CITY OF PRESCOTT

FINANCIAL STATEMENT OVERVIEW

For the Year Ended December 31, 2014

Presented By:
Johnson Block & Co., Inc.
Certified Public Accountants
406 Science Drive, Suite 100
Madison, Wisconsin
(608) 274-2002
Fax: (608) 274-4320

2014 AUDIT OVERVIEW

Content of Audit Report

- Independent Auditor's Report – our report is unmodified

- Government-Wide Financial Statements
  - Report Governmental and Business-Type Activities
  - Full-accrual basis of accounting.
  - Governmental Fund Financial Statement identified below are converted

- Fund Financial Statements
  - Contains financial statements on individual funds
  - Difference in fund types
    - Governmental Funds – Measure resources available for current use. Funds include Major Funds: General Fund, Debt Service Fund, TIF #5, Capital Improvements Fund and Non-Major Funds.
    - Business-Type Funds – Accounted for similar to businesses. Includes Water, Sewer and Storm Water funds.
    - Major differences in accounting
      - Debt (Proceed and Expenditure in governmental funds)
      - Capital Assets (Long-term Asset vs. Expenditure) Depreciation on utilities.

- Notes to the Financial statements
  - Contains Summary of Significant Accounting Policies
  - Footnotes related to Significant Financial Statement Accounts (Cash, Plant, Debt)

- Required Supplementary Information (RSI) and Supplementary Information (SI)
  - Budget and Actual Comparison Schedules (General Fund)
  - Combining Non-Major Fund Statements

Required Audit Communications to the City Council

- Audit Matters Requiring Communication to the Governing Body
  - Standard communication that includes the list of audit adjustments proposed

- Significant Deficiencies
  - Internal Control – Preparation of Financial Statements
    - Standard communication for small municipalities
  - Utility Billing Error
    - The error resulted in approximately $25,000 in unbilled base/unit charges.

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CITY OF PRESCOTT
2014 Financial Statement Highlights

General Fund	2014	2013
Assets		
Cash	$ 2,223,355	$ 1,669,072
Taxes Receivable	1,302,246	1,288,357
Interfund Receivables and Advances (page 34 - 35)	1,610,938	1,971,593
Other Assets	270,824	264,502
Total Assets	$ 5,407,363	$ 5,193,524
Liabilities, Deferred Inflows and Fund Balance		
Current Liabilities	$ 114,548	$ 121,556
Deferred Inflows (page 28)	2,610,320	2,458,200
Total Liabilities and Deferred Inflows	2,724,868	2,579,756
Total Fund Balance	2,682,495	2,613,768
Total Liabilities, Deferred Inflows and Fund Balance	$ 5,407,363	$ 5,193,524
Detail of General Fund Balance		
Nonspendable (page 41)	$ 517,958	$ 1,009,880
Assigned (page 42)	81,196	71,261
Unassigned	2,083,341	1,532,627
	$ 2,682,495	$ 2,613,768
Fund Balance as a Percent of Next Year's Budget		
Unassigned	85%	64%
Total Fund Balance	110%	110%

Summarized Income Statement - General Fund - Budget to Actual Comparison

	2014 Budget	2014 Actual
Revenues	$ 2,348,642	$ 2,336,375
Expenditures	2,383,642	2,303,539
Other financing sources (uses)	35,000	35,891
Net change in fund balance	$ -	$ 68,727

CITY OF PRESCOTT
2014 Financial Statement Highlights

Fund Balances (Deficits)

Special Revenue Funds	2014	2013
Public Water Impact Fees	$ -	$ 10,164
Public Streets Impact Fees	-	1,450
Public Parks Impact Fees	7,000	4,200
Cable TV Fund	63,123	64,390
Library Fund	34,094	28,583
Freedom Park Fund	14,875	9,363
Total Special Revenue Fund Balances	$ 119,092	$ 118,150

Capital Project Funds	2014	2013
TIF #3 Capital Projects Fund	$ 206,926	$ 283,838
TIF #4 Capital Projects Fund	(117,082)	(138,781)
TIF #5 Capital Projects Fund	(289,945)	(522,197)
Capital Improvements Fund	1,003,079	948,873
Total Capital Project Fund Balances	$ 802,978	$ 571,733

Debt Service Fund	2014	2013
Debt Service Fund	$ 248,651	$ 248,226
Total Debt Service Fund Balance	$ 248,651	$ 248,226

Breakdown of General Fund Balance

	2014
Nonspendable Fund Balance	
Delinquent Personal Property Taxes	$ 1,873
Advances to Other Funds	478,780
Advance to Component Unit	37,305
Total	$ 517,958
Assigned Fund Balance	
Vacation and Sick Leave	$ 81,196
Total	$ 81,196
Unassigned Fund Balance	$ 2,083,341
Total General Fund Balance	$ 2,682,495

