



**Kris Moen**  
Interim Director  
Finance Department  
414.302.8260  
kmoen@westalliswi.gov

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May 3, 2016

Common Council  
Administration and Finance Committee  
West Allis, WI

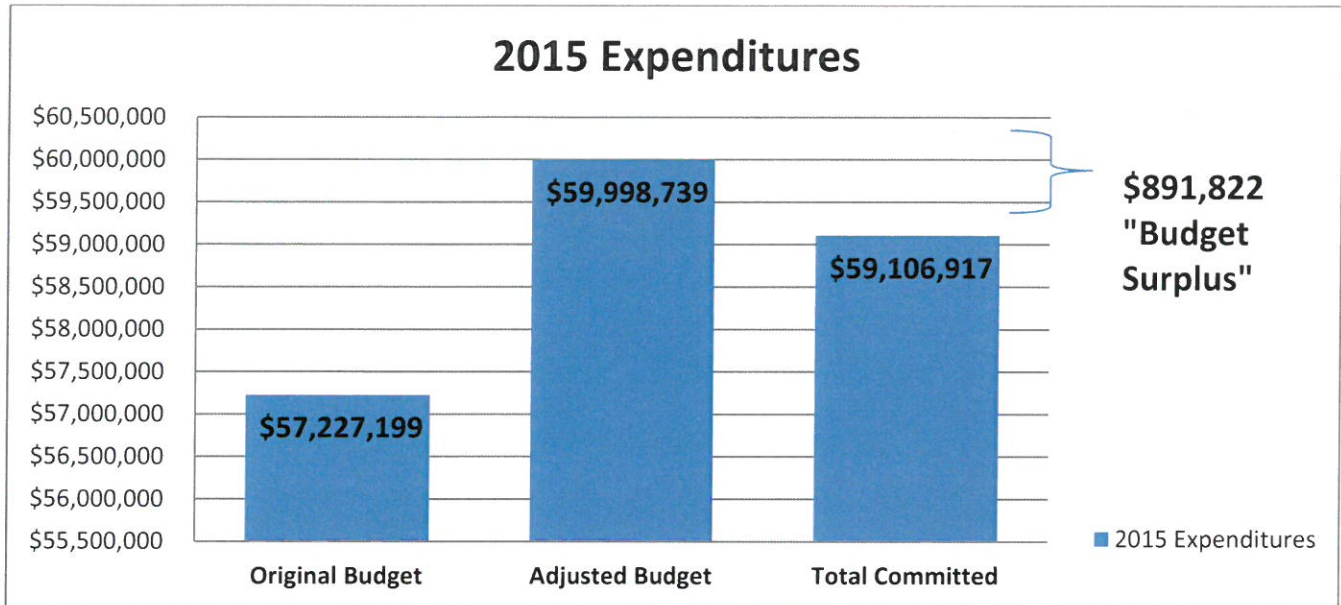
Dear Council Members:

In order to close fiscal year 2015, submitted for your approval are the following:

- 1) Open Purchase Orders as of December 31, 2015
  - Approval authorizes carry-forward of 2015 budget funds to pay for these items ordered in 2015 but not paid for until 2016
- 2) Carry-Over Requests from Departments
  - Approval authorizes carry-forward of unspent 2015 budget funds for purposes identified by department heads as listed on the report
- 3) Capital Accumulation Summary
  - Approval authorizes the transfer of 2015 budgeted funds into a Capital Accumulation Account for large scale purchases to be made at a future date
- 4) 2015 Departmental Balances Closed to General Fund Balance
  - While the City's General Fund ended 2015 approximately \$891,822 under budget, several individual departments exceeded their 2015 departmental budgets, which requires approval.
- 5) Fund Balance Summary and Transfers
  - A Fund Balance Summary and approving various transfers to reserve accounts as of December 31, 2015

In support of the above requests for approval, two financial summaries are provided for your reference (note that all figures are pre-audit):

- 6) 2015 Departmental Budget Summary (see graph on following page and details by department in attachment #6)
  - Summarizes 2015 actual expenditure results by comparing to budget
  - As depicted on the next page, the city's general fund finished \$891,822 under budget as a whole, even though several departments exceeded their individual departmental budgets.



