

CITY OF STOUGHTON
REPORT TO THE CITY COUNCIL
May 22, 2018

Presented By:

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Madison, WI 53707-7398
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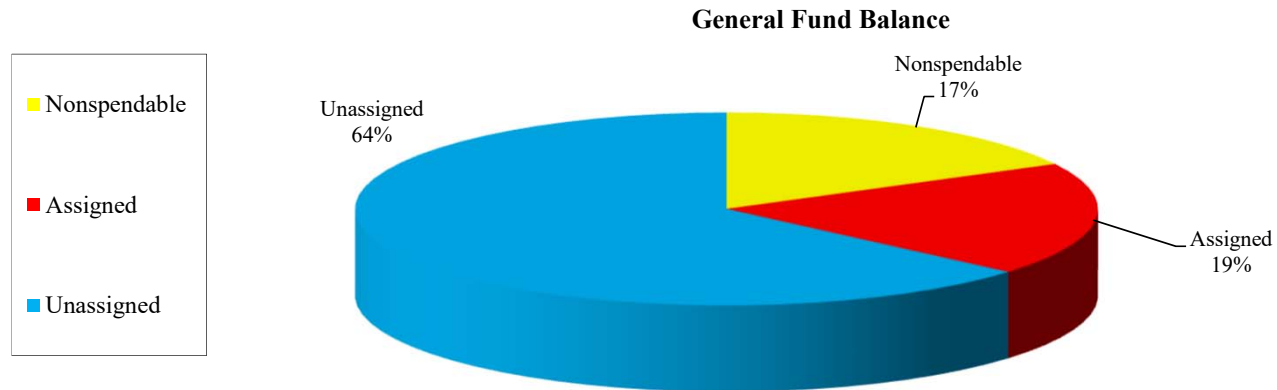
Vasvi R. Joshi, Manager

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

CITY OF STOUGHTON 2017 FINANCIAL STATEMENT HIGHLIGHTS

DETAILS OF GENERAL FUND BALANCE

	<u>2017</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>	\$1,016,502
<u>Assigned</u> <i>includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed.</i>	1,119,700
<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>3,743,097</u>
Total General Fund Balance	<u>\$ 5,879,299</u>



