

# Comprehensive Annual Financial Report

For The Year Ended December 31, 2007



**CITY OF WAUSAU**  
WAUSAU, WISCONSIN

**CITY OF WAUSAU  
Wausau, Wisconsin**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
For the Year Ended  
December 31, 2007**

**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, 2007**

**TABLE OF CONTENTS**

<b>INTRODUCTORY SECTION</b>	<b>PAGE</b>
Letter of Transmittal .....	iv
Certificate of Achievement for Excellence in Financial Reporting .....	vii
Organization Chart .....	viii
List of Principal Officials .....	ix
 <b>FINANCIAL SECTION</b>	
Independent Auditor's Report .....	1
Management's Discussion and Analysis .....	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets .....	12
Statement of Activities .....	13
Fund Financial Statements:	
Balance Sheet - Governmental Funds .....	15
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds .....	16
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	17
Statement of Net Assets - Proprietary Funds .....	18
Statement of Revenues, Expenses and Changes in Net Assets - Proprietary Funds .....	20
Statement of Cash Flows - Proprietary Funds.....	21
Statement of Fiduciary Net Assets - Fiduciary Funds.....	23
Statement of Changes in Fiduciary Net Assets - Fiduciary Funds .....	24
Notes to the Financial Statements.....	25
Required Supplementary Information:	
Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund.....	64
Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet - Nonmajor Governmental Funds .....	65
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds .....	70
Budgetary Comparison Schedule - Nonmajor Budgeted Governmental Funds .....	75
Schedule of Revenues and Other Financing Sources - Budget and Actual - General Fund.....	81
Schedule of Expenditures and Other Financing Uses - Budget and Actual - General Fund.....	83
Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget And Actual - Debt Service Fund .....	85
Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget And Actual - TIF #3 Downtown Development Fund .....	86
Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget And Actual - Capital Improvements Fund.....	87
Combining Statement of Net Assets – Internal Service Funds .....	88
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets – Internal Service Funds.....	89
Combining Statement of Cash Flows – Internal Service Funds.....	90
Combining Statement of Fiduciary Net Assets - Agency Funds .....	91

**TABLE OF CONTENTS (Continued)**

<b>FINANCIAL SECTION (Continued)</b>	<b>PAGE</b>
Combining Statement of Changes in Assets and Liabilities - Agency Funds .....	92
Capital Assets Used in the Operation of Governmental Funds:	
Schedule by Function and Activity.....	93
Schedule of Changes by Function and Activity.....	94

**STATISTICAL SECTION**

**Schedules:**

1	Net Assets by Component Last Five Fiscal Years .....	95
2	Changes in Net Assets Last Five Fiscal Years.....	96
3	Program Revenues by Function/Program Last Five Fiscal Years .....	98
4	Fund Balances – Governmental Funds .....	99
5	Changes in Fund Balances – Governmental Funds .....	100
6	Assessed Value and Estimated Actual Value (Equalized Value) of Taxable Property .....	102
7	Property Tax Rates – Direct and Overlapping Governments Last Ten Fiscal Years .....	103
8	Principal Taxpayers, Current Year and Nine Years Prior.....	105
9	Property Tax Levies and Collections Last Ten Fiscal Years .....	106
10	Direct and Overlapping Sales Tax Rates Last Ten Fiscal Years.....	107
11	Outstanding Debt by Type Last Ten Fiscal Years .....	108
12	General Obligation Debt Last Ten Fiscal Years .....	109
13	Computation of Direct and Overlapping General Obligation Debt .....	110
14	Legal Debt Margin Calculation .....	111
15	Mortgage Revenue Bond Coverage Last Ten Fiscal Years .....	112
16	Demographic Statistics Last Ten Fiscal Years.....	114
17	Principal Employers Current Year and Nine Years Prior .....	115
18	Budgeted Full-Time Equivalent Personnel Positions Last Ten Fiscal Years .....	116
19	Operating Indicators by Function/Program.....	117
20	Capital Asset Statistics by Function/Program.....	118

## **INTRODUCTORY SECTION**





June 23, 2008

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, 2007 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. In addition, we are not aware of any financial policies that had a significant impact on the current years financial statements. 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 225.5 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 budget represents a multi-year strategy including a two year operating plan and a five year capital plan. In addition, the City is increasing its long term planning focus and is in the midst of creating a long term plan with the assistance of its financial advisors, Elhers, Inc.

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 11<sup>th</sup> in the state for traveler tourism spending.

Economic Development is encouraged through preserving Wausau's housing stock, financially assisting business with start-up and plant expansions, eliminating blighting influences for redevelopment purposes, attracting new business and promoting Wausau's industrial park and expanding new (including international) markets to create tax base. The City actively uses tax increment financing to forward these goals. The City currently maintains seven districts. Districts One and Three are located within the central business district, Districts Two, Four and Five are located in the industrial park, and District Six and Seven are adjacent to the Interstate Highway I-39 corridor.

Recent developments initiated or completed in 2007 within the central business district include: construction of a 61,000 square foot, six story multipurpose building providing retail and banquet space, hotel expansion and residential condominiums; construction of the Red Eye Brewery/Restaurant and restoration of the Fillmore Theater. Construction also commenced on three new manufacturing facilities within the industrial park totaling 503,000 square feet. In addition, the city experienced expansion of commercial facilities particularly along the interstate including a 29,000 square foot medical teaching facility and a 42,000 square foot commercial facility.

#### **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, 2006. 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 seventh 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

A handwritten signature in black ink, appearing to read 'Maryanne Groat', with a long horizontal flourish extending to the right.

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, 2006

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.



*Charles S. Cox*

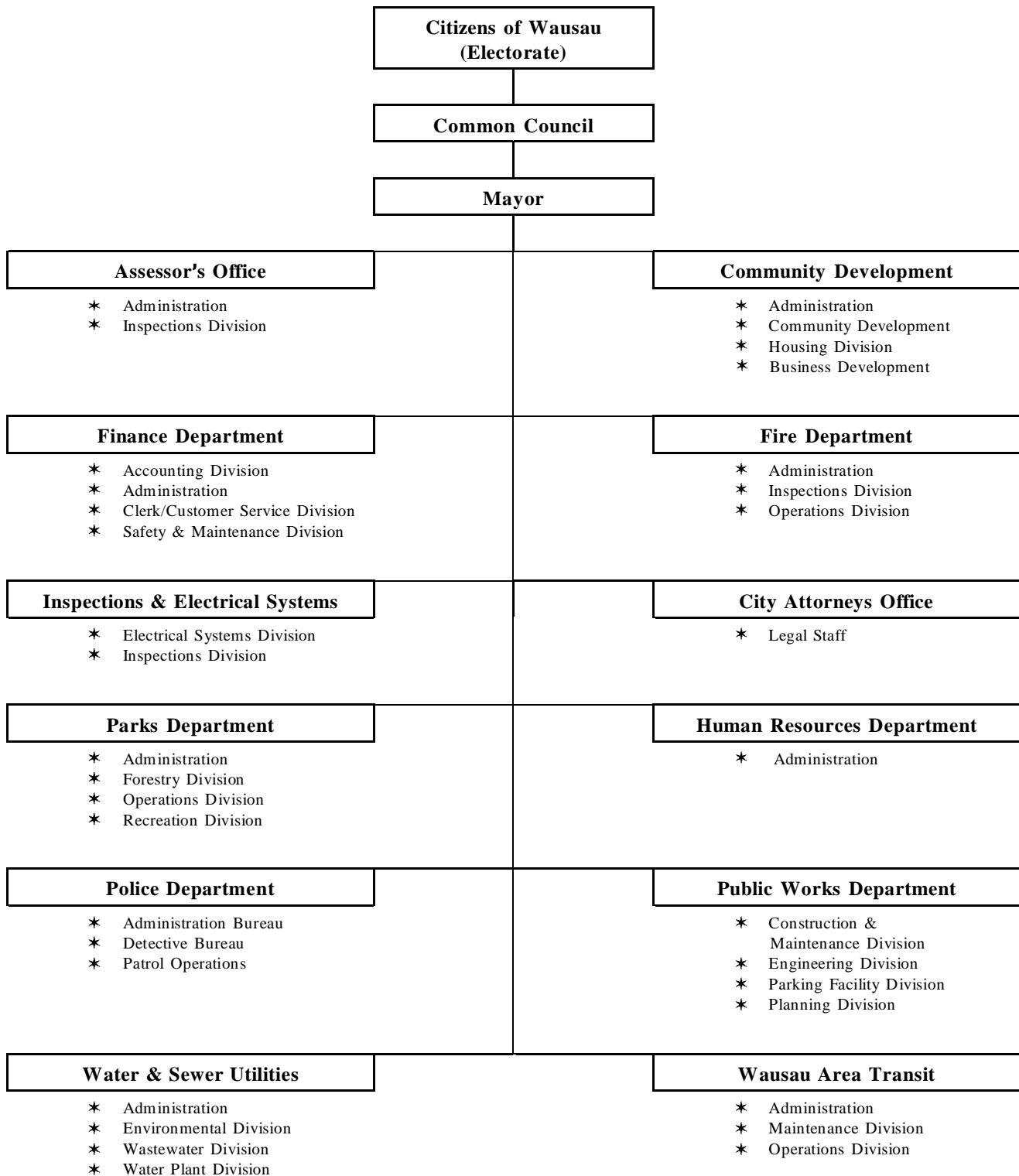
President

*Jeffrey R. Emer*

Executive Director

# CITY OF WAUSAU

## Organizational Chart



**CITY OF WAUSAU**  
**List of Principal Officials on December 31, 2007**

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 Engineer ..... Bradley Marquardt/Tony Lehmann  
Acting Chief Inspector & Zoning Administrator ..... Roger Sydow  
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, 2007 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, 2007, 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 June 23, 2008, 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  
June 23, 2008



## 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, 2007. 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 \$160,365,428.
- The City's total net assets increased by \$3,657,891.
- As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$17,138,841, an increase of \$282,283 from the prior year. The total unreserved fund balance of \$11,515,828 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 \$7,489,176, or 26.79% of expenditures. Of this amount, \$1,613,909 is designated and \$5,875,267 is undesignated. The General Fund is in compliance with the City's fund balance policy at December 31, 2007.
- The City of Wausau's total general obligation debt increased \$2,269,673 or 4.41%. The majority of this increase related to the two State Trust Fund Loans used for improvements in the City's tax incremental financing district #5.

### **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, wastewater and parking 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-four 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 information for the general fund is included in the required supplementary information. This statement demonstrates compliance with the City's adopted and final revised budget.

The basic governmental fund financial statements are presented on pages 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 water, wastewater and parking funds. The City's *internal service funds*, the Motor Pool and Insurance Funds, are used to accumulate and allocate costs internally among the City's various functions. Because the City's internal service funds primarily serve governmental functions, they have been included within the governmental activities of the government-wide financial statements.

Proprietary fund financial statements provide separate and more detailed information for the water, wastewater and parking enterprise funds and the two internal service funds. Individual fund data for each of the internal service funds is provided in combining statements elsewhere in the supplementary statements.

The basic proprietary fund financial statements can be found on pages 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 65-94 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 \$160,365,428.

By far, the largest portion of the City of Wausau's net assets (84.2 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	
	2007	2006	2007	2006	2007	2006
Current and other assets	\$ 93,397,652	\$ 90,758,582	\$ 7,803,865	\$ 7,961,446	\$ 101,201,517	\$ 98,720,028
Capital assets	100,150,391	99,213,347	88,425,282	87,379,588	188,575,673	186,592,935
Total assets	<u>193,548,043</u>	<u>189,971,929</u>	<u>96,229,147</u>	<u>95,341,034</u>	<u>289,777,190</u>	<u>285,312,963</u>
Long-term liabilities	52,809,294	52,292,130	8,881,527	10,977,861	61,690,821	63,269,991
Other liabilities	67,520,770	65,001,058	200,171	334,377	67,720,941	65,335,435
Total liabilities	<u>120,330,064</u>	<u>117,293,188</u>	<u>9,081,698</u>	<u>11,312,238</u>	<u>129,411,762</u>	<u>128,605,426</u>
Net assets:						
Invested in capital assets, net of related debt	55,095,222	53,529,030	79,877,355	76,721,443	134,972,577	130,250,473
Restricted	3,075,046	5,776,256	3,348,431	3,986,878	6,423,477	9,763,134
Unrestricted	15,047,711	13,373,455	3,921,663	3,320,475	18,969,374	16,693,930
Total net assets	<u>\$ 73,217,979</u>	<u>\$ 72,678,741</u>	<u>\$ 87,147,449</u>	<u>\$ 84,028,796</u>	<u>\$ 160,365,428</u>	<u>\$ 156,707,537</u>

An additional portion of the City's net assets (4.0%) represents resources that are subject to external restrictions on how they may be used. The remaining balance represents unrestricted net assets of \$18,969,374 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 \$3,657,891 during the current fiscal year.

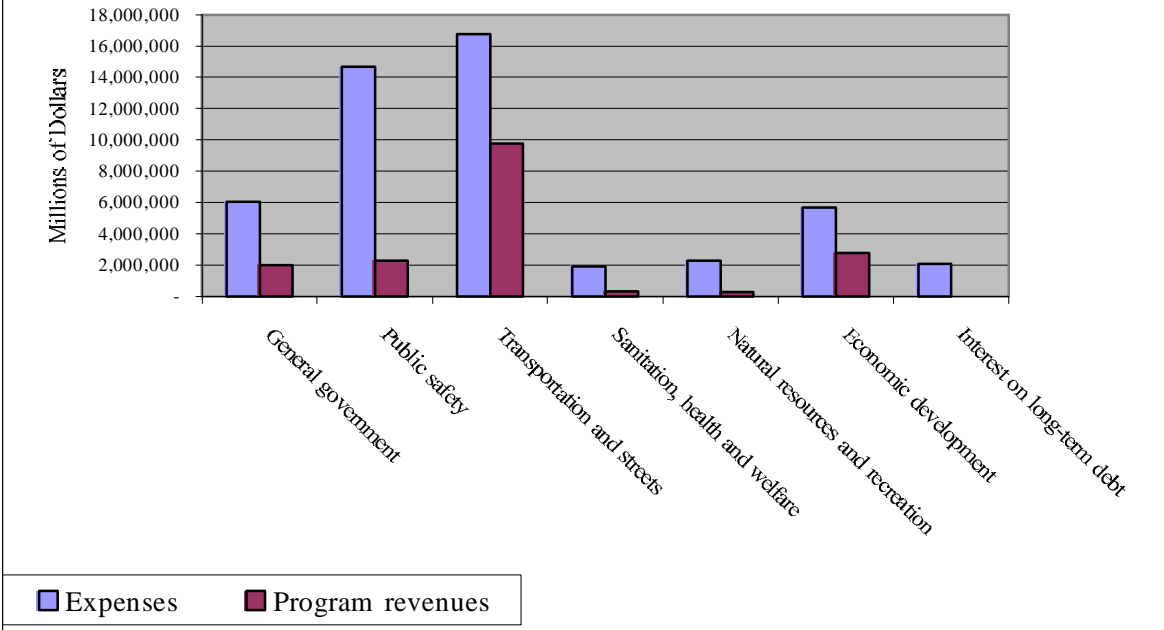
The changes by net asset category are as follows:

Net assets invested in capital assets, net of related debt	\$ 4,722,104
Restricted	(3,339,657)
Unrestricted	<u>2,275,444</u>
Total	<u>\$ 3,657,891</u>

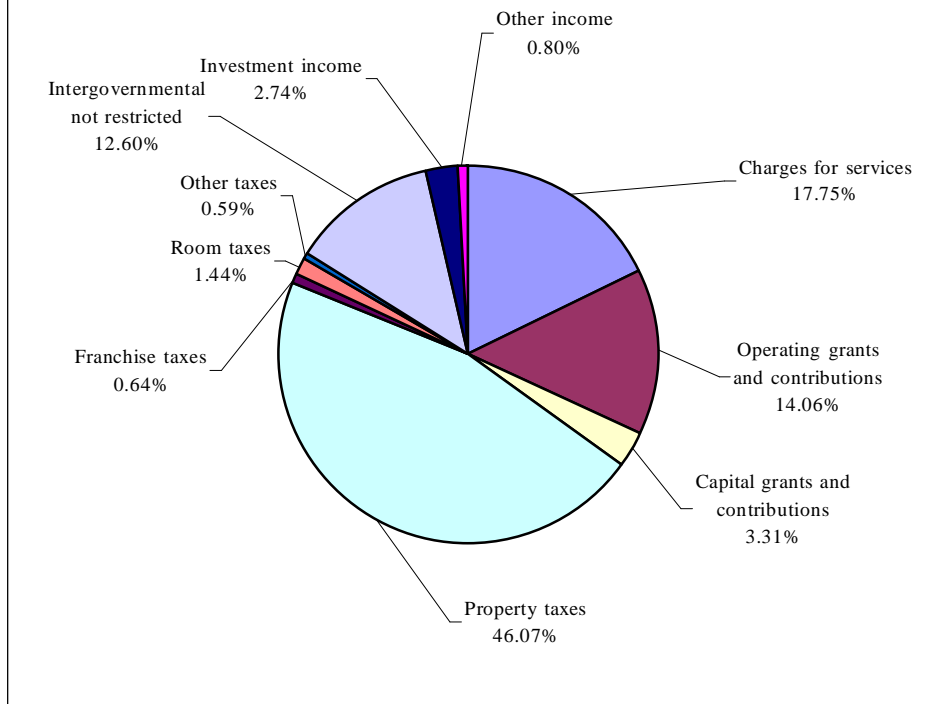
The following table provides a summary of the City's operations for the year ended December 31, 2007 and a comparison to December 31, 2006.

