

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

**June 27, 2017**

Presented By:

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

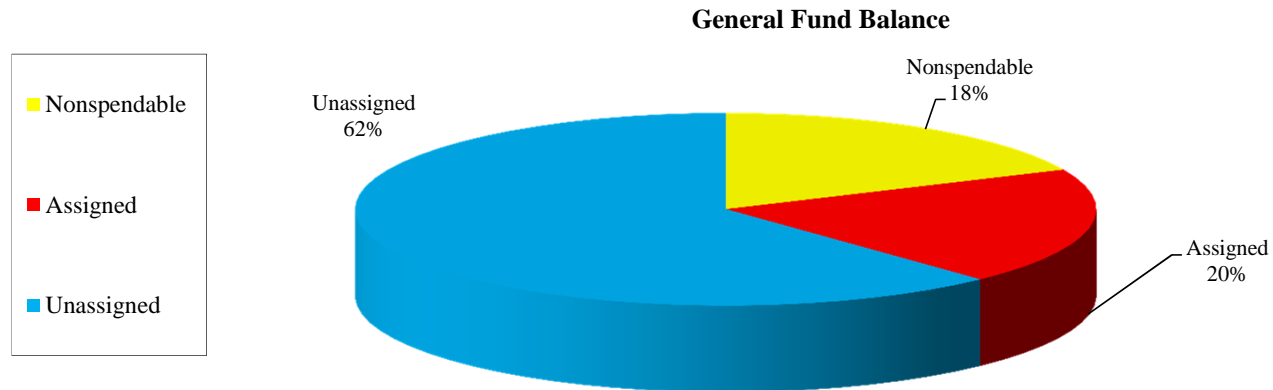
Carla A. Gogin, CPA, Partner  
Vasvi R. Joshi, Manager

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

## CITY OF STOUGHTON 2016 FINANCIAL STATEMENT HIGHLIGHTS

### DETAILS OF GENERAL FUND BALANCE

	<u>2016</u>
<u>Nonspendable</u> <i>includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.</i>	\$991,095
<u>Assigned</u> <i>includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed.</i>	1,069,756
<u>Unassigned</u> <i>includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories.</i>	<u>3,364,758</u>
<b>Total General Fund Balance</b>	<b><u>\$ 5,425,609</u></b>