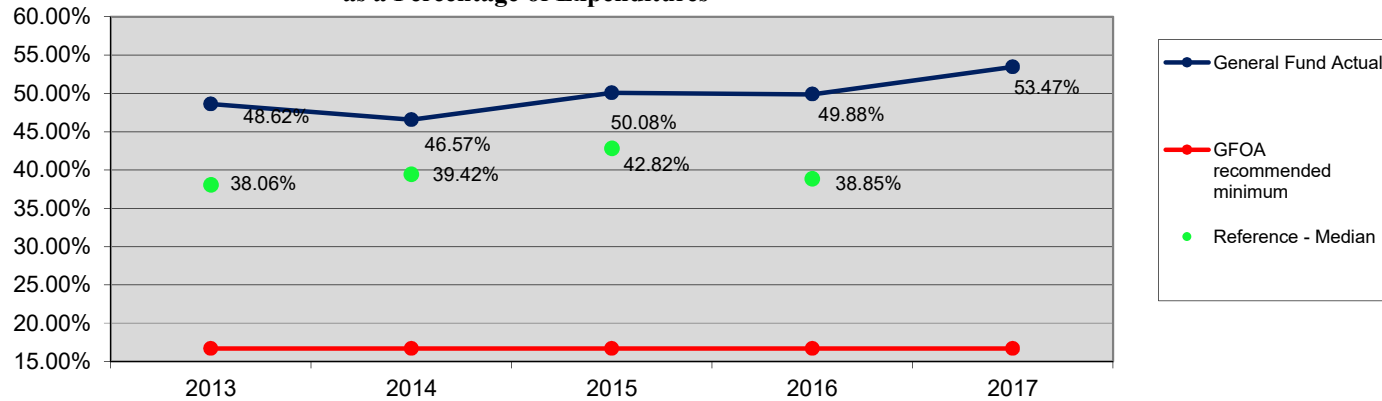
CITY OF STOUGHTON

2017 FINANCIAL STATEMENT HIGHLIGHTS

ANALYSIS OF GENERAL FUND BALANCE

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Unrestricted Fund Balance	3,875,337	3,947,569	4,269,500	4,434,514	4,862,797
Expenditures	7,969,898	8,477,043	8,525,735	8,890,260	9,095,032
% of expenditures	48.62%	46.57%	50.08%	49.88%	53.47%

**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

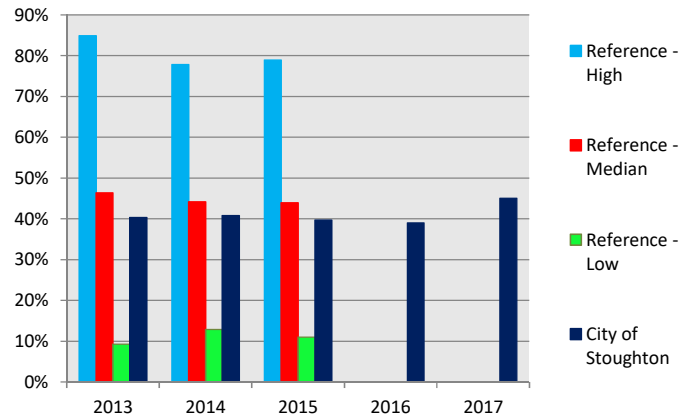
Reference values for the population range: 10,000 to 17,500 generated from 2013-2016 Baker Tilly municipal client data for Wisconsin. The City's policy is to maintain unassigned general fund balance within a range of 20% to 25% of general fund annual budgeted expenditures. The unassigned general fund balance at year-end was \$3,743,097 or 28.9% of general fund budgeted expenditures.

CITY OF STOUGHTON 2017 FINANCIAL STATEMENT HIGHLIGHTS

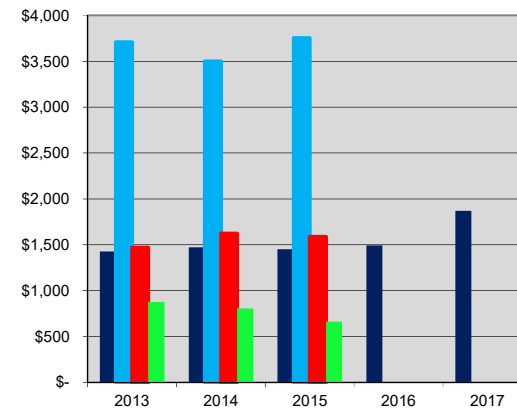
GENERAL OBLIGATION DEBT OUTSTANDING

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Total General Obligation (G.O) Debt (net)					
City	\$ 16,704,563	\$ 17,285,084	\$ 16,545,527	\$ 20,681,106	\$ 21,992,572
Utilities	1,436,547	1,560,601	2,553,436	2,240,027	2,490,351
Less: Funds available for debt	(100,064)	(216,537)	(169,228)	(3,427,418)	(480,476)
TOTAL	<u>\$ 18,041,046</u>	<u>\$ 18,629,148</u>	<u>\$ 18,929,735</u>	<u>\$ 19,493,715</u>	<u>\$ 24,002,447</u>
Population	12,646	12,646	13,039	13,067	12,834
G.O. Debt Capacity	\$ 44,706,275	\$ 45,654,025	\$ 47,713,100	\$ 50,039,825	\$ 53,277,055
G.O. debt per capita	\$ 1,427	\$ 1,473	\$ 1,452	\$ 1,492	\$ 1,870
% of debt limit	40%	41%	40%	39%	45%

Percentage of Debt Limit



G.O. Debt Outstanding - Per Capita



2013-2015 Reference values for the population range: 10,000 to 17,500 taken from *MunicipalFacts17* publication by the Wisconsin Taxpayers Alliance, 2017.

