

CITY OF WAUSAU, WISCONSIN
ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2023



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INDEPENDENT AUDITORS' REPORT

City Council
City of Wausau, Wisconsin

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Wausau, Wisconsin, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City of Wausau, Wisconsin's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Wausau, Wisconsin, as of December 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Wausau, Wisconsin, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Wausau, Wisconsin's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of City of Wausau, Wisconsin's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about City of Wausau, Wisconsin's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis, budgetary comparison schedule, and the schedules relating to pension and OPEB, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Wausau, Wisconsin’s basic financial statements. The combining and individual fund financial statements and the budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund financial statements and the budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 31, 2024, on our consideration of the City of Wausau, Wisconsin’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Wausau, Wisconsin’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Wausau, Wisconsin’s internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Wausau, Wisconsin
July 31, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

**CITY OF WAUSAU, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

The City of Wausau (City) presents the following discussion and analysis of the City's financial performance during the fiscal year ended December 31, 2023. This discussion and analysis is intended to assist readers in focusing on significant financial issues, changes in the City's financial position, and identifying any significant variances from the adopted budget. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and the financial statements provided in this report.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$271,862,167. Of this amount, \$25,613,593 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.
- During 2023, the City's total net position increased \$8,212,848 from the 2022 net position, or approximately 3.1%.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$24,653,761, an increase of \$3,068,826 from the prior year. The total unassigned fund balance of \$8,676,708 is available for spending at the City's discretion.
- At the end of the current fiscal year, unrestricted fund balance for the City's general fund was \$13,201,330, or 32.35% of expenditures. Of this amount, \$994,439 is committed and \$12,206,891 is unassigned.
- The City's total general obligation debt increased \$2,380,000, or 3.41%.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-Wide Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. To assess the overall health of the City you need to consider additional nonfinancial factors, such as changes in the City's property tax base and the condition of the City's infrastructure.

**CITY OF WAUSAU, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

The *Statement of Activities* presents information showing how the City's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods (examples include: uncollected taxes and earned but unused compensated absences). An important purpose of the design of the Statement of Activities is to show the financial reliance of the City's distinct activities or functions on revenues provided by the City's taxpayers.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, transportation and streets, sanitation health and welfare, natural resources and recreation, and economic development. Business-type activities include: water, wastewater, parking utility, Metro Ride transit, and airport funds.

The City's financial reporting includes funds of the City (primary government) but also a legally separate Community Development Authority for which the City of Wausau is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements are presented on pages 17-18 of this report.

Fund Financial Statements

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Fund accounting is also used to ensure and demonstrate compliance with finance related legal requirements placed on resources.

Fund financial statements are used to present financial information detailing resources that have been identified for specific activities. Within the basic financial statements, fund financial statements focus on the City's most significant funds rather than the City as a whole. Major funds are reported separately, while all others are combined into a single, aggregate presentation. Individual fund data for nonmajor funds is provided in the form of combining statements in the supplementary statements.

The City has three kinds of funds:

Governmental Funds are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide statement, governmental fund financial statements focus on the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating annual financing requirements of government programs and the commitment of spendable resources for the near-term.

**CITY OF WAUSAU, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to assist in understanding the differences between these two perspectives.

The City of Wausau maintains twenty-nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and the Debt Service Fund, which are considered to be major funds. Data for the other twenty-seven governmental funds is combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in the supplementary statements.

Budgetary comparison information for the general fund is included in the required supplementary information. This statement demonstrates compliance with the City's adopted and final revised budget.

The basic governmental fund financial statements are presented on pages 19-22 of this report.

Proprietary Funds are reported in the fund financial statements and generally report services for which the City charges customers a fee. The City maintains two types of proprietary funds. *Enterprise funds* are used to report the functions presented in business-type activities in the government-wide financial statements. Services are provided to customers external to the City organization and include the water, wastewater, parking, Metro Ride, and airport funds. The City's *internal service funds*, the Motor Pool, Insurance, and Employee Benefits, accumulate and allocate costs internally among the City's various functions. Because the City's internal service funds primarily serve governmental functions, they have been included within the governmental activities of the government-wide financial statements.

Proprietary fund financial statements provide separate and more detailed information for the water, and wastewater enterprise funds, which are considered to be major funds, and the three internal service funds. Individual fund data for the four nonmajor enterprise funds and for each of the internal service funds is provided in combining statements elsewhere in the supplementary statements.

The basic proprietary fund financial statements can be found on pages 23-27 of this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside the primary government. Fiduciary funds are not reflected in the government-wide financial statements as the resources of those funds are not available to support the City's programs and operations.

The basic fiduciary fund financial statements are presented on pages 28-29 of this report.

Notes to the Financial Statements provide information essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 30 of this report.

Supplementary information is provided in addition to the basic financial statements and accompanying notes. This required supplementary and other information consists of combining and individual fund schedules which can be found on pages 89-114 of this report.

**CITY OF WAUSAU, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, the City of Wausau's net position at fiscal year-end is \$271,862,167.

By far, the largest portion of the City of Wausau's net position (81.67%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment and construction in progress), less any related debt used to acquire those assets that is still outstanding. The City of Wausau used these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Wausau's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

SUMMARY OF NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 103,090,090	\$ 110,223,135	\$ 38,423,488	\$ 21,860,721	\$ 141,513,578	\$ 132,083,856
Capital assets	183,775,731	177,830,996	243,719,092	239,866,930	427,494,823	417,697,926
Total assets	<u>286,865,821</u>	<u>288,054,131</u>	<u>282,142,580</u>	<u>261,727,651</u>	<u>569,008,401</u>	<u>549,781,782</u>
Deferred outflow s of resources	34,606,622	27,230,867	4,307,899	3,395,834	38,914,521	30,626,701
Noncurrent liabilities	88,208,365	75,148,255	158,891,844	140,042,724	247,100,209	215,190,979
Other liabilities	16,067,070	17,182,206	5,019,511	5,304,762	21,086,581	22,486,968
Total liabilities	<u>104,275,435</u>	<u>92,330,461</u>	<u>163,911,355</u>	<u>145,347,486</u>	<u>268,186,790</u>	<u>237,677,947</u>
Deferred inflow s of resources	63,735,095	73,389,405	4,138,870	5,691,812	67,873,965	79,081,217
Net position:						
Net investment in capital assets	120,347,150	120,825,456	102,723,259	96,336,184	222,033,090	215,738,971
Restricted	17,926,709	29,425,700	6,288,775	8,422,947	24,215,484	37,848,647
Unrestricted	15,188,054	(686,024)	9,388,220	9,325,056	25,613,593	10,061,701
Total net position	<u>\$ 153,461,913</u>	<u>\$ 149,565,132</u>	<u>\$ 118,400,254</u>	<u>\$ 114,084,187</u>	<u>\$ 271,862,167</u>	<u>\$ 263,649,319</u>

An additional portion of the City's net position (8.91%) represents resources that are subject to restrictions on how they may be used. The remaining balance represents unrestricted net position of \$25,613,593 which may be used to meet the government's ongoing obligations to citizens and creditors.

The following table provides a summary of the City's operations for the year ended December 31, 2023 and a comparison to the year ended December 31, 2022.

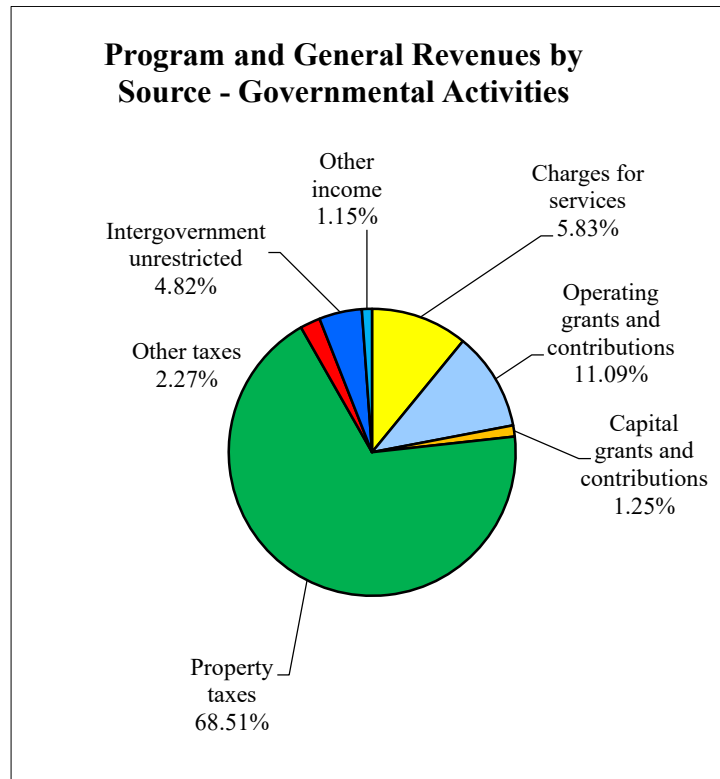
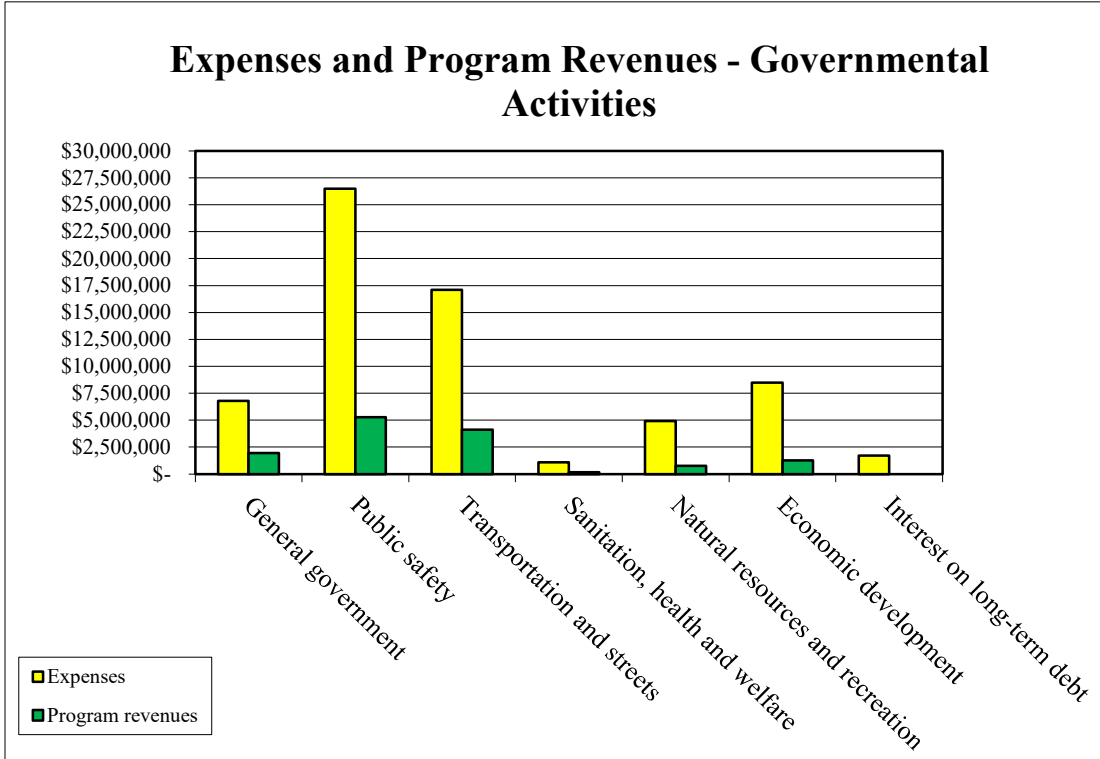
**CITY OF WAUSAU, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

CITY OF WAUSAU
CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program Revenues						
Charges for services	\$ 6,317,698	\$ 3,385,880	\$ 22,682,251	\$ 18,171,355	\$ 28,999,949	\$ 21,557,235
Operating grants and contributions	6,427,020	6,035,073	2,541,249	2,717,669	8,968,269	8,752,742
Capital grants and contributions	726,701	1,549,775	3,238,691	5,608,185	3,965,392	7,157,960
General Revenues						
Property taxes	39,698,168	38,056,356	1,403,262	765,082	41,101,430	38,821,438
Other taxes	1,316,461	1,896,193	-	-	1,316,461	1,896,193
Grants and contributions not restricted to specific purposes	10,170,709	10,999,108	-	-	10,170,709	10,999,108
Investment income	2,794,791	(903,829)	707,798	88,576	3,502,589	(815,253)
Other	769,324	664,143	83,445	84,952	852,769	749,095
Total Revenues	68,220,872	61,682,699	30,656,696	27,435,819	98,877,568	89,118,518
Expenses						
General government	\$6,781,614	\$9,938,620	-	-	6,781,614	9,938,620
Public safety	26,487,572	16,816,733	-	199,232	26,487,572	17,015,965
Transportation and streets	17,087,871	16,364,503	6,335,806	5,806,883	23,423,677	22,171,386
Sanitation, health and welfare	1,084,974	2,826,079	-	-	1,084,974	2,826,079
Natural resources and recreation	4,902,299	4,192,728	-	-	4,902,299	4,192,728
Economic development	8,469,427	13,181,289	-	-	8,469,427	13,181,289
Interest on long-term debt	1,718,269	1,548,955	-	-	1,718,269	1,548,955
Water	-	-	7,354,572	5,860,815	7,354,572	5,860,815
Wastewater	-	-	10,442,316	8,815,378	10,442,316	8,815,378
Total Expenses	66,532,026	64,868,907	24,132,694	20,682,308	90,664,720	85,551,215
Increase (decrease) in net position before transfers	1,688,846	(3,186,208)	6,524,002	6,753,511	8,212,848	3,567,303
Transfers	2,207,935	1,777,000	(2,207,935)	(1,777,000)	-	-
Increase (decrease) in net position	3,896,781	(1,409,208)	4,316,067	4,976,511	8,212,848	3,567,303
Net position - January 1	149,565,132	150,974,340	114,084,187	109,107,676	263,649,319	260,082,016
Net position - December 31	\$ 153,461,913	\$ 149,565,132	\$ 118,400,254	\$ 114,084,187	\$ 271,862,167	\$ 263,649,319

**CITY OF WAUSAU, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

Governmental activities increased the City's net position by \$3,896,781. Business-type activities increased the City's net position by \$4,316,067.

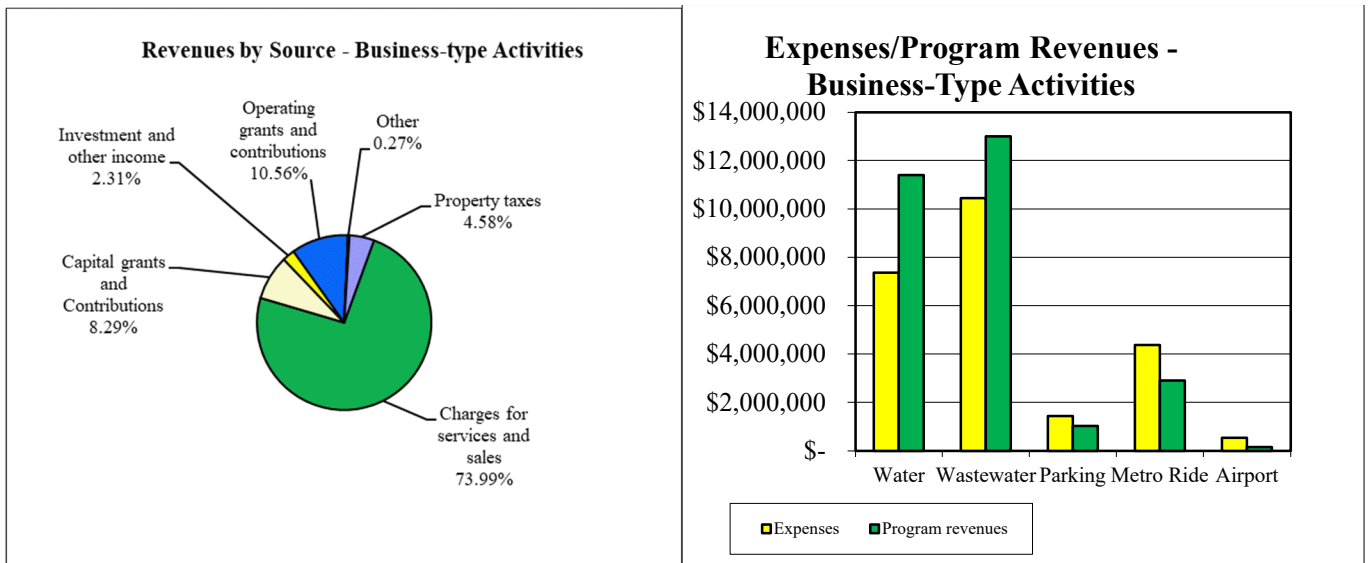


**CITY OF WAUSAU, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

Business-type activities increased the City of Wausau's net position by \$4,316,067.

Program revenues for business-type activities increased by \$1,964,982 while expenses increased \$3,450,386. Operating income for the year of \$1,476,952 represents a decline from the previous year of \$1,388,560. Key elements contributing to these changes include:

- New water rates went into effect on July 1, 2023. The rate increase was needed to offset the costs of the new water treatment plant and expected costs associated with the granular activated carbon (GAC) treatment facilities under construction. Water charges for services increased by \$2,703,953 or 36.05% from 2022.
- Water utility operation and maintenance expenses increased \$1,041,144 or 28.92%. 2023 was the first year of operation of the new plant.
- Water interest expense increased \$468,833. This increase is due to the additional draws on the Safe Drinking Water Loan for the construction of the new water treatment plant and the interim financing of the GAC filtration.
- The Wastewater Utility operating revenues increased \$1,911,179 or 20.13%. This reflects the rate increase implemented April 1, 2023. This rate increase was needed to finance the costs of the wastewater treatment facilities.
- Wastewater Utility depreciation expense increased \$1,628,392 or 62.90% due to the amortization of the new facility.
- The Parking Utility Fund operating revenues increased by \$91,816 or 19.7% and operating expenses decreased by \$52,300.
- MetroRide operating expenses increased by \$622,392 or 16.2%. General property taxes allocated to the fund increased \$554,305.
- The Animal Control fund was reclassified to a special revenue fund beginning in 2023.



**CITY OF WAUSAU, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental Funds

As discussed, the focus of governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party or the City itself.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balance of \$24,653,761, an increase of \$3,068,826 from the prior year. Approximately 35.19% or \$8,676,708, represents unassigned fund balance, which is available for spending at the City's discretion. The remainder of the fund balance is either nonspendable, restricted, or committed to indicate that it is 1) not in spendable form (\$2,941,915), 2) restricted for particular purposes (\$9,930,836), or 3) committed for particular purposes (\$3,104,302). The net increase is due to an increase in the General Fund of \$1,590,415, a small decrease in the major debt service fund of \$15,916 and increases in nonmajor governmental funds of \$1,494,327. Of the nonmajor governmental funds the three with the largest increases in fund balance were TID #3 Downtown Development Fund \$1,652,654, TID#6 West Side Development Fund \$1,081,623 and TID #8 New West Side Fund \$721,719. Of the nonmajor governmental funds the three with the largest decreases in fund balance were TID #12 Downtown Development Fund \$781,996, TID#10 Industrial Park Fund \$902,311 and the Grants Fund \$469,344.

Major Governmental Funds

The General Fund is the City's primary operating fund and the largest source of day-to-day service delivery. The fund balance of the General Fund increased \$1,590,415 to \$16,142,195. The City reported expenditures and other financing uses more than anticipated budget for 2023 in the amount of \$146,991 while total revenues and other financing sources were also over budget by \$2,497,996. The main reason for the positive result in revenues was the increase in investment income. The market rate adjustment on the city's investments increased revenues by \$732,631. Unassigned fund balance increased by \$1,348,968 from 2022 due to strong revenues including investment income. As a measure of the General Fund's liquidity, it's useful to compare both unrestricted fund balance and total fund balance to total fund expenditures. Unrestricted fund balance represents 28.91% of general fund expenditures, while total fund balance represents 38.75% of the same amount.

The Debt Service fund balance of \$584,615 at year end represents a \$15,916 decrease in fund balance from the previous year. The available balance reflects amounts restricted to pay debt service.

Proprietary Funds

The proprietary fund statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status. Factors concerning the finances of these funds have already been addressed in the discussion of the City of Wausau's business-type activities.

**CITY OF WAUSAU, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

General Fund Budgetary Highlights

- General Fund expenditures and other financing uses were more than budget by \$146,991 for the current fiscal year. The largest three areas of cost savings occurred in police \$122,583, assessment \$119,587 and ambulance by \$440,240. The largest negative results were fire department \$978,667, inspections \$82,552 and IT operations \$47,360. The debt service represents lease activity recorded to comply with GASB 87.
- General Fund revenues and other financing sources exceeded budget expectations by \$2,497,996. The key elements were highlighted above. The major impact as noted was the adjustment of investments to market.

Capital Asset and Debt Administration

The City's investment in capital assets, net of accumulated depreciation, for governmental and business-type activities as of December 31, 2023 was \$427,494,823. This investment in capital assets includes land, buildings and improvements, machinery, equipment, infrastructure and construction in progress. The total increase in net capital assets for the current fiscal year was \$9,796,917 or approximately 2.35%.

Major capital events during the current fiscal year included the following:

Governmental Activities

- Street Improvements, stormwater and sidewalk for the following locations: 10th Avenue – Oak St to West Wausau Avenue, Mall Street Grid project, North 17th Avenue; Grant Street and Henrietta Street and the business campus trail
- Land acquisition for north riverfront redevelopment and fire station reconstruction along Grand Avenue.

Business-Type Activities

The multiyear facilities projects resulted in the following additions:

- The Water Utility treatment plant and related equipment \$1,346,875
- The Water Utility GAC filtration plant and related equipment \$3,524,288
- Water Meter replacements \$571,096
- The Wastewater utility plant and related equipment \$787,598

City of Wausau
Capital Assets
(net of accumulated depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 39,913,078	\$ 37,839,936	\$ 6,113,894	\$ 6,113,894	\$ 46,026,972	\$ 43,953,830
Buildings & improvements	29,557,931	31,211,586	113,422,899	115,791,830	142,980,830	147,003,416
Machinery & equipment	13,545,631	13,078,471	36,891,006	37,152,603	50,436,637	50,231,074
Infrastructure	98,626,202	93,803,783	82,596,190	80,237,904	181,222,392	174,041,687
Right-to-Use Lease Asset	148,699	231,501	26,508	65,782	175,207	297,283
Construction in progress	1,984,190	1,665,719	4,668,595	504,897	6,652,785	2,170,616
Total	\$ 183,775,731	\$ 177,830,996	\$ 243,719,092	\$ 239,866,910	\$ 427,494,823	\$ 417,697,906

Additional information on the City of Wausau's capital assets can be found in Note 3.D. on pages 54-55 of this report.

**CITY OF WAUSAU, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

Long-Term Debt

At the end of the current fiscal year, the City of Wausau had total debt outstanding of \$229,045,180. \$72,234,779 of the total amount comprises debt backed by the full faith and credit of the City of Wausau. \$17,550,000 of the total amount is composed of a note anticipation note for which the City is expected to refinance into another long-term debt. \$13,395,000 of the total amount comprises utility revenue bonds backed by pledged utility revenues, net of specified operating expenses. \$125,710,388 represents Safe Drinking Fund and Clean Water Fund Loans.

