

CITY OF APPLETON
REPORT TO THE FINANCE COMMITTEE

June 21, 2016

Presented By:

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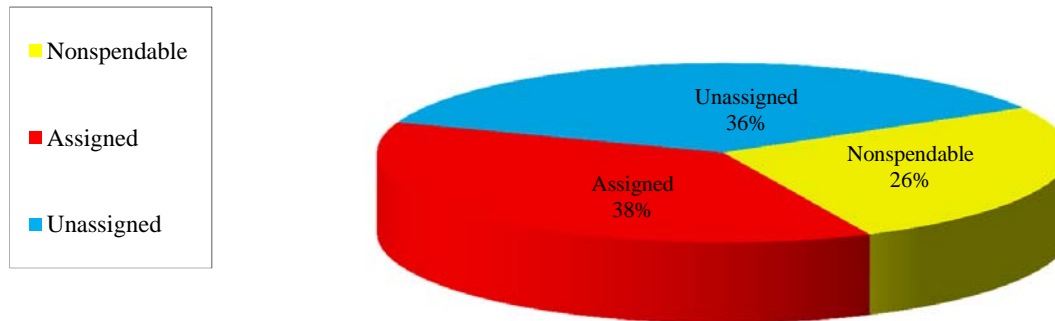
Note: Actual data was derived from current and prior years audited financial statements

CITY OF APPLETON 2015 FINANCIAL STATEMENT HIGHLIGHTS

DETAILS OF GENERAL FUND BALANCE

	<u>2015</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>	\$ 8,342,254
<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>	11,828,526
<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>11,429,020</u>
Total General Fund Balance	<u>\$ 31,599,800</u>

General Fund Balance



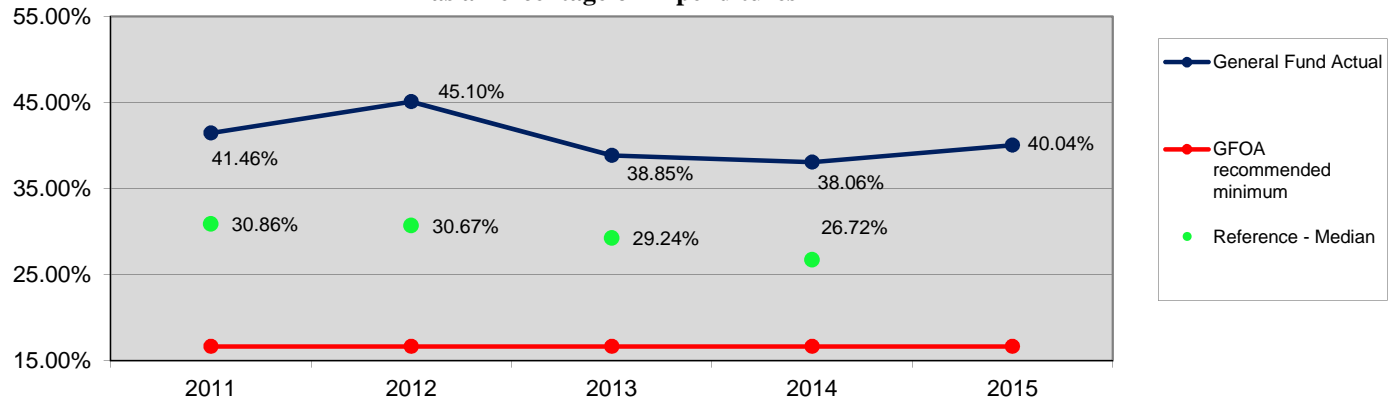
CITY OF APPLETON

2015 FINANCIAL STATEMENT HIGHLIGHTS

ANALYSIS OF GENERAL FUND BALANCE

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Unrestricted Fund Balance	\$ 22,713,119	\$ 24,249,711	\$ 22,244,613	\$ 22,064,770	\$ 23,257,546
Expenditures	54,788,761	53,768,471	57,261,312	57,966,419	58,083,429
% of expenditures	41.46%	45.10%	38.85%	38.06%	40.04%

**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
2012 Median - Reference:	30.67%
2013 Median - Reference:	29.24%
2014 Median - Reference:	26.72%

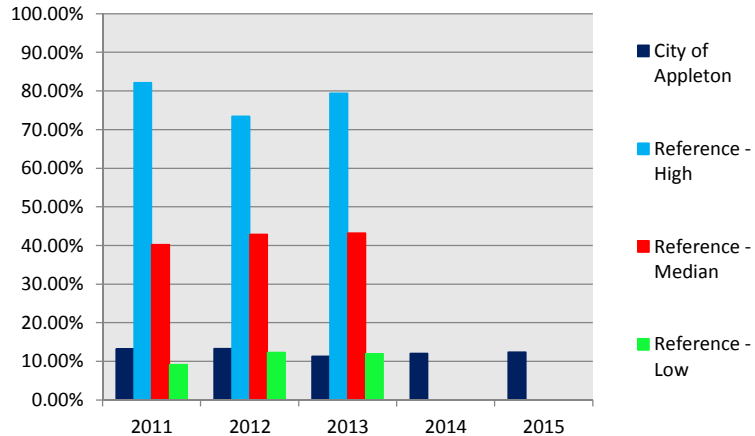
Reference values for the population range: 30,000 to 150,000 generated from 2009-2013 Baker Tilly municipal client data for Wisconsin.

