



City of Fitchburg

2022 Financial highlights

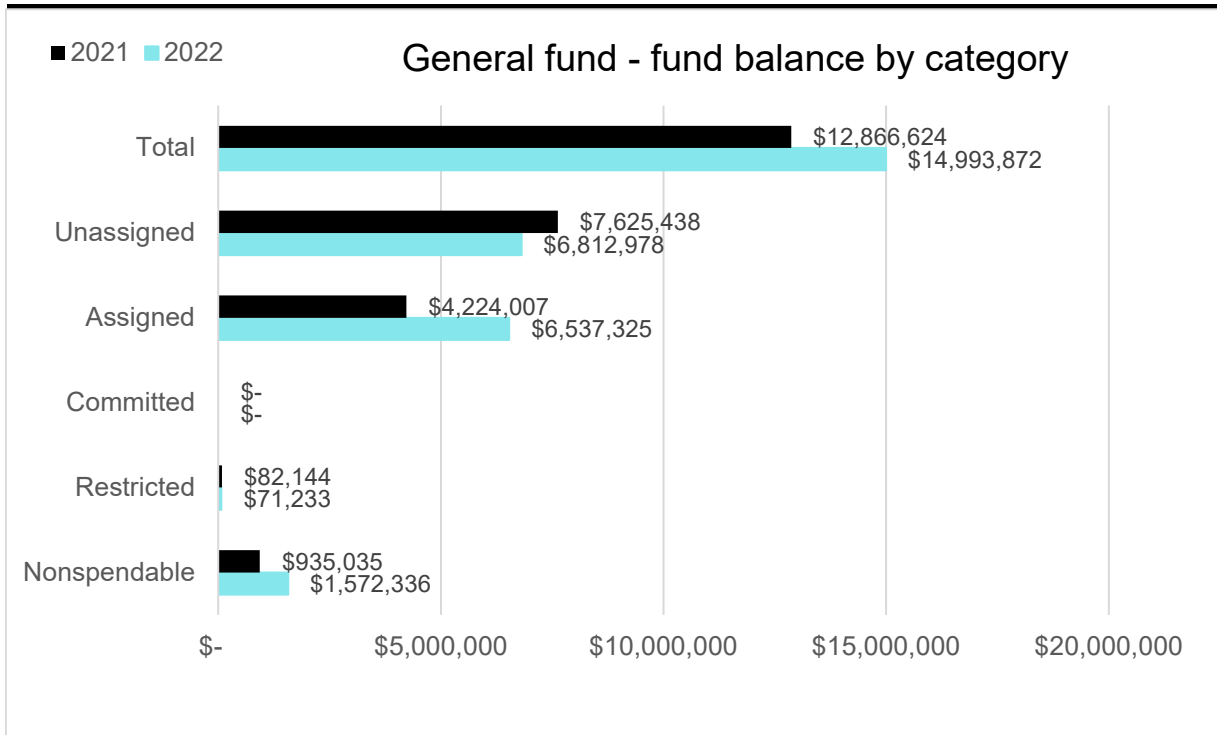
Presentation to the Finance Committee  
June 27, 2023

Client service team

Andrea Jansen, CPA, CFE, Partner  
Vasvi Joshi, CPA, Senior Manager  
Ryan Shavlik, Senior Associate



City of Fitchburg  
General fund results



Summarized income statement

	<u>Actual</u>	<u>Final budget</u>	<u>Variance</u>
Revenues and other financing sources	\$ 25,757,982	\$ 23,849,125	\$ 1,908,857
Expenditures and other financing uses	<u>23,630,734</u>	<u>24,792,051</u>	<u>1,161,317</u>
Net change in fund balance	<u>\$ 2,127,248</u>	<u>\$ (942,926)</u>	<u>\$ 3,070,174</u>

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.