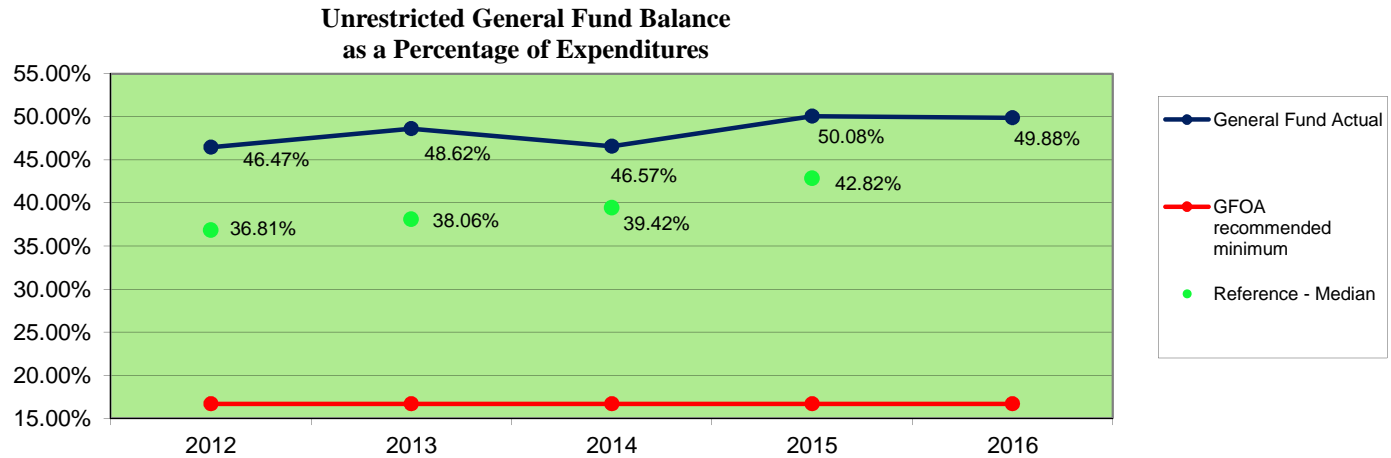


# CITY OF STOUGHTON

## 2016 FINANCIAL STATEMENT HIGHLIGHTS

### ANALYSIS OF GENERAL FUND BALANCE

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>Unrestricted Fund Balance</b>	3,638,916	3,875,337	3,947,569	4,269,500	4,434,514
Expenditures	7,831,299	7,969,898	8,477,043	8,525,735	8,890,260
% of expenditures	46.47%	48.62%	46.57%	50.08%	49.88%



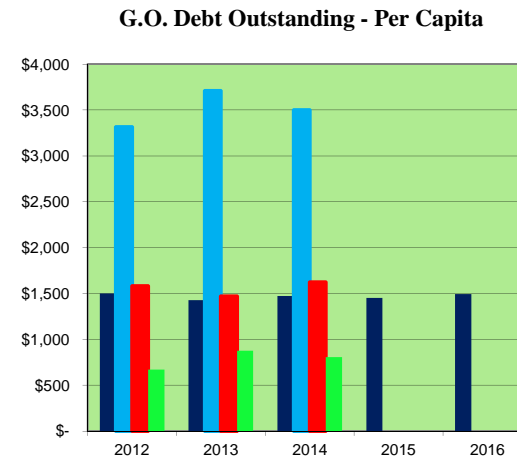
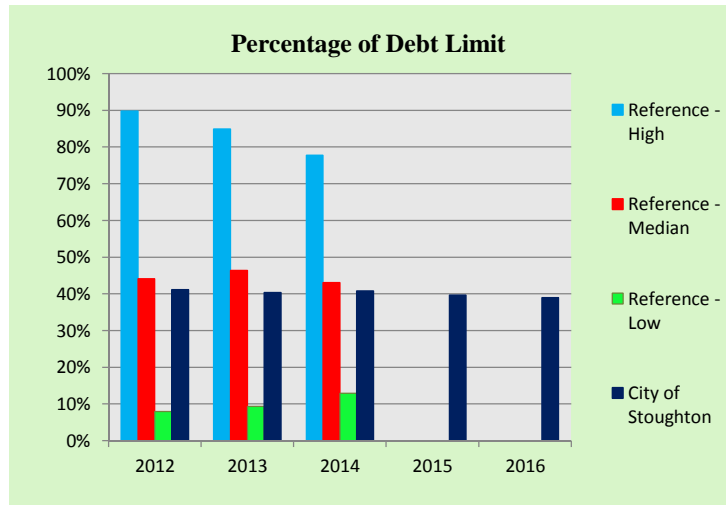
GFOA recommended range for % of expenditures: no less than 2 months of regular GF operating expenditures

Reference values for the population range: 10,000 to 17,500 generated from 2012-2015 Baker Tilly municipal client data for Wisconsin. The City's policy is to maintain unassigned general fund balance within a range of 20% to 25% of general fund annual budgeted expenditures. The unassigned general fund balance at year-end was \$3,364,758 or 26.6% of general fund budgeted expenditures.

## CITY OF STOUGHTON 2016 FINANCIAL STATEMENT HIGHLIGHTS

### GENERAL OBLIGATION DEBT OUSTANDING

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>Total General Obligation (G.O) Debt (net)</b>					
City	\$ 18,162,500	\$ 16,704,563	\$ 17,285,084	\$ 16,545,527	\$ 20,681,106
Utilities	900,000	1,436,547	1,560,601	2,553,436	2,240,027
Less: Funds available for debt	(150,754)	(100,064)	(216,537)	(169,228)	(3,427,418)
<b>TOTAL</b>	<u>\$ 18,911,746</u>	<u>\$ 18,041,046</u>	<u>\$ 18,629,148</u>	<u>\$ 18,929,735</u>	<u>\$ 19,493,715</u>
<b>Population</b>	12,611	12,646	12,646	13,039	13,067
<b>G.O. Debt Capacity</b>	\$ 45,913,530	\$ 44,706,275	\$ 45,654,025	\$ 47,713,100	\$ 50,039,825
G.O. debt per capita	\$ 1,500	\$ 1,427	\$ 1,473	\$ 1,452	\$ 1,492
% of debt limit	41%	40%	41%	40%	39%



2012-2014 Reference values for the population range: 10,000 to 17,500 taken from *MunicipalFacts16* publication by the Wisconsin Taxpayers Alliance, 2016.

