

CITY OF APPLETON
REPORT TO THE FINANCE COMMITTEE

June 25, 2014

Presented By:

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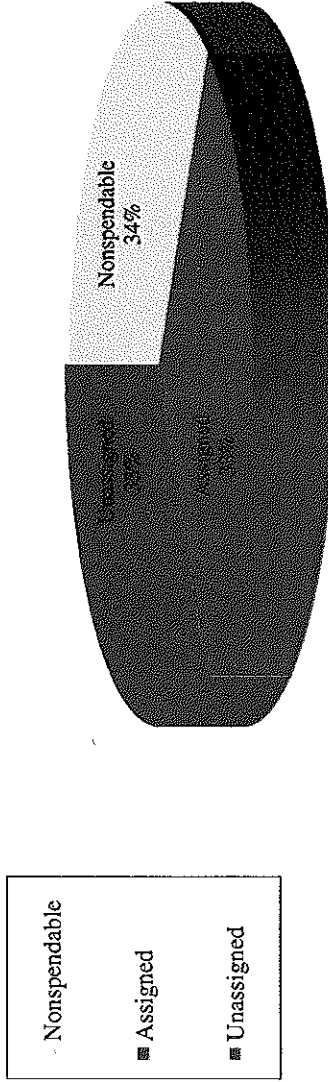
Note: Actual data was derived from current and prior years audited financial statements

CITY OF APPLETON 2013 FINANCIAL STATEMENT HIGHLIGHTS

DETAILS OF GENERAL FUND BALANCE

	<u>2013</u>	
<u>Nonspendable</u>	\$ 11,255,209	
<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>		
<u>Assigned</u>	10,983,149	
<i>includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed.</i>		
<u>Unassigned</u>	<u>11,261,464</u>	
<i>includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories including stabilization funds and amounts for working capital.</i>		
Total General Fund Balance	\$ <u>33,499,822</u>	

General Fund Balance



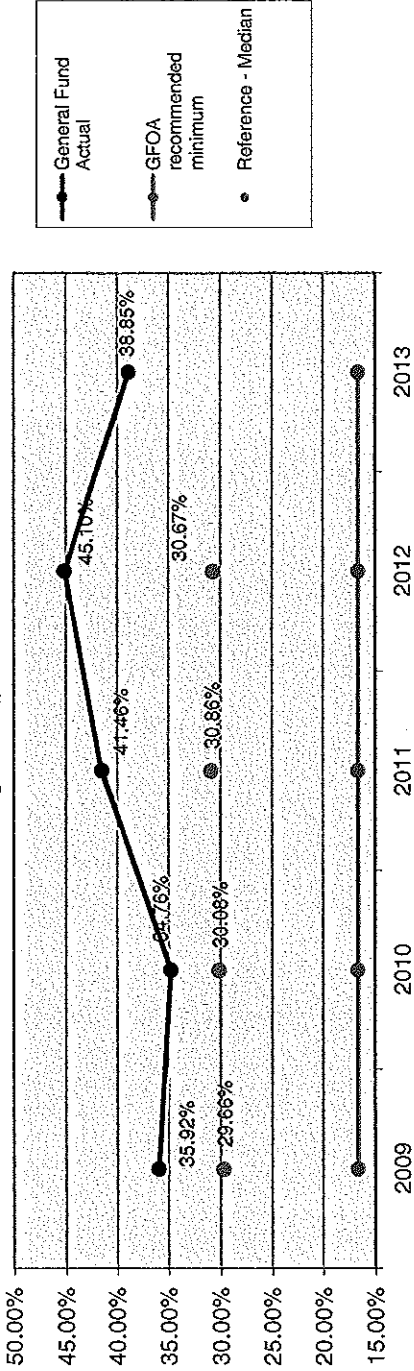
CITY OF APPLETON

2013 FINANCIAL STATEMENT HIGHLIGHTS

ANALYSIS OF GENERAL FUND BALANCE

	2009	2010	2011	2012	2013
Unreserved Fund Balance	\$ 19,321,315	\$ 19,362,624	\$ 22,713,119	\$ 24,249,711	\$ 22,244,613
Unrestricted Fund Balance	-	-	54,788,761	53,768,471	57,261,312
Expenditures	53,783,878	55,701,258	54,788,761	53,768,471	57,261,312
% of expenditures	35.92%	34.76%	41.46%	45.10%	38.85%

**Unreserved or Unrestricted General Fund Balance
as a Percentage of Expenditures**



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

2010 Median - Reference: 30.08%

2011 Median - Reference: 30.86%

2012 Median - Reference: 30.67%

Reference values for the population range: 30,000 to 150,000 generated from 2009-2012 Baker Tilly municipal client data for Wisconsin.

