

**CITY OF FITCHBURG  
REPORT TO THE CITY COUNCIL**

**June 11, 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 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.

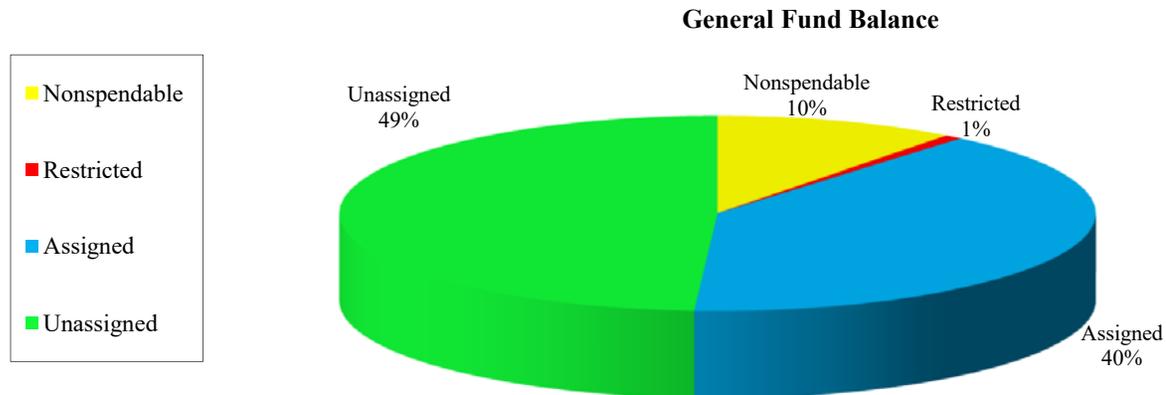
# CITY OF FITCHBURG

## 2018 FINANCIAL STATEMENT HIGHLIGHTS

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### DETAILS OF GENERAL FUND BALANCE

	<u>2018</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>	\$883,460
<u>Restricted</u> <i>includes fund balance amounts that can be spent only for the specific purposes stipulated by an external source.</i>	64,816
<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>	3,396,045
<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>	<div style="border-top: 1px solid black; display: inline-block; width: 100%;">4,176,374</div>
<b>Total General Fund Balance</b>	<div style="border-top: 1px solid black; border-bottom: 3px double black; display: inline-block; width: 100%;">\$ 8,520,695</div>



# CITY OF FITCHBURG

## 2018 FINANCIAL STATEMENT HIGHLIGHTS

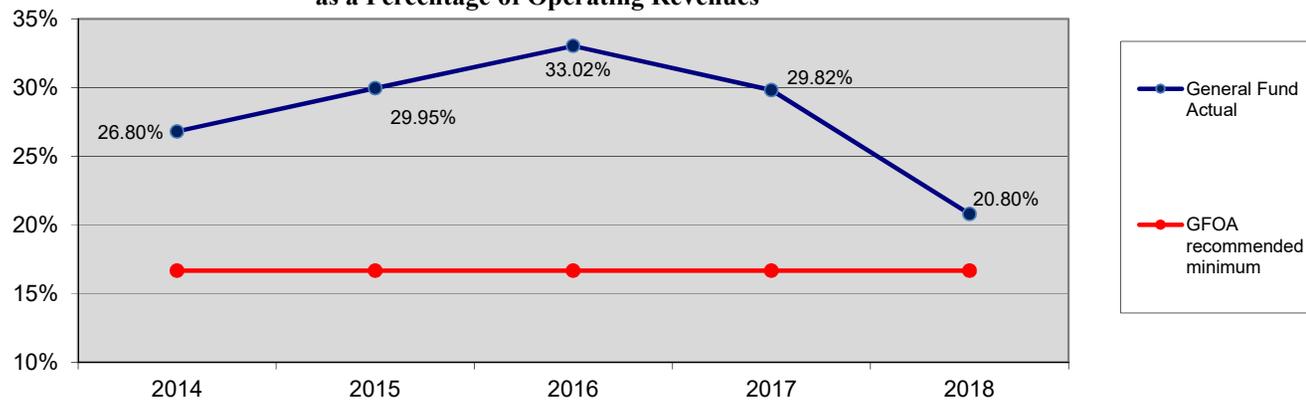
### ANALYSIS OF GENERAL FUND BALANCE

	<u>2014</u>		<u>2015</u>		<u>2016</u>		<u>2017</u>		<u>2018</u>
<b>Unassigned Fund Balance</b>	\$ 4,538,150	\$	5,207,357	\$	5,978,234	\$	5,636,604	\$	4,176,374
<b>Operating revenues</b>	16,932,349		17,387,800		18,102,973		18,904,902		20,076,210
<b>% of operating revenues</b>	26.80%		29.95%		33.02%		29.82%		20.80%