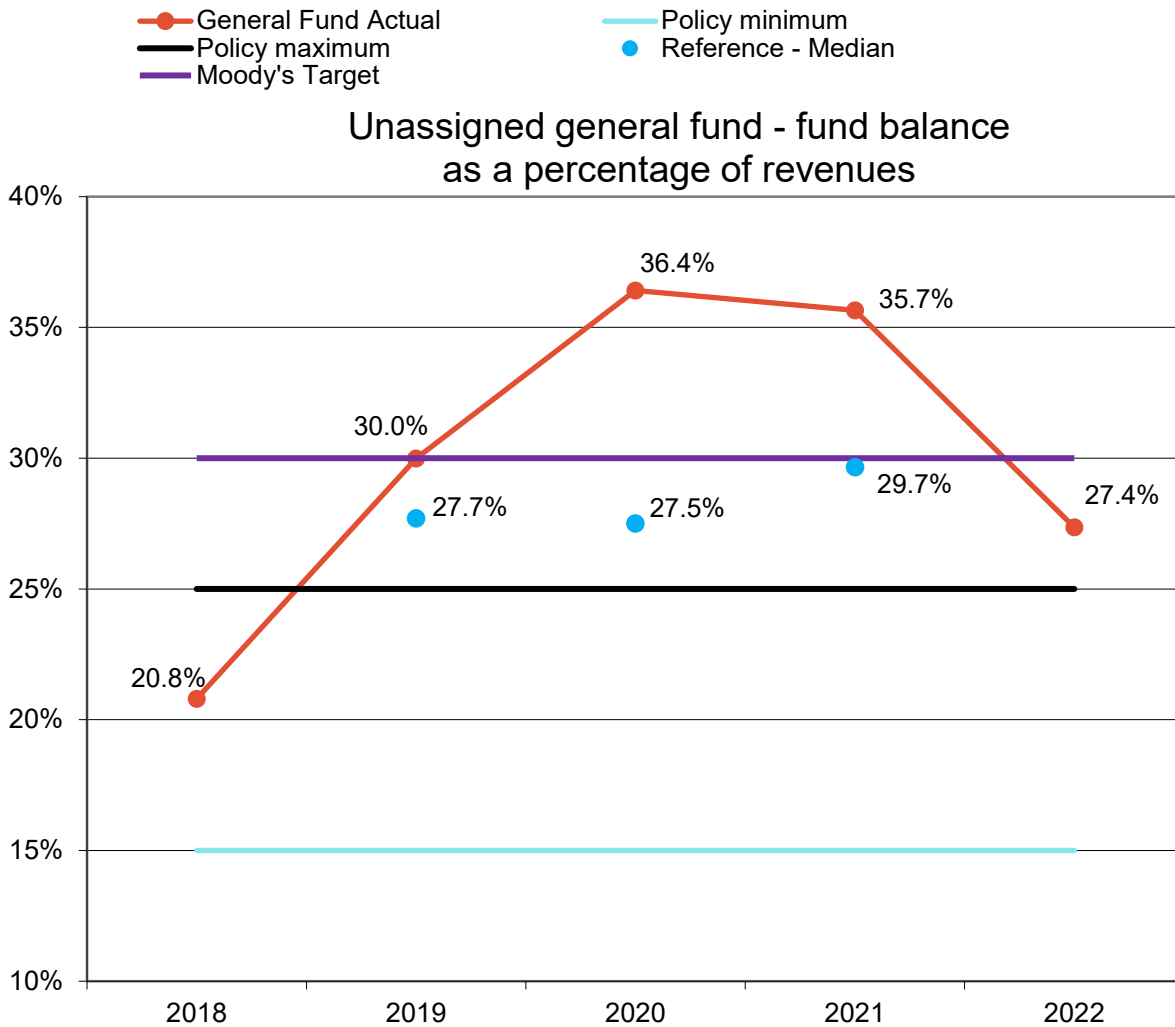
Unassigned - residual amounts that have not been classified within other categories above.