CITY OF APPLETON 2015 FINANCIAL STATEMENT HIGHLIGHTS

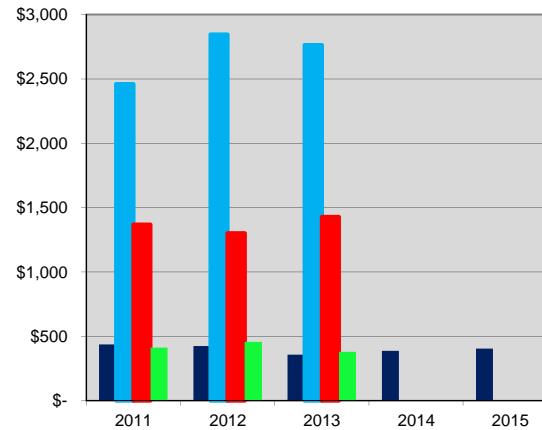
GENERAL OBLIGATION DEBT OUSTANDING

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<u>Total General Obligation (G.O.) Debt (net)</u>					
City	\$ 32,898,198	\$ 32,516,328	\$ 26,958,995	\$ 29,226,663	\$ 30,719,330
Utilities	708,509	735,000	725,000	695,000	635,000
Internal service	61,340	53,672	46,005	188,337	180,670
Subtotal	<u>33,668,047</u>	<u>33,305,000</u>	<u>27,730,000</u>	<u>30,110,000</u>	<u>31,535,000</u>
Less: Funds available for debt	<u>(1,972,070)</u>	<u>(2,320,132)</u>	<u>(1,503,052)</u>	<u>(1,703,173)</u>	<u>(1,695,673)</u>
TOTAL	<u>\$ 31,695,977</u>	<u>\$ 30,984,868</u>	<u>\$ 26,226,948</u>	<u>\$ 28,406,827</u>	<u>\$ 29,839,327</u>
Population	72,715	72,768	73,150	73,463	73,737
G.O. Debt Capacity	\$ 239,855,175	\$ 232,570,430	\$ 231,115,610	\$ 234,833,025	\$ 240,837,740
G.O. debt per capita	\$ 436	\$ 426	\$ 359	\$ 387	\$ 405
% of debt limit	13%	13%	11%	12%	12%

Percentage of Debt Limit



G.O. Debt Outstanding - Per Capita



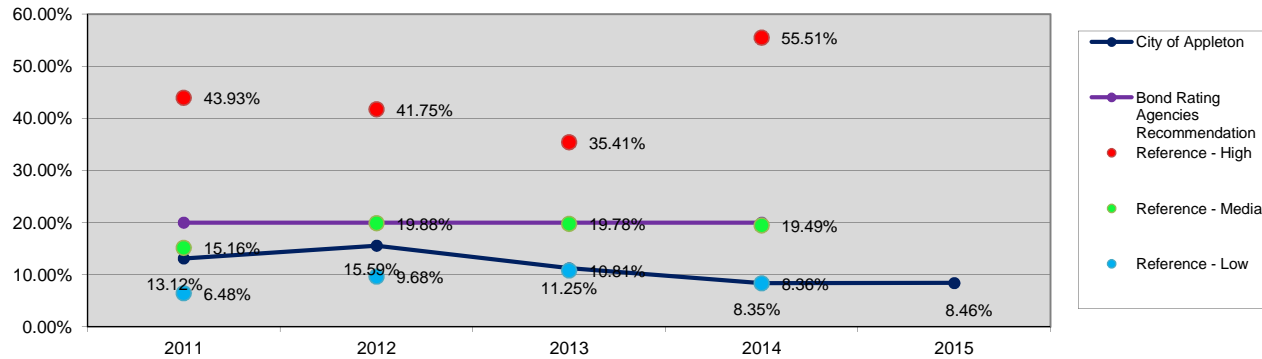
2011-2013 Reference values for the population range: 30,000 to 150,000 taken from *MunicipalFacts15* publication by the Wisconsin Taxpayers Alliance, 2015.

CITY OF APPLETON 2015 FINANCIAL STATEMENT HIGHLIGHTS

ANALYSIS OF DEBT SERVICE - GOVERNMENTAL FUNDS

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<u>Total Debt Service</u>					
Principal	\$ 7,021,625	\$ 8,761,870	\$ 6,057,333	\$ 4,107,332	\$ 4,282,333
Interest	<u>2,304,241</u>	<u>2,235,391</u>	<u>1,924,256</u>	<u>1,767,037</u>	<u>1,676,117</u>
TOTAL	<u>\$ 9,325,866</u>	<u>\$ 10,997,261</u>	<u>\$ 7,981,589</u>	<u>\$ 5,874,369</u>	<u>\$ 5,958,450</u>
<u>Total Non-Capital Expenditures</u>					
Total governmental funds expenditures	\$ 78,660,069	\$ 77,525,627	\$ 85,232,486	\$ 80,310,100	\$ 83,751,496
Less: capital outlay	<u>(7,595,439)</u>	<u>(6,974,759)</u>	<u>(14,281,748)</u>	<u>(9,972,321)</u>	<u>(13,292,522)</u>
TOTAL NON-CAPITAL EXPENDITURES	<u>\$ 71,064,630</u>	<u>\$ 70,550,868</u>	<u>\$ 70,950,738</u>	<u>\$ 70,337,779</u>	<u>\$ 70,458,974</u>
% of debt service to non-capital expenditures	13.12%	15.59%	11.25%	8.35%	8.46%

