

**CITY OF WAUSAU
Wausau, Wisconsin**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended
December 31, 2006**

Finance Department
Maryanne Groat, Finance Director / Treasurer
Richard M. Whalen, Assistant Finance Director

**CITY OF WAUSAU, WISCONSIN
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 For the Year Ended December 31, 2006**

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INTRODUCTORY SECTION



August 15, 2007

To the Honorable Mayor, Members of the Common Council, and Citizens of the City of Wausau:

The Comprehensive Annual Financial Report of the City of Wausau for the fiscal year ended December 31, 2006 is hereby submitted.

Management Representations

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The Reporting Entity

The City of Wausau provides a full range of municipal services, including police, fire protection, paramedic, sanitation, water and wastewater, recreation, public works, and administrative support services. In addition, the City facilitates economic and neighborhood development. These services are funded from various sources which include: property taxes, room tax, cable franchise fee, grants, user fees, and revenues from municipally owned utilities. These activities are under the direct oversight responsibility of the Mayor and constitute the primary governmental functions of the City of Wausau. In addition, the City of Wausau is also financially accountable for a legally separate Community Development Authority, which is reported separately as a discretely presented component unit, within the City of Wausau's financial statements.

Profile of the Government

The City of Wausau was incorporated as a city on April 2, 1872. The City is located in north central Wisconsin, approximately 185 miles northwest of Milwaukee, Wisconsin and 175 mile east of Minneapolis/St. Paul, Minnesota. Wausau is the county seat of Marathon County, which is Wisconsin's largest county, covering 1,584 square miles. The City of Wausau covers 18.27 square miles and 229.39 miles of streets. County population per the 2000 census was 125,834 which includes the City's census population of 38,936. The City operates under the mayoral form of government. Policy making and legislative authority are vested in a governing council consisting of twelve alderpersons, elected by district, who serve two-year terms. The elected mayor serves a four-year term.

Financial Information

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statement in conformity with General Accepted Accounting Principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that : (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Budgetary Controls

The annual budget serves as the foundation for the City of Wausau's financial planning and control. Activities of the general fund, certain special revenue funds, debt service fund, capital projects funds and proprietary funds (exclusive of the discretely presented component unit) are included in the City's annual budget. City departments submit their annual budget requests for the ensuing year to the Mayor. After all requests have been reviewed, services prioritized and available resources evaluated, the Mayor submits the budget to the Finance Committee for review, and recommendation to the Common Council. After conducting a public hearing of the budget, the Common Council adopts the budget 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. Costs centers are defined as follows: General Fund at department level, Special Revenue and Capital Projects at program level and Debt Service at total fund level. Expenditures cannot legally exceed appropriations at this level. The City's Finance Director and Mayor may authorize transfers of budgeted amounts within expenditures of a cost center up to \$2,500 for the General Fund and Special Revenue Funds and up to \$20,000 for the Capital Projects Funds. Transfers of all other appropriations require two-thirds (2/3) Common Council approval to amend the budget.

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Wausau operates.

Economic Condition and Outlook/Major Initiatives

Wausau continues to be financially strong. The city uses certain indicators to measure the health of the economy including: building permits issued, unemployment rates, per capita adjusted gross income and equalized value trends. All of these indicators point to continued growth for the community. Commercial growth continues within the central business district and along the major state highways, Interstate 39 and State Highway 29, that intersect the City.

Wausau is a significant regional center for the insurance industry, paper manufacturing, medical facilities, and home construction industry. In addition, the City of Wausau/Marathon County is now ranked 13th in the state for traveler tourism spending. Recent developments initiated or completed in 2006 include construction of a 400,000 square foot Class A office tower along with Wisconsin River in the Central Business District, construction of a state of the art medical facility along the Wisconsin River in the Central Business District, ground breaking on the expansion of the downtown hotel, interior and exterior renovations to the downtown shopping mall.

Independent Audit

City policy is in accordance with state and federal requirements to provide for an annual audit by independent certified public accountants. The accounting firm of Clifton, Gunderson LLP was selected by the City. The independent auditors' report is included in the Financial Section of this report. As part of the examination, the independent auditor is also issuing an internal control letter covering their review of the City's system of internal control.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Wausau for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2005. The Certificate of Achievement is a prestigious national award recognizing the conformance with the highest standards for preparation of the state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. This is the sixth year the City has received a Certificate of Achievement. We believe our current report continues to conform to the Certificate of Achievement program requirements and will submit this report to the GFOA.

Dick Whalen, Assistant Finance Director deserves recognition for his efforts in preparing this year's report. The preparation of this high quality report would not have been possible without his dedication and skills. Credit must also be given to the mayor and council for their interest and support in planning and conducting the fiscal affairs of the City.

Respectfully Submitted,
CITY OF WAUSAU



Maryanne Groat, CPA
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Wausau
Wisconsin

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2005

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

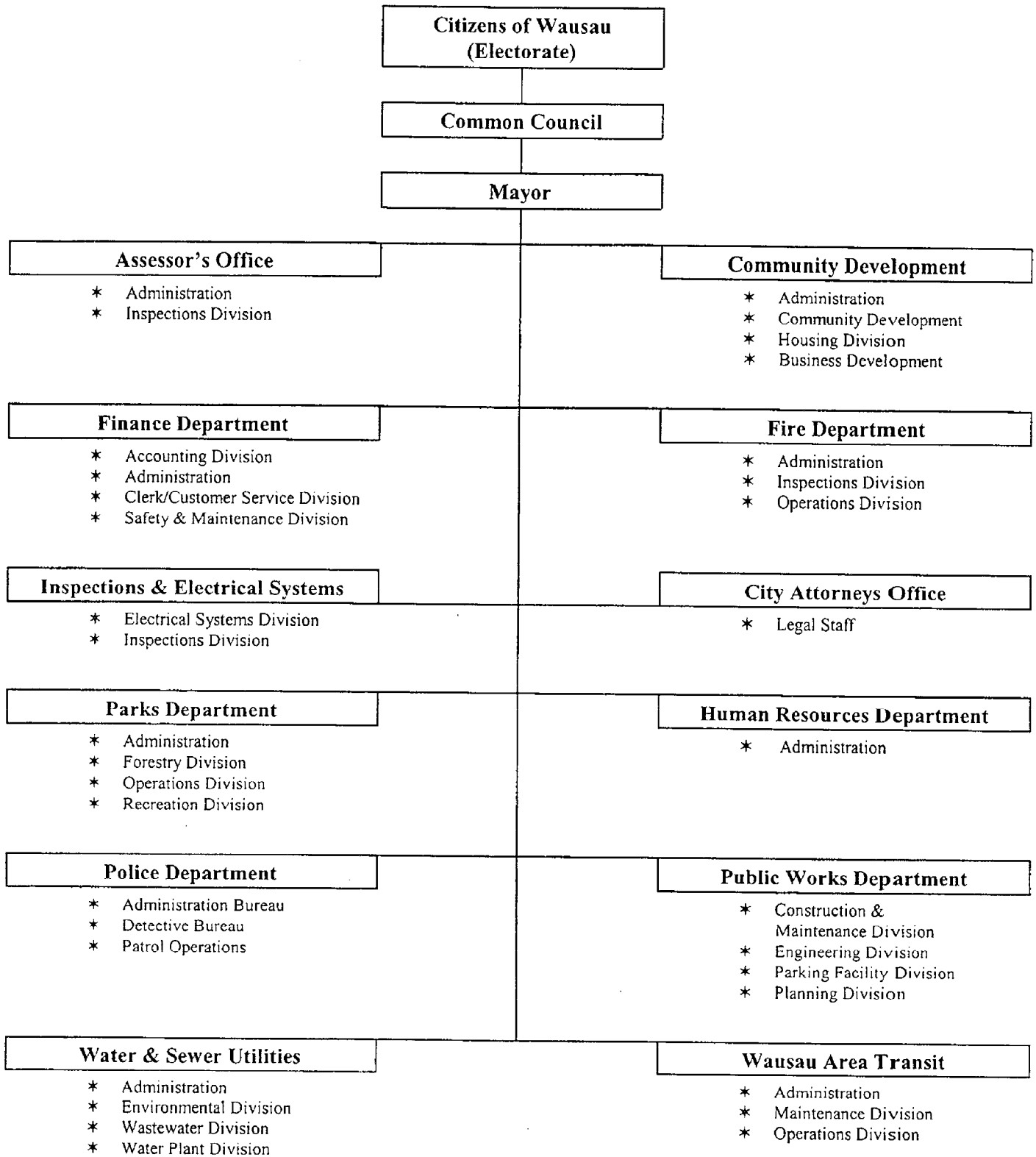


President

Executive Director

CITY OF WAUSAU

Organizational Chart



CITY OF WAUSAU
List of Principal Officials on December 31, 2006

ELECTED

Mayor James E. Tipple
Municipal Judge Phillip Freeburg
Common Council President Debra Hadley

Alderman District

First Jim Rosenberg
Second Debra Hadley
Third Bill Forrest
Fourth Jim Brezinski
Fifth Gary Gisselman
Sixth Gary Klingbeil
Seventh Michelle Ostrowski
Eighth Tom Miller
Ninth DuWayne Herning
Tenth Steve Foley
Eleventh Sherry Abitz
Twelfth Ed Gale

APPOINTED

Finance Director / City Treasurer Maryanne Groat
Assistant Finance Director Richard M. Whalen
City Clerk Kelly Michaels-Saager
City Attorney / Human Resources Director William P. Nagle
Police Chief Jeff Hardel
Fire Chief Gary Buchberger
City Assessor Nan Giese
City Engineers Bradley Marquardt/Tony Lehman
Chief Inspector & Zoning Administrator Gordon Popko
Community Development Director Mike Morrissey
Parks Director Bill Duncanson
Director of Administration-Public Works & Utilities Joseph Gehin
Airport Manager John Chmiel
Transit Lines Manager Greg Seubert

FINANCIAL SECTION



Independent Auditor's Report

The Honorable Mayor and
Members of the Common Council
City of Wausau
Wausau, Wisconsin

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 City of Wausau, Wisconsin as of and for the year ended December 31, 2006 which collectively comprise City of Wausau, Wisconsin's basic financial statements as listed in the table of contents. These financial statements are the responsibility of City of Wausau, Wisconsin's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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 City of Wausau, Wisconsin as of December 31, 2006, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 16, 2007 on our consideration of 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 3 through 11 and budgetary comparison information on page 64 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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 statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The introductory section and statistical tables listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Clifton Henderson LLP

Stevens Point, Wisconsin
August 16, 2007

CITY OF WAUSAU, WISCONSIN MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Wausau (City) presents the following discussion and analysis of the City's financial performance during the fiscal year ended December 31, 2006. 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 of the City exceeded its liabilities at the close of the most recent fiscal year by \$131,368,403.
- The City's total net assets increased by \$8,649,470.
- As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$16,856,558, a decrease of \$6,297,144 from the prior year. This decrease is attributed to the spend down of the 2005 capital borrowing proceeds and the 2004 cross-over debt refunding. The total unreserved fund balance of \$10,538,817 is available for spending at the City's discretion.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$8,011,044, or 30.25% of expenditures. Of this amount, \$2,037,491 is designated and \$5,973,553 is undesignated. The General Fund is in compliance with the City's fund balance policy at December 31, 2006.
- The City of Wausau's total general obligation debt decreased \$6,692,714 or 12.24%. This reflects the City's debt management efforts.
- The City established a Parking Utility Fund to account for all of the financial transactions related to the parking services and parking enforcement efforts of the City. Previously these efforts were reported in the General Fund while capital expenditures were accounted for in the Capital Projects Fund. This change will improve financial information available to management as it makes decisions regarding services, operations, facilities and customer charges.

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 of Wausau'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 themselves.

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 Assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 non-financial factors such as changes in the City's property tax base and the condition of the City's infrastructure.

The *Statement of Activities* presents information showing how the City's net assets changed during the fiscal year. All changes in net assets 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 and wastewater utilities.

The City's financial reporting includes the 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 12-14 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 non-major 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.

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-three 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, the Debt Service Fund, TID #3 Downtown Development Fund and the Capital Improvements Fund, all of which are considered to be major funds. Data for the other twenty 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 statements for the general fund are included in the required supplementary information. These statements demonstrate compliance with the City's adopted and final revised budget.

The basic governmental fund financial statements are presented on pages 15-17 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 parking, water and wastewater funds. The City's internal service fund, the Motor Pool Fund, is used to accumulate and allocate costs internally among the City's various functions. Because the City's internal service fund primarily serves governmental functions, it has been included within the governmental activities of the government-wide financial statements.

Proprietary fund financial statements provide separate and more detailed information for the parking, water, wastewater and internal service funds.

The basic proprietary fund financial statements can be found on pages 18-22 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 23-24 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 25 of this report.

Other information is provided in addition to the basic financial statements and accompanying notes. This supplementary information consists of combining and individual fund schedules which can be found on pages 65-91 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The City of Wausau's net assets at fiscal year-end are \$131,368,403.

By far, the largest portion of the City of Wausau's net assets (85.5 percent) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment), 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.

| | Governmental Activities | | Business-type Activities | | Total | |
|---|-------------------------|---------------|--------------------------|---------------|----------------|----------------|
| | 2006 | 2005 | 2006 | 2005 | 2006 | 2005 |
| Current and other assets | \$ 90,758,582 | \$ 95,220,890 | \$ 7,961,446 | \$ 6,211,006 | \$ 98,720,028 | \$ 101,431,896 |
| Capital assets | 73,874,213 | 90,123,989 | 87,379,588 | 62,655,612 | 161,253,801 | 152,779,601 |
| Total assets | 164,632,795 | 185,344,879 | 95,341,034 | 68,866,618 | 259,973,829 | 254,211,497 |
| Long-term liabilities | 52,292,130 | 58,964,579 | 10,977,861 | 9,429,205 | 63,269,991 | 68,393,784 |
| Other liabilities | 65,001,058 | 62,715,307 | 334,377 | 383,473 | 65,335,435 | 63,098,780 |
| Total liabilities | 117,293,188 | 121,679,886 | 11,312,238 | 9,812,678 | 128,605,426 | 131,492,564 |
| Net assets: | | | | | | |
| Invested in capital assets, net of related debt | 35,633,500 | 37,208,205 | 76,721,443 | 51,075,070 | 112,354,943 | 88,283,275 |
| Restricted | 3,596,784 | 7,028,259 | 3,986,878 | 4,458,382 | 7,583,662 | 11,486,641 |
| Unrestricted | 8,109,323 | 19,428,529 | 3,320,475 | 3,520,488 | 11,429,798 | 22,949,017 |
| Total net assets | \$ 47,339,607 | \$ 63,664,993 | \$ 84,028,796 | \$ 59,053,940 | \$ 131,368,403 | \$ 122,718,933 |

An additional portion of the City's net assets (5.7%) represents resources that are subject to external restrictions on how they may be used. The remaining balance represents unrestricted net assets of \$11,429,798 which may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Wausau is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business type activities. The City's total net assets increased by \$8,649,470 during the current fiscal year.

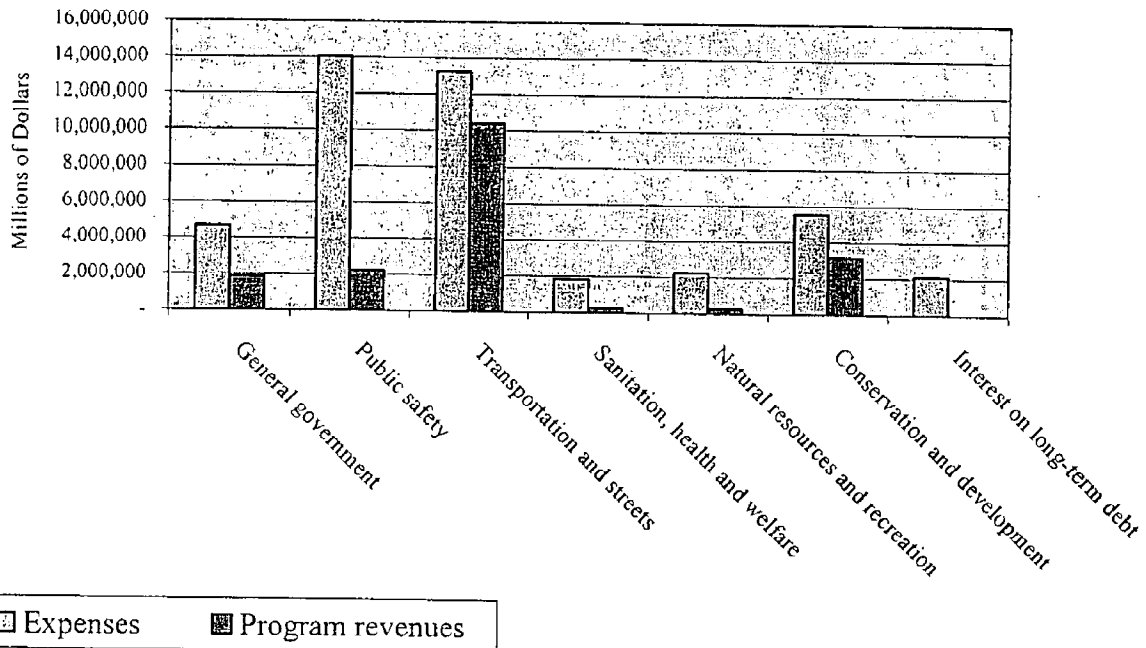
The changes by net asset category are as follows:

| | |
|--|--------------------|
| Net assets invested in capital assets, net of related debt | 24,071,668 |
| Restricted | (3,902,979) |
| Unrestricted | (11,519,219) |
| Total | <u>\$8,649,470</u> |

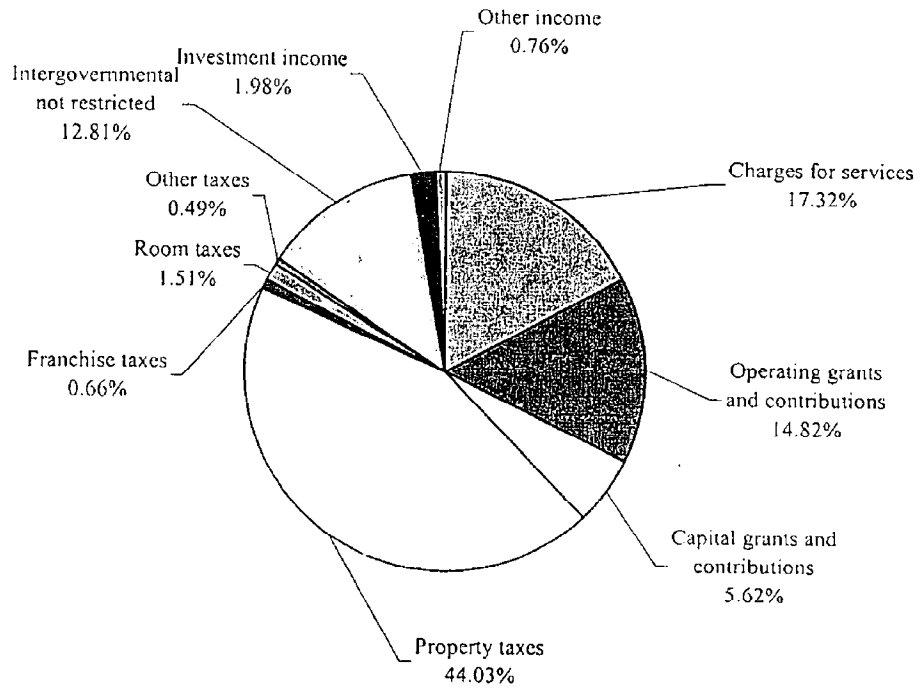
The following table provides a summary of the City's operations for the year ended December 31, 2006 and a comparison to December 31, 2005.

| CITY OF WAUSAU'S CHANGES IN NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2006 | | | | | | |
|--|-----------------------|---------------------|--------------------------|---------------------|----------------------|----------------------|
| | Government Activities | | Business-type Activities | | Total | |
| | 2006 | 2005 | 2006 | 2005 | 2006 | 2005 |
| Revenues: | | | | | | |
| Program Revenues | | | | | | |
| Charges for services | \$8,346,347 | \$7,898,252 | \$9,676,524 | \$7,742,851 | \$18,022,871 | \$15,641,103 |
| Operating grants and contributions | 7,138,318 | 7,444,513 | | | 7,138,318 | 7,444,513 |
| Capital grants and contributions | 2,708,386 | 2,429,797 | 2,115,497 | 2,541,168 | 4,823,883 | 4,970,965 |
| General Revenues | | | | | | |
| Property taxes | 21,211,012 | 20,453,967 | 333,632 | | 21,544,644 | 20,453,967 |
| Franchise taxes | 316,002 | 306,132 | | | 316,002 | 306,132 |
| Room taxes | 726,495 | 710,520 | | | 726,495 | 710,520 |
| Other taxes | 235,255 | 214,122 | | | 235,255 | 214,122 |
| Grants and contributions not restricted to specific purposes | 6,173,713 | 6,393,727 | | | 6,173,713 | 6,393,727 |
| Investment Income | 954,555 | 810,153 | 226,023 | 150,923 | 1,180,578 | 961,076 |
| Other | 366,821 | 359,382 | 80,206 | 657 | 447,027 | 360,039 |
| Total Revenues | <u>48,176,904</u> | <u>47,020,565</u> | <u>12,431,882</u> | <u>10,435,599</u> | <u>60,608,786</u> | <u>57,456,164</u> |
| Expenses | | | | | | |
| General Government | 4,622,132 | 4,202,725 | | | 4,622,132 | 4,202,725 |
| Public Safety | 14,030,085 | 13,341,781 | | | 14,030,085 | 13,341,781 |
| Transportation and streets | 13,247,438 | 14,511,592 | 1,540,251 | | 14,787,689 | 16,051,843 |
| Sanitation, health and welfare | 1,834,002 | 1,761,656 | | | 1,834,002 | 1,761,656 |
| Natural resources and recreation | 2,248,861 | 2,303,364 | | | 2,248,861 | 2,303,364 |
| Economic development | 5,538,980 | 3,390,715 | | | 5,538,980 | 3,390,715 |
| Other | 0 | 0 | | | 0 | 0 |
| Interest on long term debt | 2,124,013 | 2,279,157 | | | 2,124,013 | 2,279,157 |
| Water | | | 2,976,625 | 3,046,366 | 2,976,625 | 3,046,366 |
| Wastewater | | | 3,796,929 | 3,724,228 | 3,796,929 | 3,724,228 |
| Total Expenses | <u>43,645,511</u> | <u>41,790,990</u> | <u>8,313,805</u> | <u>6,770,594</u> | <u>51,959,316</u> | <u>50,101,835</u> |
| Increase in net assets before transfers | 4,531,393 | 5,229,575 | 4,118,077 | 3,665,005 | 8,649,470 | 8,894,580 |
| Transfers | (20,856,779) | 1,086,471 | 20,856,779 | (1,086,471) | 0 | 0 |
| Increase in net assets | <u>(16,325,386)</u> | <u>6,316,046</u> | <u>24,974,856</u> | <u>2,578,534</u> | <u>8,649,470</u> | <u>8,894,580</u> |
| Net assets - January 1 2006 | 63,664,993 | 57,348,947 | 59,053,940 | 56,475,406 | 122,718,933 | 113,824,353 |
| Net assets - December 31 2006 | <u>\$47,339,607</u> | <u>\$63,664,993</u> | <u>\$84,028,796</u> | <u>\$59,053,940</u> | <u>\$131,368,403</u> | <u>\$122,718,933</u> |

Expenses and Program Revenues - Governmental Activities

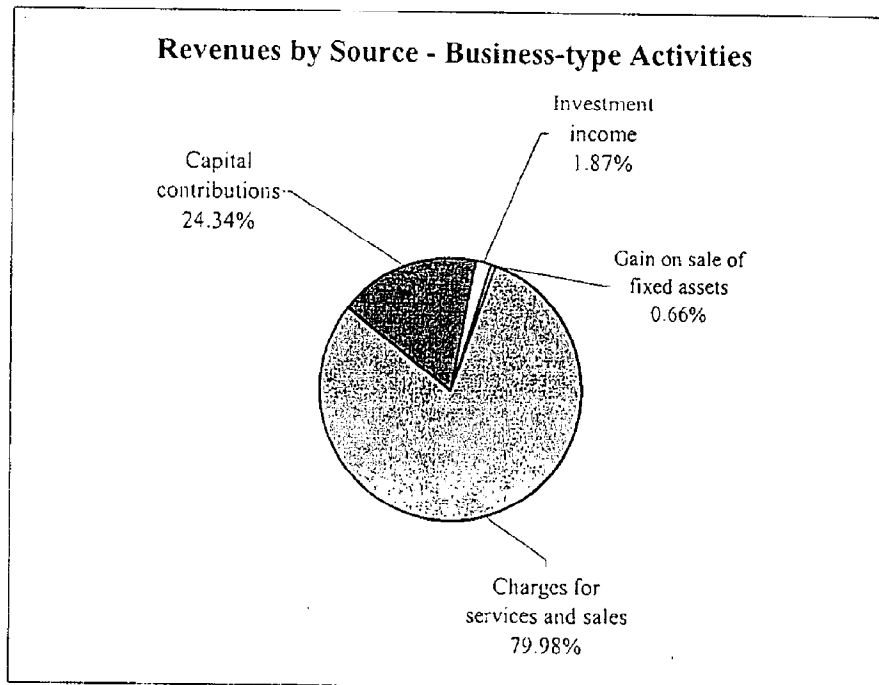
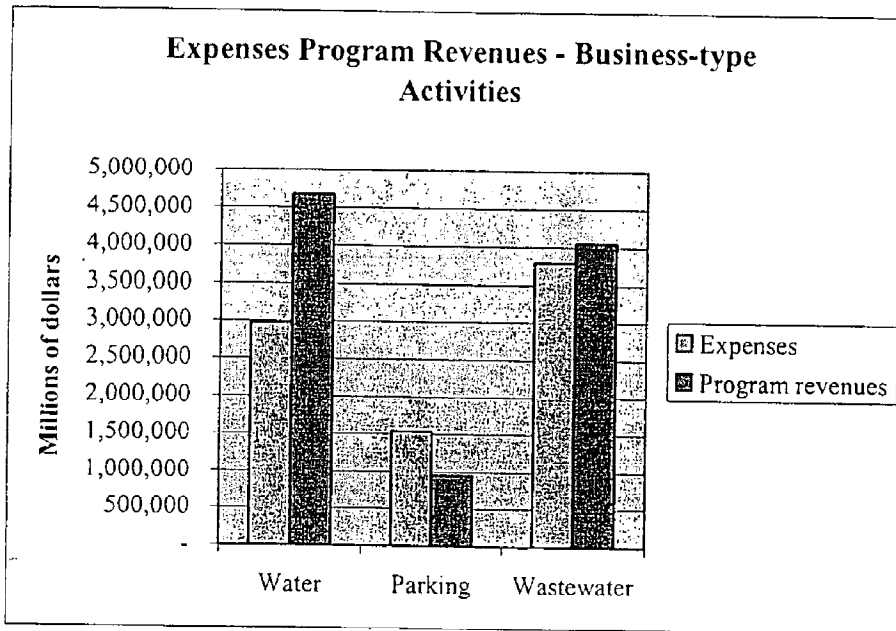


Program and General Revenues by Source - Governmental Activities



Business-type activities increased the City of Wausau's net assets by \$24,974,856. Key elements of the increase are as follows:

Operating income was \$1,835,097, an increase of \$349,951 which is due to the addition of the parking utility. Operating expenses increased \$1,583,722 from the prior year. This also reflects the addition of the parking utility which attributed to \$1,540,251 of the increase. The most significant change in net assets, \$21,969,837, was due to the transfer of the parking utility capital assets from the government activities to enterprise fund classification.



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, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the City of Wausau's governmental funds reported combined ending fund balance of \$16,856,558, a decrease of \$6,297,144 from the prior year. This decrease is attributed to the spend down of the 2005 debt proceeds and the 2004 crossover refunding. The total unreserved fund balance of \$10,538,817 is available for spending at the City's discretion. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed to: offset long term advances to other funds \$2,619,766, offset inventories and prepayments \$606,620, committed to service debt \$2,193,326, committed to trust purposes \$398,029, and contingencies \$500,000.

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 decreased \$938,505 to \$11,578,309. This is a planned decrease as the City has been annually transferring funds to capital projects to supplement redevelopment efforts in the central business district. The City is utilizing resources made available by special revenue fund advance repayments for these transfers. This has not had a negative impact on the undesignated fund balance which was \$5,973,553 at year-end which represents a \$325,811 increase from 2005. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balances represents 30.25 percent of general fund expenditures, while total fund balance represents 43.73 percent of the same amount.

The Debt Service fund balance of \$636,877 is fully reserved. The net decrease in fund balance during the current year in the debt service fund was \$3,351,055. This significant reduction reflects the 2004 cross-over debt refunding paid in 2006.

TID #3 Downtown Development fund balance of \$828,970 represents unexpended proceeds from long-term debt. These funds will be depleted as projects are completed.

Capital Improvements fund balance of \$2,179,472 represents unexpended capital projects in process. These projects will be completed in 2007.

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.

General Fund Budgetary Highlights

The final budget increased \$123,139 due to common council authorization to carry forward unexpended budget line items from the 2005 budget into 2006. The majority of this action involved funding for small projects in process.

