$ 44,097,208</u>	<u>\$ 443,377</u>	<u>\$ 2,031,553</u>	<u>\$ 1,932,757</u>	<u>\$ 44,639,381</u>

* Adjustment due to the Storm Sewer fund being reclassified from a special revenue fund to an enterprise fund. Capital assets acquired/constructed from 2012 and after were moved to the enterprise fund.

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

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

D. CAPITAL ASSETS (cont.)

Depreciation expense was charged to functions as follows:

Business-type Activities

Water	\$ 381,278
Waste water	673,593
Electric	918,885
Storm sewer	17,227
EMS	<u>79,849</u>

Total Business-type Activities Depreciation Expense	<u><u>\$ 2,070,832</u></u>
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Depreciation expense may be different from business-type activity capital asset additions because of joint metering, salvage, cost of removal, internal allocations, or cost associated with the disposal of assets.

E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS

Interfund Receivables/Payables

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

Receivable Fund	Payable Fund	Amount	Amount Not Due Within One Year
General	Opera House	\$ 55,177	\$ -
General	Ambulance SRF	43,078	-
General	TIF District No. 4	360,802	-
General	Water Utility	361,820	-
General	Electric Utility	380,584	-
General	Redevelopment Authority	41,800	41,800
Debt Service	EMS	100,064	-
Water Utility	General	2,709	-
Wastewater Utility	General	2,789	-
Electric Utility	General	17,389	-
Storm Sewer	Electric Utility	<u>72,753</u>	-
Total - Fund Financial Statements		1,438,965	
Less: Fund eliminations		(619,384)	
Less: Interfund advances		<u>(481,925)</u>	
Total Internal Balances - Government-Wide Statement of Net Position		<u><u>\$ 337,656</u></u>	

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

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

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

Interfund Receivables/Payables (cont.)

Receivable Fund	Payable Fund	Amount
Governmental Activities	Business-type Activities	\$ 842,468
Business-type Activities	Governmental Activities	<u>(504,812)</u>
Total Government-Wide Financial Statements		<u><u>\$ 337,656</u></u>

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

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

Advances

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

In December 2011, the Electric Utility provided an advance to the Internal Service Fund in the amount of \$554,744 for the purpose of full payment of the Wisconsin Retirement System Unfunded Actuarial Accrued Liability. The Internal Service Fund will repay the Electric Utility over a period of fourteen years at 3%. A repayment schedule has been established.

The following is a schedule of interfund advances:

Receivable Fund	Payable Fund	Amount	Amount Not Due Within One Year
General Fund	TIF District No. 5	\$ 598,427	\$ 589,624
Electric Utility	Internal service fund	<u>481,925</u>	448,806
Total - Fund Financial Statements		1,080,352	
Less: Fund eliminations		<u>(598,427)</u>	
Total - Interfund Advances		<u><u>\$ 481,925</u></u>	

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

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

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

Advances (cont.)

<u>Years</u>	<u>TIF Advance</u>	<u>Internal Service Fund Advance</u>	
	<u>Principal</u>	<u>Principal</u>	<u>Interest</u>
2014	\$ 8,803	\$ 33,119	\$ 14,458
2015	9,724	35,065	13,464
2016	10,697	37,088	12,412
2017	11,724	39,190	11,300
2018	12,809	230,493	37,512
2019-2023	82,550	106,970	4,987
2024-2028	120,173	-	-
2029-2033	169,134	-	-
2034-2037	172,813	-	-
Totals	<u>\$ 598,427</u>	<u>\$ 481,925</u>	<u>\$ 94,133</u>

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

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

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	\$ 4,241	Room tax revenue
General	Water utility	372,699	Payment in lieu of taxes and dividend
General	Electric utility	410,573	Payment in lieu of taxes and dividend
Debt service	General	2,114,169	Payments on non-TID debt
Debt service	TIF District No. 3	243,354	Payments on TIF District debt
Debt service	TIF District No. 4	143,162	Payments on TIF District debt
Cemetery	General	33,247	Fund annual operations
Construction	Special Assessments	116,831	Fund capital projects
Economic Development	General	30,000	Fund annual operations
Library	General	510,330	Fund annual operations
Outlay	Park Acquisition	15,000	Fund capital projects
Outlay	Equipment Replacement	80,225	Fund expenditures
Outlay	General	291,942	Fund capital projects
Outlay	Building Maintenance	77,300	Fund capital projects
Redevelopment Authority	General	15,000	Fund annual operations
Equipment Replacement	General	250,000	Equipment replacement
Equipment Replacement	Storm Sewer	<u>21,300</u>	Equipment replacement
Total - Fund Financial Statements		4,729,373	
Less: Fund eliminations		(3,924,801)	
Capital assets contributions from governmental activities to business-type activities		<u>(104,067)</u>	Capital contributions to EMS fund
Total Transfers - Government-Wide Statement of Activities		<u><u>\$ 700,505</u></u>	
Fund Transferred To	Fund Transferred From	Amount	
Governmental Activities	Business-type Activities	\$ 804,572	
Business-type Activities	Governmental Activities	<u>(104,067)</u>	
Total Government-wide Financial Statements		<u><u>\$ 700,505</u></u>	

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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

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

Transfers (cont.)

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.

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, 2013, was as follows:

	<u>Beginning Balance</u>	<u>Adjustments*</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities						
Bonds and Notes Payable						
General obligation debt	\$ 18,162,500	\$ (661,000)	\$ 1,400,000	\$ 2,196,937	\$ 16,704,563	\$ 2,186,140
Other Liabilities						
Compensated absences (Note I.D.7)	1,231,861	-	126,707	-	1,358,568	-
Compensated absences - retirees (See Note I.D.7)	59,507	-	11,984	33,682	37,809	24,108
Self-insurance auto and general liability (Note V.B)	50,905	-	-	5,905	45,000	45,000
Self-insurance health liability (Note V.B)	77,114	-	-	1,296	75,818	75,818
Total Other Liabilities	<u>1,419,387</u>	<u>-</u>	<u>138,691</u>	<u>40,883</u>	<u>1,517,195</u>	<u>144,926</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 19,581,887</u>	<u>\$ (661,000)</u>	<u>\$ 1,538,691</u>	<u>\$ 2,237,820</u>	<u>\$ 18,221,758</u>	<u>\$ 2,331,066</u>

