

**CITY OF WEST BEND  
REPORT TO THE CITY COUNCIL**

**June 17, 2019**

Presented By:



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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 city 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 WEST BEND**  
**2018 FINANCIAL STATEMENT HIGHLIGHTS**

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**GENERAL FUND OPERATING RESULTS**

	Actual	Budget	Variance with Budget
<b>Fund Balance - Beginning of Year</b>	\$ 8,223,032	\$ 8,223,032	\$ -
<b>Net Change in Fund Balance</b>	570,112	(715,934)	1,286,046
<b>Fund balance - End of Year</b>	\$ 8,793,144	\$ 7,507,098	\$ 1,286,046

**DETAILS OF GENERAL FUND BALANCE**

**Nonspendable**

*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.*

	2018	% of total
	\$ 1,243,055	14%

**Restricted**

*includes fund balance amounts that can be spent only for the specific purposes stipulated by an external source.*

	295,964	3%
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**Assigned**

*includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed.*

	590,212	7%
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**Unassigned**

*includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories.*

	6,663,913	76%
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**Total General Fund Balance**

	\$ 8,793,144
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**What it means...**

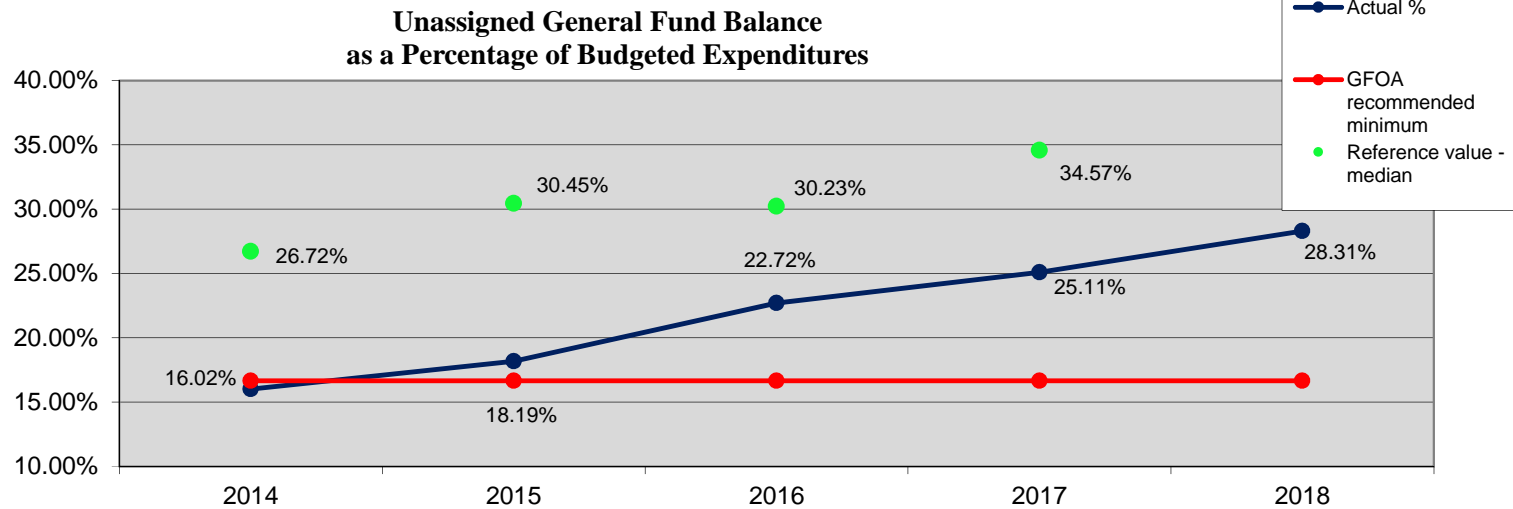
Unassigned fund balance can be a key indicator for financial health. This is the amount of funds available to the city that have not been set aside for any other purpose.

# CITY OF WEST BEND

## 2018 FINANCIAL STATEMENT HIGHLIGHTS

### ANALYSIS OF GENERAL FUND BALANCE

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>Unassigned Fund Balance</b>	\$ 3,558,917	\$ 4,078,084	\$ 5,238,255	\$ 5,733,776	\$ 6,663,913
Subsequent Year Budgeted Expenditures	22,220,207	22,415,712	23,060,103	22,832,523	23,542,189
% of expenditures	16.02%	18.19%	22.72%	25.11%	28.31%



The GFOA recommended minimum fund balance is no less than 2 months of regular general fund operating expenditures.  
Reference values for the population range: 30,000 to 150,000 generated from 2014-2017 Baker Tilly municipal client data for Wisconsin.