- General Fund expenditures and other financing uses exceeded budget by \$69,666. Savings occurred within all categories but for sanitation garbage and refuse collection which exceeded budget by \$34,761 and the transfer to TID#3 exceeded budget by \$957,577.
- General Fund revenues and other financing sources exceeded budget expectations by \$681,835. The most significant budget variations occurred in licenses and permits of \$69,238, taxes \$177,140, fines and forfeitures \$57,669, public charges for services \$403,074 and intergovernmental charges \$171,055. These positive variances were offset by shortcomings in interest income and miscellaneous revenues of \$47,190 and \$391,409 respectively.

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, 2006 was \$161,253,801. This investment in capital assets includes land, buildings and improvements,

machinery, equipment, infrastructure placed in service after 2001 and construction in progress. The total increase in net capital assets for the current fiscal year was \$8,474,200 or 5%.

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

Governmental Activities

- Land for right of way and street projects \$1,760,949.
- Motor Pool additions \$1,115,704.
- Various road projects totaling \$4,209,847.

Business-use Activities

- The Wastewater Utility distribution and infrastructure system increased \$1,832,003.
- Water Utility installed water mains and other system support totaling \$1,981,618.
- The Parking Utility, created in 2006 reported capital assets of \$28,365,210.

City of Wausau
Capital Assets
(net of accumulated depreciation)

| | Governmental Activities | | Business-type Activities | | Total | |
|-----------------------------|-------------------------|----------------------|--------------------------|---------------------|-----------------------|-----------------------|
| | 2006 | 2005 | 2006 | 2005 | 2006 | 2005 |
| Land | \$28,315,222 | \$ 26,272,052 | \$ 2,344,038 | \$ 2,344,038 | \$ 30,659,260 | \$ 28,616,090 |
| Buildings and improvements | 12,713,404 | 13,278,622 | 24,145,132 | 25,012,795 | 36,858,536 | 38,291,417 |
| Machinery and equipment | 6,216,954 | 5,711,999 | 6,679,462 | 6,882,116 | 12,896,416 | 12,594,115 |
| Infrastructure | 25,807,969 | 22,482,836 | 54,140,955 | 49,965,072 | 79,948,924 | 72,447,908 |
| Investment in Joint Venture | 174,152 | 175,155 | - | - | 174,152 | 175,155 |
| Construction in progress | 646,512 | 217,123 | 70,001 | 437,792 | 716,513 | 654,915 |
| Total | \$73,874,213 | \$ 68,137,787 | \$87,379,588 | \$84,641,813 | \$ 161,253,801 | \$ 152,779,600 |

Additional information on the City of Wausau's capital assets can be found in Note 4.C. on pages 43-45 of this report.

Long Term Debt

At the end of the current fiscal year, the City of Wausau had total bonded debt outstanding of \$58,630,494. Of this amount \$51,415,494 comprises debt backed by the full faith and credit of the City of Wausau. The remainder, \$7,215,000 represents bonds secured solely by specified revenue sources (revenue bonds).

City of Wausau's Outstanding Debt

| | Governmental Activities | | Business-type Activities | | Total | |
|-------------------------|-------------------------|---------------------|--------------------------|---------------------|----------------------|----------------------|
| | 2006 | 2005 | 2006 | 2005 | 2006 | 2005 |
| General obligation debt | \$47,952,653 | \$54,645,367 | \$ 3,462,841 | \$ 658,131 | \$ 51,415,494 | \$ 55,303,498 |
| Revenue bonds | | | 7,215,000 | 8,455,000 | 7,215,000 | 8,455,000 |
| Total | \$47,952,653 | \$54,645,367 | \$10,677,841 | \$ 9,113,131 | \$ 58,630,494 | \$ 63,758,498 |

In 2006 the City issued debt as follows:

- 2006 Promissory Note Series A \$5,765,000, this debt financed the City's capital improvements as outlined by the Capital Improvement Plan adopted by the common council.

The City maintained its Aa3 rating from Moody's Investors Service for general obligation issues. The City of Wausau Sewer System Refunding Revenue Bonds issued in 2001 received a Moody's rating of A1. The City of Wausau Water System

Revenue Bonds issued in 1999 received a Moody's rating of A1. This issue with insurance was marketed with an AAA rating.

Additional information regarding the City of Wausau's long-term debt can be found in Note 4 .E. on pages 47-50 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 consistently maintains unemployment rates below state average. The 2006 annual average unemployment rate for the Wausau area was 4.7% while the State of Wisconsin annual average was 4.9%. In addition, inflationary trends in the region compare favorably to national indices. Equalized values have steadily increased, and construction permits have been very strong.

These factors were considered in preparing the City of Wausau's budget for 2006.

During the current fiscal year, unreserved – undesignated fund balance within the general fund increased to \$5,973,553. Similar to past years, The City of Wausau appropriated \$1,500,000 of surplus for spending in the adopted 2007 budget. It is intended that this use of available fund balance will stabilize the tax rate during 2007. Subsequently at year ended December 31, 2006 this appropriation was supplemented by Council resolution to provide an additional allocation of \$22,900 of funds for the continuation of projects in progress.

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 ASSETS
December 31, 2006

| | Primary Government | | | Component Unit |
|---|-------------------------|--------------------------|-----------------------|----------------------|
| | Governmental Activities | Business-Type Activities | Total | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 17,731,508 | \$ 1,030,122 | \$ 18,761,630 | \$ 1,484,649 |
| Investments | 13,839,542 | - | 13,839,542 | 708,195 |
| Receivables (net of allowance for uncollectible accounts) | 57,946,479 | 2,824,966 | 60,771,445 | 1,006,655 |
| Inventories and prepayments | 606,620 | 86,495 | 693,115 | 500 |
| Deferred charges | 634,433 | - | 634,433 | - |
| Restricted assets: | | | | |
| Cash and investments | - | 4,019,863 | 4,019,863 | 35,018 |
| Capital assets (net of accumulated depreciation) | | | | |
| Land | 28,315,222 | 2,344,038 | 30,659,260 | 1,008,489 |
| Buildings and improvements | 12,713,404 | 24,145,132 | 36,858,536 | 7,542,685 |
| Machinery and equipment | 6,216,954 | 6,679,462 | 12,896,416 | 188,360 |
| Infrastructure | 25,807,969 | 54,140,955 | 79,948,924 | - |
| Investment in joint venture | 174,152 | - | 174,152 | - |
| Construction in progress | 646,512 | 70,001 | 716,513 | - |
| TOTAL ASSETS | <u>164,632,795</u> | <u>95,341,034</u> | <u>259,973,829</u> | <u>11,974,551</u> |
| LIABILITIES | | | | |
| Accounts payable and other current liabilities | 3,151,845 | 301,392 | 3,453,237 | 311,289 |
| Accrued interest payable | 491,548 | 32,985 | 524,533 | - |
| Due to other governments | 38,491,739 | - | 38,491,739 | - |
| Unearned revenue | 22,865,926 | - | 22,865,926 | 188,039 |
| Noncurrent liabilities: | | | | |
| Due within one year | 8,245,673 | 1,805,424 | 10,051,097 | 153,134 |
| Due in more than one year | 44,046,457 | 9,172,437 | 53,218,894 | 338,780 |
| TOTAL LIABILITIES | <u>117,293,188</u> | <u>11,312,238</u> | <u>128,605,426</u> | <u>991,242</u> |
| NET ASSETS | | | | |
| Invested in capital assets, net of related debt | 35,633,500 | 76,721,443 | 112,354,943 | 8,247,620 |
| Restricted for: | | | | |
| Debt service | 2,711,622 | 2,488,570 | 5,200,192 | - |
| Capital improvements | 463,731 | 1,498,308 | 1,962,039 | - |
| Other purposes | 421,431 | - | 421,431 | 367,593 |
| Unrestricted | 8,109,323 | 3,320,475 | 11,429,798 | 2,368,096 |
| TOTAL NET ASSETS | <u>\$ 47,339,607</u> | <u>\$ 84,028,796</u> | <u>\$ 131,368,403</u> | <u>\$ 10,983,309</u> |

The notes to the financial statements are an integral part of this statement.

CITY OF WAUSAU, WISCONSIN
STATEMENT OF ACTIVITIES
Year Ended December 31, 2006

| <u>Functions/Programs</u> | <u>Expenses</u> | <u>Program Revenues</u> | | |
|----------------------------------|----------------------|-----------------------------|---|---|
| | | <u>Charges for Services</u> | <u>Operating Grants and Contributions</u> | <u>Capital Grants and Contributions</u> |
| Primary government: | | | | |
| Governmental activities: | | | | |
| General government | \$ 4,622,132 | \$ 1,777,260 | \$ 64,384 | \$ - |
| Public safety | 14,030,085 | 1,786,014 | 435,352 | - |
| Transportation and streets | 13,247,438 | 3,293,605 | 4,582,601 | 2,506,015 |
| Sanitation, health and welfare | 1,834,002 | 116,176 | 179,936 | - |
| Natural resources and recreation | 2,248,861 | 209,163 | 74,068 | - |
| Economic development | 5,538,980 | 1,164,129 | 1,801,977 | 202,371 |
| Interest on long-term debt | 2,124,013 | - | - | - |
| Total governmental activities | <u>43,645,511</u> | <u>8,346,347</u> | <u>7,138,318</u> | <u>2,708,386</u> |
| Business-type activities: | | | | |
| Water | 2,976,625 | 4,676,062 | - | 960,172 |
| Wastewater | 3,796,929 | 4,052,274 | - | 1,107,678 |
| Parking | 1,540,251 | 948,188 | - | 47,647 |
| Total business-type activities | <u>8,313,805</u> | <u>9,676,524</u> | <u>-</u> | <u>2,115,497</u> |
| Total primary government | <u>\$ 51,959,316</u> | <u>\$ 18,022,871</u> | <u>\$ 7,138,318</u> | <u>\$ 4,823,883</u> |
| Component unit: | | | | |
| Community Development Authority | <u>\$ 3,090,299</u> | <u>\$ 1,211,437</u> | <u>\$ 1,643,402</u> | <u>\$ 156,531</u> |

General revenues:

- Property taxes, levied for general purposes
- Property taxes, levied for debt service
- Property taxes, levied for capital purposes
- Property taxes, levied for TIF
- Franchise taxes
- Room taxes
- Other taxes
- Grants and contributions not restricted to specific purposes
- Investment income
- Miscellaneous
- Gain on sale of capital assets

Transfers

Total general revenues and transfers

Change in net assets

Net assets - beginning

Net assets - ending

**Net (Expense) Revenue and
Changes in Net Assets**

| Primary Government | | | |
|------------------------------------|-------------------------------------|-----------------------|---------------------------|
| Governmental Activities | Business-Type Activities | Total | Component Unit |
| \$ (2,780,488) | \$ - | \$ (2,780,488) | \$ - |
| (11,808,719) | - | (11,808,719) | - |
| (2,865,217) | - | (2,865,217) | - |
| (1,537,890) | - | (1,537,890) | - |
| (1,965,630) | - | (1,965,630) | - |
| (2,370,503) | - | (2,370,503) | - |
| (2,124,013) | - | (2,124,013) | - |
| <u>(25,452,460)</u> | <u>-</u> | <u>(25,452,460)</u> | <u>-</u> |
| - | 2,659,609 | 2,659,609 | - |
| - | 1,363,023 | 1,363,023 | - |
| - | (544,416) | (544,416) | - |
| - | <u>3,478,216</u> | <u>3,478,216</u> | - |
| <u>(25,452,460)</u> | <u>3,478,216</u> | <u>(21,974,244)</u> | - |
| - | - | - | (78,929) |
| 11,739,324 | 333,632 | 12,072,956 | - |
| 4,156,866 | - | 4,156,866 | - |
| 1,741,685 | - | 1,741,685 | - |
| 3,573,137 | - | 3,573,137 | - |
| 316,002 | - | 316,002 | - |
| 726,495 | - | 726,495 | - |
| 235,255 | - | 235,255 | - |
| 6,173,713 | - | 6,173,713 | - |
| 954,555 | 226,023 | 1,180,578 | 88,549 |
| 309,620 | - | 309,620 | - |
| 57,201 | 80,206 | 137,407 | - |
| <u>(20,856,779)</u> | <u>20,856,779</u> | <u>-</u> | <u>-</u> |
| <u>9,127,074</u> | <u>21,496,640</u> | <u>30,623,714</u> | <u>88,549</u> |
| (16,325,386) | 24,974,856 | 8,649,470 | 9,620 |
| <u>63,664,993</u> | <u>59,053,940</u> | <u>122,718,933</u> | <u>10,973,689</u> |
| <u>\$ 47,339,607</u> | <u>\$ 84,028,796</u> | <u>\$ 131,368,403</u> | <u>\$ 10,983,309</u> |

The notes to the financial statements are an integral part of this statement.

CITY OF WAUSAU, WISCONSIN
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2006

| | General | Debt Service | TID #3 Downtown Development | Capital Improvements | Other Governmental Funds | Total Governmental Funds |
|--|----------------------|---------------------|-----------------------------------|-------------------------|--------------------------------|--------------------------------|
| ASSETS | | | | | | |
| Cash and cash equivalents | \$ 10,453,776 | \$ 636,877 | \$ 1,278,473 | \$ 1,548,555 | \$ 3,813,827 | \$ 17,731,508 |
| Investments | 13,241,246 | - | - | - | 598,296 | 13,839,542 |
| Receivables (net of allowance for uncollectible accounts): | | | | | | |
| Taxes | 34,095,900 | 4,156,866 | 992,593 | 2,028,756 | 4,318,400 | 45,592,515 |
| Delinquent personal property tax | 70,064 | - | - | - | - | 70,064 |
| Accounts | 971,134 | - | 2,999 | 163,426 | 384,981 | 1,522,540 |
| Notes | - | - | - | - | 7,273,091 | 7,273,091 |
| Federal and state grants | - | - | - | 354,235 | 1,538,095 | 1,892,330 |
| Special assessments | 564,667 | - | - | 680,072 | - | 1,244,739 |
| Interest | 203,804 | - | - | - | - | 203,804 |
| Due from other funds | 1,852,809 | - | - | - | 37,857 | 1,890,666 |
| Advances to other funds | 2,619,766 | - | - | - | - | 2,619,766 |
| Inventories and prepayments | 447,499 | - | - | - | 159,121 | 606,620 |
| TOTAL ASSETS | \$ 64,520,665 | \$ 4,793,743 | \$ 2,274,065 | \$ 4,775,044 | \$ 18,123,668 | \$ 94,487,185 |

LIABILITIES AND FUND BALANCES

| | | | | | | |
|------------------------------|-------------------|------------------|------------------|------------------|-------------------|-------------------|
| Liabilities: | | | | | | |
| Accounts payable | \$ 583,084 | \$ - | \$ 136,195 | \$ 67,629 | \$ 369,727 | \$ 1,156,635 |
| Contracts payable | - | - | 316,307 | 17,822 | - | 334,129 |
| Accrued payroll and benefits | 2,616,923 | - | - | - | 207,962 | 2,824,885 |
| Due to other governments | 38,491,739 | - | - | - | - | 38,491,739 |
| Deferred revenue | 11,250,610 | 4,156,866 | 992,593 | 2,510,121 | 11,692,559 | 30,602,749 |
| Due to other funds | - | - | - | - | 1,600,724 | 1,600,724 |
| Advances from other funds | - | - | - | - | 2,619,766 | 2,619,766 |
| Total Liabilities | 52,942,356 | 4,156,866 | 1,445,095 | 2,595,572 | 16,490,738 | 77,630,627 |

Fund balances:

| | | | | | | |
|----------------------------|-------------------|----------------|----------------|------------------|------------------|-------------------|
| Reserved | 3,567,265 | 636,877 | - | - | 2,113,599 | 6,317,741 |
| Unreserved, reported in: | | | | | | |
| General fund | 8,011,044 | - | - | - | - | 8,011,044 |
| Special revenue funds | - | - | - | - | 1,149,999 | 1,149,999 |
| Capital project funds | - | - | 828,970 | 2,179,472 | (1,630,668) | 1,377,774 |
| Total Fund Balances | 11,578,309 | 636,877 | 828,970 | 2,179,472 | 1,632,930 | 16,856,558 |

TOTAL LIABILITIES

AND FUND BALANCES **\$ 64,520,665** **\$ 4,793,743** **\$ 2,274,065** **\$ 4,775,044** **\$ 18,123,668**

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

| | |
|--|--------------|
| Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds. | 70,736,849 |
| Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds. | 7,879,625 |
| An internal service fund is used to charge the costs of motor pool expenses to individual funds. Assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets. | 2,695,868 |
| Long-term liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds. | (50,829,293) |

Net assets of governmental activities

\$ 47,339,607

The notes to the financial statements are an integral part of this statement.

CITY OF WAUSAU, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended December 31, 2006

| | General | Debt Service | TID #3 Downtown Development | Capital Improvements | Other Governmental Funds | Total Governmental Funds |
|--|----------------------|--------------------|-----------------------------------|-------------------------|--------------------------------|--------------------------------|
| REVENUES | | | | | | |
| Taxes | \$ 11,041,433 | \$ 4,156,866 | \$ 831,571 | \$ 1,741,685 | \$ 4,401,207 | \$ 22,172,762 |
| Special assessments | 31,774 | - | - | 472,496 | - | 504,270 |
| Intergovernmental | 8,533,152 | - | 171,695 | 2,318,596 | 4,541,091 | 15,564,534 |
| Licenses and permits | 715,458 | - | - | - | 35,921 | 751,379 |
| Fines, forfeitures and penalties | 364,019 | - | - | - | - | 364,019 |
| Public charges for services | 1,993,258 | - | - | - | 543,793 | 2,537,051 |
| Intergovernmental charges for services | 980,846 | - | - | - | - | 980,846 |
| Commercial revenues | 983,357 | 1,173 | 65,158 | 14,332 | 1,064,898 | 2,128,918 |
| Miscellaneous revenues | 384,086 | 268,984 | 12,481 | - | 435,444 | 1,100,995 |
| Total Revenues | 25,027,383 | 4,427,023 | 1,080,905 | 4,547,109 | 11,022,354 | 46,104,774 |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General government | 3,733,801 | - | - | - | 627,067 | 4,360,868 |
| Public safety | 13,343,383 | - | - | - | 220,141 | 13,563,524 |
| Transportation and streets | 6,273,065 | - | - | - | 3,447,312 | 9,720,377 |
| Sanitation, health and welfare | 1,139,761 | - | - | - | 633,461 | 1,773,222 |
| Natural resources and recreation | 1,986,127 | - | - | - | 32,658 | 2,018,785 |
| Economic development | - | - | - | - | 5,393,409 | 5,393,409 |
| Capital outlay | - | - | 1,301,728 | 6,162,780 | 701,620 | 8,166,128 |
| Debt service: | | | | | | |
| Principal retirement | - | 6,123,812 | - | - | - | 6,123,812 |
| Interest and debt service charges | - | 2,099,721 | - | - | - | 2,099,721 |
| Total Expenditures | 26,476,137 | 8,223,533 | 1,301,728 | 6,162,780 | 11,055,668 | 53,219,846 |
| Excess (Deficiency) of Revenues over Expenditures | (1,448,754) | (3,796,510) | (220,823) | (1,615,671) | (33,314) | (7,115,072) |
| OTHER FINANCING | | | | | | |
| SOURCE (USES) | | | | | | |
| Issuance of debt | - | - | - | 2,401,098 | 350,000 | 2,751,098 |
| Discount on debt issued | - | - | - | (4,831) | (700) | (5,531) |
| Payment to bond escrow agent | - | (3,320,000) | - | - | - | (3,320,000) |
| Transfers in | 1,467,826 | 3,765,455 | 1,805,970 | 152,000 | 191,835 | 7,383,086 |
| Transfers out | (957,577) | - | (2,975,011) | (25,465) | (2,032,672) | (5,990,725) |
| Total Other Financing Sources (Uses) | 510,249 | 445,455 | (1,169,041) | 2,522,802 | (1,491,537) | 817,928 |
| Net change in Fund Balance | (938,505) | (3,351,055) | (1,389,864) | 907,131 | (1,524,851) | (6,297,144) |
| Fund balances - beginning | 12,516,814 | 3,987,932 | 2,218,834 | 1,272,341 | 3,157,781 | 23,153,702 |
| Fund balances - ending | \$ 11,578,309 | \$ 636,877 | \$ 828,970 | \$ 2,179,472 | \$ 1,632,930 | \$ 16,856,558 |

The notes to the financial statements are an integral part of this statement.

CITY OF WAUSAU, WISCONSIN
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2006

| | |
|--|-------------------------------|
| Net change in fund balances - total governmental funds | \$ (6,297,144) |
| 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 these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays, net of disposals, exceeded depreciation in the current period. | 5,415,761 |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | (182,059) |
| The issuance of long-term debt (e.g. bonds, notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. | 6,712,103 |
| Net capital assets were transferred to the Parking Utility on January 1, 2006. This is the amount transferred to the business-type activities. | (21,986,202) |
| 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 governmental funds. | <u>12,155</u> |
| Change in net assets of governmental activities | <u>\$ (16,325,386)</u> |

The notes to the financial statements are an integral part of this statement.

CITY OF WAUSAU, WISCONSIN
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
December 31, 2006

| | Business Type Activities- Enterprise Funds | | | Totals | Governmental Activities- |
|--|---|-----------------------|----------------------|----------------------|-----------------------------|
| | Water Utility | Wastewater Utility | Parking Utility | | Internal Service Fund |
| ASSETS | | | | | |
| Current Assets: | | | | | |
| Cash and cash equivalents | \$ 420,000 | \$ 324,202 | \$ 285,920 | \$ 1,030,122 | \$ - |
| Restricted cash and cash equivalents available to pay maturing debt | 987,503 | 839,681 | - | 1,827,184 | - |
| Accounts receivable | 1,309,656 | 1,477,936 | 37,374 | 2,824,966 | 4,594 |
| Due from other funds | - | 100,000 | - | 100,000 | - |
| Inventories and prepayments | 86,495 | - | - | 86,495 | - |
| Total Current Assets | <u>2,803,654</u> | <u>2,741,819</u> | <u>323,294</u> | <u>5,868,767</u> | <u>4,594</u> |
| Noncurrent Assets: | | | | | |
| Restricted cash and cash equivalents: | | | | | |
| Debt service | 176,309 | 518,062 | - | 694,371 | - |
| Replacement fund investments | 390,390 | 1,107,918 | - | 1,498,308 | - |
| Total Restricted Assets | <u>566,699</u> | <u>1,625,980</u> | <u>-</u> | <u>2,192,679</u> | <u>-</u> |
| Advances to other funds | - | 300,000 | - | 300,000 | - |
| Property, Plant and Equipment: | | | | | |
| Property and equipment | 43,839,382 | 48,362,027 | 28,365,210 | 120,566,619 | 7,915,360 |
| Accumulated depreciation | <u>(10,337,395)</u> | <u>(15,986,653)</u> | <u>(6,862,983)</u> | <u>(33,187,031)</u> | <u>(4,777,996)</u> |
| Net Property, Plant and Equipment | <u>33,501,987</u> | <u>32,375,374</u> | <u>21,502,227</u> | <u>87,379,588</u> | <u>3,137,364</u> |
| Total Noncurrent Assets | <u>34,068,686</u> | <u>34,301,354</u> | <u>21,502,227</u> | <u>89,872,267</u> | <u>3,137,364</u> |
| TOTAL ASSETS | <u>\$ 36,872,340</u> | <u>\$ 37,043,173</u> | <u>\$ 21,825,521</u> | <u>\$ 95,741,034</u> | <u>\$ 3,141,958</u> |

| | Business Type Activities- Enterprise Funds | | | Totals | Governmental Activities- |
|--|---|-----------------------|----------------------|----------------------|-----------------------------|
| | Water Utility | Wastewater Utility | Parking Utility | | Internal Service Fund |
| LIABILITIES | | | | | |
| Current Liabilities: | | | | | |
| Accounts payable | \$ 54,105 | \$ 12,610 | \$ 43,635 | \$ 110,350 | \$ 138,591 |
| Contracts payable | 101,318 | 89,724 | - | 191,042 | - |
| Compensated absences payable | 10,917 | 308 | - | 11,225 | - |
| Due to other funds | 100,000 | - | - | 100,000 | 289,942 |
| Current Liabilities Payable From Restricted Assets: | | | | | |
| General obligation bonds payable | 397,517 | 121,682 | - | 519,199 | - |
| Mortgage revenue bonds payable | 560,000 | 715,000 | - | 1,275,000 | - |
| Accrued interest payable | 29,986 | 2,999 | - | 32,985 | - |
| Total Current Liabilities | <u>1,253,843</u> | <u>942,323</u> | <u>43,635</u> | <u>2,239,801</u> | <u>428,533</u> |
| Noncurrent Liabilities: | | | | | |
| Long-term Debt: | | | | | |
| General obligation bonds payable (net of unamortized issue costs) | 2,791,286 | 124,331 | - | 2,915,617 | - |
| Mortgage revenue bonds payable (net of unamortized issue costs) | 2,738,813 | 3,209,516 | - | 5,948,329 | - |
| Advances from other funds | 300,000 | - | - | 300,000 | - |
| Compensated absences payable | 175,564 | 110,094 | 22,833 | 308,491 | 17,557 |
| Total Noncurrent Liabilities | <u>6,005,663</u> | <u>3,443,941</u> | <u>22,833</u> | <u>9,472,437</u> | <u>17,557</u> |
| TOTAL LIABILITIES | <u>7,259,506</u> | <u>4,386,264</u> | <u>66,468</u> | <u>11,712,238</u> | <u>446,090</u> |
| NET ASSETS | | | | | |
| Invested in capital assets, net of related debt | 27,014,371 | 28,204,845 | 21,502,227 | 76,721,443 | 3,137,364 |
| Restricted for debt service | 1,133,826 | 1,354,744 | - | 2,488,570 | - |
| Restricted for capital improvements | 390,390 | 1,107,918 | - | 1,498,308 | - |
| Unrestricted | 1,074,247 | 1,989,402 | 256,826 | 3,320,475 | (441,496) |
| TOTAL NET ASSETS | <u>\$ 29,612,834</u> | <u>\$ 32,656,909</u> | <u>\$ 21,759,053</u> | <u>\$ 84,028,796</u> | <u>\$ 2,695,868</u> |

The notes to the financial statements are an integral part of this statement.

CITY OF WAUSAU, WISCONSIN
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
Year Ended December 31, 2006

| | Business Type Activities- Enterprise Funds | | | Totals | Governmental Activities- |
|---|---|-----------------------|---------------------|---------------------|-----------------------------|
| | Water Utility | Wastewater Utility | Parking Utility | | Internal Service Fund |
| OPERATING REVENUES | | | | | |
| Charges for services and sales | \$ 4,619,553 | \$ 4,051,256 | \$ 948,188 | \$ 9,618,997 | \$ 2,213,915 |
| Other operating revenues | 56,509 | 1,018 | - | 57,527 | 15,213 |
| Total Operating Revenues | <u>4,676,062</u> | <u>4,052,274</u> | <u>948,188</u> | <u>9,676,524</u> | <u>2,229,128</u> |
| OPERATING EXPENSES | | | | | |
| Operating and maintenance | 1,978,596 | 2,490,207 | 944,929 | 5,413,732 | 1,367,367 |
| Depreciation | 760,244 | 1,067,804 | 595,322 | 2,423,370 | 621,519 |
| Amortization | 4,045 | 280 | - | 4,325 | - |
| Total Operating Expenses | <u>2,742,885</u> | <u>3,558,291</u> | <u>1,540,251</u> | <u>7,841,427</u> | <u>1,988,886</u> |
| Operating income (loss) | <u>1,933,177</u> | <u>493,983</u> | <u>(592,063)</u> | <u>1,835,097</u> | <u>240,242</u> |
| NONOPERATING REVENUES (EXPENSES) | | | | | |
| Property taxes | - | - | 333,632 | 333,632 | - |
| Investment income | 97,596 | 128,427 | - | 226,023 | - |
| Interest expense | (233,740) | (238,638) | - | (472,378) | - |
| Gain on sale of capital assets | 80,206 | - | - | 80,206 | 39,061 |
| Total Nonoperating Revenues (Expenses) | <u>(55,938)</u> | <u>(110,211)</u> | <u>333,632</u> | <u>167,483</u> | <u>39,061</u> |
| Income (loss) before Capital Contributions and Transfers | 1,877,239 | 383,772 | (258,431) | 2,002,580 | 279,303 |
| Capital Contributions | 960,172 | 1,107,678 | 47,647 | 2,115,497 | - |
| Contribution from Municipality | - | - | 21,969,837 | 21,969,837 | - |
| Transfers Out | <u>(761,058)</u> | <u>(352,000)</u> | <u>-</u> | <u>(1,113,058)</u> | <u>(279,303)</u> |
| Change in Net Assets | 2,076,353 | 1,139,450 | 21,759,053 | 24,974,856 | - |
| Total net assets - beginning of year | <u>27,536,481</u> | <u>31,517,459</u> | <u>-</u> | <u>59,053,940</u> | <u>2,695,868</u> |
| Total net assets - end of year | <u>\$29,612,834</u> | <u>\$32,656,909</u> | <u>\$21,759,053</u> | <u>\$84,028,796</u> | <u>\$ 2,695,868</u> |

The notes to the financial statements are an integral part of this statement.

