

**CITY OF STOUGHTON**  
**REPORT TO THE CITY COUNCIL**

**May 27, 2014**

Presented By:

Baker Tilly Virchow Krause, LLP  
Ten Terrace Court  
P.O. Box 7398  
Madison, WI 53707-7398  
800 362 7301

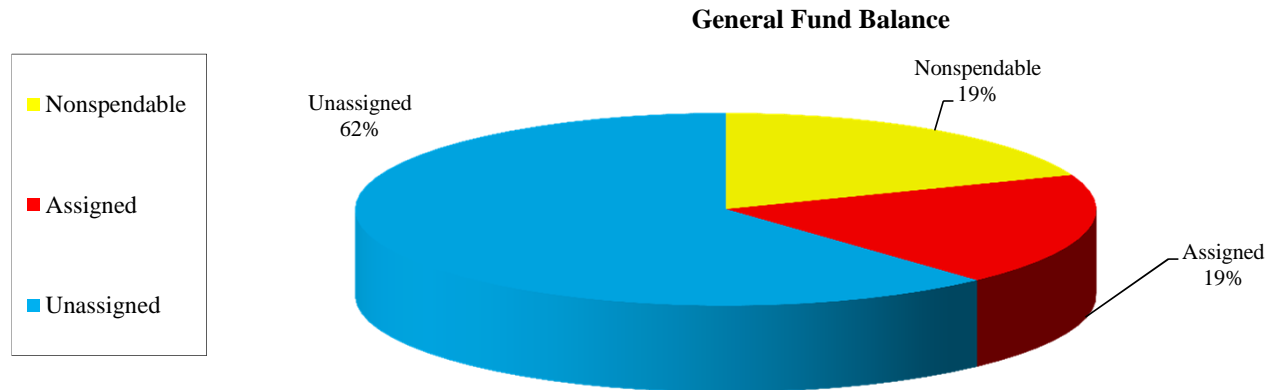
Heather S. Acker, CPA, Partner

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

## CITY OF STOUGHTON 2013 FINANCIAL STATEMENT HIGHLIGHTS

### DETAILS OF GENERAL FUND BALANCE

|   | <u>2013</u>                |
|---|----------------------------|
| <u>Nonspendable</u><br><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> | \$921,928                  |
| <u>Assigned</u><br><i>includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed.</i>   | 909,706                    |
| <u>Unassigned</u><br><i>includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories.</i>  | <u>2,965,631</u>           |
| <b>Total General Fund Balance</b>   | <b><u>\$ 4,797,265</u></b> |



