OFFICIAL NOTICE AND AGENDA

of a meeting of a City Board, Commission, Department, Committee, Agency, Corporation, Quasi-Municipal Corporation, or sub-unit thereof.

Meeting of the:	**FINANCE COMMITTEE**
Date/Time:	**Tuesday, October 12, 2021 at 5:15 PM**
Location:	**City Hall (407 Grant Street) - Council Chambers**
Members:	Lisa Rasmussen, Michael Martens, Dawn Herbst, Deb Ryan, Sarah Watson

AGENDA ITEMS

1. Minutes of the previous meeting(s): (9/28/21)
2. Discussion and possible approval of reprogramming Community Development Block Grant funds from an Economic Development Activity to a Housing Rehabilitation Activity
3. Discussion and possible action regarding 2020 audit presentation by Clifton Larson
4. Discussion and possible approval of two year auditing services agreement extension
5. Discussion and possible action regarding modification of our fixed asset capitalization policy
6. Discussion and possible action regarding final implementation of salary study - Option 3
7. Discussion and possible approving the 2022 health, dental and supplemental insurance plans
8. Discussion and possible action regarding 2022 Business Improvement District Plan

Adjourn

Lisa Rasmussen, Chairperson

This meeting is being held in person and via teleconference. The lines of those public members monitoring the meeting by phone will be muted during the meeting. Members of the media and the public may attend in person or by calling **1-408-418-9388**. **The Access Code is: 2492 570 3520 Password: wausau1**

Members of the public who do not wish to appear in person may view the meeting live over the internet on the City of Wausau's YouTube Channel http://www.tinyurl.com/WAAMedia, live by cable TV, Channel 981, and a video is available in its entirety and can be accessed at https://tinyurl.com/WausauCityCouncil. Any person wishing to offer public comment who does not appear in person to do so, may e-mail mary.goede@ci.wausau.wi.us with "Finance Committee public comment" in the subject line prior to the meeting start. All public comment, either by email or in person, will be limited to items on the agenda at this time. The messages related to agenda items received prior to the start of the meeting will be provided to the Chair.

This Notice was posted at City Hall and faxed to the Daily Herald newsroom 10/07/21 at 2:15 PM

In accordance with the requirements of Title II of the Americans with Disabilities Act of 1990 (ADA), the City of Wausau will not discriminate against qualified individuals with disabilities on the basis of disability in its services, programs or activities. If you need assistance or reasonable accommodations in participating in this meeting or event due to a disability as defined under the ADA, please call the ADA Coordinator at (715) 261-6590 or ADAServices@ci.wausau.wi.us to discuss your accessibility needs. We ask your request be provided a minimum of 72 hours before the scheduled event or meeting. If a request is made less than 72 hours before the event the City of Wausau will make a good faith effort to accommodate your request.

Other Distribution: Media, (Alderpersons: Peckham, Neal, Kilian, Wadinski, McElhaney, Larson), *Rosenberg, *Jacobson, *Groat, Department Heads

FINANCE COMMITTEE
Date and Time: Tuesday, September 28, 2021 @ 5:15 pm., Council Chambers
Members Present: Lisa Rasmussen, Dawn Herbst, Sarah Watson Michael Martens
Members Excused: Deb Ryan
Others Present: Maryanne Groat, Anne Jacobson, Bob Barteck, Eric Lindman, Katie Rosenberg, Matt Barnes, Mary Goede, Patti Kaiser

In accordance with Chapter 19, Wisc. Statutes, notice of this meeting was posted and sent to the Daily Herald in the proper manner. The meeting was called to order by Chair, Lisa Rasmussen.

Minutes of the previous meeting(s): (9/08/21)
Motion by Watson, second by Martens to approve the minutes of the previous meeting. Motion carried 4-0.

Discussion and possible action Amending Shift Differential (Employee Handbook 5.08)
Lisa Rasmussen explained the Department of Public Works has a number of vacant positions that work evening hours and has had some real struggles with retention and recruitment. She stated the HR Committee is asking the Finance Committee to decide where to settle on the rate for the evening differential. She noted the HR Committee is recommending $1.45 per hour additional for 2nd Shift and $1.60 per hour additional for 3rd Shift, which would put us in parity with the private sector. The other level discussed at committee was higher than what employees are currently receiving, but would still put us in the middle comparable to some of our peer communities, but still behind private sector businesses that we are competing for talent with. Maryanne Groat clarified they are recommending adding $1 to the existing rates of $0.45 and $0.60, with a $12,800 fiscal impact for 2022.

Motion by Watson, second by Martens to accept the shift differential rates of $1.45 and $1.60. Motion carried 4-0.

Discussion and possible action regarding Tourism Entity Agreement between the City of Wausau, Room Tax Commission and the Wausau Central Wisconsin Convention & Visitors Bureau, Inc.
Rasmussen indicated the Room Tax Commission (RTC) met last night and recommended entering into the proposed agreement for one year. The commission will also review the effectiveness and the results of the agreement next year in September to evaluate if the changes being sought were made and reports were received. She indicated RTC would like the agreement to begin on January 1, 2022 to run along with the city's budget year. This will also give the CVB some time in recruiting their new director and getting that person settled.

Mayor Katie Rosenberg commented they came to a good agreement and felt the RTC provided some good direction and she was in favor of moving forward. Michael Martens commented if the city brings forward a good agreement it will help to encourage the other municipalities to get on board and make a stronger regional tourism entity.

Motion by Herbst, second by Martens to approve the Tourism Entity Agreement. Motion carried 4-0.

Discussion and possible action on Land Improvement Agreement between the City of Wausau Downtown Airport and Keith Kocourek for Grass Runway 09/27 Upgrades
Rasmussen explained there was a need at the airport a number of years ago to upgrade the unofficial grass runway, but there was a weather monitoring system in the path. This system has now been removed and a hangar owner, Keith Kocourek, has offered to make the investment in the cost of establishing seeding and installing the irrigation for an official grass runway. This would make the airport very attacked to tailwheel aircraft. The city's responsibility going forward is to water it and for some ongoing maintenance, however, the Airport Manager indicated they are already mowing the area.

Motion by Herbst, second by Martens to approve the Land Improvement Agreement. Motion carried 4-0.

Discussion and possible action regarding request for transfer of funds from the Capitol Improvement Alerting System Upgrade Project to the Capitol Improvement Station One Remodel Project within the Fire Department CIP budget
Chief Robert Barteck explained with construction remodel projects we make our best guess beforehand as to what expenditures will be and problems encountered. The Central Fire Station is a relic and trying to do any type of resident renovations inside it is difficult. The project is not done yet as there were some delays. He indicated they see quite a bit of savings in the Phoenix G2 Project, which went much easier than anticipated and is completed.

There is an approximate $17,000 excess they'd like to transfer to the Station One remodel project. If there are any funds left after that, they'd like to install new desks in three of the offices that were ignored in the previous remodel in CIP 2020. The sit/stand desks would be for the EMS Division Chief, the Deputy Fire Chief, and for the Battalion Chief's office.

Motion by Martens, second by Watson to approve the transfer of funds. Motion carried 4-0.

Discussion and possible action regarding June, July and August 2021 financial reports

Maryanne Groat stated from a revenue standpoint the only concerning item is the interest on investments. She explained there were two factors impacting the significant drop. Accounting practices require that we adjust our investments to market. She indicated on December 31, 2020 they were adjusted to show their value was higher than par value because they had been purchased at a time when interest rates were high and have now bottomed out. She stated we are only able to recognize investment income of $62,000 because much of it was recorded last year.

Groat reported permit revenues were doing well and fines & forfeitures also increased. Expenses are lagging behind last year, helped by position vacancies and the mild winter.

The complete financial reports for June, July, and August can be accessed in the Finance packet online: https://www.ci.wausau.wi.us/Portals/0/Departments/Council/Archives/Standing%20Committees/Finance%20Committee/2021/FINC_20210928_Packet.pdf

Adjourn

Motion by Watson, second by Herbst to adjourn the meeting. Motion carried unanimously. Meeting adjourned at 5:42 pm.

Planning, Community and Economic Development

MEMO

TO: Finance Committee Members

FROM: Tammy Stratz, Community Development Manager

DATE: September 28, 2021

RE: Reprogramming of Community Development Block Grant funds

As you know, the City of Wausau receives Community Development Block Grant (CDBG) funds from the Federal Housing and Urban Development. These funds need to be committed and expended in a timely manner so not to jeopardize future funding opportunity.

The Citizens Advisory Committee held a public hearing on Monday, September 27, 2021 to recommend the reallocation of $70,000 from the 2020 Economic Development program fund into the Housing Rehabilitation Loan fund. With the Covid pandemic, MCDEVCO (the not-for profit organization that operates this Economic Development loan funds on behalf of the City of Wausau) has been concentrating on assisting businesses who were negatively affected by the pandemic. There has not been many requests for startup businesses nor expansions. Currently there was only one loan within the last three years. In addition, MCDEVCO manages the revolving loan funds for when loans are repaid. That fund have grown over the last couple of years that they currently do not need the additional new funds. Therefore, we need to direct these funds to a more effective activity.

If you have any questions regarding this request, please call me at 715-261-6682 or e-mail me at tammy.stratz@ci.wausau.wi.us. Thank you for your input and your continued support of the CDBG program.

CITY OF WAUSAU, 407 Grant Street, Wausau, WI 54403

RESOLUTION OF THE FINANCE COMMITTEE

Approving Reprogramming of 2020 Community Development Block Grant funds from an Economic Development Activity into a Housing Rehabilitation Activity.

Committee Action:

Fiscal Impact: $0

File Number:	**Date Introduced:** October 26, 2021

	FISCAL IMPACT SUMMARY		
COSTS	*Budget Neutral*	Yes ☒ No ☐	Comm. Develop. Block Grant funding
	Included in Budget:	Yes ☐ No ☐	*Budget Source:*
	One-time Costs:	Yes ☐ No ☐	*Amount:*
	Recurring Costs:	Yes ☐ No ☐	*Amount:*
SOURCE	*Fee Financed:*	Yes ☐ No ☐	*Amount:*
	Grant Financed:	Yes ☐ No ☐	*Amount:*
	Debt Financed:	Yes ☐ No ☐	*Amount* *Annual Retirement*
	TID Financed:	Yes ☐ No ☐	*Amount:*
	TID Source: Increment Revenue ☐ *Debt* ☐ *Funds on Hand* ☐ *Interfund Loan* ☐		

RESOLUTION

WHEREAS the Community Development Block Grant (CDBG) funds that the City of Wausau receives on an annual basis is monitored and needs to be expended in a timely manner to meet CDBG Federal Regulations through the Department of Housing and Urban Development; and

WHEREAS, $70,000 was allocated to an Economic Development Loan Activity in the 2020 program year of which those funds have yet been able to be committed to an approved business loan; and

WHEREAS, the Economic Development Loan fund maintains a revolving loan fund of which these funds should be utilized before additional funds are allocated to that program. This revolving loan fund has grown over the years as to which new funds are not currently needed;

WHEREAS it is necessary to reprogram the $70,000 from the Economic Development Activity into the City's Housing Rehabilitation Activity in order to expend those funds in a timely manner according to the federal guidelines, and

WHEREAS the Citizen's Advisory Committee for Community Development held a public hearing on September 27, 2021 to receive public comments on said reprogramming and recommends to the Finance Committee that said funds be reprogrammed; and now therefore

BE IT RESOLVED, the Common Council of the City of Wausau hereby approves the reprogramming of $70,000 from the Economic Development Loan activity to the Housing Rehabilitation Loan activity to assist with additional homeowner rehabilitation loans through the City of Wausau, and

BE IT FURTHER RESOLVED, that the proper city officials and staff are hereby authorized and directed to execute any and or all documents or agreements which are necessary to accomplish the reprogramming of funds.

Approved:

____

Katie Rosenberg

CliftonLarsonAllen LLP
CLAconnect.com

To the City Council and Management
City of Wausau
Wausau, Wisconsin

We have audited 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, 2020, and have issued our report thereon dated August 2, 2021. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards* as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by City of Wausau are described in Note 1 to the financial statements.

No new accounting policies were adopted for the year ended December 31, 2020.

We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management's estimate of the other postemployment benefits is based on an actuarial report. We evaluated the key factors and assumptions used to develop the other postemployment benefits in determining that it is reasonable in relation to the financial statements taken as a whole.

- Management's estimate of the depreciable life of the capital assets is based upon analysis of the expected useful life of the capital assets. We evaluated the key factors and assumptions and the consistency in these factors and assumptions used to develop the depreciable life in determining that it is reasonable in relation to the financial statements taken as a whole.

- Management's estimate of the fair value of the investments is based on ending market values as of December 31, 2020, as reported by the investment managers. We evaluated the key factors and assumptions used in valuing the investments in determining that they are reasonable in relation to the financial statements taken as a whole.

- Management's estimate of compensated absences benefits is based upon analysis of the employees' sick leave balance. We evaluated the key factors and assumptions and the consistency in these factors and assumptions used to develop the accumulated sick leave liability in determining that it is reasonable in relation to the financial statements taken as a whole.

- Management estimated an allowance for uncollectible accounts for accounts receivable outstanding. These estimates are based upon management's knowledge and past experience with the outstanding balances. We evaluated the key factors and assumptions used to develop this estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

- Management's estimate of the incurred, but not reported (IBNR) insurance reserves are based on actuarial projections of the expected cost of the ultimate settlement and administration of claims. We evaluated the key factors and assumptions used to develop the reserves in determining that it is reasonable in relation to the financial statements taken as a whole.

- Management's estimate of the net pension liability (asset) and related deferred outflows/inflows of resources is based on information received from the Wisconsin Retirement System. We evaluated the key factors and assumptions used to develop the net pension liability (asset) and related deferred outflows/inflows of resources in determining that they are reasonable in relation to the financial statements taken as a whole.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties encountered in performing the audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management did not identify and we did not notify them of any uncorrected financial statement misstatements.

Corrected misstatements

None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

Management representations

We have requested certain representations from management that are included in the attached management representation letter dated August 2, 2021.

Management consultations with other independent accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the entity's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Significant issues discussed with management prior to engagement

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the entity's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

Other information in documents containing audited financial statements

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

With respect to the combining and individual fund statements and schedules (collectively, the supplementary information) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period or the reasons for such changes, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated August 2, 2021.

