

CITY OF STOUGHTON
REPORT TO THE CITY COUNCIL

May 14, 2013

Presented By:

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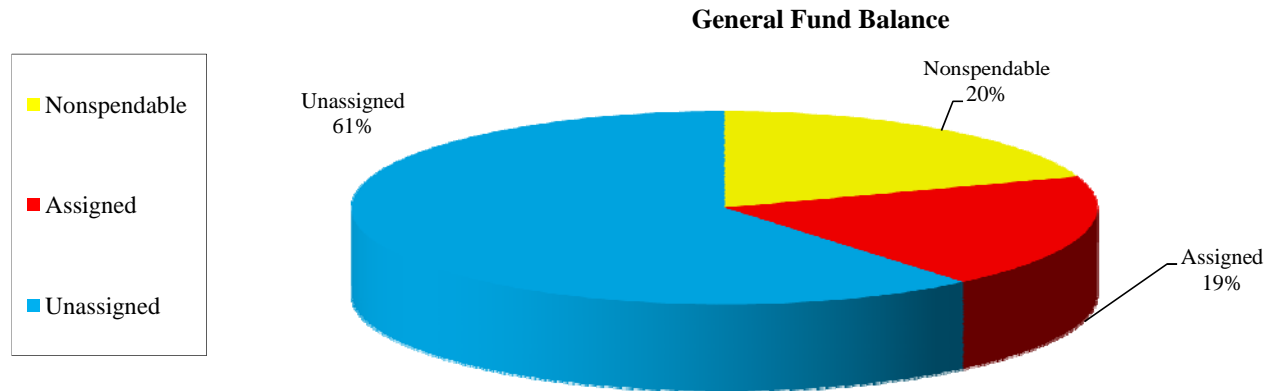
Heather S. Acker, CPA, Partner

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

CITY OF STOUGHTON
2012 FINANCIAL STATEMENT HIGHLIGHTS

DETAILS OF GENERAL FUND BALANCE

| | <u>2012</u> |
|---|----------------------------|
| <u>Nonspendable</u> <i>includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.</i> | \$896,264 |
| <u>Assigned</u> <i>includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed.</i> | 871,225 |
| <u>Unassigned</u> <i>includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories.</i> | <u>2,767,691</u> |
| Total General Fund Balance | <u>\$ 4,535,180</u> |



