

**CITY OF WAUSAU, WISCONSIN
ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2021**



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YEAR ENDED DECEMBER 31, 2021**

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INDEPENDENT AUDITORS' REPORT

City Council
City of Wausau, Wisconsin

Report on the Audit of the Financial Statements

Opinions

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, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City of Wausau, Wisconsin's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Wausau, Wisconsin, as of December 31, 2021, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Wausau, Wisconsin and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Wausau, Wisconsin's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City of Wausau, Wisconsin's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about City of Wausau, Wisconsin's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Prior-Year Comparative Information

We have previously audited the City of Wausau, Wisconsin's 2020 financial statements, and we expressed unmodified opinions on the financial statements in our report dated August 2, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

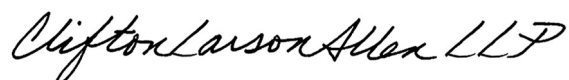
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule, and the schedules relating to pension and OPEB be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Wausau, Wisconsin's basic financial statements. The combining and individual nonmajor fund financial statements and the budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. In our opinion, the combining and individual nonmajor fund financial statements and the budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 1, 2022, on our consideration of the City of Wausau, Wisconsin's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the City of Wausau, Wisconsin's 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 City of Wausau, Wisconsin's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Wausau, Wisconsin
August 1, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

**CITY OF WAUSAU, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021**

The City of Wausau (City) presents the following discussion and analysis of the City's financial performance during the fiscal year ended December 31, 2021. 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 \$260,082,016. Of this amount, \$7,865,724 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.
- During 2021, the City's total net position increased \$9,427,702 from the 2020 net position, or approximately 3.8%.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$20,396,102, an increase of \$1,197,025 from the prior year. The total unassigned fund balance of \$5,502,153 is available for spending at the City's discretion.
- At the end of the current fiscal year, unrestricted fund balance for the City's general fund was \$12,203,351, or 34.99% of expenditures. Of this amount, \$896,415 is committed and \$11,306,936 is unassigned.
- The City's total general obligation debt increased \$2,744,000, or 3.72%. The City retired \$8,010,000 of anticipation notes. These two changes resulted in a decrease in outstanding debt for governmental purposes.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

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 nonfinancial factors, such as changes in the City's property tax base and the condition of the City's infrastructure.

**CITY OF WAUSAU, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021**

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 16-18 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 nonmajor 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.

**CITY OF WAUSAU, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021**

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, and TID #3 Downtown Development Fund, all of which are considered to be major funds. Data for the other twenty-five 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 19-22 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, and Employee Benefits, 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 three 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 23-27 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 28-29 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 30 of this report.

Supplementary 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 87-121 of this report.

**CITY OF WAUSAU, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, the City of Wausau's net position at fiscal year-end is \$260,082,016.

By far, the largest portion of the City of Wausau's net position (84.38%) 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	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 103,667,869	\$ 87,376,069	\$ 17,858,691	\$ 15,927,994	\$ 121,526,560	\$ 103,304,063
Capital assets	187,592,761	188,786,489	223,032,912	146,310,991	410,625,673	335,097,480
Total assets	<u>291,260,630</u>	<u>276,162,558</u>	<u>240,891,603</u>	<u>162,238,985</u>	<u>532,152,233</u>	<u>438,401,543</u>
Deferred outflows of resources	17,763,019	12,589,570	2,439,368	1,799,364	20,202,387	14,388,934
Noncurrent liabilities	81,728,082	86,387,881	116,609,184	45,860,408	198,337,266	132,248,289
Other liabilities	14,362,601	7,719,997	13,690,486	8,048,941	28,053,087	15,768,938
Total liabilities	<u>96,090,683</u>	<u>94,107,878</u>	<u>130,299,670</u>	<u>53,909,349</u>	<u>226,390,353</u>	<u>148,017,227</u>
Deferred inflows of resources	61,958,626	50,578,575	3,923,625	3,540,361	65,882,251	54,118,936
Net position:						
Net investment in capital assets	126,549,137	121,897,623	94,624,712	93,882,529	219,458,852	213,098,539
Restricted	27,066,836	26,554,840	5,690,604	3,865,500	32,757,440	30,420,340
Unrestricted	(2,641,633)	(4,386,788)	8,792,360	8,840,610	8,905,387	8,197,416
Total net position	<u>\$ 150,974,340</u>	<u>\$ 144,065,675</u>	<u>\$ 109,107,676</u>	<u>\$ 106,588,639</u>	<u>\$ 260,082,016</u>	<u>\$ 250,654,314</u>

An additional portion of the City's net position (12.6%) represents resources that are subject to restrictions on how they may be used. The remaining balance represents unrestricted net position of 8,905,387 which may be used to meet the government's ongoing obligations to citizens and creditors.

The following table provides a summary of the City's operations for the year ended December 31, 2021 and a comparison to the year ended December 31, 2020.

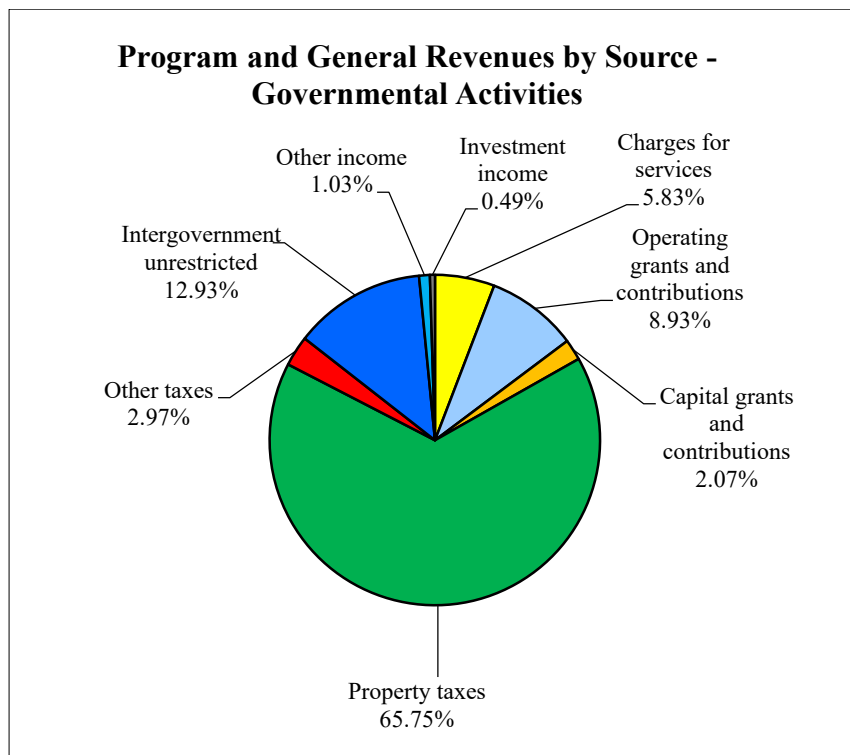
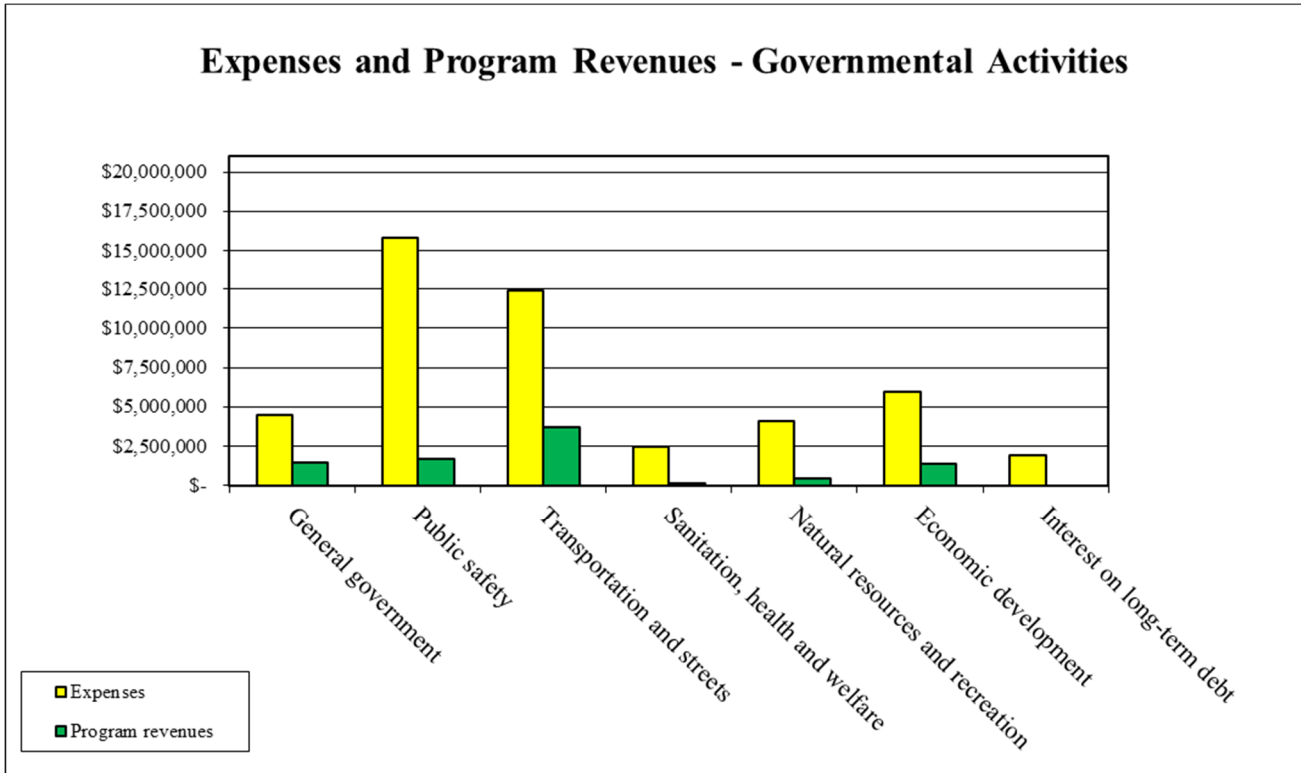
**CITY OF WAUSAU, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021**

CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program Revenues						
Charges for services	\$ 3,033,500	\$ 5,551,086	\$ 17,591,956	\$ 13,912,236	\$ 20,625,456	\$ 19,463,322
Operating grants and contributions	4,648,371	5,631,109	1,936,447	2,805,942	6,584,818	8,437,051
Capital grants and contributions	1,075,458	2,496,000	236,261	2,977,254	1,311,719	5,473,254
General Revenues						
Property taxes	34,206,613	33,191,307	1,230,813	1,385,196	35,437,426	34,576,503
Other taxes	1,545,555	1,183,334	-	-	1,545,555	1,183,334
Grants and contributions not restricted to specific purposes	6,726,294	5,687,538	-	-	6,726,294	5,687,538
Investment income	254,500	866,991	1,708	20,618	256,208	887,609
Other	536,044	52,995	110,283	-	646,327	52,995
Total Revenues	<u>52,026,335</u>	<u>54,660,360</u>	<u>21,107,468</u>	<u>21,101,246</u>	<u>73,133,803</u>	<u>75,761,606</u>
Expenses						
General government	\$4,467,841	\$5,171,765	-	-	4,467,841	5,171,765
Public safety	15,834,485	20,066,724	201,154	239,717	16,035,639	20,306,441
Transportation and streets	12,438,958	14,120,868	5,249,375	5,377,858	17,688,333	19,498,726
Sanitation, health and welfare	2,436,942	2,300,648	-	-	2,436,942	2,300,648
Natural resources and recreation	4,113,989	3,765,436	-	-	4,113,989	3,765,436
Economic development	5,948,736	4,274,279	-	-	5,948,736	4,274,279
Interest on long-term debt	1,932,086	2,044,516	-	-	1,932,086	2,044,516
Water	-	-	5,244,299	4,432,857	5,244,299	4,432,857
Wastewater	-	-	5,838,236	4,940,449	5,838,236	4,940,449
Total Expenses	<u>47,173,037</u>	<u>51,744,236</u>	<u>16,533,064</u>	<u>14,990,881</u>	<u>63,706,101</u>	<u>66,735,117</u>
Increase (decrease) in net position before transfers	4,853,298	2,916,124	4,574,404	6,110,365	9,427,702	9,026,489
Transfers	2,055,367	1,116,405	(2,055,367)	(1,116,405)	-	-
Increase (decrease) in net position	6,908,665	4,032,529	2,519,037	4,993,960	9,427,702	9,026,489
Net position - January 1	144,065,675	140,033,146	106,588,639	101,594,679	250,654,314	241,627,825
Net position - December 31	<u>\$ 150,974,340</u>	<u>\$ 144,065,675</u>	<u>\$ 109,107,676</u>	<u>\$ 106,588,639</u>	<u>\$ 260,082,016</u>	<u>\$ 250,654,314</u>

**CITY OF WAUSAU, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021**

Governmental activities increased the City's net position by \$6,908,665. Business-type activities increased the City's net position by \$2,519,037.

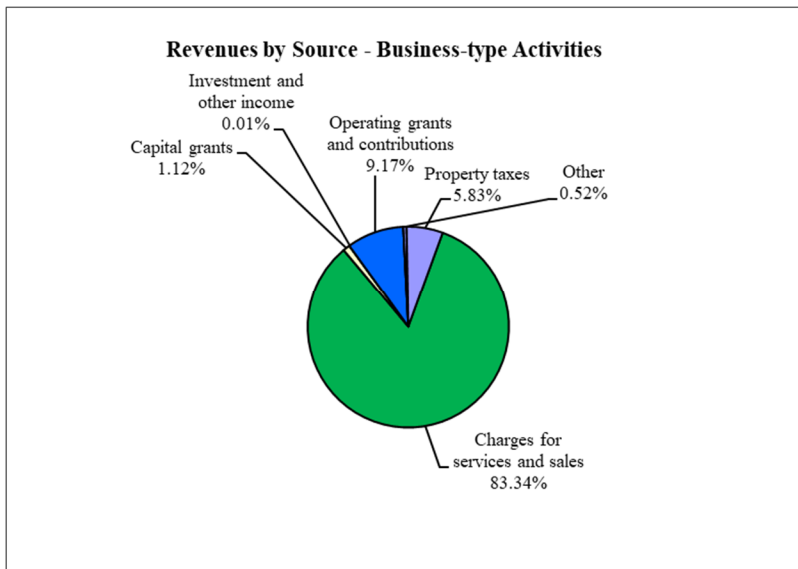
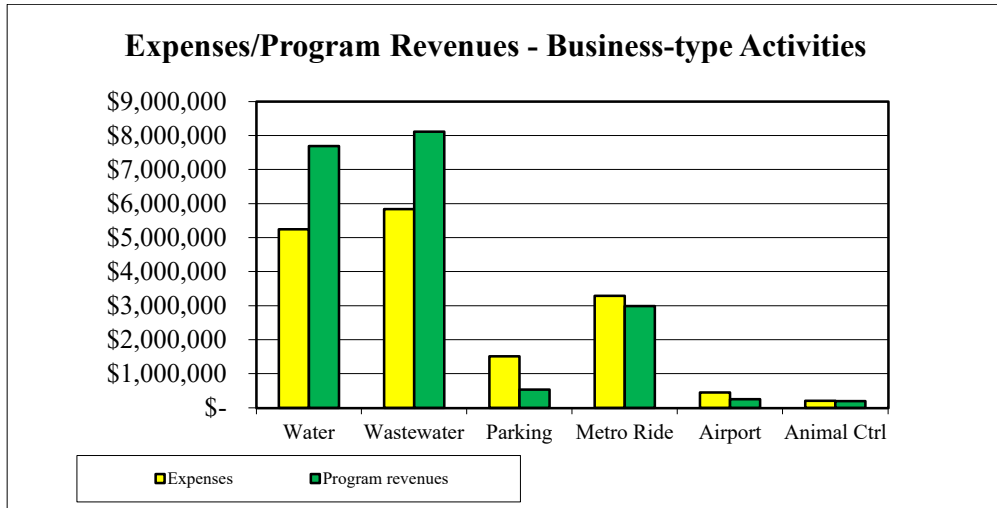


**CITY OF WAUSAU, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021**

Business-type activities increased the City of Wausau's net position by \$2,519,037.

Program revenues for business-type activities increased by \$69,232 while expenses increased \$1,542,183. Operating income for the year of \$3,231,600 represents a decline from the previous year of \$1,472,951. Net nonoperating activity reduced income by \$712,563 for a change in net position of \$2,519,037. Key elements contributing to these changes include:

- Water and Wastewater charges for services increased by due to rate increases.
- Cost of operations of Water and Wastewater increased by \$650,754 and \$364,577 respectively
- Non-operating grants decreased \$2,260,750 due to the 2020 one-time loan forgiveness offered through the Clean Water and Safe Drinking Water Funds.
- Interest expense for Water and Wastewater increased in total by \$833,332 due to the Clean Water and Safe Drinking Water loans.
- The tax equivalent payment to the General Fund increased \$236,877 due to the new plant construction.



**CITY OF WAUSAU, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021**

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, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party or the City itself.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balance of \$20,396,102, an increase of \$1,197,025 from the prior year. Approximately 26.98% or \$5,502,153, represents unassigned fund balance, which is available for spending at the City's discretion. The remainder of the fund balance is either nonspendable, restricted, or committed to indicate that it is 1) not in spendable form (\$3,480,567), 2) restricted for particular purposes (\$8,738,242), or 3) committed for particular purposes (\$2,675,140). The net increase is due to an increase in the General Fund of \$1,010,881, an increase in the Debt Service Fund of \$135,394, an increase in the TID #3 Downtown Development Fund of \$757,392 and a decrease in the nonmajor governmental funds of \$706,642. Of the nonmajor governmental funds, the three with the largest decreases in fund balance were the Capital Improvements Fund \$754,777, TID #6 West Side Development fund of \$999,990 and TID #8 Near West Side fund of \$830,053.

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 \$1,010,881 to \$15,683,918. The City reported expenditures and other financing uses less than anticipated budget for 2021 in the amount of \$1,401,073 while total revenues and other financing sources exceeded budget by \$698,920. The main reason for the positive result in total revenues compared to budget was due to larger than expected transfer from the Water Utility for tax equivalent of \$330,367, sale of the fire station which contributed to the larger than expected sale of city property by \$201,584 and permit revenue of \$232,232. These revenue positive variances offset the negative budget result of \$459,252 due to the adjustment of investments to market. General operations have had a positive impact on the unassigned fund balance, which was \$11,306,936 at year-end. Unassigned fund balance increased by \$1,195,782 from 2021 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 32.42% of general fund expenditures, while total fund balance represents 44.98% of the same amount.

The Debt Service fund balance of \$703,397 at year end represents a \$135,394 increase in fund balance from the previous year. The available balance reflects amounts restricted to pay debt service.

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.

**CITY OF WAUSAU, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021**

General Fund Budgetary Highlights

- General Fund expenditures and other financing uses were less than budget by \$1,401,073 for the current fiscal year. Cost savings occurred in all functional activities except refuse which exceeded budget by \$1,422. The transportation activity contributed \$943,230 of the positive budget variance, public safety contributed \$405,283 and general government contributed \$210,692.
- General Fund revenues and other financing sources exceeded budget expectations by \$698,920. The key elements were highlighted above. While an overall positive variance occurred several revenue categories fell short of expectations including licensing revenue, franchise fee revenue, public charges for services and investment income as noted earlier.

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, 2021 was \$410,625,673. This investment in capital assets includes land, buildings and improvements, machinery, equipment, infrastructure and construction in progress. The total increase in net capital assets for the current fiscal year was \$75,528,195 or approximately 22.54%.

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

Governmental Activities

- Fire Station construction \$5,247,750 and related equipment \$233,285
- Street Improvements including: North 3rd Avenue \$512,900, South 5th Avenue \$836,932 and Mcintosh St \$243,482.

Business-Type Activities

The multiyear facilities projects resulted in the following changes to construction in progress:

- The Water Utility treatment plant construction in progress \$25,269,521
- The Wastewater utility plant construction in progress \$53,090,815

Both facilities are expected to be completed in 2021.

City of Wausau
Capital Assets
(net of accumulated depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 47,384,177	\$ 47,180,177	\$ 5,212,032	\$ 5,072,454	\$ 52,596,209	\$ 52,252,631
Buildings & improvements	33,084,052	29,064,754	16,821,875	17,897,545	49,905,927	46,962,299
Machinery & equipment	11,316,023	10,194,753	9,102,497	9,889,463	20,418,520	20,084,216
Infrastructure	94,217,523	96,017,123	75,129,751	74,987,733	169,347,274	171,004,856
Construction in progress	1,590,986	6,329,682	116,766,757	38,463,796	118,357,743	44,793,478
Total	\$ 187,592,761	\$ 188,786,489	\$ 223,032,912	\$ 146,310,991	\$ 410,625,673	\$ 335,097,480

Additional information on the City of Wausau's capital assets can be found in Note 3.C. on pages 51-52 of this report.

**CITY OF WAUSAU, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021**

Long-Term Debt

At the end of the current fiscal year, the City of Wausau had total debt outstanding of \$191,868,402. \$76,524,779 of the total amount comprises debt backed by the full faith and credit of the City of Wausau. \$16,070,000 of the total amount comprises utility revenue bonds backed by pledged utility revenues, net of specified operating expenses. \$99,273,623 represents Safe Drinking Fund and Clean Water Fund Loans.

	City of Wausau Outstanding Debt					
	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
General obligation	\$ 76,524,779	\$ 73,482,859	\$ -	\$ 297,920	\$ 76,524,779	\$ 73,780,779
Anticipation notes	-	8,010,000	-	-	-	8,010,000
Revenue bonds	-	-	16,070,000	17,340,000	16,070,000	17,340,000
Direct borrowings	-	-	99,273,623	26,873,921	99,273,623	26,873,921
Total	\$ 76,524,779	\$ 81,492,859	\$ 115,343,623	\$ 44,511,841	\$ 191,868,402	\$ 126,004,700

In 2021 the City issued debt as follows:

- 2021 General Obligation Promissory Notes, Series A \$5,495,000; this debt financed capital improvements as outlined by the Capital Improvement Plan adopted by the common council as well as \$1,000,000 funding for a new fire truck and the refinancing of a state trust fund loan of \$1,857,328.
- 2021 Taxable General Obligation Refunding Bonds, Series B \$9,695,000; this debt redeemed Taxable Note Anticipation Notes Series 2018C of \$8,010,000 and the remaining proceeds financed the City's developer commitment to the razing of the Wausau Center Mall project.

The City received an Aa3 rating from Moody's Investors Service for all of the debt issues shown above.

