



CITY OF WAUSAU
Wausau, Wisconsin

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**For the Year Ended
December 31, 2017**

Finance Department
Maryanne Groat, CPA, Finance Director / Treasurer
Robert Splinter, CPA, Assistant Finance Director

**CITY OF WAUSAU, WISCONSIN
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 For the Year Ended December 31, 2017**

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INTRODUCTORY SECTION



June 29, 2018

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, 2017 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 181 miles northwest of Milwaukee, Wisconsin and 175 miles east of Minneapolis/St. Paul, Minnesota. Wausau is the county seat of Marathon County, which is Wisconsin's largest county, covering 1,584 square miles. The City of Wausau covers 18.27 square miles with approximately 260.2 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 'the city' of northern Wisconsin and a significant regional center - home to the largest hospital, performing arts theater, headquarters of regional banks, and destination for the largest regional shopping facilities within a 100 mile radius. Wausau has a diverse economic base including manufacturing (with a very strong 2.51 Location Quotient), construction, retailing, finance and insurance (with a strong 1.52 Location Quotient), health care, legal and a variety of other professional services.

Wausau's 5 year economic indicators have continued to strengthen including: the City's average educational attainment level which improved by 1.5%, job creation increased by 6.5%, and average annual earnings for city residents was up 6% (which beat the state average). Wausau is the employment center of the region with over 50% of the region's workforce working within the city limits. Unemployment fell again over the past year to 2.5% (December 2017 Wisconsin Worknet Local Area Unemployment Statistics) from an already historic low last year at 3.1%. Wausau's workforce participation rates in the City match pre-recession records and are some of the highest in Wisconsin. Metro Wausau's total employment grew by a strong 1.4% in 2017, adding more jobs than regional peers like Eau Claire, La Crosse, Fond Du Lac, Racine and Sheboygan and just behind Madison which added 1.6%. Traveler tourism continues to rise as both a summer and winter sports destination with total tourism spending exceeding \$230,000,000 in 2015, \$234,600,000 in 2016, and \$237,000,000 in 2017. Aiding this growth was continued improvements to the award-winning Wausau Whitewater Kayaking course, and the opening of new off-road cycling facilities which contributed to Wausau being named the #2 city for biking nationally by People for Bikes for 2018 (<https://cityratings.peopleforbikes.org>).

2017 marked an all-time record in building permit growth across all building types with record new housing starts and record industrial/commercial permits issued as well. The City is completing the buildout of the 205 acre expansion to the Wausau Business Campus, which recently received the Wisconsin Economic Development Corporation (WEDC) "certified site" designation, the only site in the Wausau metro area to be state certified as shovel ready. The City's investment in the Riverlife area continues in 2018 with the buildout of a new \$4,000,000 public park currently underway.

Wausau's economic success continued to receive a variety of superlatives and rankings including: recently *ZipRecruiter* named Wausau one of the "Top 10 Job Markets for 2018" signaling the continued strength in local hiring; *New Geography* rated Wausau #1 among small cities nationally for business services job growth; and Wausau had previously garnered the title "the Middle-Class Paradise" from *Time Magazine*; Safest Metro Area in the Midwest according to the FBI; the Highest Average Credit Score by *USA Today*; the #23 Best Place to Work in Manufacturing ranked by *Smart Asset*; a "10 Best Cities for Return on Salary" by *Career Cast*; and a "10 Cities That Give You The Best Bang For Your Buck" from *Forbes*.

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.

Management's Discussion and Analysis

Immediately following the independent auditors' report is the *Management's Discussion and Analysis*, which provides a narrative introduction, overview, and analysis of the basic financial statements.

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) submitted for the fiscal year ended on December 31, 2016. 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 seventeenth 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.

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

Respectfully Submitted,
CITY OF WAUSAU



Maryanne Groat, CPA
Finance Director



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

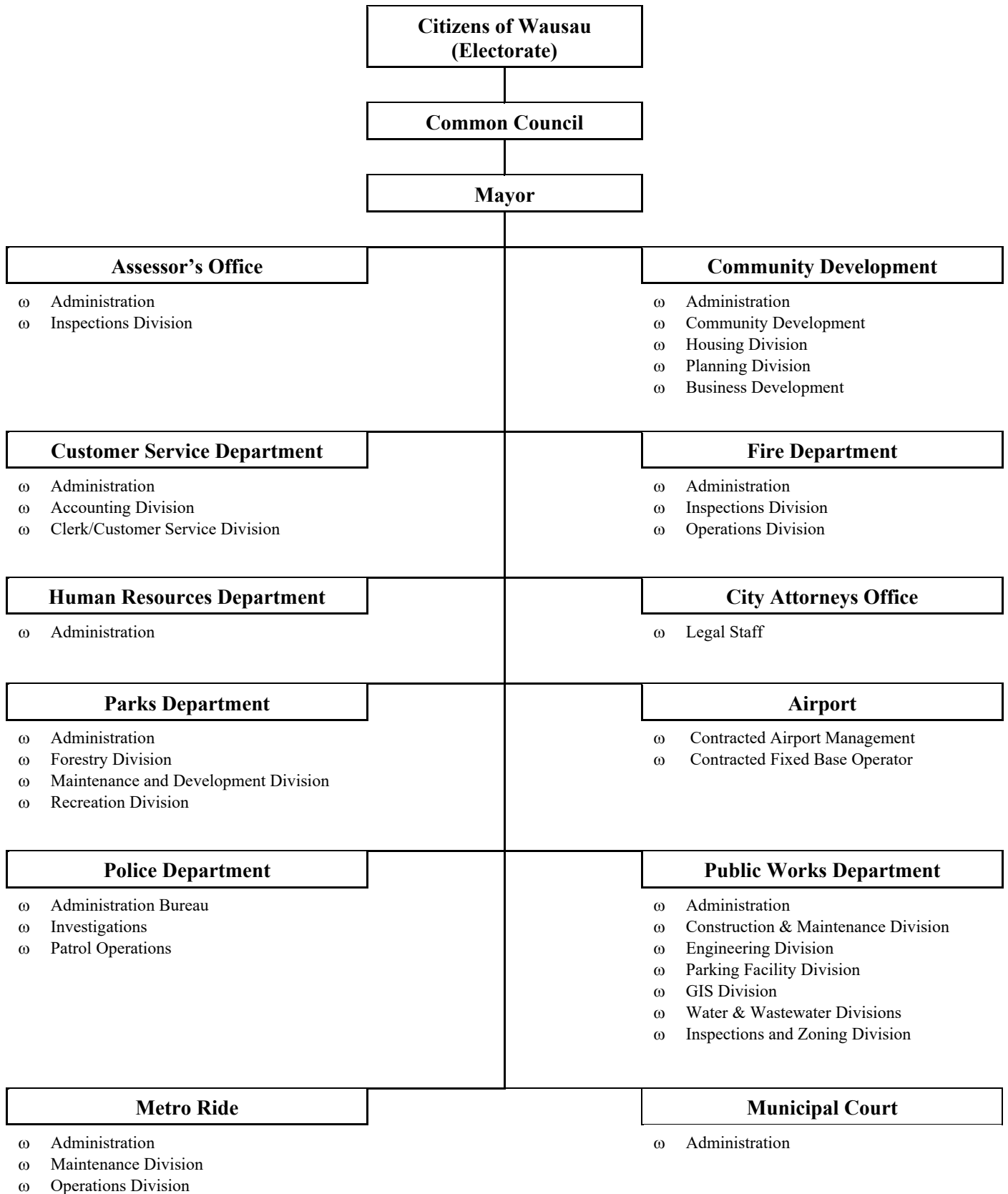
December 31, 2016

Christopher P. Morrell

Executive Director/CEO

CITY OF WAUSAU

Organizational Chart



CITY OF WAUSAU
List of Principal Officials on December 31, 2017

ELECTED

Mayor Robert Mielke
Municipal Judge Mark Sauer
Common Council President Lisa Rasmussen

Alderman District

First..... Patrick Peckham
Second Romey Wagner
Third David Nutting
Fourth Tom Neal
Fifth Gary Gisselman
Sixth..... Becky McElhaney
Seventh Lisa Rasmussen
Eighth Karen Kellbach
Ninth Joe Gehin
Tenth..... Sherry Abitz
Eleventh..... Dennis Smith

APPOINTED

Finance Director / City Treasurer Maryanne Groat
City Clerk Toni Rayala
City Attorney Anne Jacobson
Police Chief Jeff Hardel
Fire Chief..... Tracey Kujawa
City Assessor Richard Rubow
Director of Administration-Public Works & Utilities..... Eric Lindman
City Engineering Project Manager..... Allen Wesolowski
Chief Inspector & Zoning Administrator..... William Hebert
Community Development Director - Interim..... Christian Schock
Human Resources Director Toni Vanderboom
Parks Director Bill Duncanson
Airport Manager John Chmiel
Transit Lines Manager Greg Seubert

FINANCIAL SECTION

Independent auditors' report

To the City Council
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 the City of Wausau, Wisconsin (the "City") as of and for the year ended December 31, 2017, 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 auditors consider 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 as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

OTHER MATTERS

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 11, the budgetary comparison schedules on page 81 and the schedules relating to pensions and other postemployment benefits on pages 82 through 85 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 introductory section, the financial information listed in the table of contents as supplementary information, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic 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 27, 2018, 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 27, 2018

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, 2017. 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 \$236,931,898.
- The City's total change in net position for 2017 was \$4,609,015.
- As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$32,369,655, an increase of \$7,540,623 from the prior year. The total unrestricted fund balance of \$6,341,027 is available for spending at the City's discretion.
- At the end of the current fiscal year, unrestricted fund balance for the general fund was \$7,880,796, or 24.73% of expenditures. Of this amount, \$1,314,407 is committed or assigned and \$6,566,389 is unassigned.
- The City of Wausau's total general obligation debt increased \$2,744,701, or 3.66%. The city also issued a note anticipation note in the amount of \$6,600,000, and utility revenue bonds in the amount of \$11,040,000. The major reasons for the increase is due to the issuance of general obligation debt for community and economic development projects, improvement of streets, and other infrastructure, and the issuance of utility revenue bonds to fund utility system improvements as well as refinance state trust fund loans that were issued in 2015 and 2016. The utility share of the state trust fund loans were repaid with proceeds of the new utility revenue bonds on January 2, 2018 in their entirety. As a result of this refunding occurring on January 2, 2018, both the new revenue bonds and old state trust fund loans are included in liabilities as of December 31, 2017.

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-eight 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-four 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 required supplementary and other information consists of combining and individual fund schedules which can be found on pages 81-122 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, the City of Wausau's net position at fiscal year-end is \$236,931,898.

By far, the largest portion of the City of Wausau's net position (82.4 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	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 128,365,262	\$ 116,745,841	\$ 22,796,004	\$ 14,815,055	\$ 151,161,266	\$ 131,560,896
Capital assets	164,997,814	155,076,888	99,906,931	97,755,773	264,904,745	252,832,661
Total assets	293,363,076	271,822,729	122,702,935	112,570,828	416,066,011	384,393,557
Deferred outflows of resources	9,597,182	13,731,579	1,467,683	2,092,848	11,064,865	15,824,427
Non-current liabilities	80,331,325	70,771,108	21,781,733	11,096,012	102,113,058	81,867,120
Other liabilities	50,897,089	48,995,007	1,370,340	1,248,898	52,267,429	50,243,905
Total liabilities	131,228,414	119,766,115	23,152,073	12,344,910	154,380,487	132,111,025
Deferred inflows of resources	34,263,430	34,255,363	1,555,061	1,528,713	35,818,491	35,784,076
Net position:						
Net investment in capital assets	106,232,341	99,450,028	89,005,476	91,153,104	195,237,817	190,603,132
Restricted	21,414,528	14,156,534	4,175,498	2,384,534	25,590,026	16,541,068
Unrestricted	9,821,545	17,926,268	6,282,510	7,252,415	16,104,055	25,178,683
Total net position	\$ 137,468,414	\$ 131,532,830	\$ 99,463,484	\$ 100,790,053	\$ 236,931,898	\$ 232,322,883

An additional portion of the City's net position (10.8%) represents resources that are subject to restrictions on how they may be used. The remaining balance represents unrestricted net position of \$16,104,055 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 \$4,609,015 for the current fiscal year.

The changes by net position category are as follows:

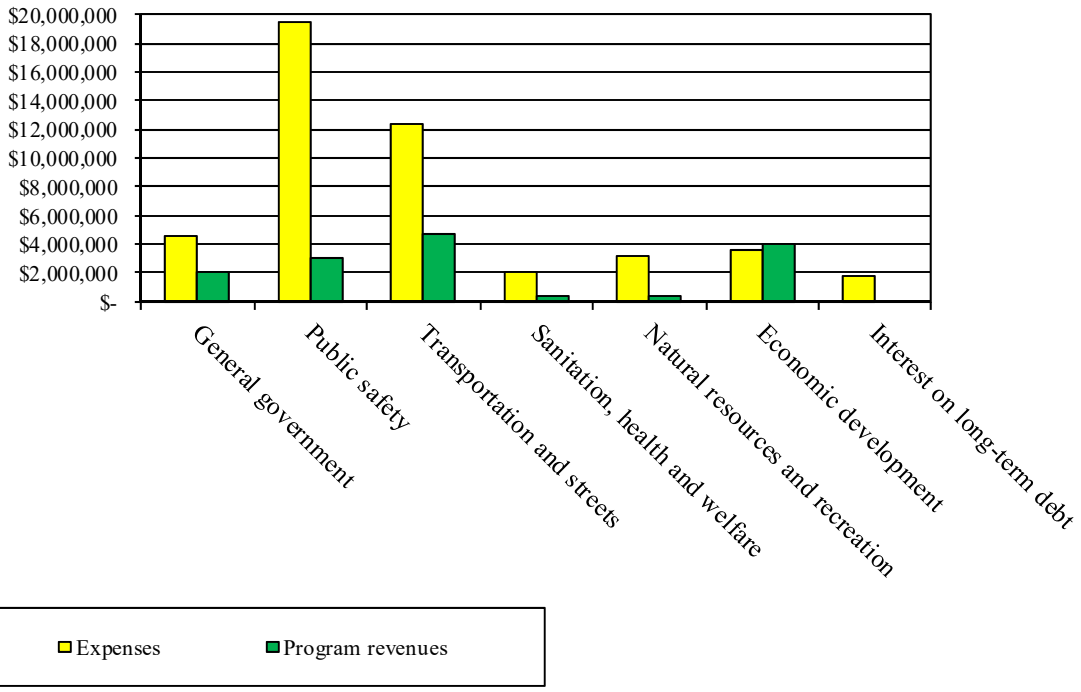
Net investment in capital assets	\$ 4,634,685
Restricted	9,048,958
Unrestricted	(9,074,628)
Total	<u>\$ 4,609,015</u>

The following table provides a summary of the City's operations for the year ended December 31, 2017 and a comparison to the year ended December 31, 2016.

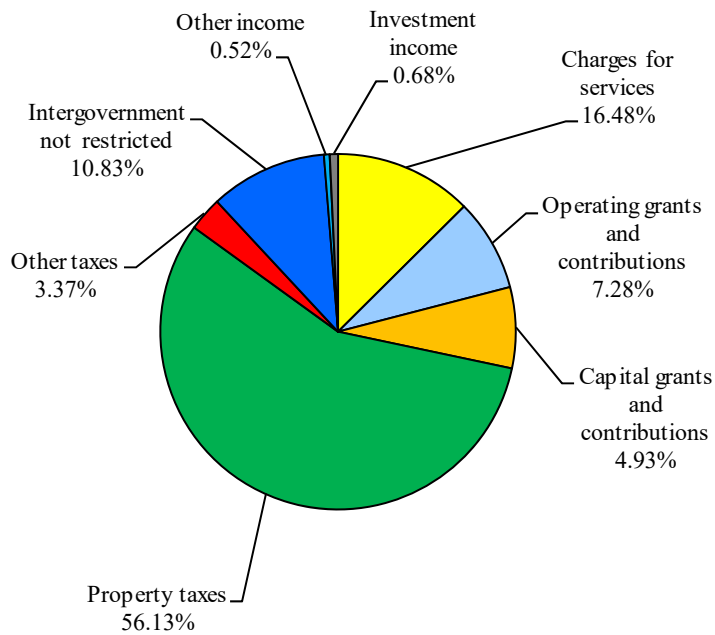
CITY OF WAUSAU						
CHANGES IN NET POSITION						
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016						
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program Revenues						
Charges for services	\$ 6,435,728	\$ 8,165,399	\$ 12,402,064	\$ 12,461,926	\$ 18,837,792	\$ 20,627,325
Operating grants and contributions	4,309,462	3,605,696	1,785,979	1,950,219	6,095,441	5,555,915
Capital grants and contributions	3,776,241	2,444,731	234,519	243,243	4,010,760	2,687,974
General Revenues						
Property taxes	29,061,374	27,817,518	741,739	875,499	29,803,113	28,693,017
Other taxes	1,592,500	1,670,665	-	-	1,592,500	1,670,665
Grants and contributions not restricted to specific purposes	5,459,575	5,367,413	-	-	5,459,575	5,367,413
Investment income	386,707	339,521	8,602	1,317	395,309	340,838
Other	266,708	150,749	6,534	2,657	273,242	153,406
Total Revenues	<u>51,288,295</u>	<u>49,561,692</u>	<u>15,179,437</u>	<u>15,534,861</u>	<u>66,467,732</u>	<u>65,096,553</u>
Expenses						
General government	4,598,058	4,998,030	-	-	4,598,058	4,998,030
Public safety	19,502,367	18,094,777	195,926	189,136	19,698,293	18,283,913
Transportation and streets	12,297,895	11,928,609	5,951,008	5,927,207	18,248,903	17,855,816
Sanitation, health and welfare	2,025,650	1,677,239	-	-	2,025,650	1,677,239
Natural resources and recreation	3,158,110	3,368,724	-	-	3,158,110	3,368,724
Economic development	3,563,890	7,287,952	-	-	3,563,890	7,287,952
Interest on long term debt	1,801,377	1,568,164	-	-	1,801,377	1,568,164
Water	-	-	4,054,906	3,919,480	4,054,906	3,919,480
Wastewater	-	-	4,709,530	4,151,512	4,709,530	4,151,512
Total Expenses	<u>46,947,347</u>	<u>48,923,495</u>	<u>14,911,370</u>	<u>14,187,335</u>	<u>61,858,717</u>	<u>63,110,830</u>
Increase (decrease) in net position before transfers	4,340,948	638,197	268,067	1,347,526	4,609,015	1,985,723
Transfers	<u>1,594,636</u>	<u>1,557,560</u>	<u>(1,594,636)</u>	<u>(1,557,560)</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	5,935,584	2,195,757	(1,326,569)	(210,034)	4,609,015	1,985,723
Net position - January 1	<u>131,532,830</u>	<u>129,337,073</u>	<u>100,790,053</u>	<u>101,000,087</u>	<u>232,322,883</u>	<u>230,337,160</u>
Net position - December 31	<u>\$ 137,468,414</u>	<u>\$ 131,532,830</u>	<u>\$ 99,463,484</u>	<u>\$ 100,790,053</u>	<u>\$ 236,931,898</u>	<u>\$ 232,322,883</u>

Governmental activities increased the City's net position by \$5,935,584. Business-type activities decreased the City's net position by \$1,326,569. Capital contributions in the business-type activities for the year ended December 31, 2017 were \$234,519.

Expenses and Program Revenues - Governmental Activities

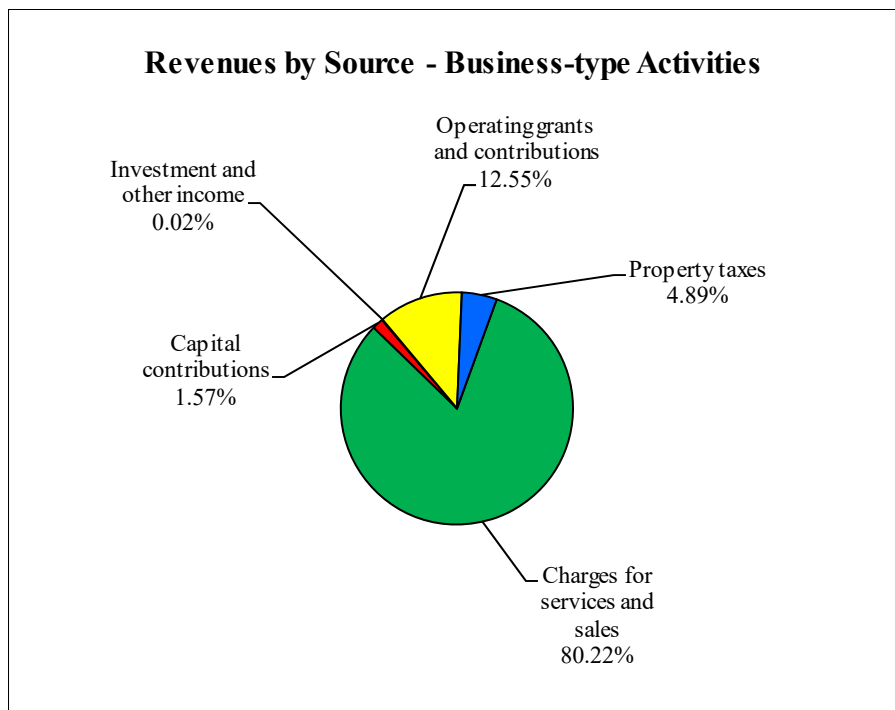
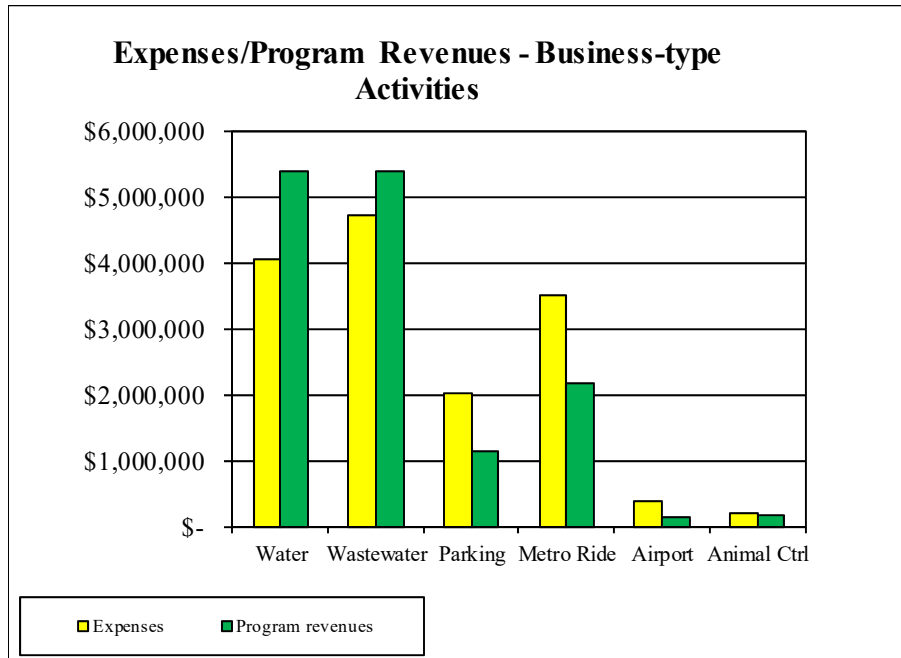


Program and General Revenues by Source - Governmental Activities



Business-type activities decreased the City of Wausau's net position by \$1,326,569. Key elements of the decrease are as follows:

Operating revenues for business-type activities decreased by \$224,102 while total operating expenses increased by \$458,410 for a net decrease in operating income for the year of \$682,512 over the prior year. Total operating loss for the year ended December 31, 2017 was \$256,377 while net nonoperating revenues were \$289,925. Additional capital contributions of \$16,240, \$81,285, and \$136,994 in the Water, Wastewater, and Parking funds, respectively, along with transfers out of \$1,135,012 in the Water utility, \$450,000 in the Wastewater utility, and \$9,624 in the Airport, contributed to the overall decrease in net position for the year ended December 31, 2017.



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 \$32,369,655, an increase of \$7,540,623 from the prior year. The total unrestricted fund balance of \$6,341,027 is available for spending at the City's discretion. A portion of the unrestricted fund balance is committed to special purposes for \$2,577,964. The remaining portion of fund balance in the amount of \$3,763,063 is unassigned, comprised of the General Fund balance of \$6,566,389, Recycling special revenue deficit fund balance of \$14,091, and tax incremental finance district deficit balances of \$2,789,235.

Major Governmental Funds

The General Fund is the City's primary operating fund and the largest source of day-to-day service delivery. The fund balance of the General Fund increased \$876,273 to \$11,903,441. The City reported expenditures and other financing uses less than anticipated budget for 2017 in the amount of \$335,573 while total revenues and other financing sources exceeded budget by \$1,066,800. The main reason for the positive result in total expenditures compared to budget was due to unexpected vacancies in multiple positions such as the City Assessor, Human Resources Director, and a Financial Systems Analyst, among others. General operations have had a positive impact on the unassigned fund balance, which was \$6,566,389 at year-end. Unassigned fund balance increased by \$777,626 from 2016 due to positive operating results as explained above. As a measure of the General Fund's liquidity, it's useful to compare both unrestricted fund balance and total fund balance to total fund expenditures. Unrestricted fund balance represents 24.73 percent of general fund expenditures, while total fund balance represents 37.35 percent of the same amount.

The Debt Service fund balance of \$1,240,252 at year end represents a \$658,078 decrease in fund balance from the previous year due to significant premiums on debt issued in 2016 that were used to pay principal and interest in 2017. The available balance will be utilized in subsequent years' budgets.

The TID #3 Downtown Development fund balance of \$5,716,573 at the end of 2017 represents an increase in fund balance of \$5,792,209 over the prior year due to the issuance of debt for the riverfront development. These debt proceeds will be spent on site development cost. Any potential future fund balance deficits would be anticipated to be reduced as projects are completed and development occurs.

Capital Improvements fund balance of \$3,712,726 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 and other financing uses were less than budget by \$335,573 for the current fiscal year. Cost savings occurred in all functional activities except public safety, and sanitation, health and welfare which exceeded budget by \$308,031 and \$59,794, respectively.
- General Fund revenues and other financing sources exceeded budget expectations by \$1,066,800. The most significant positive budget variances occurred in taxes of \$77,343, licenses and permits of \$181,705, intergovernmental charges for services of \$402,386, and miscellaneous revenues of \$221,078. Revenues above budgeted amounts were realized by all functional activities.

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, 2017 was \$264,904,745. 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 \$12,072,084 or approximately 4.8%.

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

Governmental Activities

- Land purchased for the riverfront development project of \$954,941.
- Motor Pool additions of \$552,866.
- Various street and infrastructure additions totaling \$3,809,590.

Business-type Activities

- Land purchased to relocate stockpiles of materials and as a potential site for a water tower totaling \$956,203.
- Water Utility installed water mains and other system support totaling \$1,709,979.
- The Wastewater Utility installed mains and other system support totaling \$1,899,652.