**CITY OF STOUGHTON**  
**2016 FINANCIAL STATEMENT HIGHLIGHTS**

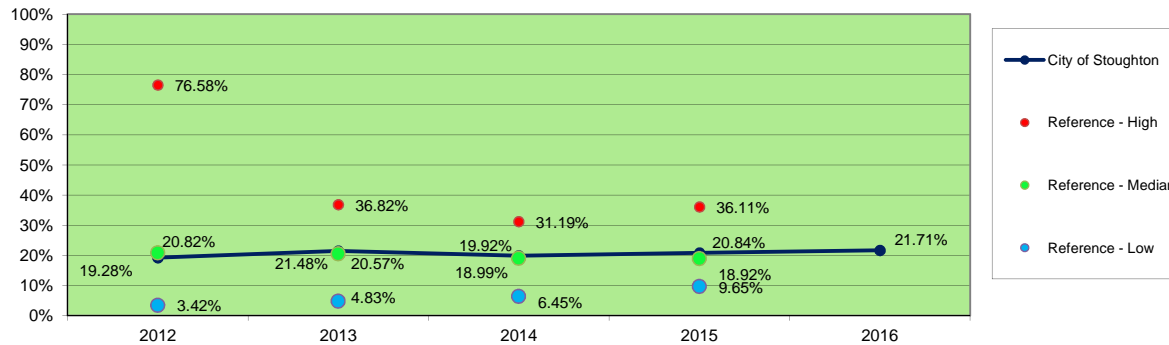
**ANALYSIS OF DEBT SERVICE - GOVERNMENTAL FUNDS**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b><u>Total Debt Service</u></b>					
Principal*	\$ 1,985,000	\$ 2,196,937	\$ 2,174,479	\$ 2,284,557	\$ 2,544,421
Interest	544,763	493,184	449,980	486,630	554,501
<b>TOTAL</b>	<b>\$ 2,529,763</b>	<b>\$ 2,690,121</b>	<b>\$ 2,624,459</b>	<b>\$ 2,771,187</b>	<b>\$ 3,098,922</b>
<b><u>Total Non-Capital Expenditures</u></b>					
Total governmental funds expenditures*	\$ 15,675,733	\$ 15,207,325	\$ 16,828,266	\$ 16,853,121	\$ 22,034,495
Less: capital outlay	(2,552,034)	(2,685,674)	(3,654,793)	(3,555,740)	(7,760,873)
<b>TOTAL NON-CAPITAL EXPENDITURES</b>	<b>\$ 13,123,699</b>	<b>\$ 12,521,651</b>	<b>\$ 13,173,473</b>	<b>\$ 13,297,381</b>	<b>\$ 14,273,622</b>

\* excludes refunded principal

% of debt service to non-capital expenditures	19.28%	21.48%	19.92%	20.84%	21.71%
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**Debt Service to Non-Capital Expenditures**



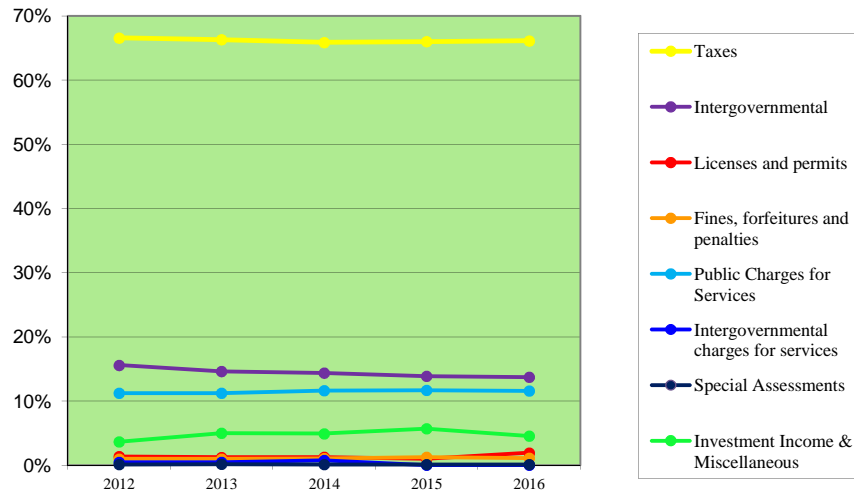
Bond rating agencies recommended %                      20.00%