CITY OF WAUSAU						
CHANGES IN NET ASSETS						
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006						
	Government Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
<b>Revenues:</b>						
Program Revenues						
Charges for services	\$ 8,763,390	\$ 8,346,347	\$10,042,809	\$ 9,676,524	\$ 18,806,199	\$ 18,022,871
Operating grants and contributions	6,942,999	7,138,318	-	-	6,942,999	7,138,318
Capital grants and contributions	1,634,826	2,708,386	1,602,684	2,115,497	3,237,510	4,823,883
General Revenues						
Property taxes	22,746,399	21,211,012	227,746	333,632	22,974,145	21,544,644
Franchise taxes	315,862	316,002	-	-	315,862	316,002
Room taxes	708,866	726,495	-	-	708,866	726,495
Other taxes	291,661	235,255	-	-	291,661	235,255
Grants and contributions not restricted to specific purposes	6,219,960	6,173,713	-	-	6,219,960	6,173,713
Investment Income	1,352,467	954,555	184,889	226,023	1,537,356	1,180,578
Other	393,555	366,821	60,000	80,206	453,555	447,027
Total Revenues	<u>49,369,985</u>	<u>48,176,904</u>	<u>12,118,128</u>	<u>12,431,882</u>	<u>61,488,113</u>	<u>60,608,786</u>
<b>Expenses</b>						
General Government	6,033,037	4,622,132	-	-	6,033,037	4,622,132
Public Safety	14,654,852	14,030,085	-	-	14,654,852	14,030,085
Transportation and streets	16,766,522	13,247,438	1,623,619	1,540,251	18,390,141	14,787,689
Sanitation, health and welfare	1,913,189	1,834,002	-	-	1,913,189	1,834,002
Natural resources and recreation	2,261,035	2,248,861	-	-	2,261,035	2,248,861
Economic development	5,667,342	5,538,980	-	-	5,667,342	5,538,980
Interest on long term debt	2,061,409	2,124,013	-	-	2,061,409	2,124,013
Water	-	-	2,962,640	2,976,625	2,962,640	2,976,625
Wastewater	-	-	3,886,577	3,796,929	3,886,577	3,796,929
Total Expenses	<u>49,357,386</u>	<u>43,645,511</u>	<u>8,472,836</u>	<u>8,313,805</u>	<u>57,830,222</u>	<u>51,959,316</u>
Increase in net assets before transfers	12,599	4,531,393	3,645,292	4,118,077	3,657,891	8,649,470
Transfers	526,639	(20,856,779)	(526,639)	20,856,779	-	-
Increase (decrease) in net assets	539,238	(16,325,386)	3,118,653	24,974,856	3,657,891	8,649,470
Net assets - January 1	72,678,741	89,004,127	84,028,796	59,053,940	156,707,537	148,058,067
Net assets - December 31	<u>\$73,217,979</u>	<u>\$72,678,741</u>	<u>\$87,147,449</u>	<u>\$84,028,796</u>	<u>\$160,365,428</u>	<u>\$156,707,537</u>

### Expenses and Program Revenues - Governmental Activities

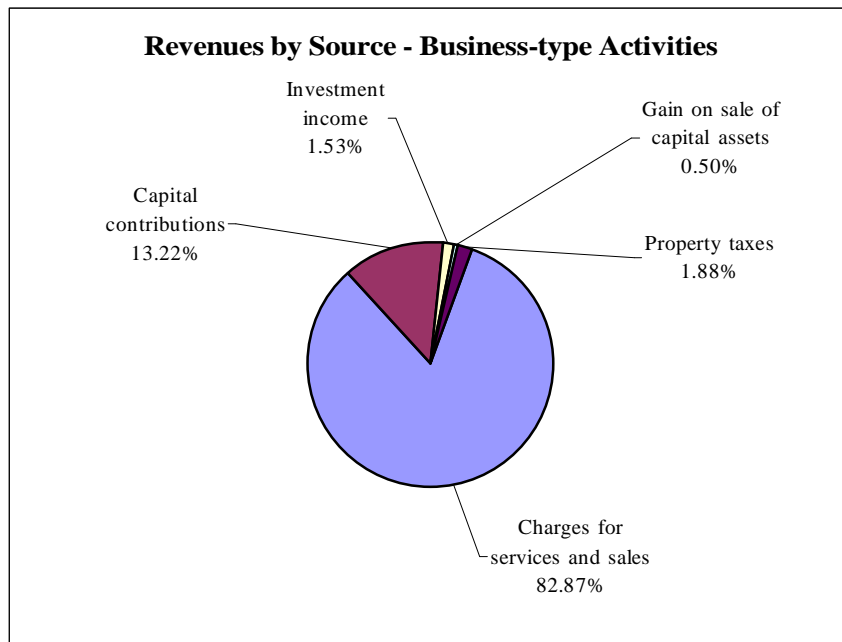
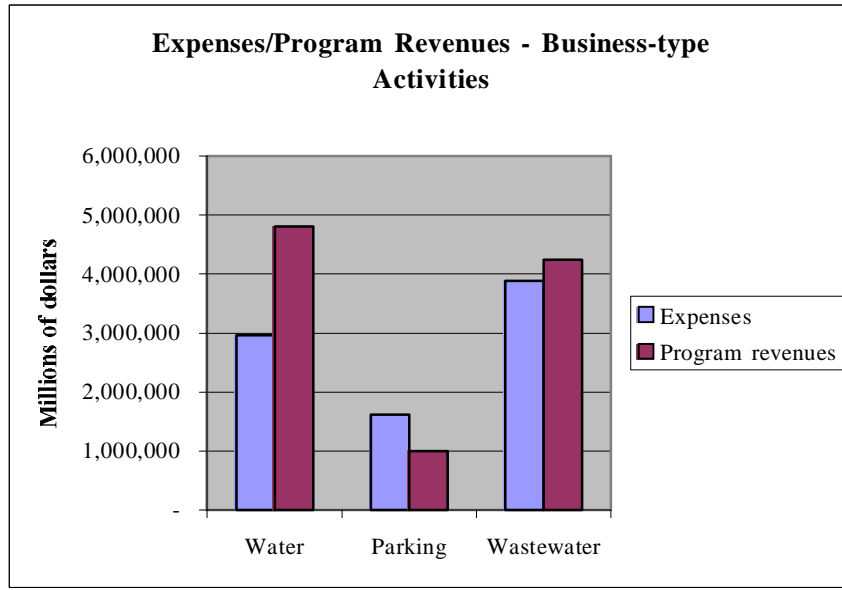


### Program and General Revenues by Source - Governmental Activities



Business-type activities increased the City of Wausau's net assets by \$3,118,653. Key elements of the increase are as follows:

Operating revenues increased \$128,466, \$186,087 and \$51,732 for the Water, Wastewater and Parking utilities, respectively. Operating expenses also increased \$45,311, \$123,501 and \$83,368 for each respective utility. These amounts resulted in an increase in total operating income for the business-type activities of \$114,105 over the prior year. Total operating income for the year ended December 31, 2007 was \$1,949,202.



## **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 \$17,138,841, an increase of \$282,283 from the prior year. The total unreserved fund balance of \$11,515,828 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 \$2,050,675, offset inventories and prepayments \$524,461, committed to service debt \$2,103,881, committed to trust purposes \$443,996, 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 \$1,185,507 to \$10,392,802. 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 significant negative impact on the undesignated fund balance which was \$5,875,267 at year-end which represents a \$98,286 decrease from 2006. 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 26.79 percent of general fund expenditures, while total fund balance represents 37.18 percent of the same amount.

The Debt Service fund balance of \$454,144 is fully reserved. The net decrease in fund balance during the current year in the debt service fund was \$182,733. The major part of this reduction was anticipated in the 2007 operating budget.

TID #3 Downtown Development fund balance of \$185,901 represents unexpended proceeds from long-term debt. These funds will be depleted as projects are completed.

Capital Improvements fund balance of \$3,305,271 represents unexpended capital projects in process. These projects will be completed in 2008.

### **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 \$29,719 due to common council authorization to carry forward unexpended budget line items from the 2006 budget into 2007. The majority of this action involved funding for small projects in process.

- General Fund expenditures and other financing uses exceeded budget by \$574,192. Savings occurred within all categories except sanitation, health and welfare where garbage and refuse collection and clean up costs exceeded budget by \$62,974 and \$467, respectively. In addition, the transfer to TID #3 exceeded budget by \$980,075.
- General Fund revenues and other financing sources exceeded budget expectations by \$918,404. The most significant budget variations occurred in licenses and permits of \$174,318, taxes \$175,064, fines and forfeitures \$66,258, public charges for services \$298,798, intergovernmental charges \$135,314 and commercial revenues \$320,643. These positive variances were offset by shortcomings in miscellaneous revenues of \$283,987.

## 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, 2007 was \$188,575,673. This investment in capital assets includes land, buildings and improvements, machinery, equipment, infrastructure and construction in progress. The total increase in net capital assets for the current fiscal year was \$1,982,738 or slightly over 1%.

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

### Governmental Activities

- Land for right of way and street projects \$1,120,061.
- Motor Pool additions of \$676,316.
- Various street projects totaling \$3,486,973.

### Business-type Activities

- The Wastewater Utility distribution and infrastructure system increased \$970,933.
- Water Utility installed water mains and other system support totaling \$1,377,640.
- The Parking Utility infrastructure system increased \$867,644.

### City of Wausau Capital Assets (net of accumulated depreciation)

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Land	\$ 29,275,078	\$ 28,315,222	\$ 2,344,038	\$ 2,344,038	\$ 31,619,116	\$ 30,659,260
Buildings & improvements	11,564,019	12,713,404	24,140,087	24,145,132	35,704,106	36,858,536
Machinery & equipment	6,112,432	6,216,954	6,042,345	6,679,462	12,154,777	12,896,416
Infrastructure	53,021,218	51,147,103	55,584,629	54,140,955	108,605,847	105,288,058
Investment-Joint Venture	177,644	174,152	-	-	177,644	174,152
Construction in progress	-	646,512	314,183	70,001	314,183	716,513
<b>Total</b>	<b>\$100,150,391</b>	<b>\$99,213,347</b>	<b>\$88,425,282</b>	<b>\$87,379,588</b>	<b>\$188,575,673</b>	<b>\$186,592,935</b>

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 debt outstanding of \$56,855,167. Of this amount \$53,685,167 comprises debt backed by the full faith and credit of the City of Wausau. The remaining amount of \$3,170,000 represents bonds secured solely by specified revenue sources (revenue bonds).

### City of Wausau Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
General obligation	\$ 48,136,525	\$ 47,952,653	\$ 5,548,642	\$ 3,462,841	\$ 53,685,167	\$ 51,415,494
Revenue bonds	-	-	3,170,000	7,215,000	3,170,000	7,215,000
<b>Total</b>	<b>\$ 48,136,525</b>	<b>\$ 47,952,653</b>	<b>\$ 8,718,642</b>	<b>\$ 10,677,841</b>	<b>\$ 56,855,167</b>	<b>\$ 58,630,494</b>



In 2007 the City issued debt as follows:

- 2007 Promissory Note Series A \$4,535,000; this debt financed the City's capital improvements as outlined by the Capital Improvement Plan adopted by the common council.
- 2007 Refunding Bonds Series B \$2,605,000; this debt refinanced the outstanding 1999 Water Utility revenue bonds.
- 2007 State trust fund loan \$500,000; this debt financed the construction, furnishing and equipping of the business incubator.
- 2007 State trust fund loan \$1,706,760; this debt financed the acquisition and development of industrial sites within tax incremental financing district #5.

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.

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 2007 annual average unemployment rate for the Wausau area was 4.4% 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 2007 budget for the City of Wausau.

At the end of the current fiscal year, unreserved – undesignated fund balance within the general fund was \$5,875,267. Similar to past years, the City of Wausau appropriated \$1,500,000 of surplus for spending in the adopted 2008 budget. It is intended that this use of available fund balance will stabilize the tax rate during 2008.

### **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.

**[THIS PAGE LEFT INTENTIONALLY BLANK]**

## **BASIC FINANCIAL STATEMENTS**



**CITY OF WAUSAU, WISCONSIN**  
**STATEMENT OF NET ASSETS**  
December 31, 2007

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 19,309,754	\$ 1,410,273	\$ 20,720,027	\$ 3,351,198
Investments	15,825,538	-	15,825,538	384,505
Receivables (net of allowance for uncollectible accounts)	56,990,859	2,867,827	59,858,686	196,975
Inventories and prepayments	667,533	91,310	758,843	8,998
Deferred charges	603,968	-	603,968	-
Restricted assets:				
Cash and investments	-	3,434,455	3,434,455	35,650
Capital assets (net of accumulated depreciation)				
Land	29,275,078	2,344,038	31,619,116	1,008,489
Buildings and improvements	11,564,019	24,140,087	35,704,106	7,169,725
Machinery and equipment	6,112,432	6,042,345	12,154,777	153,576
Infrastructure	53,021,218	55,584,629	108,605,847	-
Investment in joint venture	177,644	-	177,644	-
Construction in progress	-	314,183	314,183	-
TOTAL ASSETS	<u>193,548,043</u>	<u>96,229,147</u>	<u>289,777,190</u>	<u>12,309,116</u>
<b>LIABILITIES</b>				
Accounts payable and other current liabilities	3,140,441	114,147	3,254,588	271,227
Accrued interest payable	496,522	86,024	582,546	-
Due to other governments	39,527,089	-	39,527,089	-
Unearned revenue	24,356,718	-	24,356,718	68,090
Noncurrent liabilities:				
Due within one year	7,989,777	1,492,042	9,481,819	159,372
Due in more than one year	44,819,517	7,389,485	52,209,002	179,051
TOTAL LIABILITIES	<u>120,330,064</u>	<u>9,081,698</u>	<u>129,411,762</u>	<u>677,740</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	55,095,222	79,877,355	134,972,577	7,993,367
Restricted for:				
Debt service	2,596,630	1,711,224	4,307,854	-
Capital improvements	478,416	1,637,207	2,115,623	-
Other purposes	-	-	-	552,910
Unrestricted	15,047,711	3,921,663	18,969,374	3,085,099
TOTAL NET ASSETS	<u>\$ 73,217,979</u>	<u>\$ 87,147,449</u>	<u>\$ 160,365,428</u>	<u>\$ 11,631,376</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, 2007

<u>Functions/Programs</u>	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 6,033,037	\$ 1,858,966	\$ 92,693	\$ 21,406
Public safety	14,654,852	1,922,225	355,556	-
Transportation and streets	16,766,522	3,654,162	4,919,370	1,191,508
Sanitation, health and welfare	1,913,189	146,828	168,585	-
Natural resources and recreation	2,261,035	220,359	37,745	-
Economic development	5,667,342	960,850	1,369,050	421,912
Interest on long-term debt	2,061,409	-	-	-
Total governmental activities	<u>49,357,386</u>	<u>8,763,390</u>	<u>6,942,999</u>	<u>1,634,826</u>
Business-type activities:				
Water	2,962,640	4,804,528	-	841,422
Wastewater	3,886,577	4,238,361	-	761,262
Parking	1,623,619	999,920	-	-
Total business-type activities	<u>8,472,836</u>	<u>10,042,809</u>	<u>-</u>	<u>1,602,684</u>
Total primary government	<u>\$ 57,830,222</u>	<u>\$ 18,806,199</u>	<u>\$ 6,942,999</u>	<u>\$ 3,237,510</u>
<b>Component unit:</b>				
Community Development Authority	<u>\$ 3,080,699</u>	<u>\$ 1,583,582</u>	<u>\$ 1,856,211</u>	<u>\$ 187,962</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 (restated)
Net assets - ending

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

<b>Primary Government</b>			
<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	<b>Component Unit</b>
\$ (4,059,972)	\$ -	\$ (4,059,972)	\$ -
(12,377,071)	-	(12,377,071)	-
(7,001,482)	-	(7,001,482)	-
(1,597,776)	-	(1,597,776)	-
(2,002,931)	-	(2,002,931)	-
(2,915,530)	-	(2,915,530)	-
(2,061,409)	-	(2,061,409)	-
<u>(32,016,171)</u>	<u>-</u>	<u>(32,016,171)</u>	<u>-</u>
-	2,683,310	2,683,310	-
-	1,113,046	1,113,046	-
<u>-</u>	<u>(623,699)</u>	<u>(623,699)</u>	<u>-</u>
<u>-</u>	<u>3,172,657</u>	<u>3,172,657</u>	<u>-</u>
<u>(32,016,171)</u>	<u>3,172,657</u>	<u>(28,843,514)</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>547,056</u>
12,305,573	227,746	12,533,319	-
4,156,866	-	4,156,866	-
2,028,756	-	2,028,756	-
4,255,204	-	4,255,204	-
315,862	-	315,862	-
708,866	-	708,866	-
291,661	-	291,661	-
6,219,960	-	6,219,960	-
1,352,467	184,889	1,537,356	101,011
378,743	-	378,743	-
14,812	60,000	74,812	-
<u>526,639</u>	<u>(526,639)</u>	<u>-</u>	<u>-</u>
<u>32,555,409</u>	<u>(54,004)</u>	<u>32,501,405</u>	<u>101,011</u>
539,238	3,118,653	3,657,891	648,067
<u>72,678,741</u>	<u>84,028,796</u>	<u>156,707,537</u>	<u>10,983,309</u>
<u>\$ 73,217,979</u>	<u>\$ 87,147,449</u>	<u>\$ 160,365,428</u>	<u>\$ 11,631,376</u>

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

**CITY OF WAUSAU, WISCONSIN**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
December 31, 2007

	General	Debt Service	TID #3 Downtown Development	Capital Improvements	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 10,833,266	\$ 454,144	\$ 195,762	\$ 2,956,231	\$ 4,870,351	\$ 19,309,754
Investments	15,330,517	-	-	-	495,021	15,825,538
Receivables (net of allowance for uncollectible accounts):						
Taxes	32,406,644	4,156,866	1,207,183	2,131,000	4,760,241	44,661,934
Delinquent personal property tax	75,199	-	-	-	-	75,199
Accounts	1,154,073	-	1,038	225,685	486,186	1,866,982
Notes	-	-	-	-	7,152,961	7,152,961
Federal and state grants	-	-	-	257,128	1,338,758	1,595,886
Special assessments	598,930	-	-	708,093	-	1,307,023
Interest	205,131	-	-	-	-	205,131
Due from other funds	2,225,139	-	-	-	37,857	2,262,996
Advances to other funds	2,050,675	-	-	-	-	2,050,675
Inventories and prepayments	352,951	-	-	-	171,510	524,461
<b>TOTAL ASSETS</b>	<b>\$ 65,232,525</b>	<b>\$ 4,611,010</b>	<b>\$ 1,403,983</b>	<b>\$ 6,278,137</b>	<b>\$ 19,312,885</b>	<b>\$ 96,838,540</b>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$ 834,722	\$ -	\$ 10,899	\$ 141,353	\$ 392,194	\$ 1,379,168
Contracts payable	-	-	-	222,097	-	222,097
Accrued payroll and benefits	2,447,018	-	-	-	225,860	2,672,878
Due to other governments	39,527,089	-	-	-	-	39,527,089
Deferred revenue	12,030,894	4,156,866	1,207,183	2,609,416	11,983,736	31,988,095
Due to other funds	-	-	-	-	1,859,697	1,859,697
Advances from other funds	-	-	-	-	2,050,675	2,050,675
<b>Total Liabilities</b>	<b>54,839,723</b>	<b>4,156,866</b>	<b>1,218,082</b>	<b>2,972,866</b>	<b>16,512,162</b>	<b>79,699,699</b>
Fund balances:						
Reserved	2,903,626	454,144	-	-	2,265,243	5,623,013
Unreserved, reported in:						
General fund	7,489,176	-	-	-	-	7,489,176
Special revenue funds	-	-	-	-	2,752,392	2,752,392
Capital project funds	-	-	185,901	3,305,271	(2,216,912)	1,274,260
<b>Total Fund Balances</b>	<b>10,392,802</b>	<b>454,144</b>	<b>185,901</b>	<b>3,305,271</b>	<b>2,800,723</b>	<b>17,138,841</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 65,232,525</b>	<b>\$ 4,611,010</b>	<b>\$ 1,403,983</b>	<b>\$ 6,278,137</b>	<b>\$ 19,312,885</b>	
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.						96,715,161
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.						7,756,069
Internal service funds are used to charge the costs of motor pool and insurance expenses to individual funds.						
Assets and liabilities of these funds are included in governmental activities in the statement of net assets.						2,933,052
Long-term liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds.						(51,325,144)
<b>Net assets of governmental activities</b>						<b>\$ 73,217,979</b>

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, 2007

	General	Debt Service	TID #3 Downtown Development	Capital Improvements	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Taxes	\$ 11,620,936	\$ 4,156,866	\$ 992,593	\$ 2,028,756	\$ 4,947,775	\$ 23,746,926
Special assessments	27,588	-	-	420,806	-	448,394
Intergovernmental	8,632,758	-	181,054	510,228	4,480,729	13,804,769
Licenses and permits	827,028	-	-	-	22,591	849,619
Fines, forfeitures and penalties	372,608	-	-	-	-	372,608
Public charges for services	1,988,678	-	-	-	639,862	2,628,540
Intergovernmental charges for services	1,225,529	-	-	-	-	1,225,529
Commercial revenues	1,279,500	-	30,499	64,289	1,218,634	2,592,922
Miscellaneous revenues	383,854	277,270	434	-	634,098	1,295,656
<b>Total Revenues</b>	<u>26,358,479</u>	<u>4,434,136</u>	<u>1,204,580</u>	<u>3,024,079</u>	<u>11,943,689</u>	<u>46,964,963</u>
<b>EXPENDITURES</b>						
Current:						
General government	3,773,756	-	-	-	619,629	4,393,385
Public safety	13,913,907	-	-	-	221,577	14,135,484
Transportation and streets	7,019,248	-	-	-	3,821,689	10,840,937
Sanitation, health and welfare	1,173,441	-	-	-	646,460	1,819,901
Natural resources and recreation	2,070,901	-	-	-	8,406	2,079,307
Economic development	-	-	-	-	4,790,380	4,790,380
Capital outlay	-	-	1,997,792	4,779,584	1,203,854	7,981,230
Debt service:						
Principal retirement	-	6,557,888	-	-	-	6,557,888
Interest and debt service charges	-	1,981,955	-	-	-	1,981,955
<b>Total Expenditures</b>	<u>27,951,253</u>	<u>8,539,843</u>	<u>1,997,792</u>	<u>4,779,584</u>	<u>11,311,995</u>	<u>54,580,467</u>
Excess (Deficiency) of						
Revenues over Expenditures	<u>(1,592,774)</u>	<u>(4,105,707)</u>	<u>(793,212)</u>	<u>(1,755,505)</u>	<u>631,694</u>	<u>(7,615,504)</u>
<b>OTHER FINANCING</b>						
<b>SOURCE (USES)</b>						
Issuance of debt	-	-	1,396,190	2,668,848	2,676,722	6,741,760
Discount on debt issued	-	-	(6,562)	(12,544)	(2,209)	(21,315)
Transfers in	1,387,342	3,922,974	1,869,593	225,000	55,000	7,459,909
Transfers out	(980,075)	-	(3,109,078)	-	(2,193,414)	(6,282,567)
<b>Total Other Financing Sources (Uses)</b>	<u>407,267</u>	<u>3,922,974</u>	<u>150,143</u>	<u>2,881,304</u>	<u>536,099</u>	<u>7,897,787</u>
<b>Net change in Fund Balance</b>	(1,185,507)	(182,733)	(643,069)	1,125,799	1,167,793	282,283
Fund balances - beginning	<u>11,578,309</u>	<u>636,877</u>	<u>828,970</u>	<u>2,179,472</u>	<u>1,632,930</u>	<u>16,856,558</u>
Fund balances - ending	<u>\$ 10,392,802</u>	<u>\$ 454,144</u>	<u>\$ 185,901</u>	<u>\$ 3,305,271</u>	<u>\$ 2,800,723</u>	<u>\$ 17,138,841</u>