CITY OF APPLETON

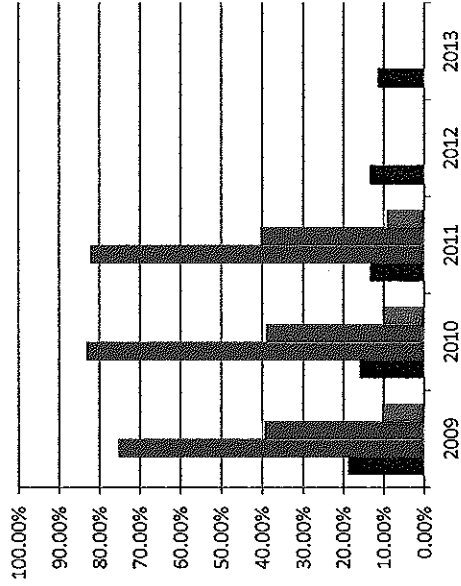
2013 FINANCIAL STATEMENT HIGHLIGHTS

GENERAL OBLIGATION DEBT OUTSTANDING

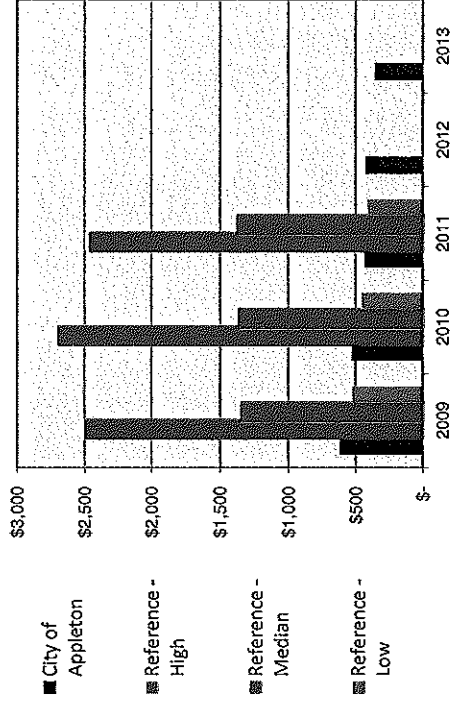
	2009	2010	2011	2012	2013
Total General Obligation (G.O.) Debt (net)					
City	\$ 46,675,159	\$ 39,919,823	\$ 32,898,198	\$ 32,516,328	\$ 26,958,995
Utilities	708,509	708,509	708,509	735,000	725,000
Internal service	76,675	69,007	61,340	53,672	46,005
Subtotal	47,460,343	40,697,339	33,668,047	33,305,000	27,730,000
Less: Funds available for debt	(2,570,018)	(2,342,787)	(1,972,070)	(2,320,132)	(1,503,052)
TOTAL	\$ 44,890,325	\$ 38,354,552	\$ 31,695,977	\$ 30,984,868	\$ 26,226,948

Population	72,500	72,563	72,715	72,768	73,150
G.O. Debt Capacity	\$ 239,453,145	\$ 242,579,815	\$ 239,855,175	\$ 232,570,430	\$ 231,115,610
G.O. debt per capita	\$ 619	\$ 529	\$ 436	\$ 426	\$ 359
% of debt limit	19%	16%	13%	13%	11%

Percentage of Debt Limit



G.O. Debt Outstanding - Per Capita



2009-2011 Reference values for the population range: 17,500 to 30,000 taken from *MunicipalFacts13* publication by the Wisconsin Taxpayers Alliance, 2013.

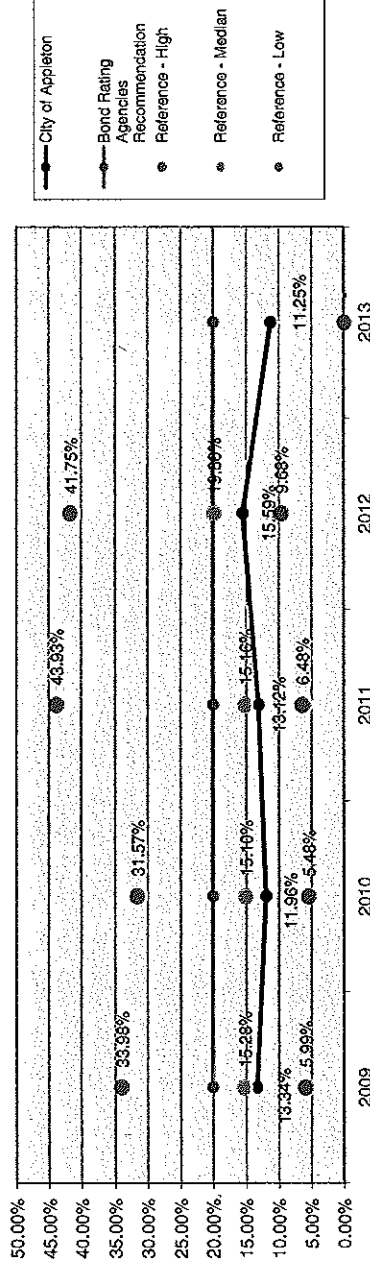
CITY OF APPLETON 2013 FINANCIAL STATEMENT HIGHLIGHTS

ANALYSIS OF DEBT SERVICE - GOVERNMENTAL FUNDS

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Total Debt Service					
Principal	\$ 6,578,228	\$ 6,755,336	\$ 7,021,625	\$ 8,761,870	\$ 6,057,333
Interest	2,604,636	2,527,447	2,304,241	2,235,391	1,924,256
TOTAL	\$ 9,182,864	\$ 9,282,783	\$ 9,325,866	\$ 10,997,261	\$ 7,981,589
Total Non-Capital Expenditures					
Total governmental funds expenditures	\$ 86,875,045	\$ 85,967,137	\$ 78,660,069	\$ 77,525,627	\$ 85,232,486
Less: capital outlay	(18,061,037)	(8,380,704)	(7,595,439)	(6,974,759)	(14,281,748)
TOTAL NON-CAPITAL EXPENDITURES	\$ 68,814,008	\$ 77,586,433	\$ 71,064,630	\$ 70,550,868	\$ 70,950,738

