

**CITY OF DELAVAN**  
**REPORT TO THE FINANCE COMMITTEE**

**June 13, 2016**

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

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

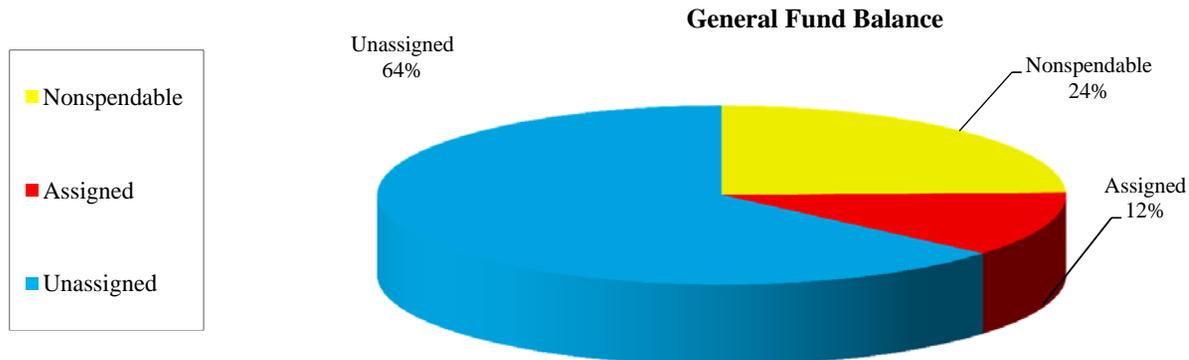
This communication is intended solely for the information and use of management, the board/council, and others within the organization, and is not intended to be, and should not be, used by anyone other than the specified parties.

## CITY OF DELAVAN 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>	\$733,060
<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>	350,444
<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>1,897,157</u>
<b>Total General Fund Balance</b>	<b><u>\$ 2,980,661</u></b>



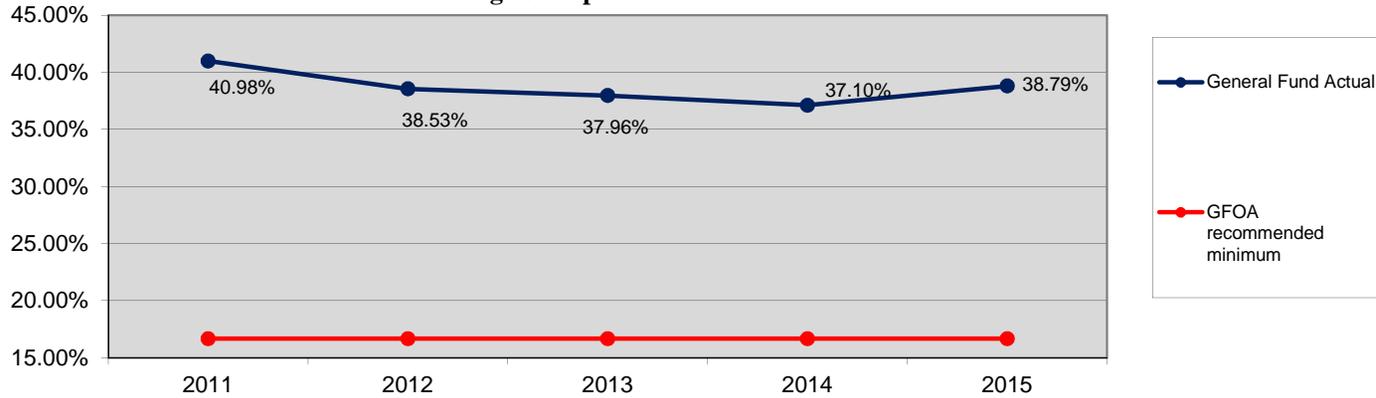
# CITY OF DELAVAN

## 2015 FINANCIAL STATEMENT HIGHLIGHTS

### ANALYSIS OF GENERAL FUND BALANCE

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Unrestricted Fund Balance</b>	2,420,544	2,154,579	2,185,497	2,179,604	2,247,601
<b>Expenditures</b>	5,907,271	5,591,324	5,757,501	5,874,562	5,793,608
<b>% of expenditures</b>	40.98%	38.53%	37.96%	37.10%	38.79%

