

# **CITY OF STOUGHTON**

Stoughton, Wisconsin

## **FINANCIAL STATEMENTS**

Including Independent Auditors' Report

As of and for the Year Ended December 31, 2015

# 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, 2015, 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, 2015 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. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*, effective January 1, 2015. Our opinions are not modified with respect to this matter.

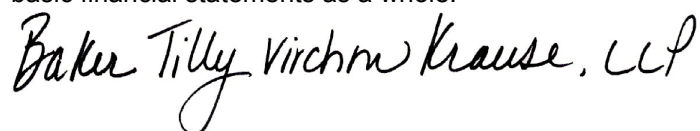
### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the required supplementary information 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.

#### *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 supplementary information as listed in the table of contents is presented for purposes of additional analysis and is 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 supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.



Madison, Wisconsin  
June 7, 2016



## CITY OF STOUGHTON

### MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

For the Year Ended December 31, 2015

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, 2015. We encourage readers to consider the information presented here in conjunction with the city's financial statements.

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### 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 \$76,979,527 (net position). Of this amount, \$17,145,741 is considered unrestricted net position, \$5,633,698 is restricted for specific purposes (restricted net position), and \$54,200,088 is net investment in capital assets.
- The city's total net position increased by \$4,675,391. Governmental activities net position increased by \$1,947,828 while business-type net position increased by \$2,727,563.
- On December 31, 2015, the city's governmental funds reported combined fund balances of \$13,828,818, an increase of \$4,683,110 from 2014. Unassigned fund balance was \$2,427,908 at year-end.
- The City of Stoughton's total debt increased by \$4,263,481 (14%) during 2015.

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### 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 on 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, 2015

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### OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

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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, deferred outflows of resources, 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, 2015

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### OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

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The city maintains thirty-four 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, followed by the city's pension related information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information.

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### FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

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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, 2015

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

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

**Table 1  
Condensed Statement of Net Position**

	Governmental Activities		Business Type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$25,180,866	\$19,356,019	\$16,078,338	\$14,475,740	\$41,259,204	\$33,831,759
Capital assets	36,005,803	34,731,512	48,704,011	47,007,223	84,709,814	81,738,735
<b>Total Assets</b>	<b>61,186,669</b>	<b>54,087,531</b>	<b>64,782,349</b>	<b>61,482,963</b>	<b>125,969,018</b>	<b>115,570,494</b>
Pension related amounts	865,833	-	293,480	-	1,159,313	-
Total Deferred Outflows of Resources	865,833	-	293,480	-	1,159,313	-
Long-term liabilities	22,888,649	18,853,828	14,992,807	14,538,026	37,881,456	33,391,854
Other liabilities	1,254,652	1,361,058	1,596,851	1,742,972	2,851,503	3,104,030
<b>Total Liabilities</b>	<b>24,143,301</b>	<b>20,214,886</b>	<b>16,589,658</b>	<b>16,280,998</b>	<b>40,732,959</b>	<b>36,495,884</b>
Unearned revenue	9,413,884	8,968,099	1,961	-	9,415,845	8,968,099
Total Deferred Inflows of Resources	9,413,884	8,968,099	1,961	-	9,415,845	8,968,099
Net investment in capital assets	20,218,136	18,744,830	34,727,832	33,278,464	54,200,088	52,023,294
Restricted	2,484,622	1,626,071	3,149,076	2,985,486	5,633,698	4,611,557
Unrestricted	5,792,559	4,533,645	10,607,302	8,938,015	17,145,741	13,471,660
<b>Total Net Position</b>	<b>\$28,495,317</b>	<b>\$24,904,546</b>	<b>\$48,484,210</b>	<b>\$45,201,965</b>	<b>\$76,979,527</b>	<b>\$70,106,511</b>

The largest portion of the city's net position (70%) 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 (7%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (23%) 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, 2015

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

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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	
	2015	2014	2015	2014	2015	2014
<b>REVENUES</b>						
Program Revenues						
Charges for services	\$ 2,473,272	\$ 2,425,418	\$ 19,892,731	\$ 20,401,073	\$ 22,366,003	\$ 22,826,491
Operating grants and contributions	1,900,671	1,824,502	29,812	34,803	1,930,483	1,859,305
Capital grants and contributions	1,008,676	147,212	1,050,684	145,049	2,059,360	292,261
General Revenues						
Property taxes	8,215,063	8,077,598	-	-	8,215,063	8,077,598
Other taxes	122,478	133,025	-	-	122,478	133,025
Intergovernmental	817,074	826,333	-	-	817,074	826,333
Other	471,257	455,937	172,333	101,782	643,590	557,719
Total Revenues	<u>15,008,491</u>	<u>13,890,025</u>	<u>21,145,560</u>	<u>20,682,707</u>	<u>36,154,051</u>	<u>34,572,732</u>
<b>EXPENSES</b>						
General government	1,458,670	1,504,920	-	-	1,458,670	1,504,920
Public safety	4,387,246	4,326,901	-	-	4,387,246	4,326,901
Public works	2,845,848	3,119,861	-	-	2,845,848	3,119,861
Culture, education and recreation	2,963,438	3,415,138	-	-	2,963,438	3,415,138
Conservation and development	540,734	235,355	-	-	540,734	235,355
Water	-	-	1,381,539	1,399,195	1,381,539	1,399,195
Sewer	-	-	1,975,595	1,777,275	1,975,595	1,777,275
Electric	-	-	14,364,258	14,849,750	14,364,258	14,849,750
EMS	-	-	630,083	620,578	630,083	620,578
Storm sewer	-	-	397,907	341,487	397,907	341,487
Interest and fiscal charges	533,342	457,015	-	-	533,342	457,015
Total Expenses	<u>12,729,278</u>	<u>13,059,190</u>	<u>18,749,382</u>	<u>18,988,285</u>	<u>31,478,660</u>	<u>32,047,475</u>
Income Before Transfers	2,279,213	830,835	2,396,178	1,694,422	4,675,391	2,525,257
Transfers	(331,385)	739,795	331,385	(739,795)	-	-
Change in Net Position	1,947,828	1,570,630	2,727,563	954,627	4,675,391	2,525,257
Beginning Net Position (as restated)	<u>26,547,489</u>	<u>23,333,916</u>	<u>45,756,647</u>	<u>44,247,338</u>	<u>72,304,136</u>	<u>67,581,254</u>
<b>ENDING NET POSITION</b>	<u>\$ 28,495,317</u>	<u>\$ 24,904,546</u>	<u>\$ 48,484,210</u>	<u>\$ 45,201,965</u>	<u>\$ 76,979,527</u>	<u>\$ 70,106,511</u>

# CITY OF STOUGHTON

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) For the Year Ended December 31, 2015

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

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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.

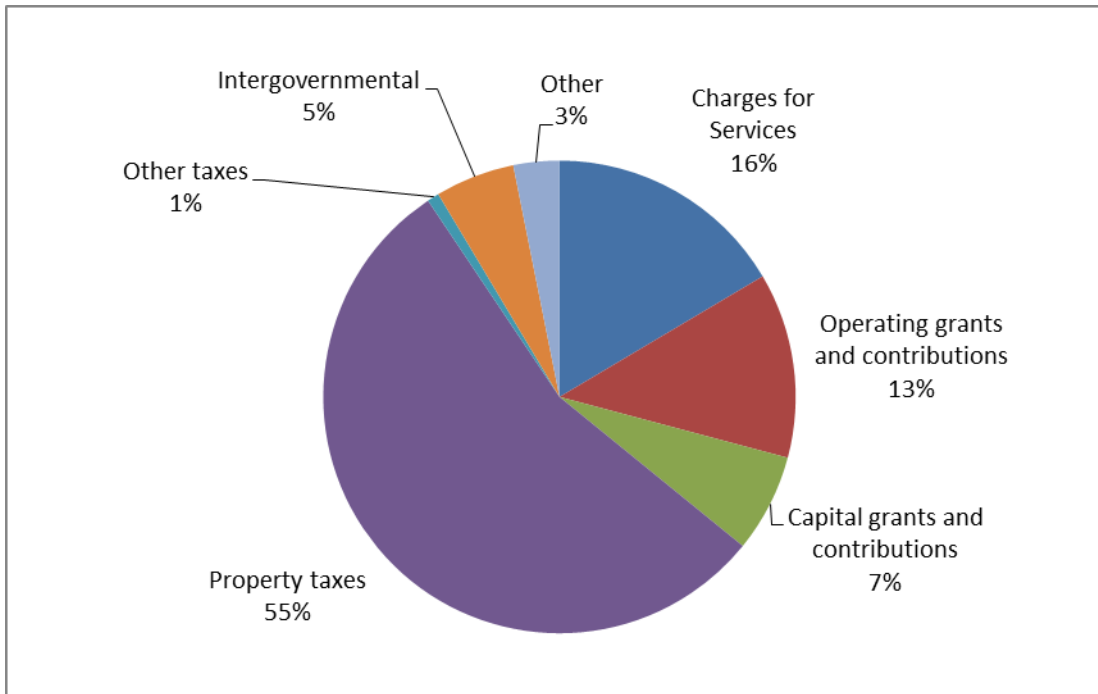
#### Governmental Activities – Revenues

Governmental activities increased the city's net position by \$1,947,828. 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 55% of total revenues.

#### Governmental Activities by Revenue Source



# CITY OF STOUGHTON

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Unaudited)  
For the Year Ended December 31, 2015

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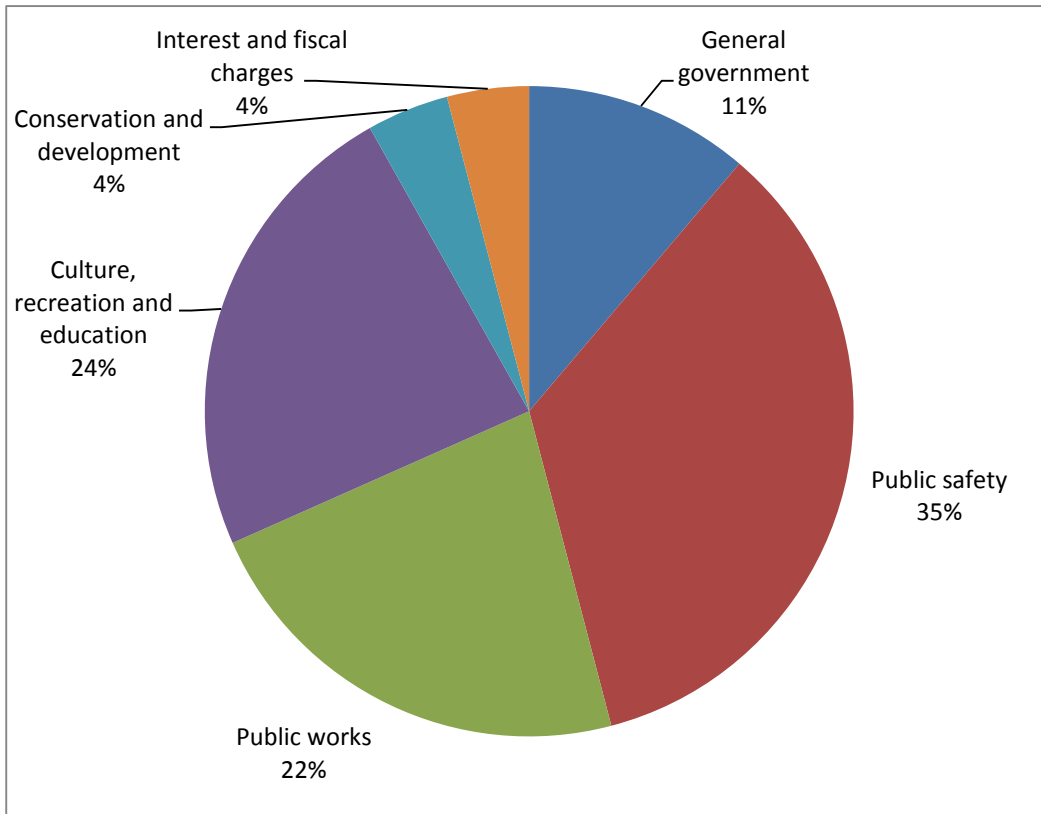
## FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (cont.)

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### 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, 2015

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

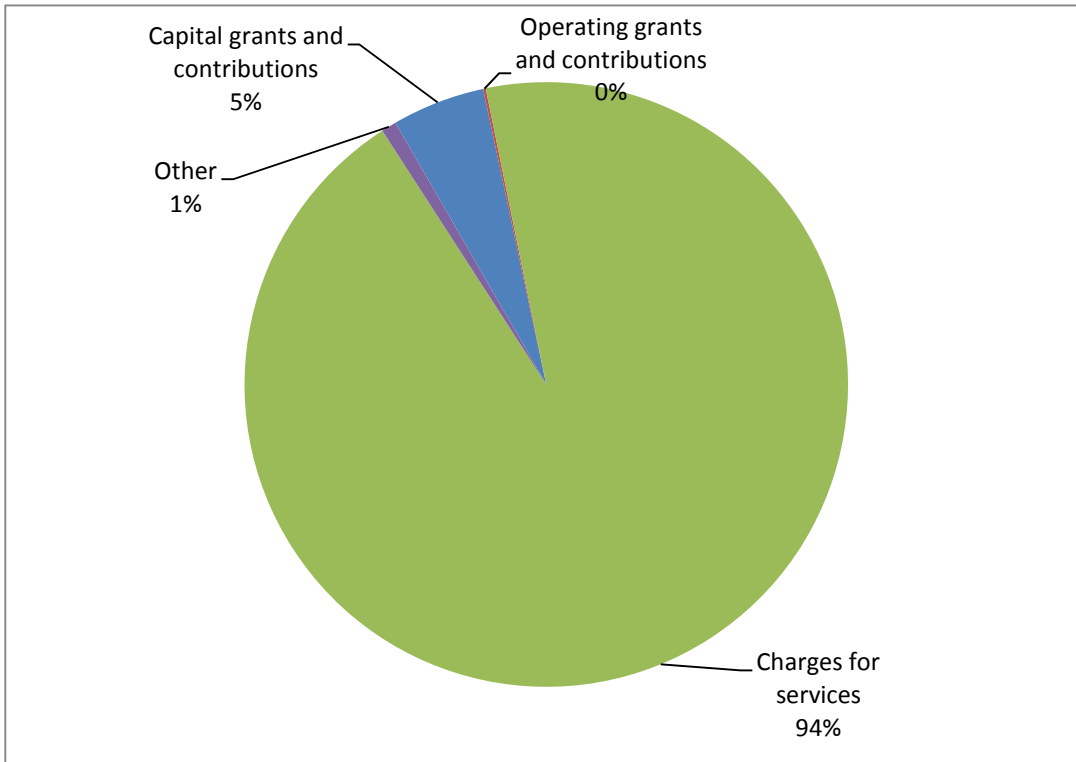
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#### Business Type Activities

Business-type activities increased the City of Stoughton's net position by \$2,727,563. The net investment in capital assets increased by approximately 4% or \$1,449,368. 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

