



CITY OF WAUSAU
Wausau, Wisconsin

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**For the Year Ended
December 31, 2013**

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

**CITY OF WAUSAU, WISCONSIN
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 For the Year Ended December 31, 2013**

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INTRODUCTORY SECTION



June 25, 2014

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, 2013 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 1,545 square miles. The City of Wausau covers 18.78 square miles with approximately 250.9 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 eleven 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. The City's Finance Director and Mayor may authorize new appropriations or transfers of budgeted amounts within expenditures of a cost center up to \$5,000. Amounts up to \$15,000 require Finance Committee approval and transfers or new appropriations over \$15,000 require two-thirds (2/3) 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 the past few years, the City of Wausau and the surrounding area within the County have become appreciated as a travel/tourist destination. The area is now ranked 9th in the state for traveler tourism spending. The City's position as a tourism leader will strengthen due to new destinations recently constructed or under construction. The new eight sheet curling facility opened for play in 2013 and is considered to be the largest in the United States. This facility is expected to generate national, state and regional competitions. Projects under construction include the \$2.7 million dollar enhancement to Athletic Park, home of the Woodchucks, a collegiate baseball team. This park will be open for the 2014 baseball season. Also, the former Holtz-Krause Landfill site is under redevelopment into 15 soccer fields. These fields will be ready for competition in 2015.

The City has been fortunate that commercial development continues to improve. The total valuation of 2013 building permits at \$61,382,000 represents an 8% increase from the prior year. The City has attracted several new manufacturers to our business park and several facilities are under expansion.

The City continues to work on the remediation and redevelopment of approximately 17 acres along the riverfront in downtown. During the summer of 2014 a new access road will be constructed and remediation of the entire site will take place. This property should be shovel-ready for new construction in the spring of 2015.

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, 2012. 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 thirteenth 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, Accounting Manager, 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 'M. Groat', with a long horizontal flourish extending to the right.

Maryanne Groat, CPA
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Wausau
Wisconsin**

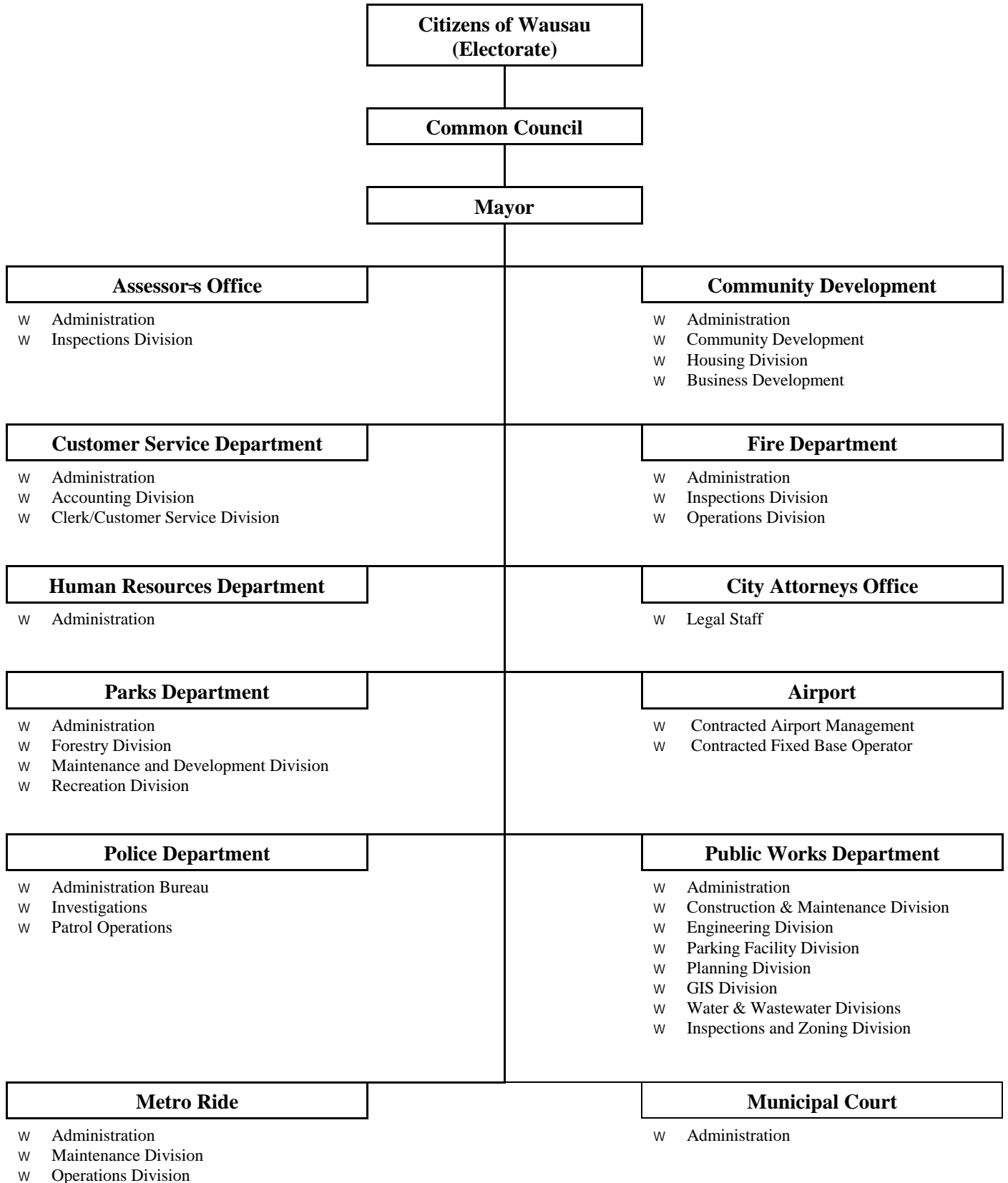
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2012

Executive Director/CEO

CITY OF WAUSAU

Organizational Chart



CITY OF WAUSAU
List of Principal Officials on December 31, 2013

ELECTED

Mayor James E. Tipple
Municipal Judge Mark Sauer
Common Council President Lisa Rasmussen

Alderman District

First William Nagle
Second Romey Wagner
Third David Nutting
Fourth Jim Brezinski
Fifth Gary Gisselman
Sixth Keene T. Winters
Seventh Lisa Rasmussen
Eighth Karen Kellbach
Ninth David Oberbeck
Tenth Sherry Abitz
Eleventh Robert Mielke

APPOINTED

Finance Director / City Treasurer Maryanne Groat
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

To the City Council
City of Wausau, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Wausau, Wisconsin ("the City") as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 5.H, the City recorded a prior period adjustment of \$281,118 in the governmental funds and government-wide financial statements to properly record inventory balances. In addition, the City recorded a prior period adjustment of \$18,893 in the governmental funds, proprietary funds and government-wide financial statements to create the Animal Control enterprise fund. Our opinions are not modified with respect to these matters.

As described in Note 5.I, the City has implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for the year ended December 31, 2013. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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 71 and page 72 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The financial information listed in the table of contents as supplementary information, and the other information, such as the introductory and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

The supplementary information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2014 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Certified Public Accountants
Wausau, Wisconsin
June 25, 2014

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, 2013. This discussion and analysis is intended to assist readers in focusing on significant financial issues, changes in the City's financial position, and identifying any significant variances from the adopted budget. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and the financial statements provided in this report.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$212,785,596.
- The City's total net position increased by \$5,418,023.
- As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$18,270,366, an increase of \$1,076,610 from the prior year. The total unrestricted fund balance of \$3,687,142 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 \$6,908,506, or 22.36% of expenditures. Of this amount, \$1,071,324 is committed or assigned and \$5,837,182 is unassigned. The General Fund is in compliance with the City's fund balance policy at December 31, 2013.
- The City of Wausau's total general obligation debt increased \$2,128,000, or 4.4%. The major reason for this increase is due to issuance of general obligation bonds at the end of 2013 for swimming pool renovations planned for 2014.

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 Position* presents information on all of the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. To assess the overall health of the City you need to consider additional 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 position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods (examples include: uncollected taxes and earned but unused compensated absences.) An important purpose of the design of the Statement of Activities is to show the financial reliance of the City's distinct activities or functions on revenues provided by the City's taxpayers.

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

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

The government-wide financial statements are presented on pages 12-15 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-six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Debt Service Fund, TID #3 Downtown Development Fund and the Capital Improvements Fund, all of which are considered to be major funds. Data for the other twenty-two 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 16-19 of this report.

Proprietary Funds are reported in the fund financial statements and generally report services for which the City charges customers a fee. The City maintains two types of proprietary funds. *Enterprise funds* are used to report the functions presented in business-type activities in the government-wide financial statements. Services are provided to customers external to the City organization and include the water, wastewater, parking, Metro Ride, airport and animal control funds. The City's *internal service funds*, the Motor Pool, Insurance, Employee Benefits and Employee HRA/Wellness 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, which are considered to be major funds, and the four internal service funds. Individual fund data for the two nonmajor enterprise funds and for each of the internal service funds is provided in combining statements elsewhere in the supplementary statements.

The basic proprietary fund financial statements can be found on pages 20-25 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 26-27 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 28 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 71-106 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, the City of Wausau’s net position at fiscal year-end is \$212,785,596.

By far, the largest portion of the City of Wausau’s net position (85.4 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 Position

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current, other assets and deferred outflows of resources	\$ 105,479,830	\$ 102,971,666	\$ 7,866,367	\$ 7,538,513	\$ 113,346,197	\$ 110,510,179
Capital assets	<u>132,618,300</u>	<u>125,742,816</u>	<u>97,904,097</u>	<u>98,695,907</u>	<u>230,522,397</u>	<u>224,438,723</u>
Total assets and deferred outflows	<u>238,098,130</u>	<u>228,714,482</u>	<u>105,770,464</u>	<u>106,234,420</u>	<u>343,868,594</u>	<u>334,948,902</u>
Non-current liabilities	50,935,029	47,683,398	5,152,453	5,888,356	56,087,482	53,571,754
Other liabilities and deferred inflows of resources	<u>73,384,631</u>	<u>72,183,177</u>	<u>1,610,885</u>	<u>1,826,398</u>	<u>74,995,516</u>	<u>74,009,575</u>
Total liabilities and deferred inflows	<u>124,319,660</u>	<u>119,866,575</u>	<u>6,763,338</u>	<u>7,714,754</u>	<u>131,082,998</u>	<u>127,581,329</u>
Net position:						
Net investment in capital assets	88,488,799	84,193,691	93,217,875	93,046,689	181,706,674	177,240,380
Restricted	10,610,753	9,729,737	1,337,308	1,280,921	11,948,061	11,010,658
Unrestricted	<u>14,678,918</u>	<u>14,924,479</u>	<u>4,451,943</u>	<u>4,192,056</u>	<u>19,130,861</u>	<u>19,116,535</u>
Total net position	<u>\$ 113,778,470</u>	<u>\$ 108,847,907</u>	<u>\$ 99,007,126</u>	<u>\$ 98,519,666</u>	<u>\$ 212,785,596</u>	<u>\$ 207,367,573</u>

An additional portion of the City’s net position (5.6%) represents resources that are subject to restrictions on how they may be used. The remaining balance represents unrestricted net position of \$19,130,861 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 position, both for the government as a whole, as well as for its separate governmental and business-type activities. The City’s total net position increased by \$5,418,023 during the current fiscal year.

The changes by net position category are as follows:

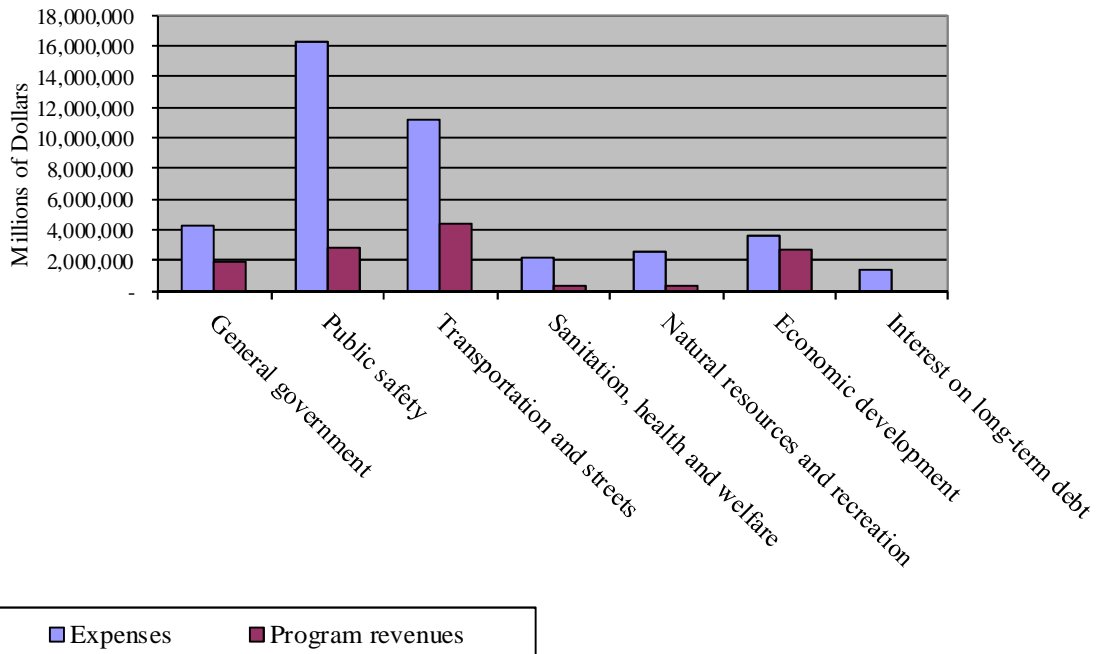
Net investment in capital assets	\$ 4,466,294
Restricted	937,403
Unrestricted	<u>14,326</u>
Total	<u>\$ 5,418,023</u>

The following table provides a summary of the City's operations for the year ended December 31, 2013 and a comparison to the year ended December 31, 2012.

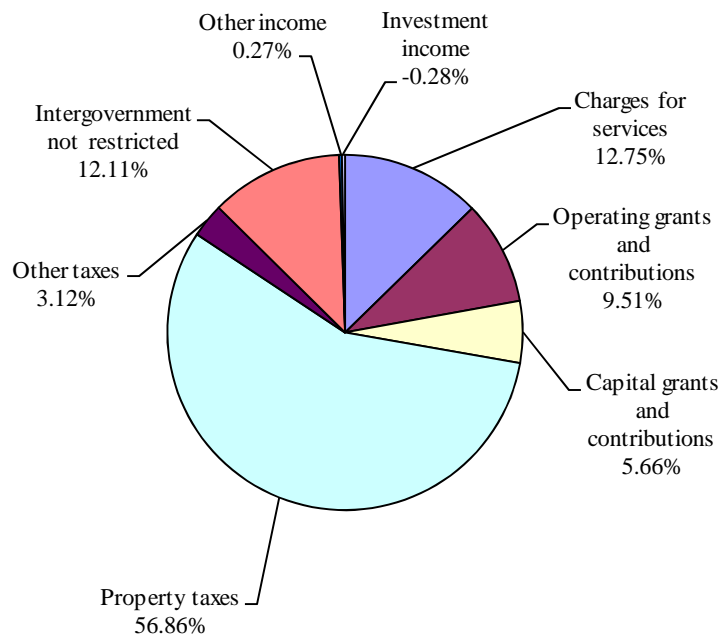
CITY OF WAUSAU CHANGES IN NET POSITION FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012						
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program Revenues						
Charges for services	\$ 5,714,158	\$ 6,277,201	\$11,701,409	\$11,726,086	\$ 17,415,567	\$ 18,003,287
Operating grants and contributions	4,259,090	4,724,318	1,976,766	1,887,934	6,235,856	6,612,252
Capital grants and contributions	2,534,980	4,102,154	438,672	1,794,853	2,973,652	5,897,007
General Revenues						
Property taxes	25,471,313	25,799,254	1,047,966	1,090,950	26,519,279	26,890,204
Other taxes	1,396,225	1,339,550	-	-	1,396,225	1,339,550
Grants and contributions not restricted to specific purposes	5,425,951	5,550,727	-	-	5,425,951	5,550,727
Investment income (loss)	(124,187)	260,412	6,206	7,127	(117,981)	267,539
Other	122,550	91,439	-	2,530	122,550	93,969
Total Revenues	<u>44,800,080</u>	<u>48,145,055</u>	<u>15,171,019</u>	<u>16,509,480</u>	<u>59,971,099</u>	<u>64,654,535</u>
Expenses						
General government	4,250,476	4,376,515	-	-	4,250,476	4,376,515
Public safety	16,246,258	15,845,111	70,081	-	16,316,339	15,845,111
Transportation and streets	11,242,010	11,704,756	5,964,472	5,612,438	17,206,482	17,317,194
Sanitation, health and welfare	2,146,465	2,073,673	-	-	2,146,465	2,073,673
Natural resources and recreation	2,592,265	2,598,645	-	-	2,592,265	2,598,645
Economic development	3,629,494	3,580,425	-	-	3,629,494	3,580,425
Interest on long term debt	1,329,912	1,247,791	-	-	1,329,912	1,247,791
Water	-	-	3,258,433	3,364,222	3,258,433	3,364,222
Wastewater	-	-	3,847,818	3,765,140	3,847,818	3,765,140
Total Expenses	<u>41,436,880</u>	<u>41,426,916</u>	<u>13,140,804</u>	<u>12,741,800</u>	<u>54,577,684</u>	<u>54,168,716</u>
Increase in net position before transfers	3,363,200	6,718,139	2,030,215	3,767,680	5,393,415	10,485,819
Transfers	<u>1,523,712</u>	<u>(447,532)</u>	<u>(1,523,712)</u>	<u>447,532</u>	<u>-</u>	<u>-</u>
Increase in net position	4,886,912	6,270,607	506,503	4,215,212	5,393,415	10,485,819
Net position - January 1, restated	109,110,132	102,839,525	98,538,559	94,323,347	207,648,691	197,162,872
Cumulative effect of change in accounting principle	<u>(218,574)</u>	<u>-</u>	<u>(37,936)</u>	<u>-</u>	<u>(256,510)</u>	<u>-</u>
Net position - December 31	<u>\$113,778,470</u>	<u>\$109,110,132</u>	<u>\$99,007,126</u>	<u>\$98,538,559</u>	<u>\$212,785,596</u>	<u>\$207,648,691</u>

Governmental activities increased the City's net position by \$4,886,912. Major items contributing to the increase in net position from governmental activities are as follows: 1) net acquisition of infrastructure assets of \$6,405,820; 2) decrease in capital grants and contributions for transportation and streets activities in the amount of \$1,677,170; 3) overall decreases in operating revenues and charges for services for economic development, transportation and streets and public safety activities in the amounts of \$313,421, \$202,706 and \$271,081, respectively; 4) a decrease in property taxes from tax incremental financing activities of \$395,925; and 5) transfers from business-type activities of \$1,573,712.

Expenses and Program Revenues - Governmental Activities

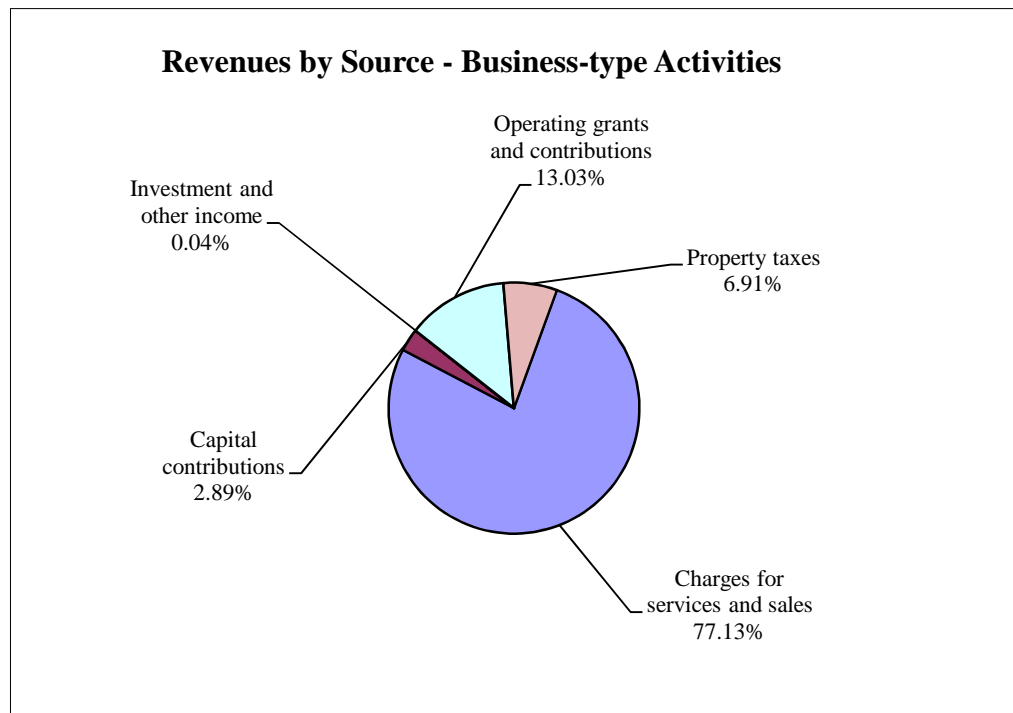
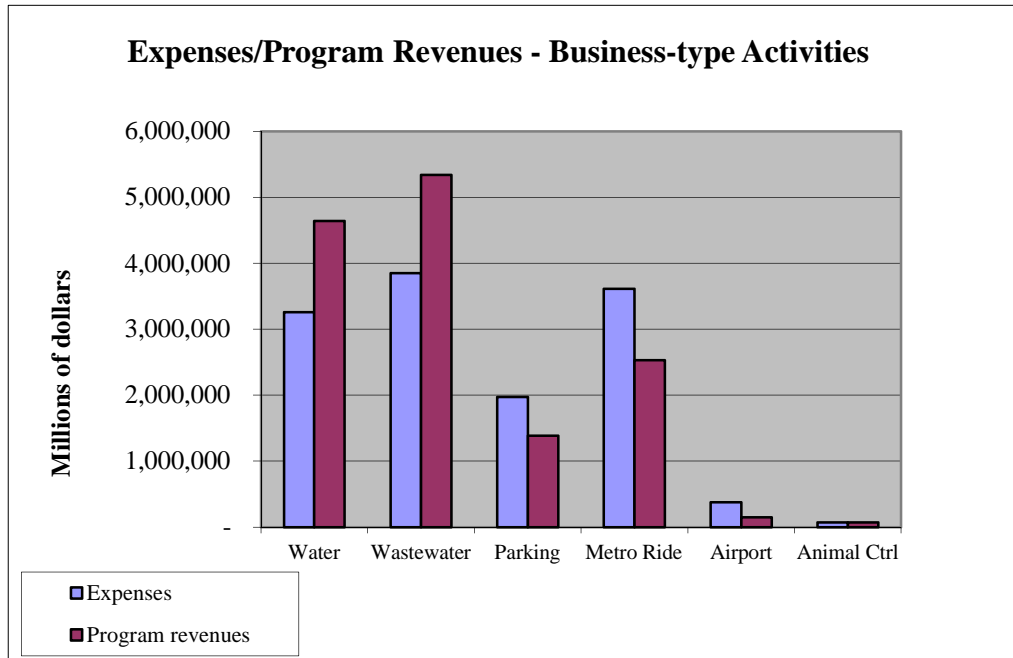


Program and General Revenues by Source - Governmental Activities



Business-type activities increased the City of Wausau’s net position by \$506,503. Key elements of the increase are as follows:

Operating revenues for business-type activities increased by \$64,155 while total operating expenses increased by \$417,935 for a net decrease in operating income for the year of \$353,780 over the prior year. Total operating income for the year ended December 31, 2013 was \$704,097 while net nonoperating revenues were \$887,446. Additional capital contributions of \$33,475, \$49,399, \$294,991, \$50,902 and \$9,905 in the Water, Wastewater, Parking, Metro Ride and Airport funds, respectively, along with transfers out of \$1,073,712 in the Water utility and \$450,000 in the Wastewater utility contributed to the overall increase in net position for the year ended December 31, 2013.