CITY OF WAUSAU, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended December 31, 2006

| | Business Type Activities- Enterprise Funds | | | Totals | Governmental Activities- |
|---|---|-----------------------|--------------------|---------------------|-----------------------------|
| | Water Utility | Wastewater Utility | Parking Utility | | Internal Service Fund |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | |
| Receipts from customers | \$ 4,476,293 | \$ 3,501,375 | \$ 910,814 | \$ 8,888,482 | \$ 2,285,001 |
| Payments to suppliers | (1,187,633) | (1,999,893) | (755,001) | (3,942,527) | (961,964) |
| Payments to employees | (849,301) | (571,757) | (139,825) | (1,560,883) | (281,631) |
| Net Cash Provided by Operating Activities | <u>2,439,359</u> | <u>929,725</u> | <u>15,988</u> | <u>3,385,072</u> | <u>1,041,406</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | | |
| Property taxes received | - | - | 333,632 | 333,632 | - |
| Due to/from other funds | (1,959,912) | 1,559,912 | - | (400,000) | 141,020 |
| Transfers out | (761,058) | (352,000) | - | (1,113,058) | (279,303) |
| Net Cash Provided (Used) by Noncapital Financing Activities | <u>(2,720,970)</u> | <u>1,207,912</u> | <u>333,632</u> | <u>(1,179,426)</u> | <u>(138,283)</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | |
| Capital contributions | 419,504 | 636,390 | 47,647 | 1,103,541 | - |
| Proceeds from issuance of debt | 3,013,902 | - | - | 3,013,902 | - |
| Debt issuance costs | (21,030) | - | - | (21,030) | - |
| Acquisition and construction of capital assets | (2,331,672) | (1,706,168) | (111,347) | (4,149,187) | (942,184) |
| Repayment of advance | (100,000) | 100,000 | - | - | - |
| Principal paid on capital debt | (627,743) | (821,449) | - | (1,449,192) | - |
| Interest paid on capital debt | (207,255) | (240,035) | - | (447,290) | - |
| Proceeds from sale of capital assets | 80,206 | - | - | 80,206 | 39,061 |
| Net Cash Provided (Used) by Capital and Related Financing Activities | <u>225,912</u> | <u>(2,031,262)</u> | <u>(63,700)</u> | <u>(1,869,050)</u> | <u>(903,123)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Investment income received | 97,596 | 128,427 | - | 226,023 | - |
| Net Increase in Cash and Cash Equivalents | 41,897 | 234,802 | 285,920 | 562,619 | - |
| Cash and cash equivalents - beginning of year | <u>1,932,305</u> | <u>2,555,061</u> | <u>-</u> | <u>4,487,366</u> | <u>-</u> |
| Cash and cash equivalents - end of year | <u>\$ 1,974,202</u> | <u>\$ 2,789,863</u> | <u>\$ 285,920</u> | <u>\$ 5,049,985</u> | <u>\$ -</u> |

| | Business Type Activities- Enterprise Funds | | | Totals | Governmental Activities- |
|---|---|-----------------------|--------------------|---------------------|-----------------------------|
| | Water Utility | Wastewater Utility | Parking Utility | | Internal Service Fund |
| Reconciliation of operating income to net cash provided by operating activities: | | | | | |
| Operating income (loss) | \$ 1,933,177 | \$ 493,983 | \$ (592,063) | \$ 1,835,097 | \$ 240,242 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | | | | |
| Depreciation expense | 760,244 | 1,067,804 | 595,322 | 2,423,370 | 621,519 |
| Amortization expense | 4,045 | 280 | - | 4,325 | - |
| Changes in assets and liabilities: | | | | | |
| Accounts receivable | (199,769) | (550,899) | (37,374) | (788,042) | 55,873 |
| Inventories and prepayments | (10,270) | - | - | (10,270) | - |
| Accounts payable | (39,131) | (78,688) | 43,635 | (74,184) | 119,080 |
| Accrued compensated absences | (8,937) | (2,755) | 6,468 | (5,224) | 4,692 |
| Net cash provided by operating activities | <u>\$ 2,439,359</u> | <u>\$ 929,725</u> | <u>\$ 15,988</u> | <u>\$ 3,385,072</u> | <u>\$ 1,041,406</u> |
| Reconciliation of Cash and Cash Equivalents to Statement of Net Assets | | | | | |
| Unrestricted | \$ 420,000 | \$ 324,202 | \$ 285,920 | \$ 1,030,122 | \$ - |
| Restricted (current) | 987,503 | 839,681 | - | 1,827,184 | - |
| Restricted (noncurrent) | <u>566,699</u> | <u>1,625,980</u> | <u>-</u> | <u>2,192,679</u> | <u>-</u> |
| Total cash and cash equivalents | <u>\$ 1,974,202</u> | <u>\$ 2,789,863</u> | <u>\$ 285,920</u> | <u>\$ 5,049,985</u> | <u>\$ -</u> |

NONCASH INVESTING, CAPITAL AND RELATED FINANCING ACTIVITIES

During 2006, \$540,668 and \$471,288 of capital additions were contributed to the Water and Wastewater utilities, respectively, by private contractors and developers. In addition, net capital assets of \$21,969,837 were transferred in from the City for creation of a new parking utility on January 1, 2006.

The notes to the financial statements are an integral part of this statement.

CITY OF WAUSAU, WISCONSIN
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
December 31, 2006

| | Cemetery Private Purpose Trust Fund | Agency Funds |
|-----------------------------------|---|------------------------------------|
| | <u> </u> | <u> </u> |
| ASSETS | | |
| Cash and cash equivalents | \$ 542,875 | \$ 209,934 |
| Accounts receivable | <u> -</u> | <u> 4,626</u> |
| TOTAL ASSETS | 542,875 | <u><u> \$ 214,560</u></u> |
| LIABILITIES | | |
| Accounts payable | <u> -</u> | <u><u> \$ 214,560</u></u> |
| NET ASSETS | | |
| Held in trust for private purpose | <u><u> \$ 542,875</u></u> | |

The notes to the financial statements are an integral part of this statement.

CITY OF WAUSAU, WISCONSIN
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
Year Ended December 31, 2006

| | <u>Cemetery Private Purpose Trust Fund</u> |
|---|--|
| ADDITIONS | |
| Perpetual care contributions | \$ 5,100 |
| Interest and dividends | 13,437 |
| Net increase in fair value of investments | <u>40,902</u> |
| Total additions | <u>59,439</u> |
| DEDUCTIONS | |
| Distributions to beneficiary | 25,588 |
| Administrative expenses | <u>1,089</u> |
| Total deductions | <u>26,677</u> |
| Change in net assets | 32,762 |
| Net assets - beginning of year | <u>510,113</u> |
| Net assets - end of year | <u>\$ 542,875</u> |

The notes to the financial statements are an integral part of this statement.

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Wausau, Wisconsin conform to generally accepted accounting principles as applicable to governmental units.

A. REPORTING ENTITY

This report includes all of the funds of the City of Wausau. The reporting entity for the City consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) 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 or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the government.

Discretely presented component units. The Community Development 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

Joint venture. The City of Wausau, in conjunction with Marathon County, has created the City-County Data Center Commission. The commission provides for the implementation and operation of a cooperative data and management information service. The commission is governed by a six member board consisting of the City of Wausau Mayor and Finance Director, Marathon County Chairman of the Board of Supervisors, County Administrator and Finance Director. In addition, one member is appointed at large from within the County. The joint venture arrangement provides that net operating costs will be subsidized 70% by the County and 30% by the City. All capital assets, unless otherwise shown to benefit only one owner, are paid for on a 50/50 basis.

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net assets 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.

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, liabilities, net assets/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.

Funds are organized as major funds or non-major funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the city or meets the following criteria:

- a. Total assets, liabilities, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental fund or enterprise fund that met the 10 percent test is at least 5 percent of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or proprietary fund that the City believes is particularly important to financial statement users may be reported as a major fund.

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. GOVERNMENT-WIDE FINANCIAL STATEMENTS (Continued)

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 except those required to be accounted for in another fund.

Debt Service Fund – This fund is used to account for the accumulation of resources for and the payment of general obligation debt principal, interest and related costs. Sources of revenue are property taxes, interest earnings and reimbursements from other entities and departments for debt payments.

TID #3 Downtown Development Fund – This fund is used to account for general obligation debt proceeds used to finance property acquisition and development within the downtown.

Capital Improvements Fund – This fund is used to account for expenditures relating to the City's annual capital improvements plan. The expenditures are financed by general property taxes, special assessments and proceeds of general obligation debt.

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.

Parking Utility – This fund accounts for the financing of the operation and maintenance of the City-owned parking facilities.

The City reports the following non-major governmental funds:

Non-major Governmental Funds –

Special Revenue Funds – These funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

| | |
|--|-----------------------------------|
| Grants Fund | Room Tax Fund |
| HUD Mortgage Fund | Public Access Cable Fund |
| DLAD Mortgage Fund | Recycling Fund |
| Industrial Park Fund | Wausau Area Transit System Fund |
| Federal Rent Rehabilitation Fund | TID #1 Downtown Improvements Fund |
| WRRP Rehabilitation Fund | TID #2 Industrial Park Fund |
| Holtz-Krause Clean Up Fund | EMS Grant Fund |
| Hazardous Materials Emergency Response Fund | Trust Accounts Fund |

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. GOVERNMENT-WIDE FINANCIAL STATEMENTS (Continued)

Capital Project Funds – These funds are used to account for financial resources to be used for the acquisition or construction of equipment and/or major capital facilities.

TID #4 Industrial Park Fund
TID #5 Industrial Park Fund
TID #6 West Side Development Fund
TID #7 West Side Development Fund

Additionally, the city reports the following fund types:

The 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 Private-purpose Trust Fund is used to account for resources legally held in trust for use by a non-profit organization to provide for cemetery perpetual care. All resources of the fund, including any earnings on invested resources, may be used to support the organization's activities.

Agency Funds are used to account for assets held by the city in a trustee capacity or as an agent for Wausau Area Events, Inc. and Main Street Wausau, Inc. generated to provide for area-wide events and local promotion, and for the Wausau Business Incubator generated through industrial development.

**C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND
FINANCIAL STATEMENT PRESENTATION**

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. Agency funds, however, only report assets and liabilities and, consequently, do not have a measurement focus. 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 and liabilities 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 unearned revenue. 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.

The business-type activities follow all pronouncements of the Governmental Accounting Standards Board. The City has elected to follow Financial Accounting Standards Board pronouncements issued before November 30, 1989.

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND
FINANCIAL STATEMENT PRESENTATION (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 revenues. They 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 deferred revenues. Amounts received prior to the entitlement period are also recorded as deferred revenues.

Long-term receivables, such as special assessments, notes and mortgages, are recorded as receivables and deferred revenues. 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 revenues on its governmental funds balance sheet. For governmental fund financial statements, deferred revenues arise when a potential revenue source does not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred revenues also arise when resources are 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 when the city has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

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 FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND
FINANCIAL STATEMENT PRESENTATION (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 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 and Parking utilities are charges to customers for sales and services. 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.

D. ASSETS, LIABILITIES AND NET ASSETS OR EQUITY

1. Deposits 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.

Investments are stated at fair value consistent with the provisions of GASB Statement No. 31. 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.

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. ASSETS, LIABILITIES AND NET ASSETS OR EQUITY (Continued)

1. Deposits and Investments (Continued)

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, 2006, 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" (non-current 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 offset by a fund balance reserve account in applicable governmental funds 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. 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.

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 state and county governments 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, the property taxes levied for each fund are recorded as taxes receivable and deferred revenues.

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. ASSETS, LIABILITIES AND NET ASSETS OR EQUITY (Continued)

3. Inventories and Prepayments

Inventories consist of expendable supplies held for consumption. Inventories are stated at cost with value being determined on the “first-in, first-out” basis of accounting. The cost is recorded as an expenditure or an expense at the time the individual inventory 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.

Inventories and prepayments of governmental fund types are offset by a fund balance reserve which indicated that assets do not represent spendable available financial resources.

4. Restricted Assets

Restricted assets consist of cash and investments restricted for the purpose of Water and Wastewater Fund debt repayment and plant replacement. In addition, designated funds have also been restricted in the discretely presented component unit. Current liabilities payable from these restricted assets are so classified.

5. Capital Assets

Capital assets, which include property, plant, equipment 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 \$5,000 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 fair market 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. GASB 34 permits reporting infrastructure on a prospective basis until the City’s fiscal year ending in 2007. Accordingly, major networks of infrastructure assets prior to 2002 are not reported in the City-wide financial statements.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Net interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Total interest expense incurred by the Water and Wastewater Utilities during the current fiscal year was \$472,378, none of which was capitalized.

Depreciation 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 reflected in the statement of net assets. Depreciation is provided over the estimated useful lives using the straight-line method. The range of estimated useful lives by type of asset is as follows:

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. ASSETS, LIABILITIES AND NET ASSETS OR EQUITY (Continued)

5. Capital Assets (Continued)

| | |
|-----------------------------------|--------------|
| Buildings | 25-50 Years |
| Improvements other than buildings | 15-150 Years |
| Machinery and equipment | 3-25 Years |
| Infrastructure | 25-50 Years |

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

6. Other Assets

In governmental funds, debt issuance related costs are recognized as expenditures in the current period. For the government-wide and proprietary fund type financial statements, debt issuance costs are deferred and amortized over the term of the related debt issue.

7. Compensated Absences

Under terms of employment, employees are granted sick leave and vacation in varying amounts. Sixty percent 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.

8. 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 assets. Bond premiums and discounts, as well as issuance costs, are reported as deferred charges and amortized over the term of the related debt.

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.

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. ASSETS, LIABILITIES AND NET ASSETS OR EQUITY (Continued)

9. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

10. Change in Accounting Principles

For the year ended December 31, 2006, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 44, "*Economic Condition Reporting: The Statistical Section*". This statement amends NCGA Statement No. 1, "*Governmental Accounting and Financial Reporting Principles*", that guide the preparation of the statistical section of the comprehensive annual financial report. The statistical section presents detailed information, typically in ten-year trends, that assist users in utilizing the basic financial statements, notes to basic financial statements, and required supplementary information to assess the economic condition of a government.

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that "other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds". The details of this \$7,879,625 difference are as follows:

| | |
|--|---------------------|
| Loans and mortgages receivable | \$ 7,255,092 |
| Allowance for uncollectible loans and mortgages receivable | (663,680) |
| Unpaid fines and forfeitures | 824,482 |
| Special assessments receivable | <u>463,731</u> |
| Net adjustment to increase <i>fund balance – total governmental funds</i> to arrive at <i>net assets – governmental activities</i> | <u>\$ 7,879,625</u> |

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS (Continued)

Another element of that reconciliation states that “long-term liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds”. The details of this \$50,829,293 difference are as follows:

| | |
|--|----------------------|
| Bonds, notes and State trust fund loans payable | \$ 47,952,653 |
| Less: Deferred charges for issuance costs and deferred interest from refunding (to be amortized over life of debt) | (634,433) |
| Accrued interest payable | 491,548 |
| Compensated absences | 919,843 |
| Remediation claims payable | <u>2,099,682</u> |
| Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i> | <u>\$ 50,829,293</u> |

B. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between *net change in fund balances – total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$5,415,761 difference are as follows:

| | |
|--|---------------------|
| Capital outlay | \$ 7,789,649 |
| Depreciation expense | <u>(2,373,888)</u> |
| Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i> | <u>\$ 5,415,761</u> |

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

B. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES (Continued)

Another element of that reconciliation states that “Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.” The details of this \$182,059 difference are as follows:

| | |
|--|---------------------|
| Net change in loan and mortgage notes receivable | \$ (118,598) |
| Net change in fines and forfeitures receivable | 67,232 |
| Net change in special assessments receivable | <u>(130,693)</u> |
| Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i> | <u>\$ (182,059)</u> |

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.” Also, governmental funds report the effect to issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The details of this \$6,712,103 difference are as follows:

| | |
|--|---------------------|
| Debt issued or incurred: | |
| Issuance of general obligation bonds and notes | \$ (2,751,098) |
| Less discounts and issuance costs | 19,389 |
| Principal repayments on general obligation debt | <u>9,443,812</u> |
| Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i> | <u>\$ 6,712,103</u> |

Another element of that reconciliation states that “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 governmental funds.” The details of this \$12,155 difference are as follows:

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

B. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES (Continued)

| | |
|--|------------------|
| Compensated absences | \$ 97,227 |
| Claims and judgments | (60,780) |
| Accrued interest | 54,008 |
| Amortization of discount and issuance costs | <u>(78,300)</u> |
| Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i> | <u>\$ 12,155</u> |

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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 and the following Special Revenue Funds: Grants Fund, Industrial Park Fund, Hazardous Materials Emergency Response Fund, Room Tax Fund, Public Access Cable Fund, Recycling Fund, Wausau Area Transit System Fund, TID #1 Downtown Improvements Fund and TID #2 Industrial Park Fund and the following Capital Project Funds: TID #3 Downtown Development Fund, TID #4 Industrial Park Fund, TID #5 Industrial Park Fund, TID #6 West Side Development Fund, TID #7 West Side Development Fund and Capital Improvements Fund. All annual 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 first 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

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. BUDGETARY INFORMATION (Continued)

total fund level. The City's Finance Director and Mayor may authorize transfers of budgeted amounts within expenditures of a cost center up to \$2,500 for the General and Special Revenue Funds and up to \$20,000 for the Capital Projects Funds. Transfers of all other appropriations 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.

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.

It is the responsibility of the Finance Director of the City of Wausau to administer the budget in accordance with Wisconsin statutes and instructions of the City Council.

B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended December 31, 2006, expenditures exceeded appropriations for the following departmental cost centers in the General Fund: City Council by \$45,557, Elections by \$20,845, Human resources by \$14,161, Fire department by \$110,087, Inspections and electrical systems by \$30,149, Curb, gutter and paving by \$18,074, Street signs and guideboards by \$21,900, Weed control by \$3,912, Garbage and refuse collection by \$28,288 and Clean up costs by \$6,473; the Debt Service Fund by \$7,589; the Room Tax and Public Access Cable special revenue funds by \$27,588 and \$6,646, respectively; and in the TID #6 West Side Development and TID #7 West Side Development capital project funds by \$313,802 and \$1,951, respectively. Excess expenditures in the general fund and special revenue funds were funded by greater than anticipated revenues and in the Debt Service Fund by available fund balance. Those incurred in TID #6 and TID #7 were funded with short-term advances from the General Fund.

C. DEFICIT FUND EQUITY

The TID #1 Downtown Improvements special revenue fund had deficit fund equity of \$1,436,738 at December 31, 2006. In addition, the TID #4 Industrial Park, the TID #5 Industrial Park, the TID #6 West Side Development and the TID #7 West Side Development capital project funds had deficit fund equity of \$1,183,028, \$29,970, \$415,019 and \$2,651 respectively, as of December 31, 2006. The City intends to fund the above fund balance deficits from future operation of these funds.

**CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006**

NOTE 4 – DETAILED NOTES ON ALL FUNDS

A. CASH AND INVESTMENTS

Cash and investments as of December 31, 2006 are classified in the accompanying financial statements as follows:

| | |
|---|--------------------------|
| Statement of net assets - | |
| Cash and cash equivalents | \$ 18,761,630 |
| Investments | 13,839,542 |
| Restricted assets - cash and cash equivalents | 4,019,863 |
| Statement of net assets - fiduciary funds | |
| Cash and cash equivalents | |
| Cemetery Private Purpose Trust Fund | 542,875 |
| Agency Funds | <u>209,934</u> |
| Total | <u>\$ 37,373,844</u> |
| Cash on hand | \$ 13,739 |
| Deposits with financial institutions | 14,156,253 |
| Investments | <u>23,203,852</u> |
| Total | <u>\$ 37,373,844</u> |

Investments Authorized by the State of Wisconsin and the City's Investment Policy

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.

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

A. CASH AND INVESTMENTS (Continued)

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:

| Investment Type | Fair Value | Investment Maturities (in Years) | | |
|----------------------------------|----------------------|----------------------------------|---------------------|---------------------|
| | | Less Than One | 1-2 | 2-3 |
| U.S. Agencies | \$ 8,155,387 | \$ 2,500,387 | \$ 1,155,000 | \$ 4,500,000 |
| Local Government Investment Pool | 4,126,003 | 4,126,003 | - | - |
| Money Market Mutual Funds | 9,329,634 | 9,329,634 | - | - |
| Held by trustee/custodian | 1,592,828 | 1,592,828 | - | - |
| | <u>\$ 23,203,852</u> | <u>\$ 17,548,852</u> | <u>\$ 1,155,000</u> | <u>\$ 4,500,000</u> |

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.

As of December 31, 2006, the City's investments were rated as follows:

| Investment type | Investment | Standard & Poors | Fitch Ratings | Moody's Investor Service |
|---------------------------|----------------------------------|------------------|---------------|--------------------------|
| Money market mutual funds | Federated Government Obligations | AAAm | AAA | Aaa |
| Money market mutual funds | Federated Treasury Obligations | AAAm | N/A | Aaa |
| Money market mutual funds | AIM Government & Agency | AAAm | AAA | Aaa |

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

A. CASH AND INVESTMENTS (Continued)

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

In addition, the City held investments in U.S. agency securities that were not rated.

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 or with a single financial institution.

At December 31, 2006, the investment portfolio was concentrated as follows:

| Investment type | Issuer | Percentage of Portfolio |
|-----------------|--|----------------------------|
| U.S. Agencies | Federal National Mortgage Association | 15.1% |
| U.S. Agencies | Federal Home Loan Mortgage Corporation | 4.3% |
| U.S. Agencies | Federal Home Loan Bank | 15.8% |

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.

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

A. CASH AND INVESTMENTS (Continued)

At December 31, 2006, the carrying amount of the City's deposits was \$14,156,253 and the financial institution balance was \$14,285,251. Of the financial institution balance, \$4,350,000 was covered by federal depository insurance, \$200,000 was covered by the national credit union share insurance fund, \$4,020,737 was covered by the State Deposit Guarantee Fund, \$989,619 was covered by pledged securities held in the City's name, and \$4,724,895 was unsecured.

The above-mentioned State Deposit Guarantee Fund provides additional coverage of up to \$400,000 in each financial institution above the applicable insurance coverage provided by the FDIC. However, although the fund had reserves available at December 31, the future availability of resources to cover the losses cannot be projected because provisions of the 1985 Wisconsin Act 25 provided that the amount in the fund will be used to repay public depositors for losses until the appropriation is exhausted at which time the fund is abolished.

Investments in the Local Government Investment Pool are covered under a financial guarantee insurance policy provided by Financial Security Assurance, Inc. The bond insures against losses arising from principal defaults on substantially all types of securities acquired by the pool except U.S. Government and agency securities, obligations of State of Wisconsin agencies and certain Wisconsin banks. The bond provides unlimited coverage on principal losses, reduced by any FDIC and State of Wisconsin Guarantee Fund insurance as explained earlier.

B. RECEIVABLES

Receivables for the year ended December 31, 2006 for the City's general fund have been shown net of allowances for uncollectible ambulance accounts and uncollectible delinquent personal property taxes of \$524,252 and \$50,867, respectively.

Governmental funds report *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *deferred revenue* and *unearned revenue* reported in the governmental funds were as follows:

| | Unavailable | Unearned |
|---|--------------|---------------|
| Property taxes receivable | \$ - | \$ 22,746,399 |
| Loans and mortgages receivable | 7,273,091 | - |
| Special assessments not yet due | 463,731 | - |
| Grant proceeds received in advance | - | 101,894 |
| Subsequent period prepayments | - | 17,634 |
| Total deferred/unearned revenue for governmental funds | \$ 7,736,822 | \$ 22,865,927 |

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

C. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2006 was as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|----------------------|---------------------|---------------------|----------------------|
| Governmental activities | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 26,272,052 | \$ 2,057,170 | \$ (14,000) | \$ 28,315,222 |
| Joint venture | 175,155 | - | (1,003) | 174,152 |
| Construction in progress | 217,123 | 570,060 | (140,671) | 646,512 |
| Total capital assets not being depreciated | <u>26,664,330</u> | <u>2,627,230</u> | <u>(155,674)</u> | <u>29,135,886</u> |
| Capital assets being depreciated: | | | | |
| Buildings and improvements | 21,036,031 | 99,767 | - | 21,135,798 |
| Machinery and equipment | 21,130,667 | 2,139,122 | (841,224) | 22,428,565 |
| Infrastructure | 23,874,160 | 4,209,847 | - | 28,084,007 |
| Total capital assets being depreciated | <u>66,040,858</u> | <u>6,448,736</u> | <u>(841,224)</u> | <u>71,648,370</u> |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | (7,757,409) | (664,985) | - | (8,422,394) |
| Machinery and equipment | (15,418,668) | (1,445,708) | 652,765 | (16,211,611) |
| Infrastructure | (1,391,324) | (884,714) | - | (2,276,038) |
| Total accumulated depreciation | <u>(24,567,401)</u> | <u>(2,995,407)</u> | <u>652,765</u> | <u>(26,910,043)</u> |
| Total capital assets being depreciated, net | <u>41,473,457</u> | <u>3,453,329</u> | <u>(188,459)</u> | <u>44,738,327</u> |
| Governmental activities capital assets, net | <u>\$ 68,137,787</u> | <u>\$ 6,080,559</u> | <u>\$ (344,133)</u> | <u>\$ 73,874,213</u> |

The City created a new parking utility fund on January 1, 2006 and transferred net assets which were originally accounted for in the governmental activities. Total asset balances of \$28,253,863 and accumulated depreciation balances of \$6,267,661 accounted for the net total balance transfer of \$21,986,202. Beginning balances shown above along with beginning balances shown on the next page for business-type activities have been restated to reflect the totals transferred to the parking utility.

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

C. CAPITAL ASSETS (Continued)

| | Beginning Balance | Increases | Decreases | Ending Balance |
|--|----------------------|---------------------|---------------------|----------------------|
| Business-type activities | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 2,344,038 | \$ - | \$ - | \$ 2,344,038 |
| Construction in progress | 437,792 | 59,213 | (427,004) | 70,001 |
| Total capital assets not being depreciated | <u>2,781,830</u> | <u>59,213</u> | <u>(427,004)</u> | <u>2,414,039</u> |
| Capital assets being depreciated: | | | | |
| Buildings | 36,007,511 | - | - | 36,007,511 |
| Machinery and equipment | 16,232,517 | 565,243 | (44,731) | 16,753,029 |
| Water infrastructure | 30,729,125 | 3,079,632 | (216,853) | 33,591,904 |
| Wastewater infrastructure | 30,005,130 | 1,946,114 | (151,108) | 31,800,136 |
| Total capital assets being depreciated | <u>112,974,283</u> | <u>5,590,989</u> | <u>(412,692)</u> | <u>118,152,580</u> |
| Less accumulated depreciation for: | | | | |
| Buildings | (10,994,716) | (867,663) | - | (11,862,379) |
| Machinery and equipment | (9,350,401) | (767,897) | 44,731 | (10,073,567) |
| Water infrastructure | (5,524,452) | (463,494) | 216,853 | (5,771,093) |
| Wastewater infrastructure | (5,244,731) | (386,369) | 151,108 | (5,479,992) |
| Total accumulated depreciation | <u>(31,114,300)</u> | <u>(2,485,423)</u> | <u>412,692</u> | <u>(33,187,031)</u> |
| Total capital assets being depreciated, net | <u>81,859,983</u> | <u>3,105,566</u> | <u>-</u> | <u>84,965,549</u> |
| Business-type activities capital assets, net | <u>\$ 84,641,813</u> | <u>\$ 3,164,779</u> | <u>\$ (427,004)</u> | <u>\$ 87,379,588</u> |

Depreciation expense was charged to functions/programs of the City as follows:

| | |
|---|---------------------|
| Governmental activities: | |
| General government | \$ 214,171 |
| Public safety | 432,956 |
| Transportation and streets | 1,471,232 |
| Natural resources and recreation | 227,172 |
| Conservation and development | 28,357 |
| Capital assets held by internal service funds | 621,519 |
| Total depreciation expense – governmental activities | <u>\$ 2,995,407</u> |
| Business type activities: | |
| Water | \$ 822,297 |
| Wastewater | 1,067,804 |
| Parking | 595,322 |
| Total depreciation expense – business-type activities | <u>\$ 2,485,423</u> |

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

C. CAPITAL ASSETS (Continued)

Construction commitments

The Water and Wastewater Utilities have committed to construction projects with estimated future costs to complete of approximately \$1,500,000. The City has committed \$2,000,000 to a downtown development project to provide parking as well as necessary infrastructure upgrades.