	City of Wausau Outstanding Debt					
	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
General obligation	\$ 72,234,779	\$ 69,854,779	\$ -	\$ -	\$ 72,234,779	\$ 69,854,779
Anticipation notes	-	-	17,550,000	-	17,550,000	-
Revenue bonds	-	-	13,395,000	14,755,000	13,395,000	14,755,000
Long-Term Lease	127,438	187,441	27,575	67,000	155,013	254,441
Direct borrowings	-	-	125,710,388	124,022,946	125,710,388	124,022,946
Total	\$ 72,362,217	\$ 70,042,220	\$ 156,682,963	\$ 138,844,946	\$ 229,045,180	\$ 208,887,166

In 2023 the City issued debt as follows:

- 2023 Note Anticipation Note, Series A \$17,550,000; this interim financing provided for the GAC filtration plant.
- 2023 General Obligation Promissory Notes, Series B \$11,170,000; this debt financed projects included in the city's capital improvement plan.
- 2023 Taxable General Obligation Promissory Notes, Series C \$1,250,000; this debt financed the riverfront land acquisition.

The City received an Aa3 rating from Moody's Investors Service for the debt issue shown above.

Additional information regarding the City of Wausau's long-term debt can be found in Note 3.F. on pages 57-61 of this report.

Economic Factors and the Next Year's Budgets and Rates

Wausau is characterized by a broad economic base of diverse industrial and commercial businesses. The area is a significant regional center for the insurance industry, paper manufacturing, medical facilities, and home construction industry. The city actively uses tax increment financing to forward its development goals. Inflationary trends in the region compare favorably to national indices and equalized values have remained relatively stable.

These factors along with continued pandemic impacts were considered in preparing the 2024 budget for the City of Wausau. The adopted general fund budget is \$42,497,807 which is a \$2,136,384 increase or which is a 5.29% increase. This increase was driven by personnel service costs including health insurance, Wisconsin Retirement System rates and cost of living increases for staff. Increases in Motor Pool allocations to departments,

The City has two tax increment districts nearing termination. Tax Increment District Number Six will generate one additional year of increment in 2025 to fund affordable housing projects. Tax Increment District Number Seven is currently serving as a donor to Tax Increment District Number Twelve. The closure of these districts will return tax base to all overlying taxing districts.

**CITY OF WAUSAU, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

Requests for Information

This financial report is designed to provide a general overview of the City of Wausau's finances, comply with finance-related laws and regulations, and demonstrate the City's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the City's Finance Department, at 407 Grant Street, Wausau, Wisconsin 54403 or by calling 715-261-6640.

BASIC FINANCIAL STATEMENTS

**CITY OF WAUSAU, WISCONSIN
STATEMENT OF NET POSITION
DECEMBER 31, 2023**

	Governmental Activities	Business-Type Activities	Total	Component Unit Wausau CDA
ASSETS				
Cash and Investments	\$ 53,239,882	\$ 20,914,671	\$ 74,154,553	\$ 5,656,455
Receivables:				
Taxes and Special Charges	32,484,302	990,011	33,474,313	-
Delinquent Taxes	3,421	-	3,421	-
Accounts, Net	686,526	5,923,488	6,610,014	1,869,834
Special Assessments	351,293	50,911	402,204	-
Loans	13,522,950	-	13,522,950	-
Lease	215,941	134,177	350,118	-
Internal Balances	40,211	(40,211)	-	-
Due from Other Governments	616,611	1,950,251	2,566,862	-
Supplies and Prepaid Items	1,273,662	730,705	2,004,367	14,127
Investment in Joint Venture	655,291	-	655,291	-
Other	-	-	-	11,779
Restricted Assets:				
Cash and Investments	-	7,769,485	7,769,485	1,310,767
Capital Assets, Nondepreciable and Nonamortizable	41,897,268	10,782,489	52,679,757	984,312
Capital Assets, Depreciable and Amortizable	141,878,463	232,936,603	374,815,066	11,079,773
Total Assets	<u>286,865,821</u>	<u>282,142,580</u>	<u>569,008,401</u>	<u>20,927,047</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related Amounts	34,246,105	4,268,082	38,514,187	-
Other Postemployment Related Amounts	360,517	39,817	400,334	-
Total Deferred Outflows of Resources	<u>34,606,622</u>	<u>4,307,899</u>	<u>38,914,521</u>	<u>-</u>
LIABILITIES				
Accounts Payable	5,102,140	3,984,957	9,087,097	14,172
Accrued and Other Current Liabilities	1,444,275	105,644	1,549,919	87,185
Accrued Liability - Claims Payable	372,125	-	372,125	-
Due to Other Governments	84,812	3,415	88,227	-
Accrued Interest Payable	589,643	859,353	1,448,996	-
Special Deposits	272,369	38,988	311,357	-
Unearned Revenues	8,201,706	27,154	8,228,860	90,598
Long-Term Obligations:				
Due Within One Year	11,829,653	23,704,132	35,533,785	34,918
Due in More Than One Year	65,928,072	133,945,858	199,873,930	771,462
Net Pension Liability	9,160,616	1,141,758	10,302,374	-
Other Postemployment Benefits	1,290,024	100,096	1,390,120	-
Total Liabilities	<u>104,275,435</u>	<u>163,911,355</u>	<u>268,186,790</u>	<u>998,335</u>
DEFERRED INFLOWS OF RESOURCES				
Property Taxes Levied for Subsequent Year	43,458,330	1,534,028	44,992,358	-
Pension Related Amounts	19,257,492	2,400,207	21,657,699	-
Lease	215,941	134,177	350,118	-
Other Postemployment Related Amounts	803,332	70,458	873,790	-
Total Deferred Inflows Of Resources	<u>63,735,095</u>	<u>4,138,870</u>	<u>67,873,965</u>	<u>-</u>
NET POSITION				
Net Investment in Capital Assets	120,347,150	102,723,259	222,033,090	11,314,085
Restricted:				
Capital Improvements	1,025,951	2,630,941	3,656,892	-
Community Development Programs	8,194,314	-	8,194,314	1,220,171
Environmental Clean Up	1,047,871	-	1,047,871	-
Grants and Special Purpose Accounts	1,377,965	-	1,377,965	-
TID Expenditures	6,280,608	-	6,280,608	-
Debt Service	-	3,657,834	3,657,834	-
Unrestricted	<u>15,188,054</u>	<u>9,388,220</u>	<u>25,613,593</u>	<u>7,394,456</u>
Total Net Position	<u>\$ 153,461,913</u>	<u>\$ 118,400,254</u>	<u>\$ 271,862,167</u>	<u>\$ 19,928,712</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF WAUSAU, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Wausau CDA
GOVERNMENTAL ACTIVITIES								
General Government	\$ 6,781,614	\$ 1,923,615	\$ 9,802	\$ -	\$ (4,848,197)	\$ -	\$ (4,848,197)	\$ -
Public Safety	26,487,572	3,575,015	1,692,209	-	(21,220,348)	-	(21,220,348)	-
Transportation and Streets	17,087,871	190,537	3,243,720	676,813	(12,976,801)	-	(12,976,801)	-
Sanitation, Health, and Welfare	1,084,974	158,177	28	-	(926,769)	-	(926,769)	-
Natural Resources and Recreation	4,902,299	451,660	247,546	49,888	(4,153,205)	-	(4,153,205)	-
Economic Development	8,469,427	18,694	1,233,715	-	(7,217,018)	-	(7,217,018)	-
Interest and Fiscal Charges	1,718,269	-	-	-	(1,718,269)	-	(1,718,269)	-
Total Governmental Activities	66,532,026	6,317,698	6,427,020	726,701	(53,060,607)	-	(53,060,607)	-
BUSINESS-TYPE ACTIVITIES								
Water	7,354,572	10,203,542	-	1,189,852	-	4,038,822	4,038,822	-
Wastewater	10,442,316	11,406,145	2,000	1,582,622	-	2,548,451	2,548,451	-
Parking	1,437,571	557,352	-	466,217	-	(414,002)	(414,002)	-
Metro Ride	4,370,797	364,923	2,539,249	-	-	(1,466,625)	(1,466,625)	-
Airport	527,438	150,289	-	-	-	(377,149)	(377,149)	-
Total Business-Type Activities	24,132,694	22,682,251	2,541,249	3,238,691	-	4,329,497	4,329,497	-
Total Primary Government	\$ 90,664,720	\$ 28,999,949	\$ 8,968,269	\$ 3,965,392	(53,060,607)	4,329,497	(48,731,110)	-
COMPONENT UNIT								
Community Development Authority	\$ 3,324,166	\$ 1,021,833	\$ 2,323,043	\$ 122,413	-	-	-	143,123
GENERAL REVENUES								
Taxes:								
Property Taxes					28,577,656	1,403,262	29,980,918	-
Tax Increments					11,120,512	-	11,120,512	-
Other Taxes					1,316,461	-	1,316,461	-
Federal and State Grants and Other Contributions								
Not Restricted to Specific Functions					10,170,709	-	10,170,709	-
Interest and Investment Earnings					2,794,791	707,798	3,502,589	303,148
Miscellaneous					636,316	83,445	719,761	-
Gain on Sale of Asset					133,008	-	133,008	1,300
Transfers					2,207,935	(2,207,935)	-	-
Total General Revenues and Transfers					56,957,388	(13,430)	56,943,958	304,448
CHANGE IN NET POSITION								
					3,896,781	4,316,067	8,212,848	447,571
Net Position - Beginning of Year					149,565,132	114,084,187	263,649,319	19,481,141
NET POSITION - END OF YEAR					\$ 153,461,913	\$ 118,400,254	\$ 271,862,167	\$ 19,928,712

See accompanying Notes to Basic Financial Statements.

**CITY OF WAUSAU, WISCONSIN
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2023**

	General	Debt Service	Other Governmental Funds	Total
ASSETS				
Cash and Investments	\$ 18,105,668	\$ 2,143,468	\$ 28,372,396	\$ 48,621,532
Restricted Cash and Investments	-	-	-	-
Receivables:				
Taxes and Special Charges	19,051,423	2,838,324	10,594,555	32,484,302
Delinquent Taxes	3,421	-	-	3,421
Accounts	1,204,653	823	359,945	1,565,421
Special Assessments	6,518	-	344,774	351,292
Notes	-	-	13,522,949	13,522,949
Lease	-	-	215,941	215,941
Due from Other Funds	2,057,417	-	-	2,057,417
Advance to Other Funds	2,497,088	-	-	2,497,088
Due from Other Governments	113,952	-	502,660	616,612
Inventories and Prepaid Items	443,777	-	1,050	444,827
	<u>\$ 43,483,917</u>	<u>\$ 4,982,615</u>	<u>\$ 53,914,270</u>	<u>\$ 102,380,802</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 1,435,617	\$ -	\$ 3,236,255	\$ 4,671,872
Accrued and Other Current Liabilities	2,558,152	-	106,012	2,664,164
Due to Other Funds	-	-	1,841,313	1,841,313
Advance from Other Funds	-	-	2,497,088	2,497,088
Due to Other Governments	75,523	-	9,290	84,813
Special Deposits	208,029	-	64,340	272,369
Unearned Revenues	17,270	-	7,733,028	7,750,298
Total Liabilities	<u>4,294,591</u>	<u>-</u>	<u>15,487,326</u>	<u>19,781,917</u>
DEFERRED INFLOWS OF RESOURCES				
Property Taxes Levied for				
Subsequent Year	22,644,001	4,398,000	16,416,329	43,458,330
Lease	-	-	215,941	215,941
Unavailable Revenue	403,130	-	13,522,949	13,926,079
Special Assessments	-	-	344,774	344,774
Total Deferred Inflows of Resources	<u>23,047,131</u>	<u>4,398,000</u>	<u>30,499,993</u>	<u>57,945,124</u>
FUND BALANCES				
Nonspendable	2,940,865	-	1,050	2,941,915
Restricted	-	584,615	9,346,221	9,930,836
Committed	994,439	-	2,109,863	3,104,302
Unassigned	12,206,891	-	(3,530,183)	8,676,708
Total Fund Balances	<u>16,142,195</u>	<u>584,615</u>	<u>7,926,951</u>	<u>24,653,761</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 43,483,917</u>	<u>\$ 4,982,615</u>	<u>\$ 53,914,270</u>	<u>\$ 102,380,802</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF WAUSAU, WISCONSIN
BALANCE SHEET – GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2023**

RECONCILIATION TO THE STATEMENT OF NET POSITION

Total Fund Balances as Shown on Previous Page	\$ 24,653,761
Amounts reported for governmental activities in the statement of net position are different because:	
Capital and intangible assets used in governmental activities are not current financial resources and therefore are not reported in the funds.	173,796,675
Long-term assets are not considered available; therefore, are not reported in the funds.	
Investment in Joint Venture	655,291
Other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds.	
Special Assessments	344,774
Loans and Mortgages Receivable	13,522,949
Unpaid fines and forfeitures receivable	403,130
Receivables that may be uncollectible are recorded in unavailable revenue on the fund statements and do not require an allowance. On the government-wide statements an allowance for uncollectible accounts is necessary to offset the revenue that was recognized when earned on the government-wide statements	(889,533)
Net position of the internal service fund is reported in the statement of net position as governmental activities.	13,274,969
Some deferred outflows and inflows of resources reflect changes in long-term liabilities and are not reported in the funds.	
Deferred Outflows Related to Pensions	33,701,786
Deferred Inflows Related to Pensions	(18,954,189)
Deferred Outflows Related to Other Postemployment Benefits	355,486
Deferred Inflows Related to Other Postemployment Benefits	(794,428)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds and Notes Payable	(72,234,779)
Long-Term Lease Liability	(127,438)
Premium on Debt	(2,547,206)
Compensated Absences	(815,979)
Net Pension Liability	(9,016,338)
Other Postemployment Benefits	(1,277,375)
Accrued Interest on Long-Term Obligations	<u>(589,643)</u>
Net Position of Governmental Activities as Reported on the Statement of Net Position	<u>\$ 153,461,913</u>

See accompanying Notes to Basic Financial Statements.

CITY OF WAUSAU, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2023

	General	Debt Service	Other Governmental Funds	Total
REVENUES				
Taxes	\$ 22,490,594	\$ 4,198,000	\$ 14,326,035	\$ 41,014,629
Special Assessments	-	-	374,304	374,304
Intergovernmental	9,310,381	-	7,256,951	16,567,332
Licenses and Permits	1,109,371	-	134,142	1,243,513
Fines and Forfeits	274,170	-	2,960	277,130
Public Charges for Services	3,112,449	-	138,211	3,250,660
Intergovernmental Charges for Services	1,454,698	-	91,698	1,546,396
Miscellaneous	2,557,029	16,248	2,079,585	4,652,862
Total Revenues	<u>40,308,692</u>	<u>4,214,248</u>	<u>24,403,886</u>	<u>68,926,826</u>
EXPENDITURES				
Current:				
General Government	5,252,385	-	48,243	5,300,628
Public Safety	22,500,824	-	1,531,964	24,032,788
Transportation and Streets	8,738,817	-	2,696,977	11,435,794
Sanitation, Health, and Welfare	1,004,555	-	181,807	1,186,362
Natural Resources and Recreation	3,249,368	-	665,267	3,914,635
Economic Development	-	-	8,905,137	8,905,137
Debt Service:				
Principal	60,003	10,040,000	-	10,100,003
Interest and Fiscal Charges	7,188	1,649,463	234,006	1,890,657
Capital Outlay	-	-	14,501,691	14,501,691
Total Expenditures	<u>40,813,140</u>	<u>11,689,463</u>	<u>28,765,092</u>	<u>81,267,695</u>
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES	(504,448)	(7,475,215)	(4,361,206)	(12,340,869)
OTHER FINANCING SOURCES (USES)				
Long-Term Debt Issued	-	-	12,420,000	12,420,000
Premium on Debt Issued	-	200,664	522,693	723,357
Proceeds from Sale of Capital Assets	12,352	-	58,154	70,506
Transfers In	2,221,355	7,258,635	2,307,368	11,787,358
Transfers Out	(138,844)	-	(9,452,682)	(9,591,526)
Total Other Financing Sources (Uses)	<u>2,094,863</u>	<u>7,459,299</u>	<u>5,855,533</u>	<u>15,409,695</u>
NET CHANGE IN FUND BALANCES	1,590,415	(15,916)	1,494,327	3,068,826
Fund Balances - Beginning of Year	<u>14,551,780</u>	<u>600,531</u>	<u>6,432,624</u>	<u>21,584,935</u>
FUND BALANCES - END OF YEAR	<u>\$ 16,142,195</u>	<u>\$ 584,615</u>	<u>\$ 7,926,951</u>	<u>\$ 24,653,761</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF WAUSAU, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023**

RECONCILIATION TO THE STATEMENT OF ACTIVITIES

Net Change in Fund Balances as Shown on Previous Page \$ 3,068,826

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital Assets Reported as Expenditure in Governmental Fund Statements	11,937,094
Depreciation and Amortization Expense Reported in the Statement of Activities	(6,211,914)
Net Book Value of Disposals	(267,196)

Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the statement of activities when earned.

Special Assessments	52,636
Loans and Mortgages Receivable	(130,174)
Grants	(58,181)

Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Long-Term Debt Issued	(12,420,000)
Premium on Debt Issued	(723,356)
Principal Repaid	10,100,003

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:

Accrued Interest on Long-Term Debt	(141,246)
Amortization of Premiums	313,632
Compensated Absences	378,233
Net Pension Asset (Liability)	(22,456,974)
Deferred Outflows of Resources Related to Pensions	7,333,183
Deferred Inflows of Resources Related to Pensions	12,714,838
Other Postemployment Benefits	478,043
Deferred Outflows of Resources Related to Other Postemployment Benefits	(92,321)
Deferred Inflows of Resources Related to Other Postemployment Benefits	(456,999)

The change in investment in joint venture reported in the statement of activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in the funds

(182,959)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.

661,613

Change in Net Position of Governmental Activities as Reported in the Statement of Activities

\$ 3,896,781

CITY OF WAUSAU, WISCONSIN
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
DECEMBER 31, 2023

ASSETS	Enterprise Funds			Total	Governmental
	Water Utility	Wastewater Utility	Nonmajor Funds		Activities Internal Service Fund
CURRENT ASSETS					
Cash and Investments	\$ 16,490,786	\$ 4,023,589	\$ 400,296	\$ 20,914,671	\$ 4,618,353
Receivables:					
Taxes	-	-	990,011	990,011	-
Accounts	3,060,860	2,755,762	106,865	5,923,487	10,639
Special Assessments	2,947	47,964	-	50,911	-
Lease	38,000	-	96,177	134,177	-
Due from Other Funds	-	140,000	-	140,000	-
Due from Other Governments	-	215,950	1,734,301	1,950,251	-
Supplies and Prepaid Items	543,518	-	187,187	730,705	828,835
Total Current Assets	20,136,111	7,183,265	3,514,837	30,834,213	5,457,827
NONCURRENT ASSETS					
Restricted Assets:					
Cash and Investments	2,143,721	5,625,764	-	7,769,485	-
Other Assets:					
Advance to Other Funds	-	280,000	-	280,000	-
CAPITAL ASSETS					
Nondepreciable	6,302,896	794,418	3,685,175	10,782,489	-
Depreciable	84,675,804	131,127,987	17,132,813	232,936,604	9,979,051
Total Capital Assets	90,978,700	131,922,405	20,817,988	243,719,093	9,979,051
Total Assets	113,258,532	145,011,434	24,332,825	282,602,791	15,436,878
DEFERRED OUTFLOWS OF RESOURCES					
Pension Related Amounts	1,328,949	987,014	1,952,119	4,268,082	544,319
Other Postemployment Related Amounts	12,320	9,168	18,329	39,817	5,031
Total Deferred Outflows of Resources	1,341,269	996,182	1,970,448	4,307,899	549,350

See accompanying Notes to Basic Financial Statements.

CITY OF WAUSAU, WISCONSIN
STATEMENT OF NET POSITION – PROPRIETARY FUNDS (CONTINUED)
DECEMBER 31, 2023

	Enterprise Funds			Total	Activities Internal Service Fund
	Water Utility	Wastewater Utility	Nonmajor Funds		
LIABILITIES					
CURRENT LIABILITIES					
Accounts Payable	\$ 2,734,814	\$ 980,884	\$ 269,260	\$ 3,984,958	\$ 430,266
Accrued and Other Current Liabilities	105,653	59,138	106,715	271,506	77,316
Insurance Claims Payable	-	-	-	-	372,125
Due to Other Funds	140,000	-	216,104	356,104	-
Due to Other Governments	-	-	3,414	3,414	-
Special Deposits	38,988	-	-	38,988	-
Unearned Revenue	-	-	27,154	27,154	451,408
Current Portion of Long-Term Lease Liability	-	-	27,575	27,575	-
Current Portion of Note Anticipation Note Payable from Restricted Assets:	17,550,000	-	-	17,550,000	-
Accrued Interest	553,983	305,370	-	859,353	-
Current Portion of Revenue Bonds	2,656,791	3,303,904	-	5,960,695	-
Total Current Liabilities	<u>23,780,229</u>	<u>4,649,296</u>	<u>650,222</u>	<u>29,079,747</u>	<u>1,331,115</u>
LONG-TERM OBLIGATIONS, Less:					
Current Portion					
Advance from Other Funds	280,000	-	-	280,000	-
Revenue Bonds	44,455,919	89,384,515	-	133,840,434	-
Compensated Absences	53,523	3,737	48,164	105,424	-
Claims Payable	-	-	-	-	735,117
Net Pension Liability	353,279	262,890	525,589	1,141,758	144,278
Other Postemployment Benefits	30,971	23,047	46,078	100,096	12,649
Total Long-Term Liabilities	<u>45,173,692</u>	<u>89,674,189</u>	<u>619,831</u>	<u>135,467,712</u>	<u>892,044</u>
Total Liabilities	68,953,921	94,323,485	1,270,053	164,547,459	2,223,159
DEFERRED INFLOWS OF RESOURCES					
Property Taxes Levied for Subsequent Year	-	-	1,534,028	1,534,028	-
Pension Related Amounts	742,664	552,648	1,104,895	2,400,207	303,303
Lease	38,000	-	96,177	134,177	-
Other Postemployment Related Amounts	21,801	16,223	32,434	70,458	8,904
Total Deferred Inflows of Resources	<u>802,465</u>	<u>568,871</u>	<u>2,767,534</u>	<u>4,138,870</u>	<u>312,207</u>
NET POSITION					
Net Investment In Capital Assets	40,907,511	41,025,335	20,790,413	102,723,259	9,979,050
Restricted:					
Capital Improvements	-	2,630,941	-	2,630,941	-
Debt Service	1,596,924	2,060,910	-	3,657,834	-
Unrestricted	<u>2,338,980</u>	<u>5,398,074</u>	<u>1,475,273</u>	<u>9,212,327</u>	<u>3,471,812</u>
Total Net Position	<u>\$ 44,843,415</u>	<u>\$ 51,115,260</u>	<u>\$ 22,265,686</u>	118,224,361	<u>\$ 13,450,862</u>
Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds				<u>175,893</u>	
Net Position of Business-Type Activities as Reported on the Statement of Net Position				<u>\$ 118,400,254</u>	

See accompanying Notes to Basic Financial Statements.

