



# City of Watertown

## 2023 Financial highlights

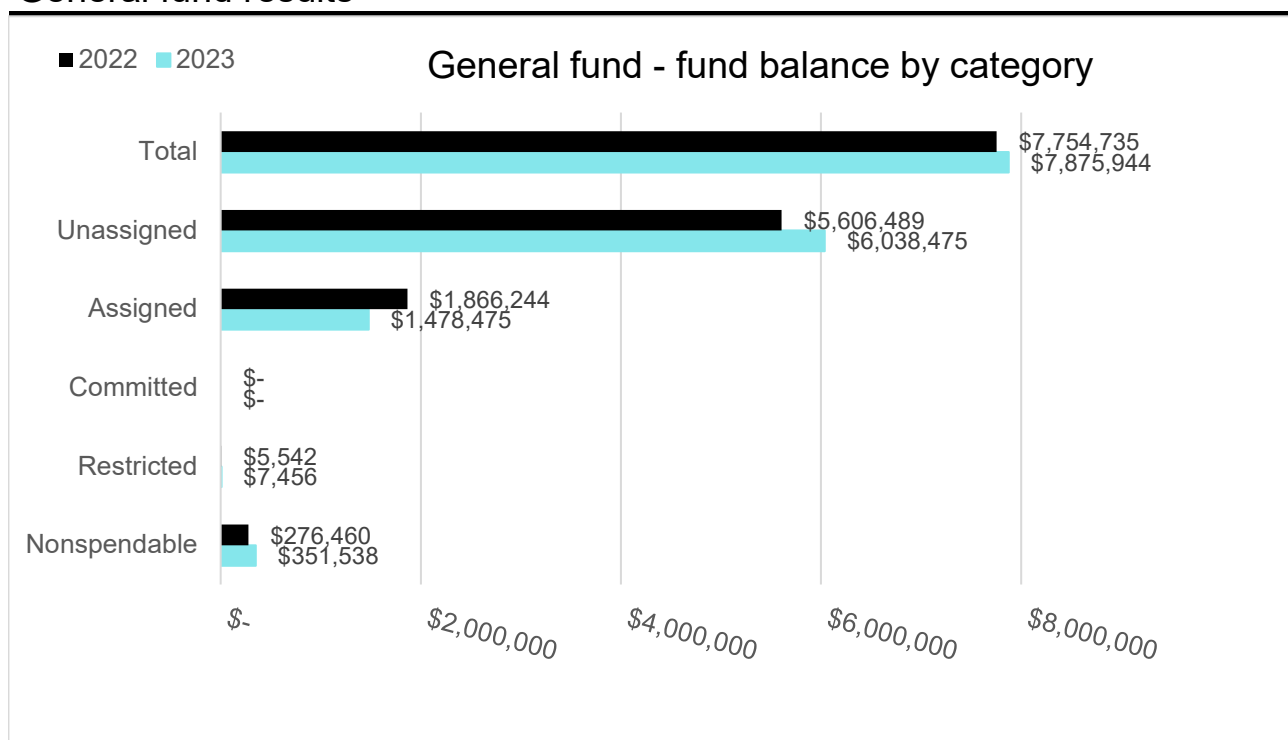
Presentation to the Finance Committee  
July 16, 2024

### Client service team

Andrea Jansen, CPA, CFE, Principal  
Vasvi Joshi, CPA, Senior Manager  
Aaron Galvan, CPA, Senior Accountant

## City of Watertown

### General fund results



### Summarized income statement

	Actual	Final budget	Variance
Revenues and other financing sources	\$ 19,142,424	\$ 18,573,403	\$ 569,021
Expenditures and other financing uses	19,021,215	19,393,925	372,710
Net change in fund balance	\$ 121,209	\$ (820,522)	\$ 941,731

### Fund balance category definitions

Nonspendable - amounts cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained in tact.

Restricted - amounts that can be spent only for the specific purposes stipulated by an external source.

Committed - amounts constrained for specific purposes that are internally imposed through formal action of the governing body.

Assigned - spendable amounts that are intended to be used for specific purposes that are not considered restricted or committed.

Unassigned - residual amounts that have not been classified within other categories above.