City of Wausau Capital Assets (net of accumulated depreciation)

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 40,096,504	\$ 39,141,563	\$ 5,066,996	\$ 3,867,711	\$ 45,163,500	\$ 43,009,274
Buildings & improvements	24,696,559	17,056,698	19,943,001	20,818,905	44,639,560	37,875,603
Machinery & equipment	7,704,151	8,024,356	10,021,873	8,164,093	17,726,024	16,188,449
Infrastructure	80,464,362	79,603,366	64,246,485	61,894,651	144,710,847	141,498,017
Construction in progress	12,036,238	11,250,905	628,576	3,010,413	12,664,814	14,261,318
Total	<u>\$164,997,814</u>	<u>\$155,076,888</u>	<u>\$99,906,931</u>	<u>\$97,755,773</u>	<u>\$264,904,745</u>	<u>\$252,832,661</u>

Additional information on the City of Wausau's capital assets can be found in Note 3.C. on pages 47-48 of this report.

Long Term Debt

At the end of the current fiscal year, the City of Wausau had total debt outstanding of \$95,464,305. \$77,824,305 of the total amount comprises debt backed by the full faith and credit of the City of Wausau. \$6,600,000 of the total amount comprises note anticipation notes. \$11,040,000 of the total amount comprises utility revenue bonds backed by pledged utility revenues, net of specified operating expenses.

City of Wausau Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
General obligation	\$ 68,515,299	\$ 64,906,284	\$ 9,309,006	\$ 10,173,320	\$ 77,824,305	\$ 75,079,604
Anticipation notes	6,600,000	-	-	-	6,600,000	-
Revenue bonds	-	-	11,040,000	-	11,040,000	-
	<u>\$ 75,115,299</u>	<u>\$ 64,906,284</u>	<u>\$ 20,349,006</u>	<u>\$ 10,173,320</u>	<u>\$ 95,464,305</u>	<u>\$ 75,079,604</u>

In 2017 the City issued debt as follows:

- 2017 General Obligation Promissory Notes, Series A \$6,230,000; this debt financed capital improvements as outlined by the Capital Improvement Plan adopted by the common council as well as costs within the City's Tax Incremental Financing District #6.
- 2017 General Obligation Corporate Purpose Bonds, Series B \$6,405,000; this debt financed costs within the City's Tax Incremental Financing Districts #3.
- 2017 Water Revenue Bonds, Series C \$4,815,000; this debt financed costs of capital improvements to the City's water system and refunded certain outstanding obligations of the City.
- 2017 Sewer Revenue Bonds, Series D \$6,225,000; this debt financed costs of capital improvements to the City's sewer system and refunded certain outstanding obligations of the City.
- 2017 Note Anticipation Notes, Series E \$6,600,000; this debt financed costs within the City's Tax Incremental Financing District #11.

The City received an Aa2 rating from Moody's Investors Service for the Series A and B general obligation issues, and an Aa3 rating for the Series C and D utility revenue bonds, and Series E anticipation note issues shown above.

Additional information regarding the City of Wausau's long-term debt can be found in Note 3.E. on pages 51-55 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 2018 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, 2017

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and cash equivalents	\$ 41,248,993	\$ 4,444,456	\$ 45,693,449	\$ 4,872,649
Investments	23,993,013	-	23,993,013	-
Receivables (net of allowance for uncollectible accounts)	61,492,189	4,910,825	66,403,014	323,863
Internal balances	624,088	(624,088)	-	-
Inventories and prepayments	746,108	454,636	1,200,744	9,391
Restricted assets:				
Cash and investments	-	13,580,890	13,580,890	919,453
Investment in joint venture	222,798	-	222,798	-
Other assets	-	29,285	29,285	30,624
Net OPEB asset	38,073	-	38,073	-
Capital assets (net of accumulated depreciation):				
Land	40,096,504	5,066,996	45,163,500	981,317
Buildings and improvements	24,696,559	19,943,001	44,639,560	13,504,547
Machinery and equipment	7,704,151	10,021,872	17,726,023	229,233
Infrastructure	80,464,362	64,246,486	144,710,848	-
Construction in progress	12,036,238	628,576	12,664,814	46,839
 TOTAL ASSETS	 <u>293,363,076</u>	 <u>122,702,935</u>	 <u>416,066,011</u>	 <u>20,917,916</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	198,242	-	198,242	-
Proportionate share of WRS pension plan	7,804,021	1,228,135	9,032,156	-
Pension contributions for subsequent year	1,594,919	239,548	1,834,467	-
 TOTAL DEFERRED OUTFLOWS OF RESOURCES	 <u>9,597,182</u>	 <u>1,467,683</u>	 <u>11,064,865</u>	 <u>-</u>

(Continued on next page)

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
LIABILITIES				
Accounts payable and other				
current liabilities	6,181,900	983,546	7,165,446	231,984
Accrued interest payable	591,455	264,325	855,780	-
Accrued liability - claims payable	178,389	-	178,389	-
Due to other governments	43,488,238	4,717	43,492,955	-
Unearned revenues	457,107	117,752	574,859	2
Noncurrent liabilities:				
Due within one year	9,087,398	9,272,337	18,359,735	17,206
Due in more than one year (net of unamortized costs)	70,030,644	12,318,459	82,349,103	771,744
Net pension liability	1,213,283	190,937	1,404,220	-
TOTAL LIABILITIES	131,228,414	23,152,073	154,380,487	1,020,936
DEFERRED INFLOWS OF RESOURCES				
Property taxes levied for subsequent year	30,447,761	954,582	31,402,343	-
Wisconsin retirement system pension related	3,815,669	600,479	4,416,148	-
TOTAL DEFERRED INFLOWS OF RESOURCES	34,263,430	1,555,061	35,818,491	-
NET POSITION				
Net investment in capital assets	106,232,341	89,005,476	195,237,817	14,011,936
Restricted for:				
Debt service payments	648,797	-	648,797	-
Capital improvements	14,814,603	4,175,498	18,990,101	-
Community development programs	3,134,377	-	3,134,377	6,089
Holtz-Krause clean up	1,765,386	-	1,765,386	-
Grants and special purpose accounts	1,051,365	-	1,051,365	-
Unrestricted	9,821,545	6,282,510	16,104,055	5,878,955
TOTAL NET POSITION	\$ 137,468,414	\$ 99,463,484	\$ 236,931,898	\$ 19,896,980

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

CITY OF WAUSAU, WISCONSIN
STATEMENT OF ACTIVITIES
Year Ended December 31, 2017

<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	\$ 4,598,058	\$ 2,010,189	\$ 13,000	\$ -
Public safety	19,502,367	2,365,224	707,279	-
Transportation and streets	12,297,895	1,260,633	2,439,407	998,531
Sanitation, health and welfare	2,025,650	12,947	351,460	-
Natural resources and recreation	3,158,110	246,034	-	165,000
Economic development	3,563,890	540,701	798,316	2,612,710
Interest on long-term debt	1,801,377	-	-	-
Total governmental activities	<u>46,947,347</u>	<u>6,435,728</u>	<u>4,309,462</u>	<u>3,776,241</u>
Business-type activities:				
Water	4,054,906	5,369,904	-	16,240
Wastewater	4,709,530	5,312,985	-	81,285
Parking	2,039,701	1,000,434	513	136,994
Metro Ride	3,518,784	434,699	1,754,761	-
Airport	392,523	143,913	-	-
Animal Control	195,926	140,129	30,705	-
Total business-type activities	<u>14,911,370</u>	<u>12,402,064</u>	<u>1,785,979</u>	<u>234,519</u>
Total primary government	<u>\$ 61,858,717</u>	<u>\$ 18,837,792</u>	<u>\$ 6,095,441</u>	<u>\$ 4,010,760</u>
Component unit:				
Community Development Authority	<u>\$ 3,323,118</u>	<u>\$ 1,236,336</u>	<u>\$ 1,717,047</u>	<u>\$ 78,399</u>

General revenues:

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

Transfers

Total general revenues and transfers

Change in net position

Net position - beginning

Net position - ending

(Continued on next page)

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

Primary Government			
Governmental Activities	Business-Type Activities	Total	Component Unit
\$ (2,574,869)	\$ -	\$ (2,574,869)	\$ -
(16,429,864)	-	(16,429,864)	-
(7,599,324)	-	(7,599,324)	-
(1,661,243)	-	(1,661,243)	-
(2,747,076)	-	(2,747,076)	-
387,837	-	387,837	-
(1,801,377)	-	(1,801,377)	-
<u>(32,425,916)</u>	<u>-</u>	<u>(32,425,916)</u>	<u>-</u>
-	1,331,238	1,331,238	-
-	684,740	684,740	-
-	(901,760)	(901,760)	-
-	(1,329,324)	(1,329,324)	-
-	(248,610)	(248,610)	-
<u>-</u>	<u>(25,092)</u>	<u>(25,092)</u>	<u>-</u>
<u>-</u>	<u>(488,808)</u>	<u>(488,808)</u>	<u>-</u>
<u>(32,425,916)</u>	<u>(488,808)</u>	<u>(32,914,724)</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(291,336)</u>
18,258,667	741,739	19,000,406	-
4,123,000	-	4,123,000	-
756,128	-	756,128	-
5,923,579	-	5,923,579	-
1,592,500	-	1,592,500	-
5,459,575	-	5,459,575	-
386,707	8,602	395,309	31,008
93,555	-	93,555	-
173,153	6,534	179,687	-
<u>1,594,636</u>	<u>(1,594,636)</u>	<u>-</u>	<u>-</u>
<u>38,361,500</u>	<u>(837,761)</u>	<u>37,523,739</u>	<u>31,008</u>
5,935,584	(1,326,569)	4,609,015	(260,328)
<u>131,532,830</u>	<u>100,790,053</u>	<u>232,322,883</u>	<u>20,157,308</u>
<u>\$ 137,468,414</u>	<u>\$ 99,463,484</u>	<u>\$ 236,931,898</u>	<u>\$ 19,896,980</u>

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

CITY OF WAUSAU, WISCONSIN
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2017

	General	Debt Service	TID #3 Downtown Development	Capital Improvements	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 9,806,159	\$ 1,240,252	\$ 9,044,281	\$ 4,219,892	\$ 12,095,358	\$ 36,405,942
Investments	23,937,652	-	-	-	55,361	23,993,013
Receivables (net of allowance for uncollectible accounts):						
Taxes	36,498,600	4,123,000	2,324,996	498,890	5,640,668	49,086,154
Delinquent personal property tax	5,666	-	-	-	-	5,666
Accounts	1,276,980	-	2,186	8,993	175,747	1,463,906
Notes	-	-	1,397,818	-	8,922,719	10,320,537
Federal, state and local governments	12,596	-	-	332,475	355,222	700,293
Special assessments	-	-	-	418,186	-	418,186
Interest	83,264	-	-	-	-	83,264
Due from other funds	1,064,999	-	-	-	-	1,064,999
Advances to other funds	3,713,323	-	-	-	1,239,432	4,952,755
Inventories and prepayments	309,322	-	-	-	-	309,322
	<u>\$ 76,708,561</u>	<u>\$ 5,363,252</u>	<u>\$ 12,769,281</u>	<u>\$ 5,478,436</u>	<u>\$ 28,484,507</u>	<u>\$ 128,804,037</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 826,877	\$ -	\$ 722,565	\$ 848,634	\$ 1,218,295	\$ 3,616,371
Accrued payroll and benefits	2,142,521	-	-	-	53,939	2,196,460
Due to other governments	43,488,238	-	-	-	-	43,488,238
Due to other funds	-	-	-	-	440,911	440,911
Unearned revenues	1,445	-	-	-	65,886	67,331
Advances from other funds	-	-	2,607,329	-	2,345,426	4,952,755
Total Liabilities	<u>46,459,081</u>	<u>-</u>	<u>3,329,894</u>	<u>848,634</u>	<u>4,124,457</u>	<u>54,762,066</u>
Deferred Inflows of Resources:						
Unavailable revenue	485,832	-	1,397,818	418,186	8,922,719	11,224,555
Property taxes levied for subsequent year	17,860,207	4,123,000	2,324,996	498,890	5,640,668	30,447,761
Total Deferred Inflows of Resources	<u>18,346,039</u>	<u>4,123,000</u>	<u>3,722,814</u>	<u>917,076</u>	<u>14,563,387</u>	<u>41,672,316</u>
Fund balances:						
Nonspendable	4,022,645	-	-	-	-	4,022,645
Restricted	-	1,240,252	5,716,573	3,712,726	11,336,432	22,005,983
Committed	1,314,407	-	-	-	1,263,557	2,577,964
Unassigned	6,566,389	-	-	-	(2,803,326)	3,763,063
Total Fund Balances (Deficit)	<u>11,903,441</u>	<u>1,240,252</u>	<u>5,716,573</u>	<u>3,712,726</u>	<u>9,796,663</u>	<u>32,369,655</u>
	<u>\$ 76,708,561</u>	<u>\$ 5,363,252</u>	<u>\$ 12,769,281</u>	<u>\$ 5,478,436</u>	<u>\$ 28,484,507</u>	<u>\$ 128,804,037</u>

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

CITY OF WAUSAU, WISCONSIN
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES

December 31, 2017

		Total Governmental Funds
Fund balances - total governmental funds	\$	32,369,655
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in government activities are not financial resources and therefore are not reported in the fund financial statements. Capital assets at year-end (excluding internal service funds) consist of:		
Construction in progress	12,036,238	
Land	40,096,504	
Other capital assets, net of depreciation	112,865,072	
Less: Internal service fund included below	(4,718,001)	160,279,813
Special assessments, loans receivable, and various other receivables are reported as unavailable revenue in the fund financial statements and are recognized as revenue when earned in the government-wide financial statements. These types of unavailable revenues at year-end consist of:		
Special assessments receivable	418,186	
Loans and mortgages receivable	10,320,537	
Unpaid fines and forfeitures receivable	485,832	11,224,555
Receivables that may be uncollectible are recorded in unavailable revenue on the fund statements and do not require an allowance. On the government-wide statements an allowance for uncollectible accounts is necessary to offset the revenue that was recognized when earned on the government-wide statements.		(665,466)
Net pension amounts in governmental funds are not financial resources and, therefore, are not reported in the funds.		4,286,328
Investment in joint venture is not a financial resource and, therefore, is not reported in the funds.		222,798
Internal service funds are used to charge the costs of motor pool, insurance and employee benefits to individual funds. These assets and liabilities of these funds are included in governmental activities in the statement of net position.		8,294,010
Long-term liabilities, including bonds and notes payable, are not due in the current period and therefore are not reported in the fund statements. Long-term liabilities at year-end consist of:		
Bonds and notes payable	(75,115,299)	
Accrued interest payable	(591,455)	
Compensated absences	(1,044,604)	
Postemployment benefits	38,073	(76,713,285)
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. These amounts are the net effect of these differences:		
(Premium)/discount on debt	(2,028,236)	
Deferred charge on refunding of debt	198,242	(1,829,994)
Net position of governmental activities		\$ 137,468,414

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, 2017

	General	Debt Service	TID #3 Downtown Development	Capital Improvements	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	\$ 17,858,057	\$ 4,123,000	\$ 2,214,368	\$ 505,828	\$ 5,555,835	\$ 30,257,088
Special assessments	-	-	17,430	389,033	44,921	451,384
Intergovernmental	8,052,938	-	70,648	4,850	1,628,083	9,756,519
Licenses and permits	958,527	-	-	-	55,000	1,013,527
Fines, forfeitures and penalties	423,502	-	-	-	-	423,502
Public charges for services	2,150,635	-	-	-	-	2,150,635
Intergovernmental charges for services	1,219,719	-	-	-	-	1,219,719
Miscellaneous revenues	687,398	42,137	1,925,640	473,434	1,602,324	4,730,933
Total Revenues	<u>31,350,776</u>	<u>4,165,137</u>	<u>4,228,086</u>	<u>1,373,145</u>	<u>8,886,163</u>	<u>50,003,307</u>
EXPENDITURES						
Current:						
General government	3,789,975	-	-	-	66,809	3,856,784
Public safety	17,063,509	-	-	-	397,248	17,460,757
Transportation and streets	7,510,543	-	-	-	-	7,510,543
Sanitation, health and welfare	965,794	-	-	-	1,053,100	2,018,894
Natural resources and recreation	2,543,094	-	-	-	49,246	2,592,340
Economic development	-	-	232,050	-	2,941,340	3,173,390
Capital outlay	-	-	3,337,656	5,499,762	7,830,943	16,668,361
Debt service:						
Principal retirement	-	9,025,985	-	-	-	9,025,985
Interest and debt service charges	-	1,679,972	100,514	13,784	101,868	1,896,138
Total Expenditures	<u>31,872,915</u>	<u>10,705,957</u>	<u>3,670,220</u>	<u>5,513,546</u>	<u>12,440,554</u>	<u>64,203,192</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(522,139)</u>	<u>(6,540,820)</u>	<u>557,866</u>	<u>(4,140,401)</u>	<u>(3,554,391)</u>	<u>(14,199,885)</u>
OTHER FINANCING						
SOURCES (USES)						
Issuance of debt	-	-	6,405,000	2,615,000	10,215,000	19,235,000
Premium on debt issued	-	156,875	260,966	-	368,031	785,872
Transfers in	1,910,012	5,725,867	1,321,470	538,600	219,023	9,714,972
Transfers out	(511,600)	-	(2,753,093)	-	(4,730,643)	(7,995,336)
Total Other Financing Sources (Uses)	<u>1,398,412</u>	<u>5,882,742</u>	<u>5,234,343</u>	<u>3,153,600</u>	<u>6,071,411</u>	<u>21,740,508</u>
Net Change in Fund Balance	876,273	(658,078)	5,792,209	(986,801)	2,517,020	7,540,623
Beginning fund balances (deficit)	11,027,168	1,898,330	(75,636)	4,699,527	7,279,643	24,829,032
Ending fund balances	<u>\$ 11,903,441</u>	<u>\$ 1,240,252</u>	<u>\$ 5,716,573</u>	<u>\$ 3,712,726</u>	<u>\$ 9,796,663</u>	<u>\$ 32,369,655</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, 2017

Net change in fund balances - total governmental funds \$ 7,540,623

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 exceeded depreciation in the current period.

Capital outlay is capitalized in the government-wide statements	16,668,361	
Some capital outlay is not capitalized in the government-wide statements	(1,933,538)	
Some items reported in functional expenses (not in capital outlay) were capitalized in the government-wide statements	35,565	
Depreciation is reported in the government-wide statements	(4,892,385)	
A loss on disposal of capital assets is reported in the government-wide statements	<u>(55,278)</u>	9,822,725

Receivables not currently available are reported as unavailable revenue in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements. This amount is the change in the following unavailable revenue categories:

Special assessments receivable	45,171	
Loans and mortgages receivable	(407,826)	
Unpaid fines and forfeitures receivable	<u>49,515</u>	(313,140)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount of principal payments paid. 9,025,985

Issuing debt provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. This is the amount of debt issued during the year. (19,235,000)

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. These amounts are the net effect of these differences:

Premiums on new debt	(785,872)	
Amortization of premium/(discount)	155,530	
Amortization of deferred charge on refunding	<u>(111,595)</u>	(741,937)

Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. This amount is the change in the following items:

Net pension asset/liability (and pension related deferred outflows/inflows of resources)	(1,566,155)	
Accrued interest	50,826	
Compensated absences	110,198	
Other postemployment benefits	<u>(4,647)</u>	(1,409,778)

Decrease in investment in joint venture reported in the statement of activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in the funds. (2,292)

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. 1,248,398

Change in net position of governmental activities **\$ 5,935,584**

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, 2017

	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	\$ 1,680,679	\$ 2,163,445	\$ 402,302	\$ 93,443	\$ 104,587	\$ 4,444,456	\$ 4,843,051
Taxes receivable	-	-	-	809,906	144,676	954,582	-
Accounts receivable	1,440,322	1,385,711	86,319	17,831	25,752	2,955,935	79,649
Due from other funds	-	140,000	-	-	-	140,000	-
Due from other governments	-	-	-	1,000,308	-	1,000,308	-
Inventories and prepayments	311,155	-	-	142,291	1,190	454,636	436,786
Total Current Assets	<u>3,432,156</u>	<u>3,689,156</u>	<u>488,621</u>	<u>2,063,779</u>	<u>276,205</u>	<u>9,949,917</u>	<u>5,359,486</u>
Noncurrent Assets:							
Restricted cash and cash equivalents	4,410,374	9,170,516	-	-	-	13,580,890	-
Property, Plant and Equipment:							
Property and equipment	56,583,531	65,458,357	31,818,513	9,025,633	4,064,278	166,950,312	13,163,710
Accumulated depreciation	(19,184,082)	(25,790,360)	(13,888,690)	(6,065,464)	(2,114,785)	(67,043,381)	(8,445,709)
Advance to other funds	-	980,000	-	-	-	980,000	-
Other assets	29,285	-	-	-	-	29,285	-
Total Noncurrent Assets	<u>41,839,108</u>	<u>49,818,513</u>	<u>17,929,823</u>	<u>2,960,169</u>	<u>1,949,493</u>	<u>114,497,106</u>	<u>4,718,001</u>
TOTAL ASSETS	<u>45,271,264</u>	<u>53,507,669</u>	<u>18,418,444</u>	<u>5,023,948</u>	<u>2,225,698</u>	<u>124,447,023</u>	<u>10,077,487</u>
DEFERRED OUTFLOWS OF RESOURCES							
Proportionate share of WRS pension plan	342,183	259,926	68,668	546,267	11,091	1,228,135	135,951
Pension contributions for subsequent year	68,640	51,588	16,552	100,423	2,345	239,548	32,146
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>410,823</u>	<u>311,514</u>	<u>85,220</u>	<u>646,690</u>	<u>13,436</u>	<u>1,467,683</u>	<u>168,097</u>

LIABILITIES

Current Liabilities:

Accounts payable	\$ 326,446	\$ 352,563	\$ 76,239	\$ 40,503	\$ 10,670	\$ 806,421	\$ 239,002
Accrued payroll and benefits	103,787	80,544	22,852	140,056	2,214	349,453	20,868
Claims payable	-	-	-	-	-	-	1,016,889
Due to other funds	140,000	-	-	624,088	-	764,088	-
Due to other governments	-	-	-	-	4,717	4,717	-
Unearned revenues	-	-	69,306	18,814	29,632	117,752	389,776
General obligation debt - current portion	3,055,972	5,128,394	-	-	-	8,184,366	-
Revenue bonds - current portion	366,583	549,060	-	-	-	915,643	-
Accrued interest payable	103,110	161,215	-	-	-	264,325	-
Total Current Liabilities	<u>4,095,898</u>	<u>6,271,776</u>	<u>168,397</u>	<u>823,461</u>	<u>47,233</u>	<u>11,406,765</u>	<u>1,666,535</u>

Noncurrent Liabilities:

General obligation debt	225,000	899,640	-	-	-	1,124,640	-
Revenue bonds	4,749,644	6,087,639	-	-	-	10,837,283	-
Advance from other funds	980,000	-	-	-	-	980,000	-
Accrued liability - claims payable	-	-	-	-	-	-	178,389
Compensated absences	84,735	82,883	40,284	148,634	-	356,536	22,213
Net pension liability	53,199	40,410	10,676	84,928	1,724	190,937	20,115
Total Noncurrent Liabilities	<u>6,092,578</u>	<u>7,110,572</u>	<u>50,960</u>	<u>233,562</u>	<u>1,724</u>	<u>13,489,396</u>	<u>220,717</u>

TOTAL LIABILITIES

	<u>10,188,476</u>	<u>13,382,348</u>	<u>219,357</u>	<u>1,057,023</u>	<u>48,957</u>	<u>24,896,161</u>	<u>1,887,252</u>
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DEFERRED INFLOWS OF RESOURCES

Wisconsin retirement system pension related	167,305	127,087	33,574	267,090	5,423	600,479	64,322
Property taxes levied for subsequent year	-	-	-	809,906	144,676	954,582	-

TOTAL DEFERRED INFLOWS
OF RESOURCES

	<u>167,305</u>	<u>127,087</u>	<u>33,574</u>	<u>1,076,996</u>	<u>150,099</u>	<u>1,555,061</u>	<u>64,322</u>
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NET POSITION

Net investment in capital assets	32,578,077	33,587,914	17,929,823	2,960,169	1,949,493	89,005,476	4,718,001
Restricted for capital improvements	838,936	3,336,562	-	-	-	4,175,498	-
Unrestricted	1,909,293	3,385,272	320,910	576,450	90,585	6,282,510	3,576,009

TOTAL NET POSITION

	<u>\$ 35,326,306</u>	<u>\$ 40,309,748</u>	<u>\$ 18,250,733</u>	<u>\$ 3,536,619</u>	<u>\$ 2,040,078</u>	<u>\$ 99,463,484</u>	<u>\$ 8,294,010</u>
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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, 2017

	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	\$ 5,320,491	\$ 5,312,603	\$ 986,914	\$ 434,699	\$ 284,042	\$ 12,338,749	\$ 9,843,948
Intergovernmental	-	-	513	1,754,761	30,705	1,785,979	-
Other operating revenues	49,413	382	13,520	-	-	63,315	150,561
Total Operating Revenues	<u>5,369,904</u>	<u>5,312,985</u>	<u>1,000,947</u>	<u>2,189,460</u>	<u>314,747</u>	<u>14,188,043</u>	<u>9,994,509</u>
OPERATING EXPENSES							
Operating and maintenance	2,682,577	3,132,714	1,383,582	2,939,742	430,906	10,569,521	1,926,900
Depreciation	1,189,328	1,292,867	656,119	579,042	157,543	3,874,899	765,310
Insurance and claims	-	-	-	-	-	-	6,102,054
Total Operating Expenses	<u>3,871,905</u>	<u>4,425,581</u>	<u>2,039,701</u>	<u>3,518,784</u>	<u>588,449</u>	<u>14,444,420</u>	<u>8,794,264</u>
Operating income (loss)	<u>1,497,999</u>	<u>887,404</u>	<u>(1,038,754)</u>	<u>(1,329,324)</u>	<u>(273,702)</u>	<u>(256,377)</u>	<u>1,200,245</u>
NONOPERATING REVENUES (EXPENSES)							
Property taxes	-	-	-	601,600	140,139	741,739	-
Investment income	3,020	5,582	-	-	-	8,602	-
Interest expense	(183,001)	(283,949)	-	-	-	(466,950)	-
Amortization	1,909	1,715	-	-	-	3,624	-
Gain on disposal of capital assets	2,910	-	-	-	-	2,910	173,153
Total Nonoperating Revenues (Expenses)	<u>(175,162)</u>	<u>(276,652)</u>	<u>-</u>	<u>601,600</u>	<u>140,139</u>	<u>289,925</u>	<u>173,153</u>
Income (loss) before Capital Contributions and Transfers	1,322,837	610,752	(1,038,754)	(727,724)	(133,563)	33,548	1,373,398

Capital contributions	16,240	81,285	136,994	-	-	234,519	-
Transfers out	<u>(1,135,012)</u>	<u>(450,000)</u>	<u>-</u>	<u>-</u>	<u>(9,624)</u>	<u>(1,594,636)</u>	<u>(125,000)</u>
Change in Net Position	204,065	242,037	(901,760)	(727,724)	(143,187)	(1,326,569)	1,248,398
Net Position - beginning of year	<u>35,122,241</u>	<u>40,067,711</u>	<u>19,152,493</u>	<u>4,264,343</u>	<u>2,183,265</u>	<u>100,790,053</u>	<u>7,045,612</u>
Net position - end of year	<u>\$ 35,326,306</u>	<u>\$ 40,309,748</u>	<u>\$ 18,250,733</u>	<u>\$ 3,536,619</u>	<u>\$ 2,040,078</u>	<u>\$ 99,463,484</u>	<u>\$ 8,294,010</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, 2017

