

**CITY OF WAUSAU, WISCONSIN
ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2022**



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**CITY OF WAUSAU, WISCONSIN
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2022**

INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	4
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	16
STATEMENT OF ACTIVITIES	17
FUND FINANCIAL STATEMENTS	
BALANCE SHEET – GOVERNMENTAL FUNDS	19
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS	21
STATEMENT OF NET POSITION – PROPRIETARY FUNDS	23
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – PROPRIETARY FUNDS	25
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS	26
STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS	28
STATEMENT OF CHANGES IN NET POSITION – FIDUCIARY FUNDS	29
NOTES TO BASIC FINANCIAL STATEMENTS	30
REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND	90
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) – WISCONSIN RETIREMENT SYSTEM	91
SCHEDULE OF CONTRIBUTIONS – WISCONSIN RETIREMENT SYSTEM	91
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS – SINGLE-EMPLOYER DEFINED BENEFIT POSTEMPLOYMENT BENEFIT PLAN	92
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET) – LOCAL RETIREE LIFE INSURANCE FUND	93
SCHEDULE OF CONTRIBUTIONS – LOCAL RETIREE LIFE INSURANCE FUND	93
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION	94

**CITY OF WAUSAU, WISCONSIN
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2022**

SUPPLEMENTARY INFORMATION

GENERAL FUND

DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES AND OTHER FINANCING SOURCES	97
DETAILED COMPARISON OF BUDGETED AND ACTUAL EXPENDITURES AND OTHER FINANCING USES	98
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS	99
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS	103
BUDGETARY COMPARISON SCHEDULE – NONMAJOR BUDGETED GOVERNMENTAL FUNDS	107
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – DEBT SERVICE FUND	114
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – TID #3 DOWNTOWN DEVELOPMENT	115
COMBINING STATEMENT OF NET POSITION – NONMAJOR ENTERPRISE FUNDS	116
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – NONMAJOR ENTERPRISE FUNDS	117
COMBINING STATEMENT OF CASH FLOWS – NONMAJOR ENTERPRISE FUNDS	118
COMBINING STATEMENT OF NET POSITION – INTERNAL SERVICE FUNDS	120
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – INTERNAL SERVICE FUNDS	121
COMBINING STATEMENT OF CASH FLOWS – INTERNAL SERVICE FUNDS	122
COMBINING STATEMENT OF FIDUCIARY NET POSITION – CUSTODIAL FUNDS	124
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – CUSTODIAL FUNDS	125
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 <i>GOVERNMENT AUDITING STANDARDS</i>	127



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, 2022, 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, 2022, 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.

Emphasis of Matter

As described in Note 1.H. to the financial statements, effective January 1, 2022, the City of Wausau, Wisconsin adopted new accounting guidance for leases. The guidance requires lessees to recognize a right-to-use lease asset and corresponding lease liability and lessors to recognize a lease receivable and corresponding deferred inflow of resources for all leases with lease terms greater than twelve months. Our opinions are not modified with respect to this matter.

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.

Required Supplementary Information

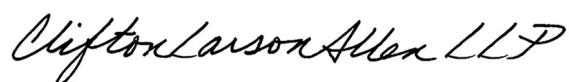
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule, and the schedules relating to pension and OPEB be presented to supplement the basic financial statements. Such information is the responsibility 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 July 28, 2023, 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
July 28, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

**CITY OF WAUSAU, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022**

The City of Wausau (City) presents the following discussion and analysis of the City's financial performance during the fiscal year ended December 31, 2022. 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 \$263,649,319. Of this amount, \$10,061,701 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.
- During 2022, the City's total net position increased \$3,567,303 from the 2021 net position, or approximately 1.4%.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$21,584,935, an increase of \$1,188,833 from the prior year. The total unassigned fund balance of \$7,161,672 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 \$11,734,362, or 31.25% of expenditures. Of this amount, \$876,439 is committed and \$10,857,923 is unassigned.
- The City's total general obligation debt decreased \$6,670,000, or 8.72%.

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, 2022**

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, 2022**

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 90-125 of this report.

**CITY OF WAUSAU, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, the City of Wausau's net position at fiscal year-end is \$263,649,319.

By far, the largest portion of the City of Wausau's net position (81.83%) 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	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 110,223,135	\$ 103,667,869	\$ 21,860,721	\$ 17,858,691	\$ 132,083,856	\$ 121,526,560
Capital assets	177,830,996	187,592,761	239,866,930	223,032,912	417,697,926	410,625,673
Total assets	<u>288,054,131</u>	<u>291,260,630</u>	<u>261,727,651</u>	<u>240,891,603</u>	<u>549,781,782</u>	<u>532,152,233</u>
Deferred outflows of resources	27,230,867	17,763,019	3,395,834	2,439,368	30,626,701	20,202,387
Noncurrent liabilities	75,148,255	81,728,082	140,042,724	116,609,184	215,190,979	198,337,266
Other liabilities	17,182,206	14,362,601	5,304,762	13,690,486	22,486,968	28,053,087
Total liabilities	<u>92,330,461</u>	<u>96,090,683</u>	<u>145,347,486</u>	<u>130,299,670</u>	<u>237,677,947</u>	<u>226,390,353</u>
Deferred inflows of resources	73,389,405	61,958,626	5,691,812	3,923,625	79,081,217	65,882,251
Net position:						
Net investment in capital assets	120,825,456	126,549,137	96,336,184	94,624,712	215,738,971	219,458,852
Restricted	29,425,700	27,066,836	8,422,947	5,690,604	37,848,647	32,757,440
Unrestricted	(686,024)	(2,641,633)	9,325,056	8,792,360	10,061,701	7,865,724
Total net position	<u>\$ 149,565,132</u>	<u>\$ 150,974,340</u>	<u>\$ 114,084,187</u>	<u>\$ 109,107,676</u>	<u>\$ 263,649,319</u>	<u>\$ 260,082,016</u>

An additional portion of the City's net position (14.4%) represents resources that are subject to restrictions on how they may be used. The remaining balance represents unrestricted net position of 10,061,701 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, 2022 and a comparison to the year ended December 31, 2021.

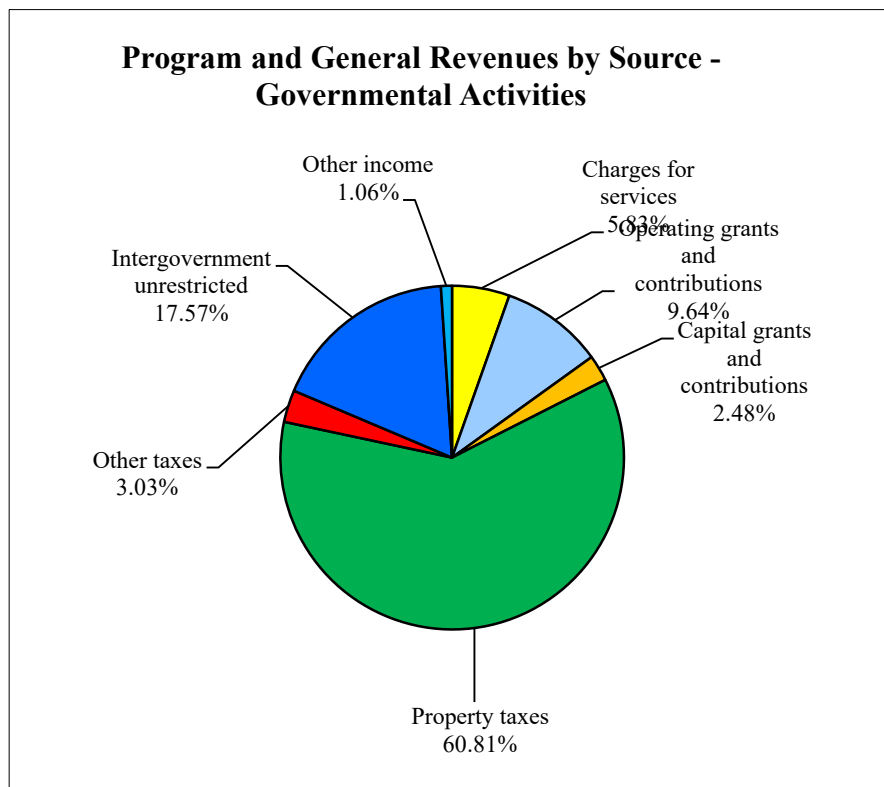
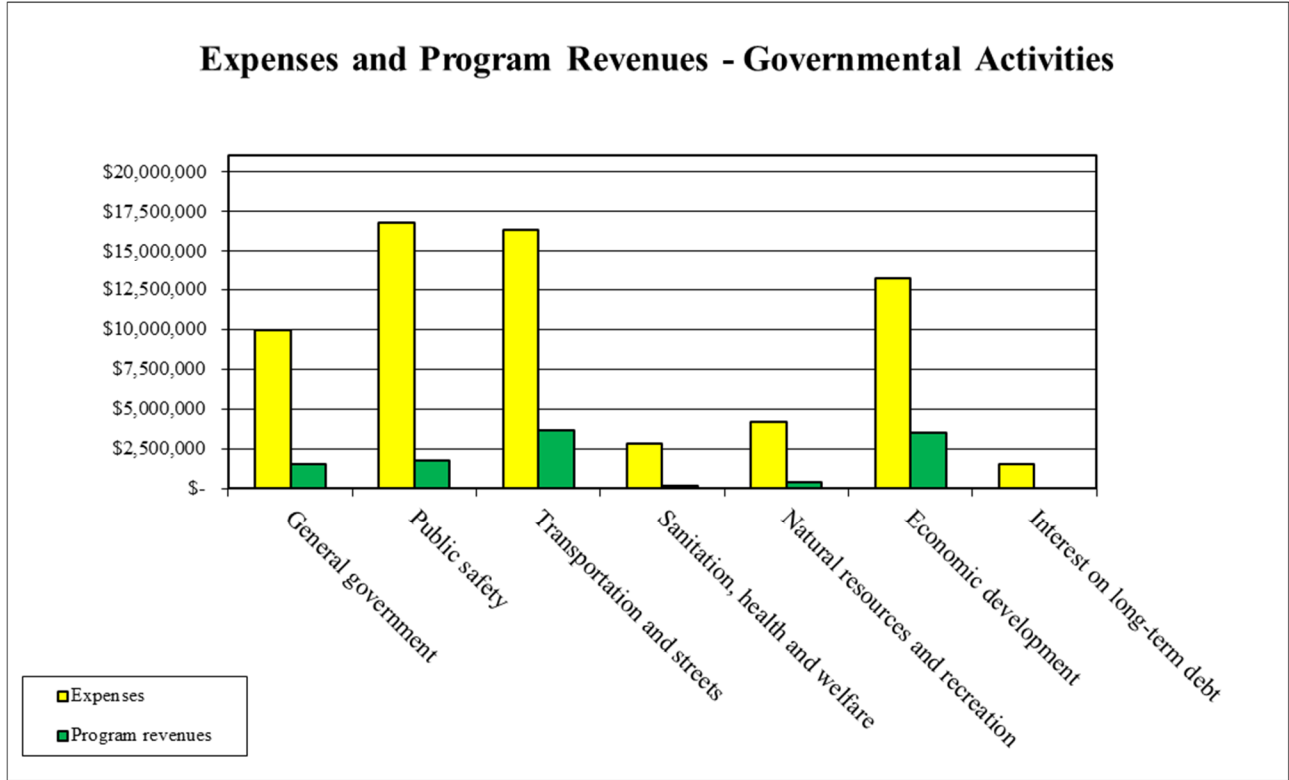
**CITY OF WAUSAU, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022**

CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program Revenues						
Charges for services	\$ 3,385,880	\$ 3,033,500	\$ 18,171,355	\$ 17,591,956	\$ 21,557,235	\$ 20,625,456
Operating grants and contributions	6,035,073	4,648,371	2,717,669	1,936,447	8,752,742	6,584,818
Capital grants and contributions	1,549,775	1,075,458	5,608,185	236,261	7,157,960	1,311,719
General Revenues						
Property taxes	38,056,356	34,206,613	765,082	1,230,813	38,821,438	35,437,426
Other taxes	1,896,193	1,545,555	-	-	1,896,193	1,545,555
Grants and contributions not restricted to specific purposes	10,999,108	6,726,294	-	-	10,999,108	6,726,294
Investment income	(903,829)	254,500	88,576	1,708	(815,253)	256,208
Other	664,143	536,044	84,952	110,283	749,095	646,327
Total Revenues	<u>61,682,699</u>	<u>52,026,335</u>	<u>27,435,819</u>	<u>21,107,468</u>	<u>89,118,518</u>	<u>73,133,803</u>
Expenses						
General government	\$9,938,620	\$4,467,841	-	-	9,938,620	4,467,841
Public safety	16,816,733	15,834,485	199,232	201,154	17,015,965	16,035,639
Transportation and streets	16,364,503	12,438,958	5,806,883	5,249,375	22,171,386	17,688,333
Sanitation, health and welfare	2,826,079	2,436,942	-	-	2,826,079	2,436,942
Natural resources and recreation	4,192,728	4,113,989	-	-	4,192,728	4,113,989
Economic development	13,181,289	5,948,736	-	-	13,181,289	5,948,736
Interest on long-term debt	1,548,955	1,932,086	-	-	1,548,955	1,932,086
Water	-	-	5,860,815	5,244,299	5,860,815	5,244,299
Wastewater	-	-	8,815,378	5,838,236	8,815,378	5,838,236
Total Expenses	<u>64,868,907</u>	<u>47,173,037</u>	<u>20,682,308</u>	<u>16,533,064</u>	<u>85,551,215</u>	<u>63,706,101</u>
Increase (decrease) in net position before transfers	(3,186,208)	4,853,298	6,753,511	4,574,404	3,567,303	9,427,702
Transfers	<u>1,777,000</u>	<u>2,055,367</u>	<u>(1,777,000)</u>	<u>(2,055,367)</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	(1,409,208)	6,908,665	4,976,511	2,519,037	3,567,303	9,427,702
Net position - January 1	<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>
Net position - December 31	<u>\$ 149,565,132</u>	<u>\$ 150,974,340</u>	<u>\$ 114,084,187</u>	<u>\$ 109,107,676</u>	<u>\$ 263,649,319</u>	<u>\$ 260,082,016</u>

**CITY OF WAUSAU, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022**

Governmental activities decreased the City's net position by \$1,409,208. Business-type activities increased the City's net position by \$4,976,511.

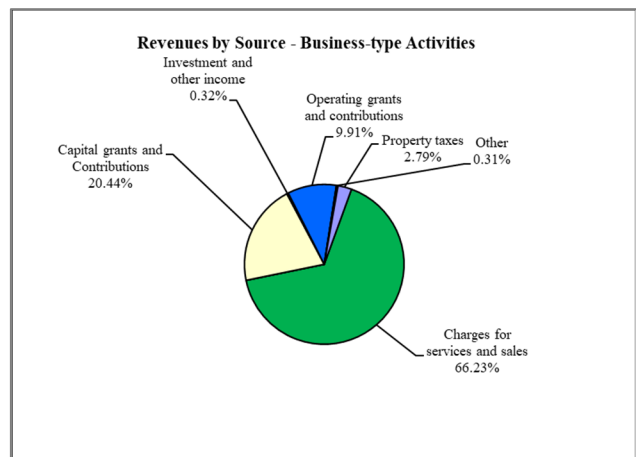
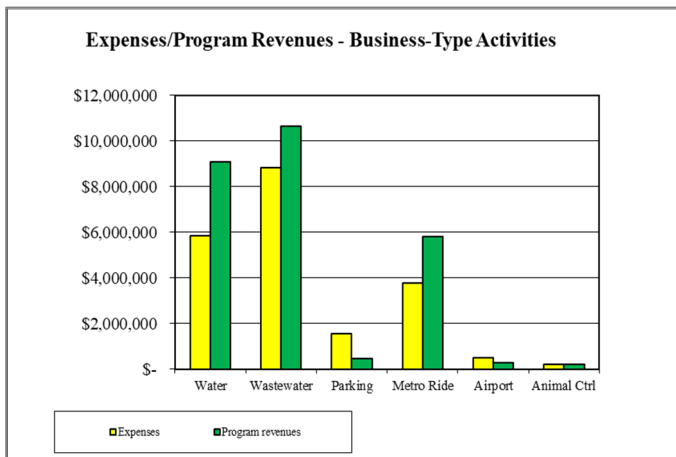


**CITY OF WAUSAU, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022**

Business-type activities increased the City of Wausau's net position by \$4,976,511.

Program revenues for business-type activities increased by \$6,328,351 while expenses increased \$4,149,244. Operating income for the year of \$88,392 represents a decline from the previous year of \$1,655,528. Key elements contributing to these changes include:

- Water sales declined in 2022 resulting in a decline in operating revenue from 2021 of \$117,124. The decline in demand could have been related to the identification of PFAS in the water supply. The City's new water plant is operational and is effectively removing PFAS from the supply.
- Water utility operation and maintenance expenses increased \$142,558 or 4%.
- Water interest expense increased \$259,727. This increase is due to the additional draws on the Safe Drinking Water Loan for the construction of the new water treatment plant.
- The Wastewater Utility operating revenues increased \$1,454,851 or 18%. This reflects the rate increase implemented.
- Wastewater Utility operation and maintenance expenses increased \$798,766 or 23%. This was due to increased chemical, electrical and engineering services.
- Wastewater interest expense increased \$705,510. This increase is due to the additional draws on the Clean Water Loan for the wastewater treatment plant construction.
- Operating revenues of the Parking Utility Fund decreased \$63,924 or 13.7%. The parking demand in the downtown area has been negatively impacted by the mall closure, declining business activity and remote working.
- MetroRide operating revenues more than doubled now that fares have been re-established for the full year.
- MetroRide Fund and the Airport Fund received COVID related grants in the amount of \$484,000 and \$112,000 respectively.
- Property Tax levy offsets some operational costs of the following business activities funds: Parking Fund \$156,287, Metro Ride \$388,883, Airport Fund \$160,219 and Animal Control \$59,693.



**CITY OF WAUSAU, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022**

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 \$21,584,935, an increase of \$1,188,833 from the prior year. Approximately 33.18% or \$7,161,672, 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 (\$2,817,418), 2) restricted for particular purposes (\$8,789,385), or 3) committed for particular purposes (\$2,816,460). The net increase is due to an increase in nonmajor governmental funds of \$2,018,258, and an increase in the TID #3 Downtown Development Fund of \$405,579 and a decrease in the General Fund \$1,132,138, and the Debt Service Fund of \$102,866. Of the nonmajor governmental funds, the three with the largest decreases in fund balance were the Environmental Clean Up Fund \$83,935, Central Purchasing fund of \$136,559 and TID #12 Downtown Development fund of \$387,439.

Major Governmental Funds

The General Fund is the City's primary operating fund and the largest source of day-to-day service delivery. The fund balance of the General Fund decreased \$1,132,138 to \$14,551,780. The City reported expenditures and other financing uses less than anticipated budget for 2022 in the amount of \$692,575 while total revenues and other financing sources were under budget by \$990,453. The main reason for the negative result was the adjustment of investments to market. This adjustment created a negative revenue of \$1,144,719. This adjustment reflects the unprecedented increases in interest rates in 2022. On a positive note, permit fees continued to remain strong with total revenue of \$705,167 compared to 2021 in the amount of \$507,549. Unassigned fund balance decreased by \$449,013 from 2021 due to negative 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 28.91% of general fund expenditures, while total fund balance represents 38.75% of the same amount.

The Debt Service fund balance of \$600,531 at year end represents a \$102,866 decrease 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, 2022**

General Fund Budgetary Highlights

- General Fund expenditures and other financing uses were less than budget by \$692,575 for the current fiscal year. The largest three areas of cost savings occurred in public works by \$496,095, police by \$229,673 and ambulance by \$234,211. The largest negative results were fire department \$441,834, transfers to other funds \$106,031 and debt service by \$67,191. The debt service represents lease activity recorded to comply with GASB 87.
- General Fund revenues and other financing sources fell below budget expectations by \$990,453. The key elements were highlighted above. The major impact as noted was the adjustment of investments to market.

