

CITY OF WAUSAU
Wausau, Wisconsin

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**For the Year Ended
December 31, 2011**

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, 2011**

TABLE OF CONTENTS

INTRODUCTORY SECTION	PAGE
Letter of Transmittal.....	iv
Certificate of Achievement for Excellence in Financial Reporting	vii
Organization Chart	viii
List of Principal Officials	ix
FINANCIAL SECTION	
Independent Auditor's Report	1
Management's Discussion and Analysis.....	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets.....	12
Statement of Activities	13
Fund Financial Statements:	
Balance Sheet - Governmental Funds.....	15
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.....	16
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	17
Statement of Net Assets - Proprietary Funds	18
Statement of Revenues, Expenses and Changes in Net Assets - Proprietary Funds	20
Statement of Cash Flows - Proprietary Funds	22
Statement of Fiduciary Net Assets - Fiduciary Funds	24
Statement of Changes in Fiduciary Net Assets - Fiduciary Funds.....	25
Notes to the Financial Statements.....	26
Required Supplementary Information:	
Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	66
Other Postemployment Benefits Plan – Schedule of Funding Progress	67
Combining and Individual Fund Statements and Schedules:	
Schedule of Revenues and Other Financing Sources - Budget and Actual - General Fund	68
Schedule of Expenditures - Budget and Actual - General Fund.....	70
Combining Balance Sheet - Nonmajor Governmental Funds.....	71
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds.....	76
Budgetary Comparison Schedule - Nonmajor Budgeted Governmental Funds.....	81
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget And Actual - Debt Service Fund.....	85
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget And Actual - TID #3 Downtown Development Fund	86
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget And Actual - Capital Improvements Fund.....	87
Combining Statement of Net Assets – Internal Service Funds	88
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets – Internal Service Funds.....	89

TABLE OF CONTENTS (Continued)

FINANCIAL SECTION (Continued)	PAGE
Combining Statement of Cash Flows – Internal Service Funds	90
Combining Statement of Fiduciary Net Assets - Agency Funds.....	91
Combining Statement of Changes in Assets and Liabilities - Agency Funds.....	92
Capital Assets Used in the Operation of Governmental Funds:	
Schedule by Function and Activity.....	93
Schedule of Changes by Function and Activity.....	94

STATISTICAL SECTION

Index to the Statistical Section	95
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Schedules:

1	Net Assets by Component Last Nine Fiscal Years	96
2	Changes in Net Assets Last Nine Fiscal Years.....	97
3	Program Revenues by Function/Program Last Nine Fiscal Years	99
4	Fund Balances – Governmental Funds.....	100
5	Changes in Fund Balances – Governmental Funds	101
6	Assessed Value and Estimated Actual Value (Equalized Value) of Taxable Property.....	103
7	Property Tax Rates – Direct and Overlapping Governments Last Ten Fiscal Years	104
8	Principal Taxpayers, Current Year and Nine Years Prior.....	106
9	Property Tax Levies and Collections Last Ten Fiscal Years	107
10	Direct and Overlapping Sales Tax Rates Last Ten Fiscal Years	108
11	Outstanding Debt by Type Last Ten Fiscal Years	109
12	General Obligation Debt Last Ten Fiscal Years.....	110
13	Computation of Direct and Overlapping General Obligation Debt	111
14	Legal Debt Margin Calculation	112
15	Mortgage Revenue Bond Coverage Last Ten Fiscal Years	113
16	Demographic Statistics Last Ten Fiscal Years	115
17	Principal Employers Current Year and Nine Years Prior	116
18	Budgeted Full-Time Equivalent Personnel Positions Last Ten Fiscal Years.....	117
19	Operating Indicators by Function/Program	118
20	Capital Asset Statistics by Function/Program.....	119

INTRODUCTORY SECTION



June 21, 2012

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, 2011 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 243.0 miles of streets. County population per the 2010 census was 134,063 which includes the City's census population of 39,106. 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.

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 addition, the City of Wausau and the surrounding area are appreciated as a travel/tourist destination. The area ranks 11th in the state for traveler tourism spending and the Wisconsin Department of Tourism reports this spending increased 7.01% from 2010. The *Wisconsin Trails Magazine* rates Wausau second in the state for quality of life and outdoor activity options.

The City continues its proactive approach to business retention, growth and recruitment with the development of tax base, job growth and effective use of Tax Increment Financing the top priorities.

Growth and enhancements within the Central Business District continue and the addition of a new Wisconsin corporation, Collaborative Consulting, an information technology consulting firm even drew the attention of President Obama. Collaborative Consulting, with offices in Massachusetts, New Jersey, and Texas, selected the City of Wausau as a new corporate location in 2011. The shining star of the downtown is the new 400 Block park. The park was constructed with the assistance of \$1,000,000 in donations from individuals, corporations and foundations. This park hosts events throughout the year attracting thousands of people into the central business district. The City continues to facilitate the redevelopment of the riverfront and acquired 16 frontage acres in 2011. Redevelopment and remediation plans for the property that will complement the recent commercial developments, further the river edge walkway and provide public spaces are underway. The City created Tax Increment District Number Eight which follows the west side of the river. This district will work in tandem with District Three on the east side of the river to promote the development of employment, residential, entertainment and retail projects.

The business park, commercial corridors and residential areas all saw developments during 2011 with the valuation of building permits at \$33,683,633 which is an increase of 7.5% from 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, 2010. 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 eleventh 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', written over a horizontal line.

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, 2010

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.



Linda C. Sandson

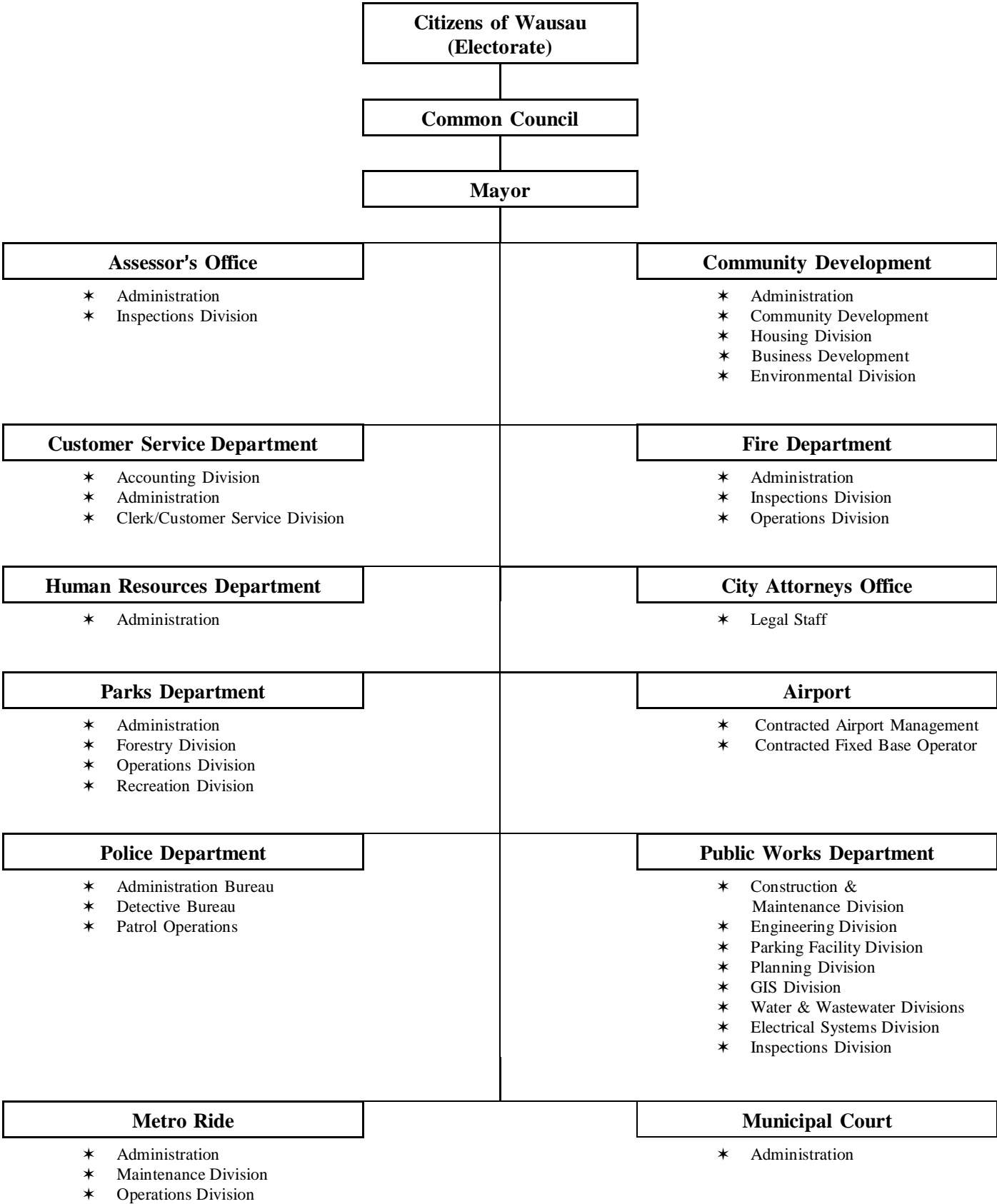
President

Jeffrey R. Emer

Executive Director

CITY OF WAUSAU

Organizational Chart



CITY OF WAUSAU
List of Principal Officials on December 31, 2011

ELECTED

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

Alderman District

First William Nagle
Second..... Romey Wagner
Third..... Jonathon Havel
Fourth Jim Brezinski
Fifth..... Gary Gisselman
Sixth Gary Klingbeil
Seventh..... Lisa Rasmussen
Eighth Karen Kellbach
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 Clerk..... Toni 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 Manager Allen Wesolowski
Chief Inspector & Zoning Administrator..... William Hebert
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, 2011, 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'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 also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Wausau, Wisconsin as of December 31, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1.D.9., the City has implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, for the year ended December 31, 2011.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2012 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, the budgetary comparison for the general fund and the schedule of funding progress on pages 3 through 11, page 66 and page 67 be presented to supplement the financial statements. Such information, although not part of the 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 the City of Wausau, Wisconsin's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, supporting schedules, 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, and supporting schedules 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.



Certified Public Accountants
Green Bay, Wisconsin
June 21, 2012

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, 2011. 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 \$196,847,973.
- The City's total net assets increased by \$10,930,432.
- As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$18,304,816, a decrease of \$1,175,863 from the prior year. The total unrestricted fund balance of \$3,410,678 is available for spending at the City's discretion.
- At the end of the current fiscal year, unrestricted fund balance for the general fund was \$7,613,865, or 24.67% of expenditures. Of this amount, \$1,897,958 is committed or assigned and \$5,715,907 is unassigned. The General Fund is in compliance with the City's fund balance policy at December 31, 2011.
- The City of Wausau's total general obligation debt increased \$348,498, or 0.7%. The major reason for this increase is due to the general obligation debt issue for the Wastewater Utility for capital improvement purposes.

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 and the Metro Ride transit fund.

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-two 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 eighteen 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, parking and Metro Ride funds. The City's *internal service funds*, the Motor Pool, Insurance and Employee Benefits Funds, 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, parking and Metro Ride enterprise funds and the three 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 18-23 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 24-25 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 26 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 66-94 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The City of Wausau's net assets at fiscal year-end are \$196,847,973.

By far, the largest portion of the City of Wausau's net assets (85.3 percent) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment and construction in progress), less any related debt used to acquire those assets that is still outstanding. The City of Wausau used these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Wausau's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Summary of Net Assets

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 106,383,968	\$ 105,825,066	\$ 8,404,432	\$ 4,151,383	\$ 114,788,400	\$ 109,976,449
Capital assets	120,680,788	119,534,401	94,789,230	87,928,894	215,470,018	207,463,295
Total assets	<u>227,064,756</u>	<u>225,359,467</u>	<u>103,193,662</u>	<u>92,080,277</u>	<u>330,258,418</u>	<u>317,439,744</u>
Long-term liabilities	48,803,546	51,142,357	6,784,325	3,976,796	55,587,871	55,119,153
Other liabilities	75,717,691	76,060,783	2,104,883	497,171	77,822,574	76,557,954
Total liabilities	<u>124,521,237</u>	<u>127,203,140</u>	<u>8,889,208</u>	<u>4,473,967</u>	<u>133,410,445</u>	<u>131,677,107</u>
Net assets:						
Invested in capital assets, net of related debt	79,344,570	75,413,530	88,572,360	84,232,295	167,916,930	159,645,825
Restricted	12,789,388	3,711,046	1,148,802	1,427,932	13,938,190	5,138,978
Unrestricted	10,409,561	19,186,655	4,583,292	1,946,083	14,992,853	21,132,738
Total net assets	<u>\$ 102,543,519</u>	<u>\$ 98,311,231</u>	<u>\$ 94,304,454</u>	<u>\$ 87,606,310</u>	<u>\$ 196,847,973</u>	<u>\$ 185,917,541</u>

An additional portion of the City's net assets (7.1%) represents resources that are subject to restrictions on how they may be used. The remaining balance represents unrestricted net assets of \$14,992,853 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 \$10,930,432 during the current fiscal year.

The changes by net asset category are as follows:

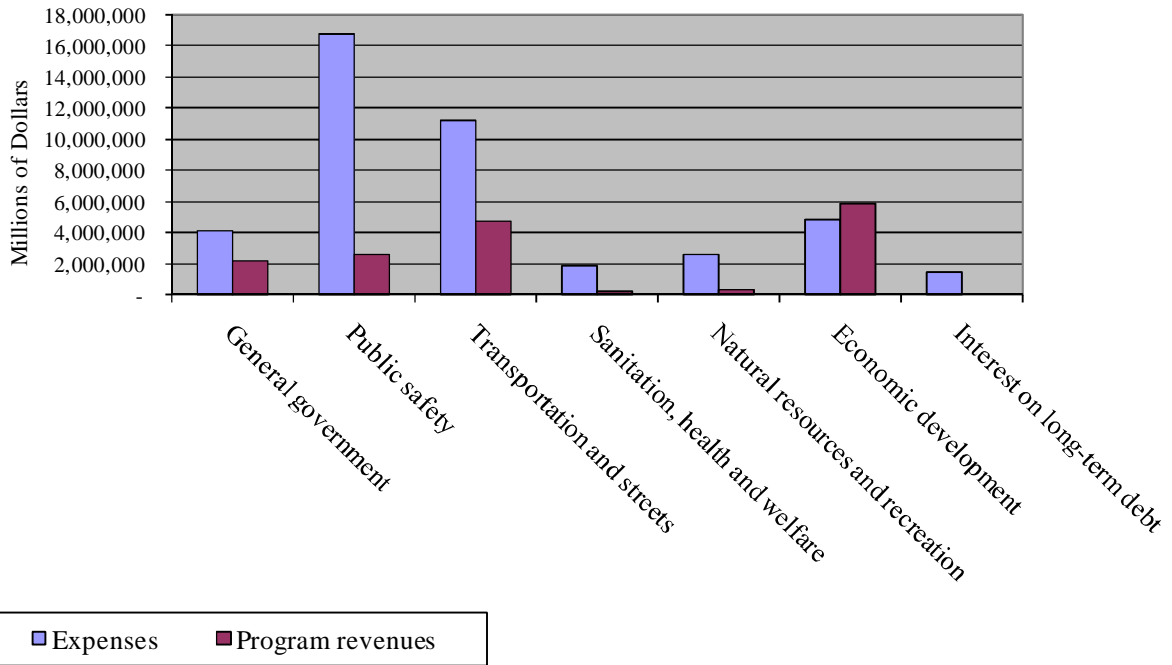
Net assets invested in capital assets, net of related debt	\$ 8,271,105
Restricted	8,799,212
Unrestricted	(6,139,885)
Total	<u>\$ 10,930,432</u>

The following table provides a summary of the City's operations for the year ended December 31, 2011 and a comparison to the year ended December 31, 2010.

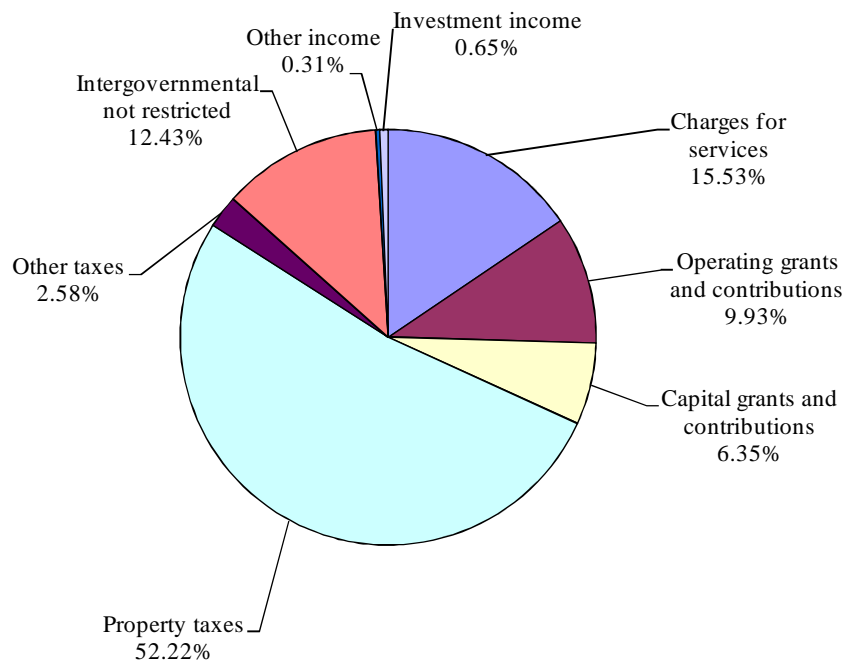
CITY OF WAUSAU CHANGES IN NET ASSETS FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010						
	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program Revenues						
Charges for services	\$ 7,710,852	\$ 8,306,851	\$11,352,020	\$ 9,688,861	\$ 19,062,872	\$ 17,995,712
Operating grants and contributions	4,930,014	8,372,182	2,504,065	-	7,434,079	8,372,182
Capital grants and contributions	3,153,287	6,699,662	2,602,532	239,944	5,755,819	6,939,606
General Revenues						
Property taxes	25,927,605	25,980,766	898,786	300,000	26,826,391	26,280,766
Other taxes	1,282,138	1,247,031	-	-	1,282,138	1,247,031
Grants and contributions not restricted to specific purposes	6,170,550	6,083,605	-	-	6,170,550	6,083,605
Investment income	323,802	314,408	11,979	42,885	335,781	357,293
Other	152,510	326,508	-	-	152,510	326,508
Total Revenues	<u>49,650,758</u>	<u>57,331,013</u>	<u>17,369,382</u>	<u>10,271,690</u>	<u>67,020,140</u>	<u>67,602,703</u>
Expenses						
General government	4,071,945	4,224,051	-	-	4,071,945	4,224,051
Public safety	16,788,709	15,918,394	-	-	16,788,709	15,918,394
Transportation and streets	11,160,237	16,753,873	5,937,286	1,759,984	17,097,523	18,513,857
Sanitation, health and welfare	1,868,410	1,823,980	-	-	1,868,410	1,823,980
Natural resources and recreation	2,597,337	2,514,161	-	-	2,597,337	2,514,161
Economic development	4,868,292	3,960,765	-	-	4,868,292	3,960,765
Interest on long term debt	1,459,235	1,620,096	-	-	1,459,235	1,620,096
Water	-	-	3,450,680	3,393,118	3,450,680	3,393,118
Wastewater	-	-	3,887,577	4,019,767	3,887,577	4,019,767
Total Expenses	<u>42,814,165</u>	<u>46,815,320</u>	<u>13,275,543</u>	<u>9,172,869</u>	<u>56,089,708</u>	<u>55,988,189</u>
Increase in net assets before transfers	6,836,593	10,515,693	4,093,839	1,098,821	10,930,432	11,614,514
Transfers	(2,604,305)	1,435,046	2,604,305	(1,435,046)	-	-
Increase (decrease) in net assets	4,232,288	11,950,739	6,698,144	(336,225)	10,930,432	11,614,514
Net assets - January 1	<u>98,311,231</u>	<u>86,360,492</u>	<u>87,606,310</u>	<u>87,942,535</u>	<u>185,917,541</u>	<u>174,303,027</u>
Net assets - December 31	<u>\$102,543,519</u>	<u>\$98,311,231</u>	<u>\$94,304,454</u>	<u>\$87,606,310</u>	<u>\$196,847,973</u>	<u>\$185,917,541</u>

Governmental activities increased the City's net assets by \$4,232,288. The net decrease in total governmental activity expenditures was due almost solely to the transfer of the Metro Ride fund from governmental activities to the business-type activities for 2011. Major items contributing to the increase in net assets from governmental activities are as follows: 1) net acquisition of infrastructure assets of \$5,248,891; 2) recognition of \$921,028 in private donations for the construction of the City Square space in the downtown area; 3) an increase in capital grants and contributions for conservation and development activities in the amount of \$338,077; 4) transfers to business-type activities of \$2,604,305; and 5) decrease in interest on long-term debt expenditures of \$160,861.