	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	\$ 5,244,367	\$ 5,264,682	\$ 940,782	\$ 2,260,567	\$ 320,784	\$ 14,031,182	\$ 9,948,230
Payments to suppliers	(1,593,459)	(2,583,174)	(1,045,884)	(1,296,551)	(386,621)	(6,905,689)	(7,317,396)
Payments to employees	(881,595)	(764,345)	(270,756)	(1,535,999)	(57,040)	(3,509,735)	(487,914)
Net Cash Provided (Used) by Operating Activities	<u>2,769,313</u>	<u>1,917,163</u>	<u>(375,858)</u>	<u>(571,983)</u>	<u>(122,877)</u>	<u>3,615,758</u>	<u>2,142,920</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Property taxes received	-	-	-	601,600	140,139	741,739	-
Due to other funds	(140,000)	-	-	-	-	(140,000)	-
Due from other funds	-	140,000	-	-	-	140,000	-
Transfers out	(1,135,012)	(450,000)	-	-	(9,624)	(1,594,636)	(125,000)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(1,275,012)</u>	<u>(310,000)</u>	<u>-</u>	<u>601,600</u>	<u>130,515</u>	<u>(852,897)</u>	<u>(125,000)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Proceeds from capital debt	4,815,000	6,225,000	-	-	-	11,040,000	-
Premiums on debt issued	301,227	411,699	-	-	-	712,926	-
Capital contributions	16,240	81,285	136,994	-	-	234,519	-
Acquisition and construction of capital assets	(3,024,374)	(2,832,740)	(136,994)	(808)	(4,825)	(5,999,741)	(863,511)
Principal paid on capital debt	(302,029)	(562,286)	-	-	-	(864,315)	-
Interest paid on capital debt	(127,212)	(261,421)	-	-	-	(388,633)	-
Proceeds from sale of capital assets	2,910	-	-	-	-	2,910	173,153
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>1,681,762</u>	<u>3,061,537</u>	<u>-</u>	<u>(808)</u>	<u>(4,825)</u>	<u>4,737,666</u>	<u>(690,358)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Investment income received	<u>3,020</u>	<u>5,582</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,602</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	3,179,083	4,674,282	(375,858)	28,809	2,813	7,509,129	1,327,562
Cash and cash equivalents - beginning of year	<u>2,911,970</u>	<u>6,659,679</u>	<u>778,160</u>	<u>64,634</u>	<u>101,774</u>	<u>10,516,217</u>	<u>3,515,489</u>
Cash and cash equivalents - end of year	<u>\$ 6,091,053</u>	<u>\$ 11,333,961</u>	<u>\$ 402,302</u>	<u>\$ 93,443</u>	<u>\$ 104,587</u>	<u>\$ 18,025,346</u>	<u>\$ 4,843,051</u>

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

Operating income (loss)	\$ 1,497,999	\$ 887,404	\$ (1,038,754)	\$ (1,329,324)	\$ (273,702)	\$ (256,377)	\$ 1,200,245
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation expense	1,189,328	1,292,867	656,119	579,042	157,543	3,874,899	765,310
Changes in assets and liabilities:							
Accounts receivable	(125,537)	(48,303)	(63,347)	95,553	(5,484)	(147,118)	4,892
Inventories and prepayments	(134,134)	-	-	(5,820)	(1,190)	(141,144)	(148,691)
Accounts payable	265,623	(280,897)	55,134	(9,924)	7,567	37,503	135,909
Due to other governments	-	-	-	-	(20,227)	(20,227)	-
Accrued payroll and compensated absences	6,225	15,119	1,107	(219)	77	22,309	6,206
Pension related liabilities and deferred amounts	69,809	50,973	10,701	123,155	1,018	255,656	19,011
Claims payable	-	-	-	-	-	-	211,209
Unearned revenues	-	-	3,182	(24,446)	11,521	(9,743)	(51,171)
Net cash provided (used) by operating activities	<u>\$ 2,769,313</u>	<u>\$ 1,917,163</u>	<u>\$ (375,858)</u>	<u>\$ (571,983)</u>	<u>\$ (122,877)</u>	<u>\$ 3,615,758</u>	<u>\$ 2,142,920</u>

Reconciliation of Cash and Cash Equivalents to Statement of Net Position

Unrestricted	\$ 1,680,679	\$ 2,163,445	\$ 402,302	\$ 93,443	\$ 104,587	\$ 4,444,456	\$ 4,843,051
Restricted (noncurrent)	<u>4,410,374</u>	<u>9,170,516</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,580,890</u>	<u>-</u>
Total cash and cash equivalents	<u>\$ 6,091,053</u>	<u>\$ 11,333,961</u>	<u>\$ 402,302</u>	<u>\$ 93,443</u>	<u>\$ 104,587</u>	<u>\$ 18,025,346</u>	<u>\$ 4,843,051</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, 2017

	Cemetery Private Purpose Trust Fund	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 645,537	\$ 594,364
Accounts receivable	-	17,945
TOTAL ASSETS	645,537	\$ 612,309
LIABILITIES		
Accounts payable	-	\$ 612,309
NET POSITION		
Held in trust for private purpose	\$ 645,537	

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, 2017

	<u>Cemetery Private Purpose Trust Fund</u>
ADDITIONS	
Net increase in fair value of investments	\$ 78,912
Interest and dividends	<u>9,760</u>
Total additions	<u>88,672</u>
DEDUCTIONS	
Distributions to beneficiary	7,330
Administrative expenses	<u>5,898</u>
Total deductions	<u>13,228</u>
Change in net position	75,444
Net position - beginning of year	<u>570,093</u>
Net position - end of year	<u><u>\$ 645,537</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, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of Wausau, Wisconsin, (“the City”) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the City are described below:

A. REPORTING ENTITY

This report includes all of the funds of the City. The reporting entity for the City consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or 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. The primary government is financially accountable if (1) it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization, (2) it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government, (3) the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. Certain legally separate, tax exempt organizations should also be reported as a component unit if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government or its component units, is entitled to, or has the ability to access, a majority of the economic resources received or held by the separate organization; and (3) the economic resources received or held by an individual organization that the primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to the primary government.

Component units are reported using one of two methods, discrete presentation or blending. Generally, component units should be discretely presented in a separate column in the financial statements. A component unit should be reported as part of the primary government using the blending method if it meets any one of the following criteria: (1) the primary government and the component unit have substantively the same governing body and a financial benefit or burden relationship exists, (2) the primary government and the component unit have substantively the same governing body and management of the primary government has operational responsibility for the component unit, (3) the component unit serves or benefits, exclusively or almost exclusively, the primary government rather than its citizens, or (4) the total debt of the component unit will be paid entirely or almost entirely from resources of the primary government.

Discretely presented component unit. 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.

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. REPORTING ENTITY (Continued)

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 are currently at 21%, 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.

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.

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. GOVERNMENT-WIDE FINANCIAL STATEMENTS (Continued)

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.

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.

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. GOVERNMENT-WIDE FINANCIAL STATEMENTS (Continued)

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	EMS Grant
DLAD Mortgage Program	Response	400 Block
Economic Development	Housing Stock Improvement	Other Grants/Special Purposes
Federal Rent Rehabilitation	Room Tax	
WRRP Rehabilitation	Public Access Cable	

Capital Project Funds – These funds are used to account for financial resources that are restricted, committed or assigned to expenditure for capital outlays.

Central Capital Purchasing	TID #9 Big Bull Falls Fund
TID #5 Industrial Park Fund	TID #10 Industrial Park Fund
TID #6 West Side Development Fund	TID #11 Business Campus
TID #7 West Side Development Fund	TID #12 Downtown Development
TID #8 Near West Side 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.

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. GOVERNMENT-WIDE FINANCIAL STATEMENTS (Continued)

Agency Funds are used to account for assets held by the City in a trustee capacity or as an agent for Wausau Area Events, Inc., Wausau River District, 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. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provide.

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.

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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.

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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, 2017, 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.

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

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)

2. Receivable and Payables (Continued)

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.

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

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties.

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

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

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

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 acquisition 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 \$466,950, 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:

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.

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

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)

7. Compensated Absences (Continued)

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. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has three items that qualify for reporting in this category in the government-wide statement of net position and on the proprietary fund statement of net position. These items are deferred charges on refunding of debt, which is deferred over the remaining term of the debt, the City's proportionate share of the Wisconsin Retirement System pension plan which is deferred and amortized over the expected remaining service lives of the pension plan participants and the City's pension contributions for subsequent year which are charged to subsequent year's operations.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City has two items that qualify for reporting in this category in the government-wide statement of net position. The first is property taxes, which will be recognized as an inflow of resources in the subsequent year for which it was levied. The second is related to the City's proportionate share of the Wisconsin Retirement System pension plan and is deferred and amortized over the expected remaining service lives of the pension plan participants. The City also has an additional type of item, which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from three source, special assessments, loans receivable, and unearned revenues. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

9. 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.

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

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. Long-Term Obligations (Continued)

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.

10. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

11. 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; fund balance amounts are committed through a formal action (resolution); 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;

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

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)

11. Net Position or Fund Equity (Continued)

- 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 a resolution. This is typically done 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:

- Net investment in capital assets – amount of capital assets, net of accumulated depreciation, and capital related deferred outflows of resources less outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets and any capital related deferred inflows of resources.
- 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.

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 2 – 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, WRRP Rehabilitation, Holtz-Krause Clean Up, Hazardous Materials Emergency Response, Housing Stock Improvement, Room Tax, Public Access Cable, Recycling, EMS Grant, and 400 Block; and the following Capital Project Funds: Capital Improvements, TID #3 Downtown Development, Central Capital Purchasing, TID #5 Industrial Park, TID #6 West Side Development, TID #7 West Side Development, TID #8 Near West Side, TID #9 Big Bull Falls, TID #10 Industrial Park, and TID #11 Business Campus. All 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 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.

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. BUDGETARY INFORMATION (Continued)

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.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders) outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated during the ensuing year.

B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended December 31, 2017, expenditures exceeded appropriations for the following departmental cost centers in the General Fund: City promotions by \$2,232, City clerk/customer service by \$6,044, City hall and other municipal buildings by \$648, Police department by \$56,970, Fire department by \$256,479, Ambulance by \$45,956, Engineering by \$39,738, and Garbage and refuse collection by \$59,794. The Grants, HUD Mortgage, Holtz-Krause Cleanup Up, Hazardous Materials Emergency Response, Housing Stock Improvement, Public Access Cable, and Recycling special revenue funds incurred expenditures over appropriations by \$373,753, \$2,374, \$22,879, \$1,224, \$88,828, \$3,763, and \$13,828 respectively; and in the Debt Service Fund by \$430,123. Excess expenditures in the general fund, special revenue funds and debt service fund were funded by excess revenues, other cost savings or by available fund balance. Those incurred in the capital project funds would be funded with debt proceeds and advances from the General Fund.

C. DEFICIT FUND EQUITY

The Recycling special revenue fund had deficit fund equity of \$14,091 as of December 31, 2017. The TID #7 West Side Development, TID #9 Big Bull Falls, TID #10 Industrial Park, and TID #12 Downtown Development capital project funds had deficit fund equity of \$2,146,797, \$113,217, \$306,871, and \$222,350 respectively, as of December 31, 2017. The Employee Benefits internal service fund had a deficit fund equity of \$3,713 at December 31, 2017. 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, 2017

NOTE 3 – DETAILED NOTES ON ALL FUNDS

A. CASH AND INVESTMENTS

Cash and investments as of December 31, 2017 are classified in the accompanying financial statements as follows:

Statement of net position -	
Cash and cash equivalents	\$ 45,693,449
Investments	23,993,013
Restricted assets - cash and cash equivalents	13,580,890
Statement of net position - fiduciary funds	
Cash and cash equivalents	
Cemetery Private Purpose Trust Fund	645,537
Agency Funds	<u>594,364</u>
Total	<u>\$ 84,507,253</u>
Cash on hand	\$ 10,390
Deposits with financial institutions	13,475,651
Investments	<u>71,021,212</u>
Total	<u>\$ 84,507,253</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, 2017

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

A. CASH AND INVESTMENTS (Continued)

Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant observable inputs; Level 3 inputs are significant unobservable inputs. The City has the following fair value measurements as of December 31, 2017:

	Fair Value Measurements Using:		
	Level 1	Level 2	Level 3
U.S. Agencies	\$ -	\$ 20,760,072	\$ -
Negotiable CD's	-	994,845	-
Municipal Bonds	-	490,965	-
External Investment Pools	-	2,573,952	-
	-	2,573,952	-
 Total Investments	\$ -	\$ 24,819,834	\$ -

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City's policy for managing its exposure to interest rate risk is to purchase a combination of shorter term and longer term investments and to time cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the City's investments to fluctuating interest rates is provided by the following table that shows distribution of the City's investments by maturity:

Investment Type	Fair Value	Investment Maturities (in Years)		
		Less Than One	1-2	3-4
U.S. Agencies	\$ 20,760,072	\$ 13,403,773	\$ 3,391,369	\$ 3,964,930
Negotiable CD's	994,845	498,173	496,672	-
Municipal Bonds	490,965	-	490,965	-
Local Government Investment Pool	46,201,378	46,201,378	-	-
External investment pools	2,573,952	2,573,952	-	-
	\$ 71,021,212	\$ 62,677,276	\$ 4,379,006	\$ 3,964,930

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

A. CASH AND INVESTMENTS (Continued)

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, municipal bonds rated AA2, and negotiable CD's that were not rated.

Concentration of Credit Risk

Concentration of credit risk refers to risk of loss attributed to the City's investment in a single issuer. The City's investment policy addresses this risk by requiring diversification of investments by security type and institution. With the exception of U.S. Treasury securities, no more than 50% of the City's total investment portfolio will be invested in a single type of security.

At December 31, 2017, concentrations making up over 5% of the City's investment portfolio were as follows:

Investment type	Issuer	Percentage of Portfolio
U.S. Agencies	Federal Home Loan Bank	6.0%
U.S. Agencies	Federal Home Loan Mortgage Corporation	8.0%
U.S. Agencies	Federal Farm Credit Bank	9.0%

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

A. CASH AND INVESTMENTS (Continued)

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, 2017, the carrying amount of the City's deposits was \$13,475,651 and the financial institution balance was \$14,167,574. Of the financial institution balance, \$2,899,373 was covered by federal depository insurance, \$500,000 was covered by the national credit union share insurance fund, \$3,174,054 was covered by the State Deposit Guarantee Fund, \$5,155,806 was covered by a collateral agreement, and \$2,438,341 was uninsured and uncollateralized.

Deposits with financial institutions within the State of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for time and savings deposits and \$250,000 for interest-bearing demand deposits per official custodian per depository institution. Deposits with financial institutions located outside the State of Wisconsin are insured by the FDIC in the amount of \$250,000 for all time accounts, savings accounts and interest-bearing demand deposit accounts per official custodian per depository institution. In addition, the above-mentioned State Deposit Guarantee Fund through the State of Wisconsin provides additional coverage of up to a maximum of \$400,000 per public depository 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.

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

B. RECEIVABLES

Receivables for the year ended December 31, 2017 for the City’s general fund have been shown net of allowances for uncollectible accounts and uncollectible delinquent personal property taxes of \$3,147,330 and \$120,096, 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	\$ -	\$ 30,447,761
Loans and mortgages receivable	10,320,537	-
Unpaid fines and forfeitures	485,832	-
Special assessments not yet due	418,186	-
Total deferred/unearned revenue for governmental funds	\$ 11,224,555	\$ 30,447,761

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

C. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2017 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated:				
Land	\$ 39,141,563	\$ 954,941	\$ -	\$ 40,096,504
Construction in progress	<u>11,250,905</u>	<u>10,568,697</u>	<u>(9,783,364)</u>	<u>12,036,238</u>
Total capital assets not being depreciated	<u>50,392,468</u>	<u>11,523,638</u>	<u>(9,783,364)</u>	<u>52,132,742</u>
Capital assets being depreciated:				
Buildings and improvements	28,928,323	8,669,093	-	37,597,416
Machinery and equipment	24,266,828	905,303	(199,690)	24,972,441
Infrastructure	<u>132,363,450</u>	<u>4,008,584</u>	<u>(198,994)</u>	<u>136,173,040</u>
Total capital assets being depreciated	<u>185,558,601</u>	<u>13,582,980</u>	<u>(398,684)</u>	<u>198,742,897</u>
Less accumulated depreciation for:				
Buildings and improvements	(11,871,625)	(1,029,232)	-	(12,900,857)
Machinery and equipment	(16,242,472)	(1,526,162)	500,344	(17,268,290)
Infrastructure	<u>(52,760,084)</u>	<u>(3,102,301)</u>	<u>153,707</u>	<u>(55,708,678)</u>
Total accumulated depreciation	<u>(80,874,181)</u>	<u>(5,657,695)</u>	<u>654,051</u>	<u>(85,877,825)</u>
Total capital assets being depreciated, net	<u>104,684,420</u>	<u>7,925,285</u>	<u>255,367</u>	<u>112,865,072</u>
Governmental activities capital assets, net	<u>\$ 155,076,888</u>	<u>\$ 19,448,923</u>	<u>\$ (9,527,997)</u>	164,997,814
Less: Capital related debt outstanding (excluding unspent capital related debt proceeds)				(57,007,711)
Less: Unamortized debt premiums				(1,956,004)
Add: Deferred loss on debt refunding				<u>198,242</u>
Net investment in capital assets				<u>\$ 106,232,341</u>

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 3 – 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	\$ 3,867,711	\$ 1,199,285	\$ -	\$ 5,066,996
Construction in progress	3,010,413	1,520,704	(3,902,541)	628,576
Total capital assets not being depreciated	6,878,124	2,719,989	(3,902,541)	5,695,572
Capital assets being depreciated:				
Buildings and improvements	45,061,224	308,204	(61,475)	45,307,953
Machinery and equipment	27,964,016	3,320,462	(163,713)	31,120,765
Water infrastructure	41,843,429	1,709,979	(527,782)	43,025,626
Wastewater infrastructure	40,041,878	1,899,652	(141,134)	41,800,396
Total capital assets being depreciated	154,910,547	7,238,297	(894,104)	161,254,740
Less accumulated depreciation for:				
Buildings and improvements	(24,242,319)	(1,182,608)	59,975	(25,364,952)
Machinery and equipment	(19,799,923)	(1,434,495)	135,525	(21,098,893)
Water infrastructure	(10,723,009)	(784,413)	527,782	(10,979,640)
Wastewater infrastructure	(9,267,647)	(473,383)	141,134	(9,599,896)
Total accumulated depreciation	(64,032,898)	(3,874,899)	864,416	(67,043,381)
Total capital assets being depreciated, net	90,877,649	3,363,398	(29,688)	94,211,359
Business-type activities capital assets, net	\$ 97,755,773	\$ 6,083,387	\$ (3,932,229)	\$ 99,906,931
Less: Capital related debt outstanding (excluding unspent capital related debt proceeds)				(10,188,529)
Less: Unamortized debt premiums				(712,926)
Net investment in capital assets				\$ 89,005,476

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

Governmental activities:	
General government	\$ 318,330
Public safety	474,740
Transportation and streets	3,278,827
Natural resources and recreation	820,056
Economic development	432
Capital assets held by internal service funds	765,310
Total depreciation expense - governmental activities	\$ 5,657,695
Business-type activities:	
Water	\$ 1,189,328
Wastewater	1,292,867
Parking	656,119
Metro Ride	579,042
Airport	157,543
Total depreciation expense - business-type activities	\$ 3,874,899

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

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, 2017 are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	TID #7 West Side Development	\$ 440,911
	Metro Ride	624,088
Wastewater Utility	Water Utility	140,000
Total - fund financial statements		1,204,999
Elimination for government-wide financial statements		(580,911)
Total - Government-wide financial statements		\$ 624,088

Advances between funds represent long-term loans principally for capital purposes. The composition of interfund advances as of December 31, 2017 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	TID #3 Downtown Development Fund	\$ 1,367,897
	TID #7 West Side Development Fund	1,705,886
	TID #9 Big Bull Falls Fund	113,217
	TID #10 Industrial Park Fund	306,871
	TID #12 Downtown Development	219,452
Holtz-Krause Clean Up Fund	TID #3 Downtown Development Fund	1,239,432
Wastewater Utility	Water Utility	980,000
Total - fund financial statements		5,932,755
Elimination for government-wide financial statements		(5,932,755)
Total - Government-wide financial statements		\$ -

For the statement of net position, interfund balances owed within the governmental activities or business-type activities are netted and eliminated.

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

D. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (Continued)

Interfund transfers for the year ended December 31, 2017 are as follows:

	<u>Transfers to</u>	<u>Transfers from</u>
General Fund		
Room Tax Fund	\$ -	\$ 200,000
Recycling Fund	73,000	-
Capital Improvements Fund	438,600	-
Water Utility Fund	-	1,135,012
Wastewater Utility Fund	-	450,000
Motor Pool Fund	-	125,000
Special Revenue Funds		
General Fund	200,000	73,000
Grants Fund	67,399	-
HUD Mortgage Fund	-	67,399
400 Block Fund	69,000	-
Capital Improvements Fund	100,000	-
Room Tax Fund	-	69,000
Airport Fund	-	9,624
Debt Service Fund		
TID #3 Downtown Development Fund	-	2,753,093
TID #5 Industrial Park Fund	-	289,774
TID #6 West Side Development Fund	-	970,744
TID #7 West Side Development Fund	-	562,113
TID #8 Near West Side Fund	-	154,714
TID #9 Big Bull Falls Fund	-	73,861
TID #10 Industrial Park Fund	-	59,223
TID #11 Business Campus	-	862,345
Capital Projects Funds		
General Fund	-	438,600
Grants Fund	-	100,000
TID #3 Downtown Development Fund	1,321,470	-
TID #5 Industrial Park Fund	-	1,321,470
Debt Service Fund	5,725,867	-
Enterprise Funds		
General Fund	1,585,012	-
Other grants & special purpose accounts	9,624	-
Internal Service Funds		
General Fund	<u>125,000</u>	<u>-</u>
Totals	<u>\$ 9,714,972</u>	<u>\$ 9,714,972</u>

The principal purpose of these transfers are to (1) move revenues from the fund that collects them to the fund required to expend them, (2) move receipts restricted to debt service from 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, 2017

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

E. LONG-TERM DEBT

A summary of the long-term liability activity for the year ended December 31, 2017 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities					
General obligation debt:					
Bonds payable	\$ 23,815,000	\$ 6,405,000	\$ (895,000)	\$ 29,325,000	\$ 1,210,000
Notes payable	41,091,284	6,230,000	(8,130,985)	39,190,299	6,782,006
Note anticipation notes	-	6,600,000	-	6,600,000	-
Unamortized costs	1,397,894	785,872	(155,530)	2,028,236	187,702
Compensated absences	<u>2,061,831</u>	<u>44,337</u>	<u>(131,661)</u>	<u>1,974,507</u>	<u>907,690</u>
Governmental activities long-term liabilities	<u>\$ 68,366,009</u>	<u>\$ 20,065,209</u>	<u>\$ (9,313,176)</u>	<u>\$ 79,118,042</u>	<u>\$ 9,087,398</u>

The summary of long-term liability activity for business-type activities is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Business-type activities					
General obligation debt:					
Notes payable	\$ 2,173,320	\$ -	\$ (526,840)	\$ 1,646,480	\$ 521,840
State trust fund loan	8,000,000	-	(337,474)	7,662,526	7,662,526
Revenue Bonds	-	11,040,000	-	11,040,000	860,000
Unamortized costs	-	712,926	-	712,926	55,643
Compensated absences	<u>548,741</u>	<u>183,973</u>	<u>(203,850)</u>	<u>528,864</u>	<u>172,328</u>
Business-type activities long-term liabilities	<u>\$ 10,722,061</u>	<u>\$ 11,936,899</u>	<u>\$ (1,068,164)</u>	<u>\$ 21,590,796</u>	<u>\$ 9,272,337</u>

Total interest paid during the year on long-term debt totaled \$1,894,767.

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	\$2,764,682,800
Legal debt margin percentage	<u>5.00%</u>
	138,234,140
Add: Available funds for debt payment	8,902,778
Less: Outstanding general obligation debt	<u>(77,824,305)</u>
Legal debt margin	<u>\$ 69,312,613</u>

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

E. LONG-TERM DEBT (Continued)

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.

General Obligation Debt

General obligation debt outstanding at December 31, 2017 is detailed as follows:

	Original Amount	Interest Rates	Final Maturity	Balance 12/31/2017
2004 Promissory note	\$ 600,000	Negotiable	On demand	\$ 600,000
2009 Promissory note Series A	9,560,000	0.7-3.0%	4/1/19	825,000
2010 Promissory note Series A	5,145,000	1.0-3.0%	4/1/20	1,605,000
2011 Promissory note Series A	7,685,000	2.0-2.5%	4/1/21	3,065,000
2012 Promissory note Series A	2,725,000	2.0-2.65%	4/1/22	1,425,000
2012 Promissory note Series B	13,400,000	2.0-3.0%	4/1/22	6,300,000
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	3,120,000
2013 Promissory note Series B	630,000	1.0-2.95%	4/1/23	370,000
2013 GO Bonds Series C	3,410,000	2.0-4.0%	4/1/33	2,720,000
2014 Promissory note	190,000	2.75%	3/17/19	190,000
2014 Promissory note Series A	6,405,000	2.0-3.0%	4/1/24	3,310,000
2014 GO Bonds Series B	1,495,000	2.0-3.0%	4/1/29	1,395,000
2015 Promissory note Series A	3,930,000	0.7-2.5%	4/1/25	3,200,000
2015 GO Bonds Series B	5,705,000	2.0-3.5%	4/1/35	5,430,000
2015 GO Com Dev Bonds Series C	2,655,000	3.0-3.95%	4/1/30	2,655,000
2015 State trust fund loan	4,000,000	3.25%	3/15/25	3,662,526
2016 Promissory note Series A	8,705,000	2.0-3.0%	4/1/26	7,210,000
2016 Promissory note Series B	6,530,000	2.0-3.0%	4/1/36	6,340,000
2016 Promissory note Series C	4,695,000	0.7-3.25%	4/1/32	4,380,000
2016 Promissory note	1,609,779	2.75%	4/18/26	1,609,779
2016 Promissory note	200,000	2.75%	11/14/20	200,000
2016 State trust fund loan	4,827,000	3.25%	3/15/25	4,827,000
2017 Promissory note Series A	6,230,000	1.25-4.0%	4/1/27	6,230,000
2017 Promissory note Series B	6,405,000	2.0-3.0%	4/1/31	<u>6,405,000</u>
 Total general obligation debt				 <u>\$ 77,824,305</u>

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

E. LONG-TERM DEBT (Continued)

Debt service requirements on general obligation debt to maturity at December 31, 2017 are as follows:

Year	Governmental Activities		Business-Type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$ 7,992,006	\$ 1,709,451	\$ 8,184,366	\$ 292,469	\$ 16,176,372	\$ 2,001,920
2019	8,730,056	1,488,670	526,840	20,216	9,256,896	1,508,886
2020	8,019,420	1,289,845	299,880	11,009	8,319,300	1,300,854
2021	6,763,961	1,089,091	297,920	3,724	7,061,881	1,092,815
2022	6,669,488	1,256,772	-	-	6,669,488	1,256,772
2023-2027	20,825,368	3,572,943	-	-	20,825,368	3,572,943
2028-2032	7,965,000	1,067,058	-	-	7,965,000	1,067,058
2033-2036	1,550,000	184,865	-	-	1,550,000	184,865
	<u>\$ 68,515,299</u>	<u>\$ 11,658,695</u>	<u>\$ 9,309,006</u>	<u>\$ 327,418</u>	<u>\$ 77,824,305</u>	<u>\$ 11,986,113</u>

Note Anticipation Notes

The note anticipation note outstanding at December 31, 2017 was comprised of the following issue:

	Original Amount	Interest Rates	Final Maturity	Balance 12/31/2017
2017 Anticipation note Series E	\$ 6,600,000	3.00%	4/1/22	<u>\$ 6,600,000</u>

Debt service requirements on the anticipation note debt to maturity at December 31, 2017 are as follows:

Year	Governmental Activities	
	Principal	Interest
2018	\$ -	\$ 162,800
2019	-	198,000
2020	-	198,000
2021	-	198,000
2022	<u>6,600,000</u>	<u>99,000</u>
	<u>\$ 6,600,000</u>	<u>\$ 855,800</u>

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

E. LONG-TERM DEBT (Continued)

Revenue Bonds

The revenue bonds outstanding at December 31, 2017 were comprised of the following issues:

	Original Amount	Interest Rates	Final Maturity	Balance 12/31/2017
2017 Water revenue bonds	\$ 4,815,000	2.0-4.0%	5/1/37	\$ 4,815,000
2017 Sewer revenue bonds	6,225,000	2.0-4.0%	5/1/37	<u>6,225,000</u>
Total revenue bond debt				<u>\$ 11,040,000</u>

Debt service requirements on the revenue bond debt to maturity at December 31, 2017 are as follows:

Year	Business-Type Activities	
	Principal	Interest
2018	\$ 860,000	\$ 321,905
2019	845,000	339,325
2020	865,000	320,500
2021	890,000	295,000
2022	925,000	261,375
2023-2027	4,255,000	728,475
2028-2032	1,110,000	281,925
2033-2037	<u>1,290,000</u>	<u>101,850</u>
	<u>\$ 11,040,000</u>	<u>\$ 2,650,355</u>

Utility Revenues Pledged

The City has pledged future water and sewer customer revenues, net of specified operating expenses, to repay the water and sewer system revenue bonds. Proceeds from the bonds provided financing for the construction or acquisition of capital assets used with the systems. The bonds are payable solely from water and sewer customer net revenues and are payable through 2037. The total principal and interest remaining to be paid on the bonds is \$13,690,355. Principal and interest paid for the current year was \$0, and the total customer net revenues were \$4,867,598.