CITY OF STOUGHTON 2017 FINANCIAL STATEMENT HIGHLIGHTS

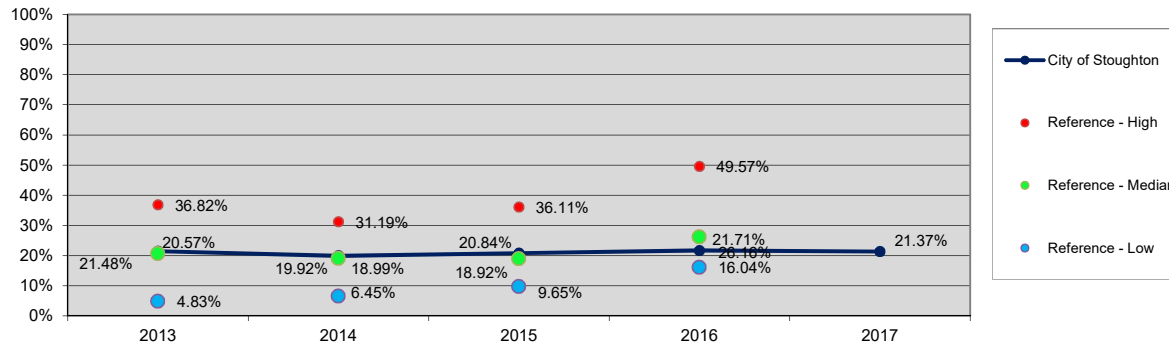
ANALYSIS OF DEBT SERVICE - GOVERNMENTAL FUNDS

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<u>Total Debt Service</u>					
Principal*	\$ 2,196,937	\$ 2,174,479	\$ 2,284,557	\$ 2,544,421	\$ 2,593,534
Interest	493,184	449,980	486,630	554,501	478,487
TOTAL	\$ 2,690,121	\$ 2,624,459	\$ 2,771,187	\$ 3,098,922	\$ 3,072,021
<u>Total Non-Capital Expenditures</u>					
Total governmental funds expenditures*	\$ 15,207,325	\$ 16,828,266	\$ 16,853,121	\$ 22,034,495	\$ 19,370,890
Less: capital outlay	(2,685,674)	(3,654,793)	(3,555,740)	(7,760,873)	(4,994,448)
TOTAL NON-CAPITAL EXPENDITURES	\$ 12,521,651	\$ 13,173,473	\$ 13,297,381	\$ 14,273,622	\$ 14,376,442

* excludes refunded principal

% of debt service to non-capital expenditures	21.48%	19.92%	20.84%	21.71%	21.37%
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Debt Service to Non-Capital Expenditures



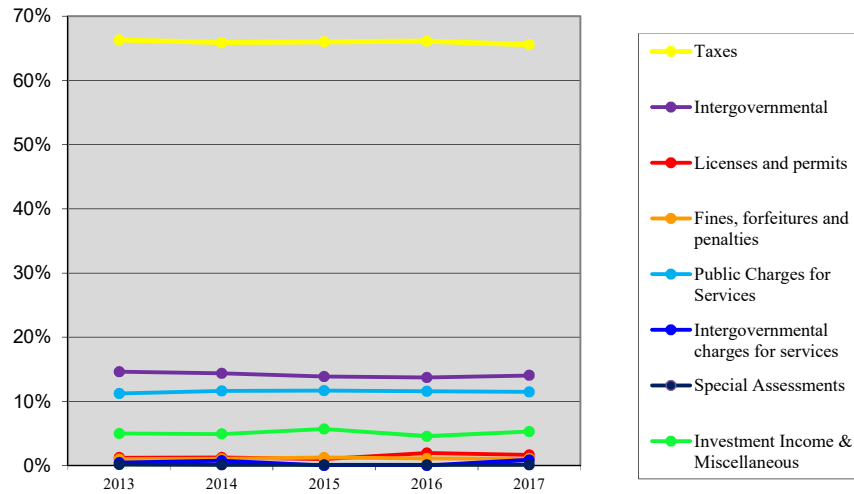
Bond rating agencies recommended % 20.00%