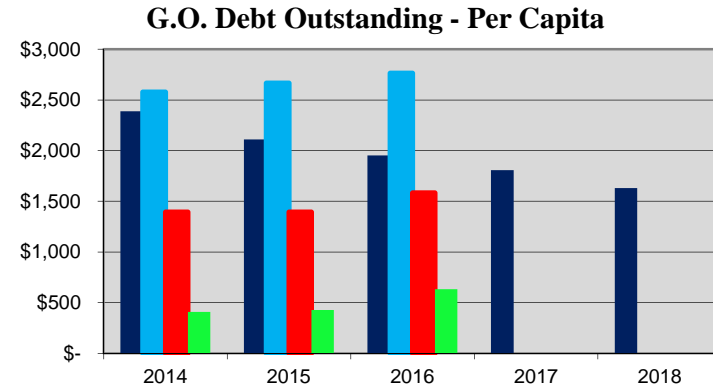
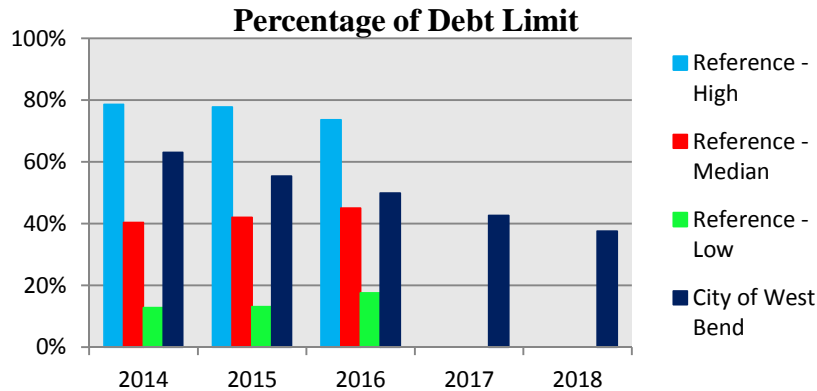
### What it means...

The city's fund balance policy compares unassigned fund balance to the subsequent year's budget and has a recommended minimum of 17% and maximum of 30%. At the end of 2018, the city was within the policy recommendations.

# CITY OF WEST BEND 2018 FINANCIAL STATEMENT HIGHLIGHTS

## GENERAL OBLIGATION DEBT OUTSTANDING

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b><u>Total General Obligation (G.O.) Debt (net)</u></b>					
City (includes TIF debt)	\$ 74,061,384	\$ 64,566,623	\$ 59,120,695	\$ 53,993,514	\$ 48,745,067
Utilities	2,652,141	2,362,141	2,862,140	3,187,140	3,332,140
Subtotal	76,713,525	66,928,764	61,982,835	57,180,654	52,077,207
Less: Fund equity available for debt	(1,404,634)	(52,530)	(66,540)	(137,043)	(140,866)
<b>TOTAL</b>	<b>\$ 75,308,891</b>	<b>\$ 66,876,234</b>	<b>\$ 61,916,295</b>	<b>\$ 57,043,611</b>	<b>\$ 51,936,341</b>
<b>Population</b>	31,550	31,692	31,695	31,546	31,881
<b>G.O. Debt Limit</b>	\$ 119,438,660	\$ 120,904,000	\$ 124,286,390	\$ 134,006,975	\$ 138,333,075
G.O. debt per capita	\$ 2,387	\$ 2,110	\$ 1,954	\$ 1,808	\$ 1,629
% of debt limit	63%	55%	50%	43%	38%



2013-2015 Reference values for the population range: 30,000 to 150,000 taken from *MunicipalFacts18* publication by the Wisconsin Policy Forum, 2018.

### What it means...

The actual debt outstanding for the city is within the allowable debt limit. Compared to other municipalities of similar size, the debt outstanding per capita continues to decrease toward the median reference value over time.