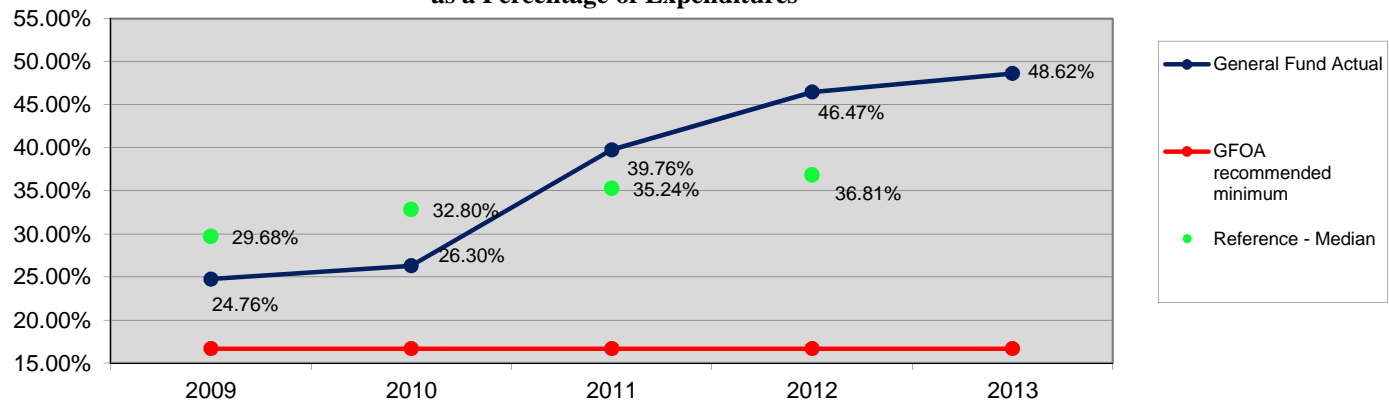
# CITY OF STOUGHTON

## 2013 FINANCIAL STATEMENT HIGHLIGHTS

### ANALYSIS OF GENERAL FUND BALANCE

|                                  | <u>2009</u>  | <u>2010</u>  | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|----------------------------------|--------------|--------------|-------------|-------------|-------------|
| <b>Unreserved Fund Balance</b>   | \$ 1,967,682 | \$ 1,980,637 | \$ -        | \$ -        | \$ -        |
| <b>Unrestricted Fund Balance</b> | -            | -            | 3,165,204   | 3,638,916   | 3,875,337   |
| <b>Expenditures</b>              | 7,946,450    | 7,531,141    | 7,960,296   | 7,831,299   | 7,969,898   |
| <b>% of expenditures</b>         | 24.76%       | 26.30%       | 39.76%      | 46.47%      | 48.62%      |

**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

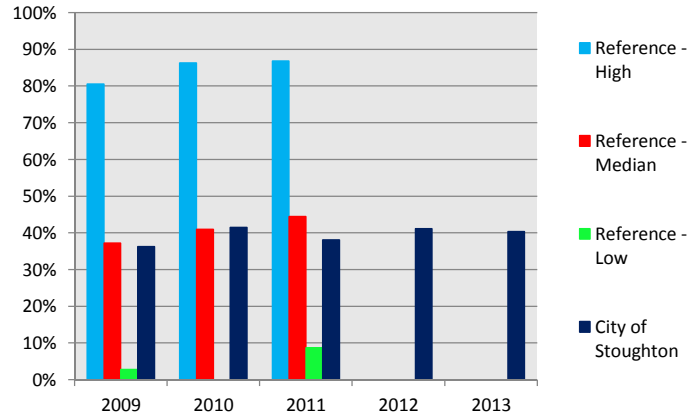
Reference values for the population range: 10,000 to 17,500 generated from 2009-2012 Baker Tilly municipal client data for Wisconsin.

## CITY OF STOUGHTON 2013 FINANCIAL STATEMENT HIGHLIGHTS

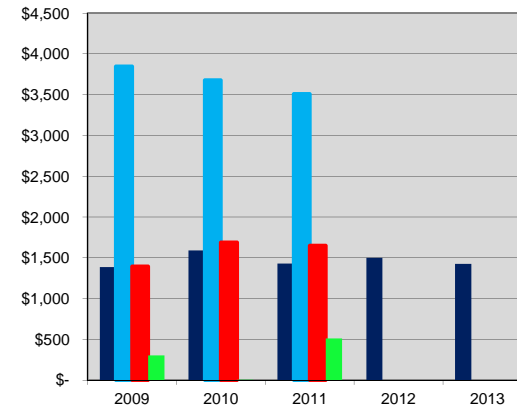
### GENERAL OBLIGATION DEBT OUSTANDING

|  | <u>2009</u>          | <u>2010</u>          | <u>2011</u>          | <u>2012</u>          | <u>2013</u>          |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Total General Obligation (G.O) Debt (net)</b> |                      |                      |                      |                      |                      |
| City   | \$ 18,580,000        | \$ 19,485,000        | \$ 17,525,000        | \$ 18,162,500        | \$ 16,704,563        |
| Utilities  | -                    | 1,015,000            | 965,000              | 900,000              | 1,436,547            |
| Less: Funds available for debt                   | (762,772)            | (103,206)            | (120,617)            | (150,754)            | (100,064)            |
| <b>TOTAL</b>                                     | <u>\$ 17,817,228</u> | <u>\$ 20,396,794</u> | <u>\$ 18,369,383</u> | <u>\$ 18,911,746</u> | <u>\$ 18,041,046</u> |
| <b>Population</b>                                | 12,865               | 12,820               | 12,840               | 12,611               | 12,646               |
| <b>G.O. Debt Capacity</b>                        | \$ 49,108,090        | \$ 49,130,975        | \$ 48,174,030        | \$ 45,913,530        | \$ 44,706,275        |
| G.O. debt per capita                             | \$ 1,385             | \$ 1,591             | \$ 1,431             | \$ 1,500             | \$ 1,427             |
| % of debt limit                                  | 36%                  | 42%                  | 38%                  | 41%                  | 40%                  |

**Percentage of Debt Limit**



**G.O. Debt Outstanding - Per Capita**



2009-2011 Reference values for the population range: 10,000 to 17,500 taken from *MunicipalFacts13* publication by the Wisconsin Taxpayers Alliance, 2013.