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 \$18,270,366, an increase of \$1,076,610 from the prior year. The total unrestricted fund balance of \$3,687,142 is available for spending at the City's discretion. A portion of the unrestricted fund balance is committed to special purposes for \$1,925,848 and assigned to special purposes for \$209,424. The remaining portion of fund balance in the amount of \$1,551,870 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 decreased \$340,300 to \$9,641,545. The major reason for the decrease in the general fund balance was due to adjusting investments to market value at December 31, 2013. The City reported expenditures less than anticipated budgets for all functional activities for 2013 except public safety and sanitation, health and welfare which exceeded budget by \$127,792 and \$19,267, respectively. General operations have not had a significant negative impact on the unassigned fund balance, which was \$5,837,182 at year-end. Unassigned fund balance decreased by \$498,469 from 2012 almost entirely due to the adjustment of investments to market as mentioned above. 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 22.36 percent of general fund expenditures, while total fund balance represents 31.21 percent of the same amount.

The Debt Service fund balance of \$666,846 at year end represents a \$110,508 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 \$2,105,440 at the end of 2013 represents a decrease in fund balance of \$972,706 over the prior year. It is anticipated that the remaining fund balance deficit will be reduced as projects are completed and development occurs.

Capital Improvements fund balance of \$5,709,269 represents unexpended capital projects in process. These projects will be completed in subsequent years.

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 \$205,901 under budget for the current fiscal year. Cost savings occurred in Data processing, Engineering, Public works and Parks and recreation which were under budget by \$41,668, \$38,905, \$182,040 and \$52,866, respectively, while Police department expenditures exceeded budget by \$117,617.
- General Fund revenues and other financing sources were under budget expectations by \$488,975. The most significant positive budget variances occurred in licenses and permits of \$71,052 and public charges for services in the amount of \$97,105. These positive variances were offset by shortcomings in intergovernmental charges for services of \$243,007 and commercial revenues of \$427,187 due to the adjustment of investments to market value.

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, 2013 was \$230,522,397. This investment in capital assets includes land, buildings and improvements, machinery, equipment, infrastructure and construction in progress. The total increase in net capital assets for the current fiscal year was \$6,083,674 or approximately 2.7%.

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

Governmental Activities

- Land purchased for street and other projects of \$1,305,994.
- Motor Pool additions of \$1,294,452.
- Various street and infrastructure additions totaling \$7,985,873.

Business-type Activities

- The Wastewater Utility machinery and equipment increased \$1,413,060.
- Water Utility installed water mains and other system support totaling \$705,085.

City of Wausau Capital Assets (net of accumulated depreciation)

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 36,489,828	\$ 35,183,834	\$ 2,911,238	\$ 2,911,238	\$ 39,401,066	\$ 38,095,072
Buildings & improvements	10,033,879	9,868,370	24,042,842	24,769,530	34,076,721	34,637,900
Machinery & equipment	6,928,290	6,305,610	10,474,537	11,361,881	17,402,827	17,667,491
Infrastructure	78,140,103	73,223,277	59,818,989	59,062,060	137,959,092	132,285,337
Construction in progress	<u>1,026,200</u>	<u>1,161,725</u>	<u>656,491</u>	<u>591,198</u>	<u>1,682,691</u>	<u>1,752,923</u>
Total	<u>\$132,618,300</u>	<u>\$125,742,816</u>	<u>\$97,904,097</u>	<u>\$98,695,907</u>	<u>\$230,522,397</u>	<u>\$224,438,723</u>

Additional information on the City of Wausau's capital assets can be found in Note 4.C. on pages 47-49 of this report.

Long Term Debt

At the end of the current fiscal year, the City of Wausau had total debt outstanding of \$50,473,575. 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	
	2013	2012	2013	2012	2013	2012
General obligation	<u>\$ 45,785,291</u>	<u>\$ 42,800,635</u>	<u>\$ 4,688,284</u>	<u>\$ 5,544,940</u>	<u>\$ 50,473,575</u>	<u>\$ 48,345,575</u>

In 2013 the City issued debt as follows:

- 2013 Promissory Note Series A \$5,365,000; this debt financed 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 and TID #7 West Side Development fund.
- 2013 Promissory Note Series B \$630,000; this debt financed a developer payment relating to infrastructure improvements benefitting Bull Falls Brewery located within the City's TID #9.
- 2013 General Obligation Bonds Series C \$3,410,000; this debt will finance swimming pool renovations planned to begin in 2014.
- 2013 Promissory note with Judd S. Alexander Foundation, Inc. for \$750,000 to finance the acquisition, revitalization and redevelopment of certain riverfront properties.
- 2013 Promissory note with Judd S. Alexander Foundation, Inc. for \$358,000 to finance the acquisition, revitalization and redevelopment of certain riverfront properties.

The City received an Aa2 rating from Moody's Investors Service for the Series A, Series B and Series C general obligation issues shown above.

Additional information regarding the City of Wausau's long-term debt can be found in Note 4.E. on pages 51-53 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 2014 budget for the City of Wausau.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

CITY OF WAUSAU, WISCONSIN
STATEMENT OF NET POSITION
December 31, 2013

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and cash equivalents	\$ 22,337,827	\$ 2,312,974	\$ 24,650,801	\$ 4,536,912
Investments	19,302,607	-	19,302,607	-
Receivables (net of allowance for uncollectible accounts)	62,052,118	3,902,821	65,954,939	858,931
Internal balances	44,506	(44,506)	-	-
Inventories and prepayments	614,999	304,879	919,878	14,018
Restricted assets:				
Cash and investments	-	1,337,308	1,337,308	335,571
Investment in joint venture	319,597	-	319,597	-
Other assets	-	-	-	95,238
Capital assets (net of accumulated depreciation):				
Land	36,489,828	2,911,238	39,401,066	981,317
Buildings and improvements	10,033,879	24,042,842	34,076,721	15,159,355
Machinery and equipment	6,928,290	10,474,537	17,402,827	374,522
Infrastructure	78,140,103	59,818,989	137,959,092	-
Construction in progress	1,026,200	656,491	1,682,691	117,589
TOTAL ASSETS	237,289,954	105,717,573	343,007,527	22,473,453
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	808,176	52,891	861,067	-

(Continued on next page)

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
LIABILITIES				
Accounts payable and other				
current liabilities	3,355,128	429,173	3,784,301	1,812,647
Accrued interest payable	302,486	26,224	328,710	-
Accrued liability - claims payable	287,334	-	287,334	-
Due to other governments	43,284,624	32,069	43,316,693	-
Unearned revenues	118,535	124,130	242,665	-
Noncurrent liabilities:				
Due within one year	9,132,605	825,930	9,958,535	3,906,232
Due in more than one year (net of unamortized costs)	41,802,424	4,326,523	46,128,947	992,442
TOTAL LIABILITIES	98,283,136	5,764,049	104,047,185	6,711,321
DEFERRED INFLOWS OF RESOURCES				
Property taxes	26,036,524	999,289	27,035,813	-
NET POSITION				
Net investment in capital assets	88,488,799	93,217,875	181,706,674	12,176,551
Restricted for:				
Debt service	666,846	-	666,846	-
Capital improvements	5,709,269	1,337,308	7,046,577	-
Community development programs	2,688,072	-	2,688,072	-
Holtz-Krause clean up	570,650	-	570,650	-
Grants and special purpose accounts	975,916	-	975,916	57,883
Unrestricted	14,678,918	4,451,943	19,130,861	3,527,698
TOTAL NET POSITION	\$ 113,778,470	\$ 99,007,126	\$ 212,785,596	\$ 15,762,132

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

CITY OF WAUSAU, WISCONSIN
STATEMENT OF ACTIVITIES
Year Ended December 31, 2013

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government:				
Governmental activities:				
General government	\$ 4,250,476	\$ 1,853,919	\$ 5,000	\$ -
Public safety	16,246,258	2,091,172	595,268	125,108
Transportation and streets	11,242,010	471,664	2,288,737	1,649,584
Sanitation, health and welfare	2,146,465	44,756	262,064	56,538
Natural resources and recreation	2,592,265	258,575	-	138,150
Economic development	3,629,494	994,072	1,108,021	565,600
Interest on long-term debt	1,329,912	-	-	-
Total governmental activities	<u>41,436,880</u>	<u>5,714,158</u>	<u>4,259,090</u>	<u>2,534,980</u>
Business-type activities:				
Water	3,258,433	4,607,291	-	33,475
Wastewater	3,847,818	5,291,328	-	49,399
Parking	1,972,388	1,088,714	-	294,991
Metro Ride	3,613,252	501,638	1,976,766	50,902
Airport	378,832	141,018	-	9,905
Animal Control	70,081	71,420	-	-
Total business-type activities	<u>13,140,804</u>	<u>11,701,409</u>	<u>1,976,766</u>	<u>438,672</u>
Total primary government	<u>\$ 54,577,684</u>	<u>\$ 17,415,567</u>	<u>\$ 6,235,856</u>	<u>\$ 2,973,652</u>
Component unit:				
Community Development Authority	<u>\$ 3,188,845</u>	<u>\$ 1,482,112</u>	<u>\$ 1,590,385</u>	<u>\$ 61,461</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 (loss)
- Miscellaneous
- Gain (loss) on sale of capital assets

Transfers

Total general revenues and transfers

Change in net position

Net position - beginning, as previously stated

Prior period adjustment

Net position - beginning, as restated

Net position before cumulative effect of change in accounting principle

Cumulative effect of change in accounting principle

Net position - ending

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

Primary Government			
Governmental Activities	Business-Type Activities	Total	Component Unit
\$ (2,391,557)	\$ -	\$ (2,391,557)	\$ -
(13,434,710)	-	(13,434,710)	-
(6,832,025)	-	(6,832,025)	-
(1,783,107)	-	(1,783,107)	-
(2,195,540)	-	(2,195,540)	-
(961,801)	-	(961,801)	-
(1,329,912)	-	(1,329,912)	-
<u>(28,928,652)</u>	<u>-</u>	<u>(28,928,652)</u>	<u>-</u>
-	1,382,333	1,382,333	-
-	1,492,909	1,492,909	-
-	(588,683)	(588,683)	-
-	(1,083,946)	(1,083,946)	-
-	(227,909)	(227,909)	-
<u>-</u>	<u>1,339</u>	<u>1,339</u>	<u>-</u>
<u>-</u>	<u>976,043</u>	<u>976,043</u>	<u>-</u>
<u>(28,928,652)</u>	<u>976,043</u>	<u>(27,952,609)</u>	<u>-</u>
-	-	-	(54,887)
16,044,068	1,047,966	17,092,034	-
4,088,000	-	4,088,000	-
337,345	-	337,345	-
5,001,900	-	5,001,900	-
1,396,225	-	1,396,225	-
5,425,951	-	5,425,951	-
(124,187)	6,206	(117,981)	25,707
98,042	-	98,042	-
24,508	-	24,508	(240,791)
<u>1,523,712</u>	<u>(1,523,712)</u>	<u>-</u>	<u>-</u>
<u>33,815,564</u>	<u>(469,540)</u>	<u>33,346,024</u>	<u>(215,084)</u>
<u>4,886,912</u>	<u>506,503</u>	<u>5,393,415</u>	<u>(269,971)</u>
108,847,907	98,519,666	207,367,573	17,735,978
<u>262,225</u>	<u>18,893</u>	<u>281,118</u>	<u>(1,703,875)</u>
<u>109,110,132</u>	<u>98,538,559</u>	<u>207,648,691</u>	<u>16,032,103</u>
113,997,044	99,045,062	213,042,106	15,762,132
(218,574)	(37,936)	(256,510)	-
<u>\$ 113,778,470</u>	<u>\$ 99,007,126</u>	<u>\$ 212,785,596</u>	<u>\$ 15,762,132</u>

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

CITY OF WAUSAU, WISCONSIN
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2013

	General	Debt Service	TID #3 Downtown Development	Capital Improvements	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 8,292,947	\$ 666,846	\$ -	\$ 6,003,242	\$ 5,263,736	\$ 20,226,771
Investments	19,302,607	-	-	-	-	19,302,607
Receivables (net of allowance for uncollectible accounts):						
Taxes	36,565,406	4,088,000	1,752,528	371,080	4,007,033	46,784,047
Delinquent personal property tax	61,922	-	-	-	-	61,922
Accounts	1,714,389	-	14,857	6,662	227,534	1,963,442
Notes	-	-	249,000	-	8,454,435	8,703,435
Federal and state government	-	-	-	527,210	2,022,417	2,549,627
Special assessments	780,535	-	-	1,141,889	-	1,922,424
Interest	42,125	-	-	-	-	42,125
Due from other funds	2,553,356	-	-	-	37,857	2,591,213
Advances to other funds	2,405,049	-	-	-	1,239,432	3,644,481
Inventories and prepayments	327,990	-	-	-	-	327,990
TOTAL ASSETS	\$ 72,046,326	\$ 4,754,846	\$ 2,016,385	\$ 8,050,083	\$ 21,252,444	\$ 108,120,084
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 813,009	\$ -	\$ -	\$ 993,764	\$ 246,279	\$ 2,053,052
Contracts payable	-	-	-	71,687	-	71,687
Accrued payroll and benefits	2,108,019	-	-	-	8,519	2,116,538
Due to other governments	43,284,624	-	-	-	-	43,284,624
Due to other funds	-	-	-	-	2,546,707	2,546,707
Unearned revenues	11,394	-	-	-	107,141	118,535
Advances from other funds	-	-	2,120,297	-	1,524,184	3,644,481
Total Liabilities	46,217,046	-	2,120,297	1,065,451	4,432,830	53,835,624
Deferred Inflows of Resources:						
Loans and other receivables	369,852	-	249,000	-	8,454,435	9,073,287
Property taxes	15,817,883	4,088,000	1,752,528	371,080	4,007,033	26,036,524
Special assessments	-	-	-	904,283	-	904,283
Total Deferred Inflows of Resources	16,187,735	4,088,000	2,001,528	1,275,363	12,461,468	36,014,094
Fund balances:						
Nonspendable	2,733,039	-	-	-	1,239,432	3,972,471
Restricted	-	666,846	-	5,709,269	4,234,638	10,610,753
Committed	861,900	-	-	-	1,063,948	1,925,848
Assigned	209,424	-	-	-	-	209,424
Unassigned	5,837,182	-	(2,105,440)	-	(2,179,872)	1,551,870
Total Fund Balances	9,641,545	666,846	(2,105,440)	5,709,269	4,358,146	18,270,366
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 72,046,326	\$ 4,754,846	\$ 2,016,385	\$ 8,050,083	\$ 21,252,444	

(Continued on next page)

Total
Governmental
Funds

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

Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds.	128,910,602
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	9,969,722
Investment in joint venture is not a financial resource and, therefore, is not reported in the funds.	319,597
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 position.	5,510,815
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>(49,202,632)</u>

Net position of governmental activities

\$ 113,778,470

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, 2013

	General	Debt Service	TID #3 Downtown Development	Capital Improvements	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	\$ 15,823,688	\$ 4,088,000	\$ 1,764,433	\$ 337,345	\$ 4,481,703	\$ 26,495,169
Special assessments	-	-	9,721	507,274	79,034	596,029
Intergovernmental	8,019,450	-	143,735	193,783	1,114,858	9,471,826
Licenses and permits	715,251	-	-	-	29,190	744,441
Fines, forfeitures and penalties	353,662	-	-	-	-	353,662
Public charges for services	1,807,857	-	-	-	-	1,807,857
Intergovernmental charges for services	1,393,301	-	-	-	-	1,393,301
Commercial revenues	(124,187)	-	1,305	-	475,974	353,092
Miscellaneous revenues	369,925	47,533	162,423	203,316	380,648	1,163,845
Total Revenues	<u>28,358,947</u>	<u>4,135,533</u>	<u>2,081,617</u>	<u>1,241,718</u>	<u>6,561,407</u>	<u>42,379,222</u>
EXPENDITURES						
Current:						
General government	3,868,595	-	-	-	40,351	3,908,946
Public safety	15,651,720	-	-	-	223,361	15,875,081
Transportation and streets	7,675,360	-	-	-	-	7,675,360
Sanitation, health and welfare	1,447,936	-	-	-	724,358	2,172,294
Natural resources and recreation	2,249,653	-	-	-	44,493	2,294,146
Economic development	-	-	48,275	-	3,501,975	3,550,250
Capital outlay	-	-	1,298,296	4,995,397	3,525,369	9,819,062
Debt service:						
Principal retirement	-	7,528,344	-	-	-	7,528,344
Interest and debt service charges	-	1,165,826	-	-	-	1,165,826
Total Expenditures	<u>30,893,264</u>	<u>8,694,170</u>	<u>1,346,571</u>	<u>4,995,397</u>	<u>8,059,907</u>	<u>53,989,309</u>
Excess (Deficiency) of						
Revenues over Expenditures	<u>(2,534,317)</u>	<u>(4,558,637)</u>	<u>735,046</u>	<u>(3,753,679)</u>	<u>(1,498,500)</u>	<u>(11,610,087)</u>
OTHER FINANCING						
SOURCES (USES)						
Issuance of debt	-	-	1,108,000	6,265,000	3,140,000	10,513,000
Premium on debt issued	-	124,902	-	76,643	68,640	270,185
Discount on debt issued	-	(42,578)	-	(15,703)	(21,144)	(79,425)
Transfers in	1,931,792	4,586,821	-	115,000	389,107	7,022,720
Transfers out	-	-	(2,815,752)	(60,941)	(2,425,315)	(5,302,008)
Total Other Financing Sources (Uses)	<u>1,931,792</u>	<u>4,669,145</u>	<u>(1,707,752)</u>	<u>6,379,999</u>	<u>1,151,288</u>	<u>12,424,472</u>
Net Change in Fund Balance	<u>(602,525)</u>	<u>110,508</u>	<u>(972,706)</u>	<u>2,626,320</u>	<u>(347,212)</u>	<u>814,385</u>
Beginning fund balances	9,981,845	556,338	(1,132,734)	3,082,949	4,705,358	17,193,756
Prior period adjustments	262,225	-	-	-	-	262,225
Beginning fund balances, as restated	<u>10,244,070</u>	<u>556,338</u>	<u>(1,132,734)</u>	<u>3,082,949</u>	<u>4,705,358</u>	<u>17,455,981</u>
Ending fund balances	<u>\$ 9,641,545</u>	<u>\$ 666,846</u>	<u>\$ (2,105,440)</u>	<u>\$ 5,709,269</u>	<u>\$ 4,358,146</u>	<u>\$ 18,270,366</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, 2013

Net change in fund balances - total governmental funds \$ 814,385

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. 6,405,820

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 494,397

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 position. Also, governmental funds report the effect of 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. (3,175,416)

Increase 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. 78,819

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. (108,843)

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. 377,750

Change in net position of governmental activities \$ 4,886,912

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

CITY OF WAUSAU, WISCONSIN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2013

	Business Type Activities- Enterprise Funds					Totals	Governmental Activities-
	Water Utility	Wastewater Utility	Parking Utility	Metro Ride	Nonmajor Funds		Internal Service Funds
ASSETS							
Current Assets:							
Cash and cash equivalents	\$ 100	\$ 1,324,274	\$ 615,947	\$ 284,497	\$ 88,156	\$ 2,312,974	\$ 2,111,056
Taxes receivable	-	-	250,000	679,289	70,000	999,289	-
Accounts receivable	1,248,285	1,441,386	54,382	8,228	8,836	2,761,117	32,944
Due from other governments	-	-	-	142,415	-	142,415	-
Inventories and prepayments	<u>125,765</u>	<u>-</u>	<u>-</u>	<u>177,557</u>	<u>1,557</u>	<u>304,879</u>	<u>287,009</u>
Total Current Assets	<u>1,374,150</u>	<u>2,765,660</u>	<u>920,329</u>	<u>1,291,986</u>	<u>168,549</u>	<u>6,520,674</u>	<u>2,431,009</u>
Noncurrent Assets:							
Restricted cash and cash equivalents:							
Replacement fund investments	<u>-</u>	<u>1,337,308</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,337,308</u>	<u>-</u>
Property, Plant and Equipment:							
Property and equipment	51,486,796	57,282,653	30,491,665	10,234,497	4,114,169	153,609,780	10,635,116
Accumulated depreciation	<u>(16,019,456)</u>	<u>(21,669,692)</u>	<u>(11,242,889)</u>	<u>(5,198,737)</u>	<u>(1,574,909)</u>	<u>(55,705,683)</u>	<u>(6,927,418)</u>
Net Property, Plant and Equipment	<u>35,467,340</u>	<u>35,612,961</u>	<u>19,248,776</u>	<u>5,035,760</u>	<u>2,539,260</u>	<u>97,904,097</u>	<u>3,707,698</u>
Total Noncurrent Assets	<u>35,467,340</u>	<u>36,950,269</u>	<u>19,248,776</u>	<u>5,035,760</u>	<u>2,539,260</u>	<u>99,241,405</u>	<u>3,707,698</u>
TOTAL ASSETS	<u>36,841,490</u>	<u>39,715,929</u>	<u>20,169,105</u>	<u>6,327,746</u>	<u>2,707,809</u>	<u>105,762,079</u>	<u>6,138,707</u>
DEFERRED OUTFLOWS OF RESOURCES							
Deferred charge on refunding	<u>52,891</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>52,891</u>	<u>-</u>

	Business Type Activities- Enterprise Funds					Totals	Governmental Activities-
	Water Utility	Wastewater Utility	Parking Utility	Metro Ride	Nonmajor Funds		Internal Service Funds
LIABILITIES							
Current Liabilities:							
Accounts payable	\$ 68,985	\$ 62,916	\$ 33,016	\$ 93,142	\$ 8,997	\$ 267,056	\$ 112,771
Contracts payable	-	162,117	-	-	-	162,117	-
Compensated absences payable	5	-	-	955	-	960	392
Claims payable	-	-	-	-	-	-	208,300
Due to other funds	44,506	-	-	-	-	44,506	-
Due to other governments	-	-	-	29,529	2,540	32,069	-
Unearned revenues	-	-	56,344	56,148	11,638	124,130	-
General obligation debt - current portion	523,130	301,840	-	-	-	824,970	-
Accrued interest payable	13,338	12,886	-	-	-	26,224	-
Total Current Liabilities	<u>649,964</u>	<u>539,759</u>	<u>89,360</u>	<u>179,774</u>	<u>23,175</u>	<u>1,482,032</u>	<u>321,463</u>
Noncurrent Liabilities:							
General obligation debt	1,754,252	2,107,000	-	-	-	3,861,252	-
Accrued liability - claims payable	-	-	-	-	-	-	287,334
Compensated absences	147,801	77,689	36,161	203,620	-	465,271	19,095
Total Noncurrent Liabilities	<u>1,902,053</u>	<u>2,184,689</u>	<u>36,161</u>	<u>203,620</u>	<u>-</u>	<u>4,326,523</u>	<u>306,429</u>
TOTAL LIABILITIES	<u>2,552,017</u>	<u>2,724,448</u>	<u>125,521</u>	<u>383,394</u>	<u>23,175</u>	<u>5,808,555</u>	<u>627,892</u>
DEFERRED INFLOWS OF RESOURCES							
Property taxes	-	-	250,000	679,289	70,000	999,289	-
NET POSITION							
Net investment in capital assets	33,189,958	33,204,121	19,248,776	5,035,760	2,539,260	93,217,875	3,707,698
Restricted for capital improvements	-	1,337,308	-	-	-	1,337,308	-
Unrestricted	1,152,406	2,450,052	544,808	229,303	75,374	4,451,943	1,803,117
TOTAL NET POSITION	<u>\$ 34,342,364</u>	<u>\$ 36,991,481</u>	<u>\$ 19,793,584</u>	<u>\$ 5,265,063</u>	<u>\$ 2,614,634</u>	<u>\$ 99,007,126</u>	<u>\$ 5,510,815</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 POSITION
PROPRIETARY FUNDS
Year ended December 31, 2013