Debt Service to Non-Capital Expenditures



	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Bond rating agencies recommended %	20.00%	20.00%	20.00%	20.00%
High - Reference	43.93%	41.75%	35.41%	55.51%
Median - Reference	15.16%	19.88%	19.78%	19.49%
Low - Reference	6.48%	9.68%	10.81%	8.36%

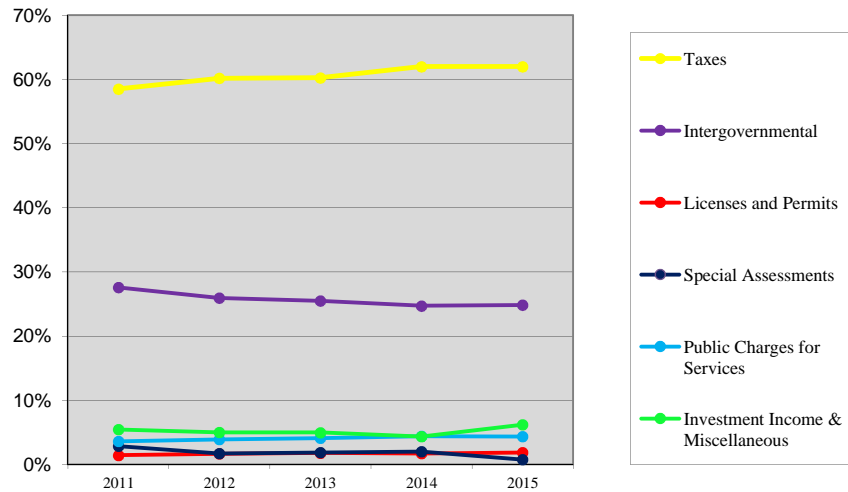
Reference values for the population range: 30,000 to 150,000 generated from 2011-2014 Baker Tilly municipal client data for Wisconsin.

CITY OF APPLETON 2015 FINANCIAL STATEMENT HIGHLIGHTS

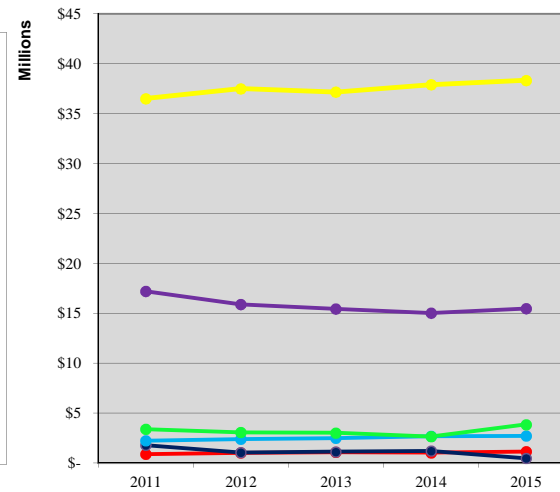
GENERAL, DEBT SERVICE & SANITATION FUND REVENUES

	<u>2011</u>	<u>%</u>	<u>2012</u>	<u>%</u>	<u>2013</u>	<u>%</u>	<u>2014</u>	<u>%</u>	<u>2015</u>	<u>%</u>
Total Revenues										
Taxes	\$ 36,502,988	59%	\$ 37,496,775	60%	\$ 37,161,108	60%	\$ 37,894,249	62%	\$ 38,331,455	62%
Intergovernmental	17,199,561	28%	15,900,288	26%	15,454,279	25%	15,037,371	25%	15,469,469	25%
Licenses and Permits	895,927	1%	1,018,228	2%	1,086,494	2%	1,035,280	2%	1,147,980	2%
Fines and forfeitures	359,662	1%	384,340	1%	334,540	1%	310,674	1%	273,814	0%
Special Assessments	1,786,373	3%	1,040,514	2%	1,128,596	2%	1,220,878	2%	470,806	1%
Public Charges for Services	2,238,524	4%	2,393,688	4%	2,485,471	4%	2,686,106	4%	2,723,068	4%
Investment Income & Miscellaneous	3,399,288	5%	3,070,730	5%	3,023,474	5%	2,646,500	4%	3,854,996	6%
TOTAL	\$ 62,382,323	100%	\$ 61,304,563	100%	\$ 60,673,962	100%	\$ 60,831,058	100%	\$ 62,271,588	100%