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

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

F. LONG-TERM OBLIGATIONS (cont.)

	Beginning Balance	Adjustments*	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Business-type Activities						
Bonds and Notes Payable						
General obligation debt	\$ 900,000	\$ 661,000	\$ -	\$ 124,453	\$ 1,436,547	\$ 144,285
Revenue bonds	11,720,315	-	3,170,000	4,489,647	10,400,668	887,310
Unamortized premium on bonds	-	-	83,431	8,970	74,461	-
Sub-totals	<u>12,620,315</u>	<u>661,000</u>	<u>3,253,431</u>	<u>4,623,070</u>	<u>11,911,676</u>	<u>1,031,595</u>
Other Liabilities						
Vested compensated absences	355,982	-	73,982	70,017	359,947	-
Customer advances for construction	8,082	-	49,389	51,957	5,514	-
Total Other Liabilities	<u>364,064</u>	<u>-</u>	<u>123,371</u>	<u>121,974</u>	<u>365,461</u>	<u>-</u>
Total Business-type Activities Long-Term Liabilities	<u>\$ 12,984,379</u>	<u>\$ 661,000</u>	<u>\$ 3,376,802</u>	<u>\$ 4,745,044</u>	<u>\$ 12,277,137</u>	<u>\$ 1,031,595</u>

* Adjustment due to the Storm Sewer fund being reclassified from a special revenue fund to an enterprise fund.

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, 2013, was \$44,706,275. Total general obligation debt outstanding at year end was \$18,141,110.

General Obligation Debt

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

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

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

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

Governmental Activities

<u>General Obligation Debt</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2013</u>
2008 General Obligation Notes	2/13/08	2/1/18	3.00 - 3.50%	\$ 485,000	\$ 270,000
2008 General Obligation Notes	2/13/08	2/1/18	2.85 - 3.40	1,005,000	550,000
2008 General Obligation Bonds	2/13/08	4/1/26	3.25 - 3.75	5,530,000	4,310,000
2009 General Obligation Refunding Notes	4/14/09	3/1/19	1.60 - 3.85	5,060,000	2,525,000
2010 General Obligation Notes	4/13/10	3/1/20	1.25 - 4.40	3,000,000	2,640,000
2010 General Obligation Refunding Bonds	4/13/10	3/1/20	1.00 - 3.25	3,095,000	2,300,000
2012 General Obligation Notes	4/15/12	3/1/22	0.40 - 2.00	2,759,000	2,573,453
2012 State Trust Fund Loan	5/25/12	3/15/15	2.75	202,500	136,110
2013 State Trust Fund Loan	6/23/13	3/15/20	2.75	1,400,000	<u>1,400,000</u>
Total Governmental Activities - General Obligation Debt					<u>\$ 16,704,563</u>

Business-type Activities

<u>General Obligation Debt</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2013</u>
2010 General Obligation Notes	4/13/10	3/1/20	1.25 - 4.40%	\$ 1,015,000	\$ 820,000
2012 General Obligation Notes	4/15/12	3/1/22	0.40 - 2.00	661,000	<u>616,547</u>
Total Business-type Activities - General Obligation Debt					<u>\$ 1,436,547</u>

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

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

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

Debt service requirements to maturity are as follows:

Years	Governmental Activities General Obligation Debt		Business-type Activities General Obligation Debt	
	Principal	Interest	Principal	Interest
2014	\$ 2,186,140	\$ 453,166	\$ 144,285	\$ 36,266
2015	2,102,437	409,619	149,285	33,356
2016	2,100,688	352,767	197,142	29,450
2017	2,130,438	294,159	212,772	24,482
2018	2,078,956	232,961	219,705	18,730
2019-2023	4,930,904	491,496	513,358	20,771
2024-2026	<u>1,175,000</u>	<u>66,548</u>	<u>-</u>	<u>-</u>
Totals	<u>\$ 16,704,563</u>	<u>\$ 2,300,716</u>	<u>\$ 1,436,547</u>	<u>\$ 163,055</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 utility revenues to repay revenue bonds issued in between 1999-2013. Proceeds from the bonds provided financing for the utility construction, improvements, and additions. The bonds are payable solely from utility revenues and are payable through 2029. Annual principal and interest payments on the bonds are expected to require 4.1%, 9.3%, and 11.7%, respectively, of electric, water and wastewater gross revenues. The total principal and interest remaining to be paid on the bonds is \$12,238,639. Principal and interest paid for the current year (including amounts refunded) and total customer gross revenues were \$4,890,783 and \$19,205,201, respectively.

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

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

F. LONG-TERM OBLIGATIONS (cont.)

Revenue Debt (cont.)

Revenue debt payable at December 31, 2013, consists of the following:

Business-type Activities Revenue Debt

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2013</u>
<u>Water Utility</u>					
2006 Water Utility Revenue Bonds	11/15/06	5/1/23	4.00 - 4.50%	\$ 1,925,000	\$ 1,575,000
2010 Water Utility Revenue Bonds	1/27/10	5/1/29	2.67	575,018	<u>502,213</u>
				Total Water Utility	<u>2,077,213</u>
<u>Wastewater Utility</u>					
1999 Wastewater Utility Clean Water Fund Loan	12/22/99	5/1/19	3.049%	623,465	230,313
2000 Wastewater Utility Clean Water Fund Loan	7/12/00	5/1/20	3.049	1,116,259	470,602
2003 Wastewater Utility Clean Water Fund Loan	9/10/03	5/1/23	2.766	1,670,624	954,706
2007 Wastewater Utility Clean Water Fund Loan	6/27/07	5/1/27	2.475	1,539,762	<u>1,247,834</u>
				Total Wastewater Utility	<u>2,903,455</u>
<u>Electric Utility</u>					
2006 Electric Utility Revenue Bonds	11/15/06	4/1/23	4.00 - 4.50%	2,550,000	2,250,000
2013 Electric Utility Revenue Bonds	4/1/13	4/1/23	2.00 - 2.25	3,170,000	<u>3,170,000</u>
				Total Electric Utility	<u>5,420,000</u>
Total Business-type Activities - Revenue Debt					<u>\$ 10,400,668</u>

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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
2014	\$ 887,310	\$ 313,736
2015	895,148	287,377
2016	938,205	259,944
2017	956,486	230,616
2018	984,999	200,033
2019-2023	5,123,966	508,586
2024-2028	576,593	37,173
2029	37,961	506
Totals	<u>\$ 10,400,668</u>	<u>\$ 1,837,971</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, other post employment benefits obligation, and net pension obligation attributable to governmental activities will be liquidated primarily by the general fund.