	Business Type Activities- Enterprise Funds					Totals	Governmental Activities-
	Water Utility	Wastewater Utility	Parking Utility	Metro Ride	Nonmajor Funds		Internal Service Funds
OPERATING REVENUES							
Charges for services and sales	\$ 4,555,358	\$ 5,290,709	\$ 1,084,439	\$ 501,262	\$ 198,033	\$ 11,629,801	\$ 9,235,454
Intergovernmental	-	-	-	1,976,766	-	1,976,766	-
Other operating revenues	51,933	619	4,275	376	14,405	71,608	97,077
Total Operating Revenues	<u>4,607,291</u>	<u>5,291,328</u>	<u>1,088,714</u>	<u>2,478,404</u>	<u>212,438</u>	<u>13,678,175</u>	<u>9,332,531</u>
OPERATING EXPENSES							
Operating and maintenance	2,211,938	2,597,587	1,305,602	3,030,531	294,724	9,440,382	1,917,280
Depreciation	932,824	1,197,176	666,786	582,721	154,189	3,533,696	822,107
Insurance and claims	-	-	-	-	-	-	6,042,902
Total Operating Expenses	<u>3,144,762</u>	<u>3,794,763</u>	<u>1,972,388</u>	<u>3,613,252</u>	<u>448,913</u>	<u>12,974,078</u>	<u>8,782,289</u>
Operating income (loss)	<u>1,462,529</u>	<u>1,496,565</u>	<u>(883,674)</u>	<u>(1,134,848)</u>	<u>(236,475)</u>	<u>704,097</u>	<u>550,242</u>
NONOPERATING REVENUES (EXPENSES)							
Property taxes	-	-	300,000	679,289	68,677	1,047,966	-
Investment income	574	5,632	-	-	-	6,206	-
Interest expense	(82,155)	(53,055)	-	-	-	(135,210)	-
Amortization	(31,516)	-	-	-	-	(31,516)	-
Gain on disposal of capital assets	-	-	-	-	-	-	24,508
Total Nonoperating Revenues (Expenses)	<u>(113,097)</u>	<u>(47,423)</u>	<u>300,000</u>	<u>679,289</u>	<u>68,677</u>	<u>887,446</u>	<u>24,508</u>
Income (loss) before Capital Contributions and Transfers	1,349,432	1,449,142	(583,674)	(455,559)	(167,798)	1,591,543	574,750

Capital Contributions	33,475	49,399	294,991	50,902	9,905	438,672	-
Transfers Out	<u>(1,073,712)</u>	<u>(450,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,523,712)</u>	<u>(197,000)</u>
Change in Net Position	<u>309,195</u>	<u>1,048,541</u>	<u>(288,683)</u>	<u>(404,657)</u>	<u>(157,893)</u>	<u>506,503</u>	<u>377,750</u>
Net Position - beginning, as previously stated	34,059,400	35,954,645	20,082,267	5,669,720	2,753,634	98,519,666	5,133,065
Prior period adjustment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,893</u>	<u>18,893</u>	<u>-</u>
Net Position - beginning, as restated	<u>34,059,400</u>	<u>35,954,645</u>	<u>20,082,267</u>	<u>5,669,720</u>	<u>2,772,527</u>	<u>98,538,559</u>	<u>5,133,065</u>
Net Position before Cumulative Effect of Change in Accounting Principle	34,368,595	37,003,186	19,793,584	5,265,063	2,614,634	99,045,062	5,510,815
Cumulative Effect of Change in Accounting Principle	<u>(26,231)</u>	<u>(11,705)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(37,936)</u>	<u>-</u>
Net position - end of year	<u>\$ 34,342,364</u>	<u>\$ 36,991,481</u>	<u>\$ 19,793,584</u>	<u>\$ 5,265,063</u>	<u>\$ 2,614,634</u>	<u>\$ 99,007,126</u>	<u>\$ 5,510,815</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, 2013

	Business Type Activities- Enterprise Funds					Totals	Governmental Activities- Internal Service Funds
	Water Utility	Wastewater Utility	Parking Utility	Metro Ride	Nonmajor Funds		
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from customers, users and others	\$ 4,640,771	\$ 5,297,001	\$ 1,121,695	\$ 3,295,218	\$ 214,259	\$ 14,568,944	\$ 9,505,617
Payments to suppliers	(1,393,308)	(2,019,945)	(1,167,199)	(1,537,638)	(272,187)	(6,390,277)	(7,328,172)
Payments to employees	(838,464)	(562,266)	(143,785)	(1,505,067)	(12,557)	(3,062,139)	(343,766)
Net Cash Provided (Used) by Operating Activities	<u>2,408,999</u>	<u>2,714,790</u>	<u>(189,289)</u>	<u>252,513</u>	<u>(70,485)</u>	<u>5,116,528</u>	<u>1,833,679</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Property taxes received	-	-	300,000	679,289	68,677	1,047,966	-
Due to/from other funds	44,506	-	-	(648,554)	-	(604,048)	-
Transfers out	(1,073,712)	(450,000)	-	-	-	(1,523,712)	(197,000)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(1,029,206)</u>	<u>(450,000)</u>	<u>300,000</u>	<u>30,735</u>	<u>68,677</u>	<u>(1,079,794)</u>	<u>(197,000)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Capital contributions	33,475	49,399	294,991	50,902	9,905	438,672	-
Acquisition and construction of capital assets	(879,919)	(1,516,755)	(374,162)	(50,902)	(9,905)	(2,831,643)	(1,291,771)
Principal paid on capital debt	(554,816)	(301,840)	-	-	-	(856,656)	-
Interest paid on capital debt	(95,755)	(54,564)	-	-	-	(150,319)	-
Proceeds from sale of capital assets	-	-	-	-	-	-	24,508
Net Cash Used by Capital and Related Financing Activities	<u>(1,497,015)</u>	<u>(1,823,760)</u>	<u>(79,171)</u>	<u>-</u>	<u>-</u>	<u>(3,399,946)</u>	<u>(1,267,263)</u>
CASH FLOWS FROM INVESTING ACTIVITIES							
Investment income received	<u>574</u>	<u>5,632</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,206</u>	<u>-</u>

Net Increase (Decrease) in Cash and Cash Equivalents	(116,648)	446,662	31,540	283,248	(1,808)	642,994	369,416
Cash and cash equivalents - beginning of year	<u>116,748</u>	<u>2,214,920</u>	<u>584,407</u>	<u>1,249</u>	<u>89,964</u>	<u>3,007,288</u>	<u>1,741,640</u>
Cash and cash equivalents - end of year	<u>\$ 100</u>	<u>\$ 2,661,582</u>	<u>\$ 615,947</u>	<u>\$ 284,497</u>	<u>\$ 88,156</u>	<u>\$ 3,650,282</u>	<u>\$ 2,111,056</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:							
Operating income (loss)	\$ 1,462,529	\$ 1,496,565	\$ (883,674)	\$ (1,134,848)	\$ (236,475)	\$ 704,097	\$ 550,242
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation expense	932,824	1,197,176	666,786	582,721	154,189	3,533,696	822,107
Changes in assets and liabilities:							
Accounts receivable	33,480	5,673	23,861	914,094	(2,334)	974,774	173,086
Inventories and prepayments	(6,523)	-	-	(24,399)	(1,557)	(32,479)	11,807
Accounts payable	(24,605)	9,447	(684)	26,339	11,537	22,034	(10,649)
Accrued compensated absences	11,294	5,929	(4,698)	(14,114)	-	(1,589)	(248)
Long-term claims payable	-	-	-	-	-	-	287,334
Unearned revenues	-	-	9,120	(97,280)	4,155	(84,005)	-
Net cash provided (used) by operating activities	<u>\$ 2,408,999</u>	<u>\$ 2,714,790</u>	<u>\$ (189,289)</u>	<u>\$ 252,513</u>	<u>\$ (70,485)</u>	<u>\$ 5,116,528</u>	<u>\$ 1,833,679</u>
Reconciliation of Cash and Cash Equivalents to Statement of Net Position							
Unrestricted	\$ 100	\$ 1,324,274	\$ 615,947	\$ 284,497	\$ 88,156	\$ 2,312,974	\$ 2,111,056
Restricted (noncurrent)	<u>-</u>	<u>1,337,308</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,337,308</u>	<u>-</u>
Total cash and cash equivalents	<u>\$ 100</u>	<u>\$ 2,661,582</u>	<u>\$ 615,947</u>	<u>\$ 284,497</u>	<u>\$ 88,156</u>	<u>\$ 3,650,282</u>	<u>\$ 2,111,056</u>

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

CITY OF WAUSAU, WISCONSIN
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
December 31, 2013

	Cemetery Private Purpose Trust Fund	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 563,300	\$ 406,093
Accounts receivable	-	11,267
TOTAL ASSETS	563,300	\$ 417,360
LIABILITIES		
Accounts payable	-	\$ 417,360
NET POSITION		
Held in trust for private purpose	\$ 563,300	

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

CITY OF WAUSAU, WISCONSIN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
Year Ended December 31, 2013

	<u>Cemetery Private Purpose Trust Fund</u>
ADDITIONS	
Interest and dividends	\$ 14,865
Net increase in fair value of investments	<u>70,235</u>
Total additions	<u>85,100</u>
DEDUCTIONS	
Distributions to beneficiary	25,442
Administrative expenses	<u>5,200</u>
Total deductions	<u>30,642</u>
Change in net position	54,458
Net position - beginning of year	<u>508,842</u>
Net position - end of year	<u><u>\$ 563,300</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, 2013

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, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

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

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 and deferred outflows of resources, liabilities and deferred inflows of resources, 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, 2013

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 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:

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	Holtz-Krause Clean Up	Recycling
HUD Mortgage	Hazardous Materials Emergency	TID #2 Industrial Park
DLAD Mortgage Program	Response	EPA/WDR Grants
Economic Development	Room Tax	EMS Grant
Federal Rent Rehabilitation	Public Access Cable	Other Grants/Special Purposes
WRRP Rehabilitation		

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

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
TID #8 Near West Side Fund
TID #9 Big Bull Falls Fund
TID #10 Industrial Park Fund

The City reports the Airport Fund and Animal Control Fund as non-major enterprise funds. 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 and the Employee HRA/Wellness Funds are used to account for the accumulation of charges for and allocation of costs associated with employee health and dental premiums and claims paid.

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 Events, Inc., Main Street Wausau, Inc. and the Business Improvement District generated to provide for area-wide events and local promotion, and for the Entrepreneurial & Education Center 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, deferred outflows of resources, liabilities and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

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

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

Intergovernmental grants and aids are recognized as revenues in the period the City is entitled to the resources and the amounts are available. Amounts owed to the City that are not currently available are recorded as receivables and deferred inflows of resources. Amounts received prior to the entitlement period are also recorded as deferred inflows of resources.

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

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

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

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, 2013

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, Metro Ride, Airport and Animal Control 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, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS
OF RESOURCES AND NET POSITION 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, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION 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, 2013, 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, property taxes levied for each fund are recorded as taxes receivable and deferred inflows of resources.

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION 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 \$135,210, 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 position. 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, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION 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 discounts and premiums 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 position. Bond premiums and discounts 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, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION OR EQUITY (Continued)

9. Net Position or Fund Equity

Governmental Fund Financial Statements

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

- Nonspendable fund balance – amounts that are not in spendable form (such as 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 that are internally imposed by the government through formal action of the highest level of decision-making authority; amounts are committed through a formal action (ordinance, resolution, motion); changes to the constraints imposed require the same formal action of the City that originally created the commitment;
- Assigned fund balance – amounts a government intends to use for specific purpose; intent can be expressed by the governing body or by an official or body to which the government body delegates the authority;
- Unassigned fund balance – 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 capital assets, construction, debt service, or for other purposes).

Government-wide and Proprietary Fund Statements

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

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION OR EQUITY (Continued)

9. Net Position or Fund Equity (Continued)

- Net investment in capital assets – 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 position – amount of net position that is subject to restrictions that are imposed by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- Unrestricted net position – net position that is neither classified as restricted nor as net investment in capital assets.

Use of Restricted Resources

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

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 POSITION

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. 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 \$9,969,722 difference are as follows:

Loans and mortgages receivable	\$ 8,695,587
Unpaid fines and forfeitures	369,852
Special assessments receivable	<u>904,283</u>
Net adjustment to increase <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u>\$ 9,969,722</u>

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

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 POSITION (Continued)

Another element of that reconciliation states that “long-term liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds”. The details of this \$49,202,632 difference are as follows:

Bonds and notes payable	\$ 45,785,291
Less: Deferred charges for discounts, premiums and deferred interest from refunding (to be amortized over life of debt)	(362,415)
Accrued interest payable	302,486
Compensated absences	998,277
Postemployment benefits	281,492
Remediation claims payable	<u>2,197,501</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u>\$ 49,202,632</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 position 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 \$6,405,820 difference are as follows:

Capital outlay	\$ 9,314,425
Contribution of capital assets	1,351,711
Loss on disposal of capital assets	(287,799)
Depreciation expense	<u>(3,972,517)</u>
Net adjustment to increase <i>net change in fund balances - total governmental funds</i> to arrive at <i>change in net position of governmental activities</i>	<u>\$ 6,405,820</u>

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

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 \$494,397 difference are as follows:

Net change in loan and mortgage notes receivable	\$ 375,147
Net change in fines and forfeitures receivable	14,721
Net change in special assessments receivable	<u>104,529</u>
Net adjustment to increase <i>net change in fund balances - total governmental funds</i> to arrive at <i>change in net position of governmental activities</i>	<u>\$ 494,397</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 position.” Also, governmental funds report the effect to 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 \$3,175,416 difference are as follows:

Debt issued or incurred:	
Issuance of general obligation bonds and notes	\$(10,513,000)
Discounts on debt issued	79,425
Premiums on debt issued	(270,185)
Principal repayments on general obligation debt	<u>7,528,344</u>
Net adjustment to decrease <i>net change in fund balances - total governmental funds</i> to arrive at <i>change in net position of governmental activities</i>	<u>\$ (3,175,416)</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 \$108,843 difference are as follows:

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

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	\$ 29,414
Claims and judgments	25,829
Accrued interest	121,022
Amortization of discount and premium costs	<u>(285,108)</u>
Net adjustment to decrease <i>net change in fund balances - total governmental funds</i> to arrive at <i>change in net position of governmental activities</i>	<u>\$ (108,843)</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, HUD Mortgage, DLAD Mortgage Program, Economic Development, Federal Rent Rehabilitation, WRRP Rehabilitation, Holtz-Krause Clean Up, Hazardous Materials Emergency Response, Room Tax, Public Access Cable, Recycling, TID #2 Industrial Park and EMS Grant, and the following Capital Project Funds: TID #3 Downtown Development, TID #4 Industrial Park, TID #5 Industrial Park, TID #6 West Side Development, TID #7 West Side Development, TID #8 Near West Side, TID #9 Big Bull Falls and Capital Improvements. 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, 2013

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. BUDGETARY INFORMATION (Continued)

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

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, 2013, expenditures exceeded appropriations for the following departmental cost centers in the General Fund: Elections by \$2,113, Assessor by \$2,964, Municipal court by \$1,922, Unclassified by \$11,156, Police department by \$117,617, Fire department by \$15,461, Inspections department by \$2,897 and Garbage and refuse collection by \$19,267; the HUD Mortgage, Economic Development, Holtz-Krause Clean Up, Room Tax and Recycling special revenue funds by \$13,103, \$110,186, \$24,197, \$33,415 and \$34 respectively; and in the TID #9 Big Bull Falls capital project fund by \$26,861. Excess expenditures in the general fund and special revenue funds were funded by excess revenues, other cost savings or by available fund balance. Those incurred in the capital project funds were funded with debt proceeds and advances from the General Fund.

C. DEFICIT FUND EQUITY

The TID #3 Downtown Development, TID #5 Industrial Park, TID #6 West Side Development, TID #7 West Side Development, TID #8 Near West Side, TID #9 Big Bull Falls and TID #10 Industrial Park capital project funds had deficit fund equity of \$2,105,440, \$309,353, \$309,591, \$1,524,184, \$25,872, \$9,872 and \$1,000 respectively, as of December 31, 2013. 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, 2013

NOTE 4 – DETAILED NOTES ON ALL FUNDS

A. CASH AND INVESTMENTS

Cash and investments as of December 31, 2013 are classified in the accompanying financial statements as follows:

Statement of net position -	
Cash and cash equivalents	\$ 24,650,801
Investments	19,302,607
Restricted assets - cash and cash equivalents	1,337,308
Statement of net position - fiduciary funds	
Cash and cash equivalents	
Cemetery Private Purpose Trust Fund	563,300
Agency Funds	<u>406,093</u>
Total	<u>\$ 46,260,109</u>
Cash on hand	\$ 15,827
Deposits with financial institutions	10,303,928
Investments	<u>35,940,354</u>
Total	<u>\$ 46,260,109</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, 2013

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	1-4	5-7
U.S. Agencies	\$ 18,315,861	\$ -	\$ 8,880,660	\$ 9,435,201
Local Government Investment Pool	14,495,976	14,495,976	-	-
External investment pools	<u>3,128,517</u>	<u>3,128,517</u>	<u>-</u>	<u>-</u>
	<u>\$ 35,940,354</u>	<u>\$ 17,624,493</u>	<u>\$ 8,880,660</u>	<u>\$ 9,435,201</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.

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 AAA.

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

A. CASH AND INVESTMENTS (Continued)

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, 2013, the investment portfolio was concentrated as follows:

Investment type	Issuer	Percentage of Portfolio
U.S. Agencies	Federal Home Loan Bank	17.7%
U.S. Agencies	Federal National Mortgage Association	13.7%
U.S. Agencies	Federal Home Loan Mortgage Corporation	19.6%

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.

At December 31, 2013, the carrying amount of the City’s deposits was \$10,303,928 and the financial institution balance was \$12,101,205. Of the financial institution balance, \$2,708,700 was covered by federal depository insurance, \$750,000 was covered by the national credit union share insurance fund, \$3,668,050 was covered by the State Deposit Guarantee Fund and \$4,974,455 was uninsured and uncollateralized.

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

A. CASH AND INVESTMENTS (Continued)

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, 2013 for the City’s general fund have been shown net of allowances for uncollectible accounts and uncollectible delinquent personal property taxes of \$2,197,304 and \$94,120, respectively.

Governmental funds report *deferred inflows of resources* 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 breakdown of unavailable and unearned revenues reported as *deferred inflows of resources* in the governmental funds were as follows:

	Unavailable	Unearned
Property taxes receivable	\$ -	\$ 26,036,524
Loans and mortgages receivable	8,703,435	-
Unpaid fines and forfeitures	369,852	-
Special assessments not yet due	904,283	-
Total deferred/unearned revenue for governmental funds	\$ 9,977,570	\$ 26,036,524

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

C. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2013 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities				
Capital assets not being depreciated:				
Land	\$ 35,183,834	\$ 1,305,994	\$ -	\$ 36,489,828
Construction in progress	<u>1,161,725</u>	<u>56,301</u>	<u>(191,826)</u>	<u>1,026,200</u>
Total capital assets not being depreciated	<u>36,345,559</u>	<u>1,362,295</u>	<u>(191,826)</u>	<u>37,516,028</u>
Capital assets being depreciated:				
Buildings and improvements	19,105,533	732,663	(3,000)	19,835,196
Machinery and equipment	19,978,600	2,071,583	(711,470)	21,338,713
Infrastructure	<u>116,621,943</u>	<u>7,985,873</u>	<u>(1,086,504)</u>	<u>123,521,312</u>
Total capital assets being depreciated	<u>155,706,076</u>	<u>10,790,119</u>	<u>(1,800,974)</u>	<u>164,695,221</u>
Less accumulated depreciation for:				
Buildings and improvements	(9,237,163)	(567,154)	3,000	(9,801,317)
Machinery and equipment	(13,672,990)	(1,431,249)	693,816	(14,410,423)
Infrastructure	<u>(43,398,666)</u>	<u>(2,796,221)</u>	<u>813,678</u>	<u>(45,381,209)</u>
Total accumulated depreciation	<u>(66,308,819)</u>	<u>(4,794,624)</u>	<u>1,510,494</u>	<u>(69,592,949)</u>
Total capital assets being depreciated, net	<u>89,397,257</u>	<u>5,995,495</u>	<u>(290,480)</u>	<u>95,102,272</u>
Governmental activities capital assets, net	<u>\$ 125,742,816</u>	<u>\$ 7,357,790</u>	<u>\$ (482,306)</u>	<u>\$ 132,618,300</u>

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

C. CAPITAL ASSETS (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities				
Capital assets not being depreciated:				
Land	\$ 2,911,238	\$ -	\$ -	\$ 2,911,238
Construction in progress	591,198	2,118,145	(2,052,852)	656,491
Total capital assets not being depreciated	<u>3,502,436</u>	<u>2,118,145</u>	<u>(2,052,852)</u>	<u>3,567,729</u>
Capital assets being depreciated:				
Buildings and improvements	44,330,482	409,019	-	44,739,501
Machinery and equipment	27,861,514	477,435	(262,179)	28,076,770
Water infrastructure	38,675,705	954,172	(55,748)	39,574,129
Wastewater infrastructure	36,849,417	835,967	(33,733)	37,651,651
Total capital assets being depreciated	<u>147,717,118</u>	<u>2,676,593</u>	<u>(351,660)</u>	<u>150,042,051</u>
Less accumulated depreciation for:				
Buildings and improvements	(19,560,952)	(1,135,707)	-	(20,696,659)
Machinery and equipment	(16,499,633)	(1,364,779)	262,179	(17,602,233)
Water infrastructure	(8,680,171)	(573,785)	55,748	(9,198,208)
Wastewater infrastructure	(7,782,891)	(459,425)	33,733	(8,208,583)
Total accumulated depreciation	<u>(52,523,647)</u>	<u>(3,533,696)</u>	<u>351,660</u>	<u>(55,705,683)</u>
Total capital assets being depreciated, net	<u>95,193,471</u>	<u>(857,103)</u>	<u>-</u>	<u>94,336,368</u>
Business-type activities capital assets, net	<u>\$ 98,695,907</u>	<u>\$ 1,261,042</u>	<u>\$ (2,052,852)</u>	<u>\$ 97,904,097</u>

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

Governmental activities:	
General government	\$ 300,169
Public safety	460,853
Transportation and streets	2,913,675
Natural resources and recreation	287,438
Economic development	10,382
Capital assets held by internal service funds	822,107
Total depreciation expense – governmental activities	<u>\$ 4,794,624</u>
Business type activities:	
Water	\$ 932,824
Wastewater	1,197,176
Parking	666,786
Metro Ride	582,721
Airport	154,189
Total depreciation expense – business-type activities	<u>\$ 3,533,696</u>