% of Total Revenue



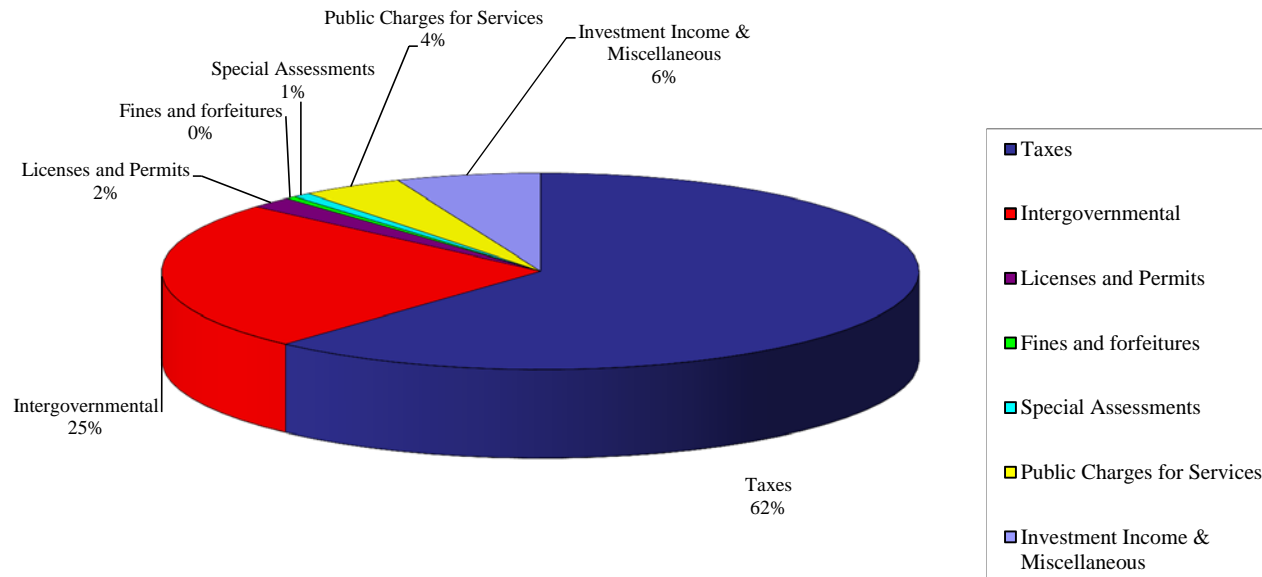
Total Revenue



**CITY OF APPLETON
2015 FINANCIAL STATEMENT HIGHLIGHTS**

2015 GENERAL, DEBT SERVICE & SANITATION FUND REVENUES

Total Revenues: \$62,271,588

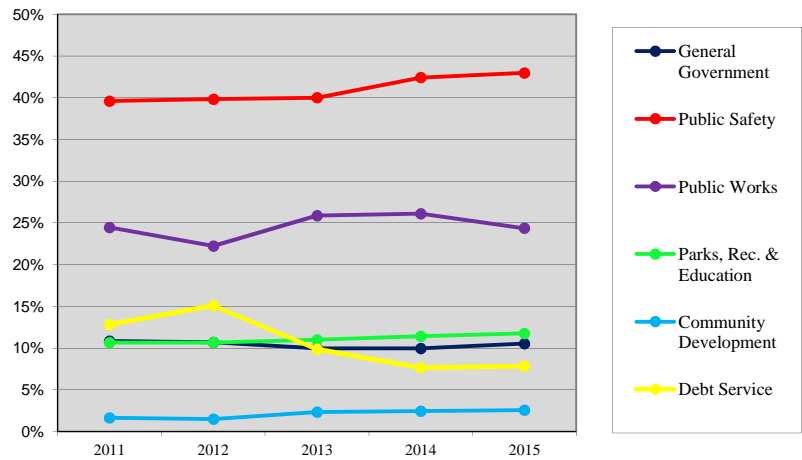


CITY OF APPLETON 2015 FINANCIAL STATEMENT HIGHLIGHTS

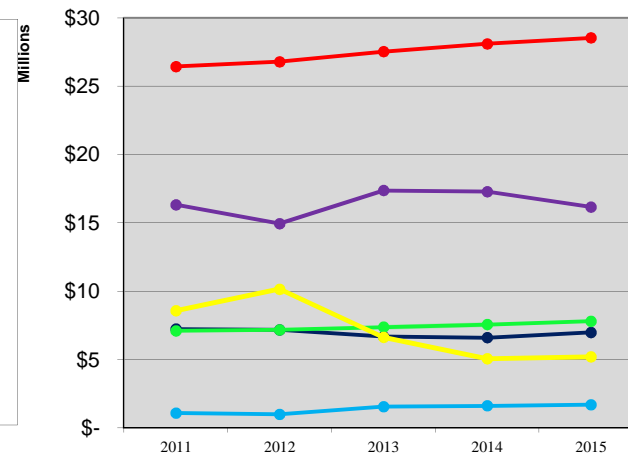
GENERAL, DEBT SERVICE & SANITATION FUND EXPENDITURES

	<u>2011</u>	<u>%</u>	<u>2012</u>	<u>%</u>	<u>2013</u>	<u>%</u>	<u>2014</u>	<u>%</u>	<u>2015</u>	<u>%</u>
<u>Total Expenditures</u>										
General Government	\$ 7,237,076	11%	\$ 7,182,956	11%	\$ 6,679,402	10%	\$ 6,600,117	10%	\$ 6,996,188	11%
Public Safety	26,444,183	40%	26,786,645	40%	27,526,967	40%	28,102,962	42%	28,537,213	43%
Public Works	16,323,554	24%	14,951,964	22%	17,373,663	26%	17,290,491	26%	16,170,161	24%
Parks, Rec. & Education	7,104,280	11%	7,175,293	11%	7,375,059	11%	7,564,048	11%	7,804,714	12%
Community Development	1,091,649	2%	993,840	1%	1,554,648	2%	1,618,637	2%	1,699,819	3%
Debt Service	8,571,674	13%	10,154,974	15%	6,635,151	10%	5,070,261	8%	5,201,008	8%
TOTAL	\$ 66,772,416	100%	\$ 67,245,672	100%	\$ 67,144,890	100%	\$ 66,246,516	100%	\$ 66,409,103	100%