**CITY OF STOUGHTON**  
**2013 FINANCIAL STATEMENT HIGHLIGHTS**

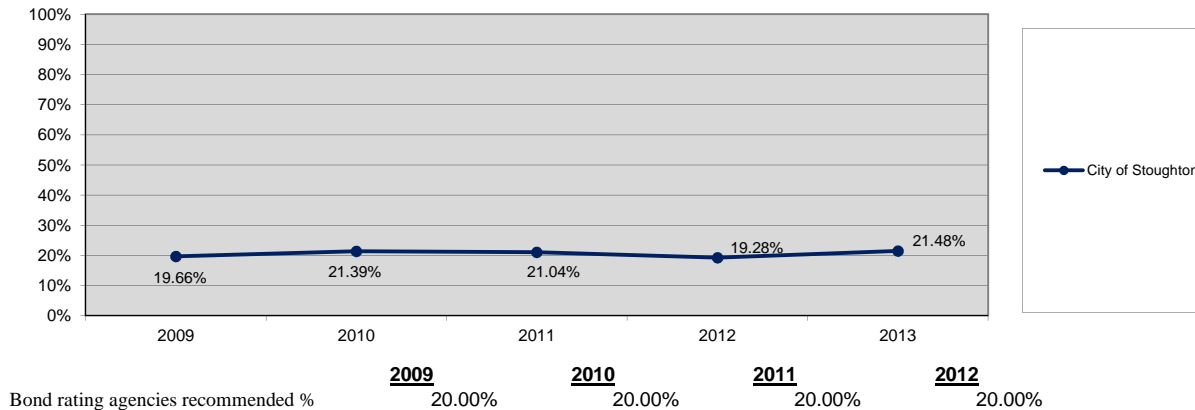
**ANALYSIS OF DEBT SERVICE - GOVERNMENTAL FUNDS**

|  | <u>2009</u>          | <u>2010</u>          | <u>2011</u>          | <u>2012</u>          | <u>2013</u>          |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b><u>Total Debt Service</u></b>             |                      |                      |                      |                      |                      |
| Principal*                                   | \$ 1,523,177         | \$ 1,830,000         | \$ 1,960,000         | \$ 1,985,000         | \$ 2,196,937         |
| Interest                                     | 835,966              | 685,013              | 592,525              | 544,763              | 493,184              |
| <b>TOTAL</b>                                 | <b>\$ 2,359,143</b>  | <b>\$ 2,515,013</b>  | <b>\$ 2,552,525</b>  | <b>\$ 2,529,763</b>  | <b>\$ 2,690,121</b>  |
| <b><u>Total Non-Capital Expenditures</u></b> |                      |                      |                      |                      |                      |
| Total governmental funds expenditures*       | \$ 14,633,842        | \$ 14,551,647        | \$ 14,658,832        | \$ 15,675,733        | \$ 15,207,325        |
| Less: capital outlay                         | (2,633,478)          | (2,793,339)          | (2,527,432)          | (2,552,034)          | (2,685,674)          |
| <b>TOTAL NON-CAPITAL EXPENDITURES</b>        | <b>\$ 12,000,364</b> | <b>\$ 11,758,308</b> | <b>\$ 12,131,400</b> | <b>\$ 13,123,699</b> | <b>\$ 12,521,651</b> |

\* excludes refunded principal

|   |        |        |        |        |        |
|---|--------|--------|--------|--------|--------|
| % of debt service to non-capital expenditures | 19.66% | 21.39% | 21.04% | 19.28% | 21.48% |
|---|--------|--------|--------|--------|--------|