# City of Watertown

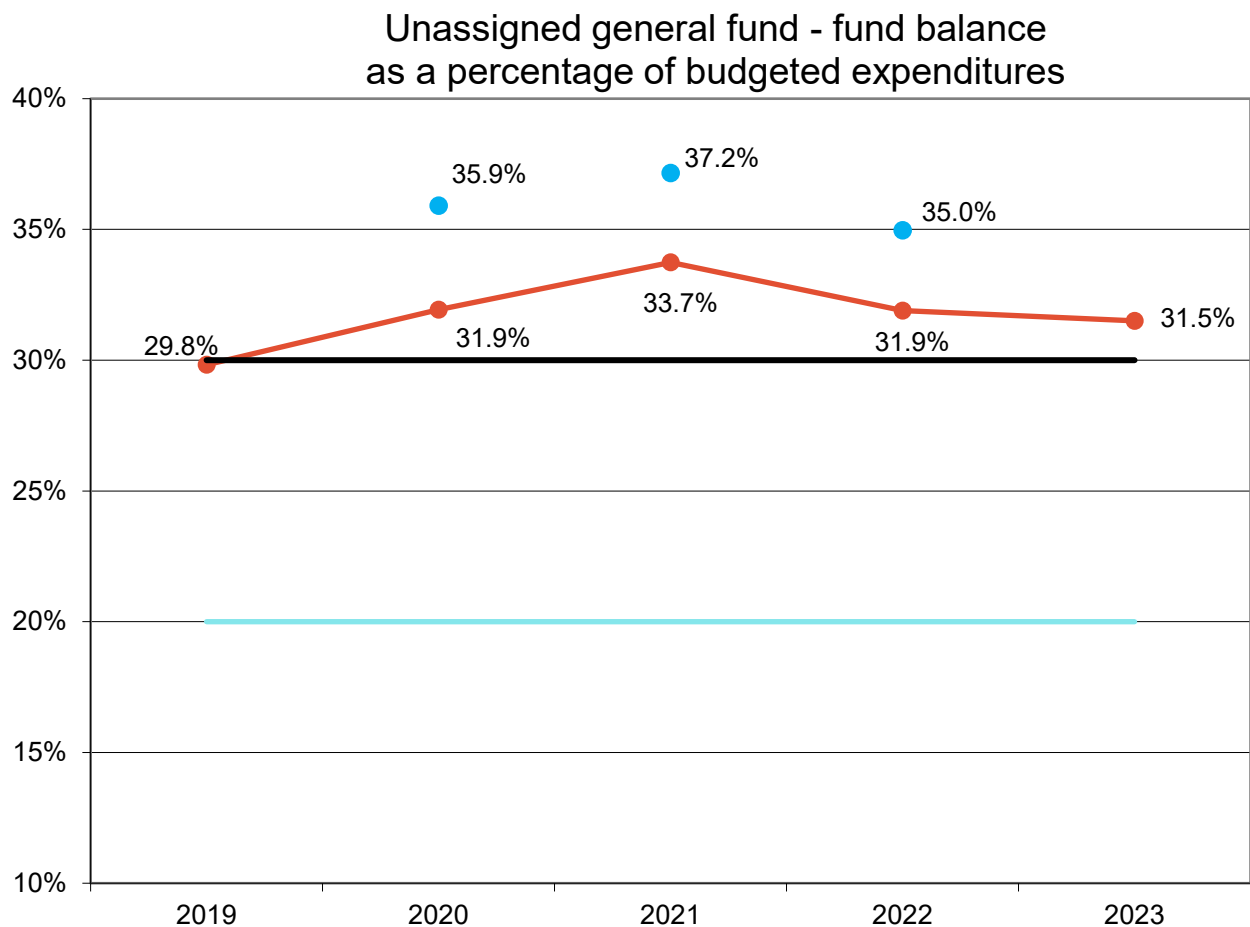
## General fund - fund balance trends



### Fund balance policy:

To maintain a unassigned balance within a range of 20% to 30% of annual budgeted expenditures, with a targeted goal of 25%.

—●— General Fund Actual    — Policy minimum    — Policy maximum    ● Reference - Median



### Other reference values

GFOA recommends a minimum of no less than 2 months (16.7%) of general fund expenditures.