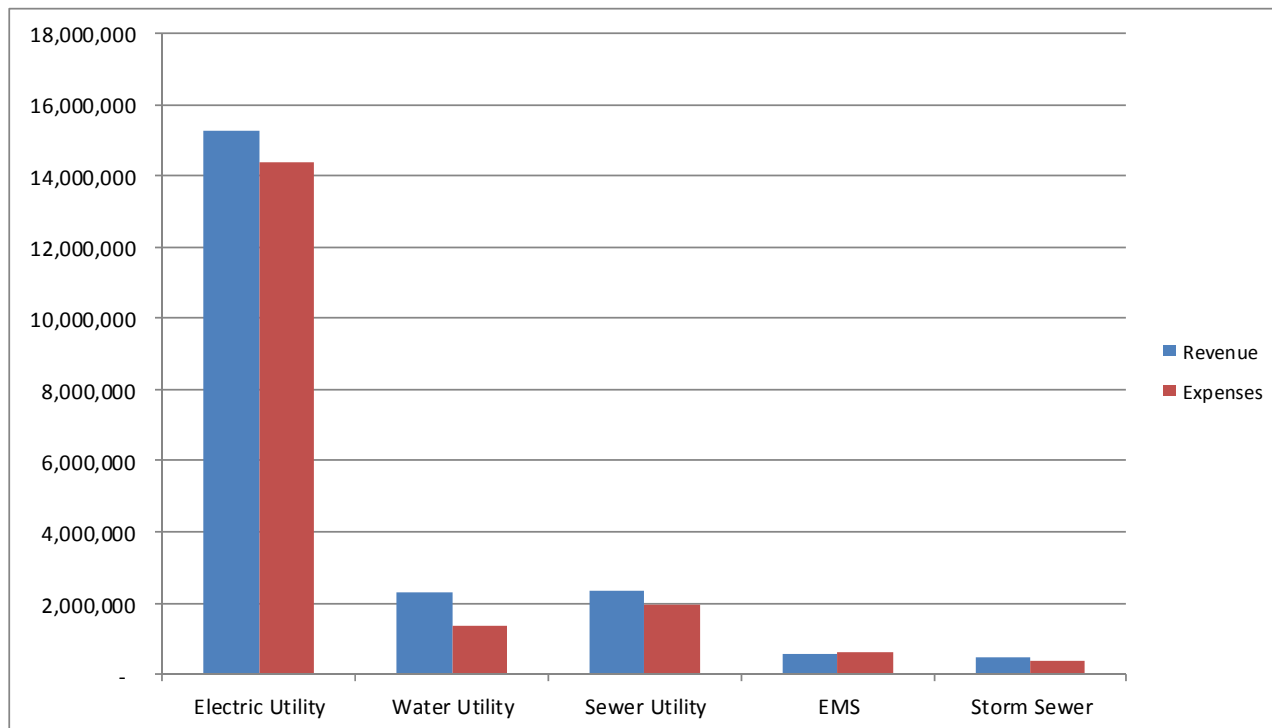
## MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) For the Year Ended December 31, 2015

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

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#### 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, 2015, the city's governmental funds reported combined fund balances of \$13,828,818. Approximately 17% of this amount, \$2,427,908, constitutes the unassigned fund balance, which is available to meet the city's current and future needs. An additional \$10,289,592 is included in the restricted, committed, or assigned category which has been designated for specific projects or expenditures. The remaining \$1,111,318 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, 2015

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

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#### General Fund

The city's general fund is the chief operating fund of the city. Total fund balance in the general fund increased \$426,980 or 9%. These changes are primarily due to an overall savings in the 2015 operating budget. See the following General Fund Budgetary Highlights section for further details.

The city has a formal minimum fund balance policy. That policy is to maintain an 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 \$3,231,239 or 26.5% of 2015 general fund budgeted expenditures.

#### 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 \$169,228, which is a decrease of \$47,309 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, 2015 is \$1,572,869, all of which is assigned for the completion of projects that were begun but were not fully complete by year end.

#### Non-Major Governmental Funds

Fund balance of all other governmental funds is \$6,764,253, an increase of \$4,429,253 from the prior year, mainly because of unspent debt proceeds in TID No. 7.

#### 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 \$413,741 as of December 31, 2015, 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, 2015

### GENERAL FUND BUDGETARY HIGHLIGHTS

The final amended General Fund budget had total appropriations, including those for transfers out, of \$12,188,004. Actual expenditures and transfers out were \$11,935,345, resulting in a \$252,659 favorable variance. Total revenues and other sources were \$12,362,325, \$245,671 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 2015, the city had invested a total of \$84,709,814 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>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Land and other assets						
not being depreciated	\$ 11,257,259	\$ 11,103,621	\$ 1,433,009	\$ 693,840	\$ 12,690,268	\$ 11,797,461
Buildings & improvements	15,482,520	14,666,123	1,240,308	1,240,308	16,722,828	15,906,431
Machinery & equipment	9,798,098	9,473,746	841,123	909,407	10,639,221	10,383,153
Infrastructure	28,096,459	27,431,115	-	-	28,096,459	27,431,115
Utility plant	-	-	75,317,683	72,174,208	75,317,683	72,174,208
Total Capital Assets	64,634,336	62,674,605	78,832,123	75,017,763	143,466,459	137,692,368
Less: Accumulated depreciation	(28,628,533)	(27,943,093)	(30,128,112)	(28,010,540)	(58,756,645)	(55,953,633)
<b>NET CAPITAL ASSETS</b>	<b>\$ 36,005,803</b>	<b>\$ 34,731,512</b>	<b>\$ 48,704,011</b>	<b>\$ 47,007,223</b>	<b>\$ 84,709,814</b>	<b>\$ 81,738,735</b>

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 Williams Drive, Williamson, Clyde, and South Alley Streets.
- Various equipment purchases.
- Library remodeling.

#### 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, 2015

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### LONG-TERM DEBT

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At December 31, 2015, the city had \$35,670,097 of long-term bonds and notes outstanding. \$11,796,134 of this is revenue debt, \$4,775,000 is note anticipation notes, and the rest relates to general obligation issues. Total long-term bonds and loans outstanding at December 31, 2015 increased by \$4,263,481. 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, 2015 was \$47,713,100. Total general obligation debt outstanding at year end was \$19,098,963. Therefore, the city was at 40% of the legal debt limit.

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### CURRENTLY KNOWN FACTS/ECONOMIC CONDITIONS

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All currently known facts and economic conditions were considered in preparing the 2016 city budget. None of these conditions are anticipated to change the overall financial position of the city.

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### REQUESTS FOR INFORMATION

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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, 2015

	Governmental Activities	Business-type Activities	Totals
<b>ASSETS</b>			
Cash and investments	\$ 13,074,825	\$ 9,786,924	\$ 22,861,749
Receivables	10,106,482	3,055,246	13,161,728
Internal balances	536,105	(536,105)	-
Inventories and prepaid items	157,214	163,023	320,237
Investment in mutual insurance company	257,805	-	257,805
Restricted cash and investments	-	2,942,210	2,942,210
Restricted net pension asset	823,862	278,143	1,102,005
Other assets	-	388,897	388,897
Land held for resale	224,573	-	224,573
Capital Assets			
Capital assets not being depreciated	11,257,259	1,433,009	12,690,268
Capital assets net of depreciation	<u>24,748,544</u>	<u>47,271,002</u>	<u>72,019,546</u>
Total Assets	<u>61,186,669</u>	<u>64,782,349</u>	<u>125,969,018</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related amounts	<u>865,833</u>	<u>293,480</u>	<u>1,159,313</u>
Total Deferred Outflows of Resources	<u>865,833</u>	<u>293,480</u>	<u>1,159,313</u>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	1,224,652	1,426,732	2,651,384
Deposits	30,000	98,965	128,965
Liabilities Payable from Restricted Assets			
Current portion of revenue bonds	-	1,069,348	1,069,348
Accrued interest	-	71,154	71,154
Noncurrent Liabilities			
Due within one year	2,544,421	313,409	2,857,830
Due in more than one year	<u>20,344,228</u>	<u>13,610,050</u>	<u>33,954,278</u>
Total Liabilities	<u>24,143,301</u>	<u>16,589,658</u>	<u>40,732,959</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unearned revenue	9,408,079	-	9,408,079
Pension related amounts	<u>5,805</u>	<u>1,961</u>	<u>7,766</u>
Total Deferred Inflows of Resources	<u>9,413,884</u>	<u>1,961</u>	<u>9,415,845</u>
<b>NET POSITION</b>			
Net investment in capital assets	20,218,136	34,727,832	54,200,088
Restricted for			
Debt service	128,126	1,741,016	1,869,142
Pension	823,862	278,143	1,102,005
Equipment replacement	-	1,129,917	1,129,917
TID activities	1,044,599	-	1,044,599
Library	195,410	-	195,410
Impact fees	286,251	-	286,251
Grants	6,374	-	6,374
Unrestricted	<u>5,792,559</u>	<u>10,607,302</u>	<u>17,145,741</u>
<b>TOTAL NET POSITION</b>	<u>\$ 28,495,317</u>	<u>\$ 48,484,210</u>	<u>\$ 76,979,527</u>

See accompanying notes to financial statements.

# CITY OF STOUGHTON

## STATEMENT OF ACTIVITIES For the Year Ended December 31, 2015

<u>Functions/Programs</u>	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities</b>				
General government	\$ 1,458,670	\$ 149,320	\$ 154,729	\$ -
Public safety	4,387,246	524,346	215,231	56,794
Public works	2,845,848	824,615	660,594	321,882
Culture, recreation and education	2,963,438	818,759	815,480	630,000
Conservation and development	540,734	156,232	28,536	-
Interest and fiscal charges	<u>533,342</u>	<u>-</u>	<u>26,101</u>	<u>-</u>
Total Governmental Activities	<u>12,729,278</u>	<u>2,473,272</u>	<u>1,900,671</u>	<u>1,008,676</u>
<b>Business-type Activities</b>				
Water	1,381,539	1,784,416	-	501,276
Wastewater	1,975,595	2,037,835	-	328,994
Electric	14,364,258	15,057,028	-	220,414
EMS	630,083	536,807	29,812	-
Storm sewer	<u>397,907</u>	<u>476,645</u>	<u>-</u>	<u>-</u>
Total Business-type Activities	<u>18,749,382</u>	<u>19,892,731</u>	<u>29,812</u>	<u>1,050,684</u>
<b>Total</b>	<u>\$ 31,478,660</u>	<u>\$ 22,366,003</u>	<u>\$ 1,930,483</u>	<u>\$ 2,059,360</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>
\$ (1,154,621)	\$ -	\$ (1,154,621)
(3,590,875)	-	(3,590,875)
(1,038,757)	-	(1,038,757)
(699,199)	-	(699,199)
(355,966)	-	(355,966)
<u>(507,241)</u>	<u>-</u>	<u>(507,241)</u>
<u>(7,346,659)</u>	<u>-</u>	<u>(7,346,659)</u>
-	904,153	904,153
-	391,234	391,234
-	913,184	913,184
-	(63,464)	(63,464)
-	<u>78,738</u>	<u>78,738</u>
-	<u>2,223,845</u>	<u>2,223,845</u>
<u>(7,346,659)</u>	<u>2,223,845</u>	<u>(5,122,814)</u>
7,576,525	-	7,576,525
638,538	-	638,538
122,478	-	122,478
817,074	-	817,074
38,773	120,460	159,233
<u>432,484</u>	<u>51,873</u>	<u>484,357</u>
<u>9,625,872</u>	<u>172,333</u>	<u>9,798,205</u>
<u>(331,385)</u>	<u>331,385</u>	<u>-</u>
1,947,828	2,727,563	4,675,391
<u>26,547,489</u>	<u>45,756,647</u>	<u>72,304,136</u>
<u>\$ 28,495,317</u>	<u>\$ 48,484,210</u>	<u>\$ 76,979,527</u>

See accompanying notes to financial statements.

**CITY OF STOUGHTON**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
As of December 31, 2015

	<u>General</u>	<u>Debt Service</u>	<u>Construction</u>
<b>ASSETS</b>			
Cash and investments	\$ 3,236,367	\$ -	\$ 1,795,030
Receivables			
Taxes	8,666,059	-	-
Delinquent personal property tax	44,142	-	-
Accounts	257,218	-	83,198
Special assessments	-	-	-
Delinquent special assessments	1,529	-	-
Leases	-	129,128	-
Other	3,265	-	-
Due from other funds	1,195,341	213,825	14,606
Advances to other funds	598,427	-	-
Other investments	257,805	-	-
Prepaid items	<u>98,701</u>	<u>-</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 14,358,854</u></b>	<b><u>\$ 342,953</u></b>	<b><u>\$ 1,892,834</u></b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
Liabilities			
Accounts payable	\$ 166,994	\$ -	\$ 319,965
Accrued liabilities	207,713	-	-
Deposits	1,436	-	-
Other liabilities	-	-	-
Due to other funds	12,094	44,597	-
Due to other governments	564	-	-
Advances from other funds	-	-	-
Total Liabilities	<u>388,801</u>	<u>44,597</u>	<u>319,965</u>
Deferred Inflows of Resources			
Unearned revenues	8,647,585	-	-
Unavailable revenues	<u>-</u>	<u>129,128</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>8,647,585</u>	<u>129,128</u>	<u>-</u>
Fund Balances (Deficit)			
Nonspendable for prepaid expenditures	98,701	-	-
Nonspendable for long-term receivables	650,791	-	-
Nonspendable for non-current assets	45,671	-	-
Nonspendable for CVMIC Equity	257,805	-	-
Restricted	-	169,228	-
Committed	-	-	-
Assigned	1,038,261	-	1,572,869
Unassigned (deficit)	<u>3,231,239</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>5,322,468</u>	<u>169,228</u>	<u>1,572,869</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b><u>\$ 14,358,854</u></b>	<b><u>\$ 342,953</u></b>	<b><u>\$ 1,892,834</u></b>

See accompanying notes to financial statements.

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Nonmajor Governmental Funds	Totals
\$ 8,043,428	\$ 13,074,825
776,212	9,442,271
-	44,142
78,493	418,909
67,238	67,238
-	1,529
-	129,128
-	3,265
-	1,423,772
-	598,427
-	257,805
<u>58,513</u>	<u>157,214</u>
<u>\$ 9,023,884</u>	<u>\$ 25,618,525</u>

\$ 65,017	\$ 551,976
14,360	222,073
63,000	64,436
245,373	245,373
417,235	473,926
-	564
<u>598,427</u>	<u>598,427</u>
<u>1,403,412</u>	<u>2,156,775</u>

760,494	9,408,079
<u>95,725</u>	<u>224,853</u>
<u>856,219</u>	<u>9,632,932</u>

58,350	157,051
-	650,791
-	45,671
-	257,805
5,887,450	6,056,678
849,867	849,867
771,917	3,383,047
<u>(803,331)</u>	<u>2,427,908</u>
<u>6,764,253</u>	<u>13,828,818</u>

<u>\$ 9,023,884</u>	<u>\$ 25,618,525</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, 2015

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Total Fund Balances - Governmental Funds \$ 13,828,818

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. 36,230,376

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. 224,853

The net pension asset does not relate to current financial resources and is not reported in the governmental funds. 823,862

Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds. 865,833

Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds. (5,805)

Internal service funds are reported in the statement of net position as governmental activities. (413,741)

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. (23,058,879)

**NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 28,495,317**

## CITY OF STOUGHTON

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

For the Year Ended December 31, 2015

	General	Debt Service	Construction
<b>REVENUES</b>			
Taxes	\$ 7,630,400	\$ -	\$ -
Intergovernmental	1,603,480	26,101	359,662
Licenses and permits	176,140	-	-
Fines, forfeitures and penalties	148,205	-	-
Public charges for services	1,371,253	-	-
Intergovernmental charges for services	50,847	48,783	-
Special assessments	12,875	-	-
Investment income	16,602	45	1,461
Miscellaneous	592,858	59,642	-
Total Revenues	11,602,660	134,571	361,123
<b>EXPENDITURES</b>			
Current			
General government	1,501,376	-	-
Public safety	3,786,470	-	-
Public works	1,977,034	-	-
Culture, recreation and education	1,260,855	-	-
Conservation and development	-	-	-
Capital Outlay	-	-	2,405,192
Debt Service			
Principal	-	2,284,557	-
Interest and fiscal charges	-	486,630	31,012
Total Expenditures	8,525,735	2,771,187	2,436,204
Excess (deficiency) of revenues over expenditures	3,076,925	(2,636,616)	(2,075,081)
<b>OTHER FINANCING SOURCES (USES)</b>			
Debt issued	-	-	1,545,000
Premium on debt	-	10,184	6,942
Property sales	-	-	-
Transfers in	759,665	2,579,123	397,325
Transfers out	(3,409,610)	-	-
Total Other Financing Sources (Uses)	(2,649,945)	2,589,307	1,949,267
<b>Net Change in Fund Balances</b>	426,980	(47,309)	(125,814)
FUND BALANCES - Beginning of Year	4,895,488	216,537	1,698,683
<b>FUND BALANCES - END OF YEAR</b>	\$ 5,322,468	\$ 169,228	\$ 1,572,869

See accompanying notes to financial statements.