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, 2007

Net change in fund balances - total governmental funds \$ 282,283

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. 639,178

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (123,556)

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. (139,857)

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. (355,994)

Internal service funds are used to charge the costs of motor pool operations and insurance costs to individual funds. The net revenue of internal service fund activities is reported with the governmental activities. 237,184

**Change in net assets of governmental activities** **\$ 539,238**

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

**[THIS PAGE LEFT INTENTIONALLY BLANK]**

**CITY OF WAUSAU, WISCONSIN**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
December 31, 2007

	Business Type Activities- Enterprise Funds			Totals	Governmental Activities-
	Water Utility	Wastewater Utility	Parking Utility		Internal Service Funds
<b>ASSETS</b>					
Current Assets:					
Cash and cash equivalents	\$ 932,714	\$ 239,635	\$ 237,924	\$ 1,410,273	\$ -
Restricted cash and cash equivalents available to pay maturing debt	323,489	879,763	-	1,203,252	-
Accounts receivable	1,403,900	1,418,862	45,065	2,867,827	1,051
Due from other funds	-	100,000	-	100,000	-
Inventories and prepayments	91,310	-	-	91,310	143,072
Total Current Assets	<u>2,751,413</u>	<u>2,638,260</u>	<u>282,989</u>	<u>5,672,662</u>	<u>144,123</u>
Noncurrent Assets:					
Restricted cash and cash equivalents:					
Debt service	-	593,996	-	593,996	-
Replacement fund investments	493,035	1,144,172	-	1,637,207	-
Total Restricted Assets	<u>493,035</u>	<u>1,738,168</u>	<u>-</u>	<u>2,231,203</u>	<u>-</u>
Advances to other funds	-	200,000	-	200,000	-
Property, Plant and Equipment:					
Property and equipment	45,256,673	49,433,289	29,244,266	123,934,228	8,441,664
Accumulated depreciation	<u>(11,131,338)</u>	<u>(16,918,011)</u>	<u>(7,459,597)</u>	<u>(35,508,946)</u>	<u>(5,006,434)</u>
Net Property, Plant and Equipment	<u>34,125,335</u>	<u>32,515,278</u>	<u>21,784,669</u>	<u>88,425,282</u>	<u>3,435,230</u>
Total Noncurrent Assets	<u>34,618,370</u>	<u>34,453,446</u>	<u>21,784,669</u>	<u>90,856,485</u>	<u>3,435,230</u>
<b>TOTAL ASSETS</b>	<u>\$ 37,369,783</u>	<u>\$ 37,091,706</u>	<u>\$ 22,067,658</u>	<u>\$ 96,529,147</u>	<u>\$ 3,579,353</u>

	Business Type Activities- Enterprise Funds			Totals	Governmental
	Water Utility	Wastewater Utility	Parking Utility		Internal Service Funds
<b>LIABILITIES</b>					
Current Liabilities:					
Accounts payable	\$ 30,171	\$ 21,810	\$ 27,402	\$ 79,383	\$ 222,353
Contracts payable	16,486	18,278	-	34,764	-
Compensated absences payable	10,423	324	343	11,090	-
Due to other funds	100,000	-	-	100,000	403,299
Current Liabilities Payable From Restricted Assets:					
General obligation debt payable	602,728	128,224	-	730,952	-
Mortgage revenue bonds payable	-	750,000	-	750,000	-
Accrued interest payable	84,485	1,539	-	86,024	-
Total Current Liabilities	<u>844,293</u>	<u>920,175</u>	<u>27,745</u>	<u>1,792,213</u>	<u>625,652</u>
Noncurrent Liabilities:					
Long-term Debt:					
General obligation debt payable (net of unamortized issue costs)	4,612,604	-	-	4,612,604	-
Mortgage revenue bonds payable (net of unamortized issue costs)	-	2,454,371	-	2,454,371	-
Advances from other funds	200,000	-	-	200,000	-
Compensated absences payable	184,105	112,295	26,110	322,510	20,649
Total Noncurrent Liabilities	<u>4,996,709</u>	<u>2,566,666</u>	<u>26,110</u>	<u>7,589,485</u>	<u>20,649</u>
<b>TOTAL LIABILITIES</b>	<u>5,841,002</u>	<u>3,486,841</u>	<u>53,855</u>	<u>9,381,698</u>	<u>646,301</u>
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	28,910,003	29,182,683	21,784,669	79,877,355	3,435,230
Restricted for debt service	239,004	1,472,220	-	1,711,224	-
Restricted for capital improvements	493,035	1,144,172	-	1,637,207	-
Unrestricted	<u>1,886,739</u>	<u>1,805,790</u>	<u>229,134</u>	<u>3,921,663</u>	<u>(502,178)</u>
<b>TOTAL NET ASSETS</b>	<u>\$ 31,528,781</u>	<u>\$ 33,604,865</u>	<u>\$ 22,013,803</u>	<u>\$ 87,147,449</u>	<u>\$ 2,933,052</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, 2007

	Business Type Activities- Enterprise Funds			Totals	Governmental Activities-
	Water Utility	Wastewater Utility	Parking Utility		Internal Service Funds
<b>OPERATING REVENUES</b>					
Charges for services and sales	\$ 4,734,101	\$ 4,237,886	\$ 999,096	\$ 9,971,083	\$ 3,377,909
Other operating revenues	<u>70,427</u>	<u>475</u>	<u>824</u>	<u>71,726</u>	<u>5,805</u>
Total Operating Revenues	<u>4,804,528</u>	<u>4,238,361</u>	<u>999,920</u>	<u>10,042,809</u>	<u>3,383,714</u>
<b>OPERATING EXPENSES</b>					
Operating and maintenance	2,017,537	2,548,267	1,006,967	5,572,771	2,485,026
Depreciation	767,006	1,122,235	616,652	2,505,893	676,316
Amortization	<u>3,653</u>	<u>11,290</u>	<u>-</u>	<u>14,943</u>	<u>-</u>
Total Operating Expenses	<u>2,788,196</u>	<u>3,681,792</u>	<u>1,623,619</u>	<u>8,093,607</u>	<u>3,161,342</u>
Operating income (loss)	<u>2,016,332</u>	<u>556,569</u>	<u>(623,699)</u>	<u>1,949,202</u>	<u>222,372</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Property taxes	-	-	227,746	227,746	-
Investment income	47,979	136,910	-	184,889	-
Interest expense	(174,444)	(204,785)	-	(379,229)	-
Gain on sale of capital assets	<u>10,000</u>	<u>50,000</u>	<u>-</u>	<u>60,000</u>	<u>14,812</u>
Total Nonoperating Revenues (Expenses)	<u>(116,465)</u>	<u>(17,875)</u>	<u>227,746</u>	<u>93,406</u>	<u>14,812</u>
Income (loss) before Capital Contributions and Transfers	1,899,867	538,694	(395,953)	2,042,608	237,184
Capital Contributions	841,422	761,262	-	1,602,684	-
Contribution from Municipality	-	-	650,703	650,703	-
Transfers Out	<u>(825,342)</u>	<u>(352,000)</u>	<u>-</u>	<u>(1,177,342)</u>	<u>-</u>
Change in Net Assets	1,915,947	947,956	254,750	3,118,653	237,184
Total net assets - beginning 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>
Total net assets - end of year	<u>\$ 31,528,781</u>	<u>\$ 33,604,865</u>	<u>\$ 22,013,803</u>	<u>\$ 87,147,449</u>	<u>\$ 2,933,052</u>

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

**[THIS PAGE LEFT INTENTIONALLY BLANK]**

**CITY OF WAUSAU, WISCONSIN**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
Year Ended December 31, 2007

	Business Type Activities- Enterprise Funds			Governmental Activities-	
	Water Utility	Wastewater Utility	Parking Utility	Totals	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers	\$ 4,710,284	\$ 4,297,435	\$ 992,229	\$ 9,999,948	\$ 3,387,257
Payments to suppliers	(1,330,965)	(2,030,561)	(885,122)	(4,246,648)	(2,228,496)
Payments to employees	(792,106)	(577,735)	(134,458)	(1,504,299)	(312,748)
Net Cash Provided (Used) by Operating Activities	<u>2,587,213</u>	<u>1,689,139</u>	<u>(27,351)</u>	<u>4,249,001</u>	<u>846,013</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Property taxes received	-	-	227,746	227,746	-
Due to/from other funds	-	-	-	-	113,357
Repayment of advance	(100,000)	100,000	-	-	-
Transfers out	(825,342)	(352,000)	-	(1,177,342)	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(925,342)</u>	<u>(252,000)</u>	<u>227,746</u>	<u>(949,596)</u>	<u>113,357</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Capital contributions	317,314	555,170	650,703	1,523,187	-
Proceeds from issuance of debt	2,605,000	-	-	2,605,000	-
Debt issuance costs	(35,308)	-	-	(35,308)	-
Acquisition and construction of capital assets	(866,246)	(1,056,047)	(899,094)	(2,821,387)	(974,182)
Payment to escrow agent	(3,448,112)	-	-	(3,448,112)	-
Principal paid on capital debt	(397,517)	(836,682)	-	(1,234,199)	-
Interest paid on capital debt	(119,945)	(206,246)	-	(326,191)	-
Proceeds from sale of capital assets	10,000	50,000	-	60,000	14,812
Net Cash Used by Capital and Related Financing Activities	<u>(1,934,814)</u>	<u>(1,493,805)</u>	<u>(248,391)</u>	<u>(3,677,010)</u>	<u>(959,370)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Investment income received	47,979	124,369	-	172,348	-
Net Increase (Decrease) in Cash and Cash Equivalents	(224,964)	67,703	(47,996)	(205,257)	-
Cash and cash equivalents - beginning of year	<u>1,974,202</u>	<u>2,789,863</u>	<u>285,920</u>	<u>5,049,985</u>	<u>-</u>
Cash and cash equivalents - end of year	<u>\$ 1,749,238</u>	<u>\$ 2,857,566</u>	<u>\$ 237,924</u>	<u>\$ 4,844,728</u>	<u>\$ -</u>



	Business Type Activities- Enterprise Funds			Totals	Governmental Activities-
	Water Utility	Wastewater Utility	Parking Utility		Internal Service Funds
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>					
Operating income (loss)	\$ 2,016,332	\$ 556,569	\$ (623,699)	\$ 1,949,202	\$ 222,372
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation expense	767,006	1,122,235	616,652	2,505,893	676,316
Amortization expense	3,653	11,290	-	14,943	-
Changes in assets and liabilities:					
Accounts receivable	(94,244)	59,074	(7,691)	(42,861)	3,543
Inventories and prepayments	(4,815)	-	-	(4,815)	(143,072)
Accounts payable	(108,766)	(62,246)	(16,233)	(187,245)	83,762
Accrued compensated absences	8,047	2,217	3,620	13,884	3,092
Net cash provided (used) by operating activities	<u>\$ 2,587,213</u>	<u>\$ 1,689,139</u>	<u>\$ (27,351)</u>	<u>\$ 4,249,001</u>	<u>\$ 846,013</u>
<b>Reconciliation of Cash and Cash Equivalents to Statement of Net Assets</b>					
Unrestricted	\$ 932,714	\$ 239,635	\$ 237,924	\$ 1,410,273	\$ -
Restricted (current)	323,489	879,763	-	1,203,252	-
Restricted (noncurrent)	493,035	1,738,168	-	2,231,203	-
Total cash and cash equivalents	<u>\$ 1,749,238</u>	<u>\$ 2,857,566</u>	<u>\$ 237,924</u>	<u>\$ 4,844,728</u>	<u>\$ -</u>

#### NONCASH INVESTING, CAPITAL AND RELATED FINANCING ACTIVITIES

During 2007, \$524,108 and \$206,092 of capital additions were contributed to the Water and Wastewater utilities, respectively, by private contractors and developers.

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, 2007

	Cemetery Private Purpose Trust Fund	Agency Funds
	<u>          </u>	<u>          </u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 568,640	\$ 190,365
Accounts receivable	<u>          -</u>	<u>      15,429</u>
 TOTAL ASSETS	 568,640	 <u>\$ 205,794</u>
 <b>LIABILITIES</b>		
Accounts payable	<u>          -</u>	<u>\$ 205,794</u>
 <b>NET ASSETS</b>		
Held in trust for private purpose	<u>\$ 568,640</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, 2007

	Cemetery Private Purpose Trust Fund
<b>ADDITIONS</b>	
Perpetual care contributions	\$ 12,690
Interest and dividends	19,461
Net increase in fair value of investments	<u>24,021</u>
Total additions	<u>56,172</u>
<b>DEDUCTIONS</b>	
Distributions to beneficiary	27,138
Administrative expenses	<u>3,269</u>
Total deductions	<u>30,407</u>
Change in net assets	25,765
Net assets - beginning of year	<u>542,875</u>
Net assets - end of year	<u><u>\$ 568,640</u></u>

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

**CITY OF WAUSAU, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2007**

**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, 2007**

**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, 2007**

**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 Program 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, 2007**

**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:

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

The 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, 2007**

**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, 2007**

**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, 2007**

**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, 2007, 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 15<sup>th</sup> 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, 2007**

**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. In accordance with GASB 34, the City had previously not reported major networks of infrastructure assets acquired prior to 2002. Effective January 1, 2007, infrastructure assets have been included resulting in an increase in previously reported governmental activities net assets of \$25,339,134.

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 \$379,229, 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, 2007**

**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	20-50 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, 2007**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

9. Net Assets or 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. Government-wide and proprietary fund net assets are divided into three components: 1) *Invested in capital assets, net of related debt* - consists of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets; 2) *Restricted net assets* – consists of net assets that are restricted by the City’s creditors, by the state enabling legislation, by grantors and/or other contributors; and 3) *Unrestricted* – all other net assets are reported in this category.

10. 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.

**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 \$7,756,069 difference are as follows:

Loans and mortgages receivable	\$ 7,152,961
Allowance for uncollectible loans and mortgages receivable	(656,021)
Unpaid fines and forfeitures	780,713
Special assessments receivable	<u>478,416</u>
Net adjustment to increase <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	<u>\$ 7,756,069</u>

**CITY OF WAUSAU, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2007**

**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 \$51,325,144 difference are as follows:

Bonds, notes and State trust fund loans payable	\$ 48,136,525
Less: Deferred charges for issuance costs and deferred interest from refunding (to be amortized over life of debt)	(603,968)
Accrued interest payable	496,522
Compensated absences	1,103,095
Remediation claims payable	<u>2,192,970</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	<u>\$ 51,325,144</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 \$639,178 difference are as follows:

Capital outlay (net)	\$ 4,015,081
Depreciation expense	<u>(3,375,903)</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>\$ 639,178</u>

**CITY OF WAUSAU, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2007**

**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 \$123,556 difference are as follows:

Net change in loan and mortgage notes receivable	\$ (94,472)
Net change in fines and forfeitures receivable	(43,769)
Net change in special assessments receivable	<u>14,685</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>\$ (123,556)</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 \$139,857 difference are as follows:

Debt issued or incurred:	
Issuance of general obligation bonds and notes	\$ (6,741,760)
Less discounts and issuance costs	44,015
Principal repayments on general obligation debt	<u>6,557,888</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>\$ (139,857)</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 \$355,994 difference are as follows:

**CITY OF WAUSAU, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2007**

**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	\$ (183,252)
Claims and judgments	(93,288)
Accrued interest	(4,974)
Amortization of discount and issuance costs	<u>(74,480)</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>\$ (355,994)</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, 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, 2007**

**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, 2007, expenditures exceeded appropriations for the following departmental cost centers in the General Fund: Assessor by \$5,485, City attorney by \$15,365, Human resources by \$20,095, Tax adjustment by \$39,292, Fire department by \$193,166, Inspections and electrical systems by \$949, Street lighting by \$13,178, City airport by \$10,540, Curb, gutter and paving by \$3,524, Street signs and guideboards by \$14,074, Alleys and other nonstreets by \$436,990, Snow removal by \$251,923, Garbage and refuse collection by \$62,974 and Clean up costs by \$467; the Debt Service Fund by \$68,298; the Industrial Park special revenue fund by \$28,286, and in the TID #4 Industrial Park, TID #6 West Side Development and TID #7 West Side Development capital project funds by \$5,587, \$95,716 and \$528,403, 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 the capital project funds were funded with debt proceeds and short-term advances from the General Fund.

**C. DEFICIT FUND EQUITY**

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 \$1,285,232, \$503,005, \$164,770 and \$263,905 respectively, as of December 31, 2007. 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, 2007**

**NOTE 4 – DETAILED NOTES ON ALL FUNDS**

**A. CASH AND INVESTMENTS**

Cash and investments as of December 31, 2007 are classified in the accompanying financial statements as follows:

Statement of net assets -	
Cash and cash equivalents	\$ 20,720,027
Investments	15,825,538
Restricted assets - cash and cash equivalents	3,434,455
Statement of net assets - fiduciary funds	
Cash and cash equivalents	
Cemetery Private Purpose Trust Fund	568,640
Agency Funds	<u>190,365</u>
Total	<u>\$ 40,739,025</u>
Cash on hand	\$ 13,899
Deposits with financial institutions	15,552,561
Investments	<u>25,172,565</u>
Total	<u>\$ 40,739,025</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, 2007**

**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	\$ 7,736,920	\$ -	\$ 3,996,920	\$ 3,740,000
Local Government Investment Pool	3,997,556	3,997,556	-	-
Money Market Mutual Funds	11,631,404	11,631,404	-	-
Held by trustee/custodian	1,806,685	1,806,685	-	-
	<u>\$ 25,172,565</u>	<u>\$ 17,435,645</u>	<u>\$ 3,996,920</u>	<u>\$ 3,740,000</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, 2007, 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, 2007**

**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, 2007, the investment portfolio was concentrated as follows:

Investment type	Issuer	Percentage of Portfolio
U.S. Agencies	Federal National Mortgage Association	7.9%
U.S. Agencies	Federal Home Loan Mortgage Corporation	7.9%
U.S. Agencies	Federal Home Loan Bank	14.9%

**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, 2007**

**NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)**

**A. CASH AND INVESTMENTS (Continued)**

At December 31, 2007, the carrying amount of the City’s deposits was \$15,552,561 and the financial institution balance was \$15,789,843. Of the financial institution balance, \$3,337,865 was covered by federal depository insurance, \$200,000 was covered by the national credit union share insurance fund, \$5,654,515 was covered by the State Deposit Guarantee Fund, \$1,005,358 was covered by pledged securities held in the City’s name, and \$5,592,105 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, 2007 for the City’s general fund have been shown net of allowances for uncollectible ambulance accounts and uncollectible delinquent personal property taxes of \$554,252 and \$56,492, 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	\$ -	\$ 24,271,078
Loans and mortgages receivable	7,152,961	-
Special assessments not yet due	478,416	-
Grant proceeds received in advance	-	53,703
Subsequent period prepayments	-	31,937
Total deferred/unearned revenue for governmental funds	\$ 7,631,377	\$ 24,356,718

**CITY OF WAUSAU, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2007**

**NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)**

**C. CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2007 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities</b>				
Capital assets not being depreciated:				
Land	\$ 28,315,222	\$ 1,120,061	\$ (160,205)	\$ 29,275,078
Joint venture	174,152	3,492	-	177,644
Construction in progress	<u>646,512</u>	<u>-</u>	<u>(646,512)</u>	<u>-</u>
Total capital assets not being depreciated	<u>29,135,886</u>	<u>1,123,553</u>	<u>(806,717)</u>	<u>29,452,722</u>
Capital assets being depreciated:				
Buildings and improvements	21,135,798	461,752	(1,814,329)	19,783,221
Machinery and equipment	22,428,565	1,372,080	(1,023,588)	22,777,057
Infrastructure	<u>84,176,978</u>	<u>4,130,710</u>	<u>(583,519)</u>	<u>87,724,169</u>
Total capital assets being depreciated	<u>127,741,341</u>	<u>5,964,542</u>	<u>(3,421,436)</u>	<u>130,284,447</u>
Less accumulated depreciation for:				
Buildings and improvements	(8,422,394)	(466,853)	670,045	(8,219,202)
Machinery and equipment	(16,211,611)	(1,600,188)	1,147,174	(16,664,625)
Infrastructure	<u>(33,029,875)</u>	<u>(1,985,178)</u>	<u>312,102</u>	<u>(34,702,951)</u>
Total accumulated depreciation	<u>(57,663,880)</u>	<u>(4,052,219)</u>	<u>2,129,321</u>	<u>(59,586,778)</u>
Total capital assets being depreciated, net	<u>70,077,461</u>	<u>1,912,323</u>	<u>(1,292,115)</u>	<u>70,697,669</u>
Governmental activities capital assets, net	<u>\$ 99,213,347</u>	<u>\$ 3,035,876</u>	<u>\$ (2,098,832)</u>	<u>\$ 100,150,391</u>

The City recorded all previously unrecorded infrastructure assets as of January 1, 2007. Total asset balances of \$56,092,971 and accumulated depreciation balances of \$30,753,837 accounted for the total addition to net assets of \$25,339,134. Beginning balances shown above have been restated to reflect the totals recorded for infrastructure assets.

