

Financial Condition

Introduction

- What is Financial Condition Analysis?
 - Historical trend analysis using audited financial data from the CAFR
 - Use ratios to normalize data for comparison purposes
- Why use Financial Condition Analysis?
 - Helps tell a story for your CAFR
 - <https://www.wauwatosha.net/home/showpublisheddocument/4262/637731946550100000>
 - Synthesizes information in easy-to understand charts
 - Objective analysis for policy makers

Summary

#	Indicator	Trend	Explanation
1	Capital Expenditures: Depreciation Expense		
	Governmental activities	⚠	Back above warning line
	Business activities	⚠	Consistently above warning line
	Total Primary Govt	⚠	Consistently above warning line
2	Personal Income: Capita	⚠	Has increased the past four years, 2021 unavailable
3	(Property Tax Revs. *100): Total assessed property value	✓	Decreased from 2020 to 2021
4	Tax leverage ratio	✓	Decreased from 2018 to 2021
5	Top 10 Taxpayers		
	% of Equalized Value	✗	Ratio has been increasing from 2018 to 2021
	% of Assessed Value	✗	Ratio increased from 2019 to 2021
6	% Change in Property Value		
	Assessed Value	✓	Increase due to hospitals becoming taxable
	Equalized Value	✓	Ratio significantly increased
7	Employees/capita *100		
	Wauwatosa		Remained flat from 2020 to 2021
8	General Fund Expenditures/capita	⚠	Decreasing due to high COVID spending in 20, vacancies and inflation in 21
9	Expenditures by function (General Fund)		
	General government	✓	Decreased from 2020 to 2021
	Protection of persons and property	⚠	Increased slightly from 2020 to 2021
	Health and sanitation	✓	decreased from 2020 to 2021
	Highway and transportation	✓	Increased from 2020 to 2021
	Education and recreation	✓	Consistently stable, slight increase from 2020 to 2021
	Conservation and development	✓	Decreased significantly from 2020 to 2021, no issue

- Green – all good
- Yellow – caution, we should monitor
- Red – problem, we should take action

Summary (continued)

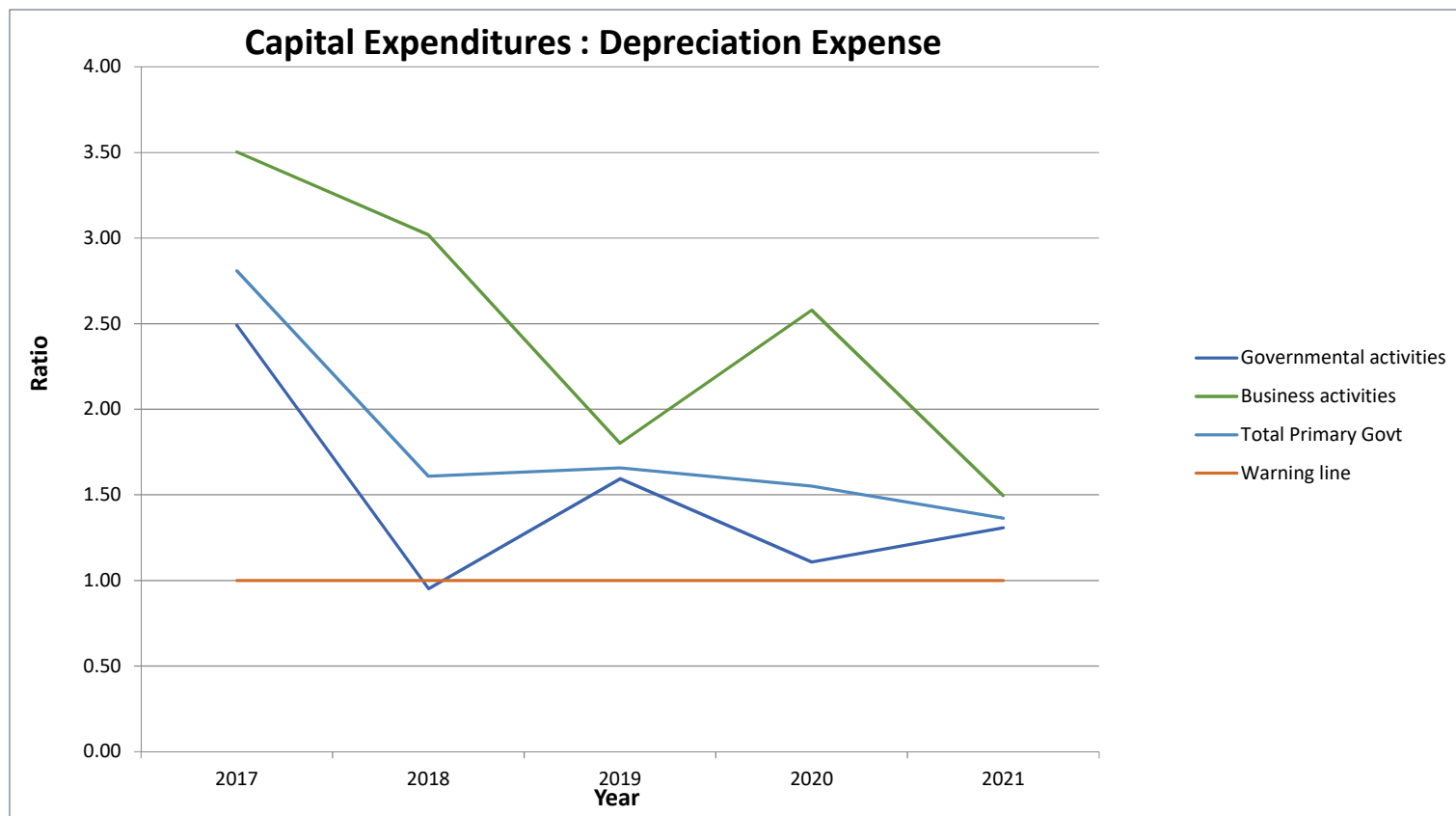
10	Debt Service	⚠	Slightly increasing but still below warning line
11	LT Debt (total)	✓	Decreasing since 2018
	LT Debt (Govt)	✓	Decreasing since 2018
12	Quick Ratio	⚠	Large increase in liabilities as well as cash and short term positions in 2021
	Quick Ratio (Gen. Fund)	✓	Slight increase across the board, staying constant with 2020
13	Enterprise operating income (constant \$)		
	Water	⚠	Have had operating income losses the past two years
	Storm	✓	Increased significantly in 2021 from 2020
	Sanitary	✓	Have not had any operating losses
14	General Fund Balance: Gen Fund Expenditures + (Change in fund balance)/general fund expenditures +	✓	Has increased from 2017-2020, Decreased in 2021
15	transfers	⚠	Has remained flat since
16	Intergovernmental revenues	✓	Increasing since 2018
17	Net Assets: total operating revenues	✓	Slightly increasing for five years in a row now