Expenses and Program Revenues - Governmental Activities

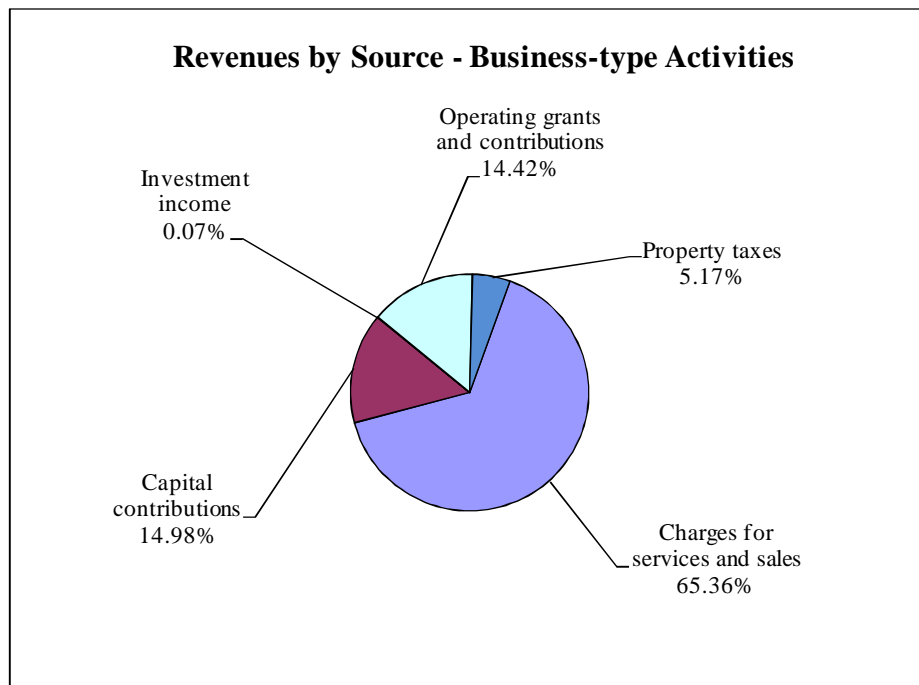
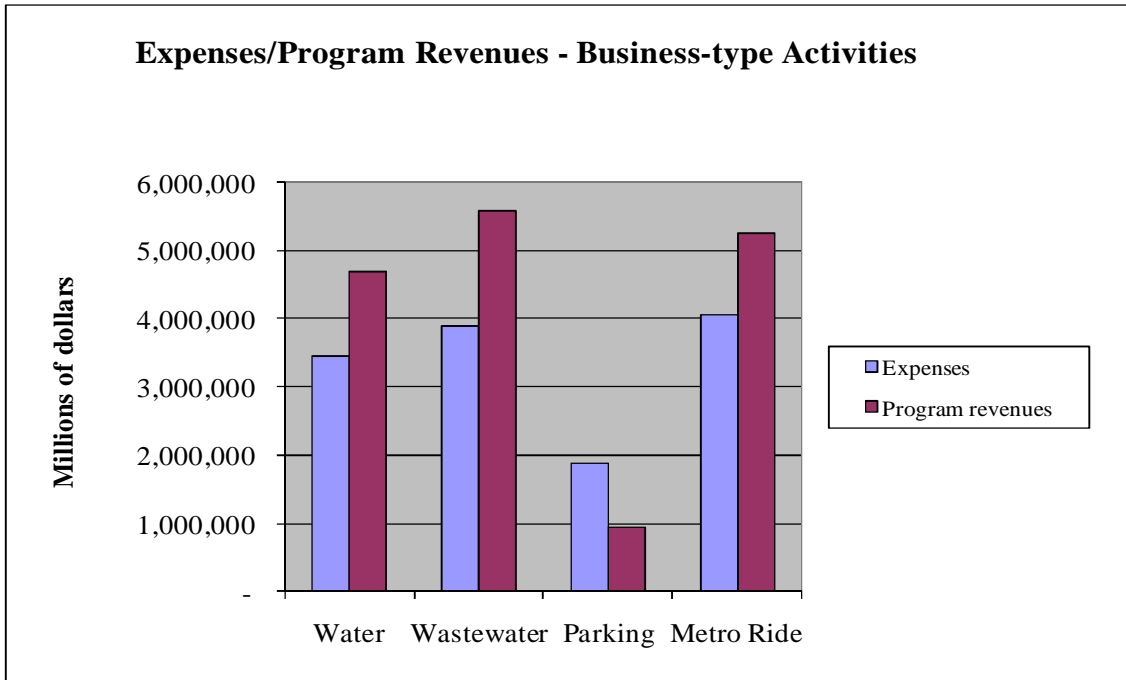


Program and General Revenues by Source - Governmental Activities



Business-type activities increased the City of Wausau’s net assets by \$6,698,144. Key elements of the increase are as follows:

The major contributing factor to the increase in net assets was due to the transfer of net capital assets in the amount of \$4,067,501 to the Metro Ride fund. Operating revenues for business-type activities increased by \$342,643 while total operating expenses increased by \$317,303 for a total increase in operating income for the year of \$25,340 over the prior year. Total operating income for the year ended December 31, 2011 was \$763,609 while net nonoperating revenues were \$727,698. Additional capital contributions of \$25,148, \$314,457 and \$2,262,927 in the Water, Wastewater and Metro Ride funds, respectively, along with transfers out of \$1,013,196 in the Water utility and \$450,000 in the Wastewater utility contributed to the overall increase in net assets for the year ended December 31, 2011.



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, unrestricted 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 \$18,304,816, a decrease of \$1,175,863 from the prior year. The total unrestricted fund balance of \$3,410,678 is available for spending at the City's discretion. A portion of the unrestricted fund balance is committed to special purposes for \$1,161,952 and assigned to special purposes for \$1,397,958. The remaining portion of fund balance in the amount of \$850,768 is unassigned.

Major Governmental Funds

The General Fund is the City's primary operating fund and the largest source of day-to-day service delivery. The fund balance of the General Fund increased \$455,620 to \$9,718,615. The major reason for the increase in the general fund balance was due to positive results in expenditures for the year. The City reported expenditures less than anticipated budgets for all functional activities for 2011. General operations have not had a significant negative impact on the unassigned fund balance, which was \$5,715,907 at year-end. Unassigned fund balance increased by \$170,270 from 2010. As a measure of the General Fund's liquidity, it may be useful to compare both unrestricted fund balance and total fund balance to total fund expenditures. Unrestricted fund balance represents 24.67 percent of general fund expenditures, while total fund balance represents 31.49 percent of the same amount.

The Debt Service fund balance of \$180,536 at year end represents a \$57,045 increase in fund balance from the previous year. This available balance will be utilized in subsequent years' budgets.

The TID #3 Downtown Development fund balance deficit of \$2,828,726 at the end of 2011 is due to the purchase of the River's Edge property in June of 2011. This deficit will be funded through debt issued in 2012. It is anticipated that the remaining fund balance will be depleted as projects are completed.

Capital Improvements fund balance of \$5,037,613 represents unexpended capital projects in process. These projects will be completed in 2012.

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 \$975,544 under budget for the current fiscal year. Cost savings occurred in the Finance department, Police department, Engineering, Storm sewers, Snow removal/winter maintenance and Parks and recreation which were under budget by \$80,199, \$56,046, \$107,109, \$232,906, \$215,646 and \$163,400, respectively.
- General Fund revenues and other financing sources exceeded budget expectations by \$480,022. The most significant positive budget variances occurred in intergovernmental grants and aids of \$133,422, fines, forfeitures and penalties of \$60,980, public charges for services of \$323,245 and miscellaneous revenues of \$84,002. These positive variances were offset by shortcomings in intergovernmental charges for services of \$310,789.

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, 2011 was \$215,470,018. 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 \$8,006,723 or approximately 3.9%.

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

Governmental Activities

- Land for street and other projects \$3,065,720.
- Motor Pool additions of \$815,532.
- Various street and infrastructure additions totaling \$3,389,682.

Business-type Activities

- The Wastewater Utility machinery and equipment increased \$2,444,514.
- Water Utility installed water mains and other system support totaling \$213,577.
- Metro Ride equipment increased \$2,266,266.

City of Wausau Capital Assets (net of accumulated depreciation)

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$ 33,912,343	\$ 31,479,795	\$ 2,663,238	\$ 2,337,709	\$ 36,575,581	\$ 33,817,504
Buildings & improvements	11,500,840	11,154,654	22,995,793	22,591,304	34,496,633	33,745,958
Machinery & equipment	6,029,049	7,936,998	11,081,139	4,868,940	17,110,188	12,805,938
Infrastructure	68,266,435	68,008,901	57,662,469	57,769,028	125,928,904	125,777,929
Construction in progress	972,121	954,053	386,591	361,913	1,358,712	1,315,966
Total	\$120,680,788	\$119,534,401	\$94,789,230	\$87,928,894	\$215,470,018	\$207,463,295

Additional information on the City of Wausau's capital assets can be found in Note 4.C. on pages 45-47 of this report.

Long Term Debt

At the end of the current fiscal year, the City of Wausau had total debt outstanding of \$50,103,175. This total amount comprises debt backed by the full faith and credit of the City of Wausau.

City of Wausau Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
General obligation	\$ 43,774,783	\$ 45,938,199	\$ 6,328,392	\$ 3,816,478	\$ 50,103,175	\$ 49,754,677

In 2011 the City issued debt as follows:

- 2011 Promissory Note Series A \$7,685,000; this debt financed the City's capital improvements as outlined by the Capital Improvement Plan adopted by the common council as well as capital improvements in the City's TID #6 West Side Development fund. In addition, the remaining debt was issued to finance capital improvements for the Wastewater Utility.

The City received an Aa2 rating from Moody's Investors Service for this general obligation issue.

Additional information regarding the City of Wausau's long-term debt can be found in Note 4.E. on pages 49-51 of this report.

Economic Factors and the Next Year's Budgets and Rates

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

These factors were considered in preparing the 2012 budget for the City of Wausau.

At the end of the current fiscal year, unrestricted fund balance within the general fund was \$7,613,865. The City of Wausau appropriated \$1,379,499 of surplus for spending in the adopted 2012 budget. It is intended that this use of available fund balance will stabilize the tax rate during 2012.

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, 2011

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and cash equivalents	\$ 26,749,899	\$ 2,538,737	\$ 29,288,636	\$ 6,327,750
Investments	12,713,153	-	12,713,153	749,331
Receivables (net of allowance for uncollectible accounts)	65,098,908	5,207,963	70,306,871	874,416
Internal balances	805,975	(805,975)	-	-
Inventories and prepayments	387,926	314,905	702,831	12,903
Deferred charges	452,347	-	452,347	-
Restricted assets:				
Cash and investments	-	1,148,802	1,148,802	324,754
Investment in joint venture	175,760	-	175,760	-
Capital assets (net of accumulated depreciation):				
Land	33,912,343	2,663,238	36,575,581	903,757
Buildings and improvements	11,500,840	22,995,793	34,496,633	6,098,973
Machinery and equipment	6,029,049	11,081,139	17,110,188	189,861
Infrastructure	68,266,435	57,662,469	125,928,904	-
Construction in progress	972,121	386,591	1,358,712	176,905
TOTAL ASSETS	<u>227,064,756</u>	<u>103,193,662</u>	<u>330,258,418</u>	<u>15,658,650</u>
LIABILITIES				
Accounts payable and other current liabilities	3,881,571	710,325	4,591,896	266,532
Accrued interest payable	378,390	51,952	430,342	-
Due to other governments	45,486,926	101,290	45,588,216	-
Unearned revenue	25,970,804	1,241,316	27,212,120	303
Noncurrent liabilities:				
Due within one year	8,489,905	804,242	9,294,147	-
Due in more than one year	40,313,641	5,980,083	46,293,724	23,611
TOTAL LIABILITIES	<u>124,521,237</u>	<u>8,889,208</u>	<u>133,410,445</u>	<u>290,446</u>
NET ASSETS				
Invested in capital assets, net of related debt	79,344,570	88,572,360	167,916,930	7,369,496
Restricted for:				
Debt service	180,536	-	180,536	-
Capital improvements	7,548,985	1,148,802	8,697,787	-
Special purposes	5,059,867	-	5,059,867	619,908
Unrestricted	10,409,561	4,583,292	14,992,853	7,378,800
TOTAL NET ASSETS	<u>\$ 102,543,519</u>	<u>\$ 94,304,454</u>	<u>\$ 196,847,973</u>	<u>\$ 15,368,204</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, 2011

<u>Functions/Programs</u>	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government:				
Governmental activities:				
General government	\$ 4,071,945	\$ 2,122,953	\$ -	\$ -
Public safety	16,788,709	2,098,803	483,041	-
Transportation and streets	11,160,237	1,178,499	2,557,776	1,029,892
Sanitation, health and welfare	1,868,410	650	199,801	-
Natural resources and recreation	2,597,337	267,244	18,650	-
Economic development	4,868,292	2,042,703	1,670,746	2,123,395
Interest on long-term debt	1,459,235	-	-	-
Total governmental activities	<u>42,814,165</u>	<u>7,710,852</u>	<u>4,930,014</u>	<u>3,153,287</u>
Business-type activities:				
Water	3,450,680	4,658,894	-	25,148
Wastewater	3,887,577	5,265,216	-	314,457
Parking	1,887,449	943,029	-	-
Metro Ride	4,049,837	484,881	2,504,065	2,262,927
Total business-type activities	<u>13,275,543</u>	<u>11,352,020</u>	<u>2,504,065</u>	<u>2,602,532</u>
Total primary government	<u>\$ 56,089,708</u>	<u>\$ 19,062,872</u>	<u>\$ 7,434,079</u>	<u>\$ 5,755,819</u>
Component unit:				
Community Development Authority	<u>\$ 2,785,051</u>	<u>\$ 1,045,470</u>	<u>\$ 1,501,205</u>	<u>\$ 191,715</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

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			
Governmental Activities	Business-Type Activities	Total	Component Unit
\$ (1,948,992)	\$ -	\$ (1,948,992)	\$ -
(14,206,865)	-	(14,206,865)	-
(6,394,070)	-	(6,394,070)	-
(1,667,959)	-	(1,667,959)	-
(2,311,443)	-	(2,311,443)	-
968,552	-	968,552	-
(1,459,235)	-	(1,459,235)	-
<u>(27,020,012)</u>	<u>-</u>	<u>(27,020,012)</u>	<u>-</u>
-	1,233,362	1,233,362	-
-	1,692,096	1,692,096	-
-	(944,420)	(944,420)	-
<u>-</u>	<u>1,202,036</u>	<u>1,202,036</u>	<u>-</u>
<u>-</u>	<u>3,183,074</u>	<u>3,183,074</u>	<u>-</u>
<u>(27,020,012)</u>	<u>3,183,074</u>	<u>(23,836,938)</u>	<u>-</u>
-	-	-	(46,661)
15,747,702	898,786	16,646,488	-
4,156,866	-	4,156,866	-
658,960	-	658,960	-
5,364,077	-	5,364,077	-
1,282,138	-	1,282,138	-
6,170,550	-	6,170,550	-
323,802	11,979	335,781	63,693
111,834	-	111,834	-
40,676	-	40,676	-
<u>(2,604,305)</u>	<u>2,604,305</u>	<u>-</u>	<u>-</u>
<u>31,252,300</u>	<u>3,515,070</u>	<u>34,767,370</u>	<u>63,693</u>
<u>4,232,288</u>	<u>6,698,144</u>	<u>10,930,432</u>	<u>17,032</u>
<u>98,156,327</u>	<u>87,606,310</u>	<u>185,762,637</u>	<u>15,351,172</u>
<u>154,904</u>	<u>-</u>	<u>154,904</u>	<u>-</u>
<u>98,311,231</u>	<u>87,606,310</u>	<u>185,917,541</u>	<u>15,351,172</u>
<u>\$ 102,543,519</u>	<u>\$ 94,304,454</u>	<u>\$ 196,847,973</u>	<u>\$ 15,368,204</u>

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

CITY OF WAUSAU, WISCONSIN
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2011