CITY OF WAUSAU, WISCONSIN
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION –
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2023

	Enterprise Funds			Total	Governmental Activities Internal Service Fund
	Water Utility	Wastewater Utility	Nonmajor Funds		
OPERATING REVENUES					
Charges for Services	\$ 10,203,542	\$ 11,406,145	\$ 925,598	\$ 22,535,285	\$ 12,439,959
Other	-	-	146,966	146,966	29,458
Total Operating Revenues	<u>10,203,542</u>	<u>11,406,145</u>	<u>1,072,564</u>	<u>22,682,251</u>	<u>12,469,417</u>
OPERATING EXPENSES					
Operation and Maintenance	4,641,539	4,317,152	5,052,416	14,011,107	10,301,925
Depreciation	1,436,417	4,389,601	1,368,174	7,194,192	1,451,974
Insurance, Claims and Administration	-	-	-	-	-
Total Operating Expenses	<u>6,077,956</u>	<u>8,706,753</u>	<u>6,420,590</u>	<u>21,205,299</u>	<u>11,753,899</u>
OPERATING INCOME (LOSS)	4,125,586	2,699,392	(5,348,026)	1,476,952	715,518
NONOPERATING REVENUES (EXPENSES)					
General Property Taxes	-	-	1,403,262	1,403,262	-
Interest Income	547,924	148,038	11,836	707,798	-
Nonoperating Grants	-	2,000	2,539,249	2,541,249	-
Gain (Loss) on Disposal of Capital Assets	-	-	-	-	62,502
Interest and Fiscal Charges	(1,302,232)	(1,773,083)	(1,735)	(3,077,050)	-
Other Nonoperating Revenues (Expenses)	13,023	51,623	18,799	83,445	33,248
Total Nonoperating Revenues (Expenses)	<u>(741,285)</u>	<u>(1,571,422)</u>	<u>3,971,411</u>	<u>1,658,704</u>	<u>95,750</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	3,384,301	1,127,970	(1,376,615)	3,135,656	811,268
Capital Contributions	1,189,852	1,582,622	466,217	3,238,691	-
Transfers Out	(1,559,057)	(515,943)	(132,935)	(2,207,935)	-
CHANGE IN NET POSITION	3,015,096	2,194,649	(1,043,333)	4,166,412	811,268
Net Position - Beginning of Year	<u>41,828,319</u>	<u>48,920,611</u>	<u>23,309,019</u>		<u>12,639,594</u>
NET POSITION - END OF YEAR	<u>\$ 44,843,415</u>	<u>\$ 51,115,260</u>	<u>\$ 22,265,686</u>		<u>\$ 13,450,862</u>
Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds				<u>149,655</u>	
Change in Net Position of Business-Type Activities as Reported on the Statement of Activities				<u>\$ 4,316,067</u>	

See accompanying Notes to Basic Financial Statements.

CITY OF WAUSAU, WISCONSIN
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2023

	Enterprise Funds			Total	Governmental
	Water Utility	Wastewater Utility	Nonmajor Funds		Activities Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received from Customers	\$ 9,063,914	\$ 11,525,984	\$ 1,018,298	\$ 21,608,196	\$ -
Cash Received from Interfund Services Provided	-	-	-	-	12,521,090
Cash Paid for Employee Wages and Benefits	(1,638,314)	(1,315,189)	(2,945,592)	(5,899,095)	(8,205,877)
Cash Paid to Suppliers	(2,262,137)	(3,047,070)	(2,092,265)	(7,401,472)	(2,011,007)
Net Cash Provided (Used) by Operating Activities	5,163,463	7,163,725	(4,019,559)	8,307,629	2,304,206
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
General Property Taxes	-	-	1,485,195	1,485,195	-
Intergovernmental Revenues	-	2,000	2,675,002	2,677,002	-
Transfers Out	(1,562,004)	(515,943)	(152,658)	(2,230,605)	-
Net Cash Provided (Used) by Noncapital Financing Activities	(1,562,004)	(513,943)	4,007,539	1,931,592	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of Capital Assets	(6,287,266)	(2,533,207)	(12,283)	(8,832,756)	(1,945,653)
Sale of Capital Assets	-	-	-	-	69,435
Proceeds from Long-Term Debt Issued	20,710,115	2,816,292	-	23,526,407	-
Other Revenue	13,023	50,075	18,799	81,897	33,248
Principal Paid on Long-Term Debt	(2,486,759)	(3,162,206)	(39,425)	(5,688,390)	-
Interest Paid on Long-Term Debt	(926,777)	(1,827,883)	(1,735)	(2,756,395)	-
Net Cash Used by Capital and Related Financing Activities	11,022,336	(4,656,929)	(34,644)	6,330,763	(1,842,970)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest Received	547,924	148,038	11,836	707,798	-
CHANGE IN CASH AND CASH EQUIVALENTS	15,171,719	2,140,891	(34,828)	17,277,782	461,236
Cash and Cash Equivalents - Beginning of Year	3,462,788	7,508,462	435,124	11,406,374	4,157,117
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 18,634,507	\$ 9,649,353	\$ 400,296	\$ 28,684,156	\$ 4,618,353

See accompanying Notes to Basic Financial Statements.

CITY OF WAUSAU, WISCONSIN
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023

	Enterprise Funds			Total	Governmental
	Water Utility	Wastewater Utility	Nonmajor Funds		Activities Internal Service Fund
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating Income (Loss)	\$ 4,125,586	\$ 2,699,392	\$ (5,348,026)	\$ 1,476,952	\$ 715,518
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Depreciation and Amortization	1,436,417	4,389,601	1,368,174	7,194,192	1,451,974
Depreciation Charged to Clearing Accounts	114,478	(114,478)	-	-	-
Change in Liability (Asset) and Deferred Outflows and Inflows of Resources:					
Change in WRS Asset (Liability)	851,939	629,536	1,371,828	2,853,303	352,671
Change in WRS Deferred Outflow	(360,164)	(268,184)	(294,702)	(923,050)	(136,047)
Change in WRS Deferred Inflow	(432,285)	(311,248)	(889,026)	(1,632,559)	(187,717)
Change In OPEB Liability	(14,310)	(10,246)	(30,766)	(55,322)	(6,274)
Change In OPEB Deferred Outflow	2,481	1,715	6,789	10,985	1,154
Change In OPEB Deferred Inflow	16,597	12,397	23,602	52,596	7,294
Change In Operating Assets And Liabilities:					
Accounts Receivable	(1,139,628)	119,839	4,570	(1,015,219)	51,673
Inventories and Prepaid Items	(2,634)	-	8,033	5,399	(2,620)
Accounts Payable	572,752	55,661	141,148	769,561	30,472
Accrued and Other Current liabilities	(1,914)	(4,104)	(188,741)	(194,759)	55,226
Due to Other Governments	-	-	(17,710)	(17,710)	-
Unearned Revenue	-	-	(63,302)	(63,302)	-
Claims Payable	-	-	-	-	(28,864)
Special Deposits	8,444	-	-	8,444	-
Compensated Absences	(14,296)	(36,156)	(111,430)	(161,882)	(254)
Net Cash Provided (Used) by Operating Activities	<u>\$ 5,163,463</u>	<u>\$ 7,163,725</u>	<u>\$ (4,019,559)</u>	<u>\$ 8,307,629</u>	<u>\$ 2,304,206</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position:					
Cash and Cash Equivalents in Current Assets	\$ 16,490,786	\$ 4,023,589	\$ 400,296	\$ 20,914,671	\$ 4,618,353
Cash and Cash Equivalents in Restricted Assets	2,143,721	5,625,764	-	7,769,485	-
Total Cash and Cash Equivalents	<u>\$ 18,634,507</u>	<u>\$ 9,649,353</u>	<u>\$ 400,296</u>	<u>\$ 28,684,156</u>	<u>\$ 4,618,353</u>
Noncash Capital and Related Financing Activities:					
Capital Assets Financed by Municipality	\$ 1,189,852	\$ 1,582,622	\$ 466,217	\$ 3,238,691	\$ -
Capital Assets Purchased on Account	2,046,064	839,591	-	2,885,655	-

See accompanying Notes to Basic Financial Statements.

CITY OF WAUSAU, WISCONSIN
STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS
DECEMBER 31, 2023

	Cemetery Private Purpose Trust Fund	Custodial Funds	Total
ASSETS			
Cash and Investments	\$ 716,477	\$ 17,387,600	\$ 18,104,077
Receivables:			
Taxes	-	30,660,680	30,660,680
Accounts	-	4,844	4,844
Prepaid Expense	-	12,500	12,500
Total Assets	716,477	48,065,624	48,782,101
LIABILITIES			
Accounts Payable	-	115,904	115,904
DEFERRED INFLOWS OF RESOURCES			
Property Taxes Levied for Subsequent Year	-	47,494,544	47,494,544
NET POSITION			
Restricted	\$ 716,477	\$ 435,787	\$ 1,152,264

See accompanying Notes to Basic Financial Statements.

CITY OF WAUSAU, WISCONSIN
STATEMENT OF CHANGES IN NET POSITION – FIDUCIARY FUNDS
YEAR ENDED DECEMBER 31, 2023

	Cemetery Private Purpose Trust Fund	Custodial Funds	Total
ADDITIONS			
Property Tax Collections	\$ -	\$ 47,575,008	\$ 47,575,008
Intergovernmental	-	182,017	182,017
Public Charges for Service	-	297,567	297,567
Net Increase (Decrease) in Fair Value of Investments	103,799	-	103,799
Interest and Other Miscellaneous Revenues	24,938	454,551	479,489
Total Additions	<u>128,737</u>	<u>48,509,143</u>	<u>48,637,880</u>
DEDUCTIONS			
Payments to Taxing Jurisdictions	-	47,575,008	47,575,008
Operating and Maintenance	-	930,193	930,193
Distributions to Beneficiary	62,016	-	62,016
Administrative Expenditures	7,186	-	7,186
Total Deductions	<u>69,202</u>	<u>48,505,201</u>	<u>48,574,403</u>
CHANGE IN NET POSITION	59,535	3,942	63,477
Net Position - Beginning of Year	<u>656,942</u>	<u>431,845</u>	<u>1,088,787</u>
NET POSITION - END OF YEAR	<u><u>\$ 716,477</u></u>	<u><u>\$ 435,787</u></u>	<u><u>\$ 1,152,264</u></u>

See accompanying Notes to Basic Financial Statements.

CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of Wausau, Wisconsin, (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the City are described below:

A. Reporting Entity

This report includes all of the funds of the City. The reporting entity for the City consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable for other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if (1) it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization, (2) it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government, (3) the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. Certain legally separate, tax exempt organizations should also be reported as a component unit if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government or its component units, is entitled to, or has the ability to access, a majority of the economic resources received or held by the separate organization; and (3) the economic resources received or held by an individual organization that the primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to the primary government.

Component units are reported using one of two methods, discrete presentation or blending. A component unit should be reported as part of the primary government using the blending method if it meets any one of the following criteria: (1) the primary government and the component unit have substantively the same governing body and a financial benefit or burden relationship exists, (2) the primary government and the component unit have substantively the same governing body and management of the primary government has operational responsibility for the component unit, (3) the component unit serves or benefits, exclusively or almost exclusively, the primary government rather than its citizens, or (4) the total debt of the component unit will be paid entirely or almost entirely from resources of the primary government.

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Discretely presented component unit. The Community Development Authority (the Authority) of the City of Wausau was created under Section 66.4325 of the Wisconsin Statutes for the purpose of carrying out blight elimination, slum clearance, urban renewal programs and housing projects. The board of the Authority is appointed by the Mayor and two commissioners are members of the City Council. Wisconsin Statutes provide for circumstances whereby the City can impose its will on the Authority, and also create a potential financial benefit to or burden on the City.

The Community Development Authority Commission approves the annual budget, is fiscally separate from the City and possesses independent authority to acquire property and issue debt. As a component unit, the Authority's financial statements have been presented as a discrete column in the City's financial statements. Complete financial statements can be obtained from:

Community Development Authority
City of Wausau City Hall
407 Grant Street
Wausau, WI 54403-4783

B. Joint Venture - City-County Information Technology Commission

The City of Wausau, in conjunction with Marathon County, has created the City-County Information Technology Commission. The commission provides for the implementation and operation of a cooperative data and management information system under the direction of the governing Board of Commissioners. Effective April 1, 2009, North Central Health Care also became a member of the Commission. The joint venture arrangement provides that net operating costs were subsidized 30% by the City prior to April 1, 2009, and are currently at 25%, with the remainder funded by the other members. All capital assets, unless otherwise shown to benefit only one owner, are paid for on a percentage basis.

C. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Likewise, the primary government is reported separately from a legally separate component unit for which the primary government is financially accountable.

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The City does not allocate indirect expenses to functions in the statement of activities. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues.

Financial statements of the reporting entity are organized into funds each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund equity, revenues, and expenditures/expenses.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

General Fund

The General Fund is the general operating fund of the City. It is used to account for all financial resources not accounted for and reported in another fund.

Debt Service Fund

This fund is used to account for all financial resources that are restricted, committed or assigned to expenditure for principal and interest costs. Sources of revenue are property taxes, interest earnings, and reimbursements from departments for debt payments.

The City reports the following major enterprise funds:

Water Utility

This fund accounts for the financing of the construction, operation, and maintenance of the City-owned water facilities.

Wastewater Utility

This fund accounts for the financing of the construction, operation, and maintenance of the City-owned wastewater facilities.

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Government-Wide and Fund Financial Statements (Continued)

Additionally, the City reports the following fund types:

Internal Service Funds

The Motor Pool Internal Service Fund is used to account for Motor Pool services provided by one department to other departments or agencies of the City, or to other governmental units, on a cost-reimbursement basis. The Insurance Fund is used to account for accumulation of charges for and allocation of costs associated with insurance premiums and claims paid. The Employee Benefits Funds are used to account for the accumulation of charges for and allocation of costs associated with employee health and dental premiums and claims paid.

Private-Purpose Trust Fund

The fund is used to account for resources legally held in trust for use by a nonprofit organization to provide for cemetery perpetual care. All resources of the fund, including any earnings on invested resources, are used to support the organization's activities.

Custodial Funds

Custodial Funds are used to account for assets held by the City or as an agent for individuals, private organizations, and/or other governmental units.

D. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water and wastewater utilities and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, unmatured interest on long-term debt, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is expected to be paid with available expendable financial resources.

Property taxes are recorded in the year levied as receivables and deferred inflows of resources and are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Intergovernmental grants and aids are recognized as revenues in the period the City is entitled to the resources and the amounts are available. Amounts owed to the City that are not currently available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

Long-term receivables, such as special assessments, notes, and mortgages, are recorded as receivables and deferred inflows of resources. In subsequent periods, when revenue recognition criteria are met or when the City has a legal claim to the resources, revenues are recorded.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, special assessments, and interest. Other general revenues, such as licenses and permits, fines and forfeitures, and miscellaneous revenues, are recognized when payment is received or when measurable and available under the criteria described above.

The City reports deferred inflows of resources on its governmental funds balance sheet. For governmental fund financial statements, deferred inflows arise when a potential revenue source does not meet both the “measurable” and “available” criteria for recognition in the current period. Unearned revenues arise when received before the City has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met or the City has a legal claim to the resources, the unearned revenue is removed from the balance sheet and revenue is recognized.

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting (Continued)

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds, the private-purpose trust fund, and custodial funds are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water, Wastewater, Parking, Metro Ride, and Airport enterprise funds are charges to customers for sales and services and intergovernmental operating revenues. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance

1. Cash and Investments

The City maintains separate and distinct accounts for the Cemetery Private-purpose Trust Fund, Community Development Department, and Community Development Authority (a discretely presented component unit). All other funds share common accounts to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable.

The City is required to invest its funds in accordance with Wisconsin Statutes 66.0603 and 67.11 (2). These statutes authorize the City to invest in obligations of the U.S. Treasury, agencies and instrumentalities, obligations of Wisconsin governmental units; time deposits, repurchase agreements; certain qualities of commercial paper; the State of Wisconsin Local Government Investment Pool; and certain money market mutual funds.

CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

1. Cash and Investments (Continued)

Investments are stated at fair value consistent with the provisions of GASB Statement No. 72. Fair values are based on quoted market prices. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income.

For purposes of the statement of cash flows, the City considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF) and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2023, the fair value of the LGIP's assets was substantially equal to the City's share as reported in these statements.

2. Receivable and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as either "due from/due to other funds" (current portion) or "advances to/from other funds" (noncurrent portion). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds are classified as nonspendable fund balance account in the general fund to indicate that they are not available for appropriation and are not expendable available financial resources.

Accounts receivable in the governmental activities are shown net of an allowance for uncollectible accounts. An allowance for ambulance billings and other receivables of \$3,418,459 has been recorded in the general fund and an allowance for loans receivable of \$889,533 has been recorded in governmental activities. No allowance for uncollectible accounts has been provided for the Water and Wastewater Utilities since they are able to place delinquent bills on the tax roll.

Estimated unbilled revenues from the Water and Wastewater Utility Funds are recognized at the end of the year based on billings during the month following the close of the fiscal year.

CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

2. Receivable and Payables (Continued)

Property taxes consist of taxes on real estate and personal property. Property taxes are levied in December of each year based on assessed value as of January 1 of that year and become an enforceable lien on the property the following January 1. The amount levied is applicable to the budget of the ensuing calendar year and become due as of January 1 of that year. Collections are made by the City through July 31. In addition to property taxes for the City, taxes are also collected for and remitted to the county government as well as local school and technical college districts. The City settles with all entities on the 15th of January, February, May, and August based on the taxes collected through the end of each preceding month. Payment due dates are full payment by January 31 or partial payments by January 31, April 30, and July 31 of each year.

At year-end, property taxes levied for each fund are recorded as taxes receivable and deferred inflows of resources.

3. Leases Receivable

The City determines if an arrangement is a lease at inception. Leases are included in the lease receivables and deferred inflows of resources in the statement of net position.

Lease receivables represent the City's claim to receive lease payments over the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease receivables are recognized at commencement date based on the present value of expected lease payments over the lease term. Interest revenue is recognized ratably over the contract term.

Deferred inflows of resources related to leases are recognized at the commencement date based on the initial measurement of the lease receivable, plus any payments received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of the lessee at or before the commencement of the lease term. The deferred inflows related to leases are recognized as lease revenue in a systematic and rational manner over the lease term.

CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

3. Leases Receivable (Continued)

Amounts to be received under residual value guarantees that are not fixed in substance are recognized as a received and an inflow of resources if (a) a guarantee payment is required and (b) the amount can be reasonably estimated. Amounts received for the exercise price of a purchase option or penalty for lease termination are recognized as a receivable and an inflow of resources when those options are exercised.

The City recognizes payments received for short-term leases with a lease term of 12 months or less, including options to extend, as revenue as the payments are received. These leases are not included as lease receivables or deferred inflows on the statements of net position.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the City has elected to use the interest rate on the investment purchased closest to the commencement date of the lease to calculate the present value of expected lease payments.

4. Prepayments and Supplies

Supplies consist of expendable supplies held for consumption. Supplies are stated at cost with value being determined on the first-in, first-out (FIFO) basis using the consumption method of accounting. The cost is recorded as an expenditure or an expense at the time the individual items are consumed rather than when purchased.

Payments made to vendors for services that will benefit periods beyond the end of the current year are recorded as prepayments in both government-wide and fund financial statements.

Supplies and prepayments of governmental fund types are classified as nonspendable fund balance account which indicated that assets do not represent spendable available financial resources.

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

5. Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties.

Restricted assets consist of cash and investments restricted for the Water and Wastewater Fund plant replacement and debt service payments. Current liabilities payable from these restricted assets are so classified.

6. Capital Assets

Capital assets, which include property, plant, equipment, right to use assets, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. In accordance with GASB 34, the City has reported its major networks of infrastructure assets as of January 1, 2007.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Depreciation and amortization of all exhaustible capital assets of the City, as well as its component unit, is recorded as an expense in the statement of activities, with accumulated depreciation and amortization reflected in the statement of net position. Depreciation and amortization are provided over the estimated useful lives using the straight-line method. The range of estimated useful lives by type of asset is as follows:

<u>Assets</u>	Governmental Activities	Business-Type Activities
	Years	
Improvements Other Than Buildings	15 to 150	-
Buildings and Improvements	25 to 50	25 to 50
Machinery and Equipment	3 to 25	3 to 25
Infrastructure	20 to 50	20 to 50

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

7. Compensated Absences

Under terms of employment, employees are granted sick leave and vacation. Varying amounts of the unused accumulated sick pay vests upon meeting specific requirements and is convertible into health insurance upon retirement. The City's policy is to allow employees to vest any unused vacation credits. Only benefits considered to be vested are disclosed in these statements.

All vested vacation and sick leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee terminations and/or retirements or are payable with expendable available resources.

Payments for vacation, compensatory time, and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and compensatory time liabilities at December 31, 2023, are determined on the basis of current salary rates and include salary related payments.

8. Deferred Outflows/Inflows of Resources

Deferred outflows of resources are a consumption of net assets by the government that is applicable to a future reporting period. Deferred inflows of resources are an acquisition of net assets by the government that is applicable to a future reporting period. The recognition of those outflows and inflows as expenses or expenditures and revenues are deferred until the future periods to which the outflows and inflows are applicable.

Governmental funds may report deferred inflows of resources for unavailable revenues. The City reports unavailable revenues for loans and mortgages, special assessments, leases, and municipal court receivables. These inflows are recognized as revenues in the government-wide financial statements.

9. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are reported as deferred charges and amortized over the term of the related debt.

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

9. Long-Term Obligations (Continued)

In the fund financial statements, governmental fund types recognize bond issuance costs during the current period. The face amount of debt issued (plus any premiums) is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

10. Leases Payable

The City determines if an arrangement is a lease at inception. Leases are included in right-to-use (lease assets) and lease liabilities in the statement of net position.

Lease assets represent the City's control of the right to use an underlying asset for the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease assets are recognized at the commencement date based on the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. Lease assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Lease liabilities represent the City's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term.

The lease term may include options to extend or terminate the lease when it is reasonably certain that the City will exercise that option.

The City recognizes payments for short-term leases with a lease term of 12 months or less, including options to extend, as expenses as incurred, and these leases are not included as lease liabilities or right-to-use lease assets on the statement of net position.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the City has elected to use their incremental borrowing rate to calculate the present value of expected lease payments.

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

11. Pensions

The fiduciary net position of the Wisconsin Retirement System (WRS) has been determined using the flow of economic resources measurement focus and accrual basis of accounting. This includes for purposes of measuring the following:

- Net Pension Liability (Asset)
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions
- Pension Expense (Revenue)

Information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by the WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

12. Other Postemployment Benefits Other Than Pensions

Single-Employer Defined Postemployment Benefit Plan

Qualifying employees are provided with other postemployment benefits. The OPEB is a single employer defined benefit plan administered by the City. For purposes of measuring the OPEB liability, related deferred outflows and inflows of resources and OPEB expense, the City has used values provided by its actuary. Benefit payments are recognized when due and payable in accordance with the benefit terms.

Local Retiree Life Insurance Fund

The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other postemployment benefits, OPEB expense. Information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIF's fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

13. Net Position or Fund Equity

Governmental Fund Financial Statements

Governmental fund equity is classified as fund balance. In accordance with GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions" the City classifies governmental fund balance as follows:

- **Nonspendable fund balance** – amounts that are not in spendable form (such as supplies, prepaids items, or long-term loans receivable) or are required to be maintained intact.
- **Restricted fund balance** – amounts constrained to specific purposes by the providers (such as grantors, bondholders, and higher levels of government) through constitutional provisions, or by enabling legislation.
- **Committed fund balance** – amounts constrained to specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority (City Council); fund balance amounts are committed through a formal action (resolution); changes to the constraints imposed require the same formal action of the City that originally created the commitment.
- **Assigned fund balance** – amounts a government intends to use for specific purpose; intent can be expressed by the governing body or by an official or body to which the government body delegates the authority.
- **Unassigned fund balance** – includes residual positive fund balance within the General Fund which has not been classified within the other above-mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

City Council establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through carryover resolutions. A fund balance commitment is further indicated in the budget document as a designation or commitment on the fund (such as for special incentives). Assigned fund balance is established by City Council through adoption or amendment of the budget as intended for specific purposes (such as the purchase of capital assets, construction, debt service, or for other purposes).

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

13. Net Position or Fund Equity (Continued)

Government-Wide and Proprietary Fund Statements

Equity is classified as net position and displayed in three components:

- **Net investment in capital assets** – amount of capital assets, net of accumulated depreciation, and capital related deferred outflows of resources less outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets and any capital related deferred inflows of resources.
- **Restricted net position** – amount of net position that is subject to restrictions that are imposed by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- **Unrestricted net position** – net position that is neither classified as restricted nor as net investment in capital assets.