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

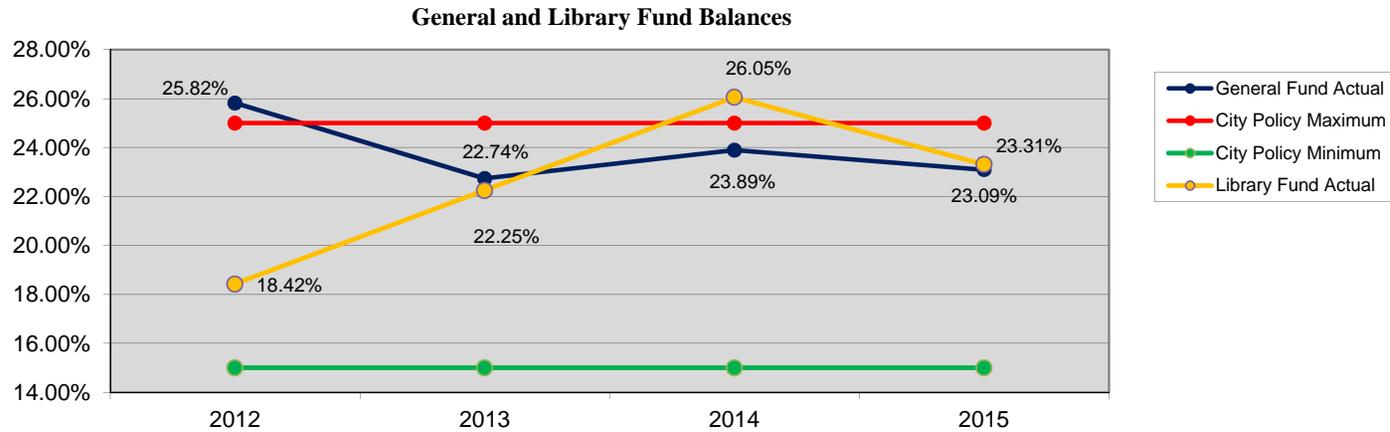


GFOA recommended minimum % of expenditures:                      no less than 2 months of regular GF operating expenditures

## CITY OF DELAVAN 2015 FINANCIAL STATEMENT HIGHLIGHTS

### ANALYSIS OF GENERAL AND LIBRARY FUND BALANCE

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>General Fund Unassigned Fund Balance</b>	2,154,579	1,972,076	1,957,397	1,897,157
Expenditures and transfers out	8,343,566	8,673,273	8,191,993	8,214,767
% of expenditures and transfers out	25.82%	22.74%	23.89%	23.09%
<b>Library Fund Restricted Fund Balance</b>	88,259	107,040	124,765	117,348
Expenditures	479,103	481,171	478,992	503,438
% of expenditures	18.42%	22.25%	26.05%	23.31%



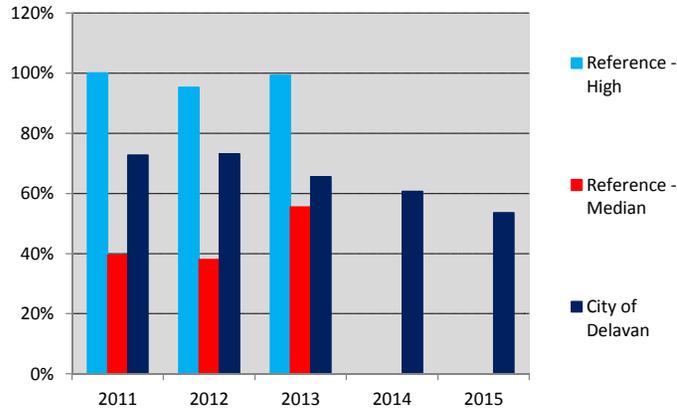
City's fund balance policy : Minimum 15% and maximum 25% of operational expenditures and transfers out