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

E. LONG-TERM DEBT (Continued)

Conduit Debt Obligations

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

As of December 31, 2017, there were three series of Industrial Revenue Bonds outstanding. Total principal amount payable could not be determined, however, original issue amounts totaled \$2,700,000.

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 in the following schedule:

	<u>Airport</u>	<u>Animal Control</u>
Operating revenues	\$ 143,913	\$ 170,834
Operating expenses	392,523	195,926
Operating income (loss)	(248,610)	(25,092)
Nonoperating revenues	90,000	50,139
Income (loss) before capital contributions and transfers	(158,610)	25,047
Transfers out	(9,624)	-
Change in net position	(168,234)	25,047
Total assets and deferred outflows of resources	2,057,926	181,208
Total liabilities and deferred inflows of resources	112,927	86,129
Total net position	1,944,999	95,079

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 3 – 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, 2017 includes the following:

Net position restricted for :	
Debt service payments	\$ 648,797
Capital improvements	14,814,603
Special purposes	<u>5,951,128</u>
Total governmental activities restricted net position	<u><u>\$ 21,414,528</u></u>

Fund balance classifications for major funds as of December 31, 2017 are as follows:

General Fund	
Nonspendable for advances	\$ 3,713,323
Nonspendable for inventories and prepayments	<u>309,322</u>
Total nonspendable	4,022,645
Committed to contingencies	163,059
Committed to economic development	500,000
Committed to continuing appropriation	651,348
Unassigned	<u>6,566,389</u>
Total General Fund	<u><u>\$ 11,903,441</u></u>
Debt Service Fund	
Restricted for debt service payments	<u><u>\$ 1,240,252</u></u>
TID #3 Downtown Development Fund	
Restricted for capital improvements	<u><u>\$ 5,716,573</u></u>
Capital Improvements Fund	
Restricted for capital improvements	<u><u>\$ 3,712,726</u></u>

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

G. RESTRICTED NET POSITION/FUND BALANCES (Continued)

Fund balances reported on the fund financial statements at December 31, 2017 for nonmajor funds are as follows:

Special revenue funds	
Restricted for special purposes:	
Grants	\$ 1,513,743
HUD mortgage program	136,471
Federal rent rehabilitation	337,818
WRRP rehabilitation	1,146,345
Holtz-Krause Clean up	1,765,386
Hazardous materials emergency response	200,879
EMS grant	33,336
Other grants & special purpose accounts	817,150
Total restricted fund balance	<u>5,951,128</u>
Committed to special purposes:	
DLAD mortgage program	518,830
Economic development	316,805
Housing stock improvement	318,381
Room tax	45,345
Public access cable	5,619
400 Block	58,577
Total committed fund balance	<u>1,263,557</u>
Unassigned:	
Recycling	<u>(14,091)</u>
Total unassigned fund balance	<u>(14,091)</u>
Total special revenue funds	<u>\$ 7,200,594</u>
Capital project funds	
Restricted for special purposes:	
Central Capital Purchasing	\$ 46,776
TID #6 West Side Development	1,660,349
TID #8 Near West Side	240,778
TID #11 Business Campus	3,437,401
Total restricted fund balance	<u>5,385,304</u>
Unassigned:	
TID #7 West Side Development (deficit)	(2,146,797)
TID #9 Big Bull Falls (deficit)	(113,217)
TID #10 Industrial Park (deficit)	(306,871)
TID #12 Downtown Development (deficit)	(222,350)
Total unassigned fund balance	<u>(2,789,235)</u>
Total capital project funds	<u>\$ 2,596,069</u>

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

H. RESTRICTED ASSETS

The following represent the balances of the restricted assets:

Long-Term Debt Accounts

- Construction - Used to report proceeds of bond issuances that are restricted for use in construction.
- Redemption - Used to segregate resources accumulated for debt service payments over the next twelve months

Depreciation/Equipment Replacement Account

The Wastewater Utility established an equipment replacement account to be used for significant mechanical equipment replacement as required by the Wisconsin Department of Natural Resources, and City Council action. The Wastewater Utility has established specific cash accounts and distributes its revenues to these accounts as follows:

	Wastewater
Operations Fund	97.5%
Replacement Fund	2.5%

The balance of restricted assets in the Water and Wastewater Utility Enterprise Funds is as follows:

	Water Utility	Wastewater Utility
Construction accounts	\$ 838,936	\$ 1,758,096
Redemption accounts	3,571,438	5,833,954
Depreciation/Replacement accounts	-	1,578,466
Total Restricted Cash	\$ 4,410,374	\$ 9,170,516

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.

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

I. COMPONENT UNIT (Continued)

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, 2017 is as follows:

Deposits	\$ 5,791,982
Petty cash	<u>120</u>
Total	<u>\$ 5,792,102</u>
Financial statement presentation:	
Cash and cash equivalents	\$ 4,872,649
Cash and cash equivalents - restricted	<u>919,453</u>
Total	<u>\$ 5,792,102</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 and state depository insurance coverage to be secured.

Custodial Credit Risk for Investments

At year end, the carrying value of the CDA's deposits was \$5,791,982 and the financial institution balance was \$5,704,644. The entire financial institution balance was covered by federal and state depository insurance.

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 and state depository insurance coverage to be secured.

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

I. COMPONENT UNIT (Continued)

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 indicated 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, 2017 was as follows:

	Beginning			Ending	Due Within
	Balance	Increases	Decreases	Balance	One Year
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Affordable Housing Program					
Loan	\$ 750,000	\$ -	\$ -	\$ 750,000	\$ -
Compensated absences	<u>31,961</u>	<u>30,647</u>	<u>(23,658)</u>	<u>38,950</u>	<u>17,206</u>
	<u>\$ 781,961</u>	<u>\$ 30,647</u>	<u>\$ (23,658)</u>	<u>\$ 788,950</u>	<u>\$ 17,206</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.

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

I. COMPONENT UNIT (Continued)

d. Capital asset activity for the year ended December 31, 2017 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Capital assets not being depreciated:				
Land	\$ 981,317	\$ -	\$ -	\$ 981,317
Construction in progress	<u>86,283</u>	<u>78,399</u>	<u>(117,843)</u>	<u>46,839</u>
Total capital assets not being depreciated	<u>1,067,600</u>	<u>78,399</u>	<u>(117,843)</u>	<u>1,028,156</u>
Capital assets being depreciated:				
Buildings and improvements	21,462,244	227,658	(1,692)	21,688,210
Furniture and equipment	<u>719,459</u>	<u>21,387</u>	<u>(13,927)</u>	<u>726,919</u>
Total capital assets being depreciated	22,181,703	249,045	(15,619)	22,415,129
Less accumulated depreciation	<u>(8,040,415)</u>	<u>(656,553)</u>	<u>15,619</u>	<u>(8,681,349)</u>
Total capital assets being depreciated, net	<u>14,141,288</u>	<u>(407,508)</u>	<u>-</u>	<u>13,733,780</u>
Total Authority capital assets	<u>\$ 15,208,888</u>	<u>\$ (329,109)</u>	<u>\$ (117,843)</u>	\$ 14,761,936
Less related long-term debt outstanding				<u>750,000</u>
Net investment in capital assets				<u>\$ 14,011,936</u>

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 4 – OTHER INFORMATION

A. DEFINED BENEFIT PENSION PLAN

Plan description

The Wisconsin Retirement System (WRS) is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone Comprehensive Annual Financial Report (CAFR), which can be found at etf.wi.gov/publications/cafr.htm

Vesting

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.

Benefits provided

Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and State executive participants) are entitled to receive an unreduced retirement benefit. 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 participant's three highest years' earnings. Creditable service is the creditable current and prior service expressed in years or decimal equivalents of partial years for which a participant receives earnings and makes contributions as required. The formula factor is a standard percentage based on employment category.

Employees may retire at age 55 (50 for protective occupation employees) and receive reduced benefits. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and forfeit all rights to any subsequent benefits.

The WRS also provides death and disability benefits for employees.

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 4 – OTHER INFORMATION (Continued)

A. DEFINED BENEFIT PENSION PLAN (Continued)

Post-Retirement Adjustments

The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system’s consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the “floor”) set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

Year	Core Fund Adjustment	Variable Fund Adjustment
2007	3.0%	10.0%
2008	6.6	0.0
2009	(2.1)	(42.0)
2010	(1.3)	22.0
2011	(1.2)	11.0
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	5.0

Contributions

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee Category. Required contributions for protective employees are the same rate as general 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 an existing collective bargaining agreement.

During the reporting period ending December 31, 2016, the WRS recognized \$1,620,665 in contributions from the City.

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 4 – OTHER INFORMATION (Continued)

A. DEFINED BENEFIT PENSION PLAN (Continued)

Contribution rates for the reporting period are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (including teachers, executives, and elected officials)	6.6%	6.6%
Protective with Social Security	6.6%	9.4%
Protective without Social Security	6.6%	13.2%

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows or Resources Related to Pensions

At December 31, 2017, the City reported a liability of \$1,404,220 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015 rolled forward to December 31, 2016. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension liability was based on the city's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2016, the City's proportion was 0.17036564% which was a decrease of 0.00065485% from its proportion measured as of December 31, 2015.

For the year ended December 31, 2017, the City recognized pension expense of \$3,627,418.

At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 535,429	\$ 4,416,148
Net differences between projected and actual earnings on pension plan investments	6,989,760	-
Changes in assumptions	1,468,166	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	38,801	-
Employer contributions subsequent to the measurement date	<u>1,834,467</u>	<u>-</u>
Total	<u>\$ 10,866,623</u>	<u>\$ 4,416,148</u>

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 4 – OTHER INFORMATION (Continued)

A. DEFINED BENEFIT PENSION PLAN (Continued)

The \$1,834,467 reported as deferred outflows related to pension resulting from the City’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31	Expense
2016	\$ 1,876,263
2017	1,876,263
2018	1,277,749
2019	(416,848)
2020	2,581
Total	<u>\$ 4,616,008</u>

Actuarial Assumption

The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2015
Measurement Date of Net Pension Liability:	December 31, 2016
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.6%
Mortality:	Wisconsin 2012 Mortality Table
Post-retirement Adjustments*	2.1%

** No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 2.1% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.*

Actuarial assumptions are based upon an experience study conducted in 2015 using experience from 2012-2014. The total pension liability for December 31, 2016 is based upon a roll-forward of the liability calculated from the December 31, 2015 actuarial valuation.

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 4 – OTHER INFORMATION (Continued)

A. DEFINED BENEFIT PENSION PLAN (Continued)

Long-term expected Return on Plan Assets

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Core Fund Asset Class	Current Asset Allocation	Destination Target Asset Allocation	Long-Term Expected Nominal Rate of Return	Long-Term Expected Real Rate of Return
Global Equities	50.0%	45.0%	8.3%	5.4%
Fixed Income	24.5%	37.0%	4.2%	1.4%
Inflation Sensitive Assets	15.5%	20.0%	4.3%	1.5%
Real Estate	8.0%	7.0%	6.5%	3.6%
Private Equity/Debt	8.0%	7.0%	9.4%	6.5%
Multi-Asset	4.0%	4.0%	6.6%	3.7%
Total Core Fund	110.0%	120.0%	7.4%	4.5%
<hr/>				
US Equities	70%	70%	7.6%	4.7%
International Equities	30%	30%	8.5%	5.6%
Total Variable Fund	100%	100%	7.9%	5.0%

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.75%

Asset allocations are managed within established ranges, target percentages may differ from actual monthly allocations

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 4 – OTHER INFORMATION (Continued)

A. DEFINED BENEFIT PENSION PLAN (Continued)

Single Discount rate

A single discount rate of 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long term bond rate of 3.78%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City’s proportionate share of the net pension asset/(liability) to changes in the discount rate

The following schedule presents the City’s proportionate share of the net pension asset/(liability) calculated using the discount rate of 7.20%, as well as what the City’s proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20%) or 1-percentage-point higher (8.20%) than the current rate:

	1% Decrease to Discount Rate (6.20%)	Current Discount Rate (7.20%)	1% Increase to Discount Rate (8.20%)
City's proportionate share of the net pension asset (liability)	\$ (18,473,410)	\$ (1,404,220)	\$ 11,739,830

Pension plan fiduciary net position

Detailed information about the pension plan’s fiduciary net position is available in separately issued financial statements available at etf.wi.gov/publications/cafr.htm.

Payable to the pension plan

At December 31, 2017 the City reported a payable of \$400,211 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2017.

In addition to the above-mentioned retirement fund, the State of Wisconsin administers a plan for three (3) employees who retired prior to the consolidation with the WRS. The total estimated future cost to the City at December 31, 2017, was approximately \$33,382, substantially all of which relates to prior services. The current portion of the estimated liability of \$10,612 is provided for in the General Fund. The estimated remaining period of amortization is four years.

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 4 – OTHER INFORMATION (Continued)

B. COMMITMENTS AND CONTINGENCIES

Litigation

The City is currently involved in several legal proceedings. The City intends to vigorously defend any litigation. It is the opinion of management and the City’s legal counsel that the ultimate outcome of any litigation will not have a material adverse effect on the City’s financial position.

Risk management

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

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, administrative costs and stop loss claims.

Under the health care program, the City pays up to a maximum of \$60,000 annually for each covered employee and each covered dependent’s health care cost. Expected claims are calculated at the end of each plan year by the third party administrator based on the number of single and family contracts covered and the expected claims. Administrative costs for 2017 totaled approximately \$135,058.

The estimated liability for self-funded losses is based on reported claims for the year and those received subsequent to year end. The City does not allocate overhead costs or other costs to the claims liability. The estimated claims liability amount for 2016 and 2017 is as follows:

	Balance January 1	Claims and Changes in Estimates	Amounts Paid	Balance December 31
2016	\$ 571,971	\$ 4,349,567	\$ 4,257,655	\$ 663,883
2017	663,883	3,544,139	3,665,022	543,000

Under the HRA program, the City pays a maximum of \$600 per single contract (\$1,200 for family). Under the HSA program, the City will make a maximum contribution of \$600 per single contract (\$1,200 for family) to the savings accounts for the high-deductible plan only. 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.

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 4 – OTHER INFORMATION (Continued)

B. COMMITMENTS AND CONTINGENCIES (Continued)

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, 2017 a claims liability of \$2,000 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 2016 and 2017 is as follows:

		Balance	Claims and Changes in	Amounts	Balance
		<u>January 1</u>	<u>Estimates</u>	<u>Paid</u>	<u>December 31</u>
2016	\$	60,000	\$ 157,463	\$ 157,463	\$ 60,000
2017		60,000	89,822	147,822	2,000

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 limits of liability are \$5,000,000 per occurrence less the retained limits. The City also carries excess insurance which covers the City up to \$20,000,000. 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.

On December 31, 2017, a claims liability of \$137,156 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 2016 and 2017 are as follows:

		Balance	Claims and Changes in	Amounts	Balance
		<u>January 1</u>	<u>Estimates</u>	<u>Paid</u>	<u>December 31</u>
2016	\$	117,118	\$ 65,919	\$ 88,443	\$ 94,594
2017		94,594	60,780	18,218	137,156

The City has also 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.

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 4 – OTHER INFORMATION (Continued)

B. COMMITMENTS AND CONTINGENCIES (Continued)

The claims liability of \$513,122 at December 31, 2017 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. Changes in the claims liability amount for 2016 and 2017 are as follows:

	Balance	Claims and	Amounts	Balance
	January 1	Changes in Estimates	Paid	December 31
2016	\$ 206,344	\$ 180,291	\$ 221,044	\$ 165,591
2017	165,591	609,724	262,193	513,122

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

The City and Water and Wastewater Utilities have committed to construction projects in the ensuing year with estimated future costs to complete of approximately \$4,092,901.

The City is currently involved in a number of tax litigation issues for refunds of property taxes based on property assessments. The expected outcome of these items along with an anticipated total of claim payments is not determinable at this time.

The City has entered into a number of developer agreements within the City’s tax incremental financing districts. Payments under these agreements are contingent upon the developers fulfilling certain agreed upon matters. Total commitments at December 31, 2017 are \$10,553,479.

C. ACCUMULATED UNPAID EMPLOYEE BENEFITS

City employees generally earn vacation and sick leave at different rates depending upon years of service. Vacation and sick leave accumulate on a biweekly basis. A liability for accrued vacation benefits of \$1,026,834 has been recorded in the government-wide statement of net position.

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 4 – OTHER INFORMATION (Continued)

C. ACCUMULATED UNPAID EMPLOYEE BENEFITS (Continued)

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 \$1,401,140 at December 31, 2017, 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 System benefits within thirty (30) days of the last day of work, and
3. In cases of voluntary retirement, give the employer at least a three months' notice of retirement date.

Provisions exist which allow City employees to earn compensatory time for hours worked in excess of 40 hours per week. This compensatory time is earned at either time or time-and-one half depending upon the employee's position classification. 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 \$75,336 at December 31, 2017.

D. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

In addition to pension benefits being provided through the Wisconsin Retirement System described earlier, the City provides 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 upon retirement into monetary value and draw down on the amount to pay costs of health 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.

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 4 – OTHER INFORMATION (Continued)

D. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

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 fourteen 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	\$ 122,010
Interest on net OPEB obligation	2,544
Adjustment to annual required contribution	<u>(9,940)</u>
Annual OPEB cost	114,614
Contributions made	<u>(109,967)</u>
Decrease in net OPEB obligation	4,647
Net OPEB obligation - beginning of year	<u>(42,720)</u>
 Net OPEB obligation (asset) - end of year	 <u><u>\$ (38,073)</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2017 and the two preceding years are as follows:

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
12/31/17	\$ 114,614	95.95%	\$ (38,073)
12/31/16	114,614	211.25%	(42,720)
12/31/15	14,041	1018.08%	84,787

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 4 – OTHER INFORMATION (Continued)

D. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

The funded status of the plan as of January 1, 2017, the most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	\$	721,537
Actuarial value of plan assets		-
Unfunded actuarial accrued liability (UAAL)	\$	721,537
Funded ratio (actuarial value of plan assets/AAL)		0%
Covered payroll (active plan members)	\$	18,940,393
UAAL as a percentage of covered payroll		3.8%

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

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

In the actuarial valuation, the entry-age normal actuarial cost method was used. The actuarial assumptions include a 3.0 percent investment rate of return and an annual healthcare cost trend rate of 7.5 percent initially, decreasing by 0.50 percent per year down to 6.50 percent, then by 0.10 percent per year down to an ultimate rate of 5 percent. All rates include a 2.5 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, 2017 was 10 years.

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 4 – OTHER INFORMATION (Continued)

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.

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 (CCITC). 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 are made by the City at a rate of 21%.

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 CCITC for the year ended December 31, 2017 is as follows:

Operating revenues	\$ 3,907,487
Operating expenses	
Data processing expenses	3,728,294
Administrative and general expenses	179,193
Depreciation	282,937
Total operating expenses	4,190,424
Operating loss before contributions and reimbursements	(282,937)
Capital contributions and reimbursements	272,154
Change in net position	(10,783)
Total assets and deferred outflows of resources	2,271,797
Total liabilities and deferred inflows of resources	1,223,823
Total net position	1,047,974

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 4 – OTHER INFORMATION (Continued)

G. TAX INCREMENTAL FINANCING DISTRICTS

Tax Incremental Financing District No. 3 was created on September 1, 1994. The last date to incur project costs is September 1, 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, 2017 are summarized in the following schedule.

2008 General Obligation Notes	\$ 30,000
2009 General Obligation Notes	70,000
2010A General Obligation Notes	540,447
2012A General Obligation Notes - Taxable	1,425,000
2012B General Obligation Notes	3,725,000
2013 Foundation loan	750,000
2014B General Obligation Bonds	1,105,000
2015B General Obligation Bonds	1,420,000
2015C General Obligation Bonds - Taxable	2,655,000
2016B General Obligation Bonds	3,315,000
2016C General Obligation Bonds - Taxable	3,237,101
2016 Foundation Loan	600,000
2016 Foundation Loan	1,609,779
2017B General Obligation Bonds	<u>6,405,000</u>
Total	<u>\$26,887,327</u>

Tax Incremental Financing District No. 5 was created on July 8, 1997. The last date to incur project costs is July 8, 2015. The City borrowed funds for the project that were retired by tax increments. At December 31, 2017, Tax Incremental Financing District No. 5 has no debt issues outstanding.

Tax Incremental Financing District No. 6 was created on May 11, 2005. The expenditure period will end on May 11, 2023. The City borrowed funds for the project that will be retired by tax increments. The debt issues are included in the City’s debt and the balances at December 31, 2017 are as follows:

2010A General Obligation Notes	\$ 120,000
2011A General Obligation Notes	496,530
2012B General Obligation Notes	340,000
2013A General Obligation Notes	120,000
2016A General Obligation Notes	3,975,000
2017A General Obligation Notes	<u>3,615,000</u>
Total	<u>\$ 8,666,530</u>

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 4 – OTHER INFORMATION (Continued)

G. TAX INCREMENTAL FINANCING DISTRICTS (Continued)

The following schedule summarizes the cumulative status of Tax Incremental Financing Districts (TID) No. 3, 5 and 6 as of December 31, 2017.

	TID #3	TID #5	TID #6
Total revenues	\$ 47,560,735	\$ 16,116,066	\$ 13,256,157
Expenditures:			
Project costs	56,101,492	3,329,095	16,559,858
Interest and related costs	12,537,252	1,919,991	1,009,584
Administration	938,461	407,823	703,679
Developer grants/incentives	8,037,460	7,703,410	2,873,958
Other costs	-	2,755,747	195,258
Total expenditures	77,614,665	16,116,066	21,342,337
Net recoverable costs	\$ 30,053,930	\$ -	\$ 8,086,180

Tax Incremental Financing District No. 7 was created January 11, 2006. The expenditure period will end on January 10, 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, 2017 are summarized as follows:

2008A General Obligation Notes	\$ 375,000
2009A General Obligation Notes	140,000
2010A General Obligation Notes	28,000
2013B General Obligation Notes	250,000
Total	\$ 793,000

Tax Incremental Financing District No. 8 was created on April 11, 2012. The expenditure period will end on April 10, 2034. The City borrowed funds for the project that will be retired by tax increments. These debt issues are included in the City's debt and the balance at December 31, 2017 is as follows:

2014 Foundation Loan	\$ 190,000
2015A General Obligation Notes	830,000
2016 Foundation Loan	200,000
2016B General Obligation Bond	540,000
	\$ 1,760,000

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 4 – OTHER INFORMATION (Continued)

G. TAX INCREMENTAL FINANCING DISTRICTS (Continued)

Tax Incremental Financing District No. 9 was created on September 26, 2012. The expenditure period will end on September 25, 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, 2017 is as follows:

2013B General Obligation Notes	<u>\$ 370,000</u>
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The following schedule summarizes the cumulative status of Tax Incremental Financing Districts (TID) No. 7, 8, and 9:

	TID #7	TID #8	TID #9
Total revenues	\$ 4,471,086	\$ 1,260,076	\$ 209,378
Expenditures:			
Project costs	5,564,117	2,170,245	5,990
Interest and related costs	988,512	93,244	70,948
Administration	148,344	140,475	15,658
Developer grants/incentives	513,484	332,500	600,000
Other costs	196,425	42,835	-
Total expenditures	7,410,882	2,779,299	692,596
Net recoverable costs	\$ 2,939,796	\$ 1,519,223	\$ 483,218

Tax Incremental Financing District No. 10 was created on September 10, 2013. The expenditure period will end on September 10, 2028. The City borrowed funds for the project that will be retired by tax increments. These debt issues are included in the City's debt and the balances at December 31, 2017 are as follows:

2014B Community Development Bond	\$ 290,000
2015B General Obligation Bonds	<u>1,225,000</u>
	<u>\$ 1,515,000</u>

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 4 – OTHER INFORMATION (Continued)

G. TAX INCREMENTAL FINANCING DISTRICTS (Continued)

Tax Incremental Financing District No. 10 was created on September 10, 2013. The expenditure period will end on September 10, 2028. The City borrowed funds for the project that will be retired by tax increments. These debt issues are included in the City’s debt and the balances at December 31, 2017 are as follows:

2014B Community Development Bond	\$ 290,000
2015B General Obligation Bonds	<u>1,225,000</u>
	<u>\$ 1,515,000</u>

Tax Incremental Financing District No. 11 was created on July 24, 2017. The expenditure period will end on July 11, 2032. The City borrowed funds for the project that will be retired by tax increments. These debt issues are included in the City’s debt and the balances at December 31, 2017 are as follows:

2017E Taxable Note Anticipation Notes	\$ <u>6,600,000</u>
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Tax Incremental Financing District No. 12 was created on July 24, 2017. The expenditure period will end on July 18, 2039. At December 31, 2017, Tax Incremental Financing District No. 12 has no debt issues outstanding.