City's target, per city policy

\$3,011,431 - \$5,019,053

**Unassigned General Fund Balance  
as a Percentage of Operating Revenues**



GFOA recommended range for % of operating revenues: no less than 2 months of GF operating revenues  
 Acceptable range per city policy: 15-25% of general fund revenues

# CITY OF FITCHBURG

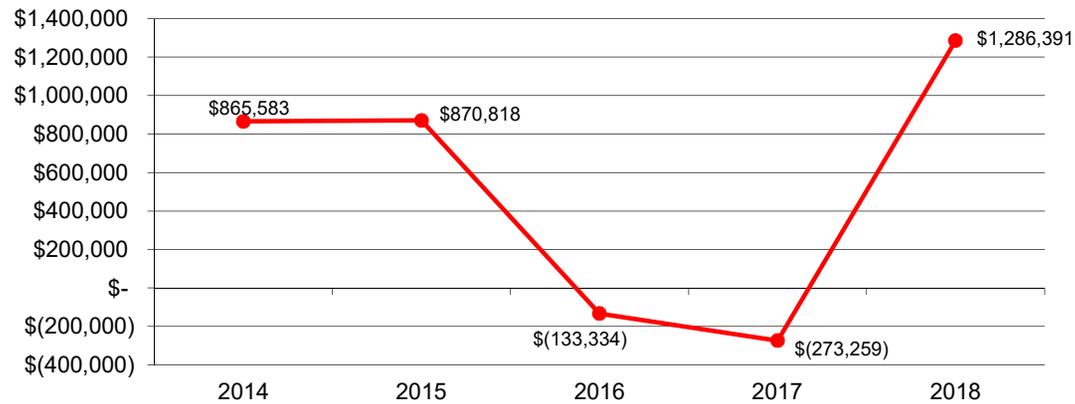
## 2018 FINANCIAL STATEMENT HIGHLIGHTS

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### ANALYSIS OF CHANGE IN GENERAL FUND BALANCE

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Change in General Fund Balance	\$ 865,583	\$ 870,818	\$ (133,334)	\$ (273,259)	\$ 1,286,391

**Change in General Fund Balance**

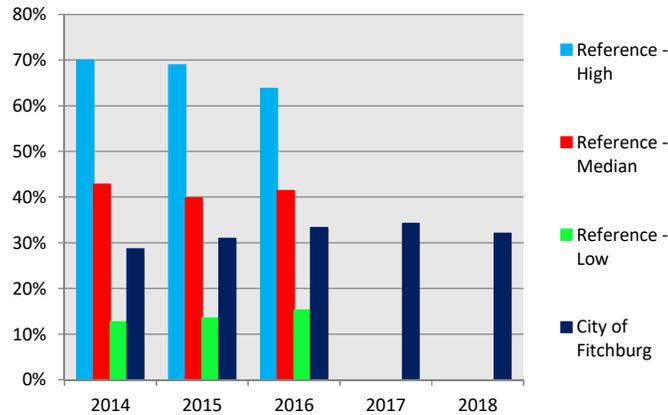


## CITY OF FITCHBURG 2018 FINANCIAL STATEMENT HIGHLIGHTS

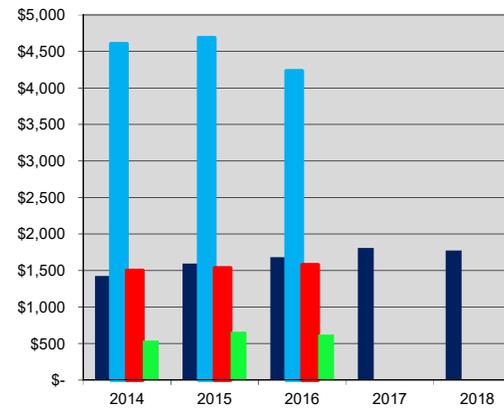
### GENERAL OBLIGATION DEBT OUSTANDING

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>Total General Obligation (G.O.) Debt (net)</b>					
City	\$ 37,362,170	\$ 41,955,000	\$ 47,245,000	\$ 51,425,000	\$ 50,890,000
Utilities	400,000	275,000	150,000	-	-
Subtotal	37,762,170	42,230,000	47,395,000	51,425,000	50,890,000
Less: Fund equity available for debt	(138,815)	(203,490)	(224,393)	(813,639)	(606,249)
<b>TOTAL</b>	<b>\$ 37,623,355</b>	<b>\$ 42,026,510</b>	<b>\$ 47,170,607</b>	<b>\$ 50,611,361</b>	<b>\$ 50,283,751</b>
<b>Population</b>	26,380	26,321	27,996	27,936	28,316
<b>G.O. Debt Capacity</b>	\$ 131,198,210	\$ 135,570,085	\$ 141,532,275	\$ 147,700,905	\$ 156,763,610
G.O. debt per capita	\$ 1,426	\$ 1,597	\$ 1,685	\$ 1,812	\$ 1,776
% of debt limit	29%	31%	33%	34%	32%