% of debt service to non-capital expenditures	13.34%	11.96%	13.12%	15.59%	11.25%
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Debt Service to Non-Capital Expenditures



Bond rating agencies recommended %	20.00%	20.00%	20.00%	20.00%	20.00%
High - Reference	33.98%	31.57%	43.93%	41.75%	41.75%
Median - Reference	15.28%	15.10%	15.16%	15.16%	15.16%
Low - Reference	5.99%	5.48%	6.48%	6.48%	6.48%

Reference values for the population range: 30,000 to 150,000 generated from 2009-2012 Baker Tilly municipal client data for Wisconsin.

CITY OF APPLETON

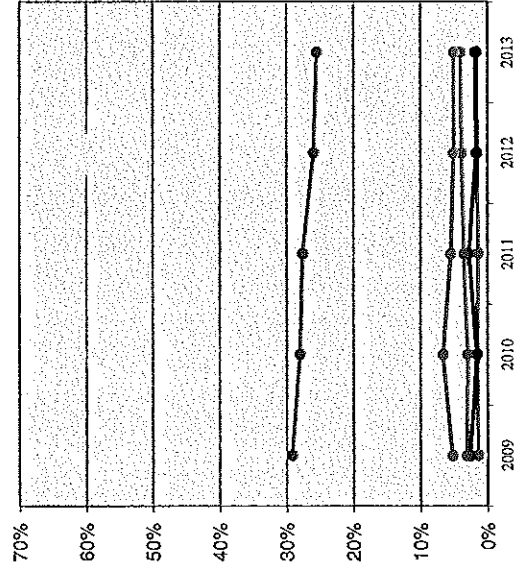
2013 FINANCIAL STATEMENT HIGHLIGHTS

GENERAL, DEBT SERVICE & SANITATION FUND REVENUES

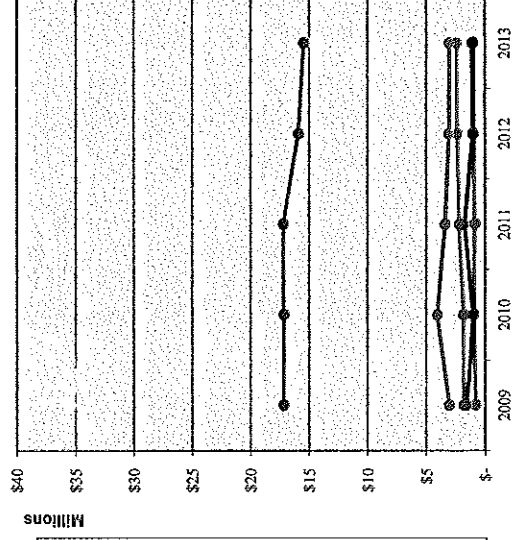
	2009	%	2010	%	2011	%	2012	%	2013	%
Total Revenues	\$ 34,533,018	59%	\$ 36,253,925	59%	\$ 36,502,988	58%	\$ 37,496,775	60%	\$ 37,161,108	61%
Taxes	17,159,402	29%	17,165,081	28%	17,199,561	28%	15,900,288	26%	15,454,279	25%
Intergovernmental	823,787	1%	990,827	2%	895,927	1%	1,018,228	2%	1,086,494	2%
Licenses and Permits	-	0%	-	0%	359,662	1%	384,340	1%	334,540	1%
Fines and forfeitures	1,554,695	3%	1,014,114	2%	1,786,373	3%	1,040,514	2%	1,128,596	2%
Special Assessments	1,847,683	3%	1,847,049	3%	2,238,524	4%	2,393,688	4%	2,485,471	4%
Public Charges for Services	3,062,178	5%	4,090,440	7%	3,399,288	5%	3,070,730	5%	3,023,474	5%
Investment Income & Miscellaneous										
TOTAL	\$ 58,980,763	100%	\$ 61,361,436	100%	\$ 62,382,323	100%	\$ 61,304,563	100%	\$ 60,673,962	100%

Note: Investment Income & Miscellaneous includes Fines & Forfeitures, Investment Income and Miscellaneous.

