

CITY OF APPLETON
REPORT TO THE FINANCE COMMITTEE

May 23, 2015

Presented By:

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Ten Terrace Court
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Madison, WI 53707-7398
800 362 7301

Melissa R. Kempen, CPA, Manager
Jodi L. Dobson, CPA, Partner

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

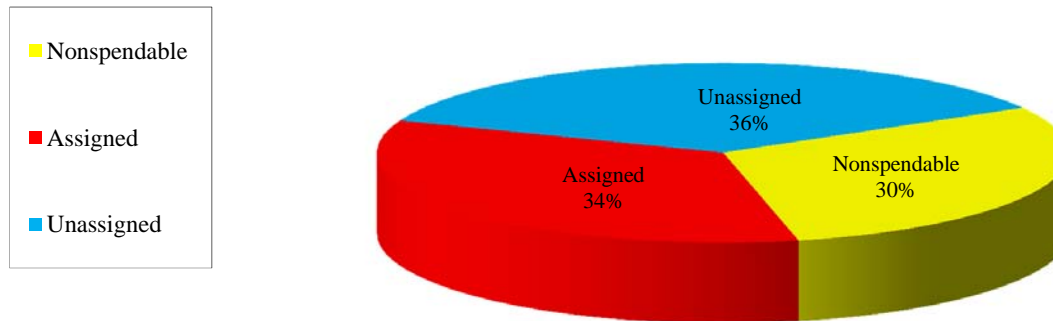
CITY OF APPLETON

2014 FINANCIAL STATEMENT HIGHLIGHTS

DETAILS OF GENERAL FUND BALANCE

<u>Nonspendable</u>	<u>2014</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>	\$ 9,384,163
<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>	10,792,122
<u>Unassigned</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>	<u>11,272,648</u>
Total General Fund Balance	<u>\$ 31,448,933</u>

General Fund Balance



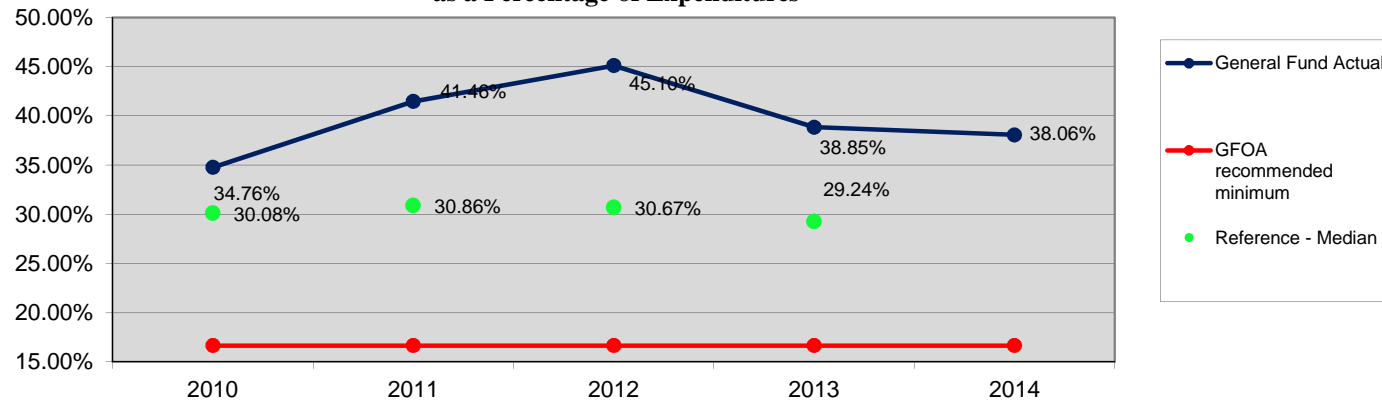
CITY OF APPLETON

2014 FINANCIAL STATEMENT HIGHLIGHTS

ANALYSIS OF GENERAL FUND BALANCE

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Unreserved Fund Balance	\$ 19,362,624	\$ -	\$ -	\$ -	\$ -
Unrestricted Fund Balance	-	22,713,119	24,249,711	22,244,613	22,064,770
Expenditures	55,701,258	54,788,761	53,768,471	57,261,312	57,966,419
% of expenditures	34.76%	41.46%	45.10%	38.85%	38.06%