Mechanics

Indicator	2017	2018	2019	2020	2021	Notes
Personal Income: Capita	89,773.01	91,954.93	92,439.69	91,821.64	-	
Population	47,389	47,781	48,314	48,478	486,604	CAFR- Statistical Section (Demographic and Economic Statistics)
Personal income	3,877,000,000	4,081,000,000	4,210,000,000	4,236,000,000	No data yet	
(2015CPI/CYCPI)	1.10	1.08	1.06	1.05	1.00	

- Most indicators are ratios in order to normalize – personal income per capita in this example
- Adjusted for inflation using CPI – www.bls.gov
- Notate where in the Annual Comprehensive Financial Report the information is obtained

Indicator 1



Capital Expenditures and Depreciation Expense

CITY OF WAUWATOSA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

Indicator	2017	2018	2019	2020	2021	Notes
Capital Expenditures:						
Depreciation Expense						
Governmental activities	2.49	0.95	1.60	1.11	1.31	
Business activities	3.50	3.02	1.80	2.58	1.50	
Total Primary Govt	2.81	1.61	1.66	1.55	1.36	
Warning line	1.00	1.00	1.00	1.00	1.00	
Net Capital Assets Additions (Govt)	15,676,847	6,209,702	11,242,996	8,130,844	10,146,944	Note 4-Detailed Notes on All Funds (E. Capital Assets)
Net Capital Assets Additions (Business)	10,126,367	9,165,807	5,577,224	8,174,518	4,910,235	Note 4-Detailed Notes on All Funds (E. Capital Assets)
Net Capital Assets Additions	25,803,214	15,375,509	16,820,220	16,305,362	15,057,179	Note 4-Detailed Notes on All Funds (E. Capital Assets)
Accumulated Depreciation (Govt)	6,295,368	6,522,433	7,048,573	7,338,215	7,759,201	Note 4-Detailed Notes on All Funds (E. Capital Assets)
Accumulated Depreciation (Business)	2,891,288	3,036,453	3,095,564	3,171,321	3,283,039	Note 4-Detailed Notes on All Funds (E. Capital Assets)
Accumulated Depreciation (Primary Govt)	9,186,656	9,558,886	10,144,137	10,509,536	11,042,240	Note 4-Detailed Notes on All Funds (E. Capital Assets)