	General	Debt Service	TID #3 Downtown Development	Capital Improvements	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 12,425,312	\$ 180,536	\$ -	\$ 4,735,976	\$ 8,023,297	\$ 25,365,121
Investments	12,529,317	-	-	-	183,836	12,713,153
Receivables (net of allowance for uncollectible accounts):						
Taxes	41,259,917	4,088,000	1,919,739	320,426	4,000,714	51,588,796
Delinquent personal property tax	83,930	-	-	-	-	83,930
Accounts	1,813,584	-	290,237	78,109	237,405	2,419,335
Notes	-	-	-	-	8,241,853	8,241,853
Federal and state grants	-	-	-	890,064	85,810	975,874
Special assessments	764,758	-	-	1,409,572	-	2,174,330
Interest	43,001	-	-	-	-	43,001
Due from other funds	3,730,814	-	-	-	37,857	3,768,671
Advances to other funds	2,036,413	-	-	-	-	2,036,413
Inventories and prepayments	68,337	-	-	22,200	-	90,537
TOTAL ASSETS	\$ 74,755,383	\$ 4,268,536	\$ 2,209,976	\$ 7,456,347	\$ 20,810,772	\$ 109,501,014
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 657,419	\$ -	\$ 27,196	\$ 821,874	\$ 163,861	\$ 1,670,350
Contracts payable	-	-	192,066	171,943	-	364,009
Accrued payroll and benefits	2,773,800	-	-	-	12,268	2,786,068
Due to other governments	45,486,926	-	-	-	-	45,486,926
Deferred revenue	16,118,623	4,088,000	1,919,739	1,424,917	12,338,457	35,889,736
Due to other funds	-	-	2,899,701	-	62,995	2,962,696
Advances from other funds	-	-	-	-	2,036,413	2,036,413
Total Liabilities	<u>65,036,768</u>	<u>4,088,000</u>	<u>5,038,702</u>	<u>2,418,734</u>	<u>14,613,994</u>	<u>91,196,198</u>
Fund balances:						
Nonspendable	2,104,750	-	-	-	-	2,104,750
Restricted	-	180,536	-	5,037,613	7,571,239	12,789,388
Committed	500,000	-	-	-	661,952	1,161,952
Assigned	1,397,958	-	-	-	-	1,397,958
Unassigned	5,715,907	-	(2,828,726)	-	(2,036,413)	850,768
Total Fund Balances	<u>9,718,615</u>	<u>180,536</u>	<u>(2,828,726)</u>	<u>5,037,613</u>	<u>6,196,778</u>	<u>18,304,816</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ 74,755,383	\$ 4,268,536	\$ 2,209,976	\$ 7,456,347	\$ 20,810,772	
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.						117,633,069
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.						9,244,069
Investment in joint venture is not a financial resource and, therefore, is not reported in the funds.						175,760
Internal service funds are used to charge the costs of motor pool, insurance and employee benefits to individual funds. Assets and liabilities of these funds are included in governmental activities in the statement of net assets.						4,686,329
Long-term liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds.						<u>(47,500,524)</u>
Net assets of governmental activities						\$ 102,543,519

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, 2011

	General	Debt Service	TID #3 Downtown Development	Capital Improvements	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	\$ 15,524,139	\$ 4,156,866	\$ 1,962,727	\$ 658,960	\$ 4,562,507	\$ 26,865,199
Special assessments	-	-	10,416	269,158	48,561	328,135
Intergovernmental	9,023,031	-	160,063	2,880,765	2,114,541	14,178,400
Licenses and permits	668,741	-	-	-	-	668,741
Fines, forfeitures and penalties	371,580	-	-	-	-	371,580
Public charges for services	1,900,605	-	-	-	-	1,900,605
Intergovernmental charges for services	1,199,461	-	-	-	-	1,199,461
Commercial revenues	323,802	-	3,256	107	462,939	790,104
Miscellaneous revenues	469,292	52,701	1,215,828	142,789	750,685	2,631,295
Total Revenues	<u>29,480,651</u>	<u>4,209,567</u>	<u>3,352,290</u>	<u>3,951,779</u>	<u>7,939,233</u>	<u>48,933,520</u>
EXPENDITURES						
Current:						
General government	3,655,918	-	-	-	7,476	3,663,394
Public safety	15,989,243	-	-	-	238,404	16,227,647
Transportation and streets	7,626,927	-	-	-	-	7,626,927
Sanitation, health and welfare	1,284,207	-	-	-	661,789	1,945,996
Natural resources and recreation	2,310,482	-	-	-	13,009	2,323,491
Economic development	-	-	246,389	-	3,369,300	3,615,689
Capital outlay	-	-	4,676,675	6,653,464	1,407,007	12,737,146
Debt service:						
Principal retirement	-	6,835,896	-	-	-	6,835,896
Interest and debt service charges	-	1,443,873	-	-	-	1,443,873
Total Expenditures	<u>30,866,777</u>	<u>8,279,769</u>	<u>4,923,064</u>	<u>6,653,464</u>	<u>5,696,985</u>	<u>56,420,059</u>
Excess (Deficiency) of						
Revenues over Expenditures	<u>(1,386,126)</u>	<u>(4,070,202)</u>	<u>(1,570,774)</u>	<u>(2,701,685)</u>	<u>2,242,248</u>	<u>(7,486,539)</u>
OTHER FINANCING						
SOURCE (USES)						
Issuance of debt	-	-	-	3,427,510	1,244,970	4,672,480
Transfers in	1,841,746	4,193,693	44,088	100,000	738,339	6,917,866
Transfers out	-	-	(2,614,683)	-	(2,664,987)	(5,279,670)
Total Other Financing Sources (Uses)	<u>1,841,746</u>	<u>4,193,693</u>	<u>(2,570,595)</u>	<u>3,527,510</u>	<u>(681,678)</u>	<u>6,310,676</u>
Net Change in Fund Balance	455,620	123,491	(4,141,369)	825,825	1,560,570	(1,175,863)
Beginning 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>
Ending fund balances	<u>\$ 9,718,615</u>	<u>\$ 180,536</u>	<u>\$ (2,828,726)</u>	<u>\$ 5,037,613</u>	<u>\$ 6,196,778</u>	<u>\$ 18,304,816</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, 2011

Net change in fund balances - total governmental funds \$ (1,175,863)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays, net of disposals, exceeded depreciation in the current period. 5,248,891

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 1,636,794

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. 2,183,592

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. (48,805)

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. (61,771)

Net capital assets were transferred to the Metro Ride enterprise fund on January 1, 2011. This is the net amount transferred to the business-type activities. (4,067,501)

Internal service funds are used to charge the costs of motor pool operations, insurance costs and employee benefits to individual funds. The net revenue of internal service fund activities is reported with the governmental activities. 516,951

Change in net assets of governmental activities \$ 4,232,288

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, 2011

	Business Type Activities- Enterprise Funds				Totals	Governmental Activities-
	Water Utility	Wastewater Utility	Parking Utility	Metro Ride		Internal Service Funds
ASSETS						
Current Assets:						
Cash and cash equivalents	\$ 928,514	\$ 1,171,868	\$ 437,063	\$ 1,292	\$ 2,538,737	\$ 1,384,778
Taxes receivable	-	-	300,000	715,289	1,015,289	-
Accounts receivable	1,255,714	1,666,812	45,224	159,395	3,127,145	246,652
Due from other governments	-	-	-	1,065,529	1,065,529	-
Inventories and prepayments	<u>110,706</u>	<u>-</u>	<u>-</u>	<u>204,199</u>	<u>314,905</u>	<u>297,389</u>
Total Current Assets	<u>2,294,934</u>	<u>2,838,680</u>	<u>782,287</u>	<u>2,145,704</u>	<u>8,061,605</u>	<u>1,928,819</u>
Noncurrent Assets:						
Restricted cash and cash equivalents:						
Replacement fund investments	<u>-</u>	<u>1,148,802</u>	<u>-</u>	<u>-</u>	<u>1,148,802</u>	<u>-</u>
Property, Plant and Equipment:						
Property and equipment	49,207,370	54,662,174	29,672,017	10,143,733	143,685,294	9,475,134
Accumulated depreciation	<u>(14,408,757)</u>	<u>(20,288,344)</u>	<u>(9,923,553)</u>	<u>(4,275,410)</u>	<u>(48,896,064)</u>	<u>(6,427,415)</u>
Net Property, Plant and Equipment	<u>34,798,613</u>	<u>34,373,830</u>	<u>19,748,464</u>	<u>5,868,323</u>	<u>94,789,230</u>	<u>3,047,719</u>
Total Noncurrent Assets	<u>34,798,613</u>	<u>35,522,632</u>	<u>19,748,464</u>	<u>5,868,323</u>	<u>95,938,032</u>	<u>3,047,719</u>
TOTAL ASSETS	<u>\$ 37,093,547</u>	<u>\$ 38,361,312</u>	<u>\$ 20,530,751</u>	<u>\$ 8,014,027</u>	<u>\$ 103,999,637</u>	<u>\$ 4,976,538</u>

	Business Type Activities- Enterprise Funds				Governmental Activities-	
	Water Utility	Wastewater Utility	Parking Utility	Metro Ride	Totals	Internal Service Funds
LIABILITIES						
Current Liabilities:						
Accounts payable	\$ 42,296	\$ 32,163	\$ 20,340	\$ 99,172	\$ 193,971	\$ 267,265
Contracts payable	-	516,354	-	-	516,354	-
Compensated absences payable	1,703	2,684	-	3,521	7,908	817
Due to other funds	-	-	-	805,975	805,975	-
Due to other governments	-	-	-	101,290	101,290	-
Deferred revenues	-	-	347,941	893,375	1,241,316	-
General obligation debt - current portion (net of unamortized issue costs)	495,797	300,537	-	-	796,334	-
Accrued interest payable	25,555	26,397	-	-	51,952	-
Total Current Liabilities	<u>565,351</u>	<u>878,135</u>	<u>368,281</u>	<u>1,903,333</u>	<u>3,715,100</u>	<u>268,082</u>
Noncurrent Liabilities:						
Long-term Debt:						
General obligation debt payable (net of unamortized issue costs)	2,721,561	2,698,975	-	-	5,420,536	-
Compensated absences payable	181,121	95,733	40,322	242,371	559,547	22,127
Total Noncurrent Liabilities	<u>2,902,682</u>	<u>2,794,708</u>	<u>40,322</u>	<u>242,371</u>	<u>5,980,083</u>	<u>22,127</u>
TOTAL LIABILITIES	<u>3,468,033</u>	<u>3,672,843</u>	<u>408,603</u>	<u>2,145,704</u>	<u>9,695,183</u>	<u>290,209</u>
NET ASSETS						
Invested in capital assets, net of related debt	31,581,255	31,374,318	19,748,464	5,868,323	88,572,360	3,047,719
Restricted for capital improvements	-	1,148,802	-	-	1,148,802	-
Unrestricted	2,044,259	2,165,349	373,684	-	4,583,292	1,638,610
TOTAL NET ASSETS	<u>\$ 33,625,514</u>	<u>\$ 34,688,469</u>	<u>\$ 20,122,148</u>	<u>\$ 5,868,323</u>	<u>\$ 94,304,454</u>	<u>\$ 4,686,329</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, 2011

	Business Type Activities- Enterprise Funds				Totals	Governmental Activities-
	Water Utility	Wastewater Utility	Parking Utility	Metro Ride		Internal Service Funds
OPERATING REVENUES						
Charges for services and sales	\$ 4,598,566	\$ 5,256,388	\$ 941,542	\$ 479,076	\$ 11,275,572	\$ 10,628,754
Intergovernmental	-	-	-	2,504,065	2,504,065	-
Other operating revenues	<u>60,328</u>	<u>8,828</u>	<u>1,487</u>	<u>5,805</u>	<u>76,448</u>	<u>273,572</u>
Total Operating Revenues	<u>4,658,894</u>	<u>5,265,216</u>	<u>943,029</u>	<u>2,988,946</u>	<u>13,856,085</u>	<u>10,902,326</u>
OPERATING EXPENSES						
Operating and maintenance	2,380,701	2,761,714	1,239,723	3,587,732	9,969,870	2,788,057
Depreciation	913,310	1,099,465	647,726	462,105	3,122,606	759,465
Insurance and claims	-	-	-	-	-	6,703,529
Total Operating Expenses	<u>3,294,011</u>	<u>3,861,179</u>	<u>1,887,449</u>	<u>4,049,837</u>	<u>13,092,476</u>	<u>10,251,051</u>
Operating income (loss)	<u>1,364,883</u>	<u>1,404,037</u>	<u>(944,420)</u>	<u>(1,060,891)</u>	<u>763,609</u>	<u>651,275</u>
NONOPERATING REVENUES (EXPENSES)						
Property taxes	-	-	300,000	598,786	898,786	-
Investment income	2,455	9,524	-	-	11,979	-
Interest expense	(135,304)	(26,398)	-	-	(161,702)	-
Amortization	(21,365)	-	-	-	(21,365)	-
Gain on disposal of capital assets	-	-	-	-	-	40,676
Total Nonoperating Revenues (Expenses)	<u>(154,214)</u>	<u>(16,874)</u>	<u>300,000</u>	<u>598,786</u>	<u>727,698</u>	<u>40,676</u>
Income (loss) before Capital Contributions and Transfers	1,210,669	1,387,163	(644,420)	(462,105)	1,491,307	691,951

Capital Contributions	25,148	314,457	-	2,262,927	2,602,532	-
Contribution from Municipality	-	-	-	4,067,501	4,067,501	-
Transfers Out	<u>(1,013,196)</u>	<u>(450,000)</u>	<u>-</u>	<u>-</u>	<u>(1,463,196)</u>	<u>(175,000)</u>
Change in Net Assets	<u>222,621</u>	<u>1,251,620</u>	<u>(644,420)</u>	<u>5,868,323</u>	<u>6,698,144</u>	<u>516,951</u>
Net assets - beginning of year	33,402,893	33,436,849	20,766,568	-	87,606,310	4,014,474
Prior period adjustment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>154,904</u>
Net assets - beginning of year, as restated	<u>33,402,893</u>	<u>33,436,849</u>	<u>20,766,568</u>	<u>-</u>	<u>87,606,310</u>	<u>4,169,378</u>
Net assets - end of year	<u>\$ 33,625,514</u>	<u>\$ 34,688,469</u>	<u>\$ 20,122,148</u>	<u>\$ 5,868,323</u>	<u>\$ 94,304,454</u>	<u>\$ 4,686,329</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, 2011

	Business Type Activities-				Totals	Governmental
	Enterprise Funds					Activities-
	Water Utility	Wastewater Utility	Parking Utility	Metro Ride		Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers, users and others	\$ 4,642,933	\$ 4,846,558	\$ 936,646	\$ 2,303,084	\$ 12,729,221	\$ 10,837,506
Payments to suppliers	(1,557,428)	(2,171,965)	(1,079,464)	(2,053,858)	(6,862,715)	(9,115,109)
Payments to employees	(799,337)	(594,252)	(138,608)	(1,543,225)	(3,075,422)	(336,052)
Net Cash Provided (Used) by Operating Activities	<u>2,286,168</u>	<u>2,080,341</u>	<u>(281,426)</u>	<u>(1,293,999)</u>	<u>2,791,084</u>	<u>1,386,345</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Property taxes received	-	-	300,000	598,786	898,786	-
Due to/from other funds	-	(992,348)	-	695,246	(297,102)	(206,820)
Transfers out	(1,013,196)	(450,000)	-	-	(1,463,196)	(175,000)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(1,013,196)</u>	<u>(1,442,348)</u>	<u>300,000</u>	<u>1,294,032</u>	<u>(861,512)</u>	<u>(381,820)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Proceeds from capital debt	-	2,999,511	-	-	2,999,511	-
Capital contributions	25,148	314,457	-	2,262,927	2,602,532	-
Acquisition and construction of capital assets	(291,467)	(2,822,153)	(22,540)	(2,262,927)	(5,399,087)	(724,462)
Principal paid on capital debt	(500,606)	-	-	-	(500,606)	-
Interest paid on capital debt	(139,897)	-	-	-	(139,897)	-
Proceeds from sale of capital assets	-	-	-	-	-	40,676
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(906,822)</u>	<u>491,815</u>	<u>(22,540)</u>	<u>-</u>	<u>(437,547)</u>	<u>(683,786)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Investment income received	<u>2,455</u>	<u>9,524</u>	<u>-</u>	<u>-</u>	<u>11,979</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	368,605	1,139,332	(3,966)	33	1,504,004	320,739
Cash and cash equivalents - beginning of year	<u>559,909</u>	<u>1,181,338</u>	<u>441,029</u>	<u>1,259</u>	<u>2,183,535</u>	<u>1,064,039</u>
Cash and cash equivalents - end of year	<u>\$ 928,514</u>	<u>\$ 2,320,670</u>	<u>\$ 437,063</u>	<u>\$ 1,292</u>	<u>\$ 3,687,539</u>	<u>\$ 1,384,778</u>

Reconciliation of operating income (loss) to net cash provided (used) by operating activities:

Operating income (loss)	\$ 1,364,883	\$ 1,404,037	\$ (944,420)	\$ (1,060,891)	\$ 763,609	\$ 651,275
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation expense	913,310	1,099,465	647,726	462,105	3,122,606	759,465
Changes in assets and liabilities:						
Accounts receivable	8,039	(418,658)	4,521	(722,435)	(1,128,533)	(64,820)
Inventories and prepayments	(10,903)	-	-	(207)	(11,110)	(98,648)
Accounts payable	9,375	(14,613)	15,859	(39,506)	(28,885)	138,397
Accrued compensated absences	25,464	10,110	5,792	30,362	71,728	676
Deferred revenues	<u>(24,000)</u>	<u>-</u>	<u>(10,904)</u>	<u>36,573</u>	<u>1,669</u>	<u>-</u>
Net cash provided (used) by operating activities	<u>\$ 2,286,168</u>	<u>\$ 2,080,341</u>	<u>\$ (281,426)</u>	<u>\$ (1,293,999)</u>	<u>\$ 2,791,084</u>	<u>\$ 1,386,345</u>

Reconciliation of Cash and Cash Equivalents to Statement of Net Assets

Unrestricted	\$ 928,514	\$ 1,171,868	\$ 437,063	\$ 1,292	\$ 2,538,737	\$ 1,384,778
Restricted (noncurrent)	<u>-</u>	<u>1,148,802</u>	<u>-</u>	<u>-</u>	<u>1,148,802</u>	<u>-</u>
Total cash and cash equivalents	<u>\$ 928,514</u>	<u>\$ 2,320,670</u>	<u>\$ 437,063</u>	<u>\$ 1,292</u>	<u>\$ 3,687,539</u>	<u>\$ 1,384,778</u>

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, 2011

	Cemetery Private Purpose Trust Fund	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 458,026	\$ 159,022
Accounts receivable	-	34,429
TOTAL ASSETS	458,026	\$ 193,451
LIABILITIES		
Accounts payable	-	\$ 193,451
NET ASSETS		
Held in trust for private purpose	\$ 458,026	

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, 2011

	<u>Cemetery Private Purpose Trust Fund</u>
ADDITIONS	
Interest and dividends	\$ 10,069
DEDUCTIONS	
Distributions to beneficiary	24,556
Administrative expenses	5,200
Net decrease in fair value of investments	<u>13,409</u>
Total deductions	<u>43,165</u>
Change in net assets	(33,096)
Net assets - beginning of year	<u>491,122</u>
Net assets - end of year	<u><u>\$ 458,026</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, 2011

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, 2011

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, 2011

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 not accounted for and reported in another fund.