**CITY OF DELAVAN**  
**2015 FINANCIAL STATEMENT HIGHLIGHTS**

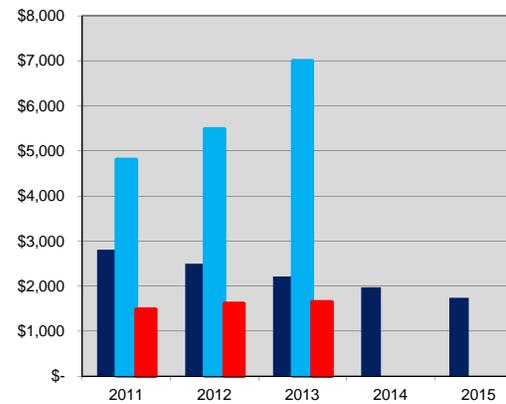
**GENERAL OBLIGATION DEBT OUTSTANDING**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b><u>Total General Obligation (G.O) Debt (net)</u></b>					
City	\$ 27,467,894	\$ 20,140,544	\$ 17,748,194	\$ 15,935,844	\$ 14,188,494
Utilities	1,260,000	1,100,000	935,000	760,000	570,000
Subtotal	28,727,894	21,240,544	18,683,194	16,695,844	14,758,494
Less: Funds available for debt	(4,990,796)	(115,152)	(39,290)	(37,365)	(46,478)
<b>TOTAL</b>	<u>\$ 23,737,098</u>	<u>\$ 21,125,392</u>	<u>\$ 18,643,904</u>	<u>\$ 16,658,479</u>	<u>\$ 14,712,016</u>
<b>Population</b>	8,453	8,463	8,432	8,448	8,443
<b>G.O. Debt Capacity</b>	\$ 32,615,870	\$ 28,863,615	\$ 28,423,545	\$ 27,438,605	\$ 27,429,540
G.O. debt per capita	\$ 2,808	\$ 2,496	\$ 2,211	\$ 1,972	\$ 1,743
% of debt limit	73%	73%	66%	61%	54%

**Percentage of Debt Limit**



**G.O. Debt Outstanding - Per Capita**



2011-2013 Reference values for the population range: 7,500 to 10,000 taken from *MunicipalFacts15* publication by the Wisconsin Taxpayers Alliance, 2015.

**CITY OF DELAVAN  
2015 FINANCIAL STATEMENT HIGHLIGHTS**

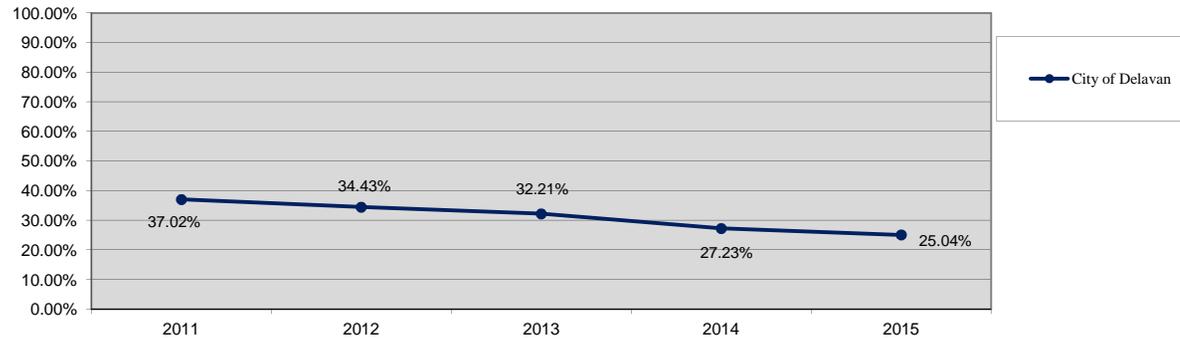
**ANALYSIS OF DEBT SERVICE - GOVERNMENTAL FUNDS**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b><u>Total Debt Service</u></b>					
Principal*	\$ 2,972,350	\$ 2,527,350	\$ 2,392,350	\$ 1,842,350	\$ 1,742,350
Interest	925,396	758,368	653,438	619,567	473,893
<b>TOTAL</b>	<b>\$ 3,897,746</b>	<b>\$ 3,285,718</b>	<b>\$ 3,045,788</b>	<b>\$ 2,461,917</b>	<b>\$ 2,216,243</b>
<b><u>Total Non-Capital Expenditures</u></b>					
Total governmental funds expenditures	\$ 14,434,065	\$ 11,413,838	\$ 10,294,961	\$ 10,715,723	\$ 10,392,308
Less: capital outlay	(3,905,978)	(1,870,297)	(837,863)	(1,673,405)	(1,539,817)
<b>TOTAL NON-CAPITAL EXPENDITURES</b>	<b>\$ 10,528,087</b>	<b>\$ 9,543,541</b>	<b>\$ 9,457,098</b>	<b>\$ 9,042,318</b>	<b>\$ 8,852,491</b>