Additional information regarding the City of Wausau's long-term debt can be found in Note 3.E. on pages 55-59 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 along with continued pandemic impacts were considered in preparing the 2022 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, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2020)

	Governmental Activities	Business-Type Activities	Totals		Component Unit
			2021	2020	Wausau CDA
ASSETS					
Cash and Investments	\$ 45,087,132	\$ 2,529,263	\$ 47,616,395	\$ 39,143,362	\$ 5,318,331
Receivables:					
Taxes and Special Charges	30,250,761	605,834	30,856,595	25,564,582	-
Accounts, Net	1,867,653	4,888,522	6,756,175	5,725,877	205,093
Special Assessments	268,549	-	268,549	306,669	-
Loans	14,498,105	-	14,498,105	17,230,946	-
Other	57,090	-	57,090	58,990	-
Internal Balances	27,571	(27,571)	-	-	-
Due from Other Governments	472,048	1,992,141	2,464,189	2,959,513	-
Inventories and Prepaid Items	558,540	467,352	1,025,892	1,640,758	13,025
Investment in Joint Venture	205,393	-	205,393	201,990	-
Other	-	-	-	-	18,061
Restricted Assets:					
Cash and Investments	-	5,970,394	5,970,394	4,547,642	2,035,032
Net Pension Asset	10,375,027	1,432,756	11,807,783	5,923,736	-
Capital Assets, Nondepreciable	48,975,163	121,978,789	170,953,952	97,062,262	1,012,907
Capital Assets, Depreciable	138,617,598	101,054,123	239,671,721	238,035,216	12,085,063
Total Assets	291,260,630	240,891,603	532,152,233	438,401,543	20,687,512
DEFERRED OUTFLOWS OF RESOURCES					
Pension Related Amounts	17,253,230	2,378,398	19,631,628	13,956,909	-
Other Postemployment Related Amounts	509,789	60,970	570,759	432,025	-
Total Deferred Outflows of Resources	17,763,019	2,439,368	20,202,387	14,388,934	-
LIABILITIES					
Accounts Payable	1,960,998	12,743,877	14,704,875	10,434,068	26,584
Accrued and Other Current Liabilities	2,619,884	261,512	2,881,396	2,958,343	140,426
Accrued Liability - Claims Payable	867,832	-	867,832	823,130	-
Due to Other Governments	37,756	174,112	211,868	229,645	-
Accrued Interest Payable	549,500	397,546	947,046	785,848	-
Special Deposits	62,985	32,645	95,630	-	-
Unearned Revenues	8,263,646	80,794	8,344,440	556,179	84,799
Long-Term Obligations:					
Due Within One Year	10,465,000	1,315,000	11,780,000	11,307,949	26,972
Due in More Than One Year	69,494,285	115,143,300	184,637,585	119,332,188	791,857
Other Postemployment Benefits	1,768,797	150,884	1,919,681	1,589,877	-
Total Liabilities	96,090,683	130,299,670	226,390,353	148,017,227	1,070,638
DEFERRED INFLOWS OF RESOURCES					
Property Taxes Levied for Subsequent Year	38,704,245	765,082	39,469,327	36,121,862	-
Other	323,071	-	323,071	-	-
Pension Related Amounts	22,719,760	3,137,521	25,857,281	17,749,668	-
Other Postemployment Related Amounts	211,550	21,022	232,572	247,406	-
Total Deferred Inflows Of Resources	61,958,626	3,923,625	65,882,251	54,118,936	-
NET POSITION					
Net Investment in Capital Assets	126,549,137	94,624,712	219,458,852	213,098,539	12,347,970
Restricted:					
Capital Improvements	-	2,224,072	2,224,072	12,298,111	-
Community Development Programs	8,288,472	-	8,288,472	8,393,779	1,945,421
Environmental Clean Up	1,410,362	-	1,410,362	1,546,261	-
Grants and Special Purpose Accounts	1,268,040	-	1,268,040	1,196,472	-
Pension	10,375,027	1,432,756	11,807,783	5,923,736	-
TID Expenditures	5,571,038	-	5,571,038	-	-
Debt Service	153,897	2,033,776	2,187,673	-	-
Unrestricted	(2,641,633)	8,792,360	7,865,724	8,197,416	5,323,483
Total Net Position	\$ 150,974,340	\$ 109,107,676	\$ 260,082,016	\$ 250,654,314	\$ 19,616,874

See accompanying Notes to Basic Financial Statements.

CITY OF WAUSAU, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2020)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
General Government	\$ 4,467,841	\$ 1,449,160	\$ 14,433	\$ -
Public Safety	15,834,485	957,186	731,373	-
Transportation and Streets	12,438,958	133,353	3,236,528	293,342
Sanitation, Health, and Welfare	2,436,942	753	147,733	-
Natural Resources and Recreation	4,113,989	354,640	30,000	30,523
Economic Development	5,948,736	138,408	488,304	751,593
Interest and Fiscal Charges	1,932,086	-	-	-
Total Governmental Activities	<u>47,173,037</u>	<u>3,033,500</u>	<u>4,648,371</u>	<u>1,075,458</u>
BUSINESS-TYPE ACTIVITIES				
Water	5,244,299	7,665,043	-	23,722
Wastewater	5,838,236	8,038,783	3,505	71,774
Parking	1,507,772	518,088	11,217	-
Metro Ride	3,292,104	1,033,053	1,904,865	51,967
Airport	449,499	162,090	-	88,798
Animal Control	201,154	174,899	16,860	-
Total Business-Type Activities	<u>16,533,064</u>	<u>17,591,956</u>	<u>1,936,447</u>	<u>236,261</u>
Total Primary Government	<u>\$ 63,706,101</u>	<u>\$ 20,625,456</u>	<u>\$ 6,584,818</u>	<u>\$ 1,311,719</u>
COMPONENT UNIT				
Community Development Authority	<u>\$ 3,346,912</u>	<u>\$ 1,054,602</u>	<u>\$ 1,869,588</u>	<u>\$ 76,378</u>

GENERAL REVENUES

Taxes:

Property Taxes
Tax Increments
Other Taxes

Federal and State Grants and Other Contributions

Not Restricted to Specific Functions

Interest and Investment Earnings

Miscellaneous

Gain on Sale of Asset

Transfers

Total General Revenues and Transfers

CHANGE IN NET POSITION

Net Position - Beginning of Year

NET POSITION - END OF YEAR

See accompanying Notes to Basic Financial Statements.

CITY OF WAUSAU, WISCONSIN
STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED DECEMBER 31, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2020)

Governmental Activities	Net (Expense) Revenue and Changes in Net Position				Component Unit
	Business-Type Activities	Totals		Wausau CDA	
		2021	2020		
\$ (3,004,248)	\$ -	\$ (3,004,248)	\$ (3,389,665)	\$ -	
(14,145,926)	-	(14,145,926)	(16,367,204)	-	
(8,775,735)	-	(8,775,735)	(9,775,996)	-	
(2,288,456)	-	(2,288,456)	(2,053,115)	-	
(3,698,826)	-	(3,698,826)	(3,613,668)	-	
(4,570,431)	-	(4,570,431)	(821,877)	-	
(1,932,086)	-	(1,932,086)	(2,044,516)	-	
<u>(38,415,708)</u>	<u>-</u>	<u>(38,415,708)</u>	<u>(38,066,041)</u>	<u>-</u>	
-	2,444,466	2,444,466	2,761,203	-	
-	2,275,826	2,275,826	3,716,302	-	
-	(978,467)	(978,467)	(931,242)	-	
-	(302,219)	(302,219)	(472,960)	-	
-	(198,611)	(198,611)	(295,155)	-	
-	(9,395)	(9,395)	(73,597)	-	
<u>-</u>	<u>3,231,600</u>	<u>3,231,600</u>	<u>4,704,551</u>	<u>-</u>	
<u>(38,415,708)</u>	<u>3,231,600</u>	<u>(35,184,108)</u>	<u>(33,361,490)</u>	<u>-</u>	
-	-	-	-	<u>(346,344)</u>	
26,205,433	1,230,813	27,436,246	26,096,694	-	
8,001,180	-	8,001,180	8,479,809	-	
1,545,555	-	1,545,555	1,183,334	-	
6,726,294	-	6,726,294	5,687,538	-	
254,500	1,708	256,208	887,609	6,262	
521,047	108,285	629,332	27,995	-	
14,997	1,998	16,995	25,000	-	
2,055,367	(2,055,367)	-	-	-	
<u>45,324,373</u>	<u>(712,563)</u>	<u>44,611,810</u>	<u>42,387,979</u>	<u>6,262</u>	
6,908,665	2,519,037	9,427,702	9,026,489	(340,082)	
<u>144,065,675</u>	<u>106,588,639</u>	<u>250,654,314</u>	<u>241,627,825</u>	<u>19,956,956</u>	
<u>\$ 150,974,340</u>	<u>\$ 109,107,676</u>	<u>\$ 260,082,016</u>	<u>\$ 250,654,314</u>	<u>\$ 19,616,874</u>	

See accompanying Notes to Basic Financial Statements.

CITY OF WAUSAU, WISCONSIN
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2020)

	General	Debt Service	TID #3 Downtown Development	Other Governmental Funds	Totals	
					2021	2020
ASSETS						
Cash and Investments	\$ 18,599,044	\$ 1,565,378	\$ 102,367	\$ 18,501,161	\$ 38,767,950	\$ 31,176,835
Receivables:						
Taxes and Special Charges	16,113,610	3,264,819	2,317,664	8,554,668	30,250,761	24,716,809
Accounts	1,107,031	-	178,728	524,068	1,809,827	2,114,674
Special Assessments	-	-	-	268,549	268,549	306,669
Notes	-	-	1,146,596	14,124,541	15,271,137	17,230,946
Other	53,972	-	-	3,118	57,090	58,990
Due from Other Funds	1,288,426	-	-	336,000	1,624,426	1,569,037
Advance to Other Funds	3,106,702	-	-	500,000	3,606,702	4,752,271
Due from Other Governments	32,892	-	-	439,156	472,048	1,032,171
Inventories and Prepaid Items	373,865	-	-	-	373,865	470,511
Total Assets	\$ 40,675,542	\$ 4,830,197	\$ 3,745,355	\$ 43,251,261	\$ 92,502,355	\$ 83,428,913
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts Payable	\$ 1,200,739	\$ 3,800	\$ 1,292	\$ 594,247	\$ 1,800,078	\$ 2,872,890
Accrued and Other Current Liabilities	2,175,887	-	-	42,250	2,218,137	2,265,003
Due to Other Funds	-	-	18,009	1,550,151	1,568,160	1,299,311
Advance from Other Funds	-	-	1,158,247	2,448,455	3,606,702	4,752,271
Due to Other Governments	37,756	-	-	-	37,756	18,912
Special Deposits	-	-	-	62,985	62,985	-
Unearned Revenues	-	-	-	7,846,582	7,846,582	46,053
Total Liabilities	3,414,382	3,800	1,177,548	12,544,670	17,140,400	11,254,440
DEFERRED INFLOWS OF RESOURCES						
Property Taxes Levied for						
Subsequent Year	21,174,112	4,123,000	2,926,879	10,803,325	39,027,316	34,891,049
Unavailable Revenue	403,130	-	1,146,596	14,388,811	15,938,537	18,084,347
Total Deferred Inflows of Resources	21,577,242	4,123,000	4,073,475	25,192,136	54,965,853	52,975,396
FUND BALANCES						
Nonspendable	3,480,567	-	-	-	3,480,567	3,795,350
Restricted	-	703,397	-	8,034,845	8,738,242	8,420,309
Committed	896,415	-	-	1,778,725	2,675,140	2,319,608
Unassigned	11,306,936	-	(1,505,668)	(4,299,115)	5,502,153	4,663,810
Total Fund Balances	15,683,918	703,397	(1,505,668)	5,514,455	20,396,102	19,199,077
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 40,675,542	\$ 4,830,197	\$ 3,745,355	\$ 43,251,261	\$ 92,502,355	\$ 83,428,913

See accompanying Notes to Basic Financial Statements.

CITY OF WAUSAU, WISCONSIN
BALANCE SHEET – GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2020)

	2021	2020
RECONCILIATION TO THE STATEMENT OF NET POSITION		
Total Fund Balances as Shown on Previous Page	\$ 20,396,102	\$ 19,199,077
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.	180,032,160	182,050,131
Long-term assets are not considered available; therefore, are not reported in the funds.		
Net Pension Asset	10,182,129	5,057,348
Investment in Joint Venture	205,393	201,990
Other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds.		
Special Assessments	268,549	306,669
Loans and Mortgages Receivable	15,266,858	17,230,946
Unpaid fines and forfeitures receivable	403,130	546,732
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	(773,032)	(676,906)
Net position of the internal service fund is reported in the statement of net position as governmental activities.	12,283,243	10,144,213
Some deferred outflows and inflows of resources reflect changes in long-term liabilities and are not reported in the funds.		
Deferred Outflows Related to Pensions	16,940,821	11,964,245
Deferred Inflows Related to Pensions	(22,297,342)	(15,153,657)
Deferred Outflows Related to Other Postemployment Benefits	503,414	383,601
Deferred Inflows Related to Other Postemployment Benefits	(209,352)	(224,291)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds and Notes Payable	(76,524,779)	(81,492,859)
Premium on Debt	(2,269,433)	(2,233,526)
Compensated Absences	(1,130,999)	(1,163,077)
Other Postemployment Benefit	(1,753,022)	(1,465,248)
Accrued Interest on Long-Term Obligations	(549,500)	(609,713)
Net Position of Governmental Activities as Reported on the Statement of Net Position	\$ 150,974,340	\$ 144,065,675

See accompanying Notes to Basic Financial Statements.

CITY OF WAUSAU, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2020)

	General	Debt Service	TID #3	Other	Total	
			Downtown	Governmental	2021	2020
			Development	Funds		
REVENUES						
Taxes	\$ 20,396,027	\$ 4,123,000	\$ 2,580,791	\$ 8,133,194	\$ 35,233,012	\$ 33,986,104
Special Assessments	-	-	-	247,984	247,984	264,222
Intergovernmental	9,296,142	-	746,097	2,360,891	12,403,130	12,871,567
Licenses and Permits	895,280	-	-	57,000	952,280	1,058,776
Fines and Forfeits	443,294	-	-	-	443,294	246,706
Public Charges for Services	2,344,491	-	-	-	2,344,491	2,149,929
Intergovernmental Charges for Services	1,033,855	-	-	175,451	1,209,306	1,290,058
Miscellaneous	415,065	110	135,558	1,639,825	2,190,558	2,762,078
Total Revenues	34,824,154	4,123,110	3,462,446	12,614,345	55,024,055	54,629,440
EXPENDITURES						
Current:						
General Government	4,268,003	-	-	37,266	4,305,269	4,646,339
Public Safety	19,031,528	-	-	513,114	19,544,642	19,329,283
Transportation and Streets	7,538,175	-	-	-	7,538,175	7,894,417
Sanitation, Health, and Welfare	946,422	-	-	1,488,775	2,435,197	2,300,730
Natural Resources and Recreation	3,087,659	-	-	134,087	3,221,746	2,521,114
Economic Development	-	-	21,683	4,312,525	4,334,208	4,258,300
Debt Service:						
Principal	-	9,740,029	-	-	9,740,029	16,780,120
Interest and Fiscal Charges	-	2,100,101	-	140,802	2,240,903	2,437,903
Capital Outlay	-	-	2,377	6,505,804	6,508,181	14,347,695
Total Expenditures	34,871,787	11,840,130	24,060	13,132,373	59,868,350	74,515,901
EXCESS OF REVENUES OVER (UNDER)						
EXPENDITURES	(47,633)	(7,717,020)	3,438,386	(518,028)	(4,844,295)	(19,886,461)
OTHER FINANCING SOURCES (USES)						
Long-Term Debt Issued	-	-	-	5,400,000	5,400,000	15,001,000
Refunding Debt Issued	-	-	-	9,790,000	9,790,000	-
Premium on Debt Issued	-	193,591	-	102,260	295,851	339,761
Proceeds from Sale of Capital Assets	-	-	-	9,361	9,361	-
Principal on Current Refunding	-	(10,418,051)	-	-	(10,418,051)	-
Transfers In	2,191,722	18,076,874	-	154,168	20,422,764	19,183,158
Transfers Out	(1,133,208)	-	(2,680,994)	(15,644,403)	(19,458,605)	(17,684,670)
Total Other Financing Sources (Uses)	1,058,514	7,852,414	(2,680,994)	(188,614)	6,041,320	16,839,249
NET CHANGE IN FUND BALANCES	1,010,881	135,394	757,392	(706,642)	1,197,025	(3,047,212)
Fund Balances - Beginning of Year	14,673,037	568,003	(2,263,060)	6,221,097	19,199,077	22,246,289
FUND BALANCES - END OF YEAR	\$ 15,683,918	\$ 703,397	\$ (1,505,668)	\$ 5,514,455	\$ 20,396,102	\$ 19,199,077

See accompanying Notes to Basic Financial Statements.

CITY OF WAUSAU, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2020)

	2021	2020
RECONCILIATION TO THE STATEMENT OF ACTIVITIES		
Net Change in Fund Balances as Shown on Previous Page	\$ 1,197,025	\$ (3,047,212)
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 those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital Assets Reported as Expenditure in Governmental Fund Statements	4,071,789	14,347,695
Items Reported as Capital Outlay, but Not Capitalized	-	(2,414,395)
Depreciation Expense Reported in the Statement of Activities	(6,021,390)	(6,031,897)
Net Book Value of Disposals	(68,370)	(79,501)
Transfer of Capital Assets to Proprietary Fund Types	-	(382,083)
Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the statement of activities when earned.		
Special Assessments	(38,120)	31,629
Loans and Mortgages Receivable	(1,964,088)	(177,244)
Unpaid Fines and Forfeitures Receivable	(143,602)	53,187
Allowance	(96,126)	-
Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Long-Term Debt Issued	(15,190,000)	(15,001,000)
Premium on Debt Issued	(295,851)	(339,762)
Principal Repaid	20,158,080	16,780,120
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:		
Accrued Interest on Long-Term Debt	60,213	43,086
Amortization of Premiums	259,944	350,302
Compensated Absences	32,078	(28,019)
Net Pension Asset (Liability)	5,124,781	10,464,196
Deferred Outflows of Resources Related to Pensions	4,976,576	(2,737,685)
Deferred Inflows of Resources Related to Pensions	(7,143,685)	(7,695,910)
Other Postemployment Benefits	(287,774)	(340,775)
Deferred Outflows of Resources Related to Other Postemployment Benefits	119,813	243,577
Deferred Inflows of Resources Related to Other Postemployment Benefits	14,939	(55,366)
The change 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	3,403	(73,762)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.	2,139,030	123,348
Change in Net Position of Governmental Activities as Reported in the Statement of Activities	\$ 6,908,665	\$ 4,032,529

See accompanying Notes to Basic Financial Statements.

CITY OF WAUSAU, WISCONSIN
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
DECEMBER 31, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2020)

	Enterprise Funds					Totals		Governmental Activities	
	Water Utility	Wastewater Utility	Parking Utility	Metro Ride	Nonmajor Funds	2021	2020	Internal Service Fund	
								2021	2020
ASSETS									
CURRENT ASSETS									
Cash and Investments	\$ 1,635,577	\$ 717,801	\$ -	\$ 40,158	\$ 135,727	\$ 2,529,263	\$ 3,471,089	\$ 6,319,182	\$ 4,495,438
Receivables:									
Taxes	-	-	123,757	307,939	174,138	605,834	822,775	-	-
Accounts	1,978,338	2,807,214	71,051	25,178	6,741	4,888,522	4,253,542	57,826	59,562
Due from Other Funds	-	140,000	-	-	-	140,000	140,000	-	-
Due from Other Governments	-	-	-	1,992,141	-	1,992,141	1,927,342	-	-
Inventories and Prepaid Items	303,437	-	-	162,930	985	467,352	411,337	184,675	758,910
Total Current Assets	3,917,352	3,665,015	194,808	2,528,346	317,591	10,623,112	11,026,085	6,561,683	5,313,910
NONCURRENT ASSETS									
Restricted Assets:									
Cash and Investments	1,484,653	4,485,741	-	-	-	5,970,394	4,547,643	-	-
Other Assets:									
Advance to Other Funds	-	420,000	-	-	-	420,000	560,000	-	-
Net Pension Asset	414,605	303,241	93,865	604,272	16,773	1,432,756	763,992	192,898	102,396
Total Other Assets	414,605	723,241	93,865	604,272	16,773	1,852,756	1,323,992	192,898	102,396
CAPITAL ASSETS									
Nondepreciable	38,914,929	79,378,685	3,111,646	325,529	248,000	121,978,789	43,552,404	-	-
Depreciable	39,665,962	45,182,322	13,376,476	1,495,171	1,334,192	101,054,123	102,758,587	7,560,601	6,736,358
Total Capital Assets	78,580,891	124,561,007	16,488,122	1,820,700	1,582,192	223,032,912	146,310,991	7,560,601	6,736,358
Total Assets	84,397,501	133,435,004	16,776,795	4,953,318	1,916,556	241,479,174	163,208,711	14,315,182	12,152,664
DEFERRED OUTFLOWS OF RESOURCES									
Pension Related Amounts	693,404	504,180	154,342	998,322	28,150	2,378,398	1,756,728	312,409	235,936
Other Postemployment Related Amounts	18,867	13,109	3,650	24,573	771	60,970	42,636	6,375	5,788
Total Deferred Outflows of Resources	712,271	517,289	157,992	1,022,895	28,921	2,439,368	1,799,364	318,784	241,724

See accompanying Notes to Basic Financial Statements.