**CITY OF WAUSAU, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2007**

**NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)**

C. CAPITAL ASSETS (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type activities</b>				
Capital assets not being depreciated:				
Land	\$ 2,344,038	\$ -	\$ -	\$ 2,344,038
Construction in progress	<u>70,001</u>	<u>281,786</u>	<u>(37,604)</u>	<u>314,183</u>
Total capital assets not being depreciated	<u>2,414,039</u>	<u>281,786</u>	<u>(37,604)</u>	<u>2,658,221</u>
Capital assets being depreciated:				
Buildings	36,007,511	867,644	(20,038)	36,855,117
Machinery and equipment	16,753,029	163,213	(189,459)	16,726,783
Water infrastructure	33,591,904	1,377,640	(45,088)	34,924,456
Wastewater infrastructure	<u>31,800,136</u>	<u>970,933</u>	<u>(1,418)</u>	<u>32,769,651</u>
Total capital assets being depreciated	<u>118,152,580</u>	<u>3,379,430</u>	<u>(256,003)</u>	<u>121,276,007</u>
Less accumulated depreciation for:				
Buildings	(11,862,379)	(872,689)	20,038	(12,715,030)
Machinery and equipment	(10,073,567)	(800,330)	189,459	(10,684,438)
Water infrastructure	(5,771,093)	(508,724)	45,088	(6,234,729)
Wastewater infrastructure	<u>(5,479,992)</u>	<u>(396,175)</u>	<u>1,418</u>	<u>(5,874,749)</u>
Total accumulated depreciation	<u>(33,187,031)</u>	<u>(2,577,918)</u>	<u>256,003</u>	<u>(35,508,946)</u>
Total capital assets being depreciated, net	<u>84,965,549</u>	<u>801,512</u>	<u>-</u>	<u>85,767,061</u>
Business-type activities capital assets, net	<u>\$ 87,379,588</u>	<u>\$ 1,083,298</u>	<u>\$ (37,604)</u>	<u>\$ 88,425,282</u>

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

Governmental activities:	
General government	\$ 161,825
Public safety	424,160
Transportation and streets	2,544,201
Natural resources and recreation	224,057
Conservation and development	21,660
Capital assets held by internal service funds	<u>676,316</u>
Total depreciation expense – governmental activities	<u>\$ 4,052,219</u>
Business type activities:	
Water	\$ 839,031
Wastewater	1,122,235
Parking	<u>616,652</u>
Total depreciation expense – business-type activities	<u>\$ 2,577,918</u>

**CITY OF WAUSAU, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2007**

**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 \$1,700,000.

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, 2007 are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Wausau Area Transit System Fund	\$ 1,028,093
	Public Access Cable Fund	84,222
	TID #5 Industrial Park Fund	544,755
	TID #6 West Side Development Fund	164,770
	Motor Pool Internal Service Fund	206,006
	Insurance Internal Service Fund	197,293
WRRP Rehabilitation Fund	Grants Fund	22,857
	DLAD Mortgage Program Fund	<u>15,000</u>
Total		<u>\$ 2,262,996</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, 2007 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Grants Fund	\$ 501,538
	TID #4 Industrial Park Fund	1,285,232
	TID #7 West Side Development Fund	<u>263,905</u>
Total		<u>\$ 2,050,675</u>
Wastewater Utility Fund	Water Utility Fund	<u>\$ 200,000</u>



**CITY OF WAUSAU, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2007**

**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		
Grants Fund	\$ -	\$ 35,000
Room Tax Fund	-	175,000
TID #3 Downtown Development Fund	980,075	-
Water Utility Fund	-	825,342
Wastewater Utility Fund	-	352,000
Special Revenue Funds		
Grants Fund	300,000	55,000
TID #1 Downtown Improvements Fund	174,128	-
TID #2 Industrial Park Fund	706,238	-
Room Tax Fund	230,000	-
Debt Service Fund		
TID #2 Industrial Park Fund	-	30,848
TID #3 Downtown Development Fund	-	3,109,078
TID #4 Industrial Park Fund	-	154,090
TID #5 Industrial Park Fund	-	396,796
TID #6 West Side Development Fund	-	177,140
TID #7 West Side Development Fund	-	55,022
Capital Projects Fund		
General Fund	-	980,075
Grants Fund	-	265,000
Debt Service Fund	3,892,126	-
TID #1 Downtown Improvements Fund	-	174,128
TID #2 Industrial Park Fund	-	675,390
Enterprise Funds		
General Fund	1,177,342	-
Totals	\$ 7,459,909	\$ 7,459,909

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.

**CITY OF WAUSAU, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2007**

**NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)**

**E. LONG-TERM DEBT**

**General Obligation Debt**

General obligation debt outstanding at December 31, 2007 is detailed as follows:

	Original Amount	Interest Rates	Final Maturity	Balance 12/31/2007
1996 Bonds	\$ 4,950,000	4.15-5.75%	10/1/15	\$ 370,000
1998 Bonds	6,050,000	3.875-4.2%	10/1/08	125,000
1998 Notes	4,915,000	4.0-4.25%	4/1/08	590,000
1999 Notes	1,660,000	5.35-6.2%	4/1/09	210,000
2000 Notes	5,790,000	4.875-5.0%	4/1/10	2,230,000
2001 Notes	4,875,000	3.4-4.4%	4/1/11	2,235,000
2001 State trust fund loan	1,617,503	5.25%	3/15/11	829,407
2002 Notes	1,450,000	2.0-4.45%	4/1/12	810,000
2003 Bonds	3,885,000	3.0-4.625%	4/1/23	3,390,000
2003 Notes (Series B)	2,075,000	2.0-3.7%	4/1/13	1,315,000
2003 Notes (Series C)	2,075,000	1.5-4.6%	4/1/13	1,330,000
2003 Notes (Series D)	3,285,000	1.35-3.45%	10/1/13	2,055,000
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	2,210,000
2004 Promissory note Series B	1,500,000	2.0-5.0%	4/1/14	1,105,000
2004 Refunding bonds Series C	5,360,000	2.0-4.0%	10/1/15	3,625,000
2004 Refunding bonds Series D	13,445,000	3.0-5.0%	4/1/21	12,055,000
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	3,200,000
2005 Promissory note Series B	2,000,000	4.75-5.15%	10/1/15	1,110,000
2006 Promissory note Series A	5,765,000	3.55-3.8%	10/1/16	5,190,000
2007 Promissory note Series A	4,535,000	3.6-3.8%	5/1/17	4,535,000
2007 Refunding bonds Series B	2,605,000	3.65-3.9%	5/1/19	2,605,000
2007 State trust fund loan	500,000	5.25%	3/15/17	500,000
2007 State trust fund loan	1,706,760	5.00%	3/15/17	1,706,760
Total general obligation debt				<u>\$ 53,685,167</u>

**CITY OF WAUSAU, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2007**

**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, 2007 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
<b>Governmental activities</b>					
General obligation debt:					
Bonds payable	\$ 20,991,061	\$ -	\$ (1,656,407)	\$ 19,334,654	\$ 1,644,654
Notes payable	25,950,098	4,535,000	(4,719,394)	25,765,704	4,693,394
State trust fund loans	1,011,494	2,206,760	(182,087)	3,036,167	238,128
Compensated absences	2,239,795	281,120	(41,116)	2,479,799	1,376,704
Remediation claims payable	<u>2,099,682</u>	<u>130,185</u>	<u>(36,897)</u>	<u>2,192,970</u>	<u>36,897</u>
Governmental activity long-term liabilities	<u>\$ 52,292,130</u>	<u>\$ 7,153,065</u>	<u>\$ (6,635,901)</u>	<u>\$ 52,809,294</u>	<u>\$ 7,989,777</u>
<b>Business-type activities</b>					
General obligation debt:					
Bonds payable	\$ 448,939	\$ 2,605,000	\$ (218,593)	\$ 2,835,346	\$ 430,346
Notes payable	3,013,902	-	(300,606)	2,713,296	300,606
Revenue bonds	7,215,000	-	(4,045,000)	3,170,000	750,000
Unamortized costs	(19,696)	33,589	(184,608)	(170,715)	-
Compensated absences	<u>319,716</u>	<u>20,235</u>	<u>(6,351)</u>	<u>333,600</u>	<u>11,090</u>
Business-type activity long-term liabilities	<u>\$ 10,977,861</u>	<u>\$ 2,658,824</u>	<u>\$ (4,755,158)</u>	<u>\$ 8,881,527</u>	<u>\$ 1,492,042</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	\$ 2,504,826,100
Legal debt margin percentage	<u>5.00%</u>
	125,241,305
Less: Outstanding general obligation debt	(53,685,167)
Add: Available funds reserved for debt payment	<u>454,144</u>
Legal debt margin	<u>\$ 72,010,282</u>

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

**CITY OF WAUSAU, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2007**

**NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)**

**E. LONG-TERM DEBT (Continued)**

Debt service requirements to maturity at December 31, 2007 are as follows:

Year	Governmental Activities		Business-Type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2008	\$ 6,576,176	\$ 1,747,118	\$ 730,952	\$ 247,240	\$ 7,307,128	\$ 1,994,358
2009	5,635,960	1,646,227	500,606	176,415	6,136,566	1,822,642
2010	5,749,242	1,406,532	500,606	158,195	6,249,848	1,564,727
2011	5,126,321	1,197,961	500,606	139,897	5,626,927	1,337,858
2012	4,438,234	1,006,584	515,606	121,194	4,953,840	1,127,778
2013-2017	15,335,592	2,743,656	2,330,266	314,104	17,665,858	3,057,760
2018-2022	4,985,000	550,079	470,000	18,496	5,455,000	568,575
2023	290,000	6,706	-	-	290,000	6,706
	<u>\$ 48,136,525</u>	<u>\$ 10,304,863</u>	<u>\$ 5,548,642</u>	<u>\$ 1,175,541</u>	<u>\$ 53,685,167</u>	<u>\$ 11,480,404</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 Wastewater Utility has issued revenue bond debt. The outstanding revenue bond debt at December 31, 2007 is detailed as follows:

	Original Amount	Interest Rates	Final Maturity	Balance 12/31/2007
Wastewater Utility- 2001 Revenue refunding bonds	\$ 7,135,000	3.5-5.0%	1/1/12	<u>\$ 3,170,000</u>

Annual debt service requirements for outstanding revenue debt at December 31, 2007 are as follows:

Year	Business-Type Activities		
	Principal	Interest	Total
2008	\$ 750,000	\$ 158,500	\$ 908,500
2009	790,000	121,000	911,000
2010	830,000	81,500	911,500
2011	800,000	40,000	840,000
	<u>\$ 3,170,000</u>	<u>\$ 401,000</u>	<u>\$ 3,571,000</u>

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

**CITY OF WAUSAU, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2007**

**NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)**

E. LONG-TERM DEBT (Continued)

On May 29, 2007, the City issued \$2,605,000 of general obligation bonds with an average interest rate of 3.78% to advance refund \$3,330,000 of outstanding 1999 Water Utility mortgage revenue bonds with an average interest rate of 5.00%. The net proceeds of \$2,569,692 (after payment of \$31,400 in underwriting fees and other issuance costs) plus an additional amount of \$878,420 of current available resources were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1999 debt. As a result, the refunded debt is considered to be defeased and the liability for the debt has been removed from the proprietary fund statements.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$149,300. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations through the year 2018 using the effective-interest method. The City completed the advance refunding to reduce total debt service payments of the Water Utility over the next 12 years by \$1,135,862 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$883,061.

**Other Debt Information**

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

	<u>Wastewater</u>
Operations Fund	93.1%
Bond and Interest Sinking Fund	3.9%
Depreciation Fund	0.5%
Replacement Fund	2.5%

In addition, the City has complied with the requirements of the 2001 Wastewater Utility refunding revenue bond issue regarding creation of various accounts for the payment of principal and interest.

**Prior Years Debt Defeasance**

At December 31, 2007, \$3,520,000 of outstanding general obligation debt and \$10,715,000 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 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 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, 2007, there were five series of Industrial Revenue Bonds outstanding. Total principal amount payable could not be determined, however, original issue amounts totaled \$19,200,000.

**CITY OF WAUSAU, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2007**

**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 Wastewater Utility has 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, 2007 includes the following:

Net assets restricted for :	
Capital assets, net of related debt	\$ 55,095,222
Debt service	2,596,630
Capital improvements	<u>478,416</u>
Total governmental activities restricted net assets	<u>\$ 58,170,268</u>

Portions of fund balances reported on the fund financial statements at December 31, 2007 that are reserved and not available for current appropriation or expenditure are as follows:

Major funds:	
General Fund	
Reserved for advances	\$ 2,050,675
Reserved for inventories and prepayments	352,951
Reserved for contingencies	<u>500,000</u>
Total General Fund	<u>2,903,626</u>
Debt Service Fund	
Reserved for debt service	<u>454,144</u>
Nonmajor funds:	
Special revenue funds	
Holtz-Krause Clean-Up Fund	
Reserved for debt service	1,649,737
Wausau Area Transit System Fund	
Reserved for inventories and prepayments	171,510
Trust Accounts Fund	
Reserved for trust purposes	<u>443,996</u>
Total Nonmajor funds	<u>2,265,243</u>
Total Reserved Fund Balance	<u>\$ 5,623,013</u>

**CITY OF WAUSAU, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2007**

**NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)**

G. RESTRICTED NET ASSETS/FUND BALANCES

Unreserved fund balance as of December 31, 2007 includes the following items:

Major funds:

General Fund

Designated for subsequent year's expenditures	\$ 1,613,909
Undesignated	<u>5,875,267</u>
Total General Fund	<u>\$ 7,489,176</u>

TID #3 Downtown Development Fund

Designated for subsequent year's expenditures	<u>\$ 185,901</u>
---	-------------------

Capital Improvements Fund

Designated for subsequent year's expenditures	<u>\$ 3,305,271</u>
---	---------------------

Nonmajor funds:

Special revenue funds

Designated for:

Grants	\$ 1,255,891
HUD mortgage program	167,887
DLAD mortgage program	346,707
Industrial park	137,463
Federal rent rehabilitation	360,785
WRRP rehabilitation	333,755
Hazardous materials emergency response	103,431
Room tax	146,885
Public access cable	26,600
EMS grant	44,498

Undesignated

Wausau Area Transit System (deficit)	<u>(171,510)</u>
Total special revenue funds	<u>\$ 2,752,392</u>

**CITY OF WAUSAU, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2007**

**NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)**

G. RESTRICTED NET ASSETS/FUND BALANCES (Continued)

Capital project funds		
Undesignated		
TID #4 Industrial Park (deficit)	\$	(1,285,232)
TID #5 Industrial Park (deficit)		(503,005)
TID #6 West Side Development (deficit)		(164,770)
TID #7 West Side Development (deficit)		<u>(263,905)</u>
Total capital project funds		<u>\$ (2,216,912)</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	\$ 323,408	\$ 446,346
Bond redemption account	81	5,696
Bond earnings account	-	287,808
Bond reserve account	-	733,909
Depreciation/Replacement accounts	<u>493,035</u>	<u>1,144,172</u>
Total restricted assets	<u>\$ 816,524</u>	<u>\$ 2,617,931</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, 2007**

**NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)**

**I. COMPONENT UNIT**

b. The composition of cash, cash equivalents and investments at December 31, 2007 is as follows:

Deposits	\$ 3,319,829
Certificate of deposit	451,329
Petty cash	<u>195</u>
Total	<u>\$ 3,771,353</u>

Financial statement presentation:

Cash and cash equivalents	\$ 3,351,198
Cash and cash equivalents - restricted	35,650
Investments	<u>384,505</u>
Total	<u>\$ 3,771,353</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 \$3,771,158 and the financial institution balance was \$3,844,916. Of the financial institution balance, \$678,245 was covered by federal depository insurance, \$1,353,165 was covered by the State Deposit Guarantee Fund, \$1,349,115 was covered by pledged securities and \$464,391 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; 4) any security which matures within not more than 7 years if its rating is the highest or second highest category assigned by rating agencies; 5) securities of an open-end management investment company or trust, if no sales load is charged and the portfolio is limited to bonds and securities issued or guaranteed by the federal government, or repurchase agreements that are fully collateralized by bonds or securities of the federal government; and 6) the state local government investment pool.

**CITY OF WAUSAU, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2007**

**NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)**

I. COMPONENT UNIT (Continued)

*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.

*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. The CDA does not have a formal policy on this type of risk.

*Concentration of Credit Risk*

Concentration of credit risk refers to risk of loss attributed to the 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, 2007 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	14,313,766	74,047	-	14,387,813
Furniture and equipment	760,589	12,875	(173,840)	599,624
Total capital assets being depreciated	15,074,355	86,922	(173,840)	14,987,437
Less accumulated depreciation	(7,343,310)	(494,666)	173,840	(7,664,136)
Total capital assets being depreciated, net	7,731,045	(407,744)	-	7,323,301
Total Authority capital assets	\$ 8,739,534	\$ (407,744)	\$ -	\$ 8,331,790

**CITY OF WAUSAU, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2007**

**NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)**

I. COMPONENT UNIT (Continued)

- d. Long-term debt at December 31, 2007 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		\$	338,423
Less current maturities			<u>(159,372)</u>
Total long-term debt		\$	<u>179,051</u>

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

	Principal	Interest	Total
2008	\$ 159,372	\$ 10,634	\$ 170,006
2009	165,863	4,143	170,006
2010	<u>13,188</u>	<u>44</u>	<u>13,232</u>
	<u>\$ 338,423</u>	<u>\$ 14,821</u>	<u>\$ 353,244</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 6.0% of their salary (3.0% for Elected Officials, 5.1% for Protective Occupations with Social Security, and 3.4% 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, 2007 was \$16,195,932; the employer's total payroll was \$16,564,243. The total required contribution for the year ended December 31, 2007 was \$1,943,903, which consisted of \$1,098,048 or 6.8% of payroll from the employer and \$845,855 or 5.2% of payroll from employees. Total contributions for the years ended December 31, 2006 and 2005 were \$1,829,399 and \$1,749,969, respectively, equal to the required contributions for each year.