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

C. CAPITAL ASSETS (Continued)

Construction commitments

The City and 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, 2013 are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	EPA/WDR Grants Fund	\$ 50,401
	TID #5 Industrial Park Fund	307,904
	TID #6 West Side Development Fund	2,113,801
	TID #8 Near West Side Fund	25,872
	TID #9 Big Bull Falls Fund	9,872
	TID #10 Industrial Park Fund	1,000
	Water Utility Fund	44,506
WRRP Rehabilitation Fund	Grants Fund	22,857
	DLAD Mortgage Program Fund	<u>15,000</u>
Total		<u>\$ 2,591,213</u>

Advances between funds represent long-term loans principally for capital purposes. The composition of interfund advances as of December 31, 2013 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	TID #3 Downtown Development Fund	\$ 880,865
	TID #7 West Side Development Fund	1,524,184
Holtz-Krause Clean Up Fund	TID #3 Downtown Development Fund	<u>1,239,432</u>
Total		<u>\$ 3,644,481</u>

For the statement of net position, interfund balances owed within the governmental activities or business-type activities are netted and eliminated. Interfund transfers for the year ended December 31, 2013 are as follows:

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

D. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (Continued)

Interfund transfers are as follows:

	<u>Transfers to</u>	<u>Transfers from</u>
General Fund		
Room Tax Fund	\$ -	\$ 175,000
Other Grants & Special Purpose Accounts Fund	-	36,080
Water Utility Fund	-	1,073,712
Wastewater Utility Fund	-	450,000
Motor Pool Fund	-	197,000
Special Revenue Funds		
General Fund	211,080	-
Grants Fund	19,210	-
HUD Mortgage Fund	-	19,210
Capital Improvements Fund	115,000	-
Debt Service Fund		
Capital Improvements Fund	-	60,941
TID #3 Downtown Development Fund	-	2,815,752
TID #5 Industrial Park Fund	-	548,886
TID #6 West Side Development Fund	-	534,442
TID #7 West Side Development Fund	-	626,800
Capital Projects Fund		
Grants Fund	-	115,000
Debt Service Fund	4,586,821	-
TID #2 Industrial Park Fund	-	369,897
TID #4 Industrial Park Fund	369,897	-
Enterprise Funds		
General Fund	1,523,712	-
Internal Service Funds		
General Fund	<u>197,000</u>	<u>-</u>
Totals	<u>\$ 7,022,720</u>	<u>\$ 7,022,720</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, 2013

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

E. LONG-TERM DEBT

General Obligation Bonds

General obligation debt outstanding at December 31, 2013 is detailed as follows:

	Original Amount	Interest Rates	Final Maturity	Balance 12/31/2013
1996 Bonds	\$ 4,950,000	4.15-5.75%	10/1/15	\$ 60,000
2004 Refunding bonds Series D	13,445,000	3.0-5.0%	4/1/15	1,780,000
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	915,000
2005 Promissory note Series B	2,000,000	4.75-5.15%	10/1/15	320,000
2007 Promissory note Series A	4,535,000	3.6-3.8%	5/1/17	1,820,000
2007 Refunding bonds Series B	2,605,000	3.65-3.9%	5/1/19	1,375,000
2008 Promissory note Series A	9,845,000	3.55%	4/1/18	3,310,000
2009 Promissory note Series A	9,560,000	0.7-3.0%	4/1/19	3,615,000
2010 Promissory note Series A	5,145,000	1.0-3.0%	4/1/20	3,660,000
2010 Promissory note Series B	3,145,000	0.75-3.35%	4/1/17	1,245,000
2011 Promissory note Series A	7,685,000	2.00-2.50%	4/1/21	6,145,000
2012 Promissory note Series A	2,725,000	2.00-2.65%	4/1/22	2,455,000
2012 Promissory note Series B	13,400,000	2.00-3.00%	4/1/22	12,525,000
2012 Promissory note	135,575	2.75%	9/5/17	135,575
2013 Promissory note	358,000	2.75%	1/25/21	358,000
2013 Promissory note	750,000	2.75%	8/16/18	750,000
2013 Promissory note Series A	5,365,000	2.0-3.0%	4/1/23	5,365,000
2013 Promissory note Series B	630,000	1.0-2.95%	4/1/23	630,000
2013 GO Bonds Series C	3,410,000	2.0-4.0%	4/1/33	<u>3,410,000</u>
Total general obligation debt				<u>\$ 50,473,575</u>

A summary of the long-term liability activity for the year ended December 31, 2013 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities					
General obligation debt:					
Bonds payable	\$ 2,925,000	\$ 3,410,000	\$ (1,085,000)	\$ 5,250,000	\$ 1,110,000
Notes payable	39,875,635	7,103,000	(6,443,344)	40,535,291	6,764,708
Compensated absences	2,373,602	84,782	(233,400)	2,224,984	1,207,220
Other postemployment benefits	285,831	117,832	(122,171)	281,492	-
Remediation claims payable	<u>2,223,330</u>	<u>24,848</u>	<u>(50,677)</u>	<u>2,197,501</u>	<u>50,677</u>
Governmental activities long-term liabilities	<u>\$ 47,683,398</u>	<u>\$ 10,740,462</u>	<u>\$ (7,934,592)</u>	<u>\$ 50,489,268</u>	<u>\$ 9,132,605</u>

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

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	\$ 1,590,000	\$ -	\$ (215,000)	\$ 1,375,000	\$ 215,000
Notes payable	3,954,940	-	(641,656)	3,313,284	610,292
Unamortized costs	(2,984)	-	922	(2,062)	(322)
Compensated absences	467,820	83,249	(84,838)	466,231	960
Business-type activities long-term liabilities	<u>\$ 6,009,776</u>	<u>\$ 83,249</u>	<u>\$ (940,572)</u>	<u>\$ 5,152,453</u>	<u>\$ 825,930</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	\$ 2,520,917,800
Legal debt margin percentage	5.00%
	<u>126,045,890</u>
Add: Available funds for debt payment	666,846
Less: Outstanding general obligation debt	<u>(50,473,575)</u>
Legal debt margin	<u>\$ 76,239,161</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, 2013 are as follows:

Year	Governmental Activities		Business-Type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 7,874,708	\$ 1,071,541	\$ 825,292	\$ 112,339	\$ 8,700,000	\$ 1,183,880
2015	6,682,550	875,026	832,450	91,757	7,515,000	966,783
2016	5,662,778	711,810	827,222	70,962	6,490,000	782,772
2017	5,558,735	578,885	531,840	53,117	6,090,575	632,002
2018	5,473,160	452,243	531,840	38,196	6,005,000	490,439
2019-2023	12,833,360	908,372	1,139,640	37,379	13,973,000	945,751
2024-2028	850,000	246,500	-	-	850,000	246,500
2029-2033	850,000	85,000	-	-	850,000	85,000
	<u>\$ 45,785,291</u>	<u>\$ 4,929,377</u>	<u>\$ 4,688,284</u>	<u>\$ 403,750</u>	<u>\$ 50,473,575</u>	<u>\$ 5,333,127</u>

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

E. LONG-TERM DEBT (Continued)

Proprietary fund debt is presented in these statements net of unamortized discount costs. These costs are amortized using the effective-interest method over the life of the debt.

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:

	Wastewater
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, 2013, there were four series of Industrial Revenue Bonds outstanding. Total principal amount payable could not be determined, however, original issue amounts totaled \$9,200,000.

F. SEGMENT INFORMATION

The City maintains six Enterprise Funds providing for the operation of the Water, Wastewater and Parking Utilities, the Metro Ride transit operations, municipal Airport operations and Animal Control operations. Segment information for the two non-major Enterprise funds is presented below:

	Airport	Animal Control
Operating revenues	\$ 141,018	\$ 71,420
Operating expenses	378,832	70,081
Operating income (loss)	(237,814)	1,339
Nonoperating revenues	68,677	-
Income (loss) before capital contributions	(169,137)	1,339
Capital contributions	9,905	-
Change in net position	(159,232)	1,339
Total assets	2,680,755	27,054
Total liabilities and deferred inflows of resources	86,353	6,822
Total net position	2,594,402	20,232

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

G. RESTRICTED NET POSITION/FUND BALANCES

Governmental activities restricted net position reported in the government-wide statement of net position at December 31, 2013 includes the following:

Net position restricted for :	
Debt service	\$ 666,846
Capital improvements	5,709,269
Special purposes	<u>4,234,638</u>
Total governmental activities restricted net position	<u>\$ 10,610,753</u>

Fund balance classifications for major funds as of December 31, 2013 are as follows:

General Fund	
Nonspendable for advances	\$ 2,405,049
Nonspendable for inventories and prepayments	<u>327,990</u>
Total nonspendable	2,733,039
Committed to contingencies	361,900
Committed to economic development	500,000
Assigned to subsequent year's expenditures	209,424
Unassigned	<u>5,837,182</u>
Total General Fund	<u>\$ 9,641,545</u>
Debt Service Fund	
Restricted for debt service	<u>\$ 666,846</u>
TID #3 Downtown Development Fund	
Unassigned (deficit)	<u>\$ (2,105,440)</u>
Capital Improvements Fund	
Restricted for capital improvements	<u>\$ 5,709,269</u>

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

G. RESTRICTED NET POSITION/FUND BALANCES (Continued)

Fund balances reported on the fund financial statements at December 31, 2013 for nonmajor funds are as follows:

Special revenue funds	
Nonspendable for advances:	
Holtz-Krause Clean up	\$ <u>1,239,432</u>
Restricted for special purposes:	
Grants	1,218,804
HUD mortgage program	13,954
Federal rent rehabilitation	349,147
WRRP rehabilitation	1,106,167
Holtz-Krause Clean up	570,650
Hazardous materials emergency response	90,898
TID #2 Industrial park	261,676
EMS grant	53,257
Other grants & special purpose accounts	<u>570,085</u>
Total restricted fund balance	<u>4,234,638</u>
Committed to special purposes:	
DLAD mortgage program	519,322
Economic development	410,458
Room tax	130,525
Public access cable	<u>3,643</u>
Total committed fund balance	<u>1,063,948</u>
Total special revenue funds	<u>\$ 6,538,018</u>
Capital project funds	
Unassigned:	
TID #5 Industrial Park (deficit)	\$ (309,353)
TID #6 West Side Development (deficit)	(309,591)
TID #7 West Side Development (deficit)	(1,524,184)
TID #8 Near West Side (deficit)	(25,872)
TID #9 Big Bull Falls (deficit)	(9,872)
TID #10 Industrial Park (deficit)	<u>(1,000)</u>
Total unassigned fund balance	<u>(2,179,872)</u>
Total capital project funds	<u>\$ (2,179,872)</u>

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

H. RESTRICTED ASSETS

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

Depreciation/Replacement accounts	\$ <u>1,337,308</u>
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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 position 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, 2013 is as follows:

Deposits	\$ 4,872,363
Petty cash	<u>120</u>
Total	<u>\$ 4,872,483</u>

Financial statement presentation:

Cash and cash equivalents	\$ 4,536,912
Cash and cash equivalents - restricted	<u>335,571</u>
Total	<u>\$ 4,872,483</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 CDA's deposits was \$4,872,483 and the financial institution balance was \$4,741,602. Of the financial institution balance, \$716,450 was covered by federal depository insurance and \$4,006,971 was in excess of FDIC insurance limits and collateralized by securities held by the pledging institution or its trust department or agent but not in the CDA's name, leaving \$18,181 uninsured and uncollateralized.

CITY OF WAUSAU, WISCONSIN
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2013

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.

c. Long-term debt activity for the year ended December 31, 2013 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Affordable Housing Program					
Loan	\$ 750,000	\$ -	\$ -	\$ 750,000	\$ -
City of Wausau Loan	400,000	-	-	400,000	200,000
Construction Loan	-	<u>3,706,232</u>	-	<u>3,706,232</u>	<u>3,706,232</u>
	<u>\$1,150,000</u>	<u>\$3,706,232</u>	<u>\$ -</u>	<u>\$4,856,232</u>	<u>\$3,906,232</u>

The Affordable Housing Program Loan represents a 0%, non-amortizing note payable. The CDA must comply with all AHP provisions for 15 years at which time the loan balance will be forgiven. The City of Wausau loan represents a 2% loan for construction which will be repaid in two equal installments of \$200,000 in 2014 and 2015.

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 4 – DETAILED NOTES ON ALL FUNDS (Continued)

I. COMPONENT UNIT (Continued)

The construction loan is with BMO Harris Bank N.A.; maximum available of \$5,200,000; interest at prime rate plus .65% (3.9% at December 31, 2013).

d. Capital asset activity for the year ended December 31, 2013 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 903,757	\$ 77,560	\$ -	\$ 981,317
Construction in progress	<u>2,105,942</u>	<u>8,246,871</u>	<u>(10,235,224)</u>	<u>117,589</u>
Total capital assets not being depreciated	<u>3,009,699</u>	<u>8,324,431</u>	<u>(10,235,224)</u>	<u>1,098,906</u>
Capital assets being depreciated:				
Buildings and improvements	13,057,809	9,982,601	(2,133,015)	20,907,395
Furniture and equipment	<u>531,637</u>	<u>260,649</u>	<u>(98,844)</u>	<u>693,442</u>
Total capital assets being depreciated	13,589,446	10,243,250	(2,231,859)	21,600,837
Less accumulated depreciation	<u>(7,487,218)</u>	<u>(570,809)</u>	<u>1,991,067</u>	<u>(6,066,960)</u>
Total capital assets being depreciated, net	<u>6,102,228</u>	<u>9,672,441</u>	<u>(240,792)</u>	<u>15,533,877</u>
Total Authority capital assets	<u>\$ 9,111,927</u>	<u>\$ 17,996,872</u>	<u>\$(10,476,016)</u>	<u>\$ 16,632,783</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 employees, initially employed by a participating WRS employer prior to July 1, 2011, expected to work at least 600 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1,200 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

Effective the first day of the first pay period on or after June 29, 2011, the employee required contribution was changed to one-half of the actuarially determined contribution rate for general category employees including executives and elected employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by existing collective bargaining agreements.

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 5 – OTHER INFORMATION (Continued)

A. DEFINED BENEFIT PENSION PLAN (Continued)

Contribution rates for 2013 are: General 6.65% (employer and employee); Executives & elected officials 7.00% (employer and employee); Protective with social security 6.65% (employee), 15.15% (employer); and Protective without social security 6.65% (employee) and 17.75% (employer).

The payroll for the City of Wausau employees covered by the WRS for the year ended December 31, 2013 was \$17,765,135; the employer's total payroll was \$18,285,861. The total required contribution for the year ended December 31, 2013 was \$2,738,727, which consisted of \$1,556,848 or 8.8% of payroll from the employer and \$1,181,879 or 6.7% of payroll from employees. Total contributions for the years ended December 31, 2012 and 2011 were \$2,344,015 and \$2,316,154, respectively, equal to the required contributions for each year.

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 and submitting application before becoming eligible for a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit. For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998 and prior to July 1, 2011 are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011 must have five years of creditable service to be vested.

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 four (4) 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, 2013, was approximately \$118,735, substantially all of which relates to prior services. The current portion of the estimated liability of \$27,275 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.

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 5 – OTHER INFORMATION (Continued)

B. COMMITMENTS AND CONTINGENCIES (Continued)

RISK MANAGEMENT

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

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

Under the HRA program, the City pays a maximum of \$2,200 per single contract (\$4,400 for family). Under the HSA program, the City will make a maximum contribution of \$1,200 per single contract (\$3,000 for family) to the savings accounts. For dental, maximum covered costs were \$1,500 per individual covered. Additional amounts are covered by insurance. Expected claims are calculated each plan year to determine premium rates to be charged.

The estimated liability for self-funded losses for the HRA program is based on reported claims for the year and those received subsequent to year end. On December 31, 2013 a claims liability of \$60,000 is reported in the HRA fund based on the requirements of GASB Statement No. 10 which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. A summary of the changes in the claims liability amount for 2012 and 2013 is as follows:

	Balance	Claims and	Amounts	Balance
	January 1	Changes in Estimates	Paid	December 31
2012	\$ 60,000	\$ 593,540	\$ 593,540	\$ 60,000
2013	60,000	282,413	282,413	60,000

The City is partially self-funded for liability insurance and pays premiums for its excess liability insurance coverage. The City's self-insured retention limit is \$50,000 for any one occurrence, \$200,000 aggregate. The City also carries excess insurance which covers the City up to \$8,000,000. Premiums paid for insurance coverage are recorded in the Insurance internal service fund. The fund charges various City departments and operations for their portion of insurance coverage for the year.

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 5 – OTHER INFORMATION (Continued)

B. COMMITMENTS AND CONTINGENCIES (Continued)

On December 31, 2013, a claims liability of \$184,399 is reported in the fund based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the claims liability amount for 2012 and 2013 are as follows:

	Balance	Claims and	Amounts	Balance
	January 1	Changes in Estimates	Paid	December 31
2012	\$ 152,691	\$ 94,762	\$ 39,068	\$ 208,385
2013	208,385	74,362	98,348	184,399

In 2013, the City established a workers compensation self-insurance fund to finance workers compensation awards for City employees. The program is funded by charges to City departments. The program also is supplemented by stop loss protection, which limits the City's annual liability to \$500,000 per occurrence.

The claims liability of \$251,235 at December 31, 2013 is based on the requirements of GASB Statement No. 10 which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The claims liability amount for 2013 is as follows:

	Balance	Claims and	Amounts	Balance
	January 1	Changes in Estimates	Paid	December 31
2013	\$ -	\$ 396,371	\$ 145,136	\$ 251,235

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.

REMEDATION 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, and other

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 5 – OTHER INFORMATION (Continued)

B. COMMITMENTS AND CONTINGENCIES (Continued)

parties, signed an agreement concerning the allocation of remedial design and action costs. This agreement serves to allocate the costs and tasks to be completed by the City.

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

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

This item has been recorded as a long-term liability in these financial statements. The balance at December 31, 2013 is \$2,197,501. 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 \$974,731 has been recorded in the government-wide statement of net position.

When an employee retires or is forced to retire due to medical disability and meets specified requirements, a maximum of 60% (80 % for employees with at least 25 years of service and 100% for nonrepresented employees with at least 30 years of service as of December 31, 2012) 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 \$1,162,924 at December 31, 2013, and has also been recorded in the statement of net position. The employee may use the foregoing benefit until such time as one of the following occurs: the fund is depleted, the employee dies, or 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. Have been hired prior to January 1, 2013, and
2. Apply for Wisconsin Retirement Fund benefits within thirty (30) days of the last day of work, and
3. In cases of voluntary retirement, give the employer at least three months notice of retirement date.

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

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. Compensatory balances that exceed the bank hour maximums shall be paid out. All balances in compensatory time banks must be used within the year it is earned or it will be paid out on the last pay period of each year. The City has recorded a liability of \$87,329 at December 31, 2013.

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% (80% for employees with at least 25 years of service and 100% for management employees with at least 30 years of service as of December 31, 2012) of their accumulated sick leave balance at the time of retirement into monetary value and draw down on the amount to pay the costs of health care insurance premiums.

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. Employees retiring after December 31, 2012 may not remain on the group plan beyond the period of COBRA.

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	\$ 104,970
Interest on net OPEB obligation	12,862
Adjustment to annual required contribution	<u>(12,183)</u>
Annual OPEB cost	105,649
Contributions made	<u>(109,988)</u>
Decrease in net OPEB obligation	(4,339)
Net OPEB obligation - beginning of year	<u>285,831</u>
 Net OPEB obligation - end of year	 <u>\$ 281,492</u>

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 5 – OTHER INFORMATION (Continued)

C. 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 2013 and the two preceding years are as follows:

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/13	\$ 105,649	104.11%	\$ 281,492
12/31/12	105,675	110.17%	285,831
12/31/11	153,787	85.51%	296,578

The funded status of the plan as of January 1, 2012, the most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	\$ 1,483,204
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	\$ 1,483,204
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	\$ 17,651,581
UAAL as a percentage of covered payroll	8.4%

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

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 5 – OTHER INFORMATION (Continued)

D. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

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.

In the actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 4.5 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, 2013 was 30 years.

E. DEFERRED COMPENSATION PLAN

The City offers its employees certain 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 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.

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 5 – OTHER INFORMATION (Continued)

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

The City has recorded its equity interest in the government-wide statement of net position. Summary financial information for the City-County Information Technology Commission for the year ended December 31, 2013 is as follows:

Operating revenues	\$ 3,356,291
Operating expenses	
Data processing expenses	3,193,208
Administrative and general expenses	163,083
Depreciation	488,561
Total operating expenses	3,844,852
Operating loss before contributions and reimbursements	(488,561)
Capital contributions and reimbursements	638,247
Change in net position	149,686
Total assets	1,869,713
Total liabilities	915,497
Total net position	954,216

G. TAX INCREMENTAL FINANCING DISTRICTS

Tax Incremental Financing District No. 2 was created on July 1, 1990. The last date to incur project costs was July 1, 2012. The City borrowed funds for the project that were retired by tax increments. The debt issues associated with this district have been retired as of December 31, 2007. In 2010, the district was designated as a donor to Tax Increment District Number Four which was designated a distressed district. On March 12, 2013, the City Common Council approved the allocation of one year of increment for the improvement of housing stock and to finance affordable housing. On March 11, 2014, the City authorized the termination of this district. The final accounting agreement due date is September 11, 2014.

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 5 – OTHER INFORMATION (Continued)

G. TAX INCREMENTAL FINANCING DISTRICTS (Continued)

Tax Incremental Financing District No. 3 was created on September 12, 1994. The last date to incur project costs is September 12, 2026. 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, 2013 are as follows:

1996 General Obligation Bonds	\$ 60,000
2004A General Obligation Notes	72,794
2004D Refunding Bonds	1,780,000
2005 General Obligation Notes	320,000
2007 General Obligation Notes	560,323
2008 General Obligation Notes	145,000
2009 General Obligation Notes	200,000
2010A General Obligation Notes	1,160,447
2012A General Obligation Notes	2,455,000
2012B General Obligation Notes	6,040,000
2013 Foundation loan	358,000
2013 Foundation loan	<u>750,000</u>
Total	<u>\$ 13,901,564</u>

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. The debt issues associated with this district have been retired as of December 31, 2010. The City filed for termination of this district in 2013 and was considered closed by the Wisconsin Department of Revenue on October 29, 2013.

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. The remaining debt issue is included within the City’s long-term debt. The balance on the debt issue outstanding at December 31, 2013 is as follows:

2010B General Obligation Notes	<u>\$ 1,245,000</u>
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CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

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 and 5 as of December 31, 2013.

	<u>TID #2</u>	<u>TID #3</u>	<u>TID #4</u>	<u>TID #5</u>
Total revenues	\$ 11,590,108	\$ 31,075,293	\$ 2,254,508	\$ 10,379,864
Expenditures:				
Project costs	2,134,677	45,072,302	1,648,012	9,733,507
Interest and related costs	614,115	10,613,725	426,741	1,851,668
Administration	314,540	279,447	179,755	349,042
Subsidy to TID #3	6,620,585	-	-	-
Subsidy to TID #4	1,609,424	-	-	-
Other costs	35,091	-	-	-
Total expenditures	<u>11,328,432</u>	<u>55,965,474</u>	<u>2,254,508</u>	<u>11,934,217</u>
Net recoverable costs	<u>\$ (261,676)</u>	<u>\$ 24,890,181</u>	<u>\$ -</u>	<u>\$ 1,554,353</u>

Tax Incremental Financing District No. 6 was created on May 11, 2005. The expenditure period will end on May 11, 2020. The City borrowed funds for the project that will be retired by tax increments. The debt issues are included in the City's debt and the balances at December 31, 2013 are as follows:

2005A General Obligation Notes	\$ 367,786
2010A General Obligation Notes	280,000
2011A General Obligation Notes	995,490
2012B General Obligation Notes	615,000
2013A General Obligation Notes	<u>2,065,000</u>
Total	<u>\$ 4,323,276</u>

Tax Incremental Financing District No. 7 was created 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 balances at December 31, 2013 are as follows:

2007A General Obligation Notes	\$ 188,606
2008A General Obligation Notes	1,820,000
2009A General Obligation Notes	420,000
2010A General Obligation Notes	63,000
2012B General Obligation Notes	105,530
2013B General Obligation Notes	<u>445,000</u>
Total	<u>\$ 3,042,136</u>

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 5 – OTHER INFORMATION (Continued)

G. TAX INCREMENTAL FINANCING DISTRICTS (Continued)

Tax Incremental Financing District No. 8 was created on April 11, 2012. The expenditure period will end on April 11, 2034. No debt has been issued for the district as of December 31, 2013.