Our auditors' opinion, the audited financial statements, and the notes to financial statements should only be used in their entirety. Inclusion of the audited financial statements in a document you prepare, such as an annual report, should be done only with our prior approval and review of the document.

* * *

This communication is intended solely for the information and use of the City Council and management of the City of Wausau, Wisconsin, and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Wausau, Wisconsin
August 2, 2021

Maryanne Groat –Director of Finance
Emily Ley – Asst. Finance Director

TEL: (715) 261-6640
FAX: (715) 261-6626

FINANCE DEPARTMENT

August 2, 2021

CliftonLarsonAllen LLP
311 Financial Way, Suite 100
Wausau, Wisconsin 54401

This representation letter is provided in connection with your audit of the financial statements of the City of Wausau, Wisconsin, which comprise 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 as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, as of August 2, 2021, the following representations made to you during your audit of the financial statements as of and for the year ended December 31, 2020.

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated October 23, 2020, for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP. The financial statements include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
2. We acknowledge and have fulfilled our responsibility 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.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
5. Significant estimates have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP. Significant estimates are estimates at the financial statement date that could change materially within the next year.
6. Related party relationships and transactions, including, but not limited to, revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.

7. All events occurring subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.

8. You have proposed adjusting journal entries that have been posted to the entity's accounts. We have reviewed and approved those adjusting journal entries and understand the nature of the changes and their impact on the financial statements. We are in agreement with those adjustments and accept responsibility for them.

   We have not identified or been notified of any uncorrected financial statement misstatements.

9. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.

10. Guarantees, whether written or oral, under which the entity is contingently liable, if any, have been properly recorded or disclosed in accordance with U.S. GAAP.

11. The fact that the amount of "uncollateralized" deposits or "uninsured, unregistered securities held by the counterparty, or by its trust department or agent but not in the entity's name" during the period significantly exceeded the amounts in those categories as of the financial statement date was properly disclosed in the financial statements.

12. Receivables recorded in the financial statements represent valid claims against debtors for transactions arising on or before the financial statement date and have been reduced to their estimated net realizable value.

13. The methods and significant assumptions used to determine fair values of financial instruments are as follows: Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The methods and significant assumptions used result in a measure of fair value appropriate for financial statement measurement and disclosure purposes.

14. We have no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.

15. We believe that the actuarial assumptions and methods used to measure pension and other postemployment benefits (OPEB) liabilities and costs for financial accounting purposes are appropriate in the circumstances.

16. We do not plan to make frequent amendments to our pension or other postretirement benefit plans.

Information Provided

1. We have provided you with:

   a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters.

   b. Additional information that you have requested from us for the purpose of the audit.

   c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

   d. Complete minutes of the meetings of the governing board and related committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.

   e. Access to all audit or relevant monitoring reports, if any, received from funding sources.

2. All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards.

3. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

4. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:

    a. Management;

    b. Employees who have significant roles in internal control; or

    c. Others when the fraud could have a material effect on the financial statements.

5. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, grantors, regulators, or others.

6. We have no knowledge of any instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse whose effects should be considered when preparing financial statements.

7. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.

8. There are no other material liabilities or gain or loss contingencies that are required to be accrued or disclosed in accordance with U.S. GAAP.

9. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

10. The entity has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets, nor has any asset been pledged as collateral, except as made known to you and disclosed in the financial statements.

11. We have a process to track the status of audit findings and recommendations.

12. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.

13. We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.

14. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to the City of Wausau, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations, and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.

15. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.

16. The entity has complied with all aspects of contractual or grant agreements that would have a material effect on the financial statements in the event of noncompliance.

17. We have complied with all restrictions on resources (including donor restrictions) and all aspects of contractual and grant agreements that would have a material effect on the financial statements in the event of noncompliance. This includes complying with donor requirements to maintain a specific asset composition necessary to satisfy their restrictions.

18. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.

19. The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures, jointly governed organizations, and other related organizations.

20. The financial statements properly classify all funds and activities.

21. All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.

22. Components of net position (net investment in capital assets; restricted; and unrestricted) and equity amounts are properly classified and, if applicable, approved.

23. Investments, derivative instruments, and land and other real estate held by endowments are properly valued.

24. Provisions for uncollectible receivables have been properly identified and recorded.

25. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.

26. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.

27. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.

28. Deposits and investment securities and derivative instruments are properly classified as to risk and are properly valued and disclosed.

29. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.

30. We have appropriately disclosed the entity's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.

31. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

32. We acknowledge our responsibility for presenting the Detailed Budgetary Comparison Schedules, the Combining Statements, and Capital Asset Schedules (the supplementary information) in accordance with U.S. GAAP, and we believe the supplementary information, including its form and content, is fairly presented in accordance with U.S. GAAP. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information. If the supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditors' report thereon.

Signature: ______________________ Title: Finance Director/Treasurer
Maryanne Groat

CITY OF WAUSAU
Wausau, Wisconsin

ANNUAL
FINANCIAL REPORT

For the Year Ended
December 31, 2020

Finance Department
Maryanne Groat, CPA, Finance Director / Treasurer
Emily Ley, Assistant Finance Director

CITY OF WAUSAU, WISCONSIN
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended December 31, 2020
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INDEPENDENT AUDITORS' REPORT

To the City Council
Wausau, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Wausau, Wisconsin (the City) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

To the City Council
Wausau, Wisconsin

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 12, the general fund budgetary comparison schedule on page 89 and the schedules relating to pensions and other postemployment benefits on pages 90 through 92 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

To the City Council
Wausau, Wisconsin

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 2, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over the City's financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Wausau, Wisconsin
August 2, 2021

The City of Wausau (City) presents the following discussion and analysis of the City's financial performance during the fiscal year ended December 31, 2020. 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 $250,813,390. Of this amount, $14,594,304 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.

- During 2020, the City's total net position increased $9,185,565 from the 2019 net position, or approximately 3.8%.

- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $19,199,077, a decrease of $3,047,212 from the prior year. The total unassigned fund balance of $4,712,648 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 $10,877,687, or 31.27% of expenditures. Of this amount, $766,533 is committed or assigned and $10,111,154 is unassigned.

- The City's total general obligation debt increased $4,521,000, or 6.01%. The City retired $6,600,000 of anticipation notes. These two changes resulted in a decrease in outstanding debt for governmental purposes.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. To assess the overall health of the City you need to consider additional non-financial factors, such as changes in the City's property tax base and the condition of the City's infrastructure.

The *Statement of Activities* presents information showing how the City's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods (examples include: uncollected taxes and earned but unused compensated absences.) An important purpose of the design of the Statement of Activities is to show the financial reliance of the City's distinct activities or functions on revenues provided by the City's taxpayers.

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

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

The government-wide financial statements are presented on pages 13-16 of this report.

Fund Financial Statements

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Fund accounting is also used to ensure and demonstrate compliance with finance related legal requirements placed on resources.

Fund financial statements are used to present financial information detailing resources that have been identified for specific activities. Within the basic financial statements, fund financial statements focus on the City's most significant funds rather than the City as a whole. Major funds are reported separately, while all others are combined into a single, aggregate presentation. Individual fund data for non-major funds is provided in the form of combining statements in the supplementary statements.

The City has three kinds of funds:

Governmental Funds are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide statement, governmental fund financial statements focus on the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating annual financing requirements of government programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to assist in understanding the differences between these two perspectives.

The City of Wausau maintains twenty-eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Debt Service Fund, TID #3 Downtown Development Fund and the Capital Improvements Fund, all of which are considered to be major funds. Data for the other twenty-four governmental funds is combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in the supplementary statements.

Budgetary comparison information for the general fund is included in the required supplementary information. This statement demonstrates compliance with the City's adopted and final revised budget.

The basic governmental fund financial statements are presented on pages 17-20 of this report.

Proprietary Funds are reported in the fund financial statements and generally report services for which the City charges customers a fee. The City maintains two types of proprietary funds. *Enterprise funds* are used to report the functions presented in business-type activities in the government-wide financial statements. Services are provided to customers external to the City organization and include the water, wastewater, parking, Metro Ride, airport and animal control funds. The City's *internal service funds*, the Motor Pool, Insurance, Employee Benefits and Employee HRA/Wellness funds, accumulate and allocate costs internally among the City's various functions. Because the City's internal service funds primarily serve governmental functions, they have been included within the governmental activities of the government-wide financial statements.

Proprietary fund financial statements provide separate and more detailed information for the water, wastewater, parking and Metro Ride enterprise funds, which are considered to be major funds, and the four internal service funds. Individual fund data for the two nonmajor enterprise funds and for each of the internal service funds is provided in combining statements elsewhere in the supplementary statements.

The basic proprietary fund financial statements can be found on pages 21-26 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 27-28 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 29 of this report.

Other information is provided in addition to the basic financial statements and accompanying notes. This required supplementary and other information consists of combining and individual fund schedules which can be found on pages 89-130 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, the City of Wausau's net position at fiscal year-end is $250,813,390.

By far, the largest portion of the City of Wausau's net position (85.91%) 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	
	2020	2019	2020	2019	2020	2019
Current and other assets	$ 87,376,069	$ 88,094,180	$ 15,927,994	$ 17,866,693	$ 103,304,063	$ 105,960,873
Capital assets	188,786,489	182,433,950	146,310,991	113,629,120	335,097,480	296,063,070
Total assets	276,162,558	270,528,130	162,238,985	131,495,813	438,401,543	402,023,943
Deferred outflows of resources	12,622,194	15,185,091	1,799,364	2,281,716	14,421,558	17,466,807
Non-current liabilities	86,387,881	94,286,435	45,860,408	26,687,288	132,248,289	120,973,723
Other liabilities	7,719,997	9,426,490	8,048,941	2,927,171	15,768,938	12,353,661
Total liabilities	94,107,878	103,712,925	53,909,349	29,614,459	148,017,227	133,327,384
Deferred inflows of resources	50,452,123	41,967,150	3,540,361	2,568,391	53,992,484	44,535,541
Net position:						
Net investment in capital assets	121,599,703	118,277,467	93,882,529	89,021,475	212,800,619	207,298,942
Restricted	17,933,335	9,678,851	2,803,519	2,812,995	20,736,854	12,491,846
Unrestricted	4,691,713	12,076,828	9,902,591	9,760,209	17,275,917	21,837,037
Total net position	$ 144,224,751	$ 140,033,146	$ 106,588,639	$ 101,594,679	$ 250,813,390	$ 241,627,825

An additional portion of the City's net position (8.27%) represents resources that are subject to restrictions on how they may be used. The remaining balance represents unrestricted net position of $17,275,917 which may be used to meet the government's ongoing obligations to citizens and creditors.

The City's total net position increased by $9,185,565 for the current fiscal year. The changes by net position category are as follows:

Net investment in capital assets	$ 8,183,290
Restricted	8,245,008
Unrestricted	(7,242,733)
Total	$ 9,185,565

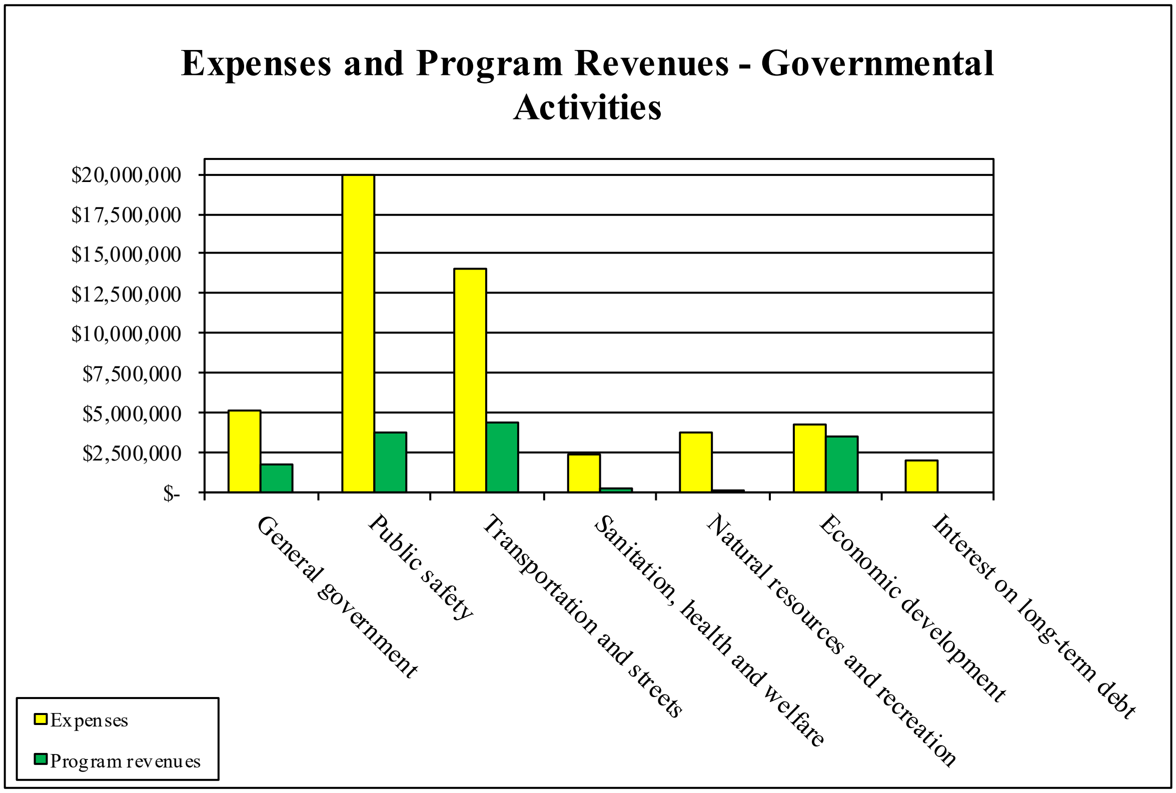
The City invested heavily in capital assets which is evident in the Net Investment change.