CITY OF STOUGHTON 2017 FINANCIAL STATEMENT HIGHLIGHTS

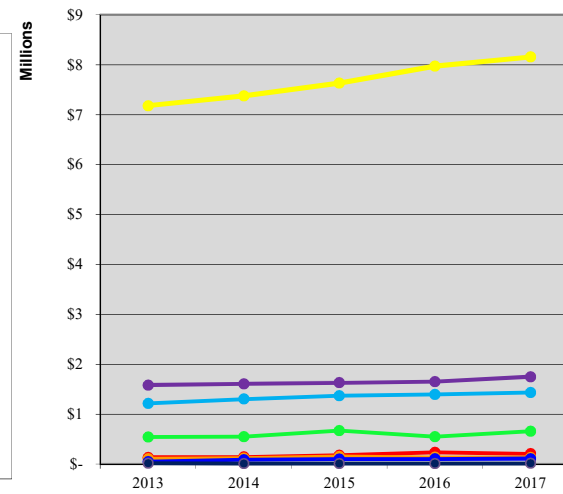
GENERAL & DEBT SERVICE FUND REVENUES

	<u>2013</u>	<u>%</u>	<u>2014</u>	<u>%</u>	<u>2015</u>	<u>%</u>	<u>2016</u>	<u>%</u>	<u>2017</u>	<u>%</u>
Total Revenues										
Taxes	\$ 7,179,236	66%	\$ 7,374,779	66%	\$ 7,630,400	66%	\$ 7,968,616	66%	\$ 8,154,172	66%
Intergovernmental	1,583,146	15%	1,606,752	14%	1,629,581	14%	1,651,832	14%	1,749,196	14%
Licenses and permits	134,056	1%	141,759	1%	176,140	1%	233,079	2%	206,157	2%
Fines, forfeitures and penalties	107,798	1%	118,039	1%	148,205	1%	135,588	1%	134,649	1%
Public charges for services	1,215,710	11%	1,302,212	12%	1,371,253	12%	1,393,649	12%	1,431,359	11%
Intergovernmental charges for services	48,783	0%	86,031	1%	99,630	0%	104,319	0%	109,174	1%
Special assessments	17,148	0%	11,711	0%	12,875	0%	12,855	0%	13,600	0%
Investment income & miscellaneous	542,027	5%	551,150	5%	669,147	6%	549,511	5%	657,326	5%
TOTAL	\$ 10,827,904	100%	\$ 11,192,433	100%	\$ 11,737,231	100%	\$ 12,049,449	100%	\$ 12,455,633	100%