Tax Incremental Financing District No. 9 was created on September 26, 2012. The expenditure period will end on September 26, 2034. 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, 2013 is as follows:

2013B General Obligation Notes \$ 630,000

Tax Incremental Financing District No. 10 was created on September 17, 2013. The expenditure period will end on September 17, 2028. No debt has been issued for the district as of December 31, 2013.

The following schedule summarizes the cumulative status of Tax Incremental Financing Districts (TID) No. 6, 7, 8, 9 and 10 as of December 31, 2013.

	TID #6	TID #7	TID #8	TID #9	TID #10
Total revenues	<u>\$ 6,210,653</u>	<u>\$ 2,352,678</u>	<u>\$ -</u>	<u>\$ 1,300</u>	<u>\$ -</u>
Expenditures:					
Project costs	9,959,362	5,936,880	7,681	604,550	-
Interest and related costs	499,101	758,613	-	28,140	-
Administration	320,057	123,216	18,191	8,482	1,000
Other costs	<u>65,000</u>	<u>100,289</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>10,843,520</u>	<u>6,918,998</u>	<u>25,872</u>	<u>641,172</u>	<u>1,000</u>
Net recoverable costs	<u>\$ 4,632,867</u>	<u>\$ 4,566,320</u>	<u>\$ 25,872</u>	<u>\$ 639,872</u>	<u>\$ 1,000</u>

H. PRIOR PERIOD ADJUSTMENTS

A prior period adjustment of \$281,118 was recorded as an increase in the General Fund to properly reflect beginning inventory balances at January 1, 2013. An additional transfer from the General Fund in the amount of \$18,893 was made to create the Animal Control enterprise fund. This resulted in a net restatement of the beginning General fund balance from \$9,981,845 to \$10,244,070 and a restatement of beginning total City net position from \$108,847,907 to \$109,110,132. It also resulted in a restatement of beginning net position of the Animal Control fund from \$0 to \$18,893 and a restatement of beginning net position of business-type activities from \$99,519,666 to \$98,538,559.

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 5 – OTHER INFORMATION (Continued)

I. CHANGE IN ACCOUNTING PRINCIPLES

The City implemented GASB Statement #65, “*Items Previously Reported as Assets and Liabilities*” for the year ended December 31, 2013. This statement is intended to provide users of financial statements with information on how past transactions will impact the City’s future financial statements.

The effect on the current year financial statements is to create two additional categories on the Statement of Net Position and the Balance Sheet for deferred outflows and deferred inflows.

A deferred outflow of resources is a consumption of net assets that is applicable to a future reporting period. The only item reported as a deferred outflow in the financial statements occurs in the government-wide and enterprise fund Statements of Net Position for the loss on advance refunding of debt.

A deferred inflow of resources is an acquisition of net assets that is applicable to a future reporting period. The government-wide and enterprise fund Statements of Net Position report a deferred inflow for property taxes and other unearned revenues. Since the governmental fund financial statements use the modified accrual basis of accounting, there are additional items reported in those balance sheets for unavailable revenues including special assessments and loans/other receivables.

J. CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE

As noted above, the City adopted GASB Statement No. 65, which requires debt issuance costs to be expensed in the period incurred, rather than recorded as assets and amortized over the life of the related debt issue. Financial statements for the year ended December 31, 2012 have not been restated. The cumulative effect of this change was to decrease the December 31, 2013 net position of the governmental activities by \$218,574 and the net position of the business-type activities and proprietary funds by \$37,936.

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, 2013

	<u>Budgeted Amounts (Note A)</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
REVENUES				
Taxes	\$ 15,794,349	\$ 15,794,349	\$ 15,823,688	\$ 29,339
Intergovernmental	7,979,941	7,990,056	8,019,450	29,394
Licenses and permits	644,199	644,199	715,251	71,052
Fines, forfeitures and penalties	370,800	370,800	353,662	(17,138)
Public charges for services	1,710,752	1,710,752	1,807,857	97,105
Intergovernmental charges for services	1,617,308	1,636,308	1,393,301	(243,007)
Commercial revenues	303,000	303,000	(124,187)	(427,187)
Miscellaneous revenues	293,960	351,250	369,925	18,675
Total Revenues	<u>28,714,309</u>	<u>28,800,714</u>	<u>28,358,947</u>	<u>(441,767)</u>
EXPENDITURES				
General government	3,816,589	3,947,744	3,868,595	79,149
Public safety	15,341,342	15,523,928	15,651,720	(127,792)
Transportation and streets	7,846,305	7,896,305	7,675,360	220,945
Sanitation, health and welfare	1,396,669	1,428,669	1,447,936	(19,267)
Natural resources and recreation	2,292,404	2,302,519	2,249,653	52,866
Total Expenditures	<u>30,693,309</u>	<u>31,099,165</u>	<u>30,893,264</u>	<u>205,901</u>
Deficiency of Revenues over Expenditures	<u>(1,979,000)</u>	<u>(2,298,451)</u>	<u>(2,534,317)</u>	<u>(235,866)</u>
OTHER FINANCING SOURCES				
Transfers in	<u>1,979,000</u>	<u>1,979,000</u>	<u>1,931,792</u>	<u>(47,208)</u>
Net Change in Fund Balance	<u>-</u>	<u>(319,451)</u>	<u>(602,525)</u>	<u>(283,074)</u>
Fund balance - beginning of year	9,981,845	9,981,845	9,981,845	-
Prior period adjustments	<u>-</u>	<u>-</u>	<u>262,225</u>	<u>262,225</u>
Fund balance - beginning of year, as restated	<u>9,981,845</u>	<u>9,981,845</u>	<u>10,244,070</u>	<u>262,225</u>
Fund balance - end of year	<u>\$ 9,981,845</u>	<u>\$ 9,662,394</u>	<u>\$ 9,641,545</u>	<u>\$ (20,849)</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: Elections by \$2,113, Assessor by \$2,964, Municipal court by \$1,922, Unclassified by \$11,156, Police department by \$117,617, Fire department by \$15,461, Inspections department by \$2,897 and Garbage and refuse collection by \$19,267.

CITY OF WAUSAU, WISCONSIN
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POSTEMPLOYMENT BENEFITS PLAN
SCHEDULE OF FUNDING PROGRESS
Year Ended December 31, 2013

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age Normal Cost	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
1/1/2008	\$ -	\$ 2,006,863	\$ 2,006,863	0.0%	\$ 15,265,869	13.1%
1/1/2009	\$ -	\$ 2,006,863	\$ 2,006,863	0.0%	\$ 16,259,665	12.3%
1/1/2010	\$ -	\$ 1,871,949	\$ 1,871,949	0.0%	\$ 16,425,193	11.4%
1/1/2011	\$ -	\$ 1,871,949	\$ 1,871,949	0.0%	\$ 16,952,936	11.0%
1/1/2012	\$ -	\$ 1,483,204	\$ 1,483,204	0.0%	\$ 16,816,458	8.8%
1/1/2013	\$ -	\$ 1,483,204	\$ 1,483,204	0.0%	\$ 17,651,581	8.4%

**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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
TAXES				
General property taxes	\$ 15,570,606	\$ 15,570,606	\$ 15,570,606	\$ -
Mobile home parking fees	28,150	28,150	28,183	33
Payments in lieu of taxes	114,566	114,566	130,550	15,984
Other taxes	81,027	81,027	94,349	13,322
Total Taxes	<u>15,794,349</u>	<u>15,794,349</u>	<u>15,823,688</u>	<u>29,339</u>
INTERGOVERNMENTAL				
State shared taxes	4,433,432	4,433,432	4,435,191	1,759
Expenditure restraint	792,433	792,433	792,433	-
Fire insurance tax	94,000	94,000	93,216	(784)
Municipal services	187,021	187,021	198,326	11,305
Transportation aids	2,289,930	2,289,930	2,288,737	(1,193)
Other grants	183,125	193,240	211,547	18,307
Total Intergovernmental	<u>7,979,941</u>	<u>7,990,056</u>	<u>8,019,450</u>	<u>29,394</u>
LICENSES AND PERMITS				
Licenses	153,290	153,290	159,541	6,251
Franchise fees	315,000	315,000	343,180	28,180
Permits	175,909	175,909	212,530	36,621
Total Licenses and Permits	<u>644,199</u>	<u>644,199</u>	<u>715,251</u>	<u>71,052</u>
FINES, FORFEITURES AND PENALTIES				
	<u>370,800</u>	<u>370,800</u>	<u>353,662</u>	<u>(17,138)</u>
PUBLIC CHARGES FOR SERVICES				
General government	56,750	56,750	74,314	17,564
Public safety	1,357,262	1,357,262	1,339,619	(17,643)
Streets and related facilities	57,300	57,300	137,628	80,328
Recreation	141,700	141,700	156,725	15,025
Public areas	97,740	97,740	99,571	1,831
Total Public Charges for Services	<u>1,710,752</u>	<u>1,710,752</u>	<u>1,807,857</u>	<u>97,105</u>
INTERGOVERNMENTAL CHARGES FOR SERVICES				
State, federal and local reimbursements	10,860	10,860	13,423	2,563
County and other municipalities	232,800	251,800	197,956	(53,844)
City departments	1,373,648	1,373,648	1,181,922	(191,726)
Total Intergovernmental Charges for Services	<u>1,617,308</u>	<u>1,636,308</u>	<u>1,393,301</u>	<u>(243,007)</u>

CITY OF WAUSAU, WISCONSIN
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL
Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
COMMERCIAL				
Interest on general investments	\$ 275,000	\$ 275,000	\$ (174,110)	\$ (449,110)
Interest on special assessments	15,000	15,000	27,834	12,834
Other interest	<u>13,000</u>	<u>13,000</u>	<u>22,089</u>	<u>9,089</u>
Total Commercial	<u>303,000</u>	<u>303,000</u>	<u>(124,187)</u>	<u>(427,187)</u>
MISCELLANEOUS REVENUES				
Rent of land and buildings	219,100	219,100	210,497	(8,603)
Sale of City property	9,410	9,410	48,965	39,555
Other miscellaneous revenues	<u>65,450</u>	<u>122,740</u>	<u>110,463</u>	<u>(12,277)</u>
Total Miscellaneous Revenues	<u>293,960</u>	<u>351,250</u>	<u>369,925</u>	<u>18,675</u>
OTHER FINANCING SOURCES				
Transfers in	<u>1,979,000</u>	<u>1,979,000</u>	<u>1,931,792</u>	<u>(47,208)</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES				
	<u>\$ 30,693,309</u>	<u>\$ 30,779,714</u>	<u>\$ 30,290,739</u>	<u>\$ (488,975)</u>

CITY OF WAUSAU, WISCONSIN
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
GENERAL GOVERNMENT				
City Council	\$ 100,242	\$ 100,242	\$ 93,089	\$ 7,153
Mayor	226,468	226,468	224,721	1,747
City promotions	110,050	130,050	128,545	1,505
Finance department	419,710	450,710	436,568	14,142
Data processing	612,610	612,610	570,942	41,668
City clerk/customer service	515,003	515,003	493,353	21,650
Elections	35,643	22,643	24,756	(2,113)
Assessor	577,842	583,842	586,806	(2,964)
City attorney	414,899	513,399	513,228	171
Municipal court	122,799	122,799	124,721	(1,922)
Human resources	279,637	306,637	305,420	1,217
City hall and other municipal buildings	347,411	309,066	301,015	8,051
Unclassified	<u>54,275</u>	<u>54,275</u>	<u>65,431</u>	<u>(11,156)</u>
Total General Government	<u>3,816,589</u>	<u>3,947,744</u>	<u>3,868,595</u>	<u>79,149</u>
PUBLIC SAFETY				
Police department	8,423,329	8,569,915	8,687,532	(117,617)
Fire department	3,407,444	3,440,244	3,455,705	(15,461)
Ambulance	2,944,298	2,944,298	2,936,115	8,183
Inspections department	<u>566,271</u>	<u>569,471</u>	<u>572,368</u>	<u>(2,897)</u>
Total Public Safety	<u>15,341,342</u>	<u>15,523,928</u>	<u>15,651,720</u>	<u>(127,792)</u>
TRANSPORTATION AND STREETS				
Engineering	1,407,942	1,407,942	1,369,037	38,905
Public works	<u>6,438,363</u>	<u>6,488,363</u>	<u>6,306,323</u>	<u>182,040</u>
Total Transportation and Streets	<u>7,846,305</u>	<u>7,896,305</u>	<u>7,675,360</u>	<u>220,945</u>
SANITATION, HEALTH AND WELFARE				
Garbage and refuse collection	<u>1,396,669</u>	<u>1,428,669</u>	<u>1,447,936</u>	<u>(19,267)</u>
NATURAL RESOURCES/RECREATION				
Parks and recreation	<u>2,292,404</u>	<u>2,302,519</u>	<u>2,249,653</u>	<u>52,866</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES				
	<u>\$ 30,693,309</u>	<u>\$ 31,099,165</u>	<u>\$ 30,893,264</u>	<u>\$ 205,901</u>

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

December 31, 2013

	Special Revenue Funds			
	Grants	HUD Mortgage	DLAD Mortgage Program	Economic Development
ASSETS				
Cash and cash equivalents	\$ 1,179,528	\$ 13,954	\$ 534,277	\$ 462,268
Taxes receivable	-	-	-	50,000
Accounts receivable	55,445	-	45	-
Notes receivable	3,752,336	2,242,863	78,971	823,903
Due from other governments	132,787	-	-	-
Due from other funds	-	-	-	-
Advance to other funds	-	-	-	-
	<u>\$ 5,120,096</u>	<u>\$ 2,256,817</u>	<u>\$ 613,293</u>	<u>\$ 1,336,171</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 10,439	\$ -	\$ -	\$ 51,810
Employee compensation and benefits	8,519	-	-	-
Due to other funds	22,857	-	15,000	-
Unearned revenues	107,141	-	-	-
Advances from other funds	-	-	-	-
Total Liabilities	<u>148,956</u>	<u>-</u>	<u>15,000</u>	<u>51,810</u>
Deferred Inflows of Resources				
Loans receivable	3,752,336	2,242,863	78,971	823,903
Property taxes	-	-	-	50,000
Total Deferred Inflows of Resources	<u>3,752,336</u>	<u>2,242,863</u>	<u>78,971</u>	<u>873,903</u>
Fund Balances				
Nonspendable	-	-	-	-
Restricted for				
Special purposes	1,218,804	13,954	-	-
Committed to				
Special purposes	-	-	519,322	410,458
Unassigned	-	-	-	-
Total Fund Balances	<u>1,218,804</u>	<u>13,954</u>	<u>519,322</u>	<u>410,458</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
	<u>\$ 5,120,096</u>	<u>\$ 2,256,817</u>	<u>\$ 613,293</u>	<u>\$ 1,336,171</u>

Special Revenue Funds

Federal Rent Rehabilitation	WRRP Rehabilitation	Holtz-Krause Clean Up	Hazardous Materials Emergency Response	Room Tax	Public Access Cable
\$ 349,147	\$ 1,068,310	\$ 570,903	\$ 70,900	\$ 28,263	\$ 2,294
-	-	-	-	-	-
-	-	-	-	170,544	1,500
-	405,564	296,451	-	100,000	-
-	-	-	20,250	-	-
-	37,857	-	-	-	-
-	-	1,239,432	-	-	-
<u>\$ 349,147</u>	<u>\$ 1,511,731</u>	<u>\$ 2,106,786</u>	<u>\$ 91,150</u>	<u>\$ 298,807</u>	<u>\$ 3,794</u>
\$ -	\$ -	\$ 253	\$ 252	\$ 68,282	\$ 151
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	253	252	68,282	151
-	405,564	296,451	-	100,000	-
-	-	-	-	-	-
-	405,564	296,451	-	100,000	-
-	-	1,239,432	-	-	-
349,147	1,106,167	570,650	90,898	-	-
-	-	-	-	130,525	3,643
-	-	-	-	-	-
<u>349,147</u>	<u>1,106,167</u>	<u>1,810,082</u>	<u>90,898</u>	<u>130,525</u>	<u>3,643</u>
<u>\$ 349,147</u>	<u>\$ 1,511,731</u>	<u>\$ 2,106,786</u>	<u>\$ 91,150</u>	<u>\$ 298,807</u>	<u>\$ 3,794</u>

(Continued on next page)

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

December 31, 2013

	Special Revenue Funds			
	Recycling	TID #2 Industrial Park	EPA/WDR Grants	EMS Grant
ASSETS				
Cash and cash equivalents	\$ 36,340	\$ 261,676	\$ -	\$ 54,756
Taxes receivable	497,750	631,219	-	-
Accounts receivable	-	-	-	-
Notes receivable	-	-	-	-
Due from other governments	-	-	51,681	-
Due from other funds	-	-	-	-
Advance to other funds	-	-	-	-
	\$ 534,090	\$ 892,895	\$ 51,681	\$ 54,756
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 36,340	\$ -	\$ 1,280	\$ 1,499
Employee compensation and benefits	-	-	-	-
Due to other funds	-	-	50,401	-
Unearned revenues	-	-	-	-
Advances from other funds	-	-	-	-
Total Liabilities	36,340	-	51,681	1,499
Deferred Inflows of Resources				
Loans receivable	-	-	-	-
Property taxes	497,750	631,219	-	-
Total Deferred Inflows of Resources	497,750	631,219	-	-
Fund Balances				
Nonspendable	-	-	-	-
Restricted for				
Special purposes	-	261,676	-	53,257
Committed to				
Special purposes	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	-	261,676	-	53,257
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
	\$ 534,090	\$ 892,895	\$ 51,681	\$ 54,756

Special Revenue Funds		Capital Project Funds			
Other grants & Special Purpose Accounts	Total	TID #4 Industrial Park	TID #5 Industrial Park	TID #6 West Side Development	TID #7 West Side Development
\$ 631,120	\$ 5,263,736	\$ -	\$ -	\$ -	\$ -
-	1,178,969	-	1,234,760	1,176,485	416,819
-	227,534	-	-	-	-
-	7,700,088	-	-	354,347	-
9,424	214,142	-	-	1,808,275	-
-	37,857	-	-	-	-
-	1,239,432	-	-	-	-
<u>\$ 640,544</u>	<u>\$ 15,861,758</u>	<u>\$ -</u>	<u>\$ 1,234,760</u>	<u>\$ 3,339,107</u>	<u>\$ 416,819</u>
\$ 70,459	\$ 240,765	\$ -	\$ 1,449	\$ 4,065	\$ -
-	8,519	-	-	-	-
-	88,258	-	307,904	2,113,801	-
-	107,141	-	-	-	-
-	-	-	-	-	1,524,184
<u>70,459</u>	<u>444,683</u>	<u>-</u>	<u>309,353</u>	<u>2,117,866</u>	<u>1,524,184</u>
-	7,700,088	-	-	354,347	-
-	1,178,969	-	1,234,760	1,176,485	416,819
-	8,879,057	-	1,234,760	1,530,832	416,819
-	1,239,432	-	-	-	-
570,085	4,234,638	-	-	-	-
-	1,063,948	-	-	-	-
-	-	-	(309,353)	(309,591)	(1,524,184)
<u>570,085</u>	<u>6,538,018</u>	<u>-</u>	<u>(309,353)</u>	<u>(309,591)</u>	<u>(1,524,184)</u>
<u>\$ 640,544</u>	<u>\$ 15,861,758</u>	<u>\$ -</u>	<u>\$ 1,234,760</u>	<u>\$ 3,339,107</u>	<u>\$ 416,819</u>

(Continued on next page)

CITY OF WAUSAU, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (Concluded)
December 31, 2013

	Capital Project Funds				Total Nonmajor Governmental Funds
	TID #8 Near West Side	TID #9 Big Bull Falls	TID #10 Industrial Park	Total	
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 5,263,736
Taxes receivable	-	-	-	2,828,064	4,007,033
Accounts receivable	-	-	-	-	227,534
Notes receivable	-	400,000	-	754,347	8,454,435
Due from other governments	-	-	-	1,808,275	2,022,417
Due from other funds	-	-	-	-	37,857
Advance to other funds	-	-	-	-	1,239,432
	-	-	-	-	-
TOTAL ASSETS	\$ -	\$ 400,000	\$ -	\$ 5,390,686	\$ 21,252,444
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ 5,514	\$ 246,279
Employee compensation and benefits	-	-	-	-	8,519
Due to other funds	25,872	9,872	1,000	2,458,449	2,546,707
Unearned revenues	-	-	-	-	107,141
Advances from other funds	-	-	-	1,524,184	1,524,184
Total Liabilities	25,872	9,872	1,000	3,988,147	4,432,830
Deferred Inflows of Resources					
Loans receivable	-	400,000	-	754,347	8,454,435
Property taxes	-	-	-	2,828,064	4,007,033
Total Deferred Inflows of Resources	-	400,000	-	3,582,411	12,461,468
Fund Balances					
Nonspendable	-	-	-	-	1,239,432
Restricted for					
Special purposes	-	-	-	-	4,234,638
Committed to					
Special purposes	-	-	-	-	1,063,948
Unassigned	(25,872)	(9,872)	(1,000)	(2,179,872)	(2,179,872)
Total Fund Balances	(25,872)	(9,872)	(1,000)	(2,179,872)	4,358,146
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
	\$ -	\$ 400,000	\$ -	\$ 5,390,686	\$ 21,252,444

**CITY OF WAUSAU, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
Year Ended December 31, 2013**

	Special Revenue Funds			
	Grants	HUD Mortgage	DLAD Mortgage Program	Economic Development
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Intergovernmental	583,200	-	-	45,000
Licenses and permits	-	-	-	-
Commercial revenues	246,550	94,707	14,639	-
Miscellaneous revenues	224,373	1,320	70,512	16,800
Total Revenues	<u>1,054,123</u>	<u>96,027</u>	<u>85,151</u>	<u>61,800</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Sanitation, health and welfare	-	-	-	-
Natural resources and recreation	-	-	-	-
Economic development	1,013,524	64,103	17,505	199,186
Capital outlay	-	-	-	-
Total expenditures	<u>1,013,524</u>	<u>64,103</u>	<u>17,505</u>	<u>199,186</u>
Excess (deficiency) of revenues over expenditures	<u>40,599</u>	<u>31,924</u>	<u>67,646</u>	<u>(137,386)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	-	-	-
Premium on debt issued	-	-	-	-
Discount on debt issued	-	-	-	-
Transfers in	19,210	-	-	-
Transfers out	(115,000)	(19,210)	-	-
Total other financing sources (uses)	<u>(95,790)</u>	<u>(19,210)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(55,191)	12,714	67,646	(137,386)
Fund balances (deficit) - beginning of year	<u>1,273,995</u>	<u>1,240</u>	<u>451,676</u>	<u>547,844</u>
Fund balances (deficit) - end of year	<u>\$ 1,218,804</u>	<u>\$ 13,954</u>	<u>\$ 519,322</u>	<u>\$ 410,458</u>