% of Total Revenue



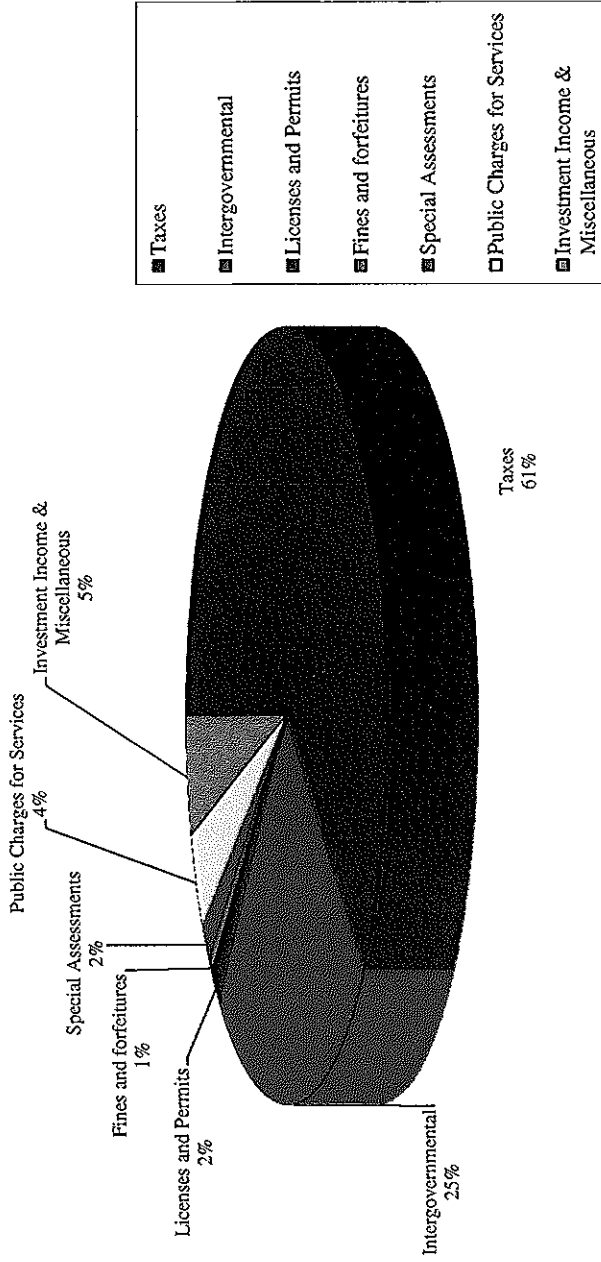
Total Revenue



CITY OF APPLETON
2013 FINANCIAL STATEMENT HIGHLIGHTS

2013 GENERAL, DEBT SERVICE & SANITATION FUND REVENUES

Total Revenues: \$60,673,962



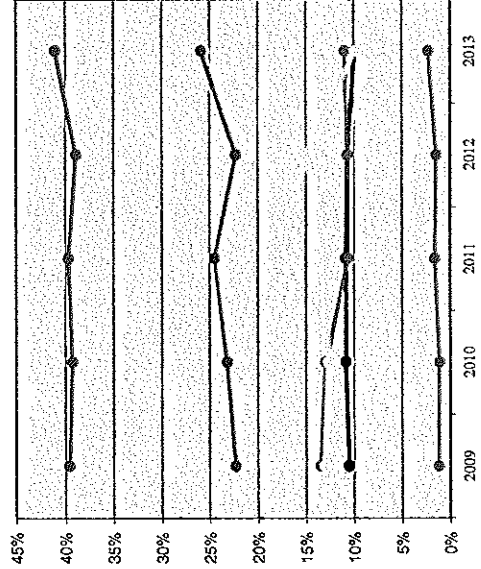
CITY OF APPLETON

2013 FINANCIAL STATEMENT HIGHLIGHTS

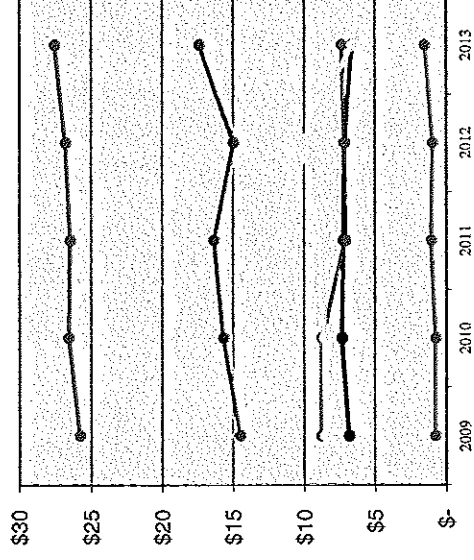
GENERAL DEBT SERVICE & SANITATION FUND EXPENDITURES

	2009	%	2010	%	2011	%	2012	%	2013	%
Total Expenditures										
General Government	\$ 6,857,774	11%	\$ 7,355,165	11%	\$ 7,237,076	11%	\$ 7,182,956	11%	\$ 6,679,402	10%
Public Safety	25,773,233	39%	26,549,877	39%	26,444,183	40%	26,786,645	39%	27,526,967	41%
Public Works	14,513,842	22%	15,656,093	23%	16,323,554	24%	14,951,964	22%	17,373,663	26%
Parks, Rec. & Education	8,811,929	14%	8,771,545	13%	7,104,280	11%	7,175,293	11%	7,375,059	11%
Community Development	795,709	1%	785,177	1%	1,091,649	2%	993,840	1%	1,554,648	2%
Debt Service	8,520,075	13%	8,615,153	13%	8,571,674	13%	10,154,974	15%	6,635,151	10%
TOTAL	\$ 65,272,562	100%	\$ 67,733,010	100%	\$ 66,772,416	100%	\$ 67,245,672	100%	\$ 67,144,890	100%