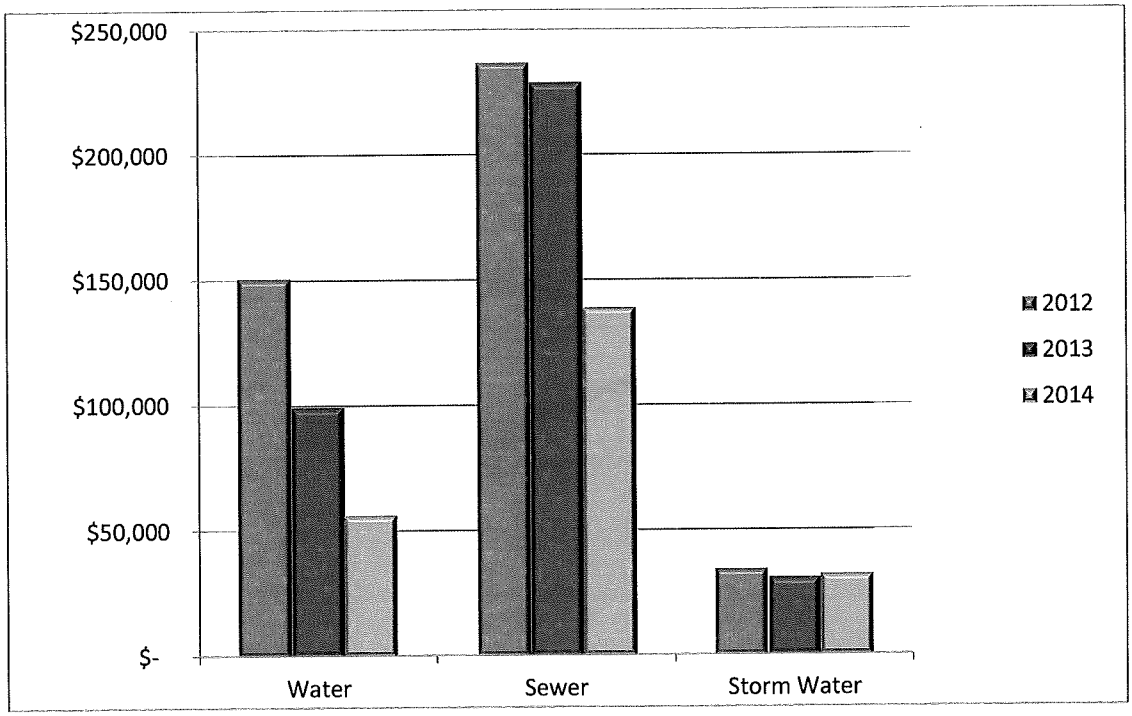
CITY OF PRESCOTT
2014 Financial Statement Highlights

	2014	2013
Utility Operations		
Page 9		
Water		
Operating Revenues	$ 470,137	$ 468,379
Operating Expenses	413,925	368,734
Tax Equivalent (Net of Amount Forgiven)	35,890	34,154
Water Operating Income (Loss) - With Tax Equivalent	$ 20,322	$ 65,491
Sewer		
Operating Revenues	$ 778,569	$ 798,851
Operating Expenses	639,831	569,831
Sewer Operating Income (Loss)	$ 138,738	$ 229,020
Storm Water		
Operating Revenues	$ 88,170	$ 81,220
Operating Expenses	55,909	50,127
Storm Water Operating Income (Loss)	$ 32,261	$ 31,093