% of Total Expenditures



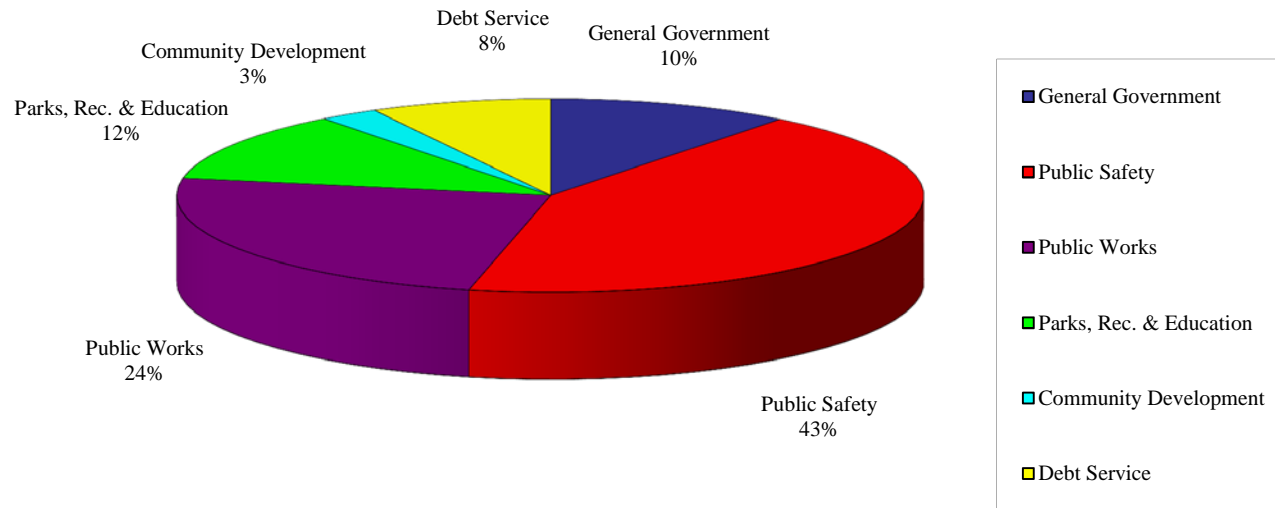
Total Expenditures



CITY OF APPLETON
2015 FINANCIAL STATEMENT HIGHLIGHTS

2015 GENERAL, DEBT SERVICE & SANITATION FUND EXPENDITURES

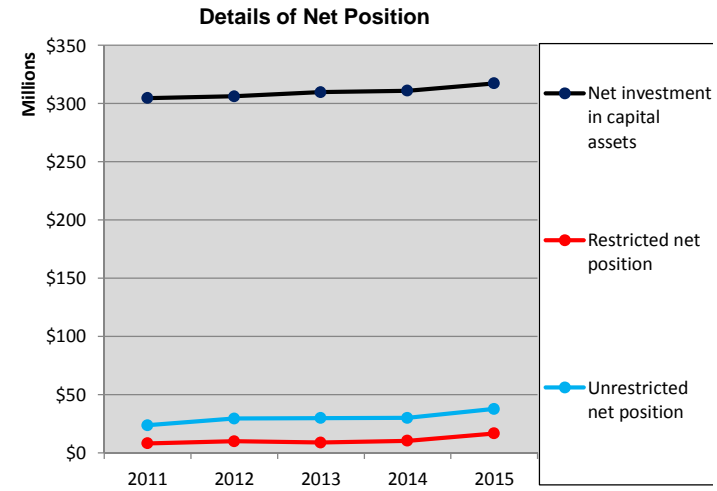
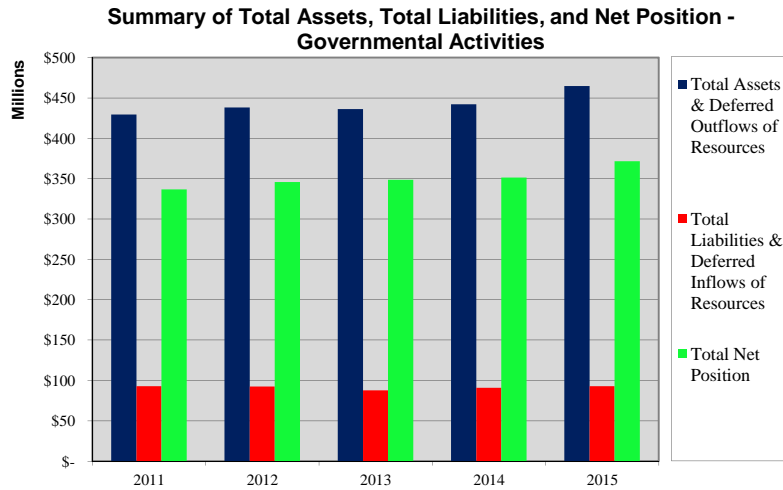
Total Expenditures: \$66,409,103