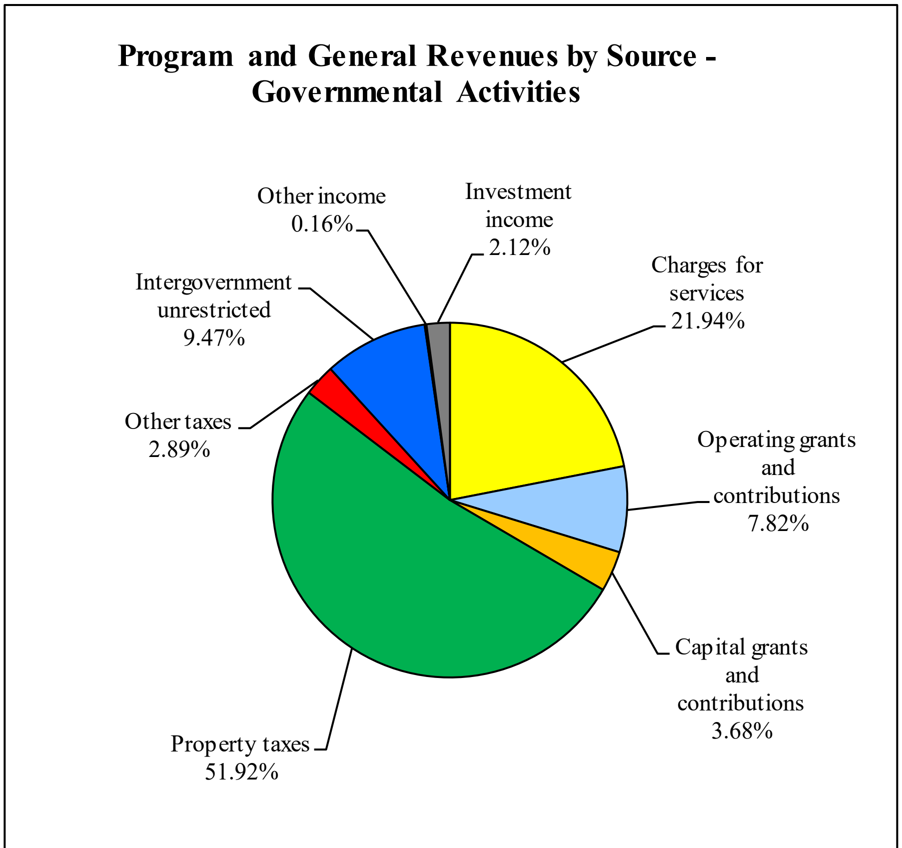
The following table provides a summary of the City's operations for the year ended December 31, 2020 and a comparison to the year ended December 31, 2019.

CITY OF WAUSAU
CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	Governmental Activities		Business-type Activities		Total	
Revenues:	2020	2019	2020	2019	2020	2019
Program Revenues						
Charges for services	$ 5,551,086	$ 13,354,777	$ 13,912,236	$ 13,561,190	$ 19,463,322	$ 26,915,967
Operating grants and contributions	5,631,109	4,763,459	2,805,942	1,979,869	8,437,051	6,743,328
Capital grants and contributio	2,496,000	2,244,026	2,977,254	-	5,473,254	2,244,026
General Revenues						
Property taxes	33,191,307	31,620,747	1,385,196	1,022,160	34,576,503	32,642,907
Other taxes	1,183,334	1,757,129	-	-	1,183,334	1,757,129
Grants and contributions not purposes	5,687,538	5,765,904	-	-	5,687,538	5,765,904
Investment income	866,991	1,291,217	20,618	121,438	887,609	1,412,655
Other	52,995	100,035	-	-	52,995	100,035
Total Revenues	54,660,360	60,897,294	21,101,246	16,684,657	75,761,606	77,581,951
Expenses						
General government	5,161,884	4,632,001	-	-	5,161,884	4,632,001
Public safety	19,937,574	20,546,637	239,717	223,094	20,177,291	20,769,731
Transportation and streets	14,105,886	14,629,490	5,377,858	6,100,965	19,483,744	20,730,455
Sanitation, health and welfare	2,300,156	1,975,798	-	-	2,300,156	1,975,798
Natural resources and recreation	3,765,436	4,166,895	-	-	3,765,436	4,166,895
Economic development	4,269,708	14,015,205	-	-	4,269,708	14,015,205
Interest on long term debt	2,044,516	2,310,911	-	-	2,044,516	2,310,911
Water	-	-	4,432,857	4,475,498	4,432,857	4,475,498
Wastewater	-	-	4,940,449	5,203,560	4,940,449	5,203,560
Total Expenses	51,585,160	62,276,937	14,990,881	16,003,117	66,576,041	78,280,054
Increase (decrease) in net position before transfers	3,075,200	(1,379,643)	6,110,365	681,540	9,185,565	(698,103)
Gain on sale of capital assets	-	-	-	-	-	-
Transfers	1,116,405	413,199	(1,116,405)	(413,199)	-	-
Increase (decrease) in net position	4,191,605	(966,444)	4,993,960	268,341	9,185,565	(698,103)
Net position - January 1	140,033,146	106,588,639	101,594,679	101,326,338	241,627,825	207,914,977
Net position - December 31	$ 144,224,751	$ 105,622,195	$ 106,588,639	$ 101,594,679	$ 250,813,390	$ 207,216,874

Governmental activities increased the City's net position by $4,191,605. Business-type activities increased the City's net position by $4,993,960. Capital contributions in the business-type activities for the year ended December 31, 2020 were $1,109,337.



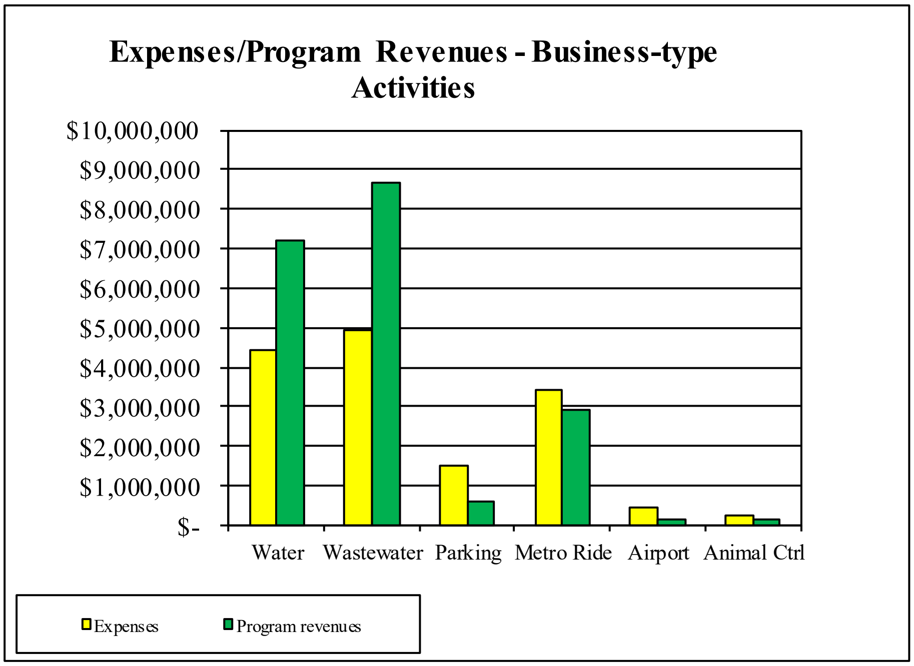


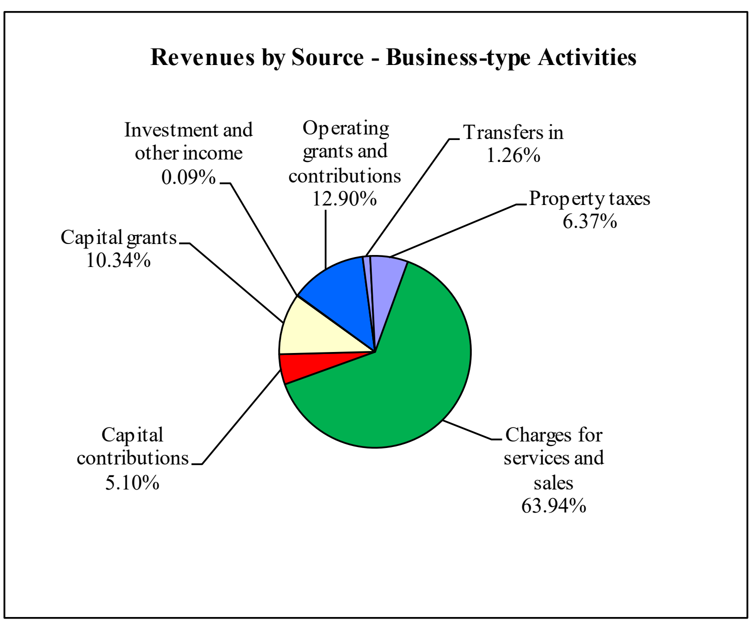
Business-type activities increased the City of Wausau's net position by $4,993,960. Key elements of the increase are as follows:

Operating revenues for business-type activities increased by $351,046 while total operating expenses decreased by $996,876 for a net increase in operating income for the year of $1,347,922 over the prior year. Total operating income for the year ended December 31, 2020 was $13,912,236 while net nonoperating expenses were $389,151. Additional factors contributed to the overall increase in net position for the year ended December 31, 2020 including:

- Capital contributions of $102,964, $624,290 and $382,083 in the Water Uility Fund, Wasterwater Utility Fund, and Parking fund, respectively
- Transfers in of $250,000 and $25,000 to the Parking fund and Airport fund, respectively
- Transfers out of $1,279,488 in the Water utility and $494,000 in the Wastewater utility

The capital contributions to the Water and Sewer Utility Funds represent infrastructure installed by private developers. The Parking Fund capital contribution represent the construction of new and upgrades to parking facilities.





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 $19,199,077, a decrease of $3,047,212 from the prior year. Approximately 24.29% of this amount ($4,663,810) constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of the fund balance is either nonspendable, restricted, or committed to indicate that it is 1) not in spendable form ($3,795,350), 2) restricted for particular purposes ($8,420,309), or 3) committed for particular purposes ($2,319,608). The net decrease is due to an increase in the General Fund of $1,041,962, a decrease in the Debt Service Fund of $510,891, a decrease in the TID #3 Downtown Development Fund of $1,644,131 a decrease in the Capital Improvements Fund of $1,025,556, and a decrease in the nonmajor governmental funds of $908,596. Of the nonmajor governmental funds the two with the largest decreases in fund balance were the TID #7 West Side Development fund of $355,384 and TID #8 Near West Side fund of $1,643,853.

Major Governmental Funds

The General Fund is the City's primary operating fund and the largest source of day-to-day service delivery. The fund balance of the General Fund increased $1,041,962 to $14,673,037. The City reported expenditures and other financing uses less than anticipated budget for 2020 in the amount of $522,509 while total revenues and other financing sources exceeded budget by $1,350,876. The main reason for the positive result in total revenues compared to budget was due to larger than expected gains on investments, permit revenues and COVID-19 grant funding. General operations have had a positive impact on the unassigned fund balance, which was $10,111,154 at year-end. Unassigned fund balance increased by $746,472 from 2019 due to positive operating results as explained above. As a measure of the General Fund's liquidity, it's useful to compare both unrestricted fund balance and total fund balance to total fund expenditures. Unrestricted fund balance represents 31.27 percent of general fund expenditures, while total fund balance represents 42.18 percent of the same amount.

The Debt Service fund balance of $568,003 at year end represents a $510,891 decrease in fund balance from the previous year. The available balance reflects amounts restricted to pay debt service.

The TID #3 Downtown Development deficit fund balance of $2,263,060 at the end of 2020 represents an decrease in fund balance of $1,644,131 from the prior year due to the spending of prior debt proceeds for the riverfront site development costs. The deficit fund balance is anticipated to be reduced as projects are completed and development occurs.

Capital Improvements fund balance of $1,451,111 represents a decrease in fund balance of $1,025,556 from the prior year. This balance represents unexpended capital projects in process. These projects will be completed in future years.

Proprietary Funds

The proprietary fund statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status. Factors concerning the finances of these funds have already been addressed in the discussion of the City of Wausau's business-type activities.

General Fund Budgetary Highlights

- General Fund expenditures and other financing uses were less than budget by $522,509 for the current fiscal year. Cost savings occurred in all functional activities except public safety, which exceeded budget by $400,942 as a result of extra COVID precautions during the year.

- General Fund revenues and other financing sources exceeded budget expectations by $1,350,876. The most significant positive budget variances occurred in other grant of $690,662, licenses and permits of $169,984, and miscellaneous revenues of $453,802. Revenues above budgeted amounts were realized by all functional activities except for fines, forfeitures and penalties and public charges for services.

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, 2020 was $335,097,481. This investment in capital assets includes land, buildings and improvements, machinery, equipment, infrastructure and construction in progress. The total increase in net capital assets for the current fiscal year was $8,183,290 or approximately 3.79%.

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

Governmental Activities

- Street Improvements including: Cedar Street $897,607, 18th Avenue $299,146, Bridge Street Bridge $1,196,110, Fulton Street $891,215, Kickbusch Street $1,024,888
- Expansions of Riverwalk trail system: Thomas Street Riverwalk $1,111,964, Riverlife Trail 542,172

Business-type Activities

- The Water Utility treatment plant construction in progress $12,272,975
- The Wastewater utility plant construction in progress $22,865,121
- Siphon Replacement Projects Memorial Park location $2,513,922 and Thomas Street under construction $2,125,403
- Sewer Utility jet vac truck $632,365.
- Water utility installed water mains and other system support totaling $766,975.
- The Wastewater utility installed mains and other system support totaling $472,478.

City of Wausau
Capital Assets
(net of accumulated depreciation)

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	$ 47,180,177	$ 46,894,426	$ 5,072,454	$ 5,072,454	$ 52,252,631	$ 51,966,880
Buildings & improvements	29,064,754	27,944,614	17,897,545	18,636,822	46,962,299	46,581,436
Machinery & equipment	10,194,753	9,093,079	9,889,463	10,075,843	20,084,216	19,168,922
Infrastructure	96,017,124	93,650,480	74,987,733	71,768,803	171,004,857	165,419,283
Construction in progress	6,329,682	4,851,351	38,463,796	8,075,198	44,793,478	12,926,549
Total	$188,786,490	$182,433,950	$ 146,310,991	$ 113,629,120	$335,097,481	$296,063,070

Additional information on the City of Wausau's capital assets can be found in Note 3.C. on pages 48-50 of this report.