**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

2011 Median - Reference: 30.86%

2012 Median - Reference: 30.67%

2013 Median - Reference: 29.24%

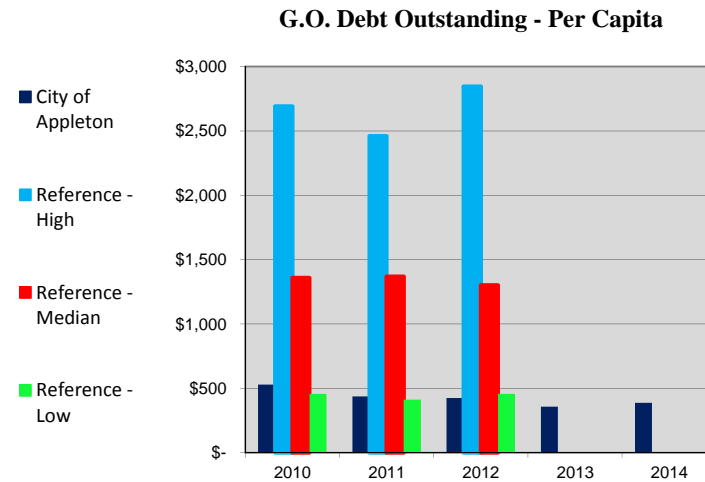
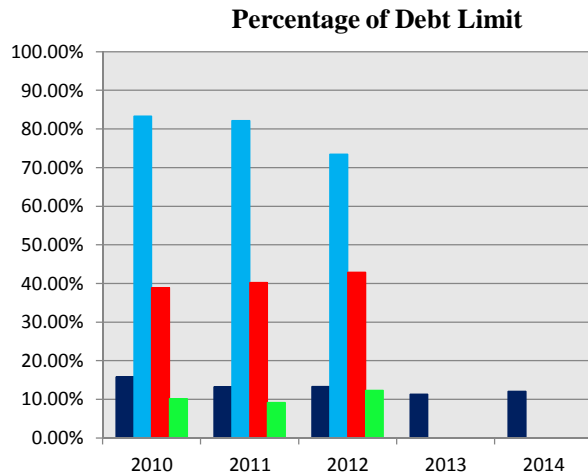
Reference values for the population range: 30,000 to 150,000 generated from 2010-2013 Baker Tilly municipal client data for Wisconsin.

CITY OF APPLETON

2014 FINANCIAL STATEMENT HIGHLIGHTS

GENERAL OBLIGATION DEBT OUSTANDING

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<u>Total General Obligation (G.O.) Debt (net)</u>					
City	\$ 39,919,823	\$ 32,898,198	\$ 32,516,328	\$ 26,958,995	\$ 29,226,663
Utilities	708,509	708,509	735,000	725,000	695,000
Internal service	69,007	61,340	53,672	46,005	188,337
Subtotal	40,697,339	33,668,047	33,305,000	27,730,000	30,110,000
Less: Funds available for debt	(2,342,787)	(1,972,070)	(2,320,132)	(1,503,052)	(1,703,173)
TOTAL	\$ 38,354,552	\$ 31,695,977	\$ 30,984,868	\$ 26,226,948	\$ 28,406,827
Population	72,563	72,715	72,768	73,150	73,463
G.O. Debt Capacity	\$ 242,579,815	\$ 239,855,175	\$ 232,570,430	\$ 231,115,610	\$ 234,833,025
G.O. debt per capita	\$ 529	\$ 436	\$ 426	\$ 359	\$ 387
% of debt limit	16%	13%	13%	11%	12%



2010-2012 Reference values for the population range: 30,000 to 150,000 taken from *MunicipalFacts14* publication by the Wisconsin Taxpayers Alliance, 2014.

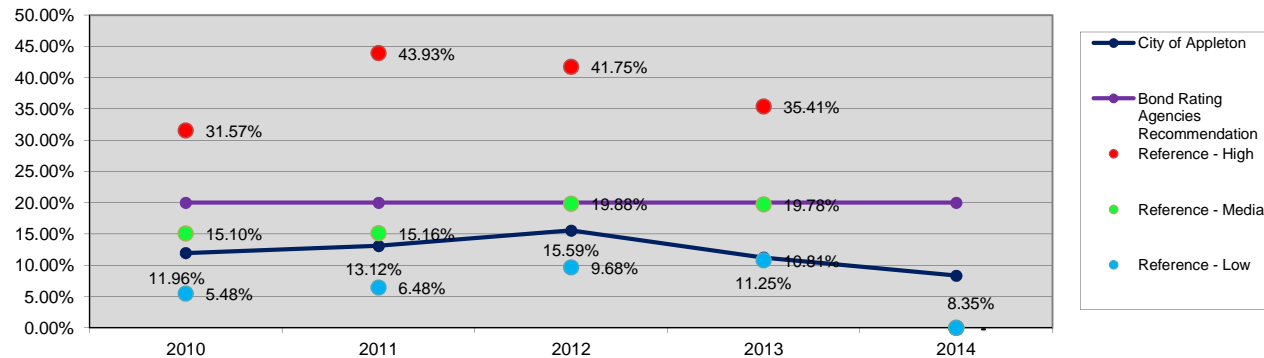
CITY OF APPLETON

2014 FINANCIAL STATEMENT HIGHLIGHTS

ANALYSIS OF DEBT SERVICE - GOVERNMENTAL FUNDS

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<u>Total Debt Service</u>					
Principal	\$ 6,755,336	\$ 7,021,625	\$ 8,761,870	\$ 6,057,333	\$ 4,107,332
Interest	2,527,447	2,304,241	2,235,391	1,924,256	1,767,037
TOTAL	<u>\$ 9,282,783</u>	<u>\$ 9,325,866</u>	<u>\$ 10,997,261</u>	<u>\$ 7,981,589</u>	<u>\$ 5,874,369</u>
<u>Total Non-Capital Expenditures</u>					
Total governmental funds expenditures	\$ 85,967,137	\$ 78,660,069	\$ 77,525,627	\$ 85,232,486	\$ 80,310,100
Less: capital outlay	(8,380,704)	(7,595,439)	(6,974,759)	(14,281,748)	(9,972,321)
TOTAL NON-CAPITAL EXPENDITURES	<u>\$ 77,586,433</u>	<u>\$ 71,064,630</u>	<u>\$ 70,550,868</u>	<u>\$ 70,950,738</u>	<u>\$ 70,337,779</u>
 % of debt service to non-capital expenditures	 11.96%	 13.12%	 15.59%	 11.25%	 8.35%

Debt Service to Non-Capital Expenditures



	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Bond rating agencies recommended %	20.00%	20.00%	20.00%	20.00%
High - Reference	31.57%	43.93%	41.75%	35.41%
Median - Reference	15.10%	15.16%	19.88%	19.78%
Low - Reference	5.48%	6.48%	9.68%	10.81%

Reference values for the population range: 30,000 to 150,000 generated from 2010-2013 Baker Tilly municipal client data for Wisconsin.