# City of Fitchburg

## General fund - fund balance trends

### Fund balance policy:

Unassigned general fund balance within a range of 15-25% of general fund revenues



### Other reference values

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

Bond agency target value is based on Moody's AAA target rate of 30%

Median reference value generated from 2018 - 2021 Baker Tilly municipal client data for population rang from 30,000 to 150,000

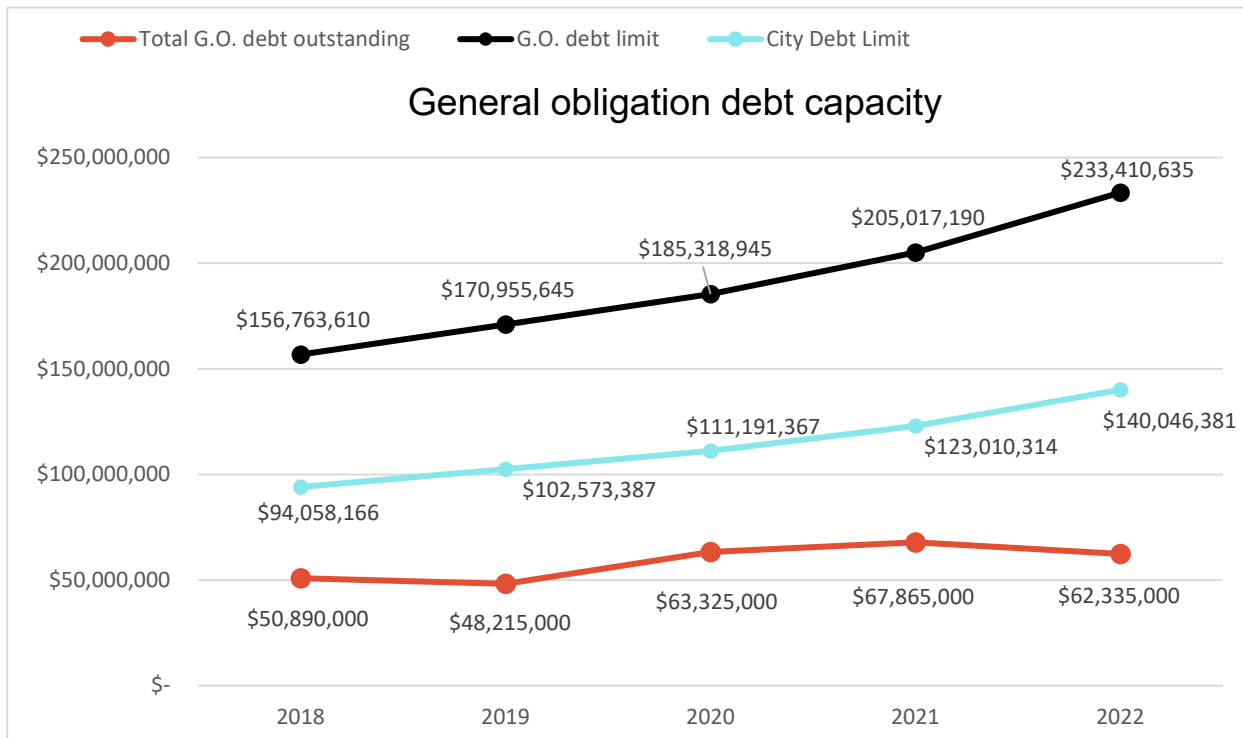
# City of Fitchburg

## General obligation debt

### Debt management policy:

City policy is not to exceed 3% of the city's total equalized value  
 Legal debt margin capacity - 5% of the city's total equalized value