\* Excludes refunding of \$4,800,000 in 2012, \$3,000,000 in 2014, and \$2,200,000 in 2015.

% of debt service to non-capital expenditures	37.02%	34.43%	32.21%	27.23%	25.04%
---	--------	--------	--------	--------	--------

**Debt Service to Non-Capital Expenditures**



Typical recommendation by bond rating agencies=20%

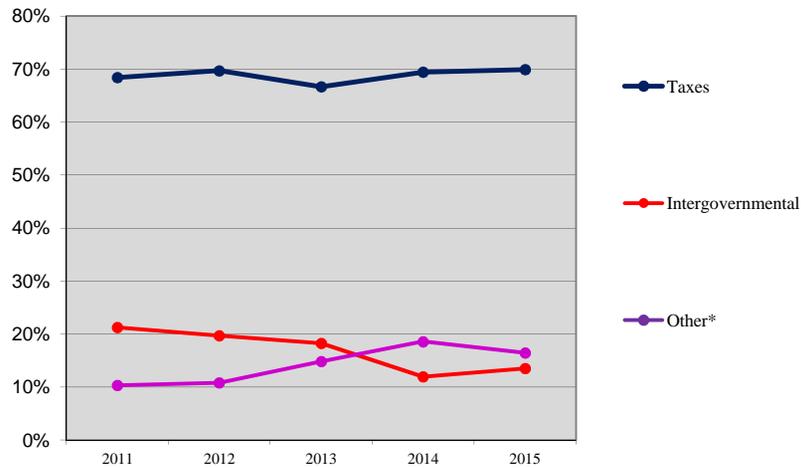
## CITY OF DELAVAN 2015 FINANCIAL STATEMENT HIGHLIGHTS

### GENERAL & DEBT SERVICE FUND REVENUES

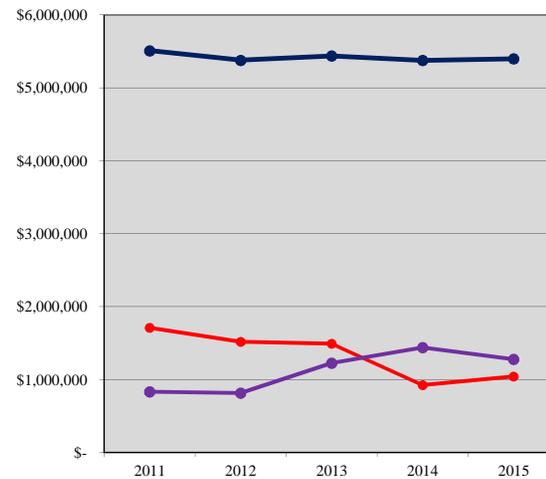
	<u>2011</u>	<u>%</u>	<u>2012</u>	<u>%</u>	<u>2013</u>	<u>%</u>	<u>2014</u>	<u>%</u>	<u>2015</u>	<u>%</u>
<b>Total Revenues</b>										
Taxes	\$ 5,511,918	68%	\$ 5,379,733	70%	\$ 5,439,049	67%	\$ 5,378,539	69%	\$ 5,400,073	70%
Intergovernmental	1,713,184	21%	1,519,678	20%	1,492,048	18%	925,902	12%	1,044,401	14%
Other*	833,185	10%	817,384	11%	1,226,428	15%	1,440,337	19%	1,279,650	16%
	<u>\$ 8,058,287</u>	100%	<u>\$ 7,716,795</u>	100%	<u>\$ 8,157,525</u>	100%	<u>\$ 7,744,778</u>	100%	<u>\$ 7,724,124</u>	100%

\*Other includes investment income, miscellaneous revenues, fines, forfeitures and penalties, regulation and compliance and public charges.