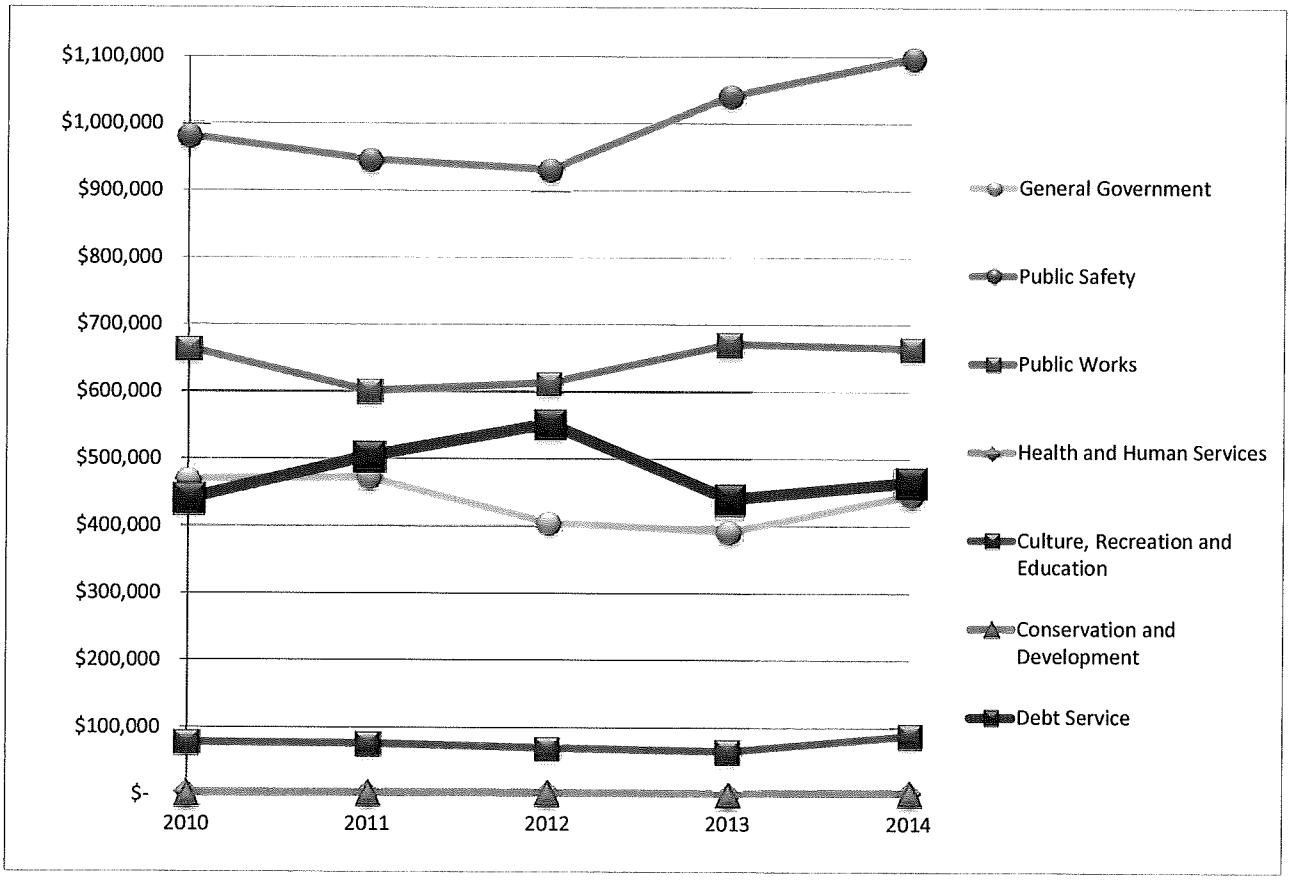
	2014	2013
Utility Cash Flow		
Page 10 - 11		
Water		
Net cash flows from Operating Activities	$ 231,870	$ 288,832
Net cash flows from Capital and Related Financing	(240,688)	(321,777)
Net cash flows from Investing Activities	8,886	(393,247)
Total Net Cash Flows	$ 68	$ (426,192)
Sewer		
Net cash flows from Operating Activities	$ 315,930	$ 496,698
Net cash flows from Capital and Related Financing	(372,855)	(386,913)
Net cash flows from Investing Activities	14,052	(292,371)
Total Net Cash Flows	$ (42,873)	$ (182,586)
Storm Water		
Net cash flows from Operating Activities	$ 39,857	$ 48,529
Net cash flows from Capital and Related Financing	(20,315)	(111,296)
Net cash flows from Investing Activities	281	312
Total Net Cash Flows	$ 19,823	$ (62,455)

CITY OF PRESCOTT
2014 Financial Statement Highlights

Utility Operating Income (Loss)



CITY OF PRESCOTT
General Fund and Debt Service Expenditures
2010-2014

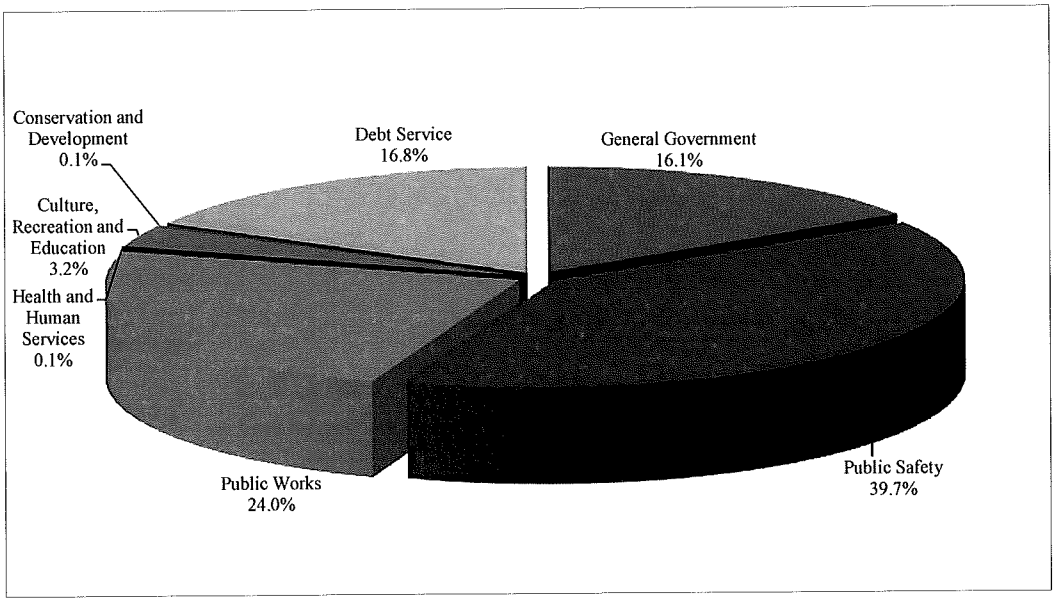


	2010	2011	2012	2013	2014
General Government	$ 470,455	$ 471,693	$ 405,188	$ 391,554	$ 446,005
Public Safety	981,905	946,481	931,505	1,042,106	1,098,200
Public Works	664,826	600,706	613,290	671,283	664,999
Health and Human Services	3,848	3,680	3,440	2,177	3,402
Culture, Recreation and Education	77,735	76,122	69,927	64,827	88,403
Conservation and Development	771	2,542	2,771	1,030	2,530
Debt Service	440,400	503,999	552,772	440,604	465,575
Totals	$ 2,639,940	$ 2,605,223	$ 2,578,893	$ 2,613,581	$ 2,769,114