Use of Restricted Resources

When an expense is incurred that can be paid using either restricted or unrestricted resources, the City's policy is to first apply the expense toward restricted resources and then toward unrestricted resources. In governmental funds, the City's policy is to first apply the expenditure toward restricted fund balance and then to other less-restrictive classifications – committed and then assigned fund balances before using unassigned fund balances.

F. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 STEWARDSHIP AND COMPLIANCE

A. Budgetary Information

Budgeting is an essential element of the financial planning, control, and evaluation process of the City. Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund, Debt Service Fund, the following Special Revenue Funds: Grants, HUD Mortgage, DLAD Mortgage Program, Economic Development, WRRP Rehabilitation, Environmental Clean Up, Hazardous Materials Emergency Response, Housing Stock Improvement, Room Tax, Public Access Cable, Recycling, Public Safety Grant, 400 Block, and the Other Grants & Special Purpose Accounts fund; and the following Capital Project Funds: Capital Improvements, TID #3 Downtown Development, Central Capital Purchasing, TID #6 West Side Development, TID #7 West Side Development, TID #8 Near West Side, TID #9 Big Bull Falls, TID #10 Industrial Park, TID #11 Business Campus, and TID #12 Downtown Development. All appropriations lapse at year-end.

On or before the last day of August, all departments of the government submit requests for appropriations to the City's Finance Director so that a budget may be prepared. The budget is prepared by fund, department or program, and includes information on the prior year, year-to-date current year activity, current year estimates and requested appropriations for the next year.

The City's Finance Committee holds several budgetary review meetings to consider the departmental budgets. On or before the second Tuesday of November, the proposed budget is presented to the City Council for review. The Council holds public hearings to obtain taxpayer comments. The final adoption of the budget is by way of an annual budget resolution and must be passed by the Council no later than the fourth Tuesday in November.

The budget as adopted includes total expenditures at the cost center level. A cost center can be a fund, department, program, or other activity for which control of expenditures is considered desirable. Cost centers are defined as follows for the governmental fund types with annual budgets: General Fund at department level, Special Revenue and Capital Projects at program level, and Debt Service at total fund level.

The City's Finance Director and Mayor may authorize new appropriations or transfers of budgeted amounts within expenditures of a cost center up to \$5,000. Amounts up to \$15,000 require Finance Committee approval and transfers or new appropriations over \$15,000 require two-thirds (2/3) Council approval to amend the budget. Supplemental appropriations were necessary during the year but were not material in relation to the original appropriation. All such supplemental appropriations were properly authorized by the Common Council. Budget data presented in the financial statements reflect any adjustments made.

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 STEWARDSHIP AND COMPLIANCE (CONTINUED)

A. Budgetary Information (Continued)

The Council may amend the budget resolution in two respects: (a) it may transfer appropriations from one particular fund to another fund or it may add new objects within a fund. The Council may do this by means of a resolution; (b) it may increase the aggregate total of appropriations in order to reflect changes in financial circumstances either not contemplated in the annual budget resolution or due to financial circumstances which by their very nature are difficult to estimate with exactness at the time of the enactment of the annual budget resolution. The Council may do this by means of a resolution adopted by a two-thirds vote of the members. The Council may, by resolution, appropriate money from its contingent fund for any lawful purpose.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders) outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated during the ensuing year.

B. Excess of Expenditures Over Budget Appropriations

The following expenditure accounts of the governmental funds had actual expenditures in excess of budget appropriations for the year ended December 31, 2023, as follows:

<u>Funds</u>	<u>Excess Expenditures</u>
General Fund:	
General Government:	
Mayor	\$ 405
City Promotion	12,036
IT Operations	47,360
Mail Center	5,441
Human Resources	14,831
City Facilities	45,186
Public Safety:	
Fire Department	978,667
Inspections Department	82,552
City Emergency Government	11,305
Transportation and Streets:	
Engineering	13,342
Public Works	37,755
Sanitation, Health, and Welfare:	
Garbage and Refuse Collection	8,555
Special Revenue:	
Environmental Cleanup	92,508
Recycling	79,824
Other Grants & Special Purposes	78,335

Excess expenditures in the general fund, special revenue funds and debt service fund were funded by excess revenues, other cost savings or by available fund balance. Those incurred in the capital project funds would be funded with debt proceeds and advances from the General Fund.

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 STEWARDSHIP AND COMPLIANCE (CONTINUED)

C. Deficit Fund Equity

The following funds had deficit fund balance or net position as of December 31, 2023:

<u>Funds</u>	<u>Deficit Fund Balance</u>
Special Revenue Funds:	
Recycling	\$ 78,772
Public Safety Grants	16,907
Capital Projects Funds:	
TID #8 Near West Side	66,237
TID #9 Big Bull Falls	294,991
TID #10 Industrial Park	803,506
TID #12 Downtown Development	2,269,770

The City intends to fund the above fund balance deficits from future operation of these funds.

D. Property Tax Levy Limit

Wisconsin state statutes provide for a limit on the property tax levies for all Wisconsin cities, villages, towns, and counties. For the 2023 and 2024 budget years, Wisconsin Statutes limit the increase in the maximum allowable tax levy to the change in the City's January 1 equalized value as a result of net new construction. The actual limit for the City for the 2023 budget was 2.25%. the actual limit for the City for the 2023 budget was 4.35%. Debt service for debt authorized after July 1, 2005, is exempt from the levy limit. In addition, Wisconsin statutes allow the limit to be adjusted for the increase in debt service authorized prior to July 1, 2005, and in certain other situations.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

Cash and investments as of December 31, 2023 are classified in the accompanying financial statements as follows:

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

The City's investment policy, as governed by Wisconsin State Statutes, authorizes the following types of investments:

- U.S. Government agency bonds or securities;
- Certificates of deposit and repurchase agreements;
- Bonds or securities of any county, city, drainage district, vocational, technical and adult education district, village, town, or school district in the state;
- Bankers acceptances issued by domestic banks which are eligible for purchase by the Federal Reserve System;
- Commercial paper rated in the highest short-term rating categories by rating agencies;
- Medium term corporate notes issued by corporations organized and operating within the U.S. or by depository institutions licensed by the U.S. or any state and operating in the U.S.;
- Money market mutual funds regulated by the Securities and Exchange Commission whose portfolios consist of U.S. Treasury or government obligations; and,
- State of Wisconsin Local Government Investment Pool.

The carrying amount of the City's cash and investments totaled \$100,028,115 on December 31, 2023, as summarized below:

Petty Cash and Cash on Hand	\$ 8,045
Deposits with Financial Institutions	20,187,926
Investments	79,832,144
Total	\$ 100,028,115

Reconciliation to the basic financial statements:

Government-Wide Statement of Net Position:	
Cash and Investments	74,154,553
Restricted Cash and Investments	7,769,485
Fiduciary Fund Statement of Net Position:	
Cemetery Private Purpose Trust Fund	716,477
Custodial Funds	17,387,600
Total	\$ 100,028,115

Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant observable inputs; Level 3 inputs are significant unobservable inputs.

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

The valuation methods for recurring fair value measurements are as follows:

- Automated method – IDC Institutional Bond Pricing
- Automated method – IDC CD Pricing
- Quoted market prices

The City has the following fair value measurements as of December 31, 2023:

	Fair Value Measurements Using:			Total
	Level 1	Level 2	Level 3	
U.S. Treasuries	\$ -	\$ 16,798,536	\$ -	\$ 16,798,536
Exchange Traded Funds	-	299,841	-	299,841
Equity Mutual Funds	-	397,031	-	397,031
State and Municipal Bonds	-	727,994	-	727,994
Money Market Mutual Funds	-	7,102,489	-	7,102,489
Negotiable Certificates of Deposit	-	4,754,658	-	4,754,658
Government Agencies	-	16,539,265	-	16,539,265
Total Investments	\$ -	\$ 46,619,814	\$ -	\$ 46,619,814

Deposits and investments of the City are subject to various risks. Presented below is a discussion of the City's deposits and investments and the related risks.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City's policy for managing its exposure to interest rate risk is to purchase a combination of shorter term and longer term investments and to time cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the City's investments to fluctuating interest rates is provided by the following table that shows distribution of the City's investments by maturity:

<u>Investment Type</u>	Amount	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
U.S. Treasuries	\$ 16,798,536	\$ 16,798,536	\$ -	\$ -	\$ -
State and Municipal Bonds	727,994	431,297	-	296,697	-
Negotiable Certificates of Deposit	4,754,658	4,754,658	-	-	-
Government Agencies	16,539,265	3,714,096	11,821,865	1,003,304	-
Wisconsin Local Government Investment Pool	33,212,330	33,212,330	-	-	-
Totals	\$ 72,032,783	\$ 58,910,917	\$ 11,821,865	\$ 1,300,001	\$ -

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City will minimize credit risk by limiting the type of investments to U.S. treasury obligations, U.S. government agency obligations, money market mutual funds, certificates of deposit and local government investment pools. The City will also diversify its investment portfolio so as to minimize losses from any one type of security or from any one individual issuer.

The City had investments in the Local Government Investment Pool, Wells Fargo Treasury Money Market Fund, and repurchase sweep agreements which were not rated.

<u>Investment Type</u>	<u>Amount</u>	<u>Exempt from Disclosure</u>	<u>AAA</u>	<u>AA</u>	<u>Not Rated</u>
U.S. Treasuries	\$ 16,798,536	\$ 16,798,536	\$ -	\$ -	\$ -
State and Municipal Bonds	727,994	-	296,697	431,297	-
Negotiable Certificates of Deposit	4,754,658	-	-	-	4,754,658
Government Agencies	16,539,265	-	-	16,539,265	-
Wisconsin Local Government Investment Pool	33,212,330	-	-	-	33,212,330
Totals	<u>\$ 72,032,783</u>	<u>\$ 16,798,536</u>	<u>\$ 296,697</u>	<u>\$ 16,970,562</u>	<u>\$ 37,966,988</u>

Concentration of Credit Risk

Concentration of credit risk refers to risk of loss attributed to the City's investment in a single issuer. The City's investment policy addresses this risk by requiring diversification of investments by security type and institution. With the exception of U.S. Treasury securities, no more than 50% of the City's total investment portfolio will be invested in a single type of security.

At December 31, 2023, concentrations making up over 5% of the City's investment portfolio were as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Percent of Total Investments</u>
U.S. Agencies	Federal Farm Credit Bank	7.8%
U.S. Agencies	Federal Home Loan Bank	8.0%

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the City will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The City's investment policy does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provisions for deposits: The City's investment policy requires collateralization on certificates of deposit and repurchase agreements at a level of 105% of the market value less amounts covered by the FDIC; and, the City Council approves and designates a list of authorized depository institutions based on evaluation and recommendation of the Finance Committee and City Finance Director.

Deposits with financial institutions within the state of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for the combined amount of all time and savings deposits and \$250,000 for demand deposits per official custodian per depository institution. Deposits with financial institutions located outside the state of Wisconsin are insured by the FDIC in the amount of \$250,000 for all time accounts, savings accounts and interest-bearing demand deposit accounts per official custodian per depository institution. Deposits with credit union are insured by the National Credit Union Share Insurance Fund (NCUIF) in the amount of \$250,000 per credit union member. Also, the state of Wisconsin provides additional coverage of up to a maximum of \$400,000 per public depository above the applicable insurance coverage provided by an agency of the U.S. Government. However, due to the relatively small size of the State Guarantee Fund in relation the Fund's total coverage, total recovery of insured losses may not be available. This coverage has been considered in determining custodial credit risk.

At December 31, 2023, the City's deposits with financial institutions totaled \$20,621,337. Of the financial institution balance, \$2,912,154 was covered by federal depository insurance, \$500,000 was covered by the national credit union share insurance fund, \$2,810,827 was covered by the State Deposit Guarantee Fund, \$12,067,037 was collateralized and \$2,331,319 was uninsured and uncollateralized.

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Restricted Assets

The following represent the balances of the restricted assets:

Redemption – Amount required by debt covenants to be held in reserve for potential shortfall of resources.

Depreciation/Equipment Replacement Account

The Wastewater Utility established an equipment replacement account to be used for significant mechanical equipment replacement as required by the Wisconsin Department of Natural Resources, and City Council action. The Wastewater Utility has established specific cash accounts and distributes its revenues to these accounts as follows:

	<u>Wastewater</u>
Operations Fund	97.5%
Replacement Fund	2.5%

The balance of restricted assets in the Water and Wastewater Utility Enterprise Funds is as follows:

Funds	Amount
Water Utility:	
Redemption Accounts	\$ 1,596,924
Bond Reserve	546,797
Total Water Utility	2,143,721
Wastewater Utility:	
Redemption Accounts	2,060,910
Bond Reserve	933,913
Depreciation/Replacement Accounts	2,630,941
Total Wastewater Utility	5,625,764
Total Restricted Assets	\$ 7,769,485

CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets

Capital asset activity for the year ended December 31, 2023, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets, Nondepreciable:				
Land	\$ 37,839,936	\$ 2,073,142	\$ -	\$ 39,913,078
Construction in Progress	1,665,719	7,162,756	6,844,285	1,984,190
Total Capital Assets, Nondepreciable	<u>39,505,655</u>	<u>9,235,898</u>	<u>6,844,285</u>	<u>41,897,268</u>
Capital Assets, Being Depreciation and Amortized				
Buildings and Improvements	50,690,323	80,897	-	50,771,220
Machinery and Equipment	26,112,281	2,476,549	482,700	28,106,130
Infrastructure	166,588,804	8,933,692	559,408	174,963,088
Right-to-Use Lease Asset	252,547	-	-	252,547
Subtotals	<u>243,643,955</u>	<u>11,491,138</u>	<u>1,042,108</u>	<u>254,092,985</u>
Less: Accumulated Depreciation and Amortization for:				
Buildings and Improvements	19,478,737	1,734,552	-	21,213,289
Machinery and Equipment	13,033,810	2,002,456	475,767	14,560,499
Infrastructure	72,785,021	3,844,078	292,213	76,336,886
Right-to-Use Lease Asset	21,046	82,802	-	103,848
Subtotals	<u>105,318,614</u>	<u>7,663,888</u>	<u>767,980</u>	<u>112,214,522</u>
Total Capital Assets, Depreciable, Net	<u>138,325,341</u>	<u>3,827,250</u>	<u>274,128</u>	<u>141,878,463</u>
Governmental Activities Capital Assets, Net	<u>\$ 177,830,996</u>	<u>\$ 13,063,148</u>	<u>\$ 7,118,413</u>	183,775,731
Less: Long-Term Capital Related Debt				(59,369,144)
Less: Debt Premium				(2,475,699)
Less: Capital Related Payable and Retainage				<u>(1,583,738)</u>
Net Investment in Capital Assets				<u>\$ 120,347,150</u>

CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities				
Capital Assets, Nondepreciable:				
Land	\$ 6,113,894	\$ -	\$ -	\$ 6,113,894
Construction in Progress	504,897	4,163,698	-	4,668,595
Total Capital Assets, Nondepreciable	<u>6,618,791</u>	<u>4,163,698</u>	<u>-</u>	<u>10,782,489</u>
Capital Assets, Being Depreciation and Amortized				
Buildings and Improvements	145,512,069	1,388,951	-	146,901,020
Machinery and Equipment	57,683,641	1,616,402	181,438	59,118,605
Water Infrastructure	53,703,065	1,499,091	177,020	55,025,136
Wastewater Infrastructure	54,145,821	2,378,212	23,868	56,500,165
Right-to-Use Lease Asset	122,727	-	-	122,727
Subtotals	<u>311,167,323</u>	<u>6,882,656</u>	<u>382,326</u>	<u>317,667,653</u>
Less: Accumulated Depreciation and Amortization for:				
Buildings and Improvements	29,720,239	3,757,882	-	33,478,121
Machinery and Equipment	20,531,018	1,878,019	181,438	22,227,599
Water Infrastructure	15,133,183	678,150	177,020	15,634,313
Wastewater Infrastructure	12,477,799	840,867	23,868	13,294,798
Right-to-Use Lease Asset	56,945	39,274	-	96,219
Subtotals	<u>77,919,184</u>	<u>7,194,192</u>	<u>382,326</u>	<u>84,731,050</u>
Total Capital Assets, Depreciable, Net	<u>233,248,139</u>	<u>(311,536)</u>	<u>-</u>	<u>232,936,603</u>
Business-Type Activities Capital Assets, Net	<u>\$ 239,866,930</u>	<u>\$ 3,852,162</u>	<u>\$ -</u>	243,719,092
Less: Long-Term Capital Related Debt				(137,414,437)
Less: Debt Premium				(695,741)
Less: Capital Related Payable and Retainage				<u>(2,885,655)</u>
Net Investment in Capital Assets				<u>\$ 102,723,259</u>

Depreciation and amortization expense was charged to functions of the City as follows:

Governmental Activities:	
General Government	\$ 224,005
Public Safety	438,030
Transportation and Streets	4,335,051
Natural Resources and Recreation	986,799
Economic Development	228,029
Internal Service Fund	<u>1,451,974</u>
Total Depreciation and Amortization Expense - Governmental Activities	<u>\$ 7,663,888</u>
Business-Type Activities:	
Water Utility	\$ 1,436,417
Wastewater Utility	4,389,601
Parking	689,210
Metro Ride	572,555
Airport	<u>106,409</u>
Total Depreciation and Amortization Expense - Business-Type Activities	<u>\$ 7,194,192</u>

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Interfund Receivable, Payables, and Transfers

Interfund receivables and payables represent short-term loans from one fund to another to cover cash overdrafts or represent current portion of advances for specific funds. Interfund receivables and payables at December 31, 2023, are as follows:

	Interfund Receivables	Interfund Payables
Temporary Cash Advances to Finance Operating		
Cash Deficits of Other Funds:		
General Fund	\$ 2,057,417	\$ -
Special Revenue Funds:		
Grants	-	359,032
Public Safety Grants	-	102,809
Capital Projects Funds:		
TID #10 Industrial Park	-	534,472
TID #12 Downtown Development	-	845,000
Enterprise Funds:		
Water Utility	-	140,000
Wastewater Utility	140,000	-
Parking Utility	-	216,104
Totals	\$ 2,197,417	\$ 2,197,417

Advances between funds represent long-term loans principally for capital purposes. The composition of interfund advances as of December 31, 2023, is as follows:

	Advance to Other Funds	Advance from Other Funds
Long-Term Cash Advances:		
General Fund	\$ 2,497,088	\$ -
Capital Projects Funds:		
TID #8 Near West Side	-	760,345
TID #9 Big Bull Falls	-	286,719
TID #12 Downtown Development	-	1,450,024
Enterprise Funds:		
Water Utility	-	280,000
Wastewater Utility	280,000	-
Totals	\$ 2,777,088	\$ 2,777,088

For the statement of net position, interfund balances owed within the governmental activities or business-type activities are netted and eliminated.

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Interfund Receivable, Payables, and Transfers (Continued)

Interfund transfers for the year ended December 31, 2023, were as follows:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 2,221,355	\$ 138,844
Special Revenue Funds:		
Grants	291,480	19,430
HUD Mortgage	-	40,050
Room Tax	-	189,110
Housing Stock Improvement	-	-
Public Safety Grants	138,844	-
400 Block	42,755	-
Animal Control	120,832	-
American Rescue Plan Act	-	232,000
Debt Service Fund	7,258,635	-
Capital Projects Funds:		
TID #3 Downtown Development	-	1,841,954
TID #6 West Side Development	-	2,799,375
TID #7 West Side Development	-	1,754,057
TID #8 Near West Side	-	688,254
TID #9 Big Bull Falls	-	60,885
TID #10 Industrial Park	-	141,029
TID #11 Business Park Extension	-	912,163
TID #12 Downtown Development	1,713,457	774,375
Internal Service Fund	-	-
Enterprise Funds:		
Water Utility	-	1,559,057
Wastewater Utility	-	515,943
Animal Control Fund	-	132,935
Governmental Activities	12,103	-
Total	<u>\$ 11,799,461</u>	<u>\$ 11,799,461</u>

The principal purpose of these transfers are to (1) move revenues from the fund that collects them to the fund required to expend them, (2) move receipts restricted to debt service from funds collecting the receipts to the debt service fund, (3) use unrestricted revenues collected in one fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and (4) reclassify activity from an enterprise fund to a special revenue fund and governmental activities.

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations

A summary of the long-term obligations activity for the year ended December 31, 2023, is as follows:

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
Governmental Activities					
General Obligation Debt:					
Bonds	\$ 38,965,000	\$ -	\$ 3,835,000	\$ 35,130,000	\$ 3,925,000
Notes	29,280,000	12,420,000	6,205,000	35,495,000	6,545,000
Notes From Direct Borrowings:					
Loans from Local Foundations	1,609,779	-	-	1,609,779	-
Total General Obligation Debt	69,854,779	12,420,000	10,040,000	72,234,779	10,470,000
Long-Term Lease	187,441	-	60,003	127,438	62,447
Unamortized Costs	2,137,482	723,356	313,632	2,547,206	-
Compensated Absences	2,458,789	-	345,604	2,113,185	1,297,206
Governmental Activities Long-Term Obligations	<u>\$ 74,638,491</u>	<u>\$ 13,143,356</u>	<u>\$ 10,759,239</u>	<u>\$ 77,022,608</u>	<u>\$ 11,829,653</u>

The summary of long-term liability activity for business-type activities is as follows:

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
Business-Type Activities					
Revenue Bonds	\$ 14,755,000	\$ -	\$ 1,360,000	\$ 13,395,000	\$ 1,410,000
Note Anticipation Note	-	17,550,000	-	17,550,000	17,550,000
Notes from Direct Borrowings					
Clean Water Fund Loan	83,277,103	2,816,292	2,302,206	83,791,189	2,413,904
Safe Drinking Water Fund Loan	40,745,843	3,160,115	1,986,759	41,919,199	2,136,791
Long-Term Lease	67,000	-	39,425	27,575	27,575
Unamortized Costs	775,053	-	79,312	695,741	-
Compensated Absences	484,560	-	213,274	271,286	165,862
Business-Type Activities Long-Term Obligations	<u>\$ 140,104,559</u>	<u>\$ 23,526,407</u>	<u>\$ 5,980,976</u>	<u>\$ 157,649,990</u>	<u>\$ 23,704,132</u>

Total interest paid during the year on long-term debt totaled \$4,603,131.

In accordance with Section 67.03 Wisconsin Statutes, the total indebtedness of the City for general purposes may not exceed 5% of the value of the taxable property located therein for state purposes:

Equalized Valuation of the City	\$ 4,030,170,800
Statutory Limitation Percentage	<u>(x) 5%</u>
General Obligation Debt Limitation, per Section 67.03 of the Wisconsin Statutes	201,508,540
Total Outstanding General Obligation Debt Applicable to Debt Limitation	<u>72,234,779</u>
Legal Margin for New Debt	<u>\$ 129,273,761</u>

Estimated payments of compensated absences, pensions, and other postemployment benefits are not included in the following debt payment schedules. The amounts attributable to governmental activities will be liquidated primarily by the general fund.