% of Total Expenditures



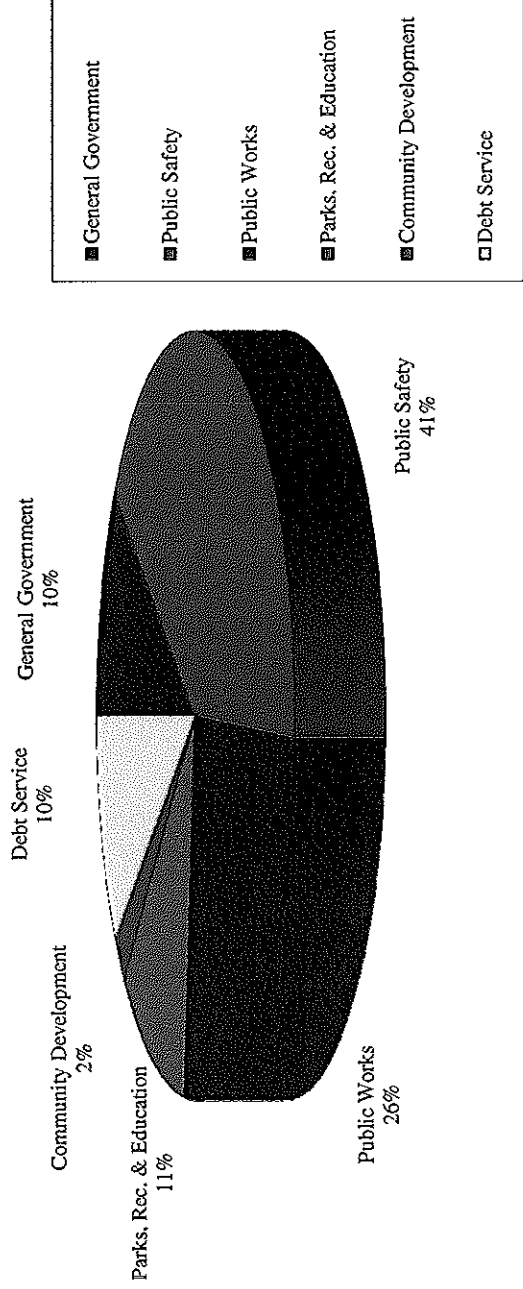
Total Expenditures



CITY OF APPLETON
2013 FINANCIAL STATEMENT HIGHLIGHTS

2013 GENERAL, DEBT SERVICE & SANITATION FUND EXPENDITURES

Total Expenditures: \$67,144,890



CITY OF APPLETON

2013 FINANCIAL STATEMENT HIGHLIGHTS

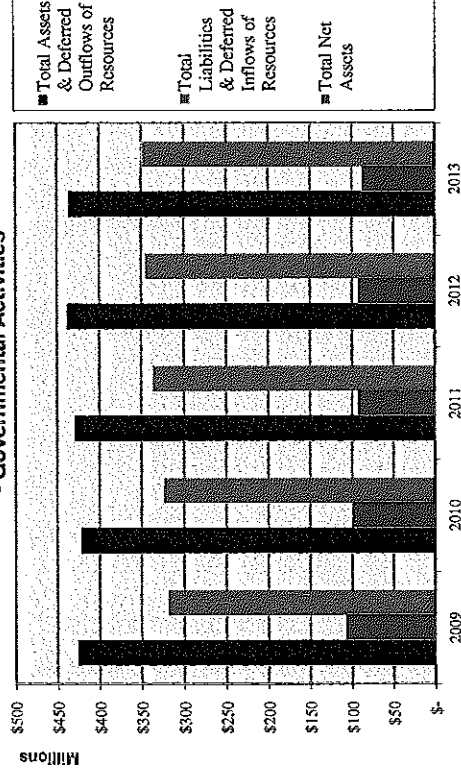
ANALYSIS OF NET POSITION - GOVERNMENTAL ACTIVITIES

	2009	%	2010	%	2011	%	2012	%	2013	%
Total Assets & Deferred Outflows of Resources	\$ 426,317,033		\$ 422,312,161		\$ 429,451,947		\$ 438,360,725		\$ 436,116,811	
Total Liabilities & Deferred Inflows of Resources	107,234,587		98,582,674		92,797,994		92,670,030		87,675,623	
Net investment in capital assets	292,088,865	92%	301,042,119	93%	304,733,210	91%	306,228,924	89%	309,789,370	89%
Restricted net position	6,778,453	2%	7,014,412	2%	8,193,931	2%	10,030,642	3%	8,784,010	3%
Unrestricted net position	20,215,128	6%	15,672,956	5%	23,726,812	7%	29,431,129	9%	29,867,808	9%
Total Net Position	\$ 319,082,446	100%	\$ 323,729,487	100%	\$ 336,653,953	100%	\$ 345,690,695	100%	\$ 348,441,188	100%