**Percentage of Debt Limit**



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



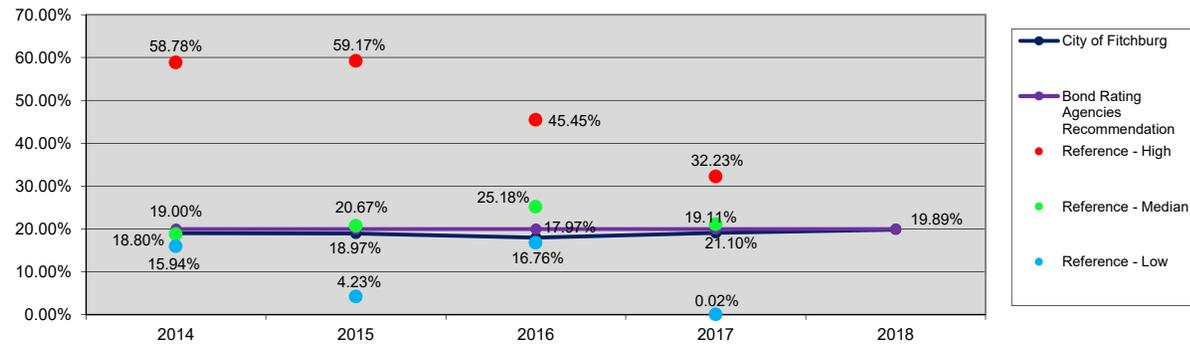
2014-2016 Reference values for the population range: 17,500 to 30,000 taken from *MunicipalFacts18* publication by the Wisconsin Policy Forum, 2018.

## CITY OF FITCHBURG 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*	\$ 3,570,164	\$ 3,732,170	\$ 4,410,000	\$ 4,810,000	\$ 6,190,000
Interest and fiscal charges*	1,028,711	1,170,472	1,276,750	1,290,429	1,485,180
<b>TOTAL</b>	<b>\$ 4,598,875</b>	<b>\$ 4,902,642</b>	<b>\$ 5,686,750</b>	<b>\$ 6,100,429</b>	<b>\$ 7,675,180</b>
*Excludes debt refunding					
<b><u>Total Non-Capital Expenditures</u></b>					
Total governmental funds expenditures	\$ 37,737,370	\$ 31,535,299	\$ 37,994,749	\$ 40,567,648	\$ 47,864,107
Less: capital outlay	(13,537,720)	(5,689,561)	(6,351,669)	(8,640,125)	(9,278,226)
<b>TOTAL NON-CAPITAL EXPENDITURES</b>	<b>\$ 24,199,650</b>	<b>\$ 25,845,738</b>	<b>\$ 31,643,080</b>	<b>\$ 31,927,523</b>	<b>\$ 38,585,881</b>
% of debt service to non-capital expenditures	19.00%	18.97%	17.97%	19.11%	19.89%

### Debt Service to Non-Capital Expenditures



	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Bond rating agencies recommended %	20.00%	20.00%	20.00%	20.00%
High - Reference:	58.78%	59.17%	45.45%	32.23%
Median - Reference:	18.80%	20.67%	25.18%	21.10%
Low - Reference:	15.94%	4.23%	16.76%	0.02%

Reference values for the population range: 17,500 to 30,000 generated from 2014-2017 Baker Tilly municipal client data for Wisconsin.