Long Term Debt

At the end of the current fiscal year, the City of Wausau had total debt outstanding of $107,484,779. $69,259,779 of the total amount comprises debt backed by the full faith and credit of the City of Wausau. $19,665,000 of the total amount comprises anticipation notes. $18,560,000 of the total amount comprises utility revenue bonds backed by pledged utility revenues, net of specified operating expenses.

City of Wausau Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
General obligation	$ 73,482,859	$ 68,661,979	$ 297,920	$ 597,800	$ 73,780,779	$ 69,259,779
Anticipation notes	8,010,000	14,610,000	-	5,055,000	8,010,000	19,665,000
Revenue bonds			17,340,000	18,560,000	17,340,000	18,560,000
Direct borrowings	-	-	26,873,921	-	26,873,921	-
	$ 81,492,859	$ 83,271,979	$ 44,511,841	$ 24,212,800	$ 126,004,700	$ 107,484,779

In 2020 the City issued debt as follows:

- 2020 General Obligation Promissory Notes, Series D $5,390,000; this debt financed capital improvements as outlined by the Capital Improvement Plan adopted by the common council as well as additional funding for the Westside Fire Station construction and furnishings, the City's Tax Incremental Financing District #3, Tax Incremental Financing District #8 and Tax Incremental Financing District #12.

- 2020 Taxable General Obligation Refunding Bonds, Series E $6,625,000; this debt redeemed Taxable Note Anticipation Notes Series 2017E of $6,660,000.

- State Trust Fund Loan $2,986,000; this debt financed capital improvements in Tax Increment District #6.
,
- 2020 Sewer Clean Water Fund direct borrowing $17,758,360; this debt financed costs of the sewer utility treatment plant improvements underway.

- 2020 Water Safe Drinking Fund direct borrowing $9,115,561; this debt financed costs of the water utility treatment plant construction.

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

Additional information regarding the City of Wausau's long-term debt can be found in Note 3.E. on pages 54-58 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 concerns regarding the pandemic were considered in preparing the 2021 budget for the City of Wausau.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

CITY OF WAUSAU, WISCONSIN
STATEMENT OF NET POSITION
December 31, 2020

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Unit
ASSETS				
Cash and investments	$ 35,672,273	$ 3,471,089	$ 39,143,362	$ 5,859,419
Receivables (net of allowance for uncollectible accounts)	44,842,915	7,003,659	51,846,574	240,497
Internal balances	269,726	(269,726)	-	-
Inventories and prepayments	1,229,421	411,337	1,640,758	12,969
Restricted assets:				
Cash and investments	-	4,547,643	4,547,643	1,237,831
Investment in joint venture	201,990	-	201,990	-
Other assets	-	-	-	21,202
Net pension asset	5,159,744	763,992	5,923,736	-
Capital assets (net of accumulated depreciation):				
Land	47,180,177	5,072,454	52,252,631	1,075,569
Buildings and improvements	29,064,754	17,897,545	46,962,299	12,448,401
Machinery and equipment	10,194,753	9,889,463	20,084,216	205,086
Infrastructure	96,017,123	74,987,733	171,004,856	-
Construction in progress	6,329,682	38,463,796	44,793,478	-
TOTAL ASSETS	276,162,558	162,238,985	438,401,543	21,100,974
DEFERRED OUTFLOWS OF RESOURCES				
Pension related amounts	12,200,181	1,756,728	13,956,909	-
OPEB related amounts	389,389	42,636	432,025	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	12,589,570	1,799,364	14,388,934	-

(Continued on next page)

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Unit
LIABILITIES				
Accounts payable and other current liabilities	$ 5,822,317	$ 7,570,094	$ 13,392,411	$ 254,519
Accrued interest payable	609,713	176,135	785,848	-
Accrued liability - claims payable	823,130	-	823,130	-
Due to other governments	18,912	210,733	229,645	-
Unearned revenues	464,200	91,979	556,179	75,096
Noncurrent liabilities:				
Due within one year	9,740,029	1,567,920	11,307,949	25,654
Due in more than one year:				
Long-term obligations (net of unamortized costs)	75,149,433	44,182,755	119,332,188	788,749
OPEB liability	1,480,144	109,733	1,589,877	-
TOTAL LIABILITIES	94,107,878	53,909,349	148,017,227	1,144,018
DEFERRED INFLOWS OF RESOURCES				
Property taxes levied for subsequent year	34,891,049	1,230,813	36,121,862	-
Pension related amounts	15,460,472	2,289,196	17,749,668	-
OPEB related amounts	227,054	20,352	247,406	-
TOTAL DEFERRED INFLOWS OF RESOURCES	50,578,575	3,540,361	54,118,936	-
NET POSITION				
Net investment in capital assets	121,897,623	93,882,529	213,098,539	12,979,056
Restricted for:				
Capital improvements	10,258,584	2,039,527	12,298,111	-
Community development programs	8,393,779	-	8,393,779	88,053
Environmental clean up	1,546,261	-	1,546,261	-
Grants and special purpose accounts	1,196,472	-	1,196,472	-
Pension benefits	5,159,744	763,992	5,923,736	-
Unrestricted	(4,386,788)	9,902,591	8,197,416	6,889,847
TOTAL NET POSITION	$ 144,065,675	$ 106,588,639	$ 250,654,314	$ 19,956,956

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

CITY OF WAUSAU, WISCONSIN
STATEMENT OF ACTIVITIES
Year Ended December 31, 2020

		Program Revenues		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	$ 5,171,765	$ 1,731,123	$ 50,977	$ -
Public safety	20,066,724	2,591,461	1,108,059	-
Transportation and streets	14,120,868	244,646	2,981,077	1,119,149
Sanitation, health and welfare	2,300,648	10,064	237,469	-
Natural resources and recreation	3,765,436	151,768	-	-
Economic development	4,274,279	822,024	1,253,527	1,376,851
Interest on long-term debt	2,044,516	-	-	-
Total governmental activities	51,744,236	5,551,086	5,631,109	2,496,000
Business-type activities:				
Water	4,432,857	6,591,096	-	602,964
Wastewater	4,940,449	6,282,461	-	2,374,290
Parking	1,517,258	586,016	-	-
Metro Ride	3,406,497	160,430	2,773,107	-
Airport	454,103	158,948	-	-
Animal Control	239,717	133,285	32,835	-
Total business-type activities	14,990,881	13,912,236	2,805,942	2,977,254
Total primary government	$ 66,735,117	$ 19,463,322	$ 8,437,051	$ 5,473,254
Component unit:				
Community Development Authority	$ 3,282,482	$ 1,124,567	$ 1,981,350	$ 151,390

General revenues:
Property taxes, levied for general purposes
Property taxes, levied for debt service
Property taxes, levied for capital purposes
Property taxes, levied for TIF
Other taxes
Grants and contributions not restricted to specific purposes
Investment income
Miscellaneous
Transfers
Total general revenues and transfers
Change in net position

Net position - beginning of year

Net position - end of year

(Continued on next page)

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-Type Activities	Total	Component Unit
$ (3,389,665)	$ -	$ (3,389,665)	$ -
(16,367,204)	-	(16,367,204)	-
(9,775,996)	-	(9,775,996)	-
(2,053,115)	-	(2,053,115)	-
(3,613,668)	-	(3,613,668)	-
(821,877)	-	(821,877)	-
(2,044,516)	-	(2,044,516)	-
(38,066,041)	-	(38,066,041)	-
-	2,761,203	2,761,203	-
-	3,716,302	3,716,302	-
-	(931,242)	(931,242)	-
-	(472,960)	(472,960)	-
-	(295,155)	(295,155)	-
-	(73,597)	(73,597)	-
-	4,704,551	4,704,551	-
(38,066,041)	4,704,551	(33,361,490)	-
-	-	-	(25,175)
19,666,633	1,385,196	21,051,829	-
4,123,000	-	4,123,000	-
921,865	-	921,865	-
8,479,809	-	8,479,809	-
1,183,334	-	1,183,334	-
5,687,538	-	5,687,538	-
866,991	20,618	887,609	48,452
52,995	-	52,995	-
1,116,405	(1,116,405)	-	-
42,098,570	289,409	42,387,979	48,452
4,032,529	4,993,960	9,026,489	23,277
140,033,146	101,594,679	241,627,825	19,933,679
$ 144,065,675	$ 106,588,639	$ 250,654,314	$ 19,956,956

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

CITY OF WAUSAU, WISCONSIN
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2020

	General	Debt Service	TID #3 Downtown Development	Capital Improvements	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and investments	$ 17,535,915	$ 1,934,855	$ 1,030,180	$ 1,639,500	$ 9,036,385	$ 31,176,835
Receivables (net of allowance for uncollectible accounts):						
Taxes	14,886,218	2,756,148	1,725,210	330,028	5,019,205	24,716,809
Accounts	1,296,991	-	567,905	853	248,925	2,114,674
Notes	-	-	1,212,512	-	16,018,434	17,230,946
Federal, state and local governments	27,289	-	-	434,667	570,215	1,032,171
Special assessments	-	-	-	306,669	-	306,669
Interest	58,990	-	-	-	-	58,990
Due from other funds	1,233,037	-	-	-	336,000	1,569,037
Advances to other funds	3,324,839	-	-	-	1,427,432	4,752,271
Inventories and prepayments	470,511	-	-	-	-	470,511
TOTAL ASSETS	$ 38,833,790	$ 4,691,003	$ 4,535,807	$ 2,711,717	$ 32,656,596	$ 83,428,913
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts payable	$ 1,174,111	$ -	$ 375,178	$ 460,238	$ 863,363	$ 2,872,890
Accrued payroll and benefits	2,235,810	-	-	-	29,193	2,265,003
Due to other governments	18,912	-	-	-	-	18,912
Due to other funds	-	-	171,058	-	1,128,253	1,299,311
Unearned revenues	-	-	-	-	46,053	46,053
Advances from other funds	-	-	2,459,329	-	2,292,942	4,752,271
Total Liabilities	3,428,833	-	3,005,565	460,238	4,359,804	11,254,440
Deferred Inflows of Resources:						
Unavailable revenue	546,732	-	1,212,512	306,669	16,018,434	18,084,347
Property taxes levied for subsequent year	20,185,188	4,123,000	2,580,790	493,699	7,508,372	34,891,049
Total Deferred Inflows of Resources	20,731,920	4,123,000	3,793,302	800,368	23,526,806	52,975,396
Fund balances:						
Nonspendable	3,795,350	-	-	-	-	3,795,350
Restricted	-	568,003	-	1,358,485	6,493,821	8,420,309
Committed	766,533	-	-	92,626	1,460,449	2,319,608
Unassigned (deficit)	10,111,154	-	(2,263,060)	-	(3,184,284)	4,663,810
Total Fund Balances	14,673,037	568,003	(2,263,060)	1,451,111	4,769,986	19,199,077
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 38,833,790	$ 4,691,003	$ 4,535,807	$ 2,711,717	$ 32,656,596	$ 83,428,913

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

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

December 31, 2020

		Total Governmental Funds
Fund balances - total governmental funds		$ 19,199,077
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in government activities are not financial resources and therefore are not reported in the fund financial statements. Capital assets at year-end (excluding internal service funds) consist of:		
Construction in progress	$ 6,329,682	
Land	47,180,177	
Other capital assets, net of depreciation	135,276,630	
Less: Internal service fund included below	(6,736,358)	182,050,131
Special assessments, loans receivable, and various other receivables are reported as unavailable revenue in the fund financial statements and are recognized as revenue when earned in the government-wide financial statements. These types of unavailable revenues at year-end consist of:		
Special assessments receivable	306,669	
Loans and mortgages receivable	17,230,946	
Unpaid fines and forfeitures receivable	546,732	18,084,347
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.		(676,906)
Net pension amounts in governmental funds are not financial resources and, therefore, are not reported in the funds.		
Net pension asset		5,057,348
Deferred ouflows of resources		11,964,245
Deferred inflows of resources		(15,153,657)
OPEB amounts in governmental funds are not financial resources and, therefore, are not reported in the funds.		
Deferred ouflows of resources		383,601
Deferred inflows of resources		(224,291)
Net OPEB Liability		(1,465,248)
Investment in joint venture is not a financial resource and, therefore, is not reported in the funds.		201,990
Internal service funds are used to charge the costs of motor pool, insurance and employee benefits to individual funds. These assets and liabilities of these funds are included in governmental activities in the statement of net position.		10,144,213
Long-term liabilities, including bonds and notes payable, are not due in the current period and therefore are not reported in the fund statements. Long-term liabilities at year-end consist of:		
Bonds and notes payable	(81,492,859)	
Accrued interest payable	(609,713)	
Compensated absences	(1,163,077)	(83,265,649)
Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. These amounts are the net effect of these differences:		
(Premium)/discount on debt		(2,233,526)
Net position of governmental activities		$ 144,065,675

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

CITY OF WAUSAU, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended December 31, 2020

	General	Debt Service	TID #3 Downtown Development	Capital Improvements	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	$ 19,147,166	$ 4,123,000	$ 2,646,873	$ 446,865	$ 7,622,200	$ 33,986,104
Special assessments	-	-	-	260,671	3,551	264,222
Intergovernmental	9,683,770	-	889,877	119,192	2,178,728	12,871,567
Licenses and permits	1,001,776	-	-	-	57,000	1,058,776
Fines, forfeitures and penalties	246,706	-	-	-	-	246,706
Public charges for services	2,143,307	-	-	-	6,622	2,149,929
Intergovernmental charges for services	1,290,058	-	-	-	-	1,290,058
Miscellaneous revenues	1,150,340	1,370	168,967	161,629	1,279,772	2,762,078
Total Revenues	34,663,123	4,124,370	3,705,717	988,357	11,147,873	54,629,440
EXPENDITURES						
Current:						
General government	4,599,063	-	-	-	47,276	4,646,339
Public safety	18,987,289	-	-	-	341,994	19,329,283
Transportation and streets	7,894,417	-	-	-	-	7,894,417
Sanitation, health and welfare	924,445	-	-	-	1,376,285	2,300,730
Natural resources and recreation	2,383,435	-	-	-	137,679	2,521,114
Economic development	-	-	143,084	-	4,115,216	4,258,300
Capital outlay	-	-	3,122,590	5,624,658	5,600,447	14,347,695
Debt service:						
Principal retirement	-	16,780,120	-	-	-	16,780,120
Interest and debt service charges	-	2,307,883	19,755	23,610	86,655	2,437,903
Total Expenditures	34,788,649	19,088,003	3,285,429	5,648,268	11,705,552	74,515,901
Excess (Deficiency) of Revenues over Expenditures	(125,526)	(14,963,633)	420,288	(4,659,911)	(557,679)	(19,886,461)
OTHER FINANCING SOURCES (USES)						
Issuance of debt	-	-	1,175,000	2,975,000	10,851,000	15,001,000
Premium on debt issued	-	165,291	60,573	-	113,897	339,761
Transfers in	1,755,488	14,287,451	1,222,708	659,355	1,258,156	19,183,158
Transfers out	(588,000)	-	(4,522,700)	-	(12,573,970)	(17,684,670)
Total Other Financing Sources (Uses)	1,167,488	14,452,742	(2,064,419)	3,634,355	(350,917)	16,839,249
Net Change in Fund Balance	1,041,962	(510,891)	(1,644,131)	(1,025,556)	(908,596)	(3,047,212)
Beginning fund balances	13,631,075	1,078,894	(618,929)	2,476,667	5,678,582	22,246,289
Ending fund balances	$ 14,673,037	$ 568,003	$ (2,263,060)	$ 1,451,111	$ 4,769,986	$ 19,199,077