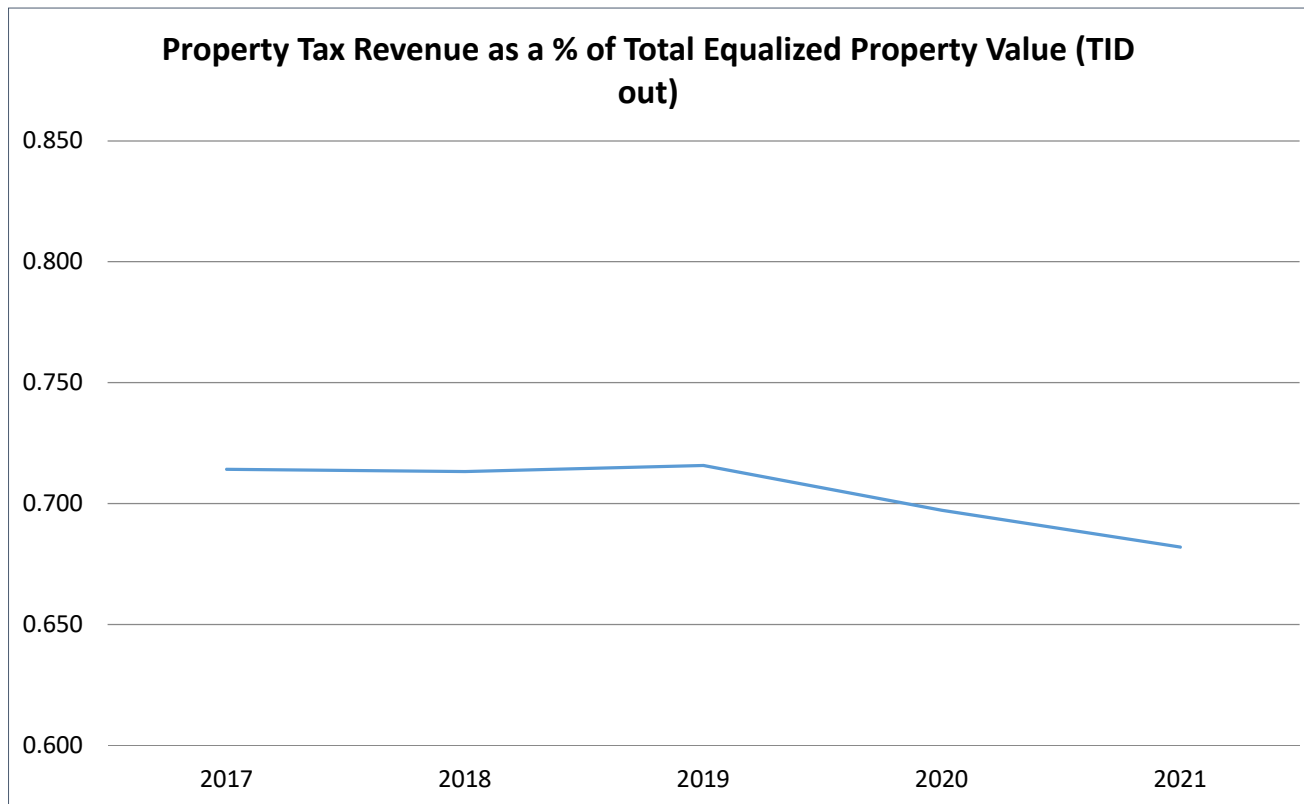
NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Capital Assets

