

CITY OF WAUSAU
Wausau, Wisconsin

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**For the Year Ended
December 31, 2010**

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, 2010**

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INTRODUCTORY SECTION

June 10, 2011

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, 2010 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 year's 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 miles 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 with approximately 239.0 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 statements 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. Cost 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. 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 is a significant regional center for the insurance industry, paper manufacturing, medical facilities, and home construction industry. In the past few years the City of Wausau and the surrounding area within the County have become appreciated as a travel/tourist destination. The area is ranked 11th in the state for traveler tourism spending. The *Wisconsin Trails Magazine* recently rated Wausau second in the state to live in for quality of life and outdoor activity options.

The City has been fortunate that commercial and residential development continue to show signs of improvement. There are currently two residential developments underway in the downtown area. The first entails the redevelopment of the historic Federal Building. Upon completion, this building will contain 21 artist style loft apartments. North of the central business district an apartment complex containing 40 units is also under construction. Recent commercial developments include about \$8.2 million in retail, \$2.5 million in medical facilities and \$2 million in banking. The total valuation construction for 2010 was \$31,353,375 compared to \$31,971,791 in the prior year.

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 Schenck SC 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, 2009. 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 tenth 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.

Richard 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, sweeping 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, 2009

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

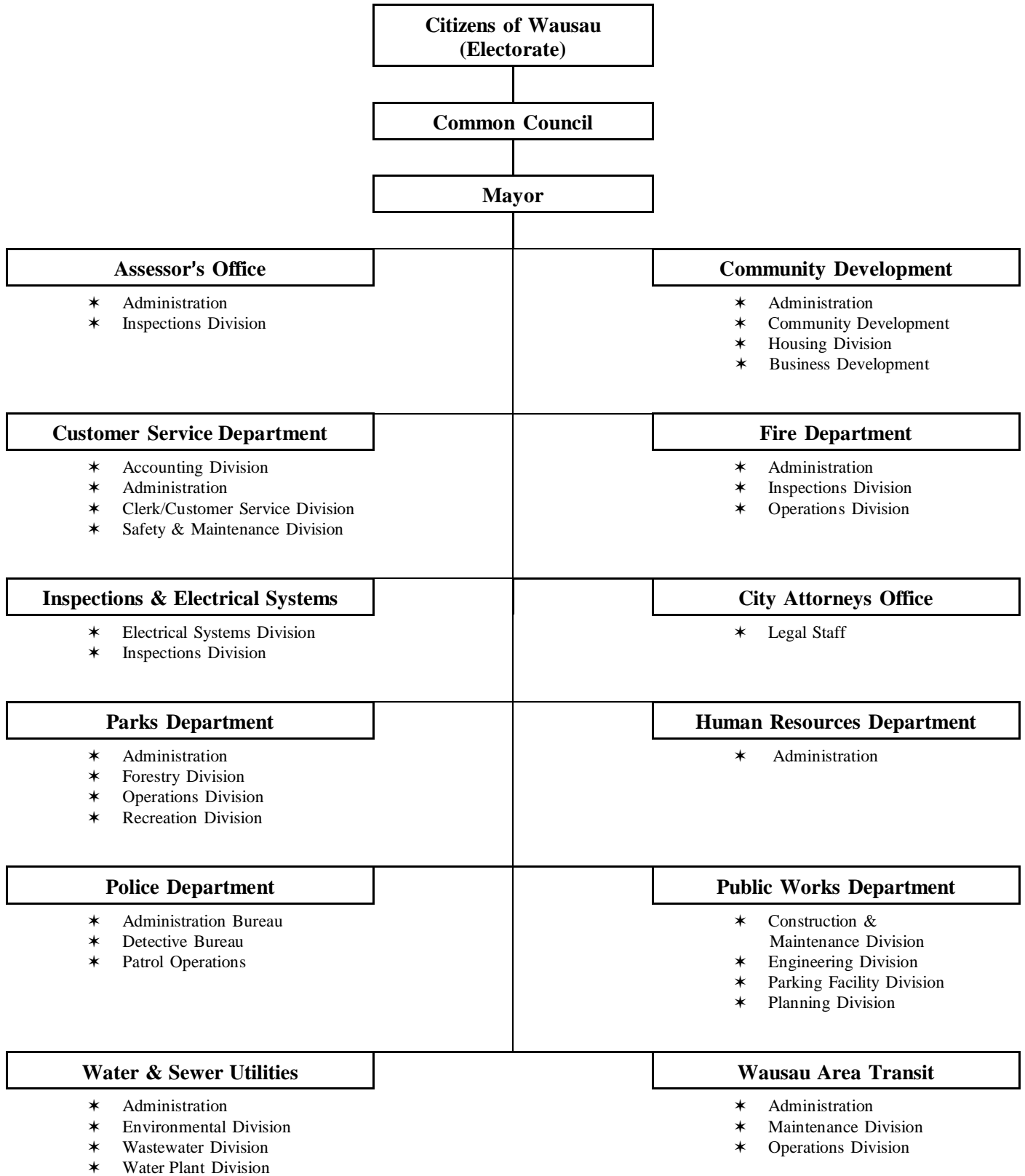


President

Executive Director

CITY OF WAUSAU

Organizational Chart



CITY OF WAUSAU
List of Principal Officials on December 31, 2010

ELECTED

MayorJames E. Tipple
Municipal Judge Mark Sauer
Common Council President..... Ed Gale

Alderman District

FirstWilliam Nagle
Second Romey Wagner
Third..... Jonathon Havel
Fourth Jim Brezinski
Fifth Gary Gisselman
Sixth Gary Klingbeil
Seventh..... Lisa Rasmussen
Eighth Chris Barr
Ninth..... David Oberbeck
Tenth David Nutting
Eleventh..... Sherry Abitz
Twelfth Ed Gale

APPOINTED

Finance Director / City Treasurer Maryanne Groat
Assistant Finance Director.....Richard M. Whalen
City ClerkToni Rayala
City Attorney..... Anne Jacobson
Police Chief Jeff Hardel
Fire Chief.....Gary Buchberger
City Assessor Nan Giese
Director of Administration-Public Works & Utilities.....Bradley Marquardt
City Engineering Project ManagerAllen Wesolowski
Chief Inspector & Zoning Administrator.....Roger Sydow
Community Development Director..... Ann Werth
Parks Director..... Bill Duncanson
Airport Manager John Chmiel
Transit Lines Manager..... Greg Seubert

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT ON BASIC FINANCIAL STATEMENTS

To the 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 the City of Wausau, Wisconsin ("the City") as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Wausau, Wisconsin's management. Our responsibility is to express opinions on these basic 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. 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 basic 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 present component unit, each major fund, and the aggregate remaining fund information of the City of Wausau, Wisconsin as of December 31, 2010, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund and community programs special revenue fund 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 8, 2011 on our consideration of the City's internal control over financial reporting and 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules of funding progress and employer contributions on pages 3 through 11 and 66 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Wausau, Wisconsin's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Schnick SC

Certified Public Accountants
Green Bay, Wisconsin
June 8, 2011

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, 2010. 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 \$185,762,637.
- The City's total net assets increased by \$11,614,514.
- As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$19,480,679, an increase of \$1,188,233 from the prior year. The total unreserved fund balance of \$14,622,755 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 \$7,059,133, or 24.21% of expenditures. Of this amount, \$1,513,496 is designated and \$5,545,637 is undesignated. The General Fund is in compliance with the City's fund balance policy at December 31, 2010.
- The City of Wausau's total general obligation debt decreased \$2,579,398, or 4.93%. The majority of this total is related to a decrease in debt issued for capital improvement purposes throughout the City and within the City's tax incremental financing districts.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements 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-three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Debt Service Fund, TID #3 Downtown Development Fund and the Capital Improvements Fund, all of which are considered to be major funds. Data for the other nineteen 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 65-95 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 \$185,762,637.

By far, the largest portion of the City of Wausau's net assets (85.9 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.

Summary of Net Assets

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current and other assets	\$ 105,825,066	\$ 101,565,231	\$ 4,151,383	\$ 5,485,814	\$ 109,976,449	\$ 107,051,045
Capital assets	119,534,401	112,347,541	87,928,894	88,969,048	207,463,295	201,316,589
Total assets	<u>225,359,467</u>	<u>213,912,772</u>	<u>92,080,277</u>	<u>94,454,862</u>	<u>317,439,744</u>	<u>308,367,634</u>
Long-term liabilities	51,142,357	53,136,418	3,976,796	6,141,478	55,119,153	59,277,896
Other liabilities	76,060,783	74,570,766	497,171	370,849	76,557,954	74,941,615
Total liabilities	<u>127,203,140</u>	<u>127,707,184</u>	<u>4,473,967</u>	<u>6,512,327</u>	<u>131,677,107</u>	<u>134,219,511</u>
Net assets:						
Invested in capital assets, net of related debt	75,413,530	68,308,631	84,232,295	83,142,144	159,645,825	151,450,775
Restricted	3,711,046	3,635,751	1,427,932	2,505,824	5,138,978	6,141,575
Unrestricted	<u>19,031,751</u>	<u>14,261,206</u>	<u>1,946,083</u>	<u>2,294,567</u>	<u>20,977,834</u>	<u>16,555,773</u>
Total net assets	<u>\$ 98,156,327</u>	<u>\$ 86,205,588</u>	<u>\$ 87,606,310</u>	<u>\$ 87,942,535</u>	<u>\$ 185,762,637</u>	<u>\$ 174,148,123</u>

An additional portion of the City's net assets (2.8%) represents resources that are subject to external restrictions on how they may be used. The remaining balance represents unrestricted net assets of \$20,977,834 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 \$11,614,514 during the current fiscal year.

The changes by net asset category are as follows:

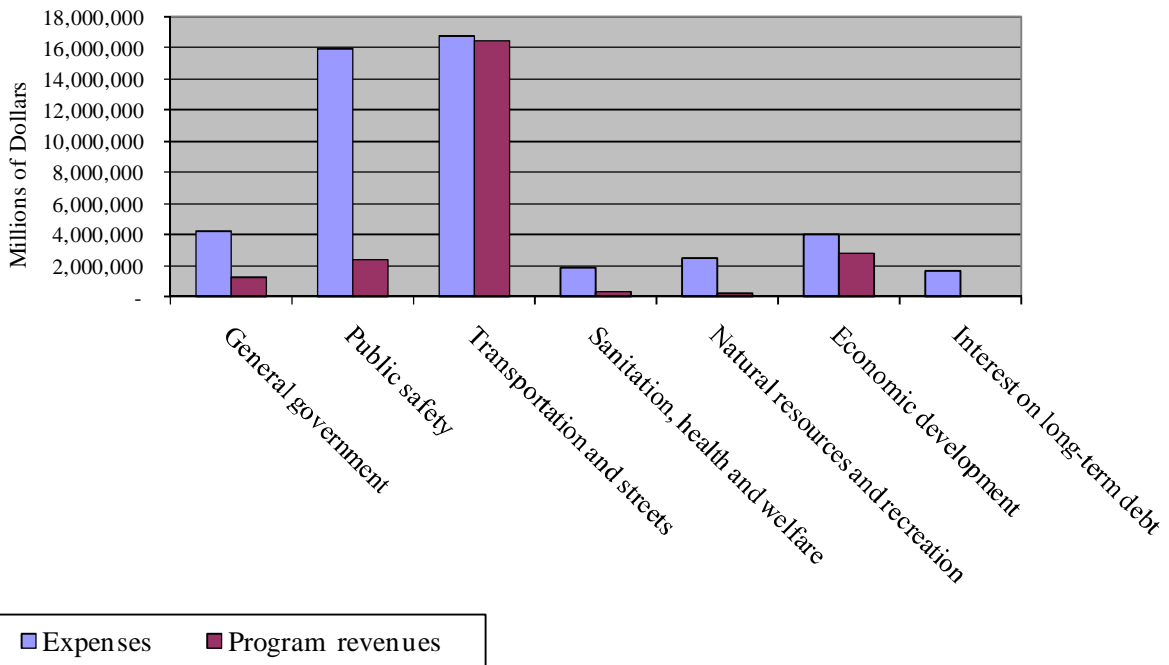
Net assets invested in capital assets, net of related debt	\$ 8,195,050
Restricted	(1,002,597)
Unrestricted	<u>4,422,061</u>
Total	<u>\$ 11,614,514</u>

The following table provides a summary of the City's operations for the year ended December 31, 2010 and a comparison to the year ended December 31, 2009.

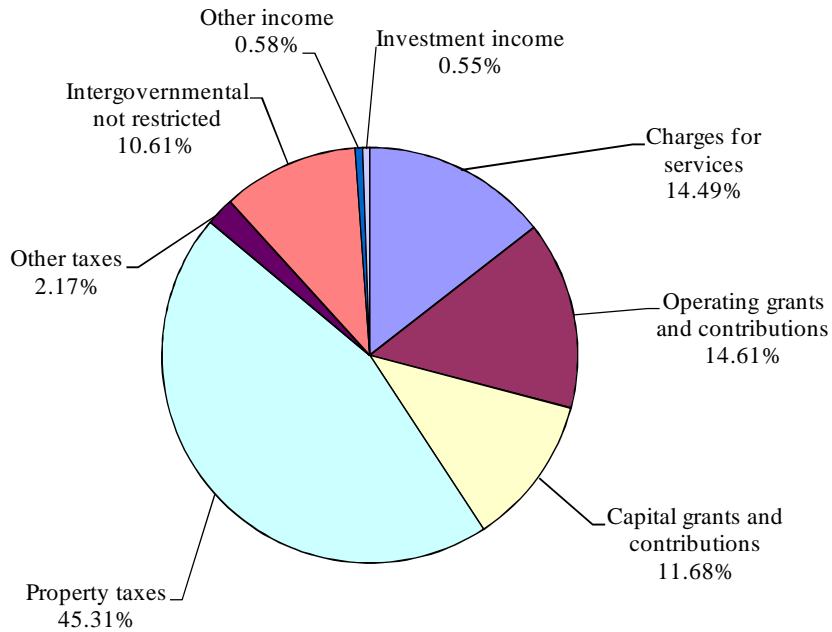
CITY OF WAUSAU						
CHANGES IN NET ASSETS						
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009						
	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program Revenues						
Charges for services	\$ 8,306,851	\$ 8,774,133	\$ 9,688,861	\$ 9,553,537	\$ 17,995,712	\$ 18,327,670
Operating grants and contributions	8,372,182	7,821,171	-	-	8,372,182	7,821,171
Capital grants and contributions	6,699,662	3,494,387	239,944	458,732	6,939,606	3,953,119
General Revenues						
Property taxes	25,980,766	24,701,712	300,000	317,785	26,280,766	25,019,497
Other taxes	1,247,031	1,188,455	-	-	1,247,031	1,188,455
Grants and contributions not restricted to specific purposes	6,083,605	6,435,883	-	-	6,083,605	6,435,883
Investment income	314,408	477,921	42,885	33,684	357,293	511,605
Other	326,508	310,035	-	1,544	326,508	311,579
Total Revenues	<u>57,331,013</u>	<u>53,203,697</u>	<u>10,271,690</u>	<u>10,365,282</u>	<u>67,602,703</u>	<u>63,568,979</u>
Expenses						
General government	4,224,051	4,069,716	-	-	4,224,051	4,069,716
Public safety	15,918,394	15,381,881	-	-	15,918,394	15,381,881
Transportation and streets	16,753,873	17,139,868	1,759,984	1,913,347	18,513,857	19,053,215
Sanitation, health and welfare	1,823,980	1,922,031	-	-	1,823,980	1,922,031
Natural resources and recreation	2,514,161	2,517,631	-	-	2,514,161	2,517,631
Economic development	3,960,765	3,488,771	-	-	3,960,765	3,488,771
Interest on long term debt	1,620,096	2,059,540	-	-	1,620,096	2,059,540
Water	-	-	3,393,118	3,373,672	3,393,118	3,373,672
Wastewater	-	-	4,019,767	4,000,695	4,019,767	4,000,695
Total Expenses	<u>46,815,320</u>	<u>46,579,438</u>	<u>9,172,869</u>	<u>9,287,714</u>	<u>55,988,189</u>	<u>55,867,152</u>
Increase in net assets before transfers	10,515,693	6,624,259	1,098,821	1,077,568	11,614,514	7,701,827
Transfers	1,435,046	1,417,655	(1,435,046)	(1,417,655)	-	-
Increase (decrease) in net assets	11,950,739	8,041,914	(336,225)	(340,087)	11,614,514	7,701,827
Net assets - January 1	86,205,588	78,163,674	87,942,535	88,282,622	174,148,123	166,446,296
Net assets - December 31	<u>\$98,156,327</u>	<u>\$86,205,588</u>	<u>\$87,606,310</u>	<u>\$87,942,535</u>	<u>\$185,762,637</u>	<u>\$174,148,123</u>

Governmental activities increased the City's net assets by \$11,950,739. Property taxes increased by \$1,279,054 from 2009 to 2010. A major portion of this increase, \$619,508 is due to an increase in tax increments recorded in the City's tax incremental financing districts. Additional increases went to pay for increasing personal service operating costs such as health insurance and wage increases. Additional items contributing to the increase in net assets from governmental activities are as follows: 1) net acquisition of infrastructure assets of \$3,929,259; intergovernmental aid for construction of infrastructure assets of \$3,837,802; 3) transfers from business-type activities of \$1,435,046; and 4) decrease in interest on long-term debt expenditures of \$439,444.

Expenses and Program Revenues - Governmental Activities

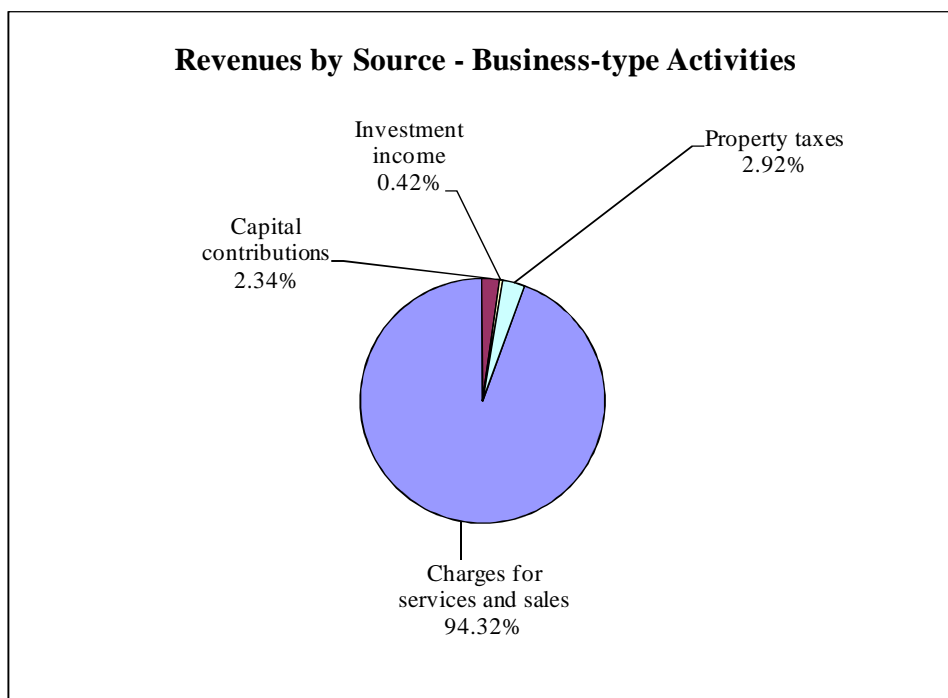
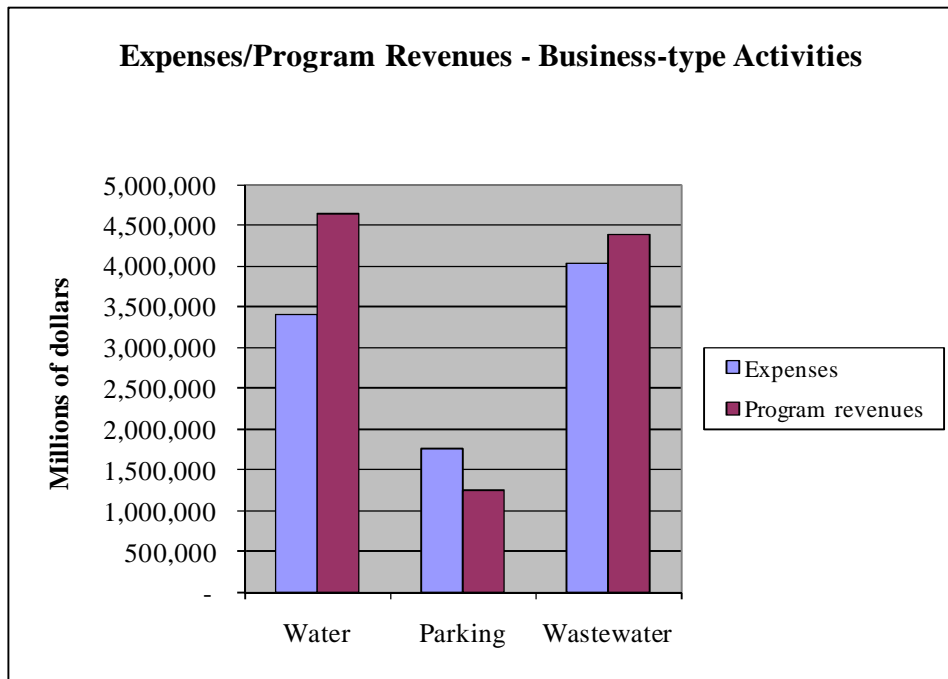


Program and General Revenues by Source - Governmental Activities



Business-type activities decreased the City of Wausau's net assets by \$336,225. Key elements of the decrease are as follows:

Operating revenues decreased \$61,651 and \$74,750 for the Water and Parking utilities, respectively, while increasing \$271,725 for the Wastewater utility. Operating expenses increased \$32,446 and \$102,467 for the Water and Wastewater utilities, respectively, while decreasing \$154,929 for the Parking utility. These amounts resulted in an increase in total operating income for the business-type activities of \$155,340 over the prior year. Total operating income for the year ended December 31, 2010 was \$738,269. Transfers out of \$985,046 and \$450,000 in the Water and Wastewater utilities, respectively, resulted in a decrease in net assets for the year ended December 31, 2010.