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

CITY OF WAUSAU, WISCONSIN
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2020

Net change in fund balances - total governmental funds		$ (3,047,212)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capital outlay is capitalized in the government-wide statements	$ 14,347,695	
Some capital outlay is not capitalized in the government-wide statements	(2,414,395)	
Depreciation is reported in the government-wide statements	(6,031,897)	
Capital assets transferred to business-type activities	(382,083)	
A loss on disposal of capital assets is reported in the government-wide statements	(79,501)	5,439,819
Receivables not currently available are reported as unavailable revenue in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements. This amount is the change in the following unavailable revenue categories:		
Special assessments receivable	31,629	
Loans and mortgages receivable	(177,244)	
Unpaid fines and forfeitures receivable	53,187	(92,428)
Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Long-term debt issued		(15,001,000)
Premium on debt issued		(339,762)
Principal Repaid		16,780,120
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. This amount is the change in the following items:		
Amortization of premium/(discount) and other charges	400,748	
Amortization of deferred charge on refunding	(50,446)	
Net pension asset/liability (and pension related deferred outflows/inflows of resources)	30,601	
OPEB asset/liability (and OPEB related deferred outflows/inflows of resources)	(152,564)	
Accrued interest	43,086	
Compensated absences	(28,019)	243,406
Decrease in investment in joint venture reported in the statement of activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in the funds.		(73,762)
Internal service funds are used to charge the costs of motor pool operations, insurance costs and employee benefits to individual funds. The net revenue of internal service fund activities is reported with the governmental activities.		123,348
Change in net position of governmental activities		$ 4,032,529

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

CITY OF WAUSAU, WISCONSIN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2020

	Business Type Activities- Enterprise Funds						Governmental Activities-
	Water Utility	Wastewater Utility	Parking Utility	Metro Ride	Nonmajor Funds	Totals	Internal Service Funds
ASSETS							
Current Assets:							
Cash and investments	$ 1,817,267	$ 1,248,081	$ 223,169	$ 27,711	$ 154,861	$ 3,471,089	$ 4,495,438
Taxes receivable	-	-	100,272	594,876	127,627	822,775	-
Accounts receivable	1,880,569	2,333,933	17,310	1,557	20,173	4,253,542	59,562
Due from other funds	-	140,000	-	-	-	140,000	-
Due from other governments	-	-	-	1,927,342	-	1,927,342	-
Inventories and prepayments	266,594	-	-	143,819	924	411,337	758,910
Total Current Assets	3,964,430	3,722,014	340,751	2,695,305	303,585	11,026,085	5,313,910
Noncurrent Assets:							
Restricted cash and investments	933,890	3,613,753	-	-	-	4,547,643	-
Property, Plant and Equipment:							
Property and equipment	76,587,848	101,294,976	32,918,409	9,009,154	4,167,496	223,977,883	14,985,276
Accumulated depreciation	(23,007,422)	(29,374,367)	(15,778,571)	(6,955,597)	(2,550,935)	(77,666,892)	(8,248,918)
Advance to other funds	-	560,000	-	-	-	560,000	-
Net pension asset	218,667	164,463	53,388	319,504	7,970	763,992	102,396
Total Noncurrent Assets	54,732,983	76,258,825	17,193,226	2,373,061	1,624,531	152,182,626	6,838,754
TOTAL ASSETS	58,697,413	79,980,839	17,533,977	5,068,366	1,928,116	163,208,711	12,152,664
DEFERRED OUTFLOWS OF RESOURCES							
Pension related amounts	505,206	375,526	119,360	737,526	19,110	1,756,728	235,936
OPEB related amounts	12,617	8,720	2,392	18,328	579	42,636	5,788
TOTAL DEFERRED OUTFLOWS OF RESOURCES	517,823	384,246	121,752	755,854	19,689	1,799,364	241,724

LIABILITIES							
Current Liabilities:							
Accounts payable	$ 2,888,757	$ 4,392,659	$ 25,900	$ 2,948	$ 29,639	$ 7,339,903	$ 234,047
Accrued payroll and benefits	70,315	56,087	16,591	84,237	2,961	230,191	26,429
Claims payable	-	-	-	-	-	-	423,948
Due to other funds	140,000	-	-	269,726	-	409,726	-
Due to other governments	-	-	-	204,225	6,508	210,733	-
Unearned revenues	-	-	35,121	23,254	33,604	91,979	418,147
General obligation debt - current portion	-	297,920	-	-	-	297,920	-
Revenue bonds - current portion	465,000	805,000	-	-	-	1,270,000	-
Accrued interest payable	62,840	113,295	-	-	-	176,135	-
Total Current Liabilities	3,626,912	5,664,961	77,612	584,390	72,712	10,026,587	1,102,571
Noncurrent Liabilities:							
Revenue debt (net of discount/premium)	15,377,996	28,491,301	-	-	-	43,869,297	-
Advance from other funds	560,000	-	-	-	-	560,000	-
Accrued liability - claims payable	-	-	-	-	-	-	823,130
Compensated absences	73,019	51,113	29,729	159,597	-	313,458	-
Net OPEB liability	32,473	22,443	6,157	47,170	1,490	109,733	14,896
Total Noncurrent Liabilities	16,043,488	28,564,857	35,886	206,767	1,490	44,852,488	838,026
TOTAL LIABILITIES	19,670,400	34,229,818	113,498	791,157	74,202	54,879,075	1,940,597
DEFERRED INFLOWS OF RESOURCES							
Pension related amounts	655,205	492,790	159,969	957,350	23,882	2,289,196	306,815
OPEB related amounts	6,023	4,162	1,142	8,749	276	20,352	2,763
Property taxes levied for subsequent year	-	-	150,000	889,892	190,921	1,230,813	-
TOTAL DEFERRED INFLOWS OF RESOURCES	661,228	496,952	311,111	1,855,991	215,079	3,540,361	309,578
NET POSITION							
Net investment in capital assets	35,071,687	38,000,886	17,139,838	2,053,557	1,616,561	93,882,529	6,736,358
Restricted for capital improvements	-	2,039,527	-	-	-	2,039,527	-
Restricted for pension benefits	218,667	164,463	53,388	319,504	7,970	763,992	102,396
Unrestricted	3,593,254	5,433,439	37,894	804,011	33,993	9,902,591	3,305,459
TOTAL NET POSITION	$ 38,883,608	$ 45,638,315	$ 17,231,120	$ 3,177,072	$ 1,658,524	$ 106,588,639	$ 10,144,213

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

CITY OF WAUSAU, WISCONSIN
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year ended December 31, 2020

	Business Type Activities- Enterprise Funds						Governmental Activities-
	Water Utility	Wastewater Utility	Parking Utility	Metro Ride	Nonmajor Funds	Totals	Internal Service Funds
OPERATING REVENUES							
Charges for services and sales	$ 6,543,759	$ 6,282,070	$ 583,664	$ 159,592	$ 292,233	$ 13,861,318	$ 10,186,070
Other operating revenues	47,337	391	2,352	838	-	50,918	109,133
Total Operating Revenues	6,591,096	6,282,461	586,016	160,430	292,233	13,912,236	10,295,203
OPERATING EXPENSES							
Operating and maintenance	2,807,083	3,172,379	869,722	3,119,109	564,795	10,533,088	2,519,887
Depreciation	1,391,075	1,263,101	647,536	287,388	129,025	3,718,125	988,766
Insurance and claims	-	-	-	-	-	-	6,650,539
Total Operating Expenses	4,198,158	4,435,480	1,517,258	3,406,497	693,820	14,251,213	10,159,192
Operating income (loss)	2,392,938	1,846,981	(931,242)	(3,246,067)	(401,587)	(338,977)	136,011
NONOPERATING REVENUES (EXPENSES)							
Property taxes	-	-	105,108	1,114,341	165,747	1,385,196	-
Governmental Grants	500,000	1,750,000	-	2,773,107	32,835	5,055,942	-
Investment income	6,736	13,882	-	-	-	20,618	-
Interest expense	(260,755)	(550,046)	-	-	-	(810,801)	-
Amortization of premiums on debt issued	26,056	45,077	-	-	-	71,133	-
Loss on disposal of capital assets	-	-	-	-	-	-	(12,663)
Total Nonoperating Revenues (Expenses)	272,037	1,258,913	105,108	3,887,448	198,582	5,722,088	(12,663)
Income (loss) before Capital Contributions and Transfers	2,664,975	3,105,894	(826,134)	641,381	(203,005)	5,383,111	123,348

Capital contributions	102,964	624,290	382,083	-	-	1,109,337	-
Transfers in	-	-	250,000	-	25,000	275,000	-
Transfers out	(1,279,488)	(494,000)	-	-	-	(1,773,488)	-
Change in Net Position	1,488,451	3,236,184	(194,051)	641,381	(178,005)	4,993,960	123,348
Net Position - beginning of year	37,395,157	42,402,131	17,425,171	2,535,691	1,836,529	101,594,679	10,020,865
Net position - end of year	$ 38,883,608	$ 45,638,315	$ 17,231,120	$ 3,177,072	$ 1,658,524	$ 106,588,639	$ 10,144,213

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

CITY OF WAUSAU, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended December 31, 2020

	Business Type Activities- Enterprise Funds						Governmental Activities-
	Water Utility	Wastewater Utility	Parking Utility	Metro Ride	Nonmajor Funds	Totals	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from customers, users and others	$ 6,246,587	$ 5,533,597	$ 591,698	$ (1,741,812)	$ 322,437	$ 10,952,507	$ -
Receipts from interfund services provided	-	-	-	-	-	-	10,308,277
Payments to suppliers	(2,514,120)	(3,665,309)	(666,523)	(1,444,673)	(482,377)	(8,773,002)	(8,629,276)
Payments to employees	(967,736)	(795,749)	(212,435)	(1,757,173)	(71,926)	(3,805,019)	(524,135)
Net Cash Provided (Used) by Operating Activities	2,764,731	1,072,539	(287,260)	(4,943,658)	(231,866)	(1,625,514)	1,154,866
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Property taxes received	-	-	105,108	1,114,341	165,747	1,385,196	-
Intergovernmental payments received	-	-	-	2,773,107	32,835	2,805,942	-
Due to other funds	(140,000)	-	-	269,726	-	129,726	-
Due from other funds	-	140,000	-	-	-	140,000	-
Transfers in	-	-	250,000	-	25,000	275,000	-
Transfers out	(1,279,488)	(494,000)	-	-	-	(1,773,488)	-
Net Cash Provided (Used) by Noncapital Financing Activities	(1,419,488)	(354,000)	355,108	4,157,174	223,582	2,962,376	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Proceeds from capital debt	9,115,561	17,758,360	-	-	-	26,873,921	-
Acquisition and construction of capital assets	(8,788,091)	(19,504,260)	-	510	(7,575)	(28,299,416)	(1,901,486)
Principal paid on capital debt	(1,465,000)	(5,109,880)	-	-	-	(6,574,880)	-
Loan Forgiveness	500,000	1,750,000	-	-	-	2,250,000	-
Interest paid on capital debt	(260,673)	(525,839)	-	-	-	(786,512)	-
Loss from disposal of capital assets	-	-	-	-	-	-	(12,663)
Net Cash Provided (Used) by Capital and Related Financing Activities	(898,203)	(5,631,619)	-	510	(7,575)	(6,536,887)	(1,914,149)
CASH FLOWS FROM INVESTING ACTIVITIES							
Investment income received	6,736	13,882	-	-	-	20,618	-

Net Increase (Decrease) in Cash and Investments	453,776	(4,899,198)	67,848	(785,974)	(15,859)	(5,179,407)	(759,283)
Cash and investments - beginning of year	2,297,381	9,761,032	155,321	813,685	170,720	13,198,139	5,254,721
Cash and investments - end of year	$ 2,751,157	$ 4,861,834	$ 223,169	$ 27,711	$ 154,861	$ 8,018,732	$ 4,495,438
Reconciliation of Cash and Investments to Statement of Net Position							
Unrestricted	$ 1,817,267	$ 1,248,081	$ 223,169	$ 27,711	$ 154,861	$ 3,471,089	$ 4,495,438
Restricted (noncurrent)	933,890	3,613,753	-	-	-	4,547,643	-
Total cash and investments	$ 2,751,157	$ 4,861,834	$ 223,169	$ 27,711	$ 154,861	$ 8,018,732	$ 4,495,438
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:							
Operating income (loss)	$ 2,392,938	$ 1,846,981	$ (931,242)	$ (3,246,067)	$ (401,587)	$ (338,977)	$ 136,011
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation expense	1,391,075	1,263,101	647,536	287,388	129,025	3,718,125	988,766
Changes in assets and liabilities:							
Accounts receivable	(344,509)	(748,864)	38,292	(1,898,909)	18,069	(2,935,921)	(9,444)
Inventories and prepayments	25,557	-	-	9,494	45	35,096	(65,928)
Accounts payable	(666,672)	(1,227,592)	(9,652)	(35,086)	10,800	(1,928,202)	90,361
Accrued payroll and compensated absences	(41,793)	(70,770)	(5,436)	(105,084)	(2,959)	(226,042)	(14,853)
Due to other governments	-	-	-	34,107	2,423	36,530	-
Pension related liabilities and deferred amounts	9,067	11,963	7,491	15,417	7,179	51,117	112,020
OPEB related liabilities and deferred amounts	(932)	(2,280)	(1,639)	(1,585)	(6,996)	(13,432)	(107,923)
Claims payable	-	-	-	-	-	-	3,338
Unearned revenues	-	-	(32,610)	(3,333)	12,135	(23,808)	22,518
Net cash provided (used) by operating activities	$ 2,764,731	$ 1,072,539	$ (287,260)	$ (4,943,658)	$ (231,866)	$ (1,625,514)	$ 1,154,866
Noncash capital, investing and financing activities:							
Capital assets contributed by developers, customers, and other funds	$ 102,964	$ 624,290	$ 382,083	$ -	$ -	$ 1,109,337	$ -
Capital assets purchased on account	2,665,742	4,325,502	-	-	-	6,991,244	-