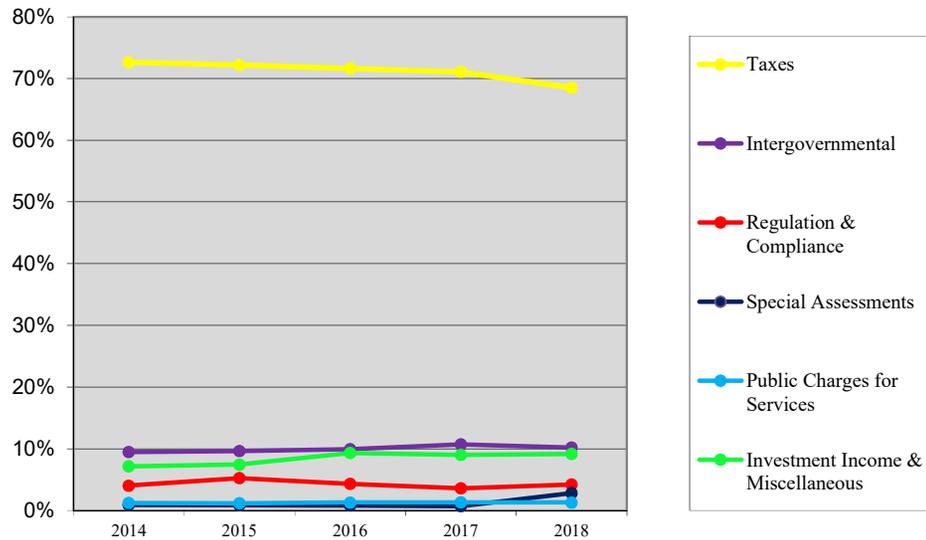
# CITY OF FITCHBURG

## 2018 FINANCIAL STATEMENT HIGHLIGHTS

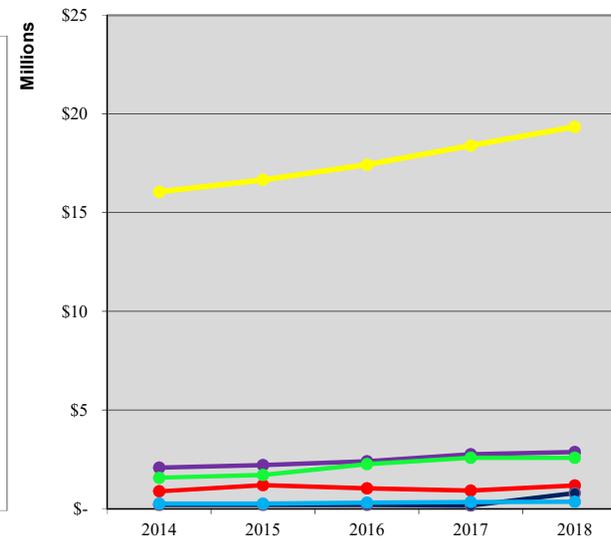
### GENERAL & DEBT SERVICE FUND REVENUES

	<u>2014</u>	<u>%</u>	<u>2015</u>	<u>%</u>	<u>2016</u>	<u>%</u>	<u>2017</u>	<u>%</u>	<u>2018</u>	<u>%</u>
<b>Total Revenues</b>										
Taxes	\$ 16,061,889	73%	\$ 16,667,261	72%	\$ 17,431,123	72%	\$ 18,403,123	71%	\$ 19,351,348	69%
Intergovernmental	2,092,630	9%	2,216,969	10%	2,412,972	10%	2,769,981	11%	2,876,102	10%
Regulation and Compliance	887,566	4%	1,206,121	5%	1,044,720	4%	925,408	4%	1,187,838	4%
Special Assessments	202,637	1%	196,154	1%	194,832	1%	175,439	1%	799,023	3%
Public Charges for Services	268,525	1%	268,058	1%	313,141	1%	344,099	1%	363,337	1%
Investment Income & Miscellaneous	1,011,635	5%	817,638	4%	665,581	3%	672,953	3%	1,078,908	4%
Transfers in for debt service, tax equiv, etc.	1,580,154	7%	1,715,704	7%	2,267,633	9%	2,591,867	9%	2,588,712	9%
<b>TOTAL</b>	<u>\$ 22,105,036</u>	<u>100%</u>	<u>\$ 23,087,905</u>	<u>100%</u>	<u>\$ 24,330,002</u>	<u>100%</u>	<u>\$ 25,882,870</u>	<u>100%</u>	<u>\$ 28,245,268</u>	<u>100%</u>