CITY OF WAUSAU, WISCONSIN
STATEMENT OF NET POSITION – PROPRIETARY FUNDS (CONTINUED)
DECEMBER 31, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2020)

	Enterprise Funds					Totals		Governmental Activities Internal Service Fund	
	Water Utility	Wastewater Utility	Parking Utility	Metro Ride	Nonmajor Funds	2021	2020	2021	2020
LIABILITIES									
CURRENT LIABILITIES									
Accounts Payable	4,366,160	8,298,067	26,393	40,845	12,412	12,743,877	7,339,903	160,920	234,047
Accrued and Other Current Liabilities	83,753	66,440	17,467	90,011	3,841	261,512	230,191	26,617	26,429
Insurance Claims Payable	-	-	-	-	-	-	-	375,130	423,948
Due to Other Funds	140,000	-	56,266	-	-	196,266	409,726	-	-
Due to Other Governments	-	-	-	170,118	3,994	174,112	210,733	-	-
Special Deposits	32,645	-	-	-	-	32,645	-	-	-
Unearned Revenue	-	-	30,951	25,976	23,867	80,794	91,979	417,064	418,147
Current Portion of General Obligation Debt Payable from Restricted Assets	-	-	-	-	-	-	297,920	-	-
Accrued Interest	131,210	266,336	-	-	-	397,546	176,135	-	-
Current Portion of Revenue Bonds	485,000	830,000	-	-	-	1,315,000	1,270,000	-	-
Total Current Liabilities	5,238,768	9,460,843	131,077	326,950	44,114	15,201,752	10,026,587	979,731	1,102,571
LONG-TERM OBLIGATIONS, Less:									
Current Portion									
Advance from Other Funds	420,000	-	-	-	-	420,000	560,000	-	-
Revenue Bonds	38,602,100	76,278,082	-	-	-	114,880,182	43,869,297	-	-
Compensated Absences	67,819	37,224	30,085	127,990	-	263,118	313,458	34,074	-
Claims Payable	-	-	-	-	-	-	-	867,832	823,130
Other Postemployment Benefits	46,690	32,441	9,033	60,812	1,908	150,884	109,733	15,775	14,896
Total Long-Term Liabilities	39,136,609	76,347,747	39,118	188,802	1,908	115,714,184	44,852,488	917,681	838,026
Total Liabilities	44,375,377	85,808,590	170,195	515,752	46,022	130,915,936	54,879,075	1,897,412	1,940,597
DEFERRED INFLOWS OF RESOURCES									
Property Taxes Levied for Subsequent Year	-	-	156,287	388,883	219,912	765,082	1,230,813	-	-
Pension Related Amounts	907,923	664,053	205,549	1,323,266	36,730	3,137,521	2,289,196	422,418	306,815
Other Postemployment Related Amounts	6,505	4,520	1,258	8,473	266	21,022	20,352	2,198	2,763
Total Deferred Inflows of Resources	914,428	668,573	363,094	1,720,622	256,908	3,923,625	3,540,361	424,616	309,578
NET POSITION									
Net Investment In Capital Assets	35,318,539	39,415,159	16,488,122	1,820,700	1,582,192	94,624,712	93,882,529	7,560,601	6,736,358
Restricted:									
Pension Asset	414,605	303,241	93,865	604,272	16,773	1,432,756	763,992	192,898	102,396
Capital Improvements	-	2,224,072	-	-	-	2,224,072	2,039,527	-	-
Debt Service	868,443	1,165,333	-	-	-	2,033,776	1,061,981	-	-
Unrestricted	3,218,380	4,367,325	(180,489)	1,314,867	43,582	8,763,665	8,840,610	4,558,439	3,305,459
Total Net Position	\$ 39,819,967	\$ 47,475,130	\$ 16,401,498	\$ 3,739,839	\$ 1,642,547	109,078,981	106,588,639	\$ 12,311,938	\$ 10,144,213
Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds						28,695	-		
Net Position of Business-Type Activities as Reported on the Statement of Net Position						<u>\$ 109,107,676</u>	<u>\$ 106,588,639</u>		

See accompanying Notes to Basic Financial Statements.

CITY OF WAUSAU, WISCONSIN
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2020)

	Enterprise Funds					Totals		Governmental Activities Internal Service Fund	
	Water Utility	Wastewater Utility	Parking Utility	Metro Ride	Nonmajor Funds	2021	2020	2021	2020
OPERATING REVENUES									
Charges for Services	\$ 7,616,839	\$ 8,033,614	\$ 529,305	\$ 159,586	\$ 336,989	\$ 16,676,333	\$ 13,861,318	\$ 10,124,186	\$ 10,186,070
Other	50,202	8,674	155	928	-	59,959	50,918	190,652	109,133
Total Operating Revenues	<u>7,667,041</u>	<u>8,042,288</u>	<u>529,460</u>	<u>160,514</u>	<u>336,989</u>	<u>16,736,292</u>	<u>13,912,236</u>	<u>10,314,838</u>	<u>10,295,203</u>
OPERATING EXPENSES									
Operation and Maintenance	3,457,837	3,536,956	857,365	3,033,114	526,378	11,411,650	10,533,088	2,465,130	2,519,887
Depreciation	1,234,082	1,286,932	651,717	284,824	123,167	3,580,722	3,718,125	1,113,661	988,766
Insurance, Claims and Administration	-	-	-	-	-	-	-	6,659,588	6,650,539
Total Operating Expenses	<u>4,691,919</u>	<u>4,823,888</u>	<u>1,509,082</u>	<u>3,317,938</u>	<u>649,545</u>	<u>14,992,372</u>	<u>14,251,213</u>	<u>10,238,379</u>	<u>10,159,192</u>
OPERATING INCOME (LOSS)	2,975,122	3,218,400	(979,622)	(3,157,424)	(312,556)	1,743,920	(338,977)	76,459	136,011
NONOPERATING REVENUES (EXPENSES)									
General Property Taxes	-	-	150,000	889,892	190,921	1,230,813	1,385,196	-	-
Interest Income	657	1,051	-	-	-	1,708	20,618	58	-
Nonoperating Grants	-	-	-	2,778,332	16,860	2,795,192	5,055,942	-	-
Gain (Loss) on Disposal of Capital Assets	-	-	-	-	-	-	-	-	(12,663)
Interest and Fiscal Charges	(573,672)	(1,070,461)	-	-	-	(1,644,133)	(810,801)	-	-
Amortization of Debt Discount/Premium	26,895	46,923	-	-	-	73,818	71,133	-	-
Other Nonoperating Revenues (Expenses)	-	108,130	-	-	-	108,130	-	-	-
Total Nonoperating Revenues (Expenses)	<u>(546,120)</u>	<u>(914,357)</u>	<u>150,000</u>	<u>3,668,224</u>	<u>207,781</u>	<u>2,565,528</u>	<u>5,722,088</u>	<u>58</u>	<u>(12,663)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	2,429,002	2,304,043	(829,622)	510,800	(104,775)	4,309,448	5,383,111	76,517	123,348
Capital Contributions	23,722	71,774	-	51,967	88,798	236,261	1,109,337	1,000,000	-
Transfers In	-	-	-	-	-	-	275,000	1,091,208	-
Transfers Out	<u>(1,516,365)</u>	<u>(539,002)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,055,367)</u>	<u>(1,773,488)</u>	<u>-</u>	<u>-</u>
CHANGE IN NET POSITION	936,359	1,836,815	(829,622)	562,767	(15,977)	2,490,342	4,993,960	2,167,725	123,348
Net Position - Beginning of Year	<u>38,883,608</u>	<u>45,638,315</u>	<u>17,231,120</u>	<u>3,177,072</u>	<u>1,658,524</u>		<u>101,594,679</u>	<u>10,144,213</u>	<u>10,020,865</u>
NET POSITION - END OF YEAR	<u>\$ 39,819,967</u>	<u>\$ 47,475,130</u>	<u>\$ 16,401,498</u>	<u>\$ 3,739,839</u>	<u>\$ 1,642,547</u>		<u>\$ 106,588,639</u>	<u>\$ 12,311,938</u>	<u>\$ 10,144,213</u>
Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds						<u>28,695</u>	<u>-</u>		
Change in Net Position of Business-Type Activities as Reported on the Statement of Activities						<u>\$ 2,519,037</u>	<u>\$ 106,588,639</u>		

See accompanying Notes to Basic Financial Statements.

CITY OF WAUSAU, WISCONSIN
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2020)

	Enterprise Funds					Totals		Governmental Activities Internal Service Fund	
	Water Utility	Wastewater Utility	Parking Utility	Metro Ride	Nonmajor Funds	2021	2020	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES									
Cash Received from Customers	\$ 7,569,272	\$ 7,569,007	\$ 471,549	\$ 139,615	\$ 340,684	\$ 16,090,127	\$ 10,952,507	\$ -	\$ -
Cash Received from Interfund Services Provided	-	-	-	-	-	-	-	10,316,574	10,308,277
Cash Paid for Employee Wages and Benefits	(1,660,076)	(1,130,102)	(302,418)	(2,285,368)	(110,434)	(5,488,398)	(3,805,019)	(6,780,140)	(8,629,276)
Cash Paid to Suppliers	(1,777,113)	(2,804,034)	(581,368)	(961,427)	(439,645)	(6,563,587)	(8,773,002)	(1,866,052)	(524,135)
Net Cash Provided (Used) by Operating Activities	4,132,083	3,634,871	(412,237)	(3,107,180)	(209,395)	4,038,142	(1,625,514)	1,670,382	1,154,866
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES									
General Property Taxes	-	-	132,802	675,820	173,401	982,023	1,385,196	-	-
Intergovernmental Revenues	-	-	-	2,713,533	16,860	2,730,393	2,805,942	-	-
Due to Other Funds	-	-	56,266	(269,726)	-	(213,460)	-	-	-
Advance to Other Funds	-	140,000	-	-	-	140,000	-	-	-
Advance from Other Funds	(140,000)	-	-	-	-	(140,000)	269,726	-	-
Transfers in	-	-	-	-	-	-	275,000	1,091,208	-
Transfers Out	(1,516,365)	(539,002)	-	-	-	(2,055,367)	(1,773,488)	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	(1,656,365)	(399,002)	189,068	3,119,627	190,261	1,443,589	2,962,376	1,091,208	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES									
Acquisition of Capital Assets	(24,896,720)	(49,718,480)	-	(51,967)	(88,798)	(74,755,965)	(28,299,416)	(2,320,978)	(1,901,486)
Capital Contributions	23,722	71,774	-	51,967	88,798	236,261	-	1,000,000	-
Sale of Capital Assets	-	-	-	-	-	-	-	383,074	(12,663)
Proceeds from Long-Term Debt Issued	23,735,998	48,663,704	-	-	-	72,399,702	26,873,921	-	-
Loan Forgiveness	-	-	-	-	-	-	2,250,000	-	-
Other Revenue	-	108,130	-	-	-	108,130	-	-	-
Principal Paid on Long-Term Debt	(465,000)	(1,102,920)	-	-	-	(1,567,920)	(6,574,880)	-	-
Interest Paid on Long-Term Debt	(505,302)	(917,420)	-	-	-	(1,422,722)	(786,512)	-	-
Net Cash Used by Capital and Related Financing Activities	(2,107,302)	(2,895,212)	-	-	-	(5,002,514)	(6,536,887)	(937,904)	(1,914,149)
CASH FLOWS FROM INVESTING ACTIVITIES									
Interest Received	657	1,051	-	-	-	1,708	20,618	58	-
CHANGE IN CASH AND CASH EQUIVALENTS	369,073	341,708	(223,169)	12,447	(19,134)	480,925	(5,179,407)	1,823,744	(759,283)
Cash and Cash Equivalents - Beginning of Year	2,751,157	4,861,834	223,169	27,711	154,861	8,018,732	13,198,139	4,495,438	5,254,721
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 3,120,230</u>	<u>\$ 5,203,542</u>	<u>\$ -</u>	<u>\$ 40,158</u>	<u>\$ 135,727</u>	<u>\$ 8,499,657</u>	<u>\$ 8,018,732</u>	<u>\$ 6,319,182</u>	<u>\$ 4,495,438</u>

See accompanying Notes to Basic Financial Statements.

CITY OF WAUSAU, WISCONSIN
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2020)

	Enterprise Funds					Totals		Governmental Activities	
	Water Utility	Wastewater Utility	Parking Utility	Metro Ride	Nonmajor Funds	2021	2020	Internal Service Fund 2021	2020
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES									
Operating Income (Loss)	\$ 2,975,122	\$ 3,218,400	\$ (979,622)	\$ (3,157,424)	\$ (312,556)	\$ 1,743,920	\$ (338,977)	\$ 76,459	\$ 136,011
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:									
Depreciation	1,234,082	1,286,932	651,716	284,824	123,167	3,580,721	3,718,125	1,113,661	988,766
Depreciation Charged to Clearing Accounts	192,157	-	-	-	-	192,157	-	-	-
Change in Liability (Asset) and Deferred Outflows and Inflows of Resources:									
Change in WRS Asset (Liability)	(195,938)	(138,778)	(40,477)	(284,768)	(8,803)	(668,764)	(1,603,327)	(90,502)	(209,635)
Change in WRS Deferred Outflow	(188,198)	(128,654)	(34,982)	(260,796)	(9,040)	(621,670)	515,750	(76,473)	55,517
Change in WRS Deferred Inflow	252,718	171,263	45,580	365,916	12,848	848,325	1,131,489	115,603	158,899
Change In OPEB Liability	14,217	9,998	2,876	13,642	418	41,151	32,307	879	4,519
Change In OPEB Deferred Outflow	(6,250)	(4,389)	(1,258)	(6,245)	(192)	(18,334)	(33,398)	(587)	(4,550)
Change In OPEB Deferred Inflow	482	358	116	(276)	(10)	670	(5,136)	(565)	(653)
Change In Operating Assets And Liabilities:									
Accounts Receivable	(97,769)	(473,281)	(53,741)	(23,621)	13,432	(634,980)	(2,935,921)	1,736	(9,444)
Inventories and Prepaid Items	(36,845)	-	-	(19,111)	(61)	(56,017)	35,096	574,235	(65,928)
Accounts Payable	(45,388)	(303,442)	493	37,898	(17,227)	(327,666)	(1,928,202)	(73,127)	90,361
Accrued and Other Current liabilities	13,438	10,353	876	5,774	880	31,321	(226,042)	188	(14,853)
Due to Other Governments	-	-	-	(34,108)	(2,514)	(36,622)	36,530	-	-
Unearned Revenue	-	-	(4,170)	2,722	(9,737)	(11,185)	(23,808)	(1,083)	22,518
Claims Payable	-	-	-	-	-	-	-	(4,116)	3,338
Special Deposits	25,455	-	-	-	-	25,455	-	-	-
Compensated Absences	(5,200)	(13,889)	356	(31,607)	-	(50,340)	-	34,074	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 4,132,083</u>	<u>\$ 3,634,871</u>	<u>\$ (412,237)</u>	<u>\$ (3,107,180)</u>	<u>\$ (209,395)</u>	<u>\$ 4,038,142</u>	<u>\$ (1,625,514)</u>	<u>\$ 1,670,382</u>	<u>\$ 1,154,866</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position:									
Cash and Cash Equivalents in Current Assets	\$ 1,635,577	\$ 717,801	\$ -	\$ 40,158	\$ 135,727	\$ 2,529,263	\$ 3,471,089	\$ 6,319,182	\$ 4,495,438
Cash and Cash Equivalents in Restricted Assets	1,484,653	4,485,741	-	-	-	5,970,394	4,547,643	-	-
Total Cash and Cash Equivalents	<u>\$ 3,120,230</u>	<u>\$ 5,203,542</u>	<u>\$ -</u>	<u>\$ 40,158</u>	<u>\$ 135,727</u>	<u>\$ 8,499,657</u>	<u>\$ 8,018,732</u>	<u>\$ 6,319,182</u>	<u>\$ 4,495,438</u>
Noncash Capital and Related Financing Activities:									
Capital Asset Contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,109,337	\$ -	\$ -
Capital Assets Purchased on Account	4,175,251	8,037,767	-	-	-	12,213,018	6,991,244	-	-

See accompanying Notes to Basic Financial Statements.

CITY OF WAUSAU, WISCONSIN
STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS
DECEMBER 31, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2020)

	Cemetery	Custodial	Totals	
	Private Purpose Trust Fund		Funds	2021
ASSETS				
Cash and Investments	\$ 800,213	\$ 17,004,994	\$ 17,805,207	\$ 16,705,317
Receivables:				
Taxes	-	28,942,997	28,942,997	30,489,454
Accounts	-	4,515	4,515	6,000
Prepaid Expense	-	2,000	2,000	2,000
Total Assets	<u>800,213</u>	<u>45,954,506</u>	<u>46,754,719</u>	<u>47,202,771</u>
LIABILITIES				
Accounts Payable	-	24,418	24,418	23,399
DEFERRED INFLOWS OF RESOURCES				
Property Taxes Levied for Subsequent Year	<u>-</u>	<u>45,456,114</u>	<u>45,456,114</u>	<u>46,029,802</u>
NET POSITION				
Restricted	<u>\$ 800,213</u>	<u>\$ 473,974</u>	<u>\$ 1,274,187</u>	<u>\$ 1,149,570</u>

See accompanying Notes to Basic Financial Statements.

CITY OF WAUSAU, WISCONSIN
STATEMENT OF CHANGES IN NET POSITION – FIDUCIARY FUNDS
YEAR ENDED DECEMBER 31, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2020)

	Cemetery		Totals	
	Private Purpose Trust Fund	Custodial Funds	2021	2020
ADDITIONS				
Property Tax Collections	\$ -	\$ 47,758,782	\$ 47,758,782	\$ 45,051,606
Intergovernmental	-	26,591	26,591	56,591
Public Charges for Service	-	569,506	569,506	285,202
Net Increase in Fair Value of Investments	27,830	-	27,830	87,150
Interest and Other Miscellaneous Revenues	49,473	289	49,762	35,221
Total Additions	<u>77,303</u>	<u>48,355,168</u>	<u>48,432,471</u>	<u>45,515,770</u>
DEDUCTIONS				
Payments to Taxing Jurisdictions	-	47,686,782	47,686,782	44,979,606
Operating and Maintenance	-	604,336	604,336	511,287
Distributions to Beneficiary	8,920	-	8,920	70,442
Administrative Expenditures	7,816	-	7,816	9,548
Total Deductions	<u>16,736</u>	<u>48,291,118</u>	<u>48,307,854</u>	<u>45,570,883</u>
CHANGE IN NET POSITION	60,567	64,050	124,617	(55,113)
Net Position - Beginning of Year	<u>739,646</u>	<u>409,924</u>	<u>1,149,570</u>	<u>1,204,683</u>
NET POSITION - END OF YEAR	<u>\$ 800,213</u>	<u>\$ 473,974</u>	<u>\$ 1,274,187</u>	<u>\$ 1,149,570</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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 for 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. 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.

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

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.

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

B. Joint Venture - City-County Information Technology Commission

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.

C. Government-Wide and Fund 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.

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Government-Wide and Fund Financial Statements (Continued)

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

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

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

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.

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Government-Wide and Fund Financial Statements (Continued)

The City reports the following major enterprise funds:

Water Utility

This fund accounts for the financing of the construction, operation and maintenance of the City-owned water facilities.

Wastewater Utility

This fund accounts for the financing of the construction, operation and maintenance of the City-owned wastewater facilities.

Parking Utility

This fund accounts for the financing of the operation and maintenance of the City-owned parking facilities.

Metro Ride

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

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 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.

Private-Purpose Trust Fund

The fund is used to account for resources legally held in trust for use by a nonprofit 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.

Custodial Funds

Custodial Funds are used to account for assets held by the City or as an agent for individuals, private organizations, and/or other governmental units.

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting

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. 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 provided.

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.

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 unavailable revenues. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

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

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, the private-purpose trust fund, and custodial funds are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note.

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 BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance

1. Cash 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. 72. 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, 2021, 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" (noncurrent 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 classified as nonspendable fund balance account in the general fund to indicate that they are not available for appropriation and are not expendable available financial resources.

CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

2. Receivable and Payables (Continued)

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

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

Property taxes consist of taxes on real estate and personal property. Property taxes are levied in December of each year based on assessed value as of January 1 of that year and become an enforceable lien on the property the following January 1. The amount levied is applicable to the budget of the ensuing calendar year and become due as of January 1 of that year. Collections are made by the City through July 31. In addition to property taxes for the City, taxes are also collected for and remitted to the county government 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 (FIFO) basis using the consumption method 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 classified as nonspendable fund balance account which indicated that assets do not represent spendable available financial resources.

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

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. Current liabilities payable from these restricted assets are so classified.

5. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental activities or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$10,000 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.

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:

<u>Assets</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
	<u>Years</u>	
Improvements Other Than Buildings	15 to 150	-
Buildings and Improvements	25 to 50	25 to 50
Machinery and Equipment	3 to 25	3 to 25
Infrastructure	20 to 50	20 to 50

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

6. Compensated Absences

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

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

Payments for vacation, compensatory time, and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and compensatory time liabilities at December 31, 2021 are determined on the basis of current salary rates and include salary related payments.

7. Deferred Outflows/Inflows of Resources

Deferred outflows of resources are a consumption of net position by the government that is applicable to a future reporting period. Deferred inflows of resources are an acquisition of net position by the government that is applicable to a future reporting period. The recognition of those outflows and inflows as expenses or expenditures and revenues are deferred until the future periods to which the outflows and inflows are applicable.

Governmental funds may report deferred inflows of resources for unavailable revenues. The City reports unavailable revenues for loans and mortgages, special assessments, and municipal court receivables. These inflows are recognized as revenues in the government-wide financial statements.

8. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Bond premiums and discounts are reported as deferred charges and amortized over the term of the related debt.

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

8. 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.

9. Pensions

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense (revenue), 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 the 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.

10. Other Postemployment Benefits Other Than Pensions

Single-Employer Defined Postemployment Benefit Plan

Qualifying employees are provided with other postemployment benefits. The OPEB is a single employer defined benefit plan administered by the City. For purposes of measuring the OPEB liability, related deferred outflows and inflows of resources and OPEB expense, the City has used values provided by its actuary. Benefit payments are recognized when due and payable in accordance with the benefit terms.

Local Retiree Life Insurance Fund

The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other postemployment benefits, OPEB expense, and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIF's fiduciary net position have been determined on the same basis as they are reported by LRLIF. 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.

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

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, prepaids items or long-term loans receivable) or are required to be maintained intact.
- **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 (City Council); 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.
- **Unassigned fund balance** – Includes residual positive fund balance within the General Fund which has not been classified within the other above-mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

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).

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

11. Net Position or Fund Equity (Continued)

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.

12. Reclassifications

Certain amounts in the prior year financial statements have been reclassified to conform with the presentation in the current year financial statements with no change in previously reported net position, changes in net position, fund balance or changes in fund balance.

NOTE 2 STEWARDSHIP AND COMPLIANCE

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, Environmental Clean Up, Hazardous Materials Emergency Response, Housing Stock Improvement, Room Tax, Public Access Cable, Recycling, EMS Grant, 400 Block, and the Other Grants & Special Purpose Accounts

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 STEWARDSHIP AND COMPLIANCE (CONTINUED)

A. Budgetary Information (Continued)

fund; and the following Capital Project Funds: Capital Improvements, TID #3 Downtown Development, Central Capital Purchasing, TID #6 West Side Development, TID #7 West Side Development, TID #8 Near West Side, TID #9 Big Bull Falls, TID #10 Industrial Park, TID #11 Business Campus, and TID #12 Downtown Development. 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 second 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.

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.