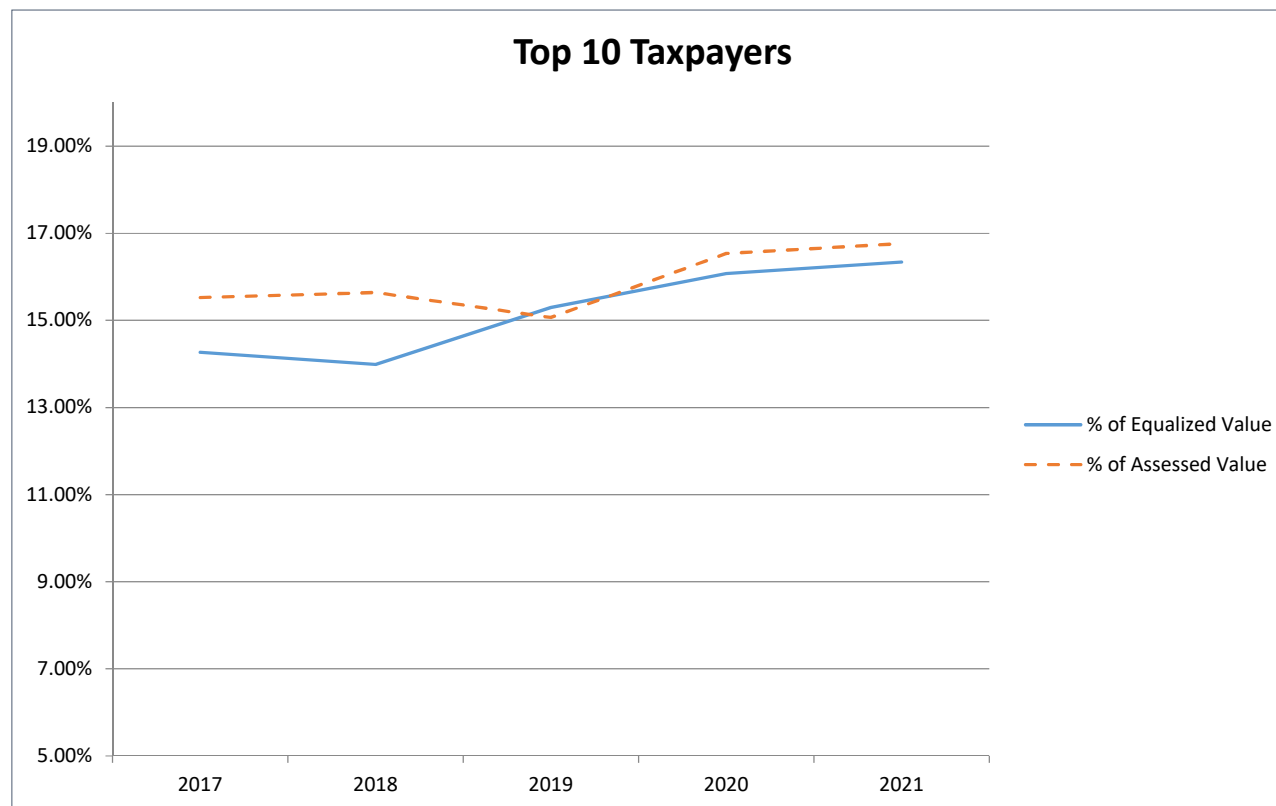
Capital asset activity for the year ended December 31, 2021, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
Capital Assets not Being Depreciated:				
Land	\$ 24,590,639	\$ -	\$ -	\$ 24,590,639
Construction in Progress	3,656,817	2,305,678	3,590,713	2,371,782
Total Capital Assets not Being Depreciated	28,247,456	2,305,678	3,590,713	26,962,421
Capital Assets Being Depreciated:				
Buildings	28,585,361	1,747,525	-	30,332,886
Improvements	13,641,349	36,400	-	13,677,749
Machinery and Equipment	25,971,641	3,864,693	859,965	28,976,369
Infrastructure	122,819,590	7,131,130	1,772,839	128,177,881
Total Capital Assets Being Depreciated	191,017,941	12,779,748	2,632,804	201,164,885
Less: Accumulated Depreciation for:				
Buildings	14,695,693	706,706	-	15,402,399
Improvements	4,543,022	706,526	-	5,249,548
Machinery and Equipment	17,292,222	1,884,823	829,855	18,347,190
Infrastructure	45,794,648	4,461,146	1,772,839	48,482,955
Total Accumulated Depreciation	82,325,585	7,759,201	2,602,694	87,482,092
Capital Assets Being Depreciated, Net of Depreciation	108,692,356	5,020,547	30,110	113,682,793