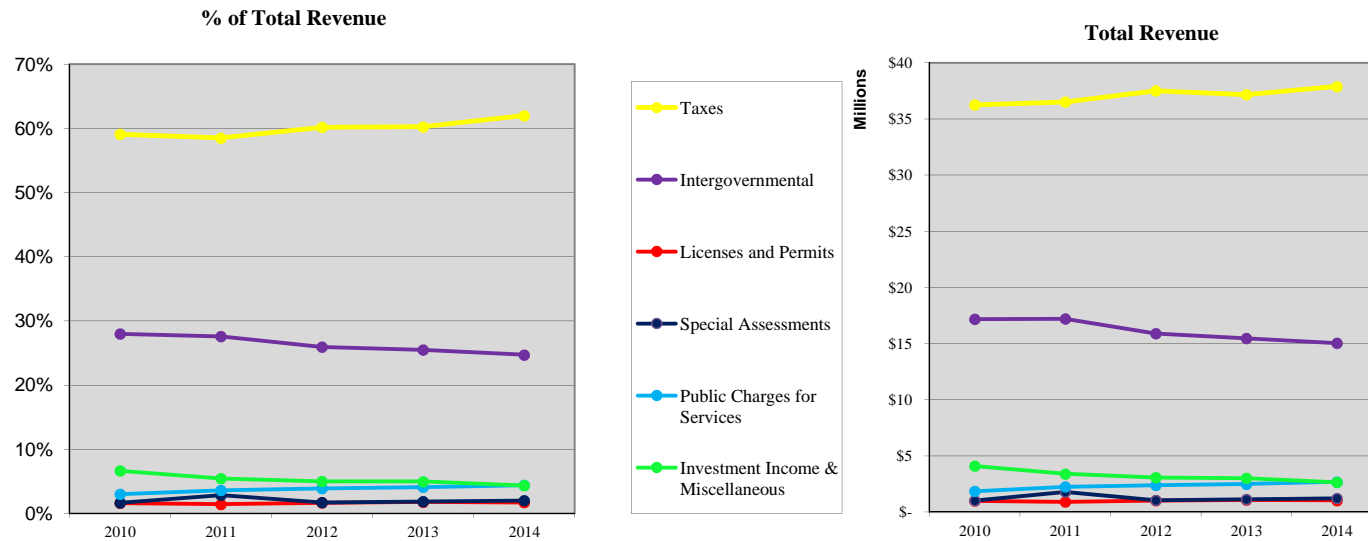
CITY OF APPLETON

2014 FINANCIAL STATEMENT HIGHLIGHTS

GENERAL, DEBT SERVICE & SANITATION FUND REVENUES

	<u>2010</u>	<u>%</u>	<u>2011</u>	<u>%</u>	<u>2012</u>	<u>%</u>	<u>2013</u>	<u>%</u>	<u>2014</u>	<u>%</u>
Total Revenues										
Taxes	\$ 36,253,925	59%	\$ 36,502,988	59%	\$ 37,496,775	60%	\$ 37,161,108	60%	\$ 37,894,249	62%
Intergovernmental	17,165,081	28%	17,199,561	28%	15,900,288	26%	15,454,279	25%	15,037,371	25%
Licenses and Permits	990,827	2%	895,927	1%	1,018,228	2%	1,086,494	2%	1,035,280	2%
Fines and forfeitures	-	0%	359,662	1%	384,340	1%	334,540	1%	310,674	1%
Special Assessments	1,014,114	2%	1,786,373	3%	1,040,514	2%	1,128,596	2%	1,220,878	2%
Public Charges for Services	1,847,049	3%	2,238,524	4%	2,393,688	4%	2,485,471	4%	2,686,106	4%
Investment Income & Miscellaneous	4,090,440	7%	3,399,288	5%	3,070,730	5%	3,023,474	5%	2,646,500	4%
TOTAL	<u>\$ 61,361,436</u>	<u>100%</u>	<u>\$ 62,382,323</u>	<u>100%</u>	<u>\$ 61,304,563</u>	<u>100%</u>	<u>\$ 60,673,962</u>	<u>100%</u>	<u>\$ 60,831,058</u>	<u>100%</u>