Actual percentage of debt limit at 12/31/22: **27%**



### Total debt outstanding by type at 12/31/2022

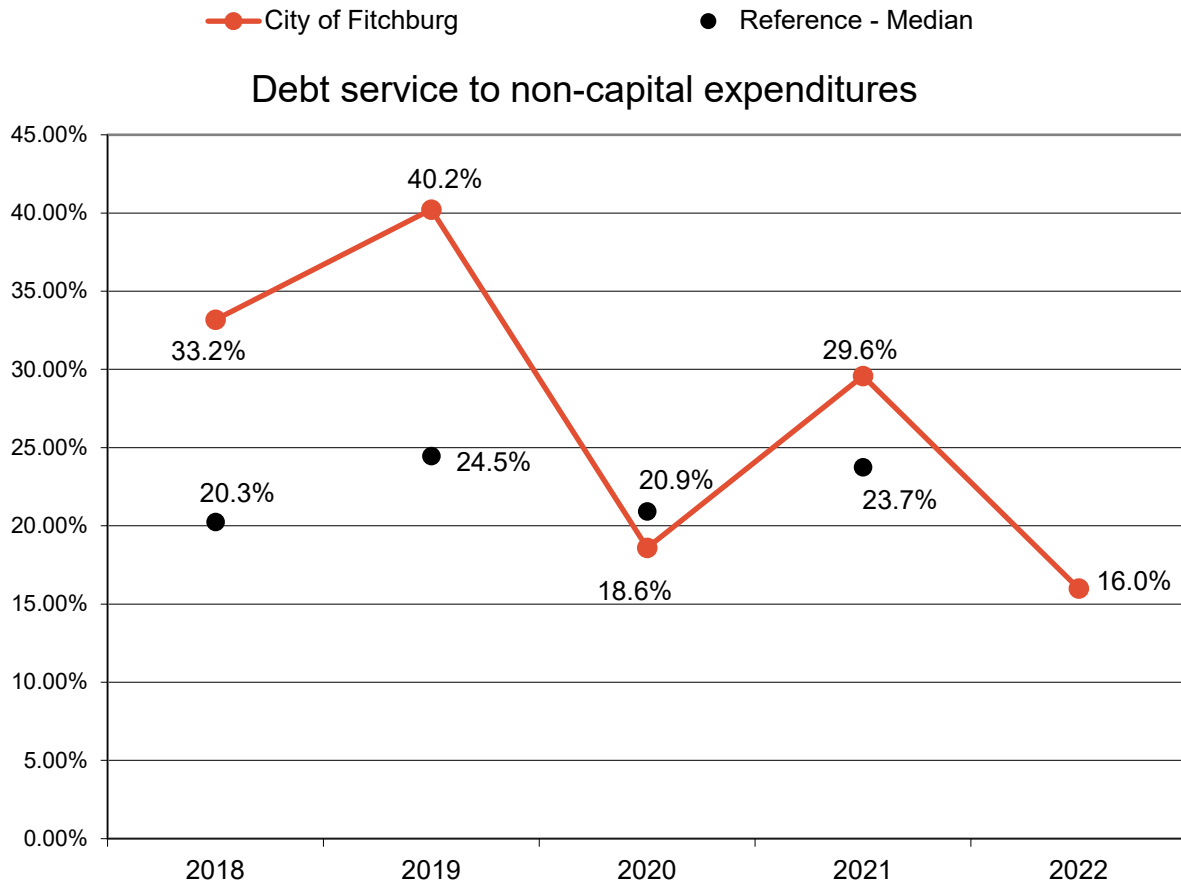
	General obligation	Total
City	\$ 62,335,000	\$ 62,335,000
Utility	-	-
<b>Total</b>	<b>\$ 62,335,000</b>	<b>\$ 62,335,000</b>

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 Fitchburg  
Governmental funds - debt service



Years 2018 through 2022 include refundings and TID debt call.  
Debt service is at 20% in 2018, going down to 15% in 2022 excluding these payments.