CITY OF PRESCOTT

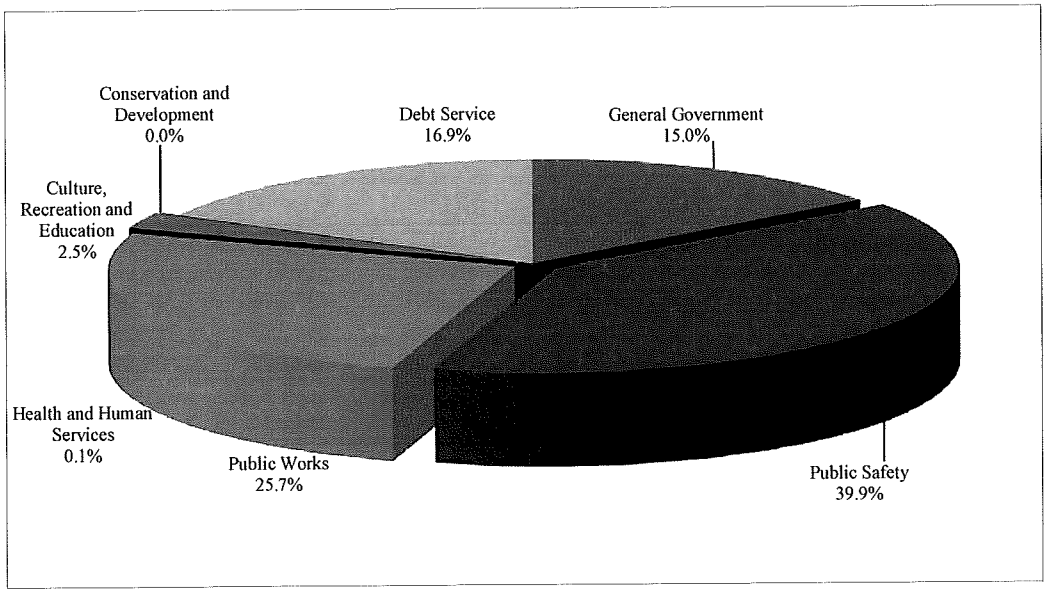
2014 General Fund and Debt Service Expenditures