Indicator 3



Indicator 5



Top 10 Taxpayers Comparison

City of Wauwatosa

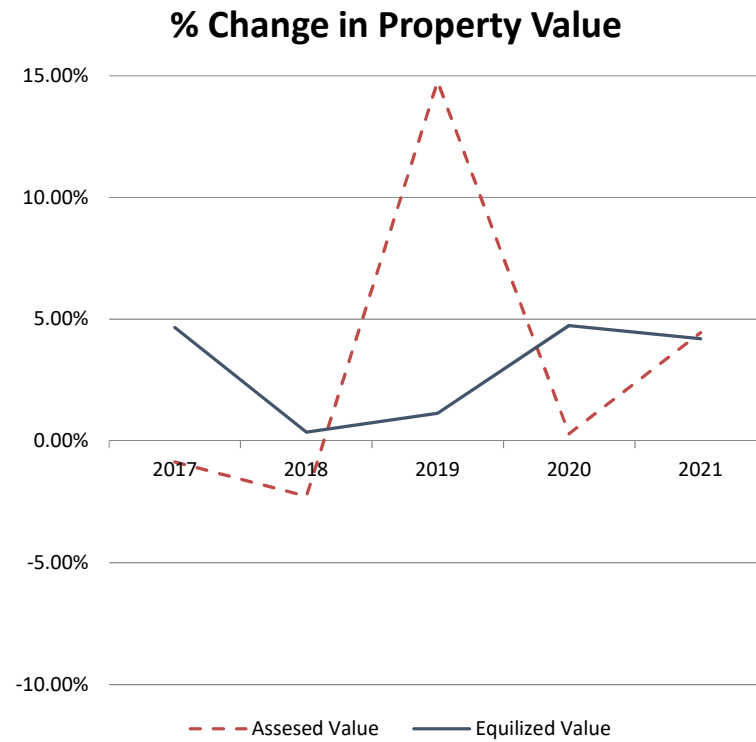
Principal Property Tax Payers

Current Year and Ten Years Ago

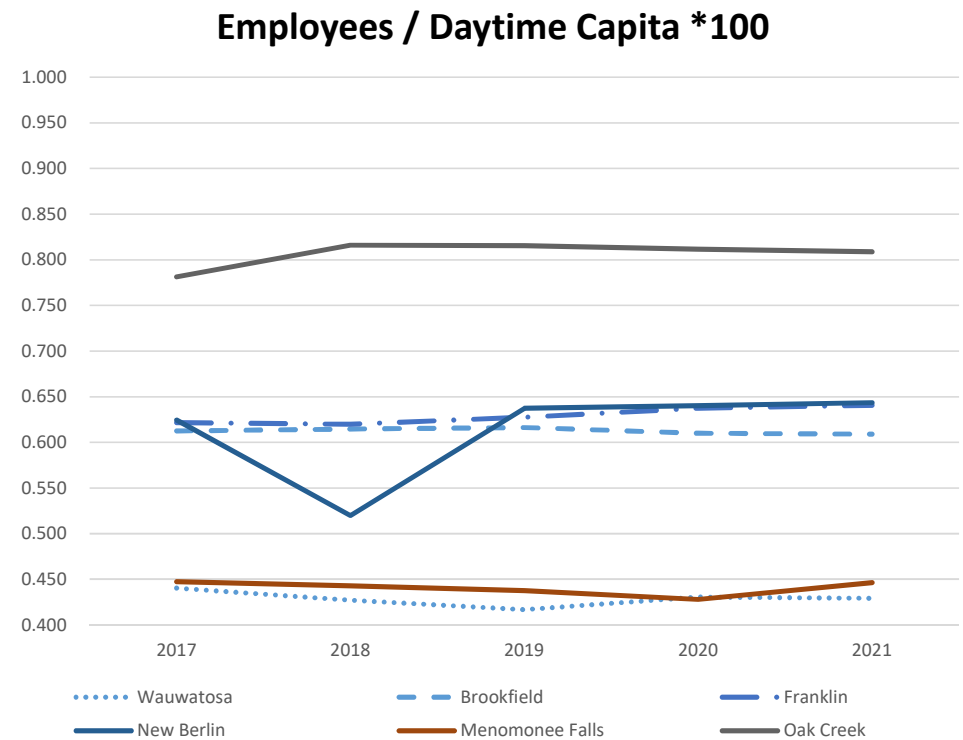
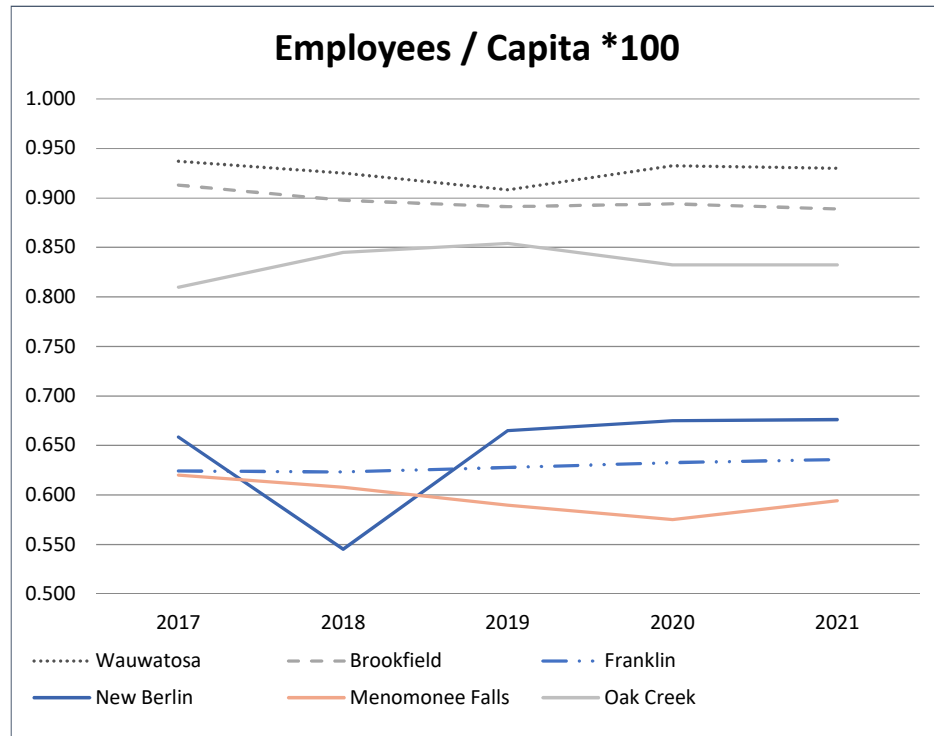
Table 7