**Debt Service to Non-Capital Expenditures**

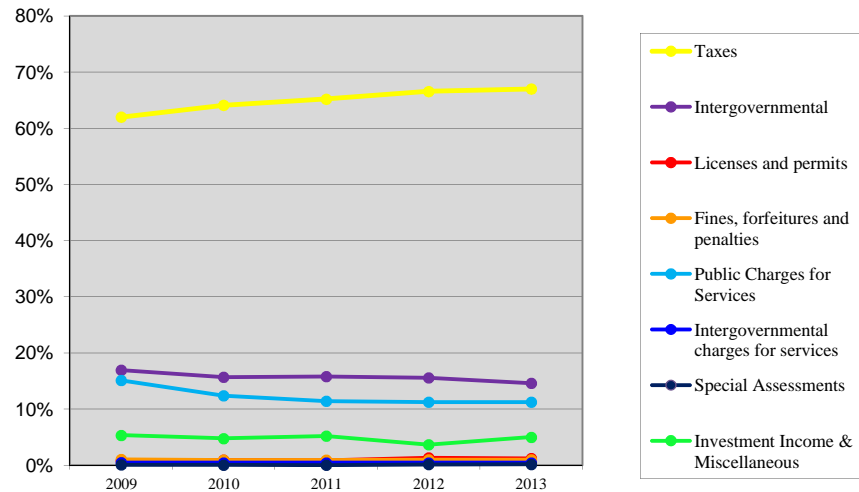


## CITY OF STOUGHTON 2013 FINANCIAL STATEMENT HIGHLIGHTS

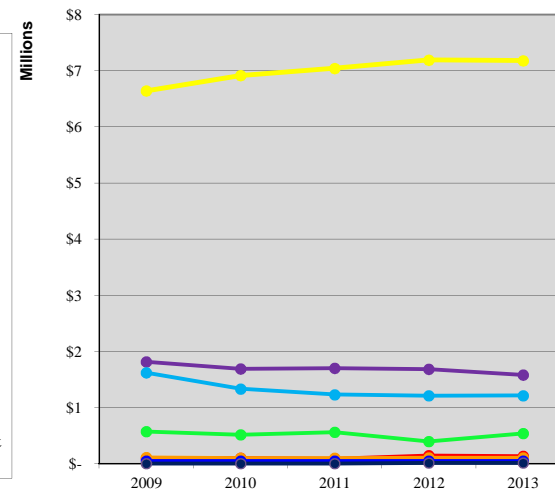
### GENERAL & DEBT SERVICE FUND REVENUES

|  | <u>2009</u>          | <u>%</u>    | <u>2010</u>          | <u>%</u>   | <u>2011</u>          | <u>%</u>    | <u>2012</u>          | <u>%</u>    | <u>2013</u>          | <u>%</u>    |
|--|----------------------|-------------|----------------------|------------|----------------------|-------------|----------------------|-------------|----------------------|-------------|
| <b>Total Revenues</b>                  |                      |             |                      |            |                      |             |                      |             |                      |             |
| Taxes                                  | \$ 6,640,573         | 62%         | \$ 6,913,451         | 64%        | \$ 7,041,880         | 65%         | \$ 7,190,100         | 67%         | \$ 7,179,236         | 67%         |
| Intergovernmental                      | 1,814,270            | 17%         | 1,691,669            | 16%        | 1,704,190            | 16%         | 1,684,260            | 16%         | 1,583,146            | 15%         |
| Licenses and permits                   | 91,081               | 1%          | 101,117              | 1%         | 91,627               | 1%          | 145,374              | 1%          | 134,056              | 1%          |
| Fines, forfeitures and penalties       | 113,943              | 1%          | 102,243              | 1%         | 99,878               | 1%          | 107,159              | 1%          | 107,798              | 1%          |
| Public charges for services            | 1,621,702            | 15%         | 1,334,468            | 12%        | 1,232,287            | 11%         | 1,212,026            | 11%         | 1,215,710            | 11%         |
| Intergovernmental charges for services | 48,783               | 0%          | 48,783               | 0%         | 48,783               | 0%          | 48,783               | 0%          | 48,783               | 0%          |
| Special Assessments                    | 6,219                | 0%          | 5,589                | 0%         | 3,517                | 0%          | 14,549               | 0%          | 17,148               | 0%          |
| Investment Income & Miscellaneous      | 573,010              | 5%          | 515,373              | 5%         | 563,026              | 5%          | 396,349              | 4%          | 542,027              | 5%          |
| <b>TOTAL</b>                           | <b>\$ 10,909,581</b> | <b>102%</b> | <b>\$ 10,712,693</b> | <b>99%</b> | <b>\$ 10,785,188</b> | <b>100%</b> | <b>\$ 10,798,600</b> | <b>100%</b> | <b>\$ 10,827,904</b> | <b>100%</b> |