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

TID #3 Downtown Development Fund – This fund is used to account for all financial resources that are restricted, committed or assigned to expenditure for capital outlay within the downtown.

Capital Improvements Fund – This fund is used to account for all financial resources that are restricted, committed or assigned to expenditure for capital outlay related to the City’s annual capital improvements plan.

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.

Metro Ride – This fund accounts for the financing of the operation and maintenance of the City transit system.

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 that are restricted or committed to expenditure for specified purposes other than debt service and capital projects.

Grants Fund	WRRP Rehabilitation Fund	Public Access Cable Fund
HUD Mortgage Fund	Holtz-Krause Clean-Up Fund	Recycling Fund
DLAD Mortgage Program Fund	Hazardous Materials Emergency	TID #2 Industrial Park Fund
Economic Development Fund	Response Fund	EMS Grant Fund
Federal Rent Rehabilitation	Room Tax Fund	Trust Account Fund
Fund		

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

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 that are restricted, committed or assigned to expenditure for capital outlays.

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 Employee Benefits Fund is used to account for the accumulation of charges for and allocation of costs associated with employee health and dental 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, are 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, 2011

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, 2011

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, Parking and Metro Ride enterprise funds are charges to customers for sales and services and intergovernmental operating revenues. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

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, 2011

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, 2011, 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 nonspendable fund balance 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, 2011

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 nonspendable fund balance account 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 \$161,702, 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, 2011

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, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. Net Assets or Fund Equity

Governmental Fund Financial Statements

Beginning in 2011, the City implemented GASB Statement No. 54, “*Fund Balance Reporting and Governmental Fund Type Definitions*”. The Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance – amounts that are not in spendable form (such as inventory or long-term loans receivable) or are required to be maintained in tact;
- Restricted fund balance – amounts constrained to specific purposes by the providers (such as grantors, bondholders and higher levels of government) through constitutional provisions, or by enabling legislation;
- Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance – amounts a government intends to use for specific purpose; intent can be expressed by the governing body or by an official or body to which the government body delegates the authority;
- Unassigned fund balance – amounts that are available for any purpose; these amounts are reported only in the general fund.

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

Government-wide and Proprietary Fund Statements

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

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. Net Assets or Fund Equity (Continued)

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

Use of Restricted Resources

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

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

A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND 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 \$9,244,069 difference are as follows:

Loans and mortgages receivable	\$ 8,241,853
Allowance for uncollectible loans and mortgages receivable	(674,863)
Unpaid fines and forfeitures	572,588
Special assessments receivable	<u>1,104,491</u>
Net adjustment to increase <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	<u><u>\$ 9,244,069</u></u>

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

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 \$47,500,524 difference are as follows:

Bonds, notes and State trust fund loans payable	\$ 43,774,783
Less: Deferred charges for issuance costs and deferred interest from refunding (to be amortized over life of debt)	(452,347)
Accrued interest payable	378,390
Compensated absences	1,270,518
Postemployment benefits	296,578
Remediation claims payable	<u>2,232,602</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	<u>\$ 47,500,524</u>

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

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between *net change in fund balances – total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$5,248,891 difference are as follows:

Capital outlay	\$ 9,862,327
Loss on disposal of capital assets	(978,096)
Depreciation expense	<u>(3,635,340)</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ 5,248,891</u>

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

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 \$1,636,794 difference are as follows:

Net change in loan and mortgage notes receivable	\$ 1,419,542
Net change in fines and forfeitures receivable	(30,943)
Net change in special assessments receivable	<u>248,195</u>
<i>Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities</i>	<u>\$ 1,636,794</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 \$2,183,592 difference are as follows:

Debt issued or incurred:	
Issuance of general obligation bonds and notes	\$ (4,672,480)
Less discounts and issuance costs	20,176
Principal repayments on general obligation debt	<u>6,835,896</u>
<i>Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities</i>	<u>\$ 2,183,592</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 \$61,771 difference are as follows:

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

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	\$ (118,615)
Claims and judgments	72,206
Accrued interest	56,807
Amortization of discount and issuance costs	<u>(72,169)</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>\$ (61,771)</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, Economic Development Fund, Hazardous Materials Emergency Response Fund, Room Tax Fund, Recycling 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, 2011

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, 2011, expenditures exceeded appropriations for the following departmental cost centers in the General Fund: City clerk/customer service by \$22,561, City attorney by \$529, Municipal court by \$3,440, Human resources by \$15,279, City airport by \$55,111, Weed control by \$1,356 and Alleys and nonstreets by \$330,652; the Grants, Room Tax and TID #2 Industrial Park special revenue funds by \$632,693, \$22,946 and \$883, respectively; the Debt Service Fund by \$910; and in the TID #3 Downtown Development, TID #4 Industrial Park, TID #5 Industrial Park and TID #7 West Side Development capital project funds by \$3,060,414, \$53,355, \$22,401 and \$23,858, respectively. Excess expenditures in the general fund, special revenue funds and debt service fund 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 \$1,037,208 and \$999,205 respectively, as of December 31, 2011. 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, 2011

NOTE 4 – DETAILED NOTES ON ALL FUNDS

A. CASH AND INVESTMENTS

Cash and investments as of December 31, 2011 are classified in the accompanying financial statements as follows:

Statement of net assets -	
Cash and cash equivalents	\$ 29,288,636
Investments	12,713,153
Restricted assets - cash and cash equivalents	1,148,802
Statement of net assets - fiduciary funds	
Cash and cash equivalents	
Cemetery Private Purpose Trust Fund	458,026
Agency Funds	<u>159,022</u>
 Total	 <u>\$ 43,767,639</u>
 Cash on hand	 \$ 15,917
Deposits with financial institutions	24,969,944
Investments	<u>18,781,778</u>
 Total	 <u>\$ 43,767,639</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, 2011

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	\$ 11,530,725	\$ -	\$ 1,011,400	\$ 10,519,325
Local Government Investment Pool	6,578,218	6,578,218	-	-
Money Market Mutual Funds	49,352	49,352	-	-
External investment pools	623,483	623,483	-	-
	<u>\$ 18,781,778</u>	<u>\$ 7,251,053</u>	<u>\$ 1,011,400</u>	<u>\$ 10,519,325</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, 2011, the City's investments were rated as follows:

Investment type	Investment	Standard & Poors	Fitch Ratings	Moody's Investor Service
Money market mutual funds	Invesco Government & Agency	AAAm	AAA	Aaa

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

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 rated AA.

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, 2011, the investment portfolio was concentrated as follows:

Investment type	Issuer	Percentage of Portfolio
U.S. Agencies	Federal National Mortgage Association	48.0%
U.S. Agencies	Federal Home Loan Mortgage Corporation	13.4%

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, 2011

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

A. CASH AND INVESTMENTS (Continued)

At December 31, 2011, the carrying amount of the City’s deposits was \$24,969,944 and the financial institution balance was \$25,264,864. Of the financial institution balance, \$17,220,686 was covered by federal depository insurance, \$750,000 was covered by the national credit union share insurance fund, \$3,500,152 was covered by the State Deposit Guarantee Fund, \$572,054 was covered by pledged securities held in the City’s name, and \$3,221,972 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, 2011 for the City’s general fund have been shown net of allowances for uncollectible accounts and uncollectible delinquent personal property taxes of \$1,455,131 and \$85,920, 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	\$ -	\$ 25,874,914
Loans and mortgages receivable	8,241,853	-
Unpaid fines and forfeitures	572,588	-
Special assessments not yet due	1,104,491	-
Grant proceeds received in advance	-	95,890
Total deferred/unearned revenue for governmental funds	\$ 9,918,932	\$ 25,970,804

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

C. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2011 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated:				
Land	\$ 31,154,266	\$ 3,065,720	\$ (307,643)	\$ 33,912,343
Construction in progress	<u>954,053</u>	<u>286,507</u>	<u>(268,439)</u>	<u>972,121</u>
Total capital assets not being depreciated	<u>32,108,319</u>	<u>3,352,227</u>	<u>(576,082)</u>	<u>34,884,464</u>
Capital assets being depreciated:				
Buildings and improvements	19,154,018	2,141,547	-	21,295,565
Machinery and equipment	18,317,316	2,066,328	(921,355)	19,462,289
Infrastructure	<u>107,792,805</u>	<u>3,389,682</u>	<u>(1,364,139)</u>	<u>109,818,348</u>
Total capital assets being depreciated	<u>145,264,139</u>	<u>7,597,557</u>	<u>(2,285,494)</u>	<u>150,576,202</u>
Less accumulated depreciation for:				
Buildings and improvements	(9,175,634)	(619,091)	-	(9,794,725)
Machinery and equipment	(12,946,020)	(1,259,810)	772,590	(13,433,240)
Infrastructure	<u>(39,783,904)</u>	<u>(2,515,904)</u>	<u>747,895</u>	<u>(41,551,913)</u>
Total accumulated depreciation	<u>(61,905,558)</u>	<u>(4,394,805)</u>	<u>1,520,485</u>	<u>(64,779,878)</u>
Total capital assets being depreciated, net	<u>83,358,581</u>	<u>3,202,752</u>	<u>(765,009)</u>	<u>85,796,324</u>
Governmental activities capital assets, net	<u>\$ 115,466,900</u>	<u>\$ 6,554,979</u>	<u>\$ (1,341,091)</u>	<u>\$ 120,680,788</u>

The City reclassified the Metro Fund special revenue fund as an enterprise fund on January 1, 2011 and transferred net assets which were originally accounted for in the governmental activities. Total asset balances of \$9,030,243 and accumulated depreciation balances of \$4,962,742 accounted for the net total balance transfer of \$4,067,501. Beginning balances shown above along with beginning balances shown on the next page for business-type activities have been restated to reflect the totals transferred to the Metro Fund.

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

C. CAPITAL ASSETS (Continued)

	Balance	Increases	Decreases	Balance
Business-type activities				
Capital assets not being depreciated:				
Land	\$ 2,663,238	\$ -	\$ -	\$ 2,663,238
Construction in progress	<u>361,913</u>	<u>3,856,500</u>	<u>(3,831,822)</u>	<u>386,591</u>
Total capital assets not being depreciated	<u>3,025,151</u>	<u>3,856,500</u>	<u>(3,831,822)</u>	<u>3,049,829</u>
Capital assets being depreciated:				
Buildings	40,125,602	212,375	-	40,337,977
Machinery and equipment	24,107,139	4,796,151	(1,994,786)	26,908,504
Water infrastructure	37,080,995	213,577	(30,767)	37,263,805
Wastewater infrastructure	<u>35,461,258</u>	<u>670,223</u>	<u>(6,302)</u>	<u>36,125,179</u>
Total capital assets being depreciated	<u>136,774,994</u>	<u>5,892,326</u>	<u>(2,031,855)</u>	<u>140,635,465</u>
Less accumulated depreciation for:				
Buildings	(16,358,028)	(984,156)	-	(17,342,184)
Machinery and equipment	(16,672,497)	(1,146,315)	1,991,447	(15,827,365)
Water infrastructure	(7,697,330)	(551,887)	32,543	(8,216,674)
Wastewater infrastructure	<u>(7,075,895)</u>	<u>(440,248)</u>	<u>6,302</u>	<u>(7,509,841)</u>
Total accumulated depreciation	<u>(47,803,750)</u>	<u>(3,122,606)</u>	<u>2,030,292</u>	<u>(48,896,064)</u>
Total capital assets being depreciated, net	<u>88,971,244</u>	<u>2,769,720</u>	<u>(1,563)</u>	<u>91,739,401</u>
Business-type activities capital assets, net	<u>\$ 91,996,395</u>	<u>\$ 6,626,220</u>	<u>\$ (3,833,385)</u>	<u>\$ 94,789,230</u>

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

Governmental activities:	
General government	\$ 195,534
Public safety	419,588
Transportation and streets	2,727,652
Natural resources and recreation	270,705
Economic development	21,861
Capital assets held by internal service funds	<u>759,465</u>
Total depreciation expense – governmental activities	<u>\$ 4,394,805</u>
Business type activities:	
Water	\$ 913,310
Wastewater	1,099,465
Parking	647,726
Metro Ride	<u>462,105</u>
Total depreciation expense – business-type activities	<u>\$ 3,122,606</u>

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

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 \$2,000,000.

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, 2011 are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Metro Ride Fund	\$ 805,975
	Room Tax Fund	25,138
	TID #3 Downtown Development Fund	2,899,701
WRRP Rehabilitation Fund	Grants Fund	22,857
	DLAD Mortgage Program Fund	15,000
Total		\$ 3,768,671

Advances between funds represent long-term loans principally for capital purposes. The composition of interfund advances as of December 31, 2011 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	TID #4 Industrial Park Fund	\$ 1,037,208
	TID #7 West Side Development Fund	999,205
Total		\$ 2,036,413

For the statement of net assets, interfund balances owed within the governmental activities or business-type activities are netted and eliminated. Interfund transfers for the year ended December 31, 2011 are as follows:

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

D. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (Continued)

	<u>Transfers to</u>	<u>Transfers from</u>
General Fund		
Grants Fund	\$ -	\$ 28,500
Room Tax Fund	-	175,000
Trust Accounts Fund	-	50
Water Utility Fund	-	1,013,196
Wastewater Utility Fund	-	450,000
Motor Pool Fund	-	175,000
Special Revenue Funds		
General Fund	203,500	-
Grants Fund	-	13,047
HUD Mortgage Fund	13,047	-
TID #3 Downtown Development Fund	-	44,088
Capital Improvements Fund	100,000	-
Trust Accounts Fund	44,138	-
Debt Service Fund		
TID #3 Downtown Development Fund	-	2,614,683
TID #5 Industrial Park Fund	-	693,239
TID #6 West Side Development Fund	-	238,444
TID #7 West Side Development Fund	-	647,327
Capital Projects Fund		
Grants Fund	-	100,000
Debt Service Fund	4,193,693	-
TID #2 Industrial Park Fund	-	725,292
TID #4 Industrial Park Fund	725,292	-
Enterprise Funds		
General Fund	1,463,196	-
Internal Service Funds		
General Fund	175,000	-
Totals	<u>\$ 6,917,866</u>	<u>\$ 6,917,866</u>

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, 2011

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

E. LONG-TERM DEBT

General Obligation Bonds

General obligation debt outstanding at December 31, 2011 is detailed as follows:

	Original Amount	Interest Rates	Final Maturity	Balance 12/31/2011
1996 Bonds	\$ 4,950,000	4.15-5.75%	10/1/15	\$ 175,000
2003 Bonds	3,885,000	3.0-4.625%	4/1/23	2,740,000
2003 Notes (Series D)	3,285,000	1.35-3.45%	10/1/13	730,000
2004 Refunding bonds Series D	13,445,000	3.0-5.0%	4/1/21	9,055,000
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	1,760,000
2005 Promissory note Series B	2,000,000	4.75-5.15%	10/1/15	610,000
2006 Promissory note Series A	5,765,000	3.55-3.8%	10/1/16	2,890,000
2007 Promissory note Series A	4,535,000	3.6-3.8%	5/1/17	2,730,000
2007 Refunding bonds Series B	2,605,000	3.65-3.9%	5/1/19	1,805,000
2008 Promissory note Series A	9,845,000	3.55%	4/1/18	4,630,000
2008 State trust fund loan	775,646	5.00%	3/15/17	559,055
2008 State trust fund loan	500,000	4.25%	3/15/18	409,120
2009 Promissory note Series A	9,560,000	0.7-3.0%	4/1/19	6,520,000
2010 Promissory note Series A	5,145,000	1.0-3.0%	4/1/20	4,660,000
2010 Promissory note Series B	3,145,000	0.75-3.35%	4/1/17	2,545,000
2011 Promissory note Series A	7,685,000	2.00-2.50%	4/1/21	<u>7,685,000</u>
Total general obligation debt				<u>\$ 50,103,175</u>

A summary of the long-term liability activity for the year ended December 31, 2011 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities					
General obligation debt:					
Bonds payable	\$ 12,980,000	\$ -	\$ (1,010,000)	\$ 11,970,000	\$ 1,040,000
Notes payable	31,638,522	4,672,480	(5,474,394)	30,836,608	6,047,554
State trust fund loans	1,319,677	-	(351,502)	968,175	133,503
Compensated absences	2,409,527	161,838	(71,782)	2,499,583	1,215,100
Other postemployment benefits	274,293	165,937	(143,652)	296,578	-
Remediation claims payable	<u>2,304,808</u>	<u>26,587</u>	<u>(98,793)</u>	<u>2,232,602</u>	<u>53,748</u>
Governmental activities long-term liabilities	<u>\$ 50,926,827</u>	<u>\$ 5,026,842</u>	<u>\$ (7,150,123)</u>	<u>\$ 48,803,546</u>	<u>\$ 8,489,905</u>

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

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	\$ 2,005,000	\$ -	\$ (200,000)	\$ 1,805,000	\$ 215,000
Notes payable	1,811,478	3,012,520	(300,606)	4,523,392	602,446
Unamortized costs	(119,879)	(13,008)	21,365	(111,522)	(21,112)
Compensated absences	495,727	82,111	(10,383)	567,455	7,908
Business-type activities long-term liabilities	<u>\$ 4,192,326</u>	<u>\$ 3,081,623</u>	<u>\$ (489,624)</u>	<u>\$ 6,784,325</u>	<u>\$ 804,242</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	\$ 2,652,252,200
Legal debt margin percentage	5.00%
	132,612,610
Add: Available funds for debt payment	180,536
Less: Outstanding general obligation debt	(50,103,175)
Legal debt margin	<u>\$ 82,689,971</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, 2011 are as follows:

Year	Governmental Activities		Business-Type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$ 7,221,057	\$ 1,335,284	\$ 817,446	\$ 192,221	\$ 8,038,503	\$ 1,527,505
2013	6,562,471	1,145,651	817,446	156,723	7,379,917	1,302,374
2014	5,811,451	963,405	820,060	131,448	6,631,511	1,094,853
2015	5,353,357	791,963	835,060	105,737	6,188,417	897,700
2016	4,360,541	627,428	835,060	79,531	5,195,601	706,959
2017-2021	13,895,906	1,200,857	2,203,320	128,692	16,099,226	1,329,549
2022-2023	570,000	26,419	-	-	570,000	26,419
	<u>\$ 43,774,783</u>	<u>\$ 6,091,007</u>	<u>\$ 6,328,392</u>	<u>\$ 794,352</u>	<u>\$ 50,103,175</u>	<u>\$ 6,885,359</u>

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

E. LONG-TERM DEBT (Continued)

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 debt issues.