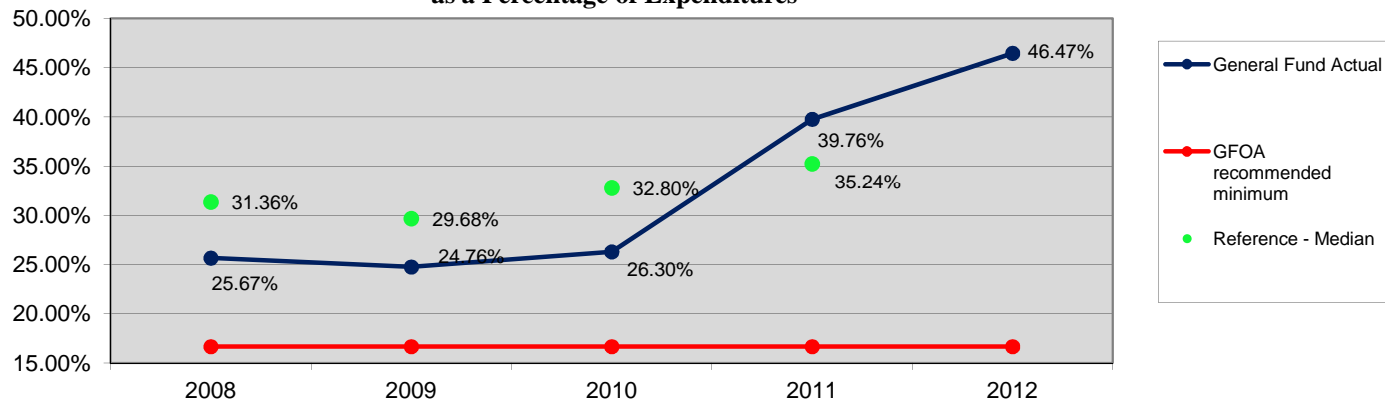
CITY OF STOUGHTON

2012 FINANCIAL STATEMENT HIGHLIGHTS

ANALYSIS OF GENERAL FUND BALANCE

| | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> |
|----------------------------------|--------------|--------------|--------------|-------------|-------------|
| Unreserved Fund Balance | \$ 2,138,509 | \$ 1,967,682 | \$ 1,980,637 | \$ - | \$ - |
| Unrestricted Fund Balance | - | - | - | 3,165,204 | 3,638,916 |
| Expenditures | 8,331,596 | 7,946,450 | 7,531,141 | 7,960,296 | 7,831,299 |
| % of expenditures | 25.67% | 24.76% | 26.30% | 39.76% | 46.47% |

**Unreserved or Unrestricted General Fund Balance
as a Percentage of Expenditures**



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

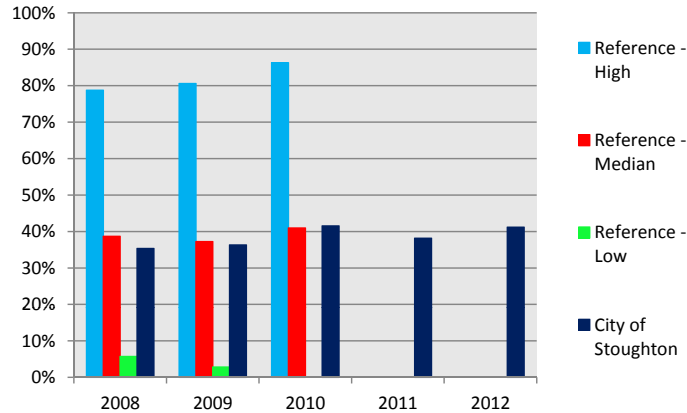
Reference values for the population range: 10,000 to 17,500 generated from 2008-2011 Baker Tilly municipal client data for Wisconsin.

CITY OF STOUGHTON
2012 FINANCIAL STATEMENT HIGHLIGHTS

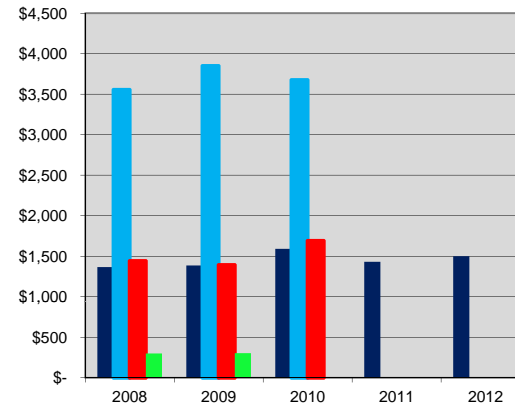
GENERAL OBLIGATION DEBT OUSTANDING

| | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| <u>Total General Obligation (G.O) Debt (net)</u> | | | | | |
| City | \$ 18,366,689 | \$ 18,580,000 | \$ 19,485,000 | \$ 17,525,000 | \$ 18,162,500 |
| Utilities | - | - | 1,015,000 | 965,000 | 900,000 |
| Less: Funds available for debt | (834,711) | (762,772) | (103,206) | (120,617) | (150,754) |
| TOTAL | \$ 17,531,978 | \$ 17,817,228 | \$ 20,396,794 | \$ 18,369,383 | \$ 18,911,746 |
| Population | 12,840 | 12,865 | 12,820 | 12,840 | 12,611 |
| G.O. Debt Capacity | \$ 49,598,840 | \$ 49,108,090 | \$ 49,130,975 | \$ 48,174,030 | \$ 45,913,530 |
| G.O. debt per capita | \$ 1,365 | \$ 1,385 | \$ 1,591 | \$ 1,431 | \$ 1,500 |
| % of debt limit | 35% | 36% | 42% | 38% | 41% |

Percentage of Debt Limit



G.O. Debt Outstanding - Per Capita



2008-2010 Reference values for the population range: 17,500 to 30,000 taken from *MunicipalFacts12* publication by the Wisconsin Taxpayers Alliance, 2012.