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

The following is a summary of changes in long-term obligations of the City for the year ended December 31, 2023:

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/23
2013 GO Bonds Series C	4/1/33	2.0-4.0%	\$ 3,410,000	\$ 1,700,000
2014 Promissory Note Series A	4/1/24	2.0-3.0%	6,405,000	435,000
2014 GO Bonds Series B	4/1/29	2.0-3.0%	1,495,000	745,000
2015 Promissory Note Series A	4/1/25	0.7-2.5%	3,930,000	850,000
2015 GO Bonds Series B	4/1/35	2.0-3.5%	5,705,000	3,525,000
2015 GO ComDev Bonds Series C	4/1/30	3.0-3.95%	2,655,000	1,560,000
2016 Promissory Note Series A	4/1/26	2.0-3.0%	8,705,000	2,045,000
2016 GO Bonds Series B	4/1/36	2.0-3.0%	6,530,000	4,495,000
2016 GO ComDev Bonds Series C	4/1/32	0.7-3.25%	4,695,000	1,440,000
2016 Promissory Note	4/18/26	2.75%	1,609,779	1,609,779
2017 Promissory Note Series A	4/1/27	1.25-4.0%	6,230,000	2,055,000
2017 GO Bonds Series B	4/1/31	2.0-3.0%	6,405,000	4,375,000
2018 Promissory Note Series A	4/1/28	3.0-4.0%	5,480,000	2,120,000
2019 Promissory Note Series A	4/1/29	2.0-3.0%	7,825,000	4,035,000
2019 GO Bonds Series B	4/1/39	2.0-4.0%	4,870,000	3,730,000
2020 GO Notes Series D	4/1/30	2.00%	5,390,000	4,075,000
2020 GO Bonds Series E	4/1/30	0.25-1.75%	6,625,000	5,395,000
2021 GO Notes Series A	4/1/31	1.20-3.00%	5,495,000	3,915,000
2021 GO Bonds Series B	4/1/36	0.25-2.2%	9,695,000	8,165,000
2022 GO Note Series A	4/1/32	4.0-5.0%	3,795,000	3,545,000
2023 GO Notes Series B	4/1/33	4.0-5.0%	11,170,000	11,170,000
2023 GO Notes Series C	4/1/28	4.8-5.5%	1,250,000	1,250,000
Total Outstanding General Obligation Debt				\$ 72,234,779

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

General Obligation Debt (Continued)

Annual principal and interest maturities of the outstanding general obligation debt of \$72,234,779 on December 31, 2023, are detailed below:

Year Ending December 31,	Governmental Activities				Total
	Bonded Debt		Notes from Direct Borrowings		
	Principal	Interest	Principal	Interest	
2024	\$ 10,470,000	\$ 1,965,504	\$ -	\$ 44,269	\$ 12,479,773
2025	10,495,000	1,635,619	-	44,269	12,174,888
2026	7,550,000	1,383,494	1,609,779	44,269	10,587,542
2027	7,000,000	1,163,004	-	-	8,163,004
2028	6,880,000	948,094	-	-	7,828,094
2029-2033	23,725,000	2,105,486	-	-	25,830,486
2034-2038	4,225,000	217,121	-	-	4,442,121
2039	280,000	3,850	-	-	283,850
Total	<u>\$ 70,625,000</u>	<u>\$ 9,422,172</u>	<u>\$ 1,609,779</u>	<u>\$ 132,807</u>	<u>\$ 81,789,758</u>

The City's outstanding notes from direct borrowings related to governmental activities of \$1,609,779 contain an acceleration cause that ten days after notice that the properties included in the credit agreement are no longer being actively marketed for sale or redevelopment, the principal and accrued interest shall become due.

Revenue Bonds

Revenue bonds outstanding on December 31, 2023, totaled \$139,105,388 and were comprised of the following issues:

	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/23
2017 Water Revenue	5/1/37	2.0-4.0%	\$ 4,815,000	\$ 3,010,000
2017 Sewer Revenue	5/1/37	2.0-4.0%	6,225,000	2,680,000
2019 Sewer Revenue	5/1/39	2.0-4.0%	6,530,000	5,455,000
2019 Water Revenue	5/1/39	2.0-4.0%	2,695,000	2,250,000
2020 Sewer Clean Water Fund	5/1/50	1.87%	83,277,103	83,791,189
2020 Water Safe Drinking Water	5/1/40	1.76%	40,745,843	41,919,199
Total Outstanding Revenue Bonds				<u>\$ 139,105,388</u>

The debt issued by the City was for various water and sewer infrastructure projects.

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

Revenue Bonds (Continued)

Debt service requirements on the revenue bond debt to maturity at December 31, 2023, are as follows:

Year Ending December 31,	Business-Type Activities				Total
	Bonded Debt		Direct Borrowings		
	Principal	Interest	Principal	Interest	
2023	\$ 1,410,000	\$ 395,731	\$ 4,550,695	\$ 2,262,630	\$ 8,619,056
2024	1,460,000	338,331	4,633,443	2,179,799	8,611,573
2025	1,445,000	280,231	4,717,696	2,094,779	8,537,706
2026	625,000	238,831	4,803,483	2,008,211	7,675,525
2027	640,000	216,731	4,890,832	1,920,068	7,667,631
2028-2032	3,470,000	813,966	25,821,053	8,221,004	38,326,023
2033-2037	3,750,000	332,256	28,255,949	5,763,946	38,102,151
2038-2042	595,000	8,181	22,144,304	3,304,862	26,052,347
2043-2047	-	-	18,149,214	1,585,087	19,734,301
2048-2050	-	-	7,743,719	145,478	7,889,197
Total	<u>\$ 13,395,000</u>	<u>\$ 2,624,258</u>	<u>\$ 125,710,388</u>	<u>\$ 29,485,864</u>	<u>\$ 171,215,510</u>

The Cities outstanding direct borrowings related to business type activities of \$125,710,398 contain the following provisions in the event of a default: 1) Wisconsin Department of Administration can deduct amounts due from any state payments due to the City or add the amounts due as a special charge to the property taxes apportioned; 2) may appoint a receiver for the Program's benefit; 3) may declare the principal amount immediately due and payable; 4) may enforce any right or obligation under the financing agreement including the right to seek specific performance or mandamus; and 5) may increase the interest rate set forth in the financing agreement to the market interest rate.

Utility Revenues Pledged

The City has pledged future water and sewer customer revenues, net of specified operating expenses, to repay the water and sewer system revenue bonds. Proceeds from the bonds provided financing for the construction or acquisition of capital assets used with the systems. The bonds are payable solely from water and sewer customer net revenues and are payable through 2050. The total principal and interest remaining to be paid on the bonds is \$171,215,510. Principal and interest paid for the current year was \$8,364,023, and the total customer net revenues available for debt services were \$12,650,996.

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

Note Anticipation Note

The note anticipation note outstanding December 31, 2023, was comprised of the following issue:

	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/23</u>
Note Anticipation Note	7/1/24	4.56%	\$ 17,550,000	<u>\$ 17,550,000</u>

Debt service requirements on the note anticipation note to maturity at December 31, 2023, are as follows:

<u>Year Ended December 31,</u>	<u>Business-Type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 17,550,000	\$ 804,726	\$ 18,354,726

Lease Liability

The City leases various land improvements for various terms under long-term, noncancelable lease agreements. These leases expire at various dates through 2025.

Total principal and interest costs for such leases for governmental funds were \$108,351 for the year ended December 31, 2023. The future minimum lease payments for these agreements are as follows:

<u>Year Ended December 31,</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2024	\$ 62,447	\$ 4,743	\$ 27,575	\$ 408	\$ 95,173
2025	64,991	2,199	-	-	67,190
Total	<u>\$ 127,438</u>	<u>\$ 6,942</u>	<u>\$ 27,575</u>	<u>\$ 408</u>	<u>\$ 162,363</u>

F. Defined Benefit Pension Plan

Plan Description

The Wisconsin Retirement System (WRS) is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible state of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees), and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Defined Benefit Pension Plan (Continued)

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <http://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

Additionally, ETF issued a standalone Wisconsin Retirement System Financial Report, which can also be found using the link above.

Vesting

For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

Benefits Provided

Employees who retire at or after age 65 (54 for protective occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before December 31, 2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

Final average earnings is the average of the participant's three highest annual earnings periods. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

Vested participants may retire at or after age 55 (50 for protective occupations) and receive an actuarially-reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Defined Benefit Pension Plan (Continued)

Postretirement Adjustments

The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system’s consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the “floor”) set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2013	-9.6%	9.0%
2014	4.7%	25.0%
2015	2.9%	2.0%
2016	0.5%	-5.0%
2017	2.0%	4.0%
2018	2.4%	17.0%
2019	0.0%	-10.0%
2020	1.7%	21.0%
2021	5.1%	13.0%
2022	7.4%	15.0%

Contributions

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, Executives and Elected Officials. Starting on January 1, 2016, the executives and elected officials category was merged into the general employee category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period ending December 31, 2023, the WRS recognized \$2,544,459 in contributions from the City.

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Defined Benefit Pension Plan (Continued)

Contributions (Continued)

Contribution rates for the reporting period are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Including Teachers, Executives, and Elected Officials)	6.80%	6.80%
Protective with Social Security	6.80%	13.20%
Protective without Social Security	6.80%	18.10%

Pension Assets, Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows or Resources Related to Pensions

At December 31, 2023, the City reported a liability of \$10,302,374 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021, rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2022, the City's proportion was 0.19446866% which was an increase of 0.00389518% from its proportion measured as of December 31, 2022.

For the year ended December 31, 2023, the City recognized pension expense of \$5,228,046.

At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 16,408,488	\$ 21,557,070
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	17,501,354	-
Changes in Assumptions	2,025,873	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	34,013	100,629
Employer Contributions Subsequent to the Measurement Date	2,544,459	-
Total	<u>\$ 38,514,187</u>	<u>\$ 21,657,699</u>

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Defined Benefit Pension Plan (Continued)

Pension Assets, Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows or Resources Related to Pensions (Continued)

\$2,544,459 reported as deferred outflows related to pension resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Expense</u>
2024	\$ 586,346
2025	2,957,601
2026	3,025,764
2027	7,742,318
Total	<u>\$ 14,312,029</u>

Actuarial Assumption

The total pension liability in the December 31, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2021
Measurement Date of Net Pension Liability	December 31, 2022
Experience Study:	January 1, 2018 - December 31, 2020 Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Wage Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality	2020 WRS Experience Mortality Table
Postretirement Adjustments*	1.7%

*No postretirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actual experience, and other factors. 1.7% is the assumed annual adjustment based on the investment return assumption and the postretirement discount rate.

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018, to December 31, 2020. The total pension liability for December 31, 2022, is based upon a roll-forward of the liability calculated from the December 31, 2021, actuarial valuation.

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Defined Benefit Pension Plan (Continued)

Long-Term Expected Return on Plan Assets

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

	Current Asset Allocation Percent	Long-Term Expected Nominal Rate of Return Percent	Long-Term Expected Real Rate of Return Percent
<u>Core Fund Asset Class</u>			
Public Equity	48.0 %	7.6 %	5.0 %
Public Fixed income	25.0	5.3 %	2.7 %
Inflation Sensitive Assets	19.0	3.6 %	1.1 %
Real Estate	8.0	5.2 %	2.6 %
Private Equity/Debt	15.0	9.6 %	6.9 %
Cash	(15.0)	N/A	N/A
Total Core Fund	100.0 %	7.4 %	4.8 %
<u>Variable Fund Asset Class</u>			
U.S. Equities	70.0 %	7.2 %	4.6 %
International Equities	30.0	8.1 %	5.5 %
Total Variable Fund	100.0 %	7.7 %	5.1 %

New England Pension Consultants Long-Term U.S. CPI (Inflation) Forecast: 2.50%

Asset allocations are managed within established ranges; target percentages may differ from actual monthly allocations.

The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. This results in an asset allocation beyond 100%. Currently, an asset allocation target of 15% policy leverage is used, subject to an allowable range of up to 20%.

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Defined Benefit Pension Plan (Continued)

Single Discount Rate

A single discount rate of 6.80% was used to measure the total pension liability, for the current and prior year. This single discount rate is based on the expected rate of return on pension plan investments of 6.80% and a municipal bond rate of 4.05% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2022. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of 10,000 tax exempt securities.) Because of the unique structure of WRS, the 6.80% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members.

Sensitivity of the City's Proportionate Share of the Net Pension Liability/(Asset) to Changes in the Discount Rate

The following schedule presents the City's proportionate share of the net pension liability/(asset) calculated using the discount rate of 6.80%, as well as what the City's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.80%) or 1-percentage-point higher (7.80%) than the current rate:

	One Percent Decrease to Discount Rate (5.8%)	Current Discount Rate (6.8%)	One Percent Increase to Discount Rate (7.8%)
City's Proportionate Share of the Net Pension Liability (Asset)	\$ 34,193,241	\$ 10,302,374	\$ (6,132,495)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

Payable to the Pension Plan

The City reported a payable of \$536,534 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2023.

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Postemployment Benefits

The City reports OPEB related balances at December 31, 2023, as summarized below:

	OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
Local Retiree Life Insurance Fund (LRLIF)	\$ 903,192	\$ 359,271	\$ 635,767	\$ 85,236
Single-Employer Defined OPEB Plan	486,928	41,063	238,023	54,284
Total OPEB Liability	\$ 1,390,120	\$ 400,334	\$ 873,790	\$ 139,520

1. Single-Employer Defined Postemployment Benefit Plan

Plan Description

The Plan is a single-employer defined benefit postemployment health plan that covers retired employees of the City. Eligible retired employees may use a percentage of their accumulated sick leave, converted at their monetary value, towards continued medical coverage on the City's group plan. Medical benefits paid for by the City are indicated below. Eligibility requirements for specific classifications of employees for continued health care coverage under the City's group plan are briefly outlined below:

- **Fire:** At least 50 years of age with a minimum of 5 years of service with the City.
- **Police:** At least 50 years of age with a minimum of 13 years of service with the City.
- **Management:** At least 55 years of age with a minimum of 14 years of service with the City, and hired prior to January 1, 2013. The requirement of 14 years of service is decreased by 1 year for every additional year of age over 55 at the date of retirement.

Note: Any City employee retiring after December 31, 2012, will no longer be eligible to remain on the City's group medical plan beyond the COBRA period.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75. The plan does not issue separate financial statements.

Benefits Provided

Retired employees who qualify are allowed to convert a maximum of 60% (80% for employees with at least 25 years of service and 100% for management employees with at least 30 years of service as of December 31, 2012) of their accumulated sick leave balance upon retirement into monetary value and draw down on the amount to pay costs of health insurance premiums.

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Postemployment Benefits (Continued)

1. Single-Employer Defined Postemployment Benefit Plan (Continued)

Employees Covered by Benefit Terms

At December 31, 2021, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	2
Active Employees	253
Total	255

Contributions

The City does not contribute to the premium costs. The retirees pay 100% of the premium amounts under the plan.

Total OPEB Liability

The City's total OPEB liability of \$486,928 was measured as of December 31, 2022, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2021, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation:	2.5%
Salary Increases:	3.0%
Discount Rate:	4.25%
Healthcare Cost Trend Rates:	7.0%, decreasing to 6.50% then decreasing by 0.10% per year down to 5%, and level thereafter.

A discount rate of 4.25% was used in calculating the City's OPEB liability based on the S&P Municipal Bond 20 Year High Grade Rate Index as of the week of the measurement date.

Mortality rates were based on the 2020 WRS Experience Tables for Active Employees and healthy Retirees projected with mortality improvements using the fully generational MP-2021 projection scale from a base year of 2010.

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Postemployment Benefits (Continued)

1. Single-Employer Defined Postemployment Benefit Plan (Continued)

Actuarial Assumptions and Other Inputs (Continued)

The actuarial assumptions used in the December 31, 2021, valuation were upon an experience study conducted in 2018 using the Wisconsin Retirement System (WRS) experience from 2015-2017.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at December 31, 2021	\$ 534,935
Changes for the Year:	
Service Cost	51,204
Interest	10,843
Differences Between Expected and Actual Experience	-
Changes of Assumptions or Other Input	(73,234)
Benefit Payments	(36,820)
Net Changes	(48,007)
Balance at December 31, 2022	\$ 486,928

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	One Percent Decrease to Discount Rate (3.25%)	Current Discount Rate (4.25%)	One Percent Increase to Discount Rate (5.25%)
Total OPEB Liability	\$ 518,659	\$ 486,928	\$ 456,717

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	One Percent Decrease (6.0% Decreasing to 3.5%)	Healthcare Cost Trend Rates (7.0% Decreasing to 4.5%)	One Percent Increase (8.0% Decreasing to 65.5%)
Total OPEB Liability	\$ 435,411	\$ 486,928	\$ 547,039

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Postemployment Benefits (Continued)

1. Single-Employer Defined Postemployment Benefit Plan (Continued)

OPEB Expense and Deferred Outflows of Resources Related to OPEB

For the year ended December 31, 2023, the City recognized OPEB expense of \$54,284. At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 81,619
Changes in Assumptions	41,063	156,404
Total	\$ 41,063	\$ 238,023

Amounts reported as deferred outflows of resources and deferred inflows resources related to OPEB will be recognized in other postemployment benefits as follows:

Year Ended December 31,	Expense
2022	\$ (23,996)
2023	(23,996)
2024	(23,996)
2025	(23,996)
2026	(23,996)
Thereafter	(76,980)
Total	\$ (196,960)

Payable to the OPEB Plan

The City reported a payable of \$-0- for the outstanding amount of contribution to the plan required for the year ended December 31, 2023.

2. Local Retiree Life Insurance Fund

Plan Description

The LRLIF is a multiple-employer defined benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides postemployment life insurance benefits for all eligible employees.

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Postemployment Benefits (Continued)

2. Local Retiree Life Insurance Fund (Continued)

OPEB Plan Fiduciary Net Position

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

Additionally, ETF issued a standalone Retiree Life Insurance Financial Report, which can be found at <https://etfonline.wi.gov/ETFGASBPublicWeb/gasb75Local.do>.

Benefits Provided

The LRLIF plan provides fully paid up life insurance benefits for post-age 64 retired members and pre-65 retirees who pay for their coverage.

Contributions

The Group Insurance Board approves contribution rates annually, based on recommendations from the insurance carrier. Recommended rates are based on an annual valuation, taking into consideration an estimate of the present value of future benefits and the present value of future contributions. A portion of employer contributions made during a member's working lifetime funds a postretirement benefit.

Employers are required to pay the following contributions based on member contributions for active members to provide them with Basic Coverage after age 65. There are no employer contributions required for pre-age 65 annuitant coverage. If a member retires prior to age 65, they must continue paying the member premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution rates as of December 31, 2023, are:

<u>Coverage Type</u>	<u>Employer Contribution</u>
50% Postretirement Coverage	40% of Member Contribution
25% Postretirement Coverage	20% of Member Contribution

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Postemployment Benefits (Continued)

2. Local Retiree Life Insurance Fund (Continued)

Contributions (Continued)

Member contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating members must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The member contribution rates in effect for the year ended December 31, 2022, are listed below:

Life Insurance Member Contribution Rates* for the Year Ended December 31, 2022		
<u>Attained Age</u>	<u>Basic</u>	<u>Supplemental</u>
Under 30	\$0.05	\$0.05
30 - 34	0.06	0.06
35 - 39	0.07	0.07
40 - 44	0.08	0.08
45 - 49	0.12	0.12
50 - 54	0.22	0.22
55 - 59	0.39	0.39
60 - 64	0.49	0.49
65 - 69	0.57	0.57

* Disabled members under age 70 receive a waiver-of-premium benefit.

During the reporting period, the LRLIF recognized \$4,756 in contributions from the City.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At December 31, 2023, the City reported a liability of \$903,192 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2022, rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City proportion of the net OPEB liability was based on the City's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2022, the City's proportion was 0.2370690%, which was an increase of 0.0010730% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the City recognized OPEB expense of \$85,236.

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Postemployment Benefits (Continued)

2. Local Retiree Life Insurance Fund (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 88,393
Net Differences Between Projected and Actual		
Earnings on OPEB Plan Investments	16,948	-
Changes in Assumptions	324,497	533,131
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	17,826	14,243
Total	<u>\$ 359,271</u>	<u>\$ 635,767</u>

Amounts related to the City reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending December 31,</u>	<u>Expense</u>
2024	\$ (23,564)
2025	(27,231)
2026	(8,365)
2027	(51,958)
2028	(84,481)
Thereafter	(80,897)
Total	<u>\$ (276,496)</u>

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Postemployment Benefits (Continued)

2. Local Retiree Life Insurance Fund (Continued)

Actuarial Assumptions

The total OPEB liability in the January 1, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Valuation Date:	January 1, 2022
Measurement Date of Net OPEB Liability (Asset):	December 31, 2022
Experience Study:	January 1, 2018 - December 31, 2020, Published November 19, 2021
Actuarial Cost Method:	Entry age normal
20 Year Tax-Exempt Municipal Bond Yield*:	3.72%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	3.76%
Salary Increases:	
Wage Inflation	3.00%
Seniority/Merit	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Study

*Based on the Bond Buyers GO Index

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The total OPEB liability for December 31, 2022, is based upon a roll-forward of the liability calculated from the January 1, 2022, actuarial valuation.

Long-Term Expected Return on Plan Assets

The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Investments for the LRLIF are held with Securian, the insurance carrier. Interest is calculated and credited to the LRLIF based on the rate of return for a segment of the insurance carriers' general fund, specifically 10-year A-Bonds (as a proxy, and not tied to any specific investments). The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were originally invested and the rate of return for that year. Investment interest is credited based on the aggregate rate of return and assets are not adjusted to fair market value. Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto.

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Postemployment Benefits (Continued)

2. Local Retiree Life Insurance Fund (Continued)

Long-Term Expected Return on Plan Assets (Continued)

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return Percent</u>
U.S. Intermediate Credit Bonds	Bloomberg US Interim Credit	50%	2.45%
U.S. Mortgages	Bloomberg US MBS	50%	2.83%
Inflation			2.30%
Long-Term Expected Rate of Return			4.25%

The long-term expected rate of return rate remained unchanged from the prior year at 4.25%. The long-term expected rate of return is determined by adding expected inflation to expected long-term real return and reflecting expected volatility and correlation. The expected inflation rate remained unchanged from the prior year at 2.30%

Single Discount Rate

A single discount rate of 3.76% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 2.17% for the prior year. The significant change in the discount rate was primarily caused by the increase in the municipal bond rate from 2.06% as of December 31, 2021, to 3.72% as of December 31, 2022. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. Therefore, the discount rate for calculating the total OPEB liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made according to the current employer contribution schedule and that contributions are made by plan members retiring prior to age 65.

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Postemployment Benefits (Continued)

2. Local Retiree Life Insurance Fund (Continued)

Sensitivity of the Proportionate Share of Net OPEB Liability (Asset) to Changes in the Discount Rate

The following presents the City's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 3.76%, as well as what the City's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (2.76%) or 1-percentage-point higher (4.76%) than the current rate:

	One Percent Decrease to Discount Rate (2.76%)	Current Discount Rate (3.76%)	One Percent Increase to Discount Rate (4.76%)
City's Proportionate Share of the Net OPEB Liability (Asset)	\$ 1,231,407	\$ 903,192	\$ 651,654

Payable to the OPEB Plan

The City reported a payable of \$-0- for the outstanding amount of contribution to the plan required for the year ended December 31, 2023.