**CITY OF WAUSAU, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2007**

**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 and submitting application 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, 2007, was approximately \$476,822, substantially all of which relates to prior services. The current portion of the estimated liability of \$71,229 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 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, 2007**

**NOTE 5 – OTHER INFORMATION (Continued)**

**B. COMMITMENTS AND CONTINGENCIES (Continued)**

The City also participates in a number of federal and state assisted grant programs. 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, 2007 is \$2,192,970. 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 \$1,032,477 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, 2007**

**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 \$1,426,057 at December 31, 2007, 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 \$333,068 at December 31, 2007.

**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 five (5) retirees are currently receiving health insurance coverage through sick leave conversion credits. The liability for this post-retirement health insurance benefit at December 31, 2007 was \$21,797 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. 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, 2007**

**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, 2007 is as follows:

Operating revenues	\$ 629,710
Operating expenses	
Data processing expenses	2,067,002
Administrative and general expenses	121,224
Depreciation	195,247
Total operating expenses	2,383,473
Operating loss before contributions and reimbursements	(1,753,763)
Capital contributions and reimbursements	1,760,748
Change in net assets	6,985
Total assets	746,483
Total liabilities	391,195
Total net assets	355,288

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, 2007**

**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 were retired by tax increments. Increments will continue to be collected until all costs have been financed. The debt issues associated with this district have been retired as of December 31, 2007.

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, 2007 are as follows:

1996 General Obligation Bonds	\$ 370,000
1998 General Obligation Bonds	17,694
2001 General Obligation Notes	218,136
2001 State Trust Fund Loan	829,407
2003D General Obligation Notes	2,055,000
2004A General Obligation Notes	466,298
2004D Refunding Bonds	12,055,000
2005 General Obligation Notes	1,110,000
2007 General Obligation Notes	1,396,190
Foundation Loan	<u>30,000</u>
Total	<u>\$ 18,547,725</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, 2007 are as follows:

1998 General Obligation Notes	\$ 51,666
2000 General Obligation Notes	<u>285,009</u>
Total	<u>\$ 336,675</u>



**CITY OF WAUSAU, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2007**

**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, 2007 are as follows:

2003 General Obligation Notes	\$ 1,745,174
2004B General Obligation Notes	1,105,000
2007 State Trust Fund Loan	1,706,760
2007 State Trust Fund Loan	<u>500,000</u>
Total	<u>\$ 5,056,934</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, 2007 is as follows:

2005A General Obligation Notes	<u>\$ 1,286,245</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. These debt issues are included in the City's debt and the balances at December 31, 2007 are as follows:

2006A General Obligation Notes	\$ 315,091
2007A General Obligation Notes	<u>469,962</u>
Total	<u>\$ 785,053</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, 2007.

	TID #1	TID #2	TID #3	TID #4	TID #5	TID #6	TID #7
Total revenues	<u>\$ 47,318,207</u>	<u>\$ 7,461,648</u>	<u>\$ 13,624,907</u>	<u>\$ 184,108</u>	<u>\$ 3,865,445</u>	<u>\$ 541,287</u>	<u>\$ 4,418</u>
Expenditures:							
Project costs	23,820,293	2,050,550	34,507,604	1,237,677	8,426,701	1,765,776	970,414
Interest and related costs	22,833,979	614,115	6,313,292	403,756	749,248	111,310	30,498
Administration	489,807	266,445	49,012	164,582	249,435	115,216	52,464
Subsidy to TID #3	<u>174,128</u>	<u>4,530,538</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>47,318,207</u>	<u>7,461,648</u>	<u>40,869,908</u>	<u>1,806,015</u>	<u>9,425,384</u>	<u>1,992,302</u>	<u>1,053,376</u>
Net recoverable costs	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,245,001</u>	<u>\$ 1,621,907</u>	<u>\$ 5,559,939</u>	<u>\$ 1,451,015</u>	<u>\$ 1,048,958</u>

**CITY OF WAUSAU, WISCONSIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2007**

**NOTE 5 – OTHER INFORMATION (Continued)**

H. SUBSEQUENT EVENT

In June 2008, the City issued General Obligation Promissory Notes, Series 2008A, in the amount of \$9,845,000 for current capital projects and land acquisition as well as to refund the outstanding principal amounts of the Series 2000A and 2001A note issues.

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, 2007

	<u>Budgeted Amounts (Note A)</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
<b>REVENUES</b>				
Taxes	\$ 11,445,872	\$ 11,445,872	\$ 11,620,936	\$ 175,064
Special assessments	13,000	13,000	27,588	14,588
Intergovernmental	8,580,692	8,580,692	8,632,758	52,066
Licenses and permits	652,710	652,710	827,028	174,318
Fines, forfeitures and penalties	306,350	306,350	372,608	66,258
Public charges for services	1,689,880	1,689,880	1,988,678	298,798
Intergovernmental charges for services	1,090,215	1,090,215	1,225,529	135,314
Commercial revenues	958,857	958,857	1,279,500	320,643
Miscellaneous revenues	666,135	667,841	383,854	(283,987)
Total Revenues	<u>25,403,711</u>	<u>25,405,417</u>	<u>26,358,479</u>	<u>953,062</u>
<b>EXPENDITURES</b>				
General government	3,928,611	3,936,030	3,773,756	162,274
Public safety	14,063,325	14,081,225	13,913,907	167,318
Transportation and streets	7,051,560	7,055,960	7,019,248	36,712
Sanitation, health and welfare	1,110,000	1,110,000	1,173,441	(63,441)
Natural resources and recreation	2,172,215	2,173,921	2,070,901	103,020
Total Expenditures	<u>28,325,711</u>	<u>28,357,136</u>	<u>27,951,253</u>	<u>405,883</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(2,922,000)</u>	<u>(2,951,719)</u>	<u>(1,592,774)</u>	<u>1,358,945</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,422,000	1,422,000	1,387,342	(34,658)
Transfers out	-	-	(980,075)	(980,075)
Total Other Financing Sources (Uses)	<u>1,422,000</u>	<u>1,422,000</u>	<u>407,267</u>	<u>(1,014,733)</u>
<b>Net Change in Fund Balance</b>	(1,500,000)	(1,529,719)	(1,185,507)	344,212
Fund balance - beginning of year	<u>11,578,309</u>	<u>11,578,309</u>	<u>11,578,309</u>	<u>-</u>
Fund balance - end of year	<u>\$ 10,078,309</u>	<u>\$ 10,048,590</u>	<u>\$ 10,392,802</u>	<u>\$ 344,212</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: Assessor by \$5,485, City attorney by \$15,365, Human resources by \$20,095, Tax adjustment by \$39,292, Fire department by \$193,166, Inspections and electrical systems by \$949, Street lighting by \$13,178, City airport by \$10,540, Curb, gutter and paving by \$3,524, Street signs and guideboards by \$14,074, Alleys and other nonstreets by \$436,990, Snow removal by \$251,923, Garbage and refuse collection by \$62,974 and Clean up costs by \$467.

**COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES**

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

December 31, 2007

	Special Revenue Funds			
	Grants	HUD Mortgage	DLAD Mortgage Program	Industrial Park
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,185,584	\$ 170,719	\$ 361,662	\$ 137,463
Investments	495,021	-	-	-
Taxes receivable	-	-	-	-
Accounts receivable	91,028	-	45	-
Notes receivable	3,528,963	1,701,832	247,413	-
Due from other governments	62,489	-	-	-
Due from other funds	-	-	-	-
Inventories and prepayments	-	-	-	-
	<u>\$ 5,363,085</u>	<u>\$ 1,872,551</u>	<u>\$ 609,120</u>	<u>\$ 137,463</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ 2,148	\$ 2,128	\$ -	\$ -
Employee compensation and benefits	15,197	704	-	-
Due to other funds	22,857	-	15,000	-
Advances from other funds	501,538	-	-	-
Deferred revenues	3,565,454	1,701,832	247,413	-
Total liabilities	<u>4,107,194</u>	<u>1,704,664</u>	<u>262,413</u>	<u>-</u>
Fund Balances				
Reserved for debt service	-	-	-	-
Reserved for inventories and prepayments	-	-	-	-
Trust purposes	-	-	-	-
Unreserved				
Designated for subsequent years' expenditures	1,255,891	167,887	346,707	137,463
Undesignated	-	-	-	-
Total Fund Balances	<u>1,255,891</u>	<u>167,887</u>	<u>346,707</u>	<u>137,463</u>
	<u>\$ 5,363,085</u>	<u>\$ 1,872,551</u>	<u>\$ 609,120</u>	<u>\$ 137,463</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>				

Special Revenue Funds

Federal Rent Rehabilitation	WRRP Rehabilitation	Holtz-Krause Clean Up	Hazardous Materials Emergency Response	Room Tax	Public Access Cable
\$ 360,785	\$ 295,898	\$ 1,652,247	\$ 116,052	\$ 44,918	\$ -
-	-	-	-	-	-
-	-	-	-	163,148	117,806
-	1,082,004	492,749	-	100,000	-
-	-	-	-	-	-
-	37,857	-	-	-	-
-	-	-	-	-	-
<u>\$ 360,785</u>	<u>\$ 1,415,759</u>	<u>\$ 2,144,996</u>	<u>\$ 116,052</u>	<u>\$ 308,066</u>	<u>\$ 117,806</u>
\$ -	\$ -	\$ 2,510	\$ 12,621	\$ 61,181	\$ 1,446
-	-	-	-	-	5,538
-	-	-	-	-	84,222
-	-	-	-	-	-
-	1,082,004	492,749	-	100,000	-
<u>-</u>	<u>1,082,004</u>	<u>495,259</u>	<u>12,621</u>	<u>161,181</u>	<u>91,206</u>
-	-	1,649,737	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
360,785	333,755	-	103,431	146,885	26,600
-	-	-	-	-	-
<u>360,785</u>	<u>333,755</u>	<u>1,649,737</u>	<u>103,431</u>	<u>146,885</u>	<u>26,600</u>
<u>\$ 360,785</u>	<u>\$ 1,415,759</u>	<u>\$ 2,144,996</u>	<u>\$ 116,052</u>	<u>\$ 308,066</u>	<u>\$ 117,806</u>

**CITY OF WAUSAU, WISCONSIN**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET (Continued)**  
December 31, 2007

	Special Revenue Funds			
	Recycling	Wausau Area Transit System	TID #1 Downtown Improvements	TID #2 Industrial Park
<b>ASSETS</b>				
Cash and cash equivalents	\$ 3,885	\$ 1,259	\$ -	\$ -
Investments	-	-	-	-
Taxes receivable	485,600	594,064	1,724,555	699,588
Accounts receivable	25,645	45,169	-	-
Notes receivable	-	-	-	-
Due from other governments	-	1,268,038	-	-
Due from other funds	-	-	-	-
Inventories and prepayments	-	171,510	-	-
<b>TOTAL ASSETS</b>	<u>\$ 515,130</u>	<u>\$ 2,080,040</u>	<u>\$ 1,724,555</u>	<u>\$ 699,588</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ 29,530	\$ 219,419	\$ -	\$ -
Employee compensation and benefits	-	204,421	-	-
Due to other funds	-	1,028,093	-	-
Advances from other funds	-	-	-	-
Deferred revenues	485,600	628,107	1,724,555	699,588
<b>Total liabilities</b>	<u>515,130</u>	<u>2,080,040</u>	<u>1,724,555</u>	<u>699,588</u>
Fund Balances				
Reserved for debt service	-	-	-	-
Reserved for inventories and prepayments	-	171,510	-	-
Trust purposes	-	-	-	-
Unreserved				
Designated for subsequent years' expenditures	-	-	-	-
Undesignated	-	(171,510)	-	-
<b>Total Fund Balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 515,130</u>	<u>\$ 2,080,040</u>	<u>\$ 1,724,555</u>	<u>\$ 699,588</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
\$ 44,498	\$ 495,381	\$ 4,870,351	\$ -	\$ -	\$ -
-	-	495,021	-	-	-
-	-	3,503,807	65,508	570,207	520,673
-	-	442,841	-	43,345	-
-	-	7,152,961	-	-	-
-	8,231	1,338,758	-	-	-
-	-	37,857	-	-	-
-	-	171,510	-	-	-
<u>\$ 44,498</u>	<u>\$ 503,612</u>	<u>\$ 18,013,106</u>	<u>\$ 65,508</u>	<u>\$ 613,552</u>	<u>\$ 520,673</u>
\$ -	\$ 59,616	\$ 390,599	\$ -	\$ 1,595	\$ -
-	-	225,860	-	-	-
-	-	1,150,172	-	544,755	164,770
-	-	501,538	1,285,232	-	-
-	-	10,727,302	65,508	570,207	520,673
-	59,616	12,995,471	1,350,740	1,116,557	685,443
-	-	1,649,737	-	-	-
-	-	171,510	-	-	-
-	443,996	443,996	-	-	-
44,498	-	2,923,902	-	-	-
-	-	(171,510)	(1,285,232)	(503,005)	(164,770)
<u>44,498</u>	<u>443,996</u>	<u>5,017,635</u>	<u>(1,285,232)</u>	<u>(503,005)</u>	<u>(164,770)</u>
<u>\$ 44,498</u>	<u>\$ 503,612</u>	<u>\$ 18,013,106</u>	<u>\$ 65,508</u>	<u>\$ 613,552</u>	<u>\$ 520,673</u>

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

December 31, 2007

	Capital Project Funds		Total Nonmajor Governmental Funds
	TID #7 West Side	Total	
	Development		
<b>ASSETS</b>			
Cash and cash equivalents	\$ -	\$ -	\$ 4,870,351
Investments	-	-	495,021
Taxes receivable	100,046	1,256,434	4,760,241
Accounts receivable	-	43,345	486,186
Notes receivable	-	-	7,152,961
Due from other governments	-	-	1,338,758
Due from other funds	-	-	37,857
Inventories and prepayments	-	-	171,510
TOTAL ASSETS	\$ 100,046	\$ 1,299,779	\$ 19,312,885
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities			
Accounts payable	\$ -	\$ 1,595	\$ 392,194
Employee compensation and benefits	-	-	225,860
Due to other funds	-	709,525	1,859,697
Advances from other funds	263,905	1,549,137	2,050,675
Deferred revenues	100,046	1,256,434	11,983,736
Total liabilities	363,951	3,516,691	16,512,162
Fund Balances			
Reserved for debt service	-	-	1,649,737
Reserved for inventories and prepayments	-	-	171,510
Trust purposes	-	-	443,996
Unreserved			
Designated for subsequent years' expenditures	-	-	2,923,902
Undesignated	(263,905)	(2,216,912)	(2,388,422)
Total Fund Balances	(263,905)	(2,216,912)	2,800,723
TOTAL LIABILITIES AND FUND BALANCES	\$ 100,046	\$ 1,299,779	\$ 19,312,885

**[THIS PAGE LEFT INTENTIONALLY BLANK]**

**CITY OF WAUSAU, WISCONSIN**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
Year Ended December 31, 2007

	Special Revenue Funds			
	Grants	HUD Mortgage	DLAD Mortgage Program	Industrial Park
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,369,050	-	-	-
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
Commercial revenues	536,176	182,817	72,922	-
Miscellaneous revenues	294,633	5,641	-	68,004
Total Revenues	<u>2,199,859</u>	<u>188,458</u>	<u>72,922</u>	<u>68,004</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Transportation and streets	-	-	-	-
Sanitation, health and welfare	-	-	-	-
Natural resources and recreation	-	-	-	-
Economic development	1,804,639	93,448	272,360	43,286
Capital outlay	-	-	-	-
Total expenditures	<u>1,804,639</u>	<u>93,448</u>	<u>272,360</u>	<u>43,286</u>
Excess (deficiency) of revenues over expenditures	<u>395,220</u>	<u>95,010</u>	<u>(199,438)</u>	<u>24,718</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of debt	-	-	-	-
Discount on general obligation debt	-	-	-	-
Transfers in	55,000	-	-	-
Transfers out	(300,000)	-	-	-
Total other financing sources (uses)	<u>(245,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	150,220	95,010	(199,438)	24,718
Fund balances - beginning of year	<u>1,105,671</u>	<u>72,877</u>	<u>546,145</u>	<u>112,745</u>
Fund balances - end of year	<u>\$ 1,255,891</u>	<u>\$ 167,887</u>	<u>\$ 346,707</u>	<u>\$ 137,463</u>

Special Revenue Funds

Federal Rent Rehabilitation	WRRP Rehabilitation	Holtz-Krause Clean Up	Hazardous Materials Emergency Response	Room Tax	Public Access Cable
\$ -	\$ -	\$ -	\$ -	\$ 708,866	\$ -
-	-	-	146,802	-	-
-	-	-	-	-	22,591
-	-	-	-	-	2,551
18,816	180,710	130,185	-	-	-
-	-	-	-	-	78,226
<u>18,816</u>	<u>180,710</u>	<u>130,185</u>	<u>146,802</u>	<u>708,866</u>	<u>103,368</u>
-	-	-	-	527,602	92,027
-	-	-	145,902	-	-
-	-	-	-	-	-
-	-	36,897	-	-	-
-	-	-	-	-	-
29,645	32,002	-	-	-	-
-	-	-	-	-	-
<u>29,645</u>	<u>32,002</u>	<u>36,897</u>	<u>145,902</u>	<u>527,602</u>	<u>92,027</u>
<u>(10,829)</u>	<u>148,708</u>	<u>93,288</u>	<u>900</u>	<u>181,264</u>	<u>11,341</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	(230,000)	-
-	-	-	-	(230,000)	-
<u>(10,829)</u>	<u>148,708</u>	<u>93,288</u>	<u>900</u>	<u>(48,736)</u>	<u>11,341</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>
<u>\$ 360,785</u>	<u>\$ 333,755</u>	<u>\$ 1,649,737</u>	<u>\$ 103,431</u>	<u>\$ 146,885</u>	<u>\$ 26,600</u>

**CITY OF WAUSAU, WISCONSIN**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES (Continued)**  
Year Ended December 31, 2007

	Special Revenue Funds			
	Recycling	Wausau Area Transit System	TID #1 Downtown Improvements	TID #2 Industrial Park
<b>REVENUES</b>				
Taxes	\$ 436,335	\$ 539,963	\$ 1,539,076	\$ 696,800
Intergovernmental	168,585	2,632,643	28,384	9,438
Licenses and permits	-	-	-	-
Charges for services	-	637,311	-	-
Commercial revenues	-	-	76,000	-
Miscellaneous revenues	4,643	11,772	-	-
Total Revenues	<u>609,563</u>	<u>3,821,689</u>	<u>1,643,460</u>	<u>706,238</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Transportation and streets	-	3,821,689	-	-
Sanitation, health and welfare	609,563	-	-	-
Natural resources and recreation	-	-	-	-
Economic development	-	-	32,594	-
Capital outlay	-	-	-	-
Total expenditures	<u>609,563</u>	<u>3,821,689</u>	<u>32,594</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>1,610,866</u>	<u>706,238</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of debt	-	-	-	-
Discount on general obligation debt	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(174,128)	(706,238)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(174,128)</u>	<u>(706,238)</u>
Net change in fund balances	-	-	1,436,738	-
Fund balances - beginning of year	<u>-</u>	<u>-</u>	<u>(1,436,738)</u>	<u>-</u>
Fund balances - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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
\$ -	\$ -	\$ 3,921,040	\$ 57,235	\$ 519,865	\$ 449,635
10,433	35,974	4,401,309	238	5,892	73,290
-	-	22,591	-	-	-
-	-	639,862	-	-	-
-	16,590	1,214,216	-	-	-
-	73,201	536,120	-	97,798	180
<u>10,433</u>	<u>125,765</u>	<u>10,735,138</u>	<u>57,473</u>	<u>623,555</u>	<u>523,105</u>
-	-	619,629	-	-	-
4,283	71,392	221,577	-	-	-
-	-	3,821,689	-	-	-
-	-	646,460	-	-	-
-	8,406	8,406	-	-	-
-	-	2,307,974	-	2,482,406	-
-	-	-	5,587	424,148	95,716
<u>4,283</u>	<u>79,798</u>	<u>7,625,735</u>	<u>5,587</u>	<u>2,906,554</u>	<u>95,716</u>
<u>6,150</u>	<u>45,967</u>	<u>3,109,403</u>	<u>51,886</u>	<u>(2,282,999)</u>	<u>427,389</u>
-	-	-	-	2,206,760	-
-	-	-	-	-	-
-	-	55,000	-	-	-
-	-	(1,410,366)	(154,090)	(396,796)	(177,140)
-	-	(1,355,366)	(154,090)	1,809,964	(177,140)
6,150	45,967	1,754,037	(102,204)	(473,035)	250,249
<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>\$ 44,498</u>	<u>\$ 443,996</u>	<u>\$ 5,017,635</u>	<u>\$ (1,285,232)</u>	<u>\$ (503,005)</u>	<u>\$ (164,770)</u>