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 \$19,480,679, an increase of \$1,188,233 from the prior year. The total unreserved fund balance of \$14,622,755 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 \$1,839,138, offset inventories and prepayments \$568,716, committed to service debt \$1,818,620 and committed to trust purposes \$631,450.

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 \$62,641 to \$9,262,995. This is a planned decrease as the City has been annually applying available fund balance to reduce the amount of taxes levied for general operations. The decrease in fund balance was \$917,359 less than anticipated in the final budget. General operations have not had a significant negative impact on the undesignated fund balance, which was \$5,545,637 at year-end. Undesignated fund balance decreased by \$503,304 from 2009, the majority of which was due to an increase in the reserve for advances to other funds of \$375,233. 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 24.21 percent of general fund expenditures, while total fund balance represents 31.77 percent of the same amount.

The Debt Service fund balance of \$57,045 at year end represents a \$35,434 decrease in fund balance from the previous year. This available balance will be utilized in subsequent years' budgets.

TID #3 Downtown Development fund balance of \$1,312,643 has been generated through subsidies from other tax increment districts and transfers from the General Fund. It is anticipated that these funds will be depleted as projects are completed. If revenues generated are sufficient to cover all expenditures, contributions from the General Fund will be returned.

Capital Improvements fund balance of \$4,211,788 represents unexpended capital projects in process. These projects will be completed in 2011.

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

- General Fund expenditures were \$1,765,200 under budget for the current fiscal year. Major cost savings occurred in the Police department, Ambulance, Roadways and streets, and Parks and recreation which were under budget by \$180,145, \$149,563, \$396,828 and \$146,439, respectively.
- General Fund revenues and other financing sources were less than budget expectations by \$359,245. The most significant positive budget variances occurred in taxes \$131,691 and intergovernmental grants and aids of \$179,116. These positive variances were offset by shortcomings in public charges for services \$135,874, commercial revenues \$225,129 and operating transfers of \$379,954.

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, 2010 was \$207,463,295. 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 \$6,146,706 or approximately 3.1%.

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

Governmental Activities

- Land for right of way and street projects \$508,474.
- Motor Pool additions of \$218,894.
- Various street and infrastructure additions totaling \$10,461,178.

Business-type Activities

- The Wastewater Utility distribution and infrastructure system increased \$622,699.
- Water Utility installed water mains and other system support totaling \$733,862.
- The Parking Utility equipment and infrastructure system increased \$59,830.

City of Wausau
Capital Assets
(net of accumulated depreciation)

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Land	\$ 31,479,795	\$ 31,073,503	\$ 2,337,709	\$ 2,337,709	\$ 33,817,504	\$ 33,411,212
Buildings & improvements	11,154,654	11,289,693	22,591,304	23,433,828	33,745,958	34,723,521
Machinery & equipment	7,936,998	9,189,566	4,868,940	5,571,525	12,805,938	14,761,091
Infrastructure	68,008,901	60,263,743	57,769,028	57,453,100	125,777,929	117,716,843
Construction in progress	954,053	531,036	361,913	172,886	1,315,966	703,922
Total	<u>\$119,534,401</u>	<u>\$112,347,541</u>	<u>\$87,928,894</u>	<u>\$88,969,048</u>	<u>\$207,463,295</u>	<u>\$201,316,589</u>

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 \$49,754,677. This total amount comprises debt backed by the full faith and credit of the City of Wausau. The outstanding balance of revenue bonds at December 31, 2009 was retired during 2010.

City of Wausau Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
General obligation	\$ 45,938,199	\$ 48,016,991	\$ 3,816,478	\$ 4,317,084	\$ 49,754,677	\$ 52,334,075
Revenue bonds	-	-	-	1,630,000	-	1,630,000
Total	<u>\$ 45,938,199</u>	<u>\$ 48,016,991</u>	<u>\$ 3,816,478</u>	<u>\$ 5,947,084</u>	<u>\$ 49,754,677</u>	<u>\$ 53,964,075</u>

In 2010 the City issued debt as follows:

- 2010 Promissory Note Series A \$5,145,000; this debt financed the City's capital improvements as outlined by the Capital Improvement Plan adopted by the common council.
- 2010 Promissory Note Series B \$3,145,000; this debt issue refunded \$710,000 in outstanding principal of the Series 2003C note issue, \$670,000 of the Series 2004B note issue and \$1,777,740 of outstanding State trust fund loans.

The City received an Aa2 rating from Moody's Investors Service for these 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 is a significant regional center for the insurance industry, paper manufacturing, medical facilities and home construction industry. The City actively uses tax increment financing to forward its development goals. Inflationary trends in the region compare favorably to national indices and equalized values have remained steady.

These factors were considered in preparing the 2011 budget for the City of Wausau.

At the end of the current fiscal year, unreserved – undesignated fund balance within the general fund was \$5,545,637. The City of Wausau appropriated \$854,496 of surplus for spending in the adopted 2011 budget. It is intended that this use of available fund balance will stabilize the tax rate during 2011.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

CITY OF WAUSAU, WISCONSIN
STATEMENT OF NET ASSETS
December 31, 2010

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and cash equivalents	\$ 29,972,470	\$ 724,196	\$ 30,696,666	\$ 5,174,616
Investments	10,204,404	-	10,204,404	2,530,857
Receivables (net of allowance for uncollectible accounts)	63,159,482	2,861,652	66,021,134	53,965
Internal balances	992,348	(992,348)	-	-
Inventories and prepayments	767,457	99,803	867,260	16,816
Deferred charges	504,340	-	504,340	-
Restricted assets:				
Cash and investments	-	1,458,080	1,458,080	299,518
Capital assets (net of accumulated depreciation):				
Land	31,479,795	2,337,709	33,817,504	903,757
Buildings and improvements	11,154,654	22,591,304	33,745,958	6,495,124
Machinery and equipment	7,936,998	4,868,940	12,805,938	200,117
Infrastructure	68,008,901	57,769,028	125,777,929	-
Construction in progress	954,053	361,913	1,315,966	10,147
Investment in joint venture	224,565	-	224,565	-
TOTAL ASSETS	<u>225,359,467</u>	<u>92,080,277</u>	<u>317,439,744</u>	<u>15,684,917</u>
LIABILITIES				
Accounts payable and other current liabilities	3,194,504	84,178	3,278,682	307,222
Accrued interest payable	435,197	30,148	465,345	-
Due to other governments	45,647,374	-	45,647,374	-
Unearned revenue	26,783,708	382,845	27,166,553	3,462
Noncurrent liabilities:				
Due within one year	8,804,091	525,849	9,329,940	-
Due in more than one year	42,338,266	3,450,947	45,789,213	23,061
TOTAL LIABILITIES	<u>127,203,140</u>	<u>4,473,967</u>	<u>131,677,107</u>	<u>333,745</u>
NET ASSETS				
Invested in capital assets, net of related debt	75,413,530	84,232,295	159,645,825	7,609,145
Restricted for:				
Debt service	2,223,300	246,594	2,469,894	-
Capital improvements	856,296	1,181,338	2,037,634	-
Other purposes	631,450	-	631,450	595,616
Unrestricted	19,031,751	1,946,083	20,977,834	7,146,411
TOTAL NET ASSETS	<u>\$ 98,156,327</u>	<u>\$ 87,606,310</u>	<u>\$ 185,762,637</u>	<u>\$ 15,351,172</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, 2010

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government:				
Governmental activities:				
General government	\$ 4,224,051	\$ 1,218,871	\$ -	\$ -
Public safety	15,918,394	1,875,081	503,898	11,743
Transportation and streets	16,753,873	4,425,788	5,525,111	6,504,019
Sanitation, health and welfare	1,823,980	1,037	274,916	-
Natural resources and recreation	2,514,161	203,762	34,365	-
Economic development	3,960,765	582,312	2,033,892	183,900
Interest on long-term debt	<u>1,620,096</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total governmental activities	<u>46,815,320</u>	<u>8,306,851</u>	<u>8,372,182</u>	<u>6,699,662</u>
Business-type activities:				
Water	3,393,118	4,583,056	-	51,101
Wastewater	4,019,767	4,207,392	-	133,043
Parking	<u>1,759,984</u>	<u>898,413</u>	<u>-</u>	<u>55,800</u>
Total business-type activities	<u>9,172,869</u>	<u>9,688,861</u>	<u>-</u>	<u>239,944</u>
Total primary government	<u>\$ 55,988,189</u>	<u>\$ 17,995,712</u>	<u>\$ 8,372,182</u>	<u>\$ 6,939,606</u>
Component unit:				
Community Development Authority	<u>\$ 3,167,780</u>	<u>\$ 1,400,289</u>	<u>\$ 1,976,880</u>	<u>\$ 211,666</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
- Other taxes
- Grants and contributions not restricted to specific purposes
- Investment income
- Miscellaneous
- Gain on sale of capital assets
- Decrease in investment in joint venture

Transfers

- Total general revenues and transfers
- Change in net assets

Net assets - beginning, as previously stated

 Prior period adjustment

Net assets - beginning, as restated

Net assets - ending

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

Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	
\$ (3,005,180)	\$ -	\$ (3,005,180)	\$ -
(13,527,672)	-	(13,527,672)	-
(298,955)	-	(298,955)	-
(1,548,027)	-	(1,548,027)	-
(2,276,034)	-	(2,276,034)	-
(1,160,661)	-	(1,160,661)	-
(1,620,096)	-	(1,620,096)	-
<u>(23,436,625)</u>	<u>-</u>	<u>(23,436,625)</u>	<u>-</u>
-	1,241,039	1,241,039	-
-	320,668	320,668	-
<u>-</u>	<u>(805,771)</u>	<u>(805,771)</u>	<u>-</u>
<u>-</u>	<u>755,936</u>	<u>755,936</u>	<u>-</u>
<u>(23,436,625)</u>	<u>755,936</u>	<u>(22,680,689)</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>421,055</u>
15,136,170	300,000	15,436,170	-
4,156,866	-	4,156,866	-
1,549,310	-	1,549,310	-
5,138,420	-	5,138,420	-
1,247,031	-	1,247,031	-
6,083,605	-	6,083,605	-
314,408	42,885	357,293	71,130
284,869	-	284,869	-
48,206	-	48,206	1,372,147
(6,567)	-	(6,567)	-
<u>1,435,046</u>	<u>(1,435,046)</u>	<u>-</u>	<u>-</u>
<u>35,387,364</u>	<u>(1,092,161)</u>	<u>34,295,203</u>	<u>1,443,277</u>
<u>11,950,739</u>	<u>(336,225)</u>	<u>11,614,514</u>	<u>1,864,332</u>
86,694,184	87,942,535	174,636,719	13,486,090
(488,596)	-	(488,596)	750
<u>86,205,588</u>	<u>87,942,535</u>	<u>174,148,123</u>	<u>13,486,840</u>
<u>\$ 98,156,327</u>	<u>\$ 87,606,310</u>	<u>\$ 185,762,637</u>	<u>\$ 15,351,172</u>

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

CITY OF WAUSAU, WISCONSIN
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2010

	General	Debt Service	TID #3 Downtown Development	Capital Improvements	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 17,211,164	\$ 57,045	\$ 1,368,307	\$ 3,915,972	\$ 6,510,847	\$ 29,063,335
Investments	9,969,264	-	-	-	235,140	10,204,404
Receivables (net of allowance for uncollectible accounts):						
Taxes	40,260,452	4,156,866	1,962,727	658,960	4,499,442	51,538,447
Delinquent personal property tax	97,841	-	-	-	-	97,841
Accounts	1,778,866	-	130,950	11,324	510,768	2,431,908
Notes	-	-	-	-	6,774,422	6,774,422
Federal and state grants	-	-	-	341,435	449,608	791,043
Special assessments	680,111	-	-	1,233,682	-	1,913,793
Interest	57,170	-	-	-	-	57,170
Due from other funds	1,759,092	-	-	-	37,857	1,796,949
Advances to other funds	1,839,138	-	-	-	-	1,839,138
Inventories and prepayments	364,724	-	-	-	203,992	568,716
TOTAL ASSETS	\$ 74,017,822	\$ 4,213,911	\$ 3,461,984	\$ 6,161,373	\$ 19,222,076	\$ 107,077,166
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 570,745	\$ -	\$ 57,394	\$ 78,909	\$ 391,685	\$ 1,098,733
Contracts payable	-	-	129,220	355,420	-	484,640
Accrued payroll and benefits	2,684,782	-	-	-	226,082	2,910,864
Due to other governments	45,647,374	-	-	-	-	45,647,374
Deferred revenue	15,851,926	4,156,866	1,962,727	1,515,256	11,531,182	35,017,957
Due to other funds	-	-	-	-	597,781	597,781
Advances from other funds	-	-	-	-	1,839,138	1,839,138
Total Liabilities	64,754,827	4,156,866	2,149,341	1,949,585	14,585,868	87,596,487
Fund balances:						
Reserved	2,203,862	57,045	-	-	2,597,017	4,857,924
Unreserved, reported in:						
General fund	7,059,133	-	-	-	-	7,059,133
Special revenue funds	-	-	-	-	3,358,295	3,358,295
Capital project funds	-	-	1,312,643	4,211,788	(1,319,104)	4,205,327
Total Fund Balances	9,262,995	57,045	1,312,643	4,211,788	4,636,208	19,480,679
TOTAL LIABILITIES AND FUND BALANCES	\$ 74,017,822	\$ 4,213,911	\$ 3,461,984	\$ 6,161,373	\$ 19,222,076	
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.						116,451,679
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.						7,607,275
Investment in joint venture is not a financial resource and, therefore, is not reported in the funds.						224,565
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.						4,014,474
Long-term liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds.						(49,622,345)
Net assets of governmental activities						\$ 98,156,327

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, 2010

	TID #3				Nonmajor Governmental Funds	Total Governmental Funds
	General	Debt Service	Downtown Development	Capital Improvements		
REVENUES						
Taxes	\$ 14,477,751	\$ 4,156,866	\$ 1,913,174	\$ 1,549,310	\$ 4,788,868	\$ 26,885,969
Special assessments	39,121	-	62,378	713,406	61,700	876,605
Intergovernmental	8,864,943	-	108,497	25,006	5,575,752	14,574,198
Licenses and permits	677,438	-	-	-	-	677,438
Fines, forfeitures and penalties	323,783	-	-	-	-	323,783
Public charges for services	1,645,863	-	-	-	462,165	2,108,028
Intergovernmental charges for services	1,217,706	-	-	-	-	1,217,706
Commercial revenues	274,871	-	2,862	416	640,198	918,347
Miscellaneous revenues	425,216	245,496	122,763	22,168	515,124	1,330,767
Total Revenues	<u>27,946,692</u>	<u>4,402,362</u>	<u>2,209,674</u>	<u>2,310,306</u>	<u>12,043,807</u>	<u>48,912,841</u>
EXPENDITURES						
Current:						
General government	3,882,631	-	-	-	17,313	3,899,944
Public safety	15,201,479	-	-	-	237,307	15,438,786
Transportation and streets	6,669,480	-	-	-	3,824,581	10,494,061
Sanitation, health and welfare	1,163,051	-	-	-	654,411	1,817,462
Natural resources and recreation	2,249,142	-	-	-	10,656	2,259,798
Economic development	-	-	62,434	-	3,395,943	3,458,377
Capital outlay	-	-	2,004,605	4,789,771	551,164	7,345,540
Debt service:						
Principal retirement	-	10,566,792	-	-	-	10,566,792
Interest and debt service charges	-	1,660,110	-	-	-	1,660,110
Total Expenditures	<u>29,165,783</u>	<u>12,226,902</u>	<u>2,067,039</u>	<u>4,789,771</u>	<u>8,691,375</u>	<u>56,940,870</u>
Excess (Deficiency) of						
Revenues over Expenditures	<u>(1,219,091)</u>	<u>(7,824,540)</u>	<u>142,635</u>	<u>(2,479,465)</u>	<u>3,352,432</u>	<u>(8,028,029)</u>
OTHER FINANCING						
SOURCE (USES)						
Issuance of debt	-	3,145,000	1,580,447	3,086,553	478,000	8,290,000
Discount on debt issued	-	(4,753)	(4,741)	(9,260)	(1,434)	(20,188)
Transfers in	1,645,046	4,648,859	693,115	115,500	59,645	7,162,165
Transfers out	-	-	(2,453,550)	-	(3,273,569)	(5,727,119)
Total Other Financing Sources (Uses)	<u>1,645,046</u>	<u>7,789,106</u>	<u>(184,729)</u>	<u>3,192,793</u>	<u>(2,737,358)</u>	<u>9,704,858</u>
Net Change in Fund Balance	<u>425,955</u>	<u>(35,434)</u>	<u>(42,094)</u>	<u>713,328</u>	<u>615,074</u>	<u>1,676,829</u>
Beginning fund balances , as						
previously stated	9,325,636	92,479	1,354,737	3,498,460	4,021,134	18,292,446
Prior period adjustment	(488,596)	-	-	-	-	(488,596)
Beginning fund balances, as restated	<u>8,837,040</u>	<u>92,479</u>	<u>1,354,737</u>	<u>3,498,460</u>	<u>4,021,134</u>	<u>17,803,850</u>
Ending fund balances	<u>\$ 9,262,995</u>	<u>\$ 57,045</u>	<u>\$ 1,312,643</u>	<u>\$ 4,211,788</u>	<u>\$ 4,636,208</u>	<u>\$ 19,480,679</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, 2010

Net change in fund balances - total governmental funds \$ 1,676,829

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. 7,767,061

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (281,098)

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. 2,162,769

Decrease in investment in joint venture reported in the statement of activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in the funds. 6,567

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. (31,039)

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. 649,650

Change in net assets of governmental activities **\$ 11,950,739**

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

CITY OF WAUSAU, WISCONSIN
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
December 31, 2010

	Business Type Activities- Enterprise Funds			Totals	Governmental Activities- Internal Service Funds
	Water Utility	Wastewater Utility	Parking Utility		
ASSETS					
Current Assets:					
Cash and cash equivalents	\$ 283,167	\$ -	\$ 441,029	\$ 724,196	\$ 909,135
Restricted cash and cash equivalents available to pay maturing debt	276,742	-	-	276,742	-
Taxes receivable	-	-	300,000	300,000	-
Accounts receivable	1,263,753	1,248,154	49,745	2,561,652	181,832
Inventories and prepayments	99,803	-	-	99,803	198,741
Total Current Assets	<u>1,923,465</u>	<u>1,248,154</u>	<u>790,774</u>	<u>3,962,393</u>	<u>1,289,708</u>
Noncurrent Assets:					
Restricted cash and cash equivalents:					
Replacement fund investments	-	1,181,338	-	1,181,338	-
Property, Plant and Equipment:					
Property and equipment	48,953,679	52,166,746	29,649,477	130,769,902	9,278,273
Accumulated depreciation	<u>(13,533,223)</u>	<u>(20,031,958)</u>	<u>(9,275,827)</u>	<u>(42,841,008)</u>	<u>(6,195,551)</u>
Net Property, Plant and Equipment	<u>35,420,456</u>	<u>32,134,788</u>	<u>20,373,650</u>	<u>87,928,894</u>	<u>3,082,722</u>
Total Noncurrent Assets	<u>35,420,456</u>	<u>33,316,126</u>	<u>20,373,650</u>	<u>89,110,232</u>	<u>3,082,722</u>
TOTAL ASSETS	<u>\$ 37,343,921</u>	<u>\$ 34,564,280</u>	<u>\$ 21,164,424</u>	<u>\$ 93,072,625</u>	<u>\$ 4,372,430</u>