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

CITY OF WAUSAU, WISCONSIN
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
December 31, 2020

	Cemetery Private Purpose Trust Fund	Custodial Funds	Total
ASSETS			
Cash and investments	$ 739,646	$ 15,965,671	$ 16,705,317
Taxes receivable	-	30,489,454	30,489,454
Accounts receivable	-	6,000	6,000
Prepaid expense	-	2,000	2,000
TOTAL ASSETS	$ 739,646	$ 46,463,125	$ 47,202,771
LIABILITIES			
Accounts payable	$ -	$ 23,399	$ 23,399
DEFERRED INFLOWS OF RESOURCES			
Property taxes levied for subsequent year	-	46,029,802	46,029,802
NET POSITION			
Restricted for individuals, organizations, and other governments	$ 739,646	$ 409,924	$ 1,149,570

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

CITY OF WAUSAU, WISCONSIN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
Year Ended December 31, 2020

	Cemetery Private Purpose Trust Fund	Custodial Funds	Total
ADDITIONS			
Property tax collections	$ -	$ 45,051,606	$ 45,051,606
Intergovernmental	-	56,591	56,591
Public charges for service	-	285,202	285,202
Net increase in fair value of investments	87,150	-	87,150
Interest and other miscellaneous revenues	24,591	10,630	35,221
Total additions	111,741	45,404,029	45,515,770
DEDUCTIONS			
Payments to taxing jurisdictions	-	44,979,606	44,979,606
Operating and maintenance	-	511,287	511,287
Distributions to beneficiary	70,442	-	70,442
Administrative expenses	9,548	-	9,548
Total deductions	79,990	45,490,893	45,570,883
Change in net position	31,751	(86,864)	(55,113)
Net position - beginning of year	707,895	496,788	1,204,683
Net position - end of year	$ 739,646	$ 409,924	$ 1,149,570

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

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.

Discretely presented component unit. The Community Development Authority of the City of Wausau was created under Section 66.4325 of the Wisconsin Statutes for the purpose of carrying out blight elimination, slum clearance, urban renewal programs and housing projects. The board of the Authority is appointed by the Mayor and two commissioners are members of the City Council. Wisconsin Statutes provide for circumstances whereby the City can impose its will on the Authority, and also create a potential financial benefit to or burden on the City.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. REPORTING ENTITY (Continued)

The Community Development Authority Commission approves the annual budget, is fiscally separate from the City and possesses independent authority to acquire property and issue debt. As a component unit, the Authority's financial statements have been presented as a discrete column in the City's financial statements. Complete financial statements can be obtained from:

Community Development Authority
City of Wausau City Hall
407 Grant Street
Wausau, WI 54403-4783

Joint venture. The City of Wausau, in conjunction with Marathon County, has created the City-County Information Technology Commission. The commission provides for the implementation and operation of a cooperative data and management information system under the direction of the governing Board of Commissioners. Effective April 1, 2009, North Central Health Care also became a member of the Commission. The joint venture arrangement provides that net operating costs were subsidized 30% by the City prior to April 1, 2009 and are currently at 21%, with the remainder funded by the other members. All capital assets, unless otherwise shown to benefit only one owner, are paid for on a percentage basis.

B. GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. GOVERNMENT-WIDE FINANCIAL STATEMENTS (Continued)

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

Funds are organized as major funds or nonmajor funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

a. Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and

b. The same element of the individual governmental fund or enterprise fund that met the 10 percent test is at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

c. In addition, any other governmental or proprietary fund that the City believes is particularly important to financial statement users may be reported as a major fund.

The City reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the City. It is used to account for all financial resources not accounted for and reported in another fund.

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

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

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

The City reports the following major enterprise funds:

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. GOVERNMENT-WIDE FINANCIAL STATEMENTS (Continued)

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

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

The City reports the following nonmajor governmental funds:

Special Revenue Funds – These funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service and capital projects.

Grants	Environmental Clean Up	Recycling
HUD Mortgage	Hazardous Materials Emergency Response	EMS Grant
DLAD Mortgage Program		400 Block
Economic Development	Housing Stock Improvement	Other Grants/Special Purposes
Federal Rent Rehabilitation	Room Tax	WRRP Rehabilitation
Public Access Cable		

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

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

The City reports the Airport Fund and Animal Control Fund as nonmajor enterprise funds. Additionally, the City reports the following fund types:

Internal Service Funds - The Motor Pool Internal Service Fund is used to account for Motor Pool services provided by one department to other departments or agencies of the City, or to other governmental units, on a cost-reimbursement basis. The Insurance Fund is used to account for accumulation of charges for and allocation of costs associated with insurance premiums and claims paid. The Employee Benefits Funds are used to account for the accumulation of charges for and allocation of costs associated with employee health and dental premiums and claims paid.

The Private-purpose Trust Fund is used to account for resources legally held in trust for use by a non-profit organization to provide for cemetery perpetual care. All resources of the fund, including any earnings on invested resources, are used to support the organization's activities.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. GOVERNMENT-WIDE FINANCIAL STATEMENTS (Continued)

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. The custodial fund accounts for the property taxes and specials collected on behalf of other governments.

Tax Collection Fund	Entrepreneurial & Education Center
Wausau Area Events	Wausau River District

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

1. Deposits and Investments

The City maintains separate and distinct accounts for the Cemetery Private-purpose Trust Fund, Community Development Department and Community Development Authority (a discretely presented component unit). All other funds share common accounts to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable.

The City is required to invest its funds in accordance with Wisconsin Statutes 66.0603 and 67.11 (2). These statutes authorize the City to invest in obligations of the U.S. Treasury, agencies and instrumentalities, obligations of Wisconsin governmental units; time deposits, repurchase agreements; certain qualities of commercial paper; the State of Wisconsin Local Government Investment Pool; and certain money market mutual funds.

Investments are stated at fair value consistent with the provisions of GASB Statement No. 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, 2020, the fair value of the LGIP’s assets was substantially equal to the City’s share as reported in these statements.

2. Receivable and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as either “due from/due to other funds” (current portion) or “advances to/from other funds” (non-current portion). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

2. Receivable and Payables (Continued)

Advances between funds are offset by a nonspendable fund balance account in the general fund to indicate that they are not available for appropriation and are not expendable available financial resources.

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

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

Property taxes consist of taxes on real estate and personal property. Property taxes are levied in December of each year based on assessed value as of January 1 of that year and become an enforceable lien on the property the following January 1. The amount levied is applicable to the budget of the ensuing calendar year and become due as of January 1 of that year. Collections are made by the City through July 31. In addition to property taxes for the City, taxes are also collected for and remitted to the state and county governments as well as local school and technical college districts. The City settles with all entities on the 15th of January, February, May and August based on the taxes collected through the end of each preceding month. Payment due dates are full payment by January 31 or partial payments by January 31, April 30, and July 31 of each year.

At year end, property taxes levied for each fund are recorded as taxes receivable and deferred inflows of resources.

3. Inventories and Prepayments

Inventories consist of expendable supplies held for consumption. Inventories are stated at cost with value being determined on the first-in, first-out (FIFO) basis using the consumption method of accounting. The cost is recorded as an expenditure or an expense at the time the individual inventory items are consumed rather than when purchased.

Payments made to vendors for services that will benefit periods beyond the end of the current year are recorded as prepayments in both government-wide and fund financial statements.

Inventories and prepayments of governmental fund types are offset by a nonspendable fund balance account which indicated that assets do not represent spendable available financial resources.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

4. Restricted Assets

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

Restricted assets consist of cash and investments restricted for the Water and Wastewater Fund plant replacement and debt service payments. Current liabilities payable from these restricted assets are so classified.

5. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental activities or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. In accordance with GASB 34, the City has reported its major networks of infrastructure assets as of January 1, 2007.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Net interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Total interest expense incurred by the Water and Wastewater Utilities during the current fiscal year was $810,801, none of which was capitalized.

Depreciation of all exhaustible capital assets of the City, as well as its component unit, is recorded as an expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the estimated useful lives using the straight-line method. The range of estimated useful lives by type of asset is as follows:

Buildings	25-50 Years
Improvements other than buildings	15-150 Years
Machinery and equipment	3-25 Years
Infrastructure	20-50 Years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

6. Other Assets

In governmental funds, debt issuance related costs are recognized as expenditures in the current period. For the government-wide and proprietary fund type financial statements, debt discounts and premiums are deferred and amortized over the term of the related debt issue.

7. Compensated Absences

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

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

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, 2020 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 position by the government that is applicable to a future reporting period. Deferred inflows of resources are an acquisition of net position by the government that is applicable to a future reporting period. The recognition of those outflows and inflows as expenses or expenditures and revenues are deferred until the future periods to which the outflows and inflows are applicable.

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

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. Long-Term Obligations (Continued)

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

10. Pensions

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by 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.

11. 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

12. Net Position or Fund Equity

Governmental Fund Financial Statements

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

- Nonspendable fund balance – amounts that are not in spendable form (such as inventory or long-term loans receivable) or are required to be maintained 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).

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

12. 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.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

Budgeting is an essential element of the financial planning, control and evaluation process of the City. Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund, Debt Service Fund, the following Special Revenue Funds: Grants, HUD Mortgage, DLAD Mortgage Program, Economic Development, WRRP Rehabilitation, 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 #5 Industrial Park, TID #6 West Side Development, TID #7 West Side Development, TID #8 Near West Side, TID #9 Big Bull Falls, TID #10 Industrial Park, TID #11 Business Campus, and TID #12 Downtown Development. All appropriations lapse at year-end.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. BUDGETARY INFORMATION (Continued)

On or before the last day of August, all departments of the government submit requests for appropriations to the City's Finance Director so that a budget may be prepared. The budget is prepared by fund, department or program, and includes information on the prior year, year-to-date current year activity, current year estimates and requested appropriations for the next year.

The City's Finance Committee holds several budgetary review meetings to consider the departmental budgets. On or before the first Tuesday of November, the proposed budget is presented to the City Council for review. The Council holds public hearings to obtain taxpayer comments. The final adoption of the budget is by way of an annual budget resolution and must be passed by the Council no later than the fourth Tuesday in November.

The budget as adopted includes total expenditures at the cost center level. A cost center can be a fund, department, program or other activity for which control of expenditures is considered desirable. Cost centers are defined as follows for the governmental fund types with annual budgets: General Fund at department level, Special Revenue and Capital Projects at program level and Debt Service at total fund level.

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

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.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended December 31, 2020, expenditures exceeded appropriations for the following departmental cost centers in the General Fund: Data Processing $9,592, City Clerk/Customer Service $8,668, Elections $33,293, City Hall Buildings $53,369, Unclassified by $101,318, Fire Department by 283,624, Ambulance $86,701, Emergency Government $223,127, and Inspections $16,459. The Grants, HUD Mortgage Program, WRRP Rehabilitation, Environmental Clean Up, Housing Stock Improvement, Recycling, EMS Grant, and Other Grants & Special Purpose Accounts special revenue funds incurred expenditures over appropriations by $731,345, $47,286, $183,355, $114,833, $352,486, $150,523, $543, and $90,477 respectively; TID #5 Industrial Park, TID #8 Near West Side and TID #10 Industrial Park by $2,650, $266,328, and $1,416 respectively; and in the Debt Service Fund by $6,630,208. Excess expenditures in the general fund, special revenue funds and debt service fund were funded by excess revenues, other cost savings or by available fund balance. Those incurred in the capital project funds would be funded with debt proceeds and advances from the General Fund.

C. DEFICIT FUND EQUITY

The Recycling Fund, TID #3 Downtown Development, TID #6 West Side Development, TID #7 West Side Development, TID #9 Big Bull Falls, TID #11 Business Campus, and TID #12 Downtown Development capital project funds had deficit fund equity of $17,529, $2,263,060, $3,263, $1,824,331, $207,365, $72,856, and $1,058,940 respectively, as of December 31, 2020. The City intends to fund the above fund balance deficits from future operation of these funds.

NOTE 3 – DETAILED NOTES ON ALL FUNDS

A. CASH AND INVESTMENTS

Cash and investments as of December 31, 2020 are classified in the accompanying financial statements as follows:

Statement of net position -	
Cash and investments	$ 39,143,362
Restricted assets - cash and cash equivalents	4,547,643
Statement of net position - fiduciary funds	
Cash and investments	
Cemetery Private Purpose Trust Fund	739,646
Custodial Funds	15,965,671
Total	$ 60,396,322

Cash on hand	$ 8,138
Deposits with financial institutions	15,155,030
Investments	45,233,154
Total	$ 60,396,322

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

A. CASH AND INVESTMENTS (Continued)

Investments Authorized by the State of Wisconsin and the City's Investment Policy

The City's investment policy as governed by Wisconsin State Statutes authorizes the following types of investments:

- U.S. Government agency bonds or securities;
- Certificates of deposit and repurchase agreements;
- Bonds or securities of any county, city, drainage district, vocational, technical and adult education district, village, town or school district in the state;
- Bankers acceptances issued by domestic banks which are eligible for purchase by the Federal Reserve System;
- Commercial paper rated in the highest short-term rating categories by rating agencies;
- Medium term corporate notes issued by corporations organized and operating within the U.S. or by depository institutions licensed by the U.S. or any state and operating in the U.S.;
- Money market mutual funds regulated by the Securities and Exchange Commission whose portfolios consist of U.S. Treasury or government obligations; and,
- State of Wisconsin Local Government Investment Pool.