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 \$417,697,906. 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 \$7,072,233 or approximately 1.72%.

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

Governmental Activities

- Street Improvements, stormwater and sidewalk for the following streets: Bugbee, Burek and Campus Drive; 4th Avenue and Torney for a total of \$2,156,211

Business-Type Activities

The multiyear facilities projects resulted in the following additions:

- The Water Utility treatment plant and related equipment \$41,949,524
 - The Wastewater utility plant and related equipment \$87,071,345
- Both facilities are expected to be completed in 2023.
- - MetroRide placed 7 new buses into services totaling \$3,053,963.

Capital Assets
(net of accumulated depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 37,839,936	\$ 47,384,177	\$ 6,113,894	\$ 5,212,032	\$ 43,953,830	\$ 52,596,209
Buildings & improvements	31,211,586	33,084,052	115,791,830	16,821,875	147,003,416	49,905,927
Machinery & equipment	13,078,471	11,316,023	37,152,603	9,102,497	50,231,074	20,418,520
Infrastructure	93,803,783	94,217,523	80,237,904	75,129,751	174,041,687	169,347,274
Right-to-Use Lease Asset	231,501	-	65,782	-	297,283	-
Construction in progress	1,665,719	1,590,986	504,897	116,766,757	2,170,616	118,357,743
Total	\$ 177,830,996	\$ 187,592,761	\$ 239,866,910	\$ 223,032,912	\$ 417,697,906	\$ 410,625,673

Additional information on the City of Wausau's capital assets can be found in Note 3.D. on pages 54-55 of this report.

**CITY OF WAUSAU, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022**

Long-Term Debt

At the end of the current fiscal year, the City of Wausau had total debt outstanding of \$208,887,166. \$69,854,779 of the total amount comprises debt backed by the full faith and credit of the City of Wausau. \$14,755,000 of the total amount comprises utility revenue bonds backed by pledged utility revenues, net of specified operating expenses. \$124,022,946 represents Safe Drinking Fund and Clean Water Fund Loans.

	City of Wausau Outstanding Debt					
	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
General obligation	\$ 69,854,779	\$ 76,524,779	\$ -	\$ -	\$ 69,854,779	\$ 76,524,779
Anticipation notes	-	-	-	-	-	-
Revenue bonds	-	-	14,755,000	16,070,000	14,755,000	16,070,000
Long-Term Lease	187,441	-	67,000	-	254,441	-
Direct borrowings	-	-	124,022,946	99,273,623	124,022,946	99,273,623
Total	\$ 70,042,220	\$ 76,524,779	\$ 138,844,946	\$ 115,343,623	\$ 208,887,166	\$ 191,868,402

In 2022 the City issued debt as follows:

- 2022 General Obligation Promissory Notes, Series A \$3,795,000; this debt financed capital improvements as outlined by the Capital Improvement Plan adopted by the common council.

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

Additional information regarding the City of Wausau's long-term debt can be found in Note 3.F. on pages 58-62 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 2023 budget for the City of Wausau. The adopted general fund budget is \$40,662,449 which is a 7.1% increase. This increase was driven by personnel service costs including health insurance, Wisconsin Retirement System rates and cost of living increases for staff. In addition, investment in cybersecurity and Workday software maintenance costs contributed to the increased technology budget.

The City has two tax increment districts nearing termination. Tax Increment District Number Six is expected to cashflow by the end of 2024. Tax Increment District Number Seven is currently serving as a donor to Tax Increment District Number Twelve. The closure of these districts will return tax base to all overlying taxing districts.

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, 2022**

	Governmental Activities	Business-Type Activities	Total	Component Unit Wausau CDA
ASSETS				
Cash and Investments	\$ 50,104,436	\$ 2,875,587	\$ 52,980,023	\$ 4,187,237
Receivables:				
Taxes and Special Charges	28,790,731	981,215	29,771,946	-
Accounts, Net	1,320,906	5,170,634	6,491,540	2,569,628
Special Assessments	292,138	-	292,138	-
Loans	12,763,590	-	12,763,590	-
Other	106,774	-	106,774	-
Lease	483,233	178,229	661,462	-
Internal Balances	193,434	(193,434)	-	-
Due from Other Governments	496,463	1,870,054	2,366,517	-
Supplies and Prepaid Items	1,184,151	736,104	1,920,255	12,463
Investment in Joint Venture	838,250	-	838,250	-
Other	-	-	-	14,920
Restricted Assets:				
Cash and Investments	-	8,530,787	8,530,787	1,197,934
Net Pension Asset	13,649,029	1,711,545	15,360,574	-
Capital Assets, Nondepreciable and Nonamortizable	39,505,655	6,618,791	46,124,446	1,080,813
Capital Assets, Depreciable and Amortizable	138,325,341	233,248,139	371,573,480	11,491,528
Total Assets	288,054,131	261,727,651	549,781,782	20,554,523
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related Amounts	26,776,875	3,345,032	30,121,907	-
Other Postemployment Related Amounts	453,992	50,802	504,794	-
Total Deferred Outflows of Resources	27,230,867	3,395,834	30,626,701	-
LIABILITIES				
Accounts Payable	1,514,842	4,240,489	5,755,331	12,617
Accrued and Other Current Liabilities	2,807,276	310,320	3,117,596	144,182
Accrued Liability - Claims Payable	765,045	-	765,045	-
Due to Other Governments	19,539	173,568	193,107	-
Accrued Interest Payable	448,397	459,385	907,782	-
Special Deposits	56,939	30,544	87,483	-
Unearned Revenues	11,570,168	90,456	11,660,624	84,598
Long-Term Obligations:				
Due Within One Year	10,100,003	5,633,405	15,733,408	35,457
Due in More Than One Year	63,273,911	134,253,901	197,527,812	796,528
Other Postemployment Benefits	1,774,341	155,418	1,929,759	-
Total Liabilities	92,330,461	145,347,486	237,677,947	1,073,382
DEFERRED INFLOWS OF RESOURCES				
Property Taxes Levied for Subsequent Year	40,407,086	1,462,955	41,870,041	-
Pension Related Amounts	32,160,047	4,032,766	36,192,813	-
Lease	483,233	178,229	661,462	-
Other Postemployment Related Amounts	339,039	17,862	356,901	-
Total Deferred Inflows Of Resources	73,389,405	5,691,812	79,081,217	-
NET POSITION				
Net Investment in Capital Assets	120,825,456	96,336,184	215,738,971	11,822,341
Restricted:				
Capital Improvements	987,877	2,356,963	3,344,840	-
Community Development Programs	8,197,080	-	8,197,080	1,110,897
Environmental Clean Up	1,550,560	-	1,550,560	-
Grants and Special Purpose Accounts	1,105,168	-	1,105,168	-
Pension	13,649,029	1,711,545	15,360,574	-
TID Expenditures	3,783,852	-	3,783,852	-
Debt Service	152,134	4,354,439	4,506,573	-
Unrestricted	(686,024)	9,325,056	10,061,701	6,547,903
Total Net Position	\$ 149,565,132	\$ 114,084,187	\$ 263,649,319	\$ 19,481,141

See accompanying Notes to Basic Financial Statements.

**CITY OF WAUSAU, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
General Government	\$ 9,938,620	\$ 1,434,122	\$ 91,946	\$ -
Public Safety	16,816,733	1,048,438	738,271	-
Transportation and Streets	16,364,503	184,010	3,116,357	359,420
Sanitation, Health, and Welfare	2,826,079	856	147,289	-
Natural Resources and Recreation	4,192,728	372,360	-	-
Economic Development	13,181,289	346,094	1,941,210	1,190,355
Interest and Fiscal Charges	1,548,955	-	-	-
Total Governmental Activities	64,868,907	3,385,880	6,035,073	1,549,775
BUSINESS-TYPE ACTIVITIES				
Water	5,860,815	7,549,917	-	1,546,715
Wastewater	8,815,378	9,497,139	-	1,169,485
Parking	1,534,605	465,536	-	-
Metro Ride	3,775,756	332,544	2,588,413	2,891,985
Airport	496,522	156,152	112,000	-
Animal Control	199,232	170,067	17,256	-
Total Business-Type Activities	20,682,308	18,171,355	2,717,669	5,608,185
Total Primary Government	<u>\$ 85,551,215</u>	<u>\$ 21,557,235</u>	<u>\$ 8,752,742</u>	<u>\$ 7,157,960</u>
COMPONENT UNIT				
Community Development Authority	<u>\$ 3,407,057</u>	<u>\$ 1,138,246</u>	<u>\$ 2,029,305</u>	<u>\$ 42,283</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, 2022**

Net (Expense) Revenue and Changes in Net Position			Component Unit
Governmental Activities	Business-Type Activities	Total	Wausau CDA
\$ (8,412,552)	\$ -	\$ (8,412,552)	\$ -
(15,030,024)	-	(15,030,024)	-
(12,704,716)	-	(12,704,716)	-
(2,677,934)	-	(2,677,934)	-
(3,820,368)	-	(3,820,368)	-
(9,703,630)	-	(9,703,630)	-
(1,548,955)	-	(1,548,955)	-
(53,898,179)	-	(53,898,179)	-
-	3,235,817	3,235,817	-
-	1,851,246	1,851,246	-
-	(1,069,069)	(1,069,069)	-
-	2,037,186	2,037,186	-
-	(228,370)	(228,370)	-
-	(11,909)	(11,909)	-
-	5,814,901	5,814,901	-
(53,898,179)	5,814,901	(48,083,278)	-
-	-	-	(197,223)
27,791,861	765,082	28,556,943	-
10,264,495	-	10,264,495	-
1,896,193	-	1,896,193	-
10,999,108	-	10,999,108	-
(903,829)	88,576	(815,253)	52,374
592,980	74,952	667,932	-
71,163	10,000	81,163	9,116
1,777,000	(1,777,000)	-	-
52,488,971	(838,390)	51,650,581	61,490
(1,409,208)	4,976,511	3,567,303	(135,733)
150,974,340	109,107,676	260,082,016	19,616,874
<u>\$ 149,565,132</u>	<u>\$ 114,084,187</u>	<u>\$ 263,649,319</u>	<u>\$ 19,481,141</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF WAUSAU, WISCONSIN
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2022**

	General	Debt Service	TID #3 Downtown Development	Other Governmental Funds	Total
ASSETS					
Cash and Investments	\$ 18,419,416	\$ 1,982,886	\$ 1,046,935	\$ 24,498,082	\$ 45,947,319
Receivables:					
Taxes and Special Charges	16,592,885	2,815,629	2,118,905	7,263,312	28,790,731
Accounts	990,593	-	1,010	272,997	1,264,600
Special Assessments	-	-	-	292,138	292,138
Notes	-	-	1,063,260	12,589,863	13,653,123
Other	59,692	16	-	41,060	100,768
Lease	-	-	473,991	9,242	483,233
Due from Other Funds	1,319,222	-	-	-	1,319,222
Advance to Other Funds	2,459,482	-	-	500,000	2,959,482
Due from Other Governments	7,750	-	-	488,713	496,463
Inventories and Prepaid Items	357,936	-	-	-	357,936
	<u>357,936</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>357,936</u>
Total Assets	<u><u>\$ 40,206,976</u></u>	<u><u>\$ 4,798,531</u></u>	<u><u>\$ 4,704,101</u></u>	<u><u>\$ 45,955,407</u></u>	<u><u>\$ 95,665,015</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 578,551	\$ -	\$ 25,154	\$ 511,343	\$ 1,115,048
Accrued and Other Current Liabilities	2,366,355	-	-	47,516	2,413,871
Due to Other Funds	-	-	582,575	516,975	1,099,550
Advance from Other Funds	-	-	500,000	2,459,482	2,959,482
Due to Other Governments	19,539	-	-	-	19,539
Special Deposits	-	-	-	56,939	56,939
Unearned Revenues	67,080	-	-	11,051,327	11,118,407
Total Liabilities	<u>3,031,525</u>	<u>-</u>	<u>1,107,729</u>	<u>14,643,582</u>	<u>18,782,836</u>
DEFERRED INFLOWS OF RESOURCES					
Property Taxes Levied for Subsequent Year	22,220,541	4,198,000	3,159,210	10,829,335	40,407,086
Lease	-	-	473,991	9,242	483,233
Unavailable Revenue	403,130	-	1,063,260	12,940,535	14,406,925
Total Deferred Inflows of Resources	<u>22,623,671</u>	<u>4,198,000</u>	<u>4,696,461</u>	<u>23,779,112</u>	<u>55,297,244</u>
FUND BALANCES					
Nonspendable	2,817,418	-	-	-	2,817,418
Restricted	-	600,531	-	8,188,854	8,789,385
Committed	876,439	-	-	1,940,021	2,816,460
Unassigned	10,857,923	-	(1,100,089)	(2,596,162)	7,161,672
Total Fund Balances	<u>14,551,780</u>	<u>600,531</u>	<u>(1,100,089)</u>	<u>7,532,713</u>	<u>21,584,935</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u><u>\$ 40,206,976</u></u>	<u><u>\$ 4,798,531</u></u>	<u><u>\$ 4,704,101</u></u>	<u><u>\$ 45,955,407</u></u>	<u><u>\$ 95,665,015</u></u>

See accompanying Notes to Basic Financial Statements.

**CITY OF WAUSAU, WISCONSIN
BALANCE SHEET – GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2022**

RECONCILIATION TO THE STATEMENT OF NET POSITION

Total Fund Balances as Shown on Previous Page	\$ 21,584,935
Amounts reported for governmental activities in the statement of net position are different because:	
Capital and intangible assets used in governmental activities are not current financial resources and therefore are not reported in the funds.	168,338,691
Long-term assets are not considered available; therefore, are not reported in the funds.	
Net Pension Asset	13,440,636
Investment in Joint Venture	838,250
Other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds.	
Special Assessments	292,138
Loans and Mortgages Receivable	13,653,123
Unpaid fines and forfeitures receivable	403,130
Grant Revenue	58,181
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	(889,533)
Net position of the internal service fund is reported in the statement of net position as governmental activities.	12,613,356
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	26,368,603
Deferred Inflows Related to Pensions	(31,669,027)
Deferred Outflows Related to Other Postemployment Benefits	447,807
Deferred Inflows Related to Other Postemployment Benefits	(337,429)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds and Notes Payable	(69,854,779)
Long-Term Lease Liability	(187,441)
Premium on Debt	(2,137,482)
Compensated Absences	(1,194,212)
Other Postemployment Benefit	(1,755,418)
Accrued Interest on Long-Term Obligations	(448,397)
Net Position of Governmental Activities as Reported on the Statement of Net Position	<u>\$ 149,565,132</u>

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, 2022

	General	Debt Service	TID #3 Downtown Development	Other Governmental Funds	Total
REVENUES					
Taxes	\$ 21,448,764	\$ 4,123,000	\$ 2,926,879	\$ 10,912,501	\$ 39,411,144
Special Assessments	-	-	-	305,391	305,391
Intergovernmental	9,287,325	-	330,376	8,704,784	18,322,485
Licenses and Permits	1,129,746	-	-	70,788	1,200,534
Fines and Forfeits	488,517	-	-	-	488,517
Public Charges for Services	2,630,299	-	-	-	2,630,299
Intergovernmental Charges for Services	999,759	-	-	-	999,759
Miscellaneous	(938,844)	2,940	141,451	1,629,642	835,189
Total Revenues	<u>35,045,566</u>	<u>4,125,940</u>	<u>3,398,706</u>	<u>21,623,106</u>	<u>64,193,318</u>
EXPENDITURES					
Current:					
General Government	4,830,305	-	-	78,518	4,908,823
Public Safety	20,203,261	-	-	466,226	20,669,487
Transportation and Streets	8,371,643	-	-	230,000	8,601,643
Sanitation, Health, and Welfare	977,299	-	-	1,663,825	2,641,124
Natural Resources and Recreation	3,104,329	-	-	275,412	3,379,741
Economic Development	-	-	10,208	4,771,752	4,781,960
Debt Service:					
Principal	65,106	10,465,000	-	-	10,530,106
Interest and Fiscal Charges	2,085	1,883,441	-	54,191	1,939,717
Capital Outlay	-	-	5,134	10,747,396	10,752,530
Total Expenditures	<u>37,554,028</u>	<u>12,348,441</u>	<u>15,342</u>	<u>18,287,320</u>	<u>68,205,131</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,508,462)	(8,222,501)	3,383,364	3,335,786	(4,011,813)
OTHER FINANCING SOURCES (USES)					
Long-Term Debt Issued	-	-	-	3,795,000	3,795,000
Premium on Debt Issued	-	169,678	-	-	169,678
Transfers In	1,959,355	7,949,957	-	368,651	10,277,963
Transfers Out	(583,031)	-	(2,977,785)	(5,481,179)	(9,041,995)
Total Other Financing Sources (Uses)	<u>1,376,324</u>	<u>8,119,635</u>	<u>(2,977,785)</u>	<u>(1,317,528)</u>	<u>5,200,646</u>
NET CHANGE IN FUND BALANCES	(1,132,138)	(102,866)	405,579	2,018,258	1,188,833
Fund Balances - Beginning of Year	<u>15,683,918</u>	<u>703,397</u>	<u>(1,505,668)</u>	<u>5,514,455</u>	<u>20,396,102</u>
FUND BALANCES - END OF YEAR	<u>\$ 14,551,780</u>	<u>\$ 600,531</u>	<u>\$ (1,100,089)</u>	<u>\$ 7,532,713</u>	<u>\$ 21,584,935</u>

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, 2022**

RECONCILIATION TO THE STATEMENT OF ACTIVITIES

Net Change in Fund Balances as Shown on Previous Page \$ 1,188,833

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	4,194,059
Depreciation and Amortization Expense Reported in the Statement of Activities	(6,162,276)
Net Book Value of Disposals	(9,977,799)

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	23,589
Loans and Mortgages Receivable	(1,613,735)
Allowance	(116,501)
Grants	58,181

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	(3,795,000)
Premium on Debt Issued	(169,678)
Principal Repaid	10,530,106

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	101,103
Amortization of Premiums	301,629
Compensated Absences	(63,213)
Net Pension Asset (Liability)	3,258,507
Deferred Outflows of Resources Related to Pensions	9,427,782
Deferred Inflows of Resources Related to Pensions	(9,371,685)
Other Postemployment Benefits	(2,396)
Deferred Outflows of Resources Related to Other Postemployment Benefits	(55,607)
Deferred Inflows of Resources Related to Other Postemployment Benefits	(128,077)

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

632,857

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.

330,113

Change in Net Position of Governmental Activities as Reported in the Statement of Activities

\$ (1,409,208)

CITY OF WAUSAU, WISCONSIN
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
DECEMBER 31, 2022

ASSETS	Enterprise Funds					Total	Governmental Activities - Internal Service Fund
	Water Utility	Wastewater Utility	Parking Utility	Metro Ride	Nonmajor Funds		
CURRENT ASSETS							
Cash and Investments	\$ 923,008	\$ 1,517,455	\$ -	\$ 216,180	\$ 218,944	\$ 2,875,587	\$ 4,157,117
Receivables:							
Taxes	-	-	199,223	596,857	185,135	981,215	-
Accounts	1,921,232	3,137,967	76,784	26,697	7,954	5,170,634	62,312
Lease	74,512	-	-	-	103,717	178,229	-
Due from Other Funds	-	140,000	-	-	-	140,000	-
Due from Other Governments	-	-	-	1,758,054	112,000	1,870,054	-
Supplies and Prepaid Items	540,884	-	-	182,159	13,061	736,104	826,215
Total Current Assets	3,459,636	4,795,422	276,007	2,779,947	640,811	11,951,823	5,045,644
NONCURRENT ASSETS							
Restricted Assets:							
Cash and Investments	2,539,780	5,991,007	-	-	-	8,530,787	-
Other Assets:							
Advance to Other Funds	-	280,000	-	-	-	280,000	-
Net Pension Asset	498,660	366,646	99,253	724,106	22,880	1,711,545	208,393
Total Other Assets	498,660	646,646	99,253	724,106	22,880	1,991,545	208,393
CAPITAL ASSETS							
Nondepreciable	2,568,321	365,295	3,111,646	325,529	248,000	6,618,791	-
Depreciable	82,274,626	132,951,026	12,777,122	4,075,469	1,169,896	233,248,139	9,492,305
Total Capital Assets	84,842,947	133,316,321	15,888,768	4,400,998	1,417,896	239,866,930	9,492,305
Total Assets	91,341,023	144,749,396	16,264,028	7,905,051	2,081,587	262,341,085	14,746,342
DEFERRED OUTFLOWS OF RESOURCES							
Pension Related Amounts	968,785	718,830	194,006	1,418,640	44,771	3,345,032	408,272
Other Postemployment Related Amounts	14,801	10,883	2,946	21,493	679	50,802	6,185
Total Deferred Outflows of Resources	983,586	729,713	196,952	1,440,133	45,450	3,395,834	414,457

See accompanying Notes to Basic Financial Statements.