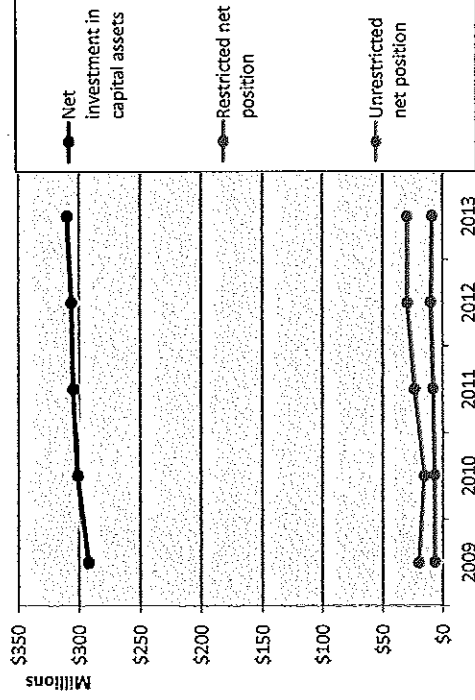
Net Position as a % of Total Assets

75% 77% 78% 79% 80%

Summary of Total Assets, Total Liabilities, and Net Position - Governmental Activities



Details of Net Position

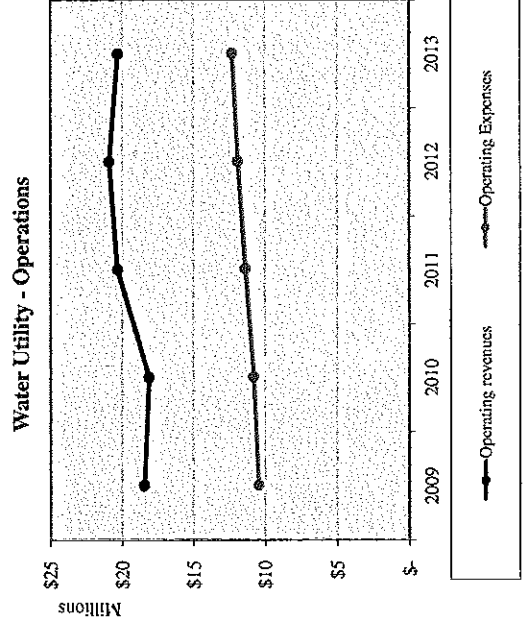
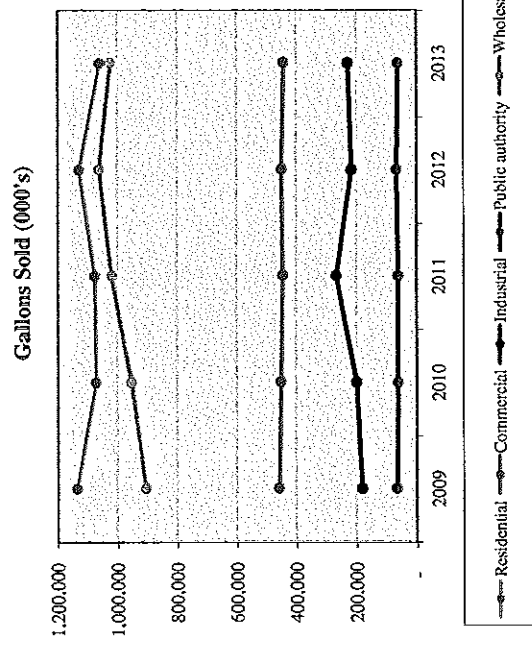


Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

CITY OF APPLETON WATER UTILITY 2013 FINANCIAL STATEMENT HIGHLIGHTS

	2009	%	2010	%	2011	%	2012	%	2013	%
Gallons Sold (000's)										
Residential	1,135,817	41%	1,073,343	39%	1,076,988	38%	1,129,181	39%	1,060,957	38%
Commercial	457,255	17%	450,657	16%	444,835	15%	448,835	15%	442,087	16%
Industrial	181,463	7%	199,655	7%	267,359	9%	216,345	7%	228,215	8%
Public authority	65,573	2%	62,291	2%	61,961	2%	67,120	2%	62,548	2%
Wholesale	904,720	33%	952,437	35%	1,018,921	36%	1,062,399	36%	1,023,495	36%
TOTAL	2,744,828	100%	2,738,383	100%	2,869,833	100%	2,923,880	100%	2,817,302	100%

	2009	2010	2011	2012	2013
Operating Revenues	\$ 18,483,569	\$ 18,155,383	\$ 20,334,751	\$ 20,932,453	\$ 20,316,037
Operating Expenses	10,453,254	10,810,798	11,390,470	11,908,401	12,308,498



	2009	2010	2011	2012	2013
Ability to meet current obligations					
Unrestricted cash & investments *	\$ (2,103,333)	\$ (7,844)	\$ 5,369,661	\$ 9,958,654	\$ 12,311,150
Months of unrestricted cash	(1.37)	(0.01)	3.17	5.71	7.27