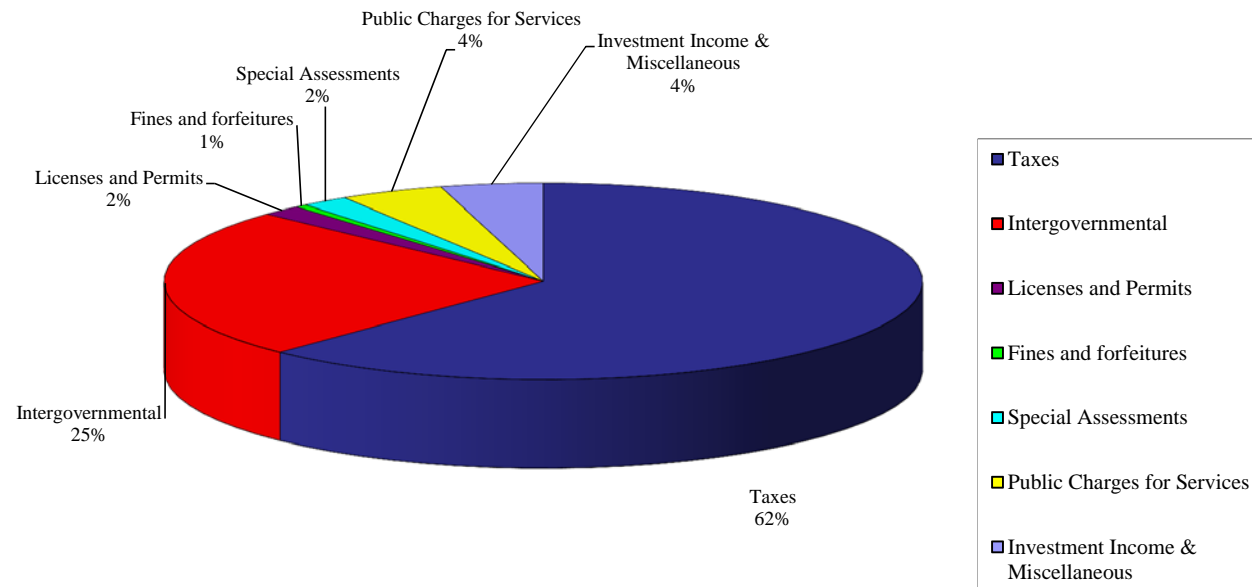
Note: Investment Income & Miscellaneous includes Fines & Forfeitures, Investment Income and Miscellaneous.



CITY OF APPLETON
2014 FINANCIAL STATEMENT HIGHLIGHTS

2014 GENERAL, DEBT SERVICE & SANITATION FUND REVENUES

Total Revenues: \$60,831,058

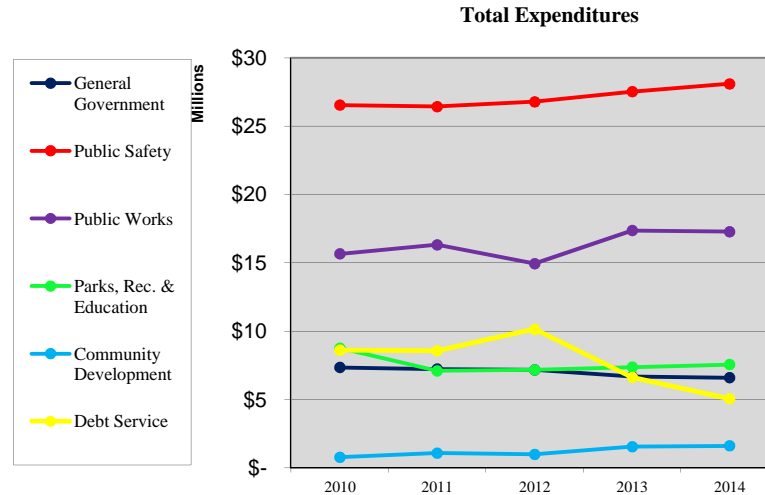
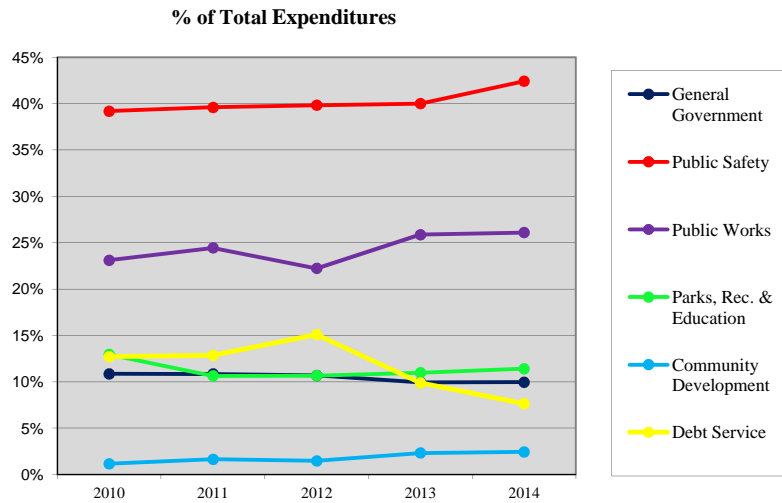