	Business Type Activities- Enterprise Funds			Totals	Governmental Activities-
	Water Utility	Wastewater Utility	Parking Utility		Internal Service Funds
LIABILITIES					
Current Liabilities:					
Accounts payable	\$ 32,921	\$ 46,776	\$ 4,481	\$ 84,178	\$ 128,868
Deferred revenues	24,000	-	358,845	382,845	-
Compensated absences payable	2,525	1,353	-	3,878	558
Due to other funds	-	992,348	-	992,348	206,820
General obligation debt - current portion	254,012	-	-	254,012	-
Current Liabilities Payable From Restricted Assets:					
General obligation debt payable	246,594	-	-	246,594	-
Accrued interest payable	30,148	-	-	30,148	-
Total Current Liabilities	<u>590,200</u>	<u>1,040,477</u>	<u>363,326</u>	<u>1,994,003</u>	<u>336,246</u>
Noncurrent Liabilities:					
Long-term Debt:					
General obligation debt payable (net of unamortized issue costs)	3,195,993	-	-	3,195,993	-
Compensated absences payable	<u>154,835</u>	<u>86,954</u>	<u>34,530</u>	<u>276,319</u>	<u>21,710</u>
Total Noncurrent Liabilities	<u>3,350,828</u>	<u>86,954</u>	<u>34,530</u>	<u>3,472,312</u>	<u>21,710</u>
TOTAL LIABILITIES	<u>3,941,028</u>	<u>1,127,431</u>	<u>397,856</u>	<u>5,466,315</u>	<u>357,956</u>
NET ASSETS					
Invested in capital assets, net of related debt	31,723,857	32,134,788	20,373,650	84,232,295	3,082,722
Restricted for debt service	246,594	-	-	246,594	-
Restricted for capital improvements	-	1,181,338	-	1,181,338	-
Unrestricted	<u>1,432,442</u>	<u>120,723</u>	<u>392,918</u>	<u>1,946,083</u>	<u>931,752</u>
TOTAL NET ASSETS	<u>\$ 33,402,893</u>	<u>\$ 33,436,849</u>	<u>\$ 20,766,568</u>	<u>\$ 87,606,310</u>	<u>\$ 4,014,474</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, 2010

	Business Type Activities- Enterprise Funds			Totals	Governmental Activities-
	Water Utility	Wastewater Utility	Parking Utility		Internal Service Funds
OPERATING REVENUES					
Charges for services and sales	\$ 4,518,780	\$ 4,206,325	\$ 896,639	\$ 9,621,744	\$ 3,665,933
Other operating revenues	64,276	1,067	1,774	67,117	180,447
Total Operating Revenues	<u>4,583,056</u>	<u>4,207,392</u>	<u>898,413</u>	<u>9,688,861</u>	<u>3,846,380</u>
OPERATING EXPENSES					
Operating and maintenance	2,317,467	2,878,361	1,110,758	6,306,586	2,435,258
Depreciation	898,365	1,097,981	647,660	2,644,006	798,403
Total Operating Expenses	<u>3,215,832</u>	<u>3,976,342</u>	<u>1,758,418</u>	<u>8,950,592</u>	<u>3,233,661</u>
Operating income (loss)	<u>1,367,224</u>	<u>231,050</u>	<u>(860,005)</u>	<u>738,269</u>	<u>612,719</u>
NONOPERATING REVENUES (EXPENSES)					
Property taxes	-	-	300,000	300,000	-
Investment income	4,246	38,639	-	42,885	-
Interest expense	(154,237)	(37,581)	-	(191,818)	-
Amortization	(23,049)	(5,844)	-	(28,893)	-
Gain(loss) on disposal of capital assets	-	-	(1,566)	(1,566)	36,931
Total Nonoperating Revenues (Expenses)	<u>(173,040)</u>	<u>(4,786)</u>	<u>298,434</u>	<u>120,608</u>	<u>36,931</u>
Income (loss) before Capital Contributions and Transfers	1,194,184	226,264	(561,571)	858,877	649,650
Capital Contributions	51,101	133,043	-	184,144	-
Contribution from Municipality	-	-	55,800	55,800	-
Transfers Out	<u>(985,046)</u>	<u>(450,000)</u>	<u>-</u>	<u>(1,435,046)</u>	<u>-</u>
Change in Net Assets	260,239	(90,693)	(505,771)	(336,225)	649,650
Net assets - beginning of year	<u>33,142,654</u>	<u>33,527,542</u>	<u>21,272,339</u>	<u>87,942,535</u>	<u>3,364,824</u>
Net assets - end of year	<u>\$ 33,402,893</u>	<u>\$ 33,436,849</u>	<u>\$ 20,766,568</u>	<u>\$ 87,606,310</u>	<u>\$ 4,014,474</u>

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

CITY OF WAUSAU, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended December 31, 2010

	Business Type Activities- Enterprise Funds			Totals	Governmental Activities-
	Water Utility	Wastewater Utility	Parking Utility		Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 4,649,042	\$ 4,122,996	\$ 1,011,592	\$ 9,783,630	\$ 3,823,130
Payments to suppliers	(1,577,747)	(2,364,618)	(1,003,592)	(4,945,957)	(2,157,515)
Payments to employees	(857,630)	(610,622)	(135,828)	(1,604,080)	(351,969)
Net Cash Provided (Used) by Operating Activities	<u>2,213,665</u>	<u>1,147,756</u>	<u>(127,828)</u>	<u>3,233,593</u>	<u>1,313,646</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Property taxes received	-	-	300,000	300,000	-
Due to/from other funds	-	225,804	-	225,804	(223,240)
Repayment of advance	(100,000)	100,000	-	-	-
Transfers out	(985,046)	(450,000)	-	(1,435,046)	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(1,085,046)</u>	<u>(124,196)</u>	<u>300,000</u>	<u>(909,242)</u>	<u>(223,240)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital contributions	51,101	133,043	-	184,144	-
Acquisition and construction of capital assets	(1,018,070)	(572,056)	(4,030)	(1,594,156)	(218,894)
Principal paid on capital debt	(500,606)	(1,630,000)	-	(2,130,606)	-
Interest paid on capital debt	(158,195)	(37,581)	-	(195,776)	-
Proceeds from sale of capital assets	-	-	-	-	37,623
Net Cash Used by Capital and Related Financing Activities	<u>(1,625,770)</u>	<u>(2,106,594)</u>	<u>(4,030)</u>	<u>(3,736,394)</u>	<u>(181,271)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment income received	4,246	10,047	-	14,293	-
Net Increase (Decrease) in Cash and Cash Equivalents	(492,905)	(1,072,987)	168,142	(1,397,750)	909,135
Cash and cash equivalents - beginning of year	<u>1,052,814</u>	<u>2,254,325</u>	<u>272,887</u>	<u>3,580,026</u>	<u>-</u>
Cash and cash equivalents - end of year	<u>\$ 559,909</u>	<u>\$ 1,181,338</u>	<u>\$ 441,029</u>	<u>\$ 2,182,276</u>	<u>\$ 909,135</u>

	Business Type Activities- Enterprise Funds				Governmental Activities-
	Water Utility	Wastewater Utility	Parking Utility	Totals	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ 1,367,224	\$ 231,050	\$ (860,005)	\$ 738,269	\$ 612,719
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation expense	898,365	1,097,981	647,660	2,644,006	798,403
Changes in assets and liabilities:					
Accounts receivable	41,986	(84,396)	54,334	11,924	(23,250)
Inventories and prepayments	(1,047)	-	-	(1,047)	22,706
Accounts payable	(70,106)	(63,839)	(30,513)	(164,458)	(86,511)
Accrued payroll	(30,675)	(10,795)	(2,099)	(43,569)	(10,628)
Accrued compensated absences	(16,082)	(22,245)	3,950	(34,377)	207
Deferred revenues	24,000	-	58,845	82,845	-
Net cash provided (used) by operating activities	<u>\$ 2,213,665</u>	<u>\$ 1,147,756</u>	<u>\$ (127,828)</u>	<u>\$ 3,233,593</u>	<u>\$ 1,313,646</u>
Reconciliation of Cash and Cash Equivalents to Statement of Net Assets					
Unrestricted	\$ 283,167	\$ -	\$ 441,029	\$ 724,196	\$ 909,135
Restricted (current)	276,742	-	-	276,742	-
Restricted (noncurrent)	-	1,181,338	-	1,181,338	-
Total cash and cash equivalents	<u>\$ 559,909</u>	<u>\$ 1,181,338</u>	<u>\$ 441,029</u>	<u>\$ 2,182,276</u>	<u>\$ 909,135</u>

NONCASH INVESTING, CAPITAL AND RELATED FINANCING ACTIVITIES

During 2010, \$55,800 of capital additions in the Parking Utility were contributed by the City.

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, 2010

	Cemetery Private Purpose Trust Fund	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 491,122	\$ 173,386
Accounts receivable	-	9,894
TOTAL ASSETS	491,122	\$ 183,280
LIABILITIES		
Accounts payable	-	\$ 183,280
NET ASSETS		
Held in trust for private purpose	\$ 491,122	

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, 2010

	<u>Cemetery Private Purpose Trust Fund</u>
ADDITIONS	
Interest and dividends	\$ 8,408
Net increase in fair value of investments	<u>51,882</u>
Total additions	<u>60,290</u>
DEDUCTIONS	
Distributions to beneficiary	22,949
Administrative expenses	<u>5,200</u>
Total deductions	<u>28,149</u>
Change in net assets	32,141
Net assets - beginning of year	<u>458,981</u>
Net assets - end of year	<u><u>\$ 491,122</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, 2010

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. The 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 Information Technology Commission. The commission provides for the implementation and operation of a cooperative data and management information system under the direction of the governing Board of Commissioners. Effective April 1, 2009, North Central Health Care also became a member of the Commission. The joint venture arrangement provides that net operating costs were subsidized 30% by the City prior to April 1, 2009 and 23% subsequent to that date, with the remainder funded by the other members. All capital assets, unless otherwise shown to benefit only one owner, are paid for on a percentage basis.

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

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, 2010

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 #2 Industrial Park Fund
WRRP Rehabilitation Fund	EMS Grant Fund
Holtz-Krause Clean Up Fund	Trust Accounts Fund
Hazardous Materials Emergency Response Fund	

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

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., Main Street Wausau, Inc. and the Business Improvement District 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, and have elected not to follow Financial Accounting Standards Board pronouncements issued after November 30, 1989.

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

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, 2010

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, 2010

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, 2010, the fair value of the LGIP's assets was substantially equal to the City's share as reported in these statements.

2. Receivable and Payables

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

Advances between funds are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Accounts receivable in the governmental activities are shown net of an allowance for uncollectible accounts. No allowance for uncollectible accounts has been provided for the Water and Wastewater Utilities since they are able to place delinquent bills on the tax roll.

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

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

At year end, the property taxes levied for each fund are recorded as taxes receivable and deferred revenues.

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

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 Wastewater Fund 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 has reported its major networks of infrastructure assets as of January 1, 2007.

Major outlays for capital assets and improvements are capitalized as projects are constructed. 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 \$191,818, 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, 2010

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

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

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, 2010

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. Changes in Accounting Principles

The Governmental Accounting Standards Board (GASB) has issued Statements No. 51, “*Accounting and Financial Reporting for Intangible Assets*” and No. 53, “*Accounting and Financial Reporting for Derivative Instruments*”. The City has implemented these new standards effective January 1, 2009. The GASB has also issued Statement No. 54, “*Fund Balance Reporting and Governmental Fund Type Definitions*” to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying governmental fund type definitions. The City will implement this statement with the year ending December 31, 2011.

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 \$7,607,275 difference are as follows:

Loans and mortgages receivable	\$ 6,774,422
Allowance for uncollectible loans and mortgages receivable	(626,974)
Unpaid fines and forfeitures	603,531
Special assessments receivable	<u>856,296</u>
Net adjustment to increase <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	<u><u>\$ 7,607,275</u></u>

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

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 \$49,622,345 difference are as follows:

Bonds, notes and State trust fund loans payable	\$ 45,938,199
Less: Deferred charges for issuance costs and deferred interest from refunding (to be amortized over life of debt)	(504,340)
Accrued interest payable	435,197
Compensated absences	1,174,188
Postemployment benefits	274,293
Remediation claims payable	<u>2,304,808</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	<u>\$ 49,622,345</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 \$7,767,061 difference are as follows:

Capital outlay	\$ 8,379,215
Contributed assets	3,837,802
Loss on disposal of capital assets	(494,822)
Depreciation expense	<u>(3,955,134)</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>\$ 7,767,061</u>

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

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 \$281,098 difference are as follows:

Net change in loan and mortgage notes receivable	\$ (289,337)
Net change in fines and forfeitures receivable	(110,836)
Net change in special assessments receivable	<u>119,075</u>
Net adjustment to reduce <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ (281,098)</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 \$2,162,769 difference are as follows:

Debt issued or incurred:	
Issuance of general obligation bonds and notes	\$ (8,488,000)
Less discounts and issuance costs	83,977
Principal repayments on general obligation debt	<u>10,566,792</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>\$ 2,162,769</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 \$31,039 difference are as follows:

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

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/postemployment benefits	\$ (59,258)
Claims and judgments	(6,518)
Accrued interest	107,790
Amortization of discount and issuance costs	<u>(73,053)</u>
Net adjustment to reduce <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ (31,039)</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 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, 2010

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, 2010, expenditures exceeded appropriations for the following departmental cost centers in the General Fund: City promotion by \$19,710, Municipal court by \$3,649, Tax adjustment/bad debts by \$63,590 and Weed control by \$56,726; the TID #2 Industrial Park special revenue fund by \$10,150; and in the TID #4 Industrial Park, TID #5 Industrial Park, TID #6 West Side Development and TID #7 West Side Development capital project funds by \$1,671, \$58,913, \$275,872 and \$50,352, respectively. Excess expenditures in the general fund and special revenue funds were funded by greater than anticipated revenues and 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 and TID #7 West Side Development capital project funds had deficit fund equity of \$1,447,489 and \$736,276 respectively, as of December 31, 2010. 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, 2010

NOTE 4 – DETAILED NOTES ON ALL FUNDS

A. CASH AND INVESTMENTS

Cash and investments as of December 31, 2010 are classified in the accompanying financial statements as follows:

Statement of net assets -	
Cash and cash equivalents	\$ 30,696,666
Investments	10,204,404
Restricted assets - cash and cash equivalents	1,458,080
Statement of net assets - fiduciary funds	
Cash and cash equivalents	
Cemetery Private Purpose Trust Fund	491,122
Agency Funds	<u>173,386</u>
 Total	 <u>\$ 43,023,658</u>
 Cash on hand	 \$ 14,884
Deposits with financial institutions	24,678,095
Investments	<u>18,330,679</u>
 Total	 <u>\$ 43,023,658</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, 2010

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	1-3	4-5
U.S. Agencies	\$ 8,985,081	\$ -	\$ 2,986,531	\$ 5,998,550
Local Government Investment Pool	7,394,782	7,394,782	-	-
Money Market Mutual Funds	439,720	439,720	-	-
External investment pools	1,511,096	1,511,096	-	-
	<u>\$ 18,330,679</u>	<u>\$ 9,345,598</u>	<u>\$ 2,986,531</u>	<u>\$ 5,998,550</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, 2010, 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, 2010

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, 2010, the investment portfolio was concentrated as follows:

Investment type	Issuer	Percentage of Portfolio
U.S. Agencies	Federal National Mortgage Association	10.8%
U.S. Agencies	Federal Home Loan Bank	16.4%
U.S. Agencies	Federal Home Loan Mortgage Corporation	21.8%

Custodial Credit Risk

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

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

A. CASH AND INVESTMENTS (Continued)

At December 31, 2010, the carrying amount of the City’s deposits was \$24,678,095 and the financial institution balance was \$25,108,897. Of the financial institution balance, \$20,142,061 was covered by federal depository insurance, \$642,451 was covered by the national credit union share insurance fund, \$2,996,378 was covered by the State Deposit Guarantee Fund and \$1,328,007 was uninsured and uncollateralized.

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.

B. RECEIVABLES

Receivables for the year ended December 31, 2010 for the City’s general fund have been shown net of allowances for uncollectible accounts and uncollectible delinquent personal property taxes of \$1,088,402 and \$66,402, 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	\$ -	\$ 26,526,390
Loans and mortgages receivable	6,774,422	-
Unpaid fines and forfeitures	603,531	-
Special assessments not yet due	856,296	-
Grant proceeds received in advance	-	115,805
Subsequent period prepayments	-	141,513
Total deferred/unearned revenue for governmental funds	\$ 8,234,249	\$ 26,783,708

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

C. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2010 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated:				
Land	\$ 31,073,503	\$ 508,474	\$ (102,182)	\$ 31,479,795
Construction in progress	<u>531,036</u>	<u>456,352</u>	<u>(33,335)</u>	<u>954,053</u>
Total capital assets not being depreciated	<u>31,604,539</u>	<u>964,826</u>	<u>(135,517)</u>	<u>32,433,848</u>
Capital assets being depreciated:				
Buildings and improvements	20,780,963	516,586	-	21,297,549
Machinery and equipment	25,115,172	526,656	(763,329)	24,878,499
Infrastructure	<u>98,431,589</u>	<u>10,461,178</u>	<u>(1,099,962)</u>	<u>107,792,805</u>
Total capital assets being depreciated	<u>144,327,724</u>	<u>11,504,420</u>	<u>(1,863,291)</u>	<u>153,968,853</u>
Less accumulated depreciation for:				
Buildings and improvements	(9,491,270)	(651,625)	-	(10,142,895)
Machinery and equipment	(15,925,606)	(1,705,557)	689,662	(16,941,501)
Infrastructure	<u>(38,167,846)</u>	<u>(2,396,355)</u>	<u>780,297</u>	<u>(39,783,904)</u>
Total accumulated depreciation	<u>(63,584,722)</u>	<u>(4,753,537)</u>	<u>1,469,959</u>	<u>(66,868,300)</u>
Total capital assets being depreciated, net	<u>80,743,002</u>	<u>6,750,883</u>	<u>(393,332)</u>	<u>87,100,553</u>
Governmental activities capital assets, net	<u>\$ 112,347,541</u>	<u>\$ 7,715,709</u>	<u>\$ (528,849)</u>	<u>\$ 119,534,401</u>

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

C. CAPITAL ASSETS (Continued)

	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>
Business-type activities				
Capital assets not being depreciated:				
Land	\$ 2,337,709	\$ -	\$ -	\$ 2,337,709
Construction in progress	<u>172,886</u>	<u>1,407,506</u>	<u>(1,218,479)</u>	<u>361,913</u>
Total capital assets not being depreciated	<u>2,510,595</u>	<u>1,407,506</u>	<u>(1,218,479)</u>	<u>2,699,622</u>
Capital assets being depreciated:				
Buildings	37,926,271	55,800	-	37,982,071
Machinery and equipment	17,567,162	70,244	(91,450)	17,545,956
Water infrastructure	36,440,311	683,862	(43,178)	37,080,995
Wastewater infrastructure	<u>34,863,139</u>	<u>606,485</u>	<u>(8,366)</u>	<u>35,461,258</u>
Total capital assets being depreciated	<u>126,796,883</u>	<u>1,416,391</u>	<u>(142,994)</u>	<u>128,070,280</u>
Less accumulated depreciation for:				
Buildings	(14,492,443)	(898,324)	-	(15,390,767)
Machinery and equipment	(11,995,637)	(771,263)	89,884	(12,677,016)
Water infrastructure	(7,196,905)	(543,603)	43,178	(7,697,330)
Wastewater infrastructure	<u>(6,653,445)</u>	<u>(430,816)</u>	<u>8,366</u>	<u>(7,075,895)</u>
Total accumulated depreciation	<u>(40,338,430)</u>	<u>(2,644,006)</u>	<u>141,428</u>	<u>(42,841,008)</u>
Total capital assets being depreciated, net	<u>86,458,453</u>	<u>(1,227,615)</u>	<u>(1,566)</u>	<u>85,229,272</u>
Business-type activities capital assets, net	<u>\$ 88,969,048</u>	<u>\$ 179,891</u>	<u>\$ (1,220,045)</u>	<u>\$ 87,928,894</u>

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

Governmental activities:	
General government	\$ 159,949
Public safety	474,880
Transportation and streets	3,044,153
Natural resources and recreation	254,111
Economic development	22,041
Capital assets held by internal service funds	<u>798,403</u>
Total depreciation expense – governmental activities	<u>\$ 4,753,537</u>
Business type activities:	
Water	\$ 898,365
Wastewater	1,097,981
Parking	<u>647,660</u>
Total depreciation expense – business-type activities	<u>\$ 2,644,006</u>

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

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 \$3,000,000.