**CITY OF WAUSAU, WISCONSIN**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES (Concluded)**  
Year Ended December 31, 2007

	Capital Project Funds		Total Nonmajor Governmental Funds
	TID #7 West Side Development	Total	
<b>REVENUES</b>			
Taxes	\$ -	\$ 1,026,735	\$ 4,947,775
Intergovernmental	-	79,420	4,480,729
Licenses and permits	-	-	22,591
Charges for services	-	-	639,862
Commercial revenues	4,418	4,418	1,218,634
Miscellaneous revenues	-	97,978	634,098
Total Revenues	4,418	1,208,551	11,943,689
<b>EXPENDITURES</b>			
Current:			
General government	-	-	619,629
Public safety	-	-	221,577
Transportation and streets	-	-	3,821,689
Sanitation, health and welfare	-	-	646,460
Natural resources and recreation	-	-	8,406
Economic development	-	2,482,406	4,790,380
Capital outlay	678,403	1,203,854	1,203,854
Total expenditures	678,403	3,686,260	11,311,995
Excess (deficiency) of revenues over expenditures	(673,985)	(2,477,709)	631,694
<b>OTHER FINANCING SOURCES (USES)</b>			
Issuance of debt	469,962	2,676,722	2,676,722
Discount on general obligation debt	(2,209)	(2,209)	(2,209)
Transfers in	-	-	55,000
Transfers out	(55,022)	(783,048)	(2,193,414)
Total other financing sources (uses)	412,731	1,891,465	536,099
Net change in fund balances	(261,254)	(586,244)	1,167,793
Fund balances - beginning of year	(2,651)	(1,630,668)	1,632,930
Fund balances - end of year	\$ (263,905)	\$ (2,216,912)	\$ 2,800,723



**[THIS PAGE LEFT INTENTIONALLY BLANK]**

**CITY OF WAUSAU, WISCONSIN**  
**NONMAJOR BUDGETED GOVERNMENTAL FUNDS**  
**BUDGETARY COMPARISON SCHEDULE**  
Year Ended December 31, 2007

	Special Revenue Funds			
	Grants		Industrial Park	
	Budget	Actual	Budget	Actual
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	2,072,407	1,369,050	-	-
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
Commercial revenues	-	536,176	-	-
Miscellaneous revenues	-	294,633	15,000	68,004
Total Revenues	2,072,407	2,199,859	15,000	68,004
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Transportation and streets	-	-	-	-
Sanitation, health and welfare	-	-	-	-
Economic development	1,820,607	1,804,639	15,000	43,286
Capital outlay	-	-	-	-
Total expenditures	1,820,607	1,804,639	15,000	43,286
Excess (deficiency) of revenues over expenditures	251,800	395,220	-	24,718
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of debt	-	-	-	-
Discount on general obligation debt	-	-	-	-
Transfers in	55,000	55,000	-	-
Transfers out	(310,000)	(300,000)	-	-
Total other financing sources (uses)	(255,000)	(245,000)	-	-
Net change in fund balances	\$ (3,200)	150,220	\$ -	24,718
Fund balances - beginning of year		1,105,671		112,745
Fund balances - end of year		\$ 1,255,891		\$ 137,463

Special Revenue Funds

Hazardous Materials Emergency Response		Room Tax		Public Access Cable	
Budget	Actual	Budget	Actual	Budget	Actual
\$ -	\$ -	\$ 737,800	\$ 708,866	\$ -	\$ -
146,802	146,802	-	-	-	-
-	-	-	-	28,302	22,591
-	-	-	-	2,500	2,551
-	-	-	-	-	-
-	-	-	-	85,281	78,226
<u>146,802</u>	<u>146,802</u>	<u>737,800</u>	<u>708,866</u>	<u>116,083</u>	<u>103,368</u>
-	-	550,409	527,602	115,289	92,027
146,802	145,902	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>146,802</u>	<u>145,902</u>	<u>550,409</u>	<u>527,602</u>	<u>115,289</u>	<u>92,027</u>
-	900	187,391	181,264	794	11,341
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	(230,000)	(230,000)	-	-
-	-	(230,000)	(230,000)	-	-
<u>\$ -</u>	900	<u>\$ (42,609)</u>	(48,736)	<u>\$ 794</u>	11,341
	<u>102,531</u>		<u>195,621</u>		<u>15,259</u>
	<u>\$ 103,431</u>		<u>\$ 146,885</u>		<u>\$ 26,600</u>

**CITY OF WAUSAU, WISCONSIN**  
**NONMAJOR BUDGETED GOVERNMENTAL FUNDS**  
**BUDGETARY COMPARISON SCHEDULE (Continued)**  
Year Ended December 31, 2007

	Special Revenue Funds			
	Recycling		Wausau Area Transit System	
	Budget	Actual	Budget	Actual
<b>REVENUES</b>				
Taxes	\$ 461,725	\$ 436,335	\$ 594,064	\$ 539,963
Intergovernmental	168,000	168,585	2,656,505	2,632,643
Licenses and permits	-	-	-	-
Charges for services	-	-	570,729	637,311
Commercial revenues	-	-	-	-
Miscellaneous revenues	3,500	4,643	2,050	11,772
Total Revenues	633,225	609,563	3,823,348	3,821,689
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Transportation and streets	-	-	3,916,507	3,821,689
Sanitation, health and welfare	633,225	609,563	-	-
Economic development	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	633,225	609,563	3,916,507	3,821,689
Excess (deficiency) of revenues over expenditures	-	-	(93,159)	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of debt	-	-	-	-
Discount on general obligation debt	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	\$ -	-	\$ (93,159)	-
Fund balances - beginning of year	-	-	-	-
Fund balances - end of year	\$ -	-	\$ -	-

Special Revenue Funds				Capital Project Funds	
TID #1 Downtown Improvements		TID #2 Industrial Park		TID #4 Industrial Park	
Budget	Actual	Budget	Actual	Budget	Actual
\$ 1,521,869	\$ 1,539,076	\$ 727,288	\$ 696,800	\$ 59,739	\$ 57,235
29,658	28,384	10,000	9,438	245	238
-	-	-	-	-	-
-	-	-	-	-	-
76,000	76,000	-	-	-	-
-	-	-	-	-	-
<u>1,627,527</u>	<u>1,643,460</u>	<u>737,288</u>	<u>706,238</u>	<u>59,984</u>	<u>57,473</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
32,595	32,594	-	-	-	-
-	-	-	-	-	5,587
<u>32,595</u>	<u>32,594</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,587</u>
<u>1,594,932</u>	<u>1,610,866</u>	<u>737,288</u>	<u>706,238</u>	<u>59,984</u>	<u>51,886</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(161,437)	(174,128)	(737,288)	(706,238)	(154,090)	(154,090)
<u>(161,437)</u>	<u>(174,128)</u>	<u>(737,288)</u>	<u>(706,238)</u>	<u>(154,090)</u>	<u>(154,090)</u>
<u>\$ 1,433,495</u>	1,436,738	<u>\$ -</u>	-	<u>\$ (94,106)</u>	(102,204)
	(1,436,738)		-		(1,183,028)
	<u>\$ -</u>		<u>\$ -</u>		<u>\$ (1,285,232)</u>

**CITY OF WAUSAU, WISCONSIN**  
**NONMAJOR BUDGETED GOVERNMENTAL FUNDS**  
**BUDGETARY COMPARISON SCHEDULE (Concluded)**  
Year Ended December 31, 2007

	Capital Project Funds			
	TID #5 Industrial Park		TID #6 West Side Development	
	Budget	Actual	Budget	Actual
<b>REVENUES</b>				
Taxes	\$ 542,612	\$ 519,865	\$ 463,873	\$ 449,635
Intergovernmental	6,635	5,892	82,529	73,290
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
Commercial revenues	-	-	-	-
Miscellaneous revenues	-	97,798	-	180
Total Revenues	549,247	623,555	546,402	523,105
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Transportation and streets	-	-	-	-
Sanitation, health and welfare	-	-	-	-
Economic development	3,487,000	2,482,406	-	-
Capital outlay	-	424,148	-	95,716
Total expenditures	3,487,000	2,906,554	-	95,716
Excess (deficiency) of revenues over expenditures	(2,937,753)	(2,282,999)	546,402	427,389
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of debt	3,457,000	2,206,760	-	-
Discount on general obligation debt	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(396,796)	(396,796)	(177,140)	(177,140)
Total other financing sources (uses)	3,060,204	1,809,964	(177,140)	(177,140)
Net change in fund balances	\$ 122,451	(473,035)	\$ 369,262	250,249
Fund balances - beginning of year		(29,970)		(415,019)
Fund balances - end of year		\$ (503,005)		\$ (164,770)

Capital Project Funds

TID #7 West Side Development

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

\$ -	\$ -
-	-
-	-
-	-
-	4,418
-	-
<u>-</u>	<u>-</u>
<u>-</u>	<u>4,418</u>

-	-
-	-
-	-
-	-
-	-
<u>150,000</u>	<u>678,403</u>
<u>150,000</u>	<u>678,403</u>

<u>(150,000)</u>	<u>(673,985)</u>
------------------	------------------

-	469,962
-	(2,209)
-	-
<u>(47,950)</u>	<u>(55,022)</u>
<u>(47,950)</u>	<u>412,731</u>

\$ <u>(197,950)</u>	(261,254)
---------------------	-----------

	<u>(2,651)</u>
--	----------------

	<u>\$ (263,905)</u>
--	---------------------

**CITY OF WAUSAU, WISCONSIN**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL**  
Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
<b>TAXES</b>				
General property taxes	\$ 11,249,784	\$ 11,249,784	\$ 11,329,275	\$ 79,491
Mobile home parking fees	44,000	44,000	38,550	(5,450)
Payments in lieu of taxes	106,000	106,000	141,942	35,942
Other taxes	46,088	46,088	111,169	65,081
Total Taxes	<u>11,445,872</u>	<u>11,445,872</u>	<u>11,620,936</u>	<u>175,064</u>
<b>SPECIAL ASSESSMENTS</b>				
Interest on special assessments	13,000	13,000	27,588	14,588
<b>INTERGOVERNMENTAL</b>				
State shared taxes	5,093,674	5,093,674	5,097,234	3,560
Expenditure restraint	947,366	947,366	942,428	(4,938)
Fire insurance tax	81,778	81,778	74,885	(6,893)
Municipal services	156,000	156,000	180,298	24,298
Transportation aids	2,286,874	2,286,874	2,286,727	(147)
Other grants	15,000	15,000	51,186	36,186
Total Intergovernmental	<u>8,580,692</u>	<u>8,580,692</u>	<u>8,632,758</u>	<u>52,066</u>
<b>LICENSES AND PERMITS</b>				
Licenses	155,808	155,808	183,808	28,000
Franchise fees	275,000	275,000	293,271	18,271
Permits	221,902	221,902	349,949	128,047
Total Licenses and Permits	<u>652,710</u>	<u>652,710</u>	<u>827,028</u>	<u>174,318</u>
<b>FINES, FORFEITURES AND PENALTIES</b>				
	<u>306,350</u>	<u>306,350</u>	<u>372,608</u>	<u>66,258</u>
<b>PUBLIC CHARGES FOR SERVICES</b>				
General government	233,295	233,295	176,727	(56,568)
Public safety	1,011,915	1,011,915	1,245,234	233,319
Streets and related facilities	51,300	51,300	82,287	30,987
Other transportation	159,000	159,000	284,149	125,149
Recreation	137,870	137,870	121,652	(16,218)
Public areas	96,500	96,500	78,629	(17,871)
Total Public Charges for Services	<u>1,689,880</u>	<u>1,689,880</u>	<u>1,988,678</u>	<u>298,798</u>
<b>INTERGOVERNMENTAL CHARGES FOR SERVICES</b>				
State, federal and local reimbursements	13,400	13,400	570	(12,830)
County and other municipalities	253,315	253,315	249,529	(3,786)
City departments	823,500	823,500	975,430	151,930
Total Intergovernmental Charges for Services	<u>1,090,215</u>	<u>1,090,215</u>	<u>1,225,529</u>	<u>135,314</u>



**CITY OF WAUSAU, WISCONSIN**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL**  
Year Ended December 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>COMMERCIAL</b>				
Interest on general investments	\$ 920,000	\$ 920,000	\$ 1,209,092	\$ 289,092
Other interest	<u>38,857</u>	<u>38,857</u>	<u>70,408</u>	<u>31,551</u>
Total Commercial	<u>958,857</u>	<u>958,857</u>	<u>1,279,500</u>	<u>320,643</u>
<b>MISCELLANEOUS REVENUES</b>				
Rent of land and buildings	202,350	202,350	265,834	63,484
Sale of City property	2,175	3,881	25,210	21,329
Other miscellaneous revenues	<u>461,610</u>	<u>461,610</u>	<u>92,810</u>	<u>(368,800)</u>
Total Miscellaneous Revenues	<u>666,135</u>	<u>667,841</u>	<u>383,854</u>	<u>(283,987)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>1,422,000</u>	<u>1,422,000</u>	<u>1,387,342</u>	<u>(34,658)</u>
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>				
	<u>\$ 26,825,711</u>	<u>\$ 26,827,417</u>	<u>\$ 27,745,821</u>	<u>\$ 918,404</u>

**CITY OF WAUSAU, WISCONSIN**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL**  
Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
<b>GENERAL GOVERNMENT</b>				
City Council	\$ 477,353	\$ 459,853	\$ 377,492	\$ 82,361
Mayor	248,337	251,256	240,195	11,061
Finance department	955,778	955,778	900,650	55,128
City clerk/customer service	493,428	493,428	474,081	19,347
Elections	71,300	71,300	23,091	48,209
Assessor	496,867	496,867	502,352	(5,485)
City attorney	360,504	377,504	392,869	(15,365)
Municipal judge	119,506	119,506	111,876	7,630
Human resources	246,377	251,377	271,472	(20,095)
City hall and other municipal buildings	436,161	436,161	417,386	18,775
Tax adjustment	23,000	23,000	62,292	(39,292)
Total General Government	<u>3,928,611</u>	<u>3,936,030</u>	<u>3,773,756</u>	<u>162,274</u>
<b>PUBLIC SAFETY</b>				
Police department	7,166,907	7,178,907	7,155,666	23,241
Fire department	3,317,126	3,321,526	3,514,692	(193,166)
Ambulance	2,226,942	2,228,442	1,919,334	309,108
Pension and retirement payments	93,000	93,000	63,916	29,084
Inspections and electrical systems	1,259,350	1,259,350	1,260,299	(949)
Total Public Safety	<u>14,063,325</u>	<u>14,081,225</u>	<u>13,913,907</u>	<u>167,318</u>
<b>TRANSPORTATION AND STREETS</b>				
Street lighting	527,662	527,662	540,840	(13,178)
City airport	151,021	151,021	161,561	(10,540)
Engineering	1,575,848	1,580,248	1,506,262	73,986
Clerical and administration	566,715	566,715	520,838	45,877
Stockroom	80,229	80,229	70,544	9,685
Construction of roadways and streets	24,224	24,224	9,978	14,246
Roadways and streets	1,180,561	1,180,561	738,574	441,987
Curb, gutter and paving	7,895	7,895	11,419	(3,524)
Storm sewers	449,927	449,927	313,893	136,034
Street signs and guideboards	194,933	194,933	209,007	(14,074)
Street cleaning and flushing	360,464	360,464	353,774	6,690
Weed control	65,562	65,562	60,737	4,825
Bridges and culverts	26,187	26,187	4,751	21,436
City shop and garage	307,003	307,003	294,828	12,175
Alleys and other nonstreets	537,782	537,782	974,772	(436,990)
Snow removal	995,547	995,547	1,247,470	(251,923)
Total Transportation and Streets	<u>7,051,560</u>	<u>7,055,960</u>	<u>7,019,248</u>	<u>36,712</u>
<b>SANITATION, HEALTH AND WELFARE</b>				
Garbage and refuse collection	1,090,000	1,090,000	1,152,974	(62,974)
Clean up costs	20,000	20,000	20,467	(467)
Total Sanitation, Health and Welfare	<u>1,110,000</u>	<u>1,110,000</u>	<u>1,173,441</u>	<u>(63,441)</u>

**CITY OF WAUSAU, WISCONSIN**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL**  
Year Ended December 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>NATURAL RESOURCES/RECREATION</b>				
Parks and recreation	\$ 2,172,215	\$ 2,173,921	\$ 2,070,901	\$ 103,020
<b>OTHER FINANCING USES</b>				
Transfers out	-	-	980,075	(980,075)
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<u>\$ 28,325,711</u>	<u>\$ 28,357,136</u>	<u>\$ 28,931,328</u>	<u>\$ (574,192)</u>

**CITY OF WAUSAU, WISCONSIN**  
**DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
Year Ended December 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
<b>REVENUES</b>				
General property taxes	\$ 4,156,866	\$ 4,156,866	\$ 4,156,866	\$ -
Reimbursement of expenditures	<u>275,820</u>	<u>275,820</u>	<u>277,270</u>	<u>1,450</u>
Total Revenues	<u>4,432,686</u>	<u>4,432,686</u>	<u>4,434,136</u>	<u>1,450</u>
<b>EXPENDITURES</b>				
Debt Service:				
Principal retirement	6,557,888	6,557,888	6,557,888	-
Interest and debt service charges	<u>1,913,657</u>	<u>1,913,657</u>	<u>1,981,955</u>	<u>(68,298)</u>
Total Expenditures	<u>8,471,545</u>	<u>8,471,545</u>	<u>8,539,843</u>	<u>(68,298)</u>
Deficiency of Revenues over Expenditures	<u>(4,038,859)</u>	<u>(4,038,859)</u>	<u>(4,105,707)</u>	<u>(66,848)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>3,894,231</u>	<u>3,894,231</u>	<u>3,922,974</u>	<u>28,743</u>
Net change in fund balance	(144,628)	(144,628)	(182,733)	(38,105)
Fund balance - beginning of year	<u>636,877</u>	<u>636,877</u>	<u>636,877</u>	<u>-</u>
Fund balance - end of year	<u>\$ 492,249</u>	<u>\$ 492,249</u>	<u>\$ 454,144</u>	<u>\$ (38,105)</u>

**CITY OF WAUSAU, WISCONSIN**  
**TID #3 DOWNTOWN DEVELOPMENT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
Year Ended December 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
<b>REVENUES</b>				
General property taxes	\$ 1,036,025	\$ 1,036,025	\$ 992,593	\$ (43,432)
Intergovernmental - State shared taxes	189,182	189,182	181,054	(8,128)
Interest on investments	20,000	20,000	30,499	10,499
Other miscellaneous	<u>16,000</u>	<u>16,000</u>	<u>434</u>	<u>(15,566)</u>
Total Revenues	1,261,207	1,261,207	1,204,580	(56,627)
<b>EXPENDITURES</b>				
Capital outlay:				
Economic development	<u>2,611,967</u>	<u>2,992,000</u>	<u>1,997,792</u>	<u>994,208</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,350,760)</u>	<u>(1,730,793)</u>	<u>(793,212)</u>	<u>937,581</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of debt	1,741,650	1,741,650	1,396,190	(345,460)
Discount on general obligation debt	-	-	(6,562)	(6,562)
Transfers in	1,847,952	1,847,952	1,869,593	21,641
Transfers out	<u>(3,087,405)</u>	<u>(3,087,405)</u>	<u>(3,109,078)</u>	<u>(21,673)</u>
Total Other Financing Sources (Uses)	<u>502,197</u>	<u>502,197</u>	<u>150,143</u>	<u>(352,054)</u>
Net change in fund balance	(848,563)	(1,228,596)	(643,069)	585,527
Fund balance - beginning of year	<u>828,970</u>	<u>828,970</u>	<u>828,970</u>	<u>-</u>
Fund balance - end of year	<u>\$ (19,593)</u>	<u>\$ (399,626)</u>	<u>\$ 185,901</u>	<u>\$ 585,527</u>