CITY OF WAUSAU, WISCONSIN
STATEMENT OF NET POSITION – PROPRIETARY FUNDS (CONTINUED)
DECEMBER 31, 2022

	Enterprise Funds					Total	Governmental Activities - Internal Service Fund
	Water Utility	Wastewater Utility	Parking Utility	Metro Ride	Nonmajor Funds		
LIABILITIES							
CURRENT LIABILITIES							
Accounts Payable	\$ 1,952,532	\$ 2,159,845	\$ 25,242	\$ 85,673	\$ 17,197	\$ 4,240,489	\$ 399,794
Accrued and Other Current Liabilities	107,567	63,242	20,599	115,090	3,822	310,320	22,090
Insurance Claims Payable	-	-	-	-	-	-	371,061
Due to Other Funds	140,000	-	219,672	-	-	359,672	-
Due to Other Governments	-	-	-	170,118	3,450	173,568	-
Special Deposits	30,544	-	-	-	-	30,544	-
Unearned Revenue	-	-	56,807	26,587	7,062	90,456	451,408
Current Portion of Long-Term Lease Liability	-	-	39,425	-	-	39,425	-
Payable from Restricted Assets	-	-	-	-	-	-	-
Accrued Interest	149,543	309,842	-	-	-	459,385	-
Current Portion of Revenue Bonds	2,443,694	3,150,286	-	-	-	5,593,980	-
Total Current Liabilities	<u>4,823,880</u>	<u>5,683,215</u>	<u>361,745</u>	<u>397,468</u>	<u>31,531</u>	<u>11,297,839</u>	<u>1,244,353</u>
LONG-TERM OBLIGATIONS, Less:							
Current Portion							
Advance from Other Funds	280,000	-	-	-	-	280,000	-
Revenue Bonds	44,024,645	89,934,375	-	-	-	133,959,020	-
Lease Liability	-	-	27,575	-	-	27,575	-
Compensated Absences	67,819	39,893	31,604	127,990	-	267,306	254
Claims Payable	-	-	-	-	-	-	765,045
Other Postemployment Benefits	45,281	33,293	9,013	65,753	2,078	155,418	18,923
Total Long-Term Liabilities	<u>44,417,745</u>	<u>90,007,561</u>	<u>68,192</u>	<u>193,743</u>	<u>2,078</u>	<u>134,689,319</u>	<u>784,222</u>
Total Liabilities	49,241,625	95,690,776	429,937	591,211	33,609	145,987,158	2,028,575
DEFERRED INFLOWS OF RESOURCES							
Property Taxes Levied for							
Subsequent Year	-	-	297,034	889,892	276,029	1,462,955	-
Pension Related Amounts	1,174,949	863,896	233,861	1,706,150	53,910	4,032,766	491,020
Lease	74,512	-	-	-	103,717	178,229	-
Other Postemployment Related Amounts	5,204	3,826	1,036	7,557	239	17,862	1,610
Total Deferred Inflows of Resources	<u>1,254,665</u>	<u>867,722</u>	<u>531,931</u>	<u>2,603,599</u>	<u>433,895</u>	<u>5,691,812</u>	<u>492,630</u>
NET POSITION							
Net Investment In Capital Assets	36,538,074	38,157,448	15,821,768	4,400,998	1,417,896	96,336,184	9,214,554
Restricted:							
Pension Asset	498,660	366,646	99,253	724,106	22,880	1,711,545	208,393
Capital Improvements	-	2,356,963	-	-	-	2,356,963	-
Debt Service	1,890,237	2,464,202	-	-	-	4,354,439	-
Unrestricted	<u>2,901,348</u>	<u>5,575,352</u>	<u>(421,909)</u>	<u>1,025,270</u>	<u>218,757</u>	<u>9,298,818</u>	<u>3,216,647</u>
Total Net Position	<u>\$ 41,828,319</u>	<u>\$ 48,920,611</u>	<u>\$ 15,499,112</u>	<u>\$ 6,150,374</u>	<u>\$ 1,659,533</u>	<u>114,057,949</u>	<u>\$ 12,639,594</u>
Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds						<u>26,238</u>	
Net Position of Business-Type Activities as Reported on the Statement of Net Position						<u>\$ 114,084,187</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, 2022

	Enterprise Funds					Total	Governmental Activities - Internal Service Fund
	Water Utility	Wastewater Utility	Parking Utility	Metro Ride	Nonmajor Funds		
OPERATING REVENUES							
Charges for Services	\$ 7,499,589	\$ 9,494,966	\$ 463,601	\$ 345,106	\$ 326,219	\$ 18,129,481	\$ 10,421,879
Other	50,328	2,173	1,935	9,095	-	63,531	231,119
Total Operating Revenues	<u>7,549,917</u>	<u>9,497,139</u>	<u>465,536</u>	<u>354,201</u>	<u>326,219</u>	<u>18,193,012</u>	<u>10,652,998</u>
OPERATING EXPENSES							
Operation and Maintenance	3,600,395	4,335,722	812,785	3,214,353	530,105	12,493,360	2,783,395
Depreciation	1,439,761	2,761,209	708,216	586,032	116,042	5,611,260	1,203,529
Insurance, Claims and Administration	-	-	-	-	-	-	6,879,450
Total Operating Expenses	<u>5,040,156</u>	<u>7,096,931</u>	<u>1,521,001</u>	<u>3,800,385</u>	<u>646,147</u>	<u>18,104,620</u>	<u>10,866,374</u>
OPERATING INCOME (LOSS)	2,509,761	2,400,208	(1,055,465)	(3,446,184)	(319,928)	88,392	(213,376)
NONOPERATING REVENUES (EXPENSES)							
General Property Taxes	-	-	156,287	388,883	219,912	765,082	-
Interest Income	36,416	52,160	-	-	-	88,576	-
Nonoperating Grants	-	-	-	2,575,851	129,256	2,705,107	-
Gain (Loss) on Disposal of Capital Assets	-	-	-	-	(48,254)	(48,254)	-
Interest and Fiscal Charges	(833,399)	(1,775,971)	(3,208)	-	-	(2,612,578)	-
Amortization of Debt Discount/Premium	28,046	48,460	-	-	-	76,506	-
Other Nonoperating Revenues (Expenses)	-	84,952	-	-	-	84,952	-
Total Nonoperating Revenues (Expenses)	<u>(768,937)</u>	<u>(1,590,399)</u>	<u>153,079</u>	<u>2,964,734</u>	<u>300,914</u>	<u>1,059,391</u>	<u>-</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	1,740,824	809,809	(902,386)	(481,450)	(19,014)	1,147,783	(213,376)
Capital Contributions	1,546,715	1,169,485	-	2,891,985	-	5,608,185	-
Transfers In	-	-	-	-	36,000	36,000	541,032
Transfers Out	<u>(1,279,187)</u>	<u>(533,813)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,813,000)</u>	<u>-</u>
CHANGE IN NET POSITION	2,008,352	1,445,481	(902,386)	2,410,535	16,986	4,978,968	327,656
Net Position - January 1	<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>-</u>	<u>12,311,938</u>
NET POSITION - END OF YEAR	<u>\$ 41,828,319</u>	<u>\$ 48,920,611</u>	<u>\$ 15,499,112</u>	<u>\$ 6,150,374</u>	<u>\$ 1,659,533</u>	<u>\$ -</u>	<u>\$ 12,639,594</u>
Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds						<u>(2,457)</u>	
Change in Net Position of Business-Type Activities as Reported on the Statement of Activities						<u>\$ 4,976,511</u>	

See accompanying Notes to Basic Financial Statements.

CITY OF WAUSAU, WISCONSIN
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2022

	Enterprise Funds					Total	Governmental Activities - Internal Service Fund
	Water Utility	Wastewater Utility	Parking Utility	Metro Ride	Nonmajor Funds		
CASH FLOWS FROM OPERATING ACTIVITIES							
Cash Received from Customers	\$ 7,607,023	\$ 9,166,386	\$ 485,659	\$ 353,293	\$ 308,201	\$ 17,920,562	\$ -
Cash Received from Interfund Services Provided	-	-	-	-	-	-	10,648,512
Cash Paid for Employee Wages and Benefits	(1,660,828)	(1,056,299)	(292,539)	(2,342,128)	(117,015)	(5,468,809)	(8,238,815)
Cash Paid to Suppliers	(2,112,728)	(3,530,448)	(533,024)	(971,710)	(426,257)	(7,574,167)	(2,255,312)
Net Cash Provided (Used) by Operating Activities	3,833,467	4,579,639	(339,904)	(2,960,545)	(235,071)	4,877,586	154,385
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
General Property Taxes	-	-	221,568	600,974	265,032	1,087,574	-
Intergovernmental Revenues	-	-	-	2,809,938	17,256	2,827,194	-
Due to Other Funds	-	-	163,406	-	-	163,406	-
Advance to Other Funds	-	140,000	-	-	-	140,000	-
Advance from Other Funds	(140,000)	-	-	-	-	(140,000)	-
Transfers in	-	-	-	-	36,000	36,000	541,032
Transfers Out	(1,279,187)	(533,813)	-	-	-	(1,813,000)	-
Net Cash Provided (Used) by Noncapital Financing Activities	(1,419,187)	(393,813)	384,974	3,410,912	318,288	2,301,174	541,032
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Acquisition of Capital Assets	(10,249,071)	(17,488,505)	-	(3,174,331)	-	(30,911,907)	(3,102,531)
Capital Contributions	1,546,715	1,169,485	-	2,891,985	-	5,608,185	-
Sale of Capital Assets	-	8,428	13,865	8,001	-	30,294	245,049
Proceeds from Long-Term Debt Issued	7,894,284	16,855,039	-	-	-	24,749,323	-
Other Revenue	-	84,952	-	-	-	84,952	-
Principal Paid on Long-Term Debt	(485,000)	(830,000)	(55,727)	-	-	(1,370,727)	-
Interest Paid on Long-Term Debt	(815,066)	(1,732,465)	(3,208)	-	-	(2,550,739)	-
Net Cash Used by Capital and Related Financing Activities	(2,108,138)	(1,933,066)	(45,070)	(274,345)	-	(4,360,619)	(2,857,482)
CASH FLOWS FROM INVESTING ACTIVITIES							
Interest Received	36,416	52,160	-	-	-	88,576	-
CHANGE IN CASH AND CASH EQUIVALENTS	342,558	2,304,920	-	176,022	83,217	2,906,717	(2,162,065)
Cash and Cash Equivalents - Beginning of Year	3,120,230	5,203,542	-	40,158	135,727	8,499,657	6,319,182
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 3,462,788</u>	<u>\$ 7,508,462</u>	<u>\$ -</u>	<u>\$ 216,180</u>	<u>\$ 218,944</u>	<u>\$ 11,406,374</u>	<u>\$ 4,157,117</u>

See accompanying Notes to Basic Financial Statements.

CITY OF WAUSAU, WISCONSIN
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

	Enterprise Funds					Total	Governmental Activities - Internal Service Fund
	Water Utility	Wastewater Utility	Parking Utility	Metro Ride	Nonmajor Funds		
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES							
Operating Income (Loss)	\$ 2,509,761	\$ 2,400,208	\$ (1,055,465)	\$ (3,446,184)	\$ (319,928)	\$ 88,392	\$ (213,376)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:							
Depreciation and Amortization	1,439,761	2,761,209	708,216	586,032	116,042	5,611,260	1,203,529
Depreciation Charged to Clearing Accounts	208,538	-	-	-	-	208,538	-
Change in Liability (Asset) and Deferred Outflows and Inflows of Resources:							
Change in WRS Asset (Liability)	(84,055)	(63,405)	(5,388)	(119,834)	(6,107)	(278,789)	(15,495)
Change in WRS Deferred Outflow	(275,381)	(214,650)	(39,664)	(420,318)	(16,621)	(966,634)	(95,863)
Change in WRS Deferred Inflow	267,026	199,843	28,312	382,884	17,180	895,245	68,602
Change In OPEB Liability	(1,409)	852	(20)	4,941	170	4,534	3,148
Change In OPEB Deferred Outflow	4,066	2,226	704	3,080	92	10,168	190
Change In OPEB Deferred Inflow	(1,301)	(694)	(222)	(916)	(27)	(3,160)	(588)
Change In Operating Assets And Liabilities:							
Accounts Receivable	57,106	(330,753)	(5,733)	(1,519)	(1,213)	(282,112)	(4,486)
Inventories and Prepaid Items	(237,447)	-	-	(19,229)	(12,076)	(268,752)	(641,540)
Accounts Payable	(74,911)	(174,668)	(1,151)	44,828	4,785	(201,117)	(38,877)
Accrued and Other Current liabilities	23,814	(3,198)	3,132	25,079	(19)	48,808	(4,527)
Due to Other Governments	-	-	-	-	(544)	(544)	-
Unearned Revenue	-	-	25,856	611	(16,805)	9,662	34,344
Claims Payable	-	-	-	-	-	-	(106,856)
Special Deposits	(2,101)	-	-	-	-	(2,101)	-
Compensated Absences	-	2,669	1,519	-	-	4,188	(33,820)
Net Cash Provided (Used) by Operating Activities	<u>\$ 3,833,467</u>	<u>\$ 4,579,639</u>	<u>\$ (339,904)</u>	<u>\$ (2,960,545)</u>	<u>\$ (235,071)</u>	<u>\$ 4,877,586</u>	<u>\$ 154,385</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position:							
Cash and Cash Equivalents in Current Assets	\$ 923,008	\$ 1,517,455	\$ -	\$ 216,180	\$ 218,944	\$ 2,875,587	\$ 4,157,117
Cash and Cash Equivalents in Restricted Assets	<u>2,539,780</u>	<u>5,991,007</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,530,787</u>	<u>-</u>
Total Cash and Cash Equivalents	<u>\$ 3,462,788</u>	<u>\$ 7,508,462</u>	<u>\$ -</u>	<u>\$ 216,180</u>	<u>\$ 218,944</u>	<u>\$ 11,406,374</u>	<u>\$ 4,157,117</u>
Noncash Capital and Related Financing Activities:							
Capital Assets Purchased on Account	\$ 1,836,534	\$ 2,074,213	\$ -	\$ -	\$ -	\$ 3,910,747	\$ 277,751

See accompanying Notes to Basic Financial Statements.

CITY OF WAUSAU, WISCONSIN
STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS
DECEMBER 31, 2022

	Cemetery Private Purpose Trust Fund	Custodial Funds	Total
ASSETS			
Cash and Investments	\$ 656,942	\$ 14,095,626	\$ 14,752,568
Receivables:			
Taxes	-	33,396,225	33,396,225
Accounts	-	4,941	4,941
Prepaid Expense	-	2,000	2,000
Total Assets	656,942	47,498,792	48,155,734
LIABILITIES			
Accounts Payable	-	48,812	48,812
DEFERRED INFLOWS OF RESOURCES			
Property Taxes Levied for Subsequent Year	-	47,018,135	47,018,135
NET POSITION			
Restricted	\$ 656,942	\$ 431,845	\$ 1,088,787

See accompanying Notes to Basic Financial Statements.

CITY OF WAUSAU, WISCONSIN
STATEMENT OF CHANGES IN NET POSITION – FIDUCIARY FUNDS
YEAR ENDED DECEMBER 31, 2022

	Cemetery Private Purpose Trust Fund	Custodial Funds	Total
ADDITIONS			
Property Tax Collections	\$ -	\$ 47,760,942	\$ 47,760,942
Intergovernmental	-	36,591	36,591
Public Charges for Service	-	747,320	747,320
Net Increase (Decrease) in Fair Value of Investments	(141,557)	-	(141,557)
Interest and Other Miscellaneous Revenues	11,702	894	12,596
Total Additions	<u>(129,855)</u>	<u>48,545,747</u>	<u>48,415,892</u>
DEDUCTIONS			
Payments to Taxing Jurisdictions	-	47,686,782	47,686,782
Operating and Maintenance	-	901,094	901,094
Distributions to Beneficiary	6,297	-	6,297
Administrative Expenditures	7,119	-	7,119
Total Deductions	<u>13,416</u>	<u>48,587,876</u>	<u>48,601,292</u>
CHANGE IN NET POSITION	(143,271)	(42,129)	(185,400)
Net Position - Beginning of Year	<u>800,213</u>	<u>473,974</u>	<u>1,274,187</u>
NET POSITION - END OF YEAR	<u><u>\$ 656,942</u></u>	<u><u>\$ 431,845</u></u>	<u><u>\$ 1,088,787</u></u>

See accompanying Notes to Basic Financial Statements.

CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

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, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Discretely presented component unit. The Community Development Authority (the 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 22%, 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, 2022**

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, 2022**

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, 2022

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, 2022**

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, 2022**

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, 2022, 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, 2022**

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. Leases Receivable

The City determines if an arrangement is a lease at inception. Leases are included in the lease receivables and deferred inflows of resources in the statement of net position.

Lease receivables represent the City's claim to receive lease payments over the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease receivables are recognized at commencement date based on the present value of expected lease payments over the lease term. Interest revenue is recognized ratably over the contract term.

Deferred inflows of resources related to leases are recognized at the commencement date based on the initial measurement of the lease receivable, plus any payments received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of the lessee at or before the commencement of the lease term. The deferred inflows related to leases are recognized as lease revenue in a systematic and rational manner over the lease term.

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

3. Leases Receivable (Continued)

Amounts to be received under residual value guarantees that are not fixed in substance are recognized as a received and an inflow of resources if (a) a guarantee payment is required and (b) the amount can be reasonably estimated. Amounts received for the exercise price of a purchase option or penalty for lease termination are recognized as a receivable and an inflow of resources when those options are exercised.

The City recognizes payments received for short-term leases with a lease term of 12 months or less, including options to extend, as revenue as the payments are received. These leases are not included as lease receivables or deferred inflows on the statements of net position.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the City has elected to use the interest rate on the investment purchased closest to the commencement date of the lease to calculate the present value of expected lease payments.

The City accounts for contracts containing both lease and nonlease components as separate contracts when possible. In cases where the contract does not provide separate price information for the lease and nonlease components, and it is impractical to estimate the price of such components, the City treats the components as a single lease unit.

4. Prepayments and Supplies

Supplies consist of expendable supplies held for consumption. Supplies 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 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.

Supplies 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, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

5. 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.

6. Capital Assets

Capital assets, which include property, plant, equipment, right to use assets, 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 and amortization 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 and amortization reflected in the statement of net position. Depreciation and amortization are 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, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

7. Compensated Absences

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

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

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, 2022 are determined on the basis of current salary rates and include salary related payments.

8. Deferred Outflows/Inflows of Resources

Deferred outflows of resources are a consumption of net assets by the government that is applicable to a future reporting period. Deferred inflows of resources are an acquisition of net assets 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, leases, and municipal court receivables. These inflows are recognized as revenues in the government-wide financial statements.

9. Long-Term Obligations

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

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

9. Long-Term Obligations (Continued)

In the fund financial statements, governmental fund types recognize bond issuance costs during the current period. The face amount of debt issued (plus any premiums) is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

10. Leases Payable

The City determines if an arrangement is a lease at inception. Leases are included in right-to-use (lease assets) and lease liabilities in the statement of net position.