% of Total Revenue



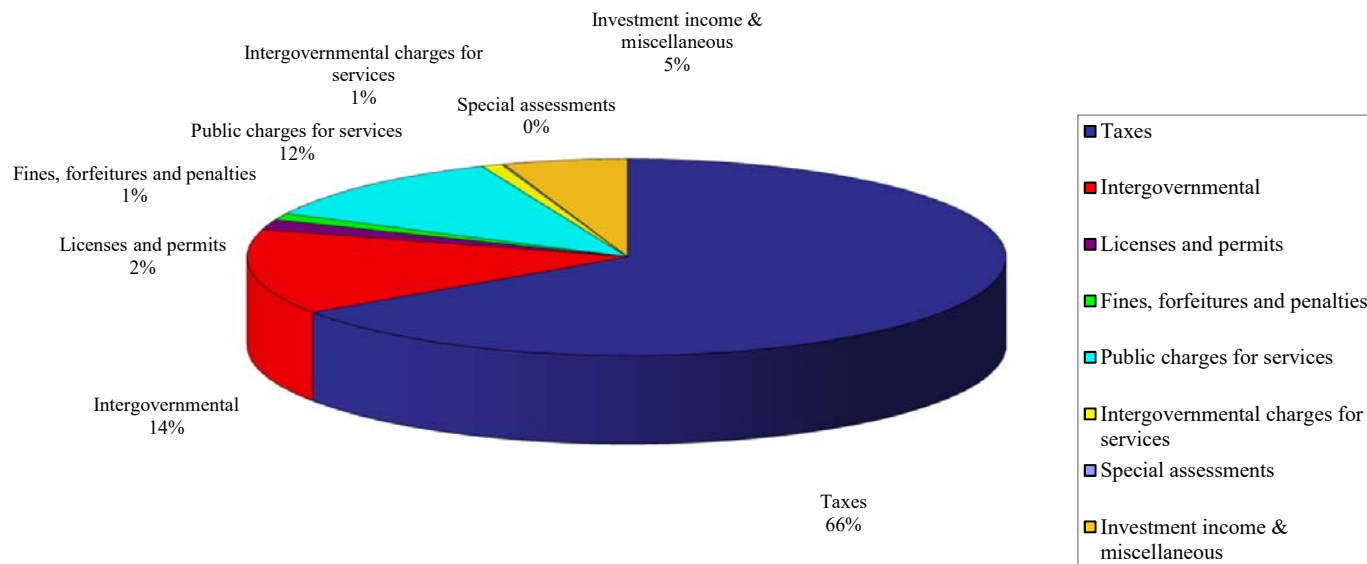
Total Revenue



CITY OF STOUGHTON
2017 FINANCIAL STATEMENT HIGHLIGHTS

2017 GENERAL & DEBT SERVICE FUND REVENUES

Total Revenues: \$12,455,633



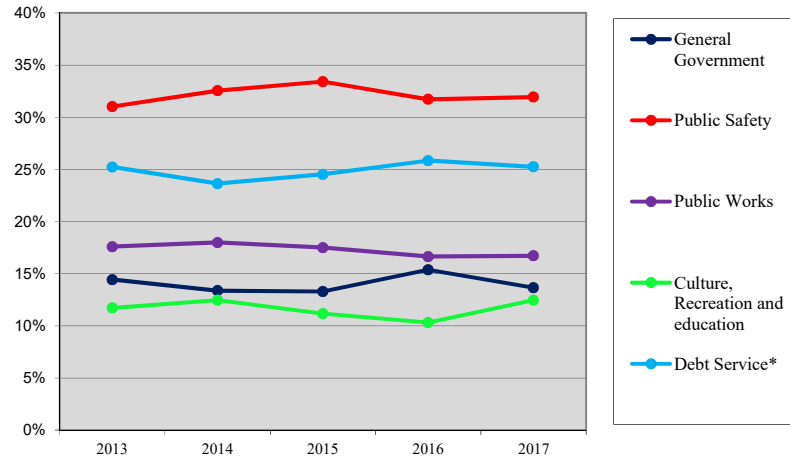
CITY OF STOUGHTON 2017 FINANCIAL STATEMENT HIGHLIGHTS

GENERAL & DEBT SERVICE FUND EXPENDITURES

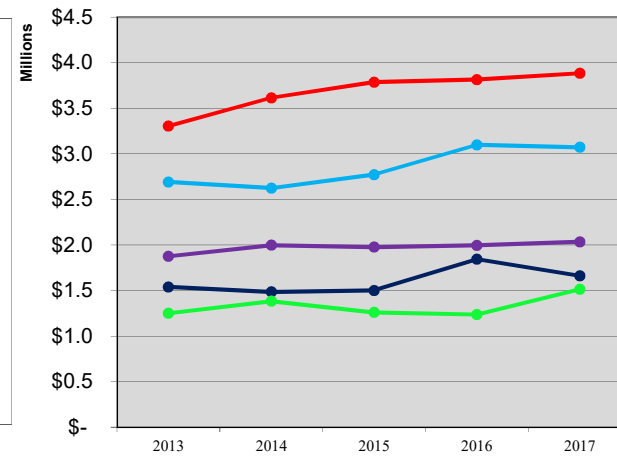
	<u>2013</u>	<u>%</u>	<u>2014</u>	<u>%</u>	<u>2015</u>	<u>%</u>	<u>2016</u>	<u>%</u>	<u>2017</u>	<u>%</u>
Total Expenditures										
General Government	\$ 1,539,173	14%	\$ 1,483,909	13%	\$ 1,501,376	13%	\$ 1,843,239	15%	\$ 1,660,722	14%
Public Safety	3,305,741	31%	3,613,383	33%	3,786,470	33%	3,814,855	32%	3,884,807	32%
Public Works	1,875,905	18%	1,997,518	18%	1,977,034	18%	1,995,483	17%	2,034,622	17%
Culture, recreation and education	1,249,079	12%	1,382,233	12%	1,260,855	11%	1,236,683	10%	1,514,881	12%
Debt Service*	2,690,121	25%	2,624,459	24%	2,771,187	25%	3,098,922	26%	3,072,021	25%
TOTAL	\$ 10,660,019	100%	\$ 11,101,502	100%	\$ 11,296,922	100%	\$ 11,989,182	100%	\$ 12,167,053	100%

*Excludes debt refunding of \$1,000,000 in 2012.