**% of Total Revenue**



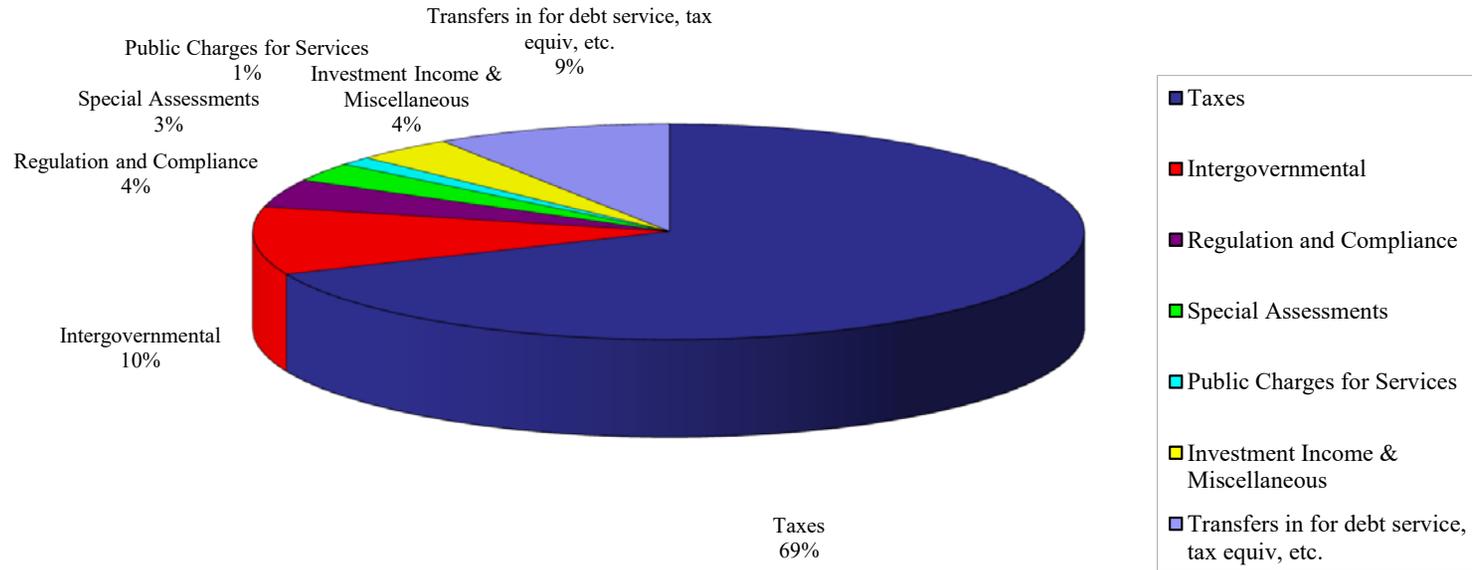
**Total Revenue**



**CITY OF FITCHBURG**  
**2018 FINANCIAL STATEMENT HIGHLIGHTS**

**2018 GENERAL & DEBT SERVICE FUND REVENUES**

**Total Revenues: \$28,245,268**



## CITY OF FITCHBURG 2018 FINANCIAL STATEMENT HIGHLIGHTS

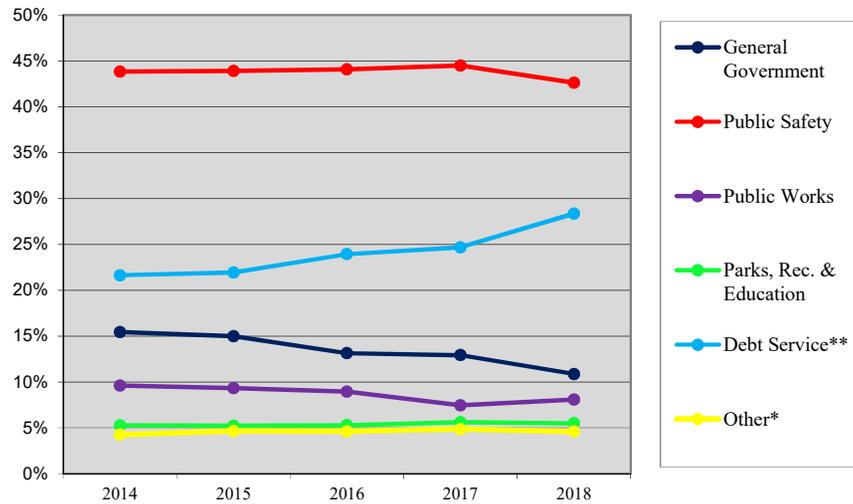
### GENERAL & DEBT SERVICE FUND EXPENDITURES

	<u>2014</u>	<u>%</u>	<u>2015</u>	<u>%</u>	<u>2016</u>	<u>%</u>	<u>2017</u>	<u>%</u>	<u>2018</u>	<u>%</u>
<b>Total Expenditures</b>										
General Government	\$ 3,281,529	15%	\$ 3,288,940	15%	\$ 3,076,264	13%	\$ 3,151,199	13%	\$ 2,915,323	11%
Public Safety	9,322,247	44%	9,641,685	44%	10,326,298	44%	10,851,551	44%	11,441,975	43%
Public Works	2,038,324	10%	2,046,957	9%	2,096,647	9%	1,813,464	7%	2,169,292	8%
Culture, Recreation, and Education	1,120,683	5%	1,144,162	5%	1,236,814	5%	1,366,974	6%	1,473,610	5%
Debt Service**	4,598,875	22%	4,818,295	22%	5,604,982	24%	6,018,497	25%	7,608,068	28%
Other*	901,547	4%	1,018,856	5%	1,079,230	5%	1,184,997	5%	1,230,835	5%
<b>TOTAL</b>	<b>\$ 21,263,205</b>	<b>100%</b>	<b>\$ 21,958,895</b>	<b>100%</b>	<b>\$ 23,420,235</b>	<b>100%</b>	<b>\$ 24,386,682</b>	<b>100%</b>	<b>\$ 26,839,103</b>	<b>100.00%</b>