CITY OF APPLETON

2014 FINANCIAL STATEMENT HIGHLIGHTS

GENERAL, DEBT SERVICE & SANITATION FUND EXPENDITURES

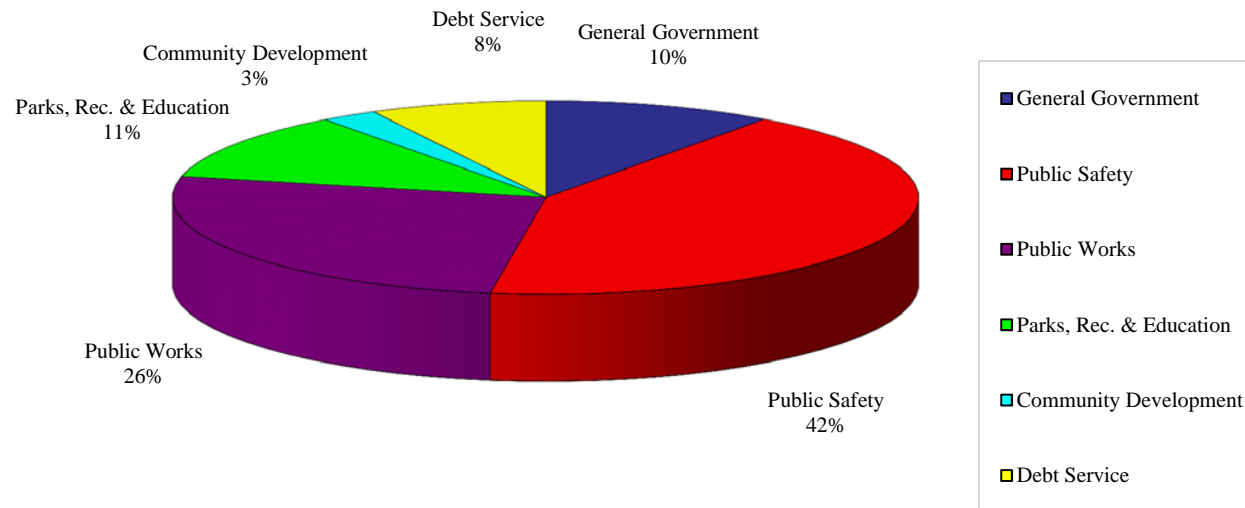
	<u>2010</u>	<u>%</u>	<u>2011</u>	<u>%</u>	<u>2012</u>	<u>%</u>	<u>2013</u>	<u>%</u>	<u>2014</u>	<u>%</u>
<u>Total Expenditures</u>										
General Government	\$ 7,355,165	11%	\$ 7,237,076	11%	\$ 7,182,956	11%	\$ 6,679,402	10%	\$ 6,600,117	10%
Public Safety	26,549,877	39%	26,444,183	40%	26,786,645	40%	27,526,967	40%	28,102,962	42%
Public Works	15,656,093	23%	16,323,554	24%	14,951,964	22%	17,373,663	26%	17,290,491	26%
Parks, Rec. & Education	8,771,545	13%	7,104,280	11%	7,175,293	11%	7,375,059	11%	7,564,048	11%
Community Development	785,177	1%	1,091,649	2%	993,840	1%	1,554,648	2%	1,618,637	2%
Debt Service	8,615,153	13%	8,571,674	13%	10,154,974	15%	6,635,151	10%	5,070,261	8%
TOTAL	\$ 67,733,010	100%	\$ 66,772,416	100%	\$ 67,245,672	100%	\$ 67,144,890	100%	\$ 66,246,516	100%



CITY OF APPLETON
2014 FINANCIAL STATEMENT HIGHLIGHTS

2014 GENERAL, DEBT SERVICE & SANITATION FUND EXPENDITURES

Total Expenditures: \$66,246,516

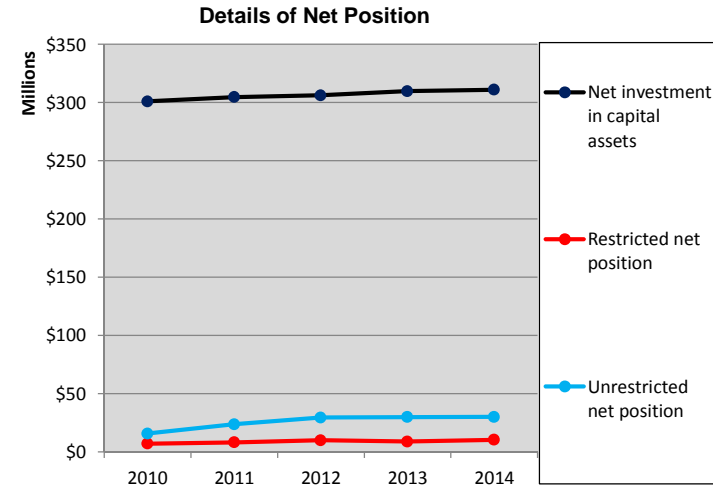
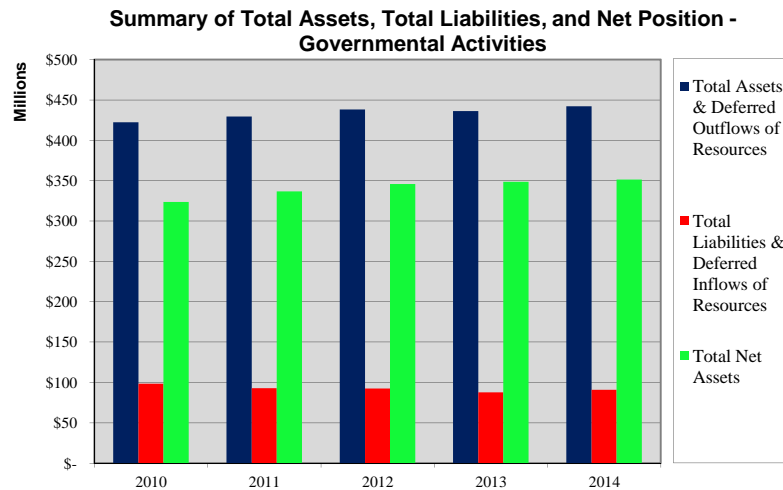