Special Revenue Funds

Federal Rent Rehabilitation	WRRP Rehabilitation	Holtz-Krause Clean Up	Hazardous Materials Emergency Response	Room Tax	Public Access Cable
\$ -	\$ -	\$ -	\$ -	\$ 770,774	\$ -
-	-	-	-	-	-
-	-	-	40,500	-	5,000
-	-	-	-	-	29,190
874	55,082	62,410	-	562	-
-	250	-	-	-	6,804
<u>874</u>	<u>55,332</u>	<u>62,410</u>	<u>40,500</u>	<u>771,336</u>	<u>40,994</u>
-	-	-	-	-	37,923
-	-	-	82,593	-	-
-	-	50,677	-	-	-
-	-	-	-	-	-
1,252	108	-	-	553,415	-
-	-	-	-	-	-
<u>1,252</u>	<u>108</u>	<u>50,677</u>	<u>82,593</u>	<u>553,415</u>	<u>37,923</u>
<u>(378)</u>	<u>55,224</u>	<u>11,733</u>	<u>(42,093)</u>	<u>217,921</u>	<u>3,071</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	(175,000)	-
-	-	-	-	(175,000)	-
<u>(378)</u>	<u>55,224</u>	<u>11,733</u>	<u>(42,093)</u>	<u>42,921</u>	<u>3,071</u>
<u>349,525</u>	<u>1,050,943</u>	<u>1,798,349</u>	<u>132,991</u>	<u>87,604</u>	<u>572</u>
<u>\$ 349,147</u>	<u>\$ 1,106,167</u>	<u>\$ 1,810,082</u>	<u>\$ 90,898</u>	<u>\$ 130,525</u>	<u>\$ 3,643</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, 2013

	Special Revenue Funds			
	Recycling	TID #2 Industrial Park	EPA/WDR Grants	EMS Grant
REVENUES				
Taxes	\$ 473,462	\$ 629,068	\$ -	\$ -
Special assessments	-	-	-	-
Intergovernmental	147,973	6,321	51,681	8,761
Licenses and permits	-	-	-	-
Commercial revenues	-	-	-	-
Miscellaneous revenues	565	-	-	-
Total Revenues	<u>622,000</u>	<u>635,389</u>	<u>51,681</u>	<u>8,761</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	4,069
Sanitation, health and welfare	622,000	-	51,681	-
Natural resources and recreation	-	-	-	-
Economic development	-	3,816	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>622,000</u>	<u>3,816</u>	<u>51,681</u>	<u>4,069</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>631,573</u>	<u>-</u>	<u>4,692</u>
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	-	-	-
Premium on debt issued	-	-	-	-
Discount on debt issued	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	(369,897)	-	-
Total other financing sources (uses)	<u>-</u>	<u>(369,897)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	261,676	-	4,692
Fund balances (deficit) - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,565</u>
Fund balances (deficit) - end of year	<u>\$ -</u>	<u>\$ 261,676</u>	<u>\$ -</u>	<u>\$ 53,257</u>

Special Revenue Funds		Capital Project Funds			
Other grants & Special Purpose Accounts	Total	TID #4 Industrial Park	TID #5 Industrial Park	TID #6 West Side Development	TID #7 West Side Development
\$ -	\$ 1,873,304	\$ 112,453	\$ 1,217,831	\$ 955,238	\$ 322,877
-	-	-	-	72,920	6,114
91,458	979,894	784	42,158	79,826	12,196
-	29,190	-	-	-	-
365	475,189	-	-	235	550
59,974	380,598	-	-	50	-
<u>151,797</u>	<u>3,738,175</u>	<u>113,237</u>	<u>1,259,989</u>	<u>1,108,269</u>	<u>341,737</u>
2,428	40,351	-	-	-	-
136,699	223,361	-	-	-	-
-	724,358	-	-	-	-
44,493	44,493	-	-	-	-
-	1,852,909	1,900	179,085	511,694	453,650
-	-	-	-	3,496,673	17,697
<u>183,620</u>	<u>2,885,472</u>	<u>1,900</u>	<u>179,085</u>	<u>4,008,367</u>	<u>471,347</u>
<u>(31,823)</u>	<u>852,703</u>	<u>111,337</u>	<u>1,080,904</u>	<u>(2,900,098)</u>	<u>(129,610)</u>
-	-	-	-	2,065,000	445,000
-	-	-	-	55,333	12,007
-	-	-	-	(11,357)	(2,447)
-	19,210	369,897	-	-	-
<u>(36,080)</u>	<u>(715,187)</u>	<u>-</u>	<u>(548,886)</u>	<u>(534,442)</u>	<u>(626,800)</u>
<u>(36,080)</u>	<u>(695,977)</u>	<u>369,897</u>	<u>(548,886)</u>	<u>1,574,534</u>	<u>(172,240)</u>
(67,903)	156,726	481,234	532,018	(1,325,564)	(301,850)
<u>637,988</u>	<u>6,381,292</u>	<u>(481,234)</u>	<u>(841,371)</u>	<u>1,015,973</u>	<u>(1,222,334)</u>
<u>\$ 570,085</u>	<u>\$ 6,538,018</u>	<u>\$ -</u>	<u>\$ (309,353)</u>	<u>\$ (309,591)</u>	<u>\$ (1,524,184)</u>

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CITY OF WAUSAU, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (Concluded)
Year Ended December 31, 2013

	Capital Project Funds				Total Nonmajor Governmental Funds
	TID #8 Near West Side	TID #9 Big Bull Falls	TID #10 Industrial Park	Total	
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ 2,608,399	\$ 4,481,703
Special assessments	-	-	-	79,034	79,034
Intergovernmental	-	-	-	134,964	1,114,858
Licenses and permits	-	-	-	-	29,190
Commercial revenues	-	-	-	785	475,974
Miscellaneous revenues	-	-	-	50	380,648
Total Revenues	-	-	-	2,823,232	6,561,407
EXPENDITURES					
Current:					
General government	-	-	-	-	40,351
Public safety	-	-	-	-	223,361
Sanitation, health and welfare	-	-	-	-	724,358
Natural resources and recreation	-	-	-	-	44,493
Economic development	10,390	491,347	1,000	1,649,066	3,501,975
Capital outlay	7,681	3,318	-	3,525,369	3,525,369
Total expenditures	18,071	494,665	1,000	5,174,435	8,059,907
Excess (deficiency) of revenues over expenditures	(18,071)	(494,665)	(1,000)	(2,351,203)	(1,498,500)
OTHER FINANCING SOURCES (USES)					
Issuance of debt	-	630,000	-	3,140,000	3,140,000
Premium on debt issued	-	1,300	-	68,640	68,640
Discount on debt issued	-	(7,340)	-	(21,144)	(21,144)
Transfers in	-	-	-	369,897	389,107
Transfers out	-	-	-	(1,710,128)	(2,425,315)
Total other financing sources (uses)	-	623,960	-	1,847,265	1,151,288
Net change in fund balances	(18,071)	129,295	(1,000)	(503,938)	(347,212)
Fund balances (deficit) - beginning of year	(7,801)	(139,167)	-	(1,675,934)	4,705,358
Fund balances (deficit) - end of year	\$ (25,872)	\$ (9,872)	\$ (1,000)	\$ (2,179,872)	\$ 4,358,146

CITY OF WAUSAU, WISCONSIN
NONMAJOR BUDGETED GOVERNMENTAL FUNDS
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2013

	Special Revenue Funds			
	Grants		HUD Mortgage	
	Budget	Actual	Budget	Actual
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Intergovernmental	1,113,996	583,200	-	-
Licenses and permits	-	-	-	-
Commercial revenues	235,776	246,550	60,000	94,707
Miscellaneous revenues	88,050	224,373	-	1,320
Total Revenues	1,437,822	1,054,123	60,000	96,027
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Sanitation, health and welfare	-	-	-	-
Economic development	1,367,187	1,013,524	51,000	64,103
Capital outlay	-	-	-	-
Total expenditures	1,367,187	1,013,524	51,000	64,103
Excess (deficiency) of revenues over expenditures	70,635	40,599	9,000	31,924
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	-	-	-
Premium on debt issued	-	-	-	-
Discount on debt issued	-	-	-	-
Transfers in	191,659	19,210	-	-
Transfers out	(296,170)	(115,000)	(9,000)	(19,210)
Total other financing sources (uses)	(104,511)	(95,790)	(9,000)	(19,210)
Net change in fund balances	\$ (33,876)	(55,191)	\$ -	12,714
Fund balances (deficit) - beginning of year		1,273,995		1,240
Fund balances (deficit) - end of year		\$ 1,218,804		\$ 13,954

Special Revenue Funds

DLAD Mortgage Program		Economic Development		Federal Rent Rehabilitation	
Budget	Actual	Budget	Actual	Budget	Actual
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	45,000	-	-
-	-	-	-	-	-
5,000	14,639	-	-	-	874
5,000	70,512	9,000	16,800	500	-
<u>10,000</u>	<u>85,151</u>	<u>9,000</u>	<u>61,800</u>	<u>500</u>	<u>874</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
35,000	17,505	89,000	199,186	6,375	1,252
-	-	-	-	-	-
<u>35,000</u>	<u>17,505</u>	<u>89,000</u>	<u>199,186</u>	<u>6,375</u>	<u>1,252</u>
<u>(25,000)</u>	<u>67,646</u>	<u>(80,000)</u>	<u>(137,386)</u>	<u>(5,875)</u>	<u>(378)</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	(1,125)	-
-	-	-	-	(1,125)	-
<u>\$ (25,000)</u>	<u>67,646</u>	<u>\$ (80,000)</u>	<u>(137,386)</u>	<u>\$ (7,000)</u>	<u>(378)</u>
	<u>451,676</u>		<u>547,844</u>		<u>349,525</u>
	<u>\$ 519,322</u>		<u>\$ 410,458</u>		<u>\$ 349,147</u>

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CITY OF WAUSAU, WISCONSIN
NONMAJOR BUDGETED GOVERNMENTAL FUNDS
BUDGETARY COMPARISON SCHEDULE (Continued)
Year Ended December 31, 2013

	Special Revenue Funds			
	WRRP Rehabilitation		Holtz-Krause Clean Up	
	Budget	Actual	Budget	Actual
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Intergovernmental	-	-	-	-
Licenses and permits	-	-	-	-
Commercial revenues	100,000	55,082	62,410	62,410
Miscellaneous revenues	-	250	-	-
Total Revenues	100,000	55,332	62,410	62,410
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Sanitation, health and welfare	-	-	26,480	50,677
Economic development	85,000	108	-	-
Capital outlay	-	-	-	-
Total expenditures	85,000	108	26,480	50,677
Excess (deficiency) of revenues over expenditures	15,000	55,224	35,930	11,733
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	-	-	-
Premium on debt issued	-	-	-	-
Discount on debt issued	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(15,000)	-	-	-
Total other financing sources (uses)	(15,000)	-	-	-
Net change in fund balances	\$ -	55,224	\$ 35,930	11,733
Fund balances (deficit) - beginning of year		1,050,943		1,798,349
Fund balances (deficit) - end of year		\$ 1,106,167		\$ 1,810,082

Special Revenue Funds

Hazardous Materials Emergency Response		Room Tax		Public Access Cable	
Budget	Actual	Budget	Actual	Budget	Actual
\$ -	\$ -	\$ 695,000	\$ 770,774	\$ -	\$ -
-	-	-	-	-	-
81,000	40,500	-	-	8,000	5,000
-	-	-	-	29,190	29,190
-	-	-	562	-	-
-	-	-	-	-	6,804
<u>81,000</u>	<u>40,500</u>	<u>695,000</u>	<u>771,336</u>	<u>37,190</u>	<u>40,994</u>
-	-	-	-	47,190	37,923
112,000	82,593	-	-	-	-
-	-	-	-	-	-
-	-	520,000	553,415	-	-
-	-	-	-	-	-
<u>112,000</u>	<u>82,593</u>	<u>520,000</u>	<u>553,415</u>	<u>47,190</u>	<u>37,923</u>
<u>(31,000)</u>	<u>(42,093)</u>	<u>175,000</u>	<u>217,921</u>	<u>(10,000)</u>	<u>3,071</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	(175,000)	(175,000)	-	-
-	-	(175,000)	(175,000)	-	-
<u>\$ (31,000)</u>	<u>(42,093)</u>	<u>\$ -</u>	<u>42,921</u>	<u>\$ (10,000)</u>	<u>3,071</u>
	<u>132,991</u>		<u>87,604</u>		<u>572</u>
	<u>\$ 90,898</u>		<u>\$ 130,525</u>		<u>\$ 3,643</u>

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CITY OF WAUSAU, WISCONSIN
NONMAJOR BUDGETED GOVERNMENTAL FUNDS
BUDGETARY COMPARISON SCHEDULE (Continued)
Year Ended December 31, 2013

	Special Revenue Funds			
	Recycling		TID #2 Industrial Park	
	Budget	Actual	Budget	Actual
REVENUES				
Taxes	\$ 473,462	\$ 473,462	\$ 626,117	\$ 629,068
Special assessments	-	-	-	-
Intergovernmental	147,904	147,973	8,000	6,321
Licenses and permits	-	-	-	-
Commercial revenues	-	-	-	-
Miscellaneous revenues	600	565	-	-
Total Revenues	621,966	622,000	634,117	635,389
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Sanitation, health and welfare	621,966	622,000	-	-
Economic development	-	-	11,033	3,816
Capital outlay	-	-	-	-
Total expenditures	621,966	622,000	11,033	3,816
Excess (deficiency) of revenues over expenditures	-	-	623,084	631,573
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	-	-	-
Premium on debt issued	-	-	-	-
Discount on debt issued	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(623,084)	(369,897)
Total other financing sources (uses)	-	-	(623,084)	(369,897)
Net change in fund balances	\$ -	-	\$ -	261,676
Fund balances (deficit) - beginning of year	-	-	-	-
Fund balances (deficit) - end of year	\$ -	-	\$ -	261,676

Special Revenue Funds		Capital Project Funds			
EMS Grant		TID #4 Industrial Park		TID #5 Industrial Park	
Budget	Actual	Budget	Actual	Budget	Actual
\$ -	\$ -	\$ 111,925	\$ 112,453	\$ 1,212,118	\$ 1,217,831
-	-	-	-	-	-
8,000	8,761	-	784	48,897	42,158
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>8,000</u>	<u>8,761</u>	<u>111,925</u>	<u>113,237</u>	<u>1,261,015</u>	<u>1,259,989</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
8,000	4,069	4,220	1,900	828,254	179,085
-	-	-	-	-	-
<u>8,000</u>	<u>4,069</u>	<u>4,220</u>	<u>1,900</u>	<u>828,254</u>	<u>179,085</u>
-	4,692	107,705	111,337	432,761	1,080,904
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	623,084	369,897	-	-
-	-	-	-	(451,862)	(548,886)
-	-	<u>623,084</u>	<u>369,897</u>	<u>(451,862)</u>	<u>(548,886)</u>
<u>\$ -</u>	4,692	<u>\$ 730,789</u>	481,234	<u>\$ (19,101)</u>	532,018
	<u>48,565</u>		<u>(481,234)</u>		<u>(841,371)</u>
	<u>\$ 53,257</u>		<u>\$ -</u>		<u>\$ (309,353)</u>

(Continued on next page)

CITY OF WAUSAU, WISCONSIN
NONMAJOR BUDGETED GOVERNMENTAL FUNDS
BUDGETARY COMPARISON SCHEDULE (Concluded)
Year Ended December 31, 2013

	Capital Projects Funds			
	TID #6 West Side Development		TID #7 West Side Development	
	Budget	Actual	Budget	Actual
REVENUES				
Taxes	\$ 950,757	\$ 955,238	\$ 321,362	\$ 322,877
Special assessments	-	72,920	24,317	6,114
Intergovernmental	75,000	79,826	10,000	12,196
Licenses and permits	-	-	-	-
Commercial revenues	-	235	-	550
Miscellaneous revenues	-	50	-	-
Total Revenues	1,025,757	1,108,269	355,679	341,737
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Sanitation, health and welfare	-	-	-	-
Economic development	619,445	511,694	521,270	453,650
Capital outlay	3,497,751	3,496,673	45,000	17,697
Total expenditures	4,117,196	4,008,367	566,270	471,347
Excess (deficiency) of revenues over expenditures	(3,091,439)	(2,900,098)	(210,591)	(129,610)
OTHER FINANCING SOURCES (USES)				
Issuance of debt	2,810,000	2,065,000	443,770	445,000
Premium on debt issued	-	55,333	-	12,007
Discount on debt issued	-	(11,357)	-	(2,447)
Transfers in	-	-	-	-
Transfers out	(490,467)	(534,442)	(617,241)	(626,800)
Total other financing sources (uses)	2,319,533	1,574,534	(173,471)	(172,240)
Net change in fund balances	\$ (771,906)	(1,325,564)	\$ (384,062)	(301,850)
Fund balances (deficit) - beginning of year		1,015,973		(1,222,334)
Fund balances (deficit) - end of year		\$ (309,591)		\$ (1,524,184)

Capital Projects Funds

TID #8 Near West Side		TID #9 Big Bull Falls	
Budget	Actual	Budget	Actual
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
124,500	10,390	467,804	491,347
1,015,000	7,681	-	3,318
1,139,500	18,071	467,804	494,665
(1,139,500)	(18,071)	(467,804)	(494,665)
1,138,000	-	600,000	630,000
-	-	-	1,300
-	-	-	(7,340)
-	-	-	-
-	-	-	-
1,138,000	-	600,000	623,960
\$ (1,500)	(18,071)	\$ 132,196	129,295
	(7,801)		(139,167)
	\$ (25,872)		\$ (9,872)

CITY OF WAUSAU, WISCONSIN
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
REVENUES				
General property taxes	\$ 4,088,000	\$ 4,088,000	\$ 4,088,000	\$ -
Reimbursement of expenditures	-	-	47,533	47,533
Total Revenues	<u>4,088,000</u>	<u>4,088,000</u>	<u>4,135,533</u>	<u>47,533</u>
EXPENDITURES				
Debt Service:				
Principal retirement	7,528,344	7,528,344	7,528,344	-
Interest and debt service charges	<u>1,170,206</u>	<u>1,170,206</u>	<u>1,165,826</u>	<u>4,380</u>
Total Expenditures	<u>8,698,550</u>	<u>8,698,550</u>	<u>8,694,170</u>	<u>4,380</u>
Deficiency of Revenues over Expenditures	<u>(4,610,550)</u>	<u>(4,610,550)</u>	<u>(4,558,637)</u>	<u>51,913</u>
OTHER FINANCING SOURCES (USES)				
Premium on debt issued	-	-	124,902	124,902
Transfers in	4,610,550	4,610,550	4,586,821	(23,729)
Discount on debt issued	<u>-</u>	<u>-</u>	<u>(42,578)</u>	<u>(42,578)</u>
Total Other Financing Sources (Uses)	<u>4,610,550</u>	<u>4,610,550</u>	<u>4,669,145</u>	<u>58,595</u>
Net change in fund balance	-	-	110,508	110,508
Fund balance - beginning of year	<u>556,338</u>	<u>556,338</u>	<u>556,338</u>	<u>-</u>
Fund balance - end of year	<u>\$ 556,338</u>	<u>\$ 556,338</u>	<u>\$ 666,846</u>	<u>\$ 110,508</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
General property taxes	\$ 1,756,156	\$ 1,756,156	\$ 1,764,433	\$ 8,277
Special assessments	-	-	9,721	9,721
Intergovernmental	175,000	175,000	143,735	(31,265)
Interest on investments	-	-	1,305	1,305
Grant proceeds	-	-	110,000	110,000
Other miscellaneous	14,423	14,423	52,423	38,000
Total Revenues	<u>1,945,579</u>	<u>1,945,579</u>	<u>2,081,617</u>	<u>136,038</u>
EXPENDITURES				
Economic development	10,150	20,150	48,275	(28,125)
Capital outlay:				
Economic development	<u>234,000</u>	<u>2,648,663</u>	<u>1,298,296</u>	<u>1,350,367</u>
Total expenditures	<u>244,150</u>	<u>2,668,813</u>	<u>1,346,571</u>	<u>1,322,242</u>
Excess (deficiency) of Revenues over Expenditures	<u>1,701,429</u>	<u>(723,234)</u>	<u>735,046</u>	<u>1,458,280</u>
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	750,000	1,108,000	358,000
Transfers out	<u>(2,821,474)</u>	<u>(2,821,474)</u>	<u>(2,815,752)</u>	<u>5,722</u>
Total Other Financing Sources (Uses)	<u>(2,821,474)</u>	<u>(2,071,474)</u>	<u>(1,707,752)</u>	<u>363,722</u>
Net change in fund balance	(1,120,045)	(2,794,708)	(972,706)	1,822,002
Fund balance - beginning of year	<u>(1,132,734)</u>	<u>(1,132,734)</u>	<u>(1,132,734)</u>	<u>-</u>
Fund balance - end of year	<u>\$ (2,252,779)</u>	<u>\$ (3,927,442)</u>	<u>\$ (2,105,440)</u>	<u>\$ 1,822,002</u>

CITY OF WAUSAU, WISCONSIN
CAPITAL IMPROVEMENTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
General property taxes	\$ 337,345	\$ 337,345	\$ 337,345	\$ -
Special assessments	249,000	249,000	507,274	258,274
Intergovernmental	-	55,575	193,783	138,208
Other miscellaneous	155,000	190,000	203,316	13,316
Total Revenues	<u>741,345</u>	<u>831,920</u>	<u>1,241,718</u>	<u>409,798</u>
EXPENDITURES				
Capital outlay	<u>4,509,124</u>	<u>7,098,981</u>	<u>4,995,397</u>	<u>2,103,584</u>
Deficiency of Revenues over Expenditures	<u>(3,767,779)</u>	<u>(6,267,061)</u>	<u>(3,753,679)</u>	<u>2,513,382</u>
OTHER FINANCING SOURCES (USES)				
Issuance of debt	2,833,000	2,875,000	6,265,000	3,390,000
Premium on debt issued	-	-	76,643	76,643
Discount on debt issued	-	-	(15,703)	(15,703)
Transfers in	571,279	571,279	115,000	(456,279)
Transfers out	<u>-</u>	<u>-</u>	<u>(60,941)</u>	<u>(60,941)</u>
Total Other Financing Sources (Uses)	<u>3,404,279</u>	<u>3,446,279</u>	<u>6,379,999</u>	<u>2,933,720</u>
Net change in fund balance	(363,500)	(2,820,782)	2,626,320	5,447,102
Fund balance - beginning of year	<u>3,082,949</u>	<u>3,082,949</u>	<u>3,082,949</u>	<u>-</u>
Fund balance - end of year	<u>\$ 2,719,449</u>	<u>\$ 262,167</u>	<u>\$ 5,709,269</u>	<u>\$ 5,447,102</u>

CITY OF WAUSAU, WISCONSIN
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
December 31, 2013

	Airport Fund	Animal Control Fund	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 62,999	\$ 25,157	\$ 88,156
Taxes receivable	70,000	-	70,000
Accounts receivable	8,496	340	8,836
Inventories and prepayments	-	1,557	1,557
Total Current Assets	141,495	27,054	168,549
Noncurrent Assets:			
Property, Plant and Equipment:			
Property and equipment	4,114,169	-	4,114,169
Accumulated depreciation	(1,574,909)	-	(1,574,909)
Net Property, Plant and Equipment	2,539,260	-	2,539,260
 TOTAL ASSETS	 2,680,755	 27,054	 2,707,809
 LIABILITIES			
Current Liabilities:			
Accounts payable	8,870	127	8,997
Due to other governments	-	2,540	2,540
Unearned revenues	7,483	4,155	11,638
 TOTAL LIABILITIES	 16,353	 6,822	 23,175
 DEFERRED INFLOWS OF RESOURCES			
Property taxes	70,000	-	70,000
 NET POSITION			
Net investment in capital assets	2,539,260	-	2,539,260
Unrestricted	55,142	20,232	75,374
 TOTAL NET POSITION	 \$ 2,594,402	 \$ 20,232	 \$ 2,614,634