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Nonmajor Governmental Funds	Totals
\$ 707,141	\$ 8,337,541
338,315	2,327,558
-	176,140
-	148,205
731,738	2,102,991
-	99,630
45,874	58,749
5,839	23,947
<u>578,252</u>	<u>1,230,752</u>
<u>2,407,159</u>	<u>14,505,513</u>
205	1,501,581
29,811	3,816,281
-	1,977,034
1,792,211	3,053,066
101,294	101,294
1,150,548	3,555,740
-	2,284,557
<u>45,926</u>	<u>563,568</u>
<u>3,119,995</u>	<u>16,853,121</u>
<u>(712,836)</u>	<u>(2,347,608)</u>
4,775,000	6,320,000
9,120	26,246
45,005	45,005
1,743,832	5,479,945
<u>(1,430,868)</u>	<u>(4,840,478)</u>
<u>5,142,089</u>	<u>7,030,718</u>
4,429,253	4,683,110
<u>2,335,000</u>	<u>9,145,708</u>
<u>\$ 6,764,253</u>	<u>\$ 13,828,818</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, 2015

Net change in fund balances - total governmental funds	\$	4,683,110
Amounts reported for governmental activities in the statement of activities 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		3,555,740
Some items reported as capital outlay were not capitalized		(205,473)
Depreciation is reported in the government-wide financial statements		(1,721,788)
Net book value of assets retired		(13,336)
Capital assets contributed to business-type activities are reported as capital outlay in the fund financial statements.		(970,852)
Contributed capital assets are reported as a revenue in the government-wide financial statements		630,000
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		(154)
Loan activity		(54,590)
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		(6,320,000)
Principal repaid		2,284,557
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		(99,739)
Compensated absences - retirees		11,072
Self insurance auto and general liability		89,289
Net pension asset/liability		(486,419)
Deferred outflows of resources related to pensions		533,171
Deferred inflows of resources related to pensions		(5,805)
Accrued interest on debt		3,980
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		35,065
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$</b>	<b><u>1,947,828</u></b>

See accompanying notes to financial statements.

# CITY OF STOUGHTON

## STATEMENT OF NET POSITION PROPRIETARY FUNDS As of December 31, 2015

	Business-type Activities - Enterprise Funds		
	Water	Wastewater	Electric
<b>ASSETS</b>			
Current Assets			
Cash and investments	\$ 130,189	\$ 1,377,187	\$ 6,493,536
Receivables			
Other receivables	186,772	199,953	1,655,610
Interest receivable	665	1,609	22,562
Current portion of special assessments	50,103	34,359	-
Due from other funds	2,419	3,023	6,652
Current portion of advance to other funds	-	-	37,088
Inventories	29,831	-	129,405
Prepaid items	551	701	2,535
Restricted Assets			
Redemption account	129,523	296,992	408,357
Total Current Assets	530,053	1,913,824	8,755,745
Noncurrent Assets			
Restricted Assets			
Reserve account	244,677	-	649,338
Depreciation account	25,000	33,283	25,000
Replacement account	-	1,129,917	-
Construction account	-	123	-
Net pension asset	55,400	59,271	150,770
Capital Assets			
Land and land rights	430,131	-	220,797
Construction in progress	106,478	61,100	251,853
Plant in service	19,764,874	27,634,206	26,902,468
Property held for future use	-	-	352,664
Less: Accumulated depreciation	(6,402,633)	(9,483,326)	(13,478,535)
Other Assets			
Special assessments	450,927	309,233	-
Plant and maintenance reserve account	176,688	-	507,821
Sick leave reserve account	93,082	105,822	170,083
Advance to other funds	-	-	376,653
Investment in ATC	-	-	336,026
Non-utility property (net of amortization)	34,918	-	17,953
Total Noncurrent Assets	14,979,542	19,849,629	16,482,891
Total Assets	15,509,595	21,763,453	25,238,636
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related amounts	57,424	62,601	158,933
Total Deferred Outflows of Resources	57,424	62,601	158,933

See accompanying notes to financial statements.

Business-type Activities - Enterprise Funds		Governmental Activities - Internal Service Fund
Nonmajor Enterprise Funds	Totals	
\$ 732,516	\$ 8,733,428	\$ -
143,453	2,185,788	-
-	24,836	-
-	84,462	-
39,301	51,395	-
-	37,088	-
-	159,236	-
-	3,787	-
-	834,872	-
<u>915,270</u>	<u>12,114,892</u>	<u>-</u>
-	894,015	-
-	83,283	-
-	1,129,917	-
-	123	-
12,702	278,143	-
9,986	660,914	-
-	419,431	-
3,097,566	77,399,114	-
-	352,664	-
(763,618)	(30,128,112)	-
-	760,160	-
-	684,509	-
-	368,987	-
-	376,653	-
-	336,026	-
-	52,871	-
<u>2,356,636</u>	<u>53,668,698</u>	<u>-</u>
<u>3,271,906</u>	<u>65,783,590</u>	<u>-</u>
<u>14,522</u>	<u>293,480</u>	<u>-</u>
<u>14,522</u>	<u>293,480</u>	<u>-</u>

See accompanying notes to financial statements.

# CITY OF STOUGHTON

## STATEMENT OF NET POSITION PROPRIETARY FUNDS As of December 31, 2015

	Business-type Activities - Enterprise Funds		
	Water	Wastewater	Electric
<b>LIABILITIES</b>			
Current Liabilities			
Accounts payable	\$ 73,564	\$ 53,138	\$ 1,099,327
Accrued liabilities	8,361	13,480	111,690
Public benefits	-	-	26,088
Deposits	1,615	-	97,350
Due to other funds	372,012	5,843	409,561
Current portion of general obligation debt	48,000	32,000	-
Current portion of advance	-	-	-
Liabilities Payable from Restricted Assets			
Current portion of revenue bonds	176,958	402,390	490,000
Accrued interest	11,878	24,595	34,681
Total Current Liabilities	692,388	531,446	2,268,697
Noncurrent Liabilities			
Long-Term Debt			
Customer advances for construction	-	-	225,387
Revenue bonds payable	1,598,423	5,158,363	3,970,000
Unamortized premium on bond refunding	-	-	48,863
General obligation debt payable	474,000	316,000	-
Compensated absences	93,082	105,822	170,083
Advances from other funds	-	-	-
Total Noncurrent Liabilities	2,165,505	5,580,185	4,414,333
Total Liabilities	2,857,893	6,111,631	6,683,030
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension related amounts	390	418	1,063
Total Deferred Inflows of Resources	390	418	1,063
<b>NET POSITION (DEFICIT)</b>			
Net investment in capital assets	11,601,469	12,303,350	9,740,384
Restricted for			
Debt service	387,322	305,680	1,048,014
Equipment replacement	-	1,129,917	-
Pension	55,400	59,271	150,770
Unrestricted (deficit)	664,545	1,915,787	7,774,308
<b>TOTAL NET POSITION (DEFICIT)</b>	<b>\$ 12,708,736</b>	<b>\$ 15,714,005</b>	<b>\$ 18,713,476</b>

See accompanying notes to financial statements.

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<u>Nonmajor Enterprise Funds</u>	<u>Totals</u>	<u>Governmental Activities - Internal Service Funds</u>
\$ 17,151	\$ 1,243,180	\$ -
23,933	157,464	-
-	26,088	-
-	98,965	-
213,825	1,001,241	-
233,409	313,409	-
-	-	37,088
-	1,069,348	-
-	71,154	-
<u>488,318</u>	<u>3,980,849</u>	<u>37,088</u>
-	225,387	-
-	10,726,786	-
-	48,863	-
1,450,027	2,240,027	-
-	368,987	-
-	-	376,653
<u>1,450,027</u>	<u>13,610,050</u>	<u>376,653</u>
<u>1,938,345</u>	<u>17,590,899</u>	<u>413,741</u>
<u>90</u>	<u>1,961</u>	<u>-</u>
<u>90</u>	<u>1,961</u>	<u>-</u>
1,082,629	34,727,832	-
-	1,741,016	-
-	1,129,917	-
12,702	278,143	-
<u>252,662</u>	<u>10,607,302</u>	<u>(413,741)</u>
<u>\$ 1,347,993</u>	<u>\$ 48,484,210</u>	<u>\$ (413,741)</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, 2015

	Business-type Activities - Enterprise Funds		
	Water	Wastewater	Electric
<b>OPERATING REVENUES</b>	<u>\$ 1,784,416</u>	<u>\$ 2,037,835</u>	<u>\$ 15,057,028</u>
<b>OPERATING EXPENSES</b>			
Operation and maintenance	885,770	1,042,161	13,261,410
Depreciation	<u>408,632</u>	<u>777,150</u>	<u>965,661</u>
Total Operating Expenses	<u>1,294,402</u>	<u>1,819,311</u>	<u>14,227,071</u>
Operating Income	<u>490,014</u>	<u>218,524</u>	<u>829,957</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment income	8,609	9,863	101,749
Interest and fiscal charges	(76,423)	(151,995)	(142,393)
Miscellaneous expenses	(10,714)	(4,289)	(6,766)
Intergovernmental grants	-	-	-
Interest subsidy	-	-	-
Amortization of premium on bond refunding	-	-	11,972
Miscellaneous revenue	-	-	-
Total Nonoperating Revenues (Expenses)	<u>(78,528)</u>	<u>(146,421)</u>	<u>(35,438)</u>
Income Before Contributions and Transfers	<u>411,486</u>	<u>72,103</u>	<u>794,519</u>
<b>CONTRIBUTIONS AND TRANSFERS</b>			
Contributions in aid of construction	501,276	328,994	220,414
Capital contributions - municipal	498,076	318,534	-
Transfers in	-	-	-
Transfers out	<u>(363,308)</u>	<u>-</u>	<u>(393,715)</u>
Total Contributions and Transfers	<u>636,044</u>	<u>647,528</u>	<u>(173,301)</u>
Change in Net Position	1,047,530	719,631	621,218
NET POSITION - Beginning of Year (as restated)	<u>11,661,206</u>	<u>14,994,374</u>	<u>18,092,258</u>
<b>NET POSITION (DEFICIT) - END OF YEAR</b>	<u>\$ 12,708,736</u>	<u>\$ 15,714,005</u>	<u>\$ 18,713,476</u>

See accompanying notes to financial statements.

Business-type Activities - Enterprise Funds		Governmental Activities - Internal Service Fund
Nonmajor Enterprise Funds	Totals	
<u>\$ 1,013,452</u>	<u>\$ 19,892,731</u>	<u>\$ 48,529</u>
825,343	16,014,684	-
<u>154,270</u>	<u>2,305,713</u>	<u>-</u>
<u>979,613</u>	<u>18,320,397</u>	<u>-</u>
<u>33,839</u>	<u>1,572,334</u>	<u>48,529</u>
239	120,460	-
(48,377)	(419,188)	(13,464)
-	(21,769)	-
20,633	20,633	-
9,179	9,179	-
-	11,972	-
<u>51,873</u>	<u>51,873</u>	<u>-</u>
<u>33,547</u>	<u>(226,840)</u>	<u>(13,464)</u>
<u>67,386</u>	<u>1,345,494</u>	<u>35,065</u>
-	1,050,684	-
154,242	970,852	-
117,556	117,556	-
-	(757,023)	-
<u>271,798</u>	<u>1,382,069</u>	<u>-</u>
339,184	2,727,563	35,065
<u>1,008,809</u>	<u>45,756,647</u>	<u>(448,806)</u>
<u>\$ 1,347,993</u>	<u>\$ 48,484,210</u>	<u>\$ (413,741)</u>

See accompanying notes to financial statements.

**CITY OF STOUGHTON**

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 For the Year Ended December 31, 2015

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Water</u>	<u>Wastewater</u>	<u>Electric</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Received from customers	\$ 1,803,916	\$ 2,056,686	\$ 15,326,356
Received from municipality for services	-	-	132,627
Paid to suppliers for goods and services	(541,844)	(648,839)	(12,517,485)
Paid to employees for services	(321,170)	(374,019)	(820,626)
Customer deposit	-	-	(38,122)
Net Cash Flows From Operating Activities	<u>940,902</u>	<u>1,033,828</u>	<u>2,082,750</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investments sold and matured	442,818	472,918	1,027,522
Investment income	9,882	9,715	46,990
Investments purchased	(399,392)	(447,009)	(976,900)
Dividends from ATC	-	-	18,082
Net Cash Flows From Investing Activities	<u>53,308</u>	<u>35,624</u>	<u>115,694</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Paid to municipality for tax equivalent	(343,936)	-	(366,032)
Received from municipality principal on Wisconsin Retirement UAAL advance	-	-	35,065
Received from municipality interest on Wisconsin Retirement UAAL advance	-	-	13,464
Transfers to/from other funds	(59)	-	(23,455)
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	<u>(343,995)</u>	<u>-</u>	<u>(340,958)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Debt retired	(151,257)	(391,680)	(480,000)
Interest paid	(74,276)	(149,710)	(145,724)
Acquisition and construction of capital assets	(1,057,693)	(827,288)	(793,426)
Capital contributions received	22,311	-	265,332
Received from the sale of capital assets	-	-	6,148
Proceeds from debt issue	522,000	606,140	-
Net Cash Flows From Capital and Related Financing Activities	<u>(738,915)</u>	<u>(762,538)</u>	<u>(1,147,670)</u>
<b>Net Change in Cash and Cash Equivalents</b>	(88,700)	306,914	709,816
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>348,411</u>	<u>2,048,684</u>	<u>3,575,884</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 259,711</u>	<u>\$ 2,355,598</u>	<u>\$ 4,285,700</u>

See accompanying notes to financial statements.



Business-type Activities - Enterprise Funds		Governmental Activities - Internal Service Fund
Nonmajor Enterprise Funds	Totals	
\$ 1,094,723	\$ 20,281,681	\$ -
-	132,627	48,529
(334,615)	(14,042,783)	-
(494,051)	(2,009,866)	-
-	(38,122)	-
<u>266,057</u>	<u>4,323,537</u>	<u>48,529</u>
-	1,943,258	-
239	66,826	-
-	(1,823,301)	-
-	18,082	-
<u>239</u>	<u>204,865</u>	<u>-</u>
-	(709,968)	-
-	35,065	-
-	13,464	-
117,556	94,042	-
-	-	(35,065)
-	-	(13,464)
<u>117,556</u>	<u>(567,397)</u>	<u>(48,529)</u>
(187,165)	(1,210,102)	-
(48,570)	(418,280)	-
(365,942)	(3,044,349)	-
-	287,643	-
-	6,148	-
<u>310,000</u>	<u>1,438,140</u>	<u>-</u>
<u>(291,677)</u>	<u>(2,940,800)</u>	<u>-</u>
92,175	1,020,205	-
<u>640,341</u>	<u>6,613,320</u>	<u>-</u>
<u>\$ 732,516</u>	<u>\$ 7,633,525</u>	<u>\$ -</u>

See accompanying notes to financial statements.