## CITY OF STOUGHTON 2016 FINANCIAL STATEMENT HIGHLIGHTS

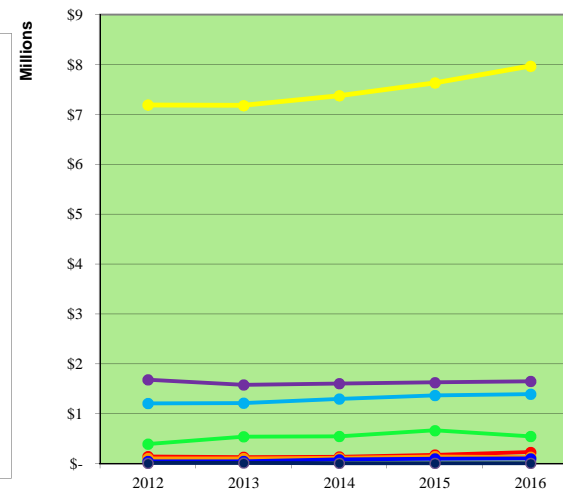
### GENERAL & DEBT SERVICE FUND REVENUES

	<u>2012</u>	<u>%</u>	<u>2013</u>	<u>%</u>	<u>2014</u>	<u>%</u>	<u>2015</u>	<u>%</u>	<u>2016</u>	<u>%</u>
<b>Total Revenues</b>										
Taxes	\$ 7,190,100	67%	\$ 7,179,236	66%	\$ 7,374,779	66%	\$ 7,630,400	66%	\$ 7,968,616	66%
Intergovernmental	1,684,260	16%	1,583,146	15%	1,606,752	14%	1,629,581	14%	1,651,832	14%
Licenses and permits	145,374	1%	134,056	1%	141,759	1%	176,140	1%	233,079	2%
Fines, forfeitures and penalties	107,159	1%	107,798	1%	118,039	1%	148,205	1%	135,588	1%
Public charges for services	1,212,026	11%	1,215,710	11%	1,302,212	12%	1,371,253	12%	1,393,649	12%
Intergovernmental charges for services	48,783	0%	48,783	0%	86,031	1%	99,630	0%	104,319	0%
Special assessments	14,549	0%	17,148	0%	11,711	0%	12,875	0%	12,855	0%
Investment income & miscellaneous	396,349	4%	542,027	5%	551,150	5%	669,147	6%	549,511	5%
<b>TOTAL</b>	<b>\$ 10,798,600</b>	<b>100%</b>	<b>\$ 10,827,904</b>	<b>100%</b>	<b>\$ 11,192,433</b>	<b>100%</b>	<b>\$ 11,737,231</b>	<b>100%</b>	<b>\$ 12,049,449</b>	<b>100%</b>