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

The water and electric mortgage revenue bond ordinances require segregation of the proceeds of the bond issues and the creation and continual funding of several funds from operating revenues. The city was in compliance with funding requirements in all material respects at December 31, 2013.

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

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

F. LONG-TERM OBLIGATIONS (cont.)

Current Refunding

On February 15, 2013, the city issued \$3,170,000 in revenue bonds with an average coupon rate of 2.13% to refund \$3,580,000 of outstanding bonds with an average coupon rate of 4.81%. The net proceeds along with existing funds of the city were used to prepay the outstanding debt.

The cash flow requirements on the refunded debt prior to the current refunding was \$4,575,205 from April 2013 through 2023. The cash flow requirements on the refunding bonds are \$3,554,591 from October 2013 through 2023. The current refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$564,120.

G. LEASE DISCLOSURES

Lessor - Capital Leases

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

<u>Years</u>	Governmental Activities		
	Principal	Interest	Total
2014	\$ 50,593	\$ 6,529	\$ 57,122
2015	54,590	5,016	59,606
2016	55,160	3,436	58,596
2017	58,961	1,883	60,844
2018	15,007	271	15,278
Totals	\$ 234,311	\$ 17,135	\$ 251,446

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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

H. NET POSITION/FUND BALANCES

Net position reported on the government wide statement of net position at December 31, 2013, includes the following:

Governmental Activities

Net Investment in Capital Assets	
Land	\$ 8,581,105
Inexhaustible portion of streets	1,376,419
Other capital assets, net of accumulated depreciation	23,169,482
Less: Long-term debt outstanding (excluding unspent capital related debt proceeds)	(16,537,454)
Plus: Noncapital debt proceeds	<u>750,300</u>
Total Net Investment in Capital Assets	<u>17,339,852</u>
Restricted	
Debt service	173,127
Library	195,435
Impact fees	94,730
TID activities	<u>1,142,315</u>
Total Restricted	<u>1,605,607</u>
Unrestricted	<u>4,388,457</u>
Total Governmental Activities Net Position	<u>\$ 23,333,916</u>

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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

H. NET POSITION/FUND BALANCES (cont.)

Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2013, include the following:

	General Fund	Debt Service	Construction	Nonmajor Funds	Totals
Fund Balances					
Nonspendable:					
Prepaid items	\$ -	\$ -	\$ 150,000	\$ 30,500	\$ 180,500
Delinquent items	23,896	-	-	-	23,896
CVMIC equity	257,805	-	-	-	257,805
Noncurrent interfunds	640,227	-	-	-	640,227
Restricted for:					
Debt service	-	100,064	-	-	100,064
Library	-	-	-	195,435	195,435
Impact fees	-	-	-	94,730	94,730
TID activities	-	-	-	1,142,315	1,142,315
CDBG	-	-	-	6,944	6,944
Committed to:					
Food pantry	-	-	-	72,495	72,495
Landmarks	-	-	-	1,972	1,972
Fire department special	-	-	-	29,899	29,899
K9 unit	-	-	-	4,686	4,686
Ambulance	-	-	-	18,196	18,196
Opera house repair	-	-	-	9,595	9,595
Township outreach	-	-	-	8,871	8,871
Tourism	-	-	-	19,615	19,615
Seniors in need	-	-	-	31,233	31,233
Holiday	-	-	-	20,700	20,700
Senior center wood shop	-	-	-	4,391	4,391
Senior center special	-	-	-	421,385	421,385
Economic development	-	-	-	127,863	127,863
Redevelopment	-	-	-	64,580	64,580
Special assessments	-	-	-	200,276	200,276
River trail	-	-	-	3,662	3,662
Tree commission	-	-	-	459	459
Cemetery	-	-	-	33,211	33,211
Assigned to:					
Utility payment in lieu of taxes	742,404	-	-	-	742,404
Safety camp	17,179	-	-	-	17,179
Youth gift	7,780	-	-	-	7,780
Bryant Grant	72,133	-	-	-	72,133
Liability insurance loss	70,000	-	-	-	70,000
Arts council	210	-	-	-	210
Capital projects	-	-	810,035	-	810,035
Capital outlay	-	-	-	166,571	166,571
Fire equipment	-	-	-	7,877	7,877
Equipment replacement	-	-	-	392,908	392,908
Building replacement	-	-	-	173,225	173,225
Unassigned (deficit):	2,965,631	-	-	(627,324)	2,338,307
Total Fund Balances	\$ 4,797,265	\$ 100,064	\$ 960,035	\$ 2,656,270	\$ 8,513,634

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

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

H. NET POSITION/FUND BALANCES (cont.)

Business-type Activities

Net Investment in Capital Assets	
Land	\$ 245,638
Construction in progress	426,268
Other capital assets, net of depreciation	43,967,475
Less: Long-term debt outstanding	(11,837,216)
Plus: Unspent capital related debt proceeds	206,048
Less: Unamortized debt premium	(74,461)
Total Net Investment in Capital Assets	<u>32,933,752</u>
Restricted	
Equipment replacement	1,029,299
Debt service	<u>1,703,502</u>
Total Restricted	<u>2,732,801</u>
Unrestricted	<u>8,580,785</u>
Total Business-type Activities Net Position	<u>\$ 44,247,338</u>

I. RESTATEMENT OF FUND BALANCES/NET POSITION

Fund balance/net position have been restated to reflect the activities of the Storm Sewer fund as an enterprise fund. The details of the restatement are as follows:

	Storm Sewer Fund	Construction Fund	Governmental Activities	Business-type Activities
Fund Balance/Net Position - December 31, 2012 (as reported)	\$ 5,644	\$ 1,380,794	\$ 21,962,877	\$ 43,202,036
To record capital assets	458,666	-	-	-
To transfer unspent bond proceeds	202,334	(202,334)	-	-
To record accumulated depreciation	(15,289)	-	-	-
To record long-term debt	(661,000)	-	-	-
To record accrued interest payable	(5,495)	-	-	-
To transfer net position (as restated) to BTA	<u>-</u>	<u>-</u>	<u>15,140</u>	<u>(15,140)</u>
Fund Balance/Net Position - December 31, 2012 (as restated)	<u>\$ (15,140)</u>	<u>\$ 1,178,460</u>	<u>\$ 21,978,017</u>	<u>\$ 43,186,896</u>