**CITY OF STOUGHTON**

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 For the Year Ended December 31, 2015

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Water</u>	<u>Wastewater</u>	<u>Electric</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating income	\$ 490,014	\$ 218,524	\$ 829,957
Nonoperating revenue (expense)	(6,434)	(4,289)	(3,106)
Adjustments to Reconcile Operating Income to Net Cash Flows From Operating Activities			
Depreciation	408,632	777,150	965,661
Depreciation charged to other funds	31,875	-	39,600
Changes in assets and liabilities			
Customer accounts receivable	22,728	20,126	302,140
Other accounts receivable	(13,740)	6,037	96,244
Due from other funds	(2,419)	2,820	6,677
Due to other funds	-	-	1,408
Inventories	4,766	-	686
Prepaid items	147	171	383
Accounts payable	8,302	7,502	(106,421)
Accrued wages	(10,547)	-	-
Compensated absences	9,651	14,817	3,210
Customer deposits	(118)	-	(38,122)
Other current liabilities	-	(5,774)	(2,630)
Public benefits	-	-	(4,964)
Pension related deferrals and liabilities	(1,955)	(3,256)	(7,973)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u>\$ 940,902</u>	<u>\$ 1,033,828</u>	<u>\$ 2,082,750</u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS</b>			
Cash and investments	\$ 130,189	\$ 1,377,187	\$ 6,493,536
Restricted cash and investments			
Redemption account	129,523	296,992	408,357
Reserve account	244,677	-	649,338
Depreciation account	25,000	33,283	25,000
Construction account	-	123	-
Plant and maintenance reserve account	176,688	-	507,821
Sick leave reserve account	93,082	105,822	170,083
Replacement account	-	1,129,917	-
Total Cash and Investments	<u>799,159</u>	<u>2,943,324</u>	<u>8,254,135</u>
Less: Noncash equivalents	<u>(539,448)</u>	<u>(587,726)</u>	<u>(3,968,435)</u>
<b>CASH AND CASH EQUIVALENTS</b>	<u>\$ 259,711</u>	<u>\$ 2,355,598</u>	<u>\$ 4,285,700</u>
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Unrealized loss on investments	<u>\$ (2,007)</u>	<u>\$ (1,111)</u>	<u>\$ (29,432)</u>
Contributed capital assets	<u>\$ 476,011</u>	<u>\$ 303,936</u>	<u>\$ 94,320</u>
ATC earnings allocated	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,900</u>
Capital projects special assessed	<u>\$ 501,030</u>	<u>\$ 343,592</u>	<u>\$ -</u>

See accompanying notes to financial statements.

Business-type Activities - Enterprise Funds		Governmental Activities - Internal Service Fund
Nonmajor Enterprise Funds	Totals	
\$ 33,839	\$ 1,572,334	\$ 48,529
81,685	67,856	-
154,270	2,305,713	-
-	71,475	-
1,978	346,972	-
(984)	87,557	-
(1,408)	5,670	-
-	1,408	-
-	5,452	-
-	701	-
5,379	(85,238)	-
-	(10,547)	-
-	27,678	-
-	(38,240)	-
(6,906)	(15,310)	-
-	(4,964)	-
(1,796)	(14,980)	-
<u>\$ 266,057</u>	<u>\$ 4,323,537</u>	<u>\$ 48,529</u>
\$ 732,516	\$ 8,733,428	\$ -
-	834,872	-
-	894,015	-
-	83,283	-
-	123	-
-	684,509	-
-	368,987	-
-	1,129,917	-
732,516	12,729,134	-
-	(5,095,609)	-
<u>\$ 732,516</u>	<u>\$ 7,633,525</u>	<u>\$ -</u>
<u>\$ -</u>		<u>\$ -</u>
<u>\$ 154,242</u>		<u>\$ -</u>
<u>\$ -</u>		<u>\$ -</u>
<u>\$ -</u>		<u>\$ -</u>

See accompanying notes to financial statements.

**CITY OF STOUGHTON**

STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
As of December 31, 2015

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	<u>Pension Trust</u>	<u>Agency Fund</u>
<b>ASSETS</b>		
Cash and Investments	\$ 731,557	\$ 11,397,319
Tax roll receivable	-	3,164,206
Total Assets	<u>731,557</u>	<u>14,561,525</u>
<b>LIABILITIES</b>		
Due to other taxing units	-	14,561,525
Total Liabilities	<u>-</u>	<u>14,561,525</u>
<b>NET POSITION</b>		
Held in trust for pension benefits	<u>\$ 731,557</u>	<u>\$ -</u>

**CITY OF STOUGHTON**

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
For the Year Ended December 31, 2015

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	<u>Pension Trust</u>
<b>ADDITIONS</b>	
Contributions	
Employer	\$ 36,778
Total Contributions	<u>36,778</u>
Investment income	<u>3,435</u>
Total Additions	<u>40,213</u>
<b>Change in Net Position</b>	40,213
NET POSITION - Beginning of Year	<u>691,344</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 731,557</u></u>

# CITY OF STOUGHTON

## INDEX TO NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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# CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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## **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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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 unit. 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, 2015

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

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#### ***B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS***

In June 2012, the GASB issued statement No. 68 - *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*. This statement establishes standards for measuring and recognizing assets, liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to pensions. In November 2013, the GASB issued statement No. 71 - *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. This statement addresses an issue regarding application of the transition provisions of Statement No. 68. These standards were implemented January 1, 2015.

#### ***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 city 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 balance, revenues, and expenditures/expenses.



# CITY OF STOUGHTON

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

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#### ***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, 2015

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

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### ***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	TIF District No. 6
Equipment Replacement	TIF District No. 7
Outlay	

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
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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, 2015

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

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

##### ***Fund Financial Statements (cont.)***

Pension (and Other Employee Benefit) Trust Fund - 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 Fund - 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 deferred inflows. 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, 2015

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

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#### ***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 deferred inflows. 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 requirements) 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 revenues.

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, 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, deferred outflows of resources, liabilities, and deferred inflows of resources 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, 2015

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

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### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, 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.

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, 2015, 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.

# CITY OF STOUGHTON

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

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#### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

##### ***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 - 2015 tax roll:

Lien date and levy date	December 2015
Tax bills mailed	December 2015
Payment in full, or	January 31, 2016
First installment due	January 31, 2016
Second installment due	July 31, 2016
Personal property taxes in full	January 31, 2016
Tax sale - 2015 delinquent real estate taxes	October 2018

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.

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.

# CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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

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### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

#### ***3. Inventories and Prepaid Items (cont.)***

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.

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

# CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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

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### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

#### **5. Capital Assets (cont.)**

##### ***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. Land Held for Resale**

Land held for resale consists of land and improvements and is valued at cost of acquisition, demolition, and site improvements. Properties include both land intended for resale and land designated as a public area. Land held for resale is recorded at lower of costs or market value.

#### **7. 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, 2015. Water utility non-utility property consists of a park shelter with a balance of \$107,000 at December 31, 2015. 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, 2015

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

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#### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

##### ***8. Deferred Outflows of Resources***

A deferred outflow of resources represents a consumption of net position/fund balance that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

##### ***9. 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, 2015 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 \$11,072. Three participants were eligible during 2015 to receive benefits. There is no amount outstanding at year end to be paid in the future. The city does not incur an implicit rate subsidy on these benefits.

##### ***10. Long-Term Obligations***

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

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

# CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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

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### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

#### ***10. Long-Term Obligations (cont.)***

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. The balance at year end is shown as an increase or decrease in the liability section of the statement of net position.

#### ***11. Deferred Inflows of Resources***

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

#### ***12. 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."

# CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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

### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

#### **12. Equity Classifications (cont.)**

##### ***Government-Wide Statements (cont.)***

The net position section includes an adjustment for capital assets owned by the business-type activities column, but financed by the debt of the governmental activities column. The amount is a reduction of "net investment in capital assets", and an increase in "unrestricted" net position, shown only in the total column. A reconciliation of this adjustment is as follows:

	Governmental Activities	Business-type Activities	Adjustment	Total
Net investment in capital assets	\$ 20,218,136	\$ 34,727,832	\$ (745,880)	\$ 54,200,088
Unrestricted	5,792,559	10,607,302	745,880	17,145,741

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 balances are 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.
- 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 do not meet the criteria to be classified as restricted or committed. The City Council has, by resolution, adopted a financial policy authorizing the finance director to assign amounts for a specific purpose. Assignments may take place after the end of the reporting period.

# CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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

---

### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

#### ***12. Equity Classifications (cont.)***

##### ***Fund Statements (cont.)***

- 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.

The city has a formal minimum fund balance policy. That policy is to maintain an 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 \$3,231,239 or 26.5% of 2015 general fund budgeted expenditures.

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 \$40,213 was available for the year ended December 31, 2015.

#### ***13. Basis for Existing Rates***

Current water rates were approved by the PSCW effective July 1, 2015.

Current electric rates were approved by the PSCW on September 1, 2015.

Current wastewater rates were approved by the utilities committee effective January 1, 2015.

# CITY OF STOUGHTON

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

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#### ***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	\$	11,257,259
Capital assets, net of depreciation		24,748,544
Land held for resale		<u>224,573</u>
Combined Adjustment for Capital Assets	\$	<u><u>36,230,376</u></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	\$	21,320,527
Compensated absences		1,568,122
Accrued interest		<u>170,230</u>
Combined Adjustment for Long-Term Liabilities	\$	<u><u>23,058,879</u></u>

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### NOTE III - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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#### ***A. BUDGETARY INFORMATION***

A budget has been adopted for the general, debt service, construction, opera house, library, outlay, EMS and storm sewer 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.

# CITY OF STOUGHTON

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

#### **B. EXCESS EXPENDITURES AND OTHER FINANCING USES OVER APPROPRIATIONS**

Funds	Budgeted Expenditures and Other Financing Uses	Actual Expenditures and Other Financing Uses	Excess Expenditures and Other Financing Uses Over Budget
Construction	\$ 2,304,000	\$ 2,436,204	\$ 132,204
Library	824,203	1,069,774	245,571

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, 2015, the following individual funds held a deficit balance:

Fund	Amount	Reason
Special revenue - Opera House	\$ 157,477	Expenditures in excess of revenues
Capital projects - TIF District No. 5	575,773	Expenditures in excess of revenues
Capital projects - TIF District No. 6	11,731	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.

#### **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.

# CITY OF STOUGHTON

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

### 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	\$ 31,668,930	\$ 24,786,374	Custodial credit
US agencies - implicitly guaranteed	1,948,678	1,948,678	Credit, custodial credit, concentration of credit, interest rate
Mutual funds - bond funds	43,827	43,827	Credit
LGIP	1,122,667	1,122,667	Credit
Negotiable certificates of deposit	3,146,931	3,146,931	Credit, custodial credit, concentration of credit, interest rate
Petty cash	1,802	-	N/A
Total Deposits and Investments	\$ 37,932,835	\$ 31,048,477	
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 22,861,749		
Restricted cash and investments	2,942,210		
Per statement of net position - fiduciary funds			
Pension Trust	731,557		
Agency Fund	11,397,319		
Total Deposits and Investments	\$ 37,932,835		

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.

# CITY OF STOUGHTON

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

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#### **A. DEPOSITS AND INVESTMENTS** (cont.)

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, 2015, the banks had pledged various government securities in the amount of \$26,769,099 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, 2015, \$7,273,263 of the city's total bank balances were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	<u>\$ 7,273,263</u>
--------------------------------	---------------------

##### **Investments**

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

##### U.S. Agencies

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Neither insured nor registered and held by counterparty	<u>\$ 1,948,678</u>
---	---------------------

#### ***Credit Risk***

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



**CITY OF STOUGHTON**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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

**A. DEPOSITS AND INVESTMENTS (cont.)**

**Credit Risk (cont.)**

As of December 31, 2015, the city's investments were rated as follows:

<u>Investment Type</u>	<u>Standard &amp; 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			5 star

The city also held investments in the following external pool which is not rated:

Local Government Investment Pool

**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, 2015, the city's investments were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity (In Years)</u>		
		<u>Less than 1</u>	<u>1-3</u>	<u>3 or more</u>
US agencies	\$ 1,948,678	\$ -	\$ -	\$ 1,948,678
Negotiable certificates of deposit	<u>3,146,931</u>	<u>1,986,925</u>	<u>1,160,006</u>	<u>-</u>
Totals	<u>\$ 5,095,609</u>	<u>\$ 1,986,925</u>	<u>\$ 1,160,006</u>	<u>\$ 1,948,678</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, 2015

**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	Construction	Water Utility	Wastewater Utility	Electric Utility	Nonmajor Funds	Totals
Receivables								
Taxes	\$ 8,666,059	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 776,212	\$ 9,442,271
Delinquent personal property tax	44,142	-	-	-	-	-	-	44,142
Accounts	257,218	-	83,198	186,772	199,953	1,655,610	265,432	2,648,183
Special assessments	-	-	-	501,030	343,592	-	67,238	911,860
Interest	-	-	-	665	1,609	22,562	-	24,836
Delinquent special assessments	1,529	-	-	-	-	-	-	1,529
Leases	-	129,128	-	-	-	-	-	129,128
Other	3,265	-	-	-	-	-	-	3,265
Gross receivables	8,972,213	129,128	83,198	688,467	545,154	1,678,172	1,108,882	13,205,214
Less: Allowance for uncollectibles	-	-	-	-	-	-	(43,486)	(43,486)
Net Total Receivables	<u>\$ 8,972,213</u>	<u>\$ 129,128</u>	<u>\$ 83,198</u>	<u>\$ 688,467</u>	<u>\$ 545,154</u>	<u>\$ 1,678,172</u>	<u>\$ 1,065,396</u>	<u>\$ 13,161,728</u>
Amounts not expected to be collected within one year	<u>\$ 45,671</u>	<u>\$ 73,968</u>	<u>\$ -</u>	<u>\$ 450,927</u>	<u>\$ 309,233</u>	<u>\$ -</u>	<u>\$ 67,238</u>	<u>\$ 947,037</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	\$ 9,408,079	\$ -
Special assessments not yet due	-	95,725
Lease receivable	-	129,128
Total Unearned/Unavailable Revenue for Governmental Funds	<u>\$ 9,408,079</u>	<u>\$ 224,853</u>

# CITY OF STOUGHTON

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

### 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.

##### ***Net Pension Asset***

Restricted assets have been reported in connection with the net pension asset balance since this balance must be used to fund employee benefits.