**% of Total Revenue**



**Total Revenue**

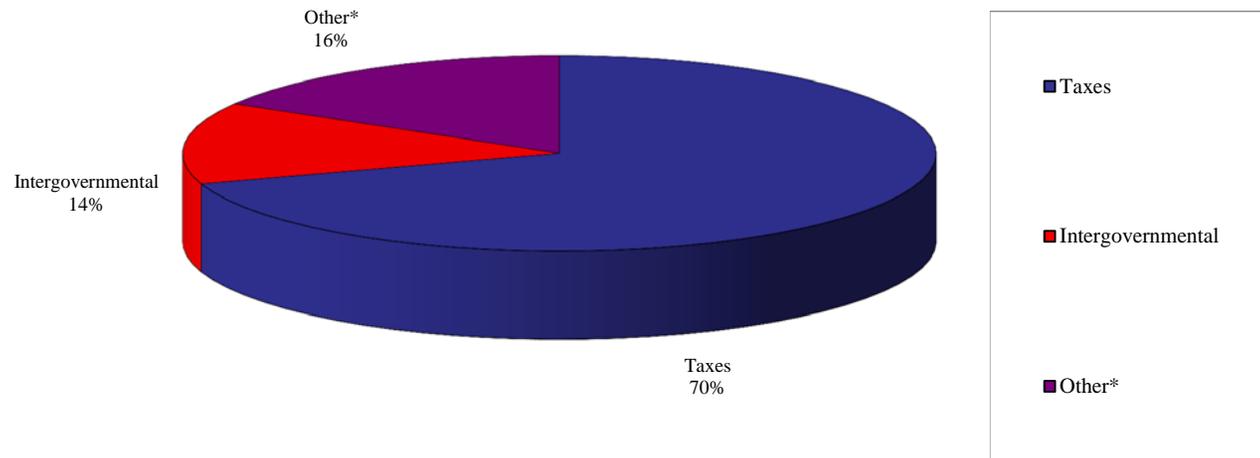


**CITY OF DELAVAN**  
**2015 FINANCIAL STATEMENT HIGHLIGHTS**

---

**2015 GENERAL & DEBT SERVICE FUND REVENUES**

**Total Revenues: \$7,724,124**



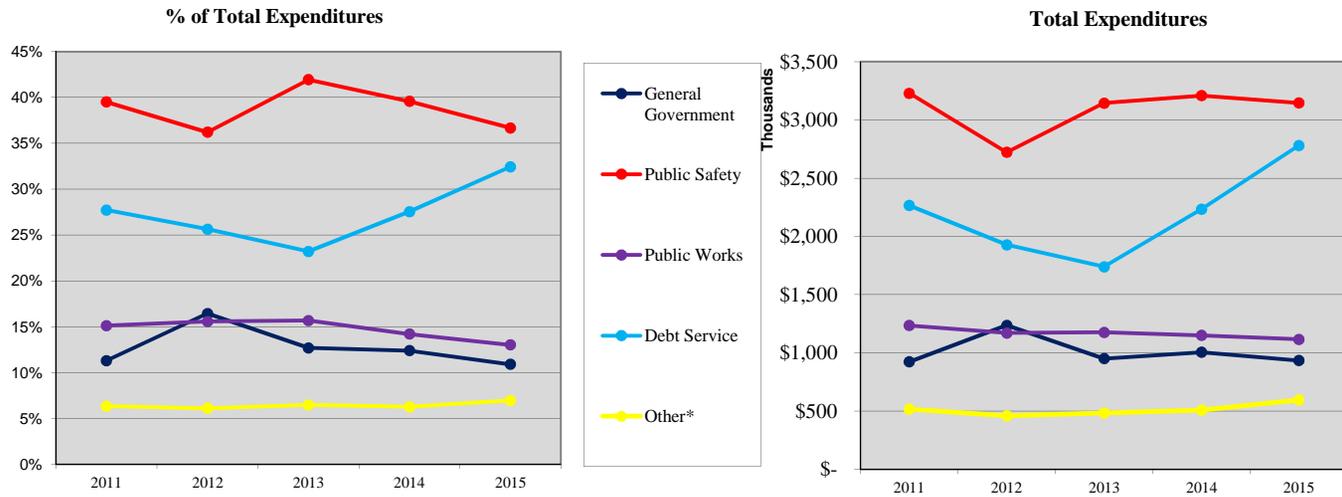
\*Other includes investment income, miscellaneous revenues, fines, forfeitures and penalties, regulation and compliance and public charges.