**% of Total Revenue**



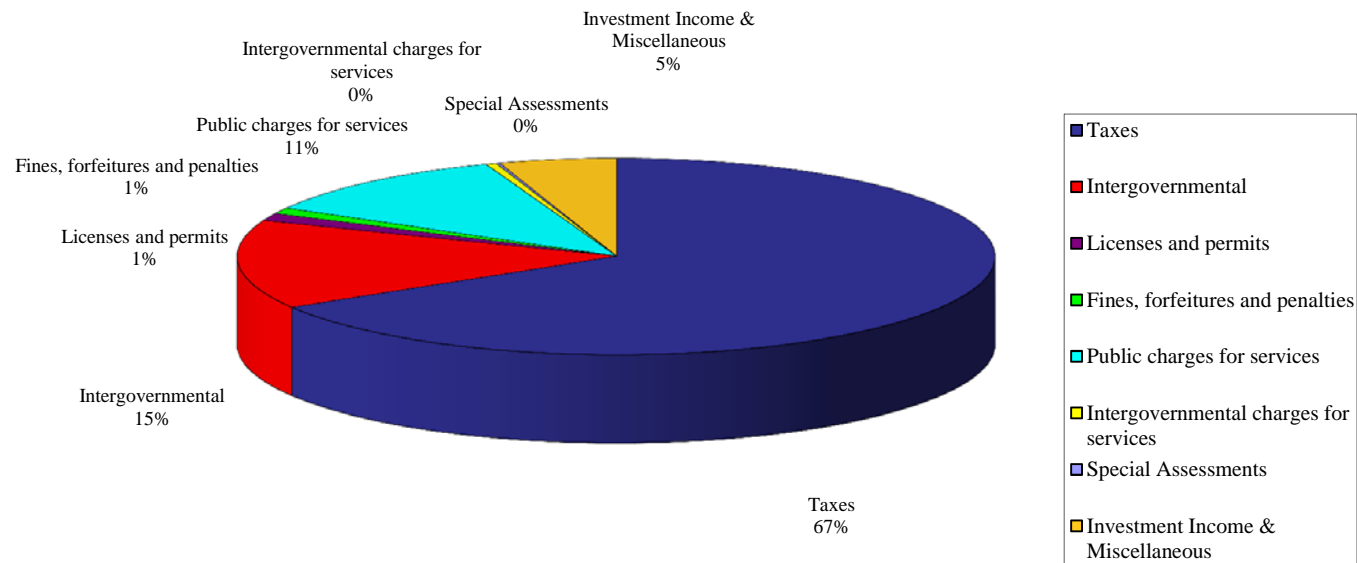
**Total Revenue**



**CITY OF STOUGHTON**  
**2013 FINANCIAL STATEMENT HIGHLIGHTS**

**2013 GENERAL & DEBT SERVICE FUND REVENUES**

**Total Revenues: \$10,827,904**

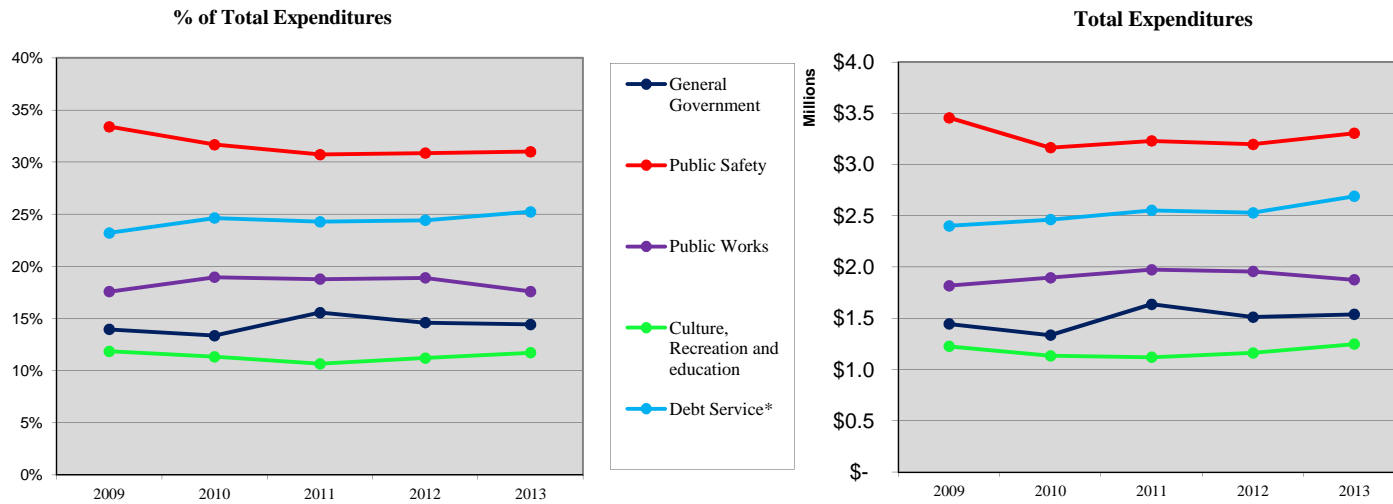


## CITY OF STOUGHTON 2013 FINANCIAL STATEMENT HIGHLIGHTS

### GENERAL & DEBT SERVICE FUND EXPENDITURES

|                                   | <u>2009</u>          | <u>%</u>    | <u>2010</u>         | <u>%</u>    | <u>2011</u>          | <u>%</u>    | <u>2012</u>          | <u>%</u>    | <u>2013</u>          | <u>%</u>    |
|-----------------------------------|----------------------|-------------|---------------------|-------------|----------------------|-------------|----------------------|-------------|----------------------|-------------|
| <b>Total Expenditures</b>         |                      |             |                     |             |                      |             |                      |             |                      |             |
| General Government                | \$ 1,444,752         | 14%         | \$ 1,335,841        | 13%         | \$ 1,636,596         | 16%         | \$ 1,513,012         | 15%         | \$ 1,539,173         | 14%         |
| Public Safety                     | 3,455,957            | 33%         | 3,165,541           | 32%         | 3,229,765            | 31%         | 3,198,001            | 31%         | 3,305,741            | 31%         |
| Public Works                      | 1,818,931            | 18%         | 1,895,576           | 19%         | 1,973,585            | 19%         | 1,957,773            | 19%         | 1,875,905            | 18%         |
| Culture, recreation and education | 1,226,810            | 12%         | 1,134,183           | 11%         | 1,120,350            | 11%         | 1,162,513            | 11%         | 1,249,079            | 12%         |
| Debt Service*                     | 2,402,076            | 23%         | 2,462,332           | 25%         | 2,552,525            | 24%         | 2,529,763            | 24%         | 2,690,121            | 25%         |
| <b>TOTAL</b>                      | <b>\$ 10,348,526</b> | <b>100%</b> | <b>\$ 9,993,473</b> | <b>100%</b> | <b>\$ 10,512,821</b> | <b>100%</b> | <b>\$ 10,361,062</b> | <b>100%</b> | <b>\$ 10,660,019</b> | <b>100%</b> |

\*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.