CITY OF STOUGHTON 2012 FINANCIAL STATEMENT HIGHLIGHTS

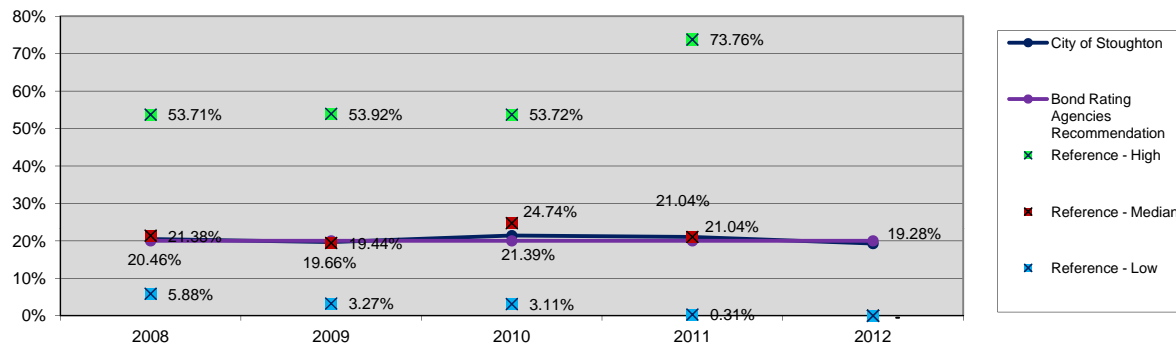
ANALYSIS OF DEBT SERVICE - GOVERNMENTAL FUNDS

| | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| <u>Total Debt Service</u> | | | | | |
| Principal* | \$ 1,493,162 | \$ 1,523,177 | \$ 1,830,000 | \$ 1,960,000 | \$ 1,985,000 |
| Interest | 1,012,148 | 835,966 | 685,013 | 592,525 | 544,763 |
| TOTAL | \$ 2,505,310 | \$ 2,359,143 | \$ 2,515,013 | \$ 2,552,525 | \$ 2,529,763 |
| <u>Total Non-Capital Expenditures</u> | | | | | |
| Total governmental funds expenditures* | \$ 15,033,778 | \$ 14,633,842 | \$ 14,551,647 | \$ 14,658,832 | \$ 15,675,733 |
| Less: capital outlay | (2,788,664) | (2,633,478) | (2,793,339) | (2,527,432) | (2,552,034) |
| TOTAL NON-CAPITAL EXPENDITURES | \$ 12,245,114 | \$ 12,000,364 | \$ 11,758,308 | \$ 12,131,400 | \$ 13,123,699 |

* excludes refunded principal

| | | | | | |
|---|--------|--------|--------|--------|--------|
| % of debt service to non-capital expenditures | 20.46% | 19.66% | 21.39% | 21.04% | 19.28% |
|---|--------|--------|--------|--------|--------|

Debt Service to Non-Capital Expenditures



| | <u>2009</u> | <u>2010</u> | <u>2011</u> |
|------------------------------------|-------------|-------------|-------------|
| Bond rating agencies recommended % | 20.00% | 20.00% | 20.00% |
| Reference - High: | 53.92% | 53.72% | 73.76% |
| Reference - Median: | 19.44% | 24.74% | 21.04% |
| Reference - Low: | 3.27% | 3.11% | 0.31% |