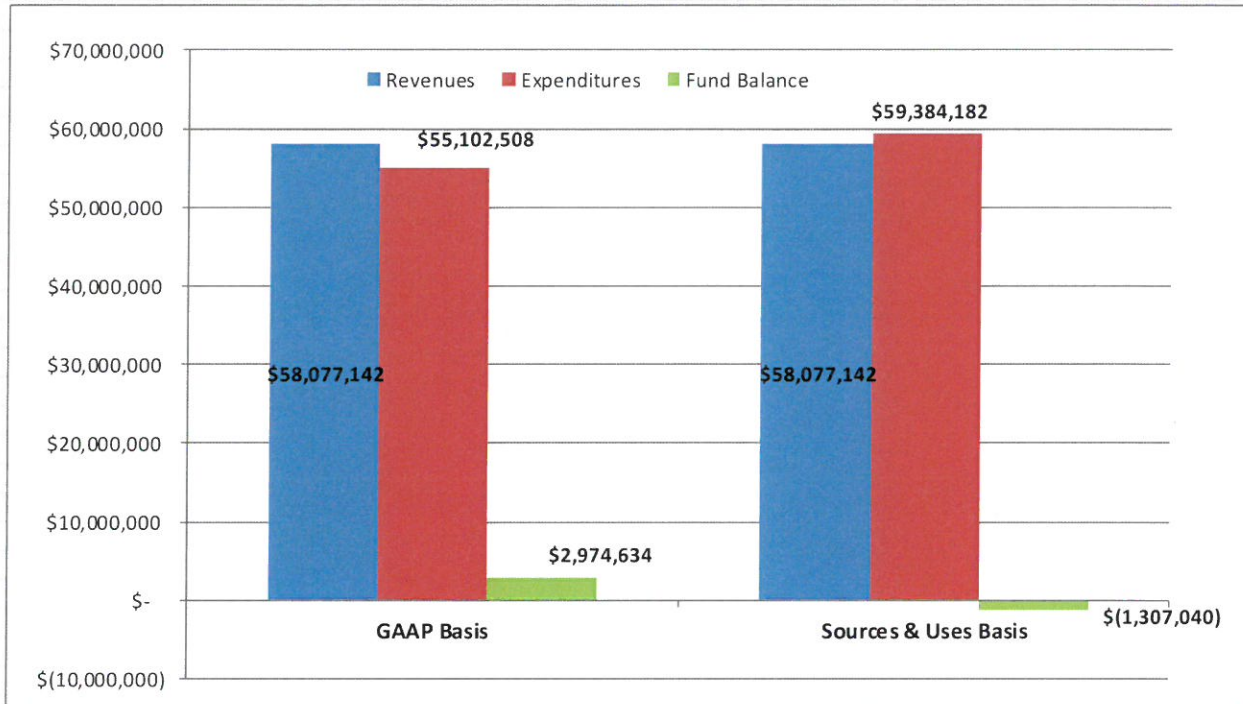
(Refer to Attachment #6 for detailed amounts by department)

7) Fund Balance Impact Summary

- Summarizes General Fund 2015 results on a financial statement basis by comparing current year revenues to current year expenses.
- On a "GAAP" basis (GAAP = Generally Accepted Accounting Principles), revenues exceeded expenditures, resulting in an increase to Fund Balance & Reserves of \$2,974,634
- A cautionary point, however, if Open PO's (approx. \$2.3 million) and Carryovers (over \$1.9 million) had been expended in 2015, the result would have been a \$1,307,040 decrease to Fund Balance for the year, indicating a spend-down of reserves.

CITY OF WEST ALLIS, WISCONSIN		
Fund Balance Impact Summary		
General Fund		
Year Ended December 31, 2015		
	2015	
	<i>Accounting Basis ("GAAP")</i>	<i>"Sources &amp; Uses" Basis</i>
Revenues & Transfers In	58,077,142	58,077,142
Expenditures & Transfers Out	(55,102,508)	(55,102,508)
<i>(Open Purchase Orders)</i>		(2,308,106)
<i>(Carry-overs into 2016)</i>		(1,973,568)
<i>(Subtotal: Expenditures + Open PO's + Carryovers)</i>		(59,384,182)
Excess of Revenues Over (Under) Expenditures	2,974,634	(1,307,040)
<b>Net Change in Fund Balance</b>	<b>2,974,634</b>	<b>(1,307,040)</b>

### 2015 Results - Impact on Fund Balance



***On a GAAP Basis, Revenues exceed Expenditures for 2015, resulting in a net increase to Fund Balance of almost \$3 million***  
***However, timing is everything...when 2015 Expenditures, Open Purchase Orders and Carryovers are classified as "uses" and compared to 2015 revenues ("sources"), the result is a decrease of \$1.3 million to Fund Balance***

I will be happy to answer any questions or provide further information.

Sincerely,

**Kris Moen**  
**Interim Finance Director/Comptroller/City Treasurer**