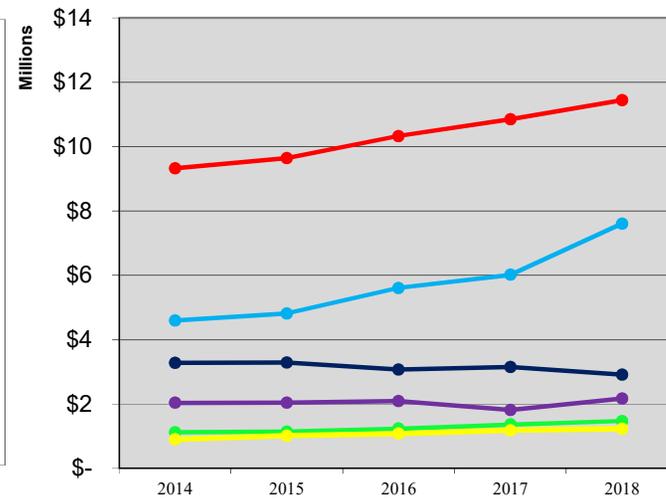
\*Other includes Conservation and Development and Health and Human Services

\*\*Excludes debt refunding

**% of Total Expenditures**



**Total Expenditures**

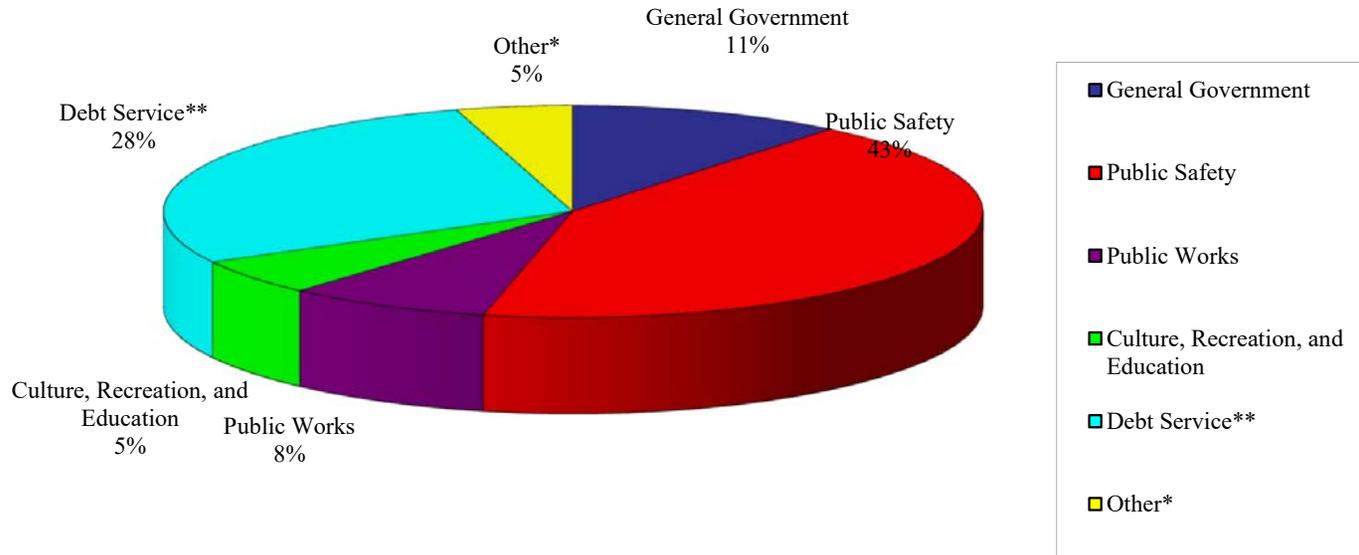


**CITY OF FITCHBURG**  
**2018 FINANCIAL STATEMENT HIGHLIGHTS**

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**2018 GENERAL & DEBT SERVICE FUND EXPENDITURES**

**Total Expenditures: \$26,839,103**

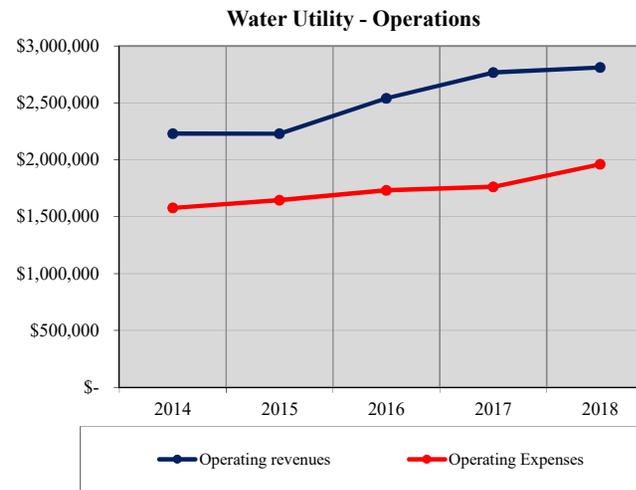
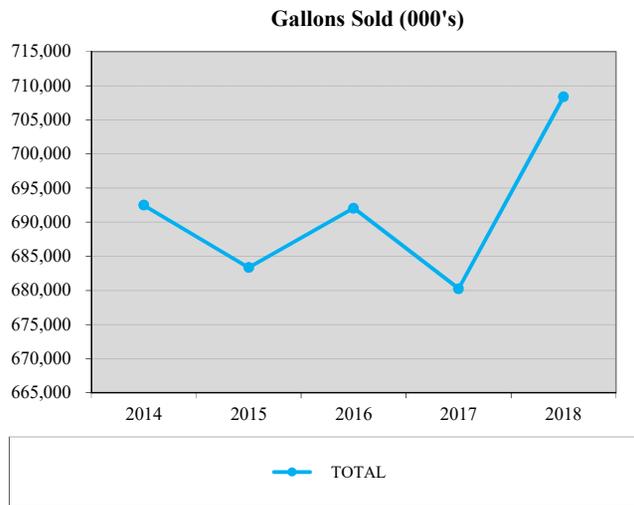