* negative amounts are reported as advances from other funds

	2009	2010	2011	2012	2013
Rate of Return					
Actual rate	7.43%	6.27%	7.63%	7.62%	6.59%
Authorized rate	8.00%	8.00%	7.00%	7.00%	7.00%

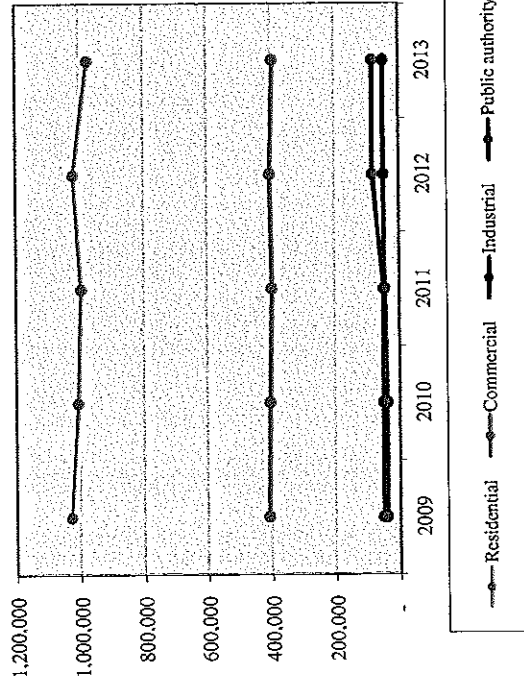
	2009	2010	2011	2012	2013
Debt Coverage					
Actual	1.37	1.48	1.61	1.57	1.38
Required	1.10	1.10	1.10	1.10	1.10

CITY OF APPLETON WASTEWATER UTILITY 2013 FINANCIAL STATEMENT HIGHLIGHTS

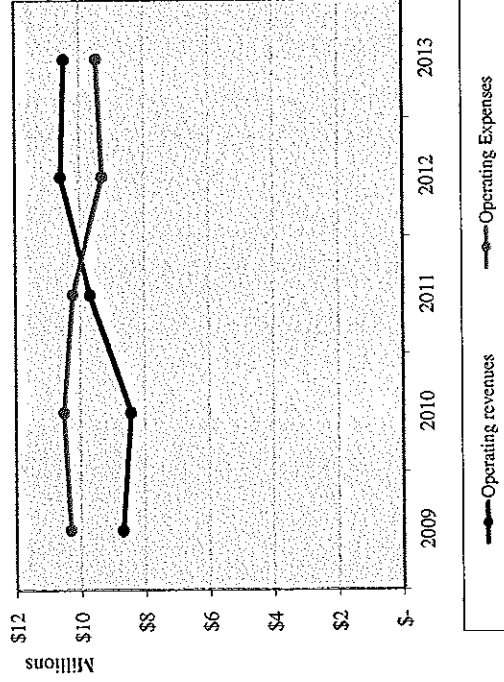
	2009	%	2010	%	2011	%	2012	%	2013	%
Gallons Billed (000's)										
Residential	1,028,555	67%	1,005,824	67%	995,414	67%	1,019,886	66%	973,731	65%
Commercial	407,029	27%	403,344	27%	396,635	27%	402,494	26%	393,776	26%
Industrial	40,302	3%	39,141	3%	45,614	3%	48,099	3%	48,099	3%
Public authority	51,278	3%	49,559	3%	47,533	3%	81,756	5%	81,756	5%
TOTAL	1,527,164	100%	1,497,868	100%	1,485,196	100%	1,552,235	100%	1,497,362	100%

Operating Revenues	\$ 8,705,216	\$ 8,439,730	\$ 9,687,803	\$ 10,601,634	\$ 10,486,298
Operating Expenses	10,324,950	10,525,662	10,229,600	9,297,699	9,462,373

Gallons Billed (000's)



Wastewater Utility - Operations



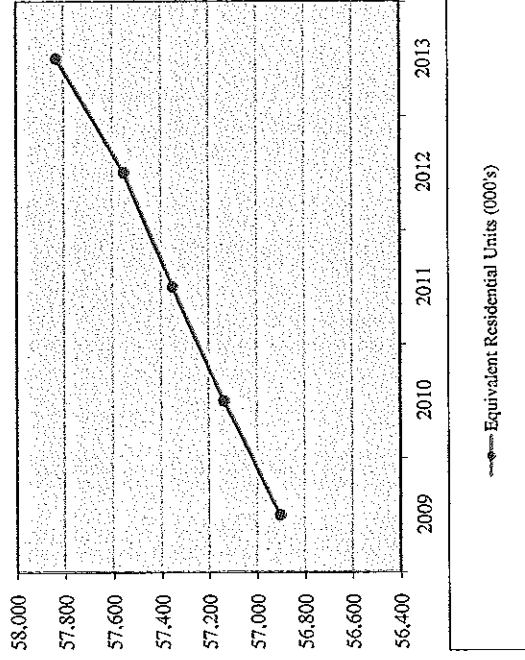
	2009	2010	2011	2012	2013
Ability to meet current obligations					
Unrestricted cash & investments	\$ 3,307,975	\$ 7,900,158	\$ 10,168,075	\$ 9,615,123	\$ 10,993,704
Months of unrestricted cash	4.56	11.23	12.59	10.88	12.58
Debt Coverage					
Actual	0.86	1.46	1.98	3.30	2.85
Required	1.20	1.20	1.20	1.20	1.20