Following is a list of restricted assets for the business-type activities at December 31, 2015:

	Restricted Assets	Liabilities Payable from Restricted Assets	Restricted Net Position
Bond redemption account	\$ 834,872	\$ 71,154	\$ 763,718
Bond reserve account	894,015	-	894,015
Bond depreciation account	83,283	-	83,283
Construction account	123	-	n/a
Equipment replacement account	1,129,917	-	1,129,917
Net pension asset - business-type activities	278,143	-	278,143
Total	\$ 3,220,353	\$ 71,154	\$ 3,149,076

# CITY OF STOUGHTON

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

#### D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2015, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities</b>				
Capital assets not being depreciated				
Land	\$ 8,809,210	\$ 630,000	\$ -	\$ 9,439,210
Construction in progress	917,992	441,630	917,992	441,630
Inexhaustible portion of streets	<u>1,376,419</u>	<u>-</u>	<u>-</u>	<u>1,376,419</u>
Total Capital Assets Not Being Depreciated	<u>11,103,621</u>	<u>1,071,630</u>	<u>917,992</u>	<u>11,257,259</u>
Capital assets being depreciated				
Buildings and improvements	14,666,123	816,397	-	15,482,520
Machinery and equipment	9,473,746	575,627	251,275	9,798,098
Streets	14,917,981	1,361,824	618,241	15,661,564
Storm sewers	5,840,232	-	166,622	5,673,610
Street lighting	227,551	-	-	227,551
Bridges	845,989	-	-	845,989
Sidewalks	4,594,391	101,929	13,546	4,682,774
Traffic signals	411,974	-	-	411,974
Dams	<u>592,997</u>	<u>-</u>	<u>-</u>	<u>592,997</u>
Total Capital Assets Being Depreciated	<u>51,570,984</u>	<u>2,855,777</u>	<u>1,049,684</u>	<u>53,377,077</u>
Total Capital Assets	<u>62,674,605</u>	<u>3,927,407</u>	<u>1,967,676</u>	<u>64,634,336</u>
Less: Accumulated depreciation for				
Buildings and improvements	(5,848,175)	(404,807)	-	(6,252,982)
Machinery and equipment	(6,790,735)	(482,322)	237,939	(7,035,118)
Streets	(9,761,823)	(521,530)	618,241	(9,665,112)
Storm sewers	(2,755,902)	(188,931)	166,622	(2,778,211)
Street lighting	(38,125)	(3,034)	-	(41,159)
Bridges	(176,766)	(11,280)	-	(188,046)
Sidewalks	(2,387,707)	(93,655)	13,546	(2,467,816)
Traffic signals	(148,280)	(10,299)	-	(158,579)
Dams	<u>(35,580)</u>	<u>(5,930)</u>	<u>-</u>	<u>(41,510)</u>
Total Accumulated Depreciation	<u>(27,943,093)</u>	<u>(1,721,788)</u>	<u>1,036,348</u>	<u>(28,628,533)</u>
Net Capital Assets Being Depreciated	<u>23,627,891</u>	<u>1,133,989</u>	<u>13,336</u>	<u>24,748,544</u>
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 34,731,512</u>	<u>\$ 2,205,619</u>	<u>\$ 931,328</u>	<u>\$ 36,005,803</u>

# CITY OF STOUGHTON

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

#### D. CAPITAL ASSETS (cont.)

Depreciation expense was charged to functions as follows:

#### Governmental Activities

General government	\$ 94,995
Public safety	417,015
Public works, which includes the depreciation of infrastructure	1,018,565
Culture, recreation and education	<u>191,213</u>
Total Governmental Activities Depreciation Expense	<u><u>\$ 1,721,788</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	\$ 430,131	\$ -	\$ -	\$ 430,131
Construction in progress	<u>30,627</u>	<u>995,690</u>	<u>919,839</u>	<u>106,478</u>
Total Capital Assets Not Being Depreciated	<u>460,758</u>	<u>995,690</u>	<u>919,839</u>	<u>536,609</u>
Capital assets being depreciated				
Source of supply	570,123	25,607	-	595,730
Pumping	1,461,654	6,866	-	1,468,520
Treatment	90,763	-	-	90,763
Transmission and distribution	15,341,730	1,442,390	17,531	16,766,589
Administrative and general assets	<u>803,447</u>	<u>41,325</u>	<u>1,500</u>	<u>843,272</u>
Total Capital Assets Being Depreciated	<u>18,267,717</u>	<u>1,516,188</u>	<u>19,031</u>	<u>19,764,874</u>
Total Capital Assets	<u>18,728,475</u>	<u>2,511,878</u>	<u>938,870</u>	<u>20,301,483</u>
Less: Accumulated depreciation for				
Source of supply	(335,532)	(16,905)	-	(352,437)
Pumping	(1,157,612)	(57,246)	-	(1,214,858)
Treatment	(87,766)	(437)	-	(88,203)
Transmission and distribution	(3,723,745)	(293,038)	17,531	(3,999,252)
Administrative and general assets	<u>(676,502)</u>	<u>(72,881)</u>	<u>1,500</u>	<u>(747,883)</u>
Total Accumulated Depreciation	<u>(5,981,157)</u>	<u>(440,507)</u>	<u>19,031</u>	<u>(6,402,633)</u>
Net Capital Assets Being Depreciated	<u>12,286,560</u>	<u>1,075,681</u>	<u>-</u>	<u>13,362,241</u>
Net Water Capital Assets	<u><u>\$ 12,747,318</u></u>	<u><u>\$ 2,071,371</u></u>	<u><u>\$ 919,839</u></u>	<u><u>\$ 13,898,850</u></u>

# CITY OF STOUGHTON

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

#### D. CAPITAL ASSETS (cont.)

##### Business-type Activities (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Wastewater</u>				
Capital assets not being depreciated				
Construction in progress	\$ 38,856	\$ 783,193	\$ 760,949	\$ 61,100
Total Capital Assets Not Being Depreciated	38,856	783,193	760,949	61,100
Capital assets being depreciated				
Collection system	9,360,156	1,023,865	20,184	10,363,837
Collection system pumping	401,065	-	-	401,065
Treatment and disposal	15,550,149	5,702	1,500	15,554,351
Administrative and general assets	1,308,895	6,058	-	1,314,953
Total Capital Assets Being Depreciated	26,620,265	1,035,625	21,684	27,634,206
Total Capital Assets	26,659,121	1,818,818	782,633	27,695,306
Less: Accumulated depreciation for				
Wastewater	(8,727,985)	(777,025)	21,684	(9,483,326)
Total Accumulated Depreciation	(8,727,985)	(777,025)	21,684	(9,483,326)
Net Capital Assets Being Depreciated	17,892,280	258,600	-	18,150,880
Net Wastewater Capital Assets	\$ 17,931,136	\$ 1,041,793	\$ 760,949	\$ 18,211,980

**CITY OF STOUGHTON**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**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	26,055	496,480	270,682	251,853
Property held for future use	352,664	-	-	352,664
Total Capital Assets Not Being Depreciated	<u>599,516</u>	<u>496,480</u>	<u>270,682</u>	<u>825,314</u>
Capital assets being depreciated				
Transmission	15,019	-	-	15,019
Distribution	22,286,877	612,671	121,941	22,777,607
Administrative and general assets	4,044,032	65,810	-	4,109,842
Total Capital Assets Being Depreciated	<u>26,345,928</u>	<u>678,481</u>	<u>121,941</u>	<u>26,902,468</u>
Total Capital Assets	<u>26,945,444</u>	<u>1,174,961</u>	<u>392,623</u>	<u>27,727,782</u>
Less: Accumulated depreciation for				
Transmission	(19,366)	-	-	(19,366)
Distribution	(10,037,279)	(821,978)	127,566	(10,731,691)
Administrative and general assets	(2,538,050)	(189,428)	-	(2,727,478)
Total Accumulated Depreciation	<u>(12,594,695)</u>	<u>(1,011,406)</u>	<u>127,566</u>	<u>(13,478,535)</u>
Net Capital Assets Being Depreciated	<u>13,751,233</u>	<u>(332,925)</u>	<u>(5,625)</u>	<u>13,423,933</u>
Net Electric Capital Assets	<u>\$ 14,350,749</u>	<u>\$ 163,555</u>	<u>\$ 265,057</u>	<u>\$ 14,249,247</u>

**CITY OF STOUGHTON**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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

**D. CAPITAL ASSETS (cont.)**

**Business-type Activities (cont.)**

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Stormwater</u>				
Capital assets not being depreciated/amortized				
Land	\$ -	\$ 9,986	\$ -	\$ 9,986
Total Capital Assets Not Being Depreciated/Amortized	-	9,986	-	9,986
Capital assets being depreciated				
Storm Sewer	535,008	481,127	-	1,016,135
Total Capital Assets Being depreciated	535,008	481,127	-	1,016,135
Total Capital Assets	535,008	491,113	-	1,026,121
Less: Accumulated depreciation for Storm Sewer	(36,112)	(33,871)	-	(69,983)
Total Accumulated Depreciation	(36,112)	(33,871)	-	(69,983)
Net Capital Assets Being depreciated	498,896	447,256	-	946,152
Net Stormwater Capital Assets	\$ 498,896	\$ 457,242	\$ -	\$ 956,138
<u>EMS</u>				
Capital assets being depreciated				
Buildings and improvements	\$ 1,240,308	\$ -	\$ -	\$ 1,240,308
Equipment	909,407	29,071	97,355	841,123
Total Capital Assets Being Depreciated	2,149,715	29,071	97,355	2,081,431
Less: Accumulated depreciation for Buildings and improvements	(229,334)	(25,226)	-	(254,560)
Equipment	(441,257)	(95,173)	97,355	(439,075)
Total Accumulated Depreciation	(670,591)	(120,399)	97,355	(693,635)
Net Capital Assets Being Depreciated	1,479,124	(91,328)	-	1,387,796
Net Other Enterprise Capital Assets	\$ 1,479,124	\$ (91,328)	\$ -	\$ 1,387,796
Business-type Capital Assets, Net of Accumulated Depreciation	\$ 47,007,223	\$ 3,642,633	\$ 1,945,845	\$ 48,704,011



# CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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

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### *D. CAPITAL ASSETS* (cont.)

Depreciation expense was charged to functions as follows:

#### **Business-type Activities**

Water	\$ 408,632
Waste water	777,150
Electric	965,661
Storm sewer	33,871
EMS	<u>120,399</u>

Total Business-type Activities Depreciation Expense \$ 2,305,713

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.

**CITY OF STOUGHTON**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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

***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	Tourism	\$ 4,069	\$ -
General	TIF District No. 4	360,802	-
General	Water Utility	363,249	-
General	Electric Utility	370,260	-
General	TIF District No. 6	10,564	10,564
General	Redevelopment Authority	41,800	41,800
General	Debt Service	44,597	-
Construction	Water Utility	8,763	-
Construction	Wastewater Utility	5,843	-
Debt Service	EMS	213,825	-
Water Utility	General	2,419	-
Wastewater Utility	General	3,023	-
Electric Utility	General	6,652	-
Storm Sewer	Electric Utility	39,301	-
Total - Fund Financial Statements		1,475,167	
Less: Fund eliminations		(525,321)	
Less: Interfund advances		(413,741)	
Total Internal Balances - Government-Wide Statement of Net Position		\$ 536,105	
Receivable Fund	Payable Fund	Amount	
Governmental Activities	Business-type Activities	\$ 961,940	
Business-type Activities	Governmental Activities	(425,835)	
Total Government-Wide Financial Statements		\$ 536,105	

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.

**CITY OF STOUGHTON**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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

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

***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. A repayment schedule has not been established.

In December 2011, the Electric Utility provided an advance to the Internal Service Fund 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	\$ 598,427
Electric Utility	Internal service fund	413,741	376,653
Total - Fund Financial Statements		1,012,168	
Less: Fund eliminations		(598,427)	
Total - Interfund Advances		\$ 413,741	

Years	Internal Service Fund Advance	
	Principal	Interest
2016	\$ 37,088	\$ 12,412
2017	39,190	11,300
2018	41,375	10,124
2019	43,646	8,883
2020	46,007	7,573
2021-2025	206,435	15,919
Totals	\$ 413,741	\$ 66,211

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, 2015

**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:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
General	Tourism	\$ 2,642	Room tax revenue
General	Water utility	363,308	Payment in lieu of taxes and dividend
General	Electric utility	393,715	Payment in lieu of taxes and dividend
Debt service	General	2,042,683	Payments on non-TID debt
Debt service	TIF District No. 3	446,645	Payments on TIF District debt
Debt service	TIF District No. 4	89,795	Payments on TIF District debt
Construction	Library	235,000	Fund library capital projects
Construction	Special Assessments	72,325	Fund capital projects
Construction	Building Maintenance	90,000	Fund capital projects
EMS	Ambulance	29,071	Transfer donations
EMS	General	88,485	Fund operations
Library	General	537,338	Fund annual operations
Opera house	General	131,104	Fund capital projects
Outlay	General	260,000	Fund capital projects
Outlay	Building Maintenance	52,000	Fund capital projects
Outlay	Equipment replacement	413,390	Fund capital projects
Equipment Replacement	General	<u>350,000</u>	Equipment replacement
Total - Fund Financial Statements		5,597,501	
Less: Fund eliminations		(4,958,034)	
Capital assets contributions from governmental activities to business-type activities		<u>(970,852)</u>	
Total Transfers - Government-Wide Statement of Activities		<u>\$ (331,385)</u>	
<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	
Governmental Activities	Business-type Activities	\$ 757,023	
Business-type Activities	Governmental Activities	<u>(1,088,408)</u>	
Total Government-wide Financial Statements		<u>\$ (331,385)</u>	

# CITY OF STOUGHTON

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

### 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.

#### F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2015, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>Governmental Activities</b>					
Bonds and Notes Payable					
General obligation debt	\$ 17,285,084	\$ 1,545,000	\$ 2,284,557	\$ 16,545,527	\$ 2,544,421
Note anticipation notes	-	4,775,000	-	4,775,000	-
Sub-totals	<u>17,285,084</u>	<u>6,320,000</u>	<u>2,284,557</u>	<u>21,320,527</u>	<u>2,544,421</u>
Other Liabilities					
Compensated absences (Note I.D.9)	1,468,383	99,739	-	1,568,122	-
Compensated absences - retirees (See Note I.D.9)	11,072	-	11,072	-	-
Self-insurance health liability (Note V.B)	89,289	-	89,289	-	-
Total Other Liabilities	<u>1,568,744</u>	<u>99,739</u>	<u>100,361</u>	<u>1,568,122</u>	<u>-</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 18,853,828</u>	<u>\$ 6,419,739</u>	<u>\$ 2,384,918</u>	<u>\$ 22,888,649</u>	<u>\$ 2,544,421</u>
<b>Business-type Activities</b>					
Bonds and Notes Payable					
General obligation debt	\$ 1,560,601	\$ 1,180,000	\$ 187,165	\$ 2,553,436	\$ 313,409
Revenue bonds	12,560,931	258,140	1,022,937	11,796,134	1,069,348
Unamortized premium on bonds	60,835	-	11,972	48,863	-
Sub-totals	<u>14,182,367</u>	<u>1,438,140</u>	<u>1,222,074</u>	<u>14,398,433</u>	<u>1,382,757</u>
Other Liabilities					
Vested compensated absences	341,309	72,700	45,022	368,987	-
Customer advances for construction	14,350	267,967	56,930	225,387	-
Total Other Liabilities	<u>355,659</u>	<u>340,667</u>	<u>101,952</u>	<u>594,374</u>	<u>-</u>
Total Business-type Activities Long-Term Liabilities	<u>\$ 14,538,026</u>	<u>\$ 1,778,807</u>	<u>\$ 1,324,026</u>	<u>\$ 14,992,807</u>	<u>\$ 1,382,757</u>

**CITY OF STOUGHTON**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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

**F. LONG-TERM OBLIGATIONS (cont.)**

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, 2015, was \$47,713,100. Total general obligation debt outstanding at year end was \$19,098,963.

**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.

**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, 2015</u>
2008 General Obligation Notes	2/13/08	2/1/18	3.00 - 3.50%	\$ 485,000	\$ 170,000
2008 General Obligation Notes	2/13/08	2/1/18	2.85 - 3.40	1,005,000	345,000
2008 General Obligation Bonds	2/13/08	4/1/26	3.25 - 3.75	5,530,000	3,760,000
2009 General Obligation Refunding Notes	4/14/09	3/1/19	1.60 - 3.85	5,060,000	1,295,000
2010 General Obligation Notes	4/13/10	3/1/20	1.25 - 4.40	3,000,000	1,955,000
2010 General Obligation Refunding Bonds	4/13/10	3/1/20	1.00 - 3.25	3,095,000	1,710,000
2012 General Obligation Notes	4/15/12	3/1/22	0.40 - 2.00	2,759,000	2,186,564
2013 State Trust Fund Loan	6/23/13	3/15/20	2.75	1,400,000	1,018,963
2014 General Obligation Notes	6/1/14	4/1/24	2.00 - 2.25	2,755,000	2,560,000
2015 General Obligation Notes	7/9/15	4/1/25	2.00 - 2.25	1,545,000	<u>1,545,000</u>
Total Governmental Activities - General Obligation Debt					<u>\$ 16,545,527</u>

**CITY OF STOUGHTON**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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

**F. LONG-TERM OBLIGATIONS (cont.)**

**General Obligation Debt (cont.)**

**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, 2015</u>
2010 General Obligation Notes	4/13/10	3/1/20	1.25 - 4.40%	\$ 1,015,000	\$ 625,000
2012 General Obligation Notes	4/15/12	3/1/22	0.40 - 2.00	661,000	493,436
2014 General Obligation Notes	6/1/14	4/1/24	2.00 - 2.25	280,000	255,000
2015 General Obligation Notes	7/9/15	4/1/25	2.00 - 2.25	1,180,000	<u>1,180,000</u>
Total Business-type Activities - General Obligation Debt					<u><u>\$ 2,553,436</u></u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Governmental Activities General Obligation Debt</u>		<u>Business-type Activities General Obligation Debt</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 2,544,421	\$ 436,051	\$ 313,409	\$ 66,441
2017	2,593,534	362,122	324,676	52,762
2018	2,552,691	292,386	330,970	43,948
2019	2,251,973	224,000	342,289	34,549
2020	2,156,365	159,609	348,635	24,602
2021-2025	4,041,543	338,245	893,457	44,969
2026	<u>405,000</u>	<u>7,594</u>	<u>-</u>	<u>-</u>
Totals	<u><u>\$ 16,545,527</u></u>	<u><u>\$ 1,820,007</u></u>	<u><u>\$ 2,553,436</u></u>	<u><u>\$ 267,271</u></u>

**Revenue Debt**

Business-type activities revenue bonds are payable only from revenues derived from the operation of the water, wastewater and electric utilities.