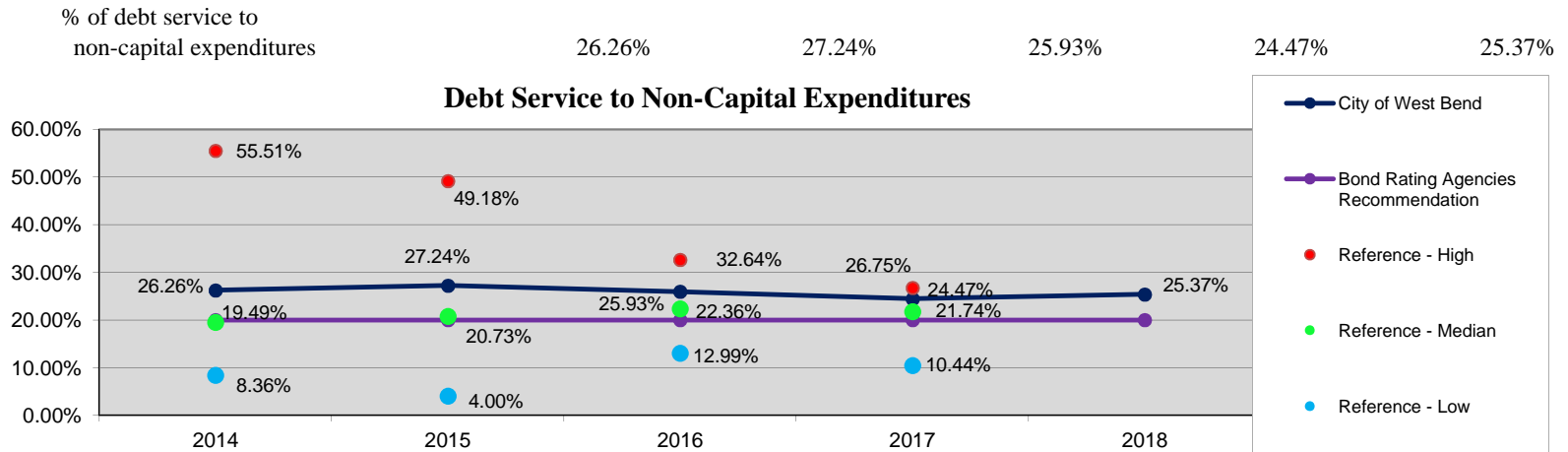
# CITY OF WEST BEND

## 2018 FINANCIAL STATEMENT HIGHLIGHTS

### ANALYSIS OF DEBT SERVICE - GOVERNMENTAL FUNDS

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b><u>Total Debt Service</u></b>					
Principal*	\$ 5,908,603	\$ 7,104,761	\$ 6,925,928	\$ 6,712,182	\$ 7,338,447
Interest and fiscal charges	<u>2,411,442</u>	<u>1,984,796</u>	<u>1,806,619</u>	<u>1,515,465</u>	<u>1,489,633</u>
<b>TOTAL</b>	<b><u>\$ 8,320,045</u></b>	<b><u>\$ 9,089,557</u></b>	<b><u>\$ 8,732,547</u></b>	<b><u>\$ 8,227,647</u></b>	<b><u>\$ 8,828,080</u></b>
<b><u>Total Non-Capital Expenditures</u></b>					
Total governmental funds expenditures	\$ 43,859,728	\$ 43,054,706	\$ 40,338,243	\$ 37,530,255	\$ 38,975,492
Less: capital outlay	(4,876,887)	(3,511,622)	(3,307,461)	(3,911,785)	(4,184,838)
Less: capital lease pay-off/current refunding	<u>(7,300,000)</u>	<u>(6,175,000)</u>	<u>(3,355,000)</u>	<u>-</u>	<u>-</u>
<b>TOTAL NON-CAPITAL EXPENDITURES</b>	<b><u>\$ 31,682,841</u></b>	<b><u>\$ 33,368,084</u></b>	<b><u>\$ 33,675,782</u></b>	<b><u>\$ 33,618,470</u></b>	<b><u>\$ 34,790,654</u></b>

\*This excludes payments to refunded bond escrow, current debt refundings, and the pay-off of the capital lease



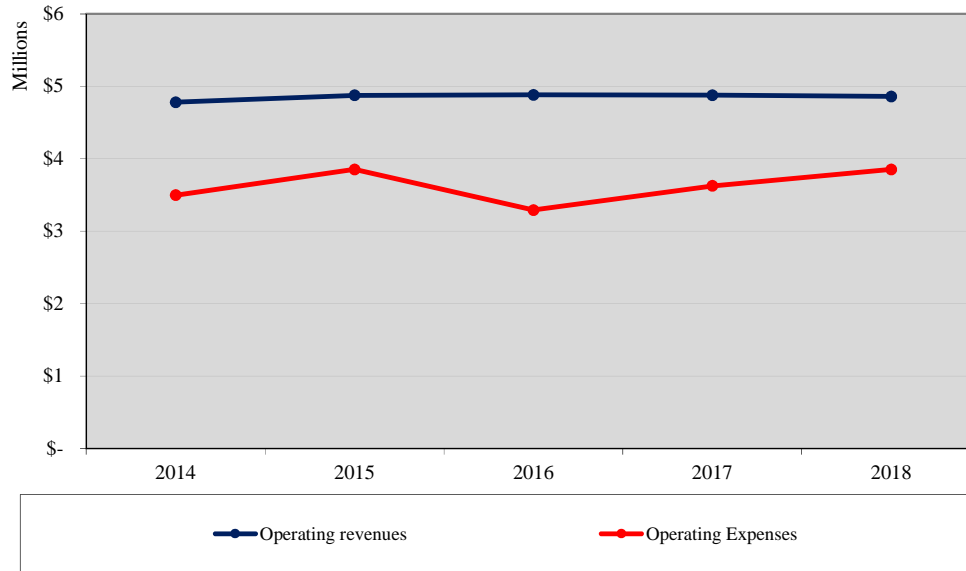
Reference values for the population range: 30,000 to 150,000 generated from 2014-2017 Baker Tilly municipal client data for Wisconsin.