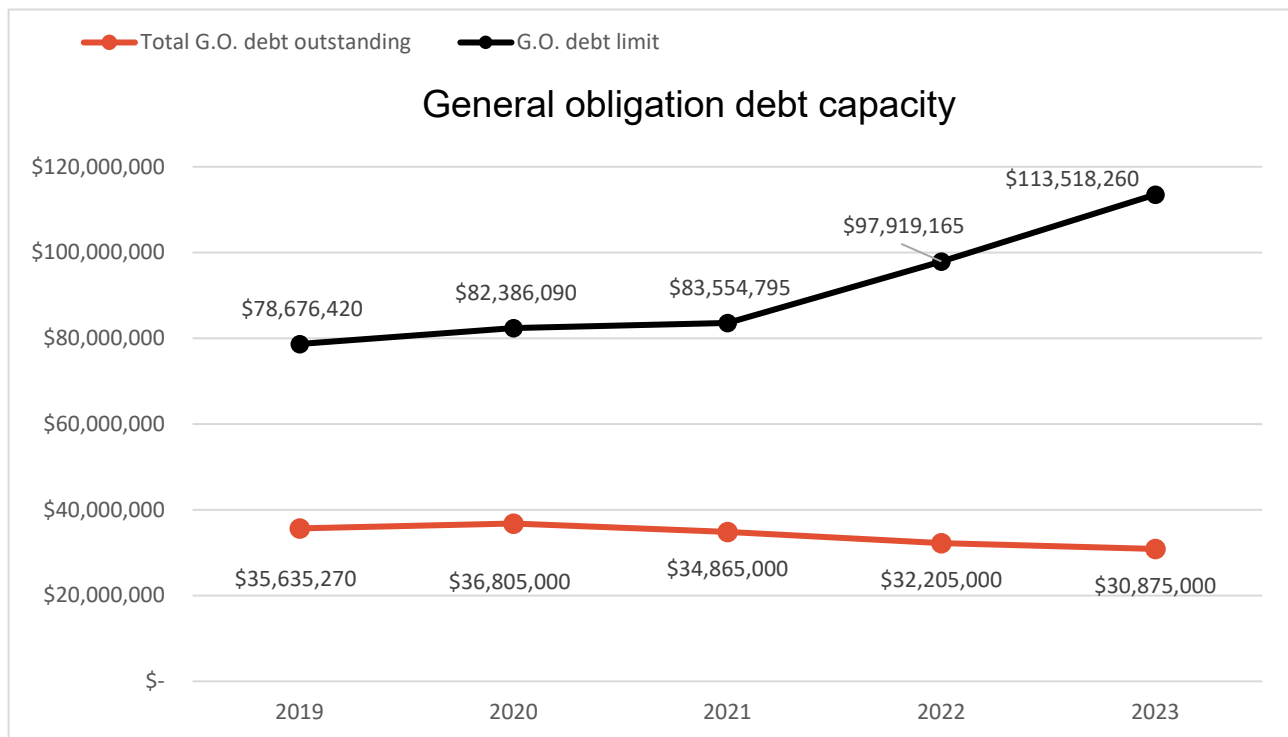
Median reference value generated from 2020 - 2022 Baker Tilly municipal client data for population range from 17,500 to 30,000 and are based on actual expenditures rather than budget amounts.

## City of Watertown General obligation debt

### Debt management policy:

The City does not currently have a debt management policy.

Actual percentage of debt limit at 12/31/23: **27%**



### Total debt outstanding by type at 12/31/2023

	General obligation	Revenue debt	Total
City	\$ 30,875,000	\$ -	\$ 30,875,000
Utility	-	9,229,579	9,229,579
<b>Total</b>	<b>\$ 30,875,000</b>	<b>\$ 9,229,579</b>	<b>\$ 40,104,579</b>