\*Other includes Conservation and Development and Health and Human Services

\*\*Excludes debt refunding

## FITCHBURG UTILITY DISTRICT - WATER 2018 FINANCIAL STATEMENT HIGHLIGHTS

	<u>2014</u>	<u>%</u>	<u>2015</u>	<u>%</u>	<u>2016</u>	<u>%</u>	<u>2017</u>	<u>%</u>	<u>2018</u>	<u>%</u>
<b>Gallons Sold (000's)</b>										
Residential	276,640	40%	264,833	39%	259,729	38%	249,081	37%	256,433	36%
Multifamily Residential	218,373	32%	220,272	32%	234,941	34%	235,436	35%	244,643	35%
Commercial	118,166	17%	121,398	18%	118,966	17%	117,481	17%	127,880	18%
Industrial	52,602	8%	50,773	7%	53,091	8%	49,700	7%	55,281	8%
Irrigation	22,945	3%	23,490	3%	22,516	3%	25,959	4%	20,965	3%
Public authority	3,773	1%	2,583	0%	2,820	0%	2,600	0%	3,151	0%
<b>TOTAL</b>	<b>692,499</b>	<b>100%</b>	<b>683,349</b>	<b>100%</b>	<b>692,063</b>	<b>100%</b>	<b>680,257</b>	<b>100%</b>	<b>708,353</b>	<b>100%</b>
<b>Operating Revenues</b>	\$ 2,229,520		\$ 2,229,284		\$ 2,539,352		\$ 2,766,623		\$ 2,811,034	
<b>Operating Expenses</b>	1,576,951		1,645,148		1,732,204		1,762,231		1,960,385	



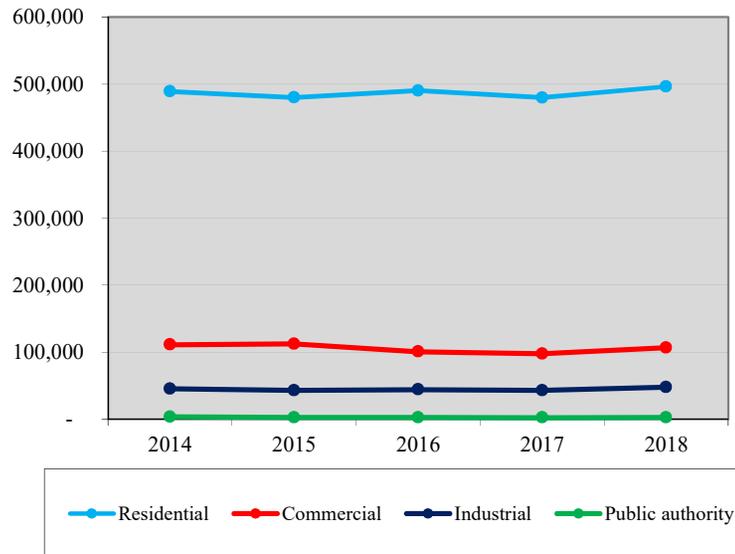
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>Ability to meet current obligations - Water and Wastewater*</b>					
Unrestricted cash & investments	\$ 4,780,621	\$ 5,224,827	\$ 5,425,726	\$ 3,162,188	
Months of unrestricted cash	12.80	13.90	13.25	7.27	
<b>Ability to meet current obligations - Water*</b>					
Unrestricted cash & investments					\$ 4,007,149
Months of unrestricted cash					17.11
<b>Rate of Return</b>					
Actual rate	3.75%	2.02%	4.67%	5.63%	4.07%
Authorized rate	5.25%	5.25%	5.25%	5.25%	5.25%

\* - Water and wastewater reported as separate funds in 2018.