D. INTERFUND RECEIVABLES, 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 the enterprise funds. Interfund receivables and payables at December 31, 2006 are as follows:

| Receivable Fund | Payable Fund | Amount |
|--------------------------|-----------------------------------|---------------------|
| General Fund | Wausau Area Transit System Fund | \$ 1,101,342 |
| | Public Access Cable Fund | 35,500 |
| | TID #5 Industrial Park Fund | 8,355 |
| | TID #6 West Side Development Fund | 415,019 |
| | TID #7 West Side Development Fund | 2,651 |
| | Motor Pool Internal Service Fund | 289,942 |
| WRRP Rehabilitation Fund | Grants Fund | 22,857 |
| | DLAD Mortgage Program Fund | <u>15,000</u> |
| Total | | <u>\$ 1,890,666</u> |
| Wastewater Utility Fund | Water Utility Fund | <u>\$ 100,000</u> |

Advances between funds represent long-term loans principally for capital purposes. The composition of interfund advances as of December 31, 2006 is as follows:

| Receivable Fund | Payable Fund | Amount |
|-------------------------|-----------------------------------|---------------------|
| General Fund | TID #1 Downtown Improvements Fund | \$ 1,436,738 |
| | TID #4 Industrial Park Fund | <u>1,183,028</u> |
| Total | | <u>\$ 2,619,766</u> |
| Wastewater Utility Fund | Water Utility Fund | <u>\$ 300,000</u> |

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

D. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (Continued)

For the statement of net assets, interfund balances owed within the governmental activities or business-type activities are netted and eliminated. Interfund transfers are as follows:

| | Transfers to | Transfers from |
|-----------------------------------|--------------|----------------|
| General Fund | | |
| Capital Improvements Fund | \$ - | \$ 25,465 |
| Trust Accounts Fund | 180 | - |
| Room Tax Fund | - | 50,000 |
| TID #3 Downtown Development Fund | 957,397 | - |
| Water Utility Fund | - | 761,058 |
| Wastewater Utility Fund | - | 352,000 |
| Motor Pool Fund | - | 279,303 |
| Special Revenue Funds | | |
| Grants Fund | 251,890 | 191,655 |
| HUD Mortgage Fund | 81,655 | - |
| TID #2 Industrial Park Fund | 729,210 | - |
| Room Tax Fund | 170,000 | - |
| Trust Accounts Fund | 42,000 | 180 |
| Debt Service Fund | | |
| TID #2 Industrial Park Fund | - | 32,527 |
| TID #3 Downtown Development Fund | - | 2,975,011 |
| TID #4 Industrial Park Fund | - | 182,415 |
| TID #5 Industrial Park Fund | - | 398,510 |
| TID #6 West Side Development Fund | - | 176,992 |
| Capital Projects Fund | | |
| General Fund | 25,465 | 957,397 |
| Grants Fund | - | 251,890 |
| Room Tax Fund | - | 10,000 |
| Debt Service Fund | 3,732,928 | - |
| TID #2 Industrial Park Fund | - | 696,683 |
| Trust Accounts Fund | - | 42,000 |
| Enterprise Funds | | |
| General Fund | 1,113,058 | - |
| Internal Service Fund | | |
| General Fund | 279,303 | - |
| Totals | \$ 7,383,086 | \$ 7,383,086 |

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

D. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (Continued)

Transfers are typically used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund, and (3) use unrestricted revenues collected in one fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

E. LONG-TERM DEBT

General Obligation Debt

General obligation debt outstanding at December 31, 2006 is detailed as follows:

| | Original Amount | Interest Rates | Final Maturity | Balance 12/31/2006 |
|-------------------------------|--------------------|-------------------|-------------------|-----------------------|
| 1996 Bonds | \$ 4,950,000 | 4.15-5.75% | 10/1/15 | \$ 455,000 |
| 1997 Notes | 810,000 | 4.65-5.65% | 4/1/07 | 90,000 |
| 1998 Bonds | 6,050,000 | 3.875-4.2% | 10/1/08 | 245,000 |
| 1998 Notes | 4,915,000 | 4.0-4.25% | 4/1/08 | 1,155,000 |
| 1999 Notes | 1,660,000 | 5.35-6.2% | 4/1/09 | 310,000 |
| 2000 Notes | 5,790,000 | 4.875-5.0% | 4/1/10 | 2,895,000 |
| 2001 Notes | 4,875,000 | 3.4-4.4% | 4/1/11 | 2,735,000 |
| 2001 State trust fund loan | 1,617,503 | 5.25% | 3/15/11 | 1,011,494 |
| 2002 Notes | 1,450,000 | 2.0-4.45% | 4/1/12 | 950,000 |
| 2003 Bonds | 3,885,000 | 3.0-4.625% | 4/1/23 | 3,540,000 |
| 2003 Notes (Series B) | 2,075,000 | 2.0-3.7% | 4/1/13 | 1,510,000 |
| 2003 Notes (Series C) | 2,075,000 | 1.5-4.6% | 4/1/13 | 1,525,000 |
| 2003 Notes (Series D) | 3,285,000 | 1.35-3.45% | 10/1/13 | 2,365,000 |
| 2003 Promissory note | 1,500,000 | None | 9/30/07 | 825,000 |
| 2003 Promissory note | 30,000 | None | 9/3/08 | 30,000 |
| 2004 Promissory note Series A | 3,050,000 | 2.0-4.0% | 4/1/14 | 2,495,000 |
| 2004 Promissory note Series B | 1,500,000 | 2.0-5.0% | 4/1/14 | 1,240,000 |
| 2004 Refunding bonds Series C | 5,360,000 | 2.0-4.0% | 10/1/15 | 4,445,000 |
| 2004 Refunding bonds Series D | 13,445,000 | 3.0-5.0% | 4/1/21 | 12,755,000 |
| 2004 Promissory note | 324,000 | Negotiable | On demand | 324,000 |
| 2005 Promissory note Series A | 3,830,000 | 2.8-3.65% | 4/1/15 | 3,530,000 |
| 2005 Promissory note Series B | 2,000,000 | 4.75-5.15% | 10/1/15 | 1,220,000 |
| 2006 Promissory note Series A | 5,765,000 | 3.55-3.8% | 10/1/16 | 5,765,000 |
| Total general obligation debt | | | | <u>\$ 51,415,494</u> |

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

E. LONG-TERM DEBT (Continued)

A summary of the long-term liability activity for the year ended December 31, 2006 was as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance | Due Within One Year |
|---|----------------------|---------------------|-----------------------|----------------------|------------------------|
| Governmental activities | | | | | |
| General obligation debt: | | | | | |
| Bonds payable | \$ 25,846,869 | \$ - | \$ (4,855,808) | \$ 20,991,061 | \$ 1,656,407 |
| Notes payable | 27,614,000 | 2,751,098 | (4,415,000) | 25,950,098 | 5,043,394 |
| State trust fund loans | 1,184,498 | - | (173,004) | 1,011,494 | 182,087 |
| Compensated absences | 2,280,310 | 104,484 | (144,999) | 2,239,795 | 1,320,389 |
| Remediation claims payable | <u>2,038,902</u> | <u>104,176</u> | <u>(43,396)</u> | <u>2,099,682</u> | <u>43,396</u> |
| Governmental activity long-term liabilities | <u>\$ 58,964,579</u> | <u>\$ 2,959,758</u> | <u>\$ (9,632,207)</u> | <u>\$ 52,292,130</u> | <u>\$ 8,245,673</u> |
| Business-type activities | | | | | |
| General obligation debt: | | | | | |
| Bonds payable | \$ 658,131 | \$ - | \$ (209,192) | \$ 448,939 | \$ 218,593 |
| Notes payable | - | 3,013,902 | - | 3,013,902 | 300,606 |
| Revenue bonds | 8,455,000 | - | (1,240,000) | 7,215,000 | 1,275,000 |
| Add unamortized costs | 7,499 | 16,692 | (43,887) | (19,696) | - |
| Compensated absences | <u>308,575</u> | <u>41,769</u> | <u>(30,628)</u> | <u>319,716</u> | <u>11,225</u> |
| Business-type activity long-term liabilities | <u>\$ 9,429,205</u> | <u>\$ 3,072,363</u> | <u>\$ (1,523,707)</u> | <u>\$ 10,977,861</u> | <u>\$ 1,805,424</u> |

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 value | \$ 2,433,934,300 |
| Legal debt margin percentage | <u>5.00%</u> |
| | 121,696,715 |
| Less: Outstanding general obligation debt | (51,415,494) |
| Add: Available funds reserved for debt payment | <u>636,877</u> |
| Legal debt margin | <u>\$ 70,918,098</u> |

Estimated payments of compensated absences are not included in the above debt payment schedules. The amounts attributable to governmental activities will be liquidated primarily by the general fund.

During 2004, the City issued refunding bonds with an average interest rate of 3.5% to advance refund \$3,320,000 of outstanding 1996 Series C general obligation bonds with an average interest rate of 5.6%. This issue was undertaken as a crossover refunding and the debt was retired on October 1, 2006.

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

E. LONG-TERM DEBT (Continued)

Debt service requirements to maturity at December 31, 2006 are as follows:

| Year | Governmental Activities | | Business-Type Activities | | Total | |
|-----------|-------------------------|----------------------|--------------------------|-------------------|----------------------|----------------------|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2007 | \$ 6,881,888 | \$ 1,773,653 | \$ 519,199 | \$ 131,940 | \$ 7,401,087 | \$ 1,905,593 |
| 2008 | 5,755,576 | 1,570,637 | 530,952 | 110,777 | 6,286,528 | 1,681,414 |
| 2009 | 5,011,096 | 1,370,864 | 300,606 | 88,898 | 5,311,702 | 1,459,762 |
| 2010 | 5,091,686 | 1,180,064 | 300,606 | 78,077 | 5,392,292 | 1,258,141 |
| 2011 | 4,453,279 | 998,381 | 300,606 | 67,179 | 4,753,885 | 1,065,560 |
| 2012-2016 | 14,289,128 | 2,872,568 | 1,510,872 | 169,973 | 15,800,000 | 3,042,541 |
| 2017-2021 | 5,900,000 | 814,176 | - | - | 5,900,000 | 814,176 |
| 2022-2023 | 570,000 | 26,419 | - | - | 570,000 | 26,419 |
| | <u>\$ 47,952,653</u> | <u>\$ 10,606,762</u> | <u>\$ 3,462,841</u> | <u>\$ 646,844</u> | <u>\$ 51,415,494</u> | <u>\$ 11,253,606</u> |

Revenue Debt

The City also issues bonds where the income derived from the acquired or constructed assets are pledged to pay debt service. The Water and Wastewater Utilities have each issued revenue bond debt. The outstanding revenue bond debt at December 31, 2006 is detailed as follows:

| | Original Amount | Interest Rates | Final Maturity | Balance 12/31/2006 |
|---|--------------------|-------------------|-------------------|-----------------------|
| Water Utility- 1999 Revenue bonds | \$ 4,990,000 | 4.9-5.0% | 1/1/19 | \$ 3,330,000 |
| Wastewater Utility- 2001 Revenue refunding bonds | 7,135,000 | 3.5-5.0% | 1/1/12 | <u>3,885,000</u> |
| Total revenue debt | | | | <u>\$ 7,215,000</u> |

Annual debt service requirements for outstanding revenue debt at December 31, 2006 are as follows:

| Year | Business-Type Activities | | |
|-----------|--------------------------|---------------------|---------------------|
| | Principal | Interest | Total |
| 2007 | \$ 1,275,000 | \$ 360,750 | \$ 1,635,750 |
| 2008 | 940,000 | 297,000 | 1,237,000 |
| 2009 | 990,000 | 250,000 | 1,240,000 |
| 2010 | 1,040,000 | 200,500 | 1,240,500 |
| 2011 | 1,025,000 | 148,500 | 1,173,500 |
| 2012-2016 | 1,310,000 | 362,000 | 1,672,000 |
| 2017-2018 | 635,000 | 48,000 | 683,000 |
| | <u>\$ 7,215,000</u> | <u>\$ 1,666,750</u> | <u>\$ 8,881,750</u> |

**CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006**

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

E. LONG-TERM DEBT (Continued)

Proprietary fund debt is presented in the financial statements net of unamortized issue costs and related expenses. These costs are being amortized using the effective interest method over the life of the bonds.

Other Debt Information

Per bond ordinances, the Water and Wastewater Utilities are required to establish specific cash accounts and distribute their revenues to these accounts as follows:

| | <u>Water</u> | <u>Wastewater</u> |
|--------------------------------|--------------|-------------------|
| Operations Fund | 95.0% | 93.1% |
| Bond and Interest Sinking Fund | - % | 3.9% |
| Depreciation Fund | 5.0% | 0.5% |
| Replacement Fund | - % | 2.5% |

In addition, the 1999 Water Utility revenue bond issue and the 2001 Wastewater Utility refunding revenue bond issue required the creation of various accounts for the payment of principal and interest. The City believes it has complied with these requirements.

Prior Years Debt Defeasance

At December 31, 2006, \$4,275,000 of outstanding general obligation debt and \$8,985,000 of outstanding revenue bonds (including prior years' refundings) are considered defeased.

Conduit Debt Obligations

From time to time, the City has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2006, there were five (5) series of Industrial Revenue Bonds outstanding. The aggregate principal amount payable could not be determined; however, the original issue amounts totaled \$19,200,000.

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

F. SEGMENT INFORMATION

The City maintains three Enterprise Funds providing for the operation of the Water, Wastewater and Parking Utilities. As previously noted, the Water and Wastewater utilities have issued revenue bonds to finance acquisition and construction of assets. Investors in the revenue bonds rely solely on the revenue generated by the individual activities for repayment. All Enterprise funds have been presented as major funds in the City's government-wide financial statements.

G. RESTRICTED NET ASSETS/FUND BALANCES

Governmental activities restricted assets reported in the government-wide statement of net assets at December 31, 2006 includes the following:

| | |
|---|----------------------|
| Net assets restricted for : | |
| Capital assets, net of related debt | \$ 35,633,500 |
| Debt service | 2,711,622 |
| Economic development | 421,431 |
| Capital improvements | <u>463,731</u> |
| Total governmental activities restricted net assets | <u>\$ 39,230,284</u> |

Portions of fund balances reported on the fund financial statements at December 31, 2006 that are reserved and not available for current appropriation or expenditure are as follows:

| | |
|--|---------------------|
| Major funds: | |
| General Fund | |
| Reserved for advances | \$ 2,619,766 |
| Reserved for inventories and prepayments | 447,499 |
| Reserved for contingencies | <u>500,000</u> |
| Total General Fund | <u>3,567,265</u> |
| Debt Service Fund | |
| Reserved for debt service | <u>636,877</u> |
| Nonmajor funds: | |
| Special revenue funds | |
| Holtz-Krause Clean-Up Fund | |
| Reserved for debt service | 1,556,449 |
| Wausau Area Transit System Fund | |
| Reserved for inventories and prepayments | 159,121 |
| Trust Accounts Fund | |
| Reserved for trust purposes | <u>398,029</u> |
| Total Nonmajor funds | <u>2,113,599</u> |
| Total Reserved Fund Balance | <u>\$ 6,317,741</u> |

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

G. RESTRICTED NET ASSETS/FUND BALANCES

Unreserved fund balance as of December 31, 2006 includes the following items:

Major funds:

General Fund

| | |
|---|---------------------|
| Designated for subsequent year's expenditures | \$ 1,616,060 |
| Designated for economic development | 421,431 |
| Undesignated | <u>5,973,553</u> |
| Total General Fund | <u>\$ 8,011,044</u> |

TID #3 Downtown Development Fund

| | |
|---|-------------------|
| Designated for subsequent year's expenditures | <u>\$ 828,970</u> |
|---|-------------------|

Capital Improvements Fund

| | |
|---|---------------------|
| Designated for subsequent year's expenditures | <u>\$ 2,179,472</u> |
|---|---------------------|

Nonmajor funds:

Special revenue funds

Designated for:

| | |
|--|--------------|
| Grants | \$ 1,105,671 |
| HUD mortgage program | 72,877 |
| DLAD mortgage program | 546,145 |
| Industrial park | 112,745 |
| Federal rent rehabilitation | 371,614 |
| WRRP rehabilitation | 185,047 |
| Hazardous materials emergency response | 102,531 |
| Room tax | 195,621 |
| Public access cable | 15,259 |
| EMS grant | 38,348 |

Undesignated

| | |
|--|---------------------|
| Wausau Area Transit System (deficit) | (159,121) |
| TID #1 Downtown improvements (deficit) | <u>(1,436,738)</u> |
| Total special revenue funds | <u>\$ 1,149,999</u> |

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

G. RESTRICTED NET ASSETS/FUND BALANCES (Continued)

| | |
|--|-----------------------|
| Capital project funds | |
| Undesignated | |
| TID #4 industrial park (deficit) | \$ (1,183,028) |
| TID #5 industrial park (deficit) | (29,970) |
| TID #6 west side development (deficit) | (415,019) |
| TID #7 west side development (deficit) | <u>(2,651)</u> |
| Total capital project funds | <u>\$ (1,630,668)</u> |

H. RESTRICTED ASSETS

The balances of the restricted asset accounts in the Enterprise Funds are as follows:

| | Water | Wastewater |
|--|---------------------|---------------------|
| General obligation debt redemption account | \$ 432,982 | \$ 400,067 |
| Bond redemption account | 39,734 | 5,695 |
| Bond earnings account | 192,096 | 218,072 |
| Bond reserve account | 499,000 | 733,909 |
| Depreciation/Replacement accounts | 374,386 | 1,107,918 |
| Construction account | <u>16,004</u> | <u>-</u> |
| Total restricted assets | <u>\$ 1,554,202</u> | <u>\$ 2,465,661</u> |

I. COMPONENT UNIT

The financial records of the City of Wausau Community Development Authority (CDA) 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 assets and statement of activities.

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.

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

I. COMPONENT UNIT

b. The composition of cash, cash equivalents and investments at December 31, 2006 is as follows:

| | |
|------------------------|---------------------|
| Deposits | \$ 1,519,472 |
| Certificate of deposit | 708,195 |
| Petty cash | <u>195</u> |
| Total | <u>\$ 2,227,862</u> |

Financial statement presentation:

| | |
|--|---------------------|
| Cash and cash equivalents | \$ 1,484,649 |
| Cash and cash equivalents - restricted | 35,018 |
| Investments | <u>708,195</u> |
| Total | <u>\$ 2,227,862</u> |

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 CDA 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 CDA requires all funds in excess of federal depository insurance coverage to be secured.

At year end, the carrying value of the Community Development Authority's deposits was \$2,227,667 and the financial institution balance was \$2,413,791. Of the financial institution balance, \$475,798 was covered by federal depository insurance, \$845,187 was covered by the State Deposit Guarantee Fund, \$1,048,942 was covered by pledged securities and \$43,864 was uncollateralized.

Investment Policy

The CDA has not adopted a formal investment policy; however, the CDA invests in accordance with Wisconsin State Statutes. Under these statutes, investments include: 1) time deposits in any credit union, bank, savings bank, trust company, or savings and loan association; 2) bonds or securities of any county, city, drainage district, VTAE district, village, town or school district of the state; 3) bonds or securities issued or guaranteed by the Federal government; and, 4) the state local government investment pool.

Custodial Credit Risk for Investments

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the CDA will not be able to recover the value of investment or collateral securities held. The CDA requires all funds in excess of federal depository insurance coverage to be secured.

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

I. COMPONENT UNIT (Continued)

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 listed above.

Concentration of Credit Risk

Concentration of credit risk refers to risk of loss attributed to the CDA's investment in a single issuer. The CDA 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 CDA does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

c. Capital asset activity for the Authority for the year ended December 31, 2006 was as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|----------------------|--------------------|-------------|---------------------|
| Capital assets not being depreciated: | | | | |
| Land | \$ 1,008,489 | \$ - | \$ - | \$ 1,008,489 |
| Capital assets being depreciated: | | | | |
| Buildings and improvements | 13,901,989 | 412,096 | (319) | 14,313,766 |
| Furniture and equipment | 783,721 | 34,324 | (57,456) | 760,589 |
| Total capital assets being depreciated | 14,685,710 | 446,420 | (57,775) | 15,074,355 |
| Less accumulated depreciation | (6,921,650) | (479,435) | 57,775 | (7,343,310) |
| Total capital assets being depreciated, net | 7,764,060 | (33,015) | - | 7,731,045 |
| Total Authority capital assets | <u>\$ 8,772,549</u> | <u>\$ (33,015)</u> | <u>\$ -</u> | <u>\$ 8,739,534</u> |

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

I. COMPONENT UNIT (Continued)

- d. Long-term debt at December 31, 2006 consists of a note payable to River Valley State Bank issued in the original amount of \$768,632 at a 3.98% annual interest rate. Payments of \$14,167 are due on a monthly basis. Final payment is due January 2010. This loan is secured by real estate. The debt is presented in the financial statements as follows:

| | |
|-------------------------|-------------------|
| Total debt outstanding | \$ 491,914 |
| Less current maturities | <u>(153,134)</u> |
| Total long-term debt | <u>\$ 338,780</u> |

Principal and interest requirements for the note payable are as follows:

| | Principal | Interest | Total |
|------|-------------------|------------------|-------------------|
| 2007 | \$ 153,134 | \$ 16,871 | \$ 170,005 |
| 2008 | 159,372 | 10,633 | 170,005 |
| 2009 | 165,863 | 4,143 | 170,006 |
| 2010 | <u>13,545</u> | <u>44</u> | <u>13,589</u> |
| | <u>\$ 491,914</u> | <u>\$ 31,691</u> | <u>\$ 523,605</u> |

NOTE 5 – OTHER INFORMATION

A. DEFINED BENEFIT PENSION PLAN

All eligible City of Wausau employees participate in the Wisconsin Retirement System (System), a cost sharing multiple-employer defined benefit public employee retirement system (PERS). All permanent employees expected to work at least 600 hours a year are eligible to participate in the System. Covered employees in the general category are required by statute to contribute 5.9% of their salary (2.9% for Elected Officials, 5.0% for Protective Occupations with Social Security, and 3.3% for Protective Occupations without Social Security) to the plan. Employers may make these contributions to the plan on behalf of the employees. Employers are required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

The payroll for the City of Wausau employees covered by the System for the year ended December 31, 2006 was \$15,498,345; the employer's total payroll was \$15,976,945. The total required contribution for the year ended December 31, 2006 was \$1,829,399, which consisted of \$1,036,683 or 6.7% of payroll from the employer and \$792,716 or 5.1% of payroll from employees. Total contributions for the years ended December 31, 2005 and 2004 were \$1,749,969 and \$1,662,085, respectively, equal to the required contributions for each year.

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE 5 – OTHER INFORMATION (Continued)

A. DEFINED BENEFIT PENSION PLAN (Continued)

Employees who retire at or after age 65 (62 for elected officials and 54 for protective occupation employees with less than 25 years of service, 53 for protective occupation employees with more than 25 years of service) are entitled to receive retirement benefits. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor.

Final Average Earnings is the average of the employees' three highest years earnings. Employees terminating covered employment before becoming eligible for retirement benefits may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefits. 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 are immediately vested.

The System also provides death and disability benefits for employees. Eligibility for and the amount of all benefits are determined under Chapter 40 of the Wisconsin Statutes. The System issues an annual financial report that may be obtained by writing to the Department of Employee Trust Funds, PO Box 7931, Madison, WI 53707-7931.

In addition to the above-mentioned retirement fund, the State of Wisconsin administers a plan for eleven (11) employees who retired prior to the consolidation with the System. Also, at the time the City of Wausau acquired the Wausau Area Transit System from private ownership, the employees were covered by a pension plan, which the City assumed. This pension plan was frozen and placed with a trustee for investment of assets and administration. The plan assets were depleted in prior years. The total estimated future cost to the City of both plans as of December 31, 2006, was approximately \$443,529, substantially all of which relates to prior services. The current portion of the estimated liability of \$74,665 is provided for in the General Fund. The liability will be reduced as the City funds the benefit payments. The estimated remaining period of amortization is seven (7) years.

B. COMMITMENTS AND CONTINGENCIES

LITIGATION

The City is currently involved in several legal proceedings. The City intends to vigorously defend any litigation. 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.

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.

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE 5 - OTHER INFORMATION (Continued)

B. COMMITMENTS AND CONTINGENCIES (Continued)

The City also participates in a number of federal and state assisted grant agreements. These programs are subject to program compliance audits by the grantors or their representatives. An audit under *Federal OMB Circular A-133* and the *State Single Audit Guidelines* has been conducted but final acceptance is still pending. Accordingly, the City's compliance with applicable grant requirements will be established at some future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

REMEDICATION CLAIMS PAYABLE

In 1985 the City was notified by the Department of Natural Resources that it was a potential responsible party for contamination at the Holtz-Krause Landfill Site. During 1993 the City of Wausau, and other parties, signed an agreement concerning the allocation of remedial design and action costs. This agreement serves to allocate the costs and tasks to be completed by the City.

The City's responsibility is to perform various operations and maintenance of the groundwater monitoring up to a cap of the equivalent of a contribution of \$1.8 million dollars deposited in a bank on January 1, 1994, bearing interest of one percentage above the Local Government Investment Pool rate. If the total amount is not utilized in the operation and maintenance, the balance will revert to the City.

Based upon this agreement, the City shall be held harmless relating to any future claims arising from the Consent Decree.

This item has been recorded as a long-term liability in these financial statements. The balance at December 31, 2006 is \$2,099,682. This balance represents the original \$1.8 million adjusted for interest income and expenses incurred. The City has negotiated a structured settlement agreement with its insurance carrier to recover anticipated costs. Contract payments are recorded as revenue in the year received.

The City is also remediating soil at various sites within the City. Future cost estimates for these projects are not considered to be significant.

C. ACCUMULATED UNPAID EMPLOYEE BENEFITS

City employees generally earn vacation and sick leave at different rates depending upon years of service. Vacation and sick leave accumulate on a biweekly basis. A liability for accrued vacation benefits of \$840,780 has been recorded in the government-wide statement of net assets.

When an employee retires or is forced to retire due to medical disability and meets specified requirements, a maximum of sixty percent (60%) of the remaining accumulated sick pay (employee's hourly rate, exclusive of longevity and shift differential) is used to pay premiums toward the hospital

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE 5 – OTHER INFORMATION (Continued)

C. ACCUMULATED UNPAID EMPLOYEE BENEFITS (Continued)

and surgical program then in effect for the employee. The liability for these benefits for current employees was \$1,059,596 at December 31, 2006, and has also been recorded in the statement of net assets. The employee may use the foregoing benefit until such time as one of the following occurs:

1. The fund is depleted,
2. The employee dies, or
3. The employee becomes employed and/or eligible for other comparable hospital and surgical programs from another source.

In order to be eligible for the above-described benefit, the employee must meet all the following conditions:

1. Apply for Wisconsin Retirement Fund benefits within thirty (30) days of the last day of work, and
2. Whenever possible, in cases of voluntary retirement, give the employer notice of retirement and intent to utilize the benefits by December 1 preceding the retirement date.

Provisions exist which allow City employees to earn compensatory time for hours worked in excess of 40 hours per week. This compensatory time is earned at either time or time-and-one half depending upon the employee's position classification. Employees may use this time during any given year and will be paid for any unused compensatory time upon termination. The City has recorded a liability of \$299,514 at December 31, 2006.

D. OTHER POST-EMPLOYMENT HEALTH CARE BENEFITS

In addition to pension benefits being provided through the Wisconsin Retirement System described earlier, the City provides certain health care benefits as provided for by union contracts or management ordinance. Retired employees who qualify are allowed to convert a maximum of 60% of their accumulated sick leave balance at the time of retirement into monetary value and draw down on the amount to pay the costs of health care insurance premiums. Approximately twelve (12) retirees are currently receiving health insurance coverage through sick leave conversion credits. The liability for this post-retirement health insurance benefit at December 31, 2006 was \$39,905 and will be paid primarily by the general fund.

E. DEFERRED COMPENSATION PLAN

The City offers its employees three deferred compensation plans created in accordance with the Internal Revenue Code. 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. The plans are administered by private entities: the Public Employee Benefit Service Corporation (PEBSCO), the International City Managers Association Retirement Corporation (ICMA), and Wisconsin Deferred Compensation Program.

**CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006**

NOTE 5 – OTHER INFORMATION (Continued)

E. DEFERRED COMPENSATION PLAN (Continued)

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.

F. JOINT VENTURE INFORMATION

The City is a participant in a joint and cooperative venture with Marathon County in the City-County Data Center Commission. The City and County have representation on the governing board of commissioners and share equally in capital purchases. Reimbursement of all operating expenses other than depreciation and interest are made by the City and County at 30% and 70%, respectively.

The City has recorded its equity interest in its capital asset accounts. Segment information for the City-County Data Center Commission for the year ended December 31, 2006 is as follows:

| | |
|--|-------------|
| Operating revenues | \$ 584,599 |
| Operating expenses | |
| Data processing expenses | 1,956,537 |
| Administrative and general expenses | 127,329 |
| Depreciation | 227,042 |
| Total operating expenses | 2,310,908 |
| Operating loss before contributions and reimbursements | (1,726,309) |
| Capital contributions and reimbursements | 1,724,302 |
| Change in net assets | (2,007) |
| Total assets | 778,948 |
| Total liabilities | 430,645 |
| Total net assets | 348,303 |

Complete financial statements can be obtained from:

City-County Data Center Commission
407 Grant Street
Wausau, Wisconsin 54403-4783

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE 5 – OTHER INFORMATION (Continued)

G. TAX INCREMENTAL FINANCING DISTRICTS

Tax Incremental Financing District No. 1 was created on April 1, 1981. The project was completed December 31, 1989. The City borrowed funds for the project that were retired by tax increments and from the general property tax levy. Increments will continue to be collected until all costs have been financed with tax increment financing. The debt issues associated with this district have been retired as of December 31, 1999.