**% of Total Revenue**



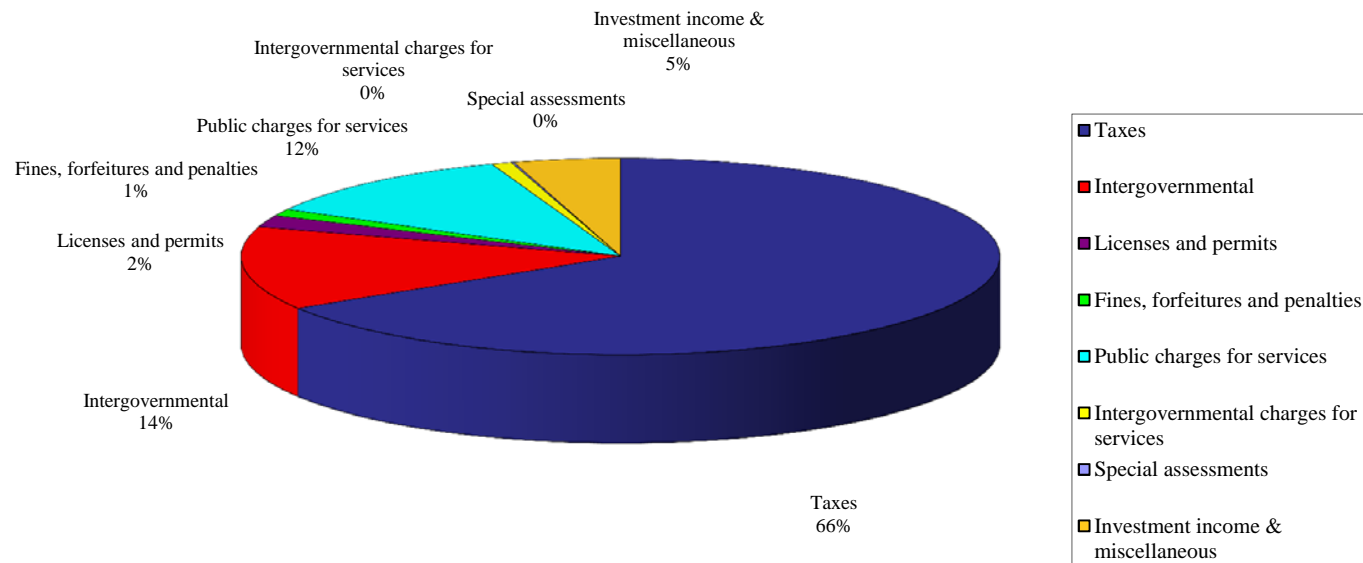
**Total Revenue**



**CITY OF STOUGHTON**  
**2016 FINANCIAL STATEMENT HIGHLIGHTS**

**2016 GENERAL & DEBT SERVICE FUND REVENUES**

**Total Revenues: \$12,049,449**



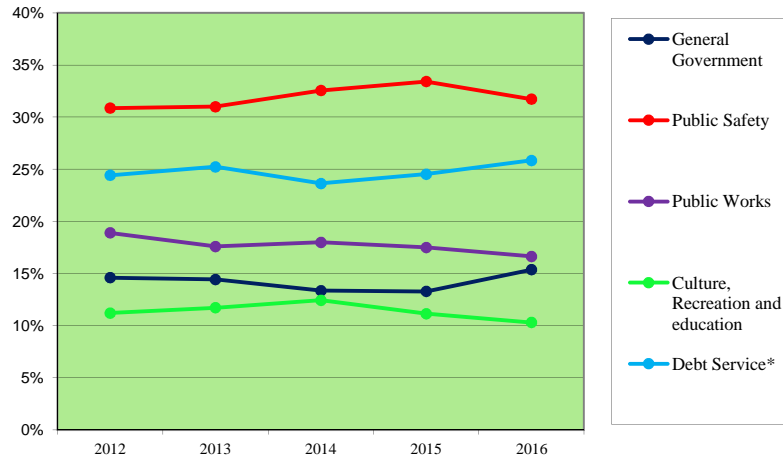
## CITY OF STOUGHTON 2016 FINANCIAL STATEMENT HIGHLIGHTS

### GENERAL & DEBT SERVICE FUND EXPENDITURES

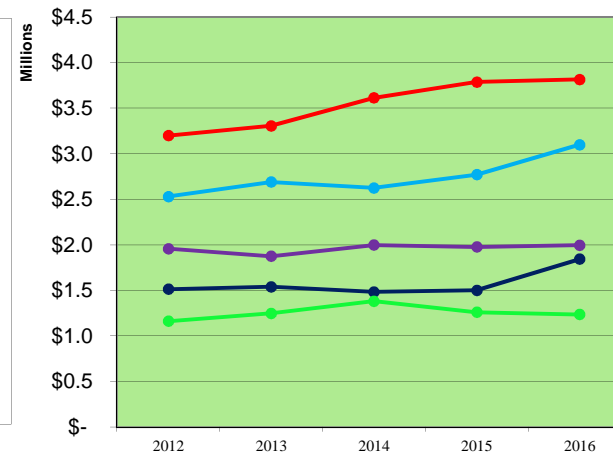
	<u>2012</u>	<u>%</u>	<u>2013</u>	<u>%</u>	<u>2014</u>	<u>%</u>	<u>2015</u>	<u>%</u>	<u>2016</u>	<u>%</u>
<b>Total Expenditures</b>										
General Government	\$ 1,513,012	15%	\$ 1,539,173	14%	\$ 1,483,909	13%	\$ 1,501,376	13%	\$ 1,843,239	15%
Public Safety	3,198,001	31%	3,305,741	31%	3,613,383	33%	3,786,470	33%	3,814,855	32%