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

NOTE V - OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

All eligible city employees participate in the Wisconsin Retirement System (WRS), a cost-sharing, multiple-employer, defined benefit, public employee retirement system. All employees, initially employed by a participating WRS employer prior to July 1, 2011, expected to work over 600 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1,200 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

Effective the first day of the first pay period on or after June 29, 2011 the employee required contribution was change to one-half of the actuarially determined contribution rate for General category employees, and Executives and Elected Officials. Required contributions for protective employees are the same as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement. Contribution rates for December 31, 2013 are:

	<u>Employee</u>	<u>Employer</u>
General	6.65%	6.65%
Executives and Elected Officials	7.00%	7.00%
Protective with Social Security	6.65%	9.75%
Protective without Social Security	6.65%	12.35%

The payroll for city employees covered by the WRS for the year ended December 31, 2013 was \$5,361,532; the employer's total payroll was \$6,047,963. The total required contribution for the year ended December 31, 2013 was \$850,128 or 15.9% of covered payroll. Of this amount, 69 percent was contributed by the employer and 31 was contributed by the employee for the current year. Total contributions for the years ending 2012 and 2011 were \$689,265 and \$732,588, respectively, equal to the required contributions for each year.

Employees who retire at or after age 65 (62 for elected officials and 54 for protective occupation employees with less than 25 years of service, 53 for protective occupation employees with more than 25 years of service) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor. A final average earnings is the average of the employee's three highest years' earnings. Employees terminating covered employment and submitting application before becoming eligible for a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit. For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998 and prior to July 1, 2011 are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011 must have five years of creditable service to be vested.

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

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

NOTE V - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

As of December 31, 2013 there was no pension related debt for the city.

The city has a defined benefit pension plan for fire department employees. The amount paid to retirees each year is based on the years of service at the time of retirement and the position the retiree held while a member of the department. Historically, the investment earnings of the pension fund are sufficient to cover annual pension payments. As of December 31, 2013, the balance in the Firemen's Pension Fund is \$648,398 and is recorded as a pension trust fund of the city. The plan has not had an actuarial valuation.

B. RISK MANAGEMENT

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

Self Insurance

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

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

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

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

NOTE V - OTHER INFORMATION (cont.)

B. RISK MANAGEMENT (cont.)

Claims Liability

	Prior Year	Current Year
Unpaid claims - Beginning of Year	\$ 115,332	\$ 77,114
Current year claims and changes in estimates	727,925	928,457
Claim payments	(766,143)	(929,753)
 Unpaid Claims - End of Year	 \$ 77,114	 \$ 75,818

Public Entity Risk Pool

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

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

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

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

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

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

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

The city pays an annual premium to CVMIC for its general liability insurance, which provides coverage up to \$5,000,000 per occurrence, less the city's retained liability. The city's retained liability is limited to \$25,000 per occurrence and an annual aggregate limit of \$100,000. An actuarially determined estimate has been recorded for this liability, as well as for claims incurred but not reported at December 31, 2013. A total liability of approximately \$45,000 at December 31, 2013, was recorded as claims payable in the governmental activities column of government-wide statements of net position. Changes in the fund's claims loss liability follow:

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

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.)**

	Beginning Balance	Incurred Claims	Claims Paid/ Settled	Ending Balance
2013	\$ 50,905	\$ 13,930	\$ 19,835	\$ 45,000
2012	15,099	51,386	15,580	50,905

C. COMMITMENTS AND CONTINGENCIES

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

From time to time, the city is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the city attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the city's financial position or results of operations.

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

The city has active construction projects as of December 31, 2013. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures.

Long-Term Contracts - WPPI Energy

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

CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

NOTE V - OTHER INFORMATION (cont.)

C. COMMITMENTS AND CONTINGENCIES (cont.)

Long-Term Contracts - WPPI Energy (cont.)

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

In 2002, all WPPI Energy members ratified a 13 year extension to their original 35 year contracts. The new contract expires at midnight on December 31, 2037.

WPPI Energy's outstanding debt service obligation to be paid by its members through their wholesale power charges through the remainder of the long-term contract was \$487 million as of December 31, 2013.

D. SUBSEQUENT EVENT

The PSC approved a 3% water rate increase effective June 1, 2014

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

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

- > Statement No. 67, *Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25*
- > Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*
- > Statement No. 69, *Government Combinations and Disposals of Government Operations*
- > Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*

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

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF STOUGHTON

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
TAXES				
Taxes	\$ 7,182,881	\$ 7,182,881	\$ 7,179,236	\$ (3,645)
INTERGOVERNMENTAL REVENUES				
Intergovernmental	1,496,677	1,496,677	1,551,047	54,370
LICENSES AND PERMITS				
Business and occupational licenses	38,800	38,800	40,533	1,733
Dog and cat licenses	1,800	1,800	3,708	1,908
Building permits	57,500	57,500	89,815	32,315
Total Licenses and Permits	98,100	98,100	134,056	35,956
FINES, FORFEITURES AND PENALTIES				
Fines, forfeitures and penalties	115,500	115,500	107,798	(7,702)
PUBLIC CHARGES FOR SERVICES				
Public charges for services	1,104,429	1,104,429	1,215,710	111,281
SPECIAL ASSESSMENTS				
Special assessments	-	-	17,148	17,148
INVESTMENT INCOME				
Investment income	20,000	20,000	39,822	19,822
MISCELLANEOUS				
Miscellaneous	357,653	357,653	444,341	86,688
Total Revenues	10,375,240	10,375,240	10,689,158	313,918