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%

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, 2011, 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 four Enterprise Funds providing for the operation of the Water, Wastewater and Parking Utilities and the Metro Ride transit operations. All Enterprise funds have been presented as major funds in the City's government-wide financial statements.

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

G. RESTRICTED NET ASSETS/FUND BALANCES

Governmental activities restricted assets reported in the government-wide statement of net assets at December 31, 2011 includes the following:

Net assets restricted for :	
Capital assets, net of related debt	\$ 79,344,570
Debt service	180,536
Capital improvements	7,548,985
Special purposes	<u>5,059,867</u>
 Total governmental activities restricted net assets	 <u><u>\$ 92,133,958</u></u>

Fund balance classifications for major funds as of December 31, 2011 are as follows:

General Fund	
Nonspendable for advances	\$ 2,036,413
Nonspendable for inventories and prepayments	<u>68,337</u>
Total nonspendable	2,104,750
Committed to contingencies	500,000
Assigned to subsequent year's expenditures	1,397,958
Unassigned	<u>5,715,907</u>
Total General Fund	<u><u>\$ 9,718,615</u></u>
 Debt Service Fund	
Restricted for debt service	<u><u>\$ 180,536</u></u>
 TID #3 Downtown Development Fund	
Unassigned (deficit)	<u><u>\$ (2,828,726)</u></u>
 Capital Improvements Fund	
Restricted for capital improvements	<u><u>\$ 5,037,613</u></u>

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

G. RESTRICTED NET ASSETS/FUND BALANCES (Continued)

Fund balances reported on the fund financial statements at December 31, 2011 for nonmajor funds are as follows:

Special revenue funds	
Restricted for special purposes:	
Grants	\$ 1,461,423
HUD mortgage program	34,051
Federal rent rehabilitation	349,850
WRRP rehabilitation	766,283
Holtz-Krause Clean up	1,770,237
Hazardous materials emergency response	42,025
EMS grant	40,806
Trust accounts	<u>595,192</u>
Total restricted fund balance	<u>5,059,867</u>
Committed to special purposes:	
DLAD mortgage program	429,979
Economic development	141,405
Room tax	74,900
Public access cable	<u>15,668</u>
Total committed fund balance	<u>661,952</u>
Total special revenue funds	<u>\$ 5,721,819</u>
Capital project funds	
Restricted for capital improvements:	
TID #5 Industrial Park	\$ 640,475
TID #6 West Side Development	<u>1,870,897</u>
Total restricted fund balance	<u>2,511,372</u>
Unassigned:	
TID #4 Industrial Park (deficit)	(1,037,208)
TID #7 West Side Development (deficit)	<u>(999,205)</u>
Total unassigned fund balance	<u>(2,036,413)</u>
Total capital project funds	<u>\$ 474,959</u>

H. RESTRICTED ASSETS

The balance of the restricted asset accounts in the Wastewater Utility Enterprise Fund is as follows:

Depreciation/Replacement accounts	<u>\$ 1,148,802</u>
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CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

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, 2011 is as follows:

Deposits	\$ 6,652,309
Certificates of deposit	749,331
Petty cash	195
Total	<u>\$ 7,401,835</u>
Financial statement presentation:	
Cash and cash equivalents	\$ 6,327,750
Cash and cash equivalents - restricted	324,754
Investments	749,331
Total	<u>\$ 7,401,835</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 \$7,401,835 and the financial institution balance was \$7,422,523. Of the financial institution balance, \$1,191,299 was covered by federal depository insurance and \$6,231,224 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, 2011

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, 2011:

Certificates of deposit:	
Matures in 2012	<u>\$ 749,331</u>

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

I. COMPONENT UNIT (Continued)

c. Capital asset activity for the year ended December 31, 2011 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 903,757	\$ -	\$ -	\$ 903,757
Construction in progress	10,147	166,758	-	176,905
Total capital assets not being depreciated	<u>913,904</u>	<u>166,758</u>	<u>-</u>	<u>1,080,662</u>
Capital assets being depreciated:				
Buildings and improvements	12,894,811	-	-	12,894,811
Furniture and equipment	528,066	30,564	(5,256)	553,374
Total capital assets being depreciated	13,422,877	30,564	(5,256)	13,448,185
Less accumulated depreciation	<u>(6,727,636)</u>	<u>(436,971)</u>	<u>5,256</u>	<u>(7,159,351)</u>
Total capital assets being depreciated, net	<u>6,695,241</u>	<u>(406,407)</u>	<u>-</u>	<u>6,288,834</u>
Total Authority capital assets	<u>\$ 7,609,145</u>	<u>\$ (239,649)</u>	<u>\$ -</u>	<u>\$ 7,369,496</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 over 1,200 hours a year (600 hours if hired before July 1, 2011) are eligible to participate in the System. Covered employees in the general category are required by statute to contribute 5.8% of their salary (6.65% for Elected Officials, 5.8% for Protective Occupations with Social Security, and 5.8% 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, 2011 was \$16,909,760; the employer's total payroll was \$17,381,697. The total required contribution for the year ended December 31, 2011 was \$2,741,198, which consisted of \$1,749,183 or 10.3% of payroll from the employer and \$992,015 or 5.9% of payroll from employees. Total contributions for the years ended December 31, 2010 and 2009 were \$2,087,269 and \$2,066,797, respectively, equal to the required contributions for each year.

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

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 a retirement benefit. 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 employee's three highest years' earnings. Employees terminating covered employment before becoming eligible for a retirement benefit 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 through June 30, 2011 are immediately vested. For participants employed after July 1, 2011, five years of creditable service is required for eligibility.

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, Wisconsin 53707-7931.

In addition to the above-mentioned retirement fund, the State of Wisconsin administers a plan for six (6) 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, 2011, was approximately \$183,766, substantially all of which relates to prior services. The current portion of the estimated liability of \$34,145 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 five 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, 2011

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 Employee Benefits Fund from all other City funds and other participants 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 2011 totaled approximately \$32,935.

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>
2010	\$	168,177	\$ 1,014,021	\$ 948,147	\$ 234,051
2011		234,051	1,108,642	1,247,431	95,262

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, 2011

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, 2011 is \$2,232,602. 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 \$910,357 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 \$1,270,518 at December 31, 2011, 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, 2011

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 \$304,743 at December 31, 2011.

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, 2011 was \$13,965 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		13,715
Adjustment to annual required contribution		<u>(12,150)</u>
Annual OPEB cost		153,787
Contributions made		<u>(131,502)</u>
Increase in net OPEB obligation		22,285
Net OPEB obligation - beginning of year (as adjusted)		<u>274,293</u>
Net OPEB obligation - end of year		<u>\$ 296,578</u>

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

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 2011 are as follows:

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/11	\$ 153,787	85.51%	\$ 296,578

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)	\$ 16,952,936
UAAL as a percentage of covered payroll	11.0%

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, 2011

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, 2011 was 28 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, 2011

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, 2011 is as follows:

Operating revenues	\$ 944,347
Operating expenses	
Data processing expenses	2,965,038
Administrative and general expenses	166,277
Depreciation	264,086
Total operating expenses	3,395,401
Operating loss before contributions and reimbursements	(2,451,054)
Capital contributions and reimbursements	2,573,624
Change in net assets	122,570
Total assets	1,013,844
Total liabilities	432,227
Total net assets	581,617

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, 2011 are as follows:

1996 General Obligation Bonds	\$ 175,000
2003D General Obligation Notes	730,000
2004A General Obligation Notes	212,051
2004D Refunding Bonds	9,055,000
2005 General Obligation Notes	610,000
2007 General Obligation Notes	840,486
2008 General Obligation Notes	195,000
2009 General Obligation Notes	260,000
2010A General Obligation Notes	1,450,447
Total	<u>\$ 13,527,984</u>

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

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, 2011 are as follows:

2003 General Obligation Notes	\$ 1,410,553
2008 State Trust Fund Loan	559,055
2010B General Obligation Notes	<u>2,065,000</u>
Total	<u>\$ 4,034,608</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, 2011 is as follows:

2005A General Obligation Notes	\$ 707,435
2010A General Obligation Notes	360,000
2011A General Obligation Notes	<u>1,244,970</u>
Total	<u>\$ 2,312,405</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, 2011 are as follows:

2006A General Obligation Notes	\$ 175,455
2007A General Obligation Notes	282,908
2008A General Obligation Notes	2,550,000
2009A General Obligation Notes	550,000
2010A General Obligation Notes	<u>73,000</u>
Total	<u>\$ 3,631,363</u>

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

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, 2011.

	<u>TID #2</u>	<u>TID #3</u>	<u>TID #4</u>	<u>TID #5</u>	<u>TID #6</u>	<u>TID #7</u>
Total revenues	<u>\$10,307,958</u>	<u>\$ 26,724,602</u>	<u>\$ 1,186,582</u>	<u>\$ 7,836,930</u>	<u>\$ 3,891,506</u>	<u>\$ 1,584,570</u>
Expenditures:						
Project costs	2,050,550	42,733,707	1,623,012	9,257,356	3,787,034	5,580,136
Interest and related costs	614,115	9,051,832	426,741	1,670,931	300,049	536,093
Administration	297,416	178,950	174,037	302,776	245,931	98,909
Subsidy to TID #3	6,620,585	-	-	-	-	-
Subsidy to TID #4	<u>725,292</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>10,307,958</u>	<u>51,964,489</u>	<u>2,223,790</u>	<u>11,231,063</u>	<u>4,333,014</u>	<u>6,215,138</u>
Net recoverable costs	<u>\$ -</u>	<u>\$ 25,239,887</u>	<u>\$ 1,037,208</u>	<u>\$ 3,394,133</u>	<u>\$ 441,508</u>	<u>\$ 4,630,568</u>

H. PRIOR PERIOD ADJUSTMENT

A prior period adjustment of \$154,904 was recorded as an increase in the Employee Benefits internal service fund to reclassify funds that were previously reported as assets and liabilities within the general fund. This resulted in a restatement of the beginning fund balance from \$0 to \$154,904 and a restatement of beginning net assets from \$98,156,327 to \$98,311,231.

I. SUBSEQUENT EVENT

In April 2012, the City issued General Obligation Promissory Note, Series 2012A, in the amount of \$2,725,000 for current capital projects and Series 2012B, in the amount of \$13,400,000 for current capital needs as well as to refund the outstanding principal amounts of the Series 2003A, 2004D, 2006A and a 2008 State Trust Fund Loan. In addition, the City prepaid the balance due on the final 2008 State Trust Fund Loan on March 15, 2012.

J. CHANGE IN ACCOUNTING PRINCIPLES

In February 2009, the GASB issued Statement #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. As explained earlier, the City has implemented this statement on January 1, 2011. The adoption of this statement did not have a significant effect on its financial statements.

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, 2011

	Budgeted Amounts (Note A)		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 15,469,815	\$ 15,469,815	\$ 15,524,139	\$ 54,324
Intergovernmental	8,889,609	8,889,609	9,023,031	133,422
Licenses and permits	626,451	626,451	668,741	42,290
Fines, forfeitures and penalties	310,600	310,600	371,580	60,980
Public charges for services	1,577,360	1,577,360	1,900,605	323,245
Intergovernmental charges for services	1,510,250	1,510,250	1,199,461	(310,789)
Commercial revenues	313,000	313,000	323,802	10,802
Miscellaneous revenues	385,290	385,290	469,292	84,002
Total Revenues	<u>29,082,375</u>	<u>29,082,375</u>	<u>29,480,651</u>	<u>398,276</u>
EXPENDITURES				
General government	3,959,372	3,959,372	3,655,918	303,454
Public safety	16,100,175	16,100,175	15,989,243	110,932
Transportation and streets	7,895,022	8,020,022	7,626,927	393,095
Sanitation, health and welfare	1,288,870	1,288,870	1,284,207	4,663
Natural resources and recreation	2,439,882	2,473,882	2,310,482	163,400
Total Expenditures	<u>31,683,321</u>	<u>31,842,321</u>	<u>30,866,777</u>	<u>975,544</u>
Excess (Deficiency) of Revenues over Expenditures	(2,600,946)	(2,759,946)	(1,386,126)	1,373,820
OTHER FINANCING SOURCES				
Transfers in	<u>1,760,000</u>	<u>1,760,000</u>	<u>1,841,746</u>	<u>81,746</u>
Net Change in Fund Balance	(840,946)	(999,946)	455,620	1,455,566
Fund balance - beginning of year	<u>9,262,995</u>	<u>9,262,995</u>	<u>9,262,995</u>	<u>-</u>
Fund balance - end of year	<u>\$ 8,422,049</u>	<u>\$ 8,263,049</u>	<u>\$ 9,718,615</u>	<u>\$ 1,455,566</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 Clerk/customer service by \$22,561, City attorney by \$529, Municipal court by \$3,440, Human resources by \$15,279, City airport by \$55,111, Weed control by \$1,356 and Alleys and nonstreet by \$330,652.

CITY OF WAUSAU, WISCONSIN
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POSTEMPLOYMENT BENEFITS PLAN
SCHEDULE OF FUNDING PROGRESS
Year Ended December 31,2011

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial 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%
1/1/2011	\$ -	\$ 1,871,949	\$ 1,871,949	0.0%	\$ 16,952,936	11.0%

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

CITY OF WAUSAU, WISCONSIN
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL
Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
TAXES				
General property taxes	\$ 15,248,395	\$ 15,248,395	\$ 15,277,702	\$ 29,307
Mobile home parking fees	26,280	26,280	28,155	1,875
Payments in lieu of taxes	140,000	140,000	147,749	7,749
Other taxes	55,140	55,140	70,533	15,393
Total Taxes	<u>15,469,815</u>	<u>15,469,815</u>	<u>15,524,139</u>	<u>54,324</u>
INTERGOVERNMENTAL				
State shared taxes	4,927,082	4,927,082	5,073,700	146,618
Expenditure restraint	912,199	912,199	901,115	(11,084)
Fire insurance tax	81,670	81,670	85,662	3,992
Municipal services	195,625	195,625	195,735	110
Transportation aids	2,559,033	2,559,033	2,557,775	(1,258)
Other grants	214,000	214,000	209,044	(4,956)
Total Intergovernmental	<u>8,889,609</u>	<u>8,889,609</u>	<u>9,023,031</u>	<u>133,422</u>
LICENSES AND PERMITS				
Licenses	149,080	149,080	167,313	18,233
Franchise fees	340,000	340,000	344,544	4,544
Permits	137,371	137,371	156,884	19,513
Total Licenses and Permits	<u>626,451</u>	<u>626,451</u>	<u>668,741</u>	<u>42,290</u>
FINES, FORFEITURES AND PENALTIES				
	<u>310,600</u>	<u>310,600</u>	<u>371,580</u>	<u>60,980</u>
PUBLIC CHARGES FOR SERVICES				
General government	153,240	153,240	178,253	25,013
Public safety	1,129,000	1,129,000	1,352,980	223,980
Streets and related facilities	52,600	52,600	98,110	45,510
Other transportation	5,800	5,800	6,468	668
Recreation	138,400	138,400	162,482	24,082
Public areas	98,320	98,320	102,312	3,992
Total Public Charges for Services	<u>1,577,360</u>	<u>1,577,360</u>	<u>1,900,605</u>	<u>323,245</u>
INTERGOVERNMENTAL CHARGES FOR SERVICES				
State, federal and local reimbursements	11,300	11,300	10,970	(330)
County and other municipalities	207,500	207,500	232,339	24,839
City departments	1,291,450	1,291,450	956,152	(335,298)
Total Intergovernmental Charges for Services	<u>1,510,250</u>	<u>1,510,250</u>	<u>1,199,461</u>	<u>(310,789)</u>

**CITY OF WAUSAU, WISCONSIN
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL
Year Ended December 31, 2011**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
COMMERCIAL				
Interest on general investments	\$ 300,000	\$ 300,000	\$ 259,506	\$ (40,494)
Interest on special assessments	13,000	13,000	50,904	37,904
Other interest	-	-	13,392	13,392
Total Commercial	<u>313,000</u>	<u>313,000</u>	<u>323,802</u>	<u>10,802</u>
MISCELLANEOUS REVENUES				
Rent of land and buildings	322,430	322,430	316,581	(5,849)
Sale of City property	5,650	5,650	27,405	21,755
Other miscellaneous revenues	57,210	57,210	125,306	68,096
Total Miscellaneous Revenues	<u>385,290</u>	<u>385,290</u>	<u>469,292</u>	<u>84,002</u>
OTHER FINANCING SOURCES				
Transfers in	<u>1,760,000</u>	<u>1,760,000</u>	<u>1,841,746</u>	<u>81,746</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES				
	<u>\$ 30,842,375</u>	<u>\$ 30,842,375</u>	<u>\$ 31,322,397</u>	<u>\$ 480,022</u>

CITY OF WAUSAU, WISCONSIN
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
GENERAL GOVERNMENT				
City Council	\$ 119,256	\$ 119,256	\$ 104,693	\$ 14,563
Mayor	239,981	239,981	237,867	2,114
City Promotion	117,000	117,000	94,424	22,576
Finance department	596,314	596,314	516,115	80,199
Data processing	639,476	639,476	578,144	61,332
City clerk/customer service	403,758	403,758	426,319	(22,561)
Elections	33,940	33,940	29,487	4,453
Assessor	609,594	609,594	567,292	42,302
City attorney	378,443	378,443	378,972	(529)
Municipal court	123,047	123,047	126,487	(3,440)
Human resources	279,846	279,846	295,125	(15,279)
City hall and other municipal buildings	375,717	375,717	295,493	80,224
Tax adjustment/bad debts	43,000	43,000	5,500	37,500
	<u>3,959,372</u>	<u>3,959,372</u>	<u>3,655,918</u>	<u>303,454</u>
PUBLIC SAFETY				
Police department	8,590,127	8,590,127	8,534,081	56,046
Fire department	3,929,862	3,929,862	3,911,082	18,780
Ambulance	2,527,167	2,527,167	2,512,190	14,977
Inspections and electrical systems	1,053,019	1,053,019	1,031,890	21,129
Total Public Safety	<u>16,100,175</u>	<u>16,100,175</u>	<u>15,989,243</u>	<u>110,932</u>
TRANSPORTATION AND STREETS				
Street lighting	584,806	584,806	490,430	94,376
City airport	192,173	192,173	247,284	(55,111)
Engineering	1,489,071	1,489,071	1,381,962	107,109
Clerical and administration	817,500	817,500	795,661	21,839
Roadways and streets	1,391,901	1,391,901	1,318,637	73,264
Storm sewers	513,500	513,500	280,594	232,906
Street signs and guideboards	240,000	240,000	222,535	17,465
Weed control	98,000	98,000	99,356	(1,356)
Bridges and culverts	22,071	22,071	10,718	11,353
City shop and garage	326,000	326,000	319,744	6,256
Alleys and other nonstreets	545,000	545,000	875,652	(330,652)
Snow removal/winter maintenance	1,675,000	1,800,000	1,584,354	215,646
Total Transportation and Streets	<u>7,895,022</u>	<u>8,020,022</u>	<u>7,626,927</u>	<u>393,095</u>
SANITATION, HEALTH AND WELFARE				
Garbage and refuse collection	1,288,870	1,288,870	1,284,207	4,663
NATURAL RESOURCES/RECREATION				
Parks and recreation	2,439,882	2,473,882	2,310,482	163,400
TOTAL EXPENDITURES	<u>\$ 31,683,321</u>	<u>\$ 31,842,321</u>	<u>\$ 30,866,777</u>	<u>\$ 975,544</u>