Total Expenditures: $2,769,114



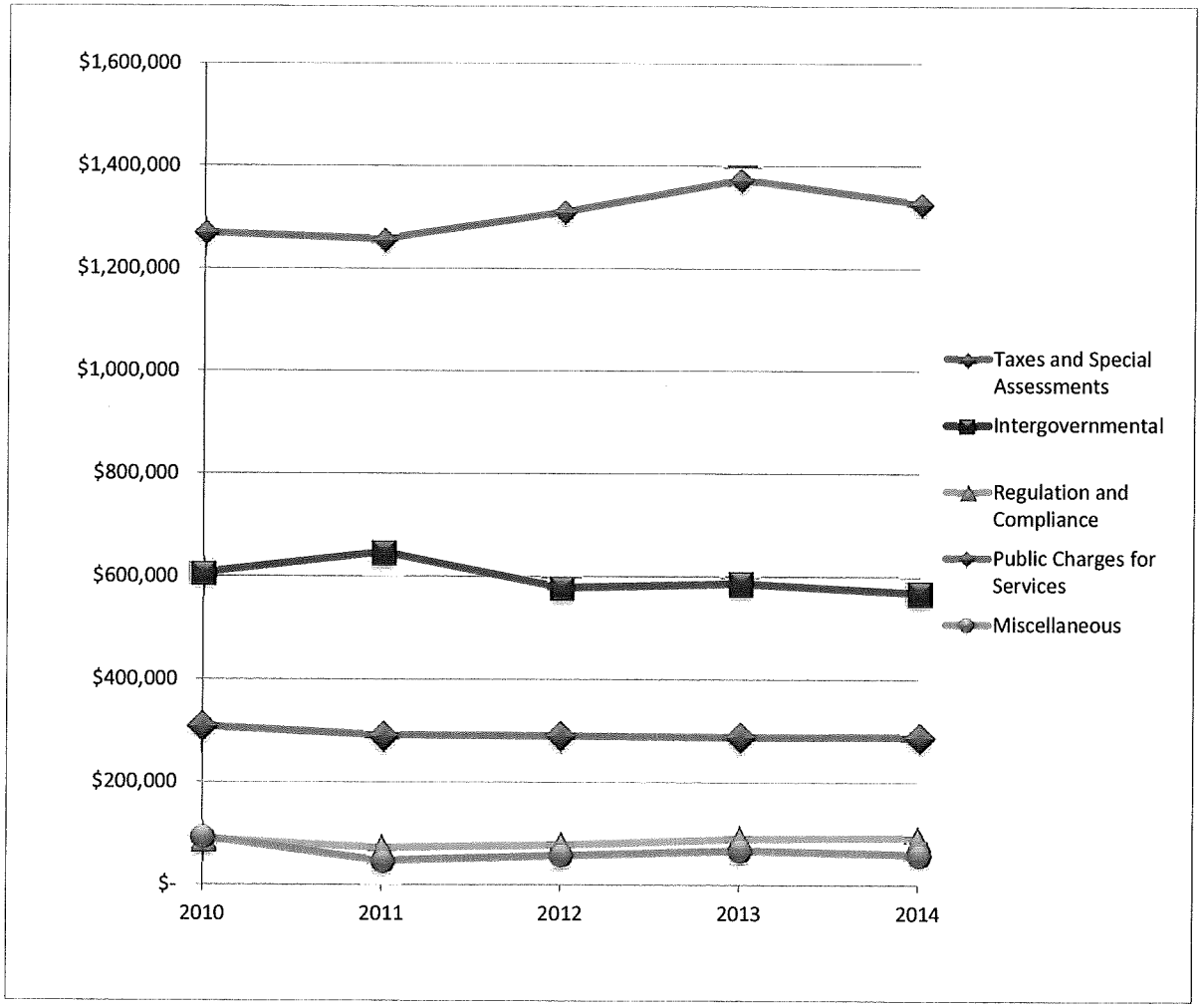
2013 General Fund Expenditures

Total Expenditures: $2,613,581



CITY OF PRESCOTT
General Fund Revenues

Actual 2010-2014

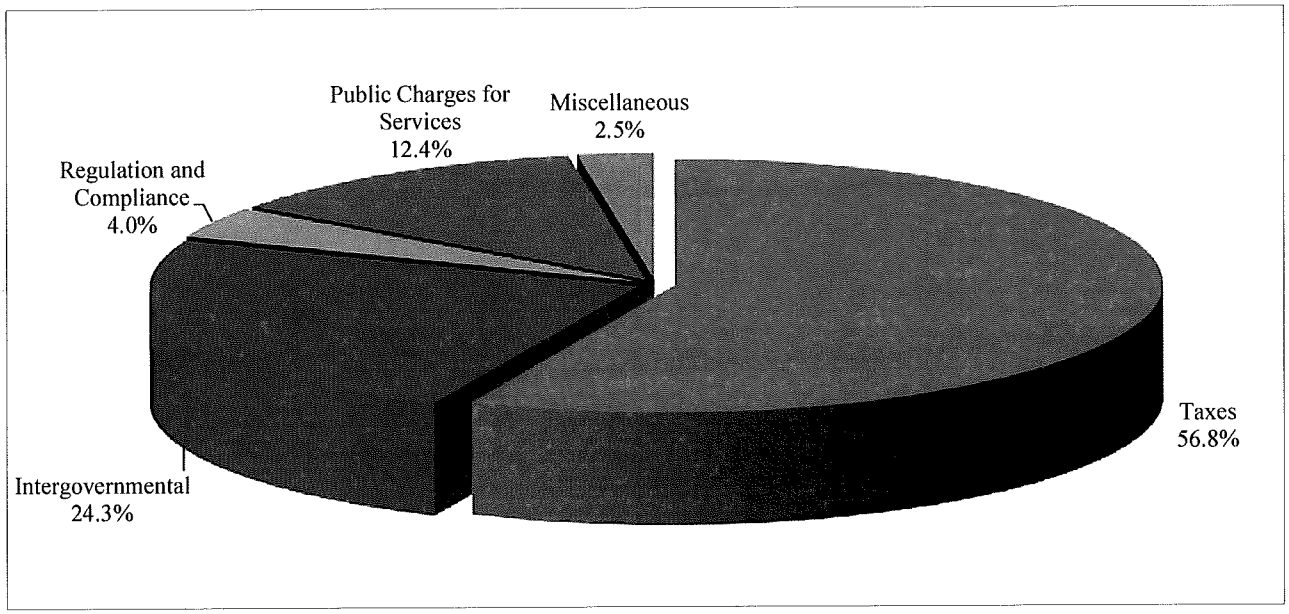


	2010	2011	2012	2013	2014
Taxes and Special Assessments	$ 1,269,463	$ 1,257,122	$ 1,310,009	$ 1,374,120	$ 1,327,513
Intergovernmental	607,464	646,957	579,054	586,987	568,282
Regulation and Compliance	89,551	72,501	77,676	90,054	92,534
Public Charges for Services	308,208	291,595	290,333	287,957	288,871
Miscellaneous	92,364	46,755	57,002	66,873	59,175
Totals	$ 2,367,050	$ 2,314,930	$ 2,314,074	$ 2,405,991	$ 2,336,375