CITY OF APPLETON

2014 FINANCIAL STATEMENT HIGHLIGHTS

ANALYSIS OF NET POSITION - GOVERNMENTAL ACTIVITIES

	<u>2010</u>	<u>%</u>	<u>2011</u>	<u>%</u>	<u>2012</u>	<u>%</u>	<u>2013</u>	<u>%</u>	<u>2014</u>	<u>%</u>
Total Assets & Deferred Outflows of Resources	\$ 422,312,161		\$ 429,451,947		\$ 438,360,725		\$ 436,116,811		\$ 442,243,777	
Total Liabilities & Deferred Inflows of Resources	98,582,674		92,797,994		92,670,030		87,675,623		90,878,762	
Net investment in capital assets	301,042,119	93%	304,733,210	91%	306,228,924	89%	309,789,370	89%	311,002,481	89%
Restricted net position	7,014,412	2%	8,193,931	2%	10,030,642	3%	8,784,010	3%	10,320,311	3%
Unrestricted net position	15,672,956	5%	23,726,812	7%	29,431,129	9%	29,867,808	9%	30,042,223	9%
Total Net Position	<u>\$ 323,729,487</u>	100%	<u>\$ 336,653,953</u>	100%	<u>\$ 345,690,695</u>	100%	<u>\$ 348,441,188</u>	100%	<u>\$ 351,365,015</u>	100%
Net Position as a % of Total Assets		77%		78%		79%		80%		79%

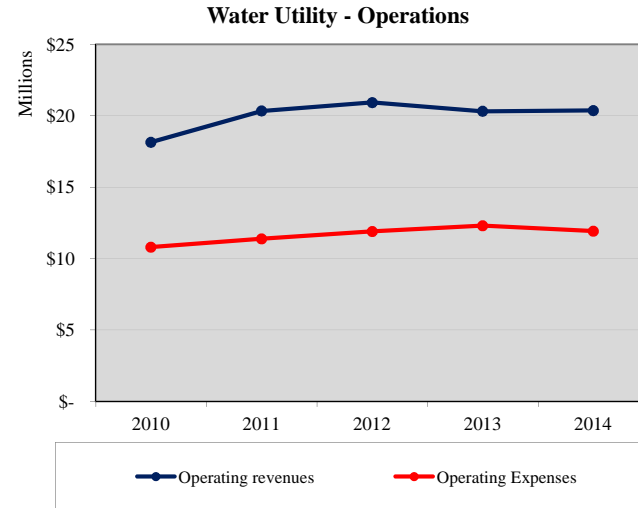
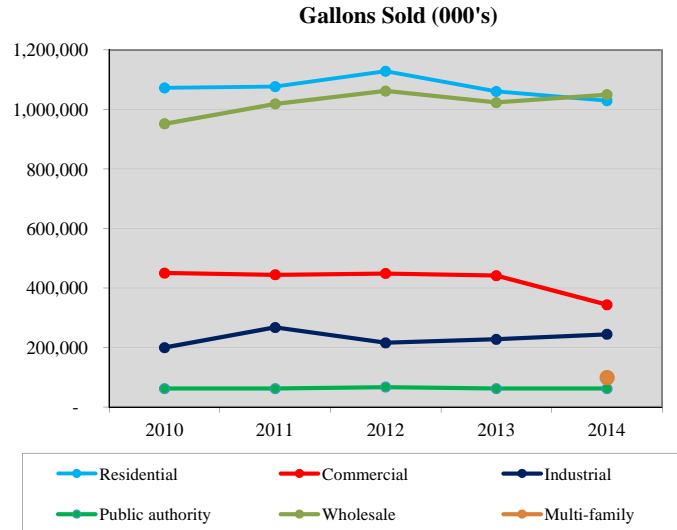


Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

CITY OF APPLETON WATER UTILITY

2014 FINANCIAL STATEMENT HIGHLIGHTS

	2010	%	2011	%	2012	%	2013	%	2014	%
Gallons Sold (000's)										
Residential	1,073,343	39%	1,076,988	38%	1,129,181	39%	1,060,957	38%	1,029,503	36%
Commercial	450,657	16%	444,604	15%	448,835	15%	442,087	16%	343,622	12%
Multi-family									99,342	4%
Industrial	199,655	7%	267,359	9%	216,345	7%	228,215	8%	244,451	9%
Public authority	62,291	2%	61,961	2%	67,120	2%	62,548	2%	61,780	2%
Wholesale	952,437	35%	1,018,921	36%	1,062,399	36%	1,023,495	36%	1,049,935	37%
TOTAL	2,738,383	100%	2,869,833	100%	2,923,880	100%	2,817,302	100%	2,828,633	100%
Operating Revenues	\$ 18,155,383		\$ 20,334,751		\$ 20,932,453		\$ 20,316,037		\$ 20,374,553	
Operating Expenses	10,810,798		11,390,470		11,908,401		12,308,498		11,921,238	



	2010	2011	2012	2013	2014
Ability to meet current obligations					
Unrestricted cash & investments *	\$ (7,844)	\$ 5,369,661	\$ 9,958,654	\$ 12,311,150	\$ 8,290,268
Months of unrestricted cash	(0.01)	3.17	5.71	7.27	4.88