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 STEWARDSHIP AND COMPLIANCE (CONTINUED)

A. Budgetary Information (Continued)

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 Budget Appropriations

The following expenditure accounts of the governmental funds had actual expenditures in excess of budget appropriations for the year ended December 31, 2021 as follows:

<u>Funds</u>	<u>Excess Expenditures</u>
General Fund:	
General Government:	
City Promotion	\$ 32,157
City Attorney	10,274
City Hall and Other Municipal Buildings	39,908
Unclassified	42,863
Sanitation, Health, and Welfare	
Garbage and Refuse Collection	1,422
Special Revenue:	
Grants	18,683
HUD Mortgage Program	152,259
DLAD Mortgage Program	1,200
WRRP Rehabilitation	79,423
Haz-Mat Emergency Response	33,287
Housing Stock Improvement	492,119
Room Tax	207,612
Recycling	17,439
Other Grants & Special Purposes	47,715
Capital Projects:	
TID #6 West Side Development	396,860
TID #7 West Side Development	97,395
TID #9 Big Bull Falls	223
Debt Service:	
Interest and Fiscal Charges	2,097

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.

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 STEWARDSHIP AND COMPLIANCE (CONTINUED)

C. Deficit Fund Equity

The following funds had deficit fund balance or net position as of December 31, 2021:

<u>Funds</u>	<u>Deficit Fund Balance</u>
Special Revenue Funds:	
Recycling	\$ 17,282
Capital Projects Funds:	
TID #3 Downtown Development	1,505,668
TID #6 West Side Development	1,003,253
TID #7 West Side Development	1,186,438
TID #8 Near West Side	766,843
TID #9 Big Bull Falls	224,964
TID #12 Downtown Development	1,100,335

The City intends to fund the above fund balance deficits from future operation of these funds.

D. Property Tax Levy Limit

Wisconsin state statutes provide for a limit on the property tax levies for all Wisconsin cities, villages, towns, and counties. For the 2021 and 2022 budget years, Wisconsin Statutes limit the increase in the maximum allowable tax levy to the change in the City's January 1 equalized value as a result of net new construction. The actual limit for the City for the 2021 budget was 3.28%. the actual limit for the City for the 2022 budget was 2.80%. Debt service for debt authorized after July 1, 2005, is exempt from the levy limit. In addition, Wisconsin statutes allow the limit to be adjusted for the increase in debt service authorized prior to July 1, 2005, and in certain other situations.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

Cash and investments as of December 31, 2021 are classified in the accompanying financial statements as follows:

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

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.

The carrying amount of the City's cash and investments totaled \$71,391,996 on December 31, 2021 as summarized below:

Petty Cash and Cash on Hand	\$ 8,187
Deposits with Financial Institutions	13,790,532
Investments	57,593,277
Total	\$ 71,391,996

Reconciliation to the basic financial statements:

Government-Wide Statement of Net Position:	
Cash and Investments	\$ 47,616,395
Restricted Cash and Investments	5,970,394
Fiduciary Fund Statement of Net Position:	
Cemetery Private Purpose Trust Fund	800,213
Custodial Funds	17,004,994
Total	\$ 71,391,996

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.

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

The valuation methods for recurring fair value measurements are as follows:

- Automated method – IDC Institutional Bond Pricing
- Automated method – IDC CD Pricing
- Quoted market prices

The City has the following fair value measurements as of December 31, 2021:

	Fair Value Measurements Using:			Total
	Level 1	Level 2	Level 3	
Mutual Bond Funds	\$ -	\$ 289,625	\$ -	\$ 289,625
Equity Mutual Funds	-	466,399	-	466,399
State and Municipal Bonds	-	544,104	-	544,104
Money Market Mutual Funds	4,651,158	348,415	-	4,999,573
Commercial Paper	-	1,351,642	-	1,351,642
Negotiable Certificates of Deposit	-	1,244,974	-	1,244,974
Government Agencies	-	21,698,498	-	21,698,498
Total Investments	<u>\$ 4,651,158</u>	<u>\$ 25,943,657</u>	<u>\$ -</u>	<u>\$ 30,594,815</u>

Deposits and investments of the City are subject to various risks. Presented below is a discussion of the City's deposits and investments and the related risks.

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:

<u>Investment Type</u>	Amount	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
Mutual Bond Funds	\$ 289,625	\$ 289,625	\$ -	\$ -	\$ -
State and Municipal Bonds	544,104	544,104	-	-	-
Commercial Paper	1,351,642	1,351,642	-	-	-
Negotiable Certificates of Deposit	1,244,974	1,244,974	-	-	-
Government Agencies	21,698,498	-	10,656,380	11,042,118	-
Wisconsin Local Government Investment Pool	26,998,462	26,998,462	-	-	-
Totals	<u>\$ 52,127,305</u>	<u>\$ 30,428,807</u>	<u>\$ 10,656,380</u>	<u>\$ 11,042,118</u>	<u>\$ -</u>

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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, Wells Fargo Treasury Money Market Fund, and repurchase sweep agreements which were not rated.

In addition, the City held investments in U.S. agency securities that were rated AAA and negotiable CD's that were not rated.

<u>Investment Type</u>	<u>Amount</u>	<u>Exempt from Disclosure</u>	<u>AAA</u>	<u>AA</u>	<u>Not Rated</u>
Mutual Bond Funds	\$ 289,625	\$ -	\$ -	\$ -	\$ 289,625
State and Municipal Bonds	544,104	-	-	544,104	-
Commercial Paper	1,351,642	-	-	-	1,351,642
Negotiable Certificates of Deposit	1,244,974	-	-	-	1,244,974
Government Agencies	21,698,498	-	21,698,498	-	-
Wisconsin Local Government Investment Pool	26,998,462	-	-	-	26,998,462
Totals	<u>\$ 52,127,305</u>	<u>\$ -</u>	<u>\$ 21,698,498</u>	<u>\$ 544,104</u>	<u>\$ 29,884,703</u>

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, 2021, concentrations making up over 5% of the City's investment portfolio were as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Percent of Total Investments</u>
U.S. Agencies	Federal Farm Credit Bank	45.9%
U.S. Agencies	Federal Home Loan Bank	15.6%
U.S. Agencies	Federal Agricultural Mortgage Corporation	10.2%
U.S. Agencies	Federal National Mortgage Association	11.7%

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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.

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 the combined amount of all time and savings deposits and \$250,000 for 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. Deposits with credit union are insured by the National Credit Union Share Insurance Fund (NCUIF) in the amount of \$250,000 per credit union member. Also, 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 an agency of the U.S. Government. However, due to the relatively small size of the State Guarantee Fund in relation the Fund's total coverage, total recovery of insured losses may not be available. This coverage has been considered in determining custodial credit risk

At December 31, 2021, the carrying amount of the City's deposits was \$13,790,532 and the financial institution balance was \$13,322,914. Of the financial institution balance, \$2,810,708 was covered by federal depository insurance, \$500,000 was covered by the national credit union share insurance fund, \$3,610,508 was covered by the State Deposit Guarantee Fund, \$3,636,860 was collateralized and \$2,764,838 was uninsured and uncollateralized.

B. Restricted Assets

The following represent the balances of the restricted assets:

Redemption – Amount required by debt covenants to be held in reserve for potential shortfall of resources.

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Restricted Assets (Continued)

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:

	<u>Wastewater</u>
Operations Fund	97.5%
Replacement Fund	2.5%

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

<u>Funds</u>	<u>Amount</u>
Water Utility:	
Redemption Accounts	\$ 1,484,653
Wastewater Utility:	
Redemption Accounts	2,261,669
Depreciation/Replacement Accounts	<u>2,224,072</u>
Total Wastewater Utility	<u>4,485,741</u>
Total Restricted Assets	<u><u>\$ 5,970,394</u></u>

CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets

Capital asset activity for the year ended December 31, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets, Nondepreciable:				
Land	\$ 47,180,177	\$ 210,000	\$ 6,000	\$ 47,384,177
Construction in Progress	6,329,682	3,968,331	8,707,027	1,590,986
Total Capital Assets, Nondepreciable	<u>53,509,859</u>	<u>4,178,331</u>	<u>8,713,027</u>	<u>48,975,163</u>
Capital Assets, Depreciable:				
Buildings and Improvements	46,188,663	5,795,851	139,160	51,845,354
Machinery and Equipment	26,650,353	3,148,851	2,730,018	27,069,186
Infrastructure	161,673,382	1,976,761	260,915	163,389,228
Subtotals	<u>234,512,398</u>	<u>10,921,463</u>	<u>3,130,093</u>	<u>242,303,768</u>
Less: Accumulated Depreciation for:				
Buildings and Improvements	17,123,909	1,776,424	139,031	18,761,302
Machinery and Equipment	16,455,600	1,643,701	2,346,138	15,753,163
Infrastructure	65,656,259	3,714,926	199,480	69,171,705
Subtotals	<u>99,235,768</u>	<u>7,135,051</u>	<u>2,684,649</u>	<u>103,686,170</u>
Total Capital Assets, Depreciable, Net	<u>135,276,630</u>	<u>3,786,412</u>	<u>445,444</u>	<u>138,617,598</u>
Governmental Activities Capital Assets, Net	<u>\$ 188,786,489</u>	<u>\$ 7,964,743</u>	<u>\$ 9,158,471</u>	187,592,761
Less: Capital Related Debt				(58,720,070)
Less: Debt Premium				(2,179,504)
Less: Capital Related Payable and Retainage				<u>(144,050)</u>
Net Investment in Capital Assets				<u>\$ 126,549,137</u>
	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities				
Capital Assets, Nondepreciable:				
Land	\$ 5,072,454	\$ 139,578	\$ -	\$ 5,212,032
Construction in Progress	38,463,796	78,922,528	619,567	116,766,757
Total Capital Assets, Nondepreciable	<u>43,536,250</u>	<u>79,062,106</u>	<u>619,567</u>	<u>121,978,789</u>
Capital Assets, Depreciable:				
Buildings and Improvements	46,744,849	78,418	21,060	46,802,207
Machinery and Equipment	33,921,265	274,136	52,566	34,142,835
Water Infrastructure	49,964,347	816,178	138,632	50,641,893
Wastewater Infrastructure	49,811,172	883,530	9,715	50,684,987
Subtotals	<u>180,441,633</u>	<u>2,052,262</u>	<u>221,973</u>	<u>182,271,922</u>
Less: Accumulated Depreciation for:				
Buildings and Improvements	28,847,304	1,154,088	21,060	29,980,332
Machinery and Equipment	24,031,802	1,061,102	52,566	25,040,338
Water Infrastructure	13,592,681	921,641	138,632	14,375,690
Wastewater Infrastructure	11,195,105	636,049	9,715	11,821,439
Subtotals	<u>77,666,892</u>	<u>3,772,880</u>	<u>221,973</u>	<u>81,217,799</u>
Total Capital Assets, Depreciable, Net	<u>102,774,741</u>	<u>(1,720,618)</u>	<u>-</u>	<u>101,054,123</u>
Business-Type Activities Capital Assets, Net	<u>\$ 146,310,991</u>	<u>\$ 77,341,488</u>	<u>\$ 619,567</u>	223,032,912
Less: Capital Related Debt				(115,343,623)
Less: Debt Premium				(851,559)
Less: Capital Related Payable and Retainage				<u>(12,213,018)</u>
Net Investment in Capital Assets				<u>\$ 94,624,712</u>

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets (Continued)

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

Governmental Activities:	
General Government	\$ 210,349
Public Safety	403,063
Transportation and Streets	4,138,923
Natural Resources and Recreation	1,040,773
Economic Development	228,282
Internal Service Fund	<u>1,113,661</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 7,135,051</u></u>
Business-Type Activities:	
Water Utility	\$ 1,234,082
Wastewater Utility	1,286,932
Parking	651,717
Metro Ride	284,824
Airport	<u>123,167</u>
Total Increase in Depreciation	3,580,722
Depreciation Charged to Clearing Accounts and Other Utilities	<u>192,158</u>
Total Depreciation Expense - Business-Type Activities	<u><u>\$ 3,772,880</u></u>

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Interfund Receivable, 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, 2021 are as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Temporary Cash Advances to Finance Operating		
Cash Deficits of Other Funds:		
General Fund	\$ 1,288,426	\$ -
Special Revenue Funds:		
Grants	-	304,631
Holtz-Krause Clean Up	336,000	-
Housing Stock Improvement	-	151,534
Capital Projects Funds:		
TID #3 Downtown Development	-	18,009
TID #6 West Side Development	-	218,996
TID #7 West Side Development	-	874,990
Enterprise Funds:		
Water Utility	-	140,000
Wastewater Utility	140,000	-
Parking Utility	-	56,266
Totals	<u>\$ 1,764,426</u>	<u>\$ 1,764,426</u>

Advances between funds represent long-term loans principally for capital purposes. The composition of interfund advances as of December 31, 2021 is as follows:

	<u>Advance to Other Funds</u>	<u>Advance from Other Funds</u>
Long-Term Cash Advances:		
General Fund	\$ 3,106,702	\$ -
Special Revenue Funds:		
Economic Development	250,000	-
Housing Stock Fund	250,000	-
Capital Projects Funds:		
TID #3 Downtown Development Fund	-	1,158,247
TID #8 Near West Side	-	776,883
TID #9 Big Bull Falls	-	221,548
TID #12 Downtown Development	-	1,450,024
Enterprise Funds:		
Water Utility	-	420,000
Wastewater Utility	420,000	-
Totals	<u>\$ 4,026,702</u>	<u>\$ 4,026,702</u>

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 BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Interfund Receivable, Payables, and Transfers (Continued)

Interfund transfers for the year ended December 31, 2021 were as follows:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 2,191,722	\$ 1,133,208
Special Revenue Funds:		
Grants	48,248	11,165
HUD Mortgage	-	48,249
Room Tax	-	189,110
Recycling	42,000	-
400 Block	52,755	-
Housing Stock Improvement	11,165	-
Debt Service Fund	18,076,874	-
Capital Projects Funds:		
TID #3 Downtown Development	-	2,680,994
TID # 6 West Side Development	-	5,633,926
TID # 7 West Side Development	-	42,400
TID #8 Near West Side	-	750,874
TID #9 Big Bull Falls	-	64,125
TID #10 Industrial Park	-	141,410
TID #11 Business Park Extension	-	4,607,401
TID #12 Downtown Development	-	4,155,743
Internal Service Fund	1,091,208	-
Enterprise Funds:		
Water Utility	-	1,516,365
Wastewater Utility	-	539,002
Total	<u>\$ 21,513,972</u>	<u>\$ 21,513,972</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 BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations

A summary of the long-term obligations activity for the year ended December 31, 2021 is as follows:

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
Governmental Activities					
General Obligation Debt:					
Bonds	\$ 35,185,000	\$ 9,695,000	\$ 2,685,000	\$ 42,195,000	\$ 3,230,000
Notes	32,952,080	5,495,000	6,477,080	31,970,000	6,485,000
Notes From Direct Borrowings:					
State Trust Fund Loans	2,986,000	-	2,986,000	-	-
Loans from Local Foundations	2,359,779	-	-	2,359,779	750,000
Total General Obligation Debt	73,482,859	15,190,000	12,148,080	76,524,779	10,465,000
Note Anticipation Notes	8,010,000	-	8,010,000	-	-
Unamortized Costs	2,233,526	295,851	259,944	2,269,433	-
Compensated Absences	2,297,561	-	19,506	2,278,055	1,113,052
Governmental Activities Long-Term Obligations	<u>\$ 86,023,946</u>	<u>\$ 15,485,851</u>	<u>\$ 20,437,530</u>	<u>\$ 81,072,267</u>	<u>\$ 11,578,052</u>

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

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
Business-Type Activities					
General Obligation Debt:					
Bonds	\$ 297,920	-	\$ 297,920	-	-
Revenue Bonds	17,340,000	-	1,270,000	16,070,000	1,315,000
Notes from Direct Borrowings					
Clean Water Fund Loan	17,758,360	48,663,704	-	66,422,064	-
Safe Drinking Water Fund Loan	9,115,561	23,735,998	-	32,851,559	-
Unamortized Costs	925,376	-	73,817	851,559	-
Compensated Absences	485,022	-	31,848	453,174	190,056
Business-Type Activities Long-Term Obligations	<u>\$ 45,922,239</u>	<u>\$ 72,399,702</u>	<u>\$ 1,673,585</u>	<u>\$ 116,648,356</u>	<u>\$ 1,505,056</u>

Total interest paid during the year on long-term debt totaled \$1,422,722.

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 Valuation of the City	\$ 3,265,016,200
Statutory Limitation Percentage	(x) 5%
General Obligation Debt Limitation, per Section 67.03 of the Wisconsin Statutes	163,250,810
Total Outstanding General Obligation Debt Applicable to Debt Limitation	<u>76,524,779</u>
Legal Margin for New Debt	<u>\$ 86,726,031</u>

Estimated payments of compensated absences, pensions, 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.

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

The following is a summary of changes in long-term obligations of the City for the year ended December 31, 2021:

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/21</u>
2012 Promissory Note Series A	4/1/22	2.0-2.65%	\$ 2,725,000	\$ 300,000
2012 Promissory Note Series B	4/1/22	2.0-3.0%	13,400,000	510,000
2013 Promissory Note	8/31/22	3%	750,000	750,000
2013 Promissory Note Series A	4/1/23	2.0-3.0%	5,365,000	1,030,000
2013 Promissory Note Series B	4/1/23	1.0-2.95%	630,000	120,000
2013 GO Bonds Series C	4/1/33	2.0-4.0%	3,410,000	2,040,000
2014 Promissory Note Series A	4/1/24	2.0-3.0%	6,405,000	1,275,000
2014 GO Bonds Series B	4/1/29	2.0-3.0%	1,495,000	975,000
2015 Promissory Note Series A	4/1/25	0.7-2.5%	3,930,000	1,660,000
2015 GO Bonds Series B	4/1/35	2.0-3.5%	5,705,000	4,185,000
2015 GO ComDev Bonds Series C	4/1/30	3.0-3.95%	2,655,000	1,945,000
2016 Promissory Note Series A	4/1/26	2.0-3.0%	8,705,000	3,655,000
2016 GO Bonds Series B	4/1/36	2.0-3.0%	6,530,000	5,250,000
2016 GO ComDev Bonds Series C	4/1/32	0.7-3.25%	4,695,000	2,490,000
2016 Promissory Note	4/18/26	2.75%	1,609,779	1,609,779
2017 Promissory Note Series A	4/1/27	1.25-4.0%	6,230,000	3,425,000
2017 GO Bonds Series B	4/1/31	2.0-3.0%	6,405,000	5,315,000
2018 Promissory Note Series A	4/1/28	3.0-4.0%	5,480,000	3,505,000
2019 Promissory Note Series A	4/1/29	2.0-3.0%	7,825,000	5,930,000
2019 GO Bonds Series B	4/1/39	2.0-4.0%	4,870,000	4,080,000
2020 GO Notes Series D	4/1/30	2.00%	5,390,000	5,065,000
2020 GO Bonds Series E	4/1/30	0.25-1.75%	6,625,000	6,220,000
2021 GO Notes Series A	4/1/31	1.20-3.00%	5,495,000	5,495,000
2021 GO Bonds Series B	4/1/36	0.25-2.2%	9,695,000	9,695,000
Total Outstanding General Obligation Debt				\$ 76,524,779

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

General Obligation Debt (Continued)

Annual principal and interest maturities of the outstanding general obligation debt of \$76,524,779 on December 31, 2021 are detailed below:

Year Ending December 31,	Governmental Activities				Total
	Bonded Debt		Notes from Direct Borrowings		
	Principal	Interest	Principal	Interest	
2022	\$ 9,715,000	\$ 1,746,063	\$ 750,000	\$ 75,206	\$ 12,286,269
2023	9,790,000	1,441,630	-	44,269	11,275,899
2024	9,455,000	1,193,504	-	44,269	10,692,773
2025	9,195,000	861,849	-	44,269	10,101,118
2026	5,810,000	785,969	1,609,779	44,269	8,250,017
2027-2031	22,560,000	2,128,792	-	-	24,688,792
2032-2036	6,810,000	481,208	-	-	7,291,208
2037-2039	830,000	34,513	-	-	864,513
Total	<u>\$ 74,165,000</u>	<u>\$ 8,673,528</u>	<u>\$ 2,359,779</u>	<u>\$ 252,282</u>	<u>\$ 85,450,589</u>

The City's outstanding notes from direct borrowings related to governmental activities of \$2,359,779 contain an acceleration cause that ten days after notice that the properties included in the credit agreement are no longer being actively marketed for sale or redevelopment, the principal and accrued interest shall become due.

Revenue Bonds

Revenue bonds outstanding on December 31, 2021 totaled \$115,343,623 and were comprised of the following issues:

	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/21
2017 Water Revenue	5/1/37	2.0-4.0%	\$ 4,815,000	\$ 3,435,000
2017 Sewer Revenue	5/1/37	2.0-4.0%	6,225,000	4,145,000
2019 Sewer Revenue	5/1/39	2.0-4.0%	6,530,000	6,010,000
2019 Water Revenue	5/1/39	2.0-4.0%	2,695,000	2,480,000
2020 Sewer Clean Water Fund	5/1/50	18.7%	66,422,064	66,422,064
2020 Water Safe Drinking Water	5/1/40	1.76%	32,851,559	32,851,559
Total Outstanding Revenue Bonds				<u>\$ 115,343,623</u>

The debt issued by the City was for various water and sewer infrastructure projects.

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

Revenue Bonds (Continued)

Debt service requirements on the revenue bond debt to maturity at December 31, 2021 are as follows:

Year Ending December 31,	Business-Type Activities				Total
	Bonded Debt		Direct Borrowings		
	Principal	Interest	Principal	Interest	
2022	\$ 1,315,000	\$ 504,631	\$ -	\$ 1,837,314	\$ 3,656,945
2023	1,360,000	451,131	3,393,852	1,789,409	6,994,392
2024	1,410,000	395,731	3,455,594	1,727,106	6,988,431
2025	1,460,000	338,331	3,518,459	1,663,668	6,980,458
2026	1,445,000	280,231	3,582,469	1,599,075	6,906,775
2027-2031	3,285,000	995,441	18,914,045	6,984,558	30,179,044
2032-2036	3,795,000	537,981	20,698,460	5,183,894	30,215,335
2037-2041	2,000,000	76,544	20,506,086	3,232,062	25,814,692
2042-2046	-	-	13,482,423	1,735,673	15,218,096
2047-2050	-	-	11,722,235	443,488	12,165,723
Total	<u>\$ 16,070,000</u>	<u>\$ 3,580,021</u>	<u>\$ 99,273,623</u>	<u>\$ 26,196,247</u>	<u>\$ 145,119,891</u>

The Cities outstanding direct borrowings related to business type activities of \$99,273,623 contain the following provisions in the event of a default: 1) Wisconsin Department of Administration can deduct amounts due from any state payments due to the City or add the amounts due as a special charge to the property taxes apportioned; 2) may appoint a receiver for the Program's benefit; 3) may declare the principal amount immediately due and payable; 4) may enforce any right or obligation under the financing agreement including the right to seek specific performance or mandamus; and 5) may increase the interest rate set forth in the financing agreement to the market interest rate.