Lease assets represent the City's control of the right to use an underlying asset for the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease assets are recognized at the commencement date based on the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. Lease assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Lease liabilities represent the City's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term.

The lease term may include options to extend or terminate the lease when it is reasonably certain that the City will exercise that option.

The City recognizes payments for short-term leases with a lease term of 12 months or less, including options to extend, as expenses as incurred, and these leases are not included as lease liabilities or right-to-use lease assets on the statement of net position.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the City has elected to use their incremental borrowing rate to calculate the present value of expected lease payments.

The City accounts for contracts containing both lease and nonlease components as separate contracts when possible. In cases where the contract does not provide separate price information for lease and nonlease components, and it is impractical to estimate the price of such components, the City treats the components as a single lease unit.

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

11. 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.

12. 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, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

13. 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 supplies, 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, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

13. 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.

G. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

H. Adoption of New Accounting Standards

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principal that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Adoption of New Accounting Standards (Continued)

The City adopted the requirements of the guidance effective January 1, 2022, and has elected to apply the provisions of this standard to the beginning of the period of adoption. As a result of the implementation of this standard, the City recorded \$725,000 in leases receivable and deferred inflows of resources related to those receivables as of January 1, 2022. Items previously recorded as capital or operating leases were reassessed resulting in a right to use asset and lease liability of \$375,274 as of January 1, 2022.

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 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.

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 STEWARDSHIP AND COMPLIANCE (CONTINUED)

A. Budgetary Information (Continued)

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.

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.

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 STEWARDSHIP AND COMPLIANCE (CONTINUED)

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, 2022 as follows:

<u>Funds</u>	<u>Excess Expenditures</u>
General Fund:	
General Government:	
City Promotion	\$ 28,743
Finance Department	34,015
City Clerk/Customer Service	35,056
City Attorney	415
City Hall and Other Municipal Buildings	48,209
Unclassified	31,603
Public Safety	
Fire Department	441,834
Sanitation, Health, and Welfare	
Garbage and Refuse Collection	12,299
Other Financing Uses	
Transfers to Other Funds	106,031
Special Revenue:	
Grants	2,452,831
HUD Mortgage Program	82,100
WRRP Rehabilitation	5,441
Haz-Mat Emergency Response	1,607
Housing Stock Improvement	688,254
Room Tax	490,092
EMS Grant	9,176
Other Grants & Special Purposes	440,775
Debt Service:	
Interest and Fiscal Charges	62,482

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, 2022**

NOTE 2 STEWARDSHIP AND COMPLIANCE (CONTINUED)

C. Deficit Fund Equity

The following funds had deficit fund balance or net position as of December 31, 2022:

<u>Funds</u>	<u>Deficit Fund Balance</u>
Capital Projects Funds:	
TID #3 Downtown Development	\$ 1,100,089
TID #6 West Side Development	71,318
TID #8 Near West Side	787,956
TID #9 Big Bull Falls	249,114
TID #12 Downtown Development	1,487,774

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 2022 and 2023 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 2022 budget was 2.80%. the actual limit for the City for the 2023 budget was 2.25%. 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, 2022 are classified in the accompanying financial statements as follows:

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

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 \$76,263,378 on December 31, 2022 as summarized below:

Petty Cash and Cash on Hand	\$ 7,861
Deposits with Financial Institutions	9,617,937
Investments	66,637,580
Total	\$ 76,263,378

Reconciliation to the basic financial statements:

Government-Wide Statement of Net Position:	
Cash and Investments	\$ 52,980,023
Restricted Cash and Investments	8,530,787
Fiduciary Fund Statement of Net Position:	
Cemetery Private Purpose Trust Fund	656,942
Custodial Funds	14,095,626
Total	\$ 76,263,378

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, 2022**

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, 2022:

	Fair Value Measurements Using:			Total
	Level 1	Level 2	Level 3	
U.S. Treasuries	\$ -	\$ 10,766,446	\$ -	\$ 10,766,446
Mutual Bond Funds	-	260,650	-	260,650
Equity Mutual Funds	-	349,948	-	349,948
State and Municipal Bonds	-	309,228	-	309,228
Money Market Mutual Funds	-	114,986	-	114,986
Government Agencies	-	24,967,884	-	24,967,884
Total Investments	\$ -	\$ 26,002,696	\$ -	\$ 36,769,142

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
U.S. Treasuries	\$ 10,766,446	\$ 10,766,446	\$ -	\$ -	\$ -
Mutual Bond Funds	260,650	260,650	-	-	-
State and Municipal Bonds	309,228	309,228	-	-	-
Government Agencies	24,967,884	11,702,899	4,407,095	8,857,890	-
Wisconsin Local Government Investment Pool	29,868,438	29,868,438	-	-	-
Totals	\$ 66,172,646	\$ 52,907,661	\$ 4,407,095	\$ 8,857,890	\$ -

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

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.

<u>Investment Type</u>	<u>Amount</u>	<u>Exempt from Disclosure</u>	<u>AAA</u>	<u>AA</u>	<u>Not Rated</u>
U.S. Treasuries	\$ 10,766,446	\$ 10,766,446	\$ -	\$ -	\$ -
Mutual Bond Funds	260,650	-	-	-	260,650
State and Municipal Bonds	309,228	-	-	309,228	-
Government Agencies	24,967,884	-	24,967,884	-	-
Wisconsin Local Government Investment Pool	29,868,438	-	-	-	29,868,438
Totals	\$ 66,172,646	\$ 10,766,446	\$ 24,967,884	\$ 309,228	\$ 30,129,088

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, 2022, 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	43.1%
U.S. Agencies	Federal Home Loan Bank	19.4%
U.S. Agencies	Federal Agricultural Mortgage Corporation	9.8%
U.S. Agencies	Federal National Mortgage Association	16.1%

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

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, 2022, the City's deposits with financial institutions total. \$9,631,694. Of the financial institution balance, \$2,550,676 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, \$2,643,162 was collateralized and \$825,342 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, 2022**

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	\$ 2,539,780
Wastewater Utility:	
Redemption Accounts	3,634,044
Depreciation/Replacement Accounts	2,356,963
Total Wastewater Utility	<u>5,991,007</u>
Total Restricted Assets	<u>\$ 8,530,787</u>

C. Leases Receivable

A summary of the City's lease terms and interest rates is as follows:

Tower/ground lease: annual installments ranging of \$38,000 including interest at 4.00%, due through 2024.

Building Leases: Monthly Installments ranging from \$400 to \$1,030 including interest at 3.00%, due dates through 2024.

Airport Land Lease: Annual installments ranging from \$276 to 1,658 including interest at 4.00%, due dates from 2023-2041.

Building Lease: Annual Installments ranging from \$17,407 to \$36,943, increasing 2% annually including interest at 4.00%, due dates through 2060.

The leases provide for increases in future minimum annual rental payments as noted above.

CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Leases Receivable (Continued)

For the year ended December 31, 2022, the City received \$80,524 in lease revenue and interest on the leases receivable.

Total future minimum lease payments to be received under lease agreements are as follows:

Year Ended December 31,	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
2023	\$ 12,791	\$ 19,034	\$ 44,052	\$ 5,338	\$ 81,215
2024	3,938	18,757	45,847	3,543	72,085
2025	-	18,687	7,494	3,249	29,430
2026	152	18,690	8,023	2,938	29,803
2027	542	18,677	8,063	2,622	29,904
2028-2032	9,412	92,605	32,061	8,747	142,825
2033-2037	23,186	89,449	22,565	3,772	138,972
2038-2042	41,221	83,137	10,124	466	134,948
2043-2047	64,585	72,716	-	-	137,301
2047-2052	94,597	56,995	-	-	151,592
2053-2057	131,477	34,541	-	-	166,018
2058-2060	101,332	6,642	-	-	107,974
Total	<u>\$ 483,233</u>	<u>\$ 529,930</u>	<u>\$ 178,229</u>	<u>\$ 30,675</u>	<u>\$ 1,222,067</u>

D. Capital Assets

Capital asset activity for the year ended December 31, 2022 was as follows:

	Beginning Balance (1)	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets, Nondepreciable:				
Land	\$ 47,384,177	\$ -	\$ 9,544,241	\$ 37,839,936
Construction in Progress	1,590,986	2,084,448	2,009,715	1,665,719
Total Capital Assets, Nondepreciable	48,975,163	2,084,448	11,553,956	39,505,655
Capital Assets, Being Depreciation and Amortized				
Buildings and Improvements	51,845,354	18,505	1,173,536	50,690,323
Machinery and Equipment	27,069,186	4,083,069	5,039,974	26,112,281
Infrastructure	163,389,228	3,398,034	198,458	166,588,804
Right-to-Use Lease Asset	252,547	-	-	252,547
Subtotals	242,556,315	7,499,608	6,411,968	243,643,955
Less: Accumulated Depreciation and Amortization for:				
Buildings and Improvements	18,761,302	1,771,080	1,053,645	19,478,737
Machinery and Equipment	15,753,161	1,798,423	4,517,774	13,033,810
Infrastructure	69,171,707	3,775,256	161,942	72,785,021
Right-to-Use Lease Asset	-	21,046	-	21,046
Subtotals	103,686,170	7,365,805	5,733,361	105,318,614
Total Capital Assets, Depreciable, Net	138,870,145	133,803	678,607	138,325,341
Governmental Activities Capital Assets, Net	<u>\$ 187,845,308</u>	<u>\$ 2,218,251</u>	<u>\$ 12,232,563</u>	177,830,996
Less: Long-Term Capital Related Debt				(54,647,227)
Less: Debt Premium				(2,056,350)
Less: Capital Related Payable and Retainage				(301,963)
Net Investment in Capital Assets				<u>\$ 120,825,456</u>

CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Capital Assets (Continued)

	Beginning Balance (1)	Increases	Decreases	Ending Balance
Business-Type Activities				
Capital Assets, Nondepreciable:				
Land	\$ 5,212,032	\$ 916,011	\$ 14,149	\$ 6,113,894
Construction in Progress	116,766,757	19,762,586	136,024,446	504,897
Total Capital Assets, Nondepreciable	121,978,789	20,678,597	136,038,595	6,618,791
Capital Assets, Being Depreciation and Amortized				
Buildings and Improvements	46,802,207	102,817,980	4,108,118	145,512,069
Machinery and Equipment	34,142,835	29,377,220	5,836,414	57,683,641
Water Infrastructure	50,641,893	3,244,182	183,010	53,703,065
Wastewater Infrastructure	50,684,987	3,466,997	6,163	54,145,821
Right-to-Use Lease Asset	122,727	-	-	122,727
Subtotals	182,394,649	138,906,379	10,133,705	311,167,323
Less: Accumulated Depreciation and Amortization for:				
Buildings and Improvements	29,980,332	2,896,479	3,156,572	29,720,239
Machinery and Equipment	25,040,338	1,263,350	5,772,670	20,531,018
Water Infrastructure	14,375,690	940,503	183,010	15,133,183
Wastewater Infrastructure	11,821,439	662,521	6,161	12,477,799
Right-to-Use Lease Asset	-	56,945	-	56,945
Subtotals	81,217,799	5,819,798	9,118,413	77,919,184
Total Capital Assets, Depreciable, Net	101,176,850	133,086,581	1,015,292	233,248,139
Business-Type Activities Capital Assets, Net	\$ 223,155,639	\$ 153,765,178	\$ 137,053,887	239,866,930
Less: Long-Term Capital Related Debt				(138,844,946)
Less: Debt Premium				(775,053)
Less: Capital Related Payable and Retainage				(3,910,747)
Net Investment in Capital Assets				\$ 96,336,184

(1) The beginning balance was restated due to the implementation of GASB Statement No. 87. See Note 1.H.

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

Governmental Activities:

General Government	\$ 233,110
Public Safety	492,408
Transportation and Streets	4,225,365
Natural Resources and Recreation	983,364
Economic Development	228,029
Internal Service Fund	1,203,529
Total Depreciation and Amortization Expense - Governmental Activities	\$ 7,365,805

Business-Type Activities:

Water Utility	\$ 1,439,761
Wastewater Utility	2,761,209
Parking	708,216
Metro Ride	586,032
Airport	116,042
Total Increase in Depreciation and Amortization	5,611,260
Depreciation Charged to Clearing Accounts and Other Utilities	208,538
Total Depreciation and Amortization Expense - Business-Type Activities	\$ 5,819,798

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. 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, 2022 are as follows:

	Interfund Receivables	Interfund Payables
Temporary Cash Advances to Finance Operating		
Cash Deficits of Other Funds:		
General Fund	\$ 1,319,222	\$ -
Special Revenue Funds:		
Grants	-	304,631
Housing Stock Improvement	-	151,534
Capital Projects Funds:		
TID #3 Downtown Development	-	582,575
TID #6 West Side Development	-	60,810
Enterprise Funds:		
Water Utility	-	140,000
Wastewater Utility	140,000	-
Parking Utility	-	219,672
Totals	\$ 1,459,222	\$ 1,459,222

Advances between funds represent long-term loans principally for capital purposes. The composition of interfund advances as of December 31, 2022 is as follows:

	Advance to Other Funds	Advance from Other Funds
Long-Term Cash Advances:		
General Fund	\$ 2,459,482	\$ -
Special Revenue Funds:		
Economic Development	250,000	-
Housing Stock Fund	250,000	-
Capital Projects Funds:		
TID #3 Downtown Development Fund	-	500,000
TID #8 Near West Side	-	760,345
TID #9 Big Bull Falls	-	249,113
TID #12 Downtown Development	-	1,450,024
Enterprise Funds:		
Water Utility	-	280,000
Wastewater Utility	280,000	-
Totals	\$ 3,239,482	\$ 3,239,482

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, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

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

Interfund transfers for the year ended December 31, 2022 were as follows:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 1,959,355	\$ 583,031
Special Revenue Funds:		
Grants	31,482	-
HUD Mortgage	-	31,483
Room Tax	-	199,110
Recycling	6,000	-
400 Block	52,755	-
Debt Service Fund	7,949,957	-
Capital Projects Funds:		
TID #3 Downtown Development	-	2,977,785
TID # 6 West Side Development	-	2,881,998
TID # 7 West Side Development	-	320,014
TID #8 Near West Side	-	702,170
TID #9 Big Bull Falls	-	62,580
TID #10 Industrial Park	-	143,723
TID #11 Business Park Extension	-	1,018,836
TID #12 Downtown Development	278,414	121,265
Internal Service Fund	541,032	-
Enterprise Funds:		
Water Utility	-	1,279,187
Wastewater Utility	-	533,813
Airport Fund	36,000	-
Total	<u>\$ 10,854,995</u>	<u>\$ 10,854,995</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, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Long-Term Obligations

A summary of the long-term obligations activity for the year ended December 31, 2022 is as follows:

	Beginning Balance (1)	Issued	Retired	Ending Balance	Due Within One Year
Governmental Activities					
General Obligation Debt:					
Bonds	\$ 42,195,000	\$ -	\$ 3,230,000	\$ 38,965,000	\$ 3,835,000
Notes	31,970,000	3,795,000	6,485,000	29,280,000	6,205,000
Notes From Direct Borrowings:					
State Trust Fund Loans	-	-	-	-	-
Loans from Local Foundations	2,359,779	-	750,000	1,609,779	-
Total General Obligation Debt	76,524,779	3,795,000	10,465,000	69,854,779	10,040,000
Long-Term Lease	252,547	-	65,106	187,441	60,003
Unamortized Costs	2,269,433	169,678	301,629	2,137,482	-
Compensated Absences	2,278,055	838,514	657,780	2,458,789	1,264,577
Governmental Activities Long-Term Obligations	<u>\$ 81,324,814</u>	<u>\$ 4,803,192</u>	<u>\$ 11,489,515</u>	<u>\$ 74,638,491</u>	<u>\$ 11,364,580</u>

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

	Beginning Balance (1)	Issued	Retired	Ending Balance	Due Within One Year
Business-Type Activities					
Revenue Bonds	\$ 16,070,000	\$ -	\$ 1,315,000	\$ 14,755,000	\$ 1,360,000
Notes from Direct Borrowings					
Clean Water Fund Loan	66,422,064	16,855,039	-	83,277,103	2,290,286
Safe Drinking Water Fund Loan	32,851,559	7,894,284	-	40,745,843	1,943,694
Long-Term Lease	122,727	-	55,727	67,000	39,425
Unamortized Costs	851,559	-	76,506	775,053	-
Compensated Absences	453,174	116,683	85,297	484,560	217,254
Business-Type Activities Long-Term Obligations	<u>\$ 116,771,083</u>	<u>\$ 24,866,006</u>	<u>\$ 1,532,530</u>	<u>\$ 140,104,559</u>	<u>\$ 5,850,659</u>

(1) The beginning balance was restated due to the implementation of GASB Statement No. 87. See Note 1.H.

Total interest paid during the year on long-term debt totaled \$4,594,208.

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	\$ 3,680,737,900
Statutory Limitation Percentage	<u>(x) 5%</u>
General Obligation Debt Limitation, per Section 67.03 of the Wisconsin Statutes	184,036,895
Total Outstanding General Obligation Debt Applicable to Debt Limitation	<u>69,854,779</u>
Legal Margin for New Debt	<u>\$ 114,182,116</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, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Long-Term Obligations (Continued)

The following is a summary of changes in long-term obligations of the City for the year ended December 31, 2022:

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 12/31/22</u>
2013 Promissory Note Series A	4/1/23	2.0-3.0%	\$ 5,365,000	\$ 515,000
2013 Promissory Note Series B	4/1/23	1.0-2.95%	630,000	60,000
2013 GO Bonds Series C	4/1/33	2.0-4.0%	3,410,000	1,870,000
2014 Promissory Note Series A	4/1/24	2.0-3.0%	6,405,000	860,000
2014 GO Bonds Series B	4/1/29	2.0-3.0%	1,495,000	860,000
2015 Promissory Note Series A	4/1/25	0.7-2.5%	3,930,000	1,260,000
2015 GO Bonds Series B	4/1/35	2.0-3.5%	5,705,000	3,855,000
2015 GO ComDev Bonds Series C	4/1/30	3.0-3.95%	2,655,000	1,755,000
2016 Promissory Note Series A	4/1/26	2.0-3.0%	8,705,000	2,860,000
2016 GO Bonds Series B	4/1/36	2.0-3.0%	6,530,000	4,880,000
2016 GO ComDev Bonds Series C	4/1/32	0.7-3.25%	4,695,000	1,965,000
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	2,755,000
2017 GO Bonds Series B	4/1/31	2.0-3.0%	6,405,000	4,850,000
2018 Promissory Note Series A	4/1/28	3.0-4.0%	5,480,000	2,820,000
2019 Promissory Note Series A	4/1/29	2.0-3.0%	7,825,000	4,990,000
2019 GO Bonds Series B	4/1/39	2.0-4.0%	4,870,000	3,905,000
2020 GO Notes Series D	4/1/30	2.00%	5,390,000	4,630,000
2020 GO Bonds Series E	4/1/30	0.25-1.75%	6,625,000	5,810,000
2021 GO Notes Series A	4/1/31	1.20-3.00%	5,495,000	4,735,000
2021 GO Bonds Series B	4/1/36	0.25-2.2%	9,695,000	9,215,000
2022 GO Note Series A	4/1/32	4.0-5.0%	3,795,000	3,795,000
Total Outstanding General Obligation Debt				<u>\$ 69,854,779</u>

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Long-Term Obligations (Continued)

General Obligation Debt (Continued)

Annual principal and interest maturities of the outstanding general obligation debt of \$69,854,779 on December 31, 2022 are detailed below:

Year Ending December 31,	Governmental Activities				Total
	Bonded Debt		Notes from Direct Borrowings		
	Principal	Interest	Principal	Interest	
2023	\$ 10,040,000	\$ 1,593,205	\$ -	\$ 44,269	\$ 11,677,474
2024	9,670,000	1,352,079	-	44,269	11,066,348
2025	9,575,000	1,105,549	-	44,269	10,724,818
2026	6,200,000	910,419	1,609,779	44,269	8,764,467
2027	5,590,000	758,726	-	-	6,348,726
2028-2032	21,105,000	1,869,164	-	-	22,974,164
2033-2037	5,505,000	334,471	-	-	5,839,471
2038-2039	560,000	15,400	-	-	575,400
Total	<u>\$ 68,245,000</u>	<u>\$ 7,939,013</u>	<u>\$ 1,609,779</u>	<u>\$ 177,076</u>	<u>\$ 77,970,868</u>

The City's outstanding notes from direct borrowings related to governmental activities of \$1,609,779 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, 2022 totaled \$138,777,946 and were comprised of the following issues:

	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/22
2017 Water Revenue	5/1/37	2.0-4.0%	\$ 4,815,000	\$ 3,065,000
2017 Sewer Revenue	5/1/37	2.0-4.0%	6,225,000	3,590,000
2019 Sewer Revenue	5/1/39	2.0-4.0%	6,530,000	5,735,000
2019 Water Revenue	5/1/39	2.0-4.0%	2,695,000	2,365,000
2020 Sewer Clean Water Fund	5/1/50	1.87%	83,277,103	83,277,103
2020 Water Safe Drinking Water	5/1/40	1.76%	40,745,843	40,745,843
Total Outstanding Revenue Bonds				<u>\$ 138,777,946</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, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Long-Term Obligations (Continued)

Revenue Bonds (Continued)

Debt service requirements on the revenue bond debt to maturity at December 31, 2022 are as follows:

Year Ending December 31,	Business-Type Activities				Total
	Bonded Debt		Direct Borrowings		
	Principal	Interest	Principal	Interest	
2023	\$ 1,360,000	\$ 451,131	\$ 4,233,980	\$ 2,233,100	\$ 8,278,211
2024	1,410,000	395,731	4,311,017	2,158,151	8,274,899
2025	1,460,000	338,331	4,389,457	2,078,997	8,266,785
2026	1,445,000	280,231	4,469,326	1,998,400	8,192,957
2027	625,000	238,831	4,550,649	1,916,336	7,330,816
2028-2032	3,380,000	902,709	24,025,892	8,297,447	36,606,048
2033-2037	3,905,000	435,975	26,292,995	6,009,698	36,643,668
2038-2042	1,170,000	32,450	23,405,761	3,599,935	28,208,146
2043-2047	-	-	17,219,776	1,857,057	19,076,833
2048-2050	-	-	11,124,093	314,600	11,438,693
Total	<u>\$ 14,755,000</u>	<u>\$ 3,075,389</u>	<u>\$ 124,022,946</u>	<u>\$ 30,463,721</u>	<u>\$ 172,317,056</u>

The Cities outstanding direct borrowings related to business type activities of \$124,022,946 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 \$172,317,056. Principal and interest paid for the current year was \$3,860,932, and the total customer net revenues available for debt services were \$9,110,939.