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

December 31, 2011

	Special Revenue Funds			
	Grants	HUD Mortgage	DLAD Mortgage Program	Economic Development
ASSETS				
Cash and cash equivalents	\$ 1,274,372	\$ 34,126	\$ 445,009	\$ 141,405
Investments	183,836	-	-	-
Taxes receivable	-	-	-	-
Accounts receivable	77,386	-	-	-
Notes receivable	3,603,890	2,043,633	86,769	1,256,601
Due from other governments	64,032	-	-	-
Due from other funds	-	-	-	-
	<u>\$ 5,203,516</u>	<u>\$ 2,077,759</u>	<u>\$ 531,778</u>	<u>\$ 1,398,006</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 7,188	\$ 75	\$ 30	\$ -
Employee compensation and benefits	12,268	-	-	-
Due to other funds	22,857	-	15,000	-
Advances from other funds	-	-	-	-
Deferred revenues	3,699,780	2,043,633	86,769	1,256,601
Total liabilities	<u>3,742,093</u>	<u>2,043,708</u>	<u>101,799</u>	<u>1,256,601</u>
Fund Balances				
Restricted for				
Special purposes	1,461,423	34,051	-	-
Capital improvements	-	-	-	-
Committed to				
Special purposes	-	-	429,979	141,405
Unassigned	-	-	-	-
Total Fund Balances	<u>1,461,423</u>	<u>34,051</u>	<u>429,979</u>	<u>141,405</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 5,203,516</u>	<u>\$ 2,077,759</u>	<u>\$ 531,778</u>	<u>\$ 1,398,006</u>

Special Revenue Funds

Federal Rent Rehabilitation	WRRP Rehabilitation	Holtz-Krause Clean Up	Hazardous Materials Emergency Response	Room Tax	Public Access Cable
\$ 349,850	\$ 728,426	\$ 1,773,307	\$ 42,142	\$ -	\$ 15,668
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	160,019	-
-	779,908	371,052	-	100,000	-
-	-	-	-	-	-
-	37,857	-	-	-	-
<u>\$ 349,850</u>	<u>\$ 1,546,191</u>	<u>\$ 2,144,359</u>	<u>\$ 42,142</u>	<u>\$ 260,019</u>	<u>\$ 15,668</u>
\$ -	\$ -	\$ 3,070	\$ 117	\$ 59,981	\$ -
-	-	-	-	-	-
-	-	-	-	25,138	-
-	-	-	-	-	-
-	779,908	371,052	-	100,000	-
-	779,908	374,122	117	185,119	-
349,850	766,283	1,770,237	42,025	-	-
-	-	-	-	-	-
-	-	-	-	74,900	15,668
-	-	-	-	-	-
<u>349,850</u>	<u>766,283</u>	<u>1,770,237</u>	<u>42,025</u>	<u>74,900</u>	<u>15,668</u>
<u>\$ 349,850</u>	<u>\$ 1,546,191</u>	<u>\$ 2,144,359</u>	<u>\$ 42,142</u>	<u>\$ 260,019</u>	<u>\$ 15,668</u>

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CITY OF WAUSAU, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (Continued)
December 31, 2011

	Special Revenue Funds			
	Recycling	TID #2 Industrial Park	EMS Grant	Trust Accounts
ASSETS				
Cash and cash equivalents	\$ 29,810	\$ -	\$ 40,806	\$ 637,004
Investments	-	-	-	-
Taxes receivable	522,629	757,441	-	-
Accounts receivable	-	-	-	-
Notes receivable	-	-	-	-
Due from other governments	-	-	-	21,778
Due from other funds	-	-	-	-
	<u>\$ 552,439</u>	<u>\$ 757,441</u>	<u>\$ 40,806</u>	<u>\$ 658,782</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 29,810	\$ -	\$ -	\$ 63,590
Employee compensation and benefits	-	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
Deferred revenues	522,629	757,441	-	-
Total liabilities	<u>552,439</u>	<u>757,441</u>	<u>-</u>	<u>63,590</u>
Fund Balances				
Restricted for				
Special purposes	-	-	40,806	595,192
Capital improvements	-	-	-	-
Committed to				
Special purposes	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>-</u>	<u>-</u>	<u>40,806</u>	<u>595,192</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 552,439</u>	<u>\$ 757,441</u>	<u>\$ 40,806</u>	<u>\$ 658,782</u>

Special Revenue Funds	Capital Project Funds				
Total	TID #4 Industrial Park	TID #5 Industrial Park	TID #6 West Side Development	TID #7 West Side Development	Total
\$ 5,511,925	\$ -	\$ 640,475	\$ 1,870,897	\$ -	\$ 2,511,372
183,836	-	-	-	-	-
1,280,070	70,150	1,222,984	1,059,794	367,716	2,720,644
237,405	-	-	-	-	-
8,241,853	-	-	-	-	-
85,810	-	-	-	-	-
37,857	-	-	-	-	-
<u>\$ 15,578,756</u>	<u>\$ 70,150</u>	<u>\$ 1,863,459</u>	<u>\$ 2,930,691</u>	<u>\$ 367,716</u>	<u>\$ 5,232,016</u>
\$ 163,861	\$ -	\$ -	\$ -	\$ -	\$ -
12,268	-	-	-	-	-
62,995	-	-	-	-	-
-	1,037,208	-	-	999,205	2,036,413
<u>9,617,813</u>	<u>70,150</u>	<u>1,222,984</u>	<u>1,059,794</u>	<u>367,716</u>	<u>2,720,644</u>
<u>9,856,937</u>	<u>1,107,358</u>	<u>1,222,984</u>	<u>1,059,794</u>	<u>1,366,921</u>	<u>4,757,057</u>
5,059,867	-	-	-	-	-
-	-	640,475	1,870,897	-	2,511,372
661,952	-	-	-	-	-
-	(1,037,208)	-	-	(999,205)	(2,036,413)
<u>5,721,819</u>	<u>(1,037,208)</u>	<u>640,475</u>	<u>1,870,897</u>	<u>(999,205)</u>	<u>474,959</u>
<u>\$ 15,578,756</u>	<u>\$ 70,150</u>	<u>\$ 1,863,459</u>	<u>\$ 2,930,691</u>	<u>\$ 367,716</u>	<u>\$ 5,232,016</u>

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CITY OF WAUSAU, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (Concluded)
December 31, 2011

	<u>Total Nonmajor Governmental Funds</u>
ASSETS	
Cash and cash equivalents	\$ 8,023,297
Investments	183,836
Taxes receivable	4,000,714
Accounts receivable	237,405
Notes receivable	8,241,853
Due from other governments	85,810
Due from other funds	<u>37,857</u>
 TOTAL ASSETS	 \$ <u><u>20,810,772</u></u>
LIABILITIES AND FUND BALANCES	
Liabilities	
Accounts payable	\$ 163,861
Employee compensation and benefits	12,268
Due to other funds	62,995
Advances from other funds	2,036,413
Deferred revenues	<u>12,338,457</u>
Total liabilities	<u>14,613,994</u>
Fund Balances	
Restricted for	
Special purposes	5,059,867
Capital improvements	2,511,372
Committed to	
Special purposes	661,952
Unassigned	<u>(2,036,413)</u>
Total Fund Balances	<u>6,196,778</u>
 TOTAL LIABILITIES AND FUND BALANCES	 \$ <u><u>20,810,772</u></u>

CITY OF WAUSAU, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
Year Ended December 31, 2011

	Special Revenue Funds			
	Grants	HUD Mortgage	DLAD Mortgage Program	Economic Development
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Intergovernmental	1,648,223	-	-	-
Commercial revenues	206,662	65,545	813	-
Miscellaneous revenues	673,418	480	9,295	30,967
Total Revenues	<u>2,528,303</u>	<u>66,025</u>	<u>10,108</u>	<u>30,967</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Sanitation, health and welfare	-	-	-	-
Natural resources and recreation	-	-	-	-
Economic development	2,568,843	38,286	25,288	5,767
Capital outlay	-	-	-	-
Total expenditures	<u>2,568,843</u>	<u>38,286</u>	<u>25,288</u>	<u>5,767</u>
Excess (deficiency) of revenues over expenditures	<u>(40,540)</u>	<u>27,739</u>	<u>(15,180)</u>	<u>25,200</u>
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	-	-	-
Transfers in	13,047	-	-	-
Transfers out	(128,500)	(13,047)	-	-
Total other financing sources (uses)	<u>(115,453)</u>	<u>(13,047)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(155,993)	14,692	(15,180)	25,200
Fund balances (deficit) - beginning of year	<u>1,617,416</u>	<u>19,359</u>	<u>445,159</u>	<u>116,205</u>
Fund balances (deficit) - end of year	<u>\$ 1,461,423</u>	<u>\$ 34,051</u>	<u>\$ 429,979</u>	<u>\$ 141,405</u>

Special Revenue Funds

Federal Rent Rehabilitation	WRRP Rehabilitation	Holtz-Krause Clean Up	Hazardous Materials Emergency Response	Room Tax	Public Access Cable
\$ -	\$ -	\$ -	\$ -	\$ 691,157	\$ -
-	-	-	-	-	-
-	-	-	56,044	-	-
492	115,283	62,410	-	-	-
-	100	-	-	-	-
<u>492</u>	<u>115,383</u>	<u>62,410</u>	<u>56,044</u>	<u>691,157</u>	<u>-</u>
-	-	-	-	-	7,476
-	-	-	109,656	-	-
-	-	53,748	-	-	-
-	-	-	-	-	-
7,222	138,836	-	-	500,046	-
-	-	-	-	-	-
<u>7,222</u>	<u>138,836</u>	<u>53,748</u>	<u>109,656</u>	<u>500,046</u>	<u>7,476</u>
<u>(6,730)</u>	<u>(23,453)</u>	<u>8,662</u>	<u>(53,612)</u>	<u>191,111</u>	<u>(7,476)</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	(175,000)	-
-	-	-	-	(175,000)	-
<u>(6,730)</u>	<u>(23,453)</u>	<u>8,662</u>	<u>(53,612)</u>	<u>16,111</u>	<u>(7,476)</u>
<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>\$ 349,850</u>	<u>\$ 766,283</u>	<u>\$ 1,770,237</u>	<u>\$ 42,025</u>	<u>\$ 74,900</u>	<u>\$ 15,668</u>

(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, 2011

	Special Revenue Funds			
	Recycling	TID #2 Industrial Park	EMS Grant	Trust Accounts
REVENUES				
Taxes	\$ 470,000	\$ 729,258	\$ -	\$ -
Special assessments	-	-	-	-
Intergovernmental	137,391	6,917	7,826	106,072
Commercial revenues	-	-	-	508
Miscellaneous revenues	650	-	-	35,775
Total Revenues	<u>608,041</u>	<u>736,175</u>	<u>7,826</u>	<u>142,355</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	7,282	121,466
Sanitation, health and welfare	608,041	-	-	-
Natural resources and recreation	-	-	-	13,009
Economic development	-	10,883	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>608,041</u>	<u>10,883</u>	<u>7,282</u>	<u>134,475</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>725,292</u>	<u>544</u>	<u>7,880</u>
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	(725,292)	-	(44,138)
Total other financing sources (uses)	<u>-</u>	<u>(725,292)</u>	<u>-</u>	<u>(44,138)</u>
Net change in fund balances	-	-	544	(36,258)
Fund balances (deficit) - beginning of year	<u>-</u>	<u>-</u>	<u>40,262</u>	<u>631,450</u>
Fund balances (deficit) - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,806</u>	<u>\$ 595,192</u>

Special Revenue Funds		Capital Project Funds				
Total	TID #4 Industrial Park	TID #5 Industrial Park	TID #6 West Side Development	TID #7 West Side Development	Total	
\$ 1,890,415	\$ 71,178	\$ 1,217,583	\$ 991,225	\$ 392,106	\$ 2,672,092	
-	-	-	7,715	40,846	48,561	
1,962,473	366	78,014	60,188	13,500	152,068	
451,713	-	1,455	2,967	6,804	11,226	
750,685	-	-	-	-	-	
<u>5,055,286</u>	<u>71,544</u>	<u>1,297,052</u>	<u>1,062,095</u>	<u>453,256</u>	<u>2,883,947</u>	
7,476	-	-	-	-	-	
238,404	-	-	-	-	-	
661,789	-	-	-	-	-	
13,009	-	-	-	-	-	
3,295,171	1,220	18,104	37,305	17,500	74,129	
-	385,335	257,197	713,117	51,358	1,407,007	
<u>4,215,849</u>	<u>386,555</u>	<u>275,301</u>	<u>750,422</u>	<u>68,858</u>	<u>1,481,136</u>	
839,437	(315,011)	1,021,751	311,673	384,398	1,402,811	
-	-	-	1,244,970	-	1,244,970	
13,047	725,292	-	-	-	725,292	
(1,085,977)	-	(693,239)	(238,444)	(647,327)	(1,579,010)	
<u>(1,072,930)</u>	<u>725,292</u>	<u>(693,239)</u>	<u>1,006,526</u>	<u>(647,327)</u>	<u>391,252</u>	
(233,493)	410,281	328,512	1,318,199	(262,929)	1,794,063	
<u>5,955,312</u>	<u>(1,447,489)</u>	<u>311,963</u>	<u>552,698</u>	<u>(736,276)</u>	<u>(1,319,104)</u>	
<u>\$ 5,721,819</u>	<u>\$ (1,037,208)</u>	<u>\$ 640,475</u>	<u>\$ 1,870,897</u>	<u>\$ (999,205)</u>	<u>\$ 474,959</u>	

(Continued on next page)

CITY OF WAUSAU, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (Concluded)
Year Ended December 31, 2011

	<u>Total Nonmajor Governmental Funds</u>
REVENUES	
Taxes	\$ 4,562,507
Special assessments	48,561
Intergovernmental	2,114,541
Commercial revenues	462,939
Miscellaneous revenues	<u>750,685</u>
Total Revenues	<u>7,939,233</u>
EXPENDITURES	
Current:	
General government	7,476
Public safety	238,404
Sanitation, health and welfare	661,789
Natural resources and recreation	13,009
Economic development	3,369,300
Capital outlay	<u>1,407,007</u>
Total expenditures	<u>5,696,985</u>
 Excess (deficiency) of revenues over expenditures	 <u>2,242,248</u>
OTHER FINANCING SOURCES (USES)	
Issuance of debt	1,244,970
Transfers in	738,339
Transfers out	<u>(2,664,987)</u>
Total other financing sources (uses)	<u>(681,678)</u>
 Net change in fund balances	 1,560,570
 Fund balances (deficit) - beginning of year	 <u>4,636,208</u>
 Fund balances (deficit) - end of year	 <u>\$ 6,196,778</u>

CITY OF WAUSAU, WISCONSIN
NONMAJOR BUDGETED GOVERNMENTAL FUNDS
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2011

	Special Revenue Funds			
	Grants		Economic Development	
	Budget	Actual	Budget	Actual
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Intergovernmental	1,968,018	1,648,223	-	-
Commercial revenues	-	206,662	-	-
Miscellaneous revenues	-	673,418	100	30,967
Total Revenues	1,968,018	2,528,303	100	30,967
EXPENDITURES				
Current:				
Public safety	-	-	-	-
Sanitation, health and welfare	-	-	-	-
Economic development	1,936,150	2,568,843	9,000	5,767
Capital outlay	-	-	-	-
Total expenditures	1,936,150	2,568,843	9,000	5,767
Excess (deficiency) of revenues over expenditures	31,868	(40,540)	(8,900)	25,200
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	-	-	-
Transfers in	96,632	13,047	-	-
Transfers out	(128,500)	(128,500)	-	-
Total other financing sources (uses)	(31,868)	(115,453)	-	-
Net change in fund balances	\$ -	(155,993)	\$ (8,900)	25,200
Fund balances (deficit) - beginning of year		1,617,416		116,205
Fund balances (deficit) - end of year		\$ 1,461,423		\$ 141,405

Special Revenue Funds

Hazardous Materials Emergency Response		Room Tax		Recycling	
Budget	Actual	Budget	Actual	Budget	Actual
\$ -	\$ -	\$ 652,100	\$ 691,157	\$ 470,000	\$ 470,000
-	-	-	-	-	-
56,044	56,044	-	-	200,000	137,391
-	-	-	-	-	-
-	-	-	-	775	650
<u>56,044</u>	<u>56,044</u>	<u>652,100</u>	<u>691,157</u>	<u>670,775</u>	<u>608,041</u>
113,487	109,656	-	-	-	-
-	-	-	-	670,775	608,041
-	-	477,100	500,046	-	-
-	-	-	-	-	-
<u>113,487</u>	<u>109,656</u>	<u>477,100</u>	<u>500,046</u>	<u>670,775</u>	<u>608,041</u>
<u>(57,443)</u>	<u>(53,612)</u>	<u>175,000</u>	<u>191,111</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	(175,000)	(175,000)	-	-
-	-	(175,000)	(175,000)	-	-
<u>\$ (57,443)</u>	<u>(53,612)</u>	<u>\$ -</u>	<u>16,111</u>	<u>\$ -</u>	<u>-</u>
	<u>95,637</u>		<u>58,789</u>		<u>-</u>
	<u>\$ 42,025</u>		<u>\$ 74,900</u>		<u>\$ -</u>

(Continued on next page)

CITY OF WAUSAU, WISCONSIN
NONMAJOR BUDGETED GOVERNMENTAL FUNDS
BUDGETARY COMPARISON SCHEDULE (Concluded)
Year Ended December 31, 2011