Tax Incremental Financing District No. 2 was created on July 1, 1990. The last date to incur project costs was recently extended by state law to July 1, 2012. The City borrowed funds for the project that will be retired by tax increments. This debt issue is included within the City's long-term debt. The balance on the debt issue outstanding at December 31, 2006 is as follows:

| | |
|-------------------------------|------------------|
| 1997 General Obligation Notes | \$ <u>30,000</u> |
|-------------------------------|------------------|

Tax Incremental Financing District No. 3 was created on September 12, 1994. Recent state law changes have extended the expenditure period to September 12, 2016. The City borrowed funds for the project that will be retired by tax increments. These debt issues are included within the City's long-term debt. The balances on debt issues outstanding at December 31, 2006 are as follows:

| | |
|--------------------------------|---------------------|
| 1996 General Obligation Bonds | \$ 450,620 |
| 1998 General Obligation Bonds | 34,681 |
| 2001 General Obligation Notes | 266,936 |
| 2001 State Trust Fund Loan | 1,011,494 |
| 2003D General Obligation Notes | 2,365,000 |
| 2004A General Obligation Notes | 526,432 |
| 2004D Refunding Bonds | 12,755,000 |
| 2003 Promissory notes | 855,000 |
| 2005 General Obligation Notes | <u>1,220,000</u> |
| Total | <u>\$19,485,163</u> |

Tax Incremental Financing District No. 4 was created on September 23, 1996. Recent state law changes have extended the expenditure period to September 23, 2014. The City borrowed funds for the project that will be retired by tax increments. These debt issues are included in the City's long-term debt. The balances on the debt issues outstanding at December 31, 2006 are as follows:

| | |
|-------------------------------|-------------------|
| 1998 General Obligation Notes | \$ 101,142 |
| 2000 General Obligation Notes | <u>370,000</u> |
| Total | <u>\$ 471,142</u> |

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE 5 – OTHER INFORMATION (Continued)

G. TAX INCREMENTAL FINANCING DISTRICTS (Continued)

Tax Incremental Financing District No. 5 was created on July 31, 1997. Recent state law changes have extended the expenditure period to July 31, 2015. The City borrowed funds for the project that will be retired by tax increments. These debt issues are included within the City's long-term debt. The balances on the debt issues outstanding at December 31, 2006 are as follows:

| | |
|--------------------------------|---------------------|
| 1997 General Obligation Notes | \$ 60,000 |
| 2003 General Obligation Notes | 1,822,394 |
| 2004B General Obligation Notes | <u>1,240,000</u> |
| Total | <u>\$ 3,122,394</u> |

Tax Incremental Financing District No. 6 was created on May 11, 2005. The expenditure period will end on May 11, 2023. The City borrowed funds for the project that will be retired by tax increments. This debt issue is included in the City's debt and the balance at December 31, 2006 is as follows:

| | |
|--------------------------------|---------------------|
| 2005A General Obligation Notes | <u>\$ 1,418,889</u> |
|--------------------------------|---------------------|

Tax Incremental Financing District No. 7 was created on January 11, 2006. The expenditure period will end on May 11, 2021. The City borrowed funds for the project that will be retired by tax increments. This debt issue is included in the City's debt and the balance at December 31, 2006 is as follows:

| | |
|--------------------------------|-------------------|
| 2006A General Obligation Notes | <u>\$ 350,000</u> |
|--------------------------------|-------------------|

The following schedule summarizes the cumulative status of Tax Incremental Financing Districts (TID) No. 1, 2, 3, 4, 5, 6 and 7 as of December 31, 2006.

| | <u>TID #1</u> | <u>TID #2</u> | <u>TID #3</u> | <u>TID #4</u> | <u>TID #5</u> | <u>TID #6</u> | <u>TID #7</u> |
|----------------------------|---------------------|--------------------|---------------------|--------------------|--------------------|--------------------|-------------------|
| Total revenues | <u>\$45,674,747</u> | <u>\$6,755,410</u> | <u>\$11,570,811</u> | <u>\$ 126,636</u> | <u>\$3,241,890</u> | <u>\$ 18,182</u> | <u>\$ -</u> |
| Expenditures: | | | | | | | |
| Project costs | 23,820,293 | 2,050,550 | 32,565,810 | 1,237,677 | 5,561,549 | 1,689,752 | 341,235 |
| Interest and related costs | 22,801,385 | 613,267 | 5,524,293 | 384,134 | 620,547 | 65,151 | 2,454 |
| Administration | 489,807 | 266,445 | - | 158,994 | 212,159 | 97,188 | 8,963 |
| Subsidy to TID #3 | - | 3,855,148 | - | - | - | - | - |
| Total expenditures | <u>47,111,485</u> | <u>6,785,410</u> | <u>38,090,103</u> | <u>1,780,805</u> | <u>6,394,255</u> | <u>1,852,091</u> | <u>352,652</u> |
| Net recoverable costs | <u>\$ 1,436,738</u> | <u>\$ 30,000</u> | <u>\$26,519,292</u> | <u>\$1,654,169</u> | <u>\$3,152,365</u> | <u>\$1,833,909</u> | <u>\$ 352,652</u> |

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE 5 – OTHER INFORMATION (Continued)

H. FUTURE CHANGE IN ACCOUNTING PRINCIPLE

In July 2004, the Governmental Accounting Standards Board (GASB) issued Statement No. 45 "*Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*". This statement will require accrual-basis measurement and recognition of other post employment benefit costs over a period that approximates employee's years of service, as well as provide information about actuarial accrued liabilities and to what extent funding progress is made. The City will adopt the new standard beginning with its 2008 fiscal year, the year in which adoption is first required. The impact of applying the new statement has not yet been determined.

I. SUBSEQUENT EVENT

In May 2007, the City issued General Obligation Promissory Notes, Series 2007A, in the amount of \$4,535,000. In addition, the City also issued General Obligation Refunding Bonds, Series 2007B in the amount of \$2,605,000 to refund outstanding Water Utility revenue bonds.

This information is an integral part of the accompanying financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WAUSAU, WISCONSIN
REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended December 31, 2006

| | <u>Budgeted Amounts (Note A)</u> | | <u>Actual</u> | <u>Variance with Final Budget</u> |
|--|----------------------------------|----------------------|----------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Taxes | \$ 10,864,293 | \$ 10,864,293 | \$ 11,041,433 | \$ 177,140 |
| Special assessments | 26,000 | 26,000 | 31,774 | 5,774 |
| Intergovernmental | 8,447,029 | 8,537,029 | 8,533,152 | (3,877) |
| Licenses and permits | 646,220 | 646,220 | 715,458 | 69,238 |
| Fines, forfeitures and penalties | 306,350 | 306,350 | 364,019 | 57,669 |
| Public charges for services | 1,590,184 | 1,590,184 | 1,993,258 | 403,074 |
| Intergovernmental charges for services | 809,791 | 809,791 | 980,846 | 171,055 |
| Commercial revenues | 1,030,547 | 1,030,547 | 983,357 | (47,190) |
| Miscellaneous revenues | <u>775,495</u> | <u>775,495</u> | <u>384,086</u> | <u>(391,409)</u> |
| Total Revenues | <u>24,495,909</u> | <u>24,585,909</u> | <u>25,027,383</u> | <u>441,474</u> |
| EXPENDITURES | | | | |
| General government | 3,948,858 | 3,943,858 | 3,733,801 | 210,057 |
| Public safety | 13,415,939 | 13,514,595 | 13,343,383 | 171,212 |
| Transportation and streets | 6,670,852 | 6,700,335 | 6,273,065 | 427,270 |
| Sanitation, health and welfare | 1,105,000 | 1,105,000 | 1,139,761 | (34,761) |
| Natural resources and recreation | <u>2,100,260</u> | <u>2,100,260</u> | <u>1,986,127</u> | <u>114,133</u> |
| Total Expenditures | <u>27,240,909</u> | <u>27,364,048</u> | <u>26,476,137</u> | <u>887,911</u> |
| Excess (Deficiency) of Revenues over Expenditures | <u>(2,745,000)</u> | <u>(2,778,139)</u> | <u>(1,448,754)</u> | <u>1,329,385</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 1,202,000 | 1,227,465 | 1,467,826 | 240,361 |
| Transfers out | <u>-</u> | <u>-</u> | <u>(957,577)</u> | <u>(957,577)</u> |
| Total Other Financing Sources (Uses) | <u>1,202,000</u> | <u>1,227,465</u> | <u>510,249</u> | <u>(717,216)</u> |
| Net Change in Fund Balance | (1,543,000) | (1,550,674) | (938,505) | 612,169 |
| Fund balance - beginning of year | <u>12,516,814</u> | <u>12,516,814</u> | <u>12,516,814</u> | <u>-</u> |
| Fund balance - end of year | <u>\$ 10,973,814</u> | <u>\$ 10,966,140</u> | <u>\$ 11,578,309</u> | <u>\$ 612,169</u> |

Note A - Annual budget for the General Fund is prepared on a basis consistent with generally accepted accounting principles.

Note B - Expenditures exceeded appropriations for the following departmental cost centers: City Council by \$45,557, Elections by \$20,845, Human resources by \$14,161, Fire department by \$110,087, Inspections and electrical systems by \$30,149, Curb, gutter and paving by \$18,074, Street signs and guideboards by \$21,900, Weed control by \$3,912, Garbage and refuse collection by \$28,288 and Clean up costs by \$6,473.

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

**CITY OF WAUSAU, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET**

December 31, 2006

| | Special Revenue Funds | | | |
|--|----------------------------|----------------------------|-----------------------------|--------------------------|
| | Grants | HUD Mortgage | DLAD Mortgage Program | Industrial Park |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 450,062 | \$ 73,169 | \$ 430,178 | \$ 112,645 |
| Investments | 471,444 | - | 126,852 | - |
| Taxes receivable | - | - | - | - |
| Accounts receivable | 100,343 | - | 4,115 | 100 |
| Notes receivable | 3,562,110 | 1,847,713 | 167,126 | - |
| Due from other governments | 200,776 | - | - | - |
| Due from other funds | - | - | - | - |
| Inventories and prepayments | - | - | - | - |
| TOTAL ASSETS | <u>\$ 4,784,735</u> | <u>\$ 1,920,882</u> | <u>\$ 728,271</u> | <u>\$ 112,745</u> |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities | | | | |
| Accounts payable | \$ 34 | \$ - | \$ - | \$ - |
| Employee compensation and benefits | 11,368 | 292 | - | - |
| Due to other funds | 22,857 | - | 15,000 | - |
| Advances from other funds | - | - | - | - |
| Deferred revenues | 3,644,805 | 1,847,713 | 167,126 | - |
| Total liabilities | <u>3,679,064</u> | <u>1,848,005</u> | <u>182,126</u> | <u>-</u> |
| Fund Balances | | | | |
| Reserved for debt service | - | - | - | - |
| Reserved for inventories | - | - | - | - |
| Trust purposes | - | - | - | - |
| Unreserved | | | | |
| Designated for subsequent years' expenditures | 1,105,671 | 72,877 | 546,145 | 112,745 |
| Undesignated | - | - | - | - |
| Total Fund Balances | <u>1,105,671</u> | <u>72,877</u> | <u>546,145</u> | <u>112,745</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 4,784,735</u> | <u>\$ 1,920,882</u> | <u>\$ 728,271</u> | <u>\$ 112,745</u> |

Special Revenue Funds

| Federal Rent Rehabilitation | WRRP Rehabilitation | Holtz-Krause Clean Up | Hazardous Materials Emergency Response | Room Tax | Public Access Cable |
|--------------------------------|------------------------|--------------------------|---|-------------------|---------------------------|
| \$ 371,614 | \$ 147,067 | \$ 1,560,223 | \$ 102,682 | \$ 81,022 | \$ - |
| - | - | - | - | - | - |
| - | 123 | - | - | 166,496 | 65,694 |
| - | 1,077,846 | 518,296 | - | 100,000 | - |
| - | - | - | - | - | - |
| - | 37,857 | - | - | - | - |
| - | - | - | - | - | - |
| <u>\$ 371,614</u> | <u>\$ 1,262,893</u> | <u>\$ 2,078,519</u> | <u>\$ 102,682</u> | <u>\$ 347,518</u> | <u>\$ 65,694</u> |
| \$ - | \$ - | \$ 3,774 | \$ 151 | \$ 51,897 | \$ 9,464 |
| - | - | - | - | - | 5,471 |
| - | - | - | - | - | 35,500 |
| - | - | - | - | - | - |
| - | 1,077,846 | 518,296 | - | 100,000 | - |
| - | <u>1,077,846</u> | <u>522,070</u> | <u>151</u> | <u>151,897</u> | <u>50,435</u> |
| - | - | 1,556,449 | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 371,614 | 185,047 | - | 102,531 | 195,621 | 15,259 |
| - | - | - | - | - | - |
| <u>371,614</u> | <u>185,047</u> | <u>1,556,449</u> | <u>102,531</u> | <u>195,621</u> | <u>15,259</u> |
| <u>\$ 371,614</u> | <u>\$ 1,262,893</u> | <u>\$ 2,078,519</u> | <u>\$ 102,682</u> | <u>\$ 347,518</u> | <u>\$ 65,694</u> |

CITY OF WAUSAU, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (Continued)
December 31, 2006

| | Special Revenue Funds | | | |
|--|-----------------------|----------------------------------|------------------------------------|------------------------------|
| | Recycling | Wausau Area Transit System | TID #1 Downtown Improvements | TID #2 Industrial Park |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 24,952 | \$ 1,239 | \$ - | \$ - |
| Investments | - | - | - | - |
| Taxes receivable | 461,725 | 594,064 | 1,539,076 | 696,800 |
| Accounts receivable | - | 48,110 | - | - |
| Notes receivable | - | - | - | - |
| Due from other governments | - | 1,308,840 | - | - |
| Due from other funds | - | - | - | - |
| Inventories and prepayments | - | 159,121 | - | - |
| TOTAL ASSETS | <u>\$ 486,677</u> | <u>\$ 2,111,374</u> | <u>\$ 1,539,076</u> | <u>\$ 696,800</u> |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities | | | | |
| Accounts payable | \$ 24,952 | \$ 206,764 | \$ - | \$ - |
| Employee compensation and benefits | - | 190,831 | - | - |
| Due to other funds | - | 1,101,342 | - | - |
| Advances from other funds | - | - | 1,436,738 | - |
| Deferred revenues | 461,725 | 612,437 | 1,539,076 | 696,800 |
| Total liabilities | <u>486,677</u> | <u>2,111,374</u> | <u>2,975,814</u> | <u>696,800</u> |
| Fund Balances | | | | |
| Reserved for debt service | - | - | - | - |
| Reserved for inventories | - | 159,121 | - | - |
| Trust purposes | - | - | - | - |
| Unreserved | | | | |
| Designated for subsequent years' expenditures | - | - | - | - |
| Undesignated | - | (159,121) | (1,436,738) | - |
| Total Fund Balances | <u>-</u> | <u>-</u> | <u>(1,436,738)</u> | <u>-</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 486,677</u> | <u>\$ 2,111,374</u> | <u>\$ 1,539,076</u> | <u>\$ 696,800</u> |

| Special Revenue Funds | | | Capital Project Funds | | |
|-----------------------|-------------------|----------------------|------------------------|------------------------|------------------------------|
| EMS Grant | Trust Accounts | Total | TID #4 Industrial Park | TID #5 Industrial Park | TID #6 West Side Development |
| \$ 38,348 | \$ 420,626 | \$ 3,813,827 | \$ - | \$ - | \$ - |
| - | - | 598,296 | - | - | - |
| - | - | 3,291,665 | 57,235 | 519,865 | 449,635 |
| - | - | 384,981 | - | - | - |
| - | - | 7,273,091 | - | - | - |
| - | 28,479 | 1,538,095 | - | - | - |
| - | - | 37,857 | - | - | - |
| - | - | 159,121 | - | - | - |
| <u>\$ 38,348</u> | <u>\$ 449,105</u> | <u>\$ 17,096,933</u> | <u>\$ 57,235</u> | <u>\$ 519,865</u> | <u>\$ 449,635</u> |
| \$ - | \$ 51,076 | \$ 348,112 | \$ - | \$ 21,615 | \$ - |
| - | - | 207,962 | - | - | - |
| - | - | 1,174,699 | - | 8,355 | 415,019 |
| - | - | 1,436,738 | 1,183,028 | - | - |
| - | - | 10,665,824 | 57,235 | 519,865 | 449,635 |
| - | 51,076 | 13,833,335 | 1,240,263 | 549,835 | 864,654 |
| - | - | 1,556,449 | - | - | - |
| - | - | 159,121 | - | - | - |
| - | 398,029 | 398,029 | - | - | - |
| 38,348 | - | 2,745,858 | - | - | - |
| - | - | (1,595,859) | (1,183,028) | (29,970) | (415,019) |
| <u>38,348</u> | <u>398,029</u> | <u>3,263,598</u> | <u>(1,183,028)</u> | <u>(29,970)</u> | <u>(415,019)</u> |
| <u>\$ 38,348</u> | <u>\$ 449,105</u> | <u>\$ 17,096,933</u> | <u>\$ 57,235</u> | <u>\$ 519,865</u> | <u>\$ 449,635</u> |

CITY OF WAUSAU, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (Concluded)
December 31, 2006

| | <u>Capital Project Funds</u> | | Total Nonmajor Governmental Funds |
|--|------------------------------------|---------------------|--|
| | TID #7 West Side Development | Total | |
| ASSETS | | | |
| Cash and cash equivalents | \$ - | \$ - | \$ 3,813,827 |
| Investments | - | - | 598,296 |
| Taxes receivable | - | 1,026,735 | 4,318,400 |
| Accounts receivable | - | - | 384,981 |
| Notes receivable | - | - | 7,273,091 |
| Due from other governments | - | - | 1,538,095 |
| Due from other funds | - | - | 37,857 |
| Inventories and prepayments | - | - | 159,121 |
| | <u>-</u> | <u>-</u> | <u>159,121</u> |
| TOTAL ASSETS | <u>\$ -</u> | <u>\$ 1,026,735</u> | <u>\$ 18,123,668</u> |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities | | | |
| Accounts payable | \$ - | \$ 21,615 | \$ 369,727 |
| Employee compensation and benefits | - | - | 207,962 |
| Due to other funds | 2,651 | 426,025 | 1,600,724 |
| Advances from other funds | - | 1,183,028 | 2,619,766 |
| Deferred revenues | - | 1,026,735 | 11,692,559 |
| Total liabilities | <u>2,651</u> | <u>2,657,403</u> | <u>16,490,738</u> |
| Fund Balances | | | |
| Reserved for debt service | - | - | 1,556,449 |
| Reserved for inventories | - | - | 159,121 |
| Trust purposes | - | - | 398,029 |
| Unreserved | | | |
| Designated for subsequent years' expenditures | - | - | 2,745,858 |
| Undesignated | <u>(2,651)</u> | <u>(1,630,668)</u> | <u>(3,226,527)</u> |
| Total Fund Balances | <u>(2,651)</u> | <u>(1,630,668)</u> | <u>1,632,930</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ -</u> | <u>\$ 1,026,735</u> | <u>\$ 18,123,668</u> |

CITY OF WAUSAU, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
Year Ended December 31, 2006

| | Special Revenue Funds | | | |
|---|-----------------------|------------------|-----------------------------|--------------------|
| | Grants | HUD Mortgage | DLAD Mortgage Program | Industrial Park |
| REVENUES | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental | 1,710,863 | - | - | - |
| Licenses and permits | - | - | - | - |
| Charges for services | - | - | - | - |
| Commercial revenues | 445,052 | 282,416 | 50,944 | - |
| Miscellaneous revenues | 30,614 | 60,000 | - | 500 |
| Total Revenues | <u>2,186,529</u> | <u>342,416</u> | <u>50,944</u> | <u>500</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | - | - | - | - |
| Public safety | - | - | - | - |
| Transportation and streets | - | - | - | - |
| Sanitation, health and welfare | - | - | - | - |
| Natural resources and recreation | - | - | - | - |
| Economic development | 1,959,211 | 602,862 | 57,744 | 8,405 |
| Capital outlay | - | - | - | - |
| Total expenditures | <u>1,959,211</u> | <u>602,862</u> | <u>57,744</u> | <u>8,405</u> |
| Excess (deficiency) of revenues over expenditures | <u>227,318</u> | <u>(260,446)</u> | <u>(6,800)</u> | <u>(7,905)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Issuance of debt | - | - | - | - |
| Discount on general obligation debt | - | - | - | - |
| Transfers in | 191,655 | - | - | - |
| Transfers out | (251,890) | (81,655) | - | - |
| Total other financing sources (uses) | <u>(60,235)</u> | <u>(81,655)</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | 167,083 | (342,101) | (6,800) | (7,905) |
| Fund balances - beginning of year | <u>938,588</u> | <u>414,978</u> | <u>552,945</u> | <u>120,650</u> |
| Fund balances - end of year | <u>\$ 1,105,671</u> | <u>\$ 72,877</u> | <u>\$ 546,145</u> | <u>\$ 112,745</u> |

Special Revenue Funds

| Federal Rent Rehabilitation | WRRP Rehabilitation | Holtz-Krause Clean Up | Hazardous Materials Emergency Response | Room Tax | Public Access Cable |
|--------------------------------|------------------------|--------------------------|---|-------------------|---------------------------|
| \$ - | \$ - | \$ - | \$ - | \$ 726,495 | \$ - |
| - | - | - | 146,802 | - | - |
| - | - | - | - | - | 35,921 |
| - | - | - | - | - | 4,216 |
| 16,954 | 56,835 | 104,176 | - | - | - |
| - | - | - | - | - | 60,582 |
| <u>16,954</u> | <u>56,835</u> | <u>104,176</u> | <u>146,802</u> | <u>726,495</u> | <u>100,719</u> |
| - | - | - | - | 522,938 | 104,129 |
| - | - | - | 124,312 | - | - |
| - | - | - | - | - | - |
| - | - | 44,482 | - | - | - |
| - | - | - | - | - | - |
| 4,420 | 52,702 | - | - | - | - |
| - | - | - | - | - | - |
| <u>4,420</u> | <u>52,702</u> | <u>44,482</u> | <u>124,312</u> | <u>522,938</u> | <u>104,129</u> |
| <u>12,534</u> | <u>4,133</u> | <u>59,694</u> | <u>22,490</u> | <u>203,557</u> | <u>(3,410)</u> |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | (170,000) | - |
| - | - | - | - | (170,000) | - |
| 12,534 | 4,133 | 59,694 | 22,490 | 33,557 | (3,410) |
| <u>359,080</u> | <u>180,914</u> | <u>1,496,755</u> | <u>80,041</u> | <u>162,064</u> | <u>18,669</u> |
| <u>\$ 371,614</u> | <u>\$ 185,047</u> | <u>\$ 1,556,449</u> | <u>\$ 102,531</u> | <u>\$ 195,621</u> | <u>\$ 15,259</u> |

CITY OF WAUSAU, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (Continued)
Year Ended December 31, 2006

| | Special Revenue Funds | | | |
|---|-----------------------|----------------------------------|------------------------------------|------------------------------|
| | Recycling | Wausau Area Transit System | TID #1 Downtown Improvements | TID #2 Industrial Park |
| REVENUES | | | | |
| Taxes | \$ 409,043 | \$ 524,103 | \$ 1,502,087 | \$ 712,853 |
| Intergovernmental | 177,647 | 2,376,105 | 26,014 | 16,357 |
| Licenses and permits | - | - | - | - |
| Charges for services | - | 539,577 | - | - |
| Commercial revenues | - | - | 88,723 | - |
| Miscellaneous revenues | 2,289 | 7,527 | - | - |
| Total Revenues | <u>588,979</u> | <u>3,447,312</u> | <u>1,616,824</u> | <u>729,210</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | - | - | - | - |
| Public safety | - | - | - | - |
| Transportation and streets | - | 3,447,312 | - | - |
| Sanitation, health and welfare | 588,979 | - | - | - |
| Natural resources and recreation | - | - | - | - |
| Economic development | - | - | 106,912 | - |
| Capital outlay | - | - | - | - |
| Total expenditures | <u>588,979</u> | <u>3,447,312</u> | <u>106,912</u> | <u>-</u> |
| Excess (deficiency) of revenues over expenditures | <u>-</u> | <u>-</u> | <u>1,509,912</u> | <u>729,210</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Issuance of debt | - | - | - | - |
| Discount on general obligation debt | - | - | - | - |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | (729,210) |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>(729,210)</u> |
| Net change in fund balances | - | - | 1,509,912 | - |
| Fund balances - beginning of year | <u>-</u> | <u>-</u> | <u>(2,946,650)</u> | <u>-</u> |
| Fund balances - end of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (1,436,738)</u> | <u>\$ -</u> |

| Special Revenue Funds | | | Capital Project Funds | | |
|-----------------------|-------------------|---------------------|------------------------|------------------------|------------------------------|
| EMS Grant | Trust Accounts | Total | TID #4 Industrial Park | TID #5 Industrial Park | TID #6 West Side Development |
| \$ - | \$ - | \$ 3,874,581 | \$ 52,536 | \$ 474,090 | \$ - |
| 24,584 | 59,476 | 4,537,848 | 259 | 2,984 | - |
| - | - | 35,921 | - | - | - |
| - | - | 543,793 | - | - | - |
| - | 16,183 | 1,061,283 | - | - | 3,615 |
| - | 113,932 | 275,444 | - | 160,000 | - |
| <u>24,584</u> | <u>189,591</u> | <u>10,328,870</u> | <u>52,795</u> | <u>637,074</u> | <u>3,615</u> |
| - | - | 627,067 | - | - | - |
| 5,881 | 89,948 | 220,141 | - | - | - |
| - | - | 3,447,312 | - | - | - |
| - | - | 633,461 | - | - | - |
| - | 32,658 | 32,658 | - | - | - |
| - | - | 2,792,256 | - | 2,600,153 | - |
| - | - | - | - | - | 350,669 |
| <u>5,881</u> | <u>122,606</u> | <u>7,752,895</u> | <u>-</u> | <u>2,600,153</u> | <u>350,669</u> |
| <u>18,703</u> | <u>66,985</u> | <u>2,575,975</u> | <u>52,795</u> | <u>(1,963,079)</u> | <u>(347,054)</u> |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | 180 | 191,835 | - | - | - |
| - | (42,000) | (1,274,755) | (182,415) | (398,510) | (176,992) |
| - | (41,820) | (1,082,920) | (182,415) | (398,510) | (176,992) |
| 18,703 | 25,165 | 1,493,055 | (129,620) | (2,361,589) | (524,046) |
| <u>19,645</u> | <u>372,864</u> | <u>1,770,543</u> | <u>(1,053,408)</u> | <u>2,331,619</u> | <u>109,027</u> |
| <u>\$ 38,348</u> | <u>\$ 398,029</u> | <u>\$ 3,263,598</u> | <u>\$ (1,183,028)</u> | <u>\$ (29,970)</u> | <u>\$ (415,019)</u> |

CITY OF WAUSAU, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (Concluded)
Year Ended December 31, 2006

| | <u>Capital Project Funds</u> | | Total Nonmajor Governmental Funds |
|---|------------------------------------|-----------------------|--|
| | TID #7 West Side Development | Total | |
| REVENUES | | | |
| Taxes | \$ - | \$ 526,626 | \$ 4,401,207 |
| Intergovernmental | - | 3,243 | 4,541,091 |
| Licenses and permits | - | - | 35,921 |
| Charges for services | - | - | 543,793 |
| Commercial revenues | - | 3,615 | 1,064,898 |
| Miscellaneous revenues | - | 160,000 | 435,444 |
| Total Revenues | <u>-</u> | <u>693,484</u> | <u>11,022,354</u> |
| EXPENDITURES | | | |
| Current: | | | |
| General government | - | - | 627,067 |
| Public safety | - | - | 220,141 |
| Transportation and streets | - | - | 3,447,312 |
| Sanitation, health and welfare | - | - | 633,461 |
| Natural resources and recreation | - | - | 32,658 |
| Economic development | 1,000 | 2,601,153 | 5,393,409 |
| Capital outlay | 350,951 | 701,620 | 701,620 |
| Total expenditures | <u>351,951</u> | <u>3,302,773</u> | <u>11,055,668</u> |
| Excess (deficiency) of revenues over expenditures | <u>(351,951)</u> | <u>(2,609,289)</u> | <u>(33,314)</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Issuance of debt | 350,000 | 350,000 | 350,000 |
| Discount on general obligation debt | (700) | (700) | (700) |
| Transfers in | - | - | 191,835 |
| Transfers out | - | (757,917) | (2,032,672) |
| Total other financing sources (uses) | <u>349,300</u> | <u>(408,617)</u> | <u>(1,491,537)</u> |
| Net change in fund balances | (2,651) | (3,017,906) | (1,524,851) |
| Fund balances - beginning of year | <u>-</u> | <u>1,387,238</u> | <u>3,157,781</u> |
| Fund balances - end of year | <u>\$ (2,651)</u> | <u>\$ (1,630,668)</u> | <u>\$ 1,632,930</u> |