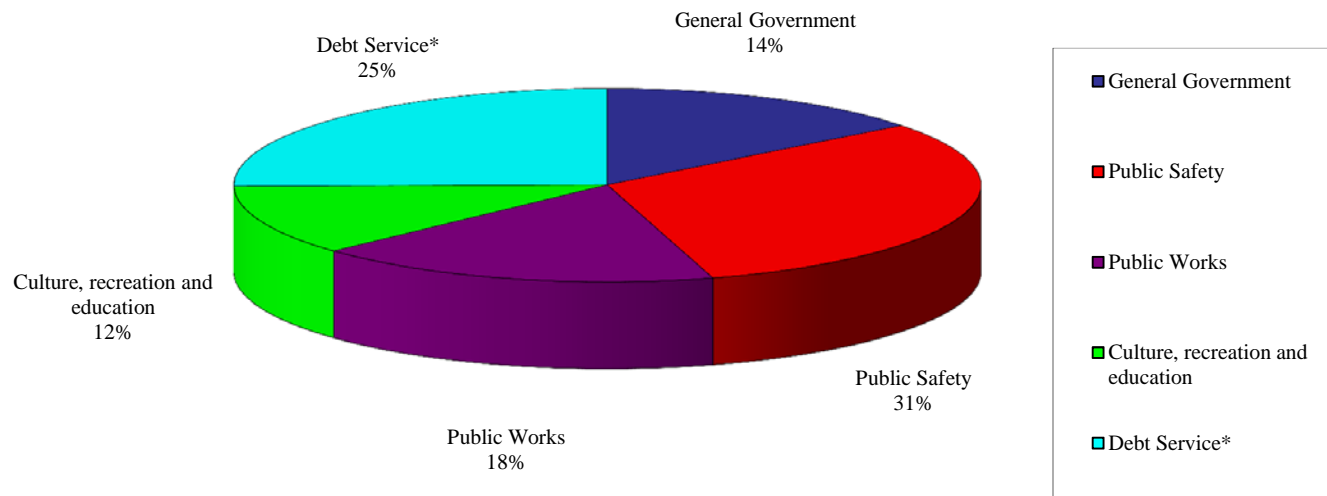


**CITY OF STOUGHTON  
2013 FINANCIAL STATEMENT HIGHLIGHTS**

---

**2013 GENERAL & DEBT SERVICE FUND EXPENDITURES**

**Total Expenditures: \$10,660,019**

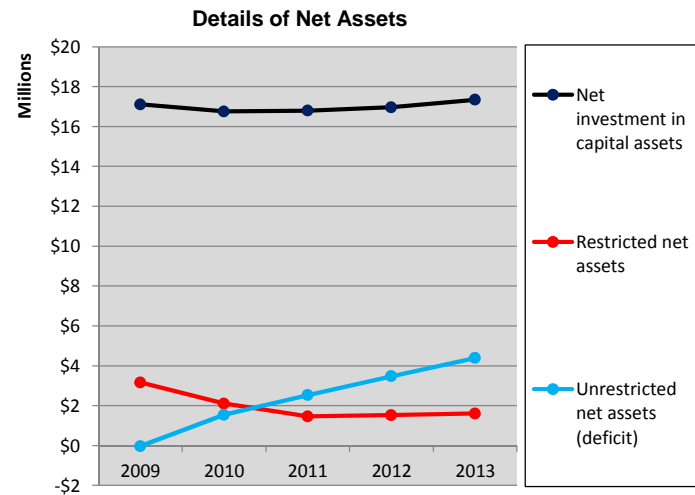
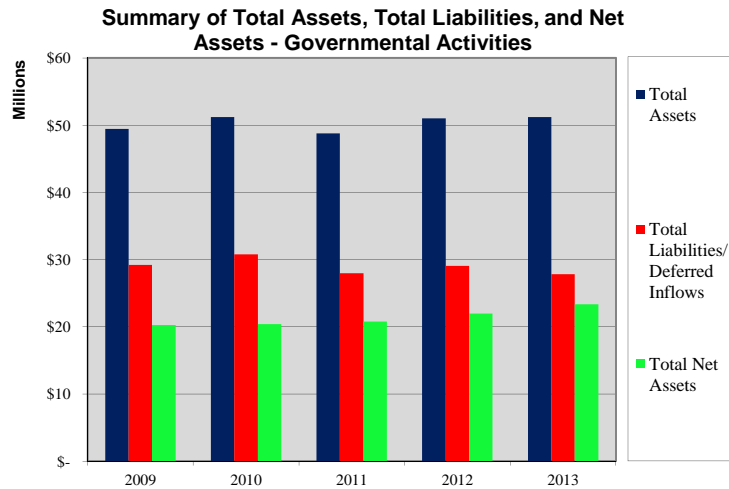


\*Excludes debt refunding of \$6,450,000 in 2008, \$3,323,513 in 2009, \$3,360,000 in 2010, and \$1,000,000 in 2012.

## CITY OF STOUGHTON 2013 FINANCIAL STATEMENT HIGHLIGHTS

### ANALYSIS OF NET ASSETS - GOVERNMENTAL ACTIVITIES

|   | <u>2009</u>          | <u>%</u>    | <u>2010</u>          | <u>%</u>    | <u>2011</u>          | <u>%</u>    | <u>2012</u>          | <u>%</u>    | <u>2013</u>          | <u>%</u>    |
|---|----------------------|-------------|----------------------|-------------|----------------------|-------------|----------------------|-------------|----------------------|-------------|
| <b>Total Assets</b>                       | \$ 49,451,331        |             | \$ 51,182,242        |             | \$ 48,770,812        |             | \$ 51,019,843        |             | \$ 51,176,991        |             |
| <b>Total Liabilities/Deferred Inflows</b> | 29,208,713           |             | 30,780,437           |             | 27,981,229           |             | 29,056,966           |             | 27,843,075           |             |
| Net investment in capital assets          | 17,105,770           | 85%         | 16,752,659           | 82%         | 16,796,049           | 81%         | 16,961,378           | 77%         | 17,339,852           | 74%         |
| Restricted net assets                     | 3,167,733            | 17%         | 2,102,686            | 10%         | 1,461,342            | 7%          | 1,527,101            | 7%          | 1,605,607            | 7%          |
| Unrestricted net assets (deficit)         | (30,885)             | 0%          | 1,546,460            | 8%          | 2,532,192            | 12%         | 3,474,398            | 16%         | 4,388,457            | 19%         |
| <b>Total Net Assets</b>                   | <u>\$ 20,242,618</u> | <u>100%</u> | <u>\$ 20,401,805</u> | <u>100%</u> | <u>\$ 20,789,583</u> | <u>100%</u> | <u>\$ 21,962,877</u> | <u>100%</u> | <u>\$ 23,333,916</u> | <u>100%</u> |
| <b>Net Assets as a % of Total Assets</b>  |                      | 41%         |                      | 40%         |                      | 43%         |                      | 43%         |                      | 46%         |