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 2050. The total principal and interest remaining to be paid on the bonds is \$145,119,891. Principal and interest paid for the current year was \$2,990,642, and the total customer net revenues available for debt services were \$8,714,539.

Current Refunding

On July 15, 2021, the City issued General Obligation Promissory Notes, Series 2021A for \$5,495,000. Of that amount, \$1,780,000 was used to early retire principal of \$2,408,051 for the 2020 State Trust Fund Loan. These transactions were undertaken to reduce the total debt payments through 2025 by a \$660,172 and to obtain a total economic gain (difference between the present values of the old and new debt service payments) of \$620,967.

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

Current Refunding (Continued)

On July 15, 2021, the City also issued \$9,695,000 of General Obligation Corporate Purpose Bonds, Series 2021B. Of that amount, \$8,010,000 was used to early retire the Note Anticipation Note, Series 2018C. These transactions were undertaken to increase the total debt payments through 2036 by \$389,448 and to obtain a total economic gain (difference between the present values of the old and new debt service payments) of \$203,207.

Conduit Debt Obligation

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, 2021, there were two series of Industrial Revenue Bonds outstanding. Total principal amount payable could not be determined, however, original issue amounts totaled \$2,700,000.

F. 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, expected to work at least 1,200 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 Annual Comprehensive Financial Report (ACFR), which can be found at <http://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Defined Benefit Pension Plan (Continued)

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 occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before December 31, 2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

Final average earnings is the average of the participant's three highest annual earnings periods. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

Vested participants may retire at or after age 55 (50 for protective occupations) and receive an actuarially-reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Defined Benefit Pension Plan (Continued)

Postretirement 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:

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
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%
2017	2.0%	4.0%
2018	2.4%	17.0%
2019	0.0%	-10.0%
2020	1.7%	21.0%

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, 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, 2021, the WRS recognized \$2,190,071 in contributions from the City.

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Defined Benefit Pension Plan (Continued)

Contributions (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)	6.75%	6.75%
Protective with Social Security	6.75%	11.75%
Protective without Social Security	6.75%	16.35%

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

At December 31, 2021, the City reported an asset of \$11,807,783 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2020, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019, rolled forward to December 31, 2020. 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 asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2020, the City's proportion was 0.18913216 which was an increase of 0.0054194800% from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the City recognized pension revenue of \$1,257,620.

At December 31, 2021, 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	\$ 17,089,485	\$ 3,681,044
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	-	22,168,149
Changes in Assumptions	267,823	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	84,249	8,088
Employer Contributions Subsequent to the Measurement Date	2,190,071	-
Total	<u>\$ 19,631,628</u>	<u>\$ 25,857,281</u>

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Defined Benefit Pension Plan (Continued)

Pension Assets, Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows or Resources Related to Pensions (Continued)

\$2,190,071 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 (asset) in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Expense</u>
2022	\$ (2,160,730)
2023	(573,341)
2024	(3,993,785)
2025	(1,687,868)
Total	<u>\$ (8,415,724)</u>

Actuarial Assumption

The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2019
Measurement Date of Net Pension Liability (Asset):	December 31, 2020
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality	Wisconsin 2018 Mortality Table
Postretirement Adjustments*	1.9%

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The total pension liability for December 31, 2018 is based upon a roll-forward of the liability calculated from the December 31, 2017 actuarial valuation.

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. 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:

<u>Core Fund Asset Class</u>	<u>Current Asset Allocation Percent</u>	<u>Long-Term Expected Nominal Rate of Return Percent</u>	<u>Long-Term Expected Real Rate of Return Percent</u>
Global Equities	51.0 %	7.2 %	4.7 %
Fixed Income	25.0	3.2 %	0.8 %
Inflation Sensitive Assets	16.0	2.0 %	-0.4%
Real Estate	8.0	5.6 %	3.1 %
Private Equity/Debt	11.0	10.2 %	7.6 %
Multi-Asset	4.0	5.8 %	3.3 %
Cash	(15.0)	0.9 %	N/A
Total Core Fund	100.0 %	6.6 %	4.1 %
<u>Variable Fund Asset Class</u>			
U.S. Equities	70.0 %	6.6 %	4.1 %
International Equities	30.0	7.4 %	4.9 %
Total Variable Fund	100.0 %	7.1 %	4.6 %

New England Pension Consultants Long-Term U.S. CPI (Inflation) Forecast: 2.40%

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

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Defined Benefit Pension Plan (Continued)

Single Discount Rate

A single discount rate of 7.00% was used to measure the total pension liability for the current and prior year. This single discount rate is based on the expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.00% (Source: Fixed-Income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2020. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of 10,000 tax exempt securities.) Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% 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.

Sensitivity of the City's Proportionate Share of the Net Pension Liability/(Asset) to Changes in the Discount Rate

The following schedule presents the City's proportionate share of the net pension liability/(asset) calculated using the discount rate of 7.00%, 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 (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	One Percent Decrease to Discount Rate (6.0%)	Current Discount Rate (7.0%)	One Percent Increase to Discount Rate (8.0%)
City's Proportionate Share of the Net Pension Liability (Asset)	\$ 11,239,737	\$ (11,807,783)	\$ (28,735,747)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

Payable to the Pension Plan

At December 31, 2021 the City reported a payable of \$464,598 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2021.

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Postemployment Benefits

The City reports OPEB related balances at December 31, 2021 as summarized below:

	OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
Local Retiree Life Insurance Fund (LRLIF)	\$ 1,272,212	\$ 514,084	\$ 177,250	\$ 148,618
Single-Employer Defined OPEB Plan	647,469	56,675	55,322	67,485
Total OPEB Liability	<u>\$ 1,919,681</u>	<u>\$ 570,759</u>	<u>\$ 232,572</u>	<u>\$ 216,103</u>

1. Single-Employer Defined Postemployment Benefit Plan

Plan Description

The Plan is a single-employer defined benefit postemployment health plan that covers retired employees of the City. Eligible retired employees may use a percentage of their accumulated sick leave, converted at their monetary value, towards continued medical coverage on the City's group plan. Medical benefits paid for by the City are indicated below. Eligibility requirements for specific classifications of employees for continued health care coverage under the City's group plan are briefly outlined below:

- **Fire:** At least 50 years of age with a minimum of 5 years of service with the City.
- **Police:** At least 50 years of age with a minimum of 13 years of service with the City.
- **Management:** At least 55 years of age with a minimum of 14 years of service with the City, and hired prior to January 1, 2013. The requirement of 14 years of service is decreased by 1 year for every additional year of age over 55 at the date of retirement.

Note: Any City employee retiring after December 31, 2012 will no longer be eligible to remain on the City's group medical plan beyond the COBRA period.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75. The plan does not issue separate financial statements.

**CITY OF WAUSAU, WISCONSIN
 NOTES TO BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Postemployment Benefits (Continued)

1. Single-Employer Defined Postemployment Benefit Plan (Continued)

Benefits Provided

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.

Employees Covered by Benefit Terms

At December 31, 2019, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently	
Receiving Benefit Payments	4
Active Employees	267
Total	271

Contributions

The City does not contribute to the premium costs. The retirees pay 100% of the premium amounts under the plan.

Total OPEB Liability

The City's total OPEB liability of \$647,469 was measured as of December 31, 2020, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation:	2.0%
Salary Increases:	3.0%
Discount Rate:	2.25%
Healthcare Cost Trend Rates:	6.5%, decreasing by 0.10% per year down to 5%, and level thereafter.

A discount rate of 2.25% was used in calculating the City's OPEB liability based on the Bond Buyer GO 20-Year Bond GO Index.

Mortality rates were based on the Wisconsin 2018 Mortality table adjusted for future mortality improvements using the MP-2018 fully generated improvement scale.

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Postemployment Benefits (Continued)

1. Single-Employer Defined Postemployment Benefit Plan (Continued)

Actuarial Assumptions and Other Inputs (Continued)

The actuarial assumptions used in the December 31, 2019 valuation were upon an experience study conducted in 2015 using the Wisconsin Retirement System (WRS) experience from 2015-2017.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at December 31, 2019	\$ 596,832
Changes for the Year:	
Service Cost	50,954
Interest	16,629
Differences Between Expected and Actual Experience	-
Changes of Assumptions or Other Input	18,308
Benefit Payments	(35,254)
Net Changes	50,637
Balance at December 31, 2020	\$ 647,469

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	One Percent Decrease to Discount Rate (1.25%)	Current Discount Rate (2.25%)	One Percent Increase to Discount Rate (3.25%)
Total OPEB Liability	\$ 684,925	\$ 647,569	\$ 611,177

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	One Percent Decrease (5.5% Decreasing to 4.0%)	Healthcare Cost Trend Rates (6.5% Decreasing to 5.0%)	One Percent Increase (7.5% Decreasing to 6.0%)
Total OPEB Liability	\$ 579,155	\$ 647,469	\$ 727,865

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Postemployment Benefits (Continued)

1. Single-Employer Defined Postemployment Benefit Plan (Continued)

OPEB Expense and Deferred Outflows of Resources Related to OPEB

For the year ended December 31, 2021, the City recognized OPEB expense of \$67,485. At December 31, 2021 the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 42,640
Changes in Assumptions	56,675	12,682
Total	\$ 56,675	\$ 55,322

Amounts reported as deferred outflows of resources and deferred inflows resources related to OPEB will be recognized in other postemployment benefits as follows:

Year Ended December 31,	Expense
2022	\$ (98)
2023	(98)
2024	(98)
2025	(98)
2026	(98)
Thereafter	1,843
Total	\$ 1,353

Payable to the OPEB Plan

At December 31, 2021, the City reported a payable of \$0 for the outstanding amount of contribution to the plan required for the year ended December 31, 2021.

2. Local Retiree Life Insurance Fund

Plan Description

The LRLIF is a cost-sharing, multiple-employer defined benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides postemployment life insurance benefits for all eligible employees.

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Postemployment Benefits (Continued)

2. Local Retiree Life Insurance Fund (Continued)

OPEB Plan Fiduciary Net Position

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

Additionally, ETF issued a standalone Retiree Life Insurance Financial Report, which can be found at <https://etfonline.wi.gov/ETFGASBPublicWeb/gasb75Local.do>.

Benefits Provided

The LRLIF plan provides fully paid up life insurance benefits for post-age 64 retired members and pre-65 retirees who pay for their coverage.

Contributions

The Group Insurance Board approves contribution rates annually, based on recommendations from the insurance carrier. Recommended rates are based on an annual valuation, taking into consideration an estimate of the present value of future benefits and the present value of future contributions. A portion of employer contributions made during a member's working lifetime funds a postretirement benefit.

Employers are required to pay the following contributions based on member contributions for active members to provide them with Basic Coverage after age 65. There are no employer contributions required for pre-age 65 annuitant coverage. If a member retires prior to age 65, they must continue paying the member premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution rates as of December 31, 2021 are:

<u>Coverage Type</u>	<u>Employer Contribution</u>
50% Postretirement Coverage	40% of Member Contribution
25% Postretirement Coverage	20% of Member Contribution

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Postemployment Benefits (Continued)

2. Local Retiree Life Insurance Fund (Continued)

Contributions (Continued)

Member contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating members must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The member contribution rates in effect for the year ended December 31, 2020, are listed below:

Life Insurance Member Contribution Rates*		
for the Year Ended December 31, 2020		
Attained Age	Basic	Supplemental
Under 30	\$0.05	\$0.05
30 - 34	0.06	0.06
35 - 39	0.07	0.07
40 - 44	0.08	0.08
45 - 49	0.12	0.12
50 - 54	0.22	0.22
55 - 59	0.39	0.39
60 - 64	0.49	0.49
65 - 69	0.57	0.57

* Disabled members under age 70 receive a waiver-of-premium benefit

During the reporting period, the LRLIF recognized \$4,739 in contributions from the City.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At December 31, 2021, the City reported a liability of \$1,272,212 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2020 rolled forward to December 31, 2020. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City proportion of the net OPEB liability was based on the City's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2020, the City's proportion was 0.23128100%, which was a decrease of 0.000799% from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the City recognized OPEB expense of \$148,618.

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Postemployment Benefits (Continued)

2. Local Retiree Life Insurance Fund (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 60,706
Net Differences Between Projected and Actual Earnings on OPEB Plan Investments	18,522	-
Changes in Assumptions	494,909	87,291
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	653	29,253
Total	<u>\$ 514,084</u>	<u>\$ 177,250</u>

Amounts related to the City reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending December 31,</u>	<u>Expense</u>
2022	\$ 61,346
2023	59,343
2024	57,280
2025	53,768
2026	72,267
Thereafter	32,830
Total	<u>\$ 336,834</u>

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Postemployment Benefits (Continued)

2. Local Retiree Life Insurance Fund (Continued)

Actuarial Assumptions

The total OPEB liability in the January 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Valuation Date:	January 1, 2020
Measurement Date of Net OPEB Liability (Asset):	December 31, 2020
Actuarial Cost Method:	Entry age normal
20 Year Tax-Exempt Municipal Bond Yield:	2.12%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	2.25%
Salary Increases:	
Inflation	3.00%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The total OPEB liability for December 31, 2020 is based upon a roll-forward of the liability calculated from the January 1, 2020 actuarial valuation.

Long-Term Expected Return on Plan Assets

The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Investments for the LRLIF are held with Securian, the insurance carrier. Interest is calculated and credited to the LRLIF based on the rate of return for a segment of the insurance carriers' general fund, specifically 10-year A- Bonds (as a proxy, and not tied to any specific investments). The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were originally invested and the rate of return for that year. Investment interest is credited based on the aggregate rate of return and assets are not adjusted to fair market value. Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto.

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return Percent</u>
U.S. Credit Bonds	Barclays Credit	50.0	1.47
U.S. Mortgages	Barclays MBS	50.0	0.82
Inflation			2.20%
Long-Term Expected Rate of Return			4.25%

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Postemployment Benefits (Continued)

2. Local Retiree Life Insurance Fund (Continued)

Long-Term Expected Return on Plan Assets (Continued)

The long-term expected rate of return and expected inflation rate remained unchanged from the prior year at 4.25% and 2.20% respectively. The long-term expected rate of return is determined by adding expected inflation to expected long-term real return and reflecting expected volatility and correlation.

Single Discount Rate

A single discount rate of 2.25% was used to measure the total OPEB liability, as opposed to a discount rate of 2.87% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 2.74% as of December 31, 2019 to 2.12% as of December 31, 2020. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total OPEB liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made according to the current employer contribution schedule and that contributions are made by plan members retiring prior to age 65.

Sensitivity of the Proportionate Share of Net OPEB Liability (Asset) to Changes in the Discount Rate

The following presents the City's, the Utilities', and the CDA proportionate share of the net OPEB liability (asset) calculated using the discount rate of 2.25%, as well as what the City's, the Utilities', and the CDA proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (1.25%) or one-percentage-point higher (3.25%) than the current rate:

	One Percent Decrease to Discount Rate (1.25%)	Current Discount Rate (2.25%)	One Percent Increase to Discount Rate (3.25%)
City's Proportionate Share of the Net OPEB Liability (Asset)	\$ 1,730,573	\$ 1,272,212	\$ 925,568

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Postemployment Benefits (Continued)

2. Local Retiree Life Insurance Fund (Continued)

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in separately issued financial statements available at <http://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

Payable to the OPEB Plan

At December 31, 2021, the City reported a payable of \$-0- for the outstanding amount of contribution to the plan required for the year ended December 31, 2021.

H. Restricted Net Position/Fund Balances

Nonspendable

In the fund financial statements, portions of the governmental fund balances are amounts that cannot be spent because they are either 1) not in spendable form or 2) legally or contractually required to be maintained intact. At December 31, 2021, nonspendable fund balance was as follows:

General Fund:

Nonspendable:

Advance to Other Funds	\$ 3,106,702
Inventory and Prepaid Items	<u>373,865</u>
Total General Fund Nonspendable	
Fund Balance	<u><u>\$ 3,480,567</u></u>

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Restricted Net Position/Fund Balances (Continued)

Restricted

In the fund financial statements, portions of governmental fund balances are not available for appropriation or are legally restricted for use for a specific purpose. At December 31, 2021, restricted fund balance was as follows:

Special Revenue Funds:

Restricted for:

Grants	\$ 2,547,090
HUD Mortgage Program	132,971
Federal Rent Rehabilitation	337,818
WRRP Rehabilitation	1,048,846
Environmental Clean Up Fund	1,410,362
Hazardous Materials Emergency Response	254,424
EMS Grant	35,679
American Rescue Plan Act	1,173
Other Grants & Special Purpose Accounts	976,764
Total	<u>6,745,127</u>

Debt Service Fund	703,397
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Capital Projects Funds:

Restricted for:

Central Capital Purchasing	297,779
Capital Improvements	696,334
TID #10 Industrial Park	73,073
TID #11 Business Campus	222,532
Total	<u>1,289,718</u>

Total Restricted Fund Balance	<u><u>\$ 8,738,242</u></u>
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**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Restricted Net Position/Fund Balances (Continued)

Committed

In the fund financial statements, portions of government fund balances are committed by City Council resolution. At December 31, 2021, governmental fund balance was committed as follows:

General Fund:

Committed for:	
Contingencies	\$ 193,059
Economic Development	500,000
Continuing Appropriation	<u>203,356</u>
Total General Fund Committed Fund Balance	<u>896,415</u>

Special Revenue Funds:

Committed for:	
DLAD Mortgage Program	531,333
Economic Development	286,143
Housing Stock Improvement	374,662
Room Tax	326,991
Public Access Cable	52,026
400 Block	<u>207,570</u>
Total	<u>1,778,725</u>

Total Committed Fund Balance	<u><u>\$ 2,675,140</u></u>
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Minimum General Fund Balance Policy

The City Council has adopted a policy that unassigned fund balance in the amount of 16.67% of the annual General Fund expenditures be maintained for cash flow and working capital purposes as recommended as best practice by GFOA. The minimum fund balance amount is calculated below as follows:

2021 General Fund Expenditures	\$ 34,871,787
Minimum Fund Balance Percent	<u>(x) 16.67%</u>
Minimum Fund Balance Amount	<u><u>\$ 5,813,127</u></u>

The City's unassigned general fund balance of \$11,306,936 is above the minimum fund balance ranges.

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 BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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, 2021 is as follows:

Deposits with Financial Institutions	\$ 7,353,243
Petty Cash	120
Total	<u>\$ 7,353,363</u>

Reconciliation to the basic financial statements:

Government-Wide Statement of Net Position:	
Cash and Investments	\$ 5,318,331
Restricted Cash and Investments	2,035,032
Total	<u>\$ 7,353,363</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 \$7,353,243 and the financial institution balance was \$7,410,569. 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 BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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, 2021 was as follows:

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
Affordable Housing Program Loan	\$ 750,000	\$ -	\$ -	\$ 750,000	\$ -
Compensated Absences	64,403	56,904	52,478	68,829	26,972
Long-Term Obligations	<u>\$ 814,403</u>	<u>\$ 56,904</u>	<u>\$ 52,478</u>	<u>\$ 818,829</u>	<u>\$ 26,972</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 BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

I. Component Unit (Continued)

d. Capital asset activity for the year ended December 31, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Nondepreciable:				
Land	\$ 1,075,569	\$ -	\$ 94,252	\$ 981,317
Construction in Progress	-	107,968	76,378	31,590
Total Capital Assets, Nondepreciable	1,075,569	107,968	170,630	1,012,907
Capital Assets, Depreciable:				
Buildings and Improvements	22,565,922	97,062	24,240	22,638,744
Furniture and Equipment	751,205	46,621	44,473	753,353
Subtotals	23,317,127	143,683	68,713	23,392,097
Less: Accumulated Depreciation	10,663,640	708,913	65,519	11,307,034
Total Capital Assets, Depreciable, Net	12,653,487	(565,230)	3,194	12,085,063
Governmental Activities Capital Assets, Net	\$ 13,729,056	\$ (457,262)	\$ 173,824	\$ 13,097,970
			Less: Related Long Term Debt Outstanding	750,000
			Net Investment in Capital Assets	\$ 12,347,970

NOTE 4 OTHER INFORMATION

A. Tax Incremental Financing Districts

The City has established separate capital project funds for Tax Incremental Districts (TID) No. 3, No. 6, No. 7, No. 8, No. 9, No. 10, No. 11, and No. 12 which were created by the City in accordance with Section 66.1105 of the Wisconsin Statutes. At the time the District was created, the property tax base within the District was "frozen" and increment taxes resulting from increases to the property tax base are used to finance District improvements including principal and interest on long term debt issued by the City to finance such improvements. The Statutes allow eligible project costs to be incurred up to five years prior to the maximum termination date.

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Tax Incremental Financing Districts (Continued)

Since creation of the above Districts, the City has provided various finance sources to the TID. The foregoing amounts are not recorded as liabilities in the TID Capital project fund, but can be recovered by the City from any future excess tax increment revenues. As of December 31, 2021, the City can recover \$61,302,990 from future excess tax increment revenues of the following:

TID	Fund Balance (Deficit)	Outstanding Debt	Refundable Interfund Transfers	(Unrecovered) Over Recovered Costs
#3	\$ (1,505,668)	\$ (16,417,749)	\$ (8,883,177)	\$ (26,806,594)
#6	(1,003,253)	(10,245,000)	-	(11,248,253)
#7	(1,186,438)	(80,000)	-	(1,266,438)
#8	(766,843)	(4,275,168)	-	(5,042,011)
#9	(224,964)	(120,000)	-	(344,964)
#10	73,073	(1,200,000)	-	(1,126,927)
#11	222,532	(10,265,000)	-	(10,042,468)
#12	(1,100,335)	(4,325,000)	-	(5,425,335)
	<u>\$ (5,491,896)</u>	<u>\$ (46,927,917)</u>	<u>\$ (8,883,177)</u>	<u>\$ (61,302,990)</u>

The Intent of the City is to recover the above amounts from future TID surplus funds, if any, prior to termination of the respective Districts. Unless terminated by the City prior thereto, each TID has a statutory termination year as follows:

TID	Termination Date
#3	9/1/2031
#6	5/10/2025
#7	1/10/2026
#8	4/10/2039
#9	9/25/2039
#10	9/10/2033
#11	7/11/2037
#12	7/18/2044

B. Commitments and Contingencies

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditures for claims and judgments are only reported in governmental fund types if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 4 OTHER INFORMATION (CONTINUED)

B. Commitments and Contingencies (Continued)

From time to time, the City is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, 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 or results of operations.