CITY OF APPLETON STORMWATER UTILITY

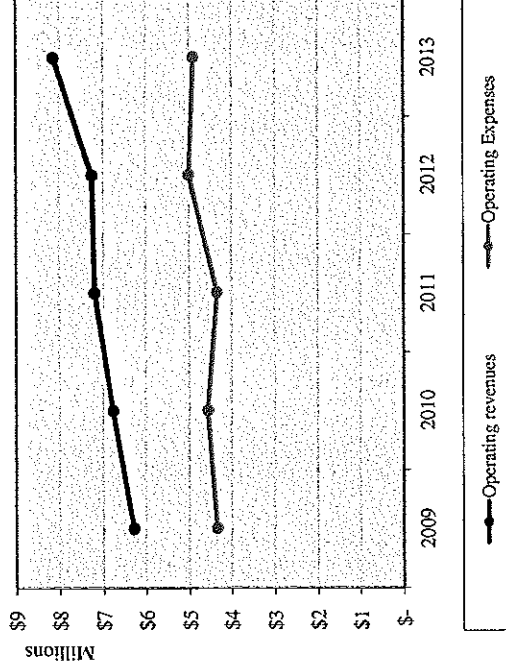
2013 FINANCIAL STATEMENT HIGHLIGHTS

	2009	2010	2011	2012	2013
Equivalent Residential Units (000's)	56,903	57,138	57,353	57,552	57,831
Operating Revenues	\$ 6,291,673	\$ 6,776,766	\$ 7,196,739	\$ 7,251,853	\$ 8,146,867
Operating Expenses	4,333,046	4,573,014	4,349,766	5,015,613	4,902,765

ERU's



Stormwater Utility - Operations



	2009	2010	2011	2012	2013
Ability to meet current obligations					
Unrestricted cash & investments	\$ 6,999,119	\$ 11,028,304	\$ 9,911,308	\$ 11,000,829	\$ 12,152,790
Months of unrestricted cash	13.35	19.53	16.53	18.20	17.90

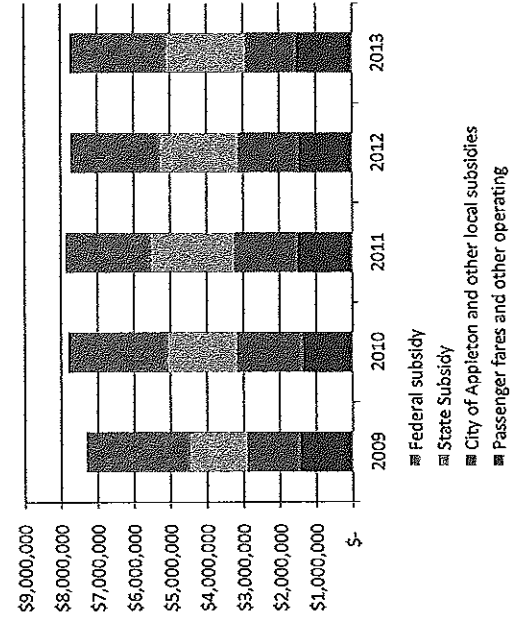
Debt Coverage

Actual	1.03	1.31	1.57	1.22	1.29
Required	1.20	1.20	1.20	1.20	1.20

CITY OF APPLETON VALLEY TRANSIT 2013 FINANCIAL STATEMENT HIGHLIGHTS

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Ridership					
Fixed Route	909,109	956,088	1,073,655	1,095,650	1,093,202
ADA Paratransit	78,392	81,236	90,128	87,261	92,643
Operating Revenues					
Passenger fares and other operating	\$ 1,452,588	\$ 1,383,740	\$ 1,512,804	\$ 1,485,517	\$ 1,547,558
City of Appleton and other local subsidies	1,402,997	1,755,145	1,694,671	1,621,880	1,346,394
State Subsidy	1,612,854	1,936,798	2,322,036	2,169,356	2,208,486
Federal subsidy	2,841,965	2,739,622	2,336,554	2,455,837	2,649,815
TOTAL	\$ 7,310,404	\$ 7,815,305	\$ 7,866,065	\$ 7,732,590	\$ 7,752,253
		100%	100%	100%	100%
Operating Expenses					
Labor and benefits	\$ 3,522,248	\$ 3,689,760	\$ 3,511,580	\$ 3,451,382	\$ 3,587,920
Services	201,453	222,368	192,114	220,147	271,349
Materials and supplies	492,107	623,858	800,154	867,131	905,241
Purchased transportation	2,779,032	2,820,515	2,869,324	2,791,597	3,098,708
Other	315,954	318,022	335,532	260,913	255,813
TOTAL (excluding depreciation)	\$ 7,310,794	\$ 7,674,523	\$ 7,708,704	\$ 7,591,170	\$ 8,119,031
		100%	100%	100%	100%

Transit Operating Revenues



Transit Operating Expenses