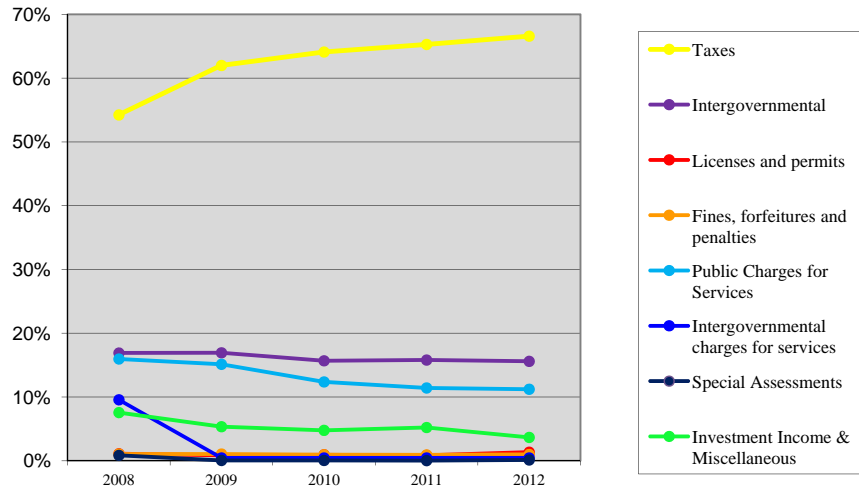
Reference values for the population range: 10,000 to 17,500 generated from 2008-2011 Baker Tilly municipal client data for Wisconsin.

CITY OF STOUGHTON 2012 FINANCIAL STATEMENT HIGHLIGHTS

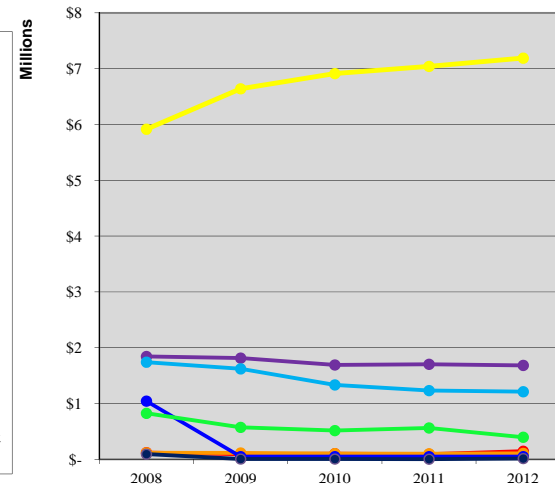
GENERAL & DEBT SERVICE FUND REVENUES

| | <u>2008</u> | <u>%</u> | <u>2009</u> | <u>%</u> | <u>2010</u> | <u>%</u> | <u>2011</u> | <u>%</u> | <u>2012</u> | <u>%</u> |
|--|----------------------|-------------|----------------------|-------------|----------------------|------------|----------------------|-------------|----------------------|-------------|
| Total Revenues | | | | | | | | | | |
| Taxes | \$ 5,916,727 | 54% | \$ 6,640,573 | 62% | \$ 6,913,451 | 64% | \$ 7,041,880 | 65% | \$ 7,190,100 | 67% |
| Intergovernmental | 1,843,957 | 17% | 1,814,270 | 17% | 1,691,669 | 16% | 1,704,190 | 16% | 1,684,260 | 16% |
| Licenses and permits | 120,953 | 1% | 91,081 | 1% | 101,117 | 1% | 91,627 | 1% | 145,374 | 1% |
| Fines, forfeitures and penalties | 116,279 | 1% | 113,943 | 1% | 102,243 | 1% | 99,878 | 1% | 107,159 | 1% |
| Public charges for services | 1,741,906 | 16% | 1,621,702 | 15% | 1,334,468 | 12% | 1,232,287 | 11% | 1,212,026 | 11% |
| Intergovernmental charges for services | 1,043,909 | 10% | 48,783 | 0% | 48,783 | 0% | 48,783 | 0% | 48,783 | 0% |
| Special Assessments | 93,326 | 1% | 6,219 | 0% | 5,589 | 0% | 3,517 | 0% | 14,549 | 0% |
| Investment Income & Miscellaneous | 824,957 | 8% | 573,010 | 5% | 515,373 | 5% | 563,026 | 5% | 396,349 | 4% |
| TOTAL | \$ 11,702,014 | 107% | \$ 10,909,581 | 102% | \$ 10,712,693 | 99% | \$ 10,785,188 | 100% | \$ 10,798,600 | 100% |