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 specific funds. Interfund receivables and payables at December 31, 2010 are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Wausau Area Transit System Fund	\$ 110,729
	Room Tax Fund	37,339
	Public Access Cable Fund	16,856
	TID #7 West Side Development Fund	395,000
	Wastewater Utility Fund	992,348
	Insurance Internal Service Fund	206,820
WRRP Rehabilitation Fund	Grants Fund	22,857
	DLAD Mortgage Program Fund	15,000
Total		\$ 1,796,949

Advances between funds represent long-term loans principally for capital purposes. The composition of interfund advances as of December 31, 2010 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Grants Fund	\$ 52,053
	TID #4 Industrial Park Fund	1,447,489
	TID #7 West Side Development Fund	339,596
Total		\$ 1,839,138

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

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
Water Utility Fund	-	985,046
Wastewater Utility Fund	-	450,000
Special Revenue Funds		
General Fund	210,000	-
Grants Fund	-	48,586
WRRP Rehabilitation Fund	48,586	-
TID #3 Downtown Development Fund	693,115	4,365
Capital Improvements Fund	115,500	-
TID #6 West Side Development Fund	-	6,694
Debt Service Fund		
TID #3 Downtown Development Fund	-	2,449,185
TID #4 Industrial Park Fund	-	102,836
TID #5 Industrial Park Fund	-	1,245,169
TID #6 West Side Development Fund	-	189,082
TID #7 West Side Development Fund	-	662,587
Capital Projects Fund		
Grants Fund	11,059	115,500
Debt Service Fund	4,648,859	-
TID #2 Industrial Park Fund	-	693,115
Enterprise Funds		
General Fund	1,435,046	-
Totals	\$ 7,162,165	\$ 7,162,165

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, 2010

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

E. LONG-TERM DEBT

General Obligation Bonds

General obligation debt outstanding at December 31, 2010 is detailed as follows:

	Original Amount	Interest Rates	Final Maturity	Balance 12/31/2010
1996 Bonds	\$ 4,950,000	4.15-5.75%	10/1/15	\$ 230,000
2001 State trust fund loan	1,617,503	5.25%	3/15/11	223,886
2003 Bonds	3,885,000	3.0-4.625%	4/1/23	2,910,000
2003 Notes (Series D)	3,285,000	1.35-3.45%	10/1/13	1,075,000
2004 Refunding bonds Series D	13,445,000	3.0-5.0%	4/1/21	9,840,000
2004 Promissory note	600,000	Negotiable	On demand	600,000
2005 Promissory note Series A	3,830,000	2.8-3.65%	4/1/15	2,160,000
2005 Promissory note Series B	2,000,000	4.75-5.15%	10/1/15	745,000
2006 Promissory note Series A	5,765,000	3.55-3.8%	10/1/16	3,465,000
2007 Promissory note Series A	4,535,000	3.6-3.8%	5/1/17	3,185,000
2007 Refunding bonds Series B	2,605,000	3.65-3.9%	5/1/19	2,005,000
2008 Promissory note Series A	9,845,000	3.55%	4/1/18	5,880,000
2008 State trust fund loan	775,646	5.00%	3/15/17	637,350
2008 State trust fund loan	500,000	4.25%	3/15/18	458,441
2009 Promissory note Series A	9,560,000	0.7-3.0%	4/1/19	8,050,000
2010 Promissory note Series A	5,145,000	1.0-3.0%	4/1/20	5,145,000
2010 Promissory note Series B	3,145,000	0.75-3.35%	4/1/17	<u>3,145,000</u>
Total general obligation debt				<u>\$ 49,754,677</u>

A summary of the long-term liability activity for the year ended December 31, 2010 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities					
General obligation debt:					
Bonds payable	\$ 13,955,000	\$ -	\$ (975,000)	\$ 12,980,000	\$ 1,010,000
Notes payable	29,994,916	8,488,000	(6,844,394)	31,638,522	6,074,394
State trust fund loans	4,067,075	-	(2,747,398)	1,319,677	351,502
Compensated absences	2,574,281	127,463	(76,687)	2,625,057	1,312,303
Other postemployment benefits	246,856	164,565	(137,128)	274,293	-
Remediation claims payable	2,298,290	62,410	(55,892)	2,304,808	55,892
Governmental activities long-term liabilities	<u>\$ 53,136,418</u>	<u>\$ 8,842,438</u>	<u>\$ (10,836,499)</u>	<u>\$ 51,142,357</u>	<u>\$ 8,804,091</u>

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

E. LONG-TERM DEBT (Continued)

The summary of long-term liability activity continues as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Business-type activities					
General obligation debt:					
Bonds payable	\$ 2,205,000	\$ -	\$ (200,000)	\$ 2,005,000	\$ 200,000
Notes payable	2,112,084	-	(300,606)	1,811,478	300,606
Revenue bonds	1,630,000	-	(1,630,000)	-	-
Unamortized costs	(120,180)	(28,592)	28,893	(119,879)	21,365
Compensated absences	314,574	15,404	(49,781)	280,197	3,878
Business-type activities long-term liabilities	<u>\$ 6,141,478</u>	<u>\$ (13,188)</u>	<u>\$ (2,151,494)</u>	<u>\$ 3,976,796</u>	<u>\$ 525,849</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	\$ 2,681,223,200
Legal debt margin percentage	5.00%
	134,061,160
Add: Available funds for debt payment	57,045
Less: Outstanding general obligation debt	(49,754,677)
Legal debt margin	<u>\$ 84,363,528</u>

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

Debt service requirements to maturity at December 31, 2010 are as follows:

Year	Governmental Activities		Business-Type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$ 7,435,896	\$ 1,442,960	\$ 500,606	\$ 139,897	\$ 7,936,502	\$ 1,582,857
2012	6,152,897	1,225,119	515,606	121,194	6,668,503	1,346,313
2013	6,094,311	1,061,021	515,606	102,159	6,609,917	1,163,180
2014	5,343,291	888,139	518,220	82,920	5,861,511	971,059
2015	4,885,197	726,059	533,220	63,247	5,418,417	789,306
2016-2020	14,656,607	1,590,753	1,233,220	84,274	15,889,827	1,675,027
2021-2023	1,370,000	71,703	-	-	1,370,000	71,703
	<u>\$ 45,938,199</u>	<u>\$ 7,005,754</u>	<u>\$ 3,816,478</u>	<u>\$ 593,691</u>	<u>\$ 49,754,677</u>	<u>\$ 7,599,445</u>

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

E. LONG-TERM DEBT (Continued)

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 was retired during 2010.

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.

Refunded Debt

On June 24, 2010, the City issued \$3,145,000 of general obligation notes with an average interest rate of 2.18% to refund \$710,000 of outstanding 2003 Series C promissory notes with an average interest rate of 4.47%, \$670,000 of outstanding 2004 Series B promissory notes with an average interest rate of 4.79%, \$1,407,886 of outstanding State Trust Fund loan #02008036.01 with an interest rate of 5.00% and \$369,854 of outstanding State Trust Fund loan #02007109.01 with an interest rate of 5.25%. The net proceeds of \$3,100,261 (after payment of \$44,739 in underwriting fees and other issuance costs) plus an additional amount of \$105,936 of current available resources were used to retire the outstanding principal and interest of the 2003C, 2004B and both State Trust Fund loans in the amount of \$3,206,197 on July 15, 2010. As a result, all refunded debt has been paid in its entirety as of December 31, 2010.

This refunding was undertaken to reduce total debt service payments over the next 7 years by \$314,272 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$260,323.

Other Debt Information

Per DNR requirements and City Council action, the Wastewater Utility is required to establish specific cash accounts and distribute their revenues to these accounts as follows:

	<u>Wastewater</u>
Operations Fund	97.5%
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.

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

E. LONG-TERM DEBT (Continued)

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, 2010, 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.

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, 2010 includes the following:

Net assets restricted for :	
Capital assets, net of related debt	\$ 75,413,530
Debt service	2,223,300
Capital improvements	856,296
Trust purposes	<u>631,450</u>
Total governmental activities restricted net assets	<u>\$ 79,124,576</u>

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

G. RESTRICTED NET ASSETS/FUND BALANCES (Continued)

Portions of fund balances reported on the fund financial statements at December 31, 2010 that are reserved and not available for current appropriation or expenditure are as follows:

Major funds:	
General Fund	
Reserved for advances	\$ 1,839,138
Reserved for inventories and prepayments	<u>364,724</u>
Total General Fund	<u>2,203,862</u>
Debt Service Fund	
Reserved for debt service	<u>57,045</u>
Nonmajor funds:	
Special revenue funds	
Holtz-Krause Clean-Up Fund	
Reserved for debt service	1,761,575
Wausau Area Transit System Fund	
Reserved for inventories and prepayments	203,992
Trust Accounts Fund	
Reserved for trust purposes	<u>631,450</u>
Total Nonmajor funds	<u>2,597,017</u>
Total Reserved Fund Balance	<u>\$ 4,857,924</u>

Unreserved fund balance as of December 31, 2010 for major funds includes the following items:

Major funds:	
General Fund	
Designated for contingencies	\$ 500,000
Designated for subsequent year's expenditures	1,013,496
Undesignated	<u>5,545,637</u>
Total General Fund	<u>\$ 7,059,133</u>
TID #3 Downtown Development Fund	
Designated for subsequent year's expenditures	<u>\$ 1,312,643</u>
Capital Improvements Fund	
Designated for subsequent year's expenditures	<u>\$ 4,211,788</u>

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

G. RESTRICTED NET ASSETS/FUND BALANCES (Continued)

Unreserved fund balance for nonmajor funds as of December 31, 2010 includes the following items:

Nonmajor funds:	
Special revenue funds	
Designated for:	
Grants	\$ 1,617,416
HUD mortgage program	19,359
DLAD mortgage program	445,159
Industrial park	116,205
Federal rent rehabilitation	356,580
WRRP rehabilitation	789,736
Hazardous materials emergency response	95,637
Room tax	58,789
Public access cable	23,144
EMS grant	40,262
Undesignated	
Wausau Area Transit System (deficit)	(203,992)
Total special revenue funds	<u>\$ 3,358,295</u>
Capital project funds	
Designated for:	
TID #5 Industrial Park	\$ 311,963
TID #6 West Side Development	552,698
Undesignated	
TID #4 Industrial Park (deficit)	(1,447,489)
TID #7 West Side Development (deficit)	(736,276)
Total capital project funds	<u>\$ (1,319,104)</u>

H. RESTRICTED ASSETS

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

	<u>Water Utility</u>	<u>Wastewater Utility</u>
General obligation debt redemption account	\$ 276,742	\$ -
Depreciation/Replacement accounts	-	1,181,338
Total restricted assets	<u>\$ 276,742</u>	<u>\$ 1,181,338</u>

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

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.
- b. The composition of cash, cash equivalents and investments at December 31, 2010 is as follows:

Deposits	\$ 5,473,939
Certificates of deposit	2,530,857
Petty cash	<u>195</u>
Total	<u>\$ 8,004,991</u>
 Financial statement presentation:	
Cash and cash equivalents	\$ 5,174,616
Cash and cash equivalents - restricted	299,518
Investments	<u>2,530,857</u>
Total	<u>\$ 8,004,991</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 \$8,004,991 and the financial institution balance was \$8,023,080. Of the financial institution balance, \$1,183,233 was covered by federal depository insurance and \$6,839,847 was in excess of federal depository insurance limits and collateralized by securities held by the pledging institution or its trust department or agent but not in the CDA's name.

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

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 its investment or 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.

Investment Policy

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

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits investments as 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 has no formal investment policy that limits investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates.

The following is a summary of investments as of December 31, 2010:

Certificates of deposit:	
Matures in 2011	\$ 2,100,819
Matures in 2012	<u>430,038</u>
Total	<u>\$ 2,530,857</u>

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

I. COMPONENT UNIT (Continued)

c. Capital asset activity for the year ended December 31, 2010 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 1,013,589	\$ -	\$ (109,832)	\$ 903,757
Construction in progress	188,443	151,205	(329,501)	10,147
Total capital assets not being depreciated	<u>1,202,032</u>	<u>151,205</u>	<u>(439,333)</u>	<u>913,904</u>
Capital assets being depreciated:				
Buildings and improvements	15,763,609	305,880	(3,174,678)	12,894,811
Furniture and equipment	616,923	98,998	(187,855)	528,066
Total capital assets being depreciated	16,380,532	404,878	(3,362,533)	13,422,877
Less accumulated depreciation	<u>(8,536,891)</u>	<u>(515,631)</u>	<u>2,324,886</u>	<u>(6,727,636)</u>
Total capital assets being depreciated, net	<u>7,843,641</u>	<u>(110,753)</u>	<u>(1,037,647)</u>	<u>6,695,241</u>
Total Authority capital assets	<u>\$ 9,045,673</u>	<u>\$ 40,452</u>	<u>\$ (1,476,980)</u>	<u>\$ 7,609,145</u>

NOTE 5 – OTHER INFORMATION

A. DEFINED BENEFIT PENSION PLAN

All eligible City of Wausau employees participate in the Wisconsin Retirement System (WRS), a cost sharing multiple-employer defined benefit public employee retirement system. All permanent employees expected to work at least 600 hours a year are eligible to participate in the WRS. Covered employees in the general category are required by statute to contribute 6.2% of their salary (3.2% for Elected Officials, 5.5% for Protective Occupations with Social Security, and 3.9% 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 WRS for the year ended December 31, 2010 was \$16,398,291; the employer's total payroll was \$16,861,467. The total required contribution for the year ended December 31, 2010 was \$2,087,269, which consisted of \$1,186,530 or 7.2% of payroll from the employer and \$900,739 or 5.5% of payroll from employees. Total contributions for the years ended December 31, 2009 and 2008 were \$2,066,797 and \$1,970,991, respectively, equal to the required contributions for each year.

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

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 WRS 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 WRS 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 nine (9) employees who retired prior to the consolidation with the WRS. The total estimated future cost to the City of this plan as of December 31, 2010, was approximately \$270,525, substantially all of which relates to prior services. The current portion of the estimated liability of \$57,487 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 six 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, 2010

NOTE 5 – OTHER INFORMATION (Continued)

B. COMMITMENTS AND CONTINGENCIES (Continued)

The City provides health and dental care benefits to employees through self-funded plans with specific insurance coverage. The plans are offered by Security Health and Delta Dental. Insurance premiums, based on historical cost, are paid into the general fund from all other City funds and are available to pay claims and administrative costs incurred. The City purchases commercial insurance for health claims in excess of coverage provided by these programs.

Under the health insurance program, the City pays a maximum of \$1,700 per single contract (\$3,400 for family). Additional amounts are covered by insurance. For dental, maximum covered costs are dependent on which one of five plans is chosen. Expected claims are calculated each plan year to determine premium rates to be charged. Administrative costs for 2010 totaled approximately \$31,598.

The estimated liability for self-funded losses is based on reported claims for the year and those received subsequent to year end. The City does not allocate overhead costs or other nonincremental costs to the liability amount. The estimated liability is expected to be paid within one year.

Changes in the claims payable is as follows:

	<u>Balance</u> <u>January 1</u>	<u>Claims</u> <u>Incurred</u>	<u>Claims</u> <u>Paid</u>	<u>Balance</u> <u>December 31</u>
2009	\$ 178,078	\$ 781,422	\$ 791,323	\$ 168,177
2010	168,177	1,014,021	948,147	234,051

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.

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 5 – OTHER INFORMATION (Continued)

B. COMMITMENTS AND CONTINGENCIES (Continued)

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, 2010 is \$2,304,808. 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.

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 \$987,055 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 60% (100% for management employees with at least 30 years of service) of the remaining accumulated sick pay (employee's hourly rate, exclusive of longevity and shift differential) is used to pay premiums toward the hospital and surgical program then in effect for the employee. The liability for these benefits for current employees was \$1,294,873 at December 31, 2010, 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.

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 5 – OTHER INFORMATION (Continued)

C. ACCUMULATED UNPAID EMPLOYEE BENEFITS (Continued)

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 \$325,248 at December 31, 2010.

D. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

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% (100% for management employees with at least 30 years of service) 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 four (4) retirees are currently receiving health insurance coverage through sick leave conversion credits. The liability for this post-retirement health insurance benefit at December 31, 2010 was \$17,881 and will be paid primarily by the general fund.

The City's group health insurance plan provides coverage to active employees and retirees (or other qualified terminated employees) at blended premium rates. This results in an other postemployment benefit (OPEB) for the retirees, commonly referred to as an implicit rate subsidy. The retirees pay 100% of the premium amounts under the plan.

The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation to the Retiree Health Plan:

Annual required contribution	\$	152,222
Interest on net OPEB obligation		12,343
Adjustment to annual required contribution		<u>(10,934)</u>
Annual OPEB cost		153,631
Contributions made		<u>(126,194)</u>
Increase in net OPEB obligation		27,437
Net OPEB obligation - beginning of year (as adjusted)		<u>246,856</u>
Net OPEB obligation - end of year	\$	<u>274,293</u>

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 5 – OTHER INFORMATION (Continued)

D. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010 are as follows:

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/10	\$ 153,631	82.14%	\$ 274,293

The funded status of the plan as of January 1, 2010, the most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	\$ 1,871,949
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	\$ 1,871,949
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	\$ 16,425,193
UAAL as a percentage of covered payroll	11.4%

Actuarial valuations of an ongoing plan involve estimates for the value of reported amounts and assumptions about the probability of occurrence of events far in the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan is understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and actuarial value of assets, consistent with the long-term perspective of the calculations.

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 5 – OTHER INFORMATION (Continued)

D. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

In the actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 5 percent investment rate of return and an annual healthcare cost trend rate of 10 percent initially, decreasing by 1 percent per year, down to an ultimate rate of 5 percent. Both rates include a 4 percent inflation assumption. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2010 was 29 years.

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.

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 and North Central Health Care in the City-County Information Technology Commission. The Commission provides for the implementation and operation of a cooperative data and management information system under the direction of the governing Board of Commissioners. North Central Health Care became a member as of April 1, 2009. Reimbursement of all operating expenses other than depreciation and interest were made by the City at 30% until April 1, 2009 and at 23% from that date forward.

Complete financial statements can be obtained from:

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

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 5 – OTHER INFORMATION (Continued)

F. JOINT VENTURE INFORMATION (Continued)

The City has recorded its equity interest in the government-wide statement of net assets. Summary financial information for the City-County Information Technology Commission for the year ended December 31, 2010 is as follows:

Operating revenues	\$ 948,115
Operating expenses	
Data processing expenses	2,970,525
Administrative and general expenses	158,131
Depreciation	249,324
Total operating expenses	3,377,980
Operating loss before contributions and reimbursements	(2,429,865)
Capital contributions and reimbursements	2,452,915
Change in net assets	23,050
Total assets	900,642
Total liabilities	441,595
Total net assets	459,047

G. TAX INCREMENTAL FINANCING DISTRICTS

Tax Incremental Financing District No. 2 was created on July 1, 1990. The last date to incur project costs is 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. The last date to incur project costs is 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, 2010 are as follows:

1996 General Obligation Bonds	\$ 230,000
2001 General Obligation Notes	58,072
2001 State Trust Fund Loan	223,886
2003D General Obligation Notes	1,075,000
2004A General Obligation Notes	278,514
2004D Refunding Bonds	9,840,000
2005 General Obligation Notes	745,000
2007 General Obligation Notes	980,567
2008 General Obligation Notes	220,000
2009 General Obligation Notes	290,000
2010A General Obligation Notes	1,580,447
Total	<u>\$ 15,521,486</u>

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 5 – OTHER INFORMATION (Continued)

G. TAX INCREMENTAL FINANCING DISTRICTS (Continued)

Tax Incremental Financing District No. 4 was created on September 23, 1996. The last date to incur project costs is September 23, 2014. 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, 2010.

Tax Incremental Financing District No. 5 was created on July 31, 1997. The last date to incur project costs is 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, 2010 are as follows:

2003 General Obligation Notes	\$ 1,498,070
2008 State Trust Fund Loan	637,349
2010B General Obligation Notes	<u>2,440,000</u>
Total	<u>\$ 4,575,419</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, 2010 is as follows:

2005A General Obligation Notes	\$ 868,215
2010A General Obligation Notes	<u>400,000</u>
Total	<u>\$ 1,268,215</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, 2010 are as follows:

2006A General Obligation Notes	\$ 210,364
2007A General Obligation Notes	330,060
2008A General Obligation Notes	2,915,000
2009A General Obligation Notes	615,000
2010A General Obligation Notes	<u>78,000</u>
Total	<u>\$ 4,148,424</u>

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 5 – OTHER INFORMATION (Continued)

G. TAX INCREMENTAL FINANCING DISTRICTS (Continued)

The following schedule summarizes the cumulative status of Tax Incremental Financing Districts (TID) No. 2, 3, 4, 5, 6 and 7 as of December 31, 2010.