CITY OF WAUSAU, WISCONSIN
NONMAJOR BUDGETED GOVERNMENTAL FUNDS
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2006

| | Special Revenue Funds | | | |
|---|-----------------------|--------------|-----------------|------------|
| | Grants | | Industrial Park | |
| | Budget | Actual | Budget | Actual |
| REVENUES | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental | 2,384,245 | 1,710,863 | - | - |
| Licenses and permits | - | - | - | - |
| Charges for services | - | - | - | - |
| Commercial revenues | - | 445,052 | - | - |
| Miscellaneous revenues | - | 30,614 | 15,000 | 500 |
| Total Revenues | 2,384,245 | 2,186,529 | 15,000 | 500 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | - | - | - | - |
| Public safety | - | - | - | - |
| Transportation and streets | - | - | - | - |
| Sanitation, health and welfare | - | - | - | - |
| Economic development | 2,528,308 | 1,959,211 | 15,000 | 8,405 |
| Capital outlay | - | - | - | - |
| Total expenditures | 2,528,308 | 1,959,211 | 15,000 | 8,405 |
| Excess (deficiency) of revenues over expenditures | (144,063) | 227,318 | - | (7,905) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Issuance of debt | - | - | - | - |
| Discount on general obligation debt | - | - | - | - |
| Transfers in | 110,000 | 191,655 | - | - |
| Transfers out | (226,890) | (251,890) | - | - |
| Total other financing sources (uses) | (116,890) | (60,235) | - | - |
| Net change in fund balances | \$ (260,953) | 167,083 | \$ - | (7,905) |
| Fund balances - beginning of year | | 938,588 | | 120,650 |
| Fund balances - end of year | | \$ 1,105,671 | | \$ 112,745 |

Special Revenue Funds

| Hazardous Materials Emergency Response | | Room Tax | | Public Access Cable | |
|---|-------------------|--------------------|-------------------|---------------------|------------------|
| Budget | Actual | Budget | Actual | Budget | Actual |
| \$ - | \$ - | \$ 622,000 | \$ 726,495 | \$ - | \$ - |
| 146,802 | 146,802 | - | - | - | - |
| - | - | - | - | 28,302 | 35,921 |
| - | - | - | - | 3,900 | 4,216 |
| - | - | - | - | - | - |
| - | - | - | - | 65,281 | 60,582 |
| <u>146,802</u> | <u>146,802</u> | <u>622,000</u> | <u>726,495</u> | <u>97,483</u> | <u>100,719</u> |
| - | - | 495,350 | 522,938 | 97,483 | 104,129 |
| 146,802 | 124,312 | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>146,802</u> | <u>124,312</u> | <u>495,350</u> | <u>522,938</u> | <u>97,483</u> | <u>104,129</u> |
| - | 22,490 | 126,650 | 203,557 | - | (3,410) |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | (145,000) | (170,000) | - | - |
| - | - | (145,000) | (170,000) | - | - |
| <u>\$ -</u> | <u>22,490</u> | <u>\$ (18,350)</u> | <u>33,557</u> | <u>\$ -</u> | <u>(3,410)</u> |
| | <u>80,041</u> | | <u>162,064</u> | | <u>18,669</u> |
| | <u>\$ 102,531</u> | | <u>\$ 195,621</u> | | <u>\$ 15,259</u> |

CITY OF WAUSAU, WISCONSIN
NONMAJOR BUDGETED GOVERNMENTAL FUNDS
BUDGETARY COMPARISON SCHEDULE (Continued)
Year ended December 31, 2006

| | Special Revenue Funds | | | |
|---|-----------------------|----------------|----------------------------|------------------|
| | Recycling | | Wausau Area Transit System | |
| | Budget | Actual | Budget | Actual |
| REVENUES | | | | |
| Taxes | \$ 480,123 | \$ 409,043 | \$ 633,141 | \$ 524,103 |
| Intergovernmental | 177,690 | 177,647 | 2,630,662 | 2,376,105 |
| Licenses and permits | - | - | - | - |
| Charges for services | - | - | 501,844 | 539,577 |
| Commercial revenues | - | - | - | - |
| Miscellaneous revenues | 3,500 | 2,289 | 2,050 | 7,527 |
| Total Revenues | <u>661,313</u> | <u>588,979</u> | <u>3,767,697</u> | <u>3,447,312</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | - | - | - | - |
| Public safety | - | - | - | - |
| Transportation and streets | - | - | 3,767,697 | 3,447,312 |
| Sanitation, health and welfare | 661,313 | 588,979 | - | - |
| Economic development | - | - | - | - |
| Capital outlay | - | - | - | - |
| Total expenditures | <u>661,313</u> | <u>588,979</u> | <u>3,767,697</u> | <u>3,447,312</u> |
| Excess (deficiency) of revenues over expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Issuance of debt | - | - | - | - |
| Discount on general obligation debt | - | - | - | - |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | <u>\$ -</u> | <u>-</u> | <u>\$ -</u> | <u>-</u> |
| Fund balances - beginning of year | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balances - end of year | <u>\$ -</u> | <u>-</u> | <u>\$ -</u> | <u>-</u> |

| Special Revenue Funds | | | | Capital Project Funds | |
|---------------------------------|-----------------------|------------------------|----------------|------------------------|-----------------------|
| TID #1 Downtown Improvements | | TID #2 Industrial Park | | TID #4 Industrial Park | |
| Budget | Actual | Budget | Actual | Budget | Actual |
| \$ 1,506,869 | \$ 1,502,087 | \$ 715,122 | \$ 712,853 | \$ 52,703 | \$ 52,536 |
| 15,085 | 26,014 | 20,000 | 16,357 | 500 | 259 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 76,000 | 88,723 | - | - | - | - |
| - | - | - | - | - | - |
| <u>1,597,954</u> | <u>1,616,824</u> | <u>735,122</u> | <u>729,210</u> | <u>53,203</u> | <u>52,795</u> |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 107,384 | 106,912 | - | - | - | - |
| - | - | - | - | - | - |
| <u>107,384</u> | <u>106,912</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <u>1,490,570</u> | <u>1,509,912</u> | <u>735,122</u> | <u>729,210</u> | <u>53,203</u> | <u>52,795</u> |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | (735,122) | (729,210) | (182,415) | (182,415) |
| - | - | (735,122) | (729,210) | (182,415) | (182,415) |
| <u>\$ 1,490,570</u> | <u>1,509,912</u> | <u>\$ -</u> | <u>-</u> | <u>\$ (129,212)</u> | <u>(129,620)</u> |
| | <u>(2,946,650)</u> | | <u>-</u> | | <u>(1,053,408)</u> |
| | <u>\$ (1,436,738)</u> | | <u>\$ -</u> | | <u>\$ (1,183,028)</u> |

CITY OF WAUSAU, WISCONSIN
NONMAJOR BUDGETED GOVERNMENTAL FUNDS
BUDGETARY COMPARISON SCHEDULE (Concluded)
Year Ended December 31, 2006

| | Capital Project Funds | | | |
|---|------------------------|--------------------|------------------------------|---------------------|
| | TID #5 Industrial Park | | TID #6 West Side Development | |
| | Budget | Actual | Budget | Actual |
| REVENUES | | | | |
| Taxes | \$ 475,599 | \$ 474,090 | \$ - | \$ - |
| Intergovernmental | 4,000 | 2,984 | - | - |
| Licenses and permits | - | - | - | - |
| Charges for services | - | - | - | - |
| Commercial revenues | - | - | - | 3,615 |
| Miscellaneous revenues | 1,500 | 160,000 | - | - |
| Total Revenues | <u>481,099</u> | <u>637,074</u> | <u>-</u> | <u>3,615</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | - | - | - | - |
| Public safety | - | - | - | - |
| Transportation and streets | - | - | - | - |
| Sanitation, health and welfare | - | - | - | - |
| Economic development | 2,757,636 | 2,600,153 | - | - |
| Capital outlay | - | - | 36,867 | 350,669 |
| Total expenditures | <u>2,757,636</u> | <u>2,600,153</u> | <u>36,867</u> | <u>350,669</u> |
| Excess (deficiency) of revenues over expenditures | <u>(2,276,537)</u> | <u>(1,963,079)</u> | <u>(36,867)</u> | <u>(347,054)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Issuance of debt | - | - | - | - |
| Discount on general obligation debt | - | - | - | - |
| Transfers in | - | - | - | - |
| Transfers out | (398,510) | (398,510) | (176,993) | (176,992) |
| Total other financing sources (uses) | <u>(398,510)</u> | <u>(398,510)</u> | <u>(176,993)</u> | <u>(176,992)</u> |
| Net change in fund balances | <u>\$ (2,675,047)</u> | <u>(2,361,589)</u> | <u>\$ (213,860)</u> | <u>(524,046)</u> |
| Fund balances - beginning of year | | <u>2,331,619</u> | | <u>109,027</u> |
| Fund balances - end of year | | <u>\$ (29,970)</u> | | <u>\$ (415,019)</u> |

Capital Project Funds

TID #7 West Side Development

| <u>Budget</u> | <u>Actual</u> |
|---------------|---------------|
|---------------|---------------|

| | |
|----------|----------|
| \$ - | \$ - |
| - | - |
| - | - |
| - | - |
| - | - |
| - | - |
| <u>-</u> | <u>-</u> |
| <u>-</u> | <u>-</u> |

| | |
|----------------|----------------|
| - | - |
| - | - |
| - | - |
| - | - |
| - | 1,000 |
| <u>350,000</u> | <u>350,951</u> |
| <u>350,000</u> | <u>351,951</u> |

| | |
|------------------|------------------|
| <u>(350,000)</u> | <u>(351,951)</u> |
|------------------|------------------|

| | |
|----------------|----------------|
| 350,000 | 350,000 |
| - | (700) |
| - | - |
| - | - |
| <u>350,000</u> | <u>349,300</u> |

| | |
|-------------|----------------|
| <u>\$ -</u> | <u>(2,651)</u> |
|-------------|----------------|

| | |
|--|-------------------|
| | <u>\$ (2,651)</u> |
|--|-------------------|

CITY OF WAUSAU, WISCONSIN
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL
Year Ended December 31, 2006

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget</u> |
|---|-------------------------|-------------------|-------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| TAXES | | | | |
| General property taxes | \$ 10,649,293 | \$ 10,649,293 | \$ 10,806,178 | \$ 156,885 |
| Mobile home parking fees | 63,000 | 63,000 | 45,038 | (17,962) |
| Payments in lieu of taxes | 106,000 | 106,000 | 127,510 | 21,510 |
| Other taxes | 46,000 | 46,000 | 62,707 | 16,707 |
| Total Taxes | <u>10,864,293</u> | <u>10,864,293</u> | <u>11,041,433</u> | <u>177,140</u> |
| SPECIAL ASSESSMENTS | | | | |
| Interest on special assessments | <u>26,000</u> | <u>26,000</u> | <u>31,774</u> | <u>5,774</u> |
| INTERGOVERNMENTAL | | | | |
| State shared taxes | 5,150,359 | 5,150,359 | 5,125,448 | (24,911) |
| Expenditure restraint | 815,000 | 815,000 | 886,855 | 71,855 |
| Fire insurance tax | 81,241 | 81,241 | 81,778 | 537 |
| Municipal services | 156,000 | 156,000 | 161,410 | 5,410 |
| Transportation aids | 2,204,429 | 2,204,429 | 2,204,102 | (327) |
| Other grants | 40,000 | 130,000 | 73,559 | (56,441) |
| Total Intergovernmental | <u>8,447,029</u> | <u>8,537,029</u> | <u>8,533,152</u> | <u>(3,877)</u> |
| LICENSES AND PERMITS | | | | |
| Licenses | 155,160 | 155,160 | 184,740 | 29,580 |
| Franchise fees | 275,000 | 275,000 | 280,081 | 5,081 |
| Permits | 216,060 | 216,060 | 250,637 | 34,577 |
| Total Licenses and Permits | <u>646,220</u> | <u>646,220</u> | <u>715,458</u> | <u>69,238</u> |
| FINES, FORFEITURES AND PENALTIES | | | | |
| | <u>306,350</u> | <u>306,350</u> | <u>364,019</u> | <u>57,669</u> |
| PUBLIC CHARGES FOR SERVICES | | | | |
| General government | 224,750 | 224,750 | 243,308 | 18,558 |
| Public safety | 985,534 | 985,534 | 1,160,197 | 174,663 |
| Streets and related facilities | 43,600 | 43,600 | 69,965 | 26,365 |
| Other transportation | 138,000 | 138,000 | 325,179 | 187,179 |
| Recreation | 124,800 | 124,800 | 116,595 | (8,205) |
| Public areas | 73,500 | 73,500 | 78,014 | 4,514 |
| Total Public Charges for Services | <u>1,590,184</u> | <u>1,590,184</u> | <u>1,993,258</u> | <u>403,074</u> |
| INTERGOVERNMENTAL CHARGES FOR SERVICES | | | | |
| State, federal and local reimbursements | 14,430 | 14,430 | 13,091 | (1,339) |
| County and other municipalities | 239,661 | 239,661 | 257,821 | 18,160 |
| City departments | 555,700 | 555,700 | 709,934 | 154,234 |
| Total Intergovernmental Charges for Services | <u>809,791</u> | <u>809,791</u> | <u>980,846</u> | <u>171,055</u> |

CITY OF WAUSAU, WISCONSIN
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL
Year Ended December 31, 2006

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget</u> |
|---|-------------------------|----------------------|----------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| COMMERCIAL | | | | |
| Interest on general investments | \$ 920,000 | \$ 920,000 | \$ 870,277 | \$ (49,723) |
| Other interest | <u>110,547</u> | <u>110,547</u> | <u>113,080</u> | <u>2,533</u> |
| Total Commercial | <u>1,030,547</u> | <u>1,030,547</u> | <u>983,357</u> | <u>(47,190)</u> |
| MISCELLANEOUS REVENUES | | | | |
| Rent of land and buildings | 201,000 | 201,000 | 199,860 | (1,140) |
| Sale of City property | 6,675 | 6,675 | 41,772 | 35,097 |
| Other miscellaneous revenues | <u>567,820</u> | <u>567,820</u> | <u>142,454</u> | <u>(425,366)</u> |
| Total Miscellaneous Revenues | <u>775,495</u> | <u>775,495</u> | <u>384,086</u> | <u>(391,409)</u> |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | <u>1,202,000</u> | <u>1,227,465</u> | <u>1,467,826</u> | <u>240,361</u> |
| TOTAL REVENUES AND OTHER FINANCING SOURCES | <u>\$ 25,697,909</u> | <u>\$ 25,813,374</u> | <u>\$ 26,495,209</u> | <u>\$ 681,835</u> |

CITY OF WAUSAU, WISCONSIN
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL
Year Ended December 31, 2006

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|---|-------------------|-------------------|-------------------|-------------------------------|
| | Original | Final | | |
| GENERAL GOVERNMENT | | | | |
| City Council | \$ 544,012 | \$ 544,012 | \$ 589,569 | \$ (45,557) |
| Mayor | 243,631 | 243,631 | 210,663 | 32,968 |
| Finance department | 951,241 | 951,241 | 897,221 | 54,020 |
| City clerk/customer service | 471,960 | 471,960 | 462,195 | 9,765 |
| Elections | 48,450 | 48,450 | 69,295 | (20,845) |
| Assessor | 486,839 | 486,839 | 440,647 | 46,192 |
| City attorney | 346,939 | 346,939 | 337,721 | 9,218 |
| Municipal judge | 113,019 | 113,019 | 105,731 | 7,288 |
| Human resources | 203,427 | 203,427 | 217,588 | (14,161) |
| City hall and other municipal buildings | 504,340 | 499,340 | 376,274 | 123,066 |
| Tax adjustment | 35,000 | 35,000 | 26,897 | 8,103 |
| Total General Government | <u>3,948,858</u> | <u>3,943,858</u> | <u>3,733,801</u> | <u>210,057</u> |
| PUBLIC SAFETY | | | | |
| Police department | 6,820,788 | 6,910,788 | 6,785,534 | 125,254 |
| Fire department | 3,297,978 | 3,302,978 | 3,413,065 | (110,087) |
| Ambulance | 1,996,775 | 1,996,775 | 1,852,718 | 144,057 |
| Pension and retirement payments | 110,000 | 110,000 | 67,863 | 42,137 |
| Inspections and electrical systems | 1,190,398 | 1,194,054 | 1,224,203 | (30,149) |
| Total Public Safety | <u>13,415,939</u> | <u>13,514,595</u> | <u>13,343,383</u> | <u>171,212</u> |
| TRANSPORTATION AND STREETS | | | | |
| Street lighting | 490,757 | 494,775 | 485,356 | 9,419 |
| City airport | 149,813 | 149,813 | 138,489 | 11,324 |
| Engineering | 1,511,329 | 1,536,794 | 1,507,965 | 28,829 |
| Clerical and administration | 441,351 | 441,351 | 403,218 | 38,133 |
| Stockroom | 71,189 | 71,189 | 60,399 | 10,790 |
| Construction of roadways and streets | 51,500 | 51,500 | 25,147 | 26,353 |
| Roadways and streets | 726,410 | 726,410 | 654,324 | 72,086 |
| Curb, gutter and paving | 7,005 | 7,005 | 25,079 | (18,074) |
| Storm sewers | 399,232 | 399,232 | 267,245 | 131,987 |
| Street signs and guideboards | 172,969 | 172,969 | 194,869 | (21,900) |
| Street cleaning and flushing | 694,910 | 694,910 | 685,270 | 9,640 |
| Weed control | 58,175 | 58,175 | 62,087 | (3,912) |
| Bridges and culverts | 23,237 | 23,237 | 6,717 | 16,520 |
| City shop and garage | 322,412 | 322,412 | 312,266 | 10,146 |
| Alleys and other nonstreets | 717,188 | 717,188 | 702,163 | 15,025 |
| Snow removal | 833,375 | 833,375 | 742,471 | 90,904 |
| Total Transportation and Streets | <u>6,670,852</u> | <u>6,700,335</u> | <u>6,273,065</u> | <u>427,270</u> |
| SANITATION, HEALTH AND WELFARE | | | | |
| Garbage and refuse collection | 1,090,000 | 1,090,000 | 1,118,288 | (28,288) |
| Clean up costs | 15,000 | 15,000 | 21,473 | (6,473) |
| Total Sanitation, Health and Welfare | <u>1,105,000</u> | <u>1,105,000</u> | <u>1,139,761</u> | <u>(34,761)</u> |

CITY OF WAUSAU, WISCONSIN
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL
Year Ended December 31, 2006

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|----------------------|----------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| NATURAL RESOURCES/RECREATION | | | | |
| Parks and recreation | <u>\$ 2,100,260</u> | <u>\$ 2,100,260</u> | <u>\$ 1,986,127</u> | <u>\$ 114,133</u> |
| OTHER FINANCING USES | | | | |
| Transfers out | <u>-</u> | <u>-</u> | <u>957,577</u> | <u>(957,577)</u> |
| TOTAL EXPENDITURES AND OTHER FINANCING USES | <u>\$ 27,240,909</u> | <u>\$ 27,364,048</u> | <u>\$ 27,433,714</u> | <u>\$ (69,666)</u> |

CITY OF WAUSAU, WISCONSIN
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended December 31, 2006

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|---------------------|--------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| General property taxes | \$ 4,156,866 | \$ 4,156,866 | \$ 4,156,866 | \$ - |
| Interest on general investments | - | - | 1,173 | 1,173 |
| Reimbursement of expenditures | <u>268,826</u> | <u>268,826</u> | <u>268,984</u> | <u>158</u> |
| Total Revenues | <u>4,425,692</u> | <u>4,425,692</u> | <u>4,427,023</u> | <u>1,331</u> |
| EXPENDITURES | | | | |
| Debt Service: | | | | |
| Principal retirement | 6,123,812 | 6,123,812 | 6,123,812 | - |
| Interest and debt service charges | <u>2,092,132</u> | <u>2,092,132</u> | <u>2,099,721</u> | <u>(7,589)</u> |
| Total Expenditures | <u>8,215,944</u> | <u>8,215,944</u> | <u>8,223,533</u> | <u>(7,589)</u> |
| | | | | |
| Deficiency of Revenues over Expenditures | <u>(3,790,252)</u> | <u>(3,790,252)</u> | <u>(3,796,510)</u> | <u>(6,258)</u> |
| OTHER FINANCING SOURCES | | | | |
| Payment to bond escrow agent | - | - | (3,320,000) | (3,320,000) |
| Transfers in | <u>3,753,661</u> | <u>3,753,661</u> | <u>3,765,455</u> | <u>11,794</u> |
| Total Other Financing Sources (Uses) | <u>3,753,661</u> | <u>3,753,661</u> | <u>445,455</u> | <u>(3,308,206)</u> |
| | | | | |
| Net change in fund balance | (36,591) | (36,591) | (3,351,055) | (3,314,464) |
| | | | | |
| Fund balance - beginning of year | <u>3,987,932</u> | <u>3,987,932</u> | <u>3,987,932</u> | <u>-</u> |
| | | | | |
| Fund balance - end of year | <u>\$ 3,951,341</u> | <u>\$ 3,951,341</u> | <u>\$ 636,877</u> | <u>\$ (3,314,464)</u> |

CITY OF WAUSAU, WISCONSIN
TIF #3 DOWNTOWN DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended December 31, 2006

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|---------------------|--------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| General property taxes | \$ 834,218 | \$ 834,218 | \$ 831,571 | \$ (2,647) |
| Intergovernmental - State shared taxes | 150,000 | 150,000 | 171,695 | 21,695 |
| Interest on investments | - | - | 65,158 | 65,158 |
| Other miscellaneous | <u>11,000</u> | <u>11,000</u> | <u>12,481</u> | <u>1,481</u> |
| Total Revenues | 995,218 | 995,218 | 1,080,905 | 85,687 |
| EXPENDITURES | | | | |
| Capital outlay: | | | | |
| Economic development | <u>90,000</u> | <u>3,623,848</u> | <u>1,301,728</u> | <u>2,322,120</u> |
| Excess (Deficiency) of Revenues over Expenditures | <u>905,218</u> | <u>(2,628,630)</u> | <u>(220,823)</u> | <u>2,407,807</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Issuance of debt | - | 865,000 | - | (865,000) |
| Transfers in | 1,802,419 | 1,952,419 | 1,805,970 | (146,449) |
| Transfers out | <u>(2,959,282)</u> | <u>(2,959,282)</u> | <u>(2,975,011)</u> | <u>(15,729)</u> |
| Total Other Financing Sources (Uses) | <u>(1,156,863)</u> | <u>(141,863)</u> | <u>(1,169,041)</u> | <u>(1,027,178)</u> |
| Net change in fund balance | (251,645) | (2,770,493) | (1,389,864) | 1,380,629 |
| Fund balance - beginning of year | <u>2,218,834</u> | <u>2,218,834</u> | <u>2,218,834</u> | <u>-</u> |
| Fund balance - end of year | <u>\$ 1,967,189</u> | <u>\$ (551,659)</u> | <u>\$ 828,970</u> | <u>\$ 1,380,629</u> |

CITY OF WAUSAU, WISCONSIN
CAPITAL IMPROVEMENTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended December 31, 2006

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget</u> |
|---|-------------------------|---------------------|---------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| General property taxes | \$ 1,816,685 | \$ 1,741,685 | \$ 1,741,685 | \$ - |
| Special assessments | 450,000 | 450,000 | 472,496 | 22,496 |
| Intergovernmental grants and aids | 1,030,900 | 3,046,760 | 2,318,596 | (728,164) |
| Interest income | <u>15,000</u> | <u>15,000</u> | <u>14,332</u> | <u>(668)</u> |
| Total Revenues | 3,312,585 | 5,253,445 | 4,547,109 | (706,336) |
| EXPENDITURES | | | | |
| Capital outlay | <u>5,700,985</u> | <u>9,101,154</u> | <u>6,162,780</u> | <u>2,938,374</u> |
| Deficiency of Revenues over Expenditures | <u>(2,388,400)</u> | <u>(3,847,709)</u> | <u>(1,615,671)</u> | <u>2,232,038</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Issuance of debt | 2,388,400 | 2,388,400 | 2,401,098 | 12,698 |
| Discount on general obligation debt | - | - | (4,831) | (4,831) |
| Transfers in | - | - | 152,000 | 152,000 |
| Transfers out | <u>-</u> | <u>(25,465)</u> | <u>(25,465)</u> | <u>-</u> |
| Total Other Financing Sources (Uses) | <u>2,388,400</u> | <u>2,362,935</u> | <u>2,522,802</u> | <u>159,867</u> |
| Net change in fund balance | - | (1,484,774) | 907,131 | 2,391,905 |
| Fund balance - beginning of year | <u>1,272,341</u> | <u>1,272,341</u> | <u>1,272,341</u> | <u>-</u> |
| Fund balance - end of year | <u>\$ 1,272,341</u> | <u>\$ (212,433)</u> | <u>\$ 2,179,472</u> | <u>\$ 2,391,905</u> |

CITY OF WAUSAU, WISCONSIN
AGENCY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
December 31, 2006

| | Incubator | Wausau Area Events | Main Street Wausau | Totals |
|---------------------------|------------------|-----------------------|-----------------------|-------------------|
| ASSETS | | | | |
| Cash and cash equivalents | \$ 12,361 | \$ 97,208 | \$ 100,365 | \$ 209,934 |
| Accounts receivable | <u>4,388</u> | <u>238</u> | <u>-</u> | <u>4,626</u> |
| TOTAL ASSETS | <u>\$ 16,749</u> | <u>\$ 97,446</u> | <u>\$ 100,365</u> | <u>\$ 214,560</u> |
| LIABILITIES | | | | |
| Accounts payable | <u>\$ 16,749</u> | <u>\$ 97,446</u> | <u>\$ 100,365</u> | <u>\$ 214,560</u> |

CITY OF WAUSAU, WISCONSIN
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Year Ended December 31, 2006

| | Balance 1/1/2006 | Additions | Deductions | Balance 12/31/2006 |
|-------------------------------|---------------------|-------------------|-------------------|-----------------------|
| Incubator | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ - | \$ 239,283 | \$ 226,922 | \$ 12,361 |
| Accounts receivable | 8,417 | 126,201 | 130,230 | 4,388 |
| TOTAL ASSETS | \$ 8,417 | \$ 365,484 | \$ 357,152 | \$ 16,749 |
| LIABILITIES | | | | |
| Accounts payable | \$ 8,417 | \$ 365,484 | \$ 357,152 | \$ 16,749 |
| TOTAL LIABILITIES | \$ 8,417 | \$ 365,484 | \$ 357,152 | \$ 16,749 |
| Wausau Area Events | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 69,433 | \$ 442,029 | \$ 414,254 | \$ 97,208 |
| Accounts receivable | 5,000 | 94,931 | 99,693 | 238 |
| TOTAL ASSETS | \$ 74,433 | \$ 536,960 | \$ 513,947 | \$ 97,446 |
| LIABILITIES | | | | |
| Accounts payable | \$ 74,433 | \$ 536,960 | \$ 513,947 | \$ 97,446 |
| TOTAL LIABILITIES | \$ 74,433 | \$ 536,960 | \$ 513,947 | \$ 97,446 |
| Main Street Wausau | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 55,396 | \$ 108,378 | \$ 63,409 | \$ 100,365 |
| Accounts receivable | 850 | - | 850 | - |
| TOTAL ASSETS | \$ 56,246 | \$ 108,378 | \$ 64,259 | \$ 100,365 |
| LIABILITIES | | | | |
| Accounts payable | \$ 56,246 | \$ 108,378 | \$ 64,259 | \$ 100,365 |
| TOTAL LIABILITIES | \$ 56,246 | \$ 108,378 | \$ 64,259 | \$ 100,365 |
| Business Improvement District | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ - | \$ 60,000 | \$ 60,000 | \$ - |
| TOTAL ASSETS | \$ - | \$ 60,000 | \$ 60,000 | \$ - |
| LIABILITIES | | | | |
| Accounts payable | \$ - | \$ 60,000 | \$ 60,000 | \$ - |
| TOTAL LIABILITIES | \$ - | \$ 60,000 | \$ 60,000 | \$ - |

**CAPITAL ASSETS USED IN THE OPERATION
OF GOVERNMENTAL FUNDS**

CITY OF WAUSAU, WISCONSIN
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
December 31, 2006

| | <u>Land</u> | <u>Buildings and Improvements</u> | <u>Machinery and Equipment</u> | <u>Infrastructure</u> | <u>Net Investment in Joint Venture</u> | <u>Totals</u> |
|--|----------------------|---------------------------------------|------------------------------------|-----------------------|--|-----------------------|
| FUNCTION AND ACTIVITY | | | | | | |
| General government | \$ 27,044,746 | \$ 10,394,303 | \$ 7,565,535 | \$ - | \$ 174,152 | \$ 45,178,736 |
| Public safety: | | | | | | |
| Police protection | 470,286 | 3,496,743 | 1,359,965 | - | - | 5,326,994 |
| Fire protection | 173,315 | 1,539,956 | 3,648,550 | - | - | 5,361,821 |
| Public works: | | | | | | |
| Maintenance | 221,071 | 2,252,112 | 8,456,247 | - | - | 10,929,430 |
| Sidewalks | - | - | - | 1,139,505 | - | 1,139,505 |
| Street system | - | - | - | 26,944,502 | - | 26,944,502 |
| Parks and recreation | 405,804 | 3,452,684 | 1,398,268 | - | - | 5,256,756 |
| TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS | <u>\$ 28,315,222</u> | <u>\$ 21,135,798</u> | <u>\$ 22,428,565</u> | <u>\$ 28,084,007</u> | <u>\$ 174,152</u> | <u>\$ 100,137,744</u> |

CITY OF WAUSAU, WISCONSIN
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
Year Ended December 31, 2006

| | Balance January 1, 2006 | Additions | Deletions | Balance December 31, 2006 |
|--|-------------------------------|---------------------|-------------------|---------------------------------|
| FUNCTION AND ACTIVITY | | | | |
| General government | \$ 43,070,824 | \$ 2,155,893 | \$ 47,981 | \$ 45,178,736 |
| Public safety: | | | | |
| Police protection | 5,279,205 | 105,897 | 58,108 | 5,326,994 |
| Fire protection | 4,934,167 | 658,657 | 231,003 | 5,361,821 |
| Public works: | | | | |
| Maintenance | 10,142,204 | 1,220,298 | 433,072 | 10,929,430 |
| Sidewalks | 974,364 | 165,141 | - | 1,139,505 |
| Street system | 22,899,796 | 4,044,706 | - | 26,944,502 |
| Parks and recreation | <u>5,187,505</u> | <u>155,314</u> | <u>86,063</u> | <u>5,256,756</u> |
| TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS | <u>\$ 92,488,065</u> | <u>\$ 8,505,906</u> | <u>\$ 856,227</u> | <u>\$ 100,137,744</u> |

STATISTICAL SECTION

CITY OF WAUSAU
Schedule 1
Net Assets by Component
Last Four Fiscal Years
(accrual basis of accounting)

| | Fiscal Year | | | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> |
| Governmental activities | | | | |
| Invested in capital assets, net of related debt | \$ 42,352,542 | \$ 34,786,883 | \$ 37,208,205 | \$ 35,633,500 |
| Restricted | 3,632,566 | 17,072,868 | 7,028,259 | 3,596,784 |
| Unrestricted | <u>6,786,292</u> | <u>5,489,196</u> | <u>19,428,529</u> | <u>8,109,323</u> |
| Total governmental activities net assets | <u>\$ 52,771,400</u> | <u>\$ 57,348,947</u> | <u>\$ 63,664,993</u> | <u>\$ 47,339,607</u> |
| Business-type activities | | | | |
| Invested in capital assets, net of related debt | \$ 43,764,919 | \$ 46,920,639 | \$ 51,075,070 | \$ 76,721,443 |
| Restricted | 3,804,684 | 3,181,859 | 4,458,382 | 3,986,878 |
| Unrestricted | <u>7,427,501</u> | <u>6,372,908</u> | <u>3,520,488</u> | <u>3,320,475</u> |
| Total business-type activities net assets | <u>\$ 54,997,104</u> | <u>\$ 56,475,406</u> | <u>\$ 59,053,940</u> | <u>\$ 84,028,796</u> |
| Primary government | | | | |
| Invested in capital assets, net of related debt | \$ 86,117,461 | \$ 81,707,522 | \$ 88,283,275 | \$ 112,354,943 |
| Restricted | 7,437,250 | 20,254,727 | 11,486,641 | 7,583,662 |
| Unrestricted | <u>14,213,793</u> | <u>11,862,104</u> | <u>22,949,017</u> | <u>11,429,798</u> |
| Total primary government net assets | <u>\$ 107,768,504</u> | <u>\$ 113,824,353</u> | <u>\$ 122,718,933</u> | <u>\$ 131,368,403</u> |

Notes:

The City established a Parking Utility on January 1, 2006 and transferred the associated capital assets into this fund, therefore, transferring the assets from the governmental activities into the business-type activities.