H. Restricted Net Position/Fund Balances

Nonspendable

In the fund financial statements, portions of the governmental fund balances are amounts that cannot be spent because they are either 1) not in spendable form or 2) legally or contractually required to be maintained intact. At December 31, 2023, nonspendable fund balance was as follows:

General Fund:	
Advance to Other Funds	\$ 2,497,088
Inventory and Prepaid Items	443,777
Total General Fund Nonspendable Fund Balance	2,940,865
Nonmajor Funds:	
Inventory and Prepaid Items	1,050
Total Nonspendable Fund Balance	\$ 2,941,915

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Restricted Net Position/Fund Balances (Continued)

Restricted

In the fund financial statements, portions of governmental fund balances are not available for appropriation or are legally restricted for use for a specific purpose. At December 31, 2023, restricted fund balance was as follows:

Special Revenue Funds:

Restricted for:

Grants	\$ 2,044,053
HUD Mortgage Program	168,466
Federal Rent Rehabilitation	337,818
WRRP Rehabilitation	1,078,178
Environmental Clean Up Fund	1,047,871
Hazardous Materials Emergency Response	294,497
American Rescue Plan Act	183,730
Other Grants & Special Purpose Accounts	899,738
Total	6,054,351

Debt Service Fund	584,615
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Capital Projects Funds:

Restricted for:

Central Capital Purchasing	82,261
Capital Improvements	943,690
TID #3 Downtown Development	552,565
TID #6 West Side Development	1,010,305
TID #11 Business Campus	703,049
Total	3,291,870

Total Restricted Fund Balance	\$ 9,930,836
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**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Restricted Net Position/Fund Balances (Continued)

Committed

In the fund financial statements, portions of government fund balances are committed by City Council resolution. At December 31, 2023, governmental fund balance was committed as follows:

General Fund:

Committed for:		
Contingencies	\$	193,059
Economic Development		500,000
Continuing Appropriation		301,380
Total General Fund Committed Fund Balance		<u>994,439</u>

Special Revenue Funds:

Committed for:		
DLAD Mortgage Program		549,935
Economic Development		256,501
Housing Stock Improvement		362,975
Room Tax		567,863
Public Access Cable		47,188
400 Block		169,068
Animal Control		156,333
Total		<u>2,109,863</u>

Total Committed Fund Balance	<u>\$</u>	<u>3,104,302</u>
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Minimum General Fund Balance Policy

The City Council has adopted a policy that unassigned fund balance in the amount of 16.67% of the annual General Fund expenditures be maintained for cash flow and working capital purposes as recommended as best practice by the Government Finance Officers Association. The minimum fund balance amount is calculated below as follows:

2023 General Fund Expenditures	\$	40,813,141
Minimum Fund Balance Percent		(x) 16.67%
Minimum Fund Balance Amount		<u>\$ 6,803,551</u>

The City's unassigned general fund balance of \$12,206,891 is above the minimum fund balance ranges.

I. Component Unit

The financial records of the City of Wausau Community Development Authority are maintained in accordance with the accounting practices prescribed by the United States Department of Housing and Urban Development (HUD). Financial information for the Authority is presented as a discrete column in the statement of net position and statement of activities.

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

I. Component Unit (Continued)

In addition to the basic financial statements and the preceding applicable notes to the financial statements, the following additional disclosures are considered necessary for fair presentation.

- a. The Authority follows the full accrual basis of accounting and the flow of economic resources measurement focus.
- b. The composition of cash, cash equivalents, and investments at December 31, 2023, is as follows:

Deposits with Financial Institutions	\$ 6,967,102
Petty Cash	120
Total	\$ 6,967,222

Reconciliation to the basic financial statements:

Government-Wide Statement of Net Position:	
Cash and Investments	\$ 5,656,455
Restricted Cash and Investments	1,310,767
Total	\$ 6,967,222

Custodial Credit Risk for Deposits

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Authority will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Authority requires all funds in excess of federal and state depository insurance coverage to be secured.

Custodial Credit Risk for Investments

At year-end, the carrying value of the Authority's deposits was \$6,967,102 and the financial institution balance was \$7,076,476. The entire financial institution balance was covered by federal and state depository insurance.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the Authority will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Authority requires all funds in excess of federal and state depository insurance coverage to be secured.

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

I. Component Unit (Continued)

Investment Policy

The Authority has adopted a formal investment policy; however, the Authority invests in accordance with Wisconsin State Statutes. Under the policy, investments are limited to: 1) time deposits in any credit union, bank, savings bank, trust company, or savings and loan association authorized to transact business in the state; and 2) the state local government investment pool.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits investments as indicated above. The Authority does not have a formal policy on this type of risk.

Concentration of Credit Risk

Concentration of credit risk refers to risk of loss attributed to the Authority's investment in a single issuer. The Authority does not have a formal policy on this type of investment risk.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Authority has no formal investment policy that limits investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates.

c. Long-term debt activity for the year ended December 31, 2023, was as follows:

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Retired</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Affordable Housing Program Loan	\$ 750,000	\$ -	\$ -	\$ 750,000	\$ -
Compensated Absences	81,985	48,045	73,650	56,380	34,918
Long-Term Obligations	<u>\$ 831,985</u>	<u>\$ 48,045</u>	<u>\$ 73,650</u>	<u>\$ 806,380</u>	<u>\$ 34,918</u>

The Affordable Housing Program Loan represents a 0%, nonamortizing note payable. The Authority must comply with all AHP provisions for 15 years, at which time the loan balance will be forgiven.

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

I. Component Unit (Continued)

d. Capital asset activity for the year ended December 31, 2023, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital Assets, Nondepreciable:					
Land	\$ 981,317	\$ 2,995	\$ -	\$ -	\$ 984,312
Construction in Progress	99,496	131,213	-	(230,709)	-
Total Capital Assets, Nondepreciable	1,080,813	134,208	-	(230,709)	984,312
Capital Assets, Depreciable:					
Buildings and Improvements	22,677,967	8,869	-	230,709	22,917,545
Furniture and Equipment	795,639	24,900	-	-	820,539
Subtotals	23,473,606	33,769	-	230,709	23,738,084
Less: Accumulated Depreciation					
Buildings and Improvements	11,415,070	634,698	-	-	12,049,768
Furniture and Equipment	567,008	41,535	-	-	608,543
Total Accumulated Depreciation	11,982,078	676,233	-	-	12,658,311
Total Capital Assets, Depreciable, Net	11,491,528	(642,464)	-	230,709	11,079,773
Governmental Activities Capital Assets, Net	<u>\$ 12,572,341</u>	<u>\$ (508,256)</u>	<u>\$ -</u>	<u>\$ -</u>	\$ 12,064,085
					Less: Related Long Term Debt Outstanding
					750,000
					Net Investment in Capital Assets
					<u>\$ 11,314,085</u>

NOTE 4 OTHER INFORMATION

A. Tax Incremental Financing Districts

The City has established separate capital project funds for Tax Incremental Districts (TID) No. 3, No. 6, No. 7, No. 8, No. 9, No. 10, No. 11, and No. 12 which were created by the City in accordance with Section 66.1105 of the Wisconsin Statutes. At the time the District was created, the property tax base within the District was “frozen” and increment taxes resulting from increases to the property tax base are used to finance District improvements including principal and interest on long term debt issued by the City to finance such improvements. The Statutes allow eligible project costs to be incurred up to five years prior to the maximum termination date.

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Tax Incremental Financing Districts (Continued)

Since creation of the above Districts, the City has provided various finance sources to the TID. The foregoing amounts are not recorded as liabilities in the TID Capital project fund, but can be recovered by the City from any future excess tax increment revenues. As of December 31, 2023, the City can recover \$54,026,683 from future excess tax increment revenues of the following:

TID	Fund Balance (Deficit)	Outstanding Debt	Refundable Interfund Transfers	(Unrecovered) Over Recovered Costs
#3	\$ 552,565	\$ (13,725,753)	\$ (8,883,177)	\$ (22,056,365)
#6	1,010,305	(5,050,000)	-	(4,039,695)
#7	-	-	-	-
#8	(66,237)	(5,614,168)	-	(5,680,405)
#9	(294,991)	-	-	(294,991)
#10	(803,506)	(860,000)	-	(1,663,506)
#11	703,049	(10,995,000)	-	(10,291,951)
#12	(2,269,770)	(7,730,000)	-	(9,999,770)
Total	<u>\$ (1,168,585)</u>	<u>\$ (43,974,921)</u>	<u>\$ (8,883,177)</u>	<u>\$ (54,026,683)</u>

The Intent of the City is to recover the above amounts from future TID surplus funds, if any, prior to termination of the respective Districts. Unless terminated by the City prior thereto, each TID has a statutory termination year as follows:

TID	Termination Date
#3	9/1/2031
#6	5/10/2025
#7	1/10/2026
#8	4/10/2039
#9	9/25/2039
#10	9/10/2033
#11	7/11/2037
#12	7/18/2044

B. Commitments and Contingencies

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditures for claims and judgments are only reported in governmental fund types if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 4 OTHER INFORMATION (CONTINUED)

B. Commitments and Contingencies (Continued)

From time to time, the City is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the City's legal counsel that the ultimate outcome of any litigation will not have a material adverse effect on the City's financial position or results of operations.

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

At December 31, 2023, the City had the following encumbrances outstanding at year-end and expects to honor them upon performance by the vendors:

General Fund	\$ 46,904
Capital Improvements Fund	969,710
American Rescue Plan Act	157,050
Public Safety Grants	20,500
Grants Fund	13,512
TID #8 Near West Side	27,223
TID #10 Industrial Park	5,000
TID #11 Business Park Expansion	250,308
TID #12 Downtown Development	8,781
Central Capital Purchasing Fund	32,769
Environmental Clean Up	30,808
Water Utility Fund	104,365
Sewer Utility Fund	376,575
Parking Fund	82,292
Motor Pool Fund	3,261,306
Total	<u>\$ 5,387,103</u>

The City has entered into a number of developer agreements within the City's tax incremental financing districts to stimulate economic growth. Payments under these agreements are contingent upon developers fulfilling certain agreed upon matters. Total commitments at December 31, 2023, are \$15,580,477.

The City has entered into contracts for construction of water and wastewater treatment facilities the contracts at December 31, 2023, are as follows:

	<u>Total Contract</u>	<u>Balance Outstanding</u>
Water Treatment Facility	\$ 16,418,728	\$ 13,508,905
Wastewater Lift Station	1,007,398	1,007,398

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 4 OTHER INFORMATION (CONTINUED)

C. Risk management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omission; injuries to employees; and natural disasters. The City purchases commercial insurance to protect against these potential losses. No significant reductions in prior year insurance coverage has occurred. Settled claims have not exceeded commercial coverage in any of the past three fiscal years.

The City provides health and dental care benefits to employees through individual plans with specific insurance coverage. The plan continues to provide employees with an HSA option. Dental coverage is offered through Delta Dental. Insurance premiums for dental are based on historical cost, are paid into the Employee Benefits and Employee HRA/Wellness Funds from all other City funds and other participants and are available to pay premiums, claims, administrative costs and stop loss claims.

The estimated liability for self-funded losses is based on reported claims for the year and those received subsequent to year-end. The City does not allocate overhead costs or other costs to the claims liability. The estimated claims liability amount for 2023 and 2022 is as follows:

	<u>Balance January 1</u>	<u>Claims and Changes in Estimates</u>	<u>Amounts Paid</u>	<u>Balance December 31</u>
2022	\$ 18,700	\$ 5,596,234	\$ 5,596,234	\$ 18,700
2023	18,700	6,357,355	6,357,355	18,700

The City is partially self-funded for liability insurance and pays premiums for its excess liability insurance coverage. The City's self-insured retention limit is \$50,000 for any one occurrence, \$200,000 aggregate. The limits of liability are \$5,000,000 per occurrence less the retained limits. The City also carries excess insurance which covers the City up to \$20,000,000. Premiums paid for insurance coverage are recorded in the Insurance internal service fund. The fund charges various City departments and operations for their portion of insurance coverage for the year.

On December 31, 2023, a claims liability of \$53,425 is reported in the fund based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the claims liability amount for 2023 and 2022 are as follows:

	<u>Balance January 1</u>	<u>Claims and Changes in Estimates</u>	<u>Amounts Paid</u>	<u>Balance December 31</u>
2022	\$ 135,801	\$ 18,333	\$ 36,899	\$ 117,235
2023	117,235	21,322	85,132	53,425

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 4 OTHER INFORMATION (CONTINUED)

C. Risk management (Continued)

The City has also established a workers' compensation self-insurance fund to finance workers' compensation awards for City employees. The program is funded by charges to City departments. The program also is supplemented by stop loss protection, which limits the City's annual liability to \$500,000 per occurrence.

The claims liability of \$1,035,795 at December 31, 2023, is based on the requirements of GASB Statement No. 10 which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the claims liability amount for 2023 and 2022 are as follows:

	Balance January 1	Claims and Changes in Estimates	Amounts Paid	Balance December 31
2022	\$ 1,088,461	\$ 30,263	\$ 117,553	\$ 1,001,171
2023	1,001,171	209,830	175,884	1,035,117

D. Deferred Compensation Plan

The City offers its employees certain deferred compensation plans created in accordance with the Internal Revenue Code (IRC). The plans, available to all City employees, permit them to defer a portion of their earnings until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. Plans are administered by private entities.

The City has amended all deferred compensation plans offered to comply with the modified laws governing IRC Section 457 plans. Accordingly, all amounts of compensation are held in trust for the exclusive benefit of the plan participants and their beneficiaries. All assets of the plans, all property and rights purchased with deferred amounts and all income attributable to those amounts, property, or rights are (until made available to the employee or other beneficiary) held for the exclusive benefit of the employees and their beneficiaries. Since the City's deferred compensation plans are administered by private entities, in accordance with GASB Statement No. 32, no assets from these plans are presented in the City's financial statements.

E. Joint Venture Information

The City is a participant in a joint and cooperative venture with Marathon County and North Central Health Care in the City-County Information Technology Commission (CCITC). The Commission provides for the implementation and operation of a cooperative data and management information system under the direction of the governing Board of Commissioners. North Central Health Care became a member as of April 1, 2009. Reimbursement of all operating expenses other than depreciation and interest are made by the City at a rate of 25%.

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 4 OTHER INFORMATION (CONTINUED)

E. Joint Venture Information (Continued)

Complete financial statements can be obtained from:

City-County Information Technology Commission
407 Grant Street, Wausau, Wisconsin 54403-4783

The City has recorded its equity interest in the government-wide statement of net position. Summary financial information for the CCITC for the year ended December 31, 2023, is as follows:

Operating Revenues	\$ 4,908,801
Operating Expenses:	
Data Processing	4,671,622
Administrative and General	237,179
Depreciation	1,884,291
Total Operating Expenses	<u>6,793,092</u>
Operating Loss Before Contributions and Reimbursements	(1,884,291)
Interest Expense	(212,750)
Capital Contributions and Reimbursements	<u>1,127,229</u>
Change in Net Position	(969,812)
Total Assets and Deferred Outflows of Resources	13,758,011
Total Liabilities and Deferred Inflows of Resources	11,136,845

F. Environmental Remediation

The City has groundwater contamination at the site of its former water treatment facility. The Environmental Protection Agency has initiated action requiring maintenance and remediation of the site. The City is currently performing these actions. No estimate of future costs is available related to this contamination.

G. Subsequent Events

Debt Issuances

In 2024, the City had the following debt activity:

The City has drawn an additional \$66,190 on the 2020 Clean Water Fund Loan to finance the wastewater treatment plant facility expansion and upgrade.

The City has drawn an additional \$359,621 on the 2020 Safe Drinking Water Loan to finance the construction of a new water treatment facility.

The City authorized the issuance of a Safe Drinking Water Loan of up to \$12,420,999 dated June 26, 2024 to refinance the 2022 Note Anticipation Note due on 7/1/2024. The City has drawn a total 7,639,389 of which \$6,111,512 is considered a loan and \$1,527,877 a grant.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WAUSAU, WISCONSIN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – GENERAL FUND

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Taxes	\$ 22,485,806	\$ 22,485,806	\$ 22,490,594	\$ 4,788
Intergovernmental	9,707,641	9,707,641	9,310,381	(397,260)
Licenses and Permits	733,985	733,985	1,109,371	375,386
Fines and Forfeits	378,000	378,000	274,170	(103,830)
Public Charges for Services	2,729,175	2,729,175	3,112,449	383,274
Intergovernmental Charges for Services	1,023,258	1,023,258	1,454,698	431,440
Miscellaneous	782,203	782,203	2,557,029	1,774,826
Total Revenues	<u>37,840,068</u>	<u>37,840,068</u>	<u>40,308,692</u>	<u>2,468,624</u>
EXPENDITURES				
Current:				
General Government	5,408,963	5,408,963	5,252,385	156,578
Public Safety	22,050,057	22,050,057	22,500,824	(450,767)
Transportation and Streets	8,562,720	8,687,720	8,738,817	(51,097)
Sanitation, Health, and Welfare	996,000	996,000	1,004,555	(8,555)
Natural Resources/ Recreation:	3,343,683	3,343,683	3,249,368	94,315
Conservation and Development	67,191	67,191	-	67,191
Debt Service:				
Principal	60,003	60,003	60,003	-
Interest and Fiscal Charges	7,188	7,188	7,188	-
Total Expenditures	<u>40,495,805</u>	<u>40,620,805</u>	<u>40,813,140</u>	<u>(192,335)</u>
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES	(2,655,737)	(2,780,737)	(504,448)	2,276,289
OTHER FINANCING SOURCES (USES)				
Proceeds from Sale of Capital Assets	-	-	12,352	12,352
Transfers In	2,221,355	2,221,355	2,221,355	-
Transfers Out	-	(251,380)	(138,844)	112,536
Total Other Financing Sources (Uses)	<u>2,221,355</u>	<u>1,969,975</u>	<u>2,094,863</u>	<u>124,888</u>
NET CHANGE IN FUND BALANCE				
	(434,382)	(810,762)	1,590,415	2,401,177
Fund Balance - Beginning of Year	<u>14,551,780</u>	<u>14,551,780</u>	<u>14,551,780</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 14,117,398</u>	<u>\$ 13,741,018</u>	<u>\$ 16,142,195</u>	<u>\$ 2,401,177</u>

See accompanying Notes to Required Supplementary Information.

**CITY OF WAUSAU, WISCONSIN
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) –
WISCONSIN RETIREMENT SYSTEM
LAST TEN FISCAL YEARS**

<u>Measurement Period Ending</u>	<u>Proportion of the Net Pension Liability (Asset)</u>	<u>Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Covered Payroll (Plan Year)</u>	<u>Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)</u>
12/31/14	0.17172566 %	\$ (4,218,052)	\$ 18,308,916	23.04 %	102.74 %
12/31/15	0.17102049	2,779,050	18,179,898	15.29	98.20
12/31/16	0.17036564	1,404,220	18,160,529	7.73	99.12
12/31/17	0.17346577	(5,150,404)	18,940,393	27.19	102.93
12/31/18	0.17858294	6,353,422	19,678,481	32.29	96.45
12/31/19	0.18371268	(5,923,736)	20,482,268	28.92	102.96
12/31/20	0.18913216	(11,807,783)	21,575,781	54.73	105.26
12/31/21	0.19057348	(15,360,574)	21,164,561	72.58	106.02
12/31/22	0.19446866	10,302,374	22,661,495	45.46	95.72

**CITY OF WAUSAU, WISCONSIN
SCHEDULE OF CONTRIBUTIONS – WISCONSIN RETIREMENT SYSTEM
LAST TEN FISCAL YEARS**

<u>Fiscal Year Ending</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll (Fiscal Year)</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/15	\$ 1,627,588	\$ 1,627,588	\$ -	\$ 18,179,898	8.95 %
12/31/16	1,620,665	1,620,665	-	18,160,529	8.92
12/31/17	1,834,467	1,834,467	-	18,940,393	9.69
12/31/18	1,891,736	1,891,736	-	19,678,481	9.61
12/31/19	1,947,685	1,947,685	-	20,482,268	9.51
12/31/20	2,223,314	2,223,314	-	21,575,781	10.30
12/31/21	2,190,071	2,190,071	-	21,164,561	10.35
12/31/22	2,384,455	2,384,455	-	22,661,495	10.52
12/31/23	2,544,459	2,544,459	-	24,302,118	10.47

See accompanying Notes to Required Supplementary Information.

CITY OF WAUSAU, WISCONSIN
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS –
SINGLE-EMPLOYER DEFINED BENEFIT POSTEMPLOYMENT BENEFIT PLAN
LAST TEN FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
TOTAL OPEB LIABILITY						
Service Cost	\$ 51,204	\$ 55,959	\$ 50,954	\$ 43,449	\$ 46,603	\$ 46,603
Interest	10,843	14,998	16,629	23,746	22,403	23,835
Differences Between Expected and Actual Experience	-	(63,953)	-	(54,824)	-	-
Changes of Assumptions	(73,234)	(101,795)	18,308	51,945	(18,118)	-
Benefit Payments	<u>(36,820)</u>	<u>(17,743)</u>	<u>(35,254)</u>	<u>(78,797)</u>	<u>(112,726)</u>	<u>(109,967)</u>
NET CHANGE IN TOTAL OPEB LIABILITY	(48,007)	(112,534)	50,637	(14,481)	(61,838)	(39,529)
Total OPEB Liability - Beginning of Year	<u>534,935</u>	<u>647,469</u>	<u>596,832</u>	<u>611,313</u>	<u>673,151</u>	<u>712,680</u>
TOTAL OPEB LIABILITY - END OF YEAR	<u>\$ 486,928</u>	<u>\$ 534,935</u>	<u>\$ 647,469</u>	<u>\$ 596,832</u>	<u>\$ 611,313</u>	<u>\$ 673,151</u>
Covered-Employee Payroll	<u>\$ 19,653,772</u>	<u>\$ 19,653,772</u>	<u>\$ 19,196,708</u>	<u>\$ 19,196,708</u>	<u>\$ 20,482,268</u>	<u>\$ 17,250,275</u>
City's Total OPEB Liability as a Percentage of Covered-Employee Payroll	2.48%	2.72%	3.37%	3.11%	2.98%	3.90%

See accompanying Notes to Required Supplementary Information.

**CITY OF WAUSAU, WISCONSIN
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET) –
LOCAL RETIREE LIFE INSURANCE FUND
LAST TEN FISCAL YEARS**

Measurement Period Ending	Proportion of the Net OPEB Liability (Asset)	Proportionate Share of the Net OPEB Liability (Asset)	Covered- Employee Payroll	Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
12/31/17	0.2320570 %	\$ 707,188	\$ 18,940,393	3.73 %	44.81 %
12/31/18	0.2329010	600,963	19,678,481	3.05	48.69
12/31/19	0.2320800	993,045	20,482,268	4.85	37.58
12/31/20	0.2312810	1,272,212	21,575,781	5.90	31.36
12/31/21	0.2359960	1,394,824	21,164,561	6.59	32.36
12/31/22	0.2370690	903,192	21,645,136	4.17	38.81

**CITY OF WAUSAU, WISCONSIN
SCHEDULE OF CONTRIBUTIONS – LOCAL RETIREE LIFE INSURANCE FUND
LAST TEN FISCAL YEARS**

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
12/31/18	\$ 4,463	\$ 4,463	\$ -	\$ 19,678,481	0.02 %
12/31/19	4,487	4,487	-	20,482,268	0.02
12/31/20	4,215	4,215	-	21,575,782	0.02
12/31/21	4,739	4,739	-	21,164,561	0.02
12/31/22	4,773	4,773	-	21,645,136	0.02
12/31/23	4,756	4,756	-	24,302,118	0.02

See accompanying Notes to Required Supplementary Information.

**CITY OF WAUSAU, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2023**

NOTE 1 OTHER POSTEMPLOYMENT BENEFITS

Single-Employer Defined Benefit Postemployment Benefit Plan

Changes of Benefit Terms. There were no changes of benefit terms.

Changes of Assumptions. The discount rate used to develop the Total OPEB Liability changed in 2023, increasing from 2.00% to 4.25%.

The City is required to present the last 10 fiscal years of data; however, accounting standards allow the presentation of as many years as are available until 10 fiscal years are presented.

Local Retiree Life Insurance Fund

Changes of Benefit Terms. There were no changes of benefit terms for any participating employer in LRLIF.

Changes of Assumptions. The ETF Board adopted economic and demographic assumption changes based on a three-year experience study performed for the Wisconsin Retirement System. These assumptions are used in the actuarial valuations of OPEB liabilities (assets) for the retiree life insurance programs and are summarized below.