Taxpayer	2021			2011		
	Taxable Assessed Value	Rank	Percentage of Total City	Taxable Assessed Value	Rank	Percentage of Total City
			Taxable Assessed Value			Taxable Assessed Value
Froedtert Memorial Lutheran Hospital	438,005,600	1	5.96%			
Mayfair Mall LLC (Mayfair Shopping Center)	402,366,900	2	5.47%	269,427,771	1	4.93%
Childrens Hospital Wisconsin	182,401,300	3	2.48%			
Irgens Development Partners (Office Buildings)	151,804,200	4	2.06%			
Burleigh Mayfair LLC (Mayfair Collection Retail Stores)	99,011,600	5	1.35%			
HSI (State Street Station, Apartment Complexes)	81,017,200	6	1.10%			
Wheaton Franciscan Healthcare	78,881,000	7	1.07%			
Bell Marquette I LLC (formerly, GE Healthcare)	64,131,600	8	0.87%	57,490,571	3	1.05%
Gateway Tosa HC LLC (Medical Office Building)	53,805,000		0.73%			
The Medical College of Wisconsin	53,136,200	10	0.72%			
H-D Capitol Drive LLC (Harley Davidson)				60,064,095	2	1.10%
Innovation Partners LLC (Office Building)				24,268,952	8	0.44%
North Mayfair 8				23,066,067	9	0.42%
Bonstores Realty One LLC				26,131,657	5	0.48%
Covenant Healthcare System inc.				38,698,438	4	0.71%
Briggs & Stratton				24,427,714	7	0.45%
JC Penny Properties Inc.				25,237,533	6	0.46%
Mayfair Woods LLC				22,783,810	10	0.42%
Total	1,166,555,000		15.86%	\$ 571,596,608		9.99%