The City began to report accrual information with the implementation of GASB Statement #34 in 2003.

CITY OF WAUSAU
Schedule 2
Changes in Net Assets
Last Four Fiscal Years
(accrual basis of accounting)

| | Fiscal Year | | | |
|-------------------------------------|------------------------|------------------------|------------------------|------------------------|
| | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> |
| Expenses | | | | |
| Governmental activities: | | | | |
| General government | \$ 4,763,813 | \$ 4,483,195 | \$ 4,202,725 | \$ 4,622,132 |
| Public safety | 15,292,645 | 13,020,259 | 13,341,781 | 14,030,085 |
| Transportation and streets | 11,109,253 | 11,861,536 | 14,511,592 | 13,247,438 |
| Sanitation, health and welfare | 1,901,778 | 1,632,110 | 1,761,656 | 1,834,002 |
| Natural resources and recreation | 2,237,215 | 2,064,877 | 2,303,364 | 2,248,861 |
| Economic development | 2,792,478 | 2,876,880 | 3,390,715 | 5,538,980 |
| Interest on long-term debt | 1,965,470 | 1,840,057 | 2,279,157 | 2,124,013 |
| Total governmental activities | <u>40,062,652</u> | <u>37,778,914</u> | <u>41,790,990</u> | <u>43,645,511</u> |
| Business-type activities: | | | | |
| Water | 2,770,326 | 2,912,383 | 3,046,366 | 2,976,625 |
| Wastewater | 3,595,032 | 3,668,319 | 3,724,228 | 3,796,929 |
| Parking | - | - | - | 1,540,251 |
| Total business-type activities | <u>6,365,358</u> | <u>6,580,702</u> | <u>6,770,594</u> | <u>8,313,805</u> |
| Total primary government | <u>\$ 46,428,010</u> | <u>\$ 44,359,616</u> | <u>\$ 48,561,584</u> | <u>\$ 51,959,316</u> |
| Program revenues | | | | |
| Governmental activities: | | | | |
| Charges for service | \$ 5,102,190 | \$ 5,466,809 | \$ 7,898,252 | \$ 8,346,347 |
| Operating grants & contributions | 6,710,397 | 6,840,145 | 7,444,513 | 7,138,318 |
| Capital grants & contributions | 2,818,321 | 820,754 | 2,429,797 | 2,708,386 |
| Total governmental activities | <u>14,630,908</u> | <u>13,127,708</u> | <u>17,772,562</u> | <u>18,193,051</u> |
| Business-type activities: | | | | |
| Charges for service | | | | |
| Water | 3,899,665 | 3,955,672 | 4,104,702 | 4,676,062 |
| Wastewater | 3,635,558 | 3,563,854 | 3,638,149 | 4,052,274 |
| Parking | - | - | - | 948,188 |
| Capital grants & contributions | 2,395,882 | 1,566,208 | 2,541,168 | 2,115,497 |
| Total business-type activities | <u>9,931,105</u> | <u>9,085,734</u> | <u>10,284,019</u> | <u>11,792,021</u> |
| Total primary government | <u>\$ 24,562,013</u> | <u>\$ 22,213,442</u> | <u>\$ 28,056,581</u> | <u>\$ 29,985,072</u> |
| Net (expense)/revenue | | | | |
| Governmental activities | \$ (25,431,744) | \$ (24,651,206) | \$ (24,018,428) | \$ (25,452,460) |
| Business-type activities | <u>3,565,747</u> | <u>2,505,032</u> | <u>3,513,425</u> | <u>3,478,216</u> |
| Total primary government net assets | <u>\$ (21,865,997)</u> | <u>\$ (22,146,174)</u> | <u>\$ (20,505,003)</u> | <u>\$ (21,974,244)</u> |

CITY OF WAUSAU
Schedule 2 (Continued)
Changes in Net Assets
Last Four Fiscal Years
(accrual basis of accounting)

| | Fiscal Year | | | |
|--|----------------------|----------------------|----------------------|----------------------|
| | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> |
| General revenues & other changes in net assets | | | | |
| Governmental activities: | | | | |
| Taxes | | | | |
| Property taxes | \$ 18,868,758 | \$ 19,359,322 | \$ 20,453,967 | \$ 21,211,012 |
| Other taxes | 1,114,691 | 1,242,061 | 1,230,774 | 1,277,752 |
| Intergovernmental revenues not restricted to specific purposes | 7,225,989 | 6,641,204 | 6,393,727 | 6,173,713 |
| Investment income | 516,862 | 575,184 | 810,153 | 954,555 |
| Miscellaneous | 183,832 | 265,582 | 347,599 | 309,620 |
| Gain on sale of capital assets | 73,500 | 40,268 | 11,783 | 57,201 |
| Transfers | 1,032,458 | 1,105,132 | 1,086,471 | (20,856,779) |
| Total governmental activities | <u>29,016,090</u> | <u>29,228,753</u> | <u>30,334,474</u> | <u>9,127,074</u> |
| Business-type activities: | | | | |
| Taxes | - | - | - | 333,632 |
| Investment income | 78,168 | 77,135 | 150,923 | 226,023 |
| Gain on sale of capital assets | 200 | 1,267 | 657 | 80,206 |
| Transfers | (1,032,458) | (1,105,132) | (1,086,471) | 20,856,779 |
| Total business-type activities | <u>(954,090)</u> | <u>(1,026,730)</u> | <u>(934,891)</u> | <u>21,496,640</u> |
| Total primary government | <u>\$ 28,062,000</u> | <u>\$ 28,202,023</u> | <u>\$ 29,399,583</u> | <u>\$ 30,623,714</u> |
| Change in net assets | | | | |
| Governmental activities | \$ 3,584,346 | \$ 4,577,547 | \$ 6,316,046 | \$ (16,325,386) |
| Business-type activities | <u>2,611,657</u> | <u>1,478,302</u> | <u>2,578,534</u> | <u>24,974,856</u> |
| Total primary government | <u>\$ 6,196,003</u> | <u>\$ 6,055,849</u> | <u>\$ 8,894,580</u> | <u>\$ 8,649,470</u> |

CITY OF WAUSAU
Schedule 3
Program Revenues by Function/Program
Last Four Fiscal Years
(accrual basis of accounting)

| Function/program | Fiscal Year | | | |
|---------------------------------------|----------------------|----------------------|----------------------|----------------------|
| | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> |
| Governmental activities: | | | | |
| General government | \$ 1,536,948 | \$ 1,389,037 | \$ 1,922,614 | \$ 1,841,644 |
| Public safety | 1,918,621 | 2,114,634 | 2,189,636 | 2,221,366 |
| Transportation and streets | 7,207,186 | 5,988,160 | 9,837,220 | 10,382,221 |
| Sanitation, health and welfare | 242,634 | 256,392 | 245,519 | 296,112 |
| Natural resources and recreation | 378,178 | 253,838 | 297,397 | 283,231 |
| Economic development | 3,347,341 | 3,125,647 | 3,280,176 | 3,168,477 |
| Total governmental activities | <u>14,630,908</u> | <u>13,127,708</u> | <u>17,772,562</u> | <u>18,193,051</u> |
| Business-type activities: | | | | |
| Water | 5,153,120 | 4,776,580 | 5,620,509 | 5,636,234 |
| Wastewater | 4,777,985 | 4,309,154 | 4,663,510 | 5,159,952 |
| Parking | - | - | - | 995,835 |
| Total business-type activities | <u>9,931,105</u> | <u>9,085,734</u> | <u>10,284,019</u> | <u>11,792,021</u> |
| Total primary government | <u>\$ 24,562,013</u> | <u>\$ 22,213,442</u> | <u>\$ 28,056,581</u> | <u>\$ 29,985,072</u> |

CITY OF WAUSAU
Schedule 4

Fund Balances - Governmental Funds
(modified accrual basis of accounting)

| | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| General Fund | | | | | | | | | | |
| Reserved for: | | | | | | | | | | |
| Inventories and prepaids | \$ 264,014 | \$ 273,121 | \$ 296,084 | \$ 297,479 | \$ 306,885 | \$ 320,620 | \$ 319,900 | \$ 320,445 | \$ 337,002 | \$ 447,499 |
| Noncurrent receivables/advances | - | - | - | 10,937,129 | 9,858,758 | 8,027,916 | 6,683,289 | 5,284,476 | 3,996,070 | 2,619,766 |
| (Note 1) | | | | | | | | | | |
| Contingencies | 50,000 | 75,000 | 175,000 | 325,000 | 443,600 | 471,675 | 500,000 | 500,000 | 500,000 | 500,000 |
| Encumbrances | 20,902 | - | - | - | - | - | - | - | - | - |
| Parking structure | - | - | - | - | 1,000,000 | - | - | - | - | - |
| Unreserved | 7,110,902 | 6,707,532 | 6,834,950 | 7,843,380 | 8,522,002 | 8,507,793 | 8,188,415 | 7,614,835 | 7,683,742 | 8,011,044 |
| Total General Fund | 7,445,818 | 7,055,653 | 7,306,034 | 19,402,988 | 20,131,245 | 17,328,004 | 15,691,604 | 13,719,756 | 12,516,814 | 11,578,309 |
| All Other Governmental Funds | | | | | | | | | | |
| Reserved for: | | | | | | | | | | |
| Inventories and prepaids | - | - | - | 132,710 | 108,140 | 124,009 | 133,311 | 145,758 | 129,430 | 159,121 |
| Debt service | 270,047 | 1,381,906 | 1,448,040 | 1,510,608 | 1,532,857 | 1,549,817 | 1,619,992 | 15,473,883 | 5,484,887 | 2,193,326 |
| Noncurrent receivables/advances | - | - | - | 346,601 | 346,601 | - | - | - | - | - |
| Events allocation | - | - | - | 296,600 | 295,720 | 189,678 | 75,086 | 21,850 | - | - |
| Trust purposes | 134,365 | 188,988 | 180,627 | 228,127 | 230,647 | 198,584 | 247,614 | 275,949 | 372,864 | 398,029 |
| Unreserved, reported in: | | | | | | | | | | |
| Special revenue funds | 3,851,500 | 2,924,951 | 3,124,274 | (7,563,977) | (6,148,621) | (4,791,270) | (3,120,456) | (1,915,566) | (228,506) | 1,149,999 |
| Capital project funds | 9,006,883 | 6,345,173 | 3,259,413 | 3,427,318 | 3,928,860 | 3,448,561 | 6,917,435 | 3,795,069 | 4,878,413 | 1,377,774 |
| Total all other governmental funds | 13,262,795 | 10,841,018 | 8,012,354 | (1,622,013) | 294,204 | 719,379 | 5,872,982 | 17,796,943 | 10,636,888 | 5,278,249 |
| Total governmental funds | \$ 20,708,613 | \$ 17,896,671 | \$ 15,318,388 | \$ 17,780,975 | \$ 20,425,449 | \$ 18,047,383 | \$ 21,564,586 | \$ 31,516,699 | \$ 23,153,702 | \$ 16,856,558 |

Notes:

1) The City established TID #1 Downtown Improvements Fund and the TID #2 Industrial Park Special Revenue Funds to accurately account for the activity in these tax incremental financing districts. This activity had previously been reported within the General Fund. The change resulted in the recording of deficit fund balances for the Special Revenue funds totaling \$11,799,661. These amounts were equally offset by a liability for advances from the General Fund. Corresponding increases in asset and fund balance accounts for the General Fund were also recorded. Prior year balances have not been restated.

CITY OF WAUSAU

Schedule 5

Changes in Fund Balances - Governmental Funds
(modified accrual basis of accounting)

| | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| REVENUES | | | | | | | | | | |
| Taxes | \$ 14,693,681 | \$ 15,684,527 | \$ 16,839,896 | \$ 17,849,935 | \$ 18,801,455 | \$ 19,466,542 | \$ 19,691,289 | \$ 20,297,710 | \$ 21,378,609 | \$ 22,172,762 |
| Special assessments | 749,611 | 869,113 | 615,264 | 1,232,650 | 844,450 | 736,724 | 860,473 | 434,137 | 593,622 | 504,270 |
| Intergovernmental | 11,346,254 | 13,374,008 | 11,967,994 | 12,209,920 | 12,907,405 | 12,975,165 | 14,431,167 | 17,981,524 | 15,157,234 | 15,564,534 |
| Licenses and permits | 229,503 | 196,116 | 265,710 | 297,616 | 420,171 | 681,568 | 713,911 | 765,846 | 826,798 | 751,379 |
| Fines, forfeitures and penalties | 468,094 | 419,029 | 424,956 | 445,762 | 417,197 | 393,892 | 438,327 | 476,446 | 573,186 | 364,019 |
| Public charges | 1,706,002 | 1,627,230 | 1,791,968 | 1,867,455 | 1,876,676 | 1,899,312 | 2,284,782 | 2,456,051 | 2,715,407 | 2,537,051 |
| Intergovernmental charges for services | 636,410 | 866,863 | 1,053,419 | 959,431 | 1,020,647 | 934,563 | 888,628 | 1,113,955 | 1,184,106 | 980,846 |
| Commercial revenues | 601,946 | 517,535 | 444,685 | 342,969 | 370,245 | 283,322 | 1,509,885 | 1,871,648 | 1,782,642 | 2,128,918 |
| Miscellaneous revenues | 3,420,401 | 3,164,934 | 3,117,700 | 4,083,828 | 3,770,941 | 3,198,209 | 3,099,362 | 1,181,661 | 1,326,967 | 1,100,995 |
| Total revenues | 33,851,902 | 36,719,355 | 36,521,592 | 39,289,566 | 40,429,187 | 40,569,297 | 43,917,824 | 46,578,978 | 45,538,571 | 46,104,774 |
| EXPENDITURES | | | | | | | | | | |
| Current: | | | | | | | | | | |
| General government | 3,383,365 | 3,597,481 | 3,882,527 | 3,930,968 | 4,151,850 | 4,036,845 | 4,203,476 | 4,314,769 | 4,086,318 | 4,360,868 |
| Public safety | 10,270,006 | 10,221,213 | 10,729,146 | 10,876,129 | 11,137,068 | 11,940,760 | 12,465,661 | 12,652,211 | 12,908,512 | 13,563,524 |
| Transportation and streets | 7,478,829 | 7,649,564 | 8,044,876 | 8,571,600 | 8,664,076 | 8,310,148 | 8,972,116 | 9,762,448 | 10,244,471 | 9,720,377 |
| Sanitation, health and welfare | 1,635,541 | 1,520,677 | 1,829,323 | 1,483,066 | 1,673,508 | 1,632,475 | 1,635,001 | 1,629,466 | 1,733,862 | 1,773,222 |
| Natural resources and recreation | 1,574,126 | 1,759,580 | 1,839,211 | 1,830,274 | 1,872,708 | 2,052,923 | 1,999,061 | 1,925,868 | 2,079,035 | 2,018,785 |
| Economic development | 2,080,119 | 2,713,260 | 2,320,811 | 2,365,520 | 3,013,700 | 2,215,535 | 2,644,256 | 2,839,146 | 3,022,133 | 5,393,409 |
| Capital outlay | 8,463,738 | 9,445,358 | 6,904,821 | 8,823,026 | 8,665,735 | 11,834,503 | 24,387,624 | 16,577,996 | 9,182,533 | 8,166,128 |
| Debt service: | | | | | | | | | | |
| Principal retirement | 2,665,088 | 6,214,277 | 4,178,509 | 3,634,985 | 3,066,560 | 3,283,820 | 4,023,463 | 4,281,799 | 18,192,876 | 6,123,812 |
| Retire unfunded pension obligation | - | - | - | - | - | - | 3,939,067 | - | - | - |
| Interest and debt service charges | 1,642,718 | 1,350,169 | 1,437,970 | 1,182,017 | 1,466,241 | 1,483,631 | 1,491,151 | 2,196,370 | 2,764,223 | 2,099,721 |
| Total expenditures | 39,193,530 | 44,471,579 | 41,167,194 | 42,697,585 | 43,711,446 | 46,790,640 | 65,760,876 | 56,180,073 | 64,213,963 | 53,219,846 |
| Excess (deficiency) of revenues over expenditures | (5,341,628) | (7,752,224) | (4,645,602) | (3,408,019) | (3,282,259) | (6,221,343) | (21,843,052) | (9,601,095) | (18,675,392) | (7,115,072) |

CITY OF WAUSAU
Schedule 5 (Continued)
Changes in Fund Balances - Governmental Funds
(modified accrual basis of accounting)

| | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| OTHER FINANCING SOURCES (USES) | | | | | | | | | | |
| Issuance of debt | 5,089,697 | 4,909,468 | 1,857,135 | 5,721,077 | 4,818,960 | 3,843,277 | 24,327,797 | 4,522,899 | 5,814,310 | 2,751,098 |
| Discount on debt issued | - | - | - | - | - | - | - | - | - | (5,531) |
| Issuance of refunding debt | - | 4,959,433 | - | - | 1,617,503 | - | - | 19,076,316 | - | - |
| Payment to escrow agents | - | (4,957,434) | - | - | (1,617,503) | - | - | (5,314,268) | - | (3,320,000) |
| Transfers in | 1,577,177 | 3,918,079 | 1,140,590 | 1,872,481 | 2,261,670 | 4,734,409 | 4,402,197 | 5,857,955 | 6,087,654 | 7,383,086 |
| Transfers out | (1,420,476) | (3,889,264) | (930,406) | (1,722,952) | (1,153,897) | (4,734,409) | (3,369,739) | (4,589,694) | (4,925,125) | (5,990,725) |
| Total other financing sources (uses) | 5,246,398 | 4,940,282 | 2,067,319 | 5,870,606 | 5,926,733 | 3,843,277 | 25,360,255 | 19,553,208 | 6,976,839 | 817,928 |
| Net change in fund balance | (95,230) | (2,811,942) | (2,578,283) | 2,462,587 | 2,644,474 | (2,378,066) | 3,517,203 | 9,952,113 | (11,698,553) | (6,297,144) |
| FUND BALANCES - BEGINNING (as restated) | 20,803,843 | 20,708,613 | 17,896,671 | 15,318,388 | 17,780,975 | 20,425,449 | 18,047,383 | 21,564,586 | 34,852,255 | 23,153,702 |
| FUND BALANCES - ENDING | \$ 20,708,613 | \$ 17,896,671 | \$ 15,318,388 | \$ 17,780,975 | \$ 20,425,449 | \$ 18,047,383 | \$ 21,564,586 | \$ 31,516,699 | \$ 23,153,702 | \$ 16,856,558 |

*Balance restated

CITY OF WAUSAU
Schedule 6

Assessed Value and Estimated Actual Value (Equalized Value) of Taxable Property

| Levy Year | Fiscal Year | Residential Property | Commercial Property | Industrial Property | Agricultural/Forest Property | Personal Property | Total Taxable Assessed Value A | Total Direct Tax Rate B | Estimated Actual Taxable Value C | Assessed as Percent of Estimated Actual Value |
|-----------|-------------|----------------------|---------------------|---------------------|------------------------------|-------------------|--------------------------------|-------------------------|----------------------------------|---|
| | | | | | | | | | | |
| 1996 | 1997 | \$ 897,433,500 | \$ 410,669,000 | \$ 54,640,000 | \$ 90,500 | \$ 96,798,900 | \$ 1,459,631,900 | \$ 8.58 | \$ 1,427,574,800 | 102.25% |
| 1997 | 1998 | 907,974,500 | 420,613,500 | 61,385,600 | 92,000 | 104,554,900 | 1,494,620,500 | 8.89 | 1,502,923,900 | 99.45% |
| 1998 | 1999 | 924,047,800 | 439,063,600 | 66,164,700 | 121,300 | 110,062,800 | 1,539,460,200 | 9.19 | 1,571,663,200 | 97.95% |
| 1999 | 2000 | 935,969,500 | 448,302,600 | 72,297,400 | 92,500 | 73,731,700 | 1,530,393,700 | 9.76 | 1,652,470,300 | 92.61% |
| 2000 | 2001 | 955,284,900 | 453,135,800 | 76,597,200 | 58,400 | 69,845,400 | 1,554,921,700 | 10.03 | 1,729,959,800 | 89.88% |
| 2001 | 2002 | 972,317,000 | 464,884,400 | 83,840,600 | 85,500 | 70,731,400 | 1,591,858,900 | 10.13 | 1,839,794,800 | 86.52% |
| 2002 | 2003 | 986,151,300 | 487,584,400 | 86,463,900 | 69,800 | 69,202,400 | 1,629,471,800 | 10.37 | 1,923,669,600 | 84.71% |
| 2003 | 2004 | 1,002,526,100 | 505,024,000 | 85,797,900 | 64,300 | 71,141,500 | 1,664,553,800 | 10.37 | 2,003,188,900 | 83.10% |
| 2004 | 2005 | 1,276,680,800 | 643,656,400 | 107,606,400 | 181,300 | 90,111,400 | 2,118,236,300 | 8.57 | 2,080,684,300 | 101.80% |
| 2005 | 2006 | 1,304,299,400 | 689,555,600 | 105,641,000 | 401,700 | 94,274,000 | 2,194,171,700 | 8.72 | 2,233,469,700 | 98.24% |
| 2006 | 2007 | 1,346,763,900 | 726,349,600 | 99,376,800 | 1,162,000 | 100,637,000 | 2,274,289,300 | 8.85 | 2,433,934,300 | 93.44% |

A Source: Wisconsin Department of Revenue, Final Statement of Assessment. Values include TIF districts.

B Source: City of Wausau Budget document. The rate shown is for properties served by the Wausau School District.

C Source: Wisconsin Department of Revenue, County Equalization Report.

Notes:

Property in the City of Wausau is reassessed every three to four years on average, with the goal of assessing property at 100% of market value. Between major reassessments, property values are updated based on sales of comparable properties.

CITY OF WAUSAU

Schedule 7

Property Tax Rates - Direct and Overlapping Governments
Last Ten Fiscal Years

Marathon County/Wausau School District

Per \$1,000 of Assessed Value

| Levy Year | Collection Year | Basic Rate | G.O. Debt Service | City of Wausau | | Marathon County | State of Wisconsin | Gross Tax Rate | State Tax Credit | Net Tax Rate |
|-----------|-----------------|------------|-------------------|--------------------|------------------------|-----------------|--------------------|----------------|------------------|--------------|
| | | | | Wausau Direct Rate | Wausau School District | | | | | |
| 1997 | 1998 | 6.79 | 2.10 | 8.89 | 12.38 | 6.26 | 0.20 | 29.57 | 2.20 | 27.37 |
| 1998 | 1999 | 7.33 | 1.86 | 9.19 | 11.91 | 6.35 | 0.20 | 29.50 | 2.08 | 27.42 |
| 1999 | 2000 | 7.73 | 2.03 | 9.76 | 12.21 | 6.73 | 0.22 | 30.94 | 2.01 | 28.93 |
| 2000 | 2001 | 7.65 | 2.38 | 10.03 | 12.55 | 6.94 | 0.22 | 31.87 | 1.95 | 29.92 |
| 2001 | 2002 | 7.52 | 2.61 | 10.13 | 12.85 | 7.07 | 0.23 | 32.46 | 1.86 | 30.60 |
| 2002 | 2003 | 7.82 | 2.55 | 10.37 | 12.84 | 7.21 | 0.24 | 32.94 | 1.81 | 31.13 |
| 2003 | 2004 | 7.87 | 2.50 | 10.37 | 12.95 | 7.12 | 0.24 | 32.97 | 1.76 | 31.21 |
| 2004 | 2005 | 6.61 | 1.96 | 8.57 | 10.98 | 5.71 | 0.20 | 27.36 | 1.36 | 26.00 |
| 2005 | 2006 | 6.83 | 1.89 | 8.72 | 10.13 | 5.82 | 0.19 | 26.83 | 1.29 | 25.54 |
| 2006 | 2007 | 7.02 | 1.83 | 8.85 | 10.10 | 5.86 | 0.19 | 27.02 | 1.54 | 25.48 |

(Continued)

CITY OF WAUSAU
 Schedule 7 (Continued)
 Property Tax Rates - Direct and Overlapping Governments
 Last Ten Fiscal Years

Marathon County/DC Everest School District

Per \$1,000 of Assessed Value

| Levy Year | Collection Year | Basic Rate | G.O. Debt Service | City of Wausau | | DC Everest School District | | Marathon County | State of Wisconsin | Gross Tax Rate | State Tax Credit | Net Tax Rate |
|-----------|-----------------|------------|-------------------|----------------|------|----------------------------|----------------------------|-----------------|--------------------|----------------|------------------|--------------|
| | | | | Direct Rate | NTC | DC Everest School District | DC Everest School District | | | | | |
| 1997 | 1998 | 6.79 | 2.10 | 8.89 | 1.84 | 9.58 | 6.26 | 0.20 | 26.77 | 2.20 | 24.57 | |
| 1998 | 1999 | 7.33 | 1.86 | 9.19 | 1.85 | 9.12 | 6.35 | 0.20 | 26.71 | 2.08 | 24.63 | |
| 1999 | 2000 | 7.73 | 2.03 | 9.76 | 2.02 | 9.29 | 6.73 | 0.22 | 28.02 | 2.01 | 26.01 | |
| 2000 | 2001 | 7.65 | 2.38 | 10.03 | 2.13 | 10.60 | 6.94 | 0.22 | 29.92 | 1.95 | 27.97 | |
| 2001 | 2002 | 7.52 | 2.61 | 10.13 | 2.18 | 10.62 | 7.07 | 0.23 | 30.23 | 1.86 | 28.37 | |
| 2002 | 2003 | 7.82 | 2.55 | 10.37 | 2.28 | 11.37 | 7.21 | 0.24 | 31.47 | 1.81 | 29.66 | |
| 2003 | 2004 | 7.87 | 2.50 | 10.37 | 2.29 | 10.92 | 7.12 | 0.24 | 30.94 | 1.76 | 29.18 | |
| 2004 | 2005 | 6.61 | 1.96 | 8.57 | 1.90 | 7.49 | 5.71 | 0.20 | 23.87 | 1.36 | 22.51 | |
| 2005 | 2006 | 6.83 | 1.89 | 8.72 | 1.97 | 9.12 | 5.82 | 0.19 | 25.82 | 1.29 | 24.53 | |
| 2006 | 2007 | 7.02 | 1.83 | 8.85 | 2.02 | 9.08 | 5.86 | 0.19 | 26.00 | 1.54 | 24.46 | |

Notes:

In 2005, the State of Wisconsin imposed a two tax levy limitation on all units of local government. In addition, through the State of Wisconsin Expenditure Restraint Program, a pool of money is distributed annually to local governments that meet certain restrictions on the growth of General Fund expenditures. In general, the program limits the growth of General Fund expenditures to 60% of the percentage of growth in equalized value, up to a maximum of 2%, plus the change in the Consumer Price Index.