CITY OF PRESCOTT

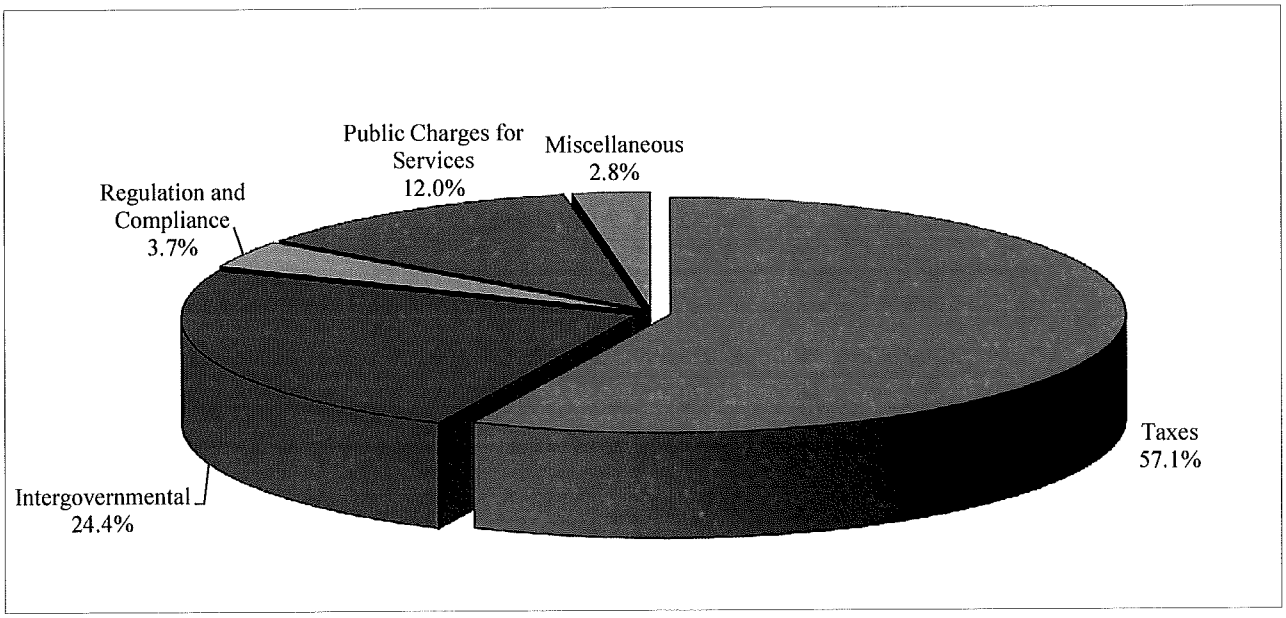
2014 General Fund Revenues

Total Revenues: $2,336,375



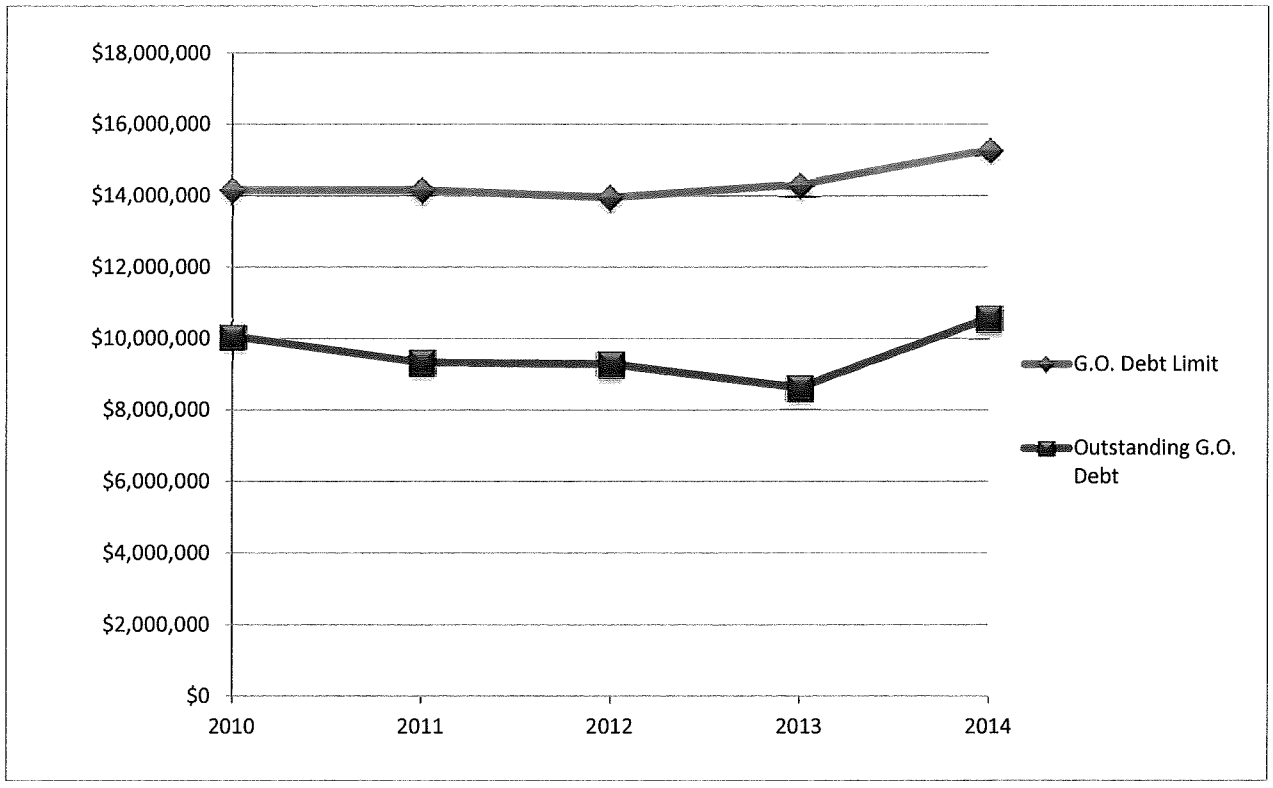
2013 General Fund Revenues

Total Revenues: $2,405,991



CITY OF PRESCOTT

G. O. Debt vs. Capacity
Actual 2010-2014



	2010	2011	2012	2013	2014
G.O. Debt Limit	$ 14,149,900	$ 14,151,190	$ 13,944,505	$ 14,318,640	$ 15,297,850
Outstanding G.O. Debt	10,070,469	9,333,595	9,282,476	8,625,748	10,567,951