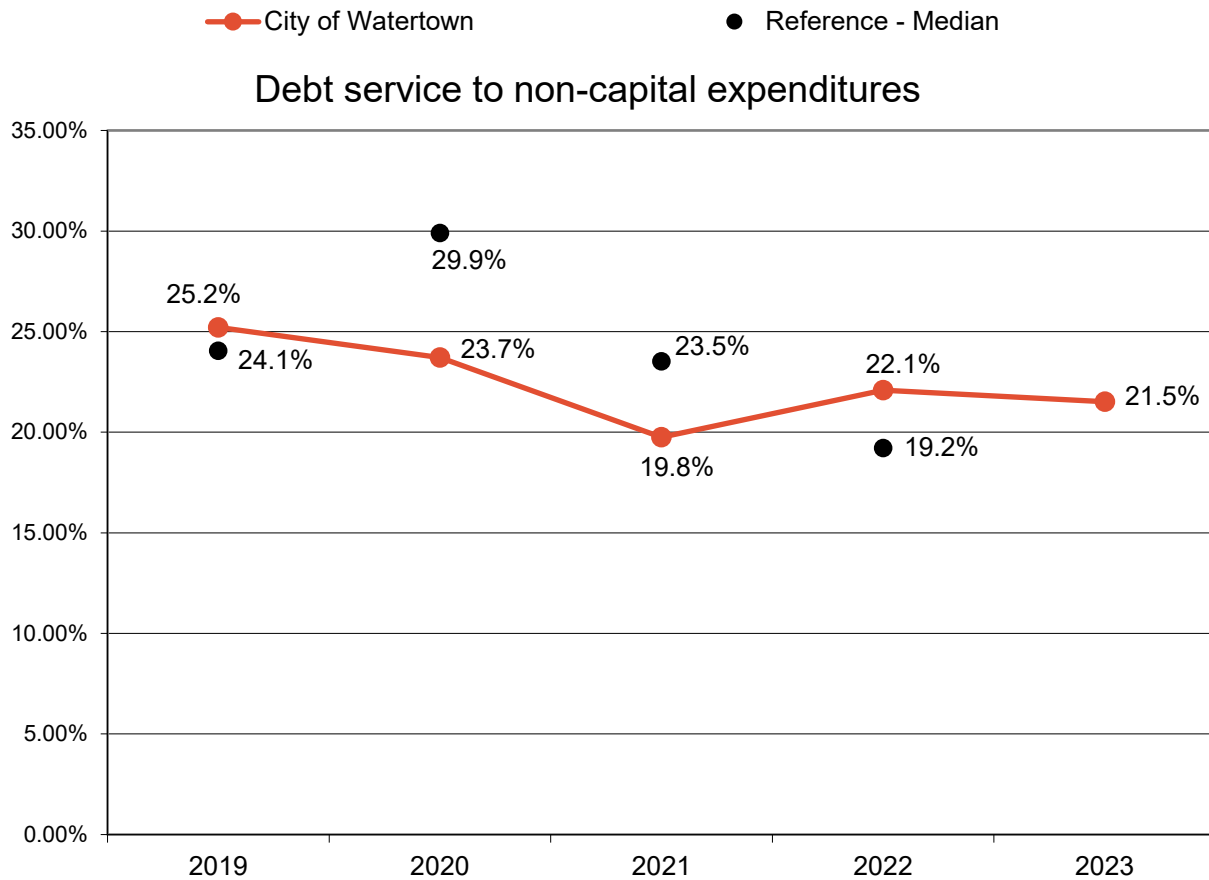
Comparative metrics available online through the Wisconsin Policy Forum.

<https://wispolicyforum.org/research/municipal-datatool-examining-and-comparing-wisconsin-cities-and-villages/>