CITY OF WAUSAU

Schedule 8

Principal Taxpayers, Current Year and Nine Years Prior

| Taxpayer | Type of Business | 2006 | | | 1997 | | |
|-----------------------------|--------------------------------|-------------------------------------|--|------|-------------------------------------|--|------|
| | | Taxable Assessed Value ^A | Percent of Total Assessed Value ^B | Rank | Taxable Assessed Value ^A | Percent of Total Assessed Value ^B | Rank |
| | | | | | | | |
| Ghidorzi | Office/Real Estate Development | \$ 58,834,700 | 2.59% | 1 | \$ 16,942,700 | 1.13% | 2 |
| Employers Insurance/Liberty | Insurance | 40,834,000 | 1.80% | 2 | 75,379,200 | 5.04% | 1 |
| Aspirus/Wausau Hospital | Medical | 27,979,700 | 1.23% | 3 | | | |
| Marshfield Clinic | Medical | 27,538,600 | 1.21% | 4 | 12,400,100 | 0.83% | 4 |
| Wausau Center Mall | Retail | 19,216,400 | 0.84% | 5 | 15,830,800 | 1.06% | 3 |
| Wausau Benefits | Insurance | 18,702,800 | 0.82% | 6 | | | |
| Eastbay | Retail/Distribution | 18,121,000 | 0.80% | 7 | | | |
| Kolbe & Kolbe | Manufacturing | 16,415,900 | 0.72% | 8 | 8,917,600 | 0.60% | 8 |
| Apogee/Wausau Metals | Manufacturing | 14,298,400 | 0.63% | 9 | 11,901,500 | 0.80% | 5 |
| Rosemurgy | Retail | 12,971,400 | 0.57% | 10 | | | |
| M & I Bank | Banking | | | | 10,384,600 | 0.69% | 6 |
| PJ Investments (Crossroads) | Retail | | | | 10,018,800 | 0.67% | 7 |
| Marathon Electric | Manufacturing | | | | 7,642,200 | 0.51% | 9 |
| Youngers | Retail | | | | 6,017,000 | 0.40% | 10 |
| | TOTAL | \$ 254,912,900 | 11.21% | | \$ 175,434,500 | 11.74% | |

^A Per City Assessor records.

^B Based on the City's total assessed valuation on January 1, 2006 and 1997 of \$2,274,289,300 and \$1,494,620,500, respectively.

CITY OF WAUSAU

Schedule 9

Property Tax Levies and Collections
Last Ten Fiscal Years

| Collection Year | Total Tax Levy | Collections Prior to Transfer of Roll on August 1 | Percent of Levy Collected | Total Tax Collections at December 31 | Total Collections as Percent of Levy | Outstanding Delinquent Taxes | Outstanding Delinquent Taxes as Percent of Levy |
|-----------------|----------------|---|---------------------------|--------------------------------------|--------------------------------------|------------------------------|---|
| 1997 | \$ 12,090,679 | \$ 11,912,978 | 98.53% | \$ 11,913,647 | 98.54% | \$ 34,528 | 0.29% |
| 1998 | 12,753,291 | 12,595,288 | 98.76% | 12,597,187 | 98.78% | 18,715 | 0.15% |
| 1999 | 13,491,487 | 13,284,430 | 98.47% | 13,288,806 | 98.50% | 15,061 | 0.11% |
| 2000 | 14,182,826 | 13,922,647 | 98.17% | 13,929,775 | 98.22% | 34,970 | 0.25% |
| 2001 | 14,811,881 | 14,196,115 | 95.84% | 14,201,865 | 95.88% | 170,614 | 1.15% |
| 2002 | 15,299,595 | 14,955,544 | 97.75% | 14,956,334 | 97.76% | 51,699 | 0.34% |
| 2003 | 15,987,121 | 15,690,809 | 98.15% | 15,705,415 | 98.24% | 41,233 | 0.26% |
| 2004 | 16,288,605 | 16,017,185 | 98.33% | 16,031,511 | 98.42% | 24,091 | 0.15% |
| 2005 | 17,087,161 | 16,743,305 | 97.99% | 16,752,309 | 98.04% | 42,158 | 0.25% |
| 2006 | 17,971,506 | 17,649,845 | 98.21% | 17,658,728 | 98.26% | 36,138 | 0.20% |

Notes:

The amount of outstanding taxes represents uncollected personal property taxes at the end of each year. For delinquent taxes that are deemed to be uncollectible, the portions attributable to overlapping districts are charged back to those jurisdictions as allowed per state statutes.

CITY OF WAUSAU
 Schedule 10
 Direct and Overlapping Sales Tax Rates
 Last Ten Fiscal Years

| | <u>City Direct Rate</u> | <u>Marathon County Direct Rate</u> | <u>State of Wisconsin</u> |
|------|-----------------------------|--|-------------------------------|
| 1997 | 0.0% | 0.5% | 5.0% |
| 1998 | 0.0% | 0.5% | 5.0% |
| 1999 | 0.0% | 0.5% | 5.0% |
| 2000 | 0.0% | 0.5% | 5.0% |
| 2001 | 0.0% | 0.5% | 5.0% |
| 2002 | 0.0% | 0.5% | 5.0% |
| 2003 | 0.0% | 0.5% | 5.0% |
| 2004 | 0.0% | 0.5% | 5.0% |
| 2005 | 0.0% | 0.5% | 5.0% |
| 2006 | 0.0% | 0.5% | 5.0% |

| |
|---|
| <p>Note: Wisconsin counties have the option of levying a 0.5% sales tax. Cities do not have the option of levying sales tax.</p> |
|---|

CITY OF WAUSAU

Schedule 11

Outstanding Debt by Type
Last Ten Fiscal Years

| Fiscal Year | Governmental Activities | | | | | Business-type Activities | | | | | Total Primary Government | Percentage of Personal Income | Per Capita |
|-------------|--------------------------|------------------------|------------------------|----------------|--------------------------------|-----------------------------|----------------------------------|--------------------------------|-----------------------------|----------------------------------|--------------------------|-------------------------------|------------|
| | General Obligation Bonds | G. O. Promissory Notes | State Trust Fund Loans | Capital Leases | General Obligation Bonds/Notes | Water Utility Revenue Bonds | Wastewater Utility Revenue Bonds | General Obligation Bonds/Notes | Water Utility Revenue Bonds | Wastewater Utility Revenue Bonds | | | |
| 1997 | \$ 15,206,962 | \$ 12,661,786 | \$ 185,530 | \$ - | \$ 4,773,038 | \$ - | \$ - | \$ 9,225,000 | \$ 42,052,316 | 5.57% | \$ 1,086 | | |
| 1998 | 14,363,134 | 10,495,000 | 162,740 | 88,498 | 4,186,866 | - | - | 8,785,000 | 38,081,238 | 4.83% | 982 | | |
| 1999 | 11,628,555 | 10,735,000 | 138,810 | 189,149 | 3,666,445 | 4,990,000 | 4,990,000 | 8,315,000 | 39,662,959 | 4.79% | 1,020 | | |
| 2000 | 10,058,677 | 14,665,000 | 113,703 | 66,243 | 3,121,323 | 4,990,000 | 4,985,000 | 7,810,000 | 40,824,946 | 5.04% | 1,049 | | |
| 2001 | 8,803,499 | 17,935,000 | 1,704,825 | - | 2,556,501 | 4,960,000 | 4,960,000 | 7,135,000 | 43,119,825 | 5.34% | 1,116 | | |
| 2002 | 7,577,380 | 17,355,000 | 4,092,789 | - | 1,987,620 | 4,670,000 | 4,670,000 | 6,535,000 | 42,507,789 | 5.54% | 1,094 | | |
| 2003 | 10,705,664 | 23,195,000 | 15,535,379 | - | 1,404,336 | 4,375,000 | 4,375,000 | 5,905,000 | 61,415,379 | 7.60% | 1,581 | | |
| 2004 | 26,860,999 | 24,849,500 | 15,023,245 | - | 1,044,001 | 3,865,000 | 3,865,000 | 5,260,000 | 77,412,745 | 9.68% | 1,989 | | |
| 2005 | 25,846,869 | 27,614,000 | 1,184,498 | - | 658,131 | 3,330,000 | 3,330,000 | 4,590,000 | 63,758,498 | 7.34% | 1,623 | | |
| 2006 | 20,991,061 | 25,950,098 | 1,011,494 | - | 3,462,841 | 3,885,000 | 3,885,000 | 3,885,000 | 58,630,494 | N/A | 1,475 | | |

CITY OF WAUSAU
Schedule 12
General Obligation Debt
Last Ten Fiscal Years

| Fiscal Year | Total General Obligation Debt ^A | Less Assets Restricted for Debt Service | Net General Obligation Debt | Percentage of Actual Taxable Property Value ^B | Per Capita ^C |
|----------------|--|---|--------------------------------|--|----------------------------|
| 1997 | \$ 32,827,316 | \$ 270,047 | \$ 32,557,269 | 2.28% | \$ 841 |
| 1998 | 29,296,238 | 629,285 | 28,666,953 | 1.91% | 739 |
| 1999 | 26,357,959 | 542,640 | 25,815,319 | 1.64% | 664 |
| 2000 | 28,024,946 | 321,794 | 27,703,152 | 1.68% | 712 |
| 2001 | 30,999,825 | 60,392 | 30,939,433 | 1.79% | 800 |
| 2002 | 31,012,789 | 75,050 | 30,937,739 | 1.68% | 796 |
| 2003 | 50,840,379 | 192,387 | 50,647,992 | 2.63% | 1,304 |
| 2004 | 67,777,745 | 17,347,189 | 50,430,556 | 2.52% | 1,296 |
| 2005 | 55,303,498 | 3,987,932 | 51,315,566 | 2.47% | 1,307 |
| 2006 | 51,415,494 | 636,877 | 50,778,617 | 2.27% | 1,278 |

^A Total amount includes general obligation debt for business-type activities. The details on outstanding debt can be found in the notes to the financial statements.

^B Actual Taxable Property Values can be found in Schedule 6.

^C Population data can be found in Schedule 16.

CITY OF WAUSAU
Schedule 13
Computation of Direct and Overlapping General Obligation Debt
December 31, 2006

| <u>Taxing Jurisdiction</u> | <u>Net Debt Outstanding</u> | <u>Percentage Applicable to City of Wausau</u> | <u>Amount Applicable to City of Wausau</u> |
|--|---------------------------------|--|--|
| City of Wausau [^] | \$ 50,778,617 | 100.00% | <u>\$ 50,778,617</u> |
| Overlapping Debt: | | | |
| Wausau School District | 69,970,000 | 61.19% | 42,814,643 |
| DC Everest School District | 48,415,000 | 3.85% | 1,863,978 |
| Northcentral Technical College | 15,725,000 | 16.14% | 2,538,015 |
| Marathon County | 4,950,000 | 26.67% | <u>1,320,165</u> |
| Total Overlapping Debt | | | <u>48,536,801</u> |
| Total Direct and Overlapping Debt | | | <u>\$ 99,315,418</u> |

[^] City of Wausau debt is shown net of amounts available for future debt service costs.

CITY OF WAUSAU
Schedule 14
Legal Debt Margin Calculation
Fiscal Year Ended December 31, 2006

Legal Debt Margin at December 31, 2006

| | |
|--|----------------------|
| Equalized Value of Real & Personal Property | \$2,433,934,300 |
| Legal Debt Limit (5% of equalized value) | 121,696,715 |
| Total Debt Applicable to Debt Limitation | 51,415,494 |
| Less: Available funds reserved for debt retirement | <u>(636,877)</u> |
| Net Amount Applicable to Debt Limitation | <u>50,778,617</u> |
| Remaining Legal Debt Margin | <u>\$ 70,918,098</u> |

| Fiscal Year | Total Equalized Value | Debt Limit | Net debt applicable to limit | Legal Debt Margin | Net debt applicable to limit as percent of Debt Limit |
|----------------|--------------------------|---------------|------------------------------------|----------------------|--|
| 1997 | \$1,502,923,900 | \$ 75,146,195 | \$ 30,707,269 | \$ 44,438,926 | 40.86% |
| 1998 | 1,571,663,200 | 78,583,160 | 28,666,953 | 49,916,207 | 36.48% |
| 1999 | 1,652,470,300 | 82,623,515 | 25,815,319 | 56,808,196 | 31.24% |
| 2000 | 1,729,959,800 | 86,497,990 | 27,703,152 | 58,794,838 | 32.03% |
| 2001 | 1,839,794,800 | 91,989,740 | 30,939,433 | 61,050,307 | 33.63% |
| 2002 | 1,923,669,600 | 96,183,480 | 30,937,739 | 65,245,741 | 32.17% |
| 2003 | 2,003,188,900 | 100,159,445 | 50,647,992 | 49,511,453 | 50.57% |
| 2004 | 2,080,684,300 | 104,034,215 | 50,430,556 | 53,603,659 | 48.47% |
| 2005 | 2,233,469,700 | 111,673,485 | 51,315,566 | 60,357,919 | 45.95% |
| 2006 | 2,433,934,300 | 121,696,715 | 50,778,617 | 70,918,098 | 41.73% |

CITY OF WAUSAU
Schedule 15
Mortgage Revenue Bond Coverage - Water Utility
Last Ten Fiscal Years

| Fiscal Year | Gross Revenues ¹ | Direct Operating Expenses ² | Net Revenue Available for Debt Service | Debt Service Requirements ³ | | | Coverage |
|-------------|-----------------------------|--|--|--|----------|---------|----------|
| | | | | Principal | Interest | Total | |
| 1997 | \$ 3,172,906 | \$ 1,581,700 | \$ 1,591,206 | \$ - | \$ - | \$ - | n/a |
| 1998 | 3,214,394 | 1,589,354 | 1,625,040 | - | - | - | n/a |
| 1999 | 3,369,262 | 1,711,612 | 1,657,650 | - | - | - | n/a |
| 2000 | 3,652,955 | 1,712,731 | 1,940,224 | - | 374,205 | 374,205 | 5.18 |
| 2001 | 3,637,572 | 1,836,749 | 1,800,823 | 5,000 | 249,470 | 254,470 | 7.08 |
| 2002 | 3,828,431 | 1,771,352 | 2,057,079 | 25,000 | 249,225 | 274,225 | 7.50 |
| 2003 | 3,933,638 | 1,861,324 | 2,072,314 | 290,000 | 248,000 | 538,000 | 3.85 |
| 2004 | 3,991,021 | 1,984,653 | 2,006,368 | 295,000 | 233,500 | 528,500 | 3.80 |
| 2005 | 4,171,589 | 2,135,728 | 2,035,861 | 510,000 | 218,750 | 728,750 | 2.79 |
| 2006 | 4,773,658 | 1,982,641 | 2,791,017 | 535,000 | 193,250 | 728,250 | 3.83 |

(Continued)

¹ Includes Total Operating Revenues and Investment Income .

² Includes Total Operating Expenses less Depreciation and Payment in Lieu of Taxes through 2002. In 2003, with the implementation of GASB #34, the Payment in Lieu of Taxes was classified as a non-operating expense.

³ Water System Revenue Bonds, Series 1999.

CITY OF WAUSAU
Schedule 15 (Continued)
Mortgage Revenue Bond Coverage - Wastewater Utility
Last Ten Fiscal Years

| Fiscal Year | Gross Revenues ¹ | Direct Operating Expenses ² | Net Revenue Available for Debt Service | Debt Service Requirements ³ | | | Coverage |
|----------------|--------------------------------|--|--|--|------------|------------|----------|
| | | | | Principal | Interest | Total | |
| 1997 | \$ 3,833,758 | \$ 1,882,164 | \$ 1,951,594 | \$ 310,000 | \$ 551,967 | \$ 861,967 | 2.26 |
| 1998 | 3,884,522 | 1,943,681 | 1,940,841 | 440,000 | 536,017 | 976,017 | 1.99 |
| 1999 | 3,950,342 | 1,983,189 | 1,967,153 | 470,000 | 506,557 | 976,557 | 2.01 |
| 2000 | 3,924,198 | 1,977,019 | 1,947,179 | 505,000 | 474,972 | 979,972 | 1.99 |
| 2001 | 3,744,440 | 2,260,044 | 1,484,396 | 530,000 | 440,882 | 970,882 | 1.53 |
| 2002 | 3,550,113 | 2,175,348 | 1,374,765 | 600,000 | 341,115 | 941,115 | 1.46 |
| 2003 | 3,679,753 | 2,247,092 | 1,432,661 | 630,000 | 293,875 | 923,875 | 1.55 |
| 2004 | 3,605,640 | 2,372,380 | 1,233,260 | 645,000 | 271,825 | 916,825 | 1.35 |
| 2005 | 3,722,185 | 2,451,789 | 1,270,396 | 670,000 | 249,250 | 919,250 | 1.38 |
| 2006 | 4,180,701 | 2,490,487 | 1,690,214 | 705,000 | 222,450 | 927,450 | 1.82 |

¹ Includes Total Operating Revenues and Investment Income .

² Includes Total Operating Expenses less Depreciation.

³ Sewerage System Revenue Refunding Bonds, Series 2001.

CITY OF WAUSAU
 Schedule 16
 Demographic Statistics
 Last Ten Fiscal Years

| Fiscal Year | City of Wausau Population ¹ | Personal Income ² | AGI Per Return ³ | School System Enrollment ⁴ | Unemployment Rate ⁵ |
|-------------|--|------------------------------|-----------------------------|---------------------------------------|--------------------------------|
| 1997 | 38,724 | \$ 754,315,378 | \$ 35,449 | 9,386 | 3.8% |
| 1998 | 38,777 | 788,544,467 | 36,076 | 9,267 | 3.9% |
| 1999 | 38,881 | 827,468,432 | 37,376 | 9,208 | 3.5% |
| 2000 | 38,936 | 809,394,329 | 36,782 | 9,015 | 4.0% |
| 2001 | 38,654 | 806,956,591 | 37,325 | 8,944 | 4.8% |
| 2002 | 38,859 | 767,150,268 | 36,244 | 8,949 | 5.9% |
| 2003 | 38,848 | 807,851,982 | 38,343 | 8,746 | 6.4% |
| 2004 | 38,912 | 799,627,872 | 37,727 | 8,759 | 6.0% |
| 2005 | 39,275 | 869,166,468 | 39,677 | 8,768 | 5.4% |
| 2006 | 39,740 | n/a | n/a | 8,836 | 5.7% |

¹ Source: Wisconsin Department of Administration estimates.

² Source: Wisconsin Department of Revenue. Adjusted Gross Income for all tax returns filed for City of Wausau residents.

³ Source: Wisconsin Department of Revenue. Average Adjusted Gross Income for returns filed.

⁴ Source: Wisconsin Department of Public Instruction.

⁵ Source: Wisconsin Department of Workforce Development. Annual rates not seasonally adjusted.

CITY OF WAUSAU

Schedule 17

Principal Employers

Current Year and Nine Years Prior

| Employer | Type of business | 2006 | | | 1997 | | |
|-----------------------------|-------------------------------|----------------------|------|-------------------------------------|----------------------|------|-------------------------------------|
| | | Number of Employees* | Rank | Percentage of Total City Employment | Number of Employees* | Rank | Percentage of Total City Employment |
| Aspirus/Wausau Hospital | Medical | 2,693 | 1 | 14.17% | 1,561 | 2 | 7.59% |
| Kolbe & Kolbe | Window/door manufacturing | 1,700 | 2 | 8.95% | 1,340 | 3 | 6.51% |
| Employers Insurance/Liberty | Insurance | 1,500 | 3 | 7.89% | 2,793 | 1 | 13.57% |
| Wausau School District | Education | 1,300 | 4 | 6.84% | 1,267 | 4 | 6.16% |
| Eastbay | Retail/distribution | 1,180 | 5 | 6.21% | 995 | 5 | 4.84% |
| Wausau Benefits | Insurance | 1,070 | 6 | 5.63% | | | |
| Marshfield Clinic | Medical | 938 | 7 | 4.94% | | | |
| North Central Health Care | Health care/medical | | | | 925 | 6 | 4.50% |
| Marathon Electric | Motor/generator manufacturing | | | | 875 | 7 | 4.25% |
| Marathon County | Government | | | | 727 | 8 | 3.53% |
| Total | | <u>10,381</u> | | 54.63% | <u>10,483</u> | | 50.95% |
| Total City Employment | | <u>19,001</u> | | | <u>20,576</u> | | |

*Includes full- and part-time employees.

Source: Employer contacts and information provided by Wisconsin Department of Workforce Development.

CITY OF WAUSAU

Schedule 18

Budgeted Full-Time Equivalent Personnel Positions
Last Ten Fiscal Years

| | <u>1997</u> | <u>1998</u> | <u>1999</u> | <u>2000</u> | <u>2001</u> | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> |
|----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| General Government | | | | | | | | | | |
| Mayor's office | 4.50 | 3.50 | 3.50 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 3.50 | 3.50 |
| Finance department | 15.50 | 15.00 | 14.25 | 14.25 | 14.25 | 13.25 | 13.25 | 12.25 | 12.25 | 12.25 |
| Assessment | 7.00 | 7.00 | 7.00 | 7.00 | 7.00 | 6.00 | 6.00 | 6.00 | 6.00 | 6.00 |
| Human resources | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| Legal affairs | 3.50 | 3.75 | 3.75 | 3.75 | 3.75 | 3.75 | 3.75 | 3.75 | 3.75 | 3.75 |
| Municipal court | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 |
| Total General Government | <u>35.00</u> | <u>33.75</u> | <u>33.00</u> | <u>33.50</u> | <u>33.50</u> | <u>30.50</u> | <u>30.50</u> | <u>29.50</u> | <u>29.00</u> | <u>29.00</u> |
| Public Safety | | | | | | | | | | |
| Police department | 74.00 | 76.00 | 70.00 | 72.00 | 72.00 | 72.00 | 71.00 | 72.00 | 72.00 | 75.00 |
| Fire department | 61.00 | 61.00 | 61.00 | 61.00 | 62.00 | 62.00 | 61.00 | 61.00 | 61.00 | 60.00 |
| Inspections and electrical | 11.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 |
| Total Public Safety | <u>146.00</u> | <u>150.00</u> | <u>144.00</u> | <u>146.00</u> | <u>147.00</u> | <u>147.00</u> | <u>145.00</u> | <u>146.00</u> | <u>146.00</u> | <u>148.00</u> |
| Parks Department * | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | - | - | - | - |
| Public Works | 72.00 | 72.00 | 73.00 | 74.00 | 74.00 | 70.00 | 66.00 | 64.00 | 65.00 | 64.50 |
| Community Development | 14.00 | 14.00 | 13.50 | 14.00 | 12.25 | 12.25 | 12.25 | 12.25 | 12.75 | 12.75 |
| Transit System | 31.50 | 32.00 | 34.00 | 34.00 | 35.00 | 35.00 | 33.00 | 33.00 | 33.00 | 33.00 |
| Water & Sewer Utilities | 40.00 | 39.00 | 38.00 | 37.75 | 33.75 | 33.75 | 31.75 | 31.75 | 31.75 | 31.50 |
| Total Regular Employees | <u>339.50</u> | <u>341.75</u> | <u>336.50</u> | <u>340.25</u> | <u>336.50</u> | <u>329.50</u> | <u>318.50</u> | <u>316.50</u> | <u>317.50</u> | <u>318.75</u> |

Source: Finance and Human Resource Departments.

*The City and Marathon County operate a combined park department. As of 2002, all employees are considered employees of Marathon County. Up to 2003, the City had one full-time employee on its payroll.

CITY OF WAUSAU

Schedule 19

Operating Indicators by Function/Program

| | Fiscal Year | | | | | | | | | |
|--|-------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
| General Government | | | | | | | | | | |
| Building permits issued | | | | | | | | | | |
| Residential | 672 | 854 | 829 | 851 | 933 | 859 | 937 | 925 | 847 | 750 |
| Non-residential | 194 | 149 | 175 | 156 | 176 | 155 | 156 | 170 | 174 | 179 |
| Total construction value (\$000) | | | | | | | | | | |
| Residential | 13,858 | 14,744 | 17,366 | 18,931 | 17,095 | 17,875 | 28,892 | 33,325 | 35,131 | 24,397 |
| Non-residential | 48,084 | 21,998 | 34,825 | 57,832 | 46,091 | 70,794 | 54,964 | 42,204 | 61,077 | 45,361 |
| Police | | | | | | | | | | |
| Calls for service | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 50,519 |
| Parking tickets issued | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 9,509 |
| Total arrests | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 3,267 | 3,413 |
| Fire | | | | | | | | | | |
| Fire responses | 1,101 | 1,045 | 1,311 | 820 | 824 | 1,238 | 1,648 | 1,455 | 1,478 | 1,433 |
| Emergency responses | 3,066 | 3,144 | 3,238 | 3,335 | 3,387 | 3,329 | 3,350 | 3,565 | 3,734 | 4,003 |
| Inspections | 4,383 | 3,614 | 3,640 | 3,409 | 3,321 | 3,232 | 4,183 | 3,816 | 4,438 | 4,018 |
| Public works | | | | | | | | | | |
| Miles of street swept | 6,393 | 11,154 | 10,444 | 10,904 | 7,685 | 9,145 | 6,670 | 11,516 | 7,019 | 6,127 |
| Cu. yds. of debris - sweeping | 7,521 | 8,487 | 6,923 | 5,520 | 5,250 | 5,026 | 4,399 | 4,335 | 6,179 | 4,963 |
| Tons of asphalt used (potholes) | 1,730 | 1,179 | 1,913 | 2,455 | 962 | 795 | 1,058 | 480 | 406 | 598 |
| Tons of scrap (spring pickup) | 664 | 587 | 605 | 645 | 681 | 685 | 372 | 682 | 580 | 588 |
| Water | | | | | | | | | | |
| Ave. daily consumption (000 gal.) | 4,446 | 4,980 | 4,719 | 4,733 | 4,680 | 4,803 | 4,931 | 4,845 | 5,099 | 5,347 |
| Peak daily consumption (000 gal.) | 6,843 | 8,015 | 6,856 | 7,352 | 8,513 | 7,822 | 8,771 | 7,524 | 8,529 | 8,531 |
| Number of customers | 13,936 | 14,034 | 14,136 | 14,196 | 14,522 | 14,546 | 14,613 | 14,791 | 15,275 | 15,405 |
| Wastewater | | | | | | | | | | |
| Ave. daily sewage treatment (000 gal.) | 4,355 | 4,712 | 4,443 | 4,960 | 4,561 | 4,868 | 3,770 | 3,977 | 3,930 | 4,166 |
| Wausau Area Transit | | | | | | | | | | |
| Total route miles | 658,636 | 671,933 | 685,087 | 693,270 | 648,985 | 657,540 | 638,730 | 620,471 | 603,668 | 683,934 |
| Total passengers | 964,454 | 929,459 | 871,428 | 851,841 | 826,941 | 758,706 | 743,249 | 758,061 | 819,165 | 865,988 |
| Cost per passenger | \$2.05 | \$2.23 | \$2.61 | \$2.78 | \$3.00 | \$3.37 | \$3.66 | \$3.85 | \$3.55 | \$3.64 |

CITY OF WAUSAU

Schedule 20

Capital Asset Statistics by Function/Program

| | Fiscal Year | | | | | | | | | |
|-----------------------------|-------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
| Police | | | | | | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Fire | | | | | | | | | | |
| Stations | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Fire suppression units | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 9 |
| Public works | | | | | | | | | | |
| Miles of streets | 208.0 | 208.6 | 210.7 | 212.5 | 213.1 | 213.1 | 214.5 | 218.7 | 221.9 | 223.4 |
| Parks & recreation | | | | | | | | | | |
| Parks | 36 | 36 | 36 | 36 | 36 | 36 | 36 | 36 | 36 | 37 |
| Acres | 338 | 338 | 338 | 338 | 338 | 338 | 338 | 338 | 338 | 343 |
| Swimming pools | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Water | | | | | | | | | | |
| Miles of main | 199.5 | 200.7 | 204.9 | 207.3 | 209.4 | 211.0 | 217.0 | 221.1 | 227.1 | 229.8 |
| Storage capacity (000 gal.) | 5,300 | 5,300 | 5,300 | 5,300 | 5,300 | 5,300 | 5,550 | 5,550 | 5,550 | 5,550 |
| Fire hydrants | 1,315 | 1,322 | 1,354 | 1,372 | 1,389 | 1,404 | 1,451 | 1,481 | 1,541 | 1,571 |
| Wastewater | | | | | | | | | | |
| Miles of main | 199.2 | 200.2 | 203.9 | 207.6 | 209.7 | 211.0 | 212.3 | 218.1 | 221.3 | 226.3 |
| Stormwater | | | | | | | | | | |
| Miles of main | 119.7 | 120.2 | 121.9 | 123.6 | 124.2 | 124.2 | 124.7 | 127.3 | 129.8 | 131.8 |