% of Total Revenue



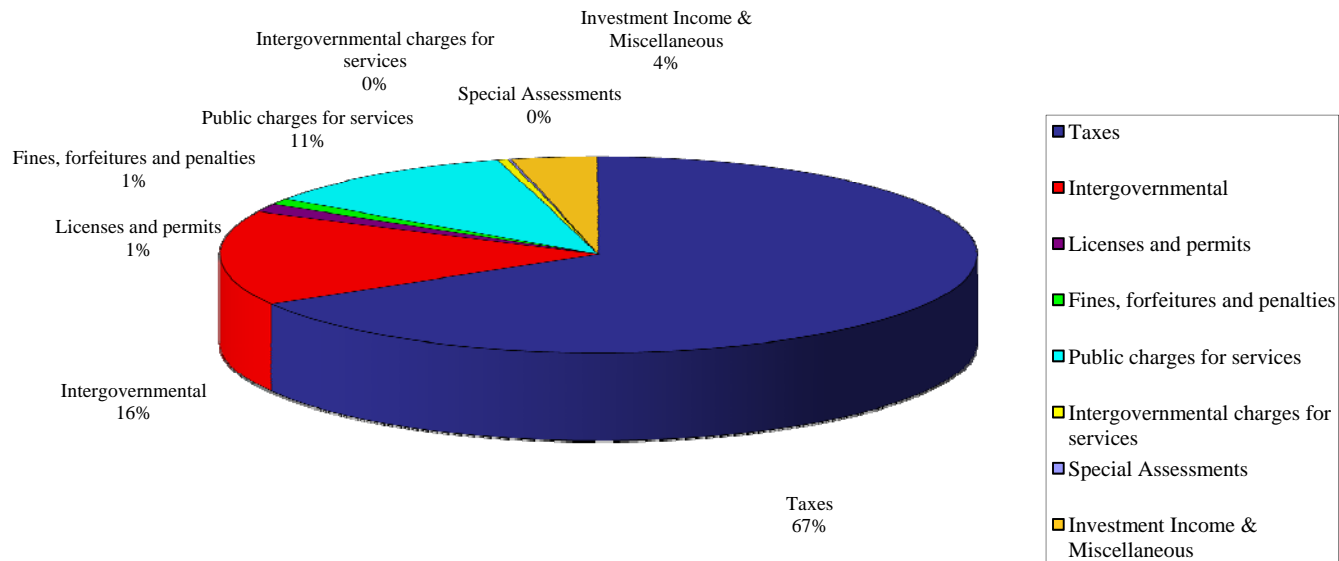
Total Revenue



CITY OF STOUGHTON
2012 FINANCIAL STATEMENT HIGHLIGHTS

2012 GENERAL & DEBT SERVICE FUND REVENUES

Total Revenues: \$10,798,600

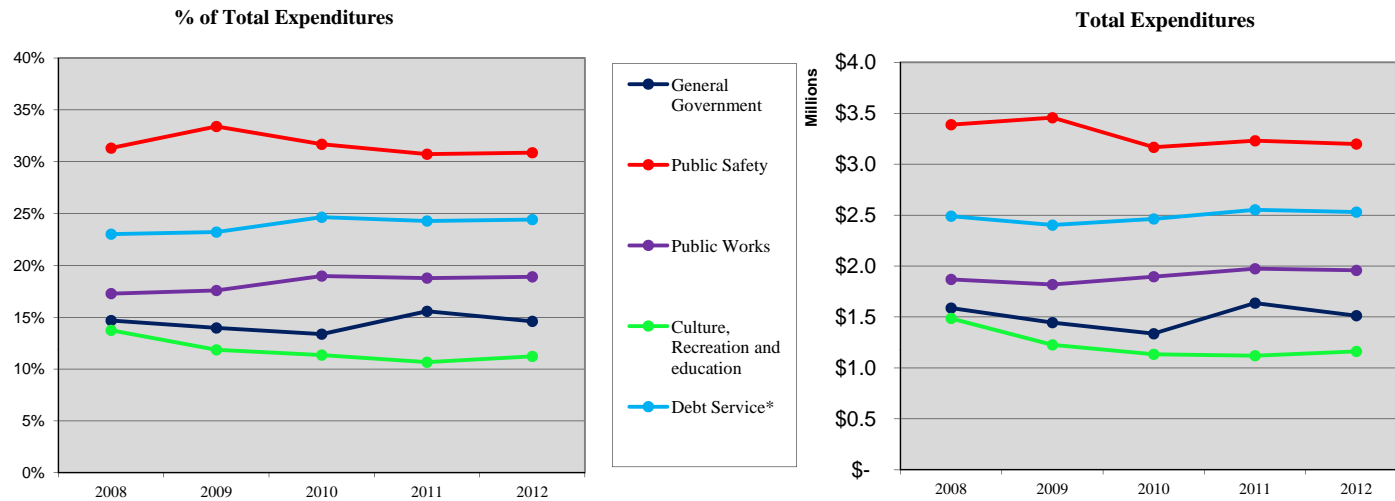


CITY OF STOUGHTON 2012 FINANCIAL STATEMENT HIGHLIGHTS

GENERAL & DEBT SERVICE FUND EXPENDITURES

| | <u>2008</u> | <u>%</u> | <u>2009</u> | <u>%</u> | <u>2010</u> | <u>%</u> | <u>2011</u> | <u>%</u> | <u>2012</u> | <u>%</u> |
|-----------------------------------|----------------------|-------------|----------------------|-------------|---------------------|-------------|----------------------|-------------|----------------------|-------------|
| Total Expenditures | | | | | | | | | | |
| General Government | \$ 1,588,026 | 15% | \$ 1,444,752 | 14% | \$ 1,335,841 | 13% | \$ 1,636,596 | 16% | \$ 1,513,012 | 15% |