The following schedule summarizes the cumulative status of Tax Incremental Financing Districts (TID) No. 10, 11, and 12:

	TID #10	TID #11	TID #12
Total revenues	\$ 282,851	\$ 174,243	\$ -
Expenditures:			
Project costs	544,637	3,039,910	207,608
Interest and related costs	148,461	180,835	-
Administration	86,624	116,096	14,742
Developer grants/incentives	1,325,000	-	-
Other costs	-	-	-
Total expenditures	2,104,722	3,336,841	222,350
Net recoverable costs	\$ 1,821,871	\$ 3,162,598	\$ 222,350

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 4 – OTHER INFORMATION (Continued)

H. TAX ABATEMENTS

The City has created tax incremental financing districts (the “District”) in accordance with Wisconsin State Statute 66.1105, *Tax Increment Law*. As part of the project plan for the Districts, the City entered into agreements with developers for the creation of tax base within the Districts. The agreements require the City to make annual repayments of property taxes collected within the Districts to the developers, based upon the terms of the agreements. As tax abatements, those developer payments and the related property tax revenues are not reported as revenues or expenditures in the financial statements.

For the year ended December 31, 2017, the City abated property taxes totaling \$132,500 under this program, including the following tax abatement agreements that each exceeded 10% of the total amount abated:

- A tax abatement of \$57,500 which represented the first payment in a commitment to abate \$287,500 in real estate taxes for the site costs related to the construction and redevelopment of a gas station and medical offices located within Tax Increment District #8.
- A 87.26 percent tax abatement of \$75,000 which represented the final of two payments for the site costs related to the construction and development of an auto dealership within Tax Increment District #6.

I. UPCOMING ACCOUNTING PRONOUNCEMENTS

In June 2015, the GASB issued a new standard addressing accounting and financial reporting for post-employment benefits other than pensions (OPEB). GASB Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other than Pensions*, addresses accounting and reporting by employer governments that provide OPEB benefits to their employees. The City will, after adoption of GASB No. 75, recognize on the face of the financial statements its net OPEB liability. GASB No. 75 is effective for fiscal years beginning after June 15, 2017. The City is currently evaluating the impact this standard will have on the financial statements when adopted.

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. The Statement establishes criteria for identifying fiduciary activities and addresses financial reporting for these activities. This statement is effective for reporting periods beginning after June 15, 2018. The City is currently evaluating the impact this standard will have on the financial statements when adopted.

In June 2017, the GASB issued Statement No. 87, *Leases*. The Statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. This statement is effective for reporting periods beginning after December 15, 2019. The City is currently evaluating the impact this standard will have on the financial statements when adopted.

CITY OF WAUSAU, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 4 – OTHER INFORMATION (Continued)

J. SUBSEQUENT EVENT

Debt Refunding

On December 5, 2017, the city issued \$4,815,000 of water system revenue bonds, Series C, with an average interest rate of 2.55%, and \$6,225,000 of sewer system revenue bonds, Series D, with an average interest rate of 2.32%, of which \$6,925,000 was used to refund \$7,662,526 of outstanding 2015 and 2016 state trust fund loans with an average interest rate of 3.25%. \$6,877,701 of the total net proceeds of \$11,754,856 plus an additional amount of \$1,046,214 of current available resources were used to retire outstanding principal and interest of the 2015 and 2016 state trust fund loan issue in the amount of \$7,923,915 on January 2, 2018. As a result, the 2015 state trust fund loan has been paid in its entirety, and all but \$827,000 of the 2016 state trust fund loan has been paid as of January 2, 2018.

This refunding was undertaken to reduce the total debt payments through 2037 by \$418,906 and to obtain a total economic gain (difference between the present values of the old and new debt service payments) of \$126,886.

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 REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended December 31, 2017

	Budgeted Amounts (Note A)		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 17,780,714	\$ 17,780,714	\$ 17,858,057	\$ 77,343
Intergovernmental	8,001,910	8,001,910	8,052,938	51,028
Licenses and permits	776,822	776,822	958,527	181,705
Fines, forfeitures and penalties	359,000	359,000	423,502	64,502
Public charges for services	2,094,489	2,094,489	2,150,635	56,146
Intergovernmental charges for services	817,333	817,333	1,219,719	402,386
Miscellaneous revenues	466,320	466,320	687,398	221,078
Total Revenues	<u>30,296,588</u>	<u>30,296,588</u>	<u>31,350,776</u>	<u>1,054,188</u>
EXPENDITURES				
General government	4,241,687	4,241,687	3,789,975	451,712
Public safety	16,728,979	16,755,478	17,063,509	(308,031)
Transportation and streets	7,660,716	7,660,716	7,510,543	150,173
Sanitation, health and welfare	918,000	906,000	965,794	(59,794)
Natural resources and recreation	2,644,607	2,644,607	2,543,094	101,513
Total Expenditures	<u>32,193,989</u>	<u>32,208,488</u>	<u>31,872,915</u>	<u>335,573</u>
Deficiency of Revenues over Expenditures	(1,897,401)	(1,911,900)	(522,139)	1,389,761
OTHER FINANCING SOURCES (USES)				
Transfers in	1,897,400	1,897,400	1,910,012	12,612
Transfers out	-	(511,600)	(511,600)	-
Total Other Financing Sources (Uses)	<u>1,897,400</u>	<u>1,385,800</u>	<u>1,398,412</u>	<u>12,612</u>
Net Change in Fund Balance	(1)	(526,100)	876,273	1,402,373
Fund balance - beginning of year	<u>11,027,168</u>	<u>11,027,168</u>	<u>11,027,168</u>	<u>-</u>
Fund balance - end of year	<u>\$ 11,027,167</u>	<u>\$ 10,501,068</u>	<u>\$ 11,903,441</u>	<u>\$ 1,402,373</u>

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

Note B - Expenditures exceeded appropriations for the following departmental cost centers: City promotion by \$2,232, City Clerk/customer service by \$6,044, City hall and other municipal buildings by \$648, Police Department by \$56,970, Fire department by \$256,479, Ambulance by \$45,956, Engineering by \$39,738, and Garbage and refuse collection by \$59,794.

CITY OF WAUSAU, WISCONSIN
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POST-EMPLOYMENT BENEFITS PLAN
SCHEDULE OF FUNDING PROGRESS
Year Ended December 31, 2017

Year	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Liability (AAL) Entry Age Normal Cost	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
2008	1/1/2008	\$ -	\$ 2,006,863	\$ 2,006,863	0.0%	\$ 15,265,869	13.1%
2009	1/1/2008	\$ -	\$ 2,006,863	\$ 2,006,863	0.0%	\$ 16,259,665	12.3%
2010	1/1/2010	\$ -	\$ 1,871,949	\$ 1,871,949	0.0%	\$ 16,425,193	11.4%
2011	1/1/2010	\$ -	\$ 1,871,949	\$ 1,871,949	0.0%	\$ 16,952,936	11.0%
2012	1/1/2012	\$ -	\$ 1,483,204	\$ 1,483,204	0.0%	\$ 16,816,458	8.8%
2013	1/1/2012	\$ -	\$ 1,483,204	\$ 1,483,204	0.0%	\$ 17,651,581	8.4%
2014	1/1/2014	\$ -	\$ 283,195	\$ 283,195	0.0%	\$ 18,263,114	1.6%
2015	1/1/2014	\$ -	\$ 283,195	\$ 283,195	0.0%	\$ 18,135,976	1.6%
2016	1/1/2016	\$ -	\$ 721,537	\$ 721,537	0.0%	\$ 18,160,529	4.0%
2017	1/1/2017	\$ -	\$ 721,537	\$ 721,537	0.0%	\$ 18,308,916	3.9%

CITY OF WAUSAU, WISCONSIN
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POST-EMPLOYMENT BENEFITS
SCHEDULE OF EMPLOYER CONTRIBUTIONS
Year Ended December 31, 2017

Year	Employer Contributions	Annual Required Contribution (ARC)	Contribution Percentage Contributed
2015	\$ 142,948	\$ 22,384	639%
2016	\$ 242,121	\$ 122,010	198%
2017	\$ 109,967	\$ 122,010	90%

CITY OF WAUSAU, WISCONSIN
REQUIRED SUPPLEMENTARY INFORMATION
NET PENSION ASSET (LIABILITY)
SCHEDULE OF EMPLOYER CONTRIBUTIONS
Year Ended December 31, 2017

Year	Required Contributions	Contributions Made	Contribution Deficiency (Excess)	Total Payroll	Contributions as a percentage of Payroll
2015	\$ 1,627,588	\$ 1,627,588	\$ -	\$ 18,179,898	8.95%
2016	\$ 1,620,665	\$ 1,620,665	\$ -	\$ 18,160,529	8.92%
2017	\$ 1,834,467	\$ 1,834,467	\$ -	\$ 18,940,393	9.69%

CITY OF WAUSAU, WISCONSIN
REQUIRED SUPPLEMENTARY INFORMATION
NET PENSION ASSET (LIABILITY)
SCHEDULE OF EMPLOYER PROPORTIONATE SHARE OF
NET PENSION ASSET (LIABILITY)
Year Ended December 31, 2017

Year	Proportion of Net Pension Asset (Liability)	Beginning Balance of Net Pension Asset (Liability)	Ending Balance of Net Pension Asset (Liability)	Total Payroll	Ending Net Pension Asset (Liability) as a Percentage of Payroll	Plan Fiduciary Net Position as a Percentage of Total Pension Asset (Liability)
2015	0.17172566%	\$ 6,815,558	\$ 4,218,052	\$ 18,308,916	23.04%	102.74%
2016	0.17102049%	\$ 4,218,052	\$ (2,779,050)	\$ 18,179,898	15.29%	98.20%
2017	0.17036564%	\$ (2,779,050)	\$ (1,404,220)	\$ 18,160,529	7.73%	99.12%

NOTE A - WISCONSIN RETIREMENT SYSTEM

There were no changes in benefit terms or assumptions for any participating employer in WRS.

The amounts reported for each fiscal year were determined as of the calendar year-end that occurred within the prior fiscal year. The City is required to present the last ten fiscal years of data; however accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

**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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
TAXES				
General property taxes	\$ 17,579,529	\$ 17,579,529	\$ 17,579,529	\$ -
Mobile home parking fees	26,000	26,000	27,579	1,579
Payments in lieu of taxes	108,000	108,000	139,649	31,649
Other taxes	67,185	67,185	111,300	44,115
Total Taxes	<u>17,780,714</u>	<u>17,780,714</u>	<u>17,858,057</u>	<u>77,343</u>
INTERGOVERNMENTAL				
State shared taxes	4,437,876	4,437,876	4,465,585	27,709
Expenditure restraint	817,119	817,119	817,119	-
Fire insurance tax	107,000	107,000	111,735	4,735
Municipal services	185,466	185,466	176,871	(8,595)
Transportation aids	2,448,749	2,448,749	2,439,407	(9,342)
Other grants	5,700	5,700	42,221	36,521
Total Intergovernmental	<u>8,001,910</u>	<u>8,001,910</u>	<u>8,052,938</u>	<u>51,028</u>
LICENSES AND PERMITS				
Licenses	178,055	178,055	191,920	13,865
Franchise fees	355,000	355,000	341,786	(13,214)
Permits	243,767	243,767	424,821	181,054
Total Licenses and Permits	<u>776,822</u>	<u>776,822</u>	<u>958,527</u>	<u>181,705</u>
FINES, FORFEITURES AND PENALTIES				
	<u>359,000</u>	<u>359,000</u>	<u>423,502</u>	<u>64,502</u>
PUBLIC CHARGES FOR SERVICES				
General government	76,050	76,050	104,258	28,208
Public safety	1,576,270	1,576,270	1,625,883	49,613
Streets and related facilities	126,250	126,250	186,269	60,019
Recreation	189,000	189,000	134,723	(54,277)
Public areas	126,919	126,919	99,502	(27,417)
Total Public Charges for Services	<u>2,094,489</u>	<u>2,094,489</u>	<u>2,150,635</u>	<u>56,146</u>
INTERGOVERNMENTAL CHARGES FOR SERVICES				
State, federal and local reimbursements	11,340	11,340	27,153	15,813
County and other municipalities	202,023	202,023	225,473	23,450
City departments	603,970	603,970	967,093	363,123
Total Intergovernmental Charges for Services	<u>817,333</u>	<u>817,333</u>	<u>1,219,719</u>	<u>402,386</u>

CITY OF WAUSAU, WISCONSIN
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL (Continued)
Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
MISCELLANEOUS REVENUES				
Interest on general investments	\$ 275,000	\$ 275,000	\$ 296,828	\$ 21,828
Interest on special assessments	11,000	11,000	6,789	(4,211)
Other interest	18,000	18,000	80,959	62,959
Rent of land and buildings	135,600	135,600	209,078	73,478
Sale of City property/loss compensation	16,000	16,000	39,387	23,387
Other miscellaneous revenues	<u>10,720</u>	<u>10,720</u>	<u>54,357</u>	<u>43,637</u>
Total Miscellaneous Revenues	<u>466,320</u>	<u>466,320</u>	<u>687,398</u>	<u>221,078</u>
OTHER FINANCING SOURCES				
Transfers in	<u>1,897,400</u>	<u>1,897,400</u>	<u>1,910,012</u>	<u>12,612</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES				
	<u>\$ 32,193,988</u>	<u>\$ 32,193,988</u>	<u>\$ 33,260,788</u>	<u>\$ 1,066,800</u>

CITY OF WAUSAU, WISCONSIN
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL
Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
GENERAL GOVERNMENT				
City Council	\$ 92,343	\$ 92,343	\$ 87,357	\$ 4,986
Mayor	200,677	200,677	197,899	2,778
City promotion	125,000	125,000	127,232	(2,232)
Finance department	526,315	526,315	455,278	71,037
Data processing	704,953	704,953	680,604	24,349
City clerk/customer service	408,867	408,867	414,911	(6,044)
Elections	36,765	36,765	33,618	3,147
Assessor	594,849	594,849	381,169	213,680
City attorney	537,389	537,389	519,509	17,880
Municipal court	138,026	138,026	137,350	676
Human resources	385,836	385,836	273,621	112,215
City hall and other municipal buildings	282,407	282,407	283,055	(648)
Unclassified	208,260	208,260	198,372	9,888
Total General Government	<u>4,241,687</u>	<u>4,241,687</u>	<u>3,789,975</u>	<u>451,712</u>
PUBLIC SAFETY				
Police department	9,132,971	9,152,970	9,209,940	(56,970)
Fire department	3,619,193	3,625,693	3,882,172	(256,479)
Ambulance	3,088,730	3,088,730	3,134,686	(45,956)
Inspections department	888,085	888,085	836,711	51,374
Total Public Safety	<u>16,728,979</u>	<u>16,755,478</u>	<u>17,063,509</u>	<u>(308,031)</u>
TRANSPORTATION AND STREETS				
Engineering	1,283,711	1,271,711	1,311,449	(39,738)
Public works	6,377,005	6,389,005	6,199,094	189,911
Total Transportation and Streets	<u>7,660,716</u>	<u>7,660,716</u>	<u>7,510,543</u>	<u>150,173</u>
SANITATION, HEALTH AND WELFARE				
Garbage and refuse collection	918,000	906,000	965,794	(59,794)
NATURAL RESOURCES/RECREATION				
Parks and recreation	2,644,607	2,644,607	2,543,094	101,513
OTHER FINANCING USES				
Transfers out	-	511,600	511,600	-
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 32,193,989</u>	<u>\$ 32,720,088</u>	<u>\$ 32,384,515</u>	<u>\$ 335,573</u>

CITY OF WAUSAU, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
December 31, 2017

	Special Revenue Funds			
	Grants	HUD Mortgage	DLAD Mortgage Program	Economic Development
ASSETS				
Cash and cash equivalents	\$ 1,409,641	\$ 137,695	\$ 518,830	\$ 329,294
Investments	-	-	-	-
Taxes receivable	210,187	-	-	-
Accounts receivable	47,823	-	-	500
Notes receivable	3,439,521	2,214,912	76,276	823,903
Due from other governments	162,946	-	-	-
Advance to other funds	-	-	-	-
	<u>5,270,118</u>	<u>2,352,607</u>	<u>595,106</u>	<u>1,153,697</u>
TOTAL ASSETS	\$ 5,270,118	\$ 2,352,607	\$ 595,106	\$ 1,153,697
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 1,654	\$ 1,224	\$ -	\$ 46
Employee compensation and benefits	52,070	-	-	-
Due to other funds	-	-	-	-
Unearned revenues	52,943	-	-	12,943
Advances from other funds	-	-	-	-
	<u>106,667</u>	<u>1,224</u>	<u>-</u>	<u>12,989</u>
Total Liabilities	106,667	1,224	-	12,989
Deferred Inflows of Resources				
Unavailable revenue	3,439,521	2,214,912	76,276	823,903
Property taxes levied for subsequent year	210,187	-	-	-
	<u>3,649,708</u>	<u>2,214,912</u>	<u>76,276</u>	<u>823,903</u>
Total Deferred Inflows of Resources	3,649,708	2,214,912	76,276	823,903
Fund Balances				
Nonspendable	-	-	-	-
Restricted for				
Special purposes	1,513,743	136,471	-	-
Committed to				
Special purposes	-	-	518,830	316,805
Unassigned	-	-	-	-
	<u>1,513,743</u>	<u>136,471</u>	<u>518,830</u>	<u>316,805</u>
Total Fund Balances	1,513,743	136,471	518,830	316,805
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 5,270,118	\$ 2,352,607	\$ 595,106	\$ 1,153,697

Special Revenue Funds

Federal Rent Rehabilitation	WRRP Rehabilitation	Holtz-Krause Clean Up	Hazardous Materials Emergency Response	Housing Stock Improvement	Room Tax
\$ 337,818	\$ 1,146,345	\$ 501,226	\$ 181,204	\$ 197,258	\$ 36,959
-	-	-	-	-	-
-	-	-	-	-	-
-	-	25,656	-	-	96,275
-	613,624	112,663	-	328,017	100,000
-	-	-	20,250	124,123	-
-	-	1,239,432	-	-	-
<u>\$ 337,818</u>	<u>\$ 1,759,969</u>	<u>\$ 1,878,977</u>	<u>\$ 201,454</u>	<u>\$ 649,398</u>	<u>\$ 233,234</u>
\$ -	\$ -	\$ 488	\$ 575	\$ 3,000	\$ 87,889
-	-	440	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	928	575	3,000	87,889
-	613,624	112,663	-	328,017	100,000
-	-	-	-	-	-
-	613,624	112,663	-	328,017	100,000
-	-	-	-	-	-
337,818	1,146,345	1,765,386	200,879	-	-
-	-	-	-	318,381	45,345
-	-	-	-	-	-
<u>337,818</u>	<u>1,146,345</u>	<u>1,765,386</u>	<u>200,879</u>	<u>318,381</u>	<u>45,345</u>
<u>\$ 337,818</u>	<u>\$ 1,759,969</u>	<u>\$ 1,878,977</u>	<u>\$ 201,454</u>	<u>\$ 649,398</u>	<u>\$ 233,234</u>

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CITY OF WAUSAU, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (Continued)
December 31, 2017

	Special Revenue Funds			
	Public Access Cable	Recycling	EMS Grant	400 Block
ASSETS				
Cash and cash equivalents	\$ 5,621	\$ 17,628	\$ 33,336	\$ 59,967
Investments	-	-	-	-
Taxes receivable	-	517,451	-	-
Accounts receivable	1,427	104	-	-
Notes receivable	-	-	-	-
Due from other governments	-	-	-	-
Advance to other funds	-	-	-	-
	-	-	-	-
TOTAL ASSETS	\$ 7,048	\$ 535,183	\$ 33,336	\$ 59,967
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ 31,823	\$ -	\$ 1,390
Employee compensation and benefits	1,429	-	-	-
Due to other funds	-	-	-	-
Unearned revenues	-	-	-	-
Advances from other funds	-	-	-	-
	-	-	-	-
Total Liabilities	1,429	31,823	-	1,390
Deferred Inflows of Resources				
Unavailable revenue	-	-	-	-
Property taxes levied for subsequent year	-	517,451	-	-
	-	517,451	-	-
Total Deferred Inflows of Resources	-	517,451	-	-
Fund Balances				
Nonspendable	-	-	-	-
Restricted for				
Special purposes	-	-	33,336	-
Committed to				
Special purposes	5,619	-	-	58,577
Unassigned	-	(14,091)	-	-
	-	(14,091)	-	-
Total Fund Balances	5,619	(14,091)	33,336	58,577
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 7,048	\$ 535,183	\$ 33,336	\$ 59,967

Special Revenue Funds		Capital Project Funds				
Other grants & Special Purpose Accounts	Total	Central Capital Purchasing	TID #5 Industrial Park	TID #6 West Side Development	TID #7 West Side Development	
\$ 781,633	\$ 5,694,455	\$ 68,162	\$ 2,910	\$ 1,811,112	\$ -	
55,361	55,361	-	-	-	-	
-	727,638	298,050	1,126,450	2,267,884	954,823	
3,962	175,747	-	-	-	-	
-	7,708,916	-	90,000	534,086	-	
47,903	355,222	-	-	-	-	
-	1,239,432	-	-	-	-	
<u>\$ 888,859</u>	<u>\$ 15,956,771</u>	<u>\$ 366,212</u>	<u>\$ 1,219,360</u>	<u>\$ 4,613,082</u>	<u>\$ 954,823</u>	
\$ 71,709	\$ 199,798	\$ 21,386	\$ 2,910	\$ 150,763	\$ -	
-	53,939	-	-	-	-	
-	-	-	-	-	440,911	
-	65,886	-	-	-	-	
-	-	-	-	-	1,705,886	
<u>71,709</u>	<u>319,623</u>	<u>21,386</u>	<u>2,910</u>	<u>150,763</u>	<u>2,146,797</u>	
-	7,708,916	-	90,000	534,086	-	
-	727,638	298,050	1,126,450	2,267,884	954,823	
-	8,436,554	298,050	1,216,450	2,801,970	954,823	
-	-	-	-	-	-	
817,150	5,951,128	46,776	-	1,660,349	-	
-	1,263,557	-	-	-	-	
-	(14,091)	-	-	-	(2,146,797)	
<u>817,150</u>	<u>7,200,594</u>	<u>46,776</u>	<u>-</u>	<u>1,660,349</u>	<u>(2,146,797)</u>	
<u>\$ 888,859</u>	<u>\$ 15,956,771</u>	<u>\$ 366,212</u>	<u>\$ 1,219,360</u>	<u>\$ 4,613,082</u>	<u>\$ 954,823</u>	

(Continued on next page)

CITY OF WAUSAU, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (Concluded)
December 31, 2017

	Capital Project Funds			
	TID #8 Near West Side	TID #9 Big Bull Falls	TID #10 Industrial Park	TID #11 Business Campus
ASSETS				
Cash and cash equivalents	\$ 261,866	\$ -	\$ -	\$ 4,256,853
Investments	-	-	-	-
Taxes receivable	113,098	22,890	129,835	-
Accounts receivable	-	-	-	-
Notes receivable	275,000	314,717	-	-
Due from other governments	-	-	-	-
Advance to other funds	-	-	-	-
TOTAL ASSETS	<u>\$ 649,964</u>	<u>\$ 337,607</u>	<u>\$ 129,835</u>	<u>\$ 4,256,853</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 21,088	\$ -	\$ -	\$ 819,452
Employee compensation and benefits	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenues	-	-	-	-
Advances from other funds	-	113,217	306,871	-
Total Liabilities	<u>21,088</u>	<u>113,217</u>	<u>306,871</u>	<u>819,452</u>
Deferred Inflows of Resources				
Unavailable revenue	275,000	314,717	-	-
Property taxes levied for subsequent year	113,098	22,890	129,835	-
Total Deferred Inflows of Resources	<u>388,098</u>	<u>337,607</u>	<u>129,835</u>	<u>-</u>
Fund Balances				
Nonspendable	-	-	-	-
Restricted for				
Special purposes	240,778	-	-	3,437,401
Committed to				
Special purposes	-	-	-	-
Unassigned	-	(113,217)	(306,871)	-
Total Fund Balances	<u>240,778</u>	<u>(113,217)</u>	<u>(306,871)</u>	<u>3,437,401</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 649,964</u>	<u>\$ 337,607</u>	<u>\$ 129,835</u>	<u>\$ 4,256,853</u>

Capital Project Funds

TID #12 Downtown Development	Total	Total Nonmajor Governmental Funds
\$ -	\$ 6,400,903	\$ 12,095,358
-	-	55,361
-	4,913,030	5,640,668
-	-	175,747
-	1,213,803	8,922,719
-	-	355,222
-	-	1,239,432
\$ -	\$ 12,527,736	\$ 28,484,507
\$ 2,898	\$ 1,018,497	\$ 1,218,295
-	-	53,939
-	440,911	440,911
-	-	65,886
219,452	2,345,426	2,345,426
222,350	3,804,834	4,124,457
-	1,213,803	8,922,719
-	4,913,030	5,640,668
-	6,126,833	14,563,387
-	-	-
-	5,385,304	11,336,432
-	-	1,263,557
(222,350)	(2,789,235)	(2,803,326)
(222,350)	2,596,069	9,796,663
\$ -	\$ 12,527,736	\$ 28,484,507

CITY OF WAUSAU, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCES
Year Ended December 31, 2017

	Special Revenue Funds			
	Grants	HUD Mortgage	DLAD Mortgage Program	Economic Development
REVENUES				
Taxes	\$ 191,375	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Intergovernmental	680,192	-	-	-
Licenses and permits	-	-	-	-
Miscellaneous revenues	641,110	186,968	898	1,200
Total Revenues	<u>1,512,677</u>	<u>186,968</u>	<u>898</u>	<u>1,200</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Sanitation, health and welfare	-	-	-	-
Natural resources and recreation	-	-	-	-
Economic development	1,513,789	57,374	2,035	600
Capital outlay	-	-	-	-
Debt Service:				
Interest and debt service charges	-	-	-	-
Total expenditures	<u>1,513,789</u>	<u>57,374</u>	<u>2,035</u>	<u>600</u>
Excess (deficiency) of revenues over expenditures	<u>(1,112)</u>	<u>129,594</u>	<u>(1,137)</u>	<u>600</u>
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	-	-	-
Premium on debt issued	-	-	-	-
Transfers in	67,399	-	-	-
Transfers out	<u>(100,000)</u>	<u>(67,399)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(32,601)</u>	<u>(67,399)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(33,713)	62,195	(1,137)	600
Fund balances (deficit) - beginning of year	<u>1,547,456</u>	<u>74,276</u>	<u>519,967</u>	<u>316,205</u>
Fund balances (deficit) - end of year	<u>\$ 1,513,743</u>	<u>\$ 136,471</u>	<u>\$ 518,830</u>	<u>\$ 316,805</u>