Difference	$ 4,079,431	$ 4,817,595	$ 4,662,029	$ 5,692,892	$ 4,729,899
% Available	28.83%	34.04%	33.43%	39.76%	30.92%
Equalized Value	$ 282,998,000	$ 283,023,800	$ 278,890,100	$ 286,372,800	$ 305,957,000
Growth (Decline)	N/A	$ 25,800	$ (4,133,700)	$ 7,482,700	$ 19,584,200
% Growth (Decline)	N/A	0.01%	-1.46%	2.68%	6.84%

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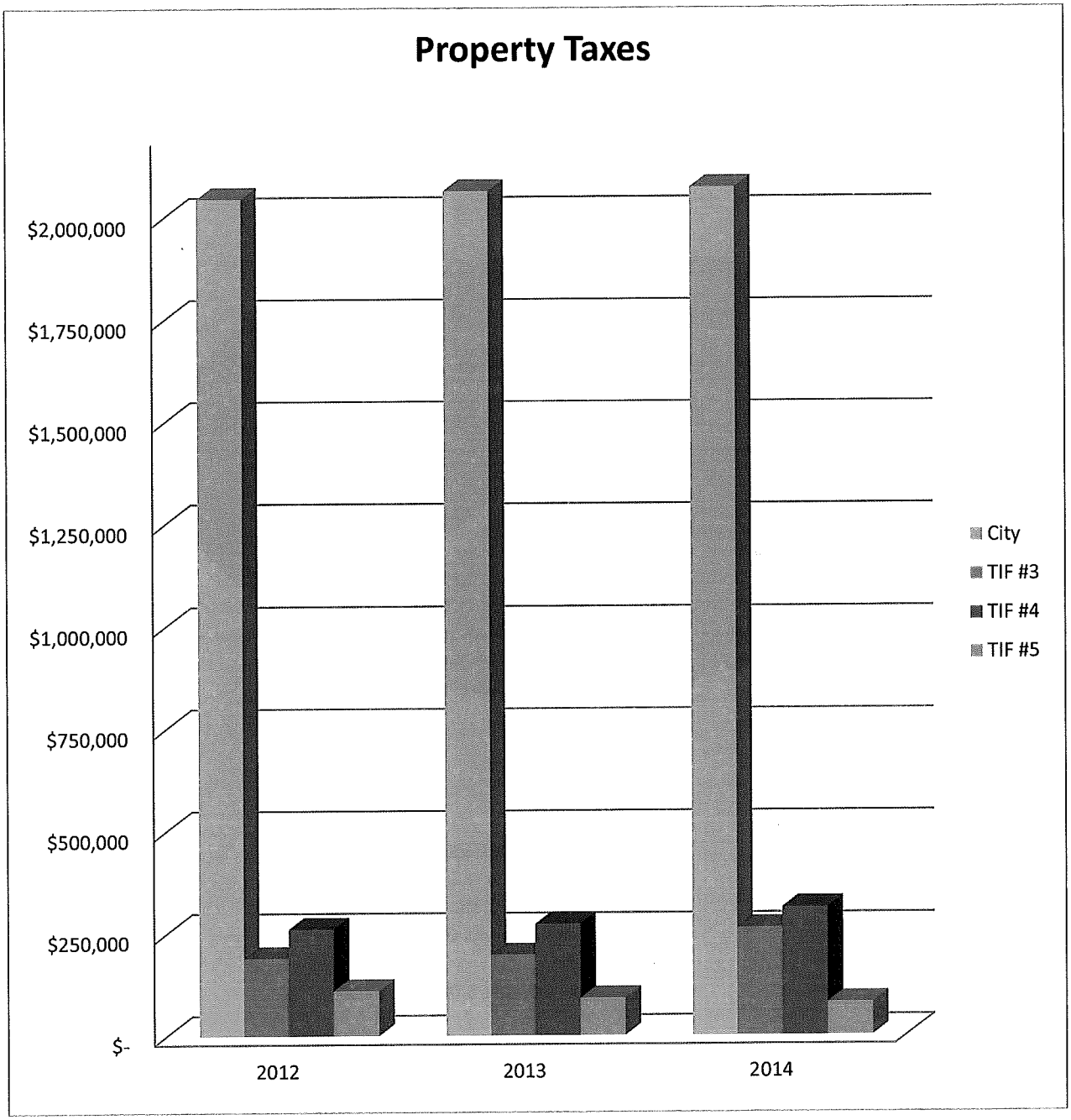
Property Taxes
Actual 2012-2014