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Long-Term Obligations (Continued)

Lease Liability

The City leases various land improvements for various terms under long-term, noncancelable lease agreements. These leases expire at various dates through 2025.

Total principal and interest costs for such leases for governmental funds were \$126,126 for the year ended December 31, 2022. The future minimum lease payments for these agreements are as follows:

Year Ended December 31,	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
2023	\$ 60,003	\$ 7,188	\$ 39,425	\$ 1,735	\$ 108,351
2024	62,447	4,743	27,575	408	95,173
2025	64,992	2,199	-	-	67,191
Total	<u>\$ 187,442</u>	<u>\$ 14,130</u>	<u>\$ 67,000</u>	<u>\$ 2,143</u>	<u>\$ 270,715</u>

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. 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>. Additionally, ETF issued a standalone Wisconsin Retirement System Financial Report, which can also be found using the link above.

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, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. 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>
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%
2021	5.1%	13.0%

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, 2022, the WRS recognized \$2,384,455 in contributions from the City.

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. 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)	6.50%	6.50%
Protective with Social Security	6.50%	12.00%
Protective without Social Security	6.50%	16.40%

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

At December 31, 2022, the City reported an asset of \$15,360,574 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2020, rolled forward to December 31, 2021. 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, 2021, the City's proportion was 0.19057348% which was an increase of 0.00144132% from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the City recognized pension revenue of \$1,315,205.

At December 31, 2022, 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	\$ 24,814,228	\$ 1,789,373
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	-	34,362,879
Changes in Assumptions	2,865,757	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	57,467	40,561
Employer Contributions Subsequent to the Measurement Date	2,384,455	-
Total	<u>\$ 30,121,907</u>	<u>\$ 36,192,813</u>

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Defined Benefit Pension Plan (Continued)

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

\$2,384,455 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>
2023	\$ (707,382)
2024	(4,153,911)
2025	(1,830,345)
2026	(1,763,723)
Total	<u>\$ (8,455,361)</u>

Actuarial Assumption

The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2020
Measurement Date of Net Pension Liability (Asset):	December 31, 2021
Experience Study:	January 1, 2018 - December 31, 2020 Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Wage Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality	2020 WRS Experience Mortality Table
Postretirement Adjustments*	1.7%

*No postretirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actual experience, and other factors. 1.7% is the assumed annual adjustment based on the investment return assumption and the postretirement discount rate.

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. Based on this experience study, actual assumptions used to measure the total pension liability changed from prior year, including the discount rate, long-term expected rate of return, postretirement adjustment, price inflation, mortality, and separation rates. The total pension liability for December 31, 2021 is based upon a roll-forward of the liability calculated from the December 31, 2020 actuarial valuation.

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. 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 geometric real rates of return for each major asset class are summarized in the following table:

	<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>
<u>Core Fund Asset Class</u>			
Global Equities	52.0 %	6.8 %	4.2 %
Fixed Income	25.0	4.3 %	1.8 %
Inflation Sensitive Assets	19.0	2.7 %	0.2%
Real Estate	7.0	5.6 %	3.0 %
Private Equity/Debt	12.0	9.7 %	7.0 %
Cash	<u>(15.0)</u>	0.9 %	N/A
Total Core Fund	<u><u>100.0 %</u></u>	6.6 %	4.0 %
<u>Variable Fund Asset Class</u>			
U.S. Equities	70.0 %	6.6 %	4.1 %
International Equities	<u>30.0</u>	7.4 %	4.9 %
Total Variable Fund	<u><u>100.0 %</u></u>	7.1 %	4.6 %

New England Pension Consultants Long-Term U.S. CPI (Inflation) Forecast: 2.50%

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

The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. This results in an asset allocation beyond 100%. Currently, an asset allocation target of 15% policy leverage is used, subject to an allowable range of up to 20%.

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Defined Benefit Pension Plan (Continued)

Single Discount Rate

A single discount rate of 6.80% was used to measure the total pension liability, as opposed to a discount rate of 7.0% for the prior year. This single discount rate is based on the expected rate of return on pension plan investments of 6.80% and a municipal bond rate of 1.84% (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 6.80% expected rate of return implies that a dividend of approximately 1.7% 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 6.80%, 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 (5.80%) or 1-percentage-point higher (7.80%) than the current rate:

	One Percent Decrease to Discount Rate (5.8%)	Current Discount Rate (6.8%)	One Percent Increase to Discount Rate (7.8%)
City's Proportionate Share of the Net Pension Liability (Asset)	\$ 10,899,415	\$ (15,360,574)	\$ (34,262,879)

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, 2022 the City reported a payable of \$483,565 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2022.

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. 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)	\$ 1,394,824	\$ 455,925	\$ 160,310	\$ 168,659
Single-Employer Defined OPEB Plan	534,935	48,869	196,591	54,284
Total OPEB Liability	\$ 1,929,759	\$ 504,794	\$ 356,901	\$ 222,943

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, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. 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, 2021, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently	
Receiving Benefit Payments	2
Active Employees	253
Total	255

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 \$1,394,824 was measured as of December 31, 2021, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2020 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:	2.00%
Healthcare Cost Trend Rates:	6.5%, decreasing by 0.10% per year down to 5%, and level thereafter.

A discount rate of 2.00% was used in calculating the City's OPEB liability based on the S&P Municipal Bond 20 Year High Grade Rate Index as of the week of the measurement date.

Mortality rates were based on the Wisconsin 2018 Mortality table adjusted for future mortality improvements using the MP-2018 fully generated improvement scale (multiplied 60%).

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. 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, 2020 valuation were upon an experience study conducted in 2018 using the Wisconsin Retirement System (WRS) experience from 2015-2017.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at December 31, 2020	\$ 647,469
Changes for the Year:	
Service Cost	55,959
Interest	14,998
Differences Between Expected and Actual Experience	(63,953)
Changes of Assumptions or Other Input	(101,795)
Benefit Payments	(17,743)
Net Changes	(112,534)
Balance at December 31, 2021	\$ 534,935

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%)	Current Discount Rate (2%)	One Percent Increase to Discount Rate (3%)
Total OPEB Liability	\$ 566,744	\$ 534,935	\$ 503,985

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	\$ 480,021	\$ 534,935	\$ 599,124

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. 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, 2022, the City recognized OPEB expense of \$54,284. At December 31, 2022 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	\$ -	\$ 94,106
Changes in Assumptions	48,869	102,485
Total	\$ 48,869	\$ 196,591

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	\$ (16,673)
2023	(16,673)
2024	(16,673)
2025	(16,673)
2026	(16,673)
Thereafter	(64,357)
Total	\$ (147,722)

Payable to the OPEB Plan

At December 31, 2022, the City reported a payable of \$0 for the outstanding amount of contribution to the plan required for the year ended December 31, 2022.

2. Local Retiree Life Insurance Fund

Plan Description

The LRLIF is a 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, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. 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, 2022 are:

Coverage Type	Employer Contribution
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, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. 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, 2021, are listed below:

Life Insurance Member Contribution Rates* for the Year Ended December 31, 2021		
<u>Attained Age</u>	<u>Basic</u>	<u>Supplemental</u>
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 \$4,773 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, 2022, the City reported a liability of \$1,394,824 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2021 rolled forward to December 31, 2021. 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, 2021, the City's proportion was 0.23599600%, which was an increase of 0.00471500% from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the City recognized OPEB expense of \$168,659.

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. 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, 2022, 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	\$ -	\$ 70,954
Net Differences Between Projected and Actual		
Earnings on OPEB Plan Investments	18,147	-
Changes in Assumptions	421,424	67,608
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	16,354	21,748
Total	<u>\$ 455,925</u>	<u>\$ 160,310</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>
2023	\$ 63,648
2024	61,543
2025	57,905
2026	76,703
2027	33,306
Thereafter	2,510
Total	<u>\$ 295,615</u>

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Other Postemployment Benefits (Continued)

2. Local Retiree Life Insurance Fund (Continued)

Actuarial Assumptions

The total OPEB liability in the January 1, 2021 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, 2021
Measurement Date of Net OPEB Liability (Asset):	December 31, 2021
Experience Study:	January 1, 2018 - December 31, 2020, Published November 19, 2021
Actuarial Cost Method:	Entry age normal
20 Year Tax-Exempt Municipal Bond Yield:	2.06%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	2.17%
Salary Increases:	
Wage Inflation	3.00%
Seniority/Merit	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Study

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. Based on this experience study, actuarial assumptions used to measure the total OPEB liability changed from the prior year, including the price inflation, mortality and separation rates. The total OPEB liability for December 31, 2021 is based upon a roll-forward of the liability calculated from the January 1, 2021 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.

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Other Postemployment Benefits (Continued)

2. Local Retiree Life Insurance Fund (Continued)

Long-Term Expected Return on Plan Assets (Continued)

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return Percent</u>
U.S. Intermediate Credit Bonds	Bloomberg US Interim Credit	45%	1.68%
US Long Credit Bonds	Bloomberg US Long Credit	5%	1.94%
U.S. Mortgages	Bloomberg US MBS	50%	2.30%
Inflation			2.30%
Long-Term Expected Rate of Return			4.25%

The long-term expected rate of return rate remained unchanged from the prior year at 4.25%. 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. The expected inflation rate increased from 2.20% as of December 31, 2020 to 2.30% as of December 31, 2021.

Single Discount Rate

A single discount rate of 2.17% was used to measure the total OPEB liability, as opposed to a discount rate of 2.25% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 2.12% as of December 31, 2020 to 2.06% as of December 31, 2021. 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.

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Other Postemployment Benefits (Continued)

2. Local Retiree Life Insurance Fund (Continued)

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

The following presents the City's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 2.17%, as well as what the City's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (1.17%) or one-percentage-point higher (3.17%) than the current rate:

	One Percent Decrease to Discount Rate (1.17%)	Current Discount Rate (2.17%)	One Percent Increase to Discount Rate (3.17%)
City's Proportionate Share of the Net OPEB Liability (Asset)	\$ 1,892,273	\$ 1,394,824	\$ 1,020,514

Payable to the OPEB Plan

At December 31, 2022, the City reported a payable of \$-0- for the outstanding amount of contribution to the plan required for the year ended December 31, 2022.

I. 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, 2022, nonspendable fund balance was as follows:

General Fund:	
Nonspendable:	
Advance to Other Funds	\$ 2,459,482
Inventory and Prepaid Items	357,936
Total General Fund Nonspendable	\$ 2,817,418
Fund Balance	\$ 2,817,418

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

I. 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, 2022, restricted fund balance was as follows:

Special Revenue Funds:

Restricted for:

Grants	\$ 2,513,397
HUD Mortgage Program	147,017
Federal Rent Rehabilitation	337,818
WRRP Rehabilitation	1,049,459
Environmental Clean Up Fund	1,326,427
Hazardous Materials Emergency Response	224,133
EMS Grant	44,910
American Rescue Plan Act	67,380
Other Grants & Special Purpose Accounts	934,697
Total	<u>6,645,238</u>

Debt Service Fund	600,531
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Capital Projects Funds:

Restricted for:

Central Capital Purchasing	161,220
Capital Improvements	1,053,530
TID #10 Industrial Park	98,805
TID #11 Business Campus	230,061
Total	<u>1,543,616</u>

Total Restricted Fund Balance	<u><u>\$ 8,789,385</u></u>
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**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

I. 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, 2022, governmental fund balance was committed as follows:

General Fund:

Committed for:	
Contingencies	\$ 193,059
Economic Development	500,000
Continuing Appropriation	183,380
Total General Fund Committed Fund Balance	876,439

Special Revenue Funds:

Committed for:	
DLAD Mortgage Program	537,266
Economic Development	278,529
Housing Stock Improvement	366,175
Room Tax	466,651
Public Access Cable	77,977
Recycling	826
400 Block	212,597
Total	1,940,021

Total Committed Fund Balance	\$ 2,816,460
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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:

2022 General Fund Expenditures	\$ 37,554,028
Minimum Fund Balance Percent	(x) 16.67%
Minimum Fund Balance Amount	\$ 6,260,256

The City's unassigned general fund balance of \$10,857,923 is above the minimum fund balance ranges.

J. 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, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

J. 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, 2022 is as follows:

Deposits with Financial Institutions	\$ 5,385,051
Petty Cash	120
Total	\$ 5,385,171

Reconciliation to the basic financial statements:

Government-Wide Statement of Net Position:	
Cash and Investments	\$ 4,187,237
Restricted Cash and Investments	1,197,934
Total	\$ 5,385,171

Custodial Credit Risk for Deposits

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the CDA will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The CDA requires all funds in excess of federal and state depository insurance coverage to be secured.

Custodial Credit Risk for Investments

At year-end, the carrying value of the CDA's deposits was \$5,385,051 and the financial institution balance was \$5,385,171. 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, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

J. 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, 2022 was as follows:

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Retired</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Affordable Housing Program Loan	\$ 750,000	\$ -	\$ -	\$ 750,000	\$ -
Compensated Absences	68,829	61,963	48,807	81,985	35,457
Long-Term Obligations	<u>\$ 818,829</u>	<u>\$ 61,963</u>	<u>\$ 48,807</u>	<u>\$ 831,985</u>	<u>\$ 35,457</u>

The Affordable Housing Program Loan represents a 0%, nonamortizing 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, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

J. Component Unit (Continued)

Interest Rate Risk (Continued)

d. Capital asset activity for the year ended December 31, 2022 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital Assets, Nondepreciable:					
Land	\$ 981,317	\$ -	\$ -	\$ -	\$ 981,317
Construction in Progress	31,590	77,392	-	(9,486)	99,496
Total Capital Assets, Nondepreciable	1,012,907	77,392	-	(9,486)	1,080,813
Capital Assets, Depreciable:					
Buildings and Improvements	22,638,744	42,294	12,557	9,486	22,677,967
Furniture and Equipment	753,353	71,687	29,401	-	795,639
Subtotals	23,392,097	113,981	41,958	9,486	23,473,606
Less: Accumulated Depreciation	11,307,034	716,341	41,297	-	11,982,078
Total Capital Assets, Depreciable, Net	12,085,063	(602,360)	661	-	11,491,528
Governmental Activities Capital Assets, Net	<u>\$ 13,097,970</u>	<u>\$ (524,968)</u>	<u>\$ 661</u>	<u>\$ -</u>	<u>\$ 12,572,341</u>
					Less: Related Long Term Debt Outstanding
					750,000
					Net Investment in Capital Assets
					<u>\$ 11,822,341</u>

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, 2022**

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, 2022, the City can recover \$53,891,981 from future excess tax increment revenues of the following:

TID	Fund Balance (Deficit)	Outstanding Debt	Refundable Interfund Transfers	(Unrecovered) Over Recovered Costs
#3	\$ (1,100,089)	\$ (13,934,251)	\$ (8,883,177)	\$ (23,917,517)
#6	(71,318)	(7,655,000)	-	(7,726,318)
#7	-	(40,000)	-	(40,000)
#8	(787,956)	(3,662,168)	-	(4,450,124)
#9	(249,114)	(60,000)	-	(309,114)
#10	98,805	(975,000)	-	(876,195)
#11	230,061	(9,375,000)	-	(9,144,939)
#12	(1,487,774)	(5,940,000)	-	(7,427,774)
	<u>\$ (3,367,385)</u>	<u>\$ (41,641,419)</u>	<u>\$ (8,883,177)</u>	<u>\$ (53,891,981)</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, 2022**

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, 2022, the City had the following encumbrances outstanding at year-end and expects to honor them upon performance by the vendors:

General Fund	\$ 96,633
Capital Projects Fund	454,831
TID #3 Downtown Development Fund	111,055
Nonmajor Special Revenue Funds	794,956
Nonmajor Capital Projects Funds	1,323,257
Water Utility Fund	690,636
Sewer Utility Fund	117,492
Parking Fund	14,576
Motor Pool Fund	1,839,575
Total	<u>\$ 5,443,011</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, 2022 are \$18,381,620.

The City has entered into contracts for construction of water and wastewater treatment facilities the contracts at December 31, 2022 are as follows:

	<u>Total Contract</u>	<u>Balance Outstanding</u>
Water Treatment Facility	\$ 40,897,852	\$ 2,338,654
Wastewater Treatment Facility	88,251,339	3,324,797

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

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 2022 and 2021 is as follows:

	Balance January 1	Claims and Changes in Estimates	Amounts Paid	Balance December 31
2021	\$ 18,700	\$ 5,438,851	\$ 5,438,851	\$ 18,700
2022	18,700	5,596,234	5,596,234	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, 2022, 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 2022 and 2021 are as follows:

	Balance January 1	Claims and Changes in Estimates	Amounts Paid	Balance December 31
2021	\$ 139,917	\$ 30,726	\$ 34,842	\$ 135,801
2022	135,801	18,333	36,899	117,235

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

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, 2022 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 2022 and 2021 are as follows:

	Balance January 1	Claims and Changes in Estimates	Amounts Paid	Balance December 31
2021	\$ 1,088,461	\$ 90,924	\$ 90,924	\$ 1,088,461
2022	1,088,461	30,263	117,553	1,001,171

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 Internal Revenue Code (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 22%.