**CITY OF WAUSAU, WISCONSIN**  
**CAPITAL IMPROVEMENTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
Year Ended December 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
<b>REVENUES</b>				
General property taxes	\$ 2,028,756	\$ 2,028,756	\$ 2,028,756	\$ -
Special assessments	519,925	519,925	420,806	(99,119)
Intergovernmental grants and aids	595,300	740,896	510,228	(230,668)
Interest income	<u>-</u>	<u>-</u>	<u>64,289</u>	<u>64,289</u>
Total Revenues	3,143,981	3,289,577	3,024,079	(265,498)
<b>EXPENDITURES</b>				
Capital outlay	<u>6,199,581</u>	<u>8,139,061</u>	<u>4,779,584</u>	<u>3,359,477</u>
Deficiency of Revenues over Expenditures	<u>(3,055,600)</u>	<u>(4,849,484)</u>	<u>(1,755,505)</u>	<u>3,093,979</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of debt	2,560,000	2,560,000	2,668,848	108,848
Discount on general obligation debt	-	-	(12,544)	(12,544)
Transfers in	495,600	495,600	225,000	(270,600)
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>3,055,600</u>	<u>3,055,600</u>	<u>2,881,304</u>	<u>(174,296)</u>
Net change in fund balance	-	(1,793,884)	1,125,799	2,919,683
Fund balance - beginning of year	<u>2,179,472</u>	<u>2,179,472</u>	<u>2,179,472</u>	<u>-</u>
Fund balance - end of year	<u>\$ 2,179,472</u>	<u>\$ 385,588</u>	<u>\$ 3,305,271</u>	<u>\$ 2,919,683</u>

**CITY OF WAUSAU, WISCONSIN**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF NET ASSETS**  
December 31, 2007

	Motor Pool	Insurance Fund	Total
<b>ASSETS</b>			
Current Assets:			
Accounts receivable	\$ 1,051	\$ -	\$ 1,051
Inventories and prepayments	-	143,072	143,072
Total Current Assets	<u>1,051</u>	<u>143,072</u>	<u>144,123</u>
Noncurrent Assets:			
Property, Plant and Equipment:			
Property and equipment	8,441,664	-	8,441,664
Accumulated depreciation	<u>(5,006,434)</u>	<u>-</u>	<u>(5,006,434)</u>
Net Property, Plant and Equipment	<u>3,435,230</u>	<u>-</u>	<u>3,435,230</u>
 TOTAL ASSETS	 <u>\$ 3,436,281</u>	 <u>\$ 143,072</u>	 <u>\$ 3,579,353</u>
 <b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable	\$ 163,215	\$ 59,138	\$ 222,353
Due to other funds	<u>206,006</u>	<u>197,293</u>	<u>403,299</u>
Total Current Liabilities	<u>369,221</u>	<u>256,431</u>	<u>625,652</u>
Noncurrent Liabilities:			
Compensated absences payable	<u>20,649</u>	<u>-</u>	<u>20,649</u>
 TOTAL LIABILITIES	 <u>389,870</u>	 <u>256,431</u>	 <u>646,301</u>
 <b>NET ASSETS</b>			
Invested in capital assets, net of related debt	3,435,230	-	3,435,230
Unrestricted	<u>(388,819)</u>	<u>(113,359)</u>	<u>(502,178)</u>
 TOTAL NET ASSETS	 <u>\$ 3,046,411</u>	 <u>\$ (113,359)</u>	 <u>\$ 2,933,052</u>

**CITY OF WAUSAU, WISCONSIN**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**  
Year Ended December 31, 2007

	<u>Motor Pool</u>	<u>Insurance Fund</u>	<u>Total</u>
<b>OPERATING REVENUES</b>			
Charges for services and sales	\$ 2,479,631	\$ 898,278	\$ 3,377,909
Other operating revenues	<u>5,805</u>	<u>-</u>	<u>5,805</u>
Total Operating Revenues	<u>2,485,436</u>	<u>898,278</u>	<u>3,383,714</u>
<b>OPERATING EXPENSES</b>			
Operating and maintenance	1,473,389	1,011,637	2,485,026
Depreciation	<u>676,316</u>	<u>-</u>	<u>676,316</u>
Total Operating Expenses	<u>2,149,705</u>	<u>1,011,637</u>	<u>3,161,342</u>
Operating income (loss)	335,731	(113,359)	222,372
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Gain on sale of capital assets	<u>14,812</u>	<u>-</u>	<u>14,812</u>
Change in Net Assets	350,543	(113,359)	237,184
Total net assets - beginning of year	<u>2,695,868</u>	<u>-</u>	<u>2,695,868</u>
Total net assets - end of year	<u>\$ 3,046,411</u>	<u>\$ (113,359)</u>	<u>\$ 2,933,052</u>



**CITY OF WAUSAU, WISCONSIN**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
Year Ended December 31, 2007

	Motor Pool	Insurance Fund	Total
	<u>          </u>	<u>          </u>	<u>          </u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 2,488,979	\$ 898,278	\$ 3,387,257
Payments to suppliers	(1,132,925)	(1,095,571)	(2,228,496)
Payments to employees	<u>(312,748)</u>	<u>-</u>	<u>(312,748)</u>
Net Cash Provided (Used) by Operating Activities	<u>1,043,306</u>	<u>(197,293)</u>	<u>846,013</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Due to/from other funds	<u>(83,936)</u>	<u>197,293</u>	<u>113,357</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(83,936)</u>	<u>197,293</u>	<u>113,357</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition and construction of capital assets	(974,182)	-	(974,182)
Proceeds from sale of capital assets	<u>14,812</u>	<u>-</u>	<u>14,812</u>
Net Cash Used by Capital and Related Financing Activities	<u>(959,370)</u>	<u>-</u>	<u>(959,370)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	-	-	-
Cash and cash equivalents - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Cash and cash equivalents - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF WAUSAU, WISCONSIN**  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF FIDUCIARY NET ASSETS**  
December 31, 2007

	Incubator	Wausau Area Events	Main Street Wausau	Totals
<b>ASSETS</b>				
Cash and cash equivalents	\$ 10,212	\$ 92,531	\$ 87,622	\$ 190,365
Accounts receivable	10,029	3,600	1,800	15,429
 TOTAL ASSETS	 \$ 20,241	 \$ 96,131	 \$ 89,422	 \$ 205,794
<b>LIABILITIES</b>				
Accounts payable	\$ 20,241	\$ 96,131	\$ 89,422	\$ 205,794

**CITY OF WAUSAU, WISCONSIN**  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
Year Ended December 31, 2007

	Balance 1/1/2007	Additions	Deductions	Balance 12/31/2007
Incubator				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 12,361	\$ 100,261	\$ 102,410	\$ 10,212
Accounts receivable	4,388	137,475	131,834	10,029
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
TOTAL ASSETS	\$ 16,749	\$ 237,736	\$ 234,244	\$ 20,241
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>LIABILITIES</b>				
Accounts payable	\$ 16,749	\$ 237,736	\$ 234,244	\$ 20,241
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
TOTAL LIABILITIES	\$ 16,749	\$ 237,736	\$ 234,244	\$ 20,241
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Wausau Area Events				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 97,208	\$ 294,907	\$ 299,584	\$ 92,531
Accounts receivable	238	175,374	172,012	3,600
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
TOTAL ASSETS	\$ 97,446	\$ 470,281	\$ 471,596	\$ 96,131
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>LIABILITIES</b>				
Accounts payable	\$ 97,446	\$ 470,281	\$ 471,596	\$ 96,131
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
TOTAL LIABILITIES	\$ 97,446	\$ 470,281	\$ 471,596	\$ 96,131
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Main Street Wausau				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 100,365	\$ 117,068	\$ 129,811	\$ 87,622
Accounts receivable	-	22,232	20,432	1,800
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
TOTAL ASSETS	\$ 100,365	\$ 139,300	\$ 150,243	\$ 89,422
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>LIABILITIES</b>				
Accounts payable	\$ 100,365	\$ 139,300	\$ 150,243	\$ 89,422
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
TOTAL LIABILITIES	\$ 100,365	\$ 139,300	\$ 150,243	\$ 89,422
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Business Improvement District				
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ 60,000	\$ 60,000	\$ -
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
TOTAL ASSETS	\$ -	\$ 60,000	\$ 60,000	\$ -
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 60,000	\$ 60,000	\$ -
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
TOTAL LIABILITIES	\$ -	\$ 60,000	\$ 60,000	\$ -
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**[THIS PAGE LEFT INTENTIONALLY BLANK]**

**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, 2007

	<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>
<b>FUNCTION AND ACTIVITY</b>						
General government	\$ 28,004,602	\$ 8,836,713	\$ 7,421,082	\$ -	\$ 177,644	\$ 44,440,041
Public safety:						
Police protection	470,286	3,496,743	1,163,130	-	-	5,130,159
Fire protection	173,315	1,682,754	3,731,464	-	-	5,587,533
Public works:						
Maintenance	221,071	2,251,970	8,995,071	-	-	11,468,112
Sidewalks	-	-	-	7,694,273	-	7,694,273
Street system	-	-	-	80,029,896	-	80,029,896
Parks and recreation	405,804	3,515,041	1,466,310	-	-	5,387,155
<b>TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS</b>	<u>\$ 29,275,078</u>	<u>\$ 19,783,221</u>	<u>\$ 22,777,057</u>	<u>\$ 87,724,169</u>	<u>\$ 177,644</u>	<u>\$ 159,737,169</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, 2007

	Balance January 1, 2007	Additions	Deletions	Balance December 31, 2007
<b>FUNCTION AND ACTIVITY</b>				
General government	\$ 45,178,736	\$ 1,491,350	\$ 2,230,045	\$ 44,440,041
Public safety:				
Police protection	5,326,994	27,573	224,408	5,130,159
Fire protection	5,361,821	236,749	11,037	5,587,533
Public works:				
Maintenance	10,929,430	1,003,234	464,552	11,468,112
Sidewalks	7,413,793	280,480	-	7,694,273
Street system	76,763,185	3,850,230	583,519	80,029,896
Parks and recreation	5,256,756	198,479	68,080	5,387,155
<b>TOTAL GOVERNMENTAL FUNDS</b>				
<b>CAPITAL ASSETS</b>	<u>\$ 156,230,715</u>	<u>\$ 7,088,095</u>	<u>\$ 3,581,641</u>	<u>\$ 159,737,169</u>

**[THIS PAGE LEFT INTENTIONALLY BLANK]**



## **STATISTICAL SECTION**

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

	Fiscal Year				
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>Governmental activities</b>					
Invested in capital assets, net of related debt	\$ 42,352,542	\$ 34,786,883	\$ 37,208,205	\$ 53,529,030	\$ 55,095,222
Restricted	3,632,566	17,072,868	7,028,259	5,776,256	3,075,046
Unrestricted	<u>6,786,292</u>	<u>5,489,196</u>	<u>19,428,529</u>	<u>13,373,455</u>	<u>15,047,711</u>
Total governmental activities net assets	<u>\$ 52,771,400</u>	<u>\$ 57,348,947</u>	<u>\$ 63,664,993</u>	<u>\$ 72,678,741</u>	<u>\$ 73,217,979</u>
<b>Business-type activities</b>					
Invested in capital assets, net of related debt	\$ 43,764,919	\$ 46,920,639	\$ 51,075,070	\$ 76,721,443	\$ 79,877,355
Restricted	3,804,684	3,181,859	4,458,382	3,986,878	3,348,431
Unrestricted	<u>7,427,501</u>	<u>6,372,908</u>	<u>3,520,488</u>	<u>3,320,475</u>	<u>3,921,663</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>	<u>\$ 87,147,449</u>
<b>Primary government</b>					
Invested in capital assets, net of related debt	\$ 86,117,461	\$ 81,707,522	\$ 88,283,275	\$ 130,250,473	\$ 134,972,577
Restricted	7,437,250	20,254,727	11,486,641	9,763,134	6,423,477
Unrestricted	<u>14,213,793</u>	<u>11,862,104</u>	<u>22,949,017</u>	<u>16,693,930</u>	<u>18,969,374</u>
Total primary government net assets	<u>\$ 107,768,504</u>	<u>\$ 113,824,353</u>	<u>\$ 122,718,933</u>	<u>\$ 156,707,537</u>	<u>\$ 160,365,428</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 recorded all previously unrecorded infrastructure assets as of December 31, 2006, accounting for an increase in net assets of \$25,339,134.

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 Five Fiscal Years  
(accrual basis of accounting)

	Fiscal Year				
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Expenses					
Governmental activities:					
General government	\$ 4,763,813	\$ 4,483,195	\$ 4,202,725	\$ 4,622,132	\$ 6,033,037
Public safety	15,292,645	13,020,259	13,341,781	14,030,085	14,654,852
Transportation and streets	11,109,253	11,861,536	14,511,592	13,247,438	16,766,522
Sanitation, health and welfare	1,901,778	1,632,110	1,761,656	1,834,002	1,913,189
Natural resources and recreation	2,237,215	2,064,877	2,303,364	2,248,861	2,261,035
Economic development	2,792,478	2,876,880	3,390,715	5,538,980	5,667,342
Interest on long-term debt	1,965,470	1,840,057	2,279,157	2,124,013	2,061,409
Total governmental activities	<u>40,062,652</u>	<u>37,778,914</u>	<u>41,790,990</u>	<u>43,645,511</u>	<u>49,357,386</u>
Business-type activities:					
Water	2,770,326	2,912,383	3,046,366	2,976,625	2,962,640
Wastewater	3,595,032	3,668,319	3,724,228	3,796,929	3,886,577
Parking	-	-	-	1,540,251	1,623,619
Total business-type activities	<u>6,365,358</u>	<u>6,580,702</u>	<u>6,770,594</u>	<u>8,313,805</u>	<u>8,472,836</u>
Total primary government	<u>\$ 46,428,010</u>	<u>\$ 44,359,616</u>	<u>\$ 48,561,584</u>	<u>\$ 51,959,316</u>	<u>\$ 57,830,222</u>
Program revenues					
Governmental activities:					
Charges for service:					
Public works	\$ 1,799,209	\$ 1,933,012	\$ 2,091,896	\$ 2,614,241	\$ 2,865,797
Conservation & development	924,710	972,269	673,707	1,164,129	960,850
Ambulance	831,046	914,718	991,737	1,277,222	1,209,473
Other activities	1,547,225	1,646,810	4,140,912	3,290,755	3,727,270
Operating grants & contributions	6,710,397	6,840,145	7,444,513	7,138,318	6,942,999
Capital grants & contributions	2,818,321	820,754	2,429,797	2,708,386	1,634,826
Total governmental activities	<u>14,630,908</u>	<u>13,127,708</u>	<u>17,772,562</u>	<u>18,193,051</u>	<u>17,341,215</u>
Business-type activities:					
Charges for service					
Water	3,899,665	3,955,672	4,104,702	4,676,062	4,804,528
Wastewater	3,635,558	3,563,854	3,638,149	4,052,274	4,238,361
Parking	-	-	-	948,188	999,920
Capital grants & contributions	2,395,882	1,566,208	2,541,168	2,115,497	1,602,684
Total business-type activities	<u>9,931,105</u>	<u>9,085,734</u>	<u>10,284,019</u>	<u>11,792,021</u>	<u>11,645,493</u>
Total primary government	<u>\$ 24,562,013</u>	<u>\$ 22,213,442</u>	<u>\$ 28,056,581</u>	<u>\$ 29,985,072</u>	<u>\$ 28,986,708</u>
Net (expense)/revenue					
Governmental activities	\$ (25,431,744)	\$ (24,651,206)	\$ (24,018,428)	\$ (25,452,460)	\$ (32,016,171)
Business-type activities	<u>3,565,747</u>	<u>2,505,032</u>	<u>3,513,425</u>	<u>3,478,216</u>	<u>3,172,657</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>	<u>\$ (28,843,514)</u>

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

	Fiscal Year				
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</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	\$ 22,746,399
Other taxes	1,114,691	1,242,061	1,230,774	1,277,752	1,316,389
Intergovernmental revenues not restricted to specific purposes	7,225,989	6,641,204	6,393,727	6,173,713	6,219,960
Investment income	516,862	575,184	810,153	954,555	1,352,467
Miscellaneous	183,832	265,582	347,599	309,620	378,743
Gain on sale of capital assets	73,500	40,268	11,783	57,201	14,812
Transfers	<u>1,032,458</u>	<u>1,105,132</u>	<u>1,086,471</u>	<u>(20,856,779)</u>	<u>526,639</u>
Total governmental activities	<u>29,016,090</u>	<u>29,228,753</u>	<u>30,334,474</u>	<u>9,127,074</u>	<u>32,555,409</u>
Business-type activities:					
Taxes	-	-	-	333,632	227,746
Investment income	78,168	77,135	150,923	226,023	184,889
Gain on sale of capital assets	200	1,267	657	80,206	60,000
Transfers	<u>(1,032,458)</u>	<u>(1,105,132)</u>	<u>(1,086,471)</u>	<u>20,856,779</u>	<u>(526,639)</u>
Total business-type activities	<u>(954,090)</u>	<u>(1,026,730)</u>	<u>(934,891)</u>	<u>21,496,640</u>	<u>(54,004)</u>
Total primary government	<u>\$ 28,062,000</u>	<u>\$ 28,202,023</u>	<u>\$ 29,399,583</u>	<u>\$ 30,623,714</u>	<u>\$ 32,501,405</u>
Change in net assets					
Governmental activities	\$ 3,584,346	\$ 4,577,547	\$ 6,316,046	\$ (16,325,386)	\$ 539,238
Business-type activities	<u>2,611,657</u>	<u>1,478,302</u>	<u>2,578,534</u>	<u>24,974,856</u>	<u>3,118,653</u>
Total primary government	<u>\$ 6,196,003</u>	<u>\$ 6,055,849</u>	<u>\$ 8,894,580</u>	<u>\$ 8,649,470</u>	<u>\$ 3,657,891</u>

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

Function/program	Fiscal Year				
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Governmental activities:					
General government	\$ 1,536,948	\$ 1,389,037	\$ 1,922,614	\$ 1,841,644	\$ 1,973,065
Public safety	1,918,621	2,114,634	2,189,636	2,221,366	2,277,781
Transportation and streets	7,207,186	5,988,160	9,837,220	10,382,221	9,765,040
Sanitation, health and welfare	242,634	256,392	245,519	296,112	315,413
Natural resources and recreation	378,178	253,838	297,397	283,231	258,104
Economic development	<u>3,347,341</u>	<u>3,125,647</u>	<u>3,280,176</u>	<u>3,168,477</u>	<u>2,751,812</u>
Total governmental activities	<u>14,630,908</u>	<u>13,127,708</u>	<u>17,772,562</u>	<u>18,193,051</u>	<u>17,341,215</u>
Business-type activities:					
Water	5,153,120	4,776,580	5,620,509	5,636,234	5,645,950
Wastewater	4,777,985	4,309,154	4,663,510	5,159,952	4,999,623
Parking	-	-	-	<u>995,835</u>	<u>999,920</u>
Total business-type activities	<u>9,931,105</u>	<u>9,085,734</u>	<u>10,284,019</u>	<u>11,792,021</u>	<u>11,645,493</u>
Total primary government	<u>\$ 24,562,013</u>	<u>\$ 22,213,442</u>	<u>\$ 28,056,581</u>	<u>\$ 29,985,072</u>	<u>\$ 28,986,708</u>