Special Revenue Funds

Federal Rent Rehabilitation	WRRP Rehabilitation	Holtz-Krause Clean Up	Hazardous Materials Emergency Response	Housing Stock Improvement	Room Tax
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 917,186
-	-	-	-	-	-
-	-	-	81,000	124,124	-
-	-	-	-	-	-
-	55,499	204,419	12,250	40,902	-
-	55,499	204,419	93,250	165,026	917,186
-	-	-	-	-	-
-	-	-	54,944	-	-
-	-	191,860	-	138,013	-
-	-	-	-	-	-
-	314,000	-	-	198,815	695,928
-	-	-	-	-	-
-	-	-	-	-	-
-	314,000	191,860	54,944	336,828	695,928
-	-	-	-	-	-
-	(258,501)	12,559	38,306	(171,802)	221,258
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	(269,000)
-	-	-	-	-	(269,000)
-	-	-	-	-	-
-	(258,501)	12,559	38,306	(171,802)	(47,742)
337,818	1,404,846	1,752,827	162,573	490,183	93,087
<u>\$ 337,818</u>	<u>\$ 1,146,345</u>	<u>\$ 1,765,386</u>	<u>\$ 200,879</u>	<u>\$ 318,381</u>	<u>\$ 45,345</u>

(Continued on next page)

CITY OF WAUSAU, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCES (Continued)
Year Ended December 31, 2017

	Special Revenue Funds			
	Public Access Cable	Recycling	EMS Grant	400 Block
REVENUES				
Taxes	\$ -	\$ 487,763	\$ -	\$ -
Special assessments	-	-	-	-
Intergovernmental	-	147,041	8,855	-
Licenses and permits	55,000	-	-	-
Miscellaneous revenues	14,616	1,185	-	10,635
Total Revenues	<u>69,616</u>	<u>635,989</u>	<u>8,855</u>	<u>10,635</u>
EXPENDITURES				
Current:				
General government	66,809	-	-	-
Public safety	-	-	1,425	-
Sanitation, health and welfare	-	723,227	-	-
Natural resources and recreation	-	-	-	27,742
Economic development	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Interest and debt service charges	-	-	-	-
Total expenditures	<u>66,809</u>	<u>723,227</u>	<u>1,425</u>	<u>27,742</u>
Excess (deficiency) of revenues over expenditures	<u>2,807</u>	<u>(87,238)</u>	<u>7,430</u>	<u>(17,107)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	-	-	-
Premium on debt issued	-	-	-	-
Transfers in	-	73,000	-	69,000
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>73,000</u>	<u>-</u>	<u>69,000</u>
Net change in fund balances	2,807	(14,238)	7,430	51,893
Fund balances (deficit) - beginning of year	<u>2,812</u>	<u>147</u>	<u>25,906</u>	<u>6,684</u>
Fund balances (deficit) - end of year	<u>\$ 5,619</u>	<u>\$ (14,091)</u>	<u>\$ 33,336</u>	<u>\$ 58,577</u>

Special Revenue Funds		Capital Project Funds			
Other grants & Special Purpose Accounts	Total	Central Capital Purchasing	TID #5 Industrial Park	TID #6 West Side Development	TID #7 West Side Development
\$ -	\$ 1,596,324	\$ 250,300	\$ 1,452,126	\$ 1,538,164	\$ 525,634
-	-	-	-	36,015	-
220,124	1,261,336	-	43,359	108,390	9,493
-	55,000	-	-	-	-
219,006	1,388,688	-	115,909	32,722	-
<u>439,130</u>	<u>4,301,348</u>	<u>250,300</u>	<u>1,611,394</u>	<u>1,715,291</u>	<u>535,127</u>
-	66,809	-	-	-	-
340,879	397,248	-	-	-	-
-	1,053,100	-	-	-	-
21,504	49,246	-	-	-	-
-	2,782,541	-	150	-	-
-	-	203,524	-	4,868,334	120,048
-	-	-	-	41,632	-
<u>362,383</u>	<u>4,348,944</u>	<u>203,524</u>	<u>150</u>	<u>4,909,966</u>	<u>120,048</u>
<u>76,747</u>	<u>(47,596)</u>	<u>46,776</u>	<u>1,611,244</u>	<u>(3,194,675)</u>	<u>415,079</u>
-	-	-	-	3,615,000	-
-	-	-	-	234,249	-
9,624	219,023	-	-	-	-
-	(436,399)	-	(1,611,244)	(970,744)	(562,113)
<u>9,624</u>	<u>(217,376)</u>	<u>-</u>	<u>(1,611,244)</u>	<u>2,878,505</u>	<u>(562,113)</u>
86,371	(264,972)	46,776	-	(316,170)	(147,034)
<u>730,779</u>	<u>7,465,566</u>	<u>-</u>	<u>-</u>	<u>1,976,519</u>	<u>(1,999,763)</u>
<u>\$ 817,150</u>	<u>\$ 7,200,594</u>	<u>\$ 46,776</u>	<u>\$ -</u>	<u>\$ 1,660,349</u>	<u>\$ (2,146,797)</u>

(Continued on next page)

CITY OF WAUSAU, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCES (Concluded)
Year Ended December 31, 2017

	Capital Project Funds			
	TID #8 Near West Side	TID #9 Big Bull Falls	TID #10 Industrial Park	TID #11 Business Campus
REVENUES				
Taxes	\$ 54,271	\$ 22,946	\$ 116,070	\$ -
Special assessments	8,906	-	-	-
Intergovernmental	189,329	308	15,868	-
Licenses and permits	-	-	-	-
Miscellaneous revenues	246	24,298	-	40,461
Total Revenues	<u>252,752</u>	<u>47,552</u>	<u>131,938</u>	<u>40,461</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Sanitation, health and welfare	-	-	-	-
Natural resources and recreation	-	-	-	-
Economic development	14,699	2,071	10,041	117,096
Capital outlay	30,372	1,440	102,452	2,297,165
Debt Service:				
Interest and debt service charges	-	-	-	60,236
Total expenditures	<u>45,071</u>	<u>3,511</u>	<u>112,493</u>	<u>2,474,497</u>
Excess (deficiency) of revenues over expenditures	<u>207,681</u>	<u>44,041</u>	<u>19,445</u>	<u>(2,434,036)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	-	-	6,600,000
Premium on debt issued	-	-	-	133,782
Transfers in	-	-	-	-
Transfers out	<u>(154,714)</u>	<u>(73,861)</u>	<u>(59,223)</u>	<u>(862,345)</u>
Total other financing sources (uses)	<u>(154,714)</u>	<u>(73,861)</u>	<u>(59,223)</u>	<u>5,871,437</u>
Net change in fund balances	52,967	(29,820)	(39,778)	3,437,401
Fund balances (deficit) - beginning of year	<u>187,811</u>	<u>(83,397)</u>	<u>(267,093)</u>	<u>-</u>
Fund balances (deficit) - end of year	<u>\$ 240,778</u>	<u>\$ (113,217)</u>	<u>\$ (306,871)</u>	<u>\$ 3,437,401</u>

Capital Project Funds

TID #12 Downtown Development	Total	Total Nonmajor Governmental Funds
\$ -	\$ 3,959,511	\$ 5,555,835
-	44,921	44,921
-	366,747	1,628,083
-	-	55,000
-	213,636	1,602,324
-	4,584,815	8,886,163
-	-	66,809
-	-	397,248
-	-	1,053,100
-	-	49,246
14,742	158,799	2,941,340
207,608	7,830,943	7,830,943
-	101,868	101,868
222,350	8,091,610	12,440,554
(222,350)	(3,506,795)	(3,554,391)
-	10,215,000	10,215,000
-	368,031	368,031
-	-	219,023
-	(4,294,244)	(4,730,643)
-	6,288,787	6,071,411
(222,350)	2,781,992	2,517,020
-	(185,923)	7,279,643
\$ (222,350)	\$ 2,596,069	\$ 9,796,663

CITY OF WAUSAU, WISCONSIN
NONMAJOR BUDGETED GOVERNMENTAL FUNDS
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2017

	Special Revenue Funds			
	Grants		HUD Mortgage	
	Budget	Actual	Budget	Actual
REVENUES				
Taxes	\$ 191,375	\$ 191,375	\$ -	\$ -
Special assessments	-	-	-	-
Intergovernmental	678,006	680,192	-	-
Licenses and permits	-	-	-	-
Miscellaneous revenues	<u>260,427</u>	<u>641,110</u>	<u>55,000</u>	<u>186,968</u>
Total Revenues	<u>1,129,808</u>	<u>1,512,677</u>	<u>55,000</u>	<u>186,968</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Sanitation, health and welfare	-	-	-	-
Natural resources and recreation	-	-	-	-
Economic development	1,140,036	1,513,789	55,000	57,374
Capital outlay	-	-	-	-
Debt Service:				
Interest and debt service charges	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,140,036</u>	<u>1,513,789</u>	<u>55,000</u>	<u>57,374</u>
Excess (deficiency) of revenues over expenditures	<u>(10,228)</u>	<u>(1,112)</u>	<u>-</u>	<u>129,594</u>
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	-	-	-
Premium on debt issued	-	-	-	-
Transfers in	37,000	67,399	-	-
Transfers out	<u>-</u>	<u>(100,000)</u>	<u>-</u>	<u>(67,399)</u>
Total other financing sources (uses)	<u>37,000</u>	<u>(32,601)</u>	<u>-</u>	<u>(67,399)</u>
Net change in fund balances	<u>\$ 26,772</u>	<u>(33,713)</u>	<u>\$ -</u>	<u>62,195</u>
Fund balances (deficit) - beginning of year		<u>1,547,456</u>		<u>74,276</u>
Fund balances (deficit) - end of year		<u>\$ 1,513,743</u>		<u>\$ 136,471</u>

Special Revenue Funds

DLAD Mortgage Program		Economic Development		WRRP Rehabilitation	
Budget	Actual	Budget	Actual	Budget	Actual
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	898	819,250	1,200	57,000	55,499
-	898	819,250	1,200	57,000	55,499
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,500	2,035	-	600	371,000	314,000
-	-	829,250	-	-	-
-	-	-	-	-	-
2,500	2,035	829,250	600	371,000	314,000
(2,500)	(1,137)	(10,000)	600	(314,000)	(258,501)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ (2,500)	(1,137)	\$ (10,000)	600	\$ (314,000)	(258,501)
	519,967		316,205		1,404,846
	\$ 518,830		\$ 316,805		\$ 1,146,345

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CITY OF WAUSAU, WISCONSIN
NONMAJOR BUDGETED GOVERNMENTAL FUNDS
BUDGETARY COMPARISON SCHEDULE (Continued)
Year Ended December 31, 2017

	Special Revenue Funds			
	Holtz-Krause Clean Up		Hazardous Materials Emergency Response	
	Budget	Actual	Budget	Actual
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Intergovernmental	-	-	81,000	81,000
Licenses and permits	-	-	-	-
Miscellaneous revenues	<u>175,410</u>	<u>204,419</u>	<u>-</u>	<u>12,250</u>
Total Revenues	<u>175,410</u>	<u>204,419</u>	<u>81,000</u>	<u>93,250</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	45,720	54,944
Sanitation, health and welfare	153,981	191,860	-	-
Natural resources and recreation	-	-	-	-
Economic development	-	-	-	-
Capital outlay	15,000	-	8,000	-
Debt Service:				
Interest and debt service charges	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>168,981</u>	<u>191,860</u>	<u>53,720</u>	<u>54,944</u>
Excess (deficiency) of revenues over expenditures	<u>6,429</u>	<u>12,559</u>	<u>27,280</u>	<u>38,306</u>
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	-	-	-
Premium on debt issued	-	-	-	-
Transfers in	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 6,429</u>	12,559	<u>\$ 27,280</u>	38,306
Fund balances (deficit) - beginning of year		<u>1,752,827</u>		<u>162,573</u>
Fund balances (deficit) - end of year		<u>\$ 1,765,386</u>		<u>\$ 200,879</u>

Special Revenue Funds

Housing Stock Improvement		Room Tax		Public Access Cable	
Budget	Actual	Budget	Actual	Budget	Actual
\$ -	\$ -	\$ 907,842	\$ 917,186	\$ -	\$ -
-	-	-	-	-	-
-	124,124	-	-	-	-
-	-	-	-	55,000	55,000
<u>30,128</u>	<u>40,902</u>	<u>-</u>	<u>-</u>	<u>20,300</u>	<u>14,616</u>
<u>30,128</u>	<u>165,026</u>	<u>907,842</u>	<u>917,186</u>	<u>75,300</u>	<u>69,616</u>
-	-	-	-	63,046	66,809
-	-	-	-	-	-
-	138,013	-	-	-	-
-	-	-	-	-	-
248,000	198,815	723,329	695,928	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>248,000</u>	<u>336,828</u>	<u>723,329</u>	<u>695,928</u>	<u>63,046</u>	<u>66,809</u>
<u>(217,872)</u>	<u>(171,802)</u>	<u>184,513</u>	<u>221,258</u>	<u>12,254</u>	<u>2,807</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	269,000	(269,000)	-	-
<u>-</u>	<u>-</u>	<u>269,000</u>	<u>(269,000)</u>	<u>-</u>	<u>-</u>
<u>\$ (217,872)</u>	<u>(171,802)</u>	<u>\$ 453,513</u>	<u>(47,742)</u>	<u>\$ 12,254</u>	<u>2,807</u>
	<u>490,183</u>		<u>93,087</u>		<u>2,812</u>
	<u>\$ 318,381</u>		<u>\$ 45,345</u>		<u>\$ 5,619</u>

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CITY OF WAUSAU, WISCONSIN
NONMAJOR BUDGETED GOVERNMENTAL FUNDS
BUDGETARY COMPARISON SCHEDULE (Continued)
Year Ended December 31, 2017

	Special Revenue Funds			
	Recycling		EMS Grant	
	Budget	Actual	Budget	Actual
REVENUES				
Taxes	\$ 487,763	\$ 487,763	\$ -	\$ -
Special assessments	-	-	-	-
Intergovernmental	147,736	147,041	9,000	8,855
Licenses and permits	-	-	-	-
Miscellaneous revenues	900	1,185	-	-
Total Revenues	636,399	635,989	9,000	8,855
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	9,000	1,425
Sanitation, health and welfare	709,399	723,227	-	-
Natural resources and recreation	-	-	-	-
Economic development	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Interest and debt service charges	-	-	-	-
Total expenditures	709,399	723,227	9,000	1,425
Excess (deficiency) of revenues over expenditures	(73,000)	(87,238)	-	7,430
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	-	-	-
Premium on debt issued	-	-	-	-
Transfers in	73,000	73,000	150,838	-
Transfers out	-	-	-	-
Total other financing sources (uses)	73,000	73,000	150,838	-
Net change in fund balances	\$ -	(14,238)	\$ 150,838	7,430
Fund balances (deficit) - beginning of year		147		25,906
Fund balances (deficit) - end of year		\$ (14,091)		\$ 33,336

Special Revenue Funds		Capital Project Funds			
400 Block		Central Capital Purchasing		TID #5 Industrial Park	
Budget	Actual	Budget	Actual	Budget	Actual
\$ -	\$ -	\$ 250,300	\$ 250,300	\$ 1,444,619	\$ 1,452,126
-	-	5,000.00	-	-	-
-	-	-	-	40,000	43,359
-	-	-	-	-	-
7,000	10,635	-	-	126,775	115,909
<u>7,000</u>	<u>10,635</u>	<u>255,300</u>	<u>250,300</u>	<u>1,611,394</u>	<u>1,611,394</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
69,500	27,742	-	-	-	-
-	-	-	-	6,150	150
-	-	255,300	203,524	-	-
-	-	-	-	-	-
<u>69,500</u>	<u>27,742</u>	<u>255,300</u>	<u>203,524</u>	<u>6,150</u>	<u>150</u>
<u>(62,500)</u>	<u>(17,107)</u>	<u>-</u>	<u>46,776</u>	<u>1,605,244</u>	<u>1,611,244</u>
-	-	-	-	-	-
-	-	-	-	-	-
62,500	69,000	-	-	-	-
-	-	-	-	(1,605,244)	(1,611,244)
<u>62,500</u>	<u>69,000</u>	<u>-</u>	<u>-</u>	<u>(1,605,244)</u>	<u>(1,611,244)</u>
<u>\$ -</u>	51,893	<u>\$ -</u>	46,776	<u>\$ -</u>	-
	<u>6,684</u>		<u>-</u>		<u>-</u>
	<u>\$ 58,577</u>		<u>\$ 46,776</u>		<u>\$ -</u>

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CITY OF WAUSAU, WISCONSIN
NONMAJOR BUDGETED GOVERNMENTAL FUNDS
BUDGETARY COMPARISON SCHEDULE (Continued)
Year Ended December 31, 2017

	Capital Project Funds			
	TID #6 West Side Development		TID #7 West Side Development	
	Budget	Actual	Budget	Actual
REVENUES				
Taxes	\$ 1,600,000	\$ 1,538,164	\$ 559,000	\$ 525,634
Special assessments	30,760	36,015	-	-
Intergovernmental	75,000	108,390	6,500	9,493
Licenses and permits	-	-	-	-
Miscellaneous revenues	14,657	32,722	-	-
Total Revenues	<u>1,720,417</u>	<u>1,715,291</u>	<u>565,500</u>	<u>535,127</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Sanitation, health and welfare	-	-	-	-
Natural resources and recreation	-	-	-	-
Economic development	75,000	-	110,000	-
Capital outlay	6,578,944	4,868,334	196,422	120,048
Debt Service:				
Interest and debt service charges	-	41,632	-	-
Total expenditures	<u>6,653,944</u>	<u>4,909,966</u>	<u>306,422</u>	<u>120,048</u>
Excess (deficiency) of revenues over expenditures	<u>(4,933,527)</u>	<u>(3,194,675)</u>	<u>259,078</u>	<u>415,079</u>
OTHER FINANCING SOURCES (USES)				
Issuance of debt	5,175,000	3,615,000	-	-
Premium on debt issued	-	234,249	-	-
Transfers in	-	-	-	-
Transfers out	(1,169,612)	(970,744)	(562,113)	(562,113)
Total other financing sources (uses)	<u>4,005,388</u>	<u>2,878,505</u>	<u>(562,113)</u>	<u>(562,113)</u>
Net change in fund balances	<u>\$ (928,139)</u>	(316,170)	<u>\$ (303,035)</u>	(147,034)
Fund balances (deficit) - beginning of year		<u>1,976,519</u>		<u>(1,999,763)</u>
Fund balances (deficit) - end of year		<u>\$ 1,660,349</u>		<u>\$ (2,146,797)</u>

Capital Project Funds

TID #8 Near West Side		TID #9 Big Bull Falls		TID #10 Industrial Park	
Budget	Actual	Budget	Actual	Budget	Actual
\$ 152,502	\$ 54,271	\$ 23,578	\$ 22,946	\$ 70,000	\$ 116,070
-	8,906	-	-	-	-
185,000	189,329	150	308	14,000	15,868
-	-	-	-	-	-
-	246	57,514	24,298	-	-
<u>337,502</u>	<u>252,752</u>	<u>81,242</u>	<u>47,552</u>	<u>84,000</u>	<u>131,938</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
87,500	14,699	5,590	2,071	6,000	10,041
60,000	30,372	3,000	1,440	150,000	102,452
-	-	-	-	-	-
<u>147,500</u>	<u>45,071</u>	<u>8,590</u>	<u>3,511</u>	<u>156,000</u>	<u>112,493</u>
<u>190,002</u>	<u>207,681</u>	<u>72,652</u>	<u>44,041</u>	<u>(72,000)</u>	<u>19,445</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(555,736)	(154,714)	(73,861)	(73,861)	(59,223)	(59,223)
<u>(555,736)</u>	<u>(154,714)</u>	<u>(73,861)</u>	<u>(73,861)</u>	<u>(59,223)</u>	<u>(59,223)</u>
<u>\$ (365,734)</u>	52,967	<u>\$ (1,209)</u>	(29,820)	<u>\$ (131,223)</u>	(39,778)
	<u>187,811</u>		<u>(83,397)</u>		(267,093)
	<u>\$ 240,778</u>		<u>\$ (113,217)</u>		<u>\$ (306,871)</u>

(Continued on next page)

CITY OF WAUSAU, WISCONSIN
NONMAJOR BUDGETED GOVERNMENTAL FUNDS
BUDGETARY COMPARISON SCHEDULE (Concluded)
Year Ended December 31, 2017

	Capital Project Funds	
	TID #11 Business Campus	
	Budget	Actual
REVENUES		
Taxes	\$ -	\$ -
Special assessments	-	-
Intergovernmental	-	-
Licenses and permits	-	-
Miscellaneous revenues	-	40,461
Total Revenues	-	40,461
EXPENDITURES		
Current:		
General government	-	-
Public safety	-	-
Sanitation, health and welfare	-	-
Natural resources and recreation	-	-
Economic development	-	117,096
Capital outlay	4,800,000	2,297,165
Debt Service:		
Interest and debt service charges	-	60,236
Total expenditures	4,800,000	2,474,497
Excess (deficiency) of revenues over expenditures	(4,800,000)	(2,434,036)
OTHER FINANCING SOURCES (USES)		
Issuance of debt	4,800,000	6,600,000
Premium on debt issued	-	133,782
Transfers in	-	-
Transfers out	-	(862,345)
Total other financing sources (uses)	4,800,000	5,871,437
Net change in fund balances	\$ -	3,437,401
Fund balances (deficit) - beginning of year		-
Fund balances (deficit) - end of year		\$ 3,437,401

CITY OF WAUSAU, WISCONSIN
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
General property taxes	\$ 4,123,000	\$ 4,123,000	\$ 4,123,000	\$ -
Miscellaneous revenues	<u>-</u>	<u>-</u>	<u>42,137</u>	<u>42,137</u>
Total Revenues	<u>4,123,000</u>	<u>4,123,000</u>	<u>4,165,137</u>	<u>42,137</u>
EXPENDITURES				
Debt Service:				
Principal retirement	7,848,735	8,596,735	9,025,985	(429,250)
Interest and debt service charges	<u>1,663,810</u>	<u>1,679,099</u>	<u>1,679,972</u>	<u>(873)</u>
Total Expenditures	<u>9,512,545</u>	<u>10,275,834</u>	<u>10,705,957</u>	<u>(430,123)</u>
Deficiency of Revenues over Expenditures	(5,389,545)	(6,152,834)	(6,540,820)	(387,986)
OTHER FINANCING SOURCES				
Premium on debt issued	-	-	156,875	156,875
Transfers in	<u>5,019,353</u>	<u>5,782,642</u>	<u>5,725,867</u>	<u>(56,775)</u>
Net change in fund balance	(370,192)	(370,192)	(658,078)	(287,886)
Fund balance - beginning of year	<u>1,898,330</u>	<u>1,898,330</u>	<u>1,898,330</u>	<u>-</u>
Fund balance - end of year	<u>\$ 1,528,138</u>	<u>\$ 1,528,138</u>	<u>\$ 1,240,252</u>	<u>\$ (287,886)</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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
General property taxes	\$ 2,170,000	\$ 2,170,000	\$ 2,214,368	\$ 44,368
Special assessments	-	-	17,430	17,430
Intergovernmental	60,000	60,000	70,648	10,648
Other miscellaneous	997,748	997,748	1,925,640	927,892
Total Revenues	<u>3,227,748</u>	<u>3,227,748</u>	<u>4,228,086</u>	<u>1,000,338</u>
EXPENDITURES				
Economic development	3,340,000	4,349,000	232,050	4,116,950
Capital outlay:				
Economic development	7,250,150	9,726,651	3,337,656	6,388,995
Debt Service:				
Interest and debt service charges	-	-	100,514	(100,514)
Total expenditures	<u>10,590,150</u>	<u>14,075,651</u>	<u>3,670,220</u>	<u>10,405,431</u>
Deficiency of Revenues over Expenditures	<u>(7,362,402)</u>	<u>(10,847,903)</u>	<u>557,866</u>	<u>11,405,769</u>
OTHER FINANCING SOURCES (USES)				
Issuance of debt	5,975,000	5,975,000	6,405,000	430,000
Premium on debt issued	-	-	260,966	260,966
Transfers in	1,270,851	1,270,851	1,321,470	50,619
Transfers out	(2,655,556)	(2,655,556)	(2,753,093)	(97,537)
Total Other Financing Sources (Uses)	<u>4,590,295</u>	<u>4,590,295</u>	<u>5,234,343</u>	<u>644,048</u>
Net change in fund balance	(2,772,107)	(6,257,608)	5,792,209	12,049,817
Fund balance - beginning of year	<u>(75,636)</u>	<u>(75,636)</u>	<u>(75,636)</u>	<u>-</u>
Fund balance - end of year	<u>\$ (2,847,743)</u>	<u>\$ (6,333,244)</u>	<u>\$ 5,716,573</u>	<u>\$ 12,049,817</u>

CITY OF WAUSAU, WISCONSIN
CAPITAL IMPROVEMENTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
General property taxes	\$ 505,828	\$ 505,828	\$ 505,828	\$ -
Special assessments	400,000	400,000	389,033	(10,967)
Intergovernmental	-	500,000	4,850	(495,150)
Other miscellaneous	-	-	473,434	473,434
Total Revenues	<u>905,828</u>	<u>1,405,828</u>	<u>1,373,145</u>	<u>(32,683)</u>
EXPENDITURES				
Capital outlay	3,826,974	9,066,967	5,499,762	3,567,205
Debt Service:				
Interest and debt service charges	-	-	13,784	(13,784)
Total expenditures	<u>3,826,974</u>	<u>9,066,967</u>	<u>5,513,546</u>	<u>3,553,421</u>
Deficiency of Revenues over Expenditures	<u>(2,921,146)</u>	<u>(7,661,139)</u>	<u>(4,140,401)</u>	<u>3,520,738</u>
OTHER FINANCING SOURCES				
Issuance of debt	2,556,565	2,556,565	2,615,000	58,435
Transfers in	275,000	733,600	538,600	(195,000)
Total Other Financing Sources	<u>2,831,565</u>	<u>3,290,165</u>	<u>3,153,600</u>	<u>(136,565)</u>
Net change in fund balance	(89,581)	(4,370,974)	(986,801)	3,384,173
Fund balance - beginning of year	<u>4,699,527</u>	<u>4,699,527</u>	<u>4,699,527</u>	<u>-</u>
Fund balance - end of year	<u>\$ 4,609,946</u>	<u>\$ 328,553</u>	<u>\$ 3,712,726</u>	<u>\$ 3,384,173</u>

CITY OF WAUSAU, WISCONSIN
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
December 31, 2017

	Airport Fund	Animal Control Fund	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 8,043	\$ 96,544	\$ 104,587
Taxes receivable	94,000	50,676	144,676
Accounts receivable	6,390	19,362	25,752
Inventories and prepayments	-	1,190	1,190
Total Current Assets	108,433	167,772	276,205
Noncurrent Assets:			
Property, Plant and Equipment:			
Property and equipment	4,064,278	-	4,064,278
Accumulated depreciation	(2,114,785)	-	(2,114,785)
Total noncurrent assets	1,949,493	-	1,949,493
TOTAL ASSETS	2,057,926	167,772	2,225,698
DEFERRED OUTFLOWS OF RESOURCES			
Proportionate share of WRS pension plan	-	11,091	11,091
Pension contributions for subsequent year	-	2,345	2,345
TOTAL DEFERRED OUTFLOWS OF RESOURCES	-	13,436	13,436
LIABILITIES			
Current Liabilities:			
Accounts payable	6,944	3,726	10,670
Accrued payroll and benefits	640	1,574	2,214
Due to other governments	-	4,717	4,717
Unearned revenues	11,343	18,289	29,632
Total Current Liabilities	18,927	28,306	47,233
Noncurrent Assets:			
Net pension liability	-	1,724	1,724
TOTAL LIABILITIES	18,927	30,030	48,957
DEFERRED INFLOWS OF RESOURCES			
Wisconsin retirement system pension related	-	5,423	5,423
Property taxes levied for subsequent year	94,000	50,676	144,676
TOTAL DEFERRED INFLOWS OF RESOURCES	94,000	56,099	150,099
NET POSITION			
Net investment in capital assets	1,949,493	-	1,949,493
Unrestricted	(4,494)	95,079	90,585
TOTAL NET POSITION	\$ 1,944,999	\$ 95,079	\$ 2,040,078