	<u>TID #2</u>	<u>TID #3</u>	<u>TID #4</u>	<u>TID #5</u>	<u>TID #6</u>	<u>TID #7</u>
Total revenues	\$ 9,571,783	\$ 23,328,228	\$ 389,746	\$ 6,539,878	\$ 2,829,411	\$ 1,131,314
Expenditures:						
Project costs	2,050,550	37,865,206	1,237,677	9,000,159	3,073,916	5,528,779
Interest and related costs	614,115	8,430,651	426,741	1,518,503	257,010	405,826
Administration	286,533	124,390	172,817	284,672	214,002	81,409
Subsidy to TID #3	<u>6,620,585</u>	-	-	-	-	-
Total expenditures	<u>9,571,783</u>	<u>46,420,247</u>	<u>1,837,235</u>	<u>10,803,334</u>	<u>3,544,928</u>	<u>6,016,014</u>
Net recoverable costs	<u>\$ -</u>	<u>\$ 23,092,019</u>	<u>\$ 1,447,489</u>	<u>\$ 4,263,456</u>	<u>\$ 715,517</u>	<u>\$ 4,884,700</u>

H. PRIOR PERIOD ADJUSTMENT

A prior period adjustment of \$488,596 was recorded as a decrease in the general fund to reclassify funds that were previously reported as an agency fund by the City. This results in a restatement of the beginning fund balance from \$9,325,636 to \$8,837,040 and a restatement of beginning net assets from \$86,694,184 to \$86,205,588.

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, 2010

	<u>Budgeted Amounts (Note A)</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
REVENUES				
Taxes	\$ 14,346,060	\$ 14,346,060	\$ 14,477,751	\$ 131,691
Special assessments	13,000	13,000	39,121	26,121
Intergovernmental	8,685,827	8,685,827	8,864,943	179,116
Licenses and permits	589,817	589,817	677,438	87,621
Fines, forfeitures and penalties	305,600	305,600	323,783	18,183
Public charges for services	1,779,199	1,781,737	1,645,863	(135,874)
Intergovernmental charges for services	1,323,902	1,323,902	1,217,706	(106,196)
Commercial revenues	500,000	500,000	274,871	(225,129)
Miscellaneous revenues	380,040	380,040	425,216	45,176
Total Revenues	<u>27,923,445</u>	<u>27,925,983</u>	<u>27,946,692</u>	<u>20,709</u>
EXPENDITURES				
General government	4,106,801	4,111,801	3,882,631	229,170
Public safety	15,588,635	15,616,173	15,201,479	414,694
Transportation and streets	7,639,428	7,639,428	6,669,480	969,948
Sanitation, health and welfare	1,168,000	1,168,000	1,163,051	4,949
Natural resources and recreation	2,395,581	2,395,581	2,249,142	146,439
Total Expenditures	<u>30,898,445</u>	<u>30,930,983</u>	<u>29,165,783</u>	<u>1,765,200</u>
Excess (Deficiency) of Revenues over Expenditures	(2,975,000)	(3,005,000)	(1,219,091)	1,785,909
OTHER FINANCING SOURCES				
Transfers in	<u>2,025,000</u>	<u>2,025,000</u>	<u>1,645,046</u>	<u>(379,954)</u>
Net Change in Fund Balance	<u>(950,000)</u>	<u>(980,000)</u>	<u>425,955</u>	<u>1,405,955</u>
Beginning fund balance - as previously stated	9,325,636	9,325,636	9,325,636	-
Prior period adjustment	<u>-</u>	<u>-</u>	<u>(488,596)</u>	<u>(488,596)</u>
Beginning fund balance - as restated	<u>9,325,636</u>	<u>9,325,636</u>	<u>8,837,040</u>	<u>(488,596)</u>
Fund balance - end of year	<u>\$ 8,375,636</u>	<u>\$ 8,345,636</u>	<u>\$ 9,262,995</u>	<u>\$ 917,359</u>

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

Note B - Expenditures exceeded appropriations for the following departmental cost centers: City promotion by \$19,710, Municipal court by \$3,649, Tax adjustment/bad debts by \$63,590 and Weed control by \$56,726.

CITY OF WAUSAU, WISCONSIN
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POSTEMPLOYMENT BENEFITS PLAN
SCHEDULE OF FUNDING PROGRESS
Year Ended December 31, 2010

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age Normal Cost	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
1/1/2008	\$ -	\$ 2,006,863	\$ 2,006,863	0.0%	\$ 15,265,869	13.1%
1/1/2009	\$ -	\$ 2,006,863	\$ 2,006,863	0.0%	\$ 16,259,665	12.3%
1/1/2010	\$ -	\$ 1,871,949	\$ 1,871,949	0.0%	\$ 16,425,193	11.4%

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

CITY OF WAUSAU, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
December 31, 2010

	Special Revenue Funds			
	Grants	HUD Mortgage	DLAD Mortgage Program	Industrial Park
ASSETS				
Cash and cash equivalents	\$ 1,386,929	\$ 19,359	\$ 460,159	\$ 116,733
Investments	181,985	-	-	-
Taxes receivable	-	-	-	-
Accounts receivable	250,247	-	-	-
Notes receivable	3,478,618	1,944,060	86,769	-
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
Inventories and prepayments	-	-	-	-
	<u>\$ 5,297,779</u>	<u>\$ 1,963,419</u>	<u>\$ 546,928</u>	<u>\$ 116,733</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 478	\$ -	\$ -	\$ 528
Employee compensation and benefits	10,552	-	-	-
Due to other funds	22,857	-	15,000	-
Advances from other funds	52,053	-	-	-
Deferred revenues	3,594,423	1,944,060	86,769	-
Total liabilities	<u>3,680,363</u>	<u>1,944,060</u>	<u>101,769</u>	<u>528</u>
Fund Balances				
Reserved for debt service	-	-	-	-
Reserved for inventories and prepayments	-	-	-	-
Trust purposes	-	-	-	-
Unreserved				
Designated for subsequent years' expenditures	1,617,416	19,359	445,159	116,205
Undesignated	-	-	-	-
Total Fund Balances	<u>1,617,416</u>	<u>19,359</u>	<u>445,159</u>	<u>116,205</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 5,297,779</u>	<u>\$ 1,963,419</u>	<u>\$ 546,928</u>	<u>\$ 116,733</u>

Special Revenue Funds

Federal Rent Rehabilitation	WRRP Rehabilitation	Holtz-Krause Clean Up	Hazardous Materials Emergency Response	Room Tax	Public Access Cable
\$ 356,580	\$ 751,879	\$ 1,761,609	\$ 95,856	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	153,805	40,000
-	760,295	404,680	-	100,000	-
-	-	-	-	-	-
-	37,857	-	-	-	-
-	-	-	-	-	-
<u>\$ 356,580</u>	<u>\$ 1,550,031</u>	<u>\$ 2,166,289</u>	<u>\$ 95,856</u>	<u>\$ 253,805</u>	<u>\$ 40,000</u>
\$ -	\$ -	\$ 34	\$ 219	\$ 57,677	\$ -
-	-	-	-	-	-
-	-	-	-	37,339	16,856
-	-	-	-	-	-
-	760,295	404,680	-	100,000	-
-	<u>760,295</u>	<u>404,714</u>	<u>219</u>	<u>195,016</u>	<u>16,856</u>
-	-	1,761,575	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
356,580	789,736	-	95,637	58,789	23,144
-	-	-	-	-	-
<u>356,580</u>	<u>789,736</u>	<u>1,761,575</u>	<u>95,637</u>	<u>58,789</u>	<u>23,144</u>
<u>\$ 356,580</u>	<u>\$ 1,550,031</u>	<u>\$ 2,166,289</u>	<u>\$ 95,856</u>	<u>\$ 253,805</u>	<u>\$ 40,000</u>

(Continued on next page)

CITY OF WAUSAU, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (Continued)
December 31, 2010

	Special Revenue Funds			
	Recycling	Wausau Area Transit System	TID #2 Industrial Park	EMS Grant
ASSETS				
Cash and cash equivalents	\$ 32,257	\$ 1,259	\$ -	\$ 43,304
Investments	-	-	-	-
Taxes receivable	470,000	628,093	729,258	-
Accounts receivable	-	52,881	-	-
Notes receivable	-	-	-	-
Due from other governments	-	449,608	-	-
Due from other funds	-	-	-	-
Inventories and prepayments	-	203,992	-	-
	<u>502,257</u>	<u>1,335,833</u>	<u>729,258</u>	<u>43,304</u>
TOTAL ASSETS	<u>\$ 502,257</u>	<u>\$ 1,335,833</u>	<u>\$ 729,258</u>	<u>\$ 43,304</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 32,257	\$ 239,968	\$ -	\$ 3,042
Employee compensation and benefits	-	215,530	-	-
Due to other funds	-	110,729	-	-
Advances from other funds	-	-	-	-
Deferred revenues	470,000	769,606	729,258	-
Total liabilities	<u>502,257</u>	<u>1,335,833</u>	<u>729,258</u>	<u>3,042</u>
Fund Balances				
Reserved for debt service	-	-	-	-
Reserved for inventories and prepayments	-	203,992	-	-
Trust purposes	-	-	-	-
Unreserved				
Designated for subsequent years' expenditures	-	-	-	40,262
Undesignated	-	(203,992)	-	-
Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,262</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 502,257</u>	<u>\$ 1,335,833</u>	<u>\$ 729,258</u>	<u>\$ 43,304</u>

Special Revenue Funds		Capital Project Funds			
Trust Accounts	Total	TID #4 Industrial Park	TID #5 Industrial Park	TID #6 West Side Development	TID #7 West Side Development
\$ 620,262	\$ 5,646,186	\$ -	\$ 311,963	\$ 552,698	\$ -
53,155	235,140	-	-	-	-
-	1,827,351	71,178	1,217,583	991,224	392,106
13,835	510,768	-	-	-	-
-	6,774,422	-	-	-	-
-	449,608	-	-	-	-
-	37,857	-	-	-	-
-	203,992	-	-	-	-
<u>\$ 687,252</u>	<u>\$ 15,685,324</u>	<u>\$ 71,178</u>	<u>\$ 1,529,546</u>	<u>\$ 1,543,922</u>	<u>\$ 392,106</u>
\$ 55,802	\$ 390,005	\$ -	\$ -	\$ -	\$ 1,680
-	226,082	-	-	-	-
-	202,781	-	-	-	395,000
-	52,053	1,447,489	-	-	339,596
-	8,859,091	71,178	1,217,583	991,224	392,106
<u>55,802</u>	<u>9,730,012</u>	<u>1,518,667</u>	<u>1,217,583</u>	<u>991,224</u>	<u>1,128,382</u>
-	1,761,575	-	-	-	-
-	203,992	-	-	-	-
631,450	631,450	-	-	-	-
-	3,562,287	-	311,963	552,698	-
-	(203,992)	(1,447,489)	-	-	(736,276)
<u>631,450</u>	<u>5,955,312</u>	<u>(1,447,489)</u>	<u>311,963</u>	<u>552,698</u>	<u>(736,276)</u>
<u>\$ 687,252</u>	<u>\$ 15,685,324</u>	<u>\$ 71,178</u>	<u>\$ 1,529,546</u>	<u>\$ 1,543,922</u>	<u>\$ 392,106</u>

(Continued on next page)

**CITY OF WAUSAU, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (Concluded)
December 31, 2010**

	<u>Capital Project Funds</u>	
	Total	Total Nonmajor Governmental Funds
ASSETS		
Cash and cash equivalents	\$ 864,661	\$ 6,510,847
Investments	-	235,140
Taxes receivable	2,672,091	4,499,442
Accounts receivable	-	510,768
Notes receivable	-	6,774,422
Due from other governments	-	449,608
Due from other funds	-	37,857
Inventories and prepayments	-	203,992
	<u>3,536,752</u>	<u>19,222,076</u>
TOTAL ASSETS	\$ 3,536,752	\$ 19,222,076
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	\$ 1,680	\$ 391,685
Employee compensation and benefits	-	226,082
Due to other funds	395,000	597,781
Advances from other funds	1,787,085	1,839,138
Deferred revenues	2,672,091	11,531,182
Total liabilities	<u>4,855,856</u>	<u>14,585,868</u>
Fund Balances		
Reserved for debt service	-	1,761,575
Reserved for inventories and prepayments	-	203,992
Trust purposes	-	631,450
Unreserved		
Designated for subsequent years' expenditures	864,661	4,426,948
Undesignated	(2,183,765)	(2,387,757)
Total Fund Balances	<u>(1,319,104)</u>	<u>4,636,208</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,536,752	\$ 19,222,076

CITY OF WAUSAU, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
Year Ended December 31, 2010

	Special Revenue Funds			
	Grants	HUD Mortgage	DLAD Mortgage Program	Industrial Park
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Intergovernmental	2,204,171	-	5,000	-
Charges for services	-	-	-	-
Commercial revenues	366,717	30,543	952	-
Miscellaneous revenues	319,795	263	35,412	6,100
Total Revenues	2,890,683	30,806	41,364	6,100
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Transportation and streets	-	-	-	-
Sanitation, health and welfare	-	-	-	-
Natural resources and recreation	-	-	-	-
Economic development	2,673,745	77,845	34,373	7,735
Capital outlay	-	-	-	-
Total expenditures	2,673,745	77,845	34,373	7,735
Excess (deficiency) of revenues over expenditures	216,938	(47,039)	6,991	(1,635)
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	-	-	-
Discount on debt issued	-	-	-	-
Transfers in	11,059	-	-	-
Transfers out	(199,086)	-	-	-
Total other financing sources (uses)	(188,027)	-	-	-
Net change in fund balances	28,911	(47,039)	6,991	(1,635)
Fund balances - beginning of year	1,588,505	66,398	438,168	117,840
Fund balances - end of year	\$ 1,617,416	\$ 19,359	\$ 445,159	\$ 116,205

Special Revenue Funds

Federal Rent Rehabilitation	WRRP Rehabilitation	Holtz-Krause Clean Up	Hazardous Materials Emergency Response	Room Tax	Public Access Cable
\$ -	\$ -	\$ -	\$ -	\$ 655,278	\$ -
-	-	-	-	-	-
-	-	-	105,332	-	-
-	-	-	-	-	-
-	164,915	62,410	-	-	303
-	54,537	-	-	-	40,154
-	219,452	62,410	105,332	655,278	40,457
-	-	-	-	-	17,313
-	-	-	102,564	-	-
-	-	-	-	-	-
-	-	55,892	-	-	-
-	-	-	-	-	-
577	37,106	-	-	434,060	-
-	-	-	-	-	-
577	37,106	55,892	102,564	434,060	17,313
(577)	182,346	6,518	2,768	221,218	23,144
-	-	-	-	-	-
-	-	-	-	-	-
-	48,586	-	-	-	-
-	-	-	-	(175,000)	-
-	48,586	-	-	(175,000)	-
(577)	230,932	6,518	2,768	46,218	23,144
357,157	558,804	1,755,057	92,869	12,571	-
\$ 356,580	\$ 789,736	\$ 1,761,575	\$ 95,637	\$ 58,789	\$ 23,144

(Continued on next page)

CITY OF WAUSAU, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (Continued)
Year Ended December 31, 2010

	Special Revenue Funds			
	Recycling	Wausau Area Transit System	TID #2 Industrial Park	EMS Grant
REVENUES				
Taxes	\$ 384,976	\$ 523,368	\$ 694,644	\$ -
Special assessments	-	-	-	-
Intergovernmental	212,506	2,837,070	8,621	10,593
Charges for services	-	462,165	-	-
Commercial revenues	-	-	-	-
Miscellaneous revenues	1,037	1,978	-	-
Total Revenues	<u>598,519</u>	<u>3,824,581</u>	<u>703,265</u>	<u>10,593</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	10,448
Transportation and streets	-	3,824,581	-	-
Sanitation, health and welfare	598,519	-	-	-
Natural resources and recreation	-	-	-	-
Economic development	-	-	10,150	-
Capital outlay	-	-	-	-
Total expenditures	<u>598,519</u>	<u>3,824,581</u>	<u>10,150</u>	<u>10,448</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>693,115</u>	<u>145</u>
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	-	-	-
Discount on debt issued	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(693,115)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(693,115)</u>	<u>-</u>
Net change in fund balances	-	-	-	145
Fund balances - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,117</u>
Fund balances - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,262</u>

Special Revenue Funds		Capital Project Funds			
Trust Accounts	Total	TID #4 Industrial Park	TID #5 Industrial Park	TID #6 West Side Development	TID #7 West Side Development
\$ -	\$ 2,258,266	\$ 68,368	\$ 1,254,271	\$ 858,034	\$ 349,929
-	-	-	19,387	6,046	36,267
91,869	5,475,162	502	28,861	60,686	10,541
-	462,165	-	-	-	-
765	626,605	-	1,146	1,866	10,581
55,848	515,124	-	-	-	-
<u>148,482</u>	<u>9,337,322</u>	<u>68,870</u>	<u>1,303,665</u>	<u>926,632</u>	<u>407,318</u>
-	17,313	-	-	-	-
124,295	237,307	-	-	-	-
-	3,824,581	-	-	-	-
-	654,411	-	-	-	-
10,656	10,656	-	-	-	-
-	3,275,591	1,671	93,621	24,910	150
-	-	-	-	360,962	190,202
<u>134,951</u>	<u>8,019,859</u>	<u>1,671</u>	<u>93,621</u>	<u>385,872</u>	<u>190,352</u>
<u>13,531</u>	<u>1,317,463</u>	<u>67,199</u>	<u>1,210,044</u>	<u>540,760</u>	<u>216,966</u>
-	-	-	-	400,000	78,000
-	-	-	-	(1,200)	(234)
-	59,645	-	-	-	-
-	(1,067,201)	(102,836)	(1,245,169)	(195,776)	(662,587)
-	(1,007,556)	(102,836)	(1,245,169)	203,024	(584,821)
13,531	309,907	(35,637)	(35,125)	743,784	(367,855)
<u>617,919</u>	<u>5,645,405</u>	<u>(1,411,852)</u>	<u>347,088</u>	<u>(191,086)</u>	<u>(368,421)</u>
<u>\$ 631,450</u>	<u>\$ 5,955,312</u>	<u>\$ (1,447,489)</u>	<u>\$ 311,963</u>	<u>\$ 552,698</u>	<u>\$ (736,276)</u>

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CITY OF WAUSAU, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (Concluded)
Year Ended December 31, 2010

	<u>Capital Project Funds</u>	
	Total	Total Nonmajor Governmental Funds
REVENUES		
Taxes	\$ 2,530,602	\$ 4,788,868
Special assessments	61,700	61,700
Intergovernmental	100,590	5,575,752
Charges for services	-	462,165
Commercial revenues	13,593	640,198
Miscellaneous revenues	-	515,124
Total Revenues	2,706,485	12,043,807
EXPENDITURES		
Current:		
General government	-	17,313
Public safety	-	237,307
Transportation and streets	-	3,824,581
Sanitation, health and welfare	-	654,411
Natural resources and recreation	-	10,656
Economic development	120,352	3,395,943
Capital outlay	551,164	551,164
Total expenditures	671,516	8,691,375
Excess (deficiency) of revenues over expenditures	2,034,969	3,352,432
OTHER FINANCING SOURCES (USES)		
Issuance of debt	478,000	478,000
Discount on debt issued	(1,434)	(1,434)
Transfers in	-	59,645
Transfers out	(2,206,368)	(3,273,569)
Total other financing sources (uses)	(1,729,802)	(2,737,358)
Net change in fund balances	305,167	615,074
Fund balances - beginning of year	(1,624,271)	4,021,134
Fund balances - end of year	\$ (1,319,104)	\$ 4,636,208

CITY OF WAUSAU, WISCONSIN
NONMAJOR BUDGETED GOVERNMENTAL FUNDS
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2010

	Special Revenue Funds			
	Grants		Industrial Park	
	Budget	Actual	Budget	Actual
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Intergovernmental	2,774,478	2,204,171	-	-
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
Commercial revenues	-	366,717	-	-
Miscellaneous revenues	103,198	319,795	100	6,100
Total Revenues	2,877,676	2,890,683	100	6,100
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Transportation and streets	-	-	-	-
Sanitation, health and welfare	-	-	-	-
Economic development	2,820,815	2,673,745	9,000	7,735
Capital outlay	-	-	-	-
Total expenditures	2,820,815	2,673,745	9,000	7,735
Excess (deficiency) of revenues over expenditures	56,861	216,938	(8,900)	(1,635)
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	-	-	-
Discount on debt issued	-	-	-	-
Transfers in	93,639	11,059	-	-
Transfers out	(150,500)	(199,086)	-	-
Total other financing sources (uses)	(56,861)	(188,027)	-	-
Net change in fund balances	\$ -	28,911	\$ (8,900)	(1,635)
Fund balances - beginning of year		1,588,505		117,840
Fund balances - end of year		\$ 1,617,416		\$ 116,205