CITY OF WAUSAU

Schedule 4

Fund Balances - Governmental Funds

(modified accrual basis of accounting)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>General Fund</b>										
Reserved for:										
Inventories and prepaids	\$ 273,121	\$ 296,084	\$ 297,479	\$ 306,885	\$ 320,620	\$ 319,900	\$ 320,445	\$ 337,002	\$ 447,499	\$ 352,951
Noncurrent receivables/advances	-	-	10,937,129	9,858,758	8,027,916	6,683,289	5,284,476	3,996,070	2,619,766	2,050,675
(Note 1)										
Contingencies	75,000	175,000	325,000	443,600	471,675	500,000	500,000	500,000	500,000	500,000
Encumbrances	-	-	-	-	-	-	-	-	-	-
Parking structure	-	-	-	1,000,000	-	-	-	-	-	-
Unreserved	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	7,489,176
Total General Fund	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	10,392,802
<b>All Other Governmental Funds</b>										
Reserved for:										
Inventories and prepaids	-	-	132,710	108,140	124,009	133,311	145,758	129,430	159,121	171,510
Debt service	1,381,906	1,448,040	1,510,608	1,532,857	1,549,817	1,619,992	1,5473,883	5,484,687	2,193,326	2,103,881
Noncurrent receivables/advances	-	-	346,601	346,601	-	-	-	-	-	-
Events allocation	-	-	296,600	295,720	189,678	75,086	21,850	-	-	-
Trust purposes	188,988	180,627	228,127	230,647	198,584	247,614	275,949	372,864	398,029	443,996
Unreserved, reported in:										
Special revenue funds	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	2,752,392
Capital project funds	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	1,274,260
Total all other governmental funds	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	6,746,039
Total governmental funds	\$ 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	\$ 17,138,841

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)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>REVENUES</b>										
Taxes	\$ 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	\$ 23,746,926
Special assessments	869,113	615,264	1,232,650	844,450	736,724	860,473	434,137	593,622	504,270	448,394
Intergovernmental	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	13,804,769
Licenses and permits	196,116	265,710	297,616	420,171	681,568	713,911	765,846	826,798	751,379	849,619
Fines, forfeitures and penalties	419,029	424,956	445,762	417,197	393,892	438,327	476,446	573,186	364,019	372,608
Public charges	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	2,628,540
Intergovernmental charges for services	866,863	1,053,419	959,431	1,020,647	934,563	888,628	1,113,955	1,184,106	980,846	1,225,529
Commercial revenues	517,535	444,685	342,969	370,245	283,322	1,509,885	1,871,648	1,782,642	2,128,918	2,592,922
Miscellaneous revenues	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	1,295,656
Total revenues	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	46,964,963
<b>EXPENDITURES</b>										
Current:										
General government	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	4,393,385
Public safety	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	14,135,484
Transportation and streets	7649,564	8,044,876	8,571,600	8,664,076	8,310,148	8,972,116	9,762,448	10,244,471	9,720,377	10,840,937
Sanitation, health and welfare	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	1,819,901
Natural resources and recreation	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	2,079,307
Economic development	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	4,790,380
Capital outlay	9,445,558	6,904,821	8,823,026	8,665,735	11,834,503	24,387,624	16,577,996	9,182,533	8,166,128	7,981,230
Debt service:										
Principal retirement	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	6,557,888
Retire unfunded pension obligation	-	-	-	-	-	3,939,067	-	-	-	-
Interest and debt service charges	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	1,981,955
Total expenditures	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	54,580,467
Excess (deficiency) of revenues over expenditures	(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)	(7,615,504)

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

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>OTHER FINANCING SOURCES (USES)</b>										
Issuance of debt	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	6,741,760
Discount on debt issued	-	-	-	-	-	-	-	-	(5,531)	(21,315)
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	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	7,459,909
Transfers out	(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)	(6,282,567)
Total other financing sources (uses)	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	7,897,787
Net change in fund balance	(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)	282,283
<b>FUND BALANCES - BEGINNING</b>	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	16,856,558
<b>FUND BALANCES - ENDING</b>	\$ 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	\$ 17,138,841

Debt service as a percentage of noncapital expenditures 21.6% 16.4% 14.2% 12.9% 13.6% 22.8% 16.4% 38.1% 18.3% 18.3%



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 <sup>A</sup>	Total Direct Tax Rate <sup>B</sup>	Estimated Actual Taxable Value <sup>C</sup>	Assessed as Percent of Estimated Actual Value
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%
2007	2008	1,529,616,400	841,589,000	108,212,500	1,532,200	114,498,000	2,595,448,100	8.19	2,504,826,100	103.62%

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		NTC	Marathon County	State of Wisconsin	Gross Tax Rate	State Tax Credit	Net Tax Rate
				Direct Rate	Wausau School District						
1998	1999	7.33	1.86	9.19	11.91	1.85	6.35	0.20	29.50	2.08	27.42
1999	2000	7.73	2.03	9.76	12.21	2.02	6.73	0.22	30.94	2.01	28.93
2000	2001	7.65	2.38	10.03	12.55	2.13	6.94	0.22	31.87	1.95	29.92
2001	2002	7.52	2.61	10.13	12.85	2.18	7.07	0.23	32.46	1.86	30.60
2002	2003	7.82	2.55	10.37	12.84	2.28	7.21	0.24	32.94	1.81	31.13
2003	2004	7.87	2.50	10.37	12.95	2.29	7.12	0.24	32.97	1.76	31.21
2004	2005	6.61	1.96	8.57	10.98	1.90	5.71	0.20	27.36	1.36	26.00
2005	2006	6.83	1.89	8.72	10.13	1.97	5.82	0.19	26.83	1.29	25.54
2006	2007	7.02	1.83	8.85	10.10	2.02	5.86	0.19	27.02	1.54	25.48
2007	2008	6.59	1.60	8.19	9.35	1.80	5.21	0.16	24.71	1.50	23.21

(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		DC Everest School District	NTC	Marathon County	State of Wisconsin	Gross Tax Rate	State Tax Credit	Net Tax Rate
				Wausau Direct Rate	Wausau							
1998	1999	7.33	1.86	9.19	9.12	1.85	6.35	0.20	26.71	2.08	24.63	
1999	2000	7.73	2.03	9.76	9.29	2.02	6.73	0.22	28.02	2.01	26.01	
2000	2001	7.65	2.38	10.03	10.60	2.13	6.94	0.22	29.92	1.95	27.97	
2001	2002	7.52	2.61	10.13	10.62	2.18	7.07	0.23	30.23	1.86	28.37	
2002	2003	7.82	2.55	10.37	11.37	2.28	7.21	0.24	31.47	1.81	29.66	
2003	2004	7.87	2.50	10.37	10.92	2.29	7.12	0.24	30.94	1.76	29.18	
2004	2005	6.61	1.96	8.57	7.49	1.90	5.71	0.20	23.87	1.36	22.51	
2005	2006	6.83	1.89	8.72	9.12	1.97	5.82	0.19	25.82	1.29	24.53	
2006	2007	7.02	1.83	8.85	9.08	2.02	5.86	0.19	26.00	1.54	24.46	
2007	2008	6.59	1.60	8.19	8.16	1.80	5.21	0.16	23.52	1.50	22.02	

**Notes:**

In 2005, the State of Wisconsin imposed a two year 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	2007			1998		
		Taxable Assessed Value <sup>A</sup>	Percent of Total Assessed Value <sup>B</sup>	Rank	Taxable Assessed Value <sup>A</sup>	Percent of Total Assessed Value <sup>B</sup>	Rank
Ghidorzi	Office/Real Estate Development	\$ 77,444,500	2.98%	1	\$ 20,115,400	1.31%	2
Employers Insurance/Liberty	Insurance	45,108,800	1.74%	2	86,252,000	5.60%	1
Aspirus/Wausau Hospital	Medical	36,515,300	1.41%	3			
Marshfield Clinic	Medical	27,172,600	1.05%	4	17,000,200	1.10%	3
Wausau Center Mall	Retail	21,938,100	0.85%	5	15,639,700	1.02%	4
Wausau Benefits	Insurance	20,837,800	0.80%	6			
Eastbay	Retail/Distribution	19,579,700	0.75%	7	10,284,700	0.67%	6
Menards	Retail	15,583,700	0.60%	8			
River Valley State Bank	Banking	15,205,500	0.59%	9			
Apogee/Wausau Metals	Manufacturing	14,904,600	0.57%	10	12,340,800	0.80%	5
M & I Bank	Banking				10,012,100	0.65%	7
PJ Investments (Crossroads)	Retail				9,365,300	0.61%	8
Kolbe & Kolbe	Manufacturing				9,284,800	0.60%	9
Marathon Electric	Manufacturing				6,773,300	0.44%	10
	TOTAL	\$ 294,290,600	11.34%		\$ 197,068,300	12.80%	

<sup>A</sup> Per City Assessor records.

<sup>B</sup> Based on the City's total assessed valuation on January 1, 2007 and 1998 of \$2,595,448,100 and \$1,539,460,200, 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
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%
2007	18,718,941	18,340,492	97.98%	18,346,569	98.01%	39,019	0.21%

**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>
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%
2007	0.0%	0.5%	5.0%

<p><b>Note:</b>          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					
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	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	7,810,000	40,824,946	5.04%	1,049		
2001	8,803,499	17,935,000	1,704,825	-	2,556,501	4,985,000	7,135,000	43,119,825	5.34%	1,116		
2002	7,577,380	17,355,000	4,092,789	-	1,987,620	4,960,000	6,535,000	42,507,789	5.54%	1,094		
2003	10,705,664	23,195,000	15,535,379	-	1,404,336	4,670,000	5,905,000	61,415,379	7.60%	1,581		
2004	26,860,999	24,849,500	15,023,245	-	1,044,001	4,375,000	5,260,000	77,412,745	9.68%	1,989		
2005	25,846,869	27,614,000	1,184,498	-	658,131	3,865,000	4,590,000	63,758,498	7.34%	1,623		
2006	20,991,061	25,950,098	1,011,494	-	3,462,841	3,330,000	3,885,000	58,630,494	6.33%	1,475		
2007	19,334,654	25,765,704	3,036,167	-	5,548,642	-	3,170,000	56,855,167	N/A	1,419		

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

Fiscal Year	Total General Obligation Debt <sup>A</sup>	Less Assets Restricted for Debt Service	Net General Obligation Debt	Percentage of Actual Taxable Property Value <sup>B</sup>	Per Capita <sup>C</sup>
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
2007	53,685,167	454,144	53,231,023	2.19%	1,328

<sup>A</sup> 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.

<sup>B</sup> Actual Taxable Property Values can be found in Schedule 6.

<sup>C</sup> Population data can be found in Schedule 16.



**CITY OF WAUSAU**  
Schedule 13  
Computation of Direct and Overlapping General Obligation Debt  
December 31, 2007

<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 <sup>A</sup>	\$ 53,231,023	100.00%	<u>\$ 53,231,023</u>
Overlapping Debt:			
Wausau School District	67,065,000	60.54%	40,601,151
DC Everest School District	47,115,000	3.74%	1,762,101
Northcentral Technical College	16,270,000	15.61%	2,539,747
Marathon County	5,050,000	25.86%	<u>1,305,930</u>
Total Overlapping Debt			<u>46,208,929</u>
<b>Total Direct and Overlapping Debt</b>			<u><b>\$ 99,439,952</b></u>

<sup>A</sup> 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, 2007

**Legal Debt Margin at December 31, 2007**

Equalized Value of Real & Personal Property	<u>\$2,504,826,100</u>
Legal Debt Limit (5% of equalized value)	<u>\$ 125,241,305</u>
Total Debt Applicable to Debt Limitation	53,685,167
Less: Available funds reserved for debt retirement	<u>(454,144)</u>
Net Amount Applicable to Debt Limitation	<u>53,231,023</u>
Remaining Legal Debt Margin	<u>\$ 72,010,282</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
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%
2007	2,504,826,100	125,241,305	53,231,023	72,010,282	42.50%

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

Fiscal Year	Gross Revenues <sup>1</sup>	Direct Operating Expenses <sup>2</sup>	Net Revenue Available for Debt Service	Debt Service Requirements <sup>3</sup>			Coverage
				Principal	Interest	Total	
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
2007	4,852,507	2,021,190	2,831,317	-	-	-	n/a

(Continued)

<p><sup>1</sup> Includes Total Operating Revenues and Investment Income .</p> <p><sup>2</sup> 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.</p> <p><sup>3</sup> Water System Revenue Bonds, Series 1999. These bonds were refunded during 2007.</p>
--

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

Fiscal Year	Gross Revenues <sup>1</sup>	Direct Operating Expenses <sup>2</sup>	Net Revenue Available for Debt Service	Debt Service Requirements <sup>3</sup>			Coverage
				Principal	Interest	Total	
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
2007	4,375,271	2,559,557	1,815,714	715,000	194,250	909,250	2.00

<sup>1</sup> Includes Total Operating Revenues and Investment Income .

<sup>2</sup> Includes Total Operating Expenses less Depreciation.

<sup>3</sup> Sewerage System Revenue Refunding Bonds, Series 2001.

**CITY OF WAUSAU**  
 Schedule 16  
 Demographic Statistics  
 Last Ten Fiscal Years

Fiscal Year	City of Wausau Population <sup>1</sup>	Personal Income <sup>2</sup>	AGI Per Return <sup>3</sup>	School System Enrollment <sup>4</sup>	Unemployment Rate <sup>5</sup>
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	926,385,502	46,221	8,836	5.7%
2007	40,080	n/a	n/a	8,780	5.1%

<sup>1</sup> Source: Wisconsin Department of Administration estimates.

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

<sup>3</sup> Source: Wisconsin Department of Revenue. Average Adjusted Gross Income for returns filed.

<sup>4</sup> Source: Wisconsin Department of Public Instruction.

<sup>5</sup> 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	2007			1998		
		Number of Employees*	Rank	Percentage of Total City Employment	Number of Employees*	Rank	Percentage of Total City Employment
Aspirus/Wausau Hospital	Medical	2,283	1	11.85%	1,600	2	7.95%
Kolbe & Kolbe	Window/door manufacturing	1,756	2	9.12%	1,340	3	6.66%
Wausau School District	Education	1,184	3	6.15%	1,255	4	6.24%
Eastbay	Retail/distribution	1,180	4	6.13%	995	5	4.95%
Wausau Benefits	Insurance	1,040	5	5.40%			
Marshfield Clinic	Medical	900	6	4.67%			
North Central Health Care	Health care/medical	790	7	4.10%	925	6	4.60%
Marathon County	Government	735	8	3.82%			
Employers Insurance/Liberty	Insurance				2,793	1	13.89%
Marathon Electric	Motor/generator manufacturing				875	7	4.35%
Apogee/Wausau Metals	Construction design products				804	8	4.00%
Total		<u>9,868</u>		51.23%	<u>10,587</u>		52.63%
Total City Employment		<u>19,262</u>			<u>20,115</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>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>	<u>2007</u>
General Government										
Mayor's office	3.50	3.50	4.00	4.00	4.00	4.00	4.00	3.50	3.50	3.50
Finance department	15.00	14.25	14.25	14.25	13.25	13.25	12.25	12.25	12.25	14.00
Assessment	7.00	7.00	7.00	7.00	6.00	6.00	6.00	6.00	6.00	6.00
Human resources	3.00	3.00	3.00	3.00	2.00	2.00	2.00	2.00	2.00	2.50
Legal affairs	3.75	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>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>	<u>31.25</u>
Public Safety										
Police department	76.00	70.00	72.00	72.00	72.00	71.00	72.00	72.00	75.00	75.00
Fire department	61.00	61.00	61.00	62.00	62.00	61.00	61.00	61.00	60.00	60.00
Inspections and electrical	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00
Total Public Safety	<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>	<u>148.00</u>
Parks Department *	1.00	1.00	1.00	1.00	1.00	-	-	-	-	-
Public Works	72.00	73.00	74.00	74.00	70.00	66.00	64.00	65.00	64.50	64.50
Community Development	14.00	13.50	14.00	12.25	12.25	12.25	12.25	12.75	12.75	12.75
Transit System	32.00	34.00	34.00	35.00	35.00	33.00	33.00	33.00	33.00	33.00
Water & Sewer Utilities	39.00	38.00	37.75	33.75	33.75	31.75	31.75	31.75	31.50	28.50
Total Regular Employees	<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>	<u>318.00</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									
	<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>	<u>2007</u>
General Government										
Building permits issued										
Residential	854	829	851	933	859	937	925	847	750	766
Non-residential	149	175	156	176	155	156	170	174	179	231
Total construction value (\$000)										
Residential	14,744	17,366	18,931	17,095	17,875	28,892	33,325	35,131	24,397	31,732
Non-residential	21,998	34,825	57,832	46,091	70,794	54,964	42,204	61,077	45,361	99,352
Police										
Calls for service	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	50,519	51,841
Parking tickets issued	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	9,509	16,435
Total arrests	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3,267	3,413	3,389
Fire										
Fire responses	1,045	1,311	820	824	1,238	1,648	1,455	1,478	1,433	1,393
Emergency responses	3,144	3,238	3,335	3,387	3,329	3,350	3,565	3,734	4,003	4,185
Inspections	3,614	3,640	3,409	3,321	3,232	4,183	3,816	4,438	4,018	4,043
Public works										
Miles of street swept	11,154	10,444	10,904	7,685	9,145	6,670	11,516	7,019	6,127	6,470
Cu. yds. of debris - sweeping	8,487	6,923	5,520	5,250	5,026	4,399	4,335	6,179	4,963	3,530
Tons of asphalt used (potholes)	1,179	1,913	2,455	962	795	1,058	480	406	598	570
Tons of scrap (spring pickup)	587	605	645	681	685	372	682	580	588	601
Water										
Ave. daily consumption (000 gal.)	4,980	4,719	4,733	4,680	4,803	4,931	4,845	5,099	5,347	5,527
Peak daily consumption (000 gal.)	8,015	6,856	7,352	8,513	7,822	8,771	7,524	8,529	8,531	7,725
Number of customers	14,034	14,136	14,196	14,522	14,546	14,613	14,791	15,275	15,405	15,533
Wastewater										
Ave. daily sewage treatment (000 gal.)	4,712	4,443	4,960	4,561	4,868	3,770	3,977	3,930	4,166	4,122
Wausau Area Transit										
Total route miles	671,933	685,087	693,270	648,985	657,540	638,730	620,471	603,668	739,055	720,858
Total passengers	929,459	871,428	851,841	826,941	758,706	743,249	758,061	819,165	865,988	857,010
Cost per passenger	\$2.23	\$2.61	\$2.78	\$3.00	\$3.37	\$3.66	\$3.85	\$3.55	\$3.64	\$3.86



**CITY OF WAUSAU**  
 Schedule 20  
 Capital Asset Statistics by Function/Program

	Fiscal Year									
	<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>	<u>2007</u>
<b>Police</b>										
Stations	1	1	1	1	1	1	1	1	1	1
<b>Fire</b>										
Stations	3	3	3	3	3	3	3	3	3	3
Fire suppression units	8	8	8	8	8	8	8	8	8	8
<b>Public works</b>										
Miles of streets	208.6	210.7	212.5	213.1	213.1	214.5	218.7	221.9	223.4	225.5
<b>Parks &amp; recreation</b>										
Parks	36	36	36	36	36	36	36	36	36	36
Acreage	338	338	338	338	338	338	338	338	343	344
Swimming pools	3	3	3	3	3	3	3	3	3	3
<b>Water</b>										
Miles of main	200.7	204.9	207.3	209.4	211.0	217.0	221.1	227.1	229.8	230.6
Storage capacity (000 gal.)	5,300	5,300	5,300	5,300	5,300	5,550	5,550	5,550	5,550	5,550
Fire hydrants	1,322	1,354	1,372	1,389	1,404	1,451	1,481	1,541	1,571	1,587
<b>Wastewater</b>										
Miles of main	200.2	203.9	207.6	209.7	211.0	212.3	218.1	221.3	226.3	227.2
<b>Stormwater</b>										
Miles of main	120.2	121.9	123.6	124.2	124.2	124.7	127.3	129.8	131.8	141.9

**[THIS PAGE LEFT INTENTIONALLY BLANK]**