The assumption changes that were used to measure the December 31, 2021, total OPEB liabilities, including the following:

- Lowering the discount rate from 2.25% to 2.17%
- Lowering the price inflation rate from 2.5% to 2.4%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

The assumption changes that were used to measure the December 31, 2018, total OPEB liabilities, including the following:

- Lowering the long-term expected rate of return from 5.00% to 4.25%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table.

The City is required to present the last 10 fiscal years of data; however, accounting standards allow the presentation of as many years as are available until 10 fiscal years are presented.

**CITY OF WAUSAU, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2023**

NOTE 2 WISCONSIN RETIREMENT SYSTEM

Changes of Benefit Terms. There were no changes of benefit terms for any participating employer in WRS.

Changes of Assumptions.

Based on a three-year experience study conducted in 2021 covering January 1, 2018, through December 31, 2020, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-end December 31, 2021, including the following:

- Lowering the long-term expected rate of return from 7.0% to 6.8%
- Lowering the discount rate from 7.0% to 6.8%
- Lowering the price inflation rate from 2.5% to 2.4%
- Lowering the postretirement adjustments from 1.9% to 1.7%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

Based on a three-year experience study conducted in 2018 covering January 1, 2015, through December 31, 2017, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-end December 31, 2018, including the following:

- Lowering the long-term expected rate of return from 7.2% to 7.0%
- Lowering the discount rate from 7.2% to 7.0%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Lowering the postretirement adjustments from 2.1% to 1.9%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table.

The City is required to present the last 10 fiscal years of data; however, accounting standards allow the presentation of as many years as are available until 10 fiscal years are presented.

SUPPLEMENTARY INFORMATION

**CITY OF WAUSAU, WISCONSIN
 DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES AND
 OTHER FINANCING SOURCES
 YEAR ENDED DECEMBER 31, 2023**

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
Taxes:				
General Property Taxes	\$ 22,220,541	\$ 22,220,541	\$ 22,220,541	\$ -
Mobile Home Parking Fees	70,000	70,000	76,672	6,672
Payments in Lieu of Taxes	95,765	95,765	81,157	(14,608)
Managed Forest Land Taxes	500	500	-	-
Interest and Penalties on Taxes	99,000	99,000	82,480	-
Other Taxes	-	-	29,744	29,744
Total Taxes	<u>22,485,806</u>	<u>22,485,806</u>	<u>22,490,594</u>	<u>21,808</u>
Intergovernmental:				
State Shared Taxes	4,749,649	4,749,649	5,894,162	1,144,513
Expenditure Restraint	1,150,856	1,150,856	-	(1,150,856)
Fire Insurance Tax	140,000	140,000	150,247	10,247
Municipal Services	207,951	207,951	211,823	3,872
Transportation Aids	3,038,250	3,038,250	2,793,901	(244,349)
Other Grants	420,935	420,935	260,248	(160,687)
Total Intergovernmental	<u>9,707,641</u>	<u>9,707,641</u>	<u>9,310,381</u>	<u>(397,260)</u>
Licenses and Permits:				
Business Licenses	403,388	403,388	478,629	75,241
Non-Business Licenses	13,035	13,035	13,240	205
Permits	317,562	317,562	617,502	299,940
Total Licenses and Permits	<u>733,985</u>	<u>733,985</u>	<u>1,109,371</u>	<u>375,386</u>
Fines and Forfeits:				
	378,000	378,000	274,170	(103,830)
Public Charges for Services:				
General Government	91,525	91,525	6,176	(85,349)
Public Safety	2,169,970	2,169,970	2,625,690	455,720
Streets and Related Facilities	110,500	110,500	75,667	(34,833)
Recreation	357,180	357,180	404,916	47,736
Total Public Charges for Services	<u>2,729,175</u>	<u>2,729,175</u>	<u>3,112,449</u>	<u>383,274</u>
Intergovernmental Charges for Services:				
State, Federal, and Local Reimbursements	-	-	6,655	6,655
County and Other Municipalities	293,258	293,258	332,634	39,376
City Departments	730,000	730,000	1,115,409	385,409
Total Intergovernmental Charges for Services	<u>1,023,258</u>	<u>1,023,258</u>	<u>1,454,698</u>	<u>431,440</u>
Miscellaneous:				
Interest on General Investments	510,000	510,000	2,182,368	1,672,368
Other Interest	181,703	181,703	3,028	(178,675)
Rent of Land and Buildings	10,200	10,200	141,740	131,540
Sale of City Property/Loss Compensation	16,600	16,600	32,044	15,444
Other Miscellaneous Revenues	63,700	63,700	197,849	134,149
Total Miscellaneous	<u>782,203</u>	<u>782,203</u>	<u>2,557,029</u>	<u>1,774,826</u>
Total Revenues	<u>37,840,068</u>	<u>37,840,068</u>	<u>40,308,692</u>	<u>2,485,644</u>
Other Financing Sources:				
Proceeds from Sale of Capital Assets	-	-	12,352	12,352
Transfers In	2,221,355	2,221,355	2,221,355	-
Total Other Financing Sources	<u>2,221,355</u>	<u>2,221,355</u>	<u>2,233,707</u>	<u>12,352</u>
Total Revenue and Other Financing Sources	<u>\$ 40,061,423</u>	<u>\$ 40,061,423</u>	<u>\$ 42,542,399</u>	<u>\$ 2,497,996</u>

**CITY OF WAUSAU, WISCONSIN
 DETAILED COMPARISON OF BUDGETED AND ACTUAL EXPENDITURES AND
 OTHER FINANCING USES
 YEAR ENDED DECEMBER 31, 2023**

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
General Government:				
City Council	\$ 90,979	\$ 90,979	\$ 82,003	\$ 8,976
Mayor	188,246	188,246	188,651	(405)
City Promotion	120,000	120,000	132,036	(12,036)
Finance Department	703,192	703,192	701,018	2,174
IT Operations	1,351,973	1,351,973	1,399,333	(47,360)
City Clerk	383,879	383,879	370,430	13,449
Elections	96,281	96,281	63,768	32,513
Assessor	683,980	683,980	564,393	119,587
City Attorney	679,947	679,947	622,228	57,719
Municipal Court	147,187	147,187	125,380	21,807
Mail Center	64,000	64,000	69,441	(5,441)
Telephone	21,000	21,000	6,836	14,164
Human Resources	492,376	492,376	507,207	(14,831)
City Facilities	355,923	355,923	401,109	(45,186)
Unclassified	30,000	30,000	18,553	11,447
Total General Government	<u>5,408,963</u>	<u>5,408,963</u>	<u>5,252,386</u>	<u>156,577</u>
Public Safety:				
Police Department	11,552,699	11,552,699	11,430,116	122,583
Fire Department	4,392,680	4,392,680	5,371,347	(978,667)
Ambulance	4,153,208	4,153,208	3,712,968	440,240
Inspections Department	933,150	933,150	1,015,702	(82,552)
Street Lighting and Traffic Control	1,008,320	1,008,320	949,386	58,934
City Emergency Government	10,000	10,000	21,305	(11,305)
Total Public Safety	<u>22,050,057</u>	<u>22,050,057</u>	<u>22,500,824</u>	<u>(450,767)</u>
Transportation and Streets:				
Engineering	1,372,845	1,482,845	1,496,187	(13,342)
Public Works	7,189,875	7,204,875	7,242,630	(37,755)
Total Transportation and Streets	<u>8,562,720</u>	<u>8,687,720</u>	<u>8,738,817</u>	<u>(51,097)</u>
Sanitation, Health, and Welfare:				
Garbage and Refuse Collection	996,000	996,000	1,004,555	(8,555)
Natural Resources/ Recreation:				
Parks and Recreation	3,343,683	3,343,683	3,249,368	94,315
Debt Service:				
Principal	60,003	60,003	60,003	-
Interest	7,188	7,188	7,188	-
Total Debt Service	<u>67,191</u>	<u>67,191</u>	<u>67,191</u>	<u>-</u>
Total Expenditures	40,428,614	40,553,614	40,813,141	(259,527)
Other Financing Uses:				
Transfers to Other Funds	-	251,380	138,844	112,536
Total Expenditures and Other Financing Uses	<u>\$ 40,428,614</u>	<u>\$ 40,804,994</u>	<u>\$ 40,951,985</u>	<u>\$ (146,991)</u>

CITY OF WAUSAU, WISCONSIN
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	Special Revenue						
	Grants	HUD Mortgage	DLAD Mortgage Program	Economic Development	Federal Rent Rehabilitation	WRRP Rehabilitation	
ASSETS							
Cash and Investments	\$ 2,483,130	\$ 186,711	\$ 549,935	\$ 256,501	\$ 337,818	\$ 1,078,178	\$ 1,036,467
Receivables:							
Taxes and Special Charges	285,041	-	-	-	-	-	-
Accounts	83,594	-	-	-	-	-	60,189
Special Assessments	-	-	-	-	-	-	-
Notes	2,519,220	2,068,277	25,410	813,903	-	867,835	-
Lease	4,713	-	-	-	-	-	-
Due from Other Governments	384,965	-	-	-	-	-	-
Inventories and Prepaid Items	-	-	-	-	-	-	-
Total Assets	\$ 5,760,663	\$ 2,254,988	\$ 575,345	\$ 1,070,404	\$ 337,818	\$ 1,946,013	\$ 1,096,656
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts Payable	\$ 317,367	\$ 18,245	\$ -	\$ -	\$ -	\$ -	\$ 46,701
Accrued and Other Current Liabilities	55,624	-	-	-	-	-	2,084
Due to Other Funds	359,032	-	-	-	-	-	-
Advance from Other Funds	-	-	-	-	-	-	-
Due to Other Governments	-	-	-	-	-	-	-
Special Deposits	-	-	-	-	-	-	-
Unearned Revenues	18,981	-	-	-	-	-	-
Total Liabilities	751,004	18,245	-	-	-	-	48,785
DEFERRED INFLOWS OF RESOURCES							
Property Taxes Levied for							
Subsequent Year	441,673	-	-	-	-	-	-
Lease	4,713	-	-	-	-	-	-
Unavailable Revenue	2,519,220	2,068,277	25,410	813,903	-	867,835	-
Special Assessments	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	2,965,606	2,068,277	25,410	813,903	-	867,835	-
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	2,044,053	168,466	-	-	337,818	1,078,178	1,047,871
Committed	-	-	549,935	256,501	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total Fund Balances	2,044,053	168,466	549,935	256,501	337,818	1,078,178	1,047,871
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 5,760,663	\$ 2,254,988	\$ 575,345	\$ 1,070,404	\$ 337,818	\$ 1,946,013	\$ 1,096,656

**CITY OF WAUSAU, WISCONSIN
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2023**

Special Revenue									
Haz-Mat Emergency Response	Housing Stock Improvement	Room Tax	Public Access Cable	Recycling	Public Safety Grants	400 Block	Animal Control	American Rescue Plan Act	Other Grants & Special Purpose Accounts
\$ 253,047	\$ 362,975	\$ 606,600	\$ 45,184	\$ 218,494	\$ 28,042	\$ 169,068	\$ 192,241	\$ 8,339,904	\$ 935,599
-	-	-	-	454,623	-	-	38,524	-	-
21,295	-	128,551	3,463	-	29,247	-	18,672	5,257	2,410
-	-	-	-	-	-	-	-	-	-
-	518,271	100,000	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
20,250	-	-	-	-	73,043	-	387	-	24,015
-	-	-	-	-	-	-	1,050	-	-
<u>\$ 294,592</u>	<u>\$ 881,246</u>	<u>\$ 835,151</u>	<u>\$ 48,647</u>	<u>\$ 673,117</u>	<u>\$ 130,332</u>	<u>\$ 169,068</u>	<u>\$ 250,874</u>	<u>\$ 8,345,161</u>	<u>\$ 962,024</u>
\$ 94	\$ -	\$ 167,288	\$ 1,045	\$ 47,289	\$ 2,045	\$ -	\$ 23,106	\$ 444,664	\$ 5,917
1	-	-	414	159	42,385	-	1,117	2,720	-
-	-	-	-	-	102,809	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	9,290	-	-
-	-	-	-	-	-	-	285	-	56,369
-	-	-	-	-	-	-	-	7,714,047	-
<u>95</u>	<u>-</u>	<u>167,288</u>	<u>1,459</u>	<u>47,448</u>	<u>147,239</u>	<u>-</u>	<u>33,798</u>	<u>8,161,431</u>	<u>62,286</u>
-	-	-	-	704,441	-	-	59,693	-	-
-	-	-	-	-	-	-	-	-	-
-	518,271	100,000	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	518,271	100,000	-	704,441	-	-	59,693	-	-
-	-	-	-	-	-	-	1,050	-	-
294,497	-	-	-	-	-	-	-	183,730	899,738
-	362,975	567,863	47,188	-	-	169,068	156,333	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	(78,772)	(16,907)	-	-	-	-
<u>294,497</u>	<u>362,975</u>	<u>567,863</u>	<u>47,188</u>	<u>(78,772)</u>	<u>(16,907)</u>	<u>169,068</u>	<u>157,383</u>	<u>183,730</u>	<u>899,738</u>
<u>\$ 294,592</u>	<u>\$ 881,246</u>	<u>\$ 835,151</u>	<u>\$ 48,647</u>	<u>\$ 673,117</u>	<u>\$ 130,332</u>	<u>\$ 169,068</u>	<u>\$ 250,874</u>	<u>\$ 8,345,161</u>	<u>\$ 962,024</u>

CITY OF WAUSAU, WISCONSIN
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2023

	Capital Projects						
	Central Capital Purchasing	Capital Improvements	TID #3 Downtown Development	TID #6 West Side Development	TID #7 West Side Development	TID #8 Near West Side	TID #9 Big Bull Falls
ASSETS							
Cash and Investments	\$ 581,672	\$ 2,011,258	\$ 1,843,447	\$ 2,461,828	\$ 757,751	\$ 1,758,091	\$ -
Receivables:							
Taxes and Special Charges	461,150	326,368	2,335,065	2,637,777	1,378,966	738,586	15,053
Accounts	-	6,257	1,010	-	-	-	-
Special Assessments	-	344,774	-	-	-	-	-
Notes	-	-	1,049,769	42,002	-	716,068	259,337
Lease	-	-	-	211,228	-	-	-
Due from Other Governments	-	-	-	-	-	-	-
Inventories and Prepaid Items	-	-	-	-	-	-	-
Total Assets	\$ 1,042,822	\$ 2,688,657	\$ 5,229,291	\$ 5,352,835	\$ 2,136,717	\$ 3,212,745	\$ 274,390
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts Payable	\$ 246,007	\$ 886,798	\$ 8,760	\$ 2,048	\$ -	\$ 658,125	\$ -
Accrued and Other Current Liabilities	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	-
Advance from Other Funds	-	-	-	-	-	760,345	286,719
Due to Other Governments	-	-	-	-	-	-	-
Special Deposits	-	7,686	-	-	-	-	-
Unearned Revenues	-	-	-	-	-	-	-
Total Liabilities	246,007	894,484	8,760	2,048	-	1,418,470	286,719
DEFERRED INFLOWS OF RESOURCES							
Property Taxes Levied for Subsequent Year	714,554	505,709	3,618,197	4,087,252	2,136,717	1,144,444	23,325
Lease	-	-	-	211,228	-	-	-
Unavailable Revenue	-	-	1,049,769	42,002	-	716,068	259,337
Special Assessments	-	344,774	-	-	-	-	-
Total Deferred Inflows of Resources	714,554	850,483	4,667,966	4,340,482	2,136,717	1,860,512	282,662
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	82,261	943,690	552,565	1,010,305	-	-	-
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	(66,237)	(294,991)
Total Fund Balances	82,261	943,690	552,565	1,010,305	-	(66,237)	(294,991)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,042,822	\$ 2,688,657	\$ 5,229,291	\$ 5,352,835	\$ 2,136,717	\$ 3,212,745	\$ 274,390

**CITY OF WAUSAU, WISCONSIN
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2023**

Capital Projects			
TID #10 Industrial Park	TID #11 Business Campus	TID #12 Downtown Development	Totals
\$ -	\$ 1,378,492	\$ 499,963	\$ 28,372,396
467,157	1,162,824	293,421	10,594,555
-	-	-	359,945
-	-	-	344,774
-	2,271,444	2,271,413	13,522,949
-	-	-	215,941
-	-	-	502,660
-	-	-	1,050
<u>\$ 467,157</u>	<u>\$ 4,812,760</u>	<u>\$ 3,064,797</u>	<u>\$ 53,914,270</u>
\$ 12,328	\$ 36,464	\$ 311,964	\$ 3,236,255
-	-	1,508	106,012
534,472	-	845,000	1,841,313
-	-	1,450,024	2,497,088
-	-	-	9,290
-	-	-	64,340
-	-	-	7,733,028
<u>546,800</u>	<u>36,464</u>	<u>2,608,496</u>	<u>15,487,326</u>
723,863	1,801,803	454,658	16,416,329
-	-	-	215,941
-	2,271,444	2,271,413	13,522,949
-	-	-	344,774
<u>723,863</u>	<u>4,073,247</u>	<u>2,726,071</u>	<u>30,499,993</u>
-	-	-	1,050
-	703,049	-	9,346,221
-	-	-	2,109,863
-	-	-	-
(803,506)	-	(2,269,770)	(3,530,183)
<u>(803,506)</u>	<u>703,049</u>	<u>(2,269,770)</u>	<u>7,926,951</u>
<u>\$ 467,157</u>	<u>\$ 4,812,760</u>	<u>\$ 3,064,797</u>	<u>\$ 53,914,270</u>

CITY OF WAUSAU, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2023

	Special Revenue						
	Grants	HUD Mortgage	DLAD Mortgage Program	Economic Development	Federal Rent Rehabilitation	WRRP Rehabilitation	Environmental Clean Up
REVENUES							
Taxes	\$ 325,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-	-
Intergovernmental	1,182,654	-	-	-	-	-	57,798
Licenses and Permits	-	-	-	-	-	-	-
Fines and Forfeits	-	-	-	-	-	-	-
Public Charges for Services	1,050	-	-	-	-	-	90,263
Intergovernmental Charges for Services	54,838	-	-	-	-	-	-
Miscellaneous	460,015	200,252	13,584	7,082	-	60,582	17,414
Total Revenues	<u>2,023,557</u>	<u>200,252</u>	<u>13,584</u>	<u>7,082</u>	<u>-</u>	<u>60,582</u>	<u>165,475</u>
EXPENDITURES							
Current:							
General Government	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-
Transportation and Streets	-	-	-	-	-	-	444,031
Sanitation, Health, and Welfare	-	-	-	-	-	-	-
Natural Resources and Recreation	-	-	-	-	-	-	-
Economic Development	2,604,353	127,302	915	29,110	-	31,863	-
Debt Service:							
Interest and Fiscal Charges	-	-	-	-	-	-	-
Capital Outlay	160,598	11,451	-	-	-	-	-
Total Expenditures	<u>2,764,951</u>	<u>138,753</u>	<u>915</u>	<u>29,110</u>	<u>-</u>	<u>31,863</u>	<u>444,031</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(741,394)	61,499	12,669	(22,028)	-	28,719	(278,556)
OTHER FINANCING SOURCES (USES)							
Long-Term Debt Issued	-	-	-	-	-	-	-
Premium on Debt Issued	-	-	-	-	-	-	-
Proceeds from Sale of Capital Assets	-	-	-	-	-	-	-
Transfers In	291,480	-	-	-	-	-	-
Transfers Out	(19,430)	(40,050)	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>272,050</u>	<u>(40,050)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(469,344)	21,449	12,669	(22,028)	-	28,719	(278,556)
Fund Balances - Beginning of Year	<u>2,513,397</u>	<u>147,017</u>	<u>537,266</u>	<u>278,529</u>	<u>337,818</u>	<u>1,049,459</u>	<u>1,326,427</u>
FUND BALANCES - END OF YEAR	<u>\$ 2,044,053</u>	<u>\$ 168,466</u>	<u>\$ 549,935</u>	<u>\$ 256,501</u>	<u>\$ 337,818</u>	<u>\$ 1,078,178</u>	<u>\$ 1,047,871</u>

**CITY OF WAUSAU, WISCONSIN
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
 YEAR ENDED DECEMBER 31, 2023**

Special Revenue									
Haz-Mat Emergency Response	Housing Stock Improvement	Room Tax	Public Access Cable	Recycling	Public Safety Grants	400 Block	Animal Control	American Rescue Plan Act	Other Grants & Special Purpose Accounts
\$ -	\$ -	\$ 1,046,408	\$ -	\$ 664,868	\$ -	\$ -	\$ 59,693	\$ -	\$ -
-	-	-	-	-	-	-	-	-	-
102,295	-	29,000	-	147,307	1,389,454	-	-	3,297,088	34,752
-	-	-	-	719	-	-	133,423	-	-
-	-	-	-	-	-	-	2,960	-	-
-	-	-	15,870	-	-	-	4,935	-	7,379
20,000	-	-	-	-	-	-	16,860	-	-
10,681	88,288	-	915	-	-	-	487	360,646	302,321
<u>132,976</u>	<u>88,288</u>	<u>1,075,408</u>	<u>16,785</u>	<u>812,894</u>	<u>1,389,454</u>	<u>-</u>	<u>218,358</u>	<u>3,657,734</u>	<u>344,452</u>
-	-	-	47,574	-	-	-	-	-	669
62,612	-	-	-	892,492	1,458,601	-	-	-	73,363
-	-	-	-	-	-	-	-	-	4,390
-	-	-	-	-	-	-	181,807	-	-
-	91,488	785,086	-	-	-	86,284	-	-	300,809
-	-	-	-	-	-	-	-	2,721,483	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	131,514	-	-	587,901	180
<u>62,612</u>	<u>91,488</u>	<u>785,086</u>	<u>47,574</u>	<u>892,492</u>	<u>1,590,115</u>	<u>86,284</u>	<u>181,807</u>	<u>3,309,384</u>	<u>379,411</u>
70,364	(3,200)	290,322	(30,789)	(79,598)	(200,661)	(86,284)	36,551	348,350	(34,959)
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	138,844	42,755	120,832	-	-
-	-	(189,110)	-	-	-	-	-	(232,000)	-
<u>-</u>	<u>-</u>	<u>(189,110)</u>	<u>-</u>	<u>-</u>	<u>138,844</u>	<u>42,755</u>	<u>120,832</u>	<u>(232,000)</u>	<u>-</u>
70,364	(3,200)	101,212	(30,789)	(79,598)	(61,817)	(43,529)	157,383	116,350	(34,959)
<u>224,133</u>	<u>366,175</u>	<u>466,651</u>	<u>77,977</u>	<u>826</u>	<u>44,910</u>	<u>212,597</u>	<u>-</u>	<u>67,380</u>	<u>934,697</u>
<u>\$ 294,497</u>	<u>\$ 362,975</u>	<u>\$ 567,863</u>	<u>\$ 47,188</u>	<u>\$ (78,772)</u>	<u>\$ (16,907)</u>	<u>\$ 169,068</u>	<u>\$ 157,383</u>	<u>\$ 183,730</u>	<u>\$ 899,738</u>