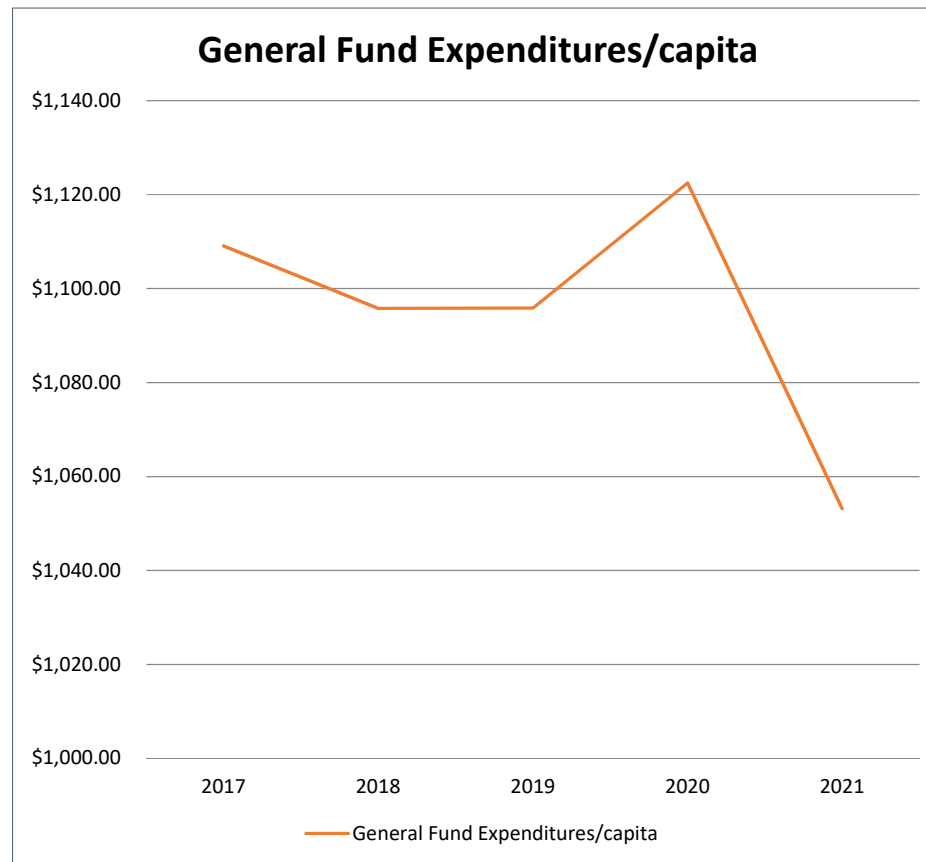
Indicator 6



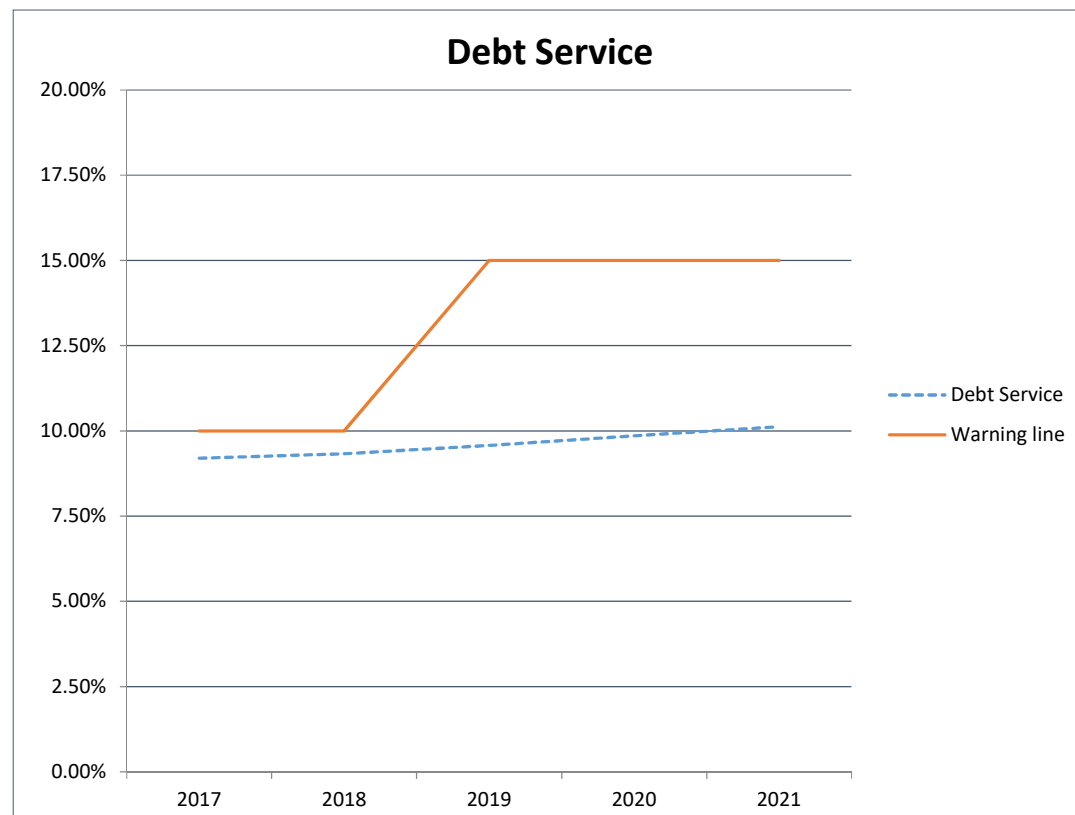
Indicator 7



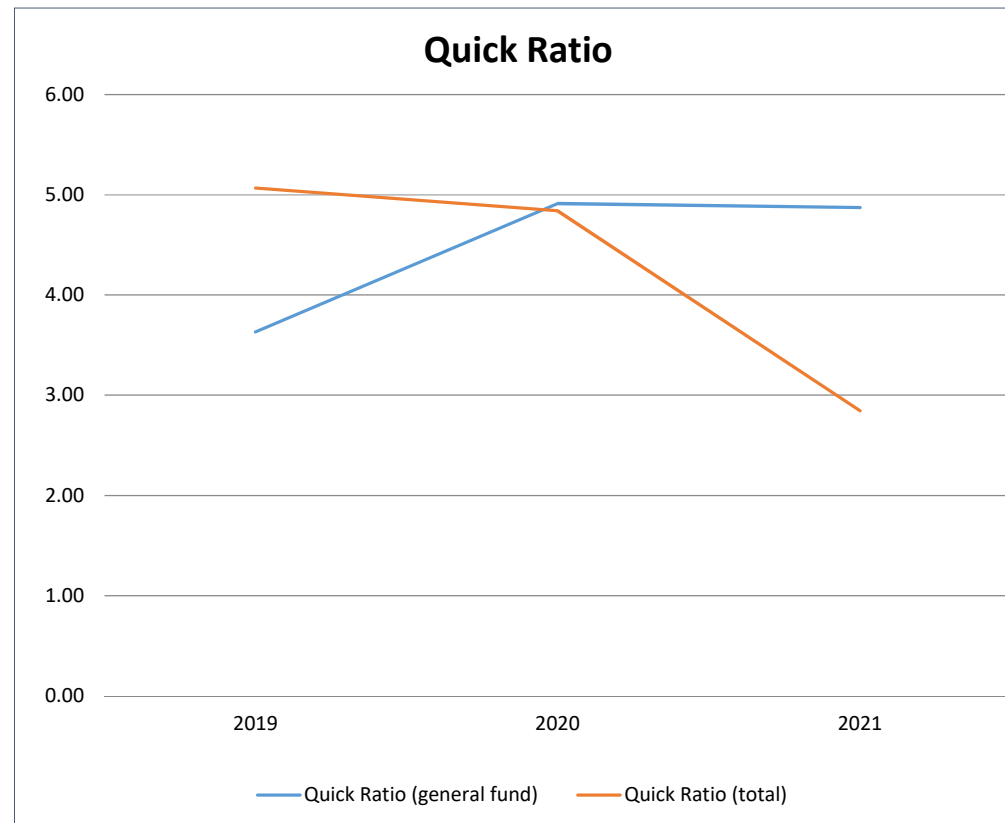