	<u>Special Revenue Funds</u>		<u>Capital Project Funds</u>	
	<u>TID #2 Industrial Park</u>		<u>TID #4 Industrial Park</u>	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
REVENUES				
Taxes	\$ 701,396	\$ 729,258	\$ 68,459	\$ 71,178
Special assessments	-	-	-	-
Intergovernmental	3,000	6,917	-	366
Commercial revenues	-	-	-	-
Miscellaneous revenues	-	-	-	-
Total Revenues	<u>704,396</u>	<u>736,175</u>	<u>68,459</u>	<u>71,544</u>
EXPENDITURES				
Current:				
Public safety	-	-	-	-
Sanitation, health and welfare	-	-	-	-
Economic development	10,000	10,883	1,200	1,220
Capital outlay	-	-	332,000	385,335
Total expenditures	<u>10,000</u>	<u>10,883</u>	<u>333,200</u>	<u>386,555</u>
Excess (deficiency) of revenues over expenditures	<u>694,396</u>	<u>725,292</u>	<u>(264,741)</u>	<u>(315,011)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	-	-	-
Transfers in	-	-	694,396	725,292
Transfers out	<u>(694,396)</u>	<u>(725,292)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(694,396)</u>	<u>(725,292)</u>	<u>694,396</u>	<u>725,292</u>
Net change in fund balances	<u>\$ -</u>	<u>-</u>	<u>\$ 429,655</u>	<u>410,281</u>
Fund balances (deficit) - beginning of year		<u>-</u>		<u>(1,447,489)</u>
Fund balances (deficit) - end of year		<u>\$ -</u>		<u>\$ (1,037,208)</u>

Capital Project Funds

TID #5 Industrial Park		TID #6 West Side Development		TID #7 West Side Development	
Budget	Actual	Budget	Actual	Budget	Actual
\$ 1,171,063	\$ 1,217,583	\$ 953,353	\$ 991,225	\$ 373,000	\$ 392,106
-	-	-	7,715	-	40,846
14,000	78,014	25,000	60,188	7,000	13,500
-	1,455	-	2,967	-	6,804
-	-	-	-	-	-
<u>1,185,063</u>	<u>1,297,052</u>	<u>978,353</u>	<u>1,062,095</u>	<u>380,000</u>	<u>453,256</u>
-	-	-	-	-	-
-	-	-	-	-	-
18,000	18,104	246,697	37,305	-	17,500
<u>234,900</u>	<u>257,197</u>	<u>2,182,523</u>	<u>713,117</u>	<u>45,000</u>	<u>51,358</u>
<u>252,900</u>	<u>275,301</u>	<u>2,429,220</u>	<u>750,422</u>	<u>45,000</u>	<u>68,858</u>
<u>932,163</u>	<u>1,021,751</u>	<u>(1,450,867)</u>	<u>311,673</u>	<u>335,000</u>	<u>384,398</u>
-	-	1,780,000	1,244,970	-	-
-	-	-	-	-	-
<u>(693,239)</u>	<u>(693,239)</u>	<u>(238,444)</u>	<u>(238,444)</u>	<u>(647,327)</u>	<u>(647,327)</u>
<u>(693,239)</u>	<u>(693,239)</u>	<u>1,541,556</u>	<u>1,006,526</u>	<u>(647,327)</u>	<u>(647,327)</u>
<u>\$ 238,924</u>	328,512	<u>\$ 90,689</u>	1,318,199	<u>\$ (312,327)</u>	(262,929)
	<u>311,963</u>		<u>552,698</u>		<u>(736,276)</u>
	<u>\$ 640,475</u>		<u>\$ 1,870,897</u>		<u>\$ (999,205)</u>

CITY OF WAUSAU, WISCONSIN
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended December 31, 2011

	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	-	-	52,701	52,701
Total Revenues	<u>4,156,866</u>	<u>4,156,866</u>	<u>4,209,567</u>	<u>52,701</u>
EXPENDITURES				
Debt Service:				
Principal retirement	6,835,896	6,835,896	6,835,896	-
Interest and debt service charges	1,442,963	1,442,963	1,443,873	(910)
Total Expenditures	<u>8,278,859</u>	<u>8,278,859</u>	<u>8,279,769</u>	<u>(910)</u>
Deficiency of Revenues over Expenditures	(4,121,993)	(4,121,993)	(4,070,202)	51,791
OTHER FINANCING SOURCES				
Transfers in	<u>4,143,101</u>	<u>4,143,101</u>	<u>4,193,693</u>	<u>50,592</u>
Net change in fund balance	21,108	21,108	123,491	102,383
Fund balance - beginning of year	<u>57,045</u>	<u>57,045</u>	<u>57,045</u>	<u>-</u>
Fund balance - end of year	<u>\$ 78,153</u>	<u>\$ 78,153</u>	<u>\$ 180,536</u>	<u>\$ 102,383</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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
General property taxes	\$ 1,884,476	\$ 1,884,476	\$ 1,962,727	\$ 78,251
Special assessments	4,973	4,973	10,416	5,443
Intergovernmental - State shared taxes	50,000	50,000	160,063	110,063
Interest on investments	-	-	3,256	3,256
Donations	850,000	850,000	933,529	83,529
Other miscellaneous	319,250	319,250	282,299	(36,951)
Total Revenues	<u>3,108,699</u>	<u>3,108,699</u>	<u>3,352,290</u>	<u>243,591</u>
EXPENDITURES				
Economic development	227,150	227,150	246,389	(19,239)
Capital outlay:				
Economic development	1,635,500	1,635,500	4,676,675	(3,041,175)
Total expenditures	<u>1,862,650</u>	<u>1,862,650</u>	<u>4,923,064</u>	<u>(3,060,414)</u>
Excess (deficiency) of Revenues over Expenditures	<u>1,246,049</u>	<u>1,246,049</u>	<u>(1,570,774)</u>	<u>(2,816,823)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	44,088	44,088
Transfers out	(2,614,683)	(2,614,683)	(2,614,683)	-
Total Other Financing Sources (Uses)	<u>(2,614,683)</u>	<u>(2,614,683)</u>	<u>(2,570,595)</u>	<u>44,088</u>
Net change in fund balance	(1,368,634)	(1,368,634)	(4,141,369)	(2,772,735)
Fund balance - beginning of year	<u>1,312,643</u>	<u>1,312,643</u>	<u>1,312,643</u>	<u>-</u>
Fund balance - end of year	<u>\$ (55,991)</u>	<u>\$ (55,991)</u>	<u>\$ (2,828,726)</u>	<u>\$ (2,772,735)</u>

CITY OF WAUSAU, WISCONSIN
CAPITAL IMPROVEMENTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
General property taxes	\$ 658,960	\$ 658,960	\$ 658,960	\$ -
Special assessments	248,000	248,000	269,158	21,158
Intergovernmental grants and aids	640,750	4,018,256	2,880,765	(1,137,491)
Interest income	-	-	107	107
Other miscellaneous	-	-	142,789	142,789
Total Revenues	<u>1,547,710</u>	<u>4,925,216</u>	<u>3,951,779</u>	<u>(973,437)</u>
EXPENDITURES				
Capital outlay	<u>5,346,360</u>	<u>12,600,999</u>	<u>6,653,464</u>	<u>5,947,535</u>
Deficiency of Revenues over Expenditures	<u>(3,798,650)</u>	<u>(7,675,783)</u>	<u>(2,701,685)</u>	<u>4,974,098</u>
OTHER FINANCING SOURCES				
Issuance of debt	3,498,650	3,498,650	3,427,510	(71,140)
Transfers in	<u>150,000</u>	<u>150,000</u>	<u>100,000</u>	<u>(50,000)</u>
Total Other Financing Sources	<u>3,648,650</u>	<u>3,648,650</u>	<u>3,527,510</u>	<u>(121,140)</u>
Net change in fund balance	(150,000)	(4,027,133)	825,825	4,852,958
Fund balance - beginning of year	<u>4,211,788</u>	<u>4,211,788</u>	<u>4,211,788</u>	<u>-</u>
Fund balance - end of year	<u>\$ 4,061,788</u>	<u>\$ 184,655</u>	<u>\$ 5,037,613</u>	<u>\$ 4,852,958</u>

CITY OF WAUSAU, WISCONSIN
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS
December 31, 2011

	Motor Pool	Insurance Fund	Employee Benefits Fund	Total
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 1,080,083	\$ 177,433	\$ 127,262	\$ 1,384,778
Accounts receivable	9,131	190,784	46,737	246,652
Inventories and prepayments	290,917	6,472	-	297,389
Total Current Assets	<u>1,380,131</u>	<u>374,689</u>	<u>173,999</u>	<u>1,928,819</u>
Noncurrent Assets:				
Property, Plant and Equipment:				
Property and equipment	9,475,134	-	-	9,475,134
Accumulated depreciation	(6,427,415)	-	-	(6,427,415)
Net Property, Plant and Equipment	<u>3,047,719</u>	<u>-</u>	<u>-</u>	<u>3,047,719</u>
TOTAL ASSETS	<u>\$ 4,427,850</u>	<u>\$ 374,689</u>	<u>\$ 173,999</u>	<u>\$ 4,976,538</u>
LIABILITIES				
Current Liabilities:				
Accounts payable	\$ 19,312	\$ 152,691	\$ 95,262	\$ 267,265
Accrued payroll and benefits	817	-	-	817
Total Current Liabilities	<u>20,129</u>	<u>152,691</u>	<u>95,262</u>	<u>268,082</u>
Noncurrent Liabilities:				
Compensated absences payable	<u>22,127</u>	<u>-</u>	<u>-</u>	<u>22,127</u>
TOTAL LIABILITIES	<u>42,256</u>	<u>152,691</u>	<u>95,262</u>	<u>290,209</u>
NET ASSETS				
Invested in capital assets, net of related debt	3,047,719	-	-	3,047,719
Unrestricted	<u>1,337,875</u>	<u>221,998</u>	<u>78,737</u>	<u>1,638,610</u>
TOTAL NET ASSETS	<u>\$ 4,385,594</u>	<u>\$ 221,998</u>	<u>\$ 78,737</u>	<u>\$ 4,686,329</u>

CITY OF WAUSAU, WISCONSIN
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
Year Ended December 31, 2011

	Motor Pool	Insurance Fund	Employee Benefits Fund	Total
OPERATING REVENUES				
Charges for services and sales	\$ 3,029,119	\$ 972,273	\$ 6,627,362	\$ 10,628,754
Other operating revenues	<u>66,768</u>	<u>206,804</u>	<u>-</u>	<u>273,572</u>
Total Operating Revenues	<u>3,095,887</u>	<u>1,179,077</u>	<u>6,627,362</u>	<u>10,902,326</u>
OPERATING EXPENSES				
Operating and maintenance	1,779,935	1,008,122	-	2,788,057
Depreciation	759,465	-	-	759,465
Insurance and claims	<u>-</u>	<u>-</u>	<u>6,703,529</u>	<u>6,703,529</u>
Total Operating Expenses	<u>2,539,400</u>	<u>1,008,122</u>	<u>6,703,529</u>	<u>10,251,051</u>
Operating income (loss)	556,487	170,955	(76,167)	651,275
NONOPERATING REVENUES				
Gain on sale of capital assets	<u>40,676</u>	<u>-</u>	<u>-</u>	<u>40,676</u>
Income (loss) before transfers	597,163	170,955	(76,167)	691,951
Transfers out	<u>(175,000)</u>	<u>-</u>	<u>-</u>	<u>(175,000)</u>
Change in Net Assets	<u>422,163</u>	<u>170,955</u>	<u>(76,167)</u>	<u>516,951</u>
Total net assets - beginning of year	3,963,431	51,043	-	4,014,474
Prior period adjustment	<u>-</u>	<u>-</u>	<u>154,904</u>	<u>154,904</u>
Total net assets - beginning, as restated	<u>3,963,431</u>	<u>51,043</u>	<u>154,904</u>	<u>4,169,378</u>
Total net assets - end of year	<u>\$ 4,385,594</u>	<u>\$ 221,998</u>	<u>\$ 78,737</u>	<u>\$ 4,686,329</u>

CITY OF WAUSAU, WISCONSIN
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year Ended December 31, 2011

	Motor Pool	Insurance Fund	Employee Benefits Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers, users and others	\$ 3,096,775	\$ 1,160,106	\$ 6,580,625	\$ 10,837,506
Payments to suppliers	(1,730,989)	(775,853)	(6,608,267)	(9,115,109)
Payments to employees	(336,052)	-	-	(336,052)
Net Cash Provided (Used) by Operating Activities	1,029,734	384,253	(27,642)	1,386,345
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Due to/from other funds	-	(206,820)	-	(206,820)
Transfers out	(175,000)	-	-	(175,000)
Net Cash Used by Noncapital Financing Activities	(175,000)	(206,820)	-	(381,820)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(724,462)	-	-	(724,462)
Proceeds from sale of capital assets	40,676	-	-	40,676
Net Cash Used by Capital and Related Financing Activities	(683,786)	-	-	(683,786)
Net Increase (Decrease) in Cash and Cash Equivalents	170,948	177,433	(27,642)	320,739
Cash and cash equivalents - beginning of year	909,135	-	154,904	1,064,039
Cash and cash equivalents - end of year	\$ 1,080,083	\$ 177,433	\$ 127,262	\$ 1,384,778
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 556,487	\$ 170,955	\$ (76,167)	\$ 651,275
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	759,465	-	-	759,465
Changes in assets and liabilities:				
Accounts receivable	888	(18,971)	(46,737)	(64,820)
Inventories and prepayments	(290,917)	192,269	-	(98,648)
Accounts payable	3,135	40,000	95,262	138,397
Accrued compensated absences	676	-	-	676
Net cash provided (used) by operating activities	\$ 1,029,734	\$ 384,253	\$ (27,642)	\$ 1,386,345

CITY OF WAUSAU, WISCONSIN
AGENCY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
December 31, 2011

	<u>Incubator</u>	<u>Wausau Area Events</u>	<u>Main Street Wausau</u>	<u>Totals</u>
ASSETS				
Cash and cash equivalents	\$ -	\$ 74,871	\$ 84,151	\$ 159,022
Accounts receivable	<u>19,115</u>	<u>15,314</u>	<u>-</u>	<u>34,429</u>
TOTAL ASSETS	<u>\$ 19,115</u>	<u>\$ 90,185</u>	<u>\$ 84,151</u>	<u>\$ 193,451</u>
LIABILITIES				
Accounts payable	<u>\$ 19,115</u>	<u>\$ 90,185</u>	<u>\$ 84,151</u>	<u>\$ 193,451</u>

CITY OF WAUSAU, WISCONSIN
AGENCY FUNDS
COMBINING STATEMENT OF
CHANGES IN ASSETS AND LIABILITIES
Year Ended December 31, 2011

	Balance 1/1/2011	Additions	Deductions	Balance 12/31/2011
Incubator				
ASSETS				
Cash and cash equivalents	\$ -	\$ 228,303	\$ 228,303	\$ -
Accounts receivable	6,877	218,995	206,757	19,115
TOTAL ASSETS	\$ 6,877	\$ 447,298	\$ 435,060	\$ 19,115
LIABILITIES				
Accounts payable	\$ 6,877	\$ 447,298	\$ 435,060	\$ 19,115
TOTAL LIABILITIES	\$ 6,877	\$ 447,298	\$ 435,060	\$ 19,115
Wausau Area Events				
ASSETS				
Cash and cash equivalents	\$ 84,830	\$ 455,421	\$ 465,380	\$ 74,871
Accounts receivable	2,017	65,090	51,793	15,314
TOTAL ASSETS	\$ 86,847	\$ 520,511	\$ 517,173	\$ 90,185
LIABILITIES				
Accounts payable	\$ 86,847	\$ 520,511	\$ 517,173	\$ 90,185
TOTAL LIABILITIES	\$ 86,847	\$ 520,511	\$ 517,173	\$ 90,185
Main Street Wausau				
ASSETS				
Cash and cash equivalents	\$ 88,556	\$ 140,298	\$ 144,703	\$ 84,151
Accounts receivable	1,000	12,500	13,500	-
TOTAL ASSETS	\$ 89,556	\$ 152,798	\$ 158,203	\$ 84,151
LIABILITIES				
Accounts payable	\$ 89,556	\$ 152,798	\$ 158,203	\$ 84,151
TOTAL LIABILITIES	\$ 89,556	\$ 152,798	\$ 158,203	\$ 84,151
Business Improvement District				
ASSETS				
Cash and cash equivalents	\$ -	\$ 60,000	\$ 60,000	\$ -
TOTAL ASSETS	\$ -	\$ 60,000	\$ 60,000	\$ -
LIABILITIES				
Accounts payable	\$ -	\$ 60,000	\$ 60,000	\$ -
TOTAL LIABILITIES	\$ -	\$ 60,000	\$ 60,000	\$ -

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

CITY OF WAUSAU, WISCONSIN
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
December 31, 2011

	<u>Land</u>	<u>Buildings and Improvements</u>	<u>Machinery and Equipment</u>	<u>Infrastructure</u>	<u>Totals</u>
FUNCTION AND ACTIVITY					
General government	\$ 32,446,397	\$ 8,626,795	\$ 1,600,740	\$ -	\$ 42,673,932
Public safety:					
Police protection	587,830	3,529,140	1,020,753	-	5,137,723
Fire protection	253,941	1,876,554	5,041,260	-	7,171,755
Public works:					
Maintenance	221,071	2,320,949	10,120,381	-	12,662,401
Sidewalks	-	-	-	8,936,538	8,936,538
Street system	-	-	-	100,881,810	100,881,810
Parks and recreation	403,104	4,942,127	1,679,155	-	7,024,386
TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS	<u>\$ 33,912,343</u>	<u>\$ 21,295,565</u>	<u>\$ 19,462,289</u>	<u>\$ 109,818,348</u>	<u>\$ 184,488,545</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, 2011

	Balance January 1, 2011	Additions	Deletions	Balance December 31, 2011
FUNCTION AND ACTIVITY				
General government	\$ 38,421,049	\$ 4,589,344	\$ 336,461	\$ 42,673,932
Public safety:				
Police protection	5,070,085	72,339	4,701	5,137,723
Fire protection	6,378,181	1,025,373	231,799	7,171,755
Public works:				
Maintenance	12,432,059	851,737	621,395	12,662,401
Sidewalks	8,615,771	394,874	74,107	8,936,538
Street system	99,177,034	2,994,808	1,290,032	100,881,810
Parks and recreation	<u>6,324,226</u>	<u>734,802</u>	<u>34,642</u>	<u>7,024,386</u>
TOTAL GOVERNMENTAL FUNDS				
CAPITAL ASSETS	<u>\$ 176,418,405</u>	<u>\$ 10,663,277</u>	<u>\$ 2,593,137</u>	<u>\$ 184,488,545</u>