| Public Safety | 3,387,801 | 31% | 3,455,957 | 33% | 3,165,541 | 32% | 3,229,765 | 31% | 3,198,001 | 31% |
| Public Works | 1,869,375 | 17% | 1,818,931 | 18% | 1,895,576 | 19% | 1,973,585 | 19% | 1,957,773 | 19% |
| Culture, recreation and education | 1,486,394 | 14% | 1,226,810 | 12% | 1,134,183 | 11% | 1,120,350 | 11% | 1,162,513 | 11% |
| Debt Service* | <u>2,489,682</u> | 23% | <u>2,402,076</u> | 23% | <u>2,462,332</u> | 25% | <u>2,552,525</u> | 24% | <u>2,529,763</u> | 24% |
| TOTAL | \$ 10,821,278 | 100% | \$ 10,348,526 | 100% | \$ 9,993,473 | 100% | \$ 10,512,821 | 100% | \$ 10,361,062 | 100% |

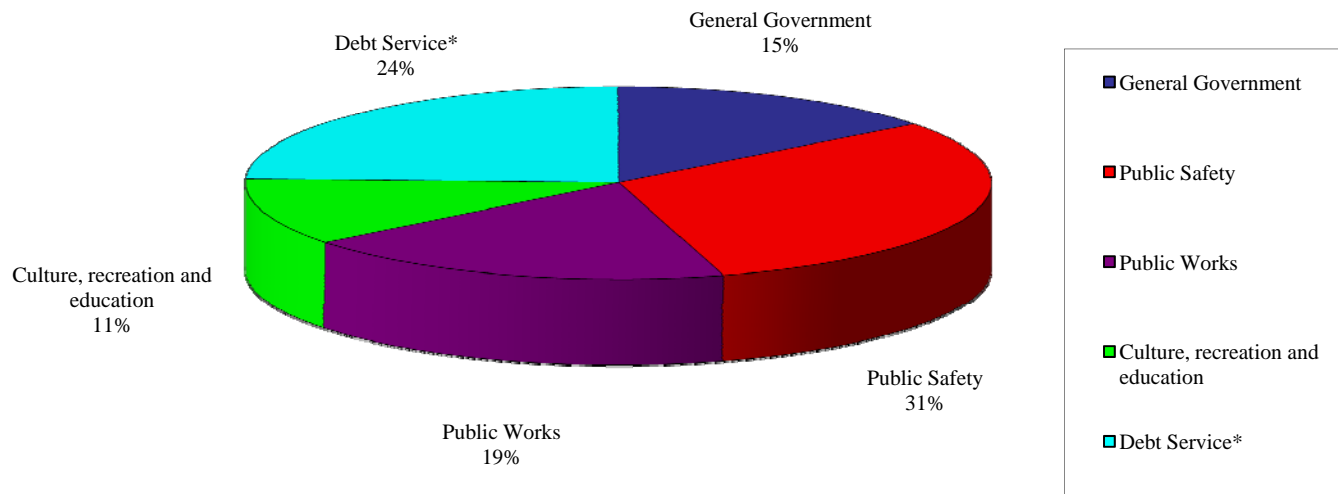
*Excludes debt refunding of \$6,450,000 in 2008, \$3,323,513 in 2009, \$3,360,000 in 2010, and \$1,000,000 in 2012.