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

At December 31, 2021, the City had the following encumbrances outstanding at year end and expects to honor them upon performance by the vendors:

General Fund	\$ 232,345
Capital Projects Fund	500,248
TID #3 Downtown Development Fund	158,895
Nonmajor Special Revenue Funds	166,899
Nonmajor Capital Projects Funds	794,581
Water Utility Fund	295,227
Sewer Utility Fund	33,485
Parking Fund	10,696
Motor Pool Fund	3,120,344
Total	<u><u>\$ 5,312,720</u></u>

The City has entered into a number of developer agreements within the City's tax incremental financing districts to stimulate economic growth. Payments under these agreements are contingent upon developers fulfilling certain agreed upon matters. Total commitments at December 31, 2021 are \$10,251,985.

The City has entered into contracts for construction of water and wastewater treatment facilities the contracts at December 31, 2021 are as follows:

	<u>Total Contract</u>	<u>Balance Outstanding</u>
Water Treatment Facility	\$ 40,119,884	\$ 9,093,816
Wastewater Treatment Facility	88,377,376	15,242,093

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 4 OTHER INFORMATION (CONTINUED)

C. 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. The plan continues to provide employees with an HSA option. Dental coverage is offered through Delta Dental. Insurance premiums for dental are 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 premiums, claims, administrative costs and stop loss claims.

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 2021 and 2020 is as follows:

	Balance January 1	Claims and Changes in Estimates	Amounts Paid	Balance December 31
2020	\$ 364,089	\$ (143,030)	\$ 202,359	\$ 18,700
2021	18,700	5,438,851	5,438,851	18,700

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, 2021, a claims liability of \$135,801 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 2021 and 2020 are as follows:

	Balance January 1	Claims and Changes in Estimates	Amounts Paid	Balance December 31
2020	\$ 85,670	\$ 64,857	\$ 10,610	\$ 139,917
2021	139,917	30,726	34,842	135,801

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 4 OTHER INFORMATION (CONTINUED)

C. Risk management (Continued)

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.

The claims liability of \$1,088,461 at December 31, 2021 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 2021 and 2020 are as follows:

	Balance January 1	Claims and Changes in Estimates	Amounts Paid	Balance December 31
2020	\$ 793,981	\$ 404,824	\$ 110,344	\$ 1,088,461
2021	1,088,461	90,924	90,924	1,088,461

D. 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.

E. 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%.

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 4 OTHER INFORMATION (CONTINUED)

E. Joint Venture Information (Continued)

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, 2021 is as follows:

Operating Revenues	\$ 4,327,624
Operating Expenses:	
Data Processing	4,146,857
Administrative and General	180,767
Depreciation	390,192
Total Operating Expenses	<u>4,717,816</u>
Operating Loss Before Contributions and Reimbursements	(390,192)
Capital Contributions and Reimbursements	<u>406,397</u>
Change in Net Position	16,205
Total Assets and Deferred Outflows of Resources	3,986,170
Total Liabilities and Deferred Inflows of Resources	3,008,106

F. Environmental Remediation

The City has groundwater contamination at the site of its current water treatment facility. The Environmental Protection Agency has initiated action requiring maintenance and remediation of the site. The City is currently performing these actions. No estimate of future costs is available related to this contamination

G. Subsequent Events

Debt Issuances

In 2022, the City had the following debt activity:

The City has drawn an additional \$13,489,116 on the Clean Water Fund Loan to finance the Wastewater Treatment Plant Facility expansion and upgrade.

The City has drawn an additional \$3,424,699 on the Safe Drinking Water Loan to finance the construction of a new Water Treatment Plant.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WAUSAU, WISCONSIN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – GENERAL FUND

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Taxes	\$ 20,383,688	\$ 20,383,688	\$ 20,396,027	\$ 12,339
Intergovernmental	9,158,707	9,158,707	9,296,142	137,435
Licenses and Permits	772,037	772,037	895,280	123,243
Fines and Forfeits	306,030	306,030	443,294	137,264
Public Charges for Services	2,386,936	2,386,936	2,344,491	(42,445)
Intergovernmental Charges for Services	863,198	863,198	1,033,855	170,657
Miscellaneous	585,005	585,005	415,065	(169,940)
Total Revenues	<u>34,455,601</u>	<u>34,455,601</u>	<u>34,824,154</u>	<u>368,553</u>
EXPENDITURES				
Current:				
General Government	4,378,695	4,478,695	4,268,003	210,692
Public Safety	19,426,811	19,436,811	19,031,528	405,283
Transportation and Streets	8,506,405	8,481,405	7,538,175	943,230
Sanitation, Health, and Welfare	945,000	945,000	946,422	(1,422)
Natural Resources/ Recreation:	3,108,683	3,122,157	3,087,659	34,498
Total Expenditures	<u>36,365,594</u>	<u>36,464,068</u>	<u>34,871,787</u>	<u>1,592,281</u>
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES	(1,909,993)	(2,008,467)	(47,633)	1,960,834
OTHER FINANCING SOURCES (USES)				
Transfers In	1,861,355	1,861,355	2,191,722	330,367
Transfers Out	-	(942,000)	(1,133,208)	(191,208)
Total Other Financing Sources (Uses)	<u>1,861,355</u>	<u>919,355</u>	<u>1,058,514</u>	<u>139,159</u>
NET CHANGE IN FUND BALANCE				
	(48,638)	(1,089,112)	1,010,881	2,099,993
Fund Balance - Beginning of Year	<u>14,673,040</u>	<u>14,673,040</u>	<u>14,673,040</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 14,624,402</u></u>	<u><u>\$ 13,583,928</u></u>	<u><u>\$ 15,683,921</u></u>	<u><u>\$ 2,099,993</u></u>

See accompanying Notes to Required Supplementary Information.

**CITY OF WAUSAU, WISCONSIN
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) –
WISCONSIN RETIREMENT SYSTEM
LAST TEN FISCAL YEARS**

<u>Measurement Period Ending</u>	<u>Proportion of the Net Pension Liability (Asset)</u>	<u>Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Covered Payroll (Plan Year)</u>	<u>Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)</u>
12/31/14	0.17172566 %	\$ (4,218,052)	\$ 18,308,916	23.04 %	102.74 %
12/31/15	0.17102049	2,779,050	18,179,898	15.29	98.20
12/31/16	0.17036564	1,404,220	18,160,529	7.73	99.12
12/31/17	0.17346577	(5,150,404)	18,940,393	27.19	102.93
12/31/18	0.17858294	6,353,422	19,678,481	32.29	96.45
12/31/19	0.18371268	(5,923,736)	20,482,268	28.92	102.96
12/31/20	0.18913216	(11,807,783)	21,575,781	54.73	105.26

**CITY OF WAUSAU, WISCONSIN
SCHEDULE OF CONTRIBUTIONS – WISCONSIN RETIREMENT SYSTEM
LAST TEN FISCAL YEARS**

<u>Fiscal Year Ending</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll (Fiscal Year)</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/15	\$ 1,627,588	\$ 1,627,588	\$ -	18,179,898	8.95 %
12/31/16	1,620,665	1,620,665	-	18,160,529	8.92
12/31/17	1,834,467	1,834,467	-	18,940,393	9.69
12/31/18	1,891,736	1,891,736	-	19,678,481	9.61
12/31/19	1,947,685	1,947,685	-	20,482,268	9.51
12/31/20	2,223,314	2,223,314	-	21,575,781	10.30
12/31/21	2,190,071	2,190,071	-	21,164,561	10.35

See accompanying Notes to Required Supplementary Information.

**CITY OF WAUSAU, WISCONSIN
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS –
SINGLE-EMPLOYER DEFINED BENEFIT POSTEMPLOYMENT BENEFIT PLAN
LAST TEN FISCAL YEARS***

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
TOTAL OPEB LIABILITY				
Service Cost	\$ 50,954	\$ 43,449	\$ 46,603	\$ 46,603
Interest	16,629	23,746	22,403	23,835
Differences Between Expected and Actual Experience	-	(54,824)	-	-
Changes of Assumptions	18,308	51,945	(18,118)	-
Benefit Payments	<u>(35,254)</u>	<u>(78,797)</u>	<u>(112,726)</u>	<u>(109,967)</u>
NET CHANGE IN TOTAL OPEB LIABILITY	50,637	(14,481)	(61,838)	(39,529)
Total OPEB Liability - Beginning of Year	<u>596,832</u>	<u>611,313</u>	<u>673,151</u>	<u>712,680</u>
TOTAL OPEB LIABILITY - END OF YEAR	<u>\$ 647,469</u>	<u>\$ 596,832</u>	<u>\$ 611,313</u>	<u>\$ 673,151</u>
Covered-Employee Payroll	<u>\$ 19,196,708</u>	<u>\$ 19,196,708</u>	<u>\$ 20,482,268</u>	<u>\$ 17,250,275</u>
City's Total OPEB Liability as a Percentage of Covered-Employee Payroll	3.37%	3.11%	2.98%	3.90%

See accompanying Notes to Required Supplementary Information.

CITY OF WAUSAU, WISCONSIN
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET) –
LOCAL RETIREE LIFE INSURANCE FUND
LAST TEN FISCAL YEARS

<u>Measurement Period Ending</u>	<u>Proportion of the Net OPEB Liability (Asset)</u>	<u>Proportionate Share of the Net OPEB Liability (Asset)</u>	<u>Covered-Employee Payroll</u>	<u>Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Covered-Employee Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)</u>
12/31/17	0.2320570 %	\$ 707,188	\$ 18,940,393	3.73 %	44.81 %
12/31/18	0.2329010	600,963	19,678,481	3.05	48.69
12/31/19	0.2320800	993,045	20,482,268	4.85	37.58
12/31/20	0.2312810	1,272,212	21,575,782	5.90	31.36

CITY OF WAUSAU, WISCONSIN
SCHEDULE OF CONTRIBUTIONS – LOCAL RETIREE LIFE INSURANCE FUND
LAST TEN FISCAL YEARS

<u>Fiscal Year Ending</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered-Employee Payroll</u>	<u>Contributions as a Percentage of Covered-Employee Payroll</u>
12/31/18	\$ 4,463	\$ 4,463	\$ -	\$ 19,678,481	0.02 %
12/31/19	4,487	4,487	-	20,482,268	0.02
12/31/20	4,215	4,215	-	21,575,782	0.02
12/31/21	4,739	4,739	-	21,164,561	0.02

See accompanying Notes to Required Supplementary Information.

**CITY OF WAUSAU, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2021**

NOTE 1 OTHER POSTEMPLOYMENT BENEFITS

Single-Employer Defined Benefit Postemployment Benefit Plan

Changes of Benefit Terms

There were no changes of benefit terms.

Changes of Assumptions

The discount rate used to develop the Total OPEB Liability changed in 2020, decreasing from 2.75% to 2.25%.

The City is required to present the last 10 fiscal years of data; however accounting standards allow the presentation of as many years as are available until 10 fiscal years are presented.

Local Retiree Life Insurance Fund

Changes of Benefit Terms

There were no changes of benefit terms for any participating employer in LRLIF.

Changes of Assumptions

Actuarial assumptions were based on an experience study conducted in 2018 using Wisconsin Retirement System (WRS) experience from 2015 – 2017 and the discount rate was updated to reflect the municipal bond rate at the completion of the actuarial valuation.

The amounts reported for each fiscal year were determined as of the prior fiscal year-end. The City is required to present the last 10 fiscal years of data; however accounting standards allow the presentation of as many years as are available until 10 fiscal years are presented.

NOTE 2 WISCONSIN RETIREMENT SYSTEM

Changes of Benefit Terms

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

Changes of Assumptions

No Significant change in assumptions were noted from the prior year.

The City is required to present the last 10 fiscal years of data; however accounting standards allow the presentation of as many years as are available until 10 fiscal years are presented.

SUPPLEMENTARY INFORMATION

**CITY OF WAUSAU, WISCONSIN
 DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES AND
 OTHER FINANCING SOURCES
 YEAR ENDED DECEMBER 31, 2021**

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
Taxes:				
General Property Taxes	\$ 20,185,188	\$ 20,185,188	\$ 20,185,188	\$ -
Mobile Home Parking Fees	28,000	28,000	34,348	6,348
Payments in Lieu of Taxes	100,000	100,000	95,765	(4,235)
Other Taxes	70,500	70,500	80,726	10,226
Total Taxes	<u>20,383,688</u>	<u>20,383,688</u>	<u>20,396,027</u>	<u>12,339</u>
Intergovernmental:				
State Shared Taxes	4,670,363	4,670,363	4,663,578	(6,785)
Expenditure Restraint	907,126	907,126	907,126	-
Fire Insurance Tax	135,000	135,000	139,864	4,864
Municipal Services	161,404	161,404	222,838	61,434
Transportation Aids	3,061,498	3,061,498	3,057,800	(3,698)
Other Grants	223,316	223,316	304,936	81,620
Total Intergovernmental	<u>9,158,707</u>	<u>9,158,707</u>	<u>9,296,142</u>	<u>137,435</u>
Licenses and Permits:				
Licenses	161,720	161,720	139,148	(22,572)
Franchise Fees	335,000	335,000	248,583	(86,417)
Permits	275,317	275,317	507,549	232,232
Total Licenses and Permits	<u>772,037</u>	<u>772,037</u>	<u>895,280</u>	<u>123,243</u>
Fines and Forfeits:	306,030	306,030	443,294	137,264
Public Charges for Services:				
General Government	88,630	88,630	119,062	30,432
Public Safety	1,837,746	1,837,746	1,805,326	(32,420)
Streets and Related Facilities	140,200	140,200	118,370	(21,830)
Recreation	180,800	180,800	183,811	3,011
Public Areas	139,560	139,560	117,922	(21,638)
Total Public Charges for Services	<u>2,386,936</u>	<u>2,386,936</u>	<u>2,344,491</u>	<u>(42,445)</u>
Intergovernmental Charges for Services:				
State, Federal, and Local Reimbursements	11,350	11,350	11,680	330
County and Other Municipalities	88,348	88,348	117,064	28,716
City Departments	763,500	763,500	905,111	141,611
Total Intergovernmental Charges for Services	<u>863,198</u>	<u>863,198</u>	<u>1,033,855</u>	<u>170,657</u>
Miscellaneous:				
Interest on General Investments	400,000	400,000	(59,252)	(459,252)
Other Interest	7,000	7,000	71,802	64,802
Rent of Land and Buildings	128,000	128,000	132,603	4,603
Sale of City Property/Loss Compensation	18,200	18,200	219,784	201,584
Other Miscellaneous Revenues	31,805	31,805	50,128	18,323
Total Miscellaneous	<u>585,005</u>	<u>585,005</u>	<u>415,065</u>	<u>(169,940)</u>
Total Revenues	<u>34,455,601</u>	<u>34,455,601</u>	<u>34,824,154</u>	<u>368,553</u>
Other Financing Sources:				
Transfers In	<u>1,861,355</u>	<u>1,861,355</u>	<u>2,191,722</u>	<u>330,367</u>
Total Revenue and Other Financing Sources	<u>\$ 36,316,956</u>	<u>\$ 36,316,956</u>	<u>\$ 37,015,876</u>	<u>\$ 698,920</u>

**CITY OF WAUSAU, WISCONSIN
 DETAILED COMPARISON OF BUDGETED AND ACTUAL EXPENDITURES AND
 OTHER FINANCING USES
 YEAR ENDED DECEMBER 31, 2021**

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
General Government:				
City Council	\$ 90,004	\$ 90,004	\$ 77,640	\$ 12,364
Mayor	179,360	179,360	172,382	6,978
City Promotion	101,500	151,500	183,657	(32,157)
Finance Department	538,546	577,546	562,954	14,592
Data Processing	886,694	886,694	818,064	68,630
City Clerk/Customer Service	434,124	445,124	380,281	64,843
Elections	70,498	70,498	56,728	13,770
Assessor	583,842	583,842	496,089	87,753
City Attorney	614,367	614,367	624,641	(10,274)
Municipal Court	152,989	152,989	126,018	26,971
Human Resources	391,890	391,890	351,897	39,993
City Hall and Other Municipal Buildings	304,881	304,881	344,789	(39,908)
Unclassified	30,000	30,000	72,863	(42,863)
Total General Government	4,378,695	4,478,695	4,268,003	210,692
Public Safety:				
Police Department	10,446,198	10,446,198	10,309,264	136,934
Fire Department	4,585,931	4,585,931	4,371,094	214,837
Ambulance	3,473,444	3,473,444	3,456,279	17,165
Emergency Government (COVID - 19)	10,000	20,000	11,940	8,060
Inspections Department	911,238	911,238	882,951	28,287
Total Public Safety	19,426,811	19,436,811	19,031,528	405,283
Transportation and Streets				
Engineering	1,405,888	1,404,888	1,314,327	90,561
Public Works	7,100,517	7,076,517	6,223,848	852,669
Total Transportation and Streets	8,506,405	8,481,405	7,538,175	943,230
Sanitation, Health, and Welfare				
Garbage and Refuse Collection	945,000	945,000	946,422	(1,422)
Total Sanitation, Health, and Welfare	945,000	945,000	946,422	(1,422)
Natural Resources/ Recreation:				
Parks and Recreation	3,108,683	3,122,157	3,087,659	34,498
Total Expenditures	36,365,594	36,464,068	34,871,787	1,592,281
Other Financing Uses:				
Transfers to Other Funds	-	942,000	1,133,208	(191,208)
Total Expenditures and Other Financing Uses	<u>\$ 36,365,594</u>	<u>\$ 37,406,068</u>	<u>\$ 36,004,995</u>	<u>\$ 1,401,073</u>

CITY OF WAUSAU, WISCONSIN
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2021

	Special Revenue						
	Grants	HUD Mortgage	DLAD Mortgage Program	Economic Development	Federal Rent Rehabilitation	WRRP Rehabilitation	Environmental Clean Up
ASSETS							
Cash and Investments	\$ 2,671,012	\$ 134,342	\$ 531,333	\$ 48,361	\$ 337,818	\$ 1,048,846	\$ 1,040,121
Receivables:							
Taxes and Special Charges	220,989	-	-	-	-	-	-
Accounts	98,900	-	-	-	-	-	53,923
Special Assessments	-	-	-	-	-	-	-
Notes	2,219,650	1,960,806	40,562	833,903	-	814,322	-
Other	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	336,000
Advance to Other Funds	-	-	-	250,000	-	-	-
Due from Other Governments	250,084	-	-	-	-	-	-
Total Assets	\$ 5,460,635	\$ 2,095,148	\$ 571,895	\$ 1,132,264	\$ 337,818	\$ 1,863,168	\$ 1,430,044
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts Payable	\$ 29,072	\$ 1,371	\$ -	\$ 1,140	\$ -	\$ -	\$ 19,554
Accrued and Other Current Liabilities	38,840	-	-	-	-	-	128
Due to Other Funds	304,631	-	-	-	-	-	-
Advance from Other Funds	-	-	-	-	-	-	-
Special Deposits	-	-	-	-	-	-	-
Unearned Revenues	42,273	-	-	11,078	-	-	-
Total Liabilities	414,816	1,371	-	12,218	-	-	19,682
DEFERRED INFLOWS OF RESOURCES							
Property Taxes Levied for Subsequent Year	279,078	-	-	-	-	-	-
Unavailable Revenue	2,219,651	1,960,806	40,562	833,903	-	814,322	-
Total Deferred Inflows of Resources	2,498,729	1,960,806	40,562	833,903	-	814,322	-
FUND BALANCES							
Restricted	2,547,090	132,971	-	-	337,818	1,048,846	1,410,362
Committed	-	-	531,333	286,143	-	-	-
Unassigned	-	-	-	-	-	-	-
Total Fund Balances	2,547,090	132,971	531,333	286,143	337,818	1,048,846	1,410,362
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 5,460,635	\$ 2,095,148	\$ 571,895	\$ 1,132,264	\$ 337,818	\$ 1,863,168	\$ 1,430,044

**CITY OF WAUSAU, WISCONSIN
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2021**

Special Revenue								
Haz-Mat Emergency Response	Housing Stock Improvement	Room Tax	Public Access Cable	Recycling	EMS Grant	400 Block	American Rescue Plan Act	Other Grants & Special Purpose Accounts
\$ 243,160	\$ 147,198	\$ 198,780	\$ 36,984	\$ 213,253	\$ 35,679	\$ 227,628	\$ 7,792,011	\$ 829,850
-	-	-	-	498,996	-	-	-	-
11,924	-	130,491	15,431	-	-	-	-	210,451
-	-	-	-	-	-	-	-	-
-	575,703	100,000	-	-	-	-	-	-
-	-	-	-	-	-	725	2,393	-
-	-	-	-	-	-	-	-	-
-	250,000	-	-	-	-	-	-	-
-	127,718	-	-	-	-	-	-	61,354
<u>\$ 255,084</u>	<u>\$ 1,100,619</u>	<u>\$ 429,271</u>	<u>\$ 52,415</u>	<u>\$ 712,249</u>	<u>\$ 35,679</u>	<u>\$ 228,353</u>	<u>\$ 7,794,404</u>	<u>\$ 1,101,655</u>
\$ 660	\$ 3,000	\$ 2,280	\$ 336	\$ 99,371	\$ -	\$ 20,783	\$ -	\$ 58,677
-	-	-	53	-	-	-	-	3,229
-	151,534	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	62,985
-	-	-	-	-	-	-	7,793,231	-
<u>660</u>	<u>154,534</u>	<u>2,280</u>	<u>389</u>	<u>99,371</u>	<u>-</u>	<u>20,783</u>	<u>7,793,231</u>	<u>124,891</u>
-	-	-	-	630,160	-	-	-	-
-	571,423	100,000	-	-	-	-	-	-
-	<u>571,423</u>	<u>100,000</u>	-	<u>630,160</u>	-	-	-	-
254,424	-	-	-	-	35,679	-	1,173	976,764
-	374,662	326,991	52,026	-	-	207,570	-	-
-	-	-	-	(17,282)	-	-	-	-
<u>254,424</u>	<u>374,662</u>	<u>326,991</u>	<u>52,026</u>	<u>(17,282)</u>	<u>35,679</u>	<u>207,570</u>	<u>1,173</u>	<u>976,764</u>
<u>\$ 255,084</u>	<u>\$ 1,100,619</u>	<u>\$ 429,271</u>	<u>\$ 52,415</u>	<u>\$ 712,249</u>	<u>\$ 35,679</u>	<u>\$ 228,353</u>	<u>\$ 7,794,404</u>	<u>\$ 1,101,655</u>

CITY OF WAUSAU, WISCONSIN
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2021