## CITY OF DELAVAN 2015 FINANCIAL STATEMENT HIGHLIGHTS

### GENERAL & DEBT SERVICE 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>
<b><u>Total Expenditures</u></b>										
General Government	\$ 924,411	11%	\$ 1,236,934	16%	\$ 951,744	13%	\$ 1,005,667	12%	\$ 935,299	11%
Public Safety	3,229,055	40%	2,722,744	36%	3,144,019	42%	3,208,992	40%	3,145,131	37%
Public Works	1,235,621	15%	1,171,598	16%	1,176,016	16%	1,151,301	14%	1,116,346	13%
Debt Service	2,266,150	28%	1,928,028	26%	1,740,035	23%	2,234,680	28%	2,781,119	32%
Other*	518,184	6%	460,048	6%	485,722	6%	508,602	6%	596,832	7%
<b>TOTAL</b>	<b>\$ 8,173,421</b>	<b>100%</b>	<b>\$ 7,519,352</b>	<b>100%</b>	<b>\$ 7,497,536</b>	<b>100%</b>	<b>\$ 8,109,242</b>	<b>100%</b>	<b>\$ 8,574,727</b>	<b>100%</b>

\*Other includes leisure activities, conservation and development, public service enterprises and capital outlay.

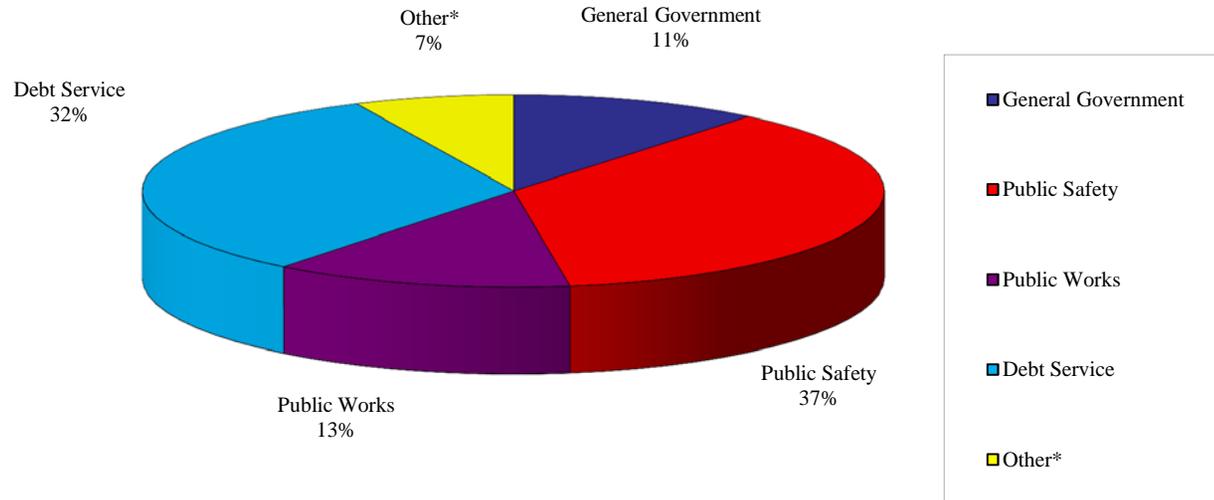


**CITY OF DELAVAN**  
**2015 FINANCIAL STATEMENT HIGHLIGHTS**

---

**2015 GENERAL & DEBT SERVICE FUND EXPENDITURES**

**Total Expenditures: \$8,574,727**

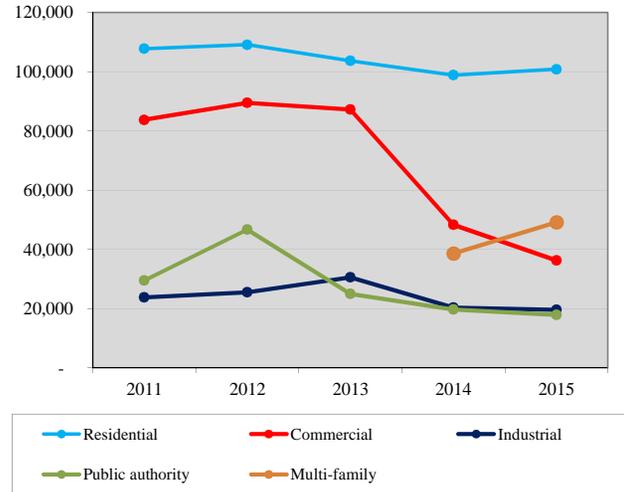