CITY OF APPLETON 2015 FINANCIAL STATEMENT HIGHLIGHTS

ANALYSIS OF NET POSITION - GOVERNMENTAL ACTIVITIES

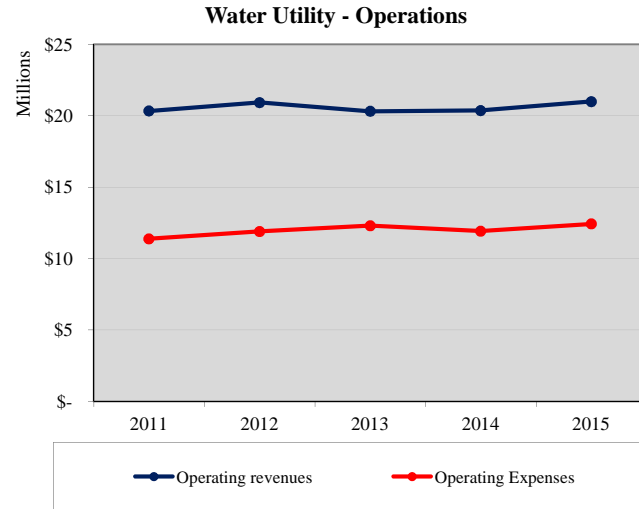
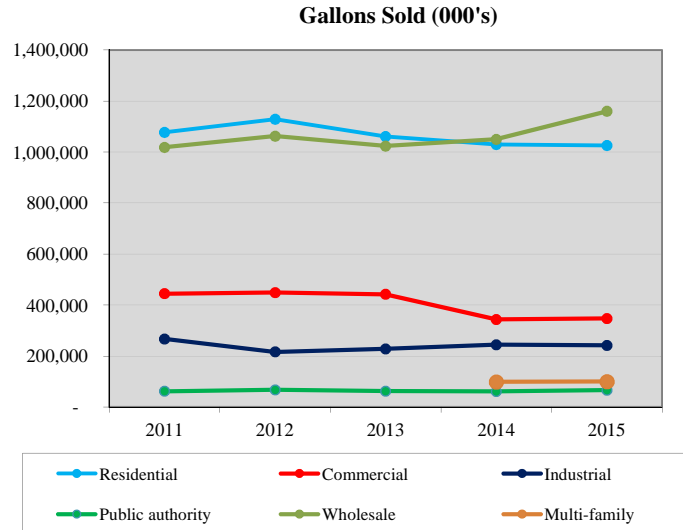
	<u>2011</u>	<u>%</u>	<u>2012</u>	<u>%</u>	<u>2013</u>	<u>%</u>	<u>2014</u>	<u>%</u>	<u>2015</u>	<u>%</u>
Total Assets & Deferred Outflows of Resources	\$ 429,451,947		\$ 438,360,725		\$ 436,116,811		\$ 442,243,777		\$ 464,615,506	
Total Liabilities & Deferred Inflows of Resources	92,797,994		92,670,030		87,675,623		90,878,762		92,945,924	
Net investment in capital assets	304,733,210	91%	306,228,924	89%	309,789,370	89%	311,002,481	89%	317,294,433	85%
Restricted net position	8,193,931	2%	10,030,642	3%	8,784,010	3%	10,320,311	3%	16,722,531	4%
Unrestricted net position	23,726,812	7%	29,431,129	9%	29,867,808	9%	30,042,223	9%	37,652,618	10%
Total Net Position	<u>\$ 336,653,953</u>	<u>100%</u>	<u>\$ 345,690,695</u>	<u>100%</u>	<u>\$ 348,441,188</u>	<u>100%</u>	<u>\$ 351,365,015</u>	<u>100%</u>	<u>\$ 371,669,582</u>	<u>100%</u>
Net Position as a % of Total Assets		78%		79%		80%		79%		80%



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 2015 FINANCIAL STATEMENT HIGHLIGHTS

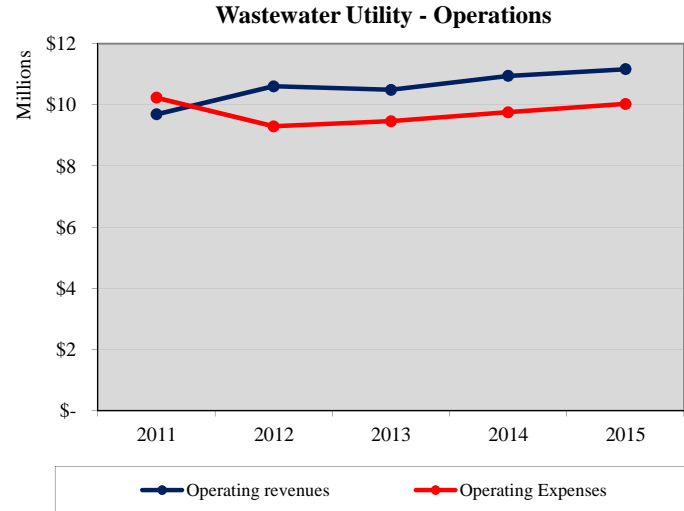
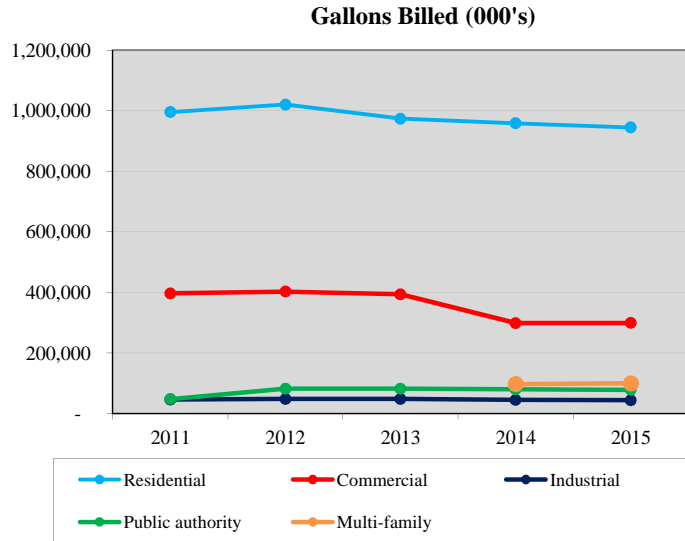
	2011	%	2012	%	2013	%	2014	%	2015	%
Gallons Sold (000's)										
Residential	1,076,988	38%	1,129,181	39%	1,060,957	38%	1,029,503	36%	1,026,208	35%
Commercial	444,604	15%	448,835	15%	442,087	16%	343,622	12%	347,740	12%
Multi-family							99,342	4%	100,150	3%
Industrial	267,359	9%	216,345	7%	228,215	8%	244,451	9%	241,827	8%
Public authority	61,961	2%	67,120	2%	62,548	2%	61,780	2%	66,768	2%
Wholesale	1,018,921	36%	1,062,399	36%	1,023,495	36%	1,049,935	37%	1,159,859	39%
TOTAL	2,869,833	100%	2,923,880	100%	2,817,302	100%	2,828,633	100%	2,942,552	100%
Operating Revenues	\$ 20,334,751		\$ 20,932,453		\$ 20,316,037		\$ 20,374,553		\$ 20,994,942	
Operating Expenses	11,390,470		11,908,401		12,308,498		11,921,238		12,431,596	