**CITY OF WAUSAU, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

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, 2022 is as follows:

Operating Revenues	\$ 4,435,057
Operating Expenses:	
Data Processing	4,243,902
Administrative and General	191,155
Depreciation	197,674
Total Operating Expenses	<u>4,632,731</u>
Operating Loss Before Contributions and Reimbursements	(197,674)
Capital Contributions and Reimbursements	<u>2,810,588</u>
Change in Net Position	2,612,914
Total Assets and Deferred Outflows of Resources	7,638,678
Total Liabilities and Deferred Inflows of Resources	4,047,700

F. Environmental Remediation

The City has groundwater contamination at the site of its former 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 2023, the City had the following debt activity:

The City has drawn an additional \$792,117 on the Clean Water Fund Loan to finance the wastewater treatment plant facility expansion and upgrade.

The City has drawn an additional \$1,228,928 on the Safe Drinking Water Loan to finance the construction of a new water treatment facility.

The City issued a Note Anticipation Note Series 2022A dated June 29, 2023 for \$17,550,000. The Note Anticipation Note will be used to provide interim financing for improvements to the water treatment facility.

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	\$ 21,366,361	\$ 21,366,361	\$ 21,448,764	\$ 82,403
Intergovernmental	9,602,401	9,602,401	9,287,325	(315,076)
Licenses and Permits	789,728	789,728	1,129,746	340,018
Fines and Forfeits	341,030	341,030	488,517	147,487
Public Charges for Services	2,385,129	2,385,129	2,630,299	245,170
Intergovernmental Charges for Services	1,069,612	1,069,612	999,759	(69,853)
Miscellaneous	494,758	494,758	(938,844)	(1,433,602)
Total Revenues	<u>36,049,019</u>	<u>36,049,019</u>	<u>35,045,566</u>	<u>(1,003,453)</u>
EXPENDITURES				
Current:				
General Government	4,681,459	5,021,364	4,830,305	191,059
Public Safety	20,275,983	20,275,983	20,203,261	72,722
Transportation and Streets	8,858,871	8,896,226	8,371,643	524,583
Sanitation, Health, and Welfare	965,000	965,000	977,299	(12,299)
Natural Resources/ Recreation:	3,174,061	3,194,061	3,104,329	89,732
Debt Service:				
Principal	-	-	65,106	(65,106)
Interest and Fiscal Charges	-	-	2,085	(2,085)
Total Expenditures	<u>37,955,374</u>	<u>38,352,634</u>	<u>37,554,028</u>	<u>798,606</u>
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES	(1,906,355)	(2,303,615)	(2,508,462)	(204,847)
OTHER FINANCING SOURCES (USES)				
Transfers In	1,906,355	1,946,355	1,959,355	13,000
Transfers Out	-	(477,000)	(583,031)	(106,031)
Total Other Financing Sources (Uses)	<u>1,906,355</u>	<u>1,469,355</u>	<u>1,376,324</u>	<u>(93,031)</u>
NET CHANGE IN FUND BALANCE				
	-	(834,260)	(1,132,138)	(297,878)
Fund Balance - Beginning of Year	<u>15,683,920</u>	<u>15,683,920</u>	<u>15,683,920</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 15,683,920</u>	<u>\$ 14,849,660</u>	<u>\$ 14,551,782</u>	<u>\$ (297,878)</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	0.1717257 %	\$ (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
12/31/21	0.19057348	(15,360,574)	21,164,561	72.58	106.02

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
12/31/22	2,384,455	2,384,455	-	21,645,136	11.02

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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
TOTAL OPEB LIABILITY					
Service Cost	\$ 55,959	\$ 50,954	\$ 43,449	\$ 46,603	\$ 46,603
Interest	14,998	16,629	23,746	22,403	23,835
Differences Between Expected and Actual Experience	(63,953)	-	(54,824)	-	-
Changes of Assumptions	(101,795)	18,308	51,945	(18,118)	-
Benefit Payments	<u>(17,743)</u>	<u>(35,254)</u>	<u>(78,797)</u>	<u>(112,726)</u>	<u>(109,967)</u>
NET CHANGE IN TOTAL OPEB LIABILITY	(112,534)	50,637	(14,481)	(61,838)	(39,529)
Total OPEB Liability - Beginning of Year	<u>647,469</u>	<u>596,832</u>	<u>611,313</u>	<u>673,151</u>	<u>712,680</u>
TOTAL OPEB LIABILITY - END OF YEAR	<u>\$ 534,935</u>	<u>\$ 647,469</u>	<u>\$ 596,832</u>	<u>\$ 611,313</u>	<u>\$ 673,151</u>
Covered-Employee Payroll	<u>\$ 19,653,772</u>	<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	2.72%	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	21,575,781	5.90	31.36
12/31/21	0.2359960	1,394,824	21,164,561	6.59	32.36

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
12/31/22	4,773	4,773	-	21,645,136	0.02

**CITY OF WAUSAU, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2022**

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 2022, decreasing from 2.25% to 2.00%.

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. The ETF Board adopted economic and demographic assumption changes based on a three-year experience study performed for the Wisconsin Retirement System. These assumptions are used in the actuarial valuations of OPEB liabilities (assets) for the retiree life insurance programs and are summarized below.

The assumption changes that were used to measure the December 31, 2021 total OPEB liabilities, including the following:

- Lowering the discount rate from 2.25% to 2.17%
- Lowering the price inflation rate from 2.5% to 2.4%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

The assumption changes that were used to measure the December 31, 2018 total OPEB liabilities, including the following:

- Lowering the long-term expected rate of return from 5.00% to 4.25%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table.

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

**CITY OF WAUSAU, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2022**

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.

Based on a three-year experience study conducted in 2021 covering January 1, 2018 through December 31, 2020, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-end December 31, 2021, including the following:

- Lowering the long-term expected rate of return from 7.0% to 6.8%
- Lowering the discount rate from 7.0% to 6.8%
- Lowering the price inflation rate from 2.5% to 2.4%
- Lowering the postretirement adjustments from 1.9% to 1.7%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

Based on a three-year experience study conducted in 2018 covering January 1, 2015 through December 31, 2017, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-end December 31, 2018, including the following:

- Lowering the long-term expected rate of return from 7.2% to 7.0%
- Lowering the discount rate from 7.2% to 7.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Lowering the postretirement adjustments from 2.1% to 1.9%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table.

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

SUPPLEMENTARY INFORMATION

**CITY OF WAUSAU, WISCONSIN
 DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES AND
 OTHER FINANCING SOURCES
 YEAR ENDED DECEMBER 31, 2022**

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
Taxes:				
General Property Taxes	\$ 21,167,861	\$ 21,167,861	\$ 21,167,861	\$ -
Mobile Home Parking Fees	28,000	28,000	60,276	32,276
Payments in Lieu of Taxes	100,000	100,000	95,762	(4,238)
Other Taxes	70,500	70,500	124,865	54,365
Total Taxes	21,366,361	21,366,361	21,448,764	82,403
Intergovernmental:				
State Shared Taxes	4,749,932	4,749,932	4,695,014	(54,918)
Expenditure Restraint	889,038	889,038	889,038	-
Fire Insurance Tax	135,000	135,000	132,603	(2,397)
Municipal Services	223,000	223,000	207,951	(15,049)
Transportation Aids	3,124,336	3,124,336	3,116,357	(7,979)
Other Grants	481,095	481,095	246,362	(234,733)
Total Intergovernmental	9,602,401	9,602,401	9,287,325	(315,076)
Licenses and Permits:				
Licenses	185,320	185,320	167,535	(17,785)
Franchise Fees	329,005	329,005	257,044	(71,961)
Permits	275,403	275,403	705,167	429,764
Total Licenses and Permits	789,728	789,728	1,129,746	340,018
Fines and Forfeits:	341,030	341,030	488,517	147,487
Public Charges for Services:				
General Government	95,780	95,780	106,461	10,681
Public Safety	1,810,224	1,810,224	2,006,375	196,151
Streets and Related Facilities	136,200	136,200	166,819	30,619
Recreation	196,450	196,450	214,604	18,154
Public Areas	146,475	146,475	136,040	(10,435)
Total Public Charges for Services	2,385,129	2,385,129	2,630,299	245,170
Intergovernmental Charges for Services:				
State, Federal, and Local Reimbursements	11,990	11,990	11,200	(790)
County and Other Municipalities	294,122	294,122	154,199	(139,923)
City Departments	763,500	763,500	834,360	70,860
Total Intergovernmental Charges for Services	1,069,612	1,069,612	999,759	(69,853)
Miscellaneous:				
Interest on General Investments	250,000	250,000	(1,144,719)	(1,394,719)
Other Interest	61,703	61,703	2,119	(59,584)
Rent of Land and Buildings	128,000	128,000	130,210	2,210
Sale of City Property/Loss Compensation	20,950	20,950	18,831	(2,119)
Other Miscellaneous Revenues	34,105	34,105	54,715	20,610
Total Miscellaneous	494,758	494,758	(938,844)	(1,433,602)
Total Revenues	36,049,019	36,049,019	35,045,566	(1,003,453)
Other Financing Sources:				
Transfers In	1,906,355	1,946,355	1,959,355	13,000
Total Revenue and Other Financing Sources	\$ 37,955,374	\$ 37,995,374	\$ 37,004,921	\$ (990,453)

**CITY OF WAUSAU, WISCONSIN
 DETAILED COMPARISON OF BUDGETED AND ACTUAL EXPENDITURES AND
 OTHER FINANCING USES
 YEAR ENDED DECEMBER 31, 2022**

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
General Government:				
City Council	\$ 91,328	\$ 91,328	\$ 84,661	\$ 6,667
Mayor	182,213	182,213	179,191	3,022
City Promotion	101,500	151,500	180,243	(28,743)
Finance Department	573,266	573,266	607,281	(34,015)
Data Processing	965,115	1,015,115	927,072	88,043
City Clerk/Customer Service	449,257	460,257	495,313	(35,056)
Elections	120,823	135,823	106,955	28,868
Assessor	610,584	610,584	549,732	60,852
City Attorney	639,578	739,578	739,993	(415)
Municipal Court	142,326	142,326	113,330	28,996
Human Resources	440,742	540,742	388,090	152,652
City Hall and Other Municipal Buildings	334,727	334,727	382,936	(48,209)
Unclassified	30,000	43,905	75,508	(31,603)
Total General Government	4,681,459	5,021,364	4,830,305	191,059
Public Safety:				
Police Department	11,108,762	11,108,762	10,879,089	229,673
Fire Department	4,438,068	4,438,068	4,879,902	(441,834)
Ambulance	3,762,143	3,762,143	3,527,932	234,211
Inspections Department	967,010	967,010	916,338	50,672
Total Public Safety	20,275,983	20,275,983	20,203,261	72,722
Transportation and Streets				
Engineering	1,472,907	1,482,262	1,453,774	28,488
Public Works	7,385,964	7,413,964	6,917,869	496,095
Total Transportation and Streets	8,858,871	8,896,226	8,371,643	524,583
Sanitation, Health, and Welfare				
Garbage and Refuse Collection	965,000	965,000	977,299	(12,299)
Natural Resources/ Recreation:				
Parks and Recreation	3,174,061	3,194,061	3,104,329	89,732
Debt Service				
Principal	-	-	65,106	(65,106)
Interest	-	-	2,085	(2,085)
Total Debt Service	-	-	67,191	(67,191)
Total Expenditures	37,955,374	38,352,634	37,554,028	798,606
Other Financing Uses:				
Transfers to Other Funds	-	477,000	583,031	(106,031)
Total Expenditures and Other Financing Uses	<u>\$ 37,955,374</u>	<u>\$ 38,829,634</u>	<u>\$ 38,137,059</u>	<u>\$ 692,575</u>

**CITY OF WAUSAU, WISCONSIN
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2022**

	Special Revenue						
	Grants	HUD Mortgage	DLAD Mortgage Program	Economic Development	Federal Rent Rehabilitation	WRRP Rehabilitation	Environmental Clean Up
ASSETS							
Cash and Investments	\$ 2,771,345	\$ 149,167	\$ 537,346	\$ 35,611	\$ 337,818	\$ 1,049,459	\$ 1,308,584
Receivables:							
Taxes and Special Charges	217,980	-	-	-	-	-	-
Accounts	77,073	5,700	-	-	-	-	32,580
Special Assessments	-	-	-	-	-	-	-
Notes	2,147,341	2,009,978	38,772	823,903	-	881,603	-
Other	-	-	-	-	-	-	-
Lease	9,242	-	-	-	-	-	-
Advance to Other Funds	-	-	-	250,000	-	-	-
Due from Other Governments	179,002	-	-	-	-	-	-
Total Assets	\$ 5,401,983	\$ 2,164,845	\$ 576,118	\$ 1,109,514	\$ 337,818	\$ 1,931,062	\$ 1,341,164
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts Payable	\$ 22,057	\$ 7,850	\$ 80	\$ -	\$ -	\$ -	\$ 14,737
Accrued and Other Current Liabilities	47,205	-	-	-	-	-	-
Due to Other Funds	304,631	-	-	-	-	-	-
Advance from Other Funds	-	-	-	-	-	-	-
Special Deposits	-	-	-	-	-	-	-
Unearned Revenues	33,110	-	-	7,082	-	-	-
Total Liabilities	407,003	7,850	80	7,082	-	-	14,737
DEFERRED INFLOWS OF RESOURCES							
Property Taxes Levied for							
Subsequent Year	325,000	-	-	-	-	-	-
Lease	9,242	-	-	-	-	-	-
Unavailable Revenue	2,147,341	2,009,978	38,772	823,903	-	881,603	-
Total Deferred Inflows of Resources	2,481,583	2,009,978	38,772	823,903	-	881,603	-
FUND BALANCES							
Restricted	2,513,397	147,017	-	-	337,818	1,049,459	1,326,427
Committed	-	-	537,266	278,529	-	-	-
Unassigned	-	-	-	-	-	-	-
Total Fund Balances	2,513,397	147,017	537,266	278,529	337,818	1,049,459	1,326,427
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 5,401,983	\$ 2,164,845	\$ 576,118	\$ 1,109,514	\$ 337,818	\$ 1,931,062	\$ 1,341,164

**CITY OF WAUSAU, WISCONSIN
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2022**

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
\$ 203,988	\$ 59,508	\$ 428,376	\$ 60,765	\$ 219,762	\$ 45,420	\$ 212,597	\$ 11,159,145	\$ 971,544
-	-	-	-	445,932	-	-	-	-
-	-	133,931	17,588	-	-	-	119	-
-	550,558	100,000	-	-	-	-	-	-
-	-	-	-	-	-	-	38,610	-
-	250,000	-	-	-	-	-	-	-
20,250	212,201	-	-	-	-	-	-	77,260
<u>\$ 224,238</u>	<u>\$ 1,072,267</u>	<u>\$ 662,307</u>	<u>\$ 78,353</u>	<u>\$ 665,694</u>	<u>\$ 45,420</u>	<u>\$ 212,597</u>	<u>\$ 11,197,874</u>	<u>\$ 1,048,804</u>
\$ 105	\$ 4,000	\$ 95,656	\$ 65	\$ -	\$ 510	\$ -	\$ 119,359	\$ 57,168
-	-	-	311	-	-	-	-	-
-	151,534	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	56,939
-	-	-	-	-	-	-	11,011,135	-
105	155,534	95,656	376	-	510	-	11,130,494	114,107
-	-	-	-	664,868	-	-	-	-
-	-	-	-	-	-	-	-	-
-	550,558	100,000	-	-	-	-	-	-
-	550,558	100,000	-	664,868	-	-	-	-
224,133	-	-	-	-	44,910	-	67,380	934,697
-	366,175	466,651	77,977	826	-	212,597	-	-
-	-	-	-	-	-	-	-	-
<u>224,133</u>	<u>366,175</u>	<u>466,651</u>	<u>77,977</u>	<u>826</u>	<u>44,910</u>	<u>212,597</u>	<u>67,380</u>	<u>934,697</u>
<u>\$ 224,238</u>	<u>\$ 1,072,267</u>	<u>\$ 662,307</u>	<u>\$ 78,353</u>	<u>\$ 665,694</u>	<u>\$ 45,420</u>	<u>\$ 212,597</u>	<u>\$ 11,197,874</u>	<u>\$ 1,048,804</u>

CITY OF WAUSAU, WISCONSIN
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2022

	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	\$ 465,850	\$ 1,236,589	\$ 1,223,716	\$ 568,998	\$ 261,301	\$ 7,168
Receivables:						
Taxes and Special Charges	412,186	332,000	2,492,477	1,158,942	521,070	14,600
Accounts	6,006	-	-	-	-	-
Special Assessments	-	292,138	-	-	-	-
Notes	-	-	57,878	-	1,177,636	259,337
Other	-	2,450	-	-	-	-
Lease	-	-	-	-	-	-
Advance to Other Funds	-	-	-	-	-	-
Due from Other Governments	-	-	-	-	-	-
	<u>\$ 884,042</u>	<u>\$ 1,863,177</u>	<u>\$ 3,774,071</u>	<u>\$ 1,727,940</u>	<u>\$ 1,960,007</u>	<u>\$ 281,105</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts Payable	\$ 50,087	\$ 22,156	\$ 10,508	\$ -	\$ 33,085	\$ -
Accrued and Other Current Liabilities	-	-	-	-	-	-
Due to Other Funds	-	-	60,810	-	-	-
Advance from Other Funds	-	-	-	-	760,345	249,113
Special Deposits	-	-	-	-	-	-
Unearned Revenues	-	-	-	-	-	-
Total Liabilities	<u>50,087</u>	<u>22,156</u>	<u>71,318</u>	<u>-</u>	<u>793,430</u>	<u>249,113</u>
DEFERRED INFLOWS OF RESOURCES						
Property Taxes Levied for Subsequent Year	614,554	495,000	3,716,193	1,727,940	776,897	21,769
Lease	-	-	-	-	-	-
Unavailable Revenue	<u>58,181</u>	<u>292,491</u>	<u>57,878</u>	<u>-</u>	<u>1,177,636</u>	<u>259,337</u>
Total Deferred Inflows of Resources	<u>672,735</u>	<u>787,491</u>	<u>3,774,071</u>	<u>1,727,940</u>	<u>1,954,533</u>	<u>281,106</u>
FUND BALANCES						
Restricted	161,220	1,053,530	-	-	-	-
Committed	-	-	-	-	-	-
Unassigned	-	-	(71,318)	-	(787,956)	(249,114)
Total Fund Balances	<u>161,220</u>	<u>1,053,530</u>	<u>(71,318)</u>	<u>-</u>	<u>(787,956)</u>	<u>(249,114)</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 884,042</u>	<u>\$ 1,863,177</u>	<u>\$ 3,774,071</u>	<u>\$ 1,727,940</u>	<u>\$ 1,960,007</u>	<u>\$ 281,105</u>

**CITY OF WAUSAU, WISCONSIN
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2022**

Capital Projects			
TID #10 Industrial Park	TID #11 Business Campus	TID #12 Downtown Development	Totals
\$ 261,868	\$ 790,161	\$ 131,996	\$ 24,498,082
294,760	1,120,448	252,917	7,263,312
-	-	-	272,997
-	-	-	292,138
-	2,271,444	2,271,413	12,589,863
-	-	-	41,060
-	-	-	9,242
-	-	-	500,000
-	-	-	488,713
<u>\$ 556,628</u>	<u>\$ 4,182,053</u>	<u>\$ 2,656,326</u>	<u>\$ 45,955,407</u>
\$ 18,347	\$ 10,000	\$ 45,573	\$ 511,343
-	-	-	47,516
-	-	-	516,975
-	-	1,450,024	2,459,482
-	-	-	56,939
-	-	-	11,051,327
<u>18,347</u>	<u>10,000</u>	<u>1,495,597</u>	<u>14,643,582</u>
439,476	1,670,548	377,090	10,829,335
-	-	-	9,242
-	2,271,444	2,271,413	12,940,535
<u>439,476</u>	<u>3,941,992</u>	<u>2,648,503</u>	<u>23,779,112</u>
98,805	230,061	-	8,188,854
-	-	-	1,940,021
-	-	(1,487,774)	(2,596,162)
<u>98,805</u>	<u>230,061</u>	<u>(1,487,774)</u>	<u>7,532,713</u>
<u>\$ 556,628</u>	<u>\$ 4,182,053</u>	<u>\$ 2,656,326</u>	<u>\$ 45,955,407</u>