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**  
**2013 FINANCIAL STATEMENT HIGHLIGHTS**

**HISTORICAL SUMMARY OF TAX INCREMENTAL FINANCING DISTRICTS**  
**FROM DATE OF CREATION THROUGH DECEMBER 31, 2013**

|  | <u>TIF District No. 3</u>   | %           | <u>TIF District No. 4</u>  | %           | <u>TIF District No. 5</u>  | %           |
|--|-----------------------------|-------------|----------------------------|-------------|----------------------------|-------------|
| <b><u>Sources of funds</u></b>   |                             |             |                            |             |                            |             |
| TIF increment  | \$ 2,796,398                | 27%         | \$ 1,406,171               | 22%         | \$ 30,147                  | 6%          |
| Intergovernmental  | 7,747                       | 0%          | 124,523                    | 2%          | 202,578                    | 41%         |
| Public charges for services  | 12,942                      | 0%          | -                          | 0%          | -                          | 0%          |
| Contribution from other district   | 742,340                     | 7%          | 1,405,024                  | 22%         | -                          | 0%          |
| Transfers from other funds   | 181,304                     | 2%          | -                          | 0%          | 100,000                    | 21%         |
| Investment income  | 54,304                      | 1%          | 106,297                    | 2%          | 16                         | 0%          |
| Land sales   | 370,024                     | 4%          | -                          | 0%          | 116,616                    | 24%         |
| Miscellaneous revenues   | 1,109,335                   | 11%         | 48,691                     | 1%          | 36,728                     | 8%          |
| Long-term debt issued  | 5,032,496                   | 48%         | 3,160,750                  | 51%         | -                          | 0%          |
| <b>TOTAL</b>   | <b><u>\$ 10,306,890</u></b> | <b>100%</b> | <b><u>\$ 6,251,456</u></b> | <b>100%</b> | <b><u>\$ 486,085</u></b>   | <b>100%</b> |
| <b><u>Uses of Funds</u></b>  |                             |             |                            |             |                            |             |
| Capital expenditures   | \$ 3,729,159                | 39%         | \$ 2,309,568               | 41%         | \$ 956,986                 | 94%         |
| Administration   | 105,961                     | 1%          | 72,574                     | 1%          | 1,724                      | 0%          |
| Contribution to other district   | 1,106,252                   | 11%         | -                          | 0%          | -                          | 0%          |
| Debt issuance costs  | -                           | 0%          | 26,075                     | 0%          | -                          | 0%          |
| Interest on long-term debt   | 1,193,785                   | 12%         | 734,135                    | 13%         | 66,427                     | 6%          |
| Principal on long-term debt  | 3,632,496                   | 37%         | 2,506,026                  | 45%         | -                          | 0%          |
| <b>TOTAL</b>   | <b><u>\$ 9,767,653</u></b>  | <b>100%</b> | <b><u>\$ 5,648,378</u></b> | <b>100%</b> | <b><u>\$ 1,025,137</u></b> | <b>100%</b> |
| <b>TIF Fund Balance (Deficit) - December 31, 2013</b>                              | <b>\$ 539,237</b>           |             | <b>\$ 603,078</b>          |             | <b>\$ (539,052)</b>        |             |
| <b><u>Calculation of Net Cost Recoverable through TIF Increments</u></b>           |                             |             |                            |             |                            |             |
| General obligation debt outstanding  | 1,400,000                   |             | 654,724                    |             | -                          |             |
| Less/Add: TIF Fund Balance (Deficit) - December 31, 2013                           | <u>(539,237)</u>            |             | <u>(603,078)</u>           |             | <u>539,052</u>             |             |
| <b>Net cost recoverable (recovered) through TIF increments - December 31, 2013</b> | <b><u>\$ 860,763</u></b>    |             | <b><u>\$ 51,646</u></b>    |             | <b><u>\$ 539,052</u></b>   |             |
| <b>Creation date:</b>  | November 24, 1992           |             | March 23, 1999             |             | March 12, 2010             |             |
| <b>Last date to incur project costs:</b>   | November 24, 2014           |             | March 23, 2017             |             | March 12, 2032             |             |
| <b>Last year to collect increment:</b>   | 2020                        |             | 2022                       |             | 2037                       |             |