	2011	2012	2013	2014	2015
Ability to meet current obligations					
Unrestricted cash & investments	\$ 5,369,661	\$ 9,958,654	\$ 12,311,150	\$ 8,290,268	\$ 12,101,210
Months of unrestricted cash	3.08	5.88	7.25	4.74	6.92
Rate of Return					
Actual rate	7.63%	7.62%	6.59%	7.08%	6.74%
Authorized rate	7.00%	7.00%	7.00%	7.00%	7.00%
Debt Coverage					
Actual	1.61	1.57	1.38	1.44	1.43
Required	1.10	1.10	1.10	1.10	1.10

CITY OF APPLETON WASTEWATER UTILITY 2015 FINANCIAL STATEMENT HIGHLIGHTS

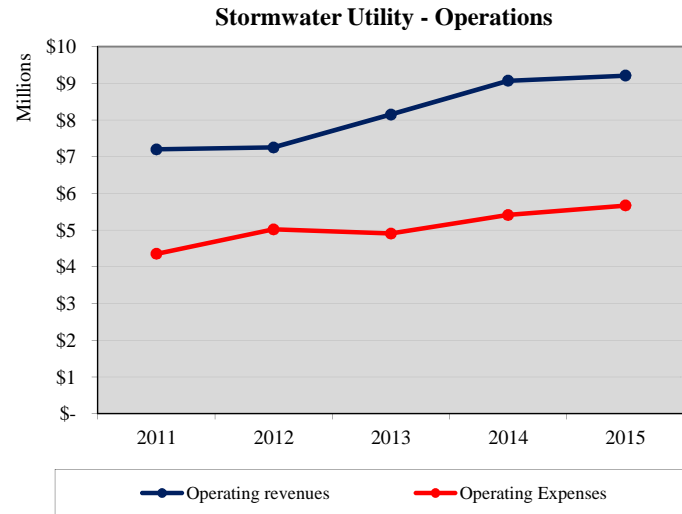
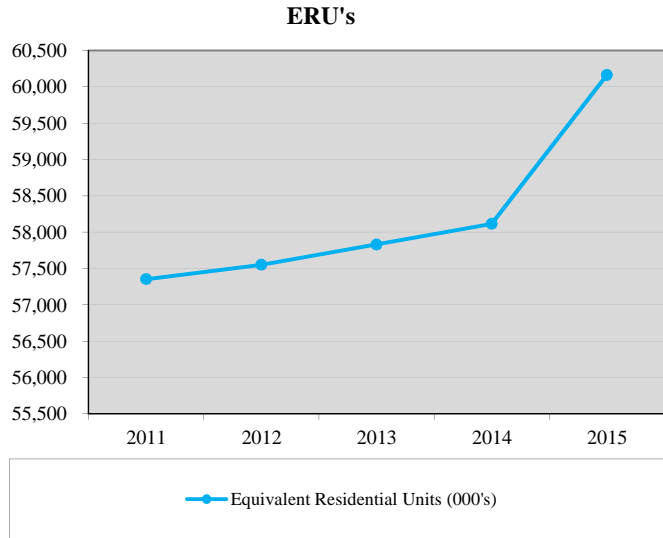
	<u>2011</u>	<u>%</u>	<u>2012</u>	<u>%</u>	<u>2013</u>	<u>%</u>	<u>2014</u>	<u>%</u>	<u>2015</u>	<u>%</u>
<u>Gallons Billed (000's)</u>										
Residential	995,414	67%	1,019,886	66%	973,731	65%	958,317	65%	944,737	64%
Commercial	396,635	27%	402,494	26%	393,776	26%	298,638	20%	299,009	20%
Multi-family							97,224	7%	99,819	7%
Industrial	45,614	3%	48,099	3%	48,099	3%	45,097	3%	43,981	3%
Public authority	47,533	3%	81,756	5%	81,756	5%	79,778	5%	78,123	5%
TOTAL	1,485,196	100%	1,552,235	100%	1,497,362	100%	1,479,054	100%	1,465,669	100%
Operating Revenues	\$ 9,687,803		\$ 10,601,634		\$ 10,486,298		\$ 10,942,593		\$ 11,163,377	
Operating Expenses	10,229,600		9,297,699		9,462,373		9,756,089		10,029,819	