Public Works	1,957,773	19%	1,875,905	18%	1,997,518	18%	1,977,034	18%	1,995,483	17%
Culture, recreation and education	1,162,513	11%	1,249,079	12%	1,382,233	12%	1,260,855	11%	1,236,683	10%
Debt Service*	2,529,763	24%	2,690,121	25%	2,624,459	24%	2,771,187	25%	3,098,922	26%
<b>TOTAL</b>	<b>\$ 10,361,062</b>	<b>100%</b>	<b>\$ 10,660,019</b>	<b>100%</b>	<b>\$ 11,101,502</b>	<b>100%</b>	<b>\$ 11,296,922</b>	<b>100%</b>	<b>\$ 11,989,182</b>	<b>100%</b>

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

**% of Total Expenditures**



**Total Expenditures**



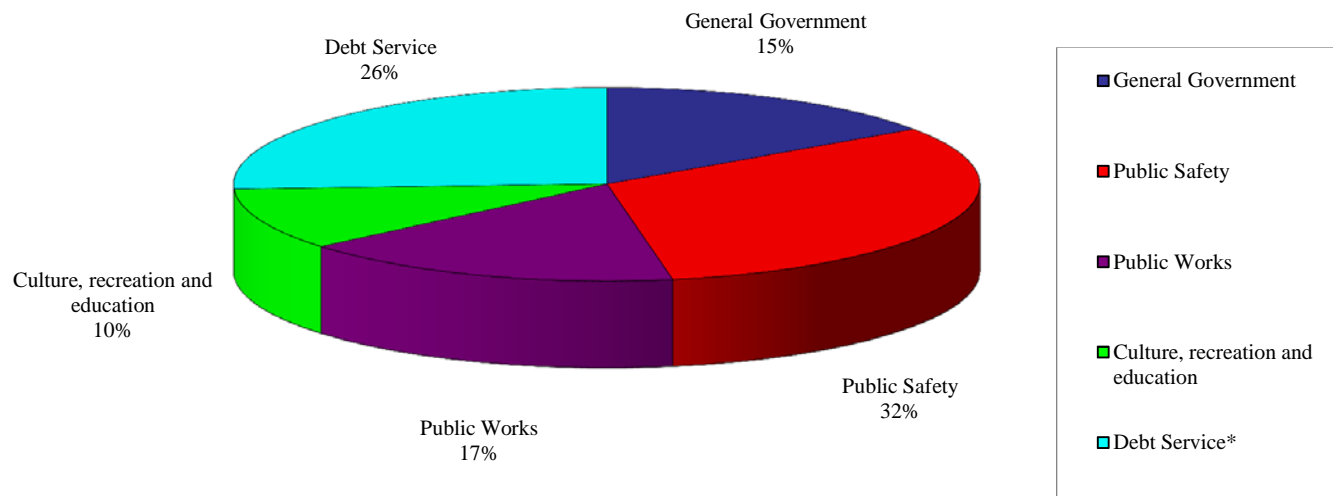


**CITY OF STOUGHTON**  
**2016 FINANCIAL STATEMENT HIGHLIGHTS**

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**2016 GENERAL & DEBT SERVICE FUND EXPENDITURES**