\*Other includes leisure activities, conservation and development, public service enterprises and capital outlay.

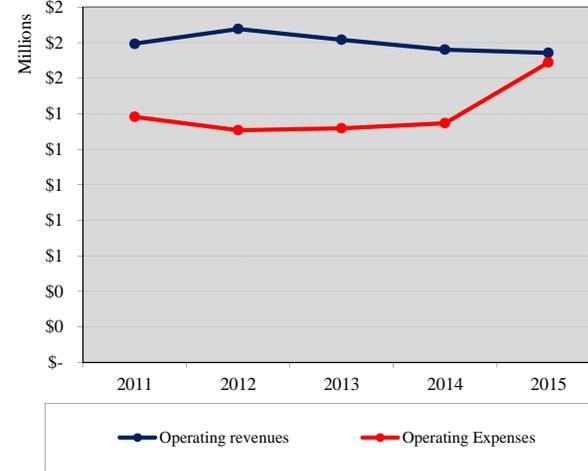
## CITY OF DELAVAN WATER UTILITY 2015 FINANCIAL STATEMENT HIGHLIGHTS

	<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>
<b>Gallons Sold (000's)</b>										
Residential	107,768	44%	109,086	40%	103,662	42%	98,841	44%	100,808	45%
Commercial	83,717	34%	89,453	33%	87,230	35%	48,292	21%	36,256	16%
Multi-family							38,662	17%	49,144	22%
Industrial	23,811	10%	25,545	9%	30,563	12%	20,383	9%	19,597	9%
Public authority	29,495	12%	46,665	17%	25,007	10%	19,692	9%	17,836	8%
<b>TOTAL</b>	<b>244,791</b>	<b>100%</b>	<b>270,749</b>	<b>100%</b>	<b>246,462</b>	<b>100%</b>	<b>225,870</b>	<b>100%</b>	<b>223,641</b>	<b>100%</b>
<b>Operating Revenues</b>	<b>\$ 1,793,570</b>		<b>\$ 1,876,921</b>		<b>\$ 1,815,525</b>		<b>\$ 1,760,436</b>		<b>\$ 1,742,246</b>	
<b>Operating Expenses</b>	<b>1,383,004</b>		<b>1,306,398</b>		<b>1,317,991</b>		<b>1,345,997</b>		<b>1,689,510</b>	