	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<u>Ability to meet current obligations</u>					
Unrestricted cash & investments	\$ 10,168,075	\$ 9,615,123	\$ 10,993,704	\$ 12,095,585	\$ 12,864,209
Months of unrestricted cash	11.51	11.00	12.06	13.00	13.83
<u>Debt Coverage</u>					
Actual	1.98	3.30	2.85	3.44	3.23
Required	1.20	1.20	1.20	1.20	1.20

CITY OF APPLETON STORMWATER UTILITY 2015 FINANCIAL STATEMENT HIGHLIGHTS

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Equivalent Residential Units (000's)	57,353	57,552	57,831	58,115	60,163
Operating Revenues	\$ 7,196,739	\$ 7,251,853	\$ 8,146,867	\$ 9,067,717	\$ 9,207,428
Operating Expenses	4,349,766	5,015,613	4,902,765	5,409,368	5,668,167

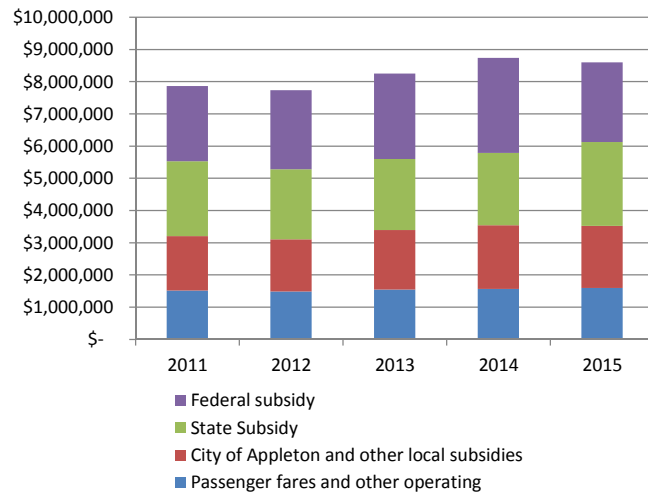


	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<u>Ability to meet current obligations</u>					
Unrestricted cash & investments	\$ 9,911,308	\$ 11,000,829	\$ 12,152,790	\$ 6,570,109	\$ 11,890,199
Months of unrestricted cash	16.40	16.20	16.08	8.56	15.50
<u>Debt Coverage</u>					
Actual	1.57	1.22	1.29	1.44	1.29
Required	1.20	1.20	1.20	1.20	1.20

CITY OF APPLETON VALLEY TRANSIT 2014 FINANCIAL STATEMENT HIGHLIGHTS

	<u>2011</u>		<u>2012</u>		<u>2013</u>		<u>2014</u>		<u>2015</u>	
<u>Ridership</u>										
Fixed Route	1,073,655		1,095,650		1,093,202		1,081,882		1,055,544	
ADA Paratransit	90,128		87,261		92,643		94,487		96,437	
<u>Operating Revenues</u>										
Passenger fares and other operating	\$ 1,512,804	19%	\$ 1,485,517	19%	\$ 1,547,558	20%	\$ 1,563,356	18%	\$ 1,593,398	19%
City of Appleton and other local subsidies	1,694,671	22%	1,621,880	21%	1,841,665	24%	1,981,692	23%	1,931,080	22%
State Subsidy	2,322,036	30%	2,169,356	28%	2,208,486	28%	2,246,007	26%	2,598,948	30%
Federal subsidy	<u>2,336,554</u>	30%	<u>2,455,837</u>	32%	<u>2,649,815</u>	34%	<u>2,952,625</u>	34%	<u>2,481,702</u>	29%
TOTAL	<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>\$ 8,605,128</u>	100%
<u>Operating Expenses</u>										
Labor and benefits	\$ 3,511,580	46%	\$ 3,451,382	45%	\$ 3,587,920	44%	\$ 3,685,729	42%	\$ 3,753,090	44%
Services	192,114	2%	220,147	3%	271,349	3%	384,024	4%	440,747	5%
Materials and supplies	800,154	10%	867,131	11%	905,241	11%	959,385	11%	738,432	9%
Purchased transportation	2,869,324	37%	2,791,597	37%	3,098,708	38%	3,296,289	38%	3,163,972	37%
Other	<u>335,532</u>	4%	<u>260,913</u>	3%	<u>255,813</u>	3%	<u>362,878</u>	4%	<u>371,996</u>	4%
TOTAL (excluding depreciation)	<u>\$ 7,708,704</u>	100%	<u>\$ 7,591,170</u>	100%	<u>\$ 8,119,031</u>	100%	<u>\$ 8,688,305</u>	100%	<u>\$ 8,468,237</u>	100%

Transit Operating Revenues



Transit Operating Expenses