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

CITY OF STOUGHTON

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND (cont.) For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
EXPENDITURES				
GENERAL GOVERNMENT				
Council/Board	\$ 47,505	\$ 47,505	\$ 45,489	\$ 2,016
Legislative and executive	92,442	92,442	102,910	(10,468)
Judicial	79,990	79,990	67,982	12,008
General administration	237,377	237,377	204,404	32,973
Financial administration	784,998	789,998	727,598	62,400
Legal	132,500	132,500	83,118	49,382
City buildings	76,402	76,402	58,183	18,219
Assessor	45,700	45,700	42,436	3,264
Contingency	80,000	63,000	-	63,000
Other general government	-	-	207,053	(207,053)
Total General Government	<u>1,576,914</u>	<u>1,564,914</u>	<u>1,539,173</u>	<u>25,741</u>
PUBLIC SAFETY				
Police department	2,486,052	2,494,052	2,564,239	(70,187)
Fire department	452,092	452,092	468,720	(16,628)
Planning/Inspection	<u>252,673</u>	<u>258,673</u>	<u>272,782</u>	<u>(14,109)</u>
Total Public Safety	<u>3,190,817</u>	<u>3,204,817</u>	<u>3,305,741</u>	<u>(100,924)</u>
PUBLIC WORKS				
Highway and street maintenance and construction	106,486	106,486	118,582	(12,096)
Highway and street maintenance for local	886,151	886,151	928,007	(41,856)
Snow and ice control	65,000	65,000	84,452	(19,452)
Other sanitation	680,000	680,000	672,636	7,364
Buildings and grounds operations	<u>94,500</u>	<u>94,500</u>	<u>72,228</u>	<u>22,272</u>
Total Public Works	<u>1,832,137</u>	<u>1,832,137</u>	<u>1,875,905</u>	<u>(43,768)</u>
CULTURE, RECREATION AND EDUCATION				
Park maintenance	191,443	191,443	182,588	8,855
Senior Center	486,290	486,290	445,000	41,290
Culture	235,713	235,713	285,142	(49,429)
Recreation	244,637	244,637	282,843	(38,206)
Cemetery	35,000	35,000	36,308	(1,308)
Cable television	<u>17,845</u>	<u>17,845</u>	<u>17,198</u>	<u>647</u>
Total Culture, Recreation and Education	<u>1,210,928</u>	<u>1,210,928</u>	<u>1,249,079</u>	<u>(38,151)</u>
Total Expenditures	<u>7,810,796</u>	<u>7,812,796</u>	<u>7,969,898</u>	<u>(157,102)</u>

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

CITY OF STOUGHTON

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND (cont.) For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Excess of revenues over expenditures	\$ 2,564,444	\$ 2,562,444	2,719,260	\$ 156,816
OTHER FINANCING SOURCES (USES)				
Transfers in	667,000	667,000	787,513	120,513
Transfers out	<u>(3,328,959)</u>	<u>(3,337,959)</u>	<u>(3,244,688)</u>	<u>93,271</u>
Total Other Financing Sources (Uses)	<u>(2,661,959)</u>	<u>(2,670,959)</u>	<u>(2,457,175)</u>	<u>213,784</u>
Net Change in Fund Balance	(97,515)	(108,515)	262,085	370,600
FUND BALANCE - Beginning of Year	<u>4,535,180</u>	<u>4,535,180</u>	<u>4,535,180</u>	-
FUND BALANCE - END OF YEAR	<u><u>\$ 4,437,665</u></u>	<u><u>\$ 4,426,665</u></u>	<u><u>\$ 4,797,265</u></u>	<u><u>\$ 370,600</u></u>

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

CITY OF STOUGHTON

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended December 31, 2013

BUDGETARY INFORMATION

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

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

The budgeted amounts presented include any amendments made. The city may authorize transfers of budgeted amounts within departments. Transfers between departments and changes to the overall budget must be approved by a two-thirds council action.

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

SUPPLEMENTARY INFORMATION

CITY OF STOUGHTON

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS As of December 31, 2013

	Special Revenue Funds			
	Library	Ambulance	Opera House	Opera House Repair
ASSETS				
Cash and investments	\$ 224,932	\$ -	\$ -	\$ 9,595
Receivables				
Taxes	-	-	-	-
Accounts	-	63,000	141,261	-
Special assessments	-	-	-	-
Prepaid items	-	-	30,500	-
	-	-	30,500	-
TOTAL ASSETS	\$ 224,932	\$ 63,000	\$ 171,761	\$ 9,595
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 12,477	\$ 1,451	\$ 16,134	\$ -
Accrued liabilities	17,020	275	543	-
Other liabilities	-	-	157,679	-
Due to other funds	-	43,078	55,177	-
Advances from other funds	-	-	-	-
Total Liabilities	29,497	44,804	229,533	-
Deferred Inflows of Resources				
Unearned revenues	-	-	-	-
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances				
Nonspendable	-	-	30,500	-
Restricted	195,435	-	-	-
Committed	-	18,196	-	9,595
Assigned	-	-	-	-
Unassigned (deficit)	-	-	(88,272)	-
Total Fund Balances (Deficit)	195,435	18,196	(57,772)	9,595
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 224,932	\$ 63,000	\$ 171,761	\$ 9,595

Special Revenue Funds

Township Outreach Fund	Tourism	Seniors in Need	Holiday	Food Pantry	Landmarks	Fire Department Special
\$ 9,615	\$ 19,615	\$ 31,725	\$ 27,222	\$ 79,208	\$ 1,972	\$ 30,071
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>9,615</u>	<u>19,615</u>	<u>31,725</u>	<u>27,222</u>	<u>79,208</u>	<u>1,972</u>	<u>30,071</u>
\$ 3 741	-	\$ 492	\$ 6,522	\$ 6,713	-	\$ 172
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>744</u>	<u>-</u>	<u>492</u>	<u>6,522</u>	<u>6,713</u>	<u>-</u>	<u>172</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
8,871	19,615	31,233	20,700	72,495	1,972	29,899
-	-	-	-	-	-	-
<u>8,871</u>	<u>19,615</u>	<u>31,233</u>	<u>20,700</u>	<u>72,495</u>	<u>1,972</u>	<u>29,899</u>
<u>\$ 9,615</u>	<u>\$ 19,615</u>	<u>\$ 31,725</u>	<u>\$ 27,222</u>	<u>\$ 79,208</u>	<u>\$ 1,972</u>	<u>\$ 30,071</u>

CITY OF STOUGHTON

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS As of December 31, 2013

	Special Revenue Funds			
	Senior Center Wood Shop	Senior Center Special Fund	Economic Development Fund	Redevelop- ment Authority
ASSETS				
Cash and investments	\$ 4,391	\$ 422,885	\$ 134,526	\$ 107,030
Receivables				
Taxes	-	-	-	-
Accounts	-	-	-	-
Special assessments	-	-	-	-
Prepaid items	-	-	-	-
	-	-	-	-
TOTAL ASSETS	\$ 4,391	\$ 422,885	\$ 134,526	\$ 107,030
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ 1,500	\$ 6,663	\$ 650
Accrued liabilities	-	-	-	-
Other liabilities	-	-	-	-
Due to other funds	-	-	-	41,800
Advances from other funds	-	-	-	-
Total Liabilities	-	1,500	6,663	42,450
Deferred Inflows of Resources				
Unearned revenues	-	-	-	-
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	4,391	421,385	127,863	64,580
Assigned	-	-	-	-
Unassigned (deficit)	-	-	-	-
Total Fund Balances (Deficit)	4,391	421,385	127,863	64,580
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 4,391	\$ 422,885	\$ 134,526	\$ 107,030