% of Total Expenditures



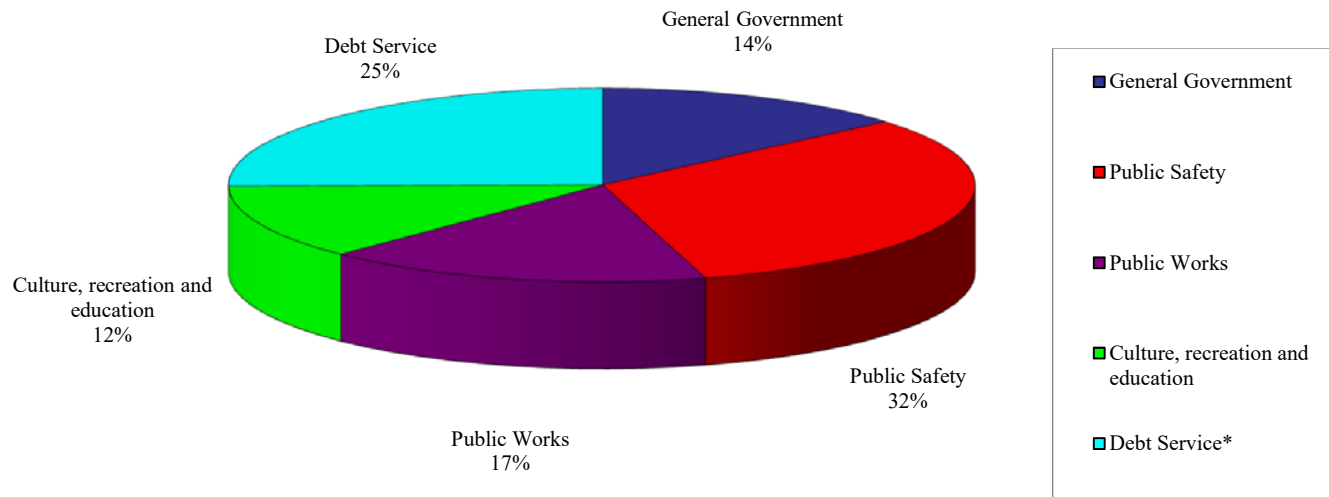
Total Expenditures



CITY OF STOUGHTON
2017 FINANCIAL STATEMENT HIGHLIGHTS

2017 GENERAL & DEBT SERVICE FUND EXPENDITURES

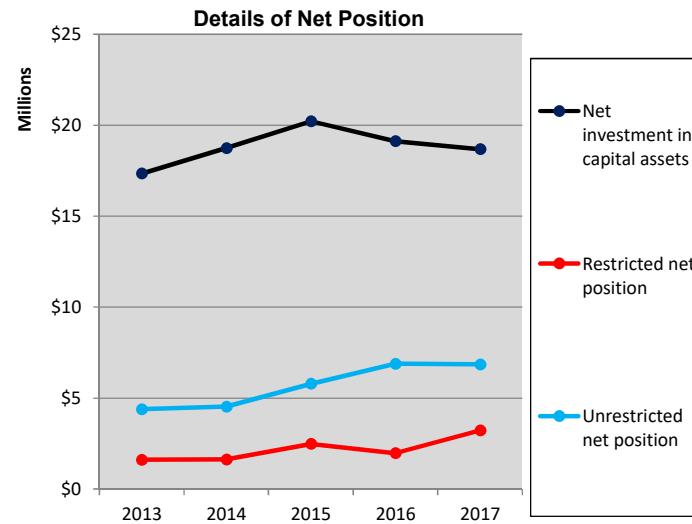
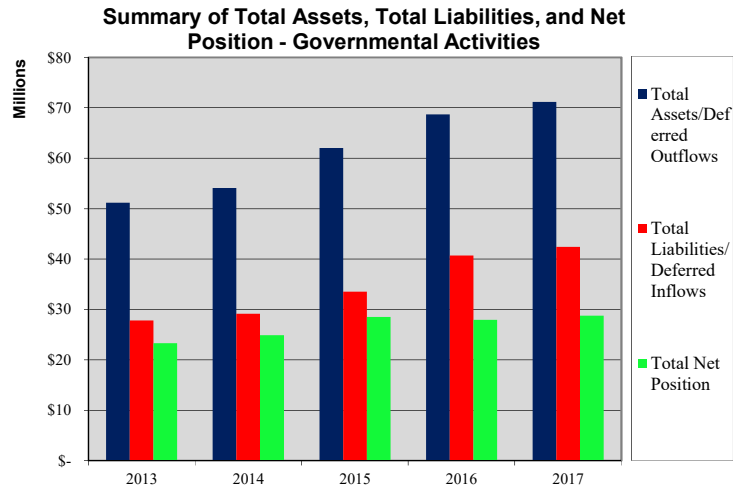
Total Expenditures: \$12,167,053



CITY OF STOUGHTON 2017 FINANCIAL STATEMENT HIGHLIGHTS

ANALYSIS OF NET POSITION - GOVERNMENTAL ACTIVITIES

	<u>2013</u>	<u>%</u>	<u>2014</u>	<u>%</u>	<u>2015</u>	<u>%</u>	<u>2016</u>	<u>%</u>	<u>2017</u>	<u>%</u>
Total Assets/Deferred Outflows	\$ 51,176,991		\$ 54,087,531		\$ 62,052,502		\$ 68,723,740		\$ 71,169,015	
Total Liabilities/Deferred Inflows	27,843,075		29,182,985		33,557,185		40,676,462		42,404,086	
Net investment in capital assets	17,339,852	74%	18,744,830	75%	20,218,136	71%	19,120,712	68%	18,683,527	65%
Restricted net position	1,605,607	7%	1,626,071	7%	2,484,622	9%	1,969,261	7%	3,226,847	11%
Unrestricted net position	4,388,457	19%	4,533,645	18%	5,792,559	20%	6,887,305	25%	6,854,555	24%
Total Net Position	<u>\$ 23,333,916</u>	100%	<u>\$ 24,904,546</u>	100%	<u>\$ 28,495,317</u>	100%	<u>\$ 27,977,278</u>	100%	<u>\$ 28,764,929</u>	100%
Net Position as a % of Total Assets		46%		46%		46%		41%		40%



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
2017 FINANCIAL STATEMENT HIGHLIGHTS