Special Revenue Funds

Hazardous Materials Emergency Response		Room Tax		Public Access Cable	
Budget	Actual	Budget	Actual	Budget	Actual
\$ -	\$ -	\$ 606,720	\$ 655,278	\$ -	\$ -
-	-	-	-	-	-
105,332	105,332	-	-	-	-
-	-	-	-	96,590	-
-	-	-	-	-	-
-	-	-	-	2,550	303
-	-	-	-	30,605	40,154
<u>105,332</u>	<u>105,332</u>	<u>606,720</u>	<u>655,278</u>	<u>129,745</u>	<u>40,457</u>
-	-	-	-	129,745	17,313
116,982	102,564	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	606,720	434,060	-	-
-	-	-	-	-	-
<u>116,982</u>	<u>102,564</u>	<u>606,720</u>	<u>434,060</u>	<u>129,745</u>	<u>17,313</u>
<u>(11,650)</u>	<u>2,768</u>	<u>-</u>	<u>221,218</u>	<u>-</u>	<u>23,144</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	(175,000)	(175,000)	-	-
-	-	(175,000)	(175,000)	-	-
<u>\$ (11,650)</u>	<u>2,768</u>	<u>\$ (175,000)</u>	<u>46,218</u>	<u>\$ -</u>	<u>23,144</u>
	<u>92,869</u>		<u>12,571</u>		<u>-</u>
	<u>\$ 95,637</u>		<u>\$ 58,789</u>		<u>\$ 23,144</u>

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CITY OF WAUSAU, WISCONSIN
NONMAJOR BUDGETED GOVERNMENTAL FUNDS
BUDGETARY COMPARISON SCHEDULE (Continued)
Year Ended December 31, 2010

	Special Revenue Funds			
	Recycling		Wausau Area Transit System	
	Budget	Actual	Budget	Actual
REVENUES				
Taxes	\$ 470,007	\$ 384,976	\$ 725,244	\$ 523,368
Special assessments	-	-	-	-
Intergovernmental	184,000	212,506	3,071,367	2,837,070
Licenses and permits	-	-	-	-
Charges for services	-	-	495,531	462,165
Commercial revenues	-	-	-	-
Miscellaneous revenues	1,275	1,037	650	1,978
Total Revenues	655,282	598,519	4,292,792	3,824,581
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Transportation and streets	-	-	4,292,792	3,824,581
Sanitation, health and welfare	655,282	598,519	-	-
Economic development	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	655,282	598,519	4,292,792	3,824,581
Excess (deficiency) of revenues over expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	-	-	-
Discount on debt issued	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	\$ -	-	\$ -	-
Fund balances - beginning of year	-	-	-	-
Fund balances - end of year	\$ -	-	\$ -	-

Special Revenue Funds		Capital Project Funds			
TID #2 Industrial Park		TID #4 Industrial Park		TID #5 Industrial Park	
Budget	Actual	Budget	Actual	Budget	Actual
\$ 650,000	\$ 694,644	\$ 64,000	\$ 68,368	\$ 1,143,640	\$ 1,254,271
-	-	-	-	-	19,387
6,000	8,621	-	502	14,000	28,861
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	1,146
-	-	-	-	-	-
<u>656,000</u>	<u>703,265</u>	<u>64,000</u>	<u>68,870</u>	<u>1,157,640</u>	<u>1,303,665</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	10,150	-	1,671	34,708	93,621
-	-	-	-	-	-
-	<u>10,150</u>	-	<u>1,671</u>	<u>34,708</u>	<u>93,621</u>
<u>656,000</u>	<u>693,115</u>	<u>64,000</u>	<u>67,199</u>	<u>1,122,932</u>	<u>1,210,044</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>(656,000)</u>	<u>(693,115)</u>	<u>(102,836)</u>	<u>(102,836)</u>	<u>(1,245,170)</u>	<u>(1,245,169)</u>
<u>(656,000)</u>	<u>(693,115)</u>	<u>(102,836)</u>	<u>(102,836)</u>	<u>(1,245,170)</u>	<u>(1,245,169)</u>
<u>\$ -</u>	-	<u>\$ (38,836)</u>	(35,637)	<u>\$ (122,238)</u>	(35,125)
-	-	-	(1,411,852)	-	347,088
-	<u>\$ -</u>	-	<u>\$ (1,447,489)</u>	-	<u>\$ 311,963</u>

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CITY OF WAUSAU, WISCONSIN
NONMAJOR BUDGETED GOVERNMENTAL FUNDS
BUDGETARY COMPARISON SCHEDULE (Concluded)
Year Ended December 31, 2010

	Capital Project Funds			
	TID #6 West Side Development		TID #7 West Side Development	
	Budget	Actual	Budget	Actual
REVENUES				
Taxes	\$ 804,000	\$ 858,034	\$ 328,000	\$ 349,929
Special assessments	-	6,046	-	36,267
Intergovernmental	25,000	60,686	3,000	10,541
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
Commercial revenues	-	1,866	-	10,581
Miscellaneous revenues	-	-	-	-
Total Revenues	829,000	926,632	331,000	407,318
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Transportation and streets	-	-	-	-
Sanitation, health and welfare	-	-	-	-
Economic development	110,000	24,910	-	150
Capital outlay	-	360,962	140,000	190,202
Total expenditures	110,000	385,872	140,000	190,352
Excess (deficiency) of revenues over expenditures	719,000	540,760	191,000	216,966
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	400,000	-	78,000
Discount on debt issued	-	(1,200)	-	(234)
Transfers in	-	-	-	-
Transfers out	(189,082)	(195,776)	(662,582)	(662,587)
Total other financing sources (uses)	(189,082)	203,024	(662,582)	(584,821)
Net change in fund balances	\$ 529,918	743,784	\$ (471,582)	(367,855)
Fund balances - beginning of year		(191,086)		(368,421)
Fund balances - end of year		\$ 552,698		\$ (736,276)

CITY OF WAUSAU, WISCONSIN
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL
Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
TAXES				
General property taxes	\$ 14,120,920	\$ 14,120,920	\$ 14,227,827	\$ 106,907
Mobile home parking fees	30,000	30,000	28,324	(1,676)
Payments in lieu of taxes	140,000	140,000	143,183	3,183
Other taxes	55,140	55,140	78,417	23,277
Total Taxes	<u>14,346,060</u>	<u>14,346,060</u>	<u>14,477,751</u>	<u>131,691</u>
SPECIAL ASSESSMENTS				
Interest on special assessments	<u>13,000</u>	<u>13,000</u>	<u>39,121</u>	<u>26,121</u>
INTERGOVERNMENTAL				
State shared taxes	4,917,082	4,917,082	4,986,514	69,432
Expenditure restraint	912,199	912,199	901,467	(10,732)
Fire insurance tax	80,251	80,251	81,670	1,419
Municipal services	185,000	185,000	195,625	10,625
Transportation aids	2,458,295	2,458,295	2,458,168	(127)
Other grants	133,000	133,000	241,499	108,499
Total Intergovernmental	<u>8,685,827</u>	<u>8,685,827</u>	<u>8,864,943</u>	<u>179,116</u>
LICENSES AND PERMITS				
Licenses	152,865	152,865	158,972	6,107
Franchise fees	300,000	300,000	341,830	41,830
Permits	136,952	136,952	176,636	39,684
Total Licenses and Permits	<u>589,817</u>	<u>589,817</u>	<u>677,438</u>	<u>87,621</u>
FINES, FORFEITURES AND PENALTIES				
	<u>305,600</u>	<u>305,600</u>	<u>323,783</u>	<u>18,183</u>
PUBLIC CHARGES FOR SERVICES				
General government	146,780	146,780	186,511	39,731
Public safety	1,336,369	1,336,369	1,205,539	(130,830)
Streets and related facilities	55,600	55,600	49,995	(5,605)
Other transportation	6,100	6,100	5,666	(434)
Recreation	136,200	136,200	114,490	(21,710)
Public areas	98,150	100,688	83,662	(17,026)
Total Public Charges for Services	<u>1,779,199</u>	<u>1,781,737</u>	<u>1,645,863</u>	<u>(135,874)</u>
INTERGOVERNMENTAL CHARGES FOR SERVICES				
State, federal and local reimbursements	11,400	11,400	24,760	13,360
County and other municipalities	236,502	236,502	179,721	(56,781)
City departments	1,076,000	1,076,000	1,013,225	(62,775)
Total Intergovernmental Charges for Services	<u>1,323,902</u>	<u>1,323,902</u>	<u>1,217,706</u>	<u>(106,196)</u>

CITY OF WAUSAU, WISCONSIN
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL
Year Ended December 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
COMMERCIAL				
Interest on general investments	\$ 500,000	\$ 500,000	\$ 261,678	\$ (238,322)
Other interest	-	-	13,193	13,193
Total Commercial	<u>500,000</u>	<u>500,000</u>	<u>274,871</u>	<u>(225,129)</u>
MISCELLANEOUS REVENUES				
Rent of land and buildings	303,500	303,500	319,222	15,722
Sale of City property	5,650	5,650	10,037	4,387
Other miscellaneous revenues	70,890	70,890	95,957	25,067
Total Miscellaneous Revenues	<u>380,040</u>	<u>380,040</u>	<u>425,216</u>	<u>45,176</u>
OTHER FINANCING SOURCES				
Transfers in	<u>2,025,000</u>	<u>2,025,000</u>	<u>1,645,046</u>	<u>(379,954)</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES				
	<u>\$ 29,948,445</u>	<u>\$ 29,950,983</u>	<u>\$ 29,591,738</u>	<u>\$ (359,245)</u>

CITY OF WAUSAU, WISCONSIN
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
GENERAL GOVERNMENT				
City Council	\$ 121,218	\$ 121,218	\$ 107,922	\$ 13,296
Mayor	265,186	265,186	218,690	46,496
City Promotion	117,000	122,000	141,710	(19,710)
Finance department	1,160,695	1,160,695	1,135,840	24,855
City clerk/customer service	401,183	401,183	397,163	4,020
Elections	77,030	77,030	65,336	11,694
Assessor	557,901	557,901	555,842	2,059
City attorney	378,917	378,917	345,194	33,723
Municipal court	120,529	120,529	124,178	(3,649)
Human resources	276,744	276,744	235,538	41,206
City hall and other municipal buildings	535,398	535,398	396,628	138,770
Tax adjustment/bad debts	95,000	95,000	158,590	(63,590)
	<u>4,106,801</u>	<u>4,111,801</u>	<u>3,882,631</u>	<u>229,170</u>
PUBLIC SAFETY				
Police department	8,161,430	8,188,968	8,008,823	180,145
Fire department	3,529,314	3,529,314	3,468,274	61,040
Ambulance	2,713,196	2,713,196	2,563,633	149,563
Pension and retirement payments	75,000	75,000	57,208	17,792
Inspections and electrical systems	1,109,695	1,109,695	1,103,541	6,154
Total Public Safety	<u>15,588,635</u>	<u>15,616,173</u>	<u>15,201,479</u>	<u>414,694</u>
TRANSPORTATION AND STREETS				
Street lighting	606,306	606,306	594,199	12,107
City airport	187,910	187,910	180,253	7,657
Engineering	1,460,863	1,460,863	1,394,624	66,239
Clerical and administration	625,445	625,445	537,879	87,566
Stockroom	78,841	78,841	37,749	41,092
Construction of roadways and streets	54,316	54,316	9,904	44,412
Roadways and streets	1,211,543	1,211,543	814,715	396,828
Curb, gutter and paving	7,866	7,866	7,357	509
Storm sewers	459,219	459,219	416,498	42,721
Street signs and guideboards	227,095	227,095	204,322	22,773
Street cleaning and flushing	362,251	362,251	346,716	15,535
Weed control	62,997	62,997	119,723	(56,726)
Bridges and culverts	23,259	23,259	19,734	3,525
City shop and garage	306,073	306,073	233,353	72,720
Alleys and other nonstreets	908,045	908,045	731,855	176,190
Snow removal	1,057,399	1,057,399	1,020,599	36,800
Total Transportation and Streets	<u>7,639,428</u>	<u>7,639,428</u>	<u>6,669,480</u>	<u>969,948</u>

CITY OF WAUSAU, WISCONSIN
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
Year Ended December 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
SANITATION, HEALTH AND WELFARE				
Garbage and refuse collection	\$ 1,168,000	\$ 1,168,000	\$ 1,163,051	\$ 4,949
NATURAL RESOURCES/RECREATION				
Parks and recreation	<u>2,395,581</u>	<u>2,395,581</u>	<u>2,249,142</u>	<u>146,439</u>
TOTAL EXPENDITURES	<u>\$ 30,898,445</u>	<u>\$ 30,930,983</u>	<u>\$ 29,165,783</u>	<u>\$ 1,765,200</u>

CITY OF WAUSAU, WISCONSIN
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
General property taxes	\$ 4,156,866	\$ 4,156,866	\$ 4,156,866	\$ -
Reimbursement of expenditures	243,000	243,000	245,496	2,496
Total Revenues	<u>4,399,866</u>	<u>4,399,866</u>	<u>4,402,362</u>	<u>2,496</u>
EXPENDITURES				
Debt Service:				
Principal retirement	7,020,791	10,566,792	10,566,792	-
Interest and debt service charges	1,631,801	1,692,025	1,660,110	31,915
Total Expenditures	<u>8,652,592</u>	<u>12,258,817</u>	<u>12,226,902</u>	<u>31,915</u>
Deficiency of Revenues over Expenditures	<u>(4,252,726)</u>	<u>(7,858,951)</u>	<u>(7,824,540)</u>	<u>34,411</u>
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	3,145,000	3,145,000	-
Debt issuance costs	-	(4,753)	(4,753)	-
Transfers in	4,223,180	4,692,922	4,648,859	(44,063)
Total Other Financing Sources (Uses)	<u>4,223,180</u>	<u>7,833,169</u>	<u>7,789,106</u>	<u>(44,063)</u>
Net change in fund balance	(29,546)	(25,782)	(35,434)	(9,652)
Fund balance - beginning of year	<u>92,479</u>	<u>92,479</u>	<u>92,479</u>	<u>-</u>
Fund balance - end of year	<u>\$ 62,933</u>	<u>\$ 66,697</u>	<u>\$ 57,045</u>	<u>\$ (9,652)</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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
General property taxes	\$ 1,792,900	\$ 1,792,900	\$ 1,913,174	\$ 120,274
Special assessments	-	-	62,378	62,378
Intergovernmental - State shared taxes	175,000	175,000	108,497	(66,503)
Interest on investments	-	-	2,862	2,862
Other miscellaneous	319,250	1,319,250	122,763	(1,196,487)
Total Revenues	<u>2,287,150</u>	<u>3,287,150</u>	<u>2,209,674</u>	<u>(1,077,476)</u>
EXPENDITURES				
Economic development	199,000	199,000	62,434	136,566
Capital outlay:				
Economic development	2,163,500	3,482,830	2,004,605	1,478,225
Total expenditures	<u>2,362,500</u>	<u>3,681,830</u>	<u>2,067,039</u>	<u>1,614,791</u>
Excess (deficiency) of Revenues over Expenditures	<u>(75,350)</u>	<u>(394,680)</u>	<u>142,635</u>	<u>537,315</u>
OTHER FINANCING SOURCES (USES)				
Issuance of debt	1,525,000	1,525,000	1,580,447	55,447
Discount on debt issued	-	-	(4,741)	(4,741)
Transfers in	656,000	861,330	693,115	(168,215)
Transfers out	(2,629,184)	(2,629,184)	(2,453,550)	175,634
Total Other Financing Sources (Uses)	<u>(448,184)</u>	<u>(242,854)</u>	<u>(184,729)</u>	<u>58,125</u>
Net change in fund balance	(523,534)	(637,534)	(42,094)	595,440
Fund balance - beginning of year	<u>1,354,737</u>	<u>1,354,737</u>	<u>1,354,737</u>	<u>-</u>
Fund balance - end of year	<u>\$ 831,203</u>	<u>\$ 717,203</u>	<u>\$ 1,312,643</u>	<u>\$ 595,440</u>

CITY OF WAUSAU, WISCONSIN
CAPITAL IMPROVEMENTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended December 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
General property taxes	\$ 1,549,310	\$ 1,549,310	\$ 1,549,310	\$ -
Special assessments	520,000	520,000	713,406	193,406
Intergovernmental grants and aids	-	2,404,322	25,006	(2,379,316)
Interest income	-	-	416	416
Sale of fixed assets	-	-	22,168	22,168
Total Revenues	<u>2,069,310</u>	<u>4,473,632</u>	<u>2,310,306</u>	<u>(2,163,326)</u>
EXPENDITURES				
Capital outlay	<u>5,823,560</u>	<u>11,005,308</u>	<u>4,789,771</u>	<u>6,215,537</u>
Deficiency of Revenues over Expenditures	<u>(3,754,250)</u>	<u>(6,531,676)</u>	<u>(2,479,465)</u>	<u>4,052,211</u>
OTHER FINANCING SOURCES (USES)				
Issuance of debt	3,462,750	3,462,750	3,086,553	(376,197)
Discount on debt issued	-	-	(9,260)	(9,260)
Transfers in	<u>115,500</u>	<u>115,500</u>	<u>115,500</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>3,578,250</u>	<u>3,578,250</u>	<u>3,192,793</u>	<u>(385,457)</u>
Net change in fund balance	(176,000)	(2,953,426)	713,328	3,666,754
Fund balance - beginning of year	<u>3,498,460</u>	<u>3,498,460</u>	<u>3,498,460</u>	<u>-</u>
Fund balance - end of year	<u>\$ 3,322,460</u>	<u>\$ 545,034</u>	<u>\$ 4,211,788</u>	<u>\$ 3,666,754</u>

CITY OF WAUSAU, WISCONSIN
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS
December 31, 2010

	Motor Pool	Insurance Fund	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 909,135	\$ -	\$ 909,135
Accounts receivable	10,019	171,813	181,832
Inventories and prepayments	-	198,741	198,741
Total Current Assets	919,154	370,554	1,289,708
Noncurrent Assets:			
Property, Plant and Equipment:			
Property and equipment	9,278,273	-	9,278,273
Accumulated depreciation	(6,195,551)	-	(6,195,551)
Net Property, Plant and Equipment	3,082,722	-	3,082,722
TOTAL ASSETS	\$ 4,001,876	\$ 370,554	\$ 4,372,430
LIABILITIES			
Current Liabilities:			
Accounts payable	\$ 16,177	\$ 112,691	\$ 128,868
Accrued payroll and benefits	558	-	558
Due to other funds	-	206,820	206,820
Total Current Liabilities	16,735	319,511	336,246
Noncurrent Liabilities:			
Compensated absences payable	21,710	-	21,710
TOTAL LIABILITIES	38,445	319,511	357,956
NET ASSETS			
Invested in capital assets, net of related debt	3,082,722	-	3,082,722
Unrestricted	880,709	51,043	931,752
TOTAL NET ASSETS	\$ 3,963,431	\$ 51,043	\$ 4,014,474

CITY OF WAUSAU, WISCONSIN
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
Year Ended December 31, 2010

	<u>Motor Pool</u>	<u>Insurance Fund</u>	<u>Total</u>
OPERATING REVENUES			
Charges for services and sales	\$ 2,824,226	\$ 841,707	\$ 3,665,933
Other operating revenues	<u>41,257</u>	<u>139,190</u>	<u>180,447</u>
Total Operating Revenues	<u>2,865,483</u>	<u>980,897</u>	<u>3,846,380</u>
OPERATING EXPENSES			
Operating and maintenance	1,546,479	888,779	2,435,258
Depreciation	<u>798,403</u>	-	<u>798,403</u>
Total Operating Expenses	<u>2,344,882</u>	<u>888,779</u>	<u>3,233,661</u>
Operating income	520,601	92,118	612,719
NONOPERATING REVENUES			
Gain on sale of capital assets	<u>36,931</u>	-	<u>36,931</u>
Change in Net Assets	557,532	92,118	649,650
Total net assets - beginning of year	<u>3,405,899</u>	<u>(41,075)</u>	<u>3,364,824</u>
Total net assets - end of year	<u>\$ 3,963,431</u>	<u>\$ 51,043</u>	<u>\$ 4,014,474</u>

CITY OF WAUSAU, WISCONSIN
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year Ended December 31, 2010

	<u>Motor Pool</u>	<u>Insurance Fund</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 2,863,313	\$ 959,817	\$ 3,823,130
Payments to suppliers	(1,289,555)	(867,960)	(2,157,515)
Payments to employees	<u>(351,969)</u>	<u>-</u>	<u>(351,969)</u>
Net Cash Provided by Operating Activities	<u>1,221,789</u>	<u>91,857</u>	<u>1,313,646</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Due to/from other funds	<u>(131,383)</u>	<u>(91,857)</u>	<u>(223,240)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(218,894)	-	(218,894)
Proceeds from sale of capital assets	<u>37,623</u>	<u>-</u>	<u>37,623</u>
Net Cash Used by Capital and Related Financing Activities	<u>(181,271)</u>	<u>-</u>	<u>(181,271)</u>
Net Increase in Cash and Cash Equivalents	909,135	-	909,135
Cash and cash equivalents - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Cash and cash equivalents - end of year	<u>\$ 909,135</u>	<u>\$ -</u>	<u>\$ 909,135</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 520,601	\$ 92,118	\$ 612,719
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	798,403	-	798,403
Changes in assets and liabilities:			
Accounts receivable	(2,170)	(21,080)	(23,250)
Inventories and prepayments	-	22,706	22,706
Accounts payable	(84,624)	(1,887)	(86,511)
Accrued payroll and benefits	(10,628)	-	(10,628)
Accrued compensated absences	<u>207</u>	<u>-</u>	<u>207</u>
Net cash provided by operating activities	<u>\$ 1,221,789</u>	<u>\$ 91,857</u>	<u>\$ 1,313,646</u>