Fair Value Measurements

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

The 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, 2020:

	Fair Value Measurements Using:		
	Level 1	Level 2	Level 3
U.S. Agencies	$ -	$ 15,713,065	$ -
Negotiable CD's	-	252,260	-
External Investment Pools	-	5,129,936	-
Total Investments	$ -	$ 21,095,261	$ -

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

A. CASH AND INVESTMENTS (Continued)

Interest Rate Risk

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

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

		Investment Maturities (in Years)		
Investment Type	Total	Less Than One	1-2	3-4
U.S. Agencies	$ 15,713,065	$ -	$ 13,465,383	$ 2,247,683
Negotiable CD's	252,260	252,260		-
Local Government Investment Pool	24,137,893	24,137,893	-	-
External investment pools	5,129,936	5,129,936	-	-
	$ 45,233,154	$ 29,520,089	$ 13,465,383	$ 2,247,683

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City will minimize credit risk by limiting the type of investments to U.S. treasury obligations, U.S. government agency obligations, money market mutual funds, certificates of deposit and local government investment pools. The City will also diversify its investment portfolio so as to minimize losses from any one type of security or from any one individual issuer.

The City had investments in the Local Government Investment Pool, Wells Fargo Treasury Money Market Fund, and repurchase sweep agreements which were not rated.

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

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.

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

A. CASH AND INVESTMENTS (Continued)

At December 31, 2020, concentrations making up over 5% of the City's investment portfolio were as follows:

Investment type	Issuer	Percentage of Portfolio
U.S. Agencies	Federal Agricultural Mortgage Corporation	16.2%
U.S. Agencies	Federal Farm Credit Bank	58.8%
U.S. Agencies	Federal Home Loan Bank	16.1%

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 time and savings deposits and $250,000 for interest-bearing demand deposits per official custodian per depository institution. Deposits with financial institutions located outside the State of Wisconsin are insured by the FDIC in the amount of $250,000 for all time accounts, savings accounts and interest-bearing demand deposit accounts per official custodian per depository institution. In addition, the above-mentioned State Deposit Guarantee Fund through the State of Wisconsin provides additional coverage of up to a maximum of $400,000 per public depository above the applicable insurance coverage provided by the FDIC. However, although the fund had reserves available at December 31, 2020, the future availability of resources to cover the losses cannot be projected because provisions of the 1985 Wisconsin Act 25 provided that the amount in the fund will be used to repay public depositors for losses until the appropriation is exhausted at which time the fund is abolished.

At December 31, 2020, the carrying amount of the City's deposits was $15,155,030 and the financial institution balance was $14,832,485. Of the financial institution balance, $2,597,713 was covered by federal depository insurance, $500,000 was covered by the national credit union share insurance fund, $2,848,644 was covered by the State Deposit Guarantee Fund, $5,000,000 was collateralized and $3,886,128 was uninsured and uncollateralized.

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

B. RECEIVABLES

Receivables for the year ended December 31, 2020 for the City's general fund have been shown net of allowances for uncollectible accounts and uncollectible delinquent personal property taxes of $3,354,379 and $185,555, respectively.

Governmental funds report *deferred inflows of resources* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the breakdown of unavailable and unearned revenues reported as *deferred inflows of resources* in the governmental funds were as follows:

	Unavailable	Unearned
Property taxes receivable	$ -	$ 34,891,049
Loans and mortgages receivable	17,230,946	-
Unpaid fines and forfeitures	546,732	-
Special assessments not yet due	306,669	-
Total deferred/unearned revenue for governmental funds	$ 18,084,347	$ 34,891,049

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

C. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2020 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated:				
Land	$ 46,894,426	$ 285,751	$ -	$ 47,180,177
Construction in progress	4,851,351	3,378,991	(1,900,660)	6,329,682
Total capital assets not being depreciated	51,745,777	3,664,742	(1,900,660)	53,509,859
Capital assets being depreciated:				
Buildings and improvements	43,464,374	2,746,007	(21,718)	46,188,663
Machinery and equipment	26,716,713	2,772,889	(2,839,249)	26,650,353
Infrastructure	155,673,180	6,182,390	(182,188)	161,673,382
Total capital assets being depreciated	225,854,267	11,701,286	(3,043,155)	234,512,398
Less accumulated depreciation for:				
Buildings and improvements	(15,519,760)	(1,625,785)	21,636	(17,123,909)
Machinery and equipment	(17,623,634)	(1,633,780)	2,801,814	(16,455,600)
Infrastructure	(62,022,700)	(3,761,098)	127,539	(65,656,259)
Total accumulated depreciation	(95,166,094)	(7,020,663)	2,950,989	(99,235,768)
Total capital assets being depreciated, net	130,688,173	4,680,623	(92,166)	135,276,630
Governmental activities capital assets, net	$ 182,433,950	$ 8,345,365	$ (1,992,826)	188,786,489
Less: Capital related debt and other liabilities outstanding (excluding unspent capital related debt proceeds)				(64,749,686)
Less: Unamortized debt premiums				(2,139,180)
Net investment in capital assets				$ 121,897,623

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

C. CAPITAL ASSETS (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities				
Capital assets not being depreciated:				
Land	$ 5,072,454	$ -	$ -	$ 5,072,454
Construction in progress	8,075,198	47,843,447	(17,454,849)	38,463,796
Total capital assets not being depreciated	13,147,652	47,843,447	(17,454,849)	43,536,250
Capital assets being depreciated:				
Buildings and improvements	46,382,087	372,962	(10,200)	46,744,849
Machinery and equipment	33,188,433	900,462	(167,630)	33,921,265
Water infrastructure	48,808,889	1,378,114	(222,656)	49,964,347
Wastewater infrastructure	46,409,906	3,408,864	(7,598)	49,811,172
Total capital assets being depreciated	174,789,315	6,060,402	(408,084)	180,441,633
Less accumulated depreciation for:				
Buildings and improvements	(27,745,265)	(1,112,239)	10,200	(28,847,304)
Machinery and equipment	(23,112,590)	(1,086,332)	167,120	(24,031,802)
Water infrastructure	(12,871,289)	(895,554)	174,162	(13,592,681)
Wastewater infrastructure	(10,578,703)	(624,000)	7,598	(11,195,105)
Total accumulated depreciation	(74,307,847)	(3,718,125)	359,080	(77,666,892)
Total capital assets being depreciated, net	100,481,468	2,342,277	(49,004)	102,774,741
Business-type activities capital assets, net	$ 113,629,120	$ 50,185,724	$ (17,503,853)	$ 146,310,991
Less: Capital related debt and other liabilities outstanding (excluding unspent capital related debt proceeds)				(51,503,085)
Less: Unamortized debt premiums				(925,377)
Net investment in capital assets				$ 93,882,529

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

C. CAPITAL ASSETS (Continued)

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

Governmental activities:	
General government	$ 233,845
Public safety	386,401
Transportation and streets	4,381,447
Natural resources and recreation	1,029,254
Economic development	950
Capital assets held by internal service funds	988,766
Total depreciation expense - governmental activities	$ 7,020,663
Business-type activities:	
Water	$ 1,391,075
Wastewater	1,263,101
Parking	647,536
Metro Ride	287,388
Airport	129,025
Total depreciation expense - business-type activities	$ 3,718,125

D. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivables and payables represent short-term loans from one fund to another to cover cash overdrafts or represent current portion of advances for specific funds. Interfund receivables and payables at December 31, 2020 are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Grants Fund	$ 304,631
	Housing Stock Fund	151,534
	TID #7 West Side Development Fund	299,748
	TID #3 Downtown Development Fund	171,058
	TID #10 Industrial Park	36,340
	MetroRide Fund	269,726
Environmental Clean Up Fund	TID #7 West Side Development Fund	336,000
Wastewater Utility	Water Utility	140,000
Total - fund financial statements		1,709,037
Elimination for government-wide financial statements		(1,439,311)
Total - Government-wide financial statements		$ 269,726

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

D. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (Continued)

Advances between funds represent long-term loans principally for capital purposes. The composition of interfund advances as of December 31, 2020 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	TID #3 Downtown Development Fund	$ 1,367,897
	TID #7 West Side Development Fund	859,801
	TID #9 Big Bull Falls Fund	198,982
	TID #12 Downtown Development	898,159
Grants Fund	TID #3 Downtown Development Fund	52,000
Environmental Clean Up Fund	TID #3 Downtown Development Fund	539,432
	TID #7 West Side Development Fund	336,000
Economic Development	TID #3 Downtown Development Fund	250,000
Housing Stock Improvement	TID #3 Downtown Development Fund	250,000
Wastewater Utility	Water Utility	560,000
Total - fund financial statements		5,312,271
Elimination for government-wide financial statements		(5,312,271)
Total - Government-wide financial statements		$ -

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

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

D. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (Continued)

Interfund transfers for the year ended December 31, 2020 are as follows:

	Transfers to	Transfers from
General Fund		
Recycling Fund	125,000	-
Capital Improvements Fund	110,000	-
Central Capital Purchasing Fund	68,000	
Water Utility Fund	-	1,270,488
Wastewater Utility Fund	-	485,000
Parking Utility Fund	250,000	
Airport Fund	25,000	-
Public Access Fund	10,000	-
Special Revenue Funds		
General Fund	-	135,000
TID #3 Downtown Development Fund	-	20,000
HUD Mortgage Fund	10,589	40,500
Grants Fund	60,500	10,589
400 Block Fund	50,899	-
Capital Improvements Fund	146,355	-
Room Tax Fund	-	50,899
Debt Service Fund		
TID #3 Downtown Development Fund	-	3,569,532
TID #6 West Side Development Fund	-	2,690,722
TID #7 West Side Development Fund	-	51,350
TID #8 Near West Side Fund	-	697,208
TID #9 Big Bull Falls Fund	-	65,520
TID #10 Industrial Park Fund	-	138,773
TID #11 Business Campus	-	6,936,173
TID #12 Downtown Development	-	138,173
Capital Projects Funds		
General Fund	-	178,000
HUD Mortgage Fund	-	-
Room Tax Fund	-	146,355
TID #3 Downtown Development Fund	1,222,708	933,168
TID #5 Industrial Park Fund	-	1,222,708
TID #8 Near West Side Fund	933,168	385,000
Capital Improvements Fund	385,000	-
Debt Service Fund	14,287,451	-
Water Utility Fund	-	9,000
Wastewater Utility Fund	-	9,000
Enterprise Funds		
General Fund	1,755,488	-
Capital Improvements Fund	18,000	-
Parking Utility Fund	-	250,000
Airport Fund	-	25,000
Totals	$ 19,458,158	$ 19,458,158

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

D. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (Continued)

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.

E. LONG-TERM DEBT

A summary of the long-term liability activity for the year ended December 31, 2020 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities					
General obligation debt:					
Bonds payable	$ 31,270,000	$ 6,625,000	$ (2,710,000)	$ 35,185,000	$ 2,685,000
Notes payable	34,832,200	5,390,000	(7,270,120)	32,952,080	6,477,080
Debt from direct borrowings:					
State trust fund loans	-	2,986,000	-	2,986,000	577,949
Loans from local foundations	2,559,779	-	(200,000)	2,359,779	-
Total general obligation debt	68,661,979	15,001,000	(10,180,120)	73,482,859	9,740,029
Note anticipation notes	14,610,000	-	(6,600,000)	8,010,000	-
Unamortized costs	2,294,512	339,762	(400,748)	2,233,526	-
Compensated absences	2,071,007	625,985	(431,509)	2,297,631	1,134,554
Governmental activities long-term liabilities	$ 87,637,498	$ 15,966,747	$ (17,612,377)	$ 86,024,016	$ 10,874,583

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

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Business-type activities					
General obligation notes payable	$ 597,800	$ -	$ (299,880)	$ 297,920	$ 297,920
Revenue bonds	18,560,000	-	(1,220,000)	17,340,000	1,270,000
Revenue bond anticipation notes	5,055,000	5,105,000	(10,160,000)	-	-
Debt from direct borrowings	-	26,873,921	-	26,873,921	-
Unamortized costs	996,510	-	(71,134)	925,376	-
Compensated absences	561,217	99,656	(175,851)	485,022	171,564
Business-type activities long-term liabilities	$ 25,770,527	$ 32,078,577	$ (11,926,865)	$ 45,922,239	$ 1,739,484

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

E. LONG-TERM DEBT (Continued)

Total interest paid during the year on long-term debt totaled $3,017,260.

In accordance with Section 67.03 Wisconsin Statutes, the total indebtedness of the City for general purposes may not exceed 5% of the value of the taxable property located therein for state purposes:

Equalized Value	$	3,345,281,800
Legal debt margin percentage		5.00%
		167,264,090
Available funds for debt payments		
Less: Outstanding general obligation debt		(73,780,779)
Legal debt margin	$	93,483,311

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.

General Obligation Debt

General obligation debt outstanding at December 31, 2020 is detailed as follows:

	Original Amount	Interest Rates	Final Maturity	Balance 12/31/2020
2011 Promissory note Series A	7,685,000	2.0-2.5%	4/1/21	$ 760,000
2012 Promissory note Series A	2,725,000	2.0-2.65%	4/1/22	590,000
2012 Promissory note Series B	13,400,000	2.0-3.0%	4/1/22	1,515,000
2013 Promissory note	750,000	2.75%	8/31/22	750,000
2013 Promissory note Series A	5,365,000	2.0-3.0%	4/1/23	1,550,000
2013 Promissory note Series B	630,000	1.0-2.95%	4/1/23	180,000
2013 GO Bonds Series C	3,410,000	2.0-4.0%	4/1/33	2,210,000
2014 Promissory note Series A	6,405,000	2.0-3.0%	4/1/24	1,685,000
2014 GO Bonds Series B	1,495,000	2.0-3.0%	4/1/29	1,085,000
2015 Promissory note Series A	3,930,000	0.7-2.5%	4/1/25	2,050,000
2015 GO Bonds Series B	5,705,000	2.0-3.5%	4/1/35	4,500,000
2015 GO Com Dev Bonds Series C	2,655,000	3.0-3.95%	4/1/30	2,130,000
2016 Promissory note Series A	8,705,000	2.0-3.0%	4/1/26	4,430,000
2016 GO Bonds Series B	6,530,000	2.0-3.0%	4/1/36	5,610,000
2016 GO Com Dev Bonds Series C	4,695,000	0.7-3.25%	4/1/32	3,015,000
2016 Promissory note	1,609,779	2.75%	4/18/26	1,609,779
2017 Promissory note Series A	6,230,000	1.25-4.0%	4/1/27	4,075,000
2017 GO Bonds Series B	6,405,000	2.0-3.0%	4/1/31	5,765,000
2018 Promissory note Series A	5,480,000	3.0-4.0%	4/1/28	4,170,000
2019 Promissory note Series A	7,825,000	2.0-3.0%	4/1/29	6,855,000
2019 GO Bonds Series B	4,870,000	2.0-4.0%	4/1/39	4,245,000
2020 State Trust Fund Loan	2,986,000	2.50%	3/15/25	2,986,000
2020 GO Notes Series D	5,390,000	2.00%	4/1/30	5,390,000
2020 GO Notes Series E	6,625,000	.25-1.75%	4/1/30	6,625,000
Total general obligation debt				$ 73,780,779

The debt issued by the City was for various capital projects and economic development costs.