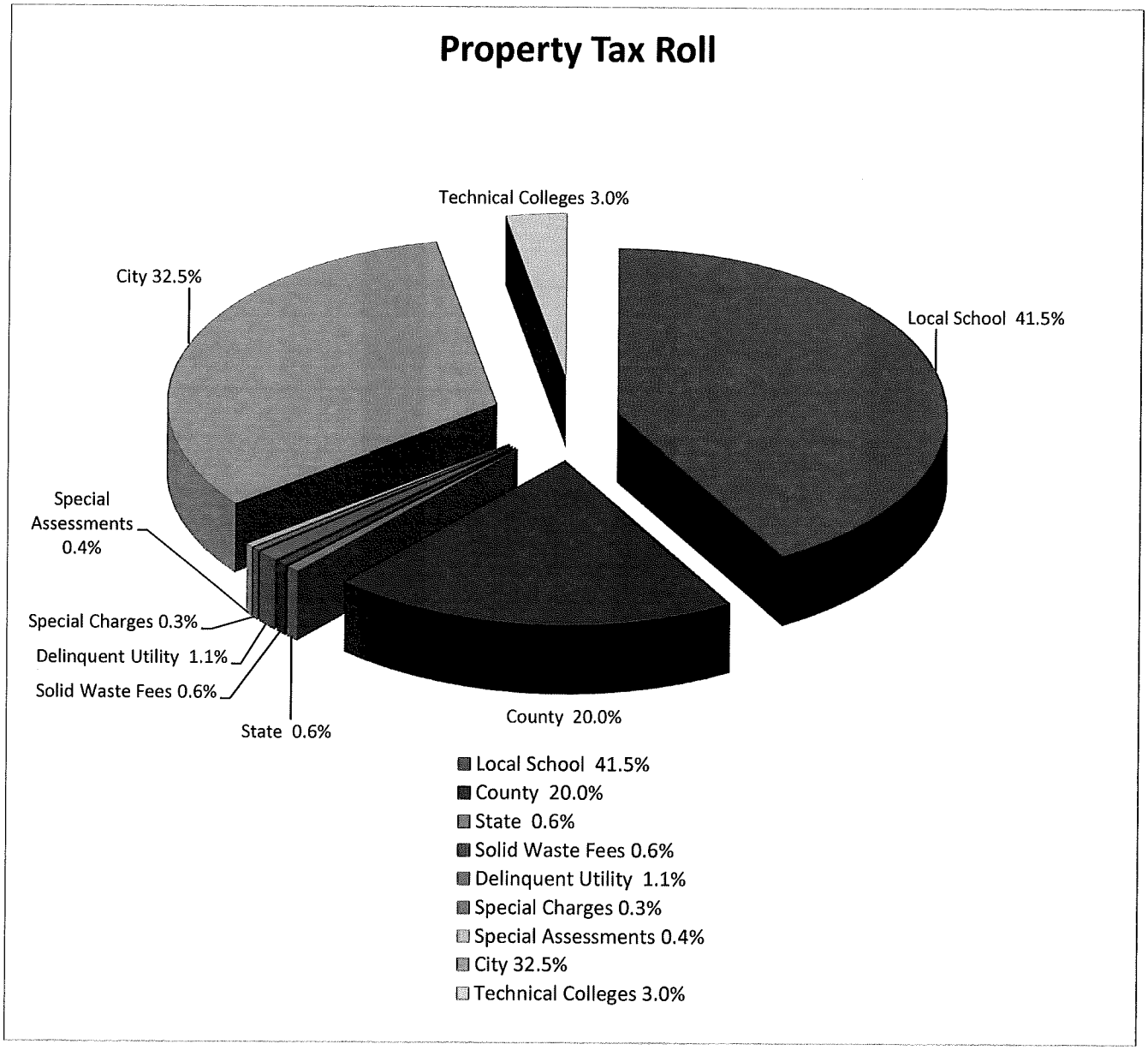


City Levy Taxes

	2012	2013	2014
City	$ 2,046,690	$ 2,065,044	$ 2,073,303
TIF #3	190,968	197,881	263,199
TIF #4	261,689	273,002	312,619
TIF #5	110,761	91,456	80,833
Total	$ 2,610,108	$ 2,627,383	$ 2,729,954

CITY OF PRESCOTT

Property Tax Roll
2014 Tax Levy Collected in 2015



CITY OF PRESCOTT
December 31, 2014
Expenses Net of Program Revenues

Per the Statement of Activities - Page 2

Net (Expense) Revenue by Function	NET COST
General Government	$ (465,421)
Public Safety	(1,051,103)
Public Works	(318,703)
Health and Human Services	878
Culture and Recreation	(323,261)
Conservation and Development	(2,219,918)
Interest on Long-Term Debt	(346,409)
Total Government Activities Funded by General Revenues	$ (4,723,937)
General Revenues	
Property Taxes and Other Taxes	$ 2,755,158
Intergovernmental Revenues	353,504
Other	52,679
Special Items	(176,198)
Transfers	(910,847)
Total General Revenues	$ 2,074,296

Represents total costs less fees/charges directly generated from those activities.
The net cost reflects the cost of each function funded by tax dollars and other general revenues.