**CITY OF WAUSAU, WISCONSIN
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
Year Ended December 31, 2013**

	Airport Fund	Animal Control Fund	Total
OPERATING REVENUES			
Charges for services and sales	\$ 138,518	\$ 59,515	\$ 198,033
Other operating revenues	<u>2,500</u>	<u>11,905</u>	<u>14,405</u>
Total Operating Revenues	<u>141,018</u>	<u>71,420</u>	<u>212,438</u>
OPERATING EXPENSES			
Operating and maintenance	224,643	70,081	294,724
Depreciation	<u>154,189</u>	<u>-</u>	<u>154,189</u>
Total Operating Expenses	<u>378,832</u>	<u>70,081</u>	<u>448,913</u>
Operating income (loss)	(237,814)	1,339	(236,475)
NONOPERATING REVENUES			
Property taxes	<u>68,677</u>	<u>-</u>	<u>68,677</u>
Income (loss) before Capital Contributions	(169,137)	1,339	(167,798)
Capital Contributions	<u>9,905</u>	<u>-</u>	<u>9,905</u>
Change in Net Position	<u>(159,232)</u>	<u>1,339</u>	<u>(157,893)</u>
Net position - beginning of year	2,753,634	-	2,753,634
Prior period adjustment	<u>-</u>	<u>18,893</u>	<u>18,893</u>
Net position - beginning, as restated	<u>2,753,634</u>	<u>18,893</u>	<u>2,772,527</u>
Net position - end of year	<u>\$ 2,594,402</u>	<u>\$ 20,232</u>	<u>\$ 2,614,634</u>

CITY OF WAUSAU, WISCONSIN
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year Ended December 31, 2013

	Airport Fund	Animal Control Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers, users and others	\$ 139,024	\$ 75,235	\$ 214,259
Payments to suppliers	(215,773)	(56,414)	(272,187)
Payments to employees	<u>-</u>	<u>(12,557)</u>	<u>(12,557)</u>
Net Cash Provided (Used) by Operating Activities	<u>(76,749)</u>	<u>6,264</u>	<u>(70,485)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Property taxes	<u>68,677</u>	<u>-</u>	<u>68,677</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital contributions	9,905	-	9,905
Acquisition and construction of capital assets	<u>(9,905)</u>	<u>-</u>	<u>(9,905)</u>
Net Cash Used by Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(8,072)	6,264	(1,808)
Cash and cash equivalents - beginning of year	<u>71,071</u>	<u>18,893</u>	<u>89,964</u>
Cash and cash equivalents - end of year	<u>\$ 62,999</u>	<u>\$ 25,157</u>	<u>\$ 88,156</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (237,814)	\$ 1,339	\$ (236,475)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	154,189	-	154,189
Changes in assets and liabilities:			
Accounts receivable	(1,994)	(340)	(2,334)
Inventories and prepayments	-	(1,557)	(1,557)
Accounts payable	8,870	2,667	11,537
Unearned revenues	<u>-</u>	<u>4,155</u>	<u>4,155</u>
Net cash provided (used) by operating activities	<u>\$ (76,749)</u>	<u>\$ 6,264</u>	<u>\$ (70,485)</u>

CITY OF WAUSAU, WISCONSIN
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
December 31, 2013

	Motor Pool	Insurance Fund	Employee Benefits Fund	Employee HRA/Wellness Fund	Total
ASSETS					
Current Assets:					
Cash and cash equivalents	\$ 626,894	\$ 711,161	\$ 408,429	\$ 364,572	\$ 2,111,056
Accounts receivable	150	21,330	11,464	-	32,944
Inventories and prepayments	287,009	-	-	-	287,009
Total Current Assets	<u>914,053</u>	<u>732,491</u>	<u>419,893</u>	<u>364,572</u>	<u>2,431,009</u>
Noncurrent Assets:					
Property, Plant and Equipment:					
Property and equipment	10,635,116	-	-	-	10,635,116
Accumulated depreciation	<u>(6,927,418)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,927,418)</u>
Net Property, Plant and Equipment	<u>3,707,698</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,707,698</u>
TOTAL ASSETS	<u>4,621,751</u>	<u>732,491</u>	<u>419,893</u>	<u>364,572</u>	<u>6,138,707</u>
LIABILITIES					
Current Liabilities:					
Accounts payable	105,891	-	6,751	129	112,771
Compensated absences payable	392	-	-	-	392
Claims payable	<u>-</u>	<u>148,300</u>	<u>-</u>	<u>60,000</u>	<u>208,300</u>
Total Current Liabilities	<u>106,283</u>	<u>148,300</u>	<u>6,751</u>	<u>60,129</u>	<u>321,463</u>
Noncurrent Liabilities:					
Accrued liability - claims payable	-	287,334	-	-	287,334
Compensated absences payable	<u>19,095</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,095</u>
Total Noncurrent Liabilities	<u>19,095</u>	<u>287,334</u>	<u>-</u>	<u>-</u>	<u>306,429</u>
TOTAL LIABILITIES	<u>125,378</u>	<u>435,634</u>	<u>6,751</u>	<u>60,129</u>	<u>627,892</u>
NET POSITION					
Net investment in capital assets	3,707,698	-	-	-	3,707,698
Unrestricted	<u>788,675</u>	<u>296,857</u>	<u>413,142</u>	<u>304,443</u>	<u>1,803,117</u>
TOTAL NET POSITION	<u>\$ 4,496,373</u>	<u>\$ 296,857</u>	<u>\$ 413,142</u>	<u>\$ 304,443</u>	<u>\$ 5,510,815</u>

CITY OF WAUSAU, WISCONSIN
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
Year Ended December 31, 2013

	Motor Pool	Insurance Fund	Employee Benefits Fund	Employee HRA/Wellness Fund	Total
OPERATING REVENUES					
Charges for services and sales	\$ 2,875,157	\$ 841,257	\$ 5,191,214	\$ 327,826	\$ 9,235,454
Other operating revenues	97,077	-	-	-	97,077
Total Operating Revenues	<u>2,972,234</u>	<u>841,257</u>	<u>5,191,214</u>	<u>327,826</u>	<u>9,332,531</u>
OPERATING EXPENSES					
Operating and maintenance	1,917,280	-	-	-	1,917,280
Depreciation	822,107	-	-	-	822,107
Insurance, claims and administration	-	924,477	4,817,287	301,138	6,042,902
Total Operating Expenses	<u>2,739,387</u>	<u>924,477</u>	<u>4,817,287</u>	<u>301,138</u>	<u>8,782,289</u>
Operating income (loss)	232,847	(83,220)	373,927	26,688	550,242
NONOPERATING REVENUES					
Gain on sale of capital assets	24,508	-	-	-	24,508
Income (loss) before transfers	257,355	(83,220)	373,927	26,688	574,750
Transfers out	<u>(197,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(197,000)</u>
Change in Net Position	60,355	(83,220)	373,927	26,688	377,750
Total net position - beginning of year	<u>4,436,018</u>	<u>380,077</u>	<u>39,215</u>	<u>277,755</u>	<u>5,133,065</u>
Total net position - end of year	<u>\$ 4,496,373</u>	<u>\$ 296,857</u>	<u>\$ 413,142</u>	<u>\$ 304,443</u>	<u>\$ 5,510,815</u>

CITY OF WAUSAU, WISCONSIN
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year Ended December 31, 2013

	Motor Pool	Insurance Fund	Employee Benefits Fund	Employee HRA/Wellness Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers, users and others	\$ 2,972,443	\$ 1,015,263	\$ 5,190,085	\$ 327,826	\$ 9,505,617
Payments to suppliers	(1,483,428)	(697,937)	(4,845,798)	(301,009)	(7,328,172)
Payments to employees	(343,766)	-	-	-	(343,766)
Net Cash Provided by Operating Activities	<u>1,145,249</u>	<u>317,326</u>	<u>344,287</u>	<u>26,817</u>	<u>1,833,679</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers out	(197,000)	-	-	-	(197,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(1,291,771)	-	-	-	(1,291,771)
Proceeds from sale of capital assets	24,508	-	-	-	24,508
Net Cash Used by Capital and Related Financing Activities	<u>(1,267,263)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,267,263)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(319,014)	317,326	344,287	26,817	369,416
Cash and cash equivalents - beginning of year	<u>945,908</u>	<u>393,835</u>	<u>64,142</u>	<u>337,755</u>	<u>1,741,640</u>
Cash and cash equivalents - end of year	<u>\$ 626,894</u>	<u>\$ 711,161</u>	<u>\$ 408,429</u>	<u>\$ 364,572</u>	<u>\$ 2,111,056</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating income (loss)	\$ 232,847	\$ (83,220)	\$ 373,927	\$ 26,688	\$ 550,242
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation expense	822,107	-	-	-	822,107
Changes in assets and liabilities:					
Accounts receivable	209	174,006	(1,129)	-	173,086
Inventories and prepayments	11,807	-	-	-	11,807
Accounts payable	78,527	(60,794)	(28,511)	129	(10,649)
Long-term claims payable	-	287,334	-	-	287,334
Accrued compensated absences	(248)	-	-	-	(248)
Net cash provided by operating activities	<u>\$ 1,145,249</u>	<u>\$ 317,326</u>	<u>\$ 344,287</u>	<u>\$ 26,817</u>	<u>\$ 1,833,679</u>

CITY OF WAUSAU, WISCONSIN
AGENCY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
December 31, 2013

	Entrepreneurial & Education Center	Wausau Events	Main Street Wausau	Totals
ASSETS				
Cash and cash equivalents	\$ 236,932	\$ 103,984	\$ 65,177	\$ 406,093
Accounts receivable	1,576	8,591	1,100	11,267
 TOTAL ASSETS	 \$ 238,508	 \$ 112,575	 \$ 66,277	 \$ 417,360
LIABILITIES				
Accounts payable	\$ 238,508	\$ 112,575	\$ 66,277	\$ 417,360

CITY OF WAUSAU, WISCONSIN
AGENCY FUNDS
COMBINING STATEMENT OF
CHANGES IN ASSETS AND LIABILITIES
Year Ended December 31, 2013

	Balance 1/1/2013	Additions	Deductions	Balance 12/31/2013
Entrepreneurial & Education Center				
ASSETS				
Cash and cash equivalents	\$ 231,185	\$ 222,330	\$ 216,583	\$ 236,932
Accounts receivable	4,082	209,782	212,288	1,576
TOTAL ASSETS	<u>\$ 235,267</u>	<u>\$ 432,112</u>	<u>\$ 428,871</u>	<u>\$ 238,508</u>
LIABILITIES				
Accounts payable	\$ 235,267	\$ 432,112	\$ 428,871	\$ 238,508
TOTAL LIABILITIES	<u>\$ 235,267</u>	<u>\$ 432,112</u>	<u>\$ 428,871</u>	<u>\$ 238,508</u>
Wausau Events				
ASSETS				
Cash and cash equivalents	\$ 103,124	\$ 486,958	\$ 486,098	\$ 103,984
Accounts receivable	4,000	77,612	73,021	8,591
TOTAL ASSETS	<u>\$ 107,124</u>	<u>\$ 564,570</u>	<u>\$ 559,119</u>	<u>\$ 112,575</u>
LIABILITIES				
Accounts payable	\$ 107,124	\$ 564,570	\$ 559,119	\$ 112,575
TOTAL LIABILITIES	<u>\$ 107,124</u>	<u>\$ 564,570</u>	<u>\$ 559,119</u>	<u>\$ 112,575</u>
Main Street Wausau				
ASSETS				
Cash and cash equivalents	\$ 81,437	\$ 155,908	\$ 172,168	\$ 65,177
Accounts receivable	200	17,800	16,900	1,100
TOTAL ASSETS	<u>\$ 81,637</u>	<u>\$ 173,708</u>	<u>\$ 189,068</u>	<u>\$ 66,277</u>
LIABILITIES				
Accounts payable	\$ 81,637	\$ 173,708	\$ 189,068	\$ 66,277
TOTAL LIABILITIES	<u>\$ 81,637</u>	<u>\$ 173,708</u>	<u>\$ 189,068</u>	<u>\$ 66,277</u>
Business Improvement District				
ASSETS				
Cash and cash equivalents	\$ -	\$ 60,000	\$ 60,000	\$ -
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 60,000</u>	<u>\$ 60,000</u>	<u>\$ -</u>
LIABILITIES				
Accounts payable	\$ -	\$ 60,000	\$ 60,000	\$ -
TOTAL LIABILITIES	<u>\$ -</u>	<u>\$ 60,000</u>	<u>\$ 60,000</u>	<u>\$ -</u>

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

CITY OF WAUSAU, WISCONSIN
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
December 31, 2013

	<u>Land</u>	<u>Buildings and Improvements</u>	<u>Machinery and Equipment</u>	<u>Infrastructure</u>	<u>Totals</u>
FUNCTION AND ACTIVITY					
General government	\$ 34,798,334	\$ 6,480,896	\$ 1,761,513	\$ -	\$ 43,040,743
Public safety:					
Police protection	813,377	3,695,613	1,096,397	-	5,605,387
Fire protection	253,942	1,873,254	5,341,803	-	7,468,999
Public works:					
Maintenance	221,071	2,531,482	11,342,957	-	14,095,510
Sidewalks	-	-	-	9,538,011	9,538,011
Street system	-	-	-	113,983,301	113,983,301
Parks and recreation	<u>403,104</u>	<u>5,253,951</u>	<u>1,796,043</u>	<u>-</u>	<u>7,453,098</u>
TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS	<u>\$ 36,489,828</u>	<u>\$ 19,835,196</u>	<u>\$ 21,338,713</u>	<u>\$ 123,521,312</u>	<u>\$ 201,185,049</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, 2013

	Balance January 1, 2013	Additions	Deletions	Balance December 31, 2013
FUNCTION AND ACTIVITY				
General government	\$ 41,203,993	\$ 1,867,434	\$ 30,684	\$ 43,040,743
Public safety:				
Police protection	5,512,595	106,665	13,873	5,605,387
Fire protection	7,193,071	290,488	14,560	7,468,999
Public works:				
Maintenance	13,099,779	1,525,578	529,847	14,095,510
Sidewalks	9,180,958	428,919	71,866	9,538,011
Street system	107,440,985	7,556,954	1,014,638	113,983,301
Parks and recreation	7,258,529	320,075	125,506	7,453,098
TOTAL GOVERNMENTAL FUNDS				
CAPITAL ASSETS	<u>\$ 190,889,910</u>	<u>\$ 12,096,113</u>	<u>\$ 1,800,974</u>	<u>\$ 201,185,049</u>

STATISTICAL SECTION

CITY OF WAUSAU, WISCONSIN

INDEX TO THE STATISTICAL SECTION

December 31, 2013

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Sources: Unless otherwise noted, the information in these schedules is derived from the annual financial reports for the relevant year.

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

	Fiscal Year									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Governmental activities										
Net investment in capital assets	\$ 34,786,883	\$ 37,208,205	\$ 53,529,030	\$ 55,095,222	\$ 60,825,711	\$ 68,308,631	\$ 75,413,530	\$ 79,344,570	\$ 84,193,691	\$ 88,488,799
Restricted	17,072,868	7,028,259	5,776,256	3,075,046	3,332,378	3,635,751	3,711,046	12,789,388	9,729,737	10,610,753
Unrestricted	5,489,196	19,428,529	13,373,455	15,047,711	14,455,757	14,749,802	19,031,751	10,409,561	14,924,479	14,678,918
Total governmental activities net position	\$ 57,348,947	\$ 63,664,993	\$ 72,678,741	\$ 73,217,979	\$ 78,613,846	\$ 86,694,184	\$ 98,156,327	\$ 102,543,519	\$ 108,847,907	\$ 113,778,470
Business-type activities										
Net investment in capital assets	\$ 46,920,639	\$ 51,075,070	\$ 76,721,443	\$ 79,877,355	\$ 82,191,063	\$ 83,142,144	\$ 84,232,295	\$ 88,572,360	\$ 93,046,689	\$ 93,217,875
Restricted	3,181,859	4,458,382	3,986,878	3,348,431	3,280,758	2,505,824	1,427,932	1,148,802	1,280,921	1,337,308
Unrestricted	6,372,908	3,520,488	3,320,475	3,921,663	2,810,801	2,294,567	1,946,083	4,583,292	4,192,056	4,451,943
Total business-type activities net position	\$ 56,475,406	\$ 59,053,940	\$ 84,028,796	\$ 87,147,449	\$ 88,282,622	\$ 87,942,535	\$ 87,606,310	\$ 94,304,454	\$ 98,519,666	\$ 99,007,126
Primary government										
Net investment in capital assets	\$ 81,707,522	\$ 88,283,275	\$ 130,250,473	\$ 134,972,577	\$ 143,016,774	\$ 151,450,775	\$ 159,645,825	\$ 167,916,930	\$ 177,240,380	\$ 181,706,674
Restricted	20,254,727	11,486,641	9,763,134	6,423,477	6,613,136	6,141,575	5,138,978	13,938,190	11,010,658	11,948,061
Unrestricted	11,862,104	22,949,017	16,693,930	18,969,374	17,266,558	17,044,369	20,977,834	14,992,853	19,116,535	19,130,861
Total primary government net position	\$ 113,824,353	\$ 122,718,933	\$ 156,707,537	\$ 160,365,428	\$ 166,896,468	\$ 174,636,719	\$ 185,762,637	\$ 196,847,973	\$ 207,367,573	\$ 212,785,596

Notes:

The City established a Parking Utility on January 1, 2006 and transferred the associated capital assets into this fund, therefore, transferring the assets from the governmental activities into the business-type activities. The City also 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. In addition, the Airport Enterprise Fund was created as of January 1, 2012 and the associated capital assets were transferred from the governmental activities to the business-type activities.

The City recorded all previously unrecorded infrastructure assets as of December 31, 2006, accounting for an increase in net position 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 Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses - Governmental activities:										
General government	\$ 4,483,195	\$ 4,202,725	\$ 4,622,132	\$ 6,033,037	\$ 5,268,888	\$ 4,069,716	\$ 4,230,618	\$ 4,071,945	\$ 4,376,515	\$ 4,250,476
Public safety	13,020,259	13,341,781	14,030,085	14,654,852	15,714,601	15,381,881	15,918,394	16,788,709	15,845,111	16,246,258
Transportation and streets	11,861,536	14,511,592	13,247,438	16,766,522	17,204,411	17,139,868	16,753,873	11,160,237	11,704,756	11,242,010
Sanitation, health and welfare	1,632,110	1,761,656	1,834,002	1,913,189	1,915,740	1,922,031	1,823,980	1,868,410	2,073,673	2,146,465
Natural resources and recreation	2,064,877	2,303,364	2,248,861	2,261,035	2,449,712	2,517,631	2,514,161	2,597,337	2,598,645	2,592,265
Economic development	2,876,880	3,390,715	5,538,980	5,667,342	2,965,673	3,434,146	3,960,765	4,868,292	3,580,425	3,629,494
Interest on long-term debt	1,840,057	2,279,157	2,124,013	2,061,409	2,151,103	2,059,540	1,620,096	1,459,235	1,247,791	1,329,912
Total governmental activities	37,778,914	41,790,990	43,645,511	49,357,386	47,670,128	46,524,813	46,821,887	42,814,165	41,426,916	41,436,880
Expenses - Business-type activities:										
Water	2,912,383	3,046,366	2,976,625	2,962,640	3,272,109	3,373,672	3,393,118	3,450,680	3,364,222	3,258,433
Wastewater	3,668,319	3,724,228	3,796,929	3,886,577	3,951,702	4,000,695	4,019,767	3,887,577	3,765,140	3,847,818
Parking	-	-	1,540,251	1,623,619	1,911,490	1,913,347	1,759,984	1,887,449	1,746,004	1,972,388
Metro Ride	-	-	-	-	-	-	-	4,049,837	3,557,036	3,613,252
Airport	-	-	-	-	-	-	-	-	309,398	378,832
Animal Control	-	-	-	-	-	-	-	-	-	70,081
Total business-type activities	6,580,702	6,770,594	8,313,805	8,472,836	9,135,301	9,287,714	9,172,869	13,275,543	12,741,800	13,140,804
Total primary government	\$ 44,359,616	\$ 48,561,584	\$ 51,959,316	\$ 57,830,222	\$ 56,805,429	\$ 55,812,527	\$ 55,994,756	\$ 56,089,708	\$ 54,168,716	\$ 54,577,684
Program revenues - Governmental activities:										
Charges for service:										
Transportation & streets	\$ 597,296	\$ 496,996	\$ 533,344	\$ 508,890	\$ 646,036	\$ 487,468	\$ 297,690	\$ 347,545	\$ 310,297	\$ 471,664
Conservation & development	972,269	673,707	1,164,129	960,850	941,424	1,062,703	582,312	2,042,703	955,572	994,072
Ambulance	914,718	991,737	1,277,222	1,209,473	1,394,593	1,154,805	1,271,790	1,442,386	1,521,895	1,330,680
Other activities	2,982,526	5,735,812	5,371,652	6,084,177	6,192,386	6,052,956	6,155,059	3,878,218	3,489,437	2,917,742
Operating grants & contributions	6,840,145	7,444,513	7,138,318	6,942,999	7,299,152	7,821,171	8,372,182	4,930,014	4,724,318	4,259,090
Capital grants & contributions	820,754	2,429,797	2,708,386	1,634,826	2,391,908	3,494,387	6,699,662	3,153,287	4,102,154	2,534,980
Total governmental activities	13,127,708	17,772,562	18,193,051	17,341,215	18,865,499	20,073,490	23,378,695	15,794,153	15,103,673	12,508,228
Program revenues - Business-type activities:										
Charges for service										
Water	3,955,672	4,104,702	4,676,062	4,804,528	4,774,634	4,644,707	4,583,056	4,658,894	4,768,408	4,607,291
Wastewater	3,563,854	3,638,149	4,052,274	4,238,361	3,997,672	3,935,667	4,207,392	5,265,216	5,400,672	5,291,328
Parking	-	-	948,188	999,920	1,031,594	973,163	898,413	943,029	971,294	1,088,714
Metro Ride	-	-	-	-	-	-	-	484,881	469,915	501,638
Airport	-	-	-	-	-	-	-	-	115,797	141,018
Animal Control	-	-	-	-	-	-	-	-	-	71,420
Operating grants & contributions	-	-	-	-	-	-	-	2,504,065	1,887,934	1,976,766
Capital grants & contributions	1,566,208	2,541,168	2,115,497	1,602,684	1,060,860	458,732	239,944	2,602,532	1,794,853	438,672
Total business-type activities	9,085,734	10,284,019	11,792,021	11,645,493	10,864,760	10,012,269	9,928,805	16,458,617	15,408,873	14,116,847
Total primary government	\$ 22,213,442	\$ 28,056,581	\$ 29,985,072	\$ 28,986,708	\$ 29,730,259	\$ 30,085,759	\$ 33,307,500	\$ 32,252,770	\$ 30,512,546	\$ 26,625,075