**CITY OF STOUGHTON
2012 FINANCIAL STATEMENT HIGHLIGHTS**

2012 GENERAL & DEBT SERVICE FUND EXPENDITURES

Total Expenditures: \$10,361,062

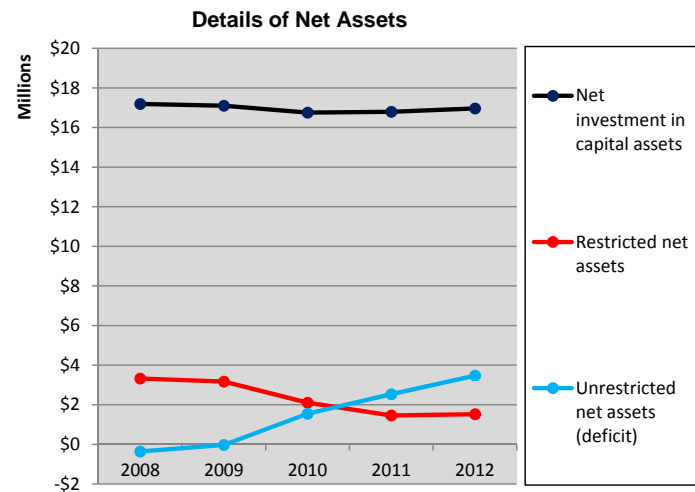
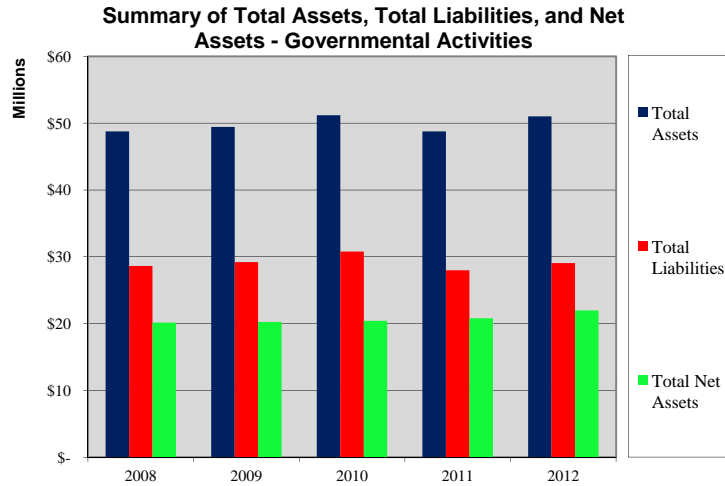


*Excludes debt refunding of \$6,450,000 in 2008, \$3,323,513 in 2009, \$3,360,000 in 2010, and \$1,000,000 in 2012.