CITY OF WAUSAU, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023

	Capital Projects						
	Central Capital Purchasing	Capital Improvements	TID #3 Downtown Development	TID #6 West Side Development	TID #7 West Side Development	TID #8 Near West Side	TID #9 Big Bull Falls
REVENUES							
Taxes	\$ 614,554	\$ 495,000	\$ 3,159,210	\$ 3,716,193	\$ 1,727,940	\$ 776,897	\$ 21,769
Special Assessments	-	374,304	-	-	-	-	-
Intergovernmental	-	102,192	478,056	141,008	26,267	223,805	2,055
Licenses and Permits	-	-	-	-	-	-	-
Fines and Forfeits	-	-	-	-	-	-	-
Public Charges for Services	-	-	-	17,644	-	-	-
Intergovernmental Charges for Services	-	-	-	-	-	-	-
Miscellaneous	101,756	118,978	88,618	17,376	-	149,082	-
Total Revenues	716,310	1,090,474	3,725,884	3,892,221	1,754,207	1,149,784	23,824
EXPENDITURES							
Current:							
General Government	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-
Transportation and Streets	-	11,702	95,830	-	-	564,595	-
Sanitation, Health, and Welfare	-	-	-	-	-	-	-
Natural Resources and Recreation	115,255	162,919	-	-	-	-	-
Economic Development	-	1,284	133,362	11,223	150	182,158	8,816
Debt Service:							
Interest and Fiscal Charges	-	60,663	49,372	-	-	42,398	-
Capital Outlay	680,014	4,727,683	1,202,518	-	-	1,674,169	-
Total Expenditures	795,269	4,964,251	1,481,082	11,223	150	2,463,320	8,816
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(78,959)	(3,873,777)	2,244,802	3,880,998	1,754,057	(1,313,536)	15,008
OTHER FINANCING SOURCES (USES)							
Long-Term Debt Issued	-	3,670,000	1,250,000	-	-	2,565,000	-
Premium on Debt Issued	-	35,783	(194)	-	-	158,509	-
Proceeds from Sale of Capital Assets	-	58,154	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-
Transfers Out	-	-	(1,841,954)	(2,799,375)	(1,754,057)	(688,254)	(60,885)
Total Other Financing Sources (Uses)	-	3,763,937	(592,148)	(2,799,375)	(1,754,057)	2,035,255	(60,885)
NET CHANGE IN FUND BALANCES	(78,959)	(109,840)	1,652,654	1,081,623	-	721,719	(45,877)
Fund Balances - Beginning of Year	161,220	1,053,530	(1,100,089)	(71,318)	-	(787,956)	(249,114)
FUND BALANCES - END OF YEAR	\$ 82,261	\$ 943,690	\$ 552,565	\$ 1,010,305	\$ -	\$ (66,237)	\$ (294,991)

**CITY OF WAUSAU, WISCONSIN
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
 YEAR ENDED DECEMBER 31, 2023**

Capital Projects			
TID #10 Industrial Park	TID #11 Business Campus	TID #12 Downtown Development	Totals
\$ 439,476	\$ 1,013,402	\$ 265,625	\$ 14,326,035
-	-	-	374,304
43,220	-	-	7,256,951
-	-	-	134,142
-	-	-	2,960
-	-	1,070	138,211
-	-	-	91,698
-	16,695	64,813	2,079,585
<u>482,696</u>	<u>1,030,097</u>	<u>331,508</u>	<u>24,403,886</u>
-	-	-	48,243
-	-	-	1,531,964
-	7,056	614,269	2,696,977
-	-	-	181,807
-	-	-	665,267
46,009	76,492	2,054,043	8,905,137
-	39,919	41,654	234,006
<u>1,197,969</u>	<u>2,085,799</u>	<u>2,041,895</u>	<u>14,501,691</u>
<u>1,243,978</u>	<u>2,209,266</u>	<u>4,751,861</u>	<u>28,765,092</u>
(761,282)	(1,179,169)	(4,420,353)	(4,361,206)
-	2,415,000	2,520,000	12,420,000
-	149,320	179,275	522,693
-	-	-	58,154
-	-	1,713,457	2,307,368
<u>(141,029)</u>	<u>(912,163)</u>	<u>(774,375)</u>	<u>(9,452,682)</u>
<u>(141,029)</u>	<u>1,652,157</u>	<u>3,638,357</u>	<u>5,855,533</u>
(902,311)	472,988	(781,996)	1,494,327
<u>98,805</u>	<u>230,061</u>	<u>(1,487,774)</u>	<u>6,432,624</u>
<u>\$ (803,506)</u>	<u>\$ 703,049</u>	<u>\$ (2,269,770)</u>	<u>\$ 7,926,951</u>

CITY OF WAUSAU, WISCONSIN
COMBINING STATEMENT OF NET POSITION – NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2023

	Parking Utility	Metro Ride	Airport Fund	Animal Control Fund	Total
ASSETS					
CURRENT ASSETS					
Cash and Investments	\$ -	\$ 269,253	\$ 131,043	\$ -	\$ 400,296
Receivables:					
Taxes	191,674	630,258	168,079	-	990,011
Accounts	70,017	30,676	6,172	-	106,865
Lease	-	-	96,177	-	96,177
Due from Other Governments	-	1,734,301	-	-	1,734,301
Supplies and Prepaid Items	-	187,187	-	-	187,187
Total Current Assets	<u>261,691</u>	<u>2,851,675</u>	<u>401,471</u>	<u>-</u>	<u>3,514,837</u>
CAPITAL ASSETS					
Nondepreciable	3,111,646	325,529	248,000	-	3,685,175
Depreciable	12,554,129	3,515,197	1,063,487	-	17,132,813
Total Capital Assets	<u>15,665,775</u>	<u>3,840,726</u>	<u>1,311,487</u>	<u>-</u>	<u>20,817,988</u>
Total Assets	<u>15,927,466</u>	<u>6,692,401</u>	<u>1,712,958</u>	<u>-</u>	<u>24,332,825</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension Related Amounts	201,292	1,750,827	-	-	1,952,119
Other Postemployment Related Amounts	1,931	16,398	-	-	18,329
Total Deferred Outflows of Resources	<u>203,223</u>	<u>1,767,225</u>	<u>-</u>	<u>-</u>	<u>1,970,448</u>
LIABILITIES					
CURRENT LIABILITIES					
Accounts Payable	54,844	212,093	2,323	-	269,260
Accrued and Other Current Liabilities	5,478	100,917	320	-	106,715
Due to Other Funds	216,104	-	-	-	216,104
Due to Other Governments	349	-	3,065	-	3,414
Unearned Revenue	-	27,154	-	-	27,154
Current Portion of Long-Term Lease Liability	27,575	-	-	-	27,575
Total Current Liabilities	<u>304,350</u>	<u>340,164</u>	<u>5,708</u>	<u>-</u>	<u>650,222</u>
LONG-TERM OBLIGATIONS, Less:					
Current Portion					
Compensated Absences	-	48,164	-	-	48,164
Net Pension Liability	55,376	470,213	-	-	525,589
Other Postemployment Benefits	4,855	41,223	-	-	46,078
Total Long-Term Liabilities	<u>60,231</u>	<u>559,600</u>	<u>-</u>	<u>-</u>	<u>619,831</u>
Total Liabilities	<u>364,581</u>	<u>899,764</u>	<u>5,708</u>	<u>-</u>	<u>1,270,053</u>
DEFERRED INFLOWS OF RESOURCES					
Property Taxes Levied for Subsequent Year	297,000	976,589	260,439	-	1,534,028
Pension Related Amounts	116,412	988,483	-	-	1,104,895
Lease	-	-	96,177	-	96,177
Other Postemployment Related Amounts	3,417	29,017	-	-	32,434
Total Deferred Inflows of Resources	<u>416,829</u>	<u>1,994,089</u>	<u>356,616</u>	<u>-</u>	<u>2,767,534</u>
NET POSITION					
Net Investment In Capital Assets	15,638,200	3,840,726	1,311,487	-	20,790,413
Unrestricted	(288,921)	1,725,047	39,147	-	1,475,273
Total Net Position	<u>\$ 15,349,279</u>	<u>\$ 5,565,773</u>	<u>\$ 1,350,634</u>	<u>\$ -</u>	<u>\$ 22,265,686</u>

CITY OF WAUSAU, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION –
NONMAJOR ENTERPRISE FUNDS
YEAR ENDED DECEMBER 31, 2023

	Parking Utility	Metro Ride	Airport Fund	Animal Control Fund	Total
OPERATING REVENUES					
Charges for Services	\$ 417,972	\$ 364,923	\$ 142,703	\$ -	\$ 925,598
Other	139,380	-	7,586	-	146,966
Total Operating Revenues	<u>557,352</u>	<u>364,923</u>	<u>150,289</u>	<u>-</u>	<u>1,072,564</u>
OPERATING EXPENSES					
Operation and Maintenance	779,491	3,836,745	436,180	-	5,052,416
Depreciation and Amortization	689,210	572,555	106,409	-	1,368,174
Total Operating Expenses	<u>1,468,701</u>	<u>4,409,300</u>	<u>542,589</u>	<u>-</u>	<u>6,420,590</u>
OPERATING LOSS	(911,349)	(4,044,377)	(392,300)	-	(5,348,026)
NONOPERATING REVENUES (EXPENSES)					
General Property Taxes	297,034	889,892	216,336	-	1,403,262
Interest Income	-	11,836	-	-	11,836
Nonoperating Grants	-	2,539,249	-	-	2,539,249
Interest and Fiscal Charges	(1,735)	-	-	-	(1,735)
Other Nonoperating Revenues (Expenses)	-	18,799	-	-	18,799
Total Nonoperating Revenues	<u>295,299</u>	<u>3,459,776</u>	<u>216,336</u>	<u>-</u>	<u>3,971,411</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS	(616,050)	(584,601)	(175,964)	-	(1,376,615)
Capital Contributions	466,217	-	-	-	466,217
Transfers Out	-	-	-	(132,935)	(132,935)
CHANGE IN NET POSITION	(149,833)	(584,601)	(175,964)	(132,935)	(1,043,333)
Net Position - Beginning of Year	<u>15,499,112</u>	<u>6,150,374</u>	<u>1,526,598</u>	<u>132,935</u>	<u>23,309,019</u>
NET POSITION - END OF YEAR	<u>\$ 15,349,279</u>	<u>\$ 5,565,773</u>	<u>\$ 1,350,634</u>	<u>\$ -</u>	<u>\$ 22,265,686</u>

CITY OF WAUSAU, WISCONSIN
COMBINING STATEMENT OF CASH FLOWS – NONMAJOR ENTERPRISE FUNDS
YEAR ENDED DECEMBER 31, 2023

	Parking Utility	Metro Ride	Airport Fund	Animal Control Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received from Customers and Users	\$ 507,312	\$ 361,511	\$ 149,475	\$ -	\$ 1,018,298
Cash Paid for Employee Wages and Benefits	(218,160)	(2,708,521)	(18,911)	-	(2,945,592)
Cash Paid to Suppliers	(548,973)	(1,124,459)	(418,833)	-	(2,092,265)
Net Cash Used by Operating Activities	(259,821)	(3,471,469)	(288,269)	-	(4,019,559)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
General Property Taxes	304,549	943,188	237,458	-	1,485,195
Intergovernmental Revenues	-	2,563,002	112,000	-	2,675,002
Due to/from Other Funds	(3,568)	-	-	-	(3,568)
Transfer In	-	-	-	-	-
Transfer Out	-	-	-	(149,090)	(149,090)
Net Cash Provided by Noncapital Financing Activities	300,981	3,506,190	349,458	(149,090)	4,007,539
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of Capital Assets	-	(12,283)	-	-	(12,283)
Other Revenue	-	18,799	-	-	18,799
Principal Paid on Long-Term Debt	(39,425)	-	-	-	(39,425)
Interest Paid on Long-Term Debt	(1,735)	-	-	-	(1,735)
Net Cash Provided by Capital and Related Financing Activities	(41,160)	6,516	-	-	(34,644)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest Received	-	11,836	-	-	11,836
Net Cash Provided by Investing Activities	-	11,836	-	-	11,836
CHANGE IN CASH AND CASH EQUIVALENTS	-	53,073	61,189	(149,090)	(34,828)
Cash and Cash Equivalents - Beginning of Year	-	216,180	69,854	149,090	435,124
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ -	\$ 269,253	\$ 131,043	\$ -	\$ 400,296

CITY OF WAUSAU, WISCONSIN
COMBINING STATEMENT OF CASH FLOWS – NONMAJOR ENTERPRISE FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023

	Parking Utility	Metro Ride	Airport Fund	Animal Control Fund	Total
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES					
Operating Loss	\$ (911,349)	\$ (4,044,377)	\$ (392,300)	\$ -	\$ (5,348,026)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Depreciation	689,210	572,555	106,409	-	1,368,174
Change in Liability (Asset) and Deferred Outflows and Inflows of Resources:					
Change in Pension Asset (Liability)	154,629	1,194,319	-	22,880	1,371,828
Change in Pension Deferred Outflow	(7,286)	(332,187)	-	44,771	(294,702)
Change in Pension Deferred Inflow	(117,449)	(717,667)	-	(53,910)	(889,026)
Change In OPEB Liability	(4,158)	(24,530)	-	(2,078)	(30,766)
Change In OPEB Deferred Outflow	1,015	5,095	-	679	6,789
Change In OPEB Deferred Inflow	2,381	21,460	-	(239)	23,602
Change In Operating Assets And Liabilities:					
Accounts Receivable	6,767	(3,979)	1,395	387	4,570
Inventories and Prepaid Items	-	(5,028)	12,011	1,050	8,033
Accounts Payable	29,602	126,420	(13,460)	(1,414)	141,148
Accrued and Other Current liabilities	(15,121)	(170,118)	(115)	(3,387)	(188,741)
Due to Other Governments	349	(14,173)	3,065	(6,951)	(17,710)
Unearned Revenue	(56,807)	567	(5,274)	(1,788)	(63,302)
Compensated Absences	(31,604)	(79,826)	-	-	(111,430)
Net Cash Provided by Operating Activities	<u>\$ (259,821)</u>	<u>\$ (3,471,469)</u>	<u>\$ (288,269)</u>	<u>\$ -</u>	<u>\$ (4,019,559)</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION					
Cash and Cash Equivalents in Current Assets	<u>\$ -</u>	<u>\$ 269,253</u>	<u>\$ 131,043</u>	<u>\$ -</u>	<u>\$ 400,296</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital Asset Financed by Municipality	<u>\$ 466,217</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 466,217</u>

CITY OF WAUSAU, WISCONSIN
COMBINING STATEMENT OF NET POSITION – INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2023

ASSETS	Motor Pool	Insurance Fund	Employee Benefits Fund	Total
CURRENT ASSETS				
Cash and Investments	\$ 998,954	\$ 2,208,127	\$ 1,411,272	\$ 4,618,353
Receivables:				
Accounts	5,022	4,821	796	10,639
Inventories and Prepaid Items	319,956	-	508,879	828,835
Total Current Assets	<u>1,323,932</u>	<u>2,212,948</u>	<u>1,920,947</u>	<u>5,457,827</u>
CAPITAL ASSETS				
Depreciable	9,979,051	-	-	9,979,051
Total Capital Assets	<u>9,979,051</u>	<u>-</u>	<u>-</u>	<u>9,979,051</u>
 Total Assets	 <u>11,302,983</u>	 <u>2,212,948</u>	 <u>1,920,947</u>	 <u>15,436,878</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related Amounts	544,319	-	-	544,319
Other Postemployment Related Amounts	5,031	-	-	5,031
Total Deferred Outflows of Resources	<u>549,350</u>	<u>-</u>	<u>-</u>	<u>549,350</u>
LIABILITIES				
CURRENT LIABILITIES				
Accounts Payable	415,437	14,729	100	430,266
Accrued and Other Current Liabilities	39,210	-	38,106	77,316
Insurance Claims Payable	-	353,425	18,700	372,125
Unearned Revenue	-	-	451,408	451,408
Total Current Liabilities	<u>454,647</u>	<u>368,154</u>	<u>508,314</u>	<u>1,331,115</u>
LONG-TERM OBLIGATIONS				
Claims Payable	-	735,117	-	735,117
Net Pension Liability	144,278	-	-	144,278
Other Postemployment Benefits	12,649	-	-	12,649
Total Long-Term Liabilities	<u>156,927</u>	<u>735,117</u>	<u>-</u>	<u>892,044</u>
 Total Liabilities	 611,574	 1,103,271	 508,314	 2,223,159
DEFERRED INFLOWS OF RESOURCES				
Pension Related Amounts	303,303	-	-	303,303
Other Postemployment Related Amounts	8,904	-	-	8,904
Total Deferred Inflows of Resources	<u>312,207</u>	<u>-</u>	<u>-</u>	<u>312,207</u>
NET POSITION				
Net Investment In Capital Assets	9,979,050	-	-	9,979,050
Unrestricted	949,502	1,109,677	1,412,633	3,471,812
 Total Net Position	 <u>\$ 10,928,552</u>	 <u>\$ 1,109,677</u>	 <u>\$ 1,412,633</u>	 <u>\$ 13,450,862</u>

**CITY OF WAUSAU, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION –
INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2023**

	Motor Pool	Insurance Fund	Employee Benefits Fund	Total
OPERATING REVENUES				
Charges for Services	\$ 4,753,193	\$ 1,235,346	\$ 6,451,420	\$ 12,439,959
Other	-	5,429	24,029	29,458
Total Operating Revenues	<u>4,753,193</u>	<u>1,240,775</u>	<u>6,475,449</u>	<u>12,469,417</u>
OPERATING EXPENSES				
Operation and Maintenance	2,993,093	881,139	6,427,693	10,301,925
Depreciation	1,451,974	-	-	1,451,974
Total Operating Expenses	<u>4,445,067</u>	<u>881,139</u>	<u>6,427,693</u>	<u>11,753,899</u>
OPERATING INCOME	308,126	359,636	47,756	715,518
NONOPERATING REVENUES (EXPENSES)				
Gain on Disposal of Capital Assets	62,502	-	-	62,502
Other Nonoperating Revenues	33,248	-	-	33,248
Total Nonoperating Revenues (Expenses)	<u>95,750</u>	<u>-</u>	<u>-</u>	<u>95,750</u>
CHANGE IN NET POSITION	403,876	359,636	47,756	811,268
Net Position - Beginning of Year	<u>10,524,676</u>	<u>750,041</u>	<u>1,364,877</u>	<u>12,639,594</u>
NET POSITION - END OF YEAR	<u>\$ 10,928,552</u>	<u>\$ 1,109,677</u>	<u>\$ 1,412,633</u>	<u>\$ 13,450,862</u>

CITY OF WAUSAU, WISCONSIN
COMBINING STATEMENT OF CASH FLOW – INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2023

	Motor Pool	Insurance Fund	Employee Benefits Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Interfund Services	\$ 4,767,013	\$ 1,278,491	\$ 6,475,586	\$ 12,521,090
Cash Paid for Employee Wages and Benefits	(916,003)	(900,287)	(6,389,587)	(8,205,877)
Cash Paid to Suppliers	(2,011,007)	-	-	(2,011,007)
Net Cash Provided by Operating Activities	<u>1,840,003</u>	<u>378,204</u>	<u>85,999</u>	<u>2,304,206</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of Capital Assets	(1,945,653)	-	-	(1,945,653)
Sale of Capital Assets	69,435	-	-	69,435
Other Revenue	33,248	-	-	33,248
Net Cash Used by Capital and Related Financing Activities	<u>(1,842,970)</u>	<u>-</u>	<u>-</u>	<u>(1,842,970)</u>
CHANGE IN CASH AND CASH EQUIVALENTS	(2,967)	378,204	85,999	461,236
Cash and Cash Equivalents - Beginning of Year	<u>1,001,921</u>	<u>1,829,923</u>	<u>1,325,273</u>	<u>4,157,117</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 998,954</u>	<u>\$ 2,208,127</u>	<u>\$ 1,411,272</u>	<u>\$ 4,618,353</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating Income	\$ 308,126	\$ 359,636	\$ 47,756	\$ 715,518
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation	1,451,974	-	-	1,451,974
Change in Liability (Asset) and Deferred Outflows and Inflows of Resources:				
Change in Pension Asset (Liability)	352,671	-	-	352,671
Change in Pension Deferred Outflow	(136,047)	-	-	(136,047)
Change in Pension Deferred Inflow	(187,717)	-	-	(187,717)
Change In OPEB Liability	(6,274)	-	-	(6,274)
Change In OPEB Deferred Outflow	1,154	-	-	1,154
Change In OPEB Deferred Inflow	7,294	-	-	7,294
Change In Operating Assets and Liabilities:				
Accounts Receivable	13,820	37,716	137	51,673
Inventories and Prepaid Items	(2,620)	-	-	(2,620)
Accounts Payable	20,756	9,716	-	30,472
Accrued and Other Current liabilities	17,120	-	38,106	55,226
Claims Payable	-	(28,864)	-	(28,864)
Compensated Absences	(254)	-	-	(254)
Net Cash Provided by Operating Activities	<u>\$ 1,840,003</u>	<u>\$ 378,204</u>	<u>\$ 85,999</u>	<u>\$ 2,304,206</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION				
Cash and Cash Equivalents in Current Assets	<u>\$ 998,954</u>	<u>\$ 2,208,127</u>	<u>\$ 1,411,272</u>	<u>\$ 4,618,353</u>

**CITY OF WAUSAU, WISCONSIN
COMBINING STATEMENT OF FIDUCIARY NET POSITION – CUSTODIAL FUNDS
YEAR ENDED DECEMBER 31, 2023**

	Tax Collection Fund	Entrepreneurial & Education Center	Wausau Area Events	Wausau River District	Total
ASSETS					
Cash and Investments	\$ 16,914,328	\$ 290,059	\$ 183,213	\$ -	\$ 17,387,600
Receivables:					
Taxes	30,660,680	-	-	-	30,660,680
Accounts	-	3,219	1,625	-	4,844
Prepaid Expense	-	-	12,500	-	12,500
Total Assets	<u>47,575,008</u>	<u>293,278</u>	<u>197,338</u>	<u>-</u>	<u>48,065,624</u>
LIABILITIES					
Accounts Payable	80,464	25,622	9,818	-	115,904
Other Liabilities	-	19,389	-	-	19,389
Total Liabilities	<u>80,464</u>	<u>45,011</u>	<u>9,818</u>	<u>-</u>	<u>135,293</u>
DEFERRED INFLOWS OF RESOURCES					
Property Taxes Levied for Subsequent Year	<u>47,494,544</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,494,544</u>
NET POSITION					
Restricted	<u>\$ -</u>	<u>\$ 248,267</u>	<u>\$ 187,520</u>	<u>\$ -</u>	<u>\$ 435,787</u>

**CITY OF WAUSAU, WISCONSIN
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – CUSTODIAL FUNDS
 YEAR ENDED DECEMBER 31, 2023**

	Tax Collection Fund	Entrepreneurial & Education Center	Wausau Area Events	Wausau River District	Total
ADDITIONS					
Property Tax Collections	\$ 47,575,008	\$ -	\$ -	\$ -	\$ 47,575,008
Intergovernmental	-	44,100	99,026	38,891	182,017
Public Charges for Service	-	-	219,671	77,896	297,567
Interest and Other Miscellaneous Revenues	-	263,627	155,882	35,042	454,551
Total Additions	47,575,008	307,727	474,579	151,829	48,509,143
DEDUCTIONS					
Payments to Taxing Jurisdictions	47,575,008	-	-	-	47,575,008
Operating and Maintenance	-	199,505	497,498	233,190	930,193
Total Deductions	47,575,008	199,505	497,498	233,190	48,505,201
CHANGE IN NET POSITION	-	108,222	(22,919)	(81,361)	3,942
Net Position - Beginning of Year	-	140,045	210,439	81,361	431,845
NET POSITION - END OF YEAR	<u>\$ -</u>	<u>\$ 248,267</u>	<u>\$ 187,520</u>	<u>\$ -</u>	<u>\$ 435,787</u>

**ADDITIONAL INDEPENDENT AUDITORS' REPORT
FOR BASIC FINANCIAL STATEMENTS**



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

City Council
City of Wausau, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Wausau, Wisconsin, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City of Wausau, Wisconsin's basic financial statements, and have issued our report thereon dated July 31, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Wausau, Wisconsin's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Wausau, Wisconsin's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Wausau, Wisconsin's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Wausau, Wisconsin's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Wausau, Wisconsin
July 31, 2024



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