**CITY OF STOUGHTON**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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

**F. LONG-TERM OBLIGATIONS (cont.)**

**Revenue Debt (cont.)**

The utilities has pledged future revenues to repay revenue bonds issued in between 1999-2014. 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 2034. Annual principal and interest payments on the bonds are expected to require 4%, 8.4% and 17.3%, respectively of electric, water and wastewater gross revenues. The total principal and interest remaining to be paid on the bonds is \$13,890,074. Principal and interest paid for the current year and total customer gross revenues were \$1,392,647 and \$18,999,500, respectively.

Revenue debt payable at December 31, 2015, 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, 2015</u>
<u>Water Utility</u>					
2006 Water Utility Revenue Bonds	11/15/06	5/1/23	4.00 - 4.50%	\$ 1,925,000	\$ 1,325,000
2010 Water Utility Revenue Bonds	1/27/10	5/1/29	2.67	575,018	<u>450,381</u>
				Total Water Utility	<u>1,775,381</u>
<u>Wastewater Utility</u>					
1999 Wastewater Utility Clean Water Fund Loan	12/22/99	5/1/19	3.049%	623,465	158,105
2000 Wastewater Utility Clean Water Fund Loan	7/12/00	5/1/20	3.049	1,116,259	346,081
2003 Wastewater Utility Clean Water Fund Loan	9/10/03	5/1/23	2.766	1,670,624	784,016
2007 Wastewater Utility Clean Water Fund Loan	6/27/07	5/1/27	2.475	1,539,762	1,094,627
2014 Wastewater Utility Clean Water Fund Loan	11/1/14	5/1/34	2.625	3,305,713	<u>3,177,924</u>
				Total Wastewater Utility	<u>5,560,753</u>



**CITY OF STOUGHTON**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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

**F. LONG-TERM OBLIGATIONS (cont.)**

**Revenue Debt (cont.)**

**Business-type Activities Revenue Debt (cont.)**

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2015</u>
<u>Electric Utility</u>					
2006 Electric Utility Revenue Bonds	11/15/06	4/1/23	4.00 - 4.50%	\$ 2,550,000	\$ 1,900,000
2013 Electric Utility Revenue Bonds	4/1/13	4/1/23	2.00 - 2.25	3,170,000	<u>2,560,000</u>
				Total Electric Utility	<u>4,460,000</u>
					<u>\$ 11,796,134</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Business-type Activities Revenue Debt</u>	
	<u>Principal</u>	<u>Interest</u>
2016	\$ 1,069,348	\$ 341,643
2017	1,091,072	308,828
2018	1,123,118	274,666
2019	1,150,495	239,506
2020	1,190,628	202,864
2021-2025	4,119,784	504,856
2026-2029	1,246,929	178,643
2031-2034	<u>804,760</u>	<u>42,934</u>
Totals	<u>\$ 11,796,134</u>	<u>\$ 2,093,940</u>

**CITY OF STOUGHTON**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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

**F. LONG-TERM OBLIGATIONS (cont.)**

**Note Anticipation Notes**

Note anticipation notes at December 31, 2015, consist of the following:

<b>Governmental Activities</b>	<b>Date of</b>	<b>Final</b>	<b>Interest</b>	<b>Original</b>	<b>Balance</b>
<u>Note Anticipation Notes</u>	<u>Issue</u>	<u>Maturity</u>	<u>Rates</u>	<u>Indebtedness</u>	<u>December 31, 2015</u>
2015 Note Anticipation Notes	10/21/15	10/1/18	1.250%	\$ 4,775,000	\$ <u>4,775,000</u>
Total Governmental Activities Note Anticipation Notes					\$ <u><u>4,775,000</u></u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Governmental Activities Note Anticipation Notes</u>	
	<u>Principal</u>	<u>Interest</u>
2016	\$ -	\$ 56,372
2017	-	59,688
2018	<u>4,775,000</u>	<u>59,688</u>
Totals	\$ <u><u>4,775,000</u></u>	\$ <u><u>175,748</u></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, 2015.

**CITY OF STOUGHTON**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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

**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
2016	\$ 55,160	\$ 3,436	\$ 58,596
2017	58,961	1,883	60,844
2018	15,007	271	15,278
Totals	\$ 129,128	\$ 5,590	\$ 134,718

**H. NET POSITION/FUND BALANCES**

Net position reported on the government wide statement of net position at December 31, 2015, includes the following:

***Governmental Activities***

Net Investment in Capital Assets	
Land	\$ 9,439,210
Construction in progress	441,630
Inexhaustible portion of streets	1,376,419
Other capital assets, net of accumulated depreciation	24,748,544
Less: Related long-term debt outstanding (excluding unspent capital related debt proceeds)	(15,787,667)
Total Net Investment in Capital Assets	20,218,136

# CITY OF STOUGHTON

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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

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### *H. NET POSITION/FUND BALANCES* (cont.)

#### *Governmental Activities* (cont.)

Restricted	
Debt service	\$ 128,126
Library	195,410
Impact fees	286,251
TID activities	1,044,599
Grant	6,374
Pension	<u>823,862</u>
Total Restricted	<u>2,484,622</u>
Unrestricted	<u>5,792,559</u>
Total Governmental Activities Net Position	<u>\$ 28,495,317</u>

# CITY OF STOUGHTON

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

### 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, 2015, include the following:

	General Fund	Debt Service	Construction	Nonmajor Funds	Totals
<b>Fund Balances</b>					
<b>Nonspendable:</b>					
Delinquent items	\$ 45,671	\$ -	\$ -	\$ -	\$ 45,671
Prepaid items	98,701	-	-	58,350	157,051
CVMIC equity	257,805	-	-	-	257,805
Noncurrent interfunds	650,791	-	-	-	650,791
<b>Restricted for:</b>					
Debt service	-	169,228	-	-	169,228
Library	-	-	-	195,410	195,410
Impact fees	-	-	-	286,251	286,251
TID activities	-	-	-	5,399,415	5,399,415
CDBG	-	-	-	6,374	6,374
<b>Committed to:</b>					
Food pantry	-	-	-	100,713	100,713
Landmarks	-	-	-	1,437	1,437
Fire department special	-	-	-	35,846	35,846
K9 unit	-	-	-	12,325	12,325
Ambulance	-	-	-	23,199	23,199
Opera house repair	-	-	-	12,265	12,265
Township outreach	-	-	-	3,181	3,181
Tourism	-	-	-	37,740	37,740
Seniors in need	-	-	-	34,170	34,170
Holiday	-	-	-	10,322	10,322
Senior center wood shop	-	-	-	4,206	4,206
Senior center special	-	-	-	436,489	436,489
Economic development	-	-	-	11,069	11,069
Redevelopment	-	-	-	12,158	12,158
Special assessments	-	-	-	77,589	77,589
River trail	-	-	-	1,609	1,609
Tree commission	-	-	-	2,597	2,597
Cemetery	-	-	-	32,952	32,952

**CITY OF STOUGHTON**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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

**H. NET POSITION/FUND BALANCES (cont.)**

	General Fund	Debt Service	Construction	Nonmajor Funds	Totals
<b>Assigned to:</b>					
Utility payment in lieu of taxes	\$ 733,509	\$ -	\$ -	\$ -	\$ 733,509
Safety camp	19,791	-	-	-	19,791
Youth gift	14,744	-	-	-	14,744
Byrant grant	93,002	-	-	-	93,002
Pool sinking fund	10,333	-	-	-	10,333
Shop with a cop	2,457	-	-	-	2,457
Police federal grants	9,775	-	-	-	9,775
Budget appropriation	80,000	-	-	-	80,000
Liability insurance loss	70,000	-	-	-	70,000
Arts council	4,650	-	-	-	4,650
Capital projects	-	-	1,572,869	-	1,572,869
Capital outlay	-	-	-	237,088	237,088
Fire equipment	-	-	-	35,908	35,908
Equipment replacement	-	-	-	248,973	248,973
Building replacement	-	-	-	249,948	249,948
<b>Unassigned (deficit):</b>	<b>3,231,239</b>	<b>-</b>	<b>-</b>	<b>(803,331)</b>	<b>2,427,908</b>
<b>Total Fund Balances (Deficit)</b>	<b>\$ 5,322,468</b>	<b>\$ 169,228</b>	<b>\$ 1,572,869</b>	<b>\$ 6,764,253</b>	<b>\$ 13,828,818</b>

***Business-type Activities***

Net Investment in Capital Assets	
Land	\$ 660,914
Construction in progress	419,431
Other capital assets, net of depreciation	47,623,666
Less: Long-term debt outstanding	(14,349,570)
Plus: Unspent capital related debt proceeds	422,254
Less: Unamortized debt premium	(48,863)
Total Net Investment in Capital Assets	34,727,832
Restricted	
Equipment replacement	1,129,917
Debt service	1,741,016
Pension	278,143
Total Restricted	3,149,076
Unrestricted	
	10,607,302
Total Business-type Activities Net Position	\$ 48,484,210

**CITY OF STOUGHTON**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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

***I. RESTATEMENT OF NET POSITION***

Net position has been restated as a result of the implementation of GASB Statement No. 68 - *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27* and implementation of GASB Statement No. 71 - *Pension Transition for Contributions Made Subsequent to the Measurement Date*. These statements require the net pension asset and related deferred outflows and deferred inflows, if any, to be reported in the financial statements. The details of this restatement are as follows:

	<u>Governmental Activities</u>	<u>Business- type Activities</u>	<u>Water Utility</u>	<u>Wasterwater Utility</u>	<u>Electric Utility</u>	<u>Nonmajor Enterprise Funds</u>
Net Position - December 31, 2014 (as reported)	\$ 24,904,546	\$ 45,201,965	\$ 11,550,727	\$ 14,876,176	\$ 17,791,591	\$ 983,471
Add: Net pension asset	1,310,281	442,363	88,109	94,265	239,787	20,202
Add: Deferred outflows related to pensions	<u>332,662</u>	<u>112,319</u>	<u>22,370</u>	<u>23,933</u>	<u>60,880</u>	<u>5,136</u>
Net position - December 31, 2014 (as restated)	<u>\$ 26,547,489</u>	<u>\$ 45,756,647</u>	<u>\$ 11,661,206</u>	<u>\$ 14,994,374</u>	<u>\$ 18,092,258</u>	<u>\$ 1,008,809</u>

**NOTE V - OTHER INFORMATION**

***A. EMPLOYEES' RETIREMENT SYSTEM***

***Summary of Significant Accounting Policies***

***Pension.*** For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

***General Information About the Pension Plan***

***Plan description.*** The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 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.

# CITY OF STOUGHTON

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### NOTE V - OTHER INFORMATION (cont.)

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#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

**Vesting.** 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.

**Benefits provided.** Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and State executive participants) are entitled to receive an unreduced retirement benefit. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor.

Final average earnings is the average of the participant's three highest years' earnings. Creditable service is the creditable current and prior service expressed in years or decimal equivalents of partial years for which a participant receives earnings and makes contributions as required. The formula factor is a standard percentage based on employment category.

Employees may retire at age 55 (50 for protective occupation employees) and receive reduced benefits. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and forfeit all rights to any subsequent benefits.

The WRS also provides death and disability benefits for employees.



# CITY OF STOUGHTON

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### NOTE V - OTHER INFORMATION (cont.)

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#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

**Post-retirement adjustments.** The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the "floor") set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

Year	Core Fund Adjustment	Variable Fund Adjustment
2005	2.6%	7%
2006	0.8	3
2007	3.0	10
2008	6.6	0
2009	(2.1)	(42)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25

# CITY OF STOUGHTON

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### NOTE V - OTHER INFORMATION (cont.)

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#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

**Contributions.** Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is 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 rate 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.

During the reporting period, the WRS recognized \$465,913 in contributions from the city.

Contribution rates as of December 31, 2015 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General	6.8%	6.8%
Executives & Elected Officials	7.7%	7.7%
Protective with Social Security	6.8%	9.5%
Protective without Social Security	6.8%	13.1%

#### ***Pension Assets, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

At December 31, 2015, the city reported an asset of \$1,102,005 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013 rolled forward to December 31, 2014. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The city's proportion of the net pension asset was based on the city's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2014, the city's proportion was 0.04486493%, which was an increase of 0.00040977% from its proportion measured as of December 31, 2013.

For the year ended December 31, 2015, the city recognized pension expense of \$390,285.

**CITY OF STOUGHTON**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE V - OTHER INFORMATION** (cont.)

**A. EMPLOYEES' RETIREMENT SYSTEM** (cont.)

At December 31, 2015, the city reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 159,756	\$ -
Net differences between projected and actual earnings on pension plan investments	533,644	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	7,766
Employer contributions subsequent to the measurement date	465,913	-
Totals	\$ 1,159,313	\$ 7,766

\$465,913 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31:	Deferred Outflows of Resources	Deferred Inflows of Resources
2016	\$ 169,834	\$ 1,771
2017	169,834	1,771
2018	169,834	1,771
2019	169,834	1,771
2020	14,064	682

# CITY OF STOUGHTON

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### NOTE V - OTHER INFORMATION (cont.)

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#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

**Actuarial assumptions.** The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2013
Measurement Date of Net Pension Liability (Asset)	December 31, 2014
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.8%
Mortality:	Wisconsin 2012 Mortality Table
Post-retirement Adjustments*:	2.1%

*\* No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 2.1% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.*

Actuarial assumptions are based upon an experience study conducted in 2012 using experience from 2009 – 2011. The total pension liability for December 31, 2014 is based upon a roll-forward of the liability calculated from the December 31, 2013 actuarial valuation.

# CITY OF STOUGHTON

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

### NOTE V - OTHER INFORMATION (cont.)

#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

**Long-term expected return on plan assets.** The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Long-Term Real Rate of Return	Target Allocation
US Equities	5.3%	21%
International Equities	5.7	23
Fixed Income	1.7	36
Inflation Sensitive Assets	2.3	20
Real Estate	4.2	7
Private Equity/Debt	6.9	7
Multi-Asset	3.9	6
Cash	0.9	-20

**Single discount rate.** A single discount rate of 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long term bond rate of 3.56%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**CITY OF STOUGHTON**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE V - OTHER INFORMATION (cont.)**

**A. EMPLOYEES' RETIREMENT SYSTEM (cont.)**

**Sensitivity of the city's proportionate share of the net pension asset to changes in the discount rate.** The following presents the city's proportionate share of the net pension asset calculated using the discount rate of 7.20 percent, as well as what the city's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	1% Decrease to Discount Rate (6.20%)	Current Discount Rate (7.20%)	1% Increase to Discount Rate (8.20%)
City's proportionate share of the net pension (asset)/liability	\$3,108,947	\$(1,102,005)	\$(4,427,645)

**Pension plan fiduciary net position.** Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://legis.wisconsin.gov/lab/> and reference report number 15-11.

At December 31, 2015, the city reported a payable to the pension plan which represents contractually required contributions outstanding as of the end of the year.