	Capital Projects					
	Central Capital Purchasing	Capital Improvements	TID #6 West Side Development	TID #7 West Side Development	TID #8 Near West Side	TID #9 Big Bull Falls
ASSETS						
Cash and Investments	\$ 432,234	\$ 1,219,206	\$ 43	\$ -	\$ 145,002	\$ -
Receivables:						
Taxes and Special Charges	472,780	787,665	2,939,811	1,184,857	511,996	12,995
Accounts	-	2,948	-	-	-	-
Special Assessments	-	268,549	-	-	-	-
Notes	-	-	166,209	-	1,464,039	270,775
Other	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-
Advance to Other Funds	-	-	-	-	-	-
Due from Other Governments	-	-	-	-	-	-
Total Assets	\$ 905,014	\$ 2,278,368	\$ 3,106,063	\$ 1,184,857	\$ 2,121,037	\$ 283,770
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts Payable	\$ 10,181	\$ 318,777	\$ 11,549	\$ -	\$ 380	\$ -
Accrued and Other Current Liabilities	-	-	-	-	-	-
Due to Other Funds	-	-	218,996	874,990	-	-
Advance from Other Funds	-	-	-	-	776,883	221,548
Special Deposits	-	-	-	-	-	-
Unearned Revenues	-	-	-	-	-	-
Total Liabilities	10,181	318,777	230,545	874,990	777,263	221,548
DEFERRED INFLOWS OF RESOURCES						
Property Taxes Levied for Subsequent Year	597,054	994,708	3,712,562	1,496,305	646,578	16,411
Unavailable Revenue	-	268,549	166,209	-	1,464,039	270,775
Total Deferred Inflows of Resources	597,054	1,263,257	3,878,771	1,496,305	2,110,617	287,186
FUND BALANCES						
Restricted	297,779	696,334	-	-	-	-
Committed	-	-	-	-	-	-
Unassigned	-	-	(1,003,253)	(1,186,438)	(766,843)	(224,964)
Total Fund Balances	297,779	696,334	(1,003,253)	(1,186,438)	(766,843)	(224,964)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 905,014	\$ 2,278,368	\$ 3,106,063	\$ 1,184,857	\$ 2,121,037	\$ 283,770

**CITY OF WAUSAU, WISCONSIN
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2021**

Capital Projects			
TID #10 Industrial Park	TID #11 Business Campus	TID #12 Downtown Development	Totals
\$ 156,254	\$ 591,733	\$ 420,313	\$ 18,501,161
302,230	1,366,524	255,825	8,554,668
-	-	-	524,068
-	-	-	268,549
-	2,839,302	2,839,270	14,124,541
-	-	-	3,118
-	-	-	336,000
-	-	-	500,000
-	-	-	439,156
<u>\$ 458,484</u>	<u>\$ 4,797,559</u>	<u>\$ 3,515,408</u>	<u>\$ 43,251,261</u>
\$ 3,738	\$ 10,000	\$ 3,378	\$ 594,247
-	-	-	42,250
-	-	-	1,550,151
-	-	1,450,024	2,448,455
-	-	-	62,985
-	-	-	7,846,582
<u>3,738</u>	<u>10,000</u>	<u>1,453,402</u>	<u>12,544,670</u>
381,673	1,725,725	323,071	10,803,325
-	2,839,302	2,839,270	14,388,811
<u>381,673</u>	<u>4,565,027</u>	<u>3,162,341</u>	<u>25,192,136</u>
73,073	222,532	-	8,034,845
-	-	-	1,778,725
-	-	(1,100,335)	(4,299,115)
<u>73,073</u>	<u>222,532</u>	<u>(1,100,335)</u>	<u>5,514,455</u>
<u>\$ 458,484</u>	<u>\$ 4,797,559</u>	<u>\$ 3,515,408</u>	<u>\$ 43,251,261</u>

CITY OF WAUSAU, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2021

	Special Revenue						
	Grants	HUD Mortgage	DLAD Mortgage Program	Economic Development	Federal Rent Rehabilitation	WRRP Rehabilitation	Environmental Clean Up
REVENUES							
Taxes	\$ 264,232	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-	-
Intergovernmental	841,589	-	-	-	-	-	-
Licenses and Permits	-	-	-	-	-	-	-
Intergovernmental Charges for Services	-	-	-	-	-	-	-
Miscellaneous	854,157	236,475	2,703	28,055	-	35,771	77,608
Total Revenues	<u>1,959,978</u>	<u>236,475</u>	<u>2,703</u>	<u>28,055</u>	<u>-</u>	<u>35,771</u>	<u>77,608</u>
EXPENDITURES							
Current:							
General Government	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-
Sanitation, Health, and Welfare	-	-	-	-	-	-	213,507
Natural Resources and Recreation	-	-	-	-	-	-	-
Economic Development	1,335,145	212,259	1,200	3,575	-	79,423	-
Interest and Fiscal Charges	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Total Expenditures	<u>1,335,145</u>	<u>212,259</u>	<u>1,200</u>	<u>3,575</u>	<u>-</u>	<u>79,423</u>	<u>213,507</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	624,833	24,216	1,503	24,480	-	(43,652)	(135,899)
OTHER FINANCING SOURCES (USES)							
Long-Term Debt Issued	-	-	-	-	-	-	-
Refunding Debt Issued	-	-	-	-	-	-	-
Premium on Debt Issued	-	-	-	-	-	-	-
Proceeds from Sale of Capital Assets	-	-	-	-	-	-	-
Transfers In	48,248	-	-	-	-	-	-
Transfers Out	(11,165)	(48,249)	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>37,083</u>	<u>(48,249)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	661,916	(24,033)	1,503	24,480	-	(43,652)	(135,899)
Fund Balances - Beginning of Year	<u>1,885,174</u>	<u>157,004</u>	<u>529,830</u>	<u>261,663</u>	<u>337,818</u>	<u>1,092,498</u>	<u>1,546,261</u>
FUND BALANCES - END OF YEAR	<u>\$ 2,547,090</u>	<u>\$ 132,971</u>	<u>\$ 531,333</u>	<u>\$ 286,143</u>	<u>\$ 337,818</u>	<u>\$ 1,048,846</u>	<u>\$ 1,410,362</u>

**CITY OF WAUSAU, WISCONSIN
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
 YEAR ENDED DECEMBER 31, 2021**

Special Revenue								
Haz-Mat Emergency Response	Housing Stock Improvement	Room Tax	Public Access Cable	Recycling	EMS Grant	400 Block	American Rescue Plan Act	Other Grants & Special Purpose Accounts
\$ -	\$ -	\$ 815,560	\$ -	\$ 586,910	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
60,750	493,637	-	-	147,733	-	-	-	233,379
-	-	-	57,000	-	-	-	-	-
-	-	-	-	-	-	-	-	175,451
50,499	75,395	-	14,434	753	-	18,152	1,892	150,029
<u>111,249</u>	<u>569,032</u>	<u>815,560</u>	<u>71,434</u>	<u>735,396</u>	<u>-</u>	<u>18,152</u>	<u>1,892</u>	<u>558,859</u>
-	-	-	36,547	-	-	-	719	-
90,087	-	-	-	-	1,471	-	-	421,556
-	498,119	-	-	777,149	-	-	-	-
-	-	-	-	-	-	47,488	-	86,599
-	19,000	452,635	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	2,906	-	-	-	-	-
<u>90,087</u>	<u>517,119</u>	<u>452,635</u>	<u>39,453</u>	<u>777,149</u>	<u>1,471</u>	<u>47,488</u>	<u>719</u>	<u>508,155</u>
21,162	51,913	362,925	31,981	(41,753)	(1,471)	(29,336)	1,173	50,704
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	11,165	-	-	42,000	-	52,755	-	-
-	-	(189,110)	-	-	-	-	-	-
-	<u>11,165</u>	<u>(189,110)</u>	<u>-</u>	<u>42,000</u>	<u>-</u>	<u>52,755</u>	<u>-</u>	<u>-</u>
21,162	63,078	173,815	31,981	247	(1,471)	23,419	1,173	50,704
233,262	311,584	153,176	20,045	(17,529)	37,150	184,151	-	926,060
<u>\$ 254,424</u>	<u>\$ 374,662</u>	<u>\$ 326,991</u>	<u>\$ 52,026</u>	<u>\$ (17,282)</u>	<u>\$ 35,679</u>	<u>\$ 207,570</u>	<u>\$ 1,173</u>	<u>\$ 976,764</u>

**CITY OF WAUSAU, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021**

	Capital Projects				
	Central Capital Purchasing	Capital Improvements	TID #6 West Side Development	TID #7 West Side Development	TID #8 Near West Side
REVENUES					
Taxes	\$ 552,404	\$ 493,699	\$ 2,981,932	\$ 1,017,217	\$ 154,457
Special Assessments	-	247,984	-	-	-
Intergovernmental	-	83,478	145,784	32,737	249,652
Licenses and Permits	-	-	-	-	-
Intergovernmental Charges for Services	-	-	-	-	-
Miscellaneous	3,605	38,732	25,620	-	5,210
Total Revenues	<u>556,009</u>	<u>863,893</u>	<u>3,153,336</u>	<u>1,049,954</u>	<u>409,319</u>
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Sanitation, Health, and Welfare	-	-	-	-	-
Natural Resources and Recreation	-	-	-	-	-
Economic Development	-	-	73,181	290,031	385,708
Interest and Fiscal Charges	-	29,829	26,299	-	-
Capital Outlay	434,137	5,303,841	302,180	79,630	102,790
Total Expenditures	<u>434,137</u>	<u>5,333,670</u>	<u>401,660</u>	<u>369,661</u>	<u>488,498</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	121,872	(4,469,777)	2,751,676	680,293	(79,179)
OTHER FINANCING SOURCES (USES)					
Long-Term Debt Issued	-	3,715,000	-	-	-
Refunding Debt Issued	-	-	1,780,000	-	-
Premium on Debt Issued	-	-	102,260	-	-
Proceeds from Sale of Capital Assets	9,361	-	-	-	-
Transfers In	-	-	-	-	-
Transfers Out	-	-	(5,633,926)	(42,400)	(750,874)
Total Other Financing Sources (Uses)	<u>9,361</u>	<u>3,715,000</u>	<u>(3,751,666)</u>	<u>(42,400)</u>	<u>(750,874)</u>
NET CHANGE IN FUND BALANCES	131,233	(754,777)	(999,990)	637,893	(830,053)
Fund Balances - Beginning of Year	<u>166,546</u>	<u>1,451,111</u>	<u>(3,263)</u>	<u>(1,824,331)</u>	<u>63,210</u>
FUND BALANCES - END OF YEAR	<u>\$ 297,779</u>	<u>\$ 696,334</u>	<u>\$ (1,003,253)</u>	<u>\$ (1,186,438)</u>	<u>\$ (766,843)</u>

**CITY OF WAUSAU, WISCONSIN
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
 YEAR ENDED DECEMBER 31, 2021**

Capital Projects				
TID #9 Big Bull Falls	TID #10 Industrial Park	TID #11 Business Campus	TID #12 Downtown Development	Totals
\$ 25,286	\$ 319,132	\$ 922,365	\$ -	\$ 8,133,194
-	-	-	-	247,984
3,553	68,599	-	-	2,360,891
-	-	-	-	57,000
-	-	-	-	175,451
20,060	-	2	673	1,639,825
<u>48,899</u>	<u>387,731</u>	<u>922,367</u>	<u>673</u>	<u>12,614,345</u>
-	-	-	-	37,266
-	-	-	-	513,114
-	-	-	-	1,488,775
-	-	-	-	134,087
2,373	13,972	27,917	1,416,106	4,312,525
-	-	35,328	49,346	140,802
-	208,114	1,333	70,873	6,505,804
<u>2,373</u>	<u>222,086</u>	<u>64,578</u>	<u>1,536,325</u>	<u>13,132,373</u>
46,526	165,645	857,789	(1,535,652)	(518,028)
-	-	40,000	1,645,000	5,400,000
-	-	4,005,000	4,005,000	9,790,000
-	-	-	-	102,260
-	-	-	-	9,361
-	-	-	-	154,168
<u>(64,125)</u>	<u>(141,410)</u>	<u>(4,607,401)</u>	<u>(4,155,743)</u>	<u>(15,644,403)</u>
<u>(64,125)</u>	<u>(141,410)</u>	<u>(562,401)</u>	<u>1,494,257</u>	<u>(188,614)</u>
(17,599)	24,235	295,388	(41,395)	(706,642)
<u>(207,365)</u>	<u>48,838</u>	<u>(72,856)</u>	<u>(1,058,940)</u>	<u>6,221,097</u>
<u>\$ (224,964)</u>	<u>\$ 73,073</u>	<u>\$ 222,532</u>	<u>\$ (1,100,335)</u>	<u>\$ 5,514,455</u>

**CITY OF WAUSAU, WISCONSIN
BUDGETARY COMPARISON SCHEDULE –
NONMAJOR BUDGETED GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2021**

	Grants		HUD Mortgage		DLAD Mortgage Program	
	Budget	Actual	Budget	Actual	Budget	Actual
REVENUES						
Taxes	\$ 264,232	\$ 264,232	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Intergovernmental	661,515	841,589	-	-	-	-
Licenses and Permits	-	-	-	-	-	-
Public Charges for Services	-	-	-	-	-	-
Intergovernmental Charges for Services	-	-	-	-	-	-
Miscellaneous	285,537	854,157	162,000	236,475	15,500	2,703
Total Revenues	1,211,284	1,959,978	162,000	236,475	15,500	2,703
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Sanitation, Health, and Welfare	-	-	-	-	-	-
Natural Resources and Recreation	-	-	-	-	-	-
Economic Development	1,316,462	1,335,145	60,000	212,259	-	1,200
Debt Service:						
Interest and Fiscal Charges	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	1,316,462	1,335,145	60,000	212,259	-	1,200
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(105,178)	624,833	102,000	24,216	15,500	1,503
OTHER FINANCING SOURCES (USES)						
Long-Term Debt Issued	-	-	-	-	-	-
Refunding Debt Issued	-	-	-	-	-	-
Premium on Debt Issued	-	-	-	-	-	-
Proceeds from Sale of Capital Assets	-	-	-	-	-	-
Transfers In	5,100	48,248	-	-	-	-
Transfers Out	(5,000)	(11,165)	(30,000)	(48,249)	-	-
Total Other Financing Sources (Uses)	100	37,083	(30,000)	(48,249)	-	-
NET CHANGE IN FUND BALANCES	(105,078)	661,916	72,000	(24,033)	15,500	1,503
Fund Balances - Beginning of Year		1,885,174		157,004		529,830
FUND BALANCES - END OF YEAR		<u>\$ 2,547,090</u>		<u>\$ 132,971</u>		<u>\$ 531,333</u>

**CITY OF WAUSAU, WISCONSIN
 BUDGETARY COMPARISON SCHEDULE –
 NONMAJOR BUDGETED GOVERNMENTAL FUNDS (CONTINUED)
 YEAR ENDED DECEMBER 31, 2021**

Economic Development		WRRP Rehabilitation		Environmental Clean Up		Haz-Mat Emergency Response	
Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	81,000	60,750
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
5,714	28,055	47,090	35,771	87,000	77,608	-	50,499
5,714	28,055	47,090	35,771	87,000	77,608	81,000	111,249
-	-	-	-	-	-	-	-
-	-	-	-	-	-	56,800	90,087
-	-	-	-	262,323	213,507	-	-
5,000	3,575	-	79,423	-	-	-	-
-	-	-	-	-	-	-	-
5,000	3,575	-	79,423	262,323	213,507	56,800	90,087
714	24,480	47,090	(43,652)	(175,323)	(135,899)	24,200	21,162
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	5,000	-	-	-	-	-
-	-	5,000	-	-	-	-	-
714	24,480	52,090	(43,652)	(175,323)	(135,899)	24,200	21,162
	261,663		1,092,498		1,546,261		233,262
	<u>\$ 286,143</u>		<u>\$ 1,048,846</u>		<u>\$ 1,410,362</u>		<u>\$ 254,424</u>

**CITY OF WAUSAU, WISCONSIN
BUDGETARY COMPARISON SCHEDULE –
NONMAJOR BUDGETED GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021**

	Housing		Room Tax		Public Access Cable	
	Budget	Actual	Budget	Actual	Budget	Actual
REVENUES						
Taxes	\$ -	\$ -	\$ 510,000	\$ 815,560	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Intergovernmental	-	493,637	-	-	-	-
Licenses and Permits	-	-	-	-	63,233	57,000
Public Charges for Services	-	-	-	-	-	-
Intergovernmental Charges for Services	-	-	-	-	-	-
Miscellaneous	25,000	75,395	-	-	6,710	14,434
Total Revenues	25,000	569,032	510,000	815,560	69,943	71,434
EXPENDITURES						
Current:						
General Government	-	-	-	-	52,943	36,547
Public Safety	-	-	-	-	-	-
Sanitation, Health, and Welfare	25,000	498,119	-	-	-	-
Natural Resources and Recreation	-	-	-	-	-	-
Economic Development	-	19,000	245,023	452,635	-	-
Debt Service:						
Interest and Fiscal Charges	-	-	-	-	-	-
Capital Outlay	-	-	-	-	17,000	2,906
Total Expenditures	25,000	517,119	245,023	452,635	69,943	39,453
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	51,913	264,977	362,925	-	31,981
OTHER FINANCING SOURCES (USES)						
Long-Term Debt Issued	-	-	-	-	-	-
Refunding Debt Issued	-	-	-	-	-	-
Premium on Debt Issued	-	-	-	-	-	-
Proceeds from Sale of Capital Assets	-	-	-	-	-	-
Transfers In	-	11,165	-	-	-	-
Transfers Out	-	-	(199,110)	(189,110)	-	-
Total Other Financing Sources (Uses)	-	11,165	(199,110)	(189,110)	-	-
NET CHANGE IN FUND BALANCES	-	63,078	65,867	173,815	-	31,981
Fund Balances - Beginning of Year		311,584		153,176		20,045
FUND BALANCES - END OF YEAR		<u>\$ 374,662</u>		<u>\$ 326,991</u>		<u>\$ 52,026</u>

**CITY OF WAUSAU, WISCONSIN
 BUDGETARY COMPARISON SCHEDULE –
 NONMAJOR BUDGETED GOVERNMENTAL FUNDS (CONTINUED)
 YEAR ENDED DECEMBER 31, 2021**

Recycling		EMS Grant		400 Block		Other Grants & Special Purpose Accounts	
Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
\$ 586,910	\$ 586,910	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
147,000	147,733	10,500	-	-	-	460,440	233,379
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	175,451
800	753	-	-	16,000	18,152	-	150,029
<u>734,710</u>	<u>735,396</u>	<u>10,500</u>	<u>-</u>	<u>16,000</u>	<u>18,152</u>	<u>460,440</u>	<u>558,859</u>
-	-	-	-	-	-	-	-
-	-	10,500	1,471	-	-	460,440	421,556
759,710	777,149	-	-	-	-	-	-
-	-	-	-	103,000	47,488	-	86,599
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>759,710</u>	<u>777,149</u>	<u>10,500</u>	<u>1,471</u>	<u>103,000</u>	<u>47,488</u>	<u>460,440</u>	<u>508,155</u>
(25,000)	(41,753)	-	(1,471)	(87,000)	(29,336)	-	50,704
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
42,000	42,000	-	-	52,755	52,755	-	-
-	-	-	-	-	-	-	-
<u>42,000</u>	<u>42,000</u>	<u>-</u>	<u>-</u>	<u>52,755</u>	<u>52,755</u>	<u>-</u>	<u>-</u>
17,000	247	-	(1,471)	(34,245)	23,419	-	50,704
	<u>(17,529)</u>		<u>37,150</u>		<u>184,151</u>		<u>926,060</u>
	<u>\$ (17,282)</u>		<u>\$ 35,679</u>		<u>\$ 207,570</u>		<u>\$ 976,764</u>

**CITY OF WAUSAU, WISCONSIN
BUDGETARY COMPARISON SCHEDULE –
NONMAJOR BUDGETED GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021**

	Central Capital Purchasing		Capital Improvements		TID #6 West Side Development	
	Budget	Actual	Budget	Actual	Budget	Actual
	REVENUES					
Taxes	\$ 552,404	\$ 552,404	\$ 493,699	\$ 493,699	\$ 2,884,000	\$ 2,981,932
Special Assessments	-	-	230,000	247,984	-	-
Intergovernmental	-	-	857,800	83,478	145,783	145,784
Licenses and Permits	-	-	-	-	-	-
Public Charges for Services	-	-	-	-	23,974	-
Intergovernmental Charges for Services	-	-	-	-	-	-
Miscellaneous	9,362	3,605	22,000	38,732	13,000	25,620
Total Revenues	561,766	556,009	1,603,499	863,893	3,066,757	3,153,336
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Sanitation, Health, and Welfare	-	-	-	-	-	-
Natural Resources and Recreation	-	-	-	-	-	-
Economic Development	-	-	-	-	4,800	73,181
Debt Service:						
Interest and Fiscal Charges	-	-	-	29,829	-	26,299
Capital Outlay	749,602	434,137	5,750,366	5,303,841	-	302,180
Total Expenditures	749,602	434,137	5,750,366	5,333,670	4,800	401,660
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(187,836)	121,872	(4,146,867)	(4,469,777)	3,061,957	2,751,676
OTHER FINANCING SOURCES (USES)						
Long-Term Debt Issued	-	-	2,692,000	3,715,000	-	-
Refunding Debt Issued	-	-	-	-	-	1,780,000
Premium on Debt Issued	-	-	-	-	-	102,260
Proceeds from Sale of Capital Assets	-	9,361	-	-	-	-
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	(3,203,445)	(5,633,926)
Total Other Financing Sources (Uses)	-	9,361	2,692,000	3,715,000	(3,203,445)	(3,751,666)
NET CHANGE IN FUND BALANCES	(187,836)	131,233	(1,454,867)	(754,777)	(141,488)	(999,990)
Fund Balances - Beginning of Year		166,546		1,451,111		(3,263)
FUND BALANCES - END OF YEAR		<u>\$ 297,779</u>		<u>\$ 696,334</u>		<u>\$ (1,003,253)</u>

**CITY OF WAUSAU, WISCONSIN
BUDGETARY COMPARISON SCHEDULE –
NONMAJOR BUDGETED GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021**