Special Revenue Funds					Capital Projects Funds	
Special Assessments	CDBG	K9 Unit	Tree Commission	Cemetery	Fire Equipment	Park Acquisition
\$ 200,396	\$ 6,944	\$ 4,218	\$ 459	\$ 33,211	\$ 7,877	\$ 94,730
-	-	-	-	-	-	-
99,203	-	500	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 299,599</u>	<u>\$ 6,944</u>	<u>\$ 4,718</u>	<u>\$ 459</u>	<u>\$ 33,211</u>	<u>\$ 7,877</u>	<u>\$ 94,730</u>
\$ -	\$ -	\$ 32	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	32	-	-	-	-
-	-	-	-	-	-	-
99,323	-	-	-	-	-	-
<u>99,323</u>	-	-	-	-	-	-
-	-	-	-	-	-	-
-	6,944	-	-	-	-	94,730
200,276	-	4,686	459	33,211	-	-
-	-	-	-	-	7,877	-
-	-	-	-	-	-	-
<u>200,276</u>	<u>6,944</u>	<u>4,686</u>	<u>459</u>	<u>33,211</u>	<u>7,877</u>	<u>94,730</u>
<u>\$ 299,599</u>	<u>\$ 6,944</u>	<u>\$ 4,718</u>	<u>\$ 459</u>	<u>\$ 33,211</u>	<u>\$ 7,877</u>	<u>\$ 94,730</u>

CITY OF STOUGHTON

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS As of December 31, 2013

	Capital Projects Funds			
	River Trail	TIF District No. 3	TIF District No. 4	TIF District No. 5
ASSETS				
Cash and investments	\$ 3,662	\$ 532,311	\$ 963,880	\$ 59,375
Receivables				
Taxes	-	501,617	259,437	-
Accounts	-	9,751	-	-
Special assessments	-	-	-	-
Prepaid items	-	-	-	-
	-	-	-	-
TOTAL ASSETS	<u>\$ 3,662</u>	<u>\$ 1,043,679</u>	<u>\$ 1,223,317</u>	<u>\$ 59,375</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ 2,825	\$ -	\$ -
Accrued liabilities	-	-	-	-
Other liabilities	-	-	-	-
Due to other funds	-	-	360,802	-
Advances from other funds	-	-	-	598,427
Total Liabilities	-	2,825	360,802	598,427
Deferred Inflows of Resources				
Unearned revenues	-	501,617	259,437	-
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	501,617	259,437	-
Fund Balances				
Nonspendable	-	-	-	-
Restricted	-	539,237	603,078	-
Committed	3,662	-	-	-
Assigned	-	-	-	-
Unassigned (deficit)	-	-	-	(539,052)
Total Fund Balances (Deficit)	3,662	539,237	603,078	(539,052)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 3,662</u>	<u>\$ 1,043,679</u>	<u>\$ 1,223,317</u>	<u>\$ 59,375</u>

<u>Capital Projects Funds</u>				Total Nonmajor Governmental Funds
<u>Outlay</u>	<u>Equipment Replacement</u>	<u>Building Maintenance</u>		
\$ 204,373	\$ 392,908	\$ 171,824	\$ 3,778,955	
-	-	-	761,054	
-	-	1,487	215,999	
-	-	-	99,203	
<u>-</u>	<u>-</u>	<u>-</u>	<u>30,500</u>	
<u>\$ 204,373</u>	<u>\$ 392,908</u>	<u>\$ 173,311</u>	<u>\$ 4,885,711</u>	
\$ 37,802	\$ -	\$ 86	\$ 93,522	
-	-	-	18,579	
-	-	-	157,679	
-	-	-	500,857	
<u>-</u>	<u>-</u>	<u>-</u>	<u>598,427</u>	
<u>37,802</u>	<u>-</u>	<u>86</u>	<u>1,369,064</u>	
-	-	-	761,054	
<u>-</u>	<u>-</u>	<u>-</u>	<u>99,323</u>	
<u>-</u>	<u>-</u>	<u>-</u>	<u>860,377</u>	
-	-	-	30,500	
-	-	-	1,439,424	
-	-	-	1,073,089	
166,571	392,908	173,225	740,581	
<u>-</u>	<u>-</u>	<u>-</u>	<u>(627,324)</u>	
<u>166,571</u>	<u>392,908</u>	<u>173,225</u>	<u>2,656,270</u>	
<u>\$ 204,373</u>	<u>\$ 392,908</u>	<u>\$ 173,311</u>	<u>\$ 4,885,711</u>	

CITY OF STOUGHTON

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2013

	Special Revenue Funds			
	Library	Ambulance	Opera House	Opera House Repair
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	230,897	-	-	-
Public charges for services	28,022	420	578,524	-
Special assessments	-	-	-	-
Investment income	74	2	1	4
Miscellaneous	45,354	137,693	5,991	41,978
Total Revenues	304,347	138,115	584,516	41,982
EXPENDITURES				
Current				
Public safety	-	28,969	-	-
Culture, recreation and education	797,851	-	634,947	44,502
Conservation and development	-	-	-	-
Capital Outlay	-	104,067	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	797,851	133,036	634,947	44,502
Excess (deficiency) of revenues over expenditures	(493,504)	5,079	(50,431)	(2,520)
OTHER FINANCING SOURCES (USES)				
Proceeds of long term debt	-	-	-	-
Property sales	-	-	-	-
Transfers in	510,330	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	510,330	-	-	-
Net Change in Fund Balances	16,826	5,079	(50,431)	(2,520)
FUND BALANCES (DEFICIT) - Beginning of Year	178,609	13,117	(7,341)	12,115
FUND BALANCES (DEFICIT) - END OF YEAR	\$ 195,435	\$ 18,196	\$ (57,772)	\$ 9,595