* negative amounts are reported as advances from other funds

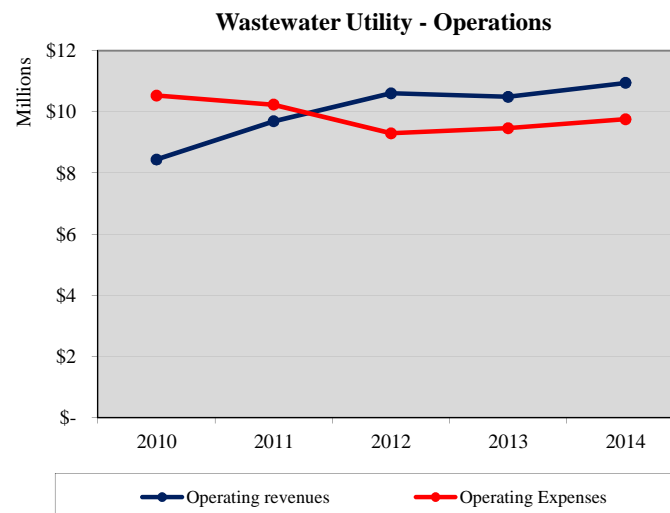
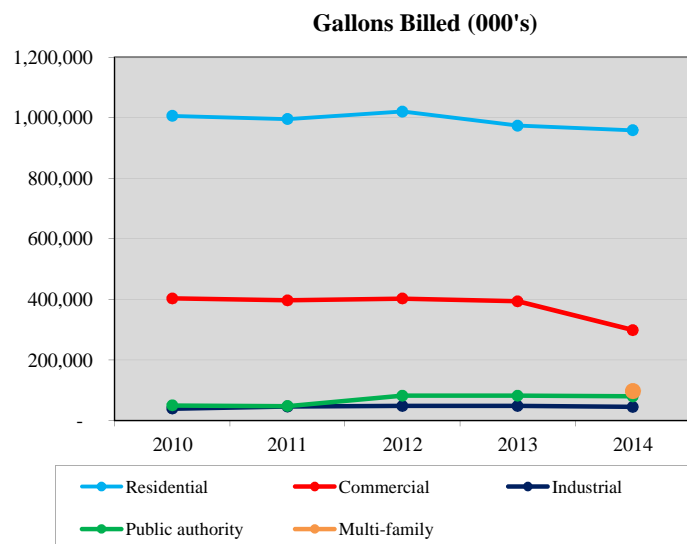
Rate of Return					
Actual rate	6.27%	7.63%	7.62%	6.59%	7.08%
Authorized rate	8.00%	7.00%	7.00%	7.00%	7.00%

Debt Coverage					
Actual	1.48	1.61	1.57	1.38	1.44
Required	1.10	1.10	1.10	1.10	1.10

CITY OF APPLETON WASTEWATER UTILITY

2014 FINANCIAL STATEMENT HIGHLIGHTS

	<u>2010</u>	<u>%</u>	<u>2011</u>	<u>%</u>	<u>2012</u>	<u>%</u>	<u>2013</u>	<u>%</u>	<u>2014</u>	<u>%</u>
<u>Gallons Billed (000's)</u>										
Residential	1,005,824	67%	995,414	67%	1,019,886	66%	973,731	65%	958,317	65%
Commercial	403,344	27%	396,635	27%	402,494	26%	393,776	26%	298,638	20%
Multi-family									97,224	7%
Industrial	39,141	3%	45,614	3%	48,099	3%	48,099	3%	45,097	3%
Public authority	49,559	3%	47,533	3%	81,756	5%	81,756	5%	79,778	5%
TOTAL	1,497,868	100%	1,485,196	100%	1,552,235	100%	1,497,362	100%	1,479,054	100%
Operating Revenues	\$ 8,439,730		\$ 9,687,803		\$ 10,601,634		\$ 10,486,298		\$ 10,942,593	
Operating Expenses	10,525,662		10,229,600		9,297,699		9,462,373		9,756,089	

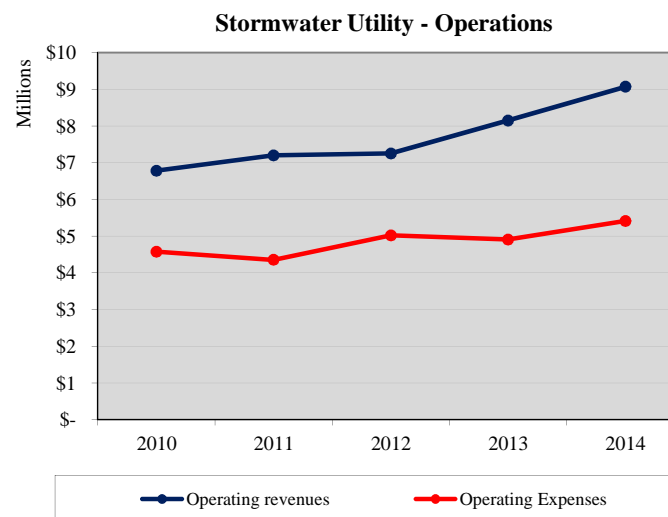
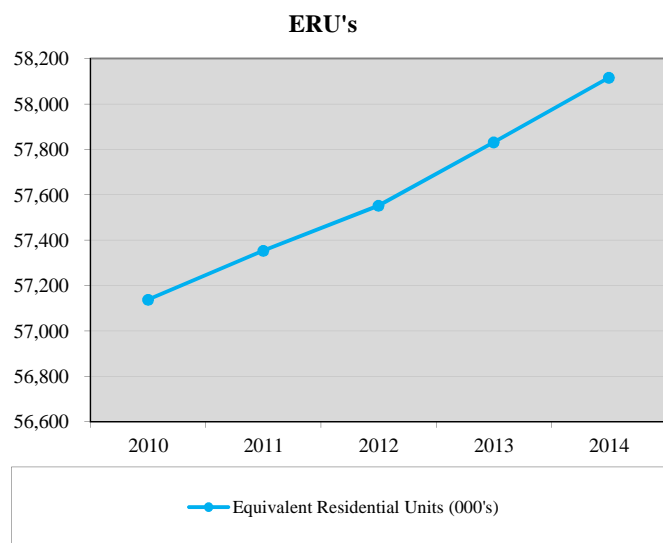