Indicator 8



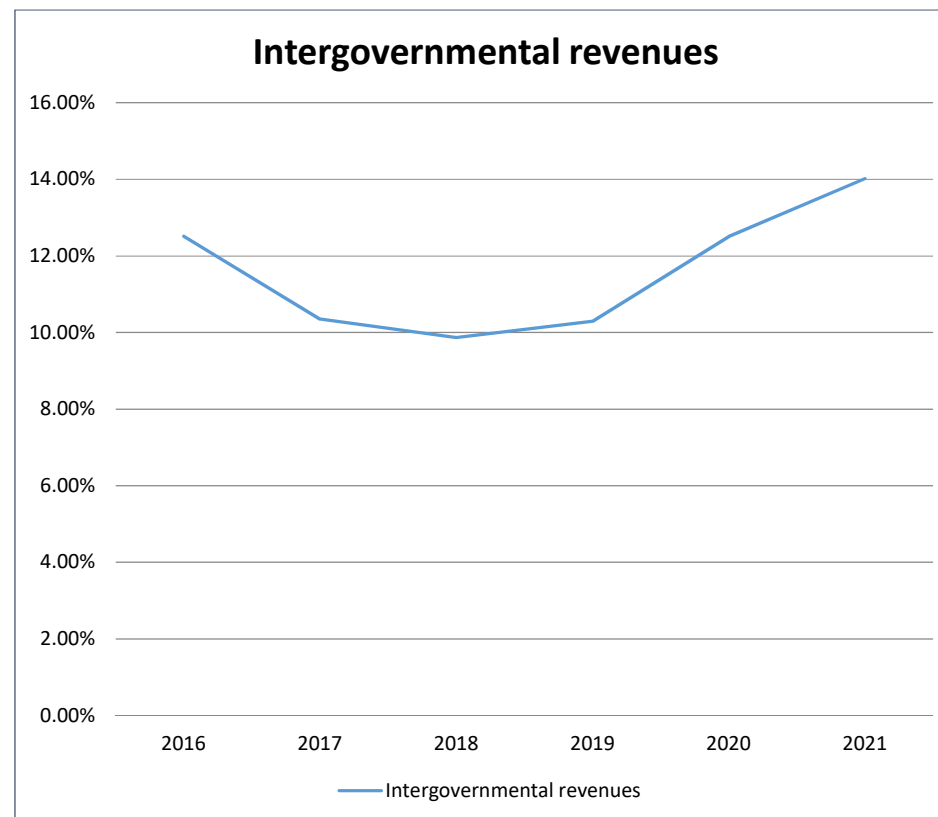
Indicator 10



Indicator 12



Indicator 16



Indicator 17