Special Revenue Funds

Township Outreach Fund	Tourism	Seniors in Need	Holiday	Food Pantry	Landmarks	Fire Department Special
\$ -	\$ 42,417	\$ -	\$ -	\$ -	\$ -	\$ -
4,743	-	-	-	-	-	-
-	-	-	-	-	-	-
-	7	11	12	20	-	7
4,000	-	27,103	13,751	105,611	-	30,505
<u>8,743</u>	<u>42,424</u>	<u>27,114</u>	<u>13,763</u>	<u>105,631</u>	<u>-</u>	<u>30,512</u>
-	-	-	-	-	-	23,226
6,609	38,166	31,029	15,397	94,666	1,897	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>6,609</u>	<u>38,166</u>	<u>31,029</u>	<u>15,397</u>	<u>94,666</u>	<u>1,897</u>	<u>23,226</u>
<u>2,134</u>	<u>4,258</u>	<u>(3,915)</u>	<u>(1,634)</u>	<u>10,965</u>	<u>(1,897)</u>	<u>7,286</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	(4,241)	-	-	-	-	-
<u>-</u>	<u>(4,241)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
2,134	17	(3,915)	(1,634)	10,965	(1,897)	7,286
<u>6,737</u>	<u>19,598</u>	<u>35,148</u>	<u>22,334</u>	<u>61,530</u>	<u>3,869</u>	<u>22,613</u>
<u>\$ 8,871</u>	<u>\$ 19,615</u>	<u>\$ 31,233</u>	<u>\$ 20,700</u>	<u>\$ 72,495</u>	<u>\$ 1,972</u>	<u>\$ 29,899</u>

CITY OF STOUGHTON

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2013

	Special Revenue Funds			
	Senior Center Wood Shop	Senior Center Special Fund	Economic Development Fund	Redevelop- ment Authority
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	22,238
Public charges for services	-	-	-	-
Special assessments	-	-	-	-
Investment income	-	149	51	37
Miscellaneous	5,702	11,729	-	6,876
Total Revenues	5,702	11,878	51	29,151
EXPENDITURES				
Current				
Public safety	-	-	-	-
Culture, recreation and education	4,843	9,363	-	-
Conservation and development	-	-	51,554	28,822
Capital Outlay	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	4,843	9,363	51,554	28,822
Excess (deficiency) of revenues over expenditures	859	2,515	(51,503)	329
OTHER FINANCING SOURCES (USES)				
Proceeds of long term debt	-	-	-	-
Property sales	-	-	-	-
Transfers in	-	-	30,000	15,000
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	30,000	15,000
Net Change in Fund Balances	859	2,515	(21,503)	15,329
FUND BALANCES (DEFICIT) - Beginning of Year	3,532	418,870	149,366	49,251
FUND BALANCES (DEFICIT) - END OF YEAR	\$ 4,391	\$ 421,385	\$ 127,863	\$ 64,580

Special Revenue Funds					Capital Projects Funds	
Special Assessments	CDBG	K9 Unit	Tree Commission	Cemetery	Fire Equipment	Park Acquisition
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	3,781	-	-	-	-	-
-	-	-	-	-	-	15,219
60,599	-	-	-	-	-	-
4,061	-	-	-	-	3	35
-	-	9,155	1,282	-	28,610	17,500
<u>64,660</u>	<u>3,781</u>	<u>9,155</u>	<u>1,282</u>	<u>-</u>	<u>28,613</u>	<u>32,754</u>
-	-	24,744	-	-	-	-
-	1,172	-	-	36	-	-
-	-	-	823	-	-	-
-	-	-	-	-	28,823	-
-	-	-	-	-	-	-
-	<u>1,172</u>	<u>24,744</u>	<u>823</u>	<u>36</u>	<u>28,823</u>	<u>-</u>
<u>64,660</u>	<u>2,609</u>	<u>(15,589)</u>	<u>459</u>	<u>(36)</u>	<u>(210)</u>	<u>32,754</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	33,247	-	-
<u>(116,831)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(15,000)</u>
<u>(116,831)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,247</u>	<u>-</u>	<u>(15,000)</u>
(52,171)	2,609	(15,589)	459	33,211	(210)	17,754
<u>252,447</u>	<u>4,335</u>	<u>20,275</u>	<u>-</u>	<u>-</u>	<u>8,087</u>	<u>76,976</u>
<u>\$ 200,276</u>	<u>\$ 6,944</u>	<u>\$ 4,686</u>	<u>\$ 459</u>	<u>\$ 33,211</u>	<u>\$ 7,877</u>	<u>\$ 94,730</u>

CITY OF STOUGHTON

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2013

	Capital Projects Funds			
	River Trail	TIF District No. 3	TIF District No. 4	TIF District No. 5
REVENUES				
Taxes	\$ -	\$ 383,151	\$ 272,240	\$ 30,147
Intergovernmental	-	1,780	1,042	1,322
Public charges for services	-	11,032	-	-
Special assessments	-	-	-	16,042
Investment income	-	157	299	-
Miscellaneous	-	4,209	-	1,000
Total Revenues	-	400,329	273,581	48,511
EXPENDITURES				
Current				
Public safety	-	-	-	-
Culture, recreation and education	-	-	-	-
Conservation and development	-	-	-	-
Capital Outlay	217	1,533,192	24,578	150
Interest and fiscal charges	-	-	-	23,016
Total Expenditures	217	1,533,192	24,578	23,166
Excess (deficiency) of revenues over expenditures	(217)	(1,132,863)	249,003	25,345
OTHER FINANCING SOURCES (USES)				
Proceeds of long term debt	-	1,400,000	-	-
Property sales	-	-	550	-
Transfers in	-	-	-	-
Transfers out	-	(243,354)	(143,162)	-
Total Other Financing Sources (Uses)	-	1,156,646	(142,612)	-
Net Change in Fund Balances	(217)	23,783	106,391	25,345
FUND BALANCES (DEFICIT) - Beginning of Year	3,879	515,454	496,687	(564,397)
FUND BALANCES (DEFICIT) - END OF YEAR	\$ 3,662	\$ 539,237	\$ 603,078	\$ (539,052)