**CITY OF WAUSAU, WISCONSIN
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
Year Ended December 31, 2017**

	<u>Airport Fund</u>	<u>Animal Control Fund</u>	<u>Total</u>
OPERATING REVENUES			
Charges for services and sales	\$ 143,913	\$ 140,129	\$ 284,042
Intergovernmental	<u>-</u>	<u>30,705</u>	<u>30,705</u>
Total Operating Revenues	<u>143,913</u>	<u>170,834</u>	<u>314,747</u>
OPERATING EXPENSES			
Operating and maintenance	234,980	195,926	430,906
Depreciation	<u>157,543</u>	<u>-</u>	<u>157,543</u>
Total Operating Expenses	<u>392,523</u>	<u>195,926</u>	<u>588,449</u>
Operating income (loss)	(248,610)	(25,092)	(273,702)
NONOPERATING REVENUES			
Property taxes	<u>90,000</u>	<u>50,139</u>	<u>140,139</u>
Income (loss) before Capital Contributions	(158,610)	25,047	(133,563)
Transfers out	<u>(9,624)</u>	<u>-</u>	<u>(9,624)</u>
Change in Net Position	(168,234)	25,047	(143,187)
Net position - beginning of year	<u>2,113,233</u>	<u>70,032</u>	<u>2,183,265</u>
Net position - end of year	<u>\$ 1,944,999</u>	<u>\$ 95,079</u>	<u>\$ 2,040,078</u>

CITY OF WAUSAU, WISCONSIN
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year Ended December 31, 2017

	Airport Fund	Animal Control Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers, users and others	\$ 147,232	\$ 173,552	\$ 320,784
Payments to suppliers	(217,787)	(168,834)	(386,621)
Payments to employees	(12,749)	(44,291)	(57,040)
Net Cash Used by Operating Activities	(83,304)	(39,573)	(122,877)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Property taxes	90,000	50,139	140,139
Transfers out	(9,624)	-	(9,624)
Net Cash Provided by Noncapital Financing Activities	80,376	50,139	130,515
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(4,825)	-	(4,825)
Net Cash Used by Noncapital Financing Activities	(4,825)	-	(4,825)
Net Increase (Decrease) in Cash and Cash Equivalents	(7,753)	10,566	2,813
Cash and cash equivalents - beginning of year	15,796	85,978	101,774
Cash and cash equivalents - end of year	\$ 8,043	\$ 96,544	\$ 104,587
Reconciliation of operating loss to net cash used by operating activities:			
Operating loss	\$ (248,610)	\$ (25,092)	\$ (273,702)
Adjustments to reconcile operating loss to net cash used by operating activities:			
Depreciation expense	157,543	-	157,543
Changes in assets and liabilities:			
Accounts receivable	(1,179)	(4,305)	(5,484)
Inventories and prepayments	-	(1,190)	(1,190)
Due to other governments	-	(20,227)	(20,227)
Accounts payable	4,557	3,010	7,567
Accrued payroll and benefits	(113)	190	77
Pension related liabilities and deferred amounts	-	1,018	1,018
Unearned revenues	4,498	7,023	11,521
Net cash used by operating activities	\$ (83,304)	\$ (39,573)	\$ (122,877)

CITY OF WAUSAU, WISCONSIN
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
December 31, 2017

	Motor Pool	Insurance Fund	Employee Benefits Fund	Employee HRA/Wellness Fund	Total
ASSETS					
Current Assets:					
Cash and cash equivalents	\$ 2,277,911	\$ 927,775	\$ 927,097	\$ 710,268	\$ 4,843,051
Accounts receivable	15,808	61,875	1,966	-	79,649
Inventories and prepayments	336,703	100,083	-	-	436,786
Total Current Assets	<u>2,630,422</u>	<u>1,089,733</u>	<u>929,063</u>	<u>710,268</u>	<u>5,359,486</u>
Noncurrent Assets:					
Property, Plant and Equipment:					
Property and equipment	13,163,710	-	-	-	13,163,710
Accumulated depreciation	(8,445,709)	-	-	-	(8,445,709)
Total noncurrent assets	<u>4,718,001</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,718,001</u>
TOTAL ASSETS	<u>7,348,423</u>	<u>1,089,733</u>	<u>929,063</u>	<u>710,268</u>	<u>10,077,487</u>
DEFERRED OUTFLOWS OF RESOURCES					
Proportionate share of WRS pension plan	135,951	-	-	-	135,951
Pension contributions for subsequent year	32,146	-	-	-	32,146
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>168,097</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>168,097</u>
LIABILITIES					
Current Liabilities:					
Accounts payable	234,143	4,752	-	107	239,002
Accrued payroll and benefits	20,868	-	-	-	20,868
Claims payable	-	471,889	543,000	2,000	1,016,889
Unearned revenues	-	-	389,776	-	389,776
Total Current Liabilities	<u>255,011</u>	<u>476,641</u>	<u>932,776</u>	<u>2,107</u>	<u>1,666,535</u>
Noncurrent Liabilities:					
Accrued liability - claims payable	-	178,389	-	-	178,389
Compensated absences payable	22,213	-	-	-	22,213
Net pension liability	20,115	-	-	-	20,115
Total Noncurrent Liabilities	<u>42,328</u>	<u>178,389</u>	<u>-</u>	<u>-</u>	<u>220,717</u>
TOTAL LIABILITIES	<u>297,339</u>	<u>655,030</u>	<u>932,776</u>	<u>2,107</u>	<u>1,887,252</u>
DEFERRED OUTFLOWS OF RESOURCES					
Wisconsin retirement system pension related	64,322	-	-	-	64,322
NET POSITION (DEFICIT)					
Net investment in capital assets	4,718,001	-	-	-	4,718,001
Unrestricted (deficit)	2,436,858	434,703	(3,713)	708,161	3,576,009
TOTAL NET POSITION (DEFICIT)	<u>\$ 7,154,859</u>	<u>\$ 434,703</u>	<u>\$ (3,713)</u>	<u>\$ 708,161</u>	<u>\$ 8,294,010</u>

CITY OF WAUSAU, WISCONSIN
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
Year Ended December 31, 2017

	Motor Pool	Insurance Fund	Employee Benefits Fund	Employee HRA/Wellness Fund	Total
OPERATING REVENUES					
Charges for services and sales	\$ 3,650,710	\$ 782,044	\$ 5,096,933	\$ 314,261	\$ 9,843,948
Other operating revenues	<u>95,488</u>	<u>55,073</u>	<u>-</u>	<u>-</u>	<u>150,561</u>
Total Operating Revenues	<u>3,746,198</u>	<u>837,117</u>	<u>5,096,933</u>	<u>314,261</u>	<u>9,994,509</u>
OPERATING EXPENSES					
Operating and maintenance	1,926,900	-	-	-	1,926,900
Depreciation	765,310	-	-	-	765,310
Insurance, claims and administration	<u>-</u>	<u>1,159,038</u>	<u>4,828,905</u>	<u>114,111</u>	<u>6,102,054</u>
Total Operating Expenses	<u>2,692,210</u>	<u>1,159,038</u>	<u>4,828,905</u>	<u>114,111</u>	<u>8,794,264</u>
Operating income (loss)	1,053,988	(321,921)	268,028	200,150	1,200,245
NONOPERATING REVENUES					
Gain on sale of capital assets	<u>173,153</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>173,153</u>
Income (loss) before transfers	1,227,141	(321,921)	268,028	200,150	1,373,398
Transfers out	<u>(125,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(125,000)</u>
Change in Net Position	1,102,141	(321,921)	268,028	200,150	1,248,398
Total net position (deficit) - beginning of year	<u>6,052,718</u>	<u>756,624</u>	<u>(271,741)</u>	<u>508,011</u>	<u>7,045,612</u>
Total net position (deficit) - end of year	<u>\$ 7,154,859</u>	<u>\$ 434,703</u>	<u>\$ (3,713)</u>	<u>\$ 708,161</u>	<u>\$ 8,294,010</u>

CITY OF WAUSAU, WISCONSIN
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year Ended December 31, 2017

	Motor Pool	Insurance Fund	Employee Benefits Fund	Employee HRA/Wellness Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers, users and others	\$ 3,736,168	\$ 834,948	\$ 5,088,212	\$ 288,902	\$ 9,948,230
Payments to suppliers	(1,336,706)	(864,277)	(4,944,309)	(172,104)	(7,317,396)
Payments to employees	(487,914)	-	-	-	(487,914)
Net Cash Provided (Used) by Operating Activities	<u>1,911,548</u>	<u>(29,329)</u>	<u>143,903</u>	<u>116,798</u>	<u>2,142,920</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers out	(125,000)	-	-	-	(125,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(863,511)	-	-	-	(863,511)
Proceeds from sale of capital assets	173,153	-	-	-	173,153
Net Cash Used by Capital and Related Financing Activities	<u>(690,358)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(690,358)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,096,190	(29,329)	143,903	116,798	1,327,562
Cash and cash equivalents - beginning of year	1,181,721	957,104	783,194	593,470	3,515,489
Cash and cash equivalents - end of year	<u>\$ 2,277,911</u>	<u>\$ 927,775</u>	<u>\$ 927,097</u>	<u>\$ 710,268</u>	<u>\$ 4,843,051</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ 1,053,988	\$ (321,921)	\$ 268,028	\$ 200,150	\$ 1,200,245
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation expense	765,310	-	-	-	765,310
Changes in assets and liabilities:					
Accounts receivable	(10,030)	(2,169)	17,091	-	4,892
Inventories and prepayments	(54,087)	(100,083)	5,479	-	(148,691)
Accounts payable	131,150	4,752	-	7	135,909
Pension related liabilities and deferred amounts	19,011	-	-	-	19,011
Unearned revenues	-	-	(25,812)	(25,359)	(51,171)
Claims payable	-	390,092	(120,883)	(58,000)	211,209
Accrued payroll and compensated absences	6,206	-	-	-	6,206
Net cash provided (used) by operating activities	<u>\$ 1,911,548</u>	<u>\$ (29,329)</u>	<u>\$ 143,903</u>	<u>\$ 116,798</u>	<u>\$ 2,142,920</u>

CITY OF WAUSAU, WISCONSIN
AGENCY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
December 31, 2017

	Entrepreneurial & Education Center	Wausau Area Events	Wausau River District	Totals
ASSETS				
Cash and cash equivalents	\$ 189,828	\$ 310,843	\$ 93,693	\$ 594,364
Accounts receivable	17,945	-	-	17,945
 TOTAL ASSETS	 \$ 207,773	 \$ 310,843	 \$ 93,693	 \$ 612,309
LIABILITIES				
Accounts payable	\$ 207,773	\$ 310,843	\$ 93,693	\$ 612,309

CITY OF WAUSAU, WISCONSIN
AGENCY FUNDS
COMBINING STATEMENT OF
CHANGES IN ASSETS AND LIABILITIES
Year Ended December 31, 2017

	Balance 1/1/2017	Additions	Deductions	Balance 12/31/2017
<i>Entrepreneurial & Education Center</i>				
ASSETS				
Cash and cash equivalents	\$ 235,629	\$ 229,964	\$ 275,765	\$ 189,828
Accounts receivable	7,601	243,397	233,053	17,945
TOTAL ASSETS	\$ 243,230	\$ 473,361	\$ 508,818	\$ 207,773
LIABILITIES				
Accounts payable	\$ 243,230	\$ 473,361	\$ 508,818	\$ 207,773
TOTAL LIABILITIES	\$ 243,230	\$ 473,361	\$ 508,818	\$ 207,773
<i>Wausau Area Events</i>				
ASSETS				
Cash and cash equivalents	\$ 270,715	\$ 900,493	\$ 860,365	\$ 310,843
Accounts receivable	5,008	14,000	19,008	-
TOTAL ASSETS	\$ 280,731	\$ 914,493	\$ 879,373	\$ 310,843
LIABILITIES				
Accounts payable	\$ 275,723	\$ 914,493	\$ 879,373	\$ 310,843
TOTAL LIABILITIES	\$ 275,723	\$ 914,493	\$ 879,373	\$ 310,843
<i>Wausau River District</i>				
ASSETS				
Cash and cash equivalents	\$ 111,363	\$ 209,636	\$ 227,306	\$ 93,693
TOTAL ASSETS	\$ 111,363	\$ 209,636	\$ 227,306	\$ 93,693
LIABILITIES				
Accounts payable	\$ 111,363	\$ 209,636	\$ 227,306	\$ 93,693
TOTAL LIABILITIES	\$ 111,363	\$ 209,636	\$ 227,306	\$ 93,693
<i>Business Improvement District</i>				
ASSETS				
Cash and cash equivalents	\$ -	\$ 60,000	\$ 60,000	\$ -
TOTAL ASSETS	\$ -	\$ 60,000	\$ 60,000	\$ -
LIABILITIES				
Accounts payable	\$ -	\$ 60,000	\$ 60,000	\$ -
TOTAL LIABILITIES	\$ -	\$ 60,000	\$ 60,000	\$ -

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

CITY OF WAUSAU, WISCONSIN
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
December 31, 2017

	<u>Land</u>	<u>Buildings and Improvements</u>	<u>Machinery and Equipment</u>	<u>Infrastructure</u>	<u>Totals</u>
FUNCTION AND ACTIVITY					
General government	\$ 37,450,069	\$ 6,479,831	\$ 1,843,371	\$ 1,054	\$ 45,774,325
Public safety:					
Police protection	813,377	3,738,639	890,699	-	5,442,715
Fire protection	253,942	1,913,339	5,679,179	-	7,846,460
Public works:					
Maintenance	221,071	2,547,783	768,444	24,915	3,562,213
Sidewalks	-	-	-	11,220,130	11,220,130
Street system	954,941	5,628,355	-	124,906,324	131,489,620
Parks and recreation	<u>403,104</u>	<u>17,289,469</u>	<u>2,627,038</u>	<u>20,617</u>	<u>20,340,228</u>
TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS	<u>\$ 40,096,504</u>	<u>\$ 37,597,416</u>	<u>\$ 11,808,731</u>	<u>\$ 136,173,040</u>	<u>\$ 225,675,691</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, 2017

	Balance January 1, 2017	Additions	Deletions	Balance December 31, 2017
FUNCTION AND ACTIVITY				
General government	\$ 45,764,497	\$ 10,285	\$ 457	\$ 45,774,325
Public safety:				
Police protection	5,511,537	45,970	114,792	5,442,715
Fire protection	7,763,116	92,787	9,443	7,846,460
Public works:				
Maintenance	3,518,139	44,074	-	3,562,213
Sidewalks	10,693,201	597,804	70,875	11,220,130
Street system	121,623,663	9,994,076	128,119	131,489,620
Parks and recreation	<u>17,215,167</u>	<u>3,200,059</u>	<u>74,998</u>	<u>20,340,228</u>
TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS	<u>\$ 212,089,320</u>	<u>\$ 13,985,055</u>	<u>\$ 398,684</u>	<u>\$ 225,675,691</u>

STATISTICAL SECTION

CITY OF WAUSAU, WISCONSIN

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December 31, 2017

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

	Fiscal Year									
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Governmental activities										
Net investment in capital assets	\$ 60,825,711	\$ 68,308,631	\$ 75,413,530	\$ 79,344,570	\$ 84,193,691	\$ 88,488,799	\$ 98,405,399	\$ 98,825,542	\$ 99,450,028	\$ 106,232,341
Restricted	3,332,378	3,635,751	3,711,046	12,789,388	9,729,737	10,610,753	8,818,623	16,311,881	14,156,534	21,414,528
Unrestricted	<u>14,455,757</u>	<u>14,749,802</u>	<u>19,031,751</u>	<u>10,409,561</u>	<u>14,924,479</u>	<u>14,678,918</u>	<u>13,483,982</u>	<u>14,199,650</u>	<u>17,926,268</u>	<u>9,821,545</u>
Total governmental activities net position	<u>\$ 78,613,846</u>	<u>\$ 86,694,184</u>	<u>\$ 98,156,327</u>	<u>\$ 102,543,519</u>	<u>\$ 108,847,907</u>	<u>\$ 113,778,470</u>	<u>\$ 120,708,004</u>	<u>\$ 129,337,073</u>	<u>\$ 131,532,830</u>	<u>\$ 137,468,414</u>
Business-type activities										
Net investment in capital assets	\$ 82,191,063	\$ 83,142,144	\$ 84,232,295	\$ 88,572,360	\$ 93,046,689	\$ 93,217,875	\$ 93,098,660	\$ 92,670,116	\$ 91,153,104	\$ 89,005,476
Restricted	3,280,758	2,505,824	1,427,932	1,148,802	1,280,921	1,337,308	1,469,203	2,911,504	2,384,534	4,175,498
Unrestricted	<u>2,810,801</u>	<u>2,294,567</u>	<u>1,946,083</u>	<u>4,583,292</u>	<u>4,192,056</u>	<u>4,451,943</u>	<u>3,885,029</u>	<u>5,418,467</u>	<u>7,252,415</u>	<u>6,282,510</u>
Total business-type activities net position	<u>\$ 88,282,622</u>	<u>\$ 87,942,535</u>	<u>\$ 87,606,310</u>	<u>\$ 94,304,454</u>	<u>\$ 98,519,666</u>	<u>\$ 99,007,126</u>	<u>\$ 98,452,892</u>	<u>\$ 101,000,087</u>	<u>\$ 100,790,053</u>	<u>\$ 99,463,484</u>
Primary government										
Net investment in capital assets	\$ 143,016,774	\$ 151,450,775	\$ 159,645,825	\$ 167,916,930	\$ 177,240,380	\$ 181,706,674	\$ 191,504,059	\$ 191,495,658	\$ 190,603,132	\$ 195,237,817
Restricted	6,613,136	6,141,575	5,138,978	13,938,190	11,010,658	11,948,061	10,287,826	19,223,385	16,541,068	25,590,026
Unrestricted	<u>17,266,558</u>	<u>17,044,369</u>	<u>20,977,834</u>	<u>14,992,853</u>	<u>19,116,535</u>	<u>19,130,861</u>	<u>17,369,011</u>	<u>19,618,117</u>	<u>25,178,683</u>	<u>16,104,055</u>
Total primary government net position	<u>\$ 166,896,468</u>	<u>\$ 174,636,719</u>	<u>\$ 185,762,637</u>	<u>\$ 196,847,973</u>	<u>\$ 207,367,573</u>	<u>\$ 212,785,596</u>	<u>\$ 219,160,896</u>	<u>\$ 230,337,160</u>	<u>\$ 232,322,883</u>	<u>\$ 236,931,898</u>

Notes:

The City reclassified the Metro Ride fund as an enterprise fund on January 1, 2011 and transferred the associated capital assets from the governmental activities into the business-type activities. 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.

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

	Fiscal Year									
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Expenses - Governmental activities:										
General government	\$ 5,268,888	\$ 4,069,716	\$ 4,230,618	\$ 4,071,945	\$ 4,376,515	\$ 4,250,476	\$ 4,670,657	\$ 4,804,089	\$ 4,998,030	\$ 4,598,058
Public safety	15,714,601	15,381,881	15,918,394	16,788,709	15,845,111	16,246,258	16,668,463	16,478,842	18,094,777	19,502,367
Transportation and streets	17,204,411	17,139,868	16,753,873	11,160,237	11,704,756	11,242,010	12,671,152	11,845,960	11,928,609	12,297,895
Sanitation, health and welfare	1,915,740	1,922,031	1,823,980	1,868,410	2,073,673	2,146,465	2,156,309	2,218,162	1,677,239	2,025,650
Natural resources and recreation	2,449,712	2,517,631	2,514,161	2,597,337	2,598,645	2,592,265	2,716,181	3,160,068	3,368,724	3,158,110
Economic development	2,965,673	3,434,146	3,960,765	4,868,292	3,580,425	3,629,494	3,514,056	7,582,129	7,287,952	3,563,890
Interest on long-term debt	2,151,103	2,059,540	1,620,096	1,459,235	1,247,791	1,329,912	1,238,864	1,209,574	1,568,164	1,801,377
Total governmental activities	47,670,128	46,524,813	46,821,887	42,814,165	41,426,916	41,436,880	43,635,682	47,298,824	48,923,495	46,947,347
Expenses - Business-type activities:										
Water	3,272,109	3,373,672	3,393,118	3,450,680	3,364,222	3,258,433	3,764,878	3,775,876	3,919,480	4,054,906
Wastewater	3,951,702	4,000,695	4,019,767	3,887,577	3,765,140	3,847,818	4,023,395	3,686,067	4,151,512	4,709,530
Parking	1,911,490	1,913,347	1,759,984	1,887,449	1,746,004	1,972,388	1,789,677	1,792,090	1,880,606	2,039,701
Metro Ride	-	-	-	4,049,837	3,557,036	3,613,252	3,895,784	3,594,314	3,648,953	3,518,784
Airport	-	-	-	-	309,398	378,832	395,171	406,984	397,648	392,523
Animal Control	-	-	-	-	-	70,081	191,191	170,038	189,136	195,926
Total business-type activities	9,135,301	9,287,714	9,172,869	13,275,543	12,741,800	13,140,804	14,060,096	13,425,369	14,187,335	14,911,370
Total primary government	\$ 56,805,429	\$ 55,812,527	\$ 55,994,756	\$ 56,089,708	\$ 54,168,716	\$ 54,577,684	\$ 57,695,778	\$ 60,724,193	\$ 63,110,830	\$ 61,858,717
Program revenues - Governmental activities:										
Charges for service:										
Transportation & streets	\$ 646,036	\$ 487,468	\$ 297,690	\$ 347,545	\$ 310,297	\$ 471,664	\$ 485,025	\$ 750,399	\$ 1,124,819	\$ 1,260,633
Conservation & development	941,424	1,062,703	582,312	2,042,703	955,572	994,072	897,634	1,206,003	2,281,581	540,701
Ambulance	1,394,593	1,154,805	1,271,790	1,442,386	1,521,895	1,330,680	1,396,509	1,440,123	1,576,218	1,612,079
Other activities	6,192,386	6,052,956	6,155,059	3,878,218	3,489,437	2,917,742	2,765,487	2,958,376	3,182,781	3,022,315
Operating grants & contributions	7,299,152	7,821,171	8,372,182	4,930,014	4,724,318	4,259,090	4,049,715	4,294,633	3,605,696	4,309,462
Capital grants & contributions	2,391,908	3,494,387	6,699,662	3,153,287	4,102,154	2,534,980	5,825,175	2,451,032	2,444,731	3,776,241
Total governmental activities	18,865,499	20,073,490	23,378,695	15,794,153	15,103,673	12,508,228	15,419,545	13,100,566	14,215,826	14,521,431
Program revenues - Business-type activities:										
Charges for service										
Water	4,774,634	4,644,707	4,583,056	4,658,894	4,768,408	4,607,291	4,513,955	5,236,584	5,445,096	5,369,904
Wastewater	3,997,672	3,935,667	4,207,392	5,265,216	5,400,672	5,291,328	5,365,411	5,290,542	5,321,043	5,312,985
Parking	1,031,594	973,163	898,413	943,029	971,294	1,088,714	1,139,420	953,884	955,977	1,000,434
Metro Ride	-	-	-	484,881	469,915	501,638	497,431	485,620	462,027	434,699
Airport	-	-	-	-	115,797	141,018	131,582	140,430	143,425	143,913
Animal Control	-	-	-	-	-	71,420	124,645	78,404	134,358	140,129
Operating grants & contributions	-	-	-	2,504,065	1,887,934	1,976,766	2,227,192	1,980,409	1,950,219	1,785,979
Capital grants & contributions	1,060,860	458,732	239,944	2,602,532	1,794,853	438,672	54,771	1,220,530	243,243	234,519
Total business-type activities	10,864,760	10,012,269	9,928,805	16,458,617	15,408,873	14,116,847	14,054,407	15,386,403	14,655,388	14,422,562
Total primary government	\$ 29,730,259	\$ 30,085,759	\$ 33,307,500	\$ 32,252,770	\$ 30,512,546	\$ 26,625,075	\$ 29,473,952	\$ 28,486,969	\$ 28,871,214	\$ 28,943,993

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Net (expense)/revenue										
Governmental activities	\$ (28,804,629)	\$ (26,451,323)	\$ (23,443,192)	\$ (27,020,012)	\$ (26,323,243)	\$ (28,928,652)	\$ (28,216,137)	\$ (34,198,258)	\$ (34,707,669)	\$ (32,425,916)
Business-type activities	1,729,459	724,555	755,936	3,183,074	2,667,073	976,043	(5,689)	1,961,034	468,053	(488,808)
Total primary government net position	<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>	<u>\$ (28,221,826)</u>	<u>\$ (32,237,224)</u>	<u>\$ (34,239,616)</u>	<u>\$ (32,914,724)</u>
General revenues & other changes in net position										
Governmental activities:										
Taxes										
Property taxes	\$ 24,122,853	\$ 24,701,712	\$ 25,980,766	\$ 25,927,605	\$ 25,799,254	\$ 25,471,313	\$ 26,062,523	\$ 26,556,543	\$ 27,817,518	\$ 29,061,374
Other taxes	1,261,411	1,188,455	1,247,031	1,282,138	1,339,550	1,396,225	1,426,281	1,461,604	1,670,665	1,592,500
Intergovernmental revenues not restricted to specific purposes	6,346,665	6,435,883	6,083,605	6,170,550	5,550,727	5,425,951	5,420,811	5,346,313	5,367,413	5,459,575
Investment income (loss)	1,090,103	477,921	314,408	323,802	260,412	(124,187)	531,589	369,673	339,521	386,707
Miscellaneous	288,644	298,070	284,869	111,834	86,492	98,042	107,268	83,091	81,556	93,555
Gain on sale of capital assets	28,319	11,965	48,206	40,676	4,947	24,508	57,336	67,467	69,193	173,153
Transfers	1,062,501	1,417,655	1,435,046	(2,604,305)	(447,532)	1,523,712	1,539,863	1,565,639	1,557,560	1,594,636
Total governmental activities	<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>	<u>35,145,671</u>	<u>35,450,330</u>	<u>36,903,426</u>	<u>38,361,500</u>
Business-type activities:										
Taxes	375,971	317,785	300,000	898,786	1,090,950	1,047,966	973,289	1,016,883	875,499	741,739
Investment income	90,244	33,684	42,885	11,979	7,127	6,206	3,529	1,613	1,317	8,602
Gain on sale of capital assets	2,000	1,544	-	-	2,530	-	14,500	2,560	2,657	6,534
Transfers	(1,062,501)	(1,417,655)	(1,435,046)	2,604,305	447,532	(1,523,712)	(1,539,863)	(1,565,639)	(1,557,560)	(1,594,636)
Total business-type activities	<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>	<u>(548,545)</u>	<u>(544,583)</u>	<u>(678,087)</u>	<u>(837,761)</u>
Total primary government	<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>	<u>\$ 34,597,126</u>	<u>\$ 34,905,747</u>	<u>\$ 36,225,339</u>	<u>\$ 37,523,739</u>
Change in net position										
Governmental activities	\$ 5,395,867	\$ 8,080,338	\$ 11,950,739	\$ 4,232,288	\$ 6,270,607	\$ 4,886,912	\$ 6,929,534	\$ 1,252,072	\$ 2,195,757	\$ 5,935,584
Business-type activities	1,135,173	(340,087)	(336,225)	6,698,144	4,215,212	506,503	(554,234)	1,416,451	(210,034)	(1,326,569)
Total primary government	<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>	<u>\$ 6,375,300</u>	<u>\$ 2,668,523</u>	<u>\$ 1,985,723</u>	<u>\$ 4,609,015</u>