**CITY OF WAUSAU, WISCONSIN
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED DECEMBER 31, 2022**

	Special Revenue						
	Grants	HUD Mortgage	DLAD Mortgage Program	Economic Development	Federal Rent Rehabilitation	WRRP Rehabilitation	Environmental Clean Up
REVENUES							
Taxes	\$ 279,078	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-	-
Intergovernmental	2,428,138	-	-	-	-	-	-
Licenses and Permits	-	-	-	-	-	-	-
Miscellaneous	364,247	157,416	6,013	3,996	-	50,343	85,292
Total Revenues	3,071,463	157,416	6,013	3,996	-	50,343	85,292
EXPENDITURES							
Current:							
General Government	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-
Transportation and Streets	-	-	-	-	-	-	-
Sanitation, Health, and Welfare	-	-	-	-	-	-	169,227
Natural Resources and Recreation	-	-	-	-	-	-	-
Economic Development	3,136,638	111,887	80	11,610	-	49,730	-
Debt Service:							
Interest and Fiscal Charges	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Total Expenditures	3,136,638	111,887	80	11,610	-	49,730	169,227
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(65,175)	45,529	5,933	(7,614)	-	613	(83,935)
OTHER FINANCING SOURCES (USES)							
Long-Term Debt Issued	-	-	-	-	-	-	-
Transfers In	31,482	-	-	-	-	-	-
Transfers Out	-	(31,483)	-	-	-	-	-
Total Other Financing Sources (Uses)	31,482	(31,483)	-	-	-	-	-
NET CHANGE IN FUND BALANCES	(33,693)	14,046	5,933	(7,614)	-	613	(83,935)
Fund Balances - Beginning of Year	2,547,090	132,971	531,333	286,143	337,818	1,048,846	1,410,362
FUND BALANCES - END OF YEAR	\$ 2,513,397	\$ 147,017	\$ 537,266	\$ 278,529	\$ 337,818	\$ 1,049,459	\$ 1,326,427

**CITY OF WAUSAU, WISCONSIN
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
 YEAR ENDED DECEMBER 31, 2022**

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
\$ -	\$ -	\$ 1,073,885	\$ -	\$ 630,160	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
101,250	662,201	-	-	147,289	29,407	-	4,575,326	273,201
-	-	-	70,788	-	-	-	-	-
58,866	57,713	-	12,649	856	-	7,111	73,003	285,948
160,116	719,914	1,073,885	83,437	778,305	29,407	7,111	4,648,329	559,149
-	-	-	39,522	-	-	-	38,996	-
65,407	-	-	-	-	20,176	-	-	380,643
-	-	-	-	-	-	-	230,000	-
-	728,401	-	-	766,197	-	-	-	-
-	-	-	-	-	-	54,839	-	220,573
-	-	735,115	-	-	-	-	162,756	-
-	-	-	-	-	-	-	-	-
125,000	-	-	17,964	-	-	-	4,150,370	-
190,407	728,401	735,115	57,486	766,197	20,176	54,839	4,582,122	601,216
(30,291)	(8,487)	338,770	25,951	12,108	9,231	(47,728)	66,207	(42,067)
-	-	-	-	-	-	-	-	-
-	-	-	-	6,000	-	52,755	-	-
-	-	(199,110)	-	-	-	-	-	-
-	-	(199,110)	-	6,000	-	52,755	-	-
(30,291)	(8,487)	139,660	25,951	18,108	9,231	5,027	66,207	(42,067)
254,424	374,662	326,991	52,026	(17,282)	35,679	207,570	1,173	976,764
<u>\$ 224,133</u>	<u>\$ 366,175</u>	<u>\$ 466,651</u>	<u>\$ 77,977</u>	<u>\$ 826</u>	<u>\$ 44,910</u>	<u>\$ 212,597</u>	<u>\$ 67,380</u>	<u>\$ 934,697</u>

**CITY OF WAUSAU, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022**

	Capital Projects				
	Central Capital Purchasing	Capital Improvements	TID #6 West Side Development	TID #7 West Side Development	TID #8 Near West Side
REVENUES					
Taxes	\$ 597,054	\$ 994,708	\$ 3,712,562	\$ 1,496,305	\$ 328,722
Special Assessments	-	305,391	-	-	-
Intergovernmental	21,187	30,440	141,008	26,266	223,795
Licenses and Permits	-	-	-	-	-
Miscellaneous	3,000	14,926	21,101	-	290,754
Total Revenues	<u>621,241</u>	<u>1,345,465</u>	<u>3,874,671</u>	<u>1,522,571</u>	<u>843,271</u>
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Transportation and Streets	-	-	-	-	-
Sanitation, Health, and Welfare	-	-	-	-	-
Natural Resources and Recreation	-	-	-	-	-
Economic Development	-	-	60,738	16,119	144,683
Debt Service:					
Interest and Fiscal Charges	-	54,191	-	-	-
Capital Outlay	757,800	4,729,078	-	-	17,531
Total Expenditures	<u>757,800</u>	<u>4,783,269</u>	<u>60,738</u>	<u>16,119</u>	<u>162,214</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(136,559)	(3,437,804)	3,813,933	1,506,452	681,057
OTHER FINANCING SOURCES (USES)					
Long-Term Debt Issued	-	3,795,000	-	-	-
Transfers In	-	-	-	-	-
Transfers Out	-	-	(2,881,998)	(320,014)	(702,170)
Total Other Financing Sources (Uses)	<u>-</u>	<u>3,795,000</u>	<u>(2,881,998)</u>	<u>(320,014)</u>	<u>(702,170)</u>
NET CHANGE IN FUND BALANCES	(136,559)	357,196	931,935	1,186,438	(21,113)
Fund Balances - Beginning of Year	<u>297,779</u>	<u>696,334</u>	<u>(1,003,253)</u>	<u>(1,186,438)</u>	<u>(766,843)</u>
FUND BALANCES - END OF YEAR	<u>\$ 161,220</u>	<u>\$ 1,053,530</u>	<u>\$ (71,318)</u>	<u>\$ -</u>	<u>\$ (787,956)</u>

**CITY OF WAUSAU, WISCONSIN
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
 YEAR ENDED DECEMBER 31, 2022**

Capital Projects				
TID #9 Big Bull Falls	TID #10 Industrial Park	TID #11 Business Campus	TID #12 Downtown Development	Totals
\$ 16,411	\$ 381,673	\$ 1,089,793	\$ 312,150	\$ 10,912,501
-	-	-	-	305,391
2,056	43,220	-	-	8,704,784
-	-	-	-	70,788
<u>21,670</u>	<u>-</u>	<u>69,164</u>	<u>45,574</u>	<u>1,629,642</u>
40,137	424,893	1,158,957	357,724	21,623,106
-	-	-	-	78,518
-	-	-	-	466,226
-	-	-	-	230,000
-	-	-	-	1,663,825
-	-	-	-	275,412
1,707	14,833	34,373	291,483	4,771,752
-	-	-	-	54,191
<u>-</u>	<u>240,605</u>	<u>98,219</u>	<u>610,829</u>	<u>10,747,396</u>
<u>1,707</u>	<u>255,438</u>	<u>132,592</u>	<u>902,312</u>	<u>18,287,320</u>
38,430	169,455	1,026,365	(544,588)	3,335,786
-	-	-	-	3,795,000
-	-	-	278,414	368,651
<u>(62,580)</u>	<u>(143,723)</u>	<u>(1,018,836)</u>	<u>(121,265)</u>	<u>(5,481,179)</u>
<u>(62,580)</u>	<u>(143,723)</u>	<u>(1,018,836)</u>	<u>157,149</u>	<u>(1,317,528)</u>
(24,150)	25,732	7,529	(387,439)	2,018,258
<u>(224,964)</u>	<u>73,073</u>	<u>222,532</u>	<u>(1,100,335)</u>	<u>5,514,455</u>
<u>\$ (249,114)</u>	<u>\$ 98,805</u>	<u>\$ 230,061</u>	<u>\$ (1,487,774)</u>	<u>\$ 7,532,713</u>

**CITY OF WAUSAU, WISCONSIN
BUDGETARY COMPARISON SCHEDULE –
NONMAJOR BUDGETED GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2022**

	Grants		HUD Mortgage		DLAD Mortgage Program	
	Budget	Actual	Budget	Actual	Budget	Actual
REVENUES						
Taxes	\$ 279,078	\$ 279,078	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Intergovernmental	63,550	2,428,138	-	-	-	-
Licenses and Permits	-	-	-	-	-	-
Public Charges for Services	-	-	-	-	-	-
Intergovernmental Charges for Services	-	-	-	-	-	-
Miscellaneous	165,319	364,247	29,787	157,416	1,954	6,013
Total Revenues	507,947	3,071,463	29,787	157,416	1,954	6,013
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Sanitation, Health, and Welfare	-	-	-	-	-	-
Natural Resources and Recreation	-	-	-	-	-	-
Economic Development	683,807	3,136,638	29,787	111,887	1,954	80
Debt Service:						
Interest and Fiscal Charges	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	683,807	3,136,638	29,787	111,887	1,954	80
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(175,860)	(65,175)	-	45,529	-	5,933
OTHER FINANCING SOURCES (USES)						
Long-Term Debt Issued	-	-	-	-	-	-
Transfers In	(14,518)	31,482	-	-	-	-
Transfers Out	(5,000)	-	-	(31,483)	-	-
Total Other Financing Sources (Uses)	(19,518)	31,482	-	(31,483)	-	-
NET CHANGE IN FUND BALANCES	(195,378)	(33,693)	-	14,046	-	5,933
Fund Balances - Beginning of Year		2,547,090		132,971		531,333
FUND BALANCES - END OF YEAR		<u>\$ 2,513,397</u>		<u>\$ 147,017</u>		<u>\$ 537,266</u>

**CITY OF WAUSAU, WISCONSIN
 BUDGETARY COMPARISON SCHEDULE –
 NONMAJOR BUDGETED GOVERNMENTAL FUNDS (CONTINUED)
 YEAR ENDED DECEMBER 31, 2022**

Economic Development		WRRP Rehabilitation		Environmental Clean Up		Haz-Mat Emergency Response	
Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	87,000	101,250
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
5,000	3,996	44,379	50,343	40,000	85,292	-	58,866
5,000	3,996	44,379	50,343	40,000	85,292	87,000	160,116
-	-	-	-	-	-	-	-
-	-	-	-	-	-	63,800	65,407
-	-	-	-	210,123	169,227	-	-
-	-	-	-	-	-	-	-
15,000	11,610	44,289	49,730	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	125,000	125,000
15,000	11,610	44,289	49,730	210,123	169,227	188,800	190,407
(10,000)	(7,614)	90	613	(170,123)	(83,935)	(101,800)	(30,291)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	5,000	-	-	-	-	-
-	-	5,000	-	-	-	-	-
(10,000)	(7,614)	5,090	613	(170,123)	(83,935)	(101,800)	(30,291)
	<u>286,143</u>		<u>1,048,846</u>		<u>1,410,362</u>		<u>254,424</u>
	<u>\$ 278,529</u>		<u>\$ 1,049,459</u>		<u>\$ 1,326,427</u>		<u>\$ 224,133</u>

**CITY OF WAUSAU, WISCONSIN
BUDGETARY COMPARISON SCHEDULE –
NONMAJOR BUDGETED GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022**

	Housing		Room Tax		Public Access Cable	
	Budget	Actual	Budget	Actual	Budget	Actual
REVENUES						
Taxes	\$ -	\$ -	\$ 444,133	\$ 1,073,885	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Intergovernmental	-	662,201	-	-	-	-
Licenses and Permits	-	-	-	-	70,788	70,788
Public Charges for Services	-	-	-	-	-	-
Intergovernmental Charges for Services	-	-	-	-	-	-
Miscellaneous	40,147	57,713	-	-	6,710	12,649
Total Revenues	40,147	719,914	444,133	1,073,885	77,498	83,437
EXPENDITURES						
Current:						
General Government	-	-	-	-	60,498	39,522
Public Safety	-	-	-	-	-	-
Sanitation, Health, and Welfare	40,147	728,401	-	-	-	-
Natural Resources and Recreation	-	-	-	-	-	-
Economic Development	-	-	245,023	735,115	-	-
Debt Service:						
Interest and Fiscal Charges	-	-	-	-	-	-
Capital Outlay	-	-	-	-	17,000	17,964
Total Expenditures	40,147	728,401	245,023	735,115	77,498	57,486
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(8,487)	199,110	338,770	-	25,951
OTHER FINANCING SOURCES (USES)						
Long-Term Debt Issued	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	(199,110)	(199,110)	-	-
Total Other Financing Sources (Uses)	-	-	(199,110)	(199,110)	-	-
NET CHANGE IN FUND BALANCES	-	(8,487)	-	139,660	-	25,951
Fund Balances - Beginning of Year		374,662		326,991		52,026
FUND BALANCES - END OF YEAR		<u>\$ 366,175</u>		<u>\$ 466,651</u>		<u>\$ 77,977</u>

**CITY OF WAUSAU, WISCONSIN
 BUDGETARY COMPARISON SCHEDULE –
 NONMAJOR BUDGETED GOVERNMENTAL FUNDS (CONTINUED)
 YEAR ENDED DECEMBER 31, 2022**

Recycling		EMS Grant		400 Block		Other Grants & Special Purpose Accounts	
Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
\$ 630,160	\$ 630,160	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
147,000	147,289	11,000	29,407	-	-	-	273,201
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
300	856	-	-	16,000	7,111	-	285,948
<u>777,460</u>	<u>778,305</u>	<u>11,000</u>	<u>29,407</u>	<u>16,000</u>	<u>7,111</u>	<u>-</u>	<u>559,149</u>
-	-	-	-	-	-	-	-
-	-	11,000	20,176	-	-	160,441	380,643
777,460	766,197	-	-	85,389	54,839	-	220,573
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>777,460</u>	<u>766,197</u>	<u>11,000</u>	<u>20,176</u>	<u>85,389</u>	<u>54,839</u>	<u>160,441</u>	<u>601,216</u>
-	12,108	-	9,231	(69,389)	(47,728)	(160,441)	(42,067)
-	-	-	-	-	-	-	-
6,000	6,000	-	-	54,047	52,755	-	-
-	-	-	-	-	-	-	-
<u>6,000</u>	<u>6,000</u>	<u>-</u>	<u>-</u>	<u>54,047</u>	<u>52,755</u>	<u>-</u>	<u>-</u>
6,000	18,108	-	9,231	(15,342)	5,027	(160,441)	(42,067)
-	(17,282)	-	35,679	-	207,570	-	976,764
<u>\$ 826</u>	<u>\$ 44,910</u>	<u>\$ 212,597</u>	<u>\$ 934,697</u>				

**CITY OF WAUSAU, WISCONSIN
BUDGETARY COMPARISON SCHEDULE –
NONMAJOR BUDGETED GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022**

	Central Capital Purchasing		Capital Improvements		TID #6 West Side Development	
	Budget	Actual	Budget	Actual	Budget	Actual
	REVENUES					
Taxes	\$ 597,054	\$ 597,054	\$ 994,708	\$ 994,708	\$ 3,720,934	\$ 3,712,562
Special Assessments	-	-	144,590	305,391	-	-
Intergovernmental	146,725	21,187	6,141,257	30,440	141,008	141,008
Licenses and Permits	-	-	-	-	-	-
Public Charges for Services	-	-	-	-	-	-
Intergovernmental Charges for Services	-	-	-	-	-	-
Miscellaneous	-	3,000	-	14,926	16,905	21,101
Total Revenues	<u>743,779</u>	<u>621,241</u>	<u>7,280,555</u>	<u>1,345,465</u>	<u>3,878,847</u>	<u>3,874,671</u>
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	-
Public Safety	16,725	-	-	-	-	-
Sanitation, Health, and Welfare	-	-	-	-	-	-
Natural Resources and Recreation	-	-	-	-	-	-
Economic Development	-	-	-	-	4,150	60,738
Debt Service:						
Interest and Fiscal Charges	-	-	-	54,191	-	-
Capital Outlay	1,008,110	757,800	13,561,394	4,729,078	-	-
Total Expenditures	<u>1,024,835</u>	<u>757,800</u>	<u>13,561,394</u>	<u>4,783,269</u>	<u>4,150</u>	<u>60,738</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(281,056)	(136,559)	(6,280,839)	(3,437,804)	3,874,697	3,813,933
OTHER FINANCING SOURCES (USES)						
Long-Term Debt Issued	-	-	4,802,611	3,795,000	-	-
Transfers In	-	-	277,710	-	-	-
Transfers Out	-	-	-	-	(2,881,998)	(2,881,998)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>5,080,321</u>	<u>3,795,000</u>	<u>(2,881,998)</u>	<u>(2,881,998)</u>
NET CHANGE IN FUND BALANCES	(281,056)	(136,559)	(1,200,518)	357,196	992,699	931,935
Fund Balances - Beginning of Year		<u>297,779</u>		<u>696,334</u>		<u>(1,003,253)</u>
FUND BALANCES - END OF YEAR		<u>\$ 161,220</u>		<u>\$ 1,053,530</u>		<u>\$ (71,318)</u>

**CITY OF WAUSAU, WISCONSIN
 BUDGETARY COMPARISON SCHEDULE –
 NONMAJOR BUDGETED GOVERNMENTAL FUNDS (CONTINUED)
 YEAR ENDED DECEMBER 31, 2022**

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
\$ 1,499,680	\$ 1,496,305	\$ 648,036	\$ 328,722	\$ 16,448	\$ 16,411	\$ 382,534	\$ 381,673
-	-	-	-	-	-	-	-
26,266	26,266	223,795	223,795	2,055	2,056	43,220	43,220
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	14,303	290,754	-	21,670	-	-
<u>1,525,946</u>	<u>1,522,571</u>	<u>886,134</u>	<u>843,271</u>	<u>18,503</u>	<u>40,137</u>	<u>425,754</u>	<u>424,893</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
19,270	16,119	447,045	144,683	2,150	1,707	3,150	14,833
-	-	-	-	-	-	-	-
-	-	-	17,531	-	-	89,186	240,605
<u>19,270</u>	<u>16,119</u>	<u>447,045</u>	<u>162,214</u>	<u>2,150</u>	<u>1,707</u>	<u>92,336</u>	<u>255,438</u>
1,506,676	1,506,452	439,089	681,057	16,353	38,430	333,418	169,455
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(436,559)	(320,014)	(702,170)	(702,170)	(62,580)	(62,580)	(143,723)	(143,723)
<u>(436,559)</u>	<u>(320,014)</u>	<u>(702,170)</u>	<u>(702,170)</u>	<u>(62,580)</u>	<u>(62,580)</u>	<u>(143,723)</u>	<u>(143,723)</u>
1,070,117	1,186,438	(263,081)	(21,113)	(46,227)	(24,150)	189,695	25,732
-	<u>(1,186,438)</u>	-	<u>(766,843)</u>	-	<u>(224,964)</u>	-	<u>73,073</u>
<u>\$ -</u>	<u>-</u>	<u>\$ (787,956)</u>	<u>-</u>	<u>\$ (249,114)</u>	<u>-</u>	<u>\$ 98,805</u>	<u>-</u>

**CITY OF WAUSAU, WISCONSIN
BUDGETARY COMPARISON SCHEDULE –
NONMAJOR BUDGETED GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022**