**Gallons Sold (000's)**



**Water Utility - Operations**

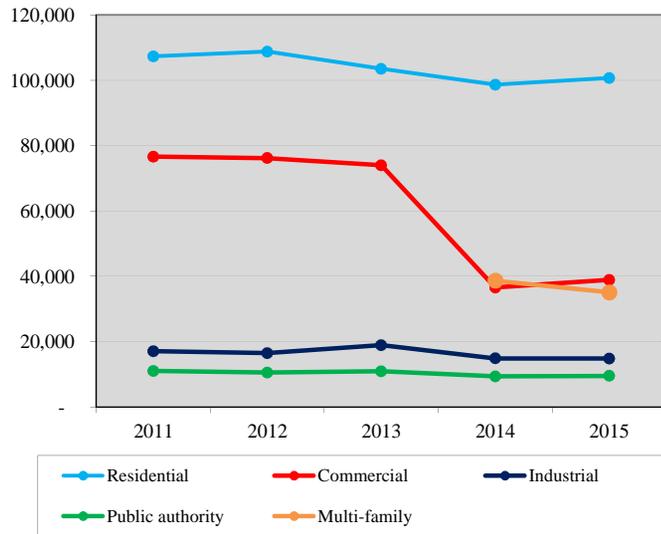


	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Ability to meet current obligations</b>					
Unrestricted cash & investments	\$ 2,560,400	\$ 3,139,102	\$ 3,275,858	\$ 3,521,503	\$ 3,539,236
Months of unrestricted cash	17.13	20.07	21.65	24.00	24.38
<b>Rate of Return</b>					
Actual rate	1.24%	2.09%	1.16%	0.71%	-2.32%
Authorized rate	1.30%	1.30%	1.30%	1.30%	1.30%
<b>Debt Coverage</b>					
Actual	3.76	3.27	3.08	2.86	1.90
Required	1.25	1.25	1.25	1.25	1.25

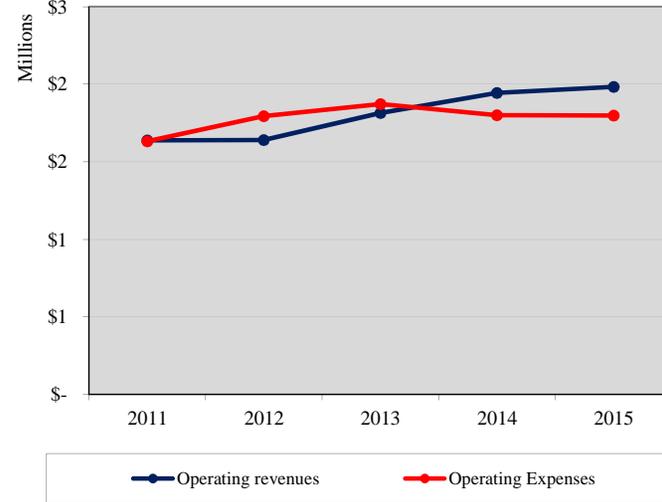
## CITY OF DELAVAN SEWER UTILITY 2015 FINANCIAL STATEMENT HIGHLIGHTS

	<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>
<b>Gallons Billed (000's)</b>										
Residential	107,361	51%	108,757	51%	103,520	50%	98,684	50%	100,736	51%
Commercial	76,660	36%	76,190	36%	73,992	36%	36,549	18%	38,893	20%
Multi-family							38,668	20%	35,111	18%
Industrial	17,060	8%	16,536	8%	18,919	9%	14,886	8%	14,875	7%
Public authority	11,025	5%	10,530	5%	10,982	5%	9,349	5%	9,529	5%
<b>TOTAL</b>	<b>212,106</b>	<b>100%</b>	<b>212,013</b>	<b>100%</b>	<b>207,413</b>	<b>100%</b>	<b>198,136</b>	<b>100%</b>	<b>199,144</b>	<b>100%</b>
<b>Operating Revenues</b>	\$ 1,638,414		\$ 1,640,536		\$ 1,814,681		\$ 1,943,383		\$ 1,982,594	
<b>Operating Expenses</b>	1,631,694		1,793,919		1,871,319		1,799,437		1,797,665	

**Gallons Billed (000's)**



**Sewer Utility - Operations**



	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Ability to meet current obligations</b>					
Unrestricted cash & investments	\$ 588,377	\$ 426,696	\$ 420,110	\$ 860,045	\$ 1,091,132
Months of unrestricted cash	4.31	3.12	2.78	5.31	6.60