Select "Debt" -- options for custom comparisons or comparisons by county

## City of Watertown

### Governmental funds - debt service



### Current and prior year data

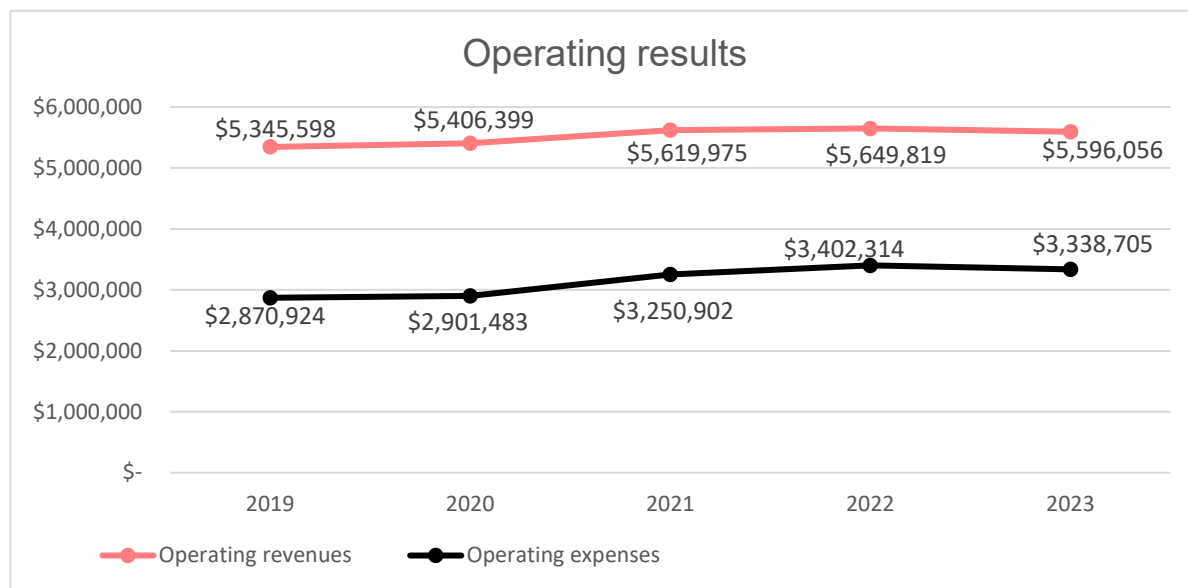
	<u>2023</u>	<u>2022</u>
Principal	\$ 5,180,000	\$ 5,120,000
Interest	1,008,688	996,723
Total	<u>\$ 6,188,688</u>	<u>\$ 6,116,723</u>
Non-capital expenditures	<u>\$ 28,766,048</u>	<u>\$ 27,682,890</u>

### Other reference values

Median reference value generated from 2019 - 2022 Baker Tilly municipal client data for population range from 17,500 to 30,000.

## Watertown Water Utility Operating Results

	<u>Current Year</u>	<u>Prior Year</u>
Actual Rate of Return	<b>5.62%</b>	<b>5.60%</b>
Authorized Rate of Return	<b>5.75%</b>	<b>5.75%</b>



## Unrestricted Reserves

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Year end balance	\$ 4,128,312	\$ 4,745,529	\$ 5,111,977	\$ 5,280,841	\$ 5,751,246
Months on hand	<b>6.93</b>	<b>9.27</b>	<b>10.53</b>	<b>10.92</b>	<b>12.33</b>