	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<u>Ability to meet current obligations</u>					
Unrestricted cash & investments	\$ 7,900,158	\$ 10,168,075	\$ 9,615,123	\$ 10,993,704	\$ 12,095,585
Months of unrestricted cash	11.23	12.59	10.88	12.58	13.26
<u>Debt Coverage</u>					
Actual	1.46	1.98	3.30	2.85	3.44
Required	1.20	1.20	1.20	1.20	1.20

CITY OF APPLETON STORMWATER UTILITY

2014 FINANCIAL STATEMENT HIGHLIGHTS

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Equivalent Residential Units (000's)	57,138	57,353	57,552	57,831	58,115
Operating Revenues	\$ 6,776,766	\$ 7,196,739	\$ 7,251,853	\$ 8,146,867	\$ 9,067,717
Operating Expenses	4,573,014	4,349,766	5,015,613	4,902,765	5,409,368



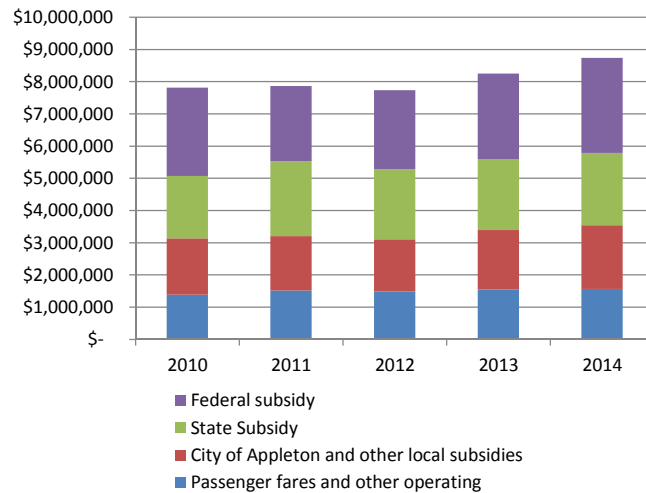
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<u>Ability to meet current obligations</u>					
Unrestricted cash & investments	\$ 11,028,304	\$ 9,911,308	\$ 11,000,829	\$ 12,152,790	\$ 6,570,109
Months of unrestricted cash	19.53	16.53	18.20	17.90	8.69
<u>Debt Coverage</u>					
Actual	1.31	1.57	1.22	1.29	1.44
Required	1.20	1.20	1.20	1.20	1.20

CITY OF APPLETON VALLEY TRANSIT

2014 FINANCIAL STATEMENT HIGHLIGHTS

	<u>2010</u>			<u>2011</u>			<u>2012</u>			<u>2013</u>			<u>2014</u>		
<u>Ridership</u>															
Fixed Route		956,088			1,073,655			1,095,650			1,093,202			1,081,882	
ADA Paratransit		81,236			90,128			87,261			92,643			94,487	
<u>Operating Revenues</u>															
Passenger fares and other operating	\$	1,383,740	18%	\$	1,512,804	19%	\$	1,485,517	19%	\$	1,547,558	20%	\$	1,563,356	18%
City of Appleton and other local subsidies		1,755,145	22%		1,694,671	22%		1,621,880	21%		1,841,665	24%		1,981,692	23%
State Subsidy		1,936,798	25%		2,322,036	30%		2,169,356	28%		2,208,486	28%		2,246,007	26%
Federal subsidy		<u>2,739,622</u>	35%		<u>2,336,554</u>	30%		<u>2,455,837</u>	32%		<u>2,649,815</u>	34%		<u>2,952,625</u>	34%
TOTAL	\$	<u>7,815,305</u>	100%	\$	<u>7,866,065</u>	100%	\$	<u>7,732,590</u>	100%	\$	<u>7,752,253</u>	106%	\$	<u>8,743,680</u>	100%
<u>Operating Expenses</u>															
Labor and benefits	\$	3,689,760	48%	\$	3,511,580	46%	\$	3,451,382	45%	\$	3,587,920	44%	\$	3,685,729	42%
Services		222,368	3%		192,114	2%		220,147	3%		271,349	3%		384,024	4%
Materials and supplies		623,858	8%		800,154	10%		867,131	11%		905,241	11%		959,385	11%
Purchased transportation		2,820,515	37%		2,869,324	37%		2,791,597	37%		3,098,708	38%		3,296,289	38%
Other		<u>318,022</u>	4%		<u>335,532</u>	4%		<u>260,913</u>	3%		<u>255,813</u>	3%		<u>362,878</u>	4%
TOTAL (excluding depreciation)	\$	<u>7,674,523</u>	100%	\$	<u>7,708,704</u>	100%	\$	<u>7,591,170</u>	100%	\$	<u>8,119,031</u>	100%	\$	<u>8,688,305</u>	100%

Transit Operating Revenues



Transit Operating Expenses