<u>Capital Projects Funds</u>			Total Nonmajor Governmental Funds
<u>Outlay</u>	<u>Equipment Replacement</u>	<u>Building Maintenance</u>	
\$ -	\$ -	\$ -	\$ 727,955
32,319	-	-	298,122
-	-	-	633,217
-	-	-	76,641
25	111	29	5,095
<u>1,209</u>	<u>1,710</u>	<u>161,768</u>	<u>662,736</u>
<u>33,553</u>	<u>1,821</u>	<u>161,797</u>	<u>2,403,766</u>
-	-	-	76,939
-	-	-	1,680,478
-	-	-	81,199
507,195	-	-	2,198,222
-	-	-	23,016
<u>507,195</u>	<u>-</u>	<u>-</u>	<u>4,059,854</u>
<u>(473,642)</u>	<u>1,821</u>	<u>161,797</u>	<u>(1,656,088)</u>
-	-	-	1,400,000
10,667	-	-	11,217
464,467	271,300	-	1,324,344
-	(80,225)	(77,300)	(680,113)
<u>475,134</u>	<u>191,075</u>	<u>(77,300)</u>	<u>2,055,448</u>
1,492	192,896	84,497	399,360
<u>165,079</u>	<u>200,012</u>	<u>88,728</u>	<u>2,256,910</u>
<u>\$ 166,571</u>	<u>\$ 392,908</u>	<u>\$ 173,225</u>	<u>\$ 2,656,270</u>

CITY OF STOUGHTON

COMBINING STATEMENT OF NET POSITION NONMAJOR ENTERPRISE FUNDS As of December 31, 2013

	Storm Sewer	EMS	Total Nonmajor Enterprise Funds
ASSETS			
Current Assets			
Cash and investments	\$ 149,058	\$ 76,165	\$ 225,223
Receivables			
Other receivables	-	121,998	121,998
Due from other funds	72,753	-	72,753
Total Current Assets	221,811	198,163	419,974
Noncurrent Assets			
Capital Assets			
Plant in service	516,806	2,149,715	2,666,521
Less: Accumulated depreciation	(32,516)	(570,579)	(603,095)
Total Noncurrent Assets	484,290	1,579,136	2,063,426
Total Assets	706,101	1,777,299	2,483,400
LIABILITIES			
Current Liabilities			
Accounts payable	2,807	13,546	16,353
Accrued liabilities	2,509	23,794	26,303
Due to other funds	-	100,064	100,064
Current portion of GO debt	49,285	95,000	144,285
Total Current Liabilities	54,601	232,404	287,005
Noncurrent Liabilities			
Long-Term Debt			
General obligation debt payable	567,262	725,000	1,292,262
Total Liabilities	621,863	957,404	1,579,267
NET POSITION			
Net investment in capital assets	11,937	820,866	832,803
Unrestricted (deficit)	72,301	(971)	71,330
TOTAL NET POSITION	\$ 84,238	\$ 819,895	\$ 904,133

CITY OF STOUGHTON

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION NONMAJOR ENTERPRISE FUNDS For the Year Ended December 31, 2013

	<u>Storm Sewer</u>	<u>EMS</u>	<u>Total Nonmajor Enterprise Funds</u>
OPERATING REVENUES			
Charges for services	\$ 452,303	\$ 472,554	\$ 924,857
Total Operating Revenues	<u>452,303</u>	<u>472,554</u>	<u>924,857</u>
OPERATING EXPENSES			
Operation and maintenance	306,861	499,300	806,161
Depreciation expense	17,227	79,849	97,076
Total Operating Expenses	<u>324,088</u>	<u>579,149</u>	<u>903,237</u>
Operating Income (Loss)	<u>128,215</u>	<u>(106,595)</u>	<u>21,620</u>
NON-OPERATING REVENUES (EXPENSES)			
Investment income	2	76	78
Interest and fiscal charges	(7,539)	(30,510)	(38,049)
Interest subsidy	-	10,804	10,804
Intergovernmental grants	-	22,900	22,900
Total Non-Operating Revenues (Expenses)	<u>(7,537)</u>	<u>3,270</u>	<u>(4,267)</u>
Net Income (Loss) Before Transfers	<u>120,678</u>	<u>(103,325)</u>	<u>17,353</u>
CONTRIBUTIONS AND TRANSFERS			
Contribution from municipality	-	104,067	104,067
Transfers out	(21,300)	-	(21,300)
Total Contributions and Transfers	<u>(21,300)</u>	<u>104,067</u>	<u>82,767</u>
Change in Net Position	99,378	742	100,120
NET POSITION (DEFICIT) - Beginning of Year (as restated)	<u>(15,140)</u>	<u>819,153</u>	<u>804,013</u>
NET POSITION - END OF YEAR	<u>\$ 84,238</u>	<u>\$ 819,895</u>	<u>\$ 904,133</u>

CITY OF STOUGHTON

COMBINING STATEMENT OF CASH FLOWS NONMAJOR ENTERPRISE FUNDS For the Year Ended December 31, 2013

	<u>Storm Sewer</u>	<u>EMS</u>	<u>Total Nonmajor Enterprise Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Received from customers	\$ 379,550	\$ 524,139	\$ 903,689
Paid to suppliers for goods and services	(134,865)	(230,767)	(365,632)
Paid to employees for services	(169,231)	(280,283)	(449,514)
Net Cash Flows From Operating Activities	<u>75,454</u>	<u>13,089</u>	<u>88,543</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	<u>2</u>	<u>76</u>	<u>78</u>
Net Cash Flows From Investing Activities	<u>2</u>	<u>76</u>	<u>78</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers	<u>(21,300)</u>	<u>-</u>	<u>(21,300)</u>
Net Cash Flows From Noncapital Financing Activities	<u>(21,300)</u>	<u>-</u>	<u>(21,300)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Debt retired	(44,453)	(80,000)	(124,453)
Interest paid	(10,525)	(30,868)	(41,393)
Acquisition and construction of capital assets	(58,140)	(77,200)	(135,340)
Net Cash Flows From Capital and Related Financing Activities	<u>(113,118)</u>	<u>(188,068)</u>	<u>(301,186)</u>
Net Change in Cash and Cash Equivalents	(58,962)	(174,903)	(233,865)
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>208,020</u>	<u>251,068</u>	<u>459,088</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 149,058</u>	<u>\$ 76,165</u>	<u>\$ 225,223</u>

	<u>Storm Sewer</u>	<u>EMS</u>	<u>Total Nonmajor Enterprise Funds</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ 128,215	\$ (106,595)	\$ 21,620
Nonoperating revenue	-	33,704	33,704
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities			
Depreciation	17,227	79,849	97,076
Changes in assets and liabilities			
Other accounts receivable	-	12,526	12,526
Due from other funds	(72,753)	-	(72,753)
Accounts payable	2,765	(5,116)	(2,351)
Other current liabilities	-	(1,279)	(1,279)
	<u> </u>	<u> </u>	<u> </u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 75,454</u>	<u>\$ 13,089</u>	<u>\$ 88,543</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES			
Contributed capital assets	<u>\$ -</u>	<u>\$ 104,067</u>	