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, 2015, the balance in the Firemen's Pension Fund is \$731,557 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.

**CITY OF STOUGHTON**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE V - OTHER INFORMATION (cont.)**

**B. RISK MANAGEMENT (cont.)**

**Self Insurance (cont.)**

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.

**Claims Liability**

	Prior Year	Current Year
Unpaid claims - Beginning of Year	\$ 75,818	\$ 89,289
Current year claims and changes in estimates	1,079,669	806,741
Claim payments	(1,066,198)	(896,030)
 Unpaid Claims - End of Year	 \$ 89,289	 \$ -

**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.

**CITY OF STOUGHTON**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE V - OTHER INFORMATION (cont.)**

**B. RISK MANAGEMENT (cont.)**

**Public Entity Risk Pool (cont.)**

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

The 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 shows that there is no liability or claims incurred but not reported at December 31, 2015. Changes in the fund's claims loss liability follow:

	Beginning Balance	Incurred Claims	Claims Paid/ Settled	Ending Balance
2015	\$ -	\$ -	\$ -	\$ -
2014	45,000	-	45,000	-

**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, 2015. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures.



# CITY OF STOUGHTON

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### NOTE V - OTHER INFORMATION (cont.)

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#### **C. COMMITMENTS AND CONTINGENCIES (cont.)**

##### ***Long-Term Contracts - WPPI Energy***

The electric utility is one of 51 WPPI Energy member municipalities located throughout the States of Wisconsin, Iowa, and Michigan. On December 1, 1989, each initial WPPI Energy member commenced purchasing electric service from WPPI Energy under a long-term Power Supply Contract for Participating Members (long-term contract). Under the long-term contract, WPPI Energy is obligated to provide and sell, and each member is obligated to take and pay for, the electric power and energy required for the operation of each member's electric utility.

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

In 2015, a majority of WPPI Energy members ratified an eighteen year extension to their existing contracts. Remaining members are expected to ratify the same extension in 2016. The new contract expires at midnight on December 31, 2055.

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 \$437 million as of December 31, 2015.

##### ***Developer Agreement***

The city has entered into a developer agreement where the city shall reimburse developer for off-site public improvements in the amount of \$4,427,044. The city has reimbursed \$379,558 as of December 31, 2015.

#### **D. SUBSEQUENT EVENTS**

The PSCW approved a water rate increase of 13%, effective June 1, 2016.

As of January 1, 2016, the city changed from a self-insured to a fully insured health plan.

On May 26, 2016 the city issued general obligation promissory notes in the amount of \$5,830,000 with an interest rate of 1-2%. This amount will be used to refund old general obligation debt and for capital projects.

# CITY OF STOUGHTON

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### NOTE V - OTHER INFORMATION (cont.)

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#### ***D. SUBSEQUENT EVENTS*** (cont.)

On May 26, 2016 the city issued electric system mortgage revenue bonds in the amount of \$4,005,000 with an interest rate of 2-3%. This amount will be used to refund old electric system mortgage revenue bonds and for electric system projects.

On May 26, 2016 the city issued waterworks system mortgage revenue bonds in the amount of \$2,520,000 with an interest rate of 1-2.75%. This amount will be used to refund old waterworks system mortgage revenue bonds and for waterworks system projects.

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

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

- > Statement No. 72, *Fair Value Measurement and Application*
- > Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*
- > Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*
- > Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*
- > Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Government*
- > Statement No. 77, *Tax Abatement Disclosures*
- > Statement No. 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*

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, 2015

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>			
<b>TAXES</b>			
Taxes	\$ 7,622,244	\$ 7,630,400	\$ 8,156
<b>INTERGOVERNMENTAL REVENUES</b>			
Intergovernmental	1,631,953	1,603,480	(28,473)
<b>LICENSES AND PERMITS</b>			
Business and occupational licenses	38,200	34,633	(3,567)
Dog and cat licenses	2,000	2,158	158
Building permits	88,000	139,349	51,349
Total Licenses and Permits	<u>128,200</u>	<u>176,140</u>	<u>47,940</u>
<b>FINES, FORFEITURES AND PENALTIES</b>			
Fines, forfeitures and penalties	110,000	148,205	38,205
<b>PUBLIC CHARGES FOR SERVICES</b>			
Public charges for services	1,349,637	1,371,253	21,616
<b>INTERGOVERNMENTAL CHARGES</b>			
Intergovernmental charges for services	58,000	50,847	(7,153)
<b>SPECIAL ASSESSMENTS</b>			
Special assessments	10,000	12,875	2,875
<b>INVESTMENT INCOME</b>			
Investment income	23,000	16,602	(6,398)
<b>MISCELLANEOUS</b>			
Miscellaneous	383,408	592,858	209,450
Total Revenues	<u>11,316,442</u>	<u>11,602,660</u>	<u>286,218</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 For the Year Ended December 31, 2015

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>EXPENDITURES</b>			
<b>GENERAL GOVERNMENT</b>			
Council/Board	\$ 47,005	\$ 45,499	\$ 1,506
Legislative and executive	102,758	103,235	(477)
Judicial	70,474	60,483	9,991
General administration	171,779	171,112	667
Financial administration	803,593	759,975	43,618
Legal	87,500	106,313	(18,813)
Personnel	111,899	111,506	393
City buildings	71,039	51,593	19,446
Assessor	44,800	42,123	2,677
Contingency	80,000	16,000	64,000
Other general government	-	33,537	(33,537)
Total General Government	<u>1,590,847</u>	<u>1,501,376</u>	<u>89,471</u>
<b>PUBLIC SAFETY</b>			
Police department	2,708,828	2,957,567	(248,739)
Fire department	510,471	479,399	31,072
Planning/Inspection	319,597	349,504	(29,907)
Total Public Safety	<u>3,538,896</u>	<u>3,786,470</u>	<u>(247,574)</u>
<b>PUBLIC WORKS</b>			
Highway and street maintenance and construction	107,196	95,204	11,992
Highway and street maintenance for local	1,041,146	1,065,763	(24,617)
Snow and ice control	80,000	57,934	22,066
Other sanitation	715,000	692,044	22,956
Buildings and grounds operations	104,826	66,089	38,737
Total Public Works	<u>2,048,168</u>	<u>1,977,034</u>	<u>71,134</u>
<b>CULTURE, RECREATION AND EDUCATION</b>			
Park maintenance	209,750	120,340	89,410
Senior Center	541,647	513,768	27,879
Culture	295,066	253,568	41,498
Recreation	308,993	333,986	(24,993)
Cemetery	36,000	34,689	1,311
Cable television	2,700	4,504	(1,804)
Total Culture, Recreation and Education	<u>1,394,156</u>	<u>1,260,855</u>	<u>133,301</u>
 Total Expenditures	 <u>8,572,067</u>	 <u>8,525,735</u>	 <u>46,332</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 For the Year Ended December 31, 2015

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Excess of revenues over expenditures	\$ 2,744,375	3,076,925	\$ 332,550
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	800,212	759,665	(40,547)
Transfers out	<u>(3,615,937)</u>	<u>(3,409,610)</u>	<u>206,327</u>
Total Other Financing Sources (Uses)	<u>(2,815,725)</u>	<u>(2,649,945)</u>	<u>165,780</u>
<b>Net Change in Fund Balance</b>	(71,350)	426,980	498,330
FUND BALANCE - Beginning of Year	<u>4,895,488</u>	<u>4,895,488</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 4,824,138</u>	<u>\$ 5,322,468</u>	<u>\$ 498,330</u>

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

**CITY OF STOUGHTON**

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION ASSET -  
WISCONSIN RETIREMENT SYSTEM  
For the Year Ended December 31, 2015

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<u>Fiscal Year Ending</u>	<u>Proportion of the Net Pension Asset</u>	<u>Proportionate Share of the Net Pension Asset</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net Pension Asset as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Asset</u>
12/31/15	0.04486493%	\$ 1,102,005	\$ 5,696,627	19.34%	102.74%

SCHEDULE OF EMPLOYER CONTRIBUTIONS - WISCONSIN RETIREMENT SYSTEM  
For the Year Ended December 31, 2015

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<u>Fiscal Year Ending</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/15	\$ 465,913	\$ 465,913	\$ -	\$ 6,177,914	7.54%

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

# CITY OF STOUGHTON

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended December 31, 2015

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### ***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.

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.

### ***WISCONSIN RETIREMENT SYSTEM***

The amounts determined for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

The city is required to present the last ten fiscal years of data; however accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

*Changes in benefit terms.* There were no changes of benefit terms for any participating employer in the Wisconsin Retirement System.

*Changes in Assumptions.* There were no changes in assumptions.



**SUPPLEMENTARY INFORMATION**

**CITY OF STOUGHTON**

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
As of December 31, 2015

	Special Revenue Funds			
	Library	Ambulance	Opera House	Opera House Repair
<b>ASSETS</b>				
Cash and investments	\$ 210,304	\$ 23,758	\$ 45,475	\$ 12,265
Receivables				
Taxes	-	-	-	-
Accounts	-	-	179	-
Special assessments	-	-	-	-
Prepaid items	163	-	58,350	-
<b>TOTAL ASSETS</b>	<b>\$ 210,467</b>	<b>\$ 23,758</b>	<b>\$ 104,004</b>	<b>\$ 12,265</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ 4,098	\$ 559	\$ 12,816	\$ -
Accrued liabilities	10,959	-	3,292	-
Deposits	-	-	-	-
Other liabilities	-	-	245,373	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
Total Liabilities	15,057	559	261,481	-
Deferred Inflows of Resources				
Unearned revenues	-	-	-	-
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances (Deficit)				
Nonspendable	-	-	58,350	-
Restricted	195,410	-	-	-
Committed	-	23,199	-	12,265
Assigned	-	-	-	-
Unassigned (deficit)	-	-	(215,827)	-
Total Fund Balances (deficit)	195,410	23,199	(157,477)	12,265
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 210,467</b>	<b>\$ 23,758</b>	<b>\$ 104,004</b>	<b>\$ 12,265</b>

Special Revenue Funds

Township Outreach Fund	Tourism	Seniors in Need	Holiday	Food Pantry	Landmarks	Fire Department Special
\$ 3,369	\$ 26,347	\$ 34,487	\$ 12,110	\$ 104,865	\$ 1,437	\$ 36,246
-	-	-	-	-	-	-
-	15,462	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 3,369</u>	<u>\$ 41,809</u>	<u>\$ 34,487</u>	<u>\$ 12,110</u>	<u>\$ 104,865</u>	<u>\$ 1,437</u>	<u>\$ 36,246</u>
\$ 79	\$ -	\$ 317	\$ 1,788	\$ 4,152	\$ -	\$ 400
109	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	4,069	-	-	-	-	-
-	-	-	-	-	-	-
<u>188</u>	<u>4,069</u>	<u>317</u>	<u>1,788</u>	<u>4,152</u>	<u>-</u>	<u>400</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
3,181	37,740	34,170	10,322	100,713	1,437	35,846
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>3,181</u>	<u>37,740</u>	<u>34,170</u>	<u>10,322</u>	<u>100,713</u>	<u>1,437</u>	<u>35,846</u>
<u>\$ 3,369</u>	<u>\$ 41,809</u>	<u>\$ 34,487</u>	<u>\$ 12,110</u>	<u>\$ 104,865</u>	<u>\$ 1,437</u>	<u>\$ 36,246</u>

**CITY OF STOUGHTON**

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
As of December 31, 2015

	Special Revenue Funds			
	Senior Center Wood Shop	Senior Center Special Fund	Economic Development Fund	Redevelop- ment Authority
<b>ASSETS</b>				
Cash and investments	\$ 4,213	\$ 436,874	\$ 49,508	\$ 54,224
Receivables				
Taxes	-	-	-	-
Accounts	-	-	-	-
Special assessments	-	-	-	-
Prepaid items	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 4,213</b>	<b>\$ 436,874</b>	<b>\$ 49,508</b>	<b>\$ 54,224</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ 7	\$ 385	\$ 5,439	\$ 266
Accrued liabilities	-	-	-	-
Deposits	-	-	33,000	-
Other liabilities	-	-	-	-
Due to other funds	-	-	-	41,800
Advances from other funds	-	-	-	-
Total Liabilities	7	385	38,439	42,066
Deferred Inflows of Resources				
Unearned revenues	-	-	-	-
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances (Deficit)				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	4,206	436,489	11,069	12,158
Assigned	-	-	-	-
Unassigned (deficit)	-	-	-	-
Total Fund Balances (deficit)	4,206	436,489	11,069	12,158
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 4,213</b>	<b>\$ 436,874</b>	<b>\$ 49,508</b>	<b>\$ 54,224</b>

Special Revenue Funds					Capital Projects Funds		
Special Assessments	CDBG	K9 Unit	Tree Commission	Cemetery	Fire Equipment	Park Acquisition	
\$ 90,358	\$ 6,374	\$ 12,351	\$ 2,597	\$ 32,952	\$ 35,908	\$ 286,251	
28,487	-	-	-	-	-	-	
-	-	-	-	-	-	-	
67,238	-	-	-	-	-	-	
-	-	-	-	-	-	-	
<u>\$ 186,083</u>	<u>\$ 6,374</u>	<u>\$ 12,351</u>	<u>\$ 2,597</u>	<u>\$ 32,952</u>	<u>\$ 35,908</u>	<u>\$ 286,251</u>	
\$ -	\$ -	\$ 26	\$ -	\$ -	\$ -	\$ -	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
-	-	26	-	-	-	-	
-	-	-	-	-	-	-	
12,769	-	-	-	-	-	-	
95,725	-	-	-	-	-	-	
<u>108,494</u>	-	-	-	-	-	-	
-	-	-	-	-	-	-	
-	6,374	-	-	-	-	286,251	
77,589	-	12,325	2,597	32,952	-	-	
-	-	-	-	-	35,908	-	
-	-	-	-	-	-	-	
<u>77,589</u>	<u>6,374</u>	<u>12,325</u>	<u>2,597</u>	<u>32,952</u>	<u>35,908</u>	<u>286,251</u>	
<u>\$ 186,083</u>	<u>\$ 6,374</u>	<u>\$ 12,351</u>	<u>\$ 2,597</u>	<u>\$ 32,952</u>	<u>\$ 35,908</u>	<u>\$ 286,251</u>	

**CITY OF STOUGHTON**

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
As of December 31, 2015

	Capital Projects Funds			
	River Trail	TIF District No. 3	TIF District No. 4	TIF District No. 5
<b>ASSETS</b>				
Cash and investments	\$ 1,609	\$ 195,621	\$ 1,209,780	\$ 22,654
Receivables				
Taxes	-	487,846	259,879	-
Accounts	-	-	-	-
Special assessments	-	-	-	-
Prepaid items	-	-	-	-
	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 1,609</b>	<b>\$ 683,467</b>	<b>\$ 1,469,659</b>	<b>\$ 22,654</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Deposits	-	-	-	-
Other liabilities	-	-	-	-
Due to other funds	-	-	360,802	-
Advances from other funds	-	-	-	598,427
Total Liabilities	-	-	360,802	598,427
Deferred Inflows of Resources				
Unearned revenues	-	487,846	259,879	-
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	487,846	259,879	-
Fund Balances (Deficit)				
Nonspendable	-	-	-	-
Restricted	-	195,621	848,978	-
Committed	1,609	-	-	-
Assigned	-	-	-	-
Unassigned (deficit)	-	-	-	(575,773)
Total Fund Balances (deficit)	1,609	195,621	848,978	(575,773)
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 1,609</b>	<b>\$ 683,467</b>	<b>\$ 1,469,659</b>	<b>\$ 22,654</b>