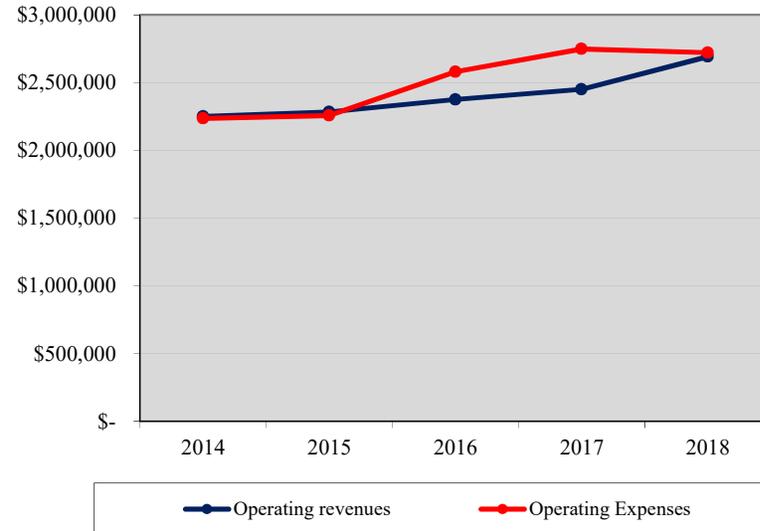
## FITCHBURG UTILITY DISTRICT - WASTEWATER 2018 FINANCIAL STATEMENT HIGHLIGHTS

	<u>2014</u>	<u>%</u>	<u>2015</u>	<u>%</u>	<u>2016</u>	<u>%</u>	<u>2017</u>	<u>%</u>	<u>2018</u>	<u>%</u>
<b><u>Gallons Sold (000's)</u></b>										
Residential	489,153	75%	479,989	75%	490,300	77%	479,924	77%	496,483	76%
Commercial	111,295	17%	112,349	18%	100,935	16%	97,846	16%	106,983	16%
Industrial	45,526	7%	42,928	7%	44,464	7%	43,149	7%	47,781	7%
Public authority	3,733	1%	2,568	1%	2,794	1%	2,597	1%	2,793	1%
<b>TOTAL</b>	<b>649,707</b>	<b>100%</b>	<b>637,834</b>	<b>100%</b>	<b>638,493</b>	<b>100%</b>	<b>623,516</b>	<b>100%</b>	<b>654,040</b>	<b>100%</b>
<b>Operating Revenues</b>	<b>\$ 2,250,576</b>		<b>\$ 2,282,454</b>		<b>\$ 2,374,224</b>		<b>\$ 2,449,397</b>		<b>\$ 2,691,083</b>	
<b>Operating Expenses</b>	<b>2,234,661</b>		<b>2,256,787</b>		<b>2,578,738</b>		<b>2,747,196</b>		<b>2,720,175</b>	

**Gallons Sold (000's)**



**Wastewater Utility - Operations**



**Ability to meet current obligations - Wastewater\***

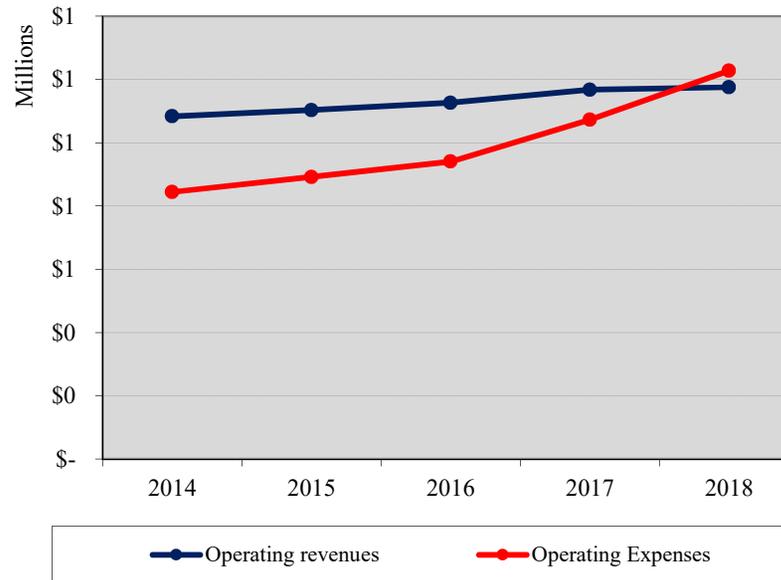
Unrestricted cash & investments	<b>2018</b> \$ 1,534,708
Months of unrestricted cash	6.84

\* - Wastewater cash balances previously combined in with water, see previous page for history.

## FITCHBURG STORMWATER UTILITY DISTRICT 2018 FINANCIAL STATEMENT HIGHLIGHTS

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>Operating Revenues</b>	\$ 1,083,515	\$ 1,102,836	\$ 1,126,026	\$ 1,167,269	\$ 1,175,554
<b>Operating Expenses</b>	844,326	891,518	940,577	1,072,980	1,227,696

**Stormwater Utility - Operations**



	<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	\$ 752,238	\$ 829,907	\$ 933,668	\$ 1,779,995	\$ 2,272,958
Months of unrestricted cash	8.33	9.03	9.95	18.30	23.20