HISTORICAL SUMMARY OF TAX INCREMENTAL FINANCING DISTRICTS
FROM DATE OF CREATION THROUGH DECEMBER 31, 2017

	<u>TIF District No. 3</u>	<u>%</u>	<u>TIF District No. 4</u>	<u>%</u>	<u>TIF District No. 5</u>	<u>%</u>	<u>TIF District No. 6</u>	<u>%</u>	<u>TIF District No. 7</u>	<u>%</u>
<u>Sources of funds</u>										
TIF increment	\$ 4,738,190	35%	\$ 2,284,969	31%	\$ 30,147	2%	\$ -	0%	\$ 242,013	5%
Intergovernmental	22,935	0%	139,237	2%	281,328	15%	-	0%	-	0%
Developer guarantees	48,586	0%	-	0%	109,795	6%	-	0%	-	0%
Public charges for services	12,942	0%	-	0%	-	0%	-	0%	-	0%
Contribution from other district	742,340	5%	1,405,024	20%	-	0%	-	0%	-	0%
Transfers from other funds	181,304	1%	-	0%	100,000	6%	-	0%	-	0%
Investment income	56,694	0%	121,851	2%	1,404	0%	-	0%	19,394	0%
Land sales	1,383,920	10%	-	0%	116,616	7%	-	0%	-	0%
Miscellaneous revenues	148,244	1%	48,691	1%	1,000	0%	21,945	4%	-	0%
Premium on long term debt	-	0%	-	0%	-	0%	-	0%	9,120	0%
Long-term debt issued	6,257,496	46%	3,160,750	44%	1,150,000	64%	505,000	96%	4,775,000	95%
TOTAL	\$ 13,592,651	100%	\$ 7,160,522	100%	\$ 1,790,290	100%	\$ 526,945	100%	\$ 5,045,527	100%
<u>Uses of Funds</u>										
Capital expenditures	\$ 5,571,359	43%	\$ 2,309,568	38%	\$ 2,049,110	94%	\$ 556,831	94%	\$ 3,764,763	95%
Revolving loan fund	-	0%	51,500	1%	-	0%	-	0%	-	0%
Administration (in house)	-	0%	-	0%	-	0%	-	0%	23,678	1%
Professional services	140,946	1%	81,303	1%	46,833	2%	28,123	5%	5,452	0%
Contribution to other district	1,106,252	8%	-	0%	-	0%	-	0%	-	0%
Debt issuance costs	20,162	0%	26,075	0%	-	0%	3,374	1%	45,926	1%
Interest on long-term debt	1,369,290	10%	788,798	13%	96,965	4%	-	0%	116,059	3%
Principal on long-term debt	5,004,573	38%	2,865,750	47%	-	0%	-	0%	-	0%
TOTAL	\$ 13,212,582	100%	\$ 6,122,994	100%	\$ 2,192,908	100%	\$ 588,328	100%	\$ 3,955,878	100%
TIF Fund Balance (Deficit) - December 31, 2017	\$ 380,069		\$ 1,037,528		\$ (402,618)		\$ (61,383)		\$ 1,089,649	
<u>Calculation of Net Cost Recoverable through TIF Increments</u>										
Long term debt outstanding	1,252,923		295,000		1,150,000		505,000		4,775,000	
Less/Add: TIF Fund Balance (Deficit) - December 31, 2017	(380,069)		(1,037,528)		402,618		61,383		(1,089,649)	
Net cost recoverable (recovered) through TIF increments - December 31, 2017	\$ 872,854		\$ (742,528)		\$ 1,552,618		\$ 566,383		\$ 3,685,351	
Creation date:	January 1, 1993		January 1, 1999		January 1, 2010		January 1, 2015		January 1, 2015	
Last date to incur project costs:	November 24, 2014		March 23, 2021		March 12, 2032		September 29, 2030		November 11, 2029	
Last year to collect increment:	2020		2026		2037		2036		2035	