Capital Projects Funds

TIF District No. 6	TIF District No. 7	Outlay	Equipment Replacement	Building Maintenance	Total Nonmajor Governmental Funds
\$ -	\$ 4,328,980	\$ 263,590	\$ 248,973	\$ 249,948	\$ 8,043,428
-	-	-	-	-	776,212
-	57,852	5,000	-	-	78,493
-	-	-	-	-	67,238
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,513</u>
<u>\$ -</u>	<u>\$ 4,386,832</u>	<u>\$ 268,590</u>	<u>\$ 248,973</u>	<u>\$ 249,948</u>	<u>\$ 9,023,884</u>
\$ 1,167	\$ 2,016	\$ 31,502	\$ -	\$ -	\$ 65,017
-	-	-	-	-	14,360
-	30,000	-	-	-	63,000
-	-	-	-	-	245,373
10,564	-	-	-	-	417,235
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>598,427</u>
<u>11,731</u>	<u>32,016</u>	<u>31,502</u>	<u>-</u>	<u>-</u>	<u>1,403,412</u>
-	-	-	-	-	760,494
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>95,725</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>856,219</u>
-	-	-	-	-	58,350
-	4,354,816	-	-	-	5,887,450
-	-	-	-	-	849,867
-	-	237,088	248,973	249,948	771,917
<u>(11,731)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(803,331)</u>
<u>(11,731)</u>	<u>4,354,816</u>	<u>237,088</u>	<u>248,973</u>	<u>249,948</u>	<u>6,764,253</u>
<u>\$ -</u>	<u>\$ 4,386,832</u>	<u>\$ 268,590</u>	<u>\$ 248,973</u>	<u>\$ 249,948</u>	<u>\$ 9,023,884</u>

# CITY OF STOUGHTON

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS For the Year Ended December 31, 2015

	Special Revenue Funds				
	Library	Ambulance	Opera House	Opera House Repair	Township Outreach Fund
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	232,287	-	-	-	5,057
Public charges for services	26,354	-	552,382	-	-
Special assessments	-	-	-	-	-
Investment income	106	-	6	4	-
Miscellaneous	138,408	40,066	5,985	25,000	2,749
Total Revenues	397,155	40,066	558,373	25,004	7,806
<b>EXPENDITURES</b>					
Current					
General government	-	-	-	-	-
Public safety	-	9,066	-	-	-
Culture, recreation and education	834,774	-	747,170	22,337	7,111
Conservation and development	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt Service	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total Expenditures	834,774	9,066	747,170	22,337	7,111
Excess (deficiency) of revenues over expenditures	(437,619)	31,000	(188,797)	2,667	695
<b>OTHER FINANCING SOURCES (USES)</b>					
Debt issued	-	-	-	-	-
Premium on Debt	-	-	-	-	-
Property sales	-	-	-	-	-
Transfers in	537,338	-	131,104	-	-
Transfers out	(235,000)	(29,071)	-	-	-
Total Other Financing Sources (Uses)	302,338	(29,071)	131,104	-	-
<b>Net Change in Fund Balances</b>	(135,281)	1,929	(57,693)	2,667	695
FUND BALANCES (DEFICIT) - Beginning of Year	330,691	21,270	(99,784)	9,598	2,486
<b>FUND BALANCES (DEFICIT) - END OF YEAR</b>	\$ 195,410	\$ 23,199	\$ (157,477)	\$ 12,265	\$ 3,181



Special Revenue Funds

Tourism	Seniors in Need	Holiday	Food Pantry	Landmarks	Fire Department Special	Senior Center Wood Shop	Senior Center Special Fund
\$ 68,603	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	9	3	17	-	8	-	164
-	24,955	9,832	83,967	-	31,900	2,790	19,622
<u>68,603</u>	<u>24,964</u>	<u>9,835</u>	<u>83,984</u>	<u>-</u>	<u>31,908</u>	<u>2,790</u>	<u>19,786</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	18,021	-	-
47,826	19,981	13,879	66,995	260	-	3,009	11,235
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>47,826</u>	<u>19,981</u>	<u>13,879</u>	<u>66,995</u>	<u>260</u>	<u>18,021</u>	<u>3,009</u>	<u>11,235</u>
<u>20,777</u>	<u>4,983</u>	<u>(4,044)</u>	<u>16,989</u>	<u>(260)</u>	<u>13,887</u>	<u>(219)</u>	<u>8,551</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>(2,642)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(2,642)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
18,135	4,983	(4,044)	16,989	(260)	13,887	(219)	8,551
<u>19,605</u>	<u>29,187</u>	<u>14,366</u>	<u>83,724</u>	<u>1,697</u>	<u>21,959</u>	<u>4,425</u>	<u>427,938</u>
<u>\$ 37,740</u>	<u>\$ 34,170</u>	<u>\$ 10,322</u>	<u>\$ 100,713</u>	<u>\$ 1,437</u>	<u>\$ 35,846</u>	<u>\$ 4,206</u>	<u>\$ 436,489</u>

## CITY OF STOUGHTON

### COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS For the Year Ended December 31, 2015

	Special Revenue Funds				
	Economic Development Fund	Redevelop- ment Authority	Special Assessments	CDBG	K9 Unit
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	10,000	-	17,536	-
Public charges for services	-	-	-	-	-
Special assessments	-	-	27,790	-	-
Investment income	20	26	3,905	-	-
Miscellaneous	1,000	-	-	-	8,011
Total Revenues	1,020	10,026	31,695	17,536	8,011
<b>EXPENDITURES</b>					
Current					
General government	-	-	-	-	-
Public safety	-	-	-	-	2,724
Culture, recreation and education	-	-	-	17,536	-
Conservation and development	36,343	47,456	-	-	-
Capital Outlay	-	-	-	-	-
Debt Service	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total Expenditures	36,343	47,456	-	17,536	2,724
Excess (deficiency) of revenues over expenditures	(35,323)	(37,430)	31,695	-	5,287
<b>OTHER FINANCING SOURCES (USES)</b>					
Debt issued	-	-	-	-	-
Premium on Debt	-	-	-	-	-
Property sales	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	(72,325)	-	-
Total Other Financing Sources (Uses)	-	-	(72,325)	-	-
<b>Net Change in Fund Balances</b>	(35,323)	(37,430)	(40,630)	-	5,287
FUND BALANCES (DEFICIT) - Beginning of Year	46,392	49,588	118,219	6,374	7,038
<b>FUND BALANCES (DEFICIT) -   END OF YEAR</b>	\$ 11,069	\$ 12,158	\$ 77,589	\$ 6,374	\$ 12,325

Special Revenue Funds				Capital Projects Funds			
Tree Commission	Cemetery	Fire Equipment	Park Acquisition	River Trail	TIF District No. 3	TIF District No. 4	TIF District No. 5
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 459,888	\$ 178,650	\$ -
-	-	-	-	-	6,040	4,377	346
-	-	-	136,998	-	16,004	-	-
-	-	-	-	-	-	-	18,084
-	5	4	69	-	121	417	-
<u>3,484</u>	<u>-</u>	<u>29,770</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>3,484</u>	<u>5</u>	<u>29,774</u>	<u>137,067</u>	<u>-</u>	<u>482,053</u>	<u>183,444</u>	<u>18,430</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	98	-	-	-	-	-	-
2,401	-	-	-	-	-	-	-
-	-	5,831	-	160	3,624	985	42,516
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>2,401</u>	<u>98</u>	<u>5,831</u>	<u>-</u>	<u>160</u>	<u>3,624</u>	<u>985</u>	<u>42,516</u>
<u>1,083</u>	<u>(93)</u>	<u>23,943</u>	<u>137,067</u>	<u>(160)</u>	<u>478,429</u>	<u>182,459</u>	<u>(24,086)</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	(446,645)	(89,795)	-
-	-	-	-	-	(446,645)	(89,795)	-
1,083	(93)	23,943	137,067	(160)	31,784	92,664	(24,086)
<u>1,514</u>	<u>33,045</u>	<u>11,965</u>	<u>149,184</u>	<u>1,769</u>	<u>163,837</u>	<u>756,314</u>	<u>(551,687)</u>
<u>\$ 2,597</u>	<u>\$ 32,952</u>	<u>\$ 35,908</u>	<u>\$ 286,251</u>	<u>\$ 1,609</u>	<u>\$ 195,621</u>	<u>\$ 848,978</u>	<u>\$ (575,773)</u>

## CITY OF STOUGHTON

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2015

	Capital Projects Funds				
	TIF District No. 6	TIF District No. 7	Outlay	Equipment Replacement	Building Maintenance
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	62,672	-	-
Public charges for services	-	-	-	-	-
Special assessments	-	-	-	-	-
Investment income	-	745	-	185	25
Miscellaneous	-	-	-	-	150,713
Total Revenues	-	745	62,672	185	150,738
<b>EXPENDITURES</b>					
Current					
General government	-	-	-	-	205
Public safety	-	-	-	-	-
Culture, recreation and education	-	-	-	-	-
Conservation and development	11,731	3,363	-	-	-
Capital Outlay	-	380,760	716,672	-	-
Debt Service					
Interest and fiscal charges	-	45,926	-	-	-
Total Expenditures	11,731	430,049	716,672	-	205
Excess (deficiency) of revenues over expenditures	(11,731)	(429,304)	(654,000)	185	150,533
<b>OTHER FINANCING SOURCES (USES)</b>					
Debt issued	-	4,775,000	-	-	-
Premium on Debt	-	9,120	-	-	-
Property sales	-	-	-	45,005	-
Transfers in	-	-	725,390	350,000	-
Transfers out	-	-	-	(413,390)	(142,000)
Total Other Financing Sources (Uses)	-	4,784,120	725,390	(18,385)	(142,000)
<b>Net Change in Fund Balances</b>	(11,731)	4,354,816	71,390	(18,200)	8,533
FUND BALANCES (DEFICIT) - Beginning of Year	-	-	165,698	267,173	241,415
<b>FUND BALANCES (DEFICIT) - END OF YEAR</b>	\$ (11,731)	\$ 4,354,816	\$ 237,088	\$ 248,973	\$ 249,948

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Total  
Nonmajor  
Governmental  
Funds

\$ 707,141  
338,315  
731,738  
45,874  
5,839  
578,252  
2,407,159

205  
29,811

1,792,211

101,294  
1,150,548

45,926  
3,119,995

(712,836)

4,775,000  
9,120  
45,005  
1,743,832  
(1,430,868)

5,142,089

4,429,253

2,335,000

\$ 6,764,253

# CITY OF STOUGHTON

## COMBINING STATEMENT OF NET POSITION NONMAJOR ENTERPRISE FUNDS As of December 31, 2015

	Storm Sewer	EMS	Total Nonmajor Enterprise Funds
<b>ASSETS</b>			
Current Assets			
Cash and investments	\$ 529,537	\$ 202,979	\$ 732,516
Receivables	32,256	111,197	143,453
Due from other funds	39,301	-	39,301
Total Current Assets	601,094	314,176	915,270
Noncurrent Assets			
Capital Assets			
Land	9,986	-	9,986
Property and equipment	1,016,135	2,081,431	3,097,566
Less: Accumulated depreciation	(69,983)	(693,635)	(763,618)
Restricted Assets			
Net pension asset	-	12,702	12,702
Total Noncurrent Assets	956,138	1,400,498	2,356,636
Total Assets	1,557,232	1,714,674	3,271,906
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related amounts	-	14,522	14,522
Total Deferred Outflows of Resources	-	14,522	14,522
<b>LIABILITIES</b>			
Current Liabilities			
Accounts payable	7,734	9,417	17,151
Accrued liabilities	8,125	15,808	23,933
Due to other funds	-	213,825	213,825
Current portion of general obligation debt	118,409	115,000	233,409
Total Current Liabilities	134,268	354,050	488,318
Noncurrent Liabilities			
Long-Term Debt			
General obligation debt payable	940,027	510,000	1,450,027
Total Liabilities	1,074,295	864,050	1,938,345
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension related amounts	-	90	90
Total Deferred Inflows of Resources	-	90	90
<b>NET POSITION</b>			
Net investment in capital assets	258,102	824,527	1,082,629
Restricted for			
Pension	-	12,702	12,702
Unrestricted	224,835	27,827	252,662
<b>TOTAL NET POSITION</b>	\$ 482,937	\$ 865,056	\$ 1,347,993

## CITY OF STOUGHTON

### COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION NONMAJOR ENTERPRISE FUNDS For the Year Ended December 31, 2015

	<u>Storm Sewer</u>	<u>EMS</u>	<u>Total Nonmajor Enterprise Funds</u>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 476,645	\$ 536,807	\$ 1,013,452
Total Operating Revenues	<u>476,645</u>	<u>536,807</u>	<u>1,013,452</u>
<b>OPERATING EXPENSES</b>			
Operation and maintenance	340,728	484,615	825,343
Depreciation expense	33,871	120,399	154,270
Total Operating Expenses	<u>374,599</u>	<u>605,014</u>	<u>979,613</u>
Operating Income (Loss)	<u>102,046</u>	<u>(68,207)</u>	<u>33,839</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment income	156	83	239
Interest and fiscal charges	(23,308)	(25,069)	(48,377)
Interest subsidy	-	9,179	9,179
Intergovernmental grants	-	20,633	20,633
Miscellaneous	3,799	48,074	51,873
Total Nonoperating Revenues (Expenses)	<u>(19,353)</u>	<u>52,900</u>	<u>33,547</u>
Net Income (Loss) Before Transfers	<u>82,693</u>	<u>(15,307)</u>	<u>67,386</u>
<b>CONTRIBUTIONS AND TRANSFERS</b>			
Capital contributions	154,242	-	154,242
Transfers in	-	117,556	117,556
Total Contributions and Transfers	<u>154,242</u>	<u>117,556</u>	<u>271,798</u>
<b>Change in Net Position</b>	236,935	102,249	339,184
NET POSITION - Beginning of Year (as restated)	<u>246,002</u>	<u>762,807</u>	<u>1,008,809</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 482,937</u>	<u>\$ 865,056</u>	<u>\$ 1,347,993</u>

# CITY OF STOUGHTON

## COMBINING STATEMENT OF CASH FLOWS NONMAJOR ENTERPRISE FUNDS For the Year Ended December 31, 2015

	Storm Sewer	EMS	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Received from customers	\$ 481,014	\$ 613,709	\$ 1,094,723
Paid to suppliers for goods and services	(114,971)	(219,644)	(334,615)
Paid to employees for services	(219,022)	(275,029)	(494,051)
Net Cash Flows From Operating Activities	147,021	119,036	266,057
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment income	156	83	239
Net Cash Flows From Investing Activities	156	83	239
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers	-	117,556	117,556
Net Cash Flows From Noncapital Financing Activities	-	117,556	117,556
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Debt issued	310,000	-	310,000
Debt retired	(87,165)	(100,000)	(187,165)
Interest paid	(22,345)	(26,225)	(48,570)
Acquisition and construction of capital assets	(336,871)	(29,071)	(365,942)
Net Cash Flows From Capital and Related Financing Activities	(136,381)	(155,296)	(291,677)
<b>Net Change in Cash and Cash Equivalents</b>	10,796	81,379	92,175
CASH AND CASH EQUIVALENTS - Beginning of Year	518,741	121,600	640,341
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 529,537	\$ 202,979	\$ 732,516
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ 102,046	\$ (68,207)	\$ 33,839
Nonoperating revenue	3,799	77,886	81,685
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities			
Depreciation	33,871	120,399	154,270
Changes in assets and liabilities			
Customer accounts receivable	1,978	-	1,978
Other accounts receivable	-	(984)	(984)
Due from other funds	(1,408)	-	(1,408)
Accounts payable	6,735	(1,356)	5,379
Other current liabilities	-	(6,906)	(6,906)
Pension related deferrals and liabilities	-	(1,796)	(1,796)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	\$ 147,021	\$ 119,036	\$ 266,057
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION</b>			
Cash and investments	\$ 529,537	\$ 202,979	\$ 732,516
<b>CASH AND CASH EQUIVALENTS</b>	\$ 529,537	\$ 202,979	\$ 732,516
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Contributed capital assets	\$ 154,242	\$ -	