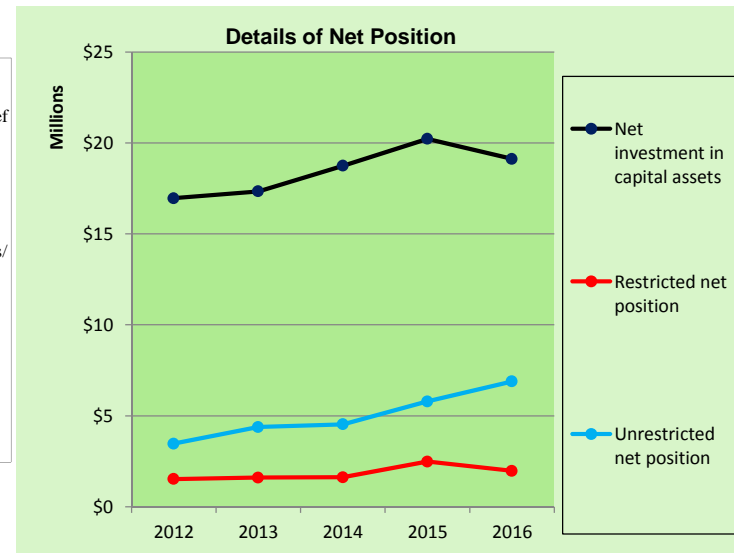
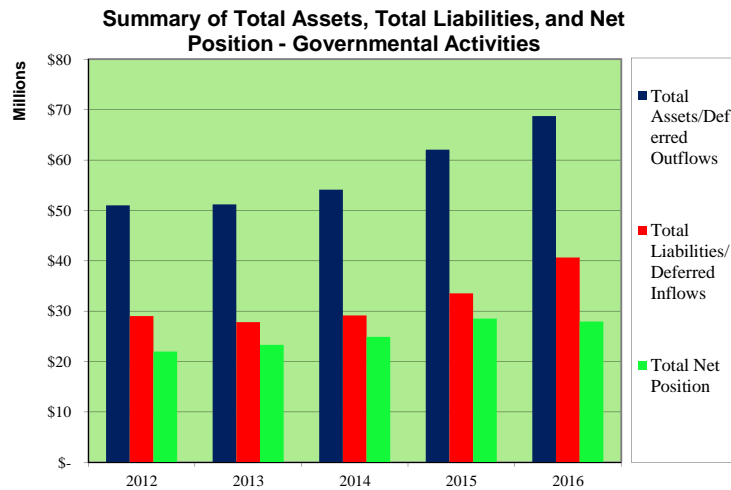
**Total Expenditures: \$11,989,182**



## CITY OF STOUGHTON 2016 FINANCIAL STATEMENT HIGHLIGHTS

### ANALYSIS OF NET POSITION - GOVERNMENTAL ACTIVITIES

	<u>2012</u>	<u>%</u>	<u>2013</u>	<u>%</u>	<u>2014</u>	<u>%</u>	<u>2015</u>	<u>%</u>	<u>2016</u>	<u>%</u>
<b>Total Assets/Deferred Outflows</b>	\$ 51,019,843		\$ 51,176,991		\$ 54,087,531		\$ 62,052,502		\$ 68,723,740	
<b>Total Liabilities/Deferred Inflows</b>	29,056,966		27,843,075		29,182,985		33,557,185		40,676,462	
Net investment in capital assets	16,961,378	77%	17,339,852	74%	18,744,830	75%	20,218,136	71%	19,120,712	68%
Restricted net position	1,527,101	7%	1,605,607	7%	1,626,071	7%	2,484,622	9%	1,969,261	7%
Unrestricted net position	3,474,398	16%	4,388,457	19%	4,533,645	18%	5,792,559	20%	6,887,305	25%
<b>Total Net Position</b>	<u>\$ 21,962,877</u>	100%	<u>\$ 23,333,916</u>	100%	<u>\$ 24,904,546</u>	100%	<u>\$ 28,495,317</u>	100%	<u>\$ 27,977,278</u>	100%
<b>Net Position as a % of Total Assets</b>		43%		46%		46%		46%		41%