TID #7 West Side Development		TID #8 Near West Side		TID #9 Big Bull Falls		TID #10 Industrial Park	
Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
\$ 1,045,000	\$ 1,017,217	\$ 233,590	\$ 154,457	\$ 25,000	\$ 25,286	\$ 287,000	\$ 319,132
-	-	-	-	-	-	-	-
32,737	32,737	249,651	249,652	3,553	3,553	68,599	68,599
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	5,899	5,210	-	20,060	-	-
<u>1,077,737</u>	<u>1,049,954</u>	<u>489,140</u>	<u>409,319</u>	<u>28,553</u>	<u>48,899</u>	<u>355,599</u>	<u>387,731</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
272,266	290,031	585,000	385,708	2,150	2,373	10,150	13,972
-	-	-	-	-	-	-	-
-	79,630	-	102,790	-	-	272,000	208,114
<u>272,266</u>	<u>369,661</u>	<u>585,000</u>	<u>488,498</u>	<u>2,150</u>	<u>2,373</u>	<u>282,150</u>	<u>222,086</u>
805,471	680,293	(95,860)	(79,179)	26,403	46,526	73,449	165,645
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>(67,450)</u>	<u>(42,400)</u>	<u>(750,874)</u>	<u>(750,874)</u>	<u>(64,125)</u>	<u>(64,125)</u>	<u>(141,410)</u>	<u>(141,410)</u>
<u>(67,450)</u>	<u>(42,400)</u>	<u>(750,874)</u>	<u>(750,874)</u>	<u>(64,125)</u>	<u>(64,125)</u>	<u>(141,410)</u>	<u>(141,410)</u>
738,021	637,893	(846,734)	(830,053)	(37,722)	(17,599)	(67,961)	24,235
	<u>(1,824,331)</u>		<u>63,210</u>		<u>(207,365)</u>		<u>48,838</u>
	<u>\$ (1,186,438)</u>		<u>\$ (766,843)</u>		<u>\$ (224,964)</u>		<u>\$ 73,073</u>

**CITY OF WAUSAU, WISCONSIN
BUDGETARY COMPARISON SCHEDULE –
NONMAJOR BUDGETED GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021**

	TID #11 Business Campus		TID #12 Downtown Development	
	Budget	Actual	Budget	Actual
REVENUES				
Taxes	\$ 1,611,755	\$ 922,365	\$ -	\$ -
Special Assessments	-	-	-	-
Intergovernmental	-	-	-	-
Licenses and Permits	-	-	-	-
Public Charges for Services	-	-	-	-
Intergovernmental Charges for Services	-	-	-	-
Miscellaneous	-	2	40,000	673
Total Revenues	1,611,755	922,367	40,000	673
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Sanitation, Health, and Welfare	-	-	-	-
Natural Resources and Recreation	-	-	-	-
Economic Development	793,150	27,917	3,865,650	1,416,106
Debt Service:				
Interest and Fiscal Charges	-	35,328	-	49,346
Capital Outlay	50,000	1,333	1,200,000	70,873
Total Expenditures	843,150	64,578	5,065,650	1,536,325
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	768,605	857,789	(5,025,650)	(1,535,652)
OTHER FINANCING SOURCES (USES)				
Long-Term Debt Issued	-	40,000	5,050,000	1,645,000
Refunding Debt Issued	-	4,005,000	-	4,005,000
Premium on Debt Issued	-	-	-	-
Proceeds from Sale of Capital Assets	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	(626,198)	(4,607,401)	(174,540)	(4,155,743)
Total Other Financing Sources (Uses)	(626,198)	(562,401)	4,875,460	1,494,257
NET CHANGE IN FUND BALANCES	142,407	295,388	(150,190)	(41,395)
Fund Balances - Beginning of Year		(72,856)		(1,058,940)
FUND BALANCES - END OF YEAR		\$ 222,532		\$ (1,100,335)

CITY OF WAUSAU, WISCONSIN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – DEBT SERVICE FUND
YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 4,123,000	\$ 4,123,000	\$ 4,123,000	\$ -
Miscellaneous	3,000	3,000	110	(2,890)
Total Revenues	<u>4,126,000</u>	<u>4,126,000</u>	<u>4,123,110</u>	<u>(2,890)</u>
EXPENDITURES				
Debt Service:				
Principal	9,740,029	9,740,029	9,740,029	-
Interest and Fiscal Charges	2,098,004	2,098,004	2,100,101	(2,097)
Total Expenditures	<u>11,838,033</u>	<u>11,838,033</u>	<u>11,840,130</u>	<u>(2,097)</u>
EXCESS OF REVENUES UNDER EXPENDITURES	(7,712,033)	(7,712,033)	(7,717,020)	(4,987)
OTHER FINANCING SOURCES				
Premium on Debt Issued	-	-	193,591	193,591
Principal on Current Refunding	-	-	(10,418,051)	(10,418,051)
Transfers In	7,744,965	7,744,965	18,076,874	10,331,909
Total Other Financing Sources	<u>7,744,965</u>	<u>7,744,965</u>	<u>7,852,414</u>	<u>107,449</u>
NET CHANGE IN FUND BALANCE	32,932	32,932	135,394	102,462
Fund Balance - January 1	<u>568,003</u>	<u>568,003</u>	<u>568,003</u>	<u>-</u>
FUND BALANCE - DECEMBER 31	<u>\$ 600,935</u>	<u>\$ 600,935</u>	<u>\$ 703,397</u>	<u>\$ 102,462</u>

**CITY OF WAUSAU, WISCONSIN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – TID #3 DOWNTOWN DEVELOPMENT
YEAR ENDED DECEMBER 31, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 2,600,107	\$ 2,600,107	\$ 2,580,791	\$ (19,316)
Intergovernmental	669,075	669,075	746,097	77,022
Miscellaneous	67,400	67,400	135,558	68,158
Total Revenues	<u>3,336,582</u>	<u>3,336,582</u>	<u>3,462,446</u>	<u>125,864</u>
EXPENDITURES				
Current:				
Economic Development	85,150	85,150	21,683	63,467
Debt Service				
Capital Outlay	40,000	146,810	2,377	144,433
Total Expenditures	<u>125,150</u>	<u>231,960</u>	<u>24,060</u>	<u>207,900</u>
EXCESS OF REVENUES UNDER EXPENDITURES	3,211,432	3,104,622	3,438,386	333,764
OTHER FINANCING USES				
Transfers Out	(2,680,994)	(2,680,994)	(2,680,994)	-
Total Other Financing Uses	<u>(2,680,994)</u>	<u>(2,680,994)</u>	<u>(2,680,994)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	530,438	423,628	757,392	333,764
Fund Balance - January 1	<u>(2,263,060)</u>	<u>(2,263,060)</u>	<u>(2,263,060)</u>	<u>-</u>
FUND BALANCE - DECEMBER 31	<u>\$ (1,732,622)</u>	<u>\$ (1,839,432)</u>	<u>\$ (1,505,668)</u>	<u>\$ 333,764</u>

CITY OF WAUSAU, WISCONSIN
COMBINING STATEMENT OF NET POSITION – NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2021

	Airport Fund	Animal Control Fund	Total
ASSETS			
CURRENT ASSETS			
Cash and Investments	\$ 21,075	\$ 114,652	\$ 135,727
Receivables:			
Taxes	126,870	47,268	174,138
Accounts	3,989	2,752	6,741
Inventories and Prepaid Items	-	985	985
Total Current Assets	<u>151,934</u>	<u>165,657</u>	<u>317,591</u>
NONCURRENT ASSETS			
Net Pension Asset	-	16,773	16,773
CAPITAL ASSETS			
Nondepreciable	248,000	-	248,000
Depreciable	1,334,192	-	1,334,192
Total Capital Assets	<u>1,582,192</u>	<u>-</u>	<u>1,582,192</u>
Total Assets	<u>1,734,126</u>	<u>182,430</u>	<u>1,916,556</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Amounts	-	28,150	28,150
Other Postemployment Related Amounts	-	771	771
Total Deferred Outflows of Resources	<u>-</u>	<u>28,921</u>	<u>28,921</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts Payable	11,027	1,385	12,412
Accrued and Other Current Liabilities	650	3,191	3,841
Due to Other Governments	-	3,994	3,994
Unearned Revenue	4,977	18,890	23,867
Total Current Liabilities	<u>16,654</u>	<u>27,460</u>	<u>44,114</u>
LONG-TERM OBLIGATIONS			
Other Postemployment Benefits	-	1,908	1,908
Total Liabilities	<u>16,654</u>	<u>29,368</u>	<u>46,022</u>
DEFERRED INFLOWS OF RESOURCES			
Property Taxes Levied for Subsequent Year	160,219	59,693	219,912
Pension Related Amounts	-	36,730	36,730
Other Postemployment Related Amounts	-	266	266
Total Deferred Inflows of Resources	<u>160,219</u>	<u>96,689</u>	<u>256,908</u>
NET POSITION			
Net Investment In Capital Assets	1,582,192	-	1,582,192
Restricted:			
Pension Asset	-	16,773	16,773
Unrestricted	(24,939)	68,521	43,582
Total Net Position	<u>\$ 1,557,253</u>	<u>\$ 85,294</u>	<u>\$ 1,642,547</u>

**CITY OF WAUSAU, WISCONSIN
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION –
 NONMAJOR ENTERPRISE FUNDS
 YEAR ENDED DECEMBER 31, 2021**

	Airport Fund	Animal Control Fund	Total
OPERATING REVENUES			
Charges for Services	\$ 162,090	\$ 174,899	\$ 336,989
OPERATING EXPENSES			
Operation and Maintenance	325,464	200,914	526,378
Depreciation	123,167	-	123,167
Total Operating Expenses	<u>448,631</u>	<u>200,914</u>	<u>649,545</u>
OPERATING LOSS	(286,541)	(26,015)	(312,556)
NONOPERATING REVENUES (EXPENSES)			
General Property Taxes	145,674	45,247	190,921
Nonoperating Grants	-	16,860	16,860
Total Nonoperating Revenues	<u>145,674</u>	<u>62,107</u>	<u>207,781</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS	(140,867)	36,092	(104,775)
Capital Contributions	<u>88,798</u>	-	<u>88,798</u>
CHANGE IN NET POSITION	(52,069)	36,092	(15,977)
Net Position - Beginning of Year	<u>1,609,322</u>	<u>49,202</u>	<u>1,658,524</u>
NET POSITION - END OF YEAR	<u>\$ 1,557,253</u>	<u>\$ 85,294</u>	<u>\$ 1,642,547</u>

**CITY OF WAUSAU, WISCONSIN
COMBINING STATEMENT OF CASH FLOWS – NONMAJOR ENTERPRISE FUNDS
YEAR ENDED DECEMBER 31, 2021**

	Airport Fund	Animal Control Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers and Users	\$ 161,854	\$ 178,830	\$ 340,684
Cash Paid for Employee Wages and Benefits	(27,407)	(83,027)	(110,434)
Cash Paid to Suppliers	(308,041)	(131,604)	(439,645)
Net Cash Used by Operating Activities	(173,594)	(35,801)	(209,395)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
General Property Taxes	130,729	42,672	173,401
Intergovernmental Revenues	-	16,860	16,860
Net Cash Provided by Noncapital Financing Activities	130,729	59,532	190,261
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of Capital Assets	(88,798)	-	(88,798)
Capital Contributions	88,798	-	88,798
Net Cash Provided by Capital and Related Financing Activities	-	-	-
CHANGE IN CASH AND CASH EQUIVALENTS	(42,865)	23,731	(19,134)
Cash and Cash Equivalents - Beginning of Year	63,940	90,921	154,861
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 21,075</u>	<u>\$ 114,652</u>	<u>\$ 135,727</u>

CITY OF WAUSAU, WISCONSIN
COMBINING STATEMENT OF CASH FLOWS – NONMAJOR ENTERPRISE FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

	Airport Fund	Animal Control Fund	Total
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating Loss	\$ (286,541)	\$ (26,015)	\$ (312,556)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation	123,167	-	123,167
Change in Liability (Asset) and Deferred Outflows and Inflows of Resources:			
Change in Pension Asset (Liability)	-	(8,803)	(8,803)
Change in Pension Deferred Outflow	-	(9,040)	(9,040)
Change in Pension Deferred Inflow	-	12,848	12,848
Change In OPEB Liability	-	418	418
Change In OPEB Deferred Outflow	-	(192)	(192)
Change In OPEB Deferred Inflow	-	(10)	(10)
Change In Operating Assets And Liabilities:			
Accounts Receivable	209	13,223	13,432
Inventories and Prepaid Items	-	(61)	(61)
Accounts Payable	(10,330)	(6,897)	(17,227)
Accrued and Other Current liabilities	346	534	880
Due to Other Governments	-	(2,514)	(2,514)
Unearned Revenue	(445)	(9,292)	(9,737)
Net Cash Provided by Operating Activities	\$ (173,594)	\$ (35,801)	\$ (209,395)

CITY OF WAUSAU, WISCONSIN
COMBINING STATEMENT OF NET POSITION – INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2021

	Motor Pool	Insurance Fund	Employee Benefits Fund	Total
ASSETS				
CURRENT ASSETS				
Cash and Investments	\$ 2,811,121	\$ 1,723,639	\$ 1,784,422	\$ 6,319,182
Receivables:				
Accounts	-	55,413	2,413	57,826
Inventories and Prepaid Items	178,677	-	5,998	184,675
Total Current Assets	<u>2,989,798</u>	<u>1,779,052</u>	<u>1,792,833</u>	<u>6,561,683</u>
NONCURRENT ASSETS				
Net Pension Asset	192,898	-	-	192,898
CAPITAL ASSETS				
Depreciable	7,560,601	-	-	7,560,601
Total Capital Assets	<u>7,560,601</u>	<u>-</u>	<u>-</u>	<u>7,560,601</u>
Total Assets	<u>10,743,297</u>	<u>1,779,052</u>	<u>1,792,833</u>	<u>14,315,182</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related Amounts	312,409	-	-	312,409
Other Postemployment Related Amounts	6,375	-	-	6,375
Total Deferred Outflows of Resources	<u>318,784</u>	<u>-</u>	<u>-</u>	<u>318,784</u>
LIABILITIES				
CURRENT LIABILITIES				
Accounts Payable	146,654	14,266	-	160,920
Accrued and Other Current Liabilities	26,617	-	-	26,617
Insurance Claims Payable	-	356,430	18,700	375,130
Unearned Revenue	-	-	417,064	417,064
Total Current Liabilities	<u>173,271</u>	<u>370,696</u>	<u>435,764</u>	<u>979,731</u>
LONG-TERM OBLIGATIONS				
Compensated Absences	34,074	-	-	34,074
Claims Payable	-	867,832	-	867,832
Other Postemployment Benefits	15,775	-	-	15,775
Total Long-Term Liabilities	<u>49,849</u>	<u>867,832</u>	<u>-</u>	<u>917,681</u>
Total Liabilities	<u>223,120</u>	<u>1,238,528</u>	<u>435,764</u>	<u>1,897,412</u>
DEFERRED INFLOWS OF RESOURCES				
Pension Related Amounts	422,418	-	-	422,418
Other Postemployment Related Amounts	2,198	-	-	2,198
Total Deferred Inflows of Resources	<u>424,616</u>	<u>-</u>	<u>-</u>	<u>424,616</u>
NET POSITION				
Net Investment In Capital Assets	7,560,601	-	-	7,560,601
Restricted:				
Pension Asset	192,898	-	-	192,898
Unrestricted	2,660,846	540,524	1,357,069	4,558,439
Total Net Position	<u>\$ 10,414,345</u>	<u>\$ 540,524</u>	<u>\$ 1,357,069</u>	<u>\$ 12,311,938</u>

CITY OF WAUSAU, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION –
INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2021

	Motor Pool	Insurance Fund	Employee Benefits Fund	Total
OPERATING REVENUES				
Charges for Services	\$ 3,276,447	\$ 912,201	\$ 5,935,538	\$ 10,124,186
Other	147,192	43,460	-	190,652
Total Operating Revenues	<u>3,423,639</u>	<u>955,661</u>	<u>5,935,538</u>	<u>10,314,838</u>
OPERATING EXPENSES				
Operation and Maintenance	2,465,130	-	-	2,465,130
Depreciation	1,113,661	-	-	1,113,661
Insurance, Claims, and Administration	-	703,392	5,956,196	6,659,588
Total Operating Expenses	<u>3,578,791</u>	<u>703,392</u>	<u>5,956,196</u>	<u>10,238,379</u>
OPERATING INCOME (LOSS)	(155,152)	252,269	(20,658)	76,459
NONOPERATING REVENUES (EXPENSES)				
Interest Income	-	-	58	58
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(155,152)	252,269	(20,600)	76,517
Capital Contributions	1,000,000	-	-	1,000,000
Transfers In	1,091,208	-	-	1,091,208
CHANGE IN NET POSITION	1,936,056	252,269	(20,600)	2,167,725
Net Position - Beginning of Year	<u>8,478,289</u>	<u>288,255</u>	<u>1,377,669</u>	<u>10,144,213</u>
NET POSITION - END OF YEAR	<u>\$ 10,414,345</u>	<u>\$ 540,524</u>	<u>\$ 1,357,069</u>	<u>\$ 12,311,938</u>

**CITY OF WAUSAU, WISCONSIN
COMBINING STATEMENT OF CASH FLOW – INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2021**

	Motor Pool	Insurance Fund	Employee Benefits Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Interfund Services	\$ 3,424,639	\$ 953,853	\$ 5,938,082	\$ 10,316,574
Cash Paid for Employee Wages and Benefits	(585,803)	(692,534)	(5,501,803)	(6,780,140)
Cash Paid to Suppliers	(1,866,052)	-	-	(1,866,052)
Net Cash Provided by Operating Activities	972,784	261,319	436,279	1,670,382
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfer In	1,091,208	-	-	1,091,208
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of Capital Assets	(2,320,978)	-	-	(2,320,978)
Capital Contributions	1,000,000	-	-	1,000,000
Sale of Capital Assets	383,074	-	-	383,074
Net Cash Used by Capital and Related Financing Activities	(937,904)	-	-	(937,904)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received	-	-	58	58
CHANGE IN CASH AND CASH EQUIVALENTS	1,126,088	261,319	436,337	1,823,744
Cash and Cash Equivalents - Beginning of Year	1,685,033	1,462,320	1,348,085	4,495,438
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 2,811,121</u>	<u>\$ 1,723,639</u>	<u>\$ 1,784,422</u>	<u>\$ 6,319,182</u>

CITY OF WAUSAU, WISCONSIN
COMBINING STATEMENT OF CASH FLOW – INTERNAL SERVICE FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

	Motor Pool	Insurance Fund	Employee Benefits Fund	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ (155,152)	\$ 252,269	\$ (20,658)	\$ 76,459
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Depreciation	1,113,661	-	-	1,113,661
Change in Liability (Asset) and Deferred Outflows and Inflows of Resources:				
Change in Pension Asset (Liability)	(90,502)	-	-	(90,502)
Change in Pension Deferred Outflow	(76,473)	-	-	(76,473)
Change in Pension Deferred Inflow	115,603	-	-	115,603
Change In OPEB Liability	879	-	-	879
Change In OPEB Deferred Outflow	(587)	-	-	(587)
Change In OPEB Deferred Inflow	(565)	-	-	(565)
Change In Operating Assets and Liabilities:				
Accounts Receivable	1,000	(1,808)	2,544	1,736
Inventories and Prepaid Items	114,668	3,996	455,571	574,235
Accounts Payable	(84,010)	10,978	(95)	(73,127)
Accrued and Other Current liabilities	188	-	-	188
Unearned Revenue	-	-	(1,083)	(1,083)
Claims Payable	-	(4,116)	-	(4,116)
Compensated Absences	34,074	-	-	34,074
Net Cash Provided by Operating Activities	<u>\$ 972,784</u>	<u>\$ 261,319</u>	<u>\$ 436,279</u>	<u>\$ 1,670,382</u>

**CITY OF WAUSAU, WISCONSIN
 COMBINING STATEMENT OF FIDUCIARY NET POSITION – CUSTODIAL FUNDS
 YEAR ENDED DECEMBER 31, 2021**

	Tax Collection Fund	Entrepreneurial & Education Center	Wausau Area Events	Wausau River District	Total
ASSETS					
Cash and Investments	\$ 16,508,607	\$ 128,265	\$ 258,272	\$ 109,850	\$ 17,004,994
Receivables:					
Taxes	28,868,837	-	-	74,160	28,942,997
Accounts	-	4,515	-	-	4,515
Prepaid Expense	-	-	-	2,000	2,000
Total Assets	<u>45,377,444</u>	<u>132,780</u>	<u>258,272</u>	<u>186,010</u>	<u>45,954,506</u>
LIABILITIES					
Accounts Payable	-	18,624	1,725	4,069	24,418
DEFERRED INFLOWS OF RESOURCES					
Property Taxes Levied for Subsequent Year	<u>45,377,444</u>	<u>-</u>	<u>-</u>	<u>78,670</u>	<u>45,456,114</u>
NET POSITION					
Restricted	<u>\$ -</u>	<u>\$ 114,156</u>	<u>\$ 256,547</u>	<u>\$ 103,271</u>	<u>\$ 473,974</u>

**CITY OF WAUSAU, WISCONSIN
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – CUSTODIAL FUNDS
 YEAR ENDED DECEMBER 31, 2021**

	Tax Collection Fund	Entrepreneurial & Education Center	Wausau Area Events	Wausau River District	Total
ADDITIONS					
Property Tax Collections	\$ 47,686,782	\$ -	\$ -	\$ 72,000	\$ 47,758,782
Intergovernmental	-	-	-	26,591	26,591
Public Charges for Service	-	180,359	333,727	55,420	569,506
Interest and Other Miscellaneous Revenues	-	190	7	92	289
Total Additions	<u>47,686,782</u>	<u>180,549</u>	<u>333,734</u>	<u>154,103</u>	<u>48,355,168</u>
DEDUCTIONS					
Payments to Taxing Jurisdictions	47,686,782	-	-	-	47,686,782
Operating and Maintenance	-	150,042	306,132	148,162	604,336
Total Deductions	<u>47,686,782</u>	<u>150,042</u>	<u>306,132</u>	<u>148,162</u>	<u>48,291,118</u>
CHANGE IN NET POSITION	-	30,507	27,602	5,941	64,050
Net Position - Beginning of Year	<u>-</u>	<u>83,649</u>	<u>228,945</u>	<u>97,330</u>	<u>409,924</u>
NET POSITION - END OF YEAR	<u>\$ -</u>	<u>\$ 114,156</u>	<u>\$ 256,547</u>	<u>\$ 103,271</u>	<u>\$ 473,974</u>

**ADDITIONAL INDEPENDENT AUDITORS' REPORT
FOR BASIC FINANCIAL STATEMENTS**



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

City Council
City of Wausau, Wisconsin

We have audited, in accordance with the 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, the 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, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City of Wausau, Wisconsin's basic financial statements, and have issued our report thereon dated August 1, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Wausau, Wisconsin's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Wausau, Wisconsin's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Wausau, Wisconsin's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

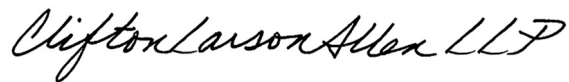
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Wausau, Wisconsin's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Wausau, Wisconsin
August 1, 2022



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