Current and prior year data

	<u>2022</u>	<u>2021</u>
Principal	\$ 5,530,000	\$ 10,965,000
Interest	1,789,065	1,517,202
Total	<u>\$ 7,319,065</u>	<u>\$ 12,482,202</u>
Non-capital expenditures	<u>\$ 45,781,141</u>	<u>\$ 42,184,206</u>

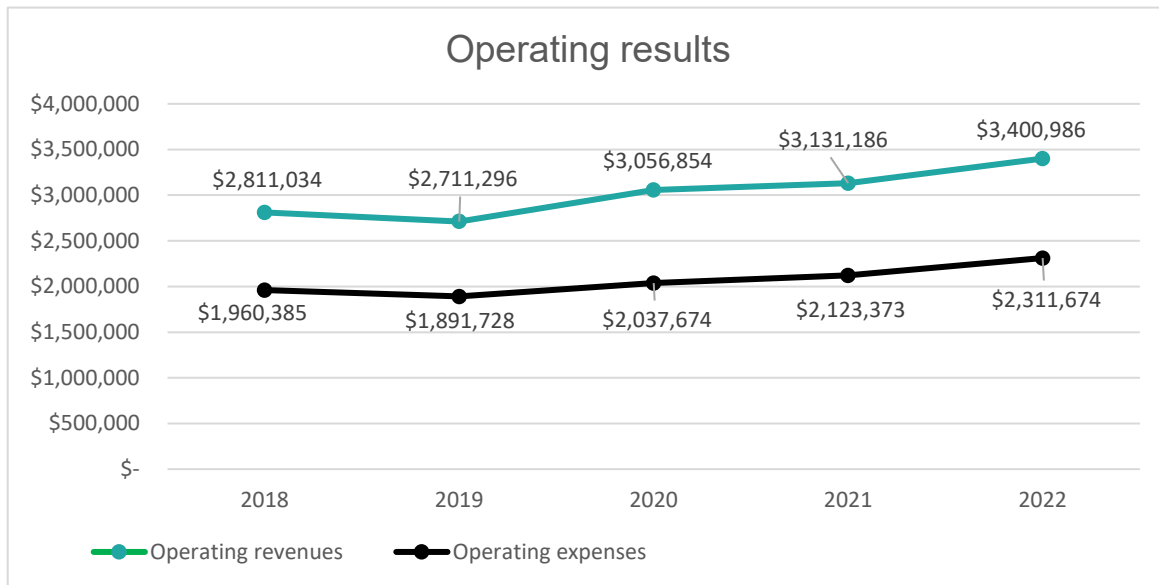
Other reference values

Median reference value generated from 2018 - 2021 Baker Tilly municipal client data for population range from 30,000 to 150,000



## City of Fitchburg Water Utility Results

	<u>Current Year</u>	<u>Prior Year</u>
Actual Rate of Return	<b>4.90%</b>	<b>4.56%</b>
Authorized Rate of Return	<b>5.25%</b>	<b>5.25%</b>