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

Function/program	Fiscal Year									
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Governmental activities:										
General government	\$ 1,844,981	\$ 1,033,772	\$ 1,218,871	\$ 2,122,953	\$ 2,042,080	\$ 1,858,919	\$ 1,811,314	\$ 1,823,146	\$ 2,200,024	\$ 2,023,189
Public safety	2,521,246	2,127,650	2,390,722	2,581,844	3,058,071	2,811,548	2,753,741	3,050,244	2,526,945	3,072,503
Transportation and streets	11,494,513	13,392,246	16,454,918	4,766,167	6,289,861	4,409,985	4,112,915	4,010,985	4,337,202	4,698,571
Sanitation, health and welfare	341,192	265,644	275,953	200,451	238,835	363,358	575,827	572,492	276,082	364,407
Natural resources and recreation	369,784	273,672	238,127	285,894	362,202	396,725	3,920,660	255,666	314,070	411,034
Economic development	<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>	<u>2,245,088</u>	<u>3,388,033</u>	<u>4,561,503</u>	<u>3,951,727</u>
Total governmental activities	<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>	<u>15,419,545</u>	<u>13,100,566</u>	<u>14,215,826</u>	<u>14,521,431</u>
Business-type activities:										
Water	5,246,955	4,739,304	4,634,157	4,684,042	4,816,525	4,640,766	4,524,723	5,248,742	5,456,680	5,386,144
Wastewater	4,586,211	4,086,261	4,340,435	5,579,673	5,475,224	5,340,727	5,381,982	5,349,266	5,375,882	5,394,270
Parking	1,031,594	1,186,704	954,213	943,029	1,406,123	1,383,705	1,139,420	1,904,117	1,127,187	1,137,941
Metro Ride	-	-	-	5,251,873	2,643,144	2,529,306	2,724,623	2,626,001	2,385,386	2,189,460
Airport	-	-	-	-	1,067,857	150,923	159,014	140,430	149,035	143,913
Animal Control	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>71,420</u>	<u>124,645</u>	<u>117,847</u>	<u>161,218</u>	<u>170,834</u>
Total business-type activities	<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>	<u>14,054,407</u>	<u>15,386,403</u>	<u>14,655,388</u>	<u>14,422,562</u>
Total primary government	<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>	<u>\$ 29,473,952</u>	<u>\$ 28,486,969</u>	<u>\$ 28,871,214</u>	<u>\$ 28,943,993</u>

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

	Fiscal Year									
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General Fund										
Nonspendable for:										
Inventories and prepaids	\$ 360,338	\$ 362,790	\$ 364,724	\$ 68,337	\$ 58,959	\$ 327,990	\$ 415,912	\$ 401,836	\$ 392,096	\$ 309,322
Noncurrent receivables/advances	1,495,446	1,463,905	1,839,138	2,036,413	2,405,884	2,405,049	3,899,019	3,870,098	3,718,150	3,713,323
Committed to contingencies	500,000	500,000	500,000	500,000	460,400	361,900	266,250	163,059	163,059	163,059
Committed to economic development	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Committed to subsequent year's expenditures	1,546,482	950,000	1,013,496	1,397,958	220,951	209,424	-	57,078	465,100	651,348
Unassigned	<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>	<u>4,362,313</u>	<u>5,032,077</u>	<u>5,788,763</u>	<u>6,566,389</u>
Total General Fund	<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>	<u>9,443,494</u>	<u>10,024,148</u>	<u>11,027,168</u>	<u>11,903,441</u>
All Other Governmental Funds										
Nonspendable for:										
Inventories and prepaids	188,513	187,052	203,992	-	-	-	-	-	-	-
Noncurrent receivables/advances	-	-	-	-	219,119	1,239,432	1,239,432	1,239,432	-	-
Restricted for:										
Debt service	1,734,460	1,847,536	1,818,620	180,536	556,338	666,846	741,269	880,446	1,898,330	1,240,252
Capital improvements	-	-	-	7,548,985	4,098,922	5,709,269	4,002,210	3,479,012	4,699,527	3,712,726
Special purposes	-	-	-	5,059,867	5,074,477	4,234,638	4,250,477	6,146,891	8,200,958	17,053,005
Trust purposes	532,181	617,919	631,450	-	-	-	-	-	-	-
Committed to special purposes	-	-	-	661,952	1,087,696	1,063,948	1,624,943	1,586,533	1,428,938	1,263,557
Unassigned, reported in:										
Special revenue funds	3,240,496	3,085,377	3,358,295	-	-	-	-	-	-	-
Capital project funds	<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>	<u>(5,945,752)</u>	<u>(5,216,529)</u>	<u>(2,425,889)</u>	<u>(2,803,326)</u>
Total all other governmental funds	<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>	<u>5,912,579</u>	<u>8,115,785</u>	<u>13,801,864</u>	<u>20,466,214</u>
Total governmental funds	<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>	<u>\$ 15,356,073</u>	<u>\$ 18,139,933</u>	<u>\$ 24,829,032</u>	<u>\$ 32,369,655</u>

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

	Fiscal Year									
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
REVENUES										
Taxes	\$ 25,053,421	\$ 25,554,003	\$ 26,885,969	\$ 26,865,199	\$ 26,782,764	\$ 26,495,169	\$ 27,095,207	\$ 27,624,018	\$ 29,088,356	\$ 30,257,088
Special assessments	929,784	700,401	876,605	328,135	616,891	596,029	567,718	465,858	278,092	451,384
Intergovernmental	14,731,078	17,279,636	14,574,198	14,178,400	11,112,225	9,471,826	9,895,929	10,385,813	9,650,881	9,756,519
Licenses and permits	732,375	672,926	677,438	668,741	743,971	744,441	889,567	960,451	897,423	1,013,527
Fines, forfeitures and penalties	359,132	321,558	323,783	371,580	387,646	353,662	355,105	337,841	379,671	423,502
Public charges for services	3,124,289	2,155,563	2,108,028	1,900,605	1,844,875	1,807,857	1,879,793	1,928,922	2,048,807	2,150,635
Intergovernmental charges for services	1,170,324	1,409,005	1,217,706	1,199,461	1,527,173	1,393,301	1,422,142	1,457,809	1,600,706	1,219,719
Miscellaneous revenues	<u>3,386,742</u>	<u>2,067,752</u>	<u>2,249,114</u>	<u>3,421,399</u>	<u>2,556,853</u>	<u>1,516,937</u>	<u>2,575,951</u>	<u>3,176,631</u>	<u>3,612,773</u>	<u>4,730,933</u>
Total revenues	<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>	<u>44,681,412</u>	<u>46,337,343</u>	<u>47,556,709</u>	<u>50,003,307</u>
EXPENDITURES										
Current:										
General government	4,787,342	4,023,315	3,899,944	3,663,394	4,113,413	3,908,946	4,112,230	4,324,606	4,393,655	3,856,784
Public safety	14,715,228	15,218,716	15,438,786	16,227,647	15,560,272	15,875,081	15,994,216	16,138,321	16,408,574	17,460,757
Transportation and streets	11,582,084	11,339,567	10,494,061	7,626,927	7,421,412	7,675,360	8,104,483	7,129,835	7,263,021	7,510,543
Sanitation, health and welfare	1,828,223	1,901,434	1,817,462	1,945,996	2,050,598	2,172,294	2,176,076	2,270,417	1,710,876	2,018,894
Natural resources and recreation	2,215,340	2,269,495	2,259,798	2,323,491	2,282,795	2,294,146	2,343,691	2,520,305	2,537,716	2,592,340
Economic development	2,240,898	3,343,577	3,458,377	3,615,689	3,605,277	3,550,250	3,719,899	4,575,246	5,909,568	3,173,390
Capital outlay	11,681,885	10,431,681	7,345,540	12,737,146	10,489,321	9,819,062	10,307,096	12,800,819	18,536,616	16,668,361
Debt service:										
Principal retirement	9,487,176	11,865,474	10,566,792	6,835,896	7,455,729	7,528,344	9,799,708	7,022,550	7,857,778	9,025,985
Interest and debt service charges	<u>1,949,372</u>	<u>2,039,318</u>	<u>1,660,110</u>	<u>1,443,873</u>	<u>1,128,629</u>	<u>1,165,826</u>	<u>1,103,436</u>	<u>994,947</u>	<u>1,268,426</u>	<u>1,896,138</u>
Total expenditures	<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>	<u>57,660,835</u>	<u>57,777,046</u>	<u>65,886,230</u>	<u>64,203,192</u>
Excess (deficiency) of revenues over expenditures	<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>	<u>(12,979,423)</u>	<u>(11,439,703)</u>	<u>(18,329,521)</u>	<u>(14,199,885)</u>

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

	Fiscal Year									
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
OTHER FINANCING SOURCES (USES)										
Issuance of debt	\$ 11,595,117	\$ 9,560,000	\$ 8,290,000	\$ 4,672,480	\$ 6,582,239	\$ 10,513,000	\$ 5,640,000	\$ 12,290,000	\$ 21,266,779	\$ 19,235,000
Issuance of refunding debt	-	-	-	-	9,678,336	-	2,450,000	-	1,300,000	-
Premium on debt issued	-	-	-	-	453,829	270,185	238,267	192,924	744,281	785,872
Discount on debt issued	(32,250)	(18,642)	(20,188)	-	(132,631)	(79,425)	-	-	-	-
Payment to escrow agents	-	-	-	-	(10,756,767)	-	-	-	-	-
Transfers in	7,841,039	7,156,502	7,162,165	6,917,866	14,135,843	7,022,720	7,276,359	6,304,238	7,655,291	9,714,972
Transfers out	(6,287,178)	(5,388,847)	(5,727,119)	(5,279,670)	(12,536,861)	(5,302,008)	(5,539,496)	(4,563,599)	(5,947,731)	(7,995,336)
Total other financing sources (uses)	<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>	<u>10,065,130</u>	<u>14,223,563</u>	<u>25,018,620</u>	<u>21,740,508</u>
Net change in fund balance	2,116,325	(962,720)	1,676,829	(1,175,863)	(1,111,060)	814,385	(2,914,293)	2,783,860	6,689,099	7,540,623
FUND BALANCES - BEGINNING	<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>	<u>18,270,366</u>	<u>15,356,073</u>	<u>18,139,933</u>	<u>24,829,032</u>
FUND BALANCES - ENDING	<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>	<u>\$ 15,356,073</u>	<u>\$ 18,139,933</u>	<u>\$ 24,829,032</u>	<u>\$ 32,369,655</u>
			(*)			(*)				
Debt service as a percentage of noncapital expenditures	23.4%	26.3%	25.2%	17.8%	18.9%	19.5%	21.7%	16.1%	18.4%	22.0%

(*) Beginning balance restated

Note: "Commercial Revenues" reported in previous years Certified Annual Financial Reports and this statistical schedule were reclassified and included with "Miscellaneous Revenues", to be consistent with reporting as of December 31, 2017.

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
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%
2014	2015	1,575,983,700	945,149,800	103,976,100	1,658,200	121,810,800	2,748,578,600	8.77	2,655,928,800	103.49%
2015	2016	1,479,061,800	941,140,500	102,907,100	1,671,300	122,816,800	2,647,597,500	9.43	2,633,849,300	100.52%
2016	2017	1,485,837,900	980,079,100	106,413,800	1,860,200	122,004,000	2,696,195,000	9.67	2,608,454,600	103.36%
2017	2018	1,493,065,300	989,331,200	105,051,600	1,846,600	127,343,300	2,716,638,000	9.92	2,764,682,800	98.26%

^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 five to six 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
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
2014	2015	7.15	1.62	8.77	10.76	1.18	5.01	0.16	25.88	1.54	24.34
2015	2016	7.87	1.56	9.43	11.41	1.25	5.12	0.17	27.38	1.81	25.57
2016	2017	8.14	1.53	9.67	10.78	1.22	4.90	0.16	26.73	1.78	24.95
2017	2018	8.40	1.52	9.92	11.32	1.29	5.06	-	27.59	1.94	25.65

(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
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
2014	2015	7.15	1.62	8.77	10.34	1.18	5.01	0.16	25.46	1.54	23.92
2015	2016	7.87	1.56	9.43	10.73	1.25	5.12	0.17	26.70	1.81	24.89
2016	2017	8.14	1.53	9.67	10.05	1.22	4.90	0.16	26.00	1.78	24.22
2017	2018	8.40	1.52	9.92	10.62	1.29	5.06	-	26.89	1.94	24.95

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	2017			2008		
		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	\$ 81,458,400	3.02%	1	\$ 79,379,000	2.87%	1
Aspirus/Wausau Hospital	Medical	69,623,500	2.58%	2	40,891,400	1.48%	3
Marshfield Clinic	Medical	34,435,300	1.28%	3	27,085,600	0.98%	4
Apogee/Wausau Metals	Manufacturing	32,409,700	1.20%	4			
Wausau Benefits/Fiserv	Insurance	28,965,100	1.07%	5	20,816,300	0.75%	7
Eastbay	Retail/Distribution	26,907,900	1.00%	6	22,069,400	0.80%	5
First Wausau Tower	Office	25,266,100	0.94%	7	19,344,100	0.70%	8
Kocourek Holdings LLC	Car Dealer	18,561,700	0.69%	8			
L & L Properties LLC	Apartments	18,414,800	0.68%	9			
River Valley State Bank	Banking	15,838,600	0.59%	10	15,275,200	0.55%	10
Employers Insurance/Liberty	Insurance				45,113,700	1.63%	2
Wausau Center Mall	Retail				21,942,500	0.79%	6
Menards	Retail				16,382,700	0.59%	9
	TOTAL	\$ 351,881,100	13.05%		\$ 308,299,900	11.14%	

^A Per City Assessor records.

^B Based on the City's total assessed valuation on January 1, 2017 and 2008 of \$2,716,638,000 and \$2,670,251,200, respectively.

CITY OF WAUSAU
 Schedule 9
 Property Tax Levies and Collections
 Last Ten Fiscal Years

Collection Year	Total Tax Levy	Collections Prior to Transfer of Roll on August 1	Percent of Levy Collected	Total Tax Collections at December 31	Total Collections as Percent of Levy	Outstanding Delinquent Taxes	Outstanding Delinquent Taxes as Percent of Levy
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%
2014	21,824,002	21,407,308	98.09%	21,806,793	99.92%	17,209	0.08%
2015	22,312,375	21,896,425	98.14%	22,281,568	99.86%	30,807	0.14%
2016	22,927,098	22,524,679	98.24%	22,895,034	99.86%	32,064	0.14%
2017	23,879,534	23,526,350	98.52%	23,851,136	99.88%	28,398	0.12%

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.

This schedule does not include tax increment.

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>
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%
2014	0.0%	0.5%	5.0%
2015	0.0%	0.5%	5.0%
2016	0.0%	0.5%	5.0%
2017	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 Debt	Note Anticipation Notes	Capital Leases	General Obligation Debt	Water Utility Revenue Bonds	Wastewater Utility Revenue Bonds			
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	5.22%	1,288
2014	44,726,705	-	-	3,827,992	-	-	48,554,697	4.90%	1,241
2015	50,123,282	-	-	6,995,542	-	-	57,118,824	5.27%	1,462
2016	66,304,178	-	-	10,173,320	-	-	76,477,498	7.03%	1,966
2017	70,409,753	6,733,782	-	9,309,006	5,116,227	6,636,699	98,205,467	N/A	2,541

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

Fiscal Year	General Obligation Debt ^A	Less Assets Restricted for Debt Service	Total Net Debt	Percentage of Actual Taxable Property Value ^B	Per Capita ^C
2008	50,322,466	-	50,322,466	1.82%	1,247
2009	48,016,991	92,479	47,924,512	1.76%	1,178
2010	45,938,199	57,045	45,881,154	1.71%	1,127
2011	43,774,783	180,536	43,594,247	1.64%	1,114
2012	42,800,635	556,338	42,244,297	1.65%	1,079
2013	45,785,291	666,846	45,118,445	1.79%	1,152
2014	44,726,705	741,269	43,985,436	1.66%	1,124
2015	50,123,282	880,446	49,242,836	1.87%	1,261
2016	66,304,178	1,898,330	64,405,848	2.47%	1,655
2017	70,409,753	8,902,778	61,506,975	2.22%	1,591

^A Total amount includes general obligation debt to be repaid by government resources.
This does not include business-type activities debt.

^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, 2017

<u>Taxing Jurisdiction</u>	<u>Debt Outstanding^B</u>	<u>Percentage Applicable to City of Wausau</u>	<u>Amount Applicable to City of Wausau</u>
City of Wausau - Governmental Activities	\$ 70,409,753	100.00%	<u>\$ 70,409,753</u>
Overlapping Debt:			
Wausau School District	75,910,000	60.04%	45,576,364
DC Everest School District	21,015,000	5.20%	1,092,780
Northcentral Technical College	38,475,000	15.65%	6,021,338
Marathon County	7,890,000	26.73%	<u>2,109,115</u>
Total Overlapping Debt			<u>54,799,597</u>
Total Direct and Overlapping Debt			<u><u>\$ 125,209,350</u></u>

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

^B Total amount includes general obligation debt to be repaid by government resources. This does not include business-type activities debt.

CITY OF WAUSAU
Schedule 14
Legal Debt Margin Calculation
Fiscal Year Ended December 31, 2017

Legal Debt Margin at December 31, 2017

Equalized Value of Real & Personal Property	\$ <u>2,764,682,800</u>
Legal Debt Limit (5% of equalized value)	\$ <u>138,234,140</u>
Total Debt Applicable to Debt Limitation	77,824,305
Less: Available funds reserved for debt retirement	<u>(8,902,778)</u>
Net Amount Applicable to Debt Limitation	<u>68,921,527</u>
Remaining Legal Debt Margin	<u>\$ 69,312,613</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
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%
2014	2,655,928,800	132,796,440	47,197,306	85,599,134	35.54%
2015	2,633,849,300	131,692,465	55,493,129	76,199,336	42.14%
2016	2,608,454,600	130,422,730	73,181,274	76,199,336	56.11%
2017	2,764,682,800	138,234,140	68,921,527	69,312,613	49.86%

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			Coverage
				Principal	Interest	Total	
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
2014	4,514,046	2,562,127	1,951,919	-	-	-	n/a
2015	5,236,584	2,594,898	2,641,686	-	-	-	n/a
2016	5,445,178	2,710,126	2,735,052	-	-	-	n/a
2017	5,372,924	2,682,577	2,690,347	-	-	-	n/a

(Continued)

¹ Includes Total Operating Revenues and Investment Income .

² Includes Total Operating Expenses less Depreciation.

Note: 2017 was the year of issuance. Accordingly, no principal or interest payments were scheduled. Further, there was not any debt outstanding in the previous nine years that was secured by pledged revenue.

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	
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
2014	5,368,849	2,782,434	2,586,415	-	-	-	n/a
2015	5,292,155	2,462,792	2,829,363	-	-	-	n/a
2016	5,322,278	2,874,713	2,447,565	-	-	-	n/a
2017	5,318,567	3,132,714	2,185,853	-	-	-	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.

Note: 2017 was the year of issuance. Accordingly, no principal or interest payments were scheduled. Further, there was not any debt outstanding in the previous seven years that was secured by pledged revenue.

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
2008	40,360	927,042,024	42,674	8,681	6.8%
2009	40,700	856,501,154	40,535	8,522	12.8%
2010	39,106	870,788,312	40,691	8,546	10.1%
2011	39,142	899,556,630	41,620	8,574	9.0%
2012	39,160	947,821,670	43,570	8,623	8.7%
2013	39,180	967,741,170	43,250	8,663	7.4%
2014	39,131	990,629,330	44,140	8,637	4.1%
2015	39,063	1,083,114,031	47,906	8,628	3.7%
2016	38,909	1,087,133,073	48,541	8,454	3.2%
2017	38,652	n/a	n/a	8,405	2.5%

¹ Source: Wisconsin Department of Administration estimates.

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

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

⁴ Source: Wisconsin Department of Public Instruction.

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

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

Employer	Type of business	2017			2008		
		Number of Employees*	Percentage of Total City Employment	Rank	Number of Employees*	Percentage of Total City Employment	Rank
Aspirus/Wausau Hospital	Medical	3,585	17.85%	1	2,479	12.26%	1
United Health Care	Benefits Administration	1,380	6.87%	3	820	4.05%	8
Wausau School District	Education	1,277	6.36%	4	1,300	6.43%	3
Eastbay/Footlocker.com	Retail/distribution	1,159	5.77%	2	1,065	5.26%	5
Apogee-Linetec	Metal coating/window manufacturing	934	4.64%	7			
Kolbe & Kolbe	Window/door manufacturing	900	4.48%	6	1,600	7.91%	2
Employers Insurance/Liberty	Insurance	850	4.23%	5	1,250		4
Marathon County	Government	785	3.91%	8			
North Central Health Care	Health care/medical	720	3.58%	9	1,000	4.94%	6
Marshfield Clinic	Health care/medical	579	2.88%	10	950	4.70%	7
Total		<u>12,169</u>	60.58%		<u>10,464</u>	51.73%	
Total City Employment		<u>20,086</u>			<u>20,228</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>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General Government										
Mayor's office	3.50	3.50	2.50	2.50	3.00	2.50	2.50	2.00	2.00	2.00
Customer service	13.65	13.20	11.20	11.20	11.46	11.46	11.46	11.84	11.84	11.84
Assessment	6.50	6.50	6.50	6.50	6.50	6.50	7.00	7.00	7.00	6.00
Human resources	2.00	2.00	2.00	2.00	3.00	2.50	2.50	3.00	3.00	3.00
City attorney	4.00	3.25	3.25	3.25	3.25	3.75	3.75	3.75	3.75	3.75
Municipal court	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Total General Government	<u>31.15</u>	<u>29.95</u>	<u>26.95</u>	<u>26.95</u>	<u>28.71</u>	<u>28.21</u>	<u>28.71</u>	<u>29.09</u>	<u>29.09</u>	<u>28.09</u>
Public Safety										
Police department	77.50	77.50	75.50	75.50	76.50	79.00	81.00	84.00	84.00	87.00
Fire department	59.00	59.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	61.00
Inspections and electrical	11.00	11.00	10.00	6.00	-	-	-	-	-	-
Total Public Safety	<u>147.50</u>	<u>147.50</u>	<u>145.50</u>	<u>141.50</u>	<u>136.50</u>	<u>139.00</u>	<u>141.00</u>	<u>144.00</u>	<u>144.00</u>	<u>148.00</u>
Public Works	65.85	63.50	60.85	67.00	67.50	67.50	70.00	69.50	68.50	68.50
Community Development	11.75	11.75	11.75	11.75	12.00	12.00	12.75	12.75	13.75	14.00
Metro Ride	32.00	33.00	33.00	33.00	30.50	31.50	31.50	31.50	31.50	31.00
Water & Sewer Utilities	26.50	26.50	26.50	26.50	26.50	26.50	26.50	26.50	27.50	28.50
Total Regular Employees	<u>314.75</u>	<u>312.20</u>	<u>304.55</u>	<u>306.70</u>	<u>301.71</u>	<u>304.71</u>	<u>310.46</u>	<u>313.34</u>	<u>314.34</u>	<u>318.09</u>

Source: Finance and Human Resource Departments.

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General Government										
Building permits issued										
Residential	646	600	943	827	842	920	1,161	1,180	1,416	1,417
Non-residential	156	142	140	170	178	196	214	211	274	305
Total construction value (\$000)										
Residential	25,530	10,953	14,848	15,085	12,772	9,811	12,365	13,384	11,878	21,429
Non-residential	16,411	21,018	16,506	18,599	44,076	51,571	44,456	71,950	73,203	116,221
Police										
Calls for service *	53,741	50,148	50,580	51,996	55,065	31,121	30,024	36,024	39,439	41,692
Parking tickets issued	12,968	10,907	6,970	6,781	9,112	16,774	16,196	11,873	13,022	15,417
Total arrests	3,451	3,255	3,047	3,159	3,262	3,412	3,305	3,223	3,537	3,570
Fire										
Fire responses	1,437	1,285	1,333	1,493	1,618	2,100	2,117	2,097	2,212	2,222
Emergency responses	4,617	4,074	4,161	4,224	4,311	4,436	4,491	4,999	5,457	5,353
Inspections	3,971	3,951	4,004	3,919	3,922	4,105	4,193	4,144	4,141	3,809
Public works										
Miles of street swept	5,485	6,304	5,419	4,614	5,151	5,986	5,035	4,731	6,139	5,073
Cu. yds. of debris - sweeping	3,293	3,817	2,833	2,935	4,986	3,761	3,398	3,539	2,630	2,868
Tons of asphalt used (potholes)	701	719	1,381	475	614	423	694	646	578	387
Water										
Ave. daily consumption (000 gal.)	5,114	4,979	5,125	5,205	5,322	4,158	4,672	4,196	3,944	3,815
Peak daily consumption (000 gal.)	9,043	7,510	7,033	6,855	7,921	6,345	6,656	6,218	7,263	6,156
Number of customers	15,692	15,613	15,675	15,719	15,839	15,722	15,815	15,950	15,719	16,041
Wastewater										
Ave. daily sewage treatment (000 gal.)	4,199	3,900	3,842	4,335	4,258	4,462	5,539	5,188	5,260	5,300
Metro Ride										
Total route miles	604,793	573,876	573,105	571,175	401,126	439,668	436,435	402,905	403,720	406,344
Total passengers	851,895	794,121	774,081	788,748	631,360	672,224	654,078	577,044	529,831	498,902
Cost per passenger	\$3.89	\$3.88	\$4.02	\$4.24	\$4.28	\$4.23	\$4.48	\$4.56	\$4.94	\$5.37

* Prior to 2013, calls for service included total number of officers responding to each call.

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</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	228.7	233.8	239.0	245.0	250.8	250.9	252.5	258.8	259.6	260.2
Parks & recreation										
Parks	35	36	36	37	37	39	40	40	41	42
Acreage	342	342	342	342	342	433	434	436	436	437
Swimming pools	3	3	3	3	3	3	3	3	3	3
Water										
Miles of main	231.6	231.9	232.3	232.3	232.3	233.3	233.4	233.3	233.3	233.6
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	1,600	1,602	1,606	1,607	1,612	1,619	1,627	1,624	1,627	1,628
Wastewater										
Miles of main	225.6	226.2	226.4	226.6	226.6	228.3	228.7	228.7	229.3	229.3
Stormwater										
Miles of main	129.3	129.7	129.9	130.4	130.8	132.5	133.4	133.8	134.1	134.5