STATISTICAL SECTION

CITY OF WAUSAU, WISCONSIN

INDEX TO THE STATISTICAL SECTION
December 31, 2011

CONTENTS	<u>Page</u>
I. Financial Trends These schedules contain trend information to aid in the understanding of how the City's financial performance and well-being have changed over time.	96
II. Revenue Capacity These schedules offer information about the City's most significant revenue source, the property tax.	103
III. Debt Capacity These schedules present information about the affordability of the City's current levels of outstanding debt and ability to issue additional debt in the future.	109
IV. Demographic and Economic Information These schedules contain demographic and economic indicators about the environment within which the City's financial activities take place.	115
V. Operating Information These schedules include service and infrastructure data about how the information in the City's financial report relates to the services the City provides and activities it performs.	117

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 Nine 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>	<u>2011</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	\$ 79,344,570
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	12,789,388
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>	<u>10,409,561</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>	<u>\$ 102,543,519</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	\$ 88,572,360
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	1,148,802
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>	<u>4,583,292</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>	<u>\$ 94,304,454</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	\$ 167,916,930
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	13,938,190
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>	<u>14,992,853</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>	<u>\$ 196,847,973</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. In addition, the City reclassified the Metro Ride fund as an enterprise fund on January 1, 2011 and transferred the associated capital 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 Nine 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>	<u>2011</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	\$ 4,230,618	\$ 4,071,945
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	16,788,709
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	11,160,237
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	1,868,410
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	2,597,337
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	4,868,292
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	1,459,235
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>46,821,887</u>	<u>42,814,165</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	3,450,680
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	3,887,577
Parking	-	-	-	1,540,251	1,623,619	1,911,490	1,913,347	1,759,984	1,887,449
Metro Ride	-	-	-	-	-	-	-	-	4,049,837
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>	<u>13,275,543</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>\$ 55,994,756</u>	<u>\$ 56,089,708</u>
Program revenues									
Governmental activities:									
Charges for service:									
Transportation & streets	\$ 297,484	\$ 597,296	\$ 496,996	\$ 533,344	\$ 508,890	\$ 646,036	\$ 487,468	\$ 297,690	\$ 347,545
Conservation & development	924,710	972,269	673,707	1,164,129	960,850	941,424	1,062,703	582,312	2,042,703
Ambulance	831,046	914,718	991,737	1,277,222	1,209,473	1,394,593	1,154,805	1,271,790	1,442,386
Other activities	3,048,950	2,982,526	5,735,812	5,371,652	6,084,177	6,192,386	6,052,956	6,155,059	3,878,218
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	4,930,014
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	3,153,287
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>	<u>15,794,153</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	4,658,894
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	5,265,216
Parking	-	-	-	948,188	999,920	1,031,594	973,163	898,413	943,029
Metro Ride	-	-	-	-	-	-	-	-	484,881
Operating grants & contributions	-	-	-	-	-	-	-	-	2,504,065
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	2,602,532
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>	<u>16,458,617</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>	<u>\$ 32,252,770</u>

CITY OF WAUSAU
Schedule 2 (Continued)
Changes in Net Assets
Last Nine 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>	<u>2011</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)	\$(23,443,192)	\$(27,020,012)
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>	<u>3,183,074</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>\$(22,687,256)</u>	<u>\$(23,836,938)</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	\$ 25,927,605
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	1,282,138
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	6,170,550
Investment income	516,862	575,184	810,153	954,555	1,352,467	1,090,103	477,921	314,408	323,802
Miscellaneous	183,832	265,582	347,599	309,620	378,743	288,644	298,070	284,869	111,834
Gain on sale of capital assets	73,500	40,268	11,783	57,201	14,812	28,319	11,965	48,206	40,676
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>	<u>(2,604,305)</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>35,393,931</u>	<u>31,252,300</u>
Business-type activities:									
Taxes	-	-	-	333,632	227,746	375,971	317,785	300,000	898,786
Investment income	78,168	77,135	150,923	226,023	184,889	90,244	33,684	42,885	11,979
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>	<u>2,604,305</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>	<u>3,515,070</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>\$ 34,301,770</u>	<u>\$ 34,767,370</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	\$ 4,232,288
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>	<u>6,698,144</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>	<u>\$ 10,930,432</u>

CITY OF WAUSAU
Schedule 3
Program Revenues by Function/Program
Last Nine 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>	<u>2011</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	\$ 2,122,953
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	2,581,844
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	4,766,167
Sanitation, health and welfare	242,634	256,392	245,519	296,112	315,413	341,192	265,644	275,953	200,451
Natural resources and recreation	378,178	253,838	297,397	283,231	258,104	369,784	273,672	238,127	285,894
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>	<u>5,836,844</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>	<u>15,794,153</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	4,684,042
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	5,579,673
Parking	-	-	-	995,835	999,920	1,031,594	1,186,704	954,213	943,029
Metro Ride	-	-	-	-	-	-	-	-	<u>5,251,873</u>
Total business-type activities	<u>9,931,105</u>	<u>9,085,734</u>	<u>10,284,019</u>	<u>11,792,021</u>	<u>11,645,493</u>	<u>10,864,760</u>	<u>10,012,269</u>	<u>9,928,805</u>	<u>16,458,617</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>	<u>\$ 32,252,770</u>

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

	<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>	<u>2011</u>
General Fund										
Reserved for:										
Inventories and prepaids	\$ 320,620	\$ 319,900	\$ 320,445	\$ 337,002	\$ 447,499	\$ 352,951	\$ 360,338	\$ 362,790	\$ 364,724	\$ 68,337
Noncurrent receivables/advances (Note 1)	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	2,036,413
Committed to contingencies	-	-	-	-	-	-	-	-	-	500,000
Assigned to subsequent year's	-	-	-	-	-	-	-	-	-	1,397,958
Unreserved	<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>	<u>5,715,907</u>
Total General Fund	<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>	<u>9,718,615</u>
All Other Governmental Funds										
Reserved for:										
Inventories and prepaids	124,009	133,311	145,758	129,430	159,121	171,510	188,513	187,052	203,992	-
Debt service	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	180,536
Capital improvements	-	-	-	-	-	-	-	-	-	7,548,985
Events allocation	189,678	75,086	21,850	-	-	-	-	-	-	-
Special purposes	-	-	-	-	-	-	-	-	-	5,059,867
Trust purposes	198,584	247,614	275,949	372,864	398,029	443,996	532,181	617,919	631,450	-
Committed to special purposes	-	-	-	-	-	-	-	-	-	661,952
Unreserved, reported in:										
Special revenue funds	(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>3,448,561</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>	<u>(4,865,139)</u>
Total all other governmental funds	<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>	<u>8,586,201</u>
Total governmental funds	<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>	<u>\$ 18,304,816</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>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>	<u>2011</u>
REVENUES										
Taxes	\$ 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	\$ 26,865,199
Special assessments	736,724	860,473	434,137	593,622	504,270	448,394	929,784	700,401	876,605	328,135
Intergovernmental	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	14,178,400
Licenses and permits	681,568	713,911	765,846	826,798	751,379	849,619	732,375	672,926	677,438	668,741
Fines, forfeitures and penalties	393,892	438,327	476,446	573,186	364,019	372,608	359,132	321,558	323,783	371,580
Public charges for services	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	1,900,605
Intergovernmental charges for services	934,563	888,628	1,113,955	1,184,106	980,846	1,225,529	1,170,324	1,409,005	1,217,706	1,199,461
Commercial revenues	283,322	1,509,885	1,871,648	1,782,642	2,128,918	2,592,922	2,109,673	991,208	918,347	790,104
Miscellaneous revenues	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	2,631,295
Total revenues	<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>	<u>48,933,520</u>
EXPENDITURES										
Current:										
General government	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	3,663,394
Public safety	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	16,227,647
Transportation and streets	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	7,626,927
Sanitation, health and welfare	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	1,945,996
Natural resources and recreation	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	2,323,491
Economic development	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	3,615,689
Capital outlay	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	12,737,146
Debt service:										
Principal retirement	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	6,835,896
Retire unfunded pension obligation	-	3,939,067	-	-	-	-	-	-	-	-
Interest and debt service charges	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	1,443,873
Total expenditures	<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>	<u>56,420,059</u>
Excess (deficiency) of revenues over expenditures	<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>	<u>(7,486,539)</u>

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
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%
2011	2012	1,573,004,100	930,553,700	114,836,700	1,863,400	114,831,000	2,735,088,900	8.49	2,652,252,200	103.12%

^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
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
2011	2012	6.88	1.61	8.49	10.85	1.96	5.03	0.17	26.50	1.57	24.93

(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
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
2011	2012	6.88	1.61	8.49	10.15	1.96	5.03	0.17	25.80	1.57	24.23

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	2011			2002		
		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	\$ 78,687,600	2.88%	1	\$ 34,400,000	2.11%	2
Aspirus/Wausau Hospital	Medical	45,514,000	1.66%	2	13,329,600	0.82%	6
Employers Insurance/Liberty	Insurance	45,022,400	1.65%	3	47,262,700	2.90%	1
Apogee/Wausau Metals	Manufacturing	30,464,400	1.11%	4	11,579,600	0.71%	8
Marshfield Clinic	Medical	27,239,700	1.00%	5	20,203,200	1.24%	3
Eastbay	Retail/Distribution	21,972,600	0.80%	6	14,114,500	0.87%	5
Wausau Center Mall	Retail	21,958,400	0.80%	7	15,662,400	0.96%	4
Wausau Benefits/Fiserv	Insurance	21,561,800	0.79%	8			
First Wausau Tower	Office	20,718,500	0.76%	9			
L & L Properties LLC	Apartments	18,944,000	0.69%	10			
Kolbe & Kolbe	Manufacturing				12,600,400	0.77%	7
M & I Bank	Banking				9,386,200	0.58%	9
Marathon Electric	Manufacturing				7,090,500	0.44%	10
	TOTAL	\$ 332,083,400	12.14%		\$ 185,629,100	11.39%	

^A Per City Assessor records.

^B Based on the City's total assessed valuation on January 1, 2011 and 2002 of \$2,735,088,900 and \$1,629,471,800, 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
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%
2011	21,462,314	20,808,718	96.95%	21,434,158	99.87%	28,156	0.13%

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>
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%
2011	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			
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	5.71%	1,222
2011	43,774,783	-	6,328,392	-	-	50,103,175	N/A	1,280

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
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
2011	50,103,175	180,536	49,922,639	1.88%	1,275

^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, 2011

<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	\$ 49,922,639	100.00%	<u>\$ 49,922,639</u>
Overlapping Debt:			
Wausau School District	53,740,000	62.15%	33,399,410
DC Everest School District	44,000,000	5.02%	2,208,800
Northcentral Technical College	23,170,000	16.10%	3,730,370
Marathon County	14,810,000	27.27%	<u>4,038,687</u>
Total Overlapping Debt			<u>43,377,267</u>
Total Direct and Overlapping Debt			<u><u>\$ 93,299,906</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, 2011

Legal Debt Margin at December 31, 2011

Equalized Value of Real & Personal Property	\$ <u>2,652,252,200</u>
Legal Debt Limit (5% of equalized value)	\$ <u>132,612,610</u>
Total Debt Applicable to Debt Limitation	50,103,175
Less: Available funds reserved for debt retirement	<u>(180,536)</u>
Net Amount Applicable to Debt Limitation	<u>49,922,639</u>
Remaining Legal Debt Margin	<u>\$ 82,689,971</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
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%
2011	2,652,252,200	132,612,610	49,922,639	82,689,971	37.65%

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	
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
2011	4,661,349	2,380,701	2,280,648	-	-	-	n/a

(Continued)

¹ Includes Total Operating Revenues and Investment Income .

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

³ Water System Revenue Bonds, Series 1999. These bonds were refunded during 2007.

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	
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
2011	5,274,740	2,761,714	2,513,026	-	-	-	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
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	870,788,312	40,691	8,546	9.5%
2011	39,142	n/a	n/a	8,574	8.8%

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	2011			2002		
		Number of Employees*	Rank	Percentage of Total City Employment	Number of Employees*	Rank	Percentage of Total City Employment
Aspirus/Wausau Hospital	Medical	2,700	1	15.14%	2,599	1	13.69%
Kolbe & Kolbe	Window/door manufacturing	1,600	2	8.97%	1,590	3	8.38%
Employers Insurance/Liberty	Insurance	1,250	3	7.01%	1,600	2	8.43%
Wausau School District	Education	1,208	4	6.77%	1,300	5	6.85%
Eastbay	Retail/distribution	1,065	5	5.97%	1,500	4	7.90%
North Central Health Care	Health care/medical	1,000	6	5.61%	970	6	5.11%
United Health Care	Benefits Administration	820	7	4.60%	925	7	4.87%
Marathon County	Government	713	8	4.00%	784	8	4.13%
Marshfield Clinic - Wausau	Health care/medical	675	9	3.78%	n/a		
Total		<u>11,031</u>		61.85%	<u>11,268</u>		59.37%
Total City Employment		<u>17,835</u>			<u>18,978</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>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>	<u>2011</u>
General Government										
Mayor's office	4.00	4.00	3.50	3.50	3.50	3.50	3.50	3.50	2.50	2.50
Customer service	16.25	15.25	15.25	15.25	14.15	14.15	13.65	13.20	11.20	11.20
Assessment	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50
Human resources	2.00	2.00	2.00	2.00	2.50	2.50	2.00	2.00	2.00	2.00
City attorney	3.75	3.75	3.75	3.75	3.75	4.00	4.00	3.25	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>34.00</u>	<u>33.00</u>	<u>32.50</u>	<u>32.50</u>	<u>31.90</u>	<u>32.15</u>	<u>31.15</u>	<u>29.95</u>	<u>26.95</u>	<u>26.95</u>
Public Safety										
Police department	75.00	76.00	76.00	78.75	78.75	79.75	83.75	83.75	80.25	80.25
Fire department	61.00	61.00	60.00	59.00	60.00	59.00	59.00	59.00	60.00	60.00
Inspections and electrical	13.00	13.00	13.00	13.00	13.00	12.00	11.00	11.00	10.00	6.00
Total Public Safety	<u>149.00</u>	<u>150.00</u>	<u>149.00</u>	<u>150.75</u>	<u>151.75</u>	<u>150.75</u>	<u>153.75</u>	<u>153.75</u>	<u>150.25</u>	<u>146.25</u>
Parks Department *	1.00	-	-	-	-	-	-	-	-	-
Public Works	67.50	65.50	65.50	66.00	66.00	64.00	65.85	63.50	60.85	68.35
Community Development	12.25	12.25	12.25	12.75	12.75	12.75	11.75	11.75	11.75	11.75
Metro Ride	35.00	33.00	33.00	33.00	33.00	33.00	32.00	33.00	33.00	33.00
Water & Sewer Utilities	31.75	31.75	31.75	31.25	27.50	26.50	26.50	26.50	26.50	21.50
Total Regular Employees	<u>330.50</u>	<u>325.50</u>	<u>324.00</u>	<u>326.25</u>	<u>322.90</u>	<u>319.15</u>	<u>321.00</u>	<u>318.45</u>	<u>309.30</u>	<u>307.80</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>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>	<u>2011</u>
General Government										
Building permits issued										
Residential	859	937	925	847	750	766	646	600	943	827
Non-residential	155	156	170	174	179	231	156	142	140	170
Total construction value (\$000)										
Residential	17,875	28,892	33,325	35,131	24,397	31,732	25,530	10,953	14,848	15,085
Non-residential	70,794	54,964	42,204	61,077	45,361	99,352	16,411	21,018	16,506	18,599
Police										
Calls for service	N/A	N/A	N/A	N/A	50,519	51,841	53,741	50,148	50,580	51,996
Parking tickets issued	N/A	N/A	N/A	N/A	9,509	16,435	12,968	10,907	6,970	6,781
Total arrests	N/A	N/A	N/A	3,267	3,413	3,389	3,451	3,255	3,047	3,159
Fire										
Fire responses	1,238	1,648	1,455	1,478	1,433	1,393	1,437	1,285	1,333	1,493
Emergency responses	3,329	3,350	3,565	3,734	4,003	4,185	4,617	4,074	4,161	4,224
Inspections	3,232	4,183	3,816	4,438	4,018	4,043	3,971	3,951	4,004	3,919
Public works										
Miles of street swept	9,145	6,670	11,516	7,019	6,127	6,470	5,485	6,304	5,419	4,614
Cu. yds. of debris - sweeping	5,026	4,399	4,335	6,179	4,963	3,530	3,293	3,817	2,833	2,935
Tons of asphalt used (potholes)	795	1,058	480	406	598	570	701	719	1,381	475
Water										
Ave. daily consumption (000 gal.)	4,803	4,931	4,845	5,099	5,347	5,527	5,114	4,979	5,125	5,205
Peak daily consumption (000 gal.)	7,822	8,771	7,524	8,529	8,531	7,725	9,043	7,510	7,033	6,855
Number of customers	14,546	14,613	14,791	15,275	15,405	15,533	15,692	15,613	15,614	15,637
Wastewater										
Ave. daily sewage treatment (000 gal.)	4,868	3,770	3,977	3,930	4,166	4,122	4,199	3,900	3,842	4,335
Metro Ride										
Total route miles	657,540	638,730	620,471	603,668	739,055	720,858	604,793	573,876	573,105	571,175
Total passengers	758,706	743,249	758,061	819,165	865,988	857,010	851,895	794,121	774,081	788,748
Cost per passenger	\$3.37	\$3.66	\$3.85	\$3.55	\$3.64	\$3.86	\$3.89	\$3.88	\$4.02	\$4.24

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

	Fiscal Year									
	<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>	<u>2011</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	214.5	218.7	221.9	223.4	225.5	228.7	233.8	239.0	243.0
Parks & recreation										
Parks	36	36	36	36	36	36	35	35	35	36
Acreage	338	338	338	338	343	343	342	342	342	342
Swimming pools	3	3	3	3	3	3	3	3	3	3
Water										
Miles of main	211.0	217.0	221.1	227.1	229.8	230.6	231.6	231.9	232.3	232.3
Storage capacity (000 gal.)	5,300	5,550	5,550	5,550	5,550	5,550	5,550	5,550	5,550	5,550
Fire hydrants	1,404	1,451	1,481	1,541	1,571	1,587	1,600	1,602	1,606	1,607
Wastewater										
Miles of main	211.0	212.3	218.1	221.3	224.3	225.2	225.6	226.2	226.4	226.7
Stormwater										
Miles of main	124.2	124.7	127.3	127.8	128.3	128.6	129.3	129.7	130.0	130.8