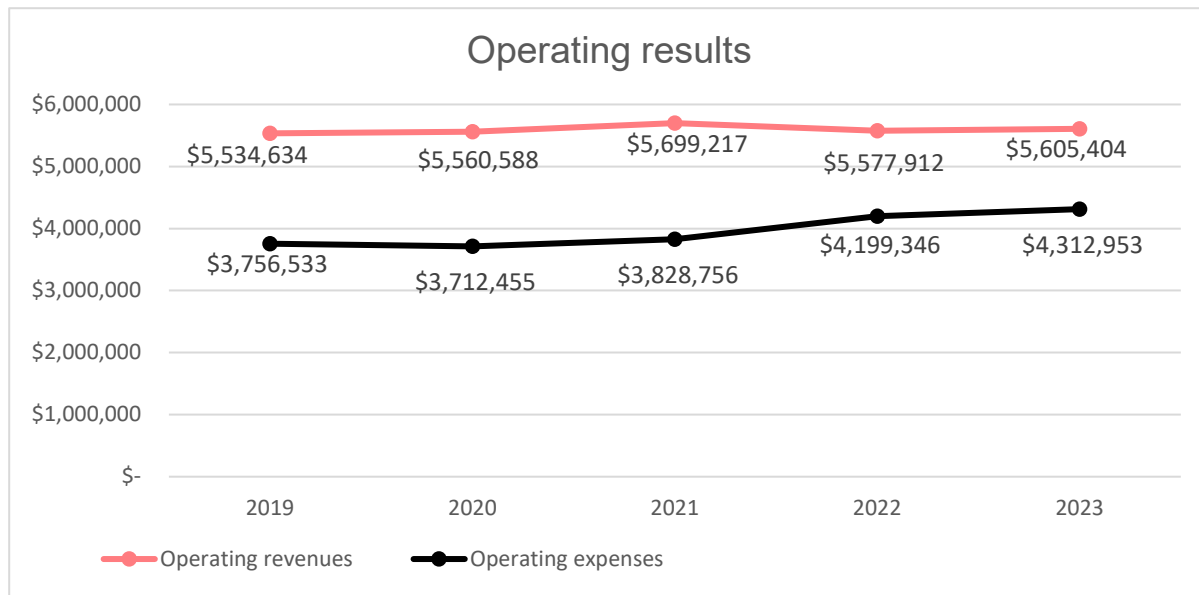
## Debt Coverage

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Actual	<b>2.93</b>	<b>2.94</b>	<b>2.80</b>	<b>9.04</b>	<b>4.31</b>
Required	1.25	1.25	1.25	1.25	1.25

## Investment in Capital



## Watertown Wastewater Utility Operating Results



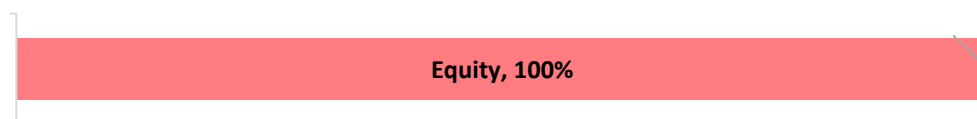
### Unrestricted Reserves

	2019	2020	2021	2022	2023
Year end balance	\$ 4,390,576	\$ 3,581,462	\$ 3,899,159	\$ 5,147,039	\$ 7,148,607
Months on hand	9.52	7.73	8.21	11.07	15.30

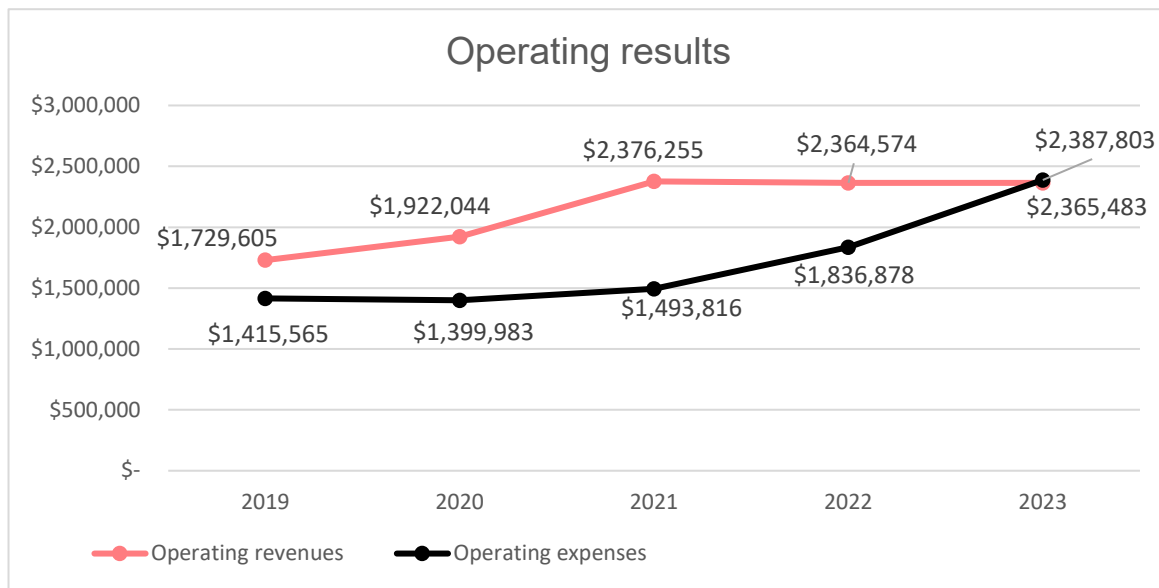
### Debt Coverage

	2019	2020	2021	2022	2023
Actual	1.95	1.92	1.91	N/A	N/A
Required	1.10	1.10	1.10	N/A	N/A

### Investment in Capital



## Watertown Stormwater Utility Operating Results



## Unrestricted Reserves

	2019	2020	2021	2022	2023
Year end balance	\$ 2,083,551	\$ 2,643,602	\$ 3,093,905	\$ 3,739,925	\$ 3,448,632
Months on hand	14.46	16.50	15.62	18.98	17.49

## Investment in Capital

Equity, 100%