CITY OF WAUSAU, WISCONSIN
AGENCY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
December 31, 2010

	<u>Incubator</u>	<u>Wausau Area Events</u>	<u>Main Street Wausau</u>	<u>Totals</u>
ASSETS				
Cash and cash equivalents	\$ -	\$ 84,830	\$ 88,556	\$ 173,386
Accounts receivable	<u>6,877</u>	<u>2,017</u>	<u>1,000</u>	<u>9,894</u>
 TOTAL ASSETS	 <u>\$ 6,877</u>	 <u>\$ 86,847</u>	 <u>\$ 89,556</u>	 <u>\$ 183,280</u>
LIABILITIES				
Accounts payable	<u>\$ 6,877</u>	<u>\$ 86,847</u>	<u>\$ 89,556</u>	<u>\$ 183,280</u>

CITY OF WAUSAU, WISCONSIN
AGENCY FUNDS
COMBINING STATEMENT OF
CHANGES IN ASSETS AND LIABILITIES
Year Ended December 31, 2010

	Balance 1/1/2010	Additions	Deductions	Balance 12/31/2010
Incubator				
ASSETS				
Cash and cash equivalents	\$ -	\$ 201,374	\$ 201,374	\$ -
Accounts receivable	12,977	150,698	156,798	6,877
	<u>12,977</u>	<u>150,698</u>	<u>156,798</u>	<u>6,877</u>
TOTAL ASSETS	<u>\$ 12,977</u>	<u>\$ 352,072</u>	<u>\$ 358,172</u>	<u>\$ 6,877</u>
LIABILITIES				
Accounts payable	\$ 12,977	\$ 352,072	\$ 358,172	\$ 6,877
	<u>12,977</u>	<u>352,072</u>	<u>358,172</u>	<u>6,877</u>
TOTAL LIABILITIES	<u>\$ 12,977</u>	<u>\$ 352,072</u>	<u>\$ 358,172</u>	<u>\$ 6,877</u>
Wausau Area Events				
ASSETS				
Cash and cash equivalents	\$ 99,566	\$ 388,421	\$ 403,157	\$ 84,830
Accounts receivable	3,716	65,353	67,052	2,017
	<u>3,716</u>	<u>65,353</u>	<u>67,052</u>	<u>2,017</u>
TOTAL ASSETS	<u>\$ 103,282</u>	<u>\$ 453,774</u>	<u>\$ 470,209</u>	<u>\$ 86,847</u>
LIABILITIES				
Accounts payable	\$ 103,282	\$ 453,774	\$ 470,209	\$ 86,847
	<u>103,282</u>	<u>453,774</u>	<u>470,209</u>	<u>86,847</u>
TOTAL LIABILITIES	<u>\$ 103,282</u>	<u>\$ 453,774</u>	<u>\$ 470,209</u>	<u>\$ 86,847</u>
Main Street Wausau				
ASSETS				
Cash and cash equivalents	\$ 84,750	\$ 135,423	\$ 131,617	\$ 88,556
Accounts receivable	2,400	1,000	2,400	1,000
	<u>2,400</u>	<u>1,000</u>	<u>2,400</u>	<u>1,000</u>
TOTAL ASSETS	<u>\$ 87,150</u>	<u>\$ 136,423</u>	<u>\$ 134,017</u>	<u>\$ 89,556</u>
LIABILITIES				
Accounts payable	\$ 87,150	\$ 136,423	\$ 134,017	\$ 89,556
	<u>87,150</u>	<u>136,423</u>	<u>134,017</u>	<u>89,556</u>
TOTAL LIABILITIES	<u>\$ 87,150</u>	<u>\$ 136,423</u>	<u>\$ 134,017</u>	<u>\$ 89,556</u>
Business Improvement District				
ASSETS				
Cash and cash equivalents	\$ -	\$ 60,000	\$ 60,000	\$ -
	<u>-</u>	<u>60,000</u>	<u>60,000</u>	<u>-</u>
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 60,000</u>	<u>\$ 60,000</u>	<u>\$ -</u>
LIABILITIES				
Accounts payable	\$ -	\$ 60,000	\$ 60,000	\$ -
	<u>-</u>	<u>60,000</u>	<u>60,000</u>	<u>-</u>
TOTAL LIABILITIES	<u>\$ -</u>	<u>\$ 60,000</u>	<u>\$ 60,000</u>	<u>\$ -</u>

**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, 2010

	Land	Buildings and Improvements	Machinery and Equipment	Infrastructure	Totals
FUNCTION AND ACTIVITY					
General government	\$ 30,013,849	\$ 9,356,809	\$ 8,080,633	\$ -	\$ 47,451,291
Public safety:					
Police protection	587,830	3,493,943	988,312	-	5,070,085
Fire protection	253,941	1,876,554	4,247,686	-	6,378,181
Public works:					
Maintenance	221,071	2,316,049	9,894,940	-	12,432,060
Sidewalks	-	-	-	8,615,771	8,615,771
Street system	-	-	-	99,177,034	99,177,034
Parks and recreation	403,104	4,254,194	1,666,928	-	6,324,226
TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS	<u>\$ 31,479,795</u>	<u>\$ 21,297,549</u>	<u>\$ 24,878,499</u>	<u>\$ 107,792,805</u>	<u>\$ 185,448,648</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, 2010

	Balance January 1, 2010	Additions	Deletions	Balance December 31, 2010
FUNCTION AND ACTIVITY				
General government	\$ 47,418,400	\$ 375,873	\$ 342,982	\$ 47,451,291
Public safety:				
Police protection	4,908,329	168,495	6,739	5,070,085
Fire protection	6,043,906	356,616	22,341	6,378,181
Public works:				
Maintenance	12,496,721	286,742	351,403	12,432,060
Sidewalks	8,332,960	357,156	74,345	8,615,771
Street system	90,098,629	10,104,022	1,025,617	99,177,034
Parks and recreation	<u>6,102,282</u>	<u>363,990</u>	<u>142,046</u>	<u>6,324,226</u>
TOTAL GOVERNMENTAL FUNDS				
CAPITAL ASSETS	<u>\$ 175,401,227</u>	<u>\$ 12,012,894</u>	<u>\$ 1,965,473</u>	<u>\$ 185,448,648</u>

STATISTICAL SECTION

CITY OF WAUSAU, WISCONSIN

INDEX TO THE STATISTICAL SECTION
December 31, 2010

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Sources: Unless otherwise noted, the information in these schedules is derived from the annual financial reports for the relevant year. The City implemented GASB 34 in 2003; schedules presenting government-wide information begin in that year.

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

	Fiscal Year							
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Governmental activities								
Invested in capital assets, net								
of related debt	\$ 42,352,542	\$ 34,786,883	\$ 37,208,205	\$ 53,529,030	\$ 55,095,222	\$ 60,825,711	\$ 68,308,631	\$ 75,413,530
Restricted	3,632,566	17,072,868	7,028,259	5,776,256	3,075,046	3,332,378	3,635,751	3,711,046
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>	<u>14,455,757</u>	<u>14,749,802</u>	<u>19,031,751</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>	<u>\$ 78,613,846</u>	<u>\$ 86,694,184</u>	<u>\$ 98,156,327</u>
Business-type activities								
Invested in capital assets, net								
of related debt	\$ 43,764,919	\$ 46,920,639	\$ 51,075,070	\$ 76,721,443	\$ 79,877,355	\$ 82,191,063	\$ 83,142,144	\$ 84,232,295
Restricted	3,804,684	3,181,859	4,458,382	3,986,878	3,348,431	3,280,758	2,505,824	1,427,932
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>	<u>2,810,801</u>	<u>2,294,567</u>	<u>1,946,083</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>	<u>\$ 88,282,622</u>	<u>\$ 87,942,535</u>	<u>\$ 87,606,310</u>
Primary government								
Invested in capital assets, net								
of related debt	\$ 86,117,461	\$ 81,707,522	\$ 88,283,275	\$ 130,250,473	\$ 134,972,577	\$ 143,016,774	\$ 151,450,775	\$ 159,645,825
Restricted	7,437,250	20,254,727	11,486,641	9,763,134	6,423,477	6,613,136	6,141,575	5,138,978
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>	<u>17,266,558</u>	<u>17,044,369</u>	<u>20,977,834</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>	<u>\$ 166,896,468</u>	<u>\$ 174,636,719</u>	<u>\$ 185,762,637</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 Eight Fiscal Years
(accrual basis of accounting)

	Fiscal Year							
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Expenses								
Governmental activities:								
General government	\$ 4,763,813	\$ 4,483,195	\$ 4,202,725	\$ 4,622,132	\$ 6,033,037	\$ 5,268,888	\$ 4,069,716	\$ 4,224,051
Public safety	15,292,645	13,020,259	13,341,781	14,030,085	14,654,852	15,714,601	15,381,881	15,918,394
Transportation and streets	11,109,253	11,861,536	14,511,592	13,247,438	16,766,522	17,204,411	17,139,868	16,753,873
Sanitation, health and welfare	1,901,778	1,632,110	1,761,656	1,834,002	1,913,189	1,915,740	1,922,031	1,823,980
Natural resources and recreation	2,237,215	2,064,877	2,303,364	2,248,861	2,261,035	2,449,712	2,517,631	2,514,161
Economic development	2,792,478	2,876,880	3,390,715	5,538,980	5,667,342	2,965,673	3,434,146	3,960,765
Interest on long-term debt	1,965,470	1,840,057	2,279,157	2,124,013	2,061,409	2,151,103	2,059,540	1,620,096
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>	<u>47,670,128</u>	<u>46,524,813</u>	<u>46,815,320</u>
Business-type activities:								
Water	2,770,326	2,912,383	3,046,366	2,976,625	2,962,640	3,272,109	3,373,672	3,393,118
Wastewater	3,595,032	3,668,319	3,724,228	3,796,929	3,886,577	3,951,702	4,000,695	4,019,767
Parking	-	-	-	1,540,251	1,623,619	1,911,490	1,913,347	1,759,984
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>	<u>9,135,301</u>	<u>9,287,714</u>	<u>9,172,869</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>	<u>\$ 56,805,429</u>	<u>\$ 55,812,527</u>	<u>\$ 55,988,189</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	\$ 4,040,351	\$ 4,215,169	\$ 3,844,933
Conservation & development	924,710	972,269	673,707	1,164,129	960,850	941,424	1,062,703	582,312
Ambulance	831,046	914,718	991,737	1,277,222	1,209,473	1,394,593	1,154,805	1,271,790
Other activities	1,547,225	1,646,810	4,140,912	3,290,755	3,727,270	2,798,071	2,325,255	2,607,816
Operating grants & contributions	6,710,397	6,840,145	7,444,513	7,138,318	6,942,999	7,299,152	7,821,171	8,372,182
Capital grants & contributions	2,818,321	820,754	2,429,797	2,708,386	1,634,826	2,391,908	3,494,387	6,699,662
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>	<u>18,865,499</u>	<u>20,073,490</u>	<u>23,378,695</u>
Business-type activities:								
Charges for service								
Water	3,899,665	3,955,672	4,104,702	4,676,062	4,804,528	4,774,634	4,644,707	4,583,056
Wastewater	3,635,558	3,563,854	3,638,149	4,052,274	4,238,361	3,997,672	3,935,667	4,207,392
Parking	-	-	-	948,188	999,920	1,031,594	973,163	898,413
Capital grants & contributions	2,395,882	1,566,208	2,541,168	2,115,497	1,602,684	1,060,860	458,732	239,944
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>	<u>10,864,760</u>	<u>10,012,269</u>	<u>9,928,805</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>	<u>\$ 29,730,259</u>	<u>\$ 30,085,759</u>	<u>\$ 33,307,500</u>

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

	Fiscal Year							
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Net (expense)/revenue								
Governmental activities	\$ (25,431,744)	\$ (24,651,206)	\$ (24,018,428)	\$ (25,452,460)	\$ (32,016,171)	\$ (28,804,629)	\$ (26,451,323)	\$ (23,436,625)
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>	<u>1,729,459</u>	<u>724,555</u>	<u>755,936</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>	<u>\$ (27,075,170)</u>	<u>\$ (25,726,768)</u>	<u>\$ (22,680,689)</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	\$ 24,122,853	\$ 24,701,712	\$ 25,980,766
Other taxes	1,114,691	1,242,061	1,230,774	1,277,752	1,316,389	1,261,411	1,188,455	1,247,031
Intergovernmental revenues not restricted to specific purposes	7,225,989	6,641,204	6,393,727	6,173,713	6,219,960	6,346,665	6,435,883	6,083,605
Investment income	516,862	575,184	810,153	954,555	1,352,467	1,090,103	477,921	314,408
Miscellaneous	183,832	265,582	347,599	309,620	378,743	288,644	298,070	284,869
Gain on sale of capital assets	73,500	40,268	11,783	57,201	14,812	28,319	11,965	48,206
Change in investment in joint venture	-	-	-	-	-	-	-	(6,567)
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>	<u>1,062,501</u>	<u>1,417,655</u>	<u>1,435,046</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>	<u>34,200,496</u>	<u>34,531,661</u>	<u>35,387,364</u>
Business-type activities:								
Taxes	-	-	-	333,632	227,746	375,971	317,785	300,000
Investment income	78,168	77,135	150,923	226,023	184,889	90,244	33,684	42,885
Gain on sale of capital assets	200	1,267	657	80,206	60,000	2,000	1,544	-
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>	<u>(1,062,501)</u>	<u>(1,417,655)</u>	<u>(1,435,046)</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>	<u>(594,286)</u>	<u>(1,064,642)</u>	<u>(1,092,161)</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>	<u>\$ 33,606,210</u>	<u>\$ 33,467,019</u>	<u>\$ 34,295,203</u>
Change in net assets								
Governmental activities	\$ 3,584,346	\$ 4,577,547	\$ 6,316,046	\$ (16,325,386)	\$ 539,238	\$ 5,395,867	\$ 8,080,338	\$ 11,950,739
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>	<u>1,135,173</u>	<u>(340,087)</u>	<u>(336,225)</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>	<u>\$ 6,531,040</u>	<u>\$ 7,740,251</u>	<u>\$ 11,614,514</u>

CITY OF WAUSAU
Schedule 3
Program Revenues by Function/Program
Last Eight 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>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Governmental activities:								
General government	\$ 1,536,948	\$ 1,389,037	\$ 1,922,614	\$ 1,841,644	\$ 1,973,065	\$ 1,844,981	\$ 1,033,772	\$ 1,218,871
Public safety	1,918,621	2,114,634	2,189,636	2,221,366	2,277,781	2,521,246	2,127,650	2,390,722
Transportation and streets	7,207,186	5,988,160	9,837,220	10,382,221	9,765,040	11,494,513	13,392,246	16,454,918
Sanitation, health and welfare	242,634	256,392	245,519	296,112	315,413	341,192	265,644	275,953
Natural resources and recreation	378,178	253,838	297,397	283,231	258,104	369,784	273,672	238,127
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>	<u>2,293,783</u>	<u>2,980,506</u>	<u>2,800,104</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>	<u>18,865,499</u>	<u>20,073,490</u>	<u>23,378,695</u>
Business-type activities:								
Water	5,153,120	4,776,580	5,620,509	5,636,234	5,645,950	5,246,955	4,739,304	4,634,157
Wastewater	4,777,985	4,309,154	4,663,510	5,159,952	4,999,623	4,586,211	4,086,261	4,340,435
Parking	-	-	-	995,835	999,920	1,031,594	1,186,704	954,213
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>	<u>10,864,760</u>	<u>10,012,269</u>	<u>9,928,805</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>	<u>\$ 29,730,259</u>	<u>\$ 30,085,759</u>	<u>\$ 33,307,500</u>

CITY OF WAUSAU
Schedule 4
Fund Balances - Governmental Funds
(modified accrual basis of accounting)

	Fiscal Year									
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General Fund										
Reserved for:										
Inventories and prepaids	\$ 306,885	\$ 320,620	\$ 319,900	\$ 320,445	\$ 337,002	\$ 447,499	\$ 352,951	\$ 360,338	\$ 362,790	\$ 364,724
Noncurrent receivables/advances										
(Note 1)	9,858,758	8,027,916	6,683,289	5,284,476	3,996,070	2,619,766	2,050,675	1,495,446	1,463,905	1,839,138
Parking structure	1,000,000	-	-	-	-	-	-	-	-	-
Unreserved	<u>8,965,602</u>	<u>8,979,468</u>	<u>8,688,415</u>	<u>8,114,835</u>	<u>8,183,742</u>	<u>8,511,044</u>	<u>7,989,176</u>	<u>7,980,179</u>	<u>7,498,941</u>	<u>7,059,133</u>
Total General Fund	<u>20,131,245</u>	<u>17,328,004</u>	<u>15,691,604</u>	<u>13,719,756</u>	<u>12,516,814</u>	<u>11,578,309</u>	<u>10,392,802</u>	<u>9,835,963</u>	<u>9,325,636</u>	<u>9,262,995</u>
All Other Governmental Funds										
Reserved for:										
Inventories and prepaids	108,140	124,009	133,311	145,758	129,430	159,121	171,510	188,513	187,052	203,992
Debt service	1,532,857	1,549,817	1,619,992	15,473,883	5,484,687	2,193,326	2,103,881	1,734,460	1,847,536	1,818,620
Noncurrent receivables/advances	346,601	-	-	-	-	-	-	-	-	-
Events allocation	295,720	189,678	75,086	21,850	-	-	-	-	-	-
Trust purposes	230,647	198,584	247,614	275,949	372,864	398,029	443,996	532,181	617,919	631,450
Unreserved, reported in:										
Special revenue funds	(6,148,621)	(4,791,270)	(3,120,456)	(1,915,566)	(228,506)	1,149,999	2,752,392	3,240,496	3,085,377	3,358,295
Capital project funds	<u>3,928,860</u>	<u>3,448,561</u>	<u>6,917,435</u>	<u>3,795,069</u>	<u>4,878,413</u>	<u>1,377,774</u>	<u>1,274,260</u>	<u>3,723,553</u>	<u>3,228,926</u>	<u>4,205,327</u>
Total all other governmental funds	<u>294,204</u>	<u>719,379</u>	<u>5,872,982</u>	<u>17,796,943</u>	<u>10,636,888</u>	<u>5,278,249</u>	<u>6,746,039</u>	<u>9,419,203</u>	<u>8,966,810</u>	<u>10,217,684</u>
Total governmental funds	<u>\$ 20,425,449</u>	<u>\$ 18,047,383</u>	<u>\$ 21,564,586</u>	<u>\$ 31,516,699</u>	<u>\$ 23,153,702</u>	<u>\$ 16,856,558</u>	<u>\$ 17,138,841</u>	<u>\$ 19,255,166</u>	<u>\$ 18,292,446</u>	<u>\$ 19,480,679</u>

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)