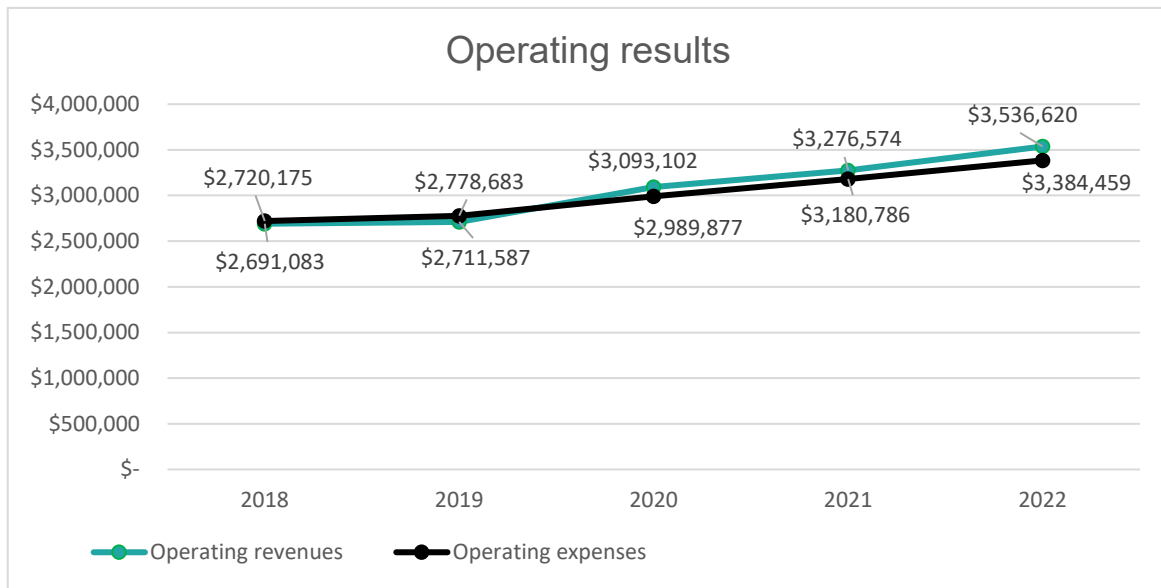


## Unrestricted Reserves

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Year end balance	\$ 4,007,149	\$ 4,648,023	\$ 6,188,851	\$ 4,018,475	\$ 4,961,612
Months on hand	<b>17.11</b>	<b>20.57</b>	<b>24.29</b>	<b>15.40</b>	<b>17.51</b>



## City of Fitchburg Sewer Utility Results

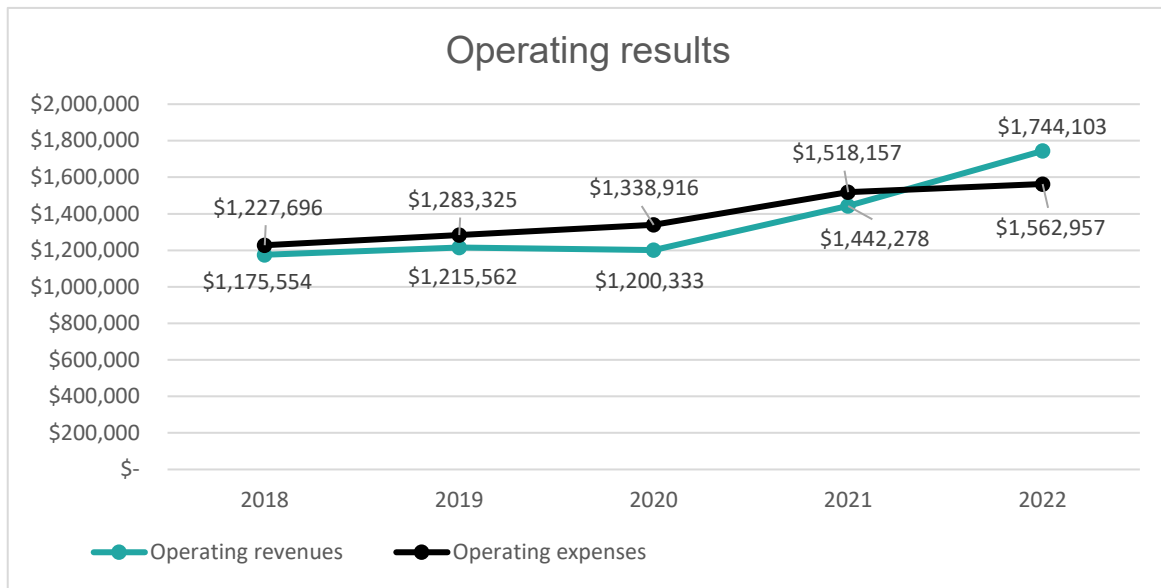


## Unrestricted Reserves

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Year end balance	\$ 1,534,708	\$ 704,824	\$ 921,023	\$ 1,740,804	\$ 2,466,583
Months on hand	<b>6.84</b>	<b>3.12</b>	<b>3.57</b>	<b>6.38</b>	<b>8.37</b>



## City of Fitchburg Stormwater Utility Results



### Unrestricted Reserves

	2018	2019	2020	2021	2022
Year end balance	\$ 2,272,958	\$ 2,602,867	\$ 1,293,485	\$ 1,341,582	\$ 2,115,663
Months on hand	<b>23.20</b>	<b>25.70</b>	<b>12.93</b>	<b>11.16</b>	<b>14.56</b>