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

	Fiscal Year									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Net (expense)/revenue										
Governmental activities	\$ (24,651,206)	\$ (24,018,428)	\$ (25,452,460)	\$ (32,016,171)	\$ (28,804,629)	\$ (26,451,323)	\$ (23,443,192)	\$ (27,020,012)	\$ (26,323,243)	\$ (28,928,652)
Business-type activities	<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>	<u>2,667,073</u>	<u>976,043</u>
Total primary government net position	<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>	<u>\$ (23,656,170)</u>	<u>\$ (27,952,609)</u>
General revenues & other changes in net position										
Governmental activities:										
Taxes										
Property taxes	\$ 19,359,322	\$ 20,453,967	\$ 21,211,012	\$ 22,746,399	\$ 24,122,853	\$ 24,701,712	\$ 25,980,766	\$ 25,927,605	\$ 25,799,254	\$ 25,471,313
Other taxes	1,242,061	1,230,774	1,277,752	1,316,389	1,261,411	1,188,455	1,247,031	1,282,138	1,339,550	1,396,225
Intergovernmental revenues not restricted to specific purposes	6,641,204	6,393,727	6,173,713	6,219,960	6,346,665	6,435,883	6,083,605	6,170,550	5,550,727	5,425,951
Investment income (loss)	575,184	810,153	954,555	1,352,467	1,090,103	477,921	314,408	323,802	260,412	(124,187)
Miscellaneous	265,582	347,599	309,620	378,743	288,644	298,070	284,869	111,834	86,492	98,042
Gain on sale of capital assets	40,268	11,783	57,201	14,812	28,319	11,965	48,206	40,676	4,947	24,508
Transfers	<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>	<u>(447,532)</u>	<u>1,523,712</u>
Total governmental activities	<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>	<u>32,593,850</u>	<u>33,815,564</u>
Business-type activities:										
Taxes	-	-	333,632	227,746	375,971	317,785	300,000	898,786	1,090,950	1,047,966
Investment income	77,135	150,923	226,023	184,889	90,244	33,684	42,885	11,979	7,127	6,206
Gain on sale of capital assets	1,267	657	80,206	60,000	2,000	1,544	-	-	2,530	-
Transfers	<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>	<u>447,532</u>	<u>(1,523,712)</u>
Total business-type activities	<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>	<u>1,548,139</u>	<u>(469,540)</u>
Total primary government	<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>	<u>\$ 34,141,989</u>	<u>\$ 33,346,024</u>
Change in net position										
Governmental activities	\$ 4,577,547	\$ 6,316,046	\$ (16,325,386)	\$ 539,238	\$ 5,395,867	\$ 8,080,338	\$ 11,950,739	\$ 4,232,288	\$ 6,270,607	\$ 4,886,912
Business-type activities	<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>	<u>4,215,212</u>	<u>506,503</u>
Total primary government	<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>	<u>\$ 10,485,819</u>	<u>\$ 5,393,415</u>

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

Function/program	Fiscal Year									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Governmental activities:										
General government	\$ 1,389,037	\$ 1,922,614	\$ 1,841,644	\$ 1,973,065	\$ 1,844,981	\$ 1,033,772	\$ 1,218,871	\$ 2,122,953	\$ 2,042,080	\$ 1,858,919
Public safety	2,114,634	2,189,636	2,221,366	2,277,781	2,521,246	2,127,650	2,390,722	2,581,844	3,058,071	2,811,548
Transportation and streets	5,988,160	9,837,220	10,382,221	9,765,040	11,494,513	13,392,246	16,454,918	4,766,167	6,289,861	4,409,985
Sanitation, health and welfare	256,392	245,519	296,112	315,413	341,192	265,644	275,953	200,451	238,835	363,358
Natural resources and recreation	253,838	297,397	283,231	258,104	369,784	273,672	238,127	285,894	362,202	396,725
Economic development	<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>	<u>3,112,624</u>	<u>2,667,693</u>
Total governmental activities	<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>	<u>15,103,673</u>	<u>12,508,228</u>
Business-type activities:										
Water	4,776,580	5,620,509	5,636,234	5,645,950	5,246,955	4,739,304	4,634,157	4,684,042	4,816,525	4,640,766
Wastewater	4,309,154	4,663,510	5,159,952	4,999,623	4,586,211	4,086,261	4,340,435	5,579,673	5,475,224	5,340,727
Parking	-	-	995,835	999,920	1,031,594	1,186,704	954,213	943,029	1,406,123	1,383,705
Metro Ride	-	-	-	-	-	-	-	5,251,873	2,643,144	2,529,306
Airport	-	-	-	-	-	-	-	-	1,067,857	150,923
Animal Control	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>71,420</u>
Total business-type activities	<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>	<u>15,408,873</u>	<u>14,116,847</u>
Total primary government	<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>	<u>\$ 30,512,546</u>	<u>\$ 26,625,075</u>

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

	Fiscal Year									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General Fund										
Nonspendable for:										
Inventories and prepaids	\$ 320,445	\$ 337,002	\$ 447,499	\$ 352,951	\$ 360,338	\$ 362,790	\$ 364,724	\$ 68,337	\$ 58,959	\$ 327,990
Noncurrent receivables/advances	5,284,476	3,996,070	2,619,766	2,050,675	1,495,446	1,463,905	1,839,138	2,036,413	2,405,884	2,405,049
Committed to contingencies	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	460,400	361,900
Committed to economic development	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Assigned to subsequent year's										
expenditures	1,610,791	1,629,000	1,616,060	1,613,909	1,546,482	950,000	1,013,496	1,397,958	220,951	209,424
Unassigned	<u>5,504,044</u>	<u>5,554,742</u>	<u>5,894,984</u>	<u>5,375,267</u>	<u>5,433,697</u>	<u>5,548,941</u>	<u>5,045,637</u>	<u>5,215,907</u>	<u>6,335,651</u>	<u>5,837,182</u>
Total General Fund	<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>	<u>9,981,845</u>	<u>9,641,545</u>
All Other Governmental Funds										
Nonspendable for:										
Inventories and prepaids	145,758	129,430	159,121	171,510	188,513	187,052	203,992	-	-	-
Noncurrent receivables/advances	-	-	-	-	-	-	-	-	219,119	1,239,432
Restricted for:										
Debt service	15,473,883	5,484,687	2,193,326	2,103,881	1,734,460	1,847,536	1,818,620	180,536	556,338	666,846
Capital improvements	-	-	-	-	-	-	-	7,548,985	4,098,922	5,709,269
Events allocation	21,850	-	-	-	-	-	-	-	-	-
Special purposes	-	-	-	-	-	-	-	5,059,867	5,074,477	4,234,638
Trust purposes	275,949	372,864	398,029	443,996	532,181	617,919	631,450	-	-	-
Committed to special purposes	-	-	-	-	-	-	-	661,952	1,087,696	1,063,948
Unassigned, reported in:										
Special revenue funds	(1,915,566)	(228,506)	1,149,999	2,752,392	3,240,496	3,085,377	3,358,295	-	-	-
Capital project funds	<u>3,795,069</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>	<u>(3,824,641)</u>	<u>(4,285,312)</u>
Total all other governmental funds	<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>	<u>7,211,911</u>	<u>8,628,821</u>
Total governmental funds	<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>	<u>\$ 17,193,756</u>	<u>\$ 18,270,366</u>

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

	Fiscal Year									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
REVENUES										
Taxes	\$ 20,297,710	\$ 21,378,609	\$ 22,172,762	\$ 23,746,926	\$ 25,053,421	\$ 25,554,003	\$ 26,885,969	\$ 26,865,199	\$ 26,782,764	\$ 26,495,169
Special assessments	434,137	593,622	504,270	448,394	929,784	700,401	876,605	328,135	616,891	596,029
Intergovernmental	17,981,524	15,157,234	15,564,534	13,804,769	14,731,078	17,279,636	14,574,198	14,178,400	11,112,225	9,471,826
Licenses and permits	765,846	826,798	751,379	849,619	732,375	672,926	677,438	668,741	743,971	744,441
Fines, forfeitures and penalties	476,446	573,186	364,019	372,608	359,132	321,558	323,783	371,580	387,646	353,662
Public charges for services	2,456,051	2,715,407	2,537,051	2,628,540	3,124,289	2,155,563	2,108,028	1,900,605	1,844,875	1,807,857
Intergovernmental charges for services	1,113,955	1,184,106	980,846	1,225,529	1,170,324	1,409,005	1,217,706	1,199,461	1,527,173	1,393,301
Commercial revenues	1,871,648	1,782,642	2,128,918	2,592,922	2,109,673	991,208	918,347	790,104	843,322	353,092
Miscellaneous revenues	1,181,661	1,326,967	1,100,995	1,295,656	1,277,069	1,076,544	1,330,767	2,631,295	1,713,531	1,163,845
Total revenues	<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>	<u>45,572,398</u>	<u>42,379,222</u>
EXPENDITURES										
Current:										
General government	4,314,769	4,086,318	4,360,868	4,393,385	4,787,342	4,023,315	3,899,944	3,663,394	4,113,413	3,908,946
Public safety	12,652,211	12,908,512	13,563,524	14,135,484	14,715,228	15,218,716	15,438,786	16,227,647	15,560,272	15,875,081
Transportation and streets	9,762,448	10,244,471	9,720,377	10,840,937	11,582,084	11,339,567	10,494,061	7,626,927	7,421,412	7,675,360
Sanitation, health and welfare	1,629,466	1,733,862	1,773,222	1,819,901	1,828,223	1,901,434	1,817,462	1,945,996	2,050,598	2,172,294
Natural resources and recreation	1,925,868	2,079,035	2,018,785	2,079,307	2,215,340	2,269,495	2,259,798	2,323,491	2,282,795	2,294,146
Economic development	2,839,146	3,022,133	5,393,409	4,790,380	2,240,898	3,343,577	3,458,377	3,615,689	3,605,277	3,550,250
Capital outlay	16,577,996	9,182,533	8,166,128	7,981,230	11,681,885	10,431,681	7,345,540	12,737,146	10,489,321	9,819,062
Debt service:										
Principal retirement	4,281,799	18,192,876	6,123,812	6,557,888	9,487,176	11,865,474	10,566,792	6,835,896	7,455,729	7,528,344
Interest and debt service charges	2,196,370	2,764,223	2,099,721	1,981,955	1,949,372	2,039,318	1,660,110	1,443,873	1,128,629	1,165,826
Total expenditures	<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>	<u>54,107,446</u>	<u>53,989,309</u>
Excess (deficiency) of revenues over expenditures	<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>	<u>(8,535,048)</u>	<u>(11,610,087)</u>

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

	Fiscal Year									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
OTHER FINANCING SOURCES (USES)										
Issuance of debt	\$ 4,522,899	\$ 5,814,310	\$ 2,751,098	\$ 6,741,760	\$ 11,595,117	\$ 9,560,000	\$ 8,290,000	\$ 4,672,480	\$ 6,582,239	\$ 10,513,000
Issuance of refunding debt	19,076,316	-	-	-	-	-	-	-	9,678,336	-
Premium on debt issued	-	-	-	-	-	-	-	-	453,829	270,185
Discount on debt issued	-	-	(5,531)	(21,315)	(32,250)	(18,642)	(20,188)	-	(132,631)	(79,425)
Payment to escrow agents	(5,314,268)	-	(3,320,000)	-	-	-	-	-	(10,756,767)	-
Transfers in	5,857,955	6,087,654	7,383,086	7,459,909	7,841,039	7,156,502	7,162,165	6,917,866	14,135,843	7,022,720
Transfers out	(4,589,694)	(4,925,125)	(5,990,725)	(6,282,567)	(6,287,178)	(5,388,847)	(5,727,119)	(5,279,670)	(12,536,861)	(5,302,008)
Total other financing sources (uses)	<u>19,553,208</u>	<u>6,976,839</u>	<u>817,928</u>	<u>7,897,787</u>	<u>13,116,728</u>	<u>11,309,013</u>	<u>9,704,858</u>	<u>6,310,676</u>	<u>7,423,988</u>	<u>12,424,472</u>
Net change in fund balance	9,952,113	(11,698,553)	(6,297,144)	282,283	2,116,325	(962,720)	1,676,829	(1,175,863)	(1,111,060)	814,385
FUND BALANCES - BEGINNING	<u>21,564,586</u>	<u>34,852,255</u>	<u>23,153,702</u>	<u>16,856,558</u>	<u>17,138,841</u>	<u>19,255,166</u>	<u>17,803,850</u>	<u>19,480,679</u>	<u>18,304,816</u>	<u>17,455,981</u>
FUND BALANCES - ENDING	<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>	<u>\$ 17,193,756</u>	<u>\$ 18,270,366</u>
							(*)			(*)
Debt service as a percentage of noncapital expenditures	16.4%	38.1%	18.3%	18.3%	23.4%	26.3%	25.2%	17.8%	18.9%	19.5%

(*) Beginning balance restated

CITY OF WAUSAU
 Schedule 6
 Assessed Value and Estimated Actual Value (Equalized Value) of Taxable Property

Levy Year	Fiscal Year	Residential Property	Commercial Property	Manufacturing Property	Agricultural/Forest/Other 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
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%
2012	2013	1,574,854,000	919,300,800	114,093,600	1,040,500	114,117,200	2,723,406,100	8.51	2,554,319,700	106.62%
2013	2014	1,573,632,500	936,065,700	108,291,100	1,276,400	118,934,800	2,738,200,500	8.61	2,520,917,800	108.62%

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

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

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

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

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

Marathon County/Wausau School District

Per \$1,000 of Assessed Value

Levy Year	Collection Year	Basic Rate	G.O. Debt Service	City of Wausau Direct Rate	Wausau School District	NTC	Marathon County	State of Wisconsin	Gross Tax Rate	State Tax Credit	Net Tax Rate
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
2012	2013	6.89	1.62	8.51	10.37	1.90	4.87	0.16	25.81	1.60	24.21
2013	2014	7.00	1.61	8.61	10.21	1.92	4.78	0.16	25.68	1.57	24.11

(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
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
2012	2013	6.89	1.62	8.51	10.08	1.90	4.87	0.16	25.52	1.60	23.92
2013	2014	7.00	1.61	8.61	10.29	1.92	4.78	0.16	25.76	1.57	24.19

Notes:

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 change in equalized value due to net new construction, 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	2013			2004		
		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	\$ 73,127,000	2.67%	1	\$ 60,803,400	2.87%	1
Aspirus/Wausau Hospital	Medical	38,929,900	1.42%	2	25,341,600	1.20%	4
Employers Insurance/Liberty	Insurance	30,892,100	1.13%	3	40,802,900	1.93%	2
Apogee/Wausau Metals	Manufacturing	29,697,300	1.08%	4	14,509,500	0.68%	8
Marshfield Clinic	Medical	27,643,500	1.01%	5	31,318,900	1.48%	3
Wausau Benefits/Fiserv	Insurance	22,534,800	0.82%	6	10,348,400	0.49%	9
Wausau Center Mall	Retail	21,974,200	0.80%	7	19,205,100	0.91%	5
First Wausau Tower	Office	21,088,600	0.77%	9			
Eastbay	Retail/Distribution	20,661,900	0.75%	8	18,858,400	0.89%	6
L & L Properties LLC	Apartments	18,539,000	0.68%	10			
Kolbe & Kolbe	Manufacturing				16,900,100	0.80%	7
P J Investments	Retail				10,277,800	0.49%	10
	TOTAL	\$ 305,088,300	11.14%		\$ 248,366,100	11.73%	

^A Per City Assessor records.

^B Based on the City's total assessed valuation on January 1, 2013 and 2004 of \$2,738,200,500 and \$2,118,236,300, 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
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%
2012	21,492,379	20,688,591	96.26%	21,473,246	99.91%	19,133	0.09%
2013	21,517,379	20,970,838	97.46%	21,500,089	99.92%	17,290	0.08%

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>
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%
2012	0.0%	0.5%	5.0%
2013	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			
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	5.57%	1,280
2012	42,800,635	-	5,544,940	-	-	48,345,575	5.10%	1,235
2013	45,785,291	-	4,688,284	-	-	50,473,575	N/A	1,288

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
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
2012	48,345,575	556,338	47,789,237	1.87%	1,220
2013	50,473,575	666,846	49,806,729	1.98%	1,271

^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, 2013

<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	\$ 45,118,445	100.00%	<u>\$ 45,118,445</u>
Overlapping Debt:			
Wausau School District	46,870,000	61.10%	28,637,570
DC Everest School District	33,990,000	5.02%	1,706,298
Northcentral Technical College	28,265,000	15.66%	4,426,299
Marathon County	13,760,000	26.63%	<u>3,664,288</u>
Total Overlapping Debt			<u>38,434,455</u>
Total Direct and Overlapping Debt			<u><u>\$ 83,552,900</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, 2013

Legal Debt Margin at December 31, 2013

Equalized Value of Real & Personal Property	\$ <u>2,520,917,800</u>
Legal Debt Limit (5% of equalized value)	\$ <u>126,045,890</u>
Total Debt Applicable to Debt Limitation	50,473,575
Less: Available funds reserved for debt retirement	<u>(666,846)</u>
Net Amount Applicable to Debt Limitation	<u>49,806,729</u>
Remaining Legal Debt Margin	<u>\$ 76,239,161</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
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%
2012	2,554,319,700	127,715,985	47,789,237	79,926,748	37.42%
2013	2,520,917,800	126,045,890	49,806,729	76,239,161	39.51%

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	
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
2012	4,769,443	2,315,388	2,454,055	-	-	-	n/a
2013	4,607,865	2,211,938	2,395,927	-	-	-	n/a

(Continued)

<p>¹ Includes Total Operating Revenues and Investment Income .</p> <p>² Includes Total Operating Expenses less Depreciation.</p> <p>³ Water System Revenue Bonds, Series 1999. These bonds were refunded during 2007.</p>
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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	
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
2012	5,406,764	2,628,577	2,778,187	-	-	-	n/a
2013	5,296,960	2,597,587	2,699,373	-	-	-	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
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	899,556,630	41,620	8,574	8.8%
2012	39,160	947,821,670	43,570	8,623	8.9%
2013	39,180	n/a	n/a	8,663	7.4%

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	2013			2004		
		Number of Employees*	Rank	Percentage of Total City Employment	Number of Employees*	Rank	Percentage of Total City Employment
Aspirus/Wausau Hospital	Medical	3,006	1	16.73%	2,682	1	14.51%
Eastbay	Retail/distribution	1,618	2	9.00%	1,823	2	9.86%
Wausau School District	Education	1,265	3	7.04%	1,325	4	7.17%
United Health Care	Benefits Administration	1,200	4	6.68%	1,005	6	5.44%
Employers Insurance/Liberty	Insurance	1,017	5	5.66%	1,250	5	6.76%
Kolbe & Kolbe	Window/door manufacturing	971	6	5.40%	1,685	3	9.11%
North Central Health Care	Health care/medical	772	7	4.30%	1,000	7	5.41%
Marshfield Clinic	Health care/medical	738	8	4.11%	873	8	4.72%
Total		<u>10,587</u>		58.91%	<u>11,643</u>		62.98%
Total City Employment		<u>17,970</u>			<u>18,487</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>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General Government										
Mayor's office	3.50	3.50	3.50	3.50	3.50	3.50	2.50	2.50	3.00	2.50
Customer service	15.25	15.25	14.15	14.15	13.65	13.20	11.20	11.20	11.46	11.46
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	2.50	2.50	2.00	2.00	2.00	2.00	3.00	2.50
City attorney	3.75	3.75	3.75	4.00	4.00	3.25	3.25	3.25	3.25	3.75
Municipal court	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Total General Government	<u>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>	<u>28.71</u>	<u>28.21</u>
Public Safety										
Police department	76.00	78.75	78.75	79.75	83.75	83.75	80.25	80.25	80.25	81.50
Fire department	60.00	59.00	60.00	59.00	59.00	59.00	60.00	60.00	60.00	60.00
Inspections and electrical	13.00	13.00	13.00	12.00	11.00	11.00	10.00	6.00	-	-
Total Public Safety	<u>149.00</u>	<u>150.75</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>	<u>140.25</u>	<u>141.50</u>
Parks Department *	-	-	-	-	-	-	-	-	-	-
Public Works	65.50	66.00	66.00	64.00	65.85	63.50	60.85	68.35	68.85	68.85
Community Development	12.25	12.75	12.75	12.75	11.75	11.75	11.75	11.75	12.00	12.00
Metro Ride	33.00	33.00	33.00	33.00	32.00	33.00	33.00	33.00	30.50	31.50
Water & Sewer Utilities	31.75	31.25	27.50	26.50	26.50	26.50	26.50	21.50	26.50	26.50
Total Regular Employees	<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>	<u>306.81</u>	<u>308.56</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.

Beginning in 2012, employees originally reported in the Inspections and electrical category were transferred to Public Works.

CITY OF WAUSAU
Schedule 19
Operating Indicators by Function/Program

	Fiscal Year									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General Government										
Building permits issued										
Residential	925	847	750	766	646	600	943	827	842	920
Non-residential	170	174	179	231	156	142	140	170	178	196
Total construction value (\$000)										
Residential	33,325	35,131	24,397	31,732	25,530	10,953	14,848	15,085	12,772	9,811
Non-residential	42,204	61,077	45,361	99,352	16,411	21,018	16,506	18,599	44,076	51,571
Police										
Calls for service	N/A	N/A	50,519	51,841	53,741	50,148	50,580	51,996	55,065	54,487
Parking tickets issued	N/A	N/A	9,509	16,435	12,968	10,907	6,970	6,781	9,112	16,774
Total arrests	N/A	3,267	3,413	3,389	3,451	3,255	3,047	3,159	3,262	3,412
Fire										
Fire responses	1,455	1,478	1,433	1,393	1,437	1,285	1,333	1,493	1,618	2,100
Emergency responses	3,565	3,734	4,003	4,185	4,617	4,074	4,161	4,224	4,311	4,436
Inspections	3,816	4,438	4,018	4,043	3,971	3,951	4,004	3,919	3,922	4,105
Public works										
Miles of street swept	11,516	7,019	6,127	6,470	5,485	6,304	5,419	4,614	5,151	5,986
Cu. yds. of debris - sweeping	4,335	6,179	4,963	3,530	3,293	3,817	2,833	2,935	4,986	3,761
Tons of asphalt used (potholes)	480	406	598	570	701	719	1,381	475	614	423
Water										
Ave. daily consumption (000 gal.)	4,845	5,099	5,347	5,527	5,114	4,979	5,125	5,205	5,322	4,158
Peak daily consumption (000 gal.)	7,524	8,529	8,531	7,725	9,043	7,510	7,033	6,855	7,921	6,345
Number of customers	14,791	15,275	15,405	15,533	15,692	15,613	15,614	15,637	15,687	15,703
Wastewater										
Ave. daily sewage treatment (000 gal.)	3,977	3,930	4,166	4,122	4,199	3,900	3,842	4,335	4,258	4,462
Metro Ride										
Total route miles	620,471	603,668	739,055	720,858	604,793	573,876	573,105	571,175	401,126	439,668
Total passengers	758,061	819,165	865,988	857,010	851,895	794,121	774,081	788,748	631,360	672,224
Cost per passenger	\$3.85	\$3.55	\$3.64	\$3.86	\$3.89	\$3.88	\$4.02	\$4.24	\$4.28	\$4.23

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

	Fiscal Year									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</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	218.7	221.9	223.4	225.5	228.7	233.8	239.0	245.0	250.8	250.9
Parks & recreation										
Parks	36	36	36	36	35	36	36	37	37	38
Acreage	338	338	343	343	342	342	342	342	342	433
Swimming pools	3	3	3	3	3	3	3	3	3	3
Water										
Miles of main	221.1	227.1	229.8	230.6	231.6	231.9	232.3	232.3	232.3	233.3
Storage capacity (000 gal.)	5,550	5,550	5,550	5,550	5,550	5,550	5,550	5,550	5,550	5,550
Fire hydrants	1,481	1,541	1,571	1,587	1,600	1,602	1,606	1,607	1,612	1,619
Wastewater										
Miles of main	218.1	221.3	224.3	225.2	225.6	226.2	226.4	226.6	226.6	227.3
Stormwater										
Miles of main	127.3	127.8	128.3	128.6	129.3	129.7	129.9	130.4	130.8	130.9