CITY OF STOUGHTON 2012 FINANCIAL STATEMENT HIGHLIGHTS

ANALYSIS OF NET ASSETS - GOVERNMENTAL ACTIVITIES

| | <u>2008</u> | <u>%</u> | <u>2009</u> | <u>%</u> | <u>2010</u> | <u>%</u> | <u>2011</u> | <u>%</u> | <u>2012</u> | <u>%</u> |
|--|----------------------|----------|----------------------|----------|----------------------|----------|----------------------|----------|----------------------|----------|
| Total Assets | \$ 48,776,972 | | \$ 49,451,331 | | \$ 51,182,242 | | \$ 48,770,812 | | \$ 51,019,843 | |
| Total Liabilities | 28,619,504 | | 29,208,713 | | 30,780,437 | | 27,981,229 | | 29,056,966 | |
| Net investment in capital assets | 17,191,617 | 85% | 17,105,770 | 85% | 16,752,659 | 82% | 16,796,049 | 81% | 16,961,378 | 77% |
| Restricted net assets | 3,325,288 | 17% | 3,167,733 | 16% | 2,102,686 | 10% | 1,461,342 | 7% | 1,527,101 | 7% |
| Unrestricted net assets (deficit) | (359,437) | -2% | (30,885) | 0% | 1,546,460 | 8% | 2,532,192 | 12% | 3,474,398 | 16% |
| Total Net Assets | <u>\$ 20,157,468</u> | 100% | <u>\$ 20,242,618</u> | 100% | <u>\$ 20,401,805</u> | 100% | <u>\$ 20,789,583</u> | 100% | <u>\$ 21,962,877</u> | 100% |
| Net Assets as a % of Total Assets | | 41% | | 41% | | 40% | | 43% | | 43% |



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

CITY OF STOUGHTON
2012 FINANCIAL STATEMENT HIGHLIGHTS

HISTORICAL SUMMARY OF TAX INCREMENTAL FINANCING DISTRICTS
FROM DATE OF CREATION THROUGH DECEMBER 31, 2012

| | TIF District No. 3 | % | TIF District No. 4 | % | TIF District No. 5 | % |
|--|---------------------------|-------------|---------------------------|-------------|---------------------------|-------------|
| <u>Sources of funds</u> | | | | | | |
| TIF increment | \$ 2,413,247 | 28% | \$ 1,133,931 | 19% | \$ - | 0% |
| Intergovernmental | 5,967 | 0% | 123,481 | 2% | 201,256 | 46% |
| Public charges for services | 1,910 | 0% | - | 0% | - | 0% |
| Contribution from other district | 742,340 | 9% | 1,405,024 | 24% | - | 0% |
| Transfers from other funds | 181,304 | 2% | - | 0% | 100,000 | 23% |
| Investment income | 54,147 | 1% | 105,998 | 2% | 16 | 0% |
| Land sales | 370,024 | 4% | - | 0% | 116,616 | 27% |
| Miscellaneous revenues | 1,105,126 | 13% | 48,141 | 1% | 19,686 | 4% |
| Long-term debt issued | 3,632,496 | 43% | 3,160,750 | 52% | - | 0% |
| TOTAL | \$ 8,506,561 | 100% | \$ 5,977,325 | 100% | \$ 437,574 | 100% |
| <u>Uses of Funds</u> | | | | | | |
| Capital expenditures | \$ 2,203,275 | 28% | \$ 2,309,568 | 42% | \$ 956,986 | 96% |
| Administration | 98,653 | 1% | 47,996 | 1% | 1,574 | 0% |
| Contribution to other district | 1,106,252 | 14% | - | 0% | - | 0% |
| Debt issuance costs | - | 0% | 26,075 | 0% | - | 0% |
| Interest on long-term debt | 1,189,306 | 15% | 715,399 | 14% | 43,411 | 4% |
| Principal on long-term debt | 3,393,621 | 42% | 2,381,600 | 43% | - | 0% |
| TOTAL | \$ 7,991,107 | 100% | \$ 5,480,638 | 100% | \$ 1,001,971 | 100% |
| TIF Fund Balance - December 31, 2012 | \$ 515,454 | | \$ 496,687 | | \$ (564,397) | |
| <u>Calculation of Net Cost Recoverable through TIF Increments</u> | | | | | | |
| General obligation debt outstanding | 238,875 | | 779,150 | | - | |
| Less: TIF Fund Balance - December 31, 2012 | (515,454) | | (496,687) | | 564,397 | |
| Net cost recoverable (recovered) through TIF increments - December 31, 2012 | \$ (276,579) | | \$ 282,463 | | \$ 564,397 | |
| Creation date: | November 24, 1992 | | March 23, 1999 | | March 12, 2010 | |
| Last date to incur project costs: | November 24, 2014 | | March 23, 2017 | | March 12, 2032 | |
| Last year to collect increment: | 2020 | | 2022 | | 2037 | |