### What it means...

This ratio should be considered in conjunction with City objectives and other key ratios. The debt service to non-capital expenditures ratio increased during 2018, and the overall debt of the City for the last three years has decreased as noted on page 3 of this report.

**CITY OF WEST BEND  
WATER UTILITY FINANCIAL STATEMENT HIGHLIGHTS**

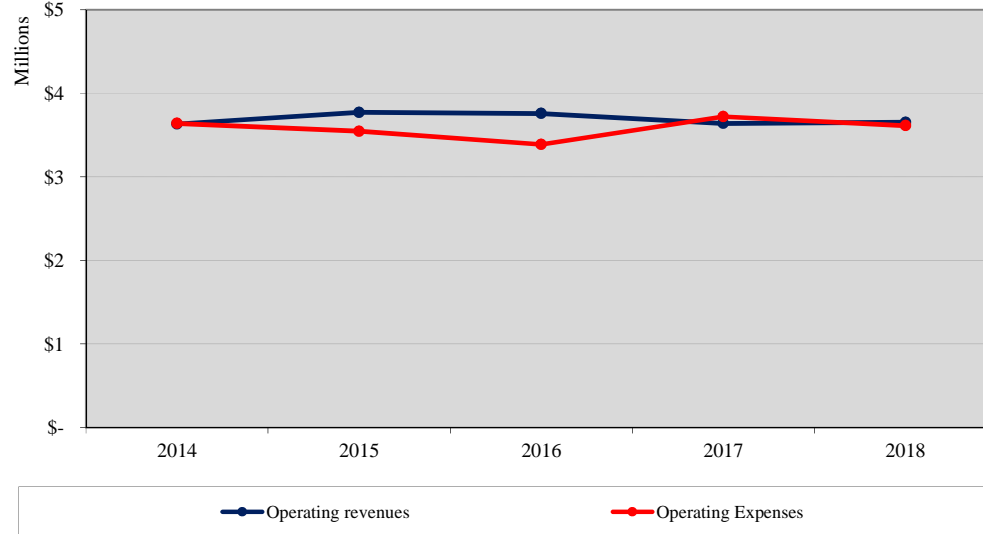
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>Water Sold (Gallons)</b>	<u>835,029</u>	<u>863,002</u>	<u>844,547</u>	<u>833,023</u>	<u>830,235</u>
<b>Operating Revenues</b>	\$ 4,780,031	\$ 4,876,578	\$ 4,882,741	\$ 4,878,067	\$ 4,860,605
<b>Operating Expenses</b>	3,498,016	3,853,791	3,292,713	3,624,862	3,852,884



	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b><u>Ability to meet current obligations</u></b>					
Unrestricted cash & investments	\$ 2,379,237	\$ 2,161,671	\$ 2,907,318	\$ 3,198,259	\$ 3,968,747
Months of unrestricted cash	5.97	5.32	7.15	7.87	9.80
<b><u>Rate of Return</u></b>					
Actual rate	5.24%	3.60%	7.20%	5.09%	3.34%
Authorized rate	4.89%	4.89%	4.89%	4.89%	4.89%
<b><u>Debt Coverage</u></b>					
Actual	5.94	5.21	6.55	6.01	5.36
Required	1.25	1.25	1.25	1.25	1.25

**CITY OF WEST BEND  
SEWER UTILITY FINANCIAL STATEMENT HIGHLIGHTS**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>Volume Billed (Gallons)</b>	1,063,440	1,068,913	1,063,850	1,049,873	1,050,487
<b>Operating Revenues</b>	\$ 3,633,904	\$ 3,772,272	\$ 3,758,111	\$ 3,639,894	\$ 3,653,453
<b>Operating Expenses</b>	3,641,474	3,546,654	3,387,189	3,720,514	3,614,539



	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b><u>Ability to meet current obligations</u></b>					
Unrestricted cash & investments	\$ 3,795,509	\$ 3,717,776	\$ 5,438,579	\$ 3,481,903	\$ 4,505,178
Months of unrestricted cash	12.53	11.83	17.37	11.48	14.80