	Fiscal Year									
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
REVENUES										
Taxes	\$ 18,801,455	\$ 19,466,542	\$ 19,691,289	\$ 20,297,710	\$ 21,378,609	\$ 22,172,762	\$ 23,746,926	\$ 25,053,421	\$ 25,554,003	\$ 26,885,969
Special assessments	844,450	736,724	860,473	434,137	593,622	504,270	448,394	929,784	700,401	876,605
Intergovernmental	12,907,405	12,975,165	14,431,167	17,981,524	15,157,234	15,564,534	13,804,769	14,731,078	17,279,636	14,574,198
Licenses and permits	420,171	681,568	713,911	765,846	826,798	751,379	849,619	732,375	672,926	677,438
Fines, forfeitures and penalties	417,197	393,892	438,327	476,446	573,186	364,019	372,608	359,132	321,558	323,783
Public charges for services	1,876,676	1,899,312	2,284,782	2,456,051	2,715,407	2,537,051	2,628,540	3,124,289	2,155,563	2,108,028
Intergovernmental charges for services	1,020,647	934,563	888,628	1,113,955	1,184,106	980,846	1,225,529	1,170,324	1,409,005	1,217,706
Commercial revenues	370,245	283,322	1,509,885	1,871,648	1,782,642	2,128,918	2,592,922	2,109,673	991,208	918,347
Miscellaneous revenues	3,770,941	3,198,209	3,099,362	1,181,661	1,326,967	1,100,995	1,295,656	1,277,069	1,076,544	1,330,767
Total revenues	<u>40,429,187</u>	<u>40,569,297</u>	<u>43,917,824</u>	<u>46,578,978</u>	<u>45,538,571</u>	<u>46,104,774</u>	<u>46,964,963</u>	<u>49,487,145</u>	<u>50,160,844</u>	<u>48,912,841</u>
EXPENDITURES										
Current:										
General government	4,151,850	4,036,845	4,203,476	4,314,769	4,086,318	4,360,868	4,393,385	4,787,342	4,023,315	3,899,944
Public safety	11,137,068	11,940,760	12,465,661	12,652,211	12,908,512	13,563,524	14,135,484	14,715,228	15,218,716	15,438,786
Transportation and streets	8,664,076	8,310,148	8,972,116	9,762,448	10,244,471	9,720,377	10,840,937	11,582,084	11,339,567	10,494,061
Sanitation, health and welfare	1,673,508	1,632,475	1,635,001	1,629,466	1,733,862	1,773,222	1,819,901	1,828,223	1,901,434	1,817,462
Natural resources and recreation	1,872,708	2,052,923	1,999,061	1,925,868	2,079,035	2,018,785	2,079,307	2,215,340	2,269,495	2,259,798
Economic development	3,013,700	2,215,535	2,644,256	2,839,146	3,022,133	5,393,409	4,790,380	2,240,898	3,343,577	3,458,377
Capital outlay	8,665,735	11,834,503	24,387,624	16,577,996	9,182,533	8,166,128	7,981,230	11,681,885	10,431,681	7,345,540
Debt service:										
Principal retirement	3,066,560	3,283,820	4,023,463	4,281,799	18,192,876	6,123,812	6,557,888	9,487,176	11,865,474	10,566,792
Retire unfunded pension obligation	-	-	3,939,067	-	-	-	-	-	-	-
Interest and debt service charges	1,466,241	1,483,631	1,491,151	2,196,370	2,764,223	2,099,721	1,981,955	1,949,372	2,039,318	1,660,110
Total expenditures	<u>43,711,446</u>	<u>46,790,640</u>	<u>65,760,876</u>	<u>56,180,073</u>	<u>64,213,963</u>	<u>53,219,846</u>	<u>54,580,467</u>	<u>60,487,548</u>	<u>62,432,577</u>	<u>56,940,870</u>
Excess (deficiency) of revenues over expenditures	<u>(3,282,259)</u>	<u>(6,221,343)</u>	<u>(21,843,052)</u>	<u>(9,601,095)</u>	<u>(18,675,392)</u>	<u>(7,115,072)</u>	<u>(7,615,504)</u>	<u>(11,000,403)</u>	<u>(12,271,733)</u>	<u>(8,028,029)</u>

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

	Fiscal Year									
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
OTHER FINANCING SOURCES (USES)										
Issuance of debt	\$ 4,818,960	\$ 3,843,277	\$ 24,327,797	\$ 4,522,899	\$ 5,814,310	\$ 2,751,098	\$ 6,741,760	\$ 11,595,117	\$ 9,560,000	\$ 8,290,000
Discount on debt issued	-	-	-	-	-	(5,531)	(21,315)	(32,250)	(18,642)	(20,188)
Issuance of refunding debt	1,617,503	-	-	19,076,316	-	-	-	-	-	-
Payment to escrow agents	(1,617,503)	-	-	(5,314,268)	-	(3,320,000)	-	-	-	-
Transfers in	2,261,670	4,734,409	4,402,197	5,857,955	6,087,654	7,383,086	7,459,909	7,841,039	7,156,502	7,162,165
Transfers out	(1,153,897)	(4,734,409)	(3,369,739)	(4,589,694)	(4,925,125)	(5,990,725)	(6,282,567)	(6,287,178)	(5,388,847)	(5,727,119)
Total other financing sources (uses)	<u>5,926,733</u>	<u>3,843,277</u>	<u>25,360,255</u>	<u>19,553,208</u>	<u>6,976,839</u>	<u>817,928</u>	<u>7,897,787</u>	<u>13,116,728</u>	<u>11,309,013</u>	<u>9,704,858</u>
Net change in fund balance	2,644,474	(2,378,066)	3,517,203	9,952,113	(11,698,553)	(6,297,144)	282,283	2,116,325	(962,720)	1,676,829
FUND BALANCES - BEGINNING	<u>17,780,975</u>	<u>20,425,449</u>	<u>18,047,383</u>	<u>21,564,586</u>	<u>34,852,255</u>	<u>23,153,702</u>	<u>16,856,558</u>	<u>17,138,841</u>	<u>19,255,166</u>	<u>17,803,850</u> *
FUND BALANCES - ENDING	<u>\$ 20,425,449</u>	<u>\$ 18,047,383</u>	<u>\$ 21,564,586</u>	<u>\$ 31,516,699</u>	<u>\$ 23,153,702</u>	<u>\$ 16,856,558</u>	<u>\$ 17,138,841</u>	<u>\$ 19,255,166</u>	<u>\$ 18,292,446</u>	<u>\$ 19,480,679</u>

*Balance restated

Debt service as a percentage of noncapital expenditures	12.9%	13.6%	22.8%	16.4%	38.1%	18.3%	18.3%	23.4%	26.3%	25.2%
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CITY OF WAUSAU
 Schedule 6
 Assessed Value and Estimated Actual Value (Equalized Value) of Taxable Property

Levy Year	Fiscal Year	Residential Property	Commercial Property	Industrial Property	Agricultural/ Forest Property	Personal Property	Total Taxable Assessed Value ^A	Total Direct Tax Rate ^B	Estimated Actual Taxable Value ^C	Assessed as Percent of Estimated Actual Value
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%
2008	2009	1,555,181,300	893,498,400	102,964,600	1,839,400	116,767,500	2,670,251,200	8.23	2,768,967,000	96.43%
2009	2010	1,565,407,600	918,019,100	115,368,300	1,839,500	110,243,300	2,710,877,800	8.41	2,726,775,100	99.42%
2010	2011	1,568,484,400	930,236,800	113,245,700	2,048,800	115,441,000	2,729,456,700	8.49	2,681,223,200	101.80%

^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 Direct Rate	Wausau School District	NTC	Marathon County	State of Wisconsin	Gross Tax Rate	State Tax Credit	Net Tax Rate
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
2008	2009	6.67	1.56	8.23	9.64	1.92	5.38	0.18	25.35	1.57	23.78
2009	2010	6.76	1.65	8.41	10.48	1.92	5.22	0.17	26.20	1.53	24.67
2010	2011	6.85	1.64	8.49	10.90	1.94	5.10	0.17	26.60	1.54	25.06

(Continued)

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

Marathon County/DC Everest School District

Per \$1,000 of Assessed Value

Levy Year	Collection Year	Basic Rate	G.O. Debt Service	City of Wausau Direct Rate	DC Everest School District	NTC	Marathon County	State of Wisconsin	Gross Tax Rate	State Tax Credit	Net Tax Rate
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
2008	2009	6.67	1.56	8.23	9.17	1.92	5.38	0.18	24.88	1.57	23.31
2009	2010	6.76	1.65	8.41	9.58	1.92	5.22	0.17	25.30	1.53	23.77
2010	2011	6.85	1.64	8.49	9.90	1.94	5.10	0.17	25.60	1.54	24.06

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	2010			2001		
		Taxable Assessed Value ^A	Percent of Total Assessed Value ^B	Rank	Taxable Assessed Value ^A	Percent of Total Assessed Value ^B	Rank
Ghidorzi	Office/Real Estate Development	\$ 79,951,200	2.93%	1	\$ 29,464,100	1.85%	2
Employers Insurance/Liberty	Insurance	45,233,000	1.66%	2	51,335,500	3.22%	1
Aspirus/Wausau Hospital	Medical	40,363,200	1.48%	3	12,705,400	0.80%	6
Apogee/Wausau Metals	Manufacturing	30,263,100	1.11%	4	11,895,100	0.75%	7
Marshfield Clinic	Medical	27,088,600	0.99%	5	17,964,600	1.13%	3
Eastbay	Retail/Distribution	22,161,200	0.81%	6	13,407,100	0.84%	5
Wausau Center Mall	Retail	21,953,700	0.80%	7	15,646,900	0.98%	4
First Wausau Tower	Office	20,432,500	0.75%	8			
Wausau Benefits/Fiserv	Insurance	20,408,700	0.75%	9			
L & L Properties LLC	Apartments	18,923,500	0.69%	10			
Kolbe & Kolbe	Manufacturing				11,082,400	0.70%	8
M & I Bank	Banking				9,281,500	0.58%	9
Roland McNutt (Lokre Devel)	Office/Apartments				6,963,000	0.44%	10
	TOTAL	\$ 326,778,700	11.97%		\$ 179,745,600	11.29%	

^A Per City Assessor records.

^B Based on the City's total assessed valuation on January 1, 2010 and 2001 of \$2,729,456,700 and \$1,591,858,900, 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
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%
2008	19,611,064	19,167,854	97.74%	19,297,873	98.40%	43,896	0.22%
2009	20,500,585	19,999,139	97.55%	20,451,137	99.76%	49,448	0.24%
2010	21,142,347	20,509,189	97.01%	21,100,405	99.80%	41,942	0.20%

Notes:

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

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

	<u>City</u> <u>Direct Rate</u>	<u>Marathon</u> <u>County</u> <u>Direct Rate</u>	<u>State of</u> <u>Wisconsin</u>
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%
2008	0.0%	0.5%	5.0%
2009	0.0%	0.5%	5.0%
2010	0.0%	0.5%	5.0%

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

CITY OF WAUSAU
Schedule 11
Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities		Business-type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Capital Leases	General Obligation Bonds	Water Utility Revenue Bonds	Wastewater Utility Revenue Bonds			
2001	\$ 28,443,324	\$ -	\$ 2,556,501	\$ 4,985,000	\$ 7,135,000	\$ 43,119,825	5.34%	\$ 1,116
2002	29,025,169	-	1,987,620	4,960,000	6,535,000	42,507,789	5.54%	1,094
2003	49,436,043	-	1,404,336	4,670,000	5,905,000	61,415,379	7.60%	1,581
2004	66,733,744	-	1,044,001	4,375,000	5,260,000	77,412,745	9.68%	1,989
2005	54,645,367	-	658,131	3,865,000	4,590,000	63,758,498	7.34%	1,623
2006	47,952,653	-	3,462,841	3,330,000	3,885,000	58,630,494	6.33%	1,475
2007	48,136,525	-	5,548,642	-	3,170,000	56,855,167	6.09%	1,419
2008	50,322,466	-	4,817,690	-	2,420,000	57,560,156	6.21%	1,426
2009	48,016,991	-	4,317,084	-	1,630,000	53,964,075	6.30%	1,326
2010	45,938,199	-	3,816,478	-	-	49,754,677	N/A	1,222

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

Fiscal Year	General Obligation Bonds ^A	Less Assets Restricted for Debt Service	Total Net Debt	Percentage of Actual Taxable Property Value ^B	Per Capita ^C
2001	\$ 30,999,825	\$ 60,392	\$ 30,939,433	1.68%	\$ 800
2002	31,012,789	75,050	30,937,739	1.61%	796
2003	50,840,379	192,387	50,647,992	2.53%	1,304
2004	67,777,745	17,347,189	50,430,556	2.42%	1,296
2005	55,303,498	3,987,932	51,315,566	2.30%	1,307
2006	51,415,494	636,877	50,778,617	2.09%	1,278
2007	53,685,167	454,144	53,231,023	2.13%	1,328
2008	55,140,156	-	55,140,156	1.99%	1,366
2009	52,334,075	92,479	52,241,596	1.92%	1,284
2010	49,754,677	57,045	49,697,632	1.85%	1,221

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

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

^C Population data can be found in Schedule 16.

CITY OF WAUSAU
Schedule 13
Computation of Direct and Overlapping General Obligation Debt
December 31, 2010

<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 ^A	\$ 49,697,632	100.00%	<u>\$ 49,697,632</u>
Overlapping Debt:			
Wausau School District	57,180,000	62.01%	35,457,318
DC Everest School District	48,647,500	5.01%	2,437,240
Northcentral Technical College	21,715,000	16.15%	3,506,972
Marathon County	16,570,000	27.24%	<u>4,513,668</u>
Total Overlapping Debt			<u>45,915,198</u>
Total Direct and Overlapping Debt			<u><u>\$ 95,612,830</u></u>

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

^B Overlapping debt percentages are based on actual taxable property values contained within each entity.

CITY OF WAUSAU
Schedule 14
Legal Debt Margin Calculation
Fiscal Year Ended December 31, 2010

Legal Debt Margin at December 31, 2010

Equalized Value of Real & Personal Property	\$ <u>2,681,223,200</u>
Legal Debt Limit (5% of equalized value)	\$ <u>134,061,160</u>
Total Debt Applicable to Debt Limitation	49,754,677
Less: Available funds reserved for debt retirement	<u>(57,045)</u>
Net Amount Applicable to Debt Limitation	<u>49,697,632</u>
Remaining Legal Debt Margin	<u>\$ 84,363,528</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
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%
2008	2,768,967,000	138,448,350	55,140,156	83,308,194	39.83%
2009	2,726,775,100	136,338,755	52,241,596	84,097,159	38.32%
2010	2,681,223,200	134,061,160	49,697,632	84,363,528	37.07%

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

Fiscal Year	Gross Revenues ¹	Direct Operating Expenses ²	Net Revenue Available for Debt Service	Debt Service Requirements ³			Coverage
				Principal	Interest	Total	
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
2008	4,788,113	2,225,481	2,562,632	-	-	-	n/a
2009	4,648,554	2,308,633	2,339,921	-	-	-	n/a
2010	4,587,302	2,317,467	2,269,835	-	-	-	n/a

(Continued)

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

Fiscal Year	Gross Revenues ¹	Direct Operating Expenses ²	Net Revenue Available for Debt Service	Debt Service Requirements ³			Coverage
				Principal	Interest	Total	
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
2008	4,074,437	2,690,897	1,383,540	750,000	158,500	908,500	1.52
2009	3,965,504	2,748,388	1,217,116	790,000	121,000	911,000	1.34
2010	4,246,031	2,878,361	1,367,670	-	-	-	n/a

¹ Includes Total Operating Revenues and Investment Income .

² Includes Total Operating Expenses less Depreciation.

³ Sewerage System Revenue Refunding Bonds, Series 2001. These bonds were retired during 2010.

CITY OF WAUSAU
Schedule 16
Demographic Statistics
Last Ten Fiscal Years

Fiscal Year	City of Wausau Population ¹	Personal Income ²	AGI Per Return ³	School System Enrollment ⁴	Unemployment Rate ⁵
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	934,089,922	41,816	8,780	5.1%
2008	40,360	927,042,024	42,674	8,681	6.6%
2009	40,700	856,501,154	40,535	8,522	12.0%
2010	40,700	n/a	n/a	8,546	9.5%

¹ Source: Wisconsin Department of Administration estimates.

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

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

⁴ Source: Wisconsin Department of Public Instruction.

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

CITY OF WAUSAU
Schedule 17
Principal Employers
Current Year and Nine Years Prior

Employer	Type of business	2010			2001		
		Number of Employees*	Rank	Percentage of Total City Employment	Number of Employees*	Rank	Percentage of Total City Employment
Aspirus/Wausau Hospital	Medical	2,987	1	16.80%	2,326	1	12.00%
Kolbe & Kolbe	Window/door manufacturing	1,600	2	9.00%	1,540	3	7.94%
Eastbay	Retail/distribution	1,500	3	8.43%	1,300	4	6.70%
Wausau School District	Education	1,200	4	6.75%	1,275	5	6.58%
Employers Insurance/Liberty	Insurance	1,150	5	6.47%	1,800	2	9.28%
UMR/Fiserv Health	Health care/insurance	995	6	5.59%	850	7	4.38%
North Central Health Care	Health care/medical	923	7	5.19%	950	6	4.90%
Marathon County	Government	790	8	4.44%	797	8	4.11%
Total		<u>11,145</u>		62.67%	<u>10,838</u>		55.89%
Total City Employment		<u>17,784</u>			<u>19,390</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>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General Government										
Mayor's office	4.00	4.00	4.00	4.00	3.50	3.50	3.50	3.50	3.50	2.50
Finance department	14.25	13.25	13.25	12.25	12.25	12.25	14.00	13.65	13.20	11.20
Assessment	7.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Human resources	3.00	2.00	2.00	2.00	2.00	2.00	2.50	2.00	2.00	2.00
Legal affairs	3.75	3.75	3.75	3.75	3.75	3.75	3.75	4.00	3.25	3.25
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>33.50</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>	<u>30.65</u>	<u>29.45</u>	<u>26.45</u>
Public Safety										
Police department	72.00	72.00	71.00	72.00	72.00	75.00	75.00	83.75	83.75	80.25
Fire department	62.00	62.00	61.00	61.00	61.00	60.00	60.00	59.00	59.00	60.00
Inspections and electrical	13.00	13.00	13.00	13.00	13.00	13.00	13.00	11.00	11.00	10.00
Total Public Safety	<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>	<u>153.75</u>	<u>153.75</u>	<u>150.25</u>
Parks Department *	1.00	1.00	-	-	-	-	-	-	-	-
Public Works	74.00	70.00	66.00	64.00	65.00	64.50	64.50	65.85	63.50	60.85
Community Development	12.25	12.25	12.25	12.25	12.75	12.75	12.75	13.75	11.75	11.75
Transit System	35.00	35.00	33.00	33.00	33.00	33.00	33.00	32.00	37.00	37.00
Water & Sewer Utilities	<u>33.75</u>	<u>33.75</u>	<u>31.75</u>	<u>31.75</u>	<u>31.75</u>	<u>31.50</u>	<u>28.50</u>	<u>26.50</u>	<u>26.50</u>	<u>26.50</u>
Total Regular Employees	<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>	<u>322.50</u>	<u>321.95</u>	<u>312.80</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>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General Government										
Building permits issued										
Residential	933	859	937	925	847	750	766	646	600	943
Non-residential	176	155	156	170	174	179	231	156	142	140
Total construction value (\$000)										
Residential	17,095	17,875	28,892	33,325	35,131	24,397	31,732	25,530	10,953	14,848
Non-residential	46,091	70,794	54,964	42,204	61,077	45,361	99,352	16,411	21,018	16,506
Police										
Calls for service	N/A	N/A	N/A	N/A	N/A	50,519	51,841	53,741	50,148	50,580
Parking tickets issued	N/A	N/A	N/A	N/A	N/A	9,509	16,435	12,968	10,907	6,970
Total arrests	N/A	N/A	N/A	N/A	3,267	3,413	3,389	3,451	3,255	3,047
Fire										
Fire responses	824	1,238	1,648	1,455	1,478	1,433	1,393	1,437	1,285	1,333
Emergency responses	3,387	3,329	3,350	3,565	3,734	4,003	4,185	4,617	4,074	4,161
Inspections	3,321	3,232	4,183	3,816	4,438	4,018	4,043	3,971	3,951	4,004
Public works										
Miles of street swept	7,685	9,145	6,670	11,516	7,019	6,127	6,470	5,485	6,304	5,419
Cu. yds. of debris - sweeping	5,250	5,026	4,399	4,335	6,179	4,963	3,530	3,293	3,817	2,833
Tons of asphalt used (potholes)	962	795	1,058	480	406	598	570	701	719	1,381
Tons of scrap (spring pickup)	681	685	372	682	580	588	601	474	393	423
Water										
Ave. daily consumption (000 gal.)	4,680	4,803	4,931	4,845	5,099	5,347	5,527	5,114	4,979	5,125
Peak daily consumption (000 gal.)	8,513	7,822	8,771	7,524	8,529	8,531	7,725	9,043	7,510	7,033
Number of customers	14,522	14,546	14,613	14,791	15,275	15,405	15,533	15,692	15,613	15,614
Wastewater										
Ave. daily sewage treatment (000 gal.)	4,561	4,868	3,770	3,977	3,930	4,166	4,122	4,199	3,900	3,842
Wausau Area Transit										
Total route miles	648,985	657,540	638,730	620,471	603,668	739,055	720,858	604,793	573,876	573,105
Total passengers	826,941	758,706	743,249	758,061	819,165	865,988	857,010	851,895	794,121	774,081
Cost per passenger	\$3.00	\$3.37	\$3.66	\$3.85	\$3.55	\$3.64	\$3.86	\$3.89	\$3.88	\$4.02

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

	Fiscal Year									
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Fire										
Stations	3	3	3	3	3	3	3	3	3	3
Fire suppression units	8	8	8	8	8	8	8	8	8	8
Public works										
Miles of streets	213.1	213.1	214.5	218.7	221.9	223.4	225.5	228.7	233.8	239.0
Parks & recreation										
Parks	36	36	36	36	36	36	36	35	35	35
Acreage	338	338	338	338	338	343	344	343	343	343
Swimming pools	3	3	3	3	3	3	3	3	3	3
Water										
Miles of main	209.4	211.0	217.0	221.1	227.1	229.8	230.6	231.6	231.9	232.3
Storage capacity (000 gal.)	5,300	5,300	5,550	5,550	5,550	5,550	5,550	5,550	5,550	5,550
Fire hydrants	1,389	1,404	1,451	1,481	1,541	1,571	1,587	1,600	1,602	1,606
Wastewater										
Miles of main	209.7	211.0	212.3	218.1	221.3	226.3	227.2	228.6	228.9	229.0
Stormwater										
Miles of main	124.2	124.2	124.7	127.3	127.8	128.3	128.6	129.3	129.7	130.0