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

**CITY OF STOUGHTON**  
**2016 FINANCIAL STATEMENT HIGHLIGHTS**

**HISTORICAL SUMMARY OF TAX INCREMENTAL FINANCING DISTRICTS**  
**FROM DATE OF CREATION THROUGH DECEMBER 31, 2016**

		<u>TIF District No. 3</u>		<u>TIF District No. 4</u>		<u>TIF District No. 5</u>		<u>TIF District No. 6</u>		<u>TIF District No. 7</u>	
<b><u>Sources of funds</u></b>											
TIF increment	\$	4,245,750	33%	\$ 2,104,137	30%	\$ 30,147	2%	\$ -		\$ -	0%
Intergovernmental		19,681	0%	137,529	2%	243,231	16%	-		-	0%
Developer guarantees		32,495	0%	-	0%	90,353	6%	-		-	0%
Public charges for services		12,942	0%	-	0%	-	0%	-		-	0%
Contribution from other district		742,340	6%	1,405,024	20%	-	0%	-		-	0%
Transfers from other funds		181,304	1%	-	0%	100,000	7%	-		-	0%
Investment income		55,162	0%	111,177	2%	52	0%	-		20,065	0%
Land sales		1,383,920	11%	-	0%	116,616	8%	-		-	0%
Miscellaneous revenues		148,244	1%	48,691	1%	1,000	0%	-		-	0%
Long-term debt issued		6,257,496	48%	3,160,750	45%	850,000	59%	-		4,775,000	100%
<b>TOTAL</b>	<b>\$</b>	<b>13,079,334</b>	<b>100%</b>	<b>\$ 6,967,308</b>	<b>100%</b>	<b>\$ 1,431,399</b>	<b>100%</b>	<b>\$ -</b>		<b>\$ 4,795,065</b>	<b>100%</b>
<b><u>Uses of Funds</u></b>											
Capital expenditures	\$	5,571,359	44%	2,309,568	39%	1,707,517	93%	-	0%	\$ 3,689,079	99%
Revolving loan fund		-	0%	51,500	1%	-	0%	-	0%	-	0%
Professional services		137,976	1%	75,919	1%	46,833	3%	18,600	100%	4,213	0%
Contribution to other district		1,106,252	9%	-	0%	-	0%	-	0%	-	0%
Debt issuance costs		20,162	0%	26,075	0%	-	0%	-	0%	45,926	1%
Interest on long-term debt		1,332,021	10%	778,315	13%	96,965	5%	-	0%	-	0%
Principal on long-term debt		4,601,363	36%	2,770,750	46%	-	0%	-	0%	-	0%
<b>TOTAL</b>	<b>\$</b>	<b>12,769,133</b>	<b>100%</b>	<b>\$ 6,012,127</b>	<b>100%</b>	<b>\$ 1,851,315</b>	<b>100%</b>	<b>\$ 18,600</b>	<b>100%</b>	<b>\$ 3,739,218</b>	<b>100%</b>
<b>TIF Fund Balance (Deficit) - December 31, 2016</b>	<b>\$</b>	<b>310,201</b>		<b>\$ 955,181</b>		<b>\$ (419,916)</b>		<b>\$ (18,600)</b>		<b>\$ 1,055,847</b>	
<b><u>Calculation of Net Cost Recoverable through TIF Increments</u></b>											
Long term debt outstanding		1,656,133		390,000		850,000		-		4,775,000	
Less/Add: TIF Fund Balance (Deficit) - December 31, 2016		(310,201)		(955,181)		419,916		18,600		(1,055,847)	
<b>Net cost recoverable (recovered) through TIF increments - December 31, 2016</b>	<b>\$</b>	<b>1,345,932</b>		<b>\$ (565,181)</b>		<b>\$ 1,269,916</b>		<b>\$ 18,600</b>		<b>\$ 3,719,153</b>	
<b>Creation date:</b>		January 1, 1993		January 1, 1999		January 1, 2010		January 1, 2015		January 1, 2015	
<b>Last date to incur project costs:</b>		November 24, 2014		March 23, 2021		March 12, 2032		September 29, 2030		November 11, 2029	
<b>Last year to collect increment:</b>		2020		2026		2037		2036		2035	