	TID #11 Business Campus		TID #12 Downtown Development	
	Budget	Actual	Budget	Actual
REVENUES				
Taxes	\$ 1,729,617	\$ 1,089,793	\$ 323,800	\$ 312,150
Special Assessments	-	-	-	-
Intergovernmental	900,000	-	-	-
Licenses and Permits	-	-	-	-
Public Charges for Services	-	-	-	-
Intergovernmental Charges for Services	-	-	-	-
Miscellaneous	200	69,164	-	45,574
Total Revenues	<u>2,629,817</u>	<u>1,158,957</u>	<u>323,800</u>	<u>357,724</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Sanitation, Health, and Welfare	-	-	-	-
Natural Resources and Recreation	-	-	-	-
Economic Development	801,650	34,373	2,385,679	291,483
Debt Service:				
Interest and Fiscal Charges	-	-	-	-
Capital Outlay	375,000	98,219	3,221,500	610,829
Total Expenditures	<u>1,176,650</u>	<u>132,592</u>	<u>5,607,179</u>	<u>902,312</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,453,167	1,026,365	(5,283,379)	(544,588)
OTHER FINANCING SOURCES (USES)				
Long-Term Debt Issued	-	-	3,825,000	-
Transfers In	-	-	394,959	278,414
Transfers Out	(1,018,836)	(1,018,836)	(121,265)	(121,265)
Total Other Financing Sources (Uses)	<u>(1,018,836)</u>	<u>(1,018,836)</u>	<u>4,098,694</u>	<u>157,149</u>
NET CHANGE IN FUND BALANCES	434,331	7,529	(1,184,685)	(387,439)
Fund Balances - Beginning of Year		<u>222,532</u>		<u>(1,100,335)</u>
FUND BALANCES - END OF YEAR		<u>\$ 230,061</u>		<u>\$ (1,487,774)</u>

CITY OF WAUSAU, WISCONSIN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – DEBT SERVICE FUND
YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 4,123,000	\$ 4,123,000	\$ 4,123,000	\$ -
Miscellaneous	125	125	2,940	2,815
Total Revenues	<u>4,123,125</u>	<u>4,123,125</u>	<u>4,125,940</u>	<u>2,815</u>
EXPENDITURES				
Debt Service:				
Principal	10,465,000	10,465,000	10,465,000	-
Interest and Fiscal Charges	1,820,959	1,820,959	1,883,441	(62,482)
Total Expenditures	<u>12,285,959</u>	<u>12,285,959</u>	<u>12,348,441</u>	<u>(62,482)</u>
EXCESS OF REVENUES UNDER EXPENDITURES	(8,162,834)	(8,162,834)	(8,222,501)	(59,667)
OTHER FINANCING SOURCES				
Premium on Debt Issued	-	-	169,678	169,678
Transfers In	7,950,082	7,950,082	7,949,957	(125)
Total Other Financing Sources	<u>7,950,082</u>	<u>7,950,082</u>	<u>8,119,635</u>	<u>169,553</u>
NET CHANGE IN FUND BALANCE	(212,752)	(212,752)	(102,866)	109,886
Fund Balance - January 1	<u>703,397</u>	<u>703,397</u>	<u>703,397</u>	<u>-</u>
FUND BALANCE - DECEMBER 31	<u>\$ 490,645</u>	<u>\$ 490,645</u>	<u>\$ 600,531</u>	<u>\$ 109,886</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, 2022

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 2,933,479	\$ 2,933,479	\$ 2,926,879	\$ (6,600)
Intergovernmental	330,376	330,376	330,376	-
Miscellaneous	103,101	103,101	141,451	38,350
Total Revenues	3,366,956	3,366,956	3,398,706	31,750
EXPENDITURES				
Current:				
Economic Development	35,150	82,070	10,208	71,862
Capital Outlay	-	-	5,134	(5,134)
Total Expenditures	35,150	82,070	15,342	66,728
EXCESS OF REVENUES UNDER EXPENDITURES	3,331,806	3,284,886	3,383,364	98,478
OTHER FINANCING USES				
Transfers Out	(2,977,785)	(2,977,785)	(2,977,785)	-
NET CHANGE IN FUND BALANCE	354,021	307,101	405,579	98,478
Fund Balance - January 1	(1,505,668)	(1,505,668)	(1,505,668)	-
FUND BALANCE - DECEMBER 31	\$ (1,151,647)	\$ (1,198,567)	\$ (1,100,089)	\$ 98,478

CITY OF WAUSAU, WISCONSIN
COMBINING STATEMENT OF NET POSITION – NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2022

	Airport Fund	Animal Control Fund	Total
ASSETS			
CURRENT ASSETS			
Cash and Investments	\$ 69,854	\$ 149,090	\$ 218,944
Receivables:			
Taxes	145,098	40,037	185,135
Accounts	7,567	387	7,954
Lease	103,717	-	103,717
Due from Other Governments	112,000	-	112,000
Inventories and Prepaid Items	12,011	1,050	13,061
Total Current Assets	<u>450,247</u>	<u>190,564</u>	<u>640,811</u>
NONCURRENT ASSETS			
Net Pension Asset	-	22,880	22,880
CAPITAL ASSETS			
Nondepreciable	248,000	-	248,000
Depreciable	1,169,896	-	1,169,896
Total Capital Assets	<u>1,417,896</u>	<u>-</u>	<u>1,417,896</u>
Total Assets	<u>1,868,143</u>	<u>213,444</u>	<u>2,081,587</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Amounts	-	44,771	44,771
Other Postemployment Related Amounts	-	679	679
Total Deferred Outflows of Resources	<u>-</u>	<u>45,450</u>	<u>45,450</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts Payable	15,783	1,414	17,197
Accrued and Other Current Liabilities	435	3,387	3,822
Due to Other Governments	-	3,450	3,450
Unearned Revenue	5,274	1,788	7,062
Total Current Liabilities	<u>21,492</u>	<u>10,039</u>	<u>31,531</u>
LONG-TERM OBLIGATIONS			
Other Postemployment Benefits	-	2,078	2,078
Total Liabilities	<u>21,492</u>	<u>12,117</u>	<u>33,609</u>
DEFERRED INFLOWS OF RESOURCES			
Property Taxes Levied for Subsequent Year	216,336	59,693	276,029
Pension Related Amounts	-	53,910	53,910
Lease	103,717	-	103,717
Other Postemployment Related Amounts	-	239	239
Total Deferred Inflows of Resources	<u>320,053</u>	<u>113,842</u>	<u>433,895</u>
NET POSITION			
Net Investment In Capital Assets	1,417,896	-	1,417,896
Restricted:			
Pension Asset	-	22,880	22,880
Unrestricted	108,702	110,055	218,757
Total Net Position	<u>\$ 1,526,598</u>	<u>\$ 132,935</u>	<u>\$ 1,659,533</u>

**CITY OF WAUSAU, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION –
NONMAJOR ENTERPRISE FUNDS
YEAR ENDED DECEMBER 31, 2022**

	Airport Fund	Animal Control Fund	Total
OPERATING REVENUES			
Charges for Services	\$ 156,152	\$ 170,067	\$ 326,219
OPERATING EXPENSES			
Operation and Maintenance	330,730	199,375	530,105
Depreciation and Amortization	116,042	-	116,042
Total Operating Expenses	<u>446,772</u>	<u>199,375</u>	<u>646,147</u>
OPERATING LOSS	(290,620)	(29,308)	(319,928)
NONOPERATING REVENUES (EXPENSES)			
General Property Taxes	160,219	59,693	219,912
Nonoperating Grants	112,000	17,256	129,256
Gain (Loss) on Disposal of Capital Assets	(48,254)	-	(48,254)
Total Nonoperating Revenues	<u>223,965</u>	<u>76,949</u>	<u>300,914</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS	(66,655)	47,641	(19,014)
Transfers In	<u>36,000</u>	<u>-</u>	<u>36,000</u>
CHANGE IN NET POSITION	(30,655)	47,641	16,986
Net Position - Beginning of Year	<u>1,557,253</u>	<u>85,294</u>	<u>1,642,547</u>
NET POSITION - END OF YEAR	<u>\$ 1,526,598</u>	<u>\$ 132,935</u>	<u>\$ 1,659,533</u>

**CITY OF WAUSAU, WISCONSIN
COMBINING STATEMENT OF CASH FLOWS – NONMAJOR ENTERPRISE FUNDS
YEAR ENDED DECEMBER 31, 2022**

	Airport Fund	Animal Control Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers and Users	\$ 152,871	\$ 155,330	\$ 308,201
Cash Paid for Employee Wages and Benefits	(28,759)	(88,256)	(117,015)
Cash Paid to Suppliers	(309,441)	(116,816)	(426,257)
Net Cash Used by Operating Activities	(185,329)	(49,742)	(235,071)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
General Property Taxes	198,108	66,924	265,032
Intergovernmental Revenues	-	17,256	17,256
Transfer In	36,000	-	36,000
Net Cash Provided by Noncapital Financing Activities	234,108	84,180	318,288
CHANGE IN CASH AND CASH EQUIVALENTS	48,779	34,438	83,217
Cash and Cash Equivalents - Beginning of Year	21,075	114,652	135,727
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 69,854</u>	<u>\$ 149,090</u>	<u>\$ 218,944</u>

CITY OF WAUSAU, WISCONSIN
COMBINING STATEMENT OF CASH FLOWS – NONMAJOR ENTERPRISE FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

	Airport Fund	Animal Control Fund	Total
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating Loss	\$ (290,620)	\$ (29,308)	\$ (319,928)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation	116,042	-	116,042
Change in Liability (Asset) and Deferred Outflows and Inflows of Resources:			
Change in Pension Asset (Liability)	-	(6,107)	(6,107)
Change in Pension Deferred Outflow	-	(16,621)	(16,621)
Change in Pension Deferred Inflow	-	17,180	17,180
Change In OPEB Liability	-	170	170
Change In OPEB Deferred Outflow	-	92	92
Change In OPEB Deferred Inflow	-	(27)	(27)
Change In Operating Assets And Liabilities:			
Accounts Receivable	(3,578)	2,365	(1,213)
Inventories and Prepaid Items	(12,011)	(65)	(12,076)
Accounts Payable	4,756	29	4,785
Accrued and Other Current liabilities	(215)	196	(19)
Due to Other Governments	-	(544)	(544)
Unearned Revenue	297	(17,102)	(16,805)
Net Cash Provided by Operating Activities	\$ (185,329)	\$ (49,742)	\$ (235,071)

CITY OF WAUSAU, WISCONSIN
COMBINING STATEMENT OF NET POSITION – INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2022

	Motor Pool	Insurance Fund	Employee Benefits Fund	Total
ASSETS				
CURRENT ASSETS				
Cash and Investments	\$ 1,001,921	\$ 1,829,923	\$ 1,325,273	\$ 4,157,117
Receivables:				
Accounts	18,842	42,537	933	62,312
Inventories and Prepaid Items	317,336	-	508,879	826,215
Total Current Assets	<u>1,338,099</u>	<u>1,872,460</u>	<u>1,835,085</u>	<u>5,045,644</u>
NONCURRENT ASSETS				
Net Pension Asset	208,393	-	-	208,393
CAPITAL ASSETS				
Depreciable	<u>9,492,305</u>	<u>-</u>	<u>-</u>	<u>9,492,305</u>
Total Assets	<u>11,038,797</u>	<u>1,872,460</u>	<u>1,835,085</u>	<u>14,746,342</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related Amounts	408,272	-	-	408,272
Other Postemployment Related Amounts	6,185	-	-	6,185
Total Deferred Outflows of Resources	<u>414,457</u>	<u>-</u>	<u>-</u>	<u>414,457</u>
LIABILITIES				
CURRENT LIABILITIES				
Accounts Payable	394,681	5,013	100	399,794
Accrued and Other Current Liabilities	22,090	-	-	22,090
Insurance Claims Payable	-	352,361	18,700	371,061
Unearned Revenue	-	-	451,408	451,408
Total Current Liabilities	<u>416,771</u>	<u>357,374</u>	<u>470,208</u>	<u>1,244,353</u>
LONG-TERM OBLIGATIONS				
Compensated Absences	254	-	-	254
Claims Payable	-	765,045	-	765,045
Other Postemployment Benefits	18,923	-	-	18,923
Total Long-Term Liabilities	<u>19,177</u>	<u>765,045</u>	<u>-</u>	<u>784,222</u>
Total Liabilities	435,948	1,122,419	470,208	2,028,575
DEFERRED INFLOWS OF RESOURCES				
Pension Related Amounts	491,020	-	-	491,020
Other Postemployment Related Amounts	1,610	-	-	1,610
Total Deferred Inflows of Resources	<u>492,630</u>	<u>-</u>	<u>-</u>	<u>492,630</u>
NET POSITION				
Net Investment In Capital Assets	9,214,554	-	-	9,214,554
Restricted:				
Pension Asset	208,393	-	-	208,393
Unrestricted	<u>1,101,729</u>	<u>750,041</u>	<u>1,364,877</u>	<u>3,216,647</u>
Total Net Position	<u>\$ 10,524,676</u>	<u>\$ 750,041</u>	<u>\$ 1,364,877</u>	<u>\$ 12,639,594</u>

**CITY OF WAUSAU, WISCONSIN
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION –
 INTERNAL SERVICE FUNDS
 YEAR ENDED DECEMBER 31, 2022**

	Motor Pool	Insurance Fund	Employee Benefits Fund	Total
OPERATING REVENUES				
Charges for Services	\$ 3,362,821	\$ 988,677	\$ 6,070,381	\$ 10,421,879
Other	193,402	37,717	-	231,119
Total Operating Revenues	<u>3,556,223</u>	<u>1,026,394</u>	<u>6,070,381</u>	<u>10,652,998</u>
OPERATING EXPENSES				
Operation and Maintenance	2,783,395	-	-	2,783,395
Depreciation	1,203,529	-	-	1,203,529
Insurance, Claims, and Administration	-	816,877	6,062,573	6,879,450
Total Operating Expenses	<u>3,986,924</u>	<u>816,877</u>	<u>6,062,573</u>	<u>10,866,374</u>
OPERATING INCOME (LOSS)	(430,701)	209,517	7,808	(213,376)
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(430,701)	209,517	7,808	(213,376)
Transfers In	<u>541,032</u>	-	-	<u>541,032</u>
CHANGE IN NET POSITION	110,331	209,517	7,808	327,656
Net Position - Beginning of Year	<u>10,414,345</u>	<u>540,524</u>	<u>1,357,069</u>	<u>12,311,938</u>
NET POSITION - END OF YEAR	<u>\$ 10,524,676</u>	<u>\$ 750,041</u>	<u>\$ 1,364,877</u>	<u>\$ 12,639,594</u>

CITY OF WAUSAU, WISCONSIN
COMBINING STATEMENT OF CASH FLOW – INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2022

	Motor Pool	Insurance Fund	Employee Benefits Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Interfund Services	\$ 3,537,381	\$ 1,039,270	\$ 6,071,861	\$ 10,648,512
Cash Paid for Employee Wages and Benefits	(774,819)	(932,986)	(6,531,010)	(8,238,815)
Cash Paid to Suppliers	(2,255,312)	-	-	(2,255,312)
Net Cash Provided by Operating Activities	507,250	106,284	(459,149)	154,385
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfer In	541,032	-	-	541,032
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of Capital Assets	(3,102,531)	-	-	(3,102,531)
Sale of Capital Assets	245,049	-	-	245,049
Net Cash Used by Capital and Related Financing Activities	(2,857,482)	-	-	(2,857,482)
CHANGE IN CASH AND CASH EQUIVALENTS	(1,809,200)	106,284	(459,149)	(2,162,065)
Cash and Cash Equivalents - Beginning of Year	2,811,121	1,723,639	1,784,422	6,319,182
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,001,921</u>	<u>\$ 1,829,923</u>	<u>\$ 1,325,273</u>	<u>\$ 4,157,117</u>

CITY OF WAUSAU, WISCONSIN
COMBINING STATEMENT OF CASH FLOW – INTERNAL SERVICE FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

	Motor Pool	Insurance Fund	Employee Benefits Fund	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET				
CASH PROVIDED BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ (430,701)	\$ 209,517	\$ 7,808	\$ (213,376)
Adjustments to Reconcile Operating Income (Loss) to Net				
Cash Provided by Operating Activities:				
Depreciation	1,203,529	-	-	1,203,529
Change in Liability (Asset) and Deferred				
Outflows and Inflows of Resources:				
Change in Pension Asset (Liability)	(15,495)	-	-	(15,495)
Change in Pension Deferred Outflow	(95,863)	-	-	(95,863)
Change in Pension Deferred Inflow	68,602	-	-	68,602
Change In OPEB Liability	3,148	-	-	3,148
Change In OPEB Deferred Outflow	190	-	-	190
Change In OPEB Deferred Inflow	(588)	-	-	(588)
Change In Operating Assets and Liabilities:				
Accounts Receivable	(18,842)	12,876	1,480	(4,486)
Inventories and Prepaid Items	(138,659)	-	(502,881)	(641,540)
Accounts Payable	(29,724)	(9,253)	100	(38,877)
Accrued and Other Current liabilities	(4,527)	-	-	(4,527)
Unearned Revenue	-	-	34,344	34,344
Claims Payable	-	(106,856)	-	(106,856)
Compensated Absences	(33,820)	-	-	(33,820)
Net Cash Provided by Operating Activities	<u>\$ 507,250</u>	<u>\$ 106,284</u>	<u>\$ (459,149)</u>	<u>\$ 154,385</u>

**CITY OF WAUSAU, WISCONSIN
 COMBINING STATEMENT OF FIDUCIARY NET POSITION – CUSTODIAL FUNDS
 YEAR ENDED DECEMBER 31, 2022**

	Tax Collection Fund	Entrepreneurial & Education Center	Wausau Area Events	Wausau River District	Total
ASSETS					
Cash and Investments	\$ 13,617,580	\$ 172,624	\$ 218,551	\$ 86,871	\$ 14,095,626
Receivables:					
Taxes	33,321,885	-	-	74,340	33,396,225
Accounts	-	4,766	175	-	4,941
Prepaid Expense	-	-	-	2,000	2,000
Total Assets	<u>46,939,465</u>	<u>177,390</u>	<u>218,726</u>	<u>163,211</u>	<u>47,498,792</u>
LIABILITIES					
Accounts Payable	-	37,345	8,287	3,180	48,812
DEFERRED INFLOWS OF RESOURCES					
Property Taxes Levied for Subsequent Year	<u>46,939,465</u>	<u>-</u>	<u>-</u>	<u>78,670</u>	<u>47,018,135</u>
NET POSITION					
Restricted	<u>\$ -</u>	<u>\$ 140,045</u>	<u>\$ 210,439</u>	<u>\$ 81,361</u>	<u>\$ 431,845</u>

**CITY OF WAUSAU, WISCONSIN
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – CUSTODIAL FUNDS
 YEAR ENDED DECEMBER 31, 2022**

	Tax Collection Fund	Entrepreneurial & Education Center	Wausau Area Events	Wausau River District	Total
ADDITIONS					
Property Tax Collections	\$ 47,686,782	\$ -	\$ -	\$ 74,160	\$ 47,760,942
Intergovernmental	-	-	-	36,591	36,591
Public Charges for Service	-	224,261	459,245	63,814	747,320
Interest and Other Miscellaneous Revenues	-	750	57	87	894
Total Additions	<u>47,686,782</u>	<u>225,011</u>	<u>459,302</u>	<u>174,652</u>	<u>48,545,747</u>
DEDUCTIONS					
Payments to Taxing Jurisdictions	47,686,782	-	-	-	47,686,782
Operating and Maintenance	-	199,122	505,410	196,562	901,094
Total Deductions	<u>47,686,782</u>	<u>199,122</u>	<u>505,410</u>	<u>196,562</u>	<u>48,587,876</u>
CHANGE IN NET POSITION	-	25,889	(46,108)	(21,910)	(42,129)
Net Position - Beginning of Year	<u>-</u>	<u>114,156</u>	<u>256,547</u>	<u>103,271</u>	<u>473,974</u>
NET POSITION - END OF YEAR	<u>\$ -</u>	<u>\$ 140,045</u>	<u>\$ 210,439</u>	<u>\$ 81,361</u>	<u>\$ 431,845</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, 2022, 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 July 28, 2023.

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.

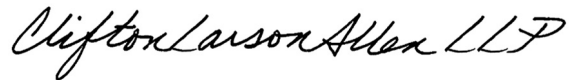
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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
July 28, 2023



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