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

E. LONG-TERM DEBT (Continued)

General Obligation Debt (Continued)

Debt service requirements on general obligation debt to maturity at December 31, 2020 are as follows:

	Governmental Activities				
Year Ended	General Obligation Bonds and Notes		Notes from Direct Borrowings		
December 31,	Principal	Interest	Principal	Interest	Total
2021	$ 9,162,080	$ 1,960,935	$ 577,949	$ 127,068	$ 11,828,032
2022	8,475,000	1,728,103	1,329,922	135,408	11,668,433
2023	7,920,000	1,365,290	594,421	89,972	9,969,683
2024	7,560,000	1,009,096	609,197	75,196	9,253,489
2025	7,300,000	809,966	624,511	59,882	8,794,359
2026-2030	19,465,000	2,256,039	1,609,779	44,269	23,375,087
2031-2035	6,955,000	552,441	-	-	7,507,441
2036-2039	1,300,000	63,738	-	-	1,363,738
	$ 68,137,080	$ 9,745,608	$ 5,345,779	$ 531,795	$ 83,760,262

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

The City's outstanding notes from direct borrowings related to governmental of $2,986,000 are subject to a statutory provision that in an event of late or non-payment, a one percent per month penalty will be charged and the payment will be collected through a reduction in payments from the State of Wisconsin.

	Business-Type Activities		
Year Ended	General Obligation Notes		
December 31,	Principal	Interest	Total
2021	$ 297,920	$ 3,724	$ 301,644
	$ 297,920	$ 3,724	$ 301,644

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

E. LONG-TERM DEBT (Continued)

Anticipation Notes

The anticipation notes outstanding at December 31, 2020 was comprised of the following issue:

	Original Amount	Interest Rates	Final Maturity	Balance 12/31/2020
2018 Note anticipation note Series C	8,010,000	3.45%	4/1/23	8,010,000

The debt issued by the City was for various capital projects and economic development costs.

Debt service requirements on the anticipation note debt to maturity at December 31, 2020 are as follows:

	Governmental Activities		
Year	Principal	Interest	Total
2021	$ -	$ 276,345	$ 276,345
2022	-	276,345	276,345
2023	8,010,000	138,173	8,150,196
	$ 8,010,000	$ 690,863	$ 8,702,886

Revenue Bonds

The revenue bonds outstanding at December 31, 2020 were comprised of the following issues:

	Original Amount	Interest Rates	Final Maturity	Balance 12/31/2020
2017 Water revenue bonds	$ 4,815,000	2.0-4.0%	5/1/37	$ 3,790,000
2017 Sewer revenue bonds	6,225,000	2.0-4.0%	5/1/37	4,680,000
2019 Sewer revenue bonds	6,530,000	2.0-4.0%	5/1/39	6,280,000
2019 Water revenue bonds	2,695,000	2.0-4.0%	5/1/39	2,590,000
2020 Sewer Clean Water Fund	17,758,360	1.87%	5/1/50	17,758,360
2020 Water Safe Drinking Water	9,115,561	1.76%	5/1/40	9,115,561
Total revenue bond debt				$ 44,213,921

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

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

E. LONG-TERM DEBT (Continued)

Debt service requirements on the revenue bond debt to maturity at December 31, 2020 are as follows:

	Business-Type Activities				
	Bonded Debt		Direct Borrowings		
Year	Principal	Interest	Principal	Interest	Total
2021	$ 1,270,000	$ 553,656	$ -	$ 472,686	$ 2,296,342
2022	1,315,000	504,631	-	492,516	2,312,147
2023	1,360,000	451,131	923,228	484,122	3,218,481
2024	1,410,000	395,731	940,015	467,182	3,212,928
2025	1,460,000	338,331	957,106	449,936	3,205,373
2026-2030	4,045,000	1,112,331	5,052,991	1,979,788	12,190,110
2031-2035	3,675,000	634,403	5,529,423	1,499,023	11,337,849
2036-2040	2,805,000	143,463	6,050,821	967,550	9,966,834
2041-2045	-	-	3,538,442	530,830	4,069,272
2046-2050	-	-	3,881,895	184,170	4,066,065
	$ 17,340,000	$ 4,133,677	$ 26,873,921	$ 7,527,803	$ 55,875,401

The Cities outstanding direct borrowings related to business type activities of $26,873,921 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 $55,875,401. Principal and interest paid for the current year was $2,178,893, and the total customer net revenues available for debt services were $6,914,713.

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

E. LONG-TERM DEBT (Continued)

Conduit Debt Obligations

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

As of December 31, 2020, there were two series of Industrial Revenue Bonds outstanding. Total principal amount payable could not be determined, however, original issue amounts totaled $2,700,000.

F. RESTRICTED NET POSITION/FUND BALANCES

Governmental activities restricted net position reported in the government-wide statement of net position at December 31, 2020 includes the following:

Net position restricted for :		
Capital improvements	$	10,258,584
Community development programs		8,393,779
Special purposes		2,742,733
Pension Benefits		5,159,744
Total governmental activities restricted net position	$	26,554,840

Fund balance classifications for major funds as of December 31, 2020 are as follows:

General Fund		
Nonspendable for advances	$	3,324,839
Nonspendable for inventories and prepayments		470,511
Total nonspendable		3,795,350
Committed to contingencies		193,059
Committed to economic development		500,000
Committed to continuing appropriation		73,474
Unassigned		10,111,154
Total General Fund	$	14,673,037
Debt Service Fund		
Restricted for debt service payments	$	568,003
TID #3 Downtown Development Fund		
Unassigned (deficit)	$	(2,263,060)
Capital Improvements Fund		
Restricted for capital improvements	$	1,358,485
Committed for capital improvements		92,626
Total Capital Improvements Fund	$	1,451,111

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

F. RESTRICTED NET POSITION/FUND BALANCES (Continued)

Fund balances reported on the fund financial statements at December 31, 2020 for nonmajor funds are as follows:

Special revenue funds	
Restricted for special purposes:	
Grants	$ 1,885,174
HUD mortgage program	157,004
Federal rent rehabilitation	337,818
WRRP rehabilitation	1,092,498
Environmental Clean Up Fund	1,546,261
Hazardous materials emergency response	233,262
EMS grant	37,150
Other grants & special purpose accounts	926,060
Total restricted fund balance	6,215,227
Committed to special purposes:	
DLAD mortgage program	529,830
Economic development	261,663
Housing stock improvement	311,584
Room tax	153,176
Public access cable	20,045
400 Block	184,151
Total committed fund balance	1,460,449
Unassigned:	
Recycling (deficit)	(17,529)
Total special revenue funds	$ 7,658,147
Capital project funds	
Restricted for special purposes:	
Central Capital Purchasing	$ 166,546
TID #8 Near West Side	63,210
TID #10 Industrial Park	48,838
Total restricted fund balance	278,594
Unassigned:	
TID #6 West Side Development (deficit)	(3,263)
TID #7 West Side Development (deficit)	(1,824,331)
TID #9 Big Bull Falls (deficit)	(207,365)
TID #11 Business Campus (deficit)	(72,856)
TID #12 Downtown Development (deficit)	(1,058,940)
Total unassigned fund balance	(3,166,755)
Total capital project funds	$ (2,888,161)

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

G. RESTRICTED ASSETS

The following represent the balances of the restricted assets:

Long-Term Debt Accounts

Construction - Used to report proceeds of bond issuances that are restricted for use in construction.

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

Depreciation/Equipment Replacement Account

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

	Wastewater
Operations Fund	97.5%
Replacement Fund	2.5%

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

	Water Utility	Wastewater Utility
Redemption accounts	$ 933,890	$ 1,574,226
Depreciation/Replacement accounts	-	2,039,527
Total Restricted Cash	$ 933,890	$ 3,613,753

H. 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.

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

H. 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, 2020 is as follows:

Deposits	$ 7,097,130
Petty cash	120
Total	$ 7,097,250
Financial statement presentation:	
Cash and cash equivalents	$ 5,859,419
Cash and cash equivalents - restricted	1,237,831
Total	$ 7,097,250

Custodial Credit Risk for Deposits

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

Custodial Credit Risk for Investments

At year end, the carrying value of the CDA's deposits was $7,097,130 and the financial institution balance was $7,234,243. 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.

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

H. 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, 2020 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Affordable Housing Program					
Loan	$ 750,000	$ -	$ -	$ 750,000	$ -
Compensated absences	54,591	38,995	(29,183)	64,403	25,654
	$ 804,591	$ 38,995	$ (29,183)	$ 814,403	$ 25,654

The Affordable Housing Program Loan represents a 0%, non-amortizing note payable. The CDA must comply with all AHP provisions for 15 years at which time the loan balance will be forgiven.

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

H. COMPONENT UNIT (Continued)

d. Capital asset activity for the year ended December 31, 2020 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	$ 1,033,884	$ 41,685	$ -	$ 1,075,569
Construction in progress	21,361	151,390	(172,751)	-
Total capital assets not being depreciated	1,055,245	193,075	(172,751)	1,075,569
Capital assets being depreciated:				
Buildings and improvements	22,200,634	365,288	-	22,565,922
Furniture and equipment	737,775	25,821	(12,391)	751,205
Total capital assets being depreciated	22,938,409	391,109	(12,391)	23,317,127
Less accumulated depreciation	(9,986,414)	(689,617)	12,391	(10,663,640)
Total capital assets being depreciated, net	12,951,995	(298,508)	-	12,653,487
Total Authority capital assets	$ 14,007,240	$ (105,433)	$ (172,751)	$ 13,729,056
Less related long-term debt outstanding				750,000
Net investment in capital assets				$ 12,979,056

NOTE 4 – OTHER INFORMATION

A. DEFINED BENEFIT PENSION PLAN

Plan description

The Wisconsin Retirement System (WRS) is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, 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 WRS Financial Report, which can be found at etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements.

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 12/31/2016) 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.

NOTE 4 – OTHER INFORMATION (Continued)

A. DEFINED BENEFIT PENSION PLAN (Continued)

Post-Retirement Adjustments

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

Year	Core Fund Adjustment (%)	Variable Fund Adjustment
2010	(1.3)	22.0
2011	(1.2)	11.0
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)

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, 2020, the WRS recognized $2,223,314 in contributions from the City.

NOTE 4 – OTHER INFORMATION (Continued)

A. DEFINED BENEFIT PENSION PLAN (Continued)

Contribution rates for the reporting period are:

Employee Category	Employee	Employer
General (including teachers, executives, and elected officials)	6.55%	6.55%
Protective with Social Security	6.55%	10.55%
Protective without Social Security	6.55%	14.95%

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

At December 31, 2020, the City reported an asset of $5,923,736 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2019, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2018 rolled forward to December 31, 2019. 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, 2019, the City's proportion was 0.18371268% which was an increase of 0.00512974% from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the City recognized pension expense of $2,245,447.

At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 11,244,604	$ 5,627,172
Net differences between projected and actual earnings on pension plan investments		12,110,222
Changes in assumptions	461,616	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	27,375	12,274
Employer contributions subsequent to the measurement date	2,223,314	-
Total	$ 13,956,909	$ 17,749,668

NOTE 4 – OTHER INFORMATION (Continued)

A. DEFINED BENEFIT PENSION PLAN (Continued)

$2,223,314 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31	Expense
2021	$ (1,783,719)
2022	(1,331,206)
2023	210,612
2024	(3,111,760)
Total	$ (6,016,073)

Actuarial Assumption

The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2018
Measurement date of net pension liability (asset):	December 31, 2019
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table
Post-retirement Adjustments*	1.9%

** No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.9% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.*

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

NOTE 4 – OTHER INFORMATION (Continued)

A. DEFINED BENEFIT PENSION PLAN (Continued)

Long-term expected Return on Plan Assets

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

Core Fund Asset Class	Current Asset Allocation	Long-Term Expected Nominal Rate of Return	Long-Term Expected Real Rate of Return
Global Equities	49.0%	8.1%	5.1%
Fixed Income	24.5%	4.9%	2.1%
Inflation Sensitive Assets	15.5%	4.0%	1.2%
Real Estate	9.0%	6.3%	3.5%
Private Equity/Debt	8.0%	10.6%	7.6%
Multi-Asset	4.0%	6.9%	4.0%
Cash	-10.0%	NA	NA
Total Core Fund	100.0%	7.5%	4.6%
Variable Fund Asset Class			
US Equities	70%	7.5%	4.6%
International Equities	30%	8.2%	5.3%
Total Variable Fund	100%	7.8%	4.9%

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

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

NOTE 4 – OTHER INFORMATION (Continued)

A. DEFINED BENEFIT PENSION PLAN (Continued)

Single Discount rate

A single discount rate of 7.00% was used to measure the total pension liability for the current and prior year. This single discount rate is based on the expected rate of return on pension plan investments of 7.00% and a long term bond rate of 2.75% (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, 2019. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of 10,000 tax exempt securities.) Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members.

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

The following schedule presents the City's proportionate share of the net pension liability/(asset) calculated using the discount rate of 7.00%, as well as what the City's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease to Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase to Discount Rate (8.00%)
City's proportionate share of the net pension liability (asset)	$ 15,254,677	$ (5,923,736)	$ (21,757,034)

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.

NOTE 4 – OTHER INFORMATION (Continued)

A. DEFINED BENEFIT PENSION PLAN (Continued)

Payable to the pension plan

At December 31, 2020 the City reported a payable of $448,219 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2020.

B. OTHER POSTEMPLOYMENT BENEFITS

The City reports OPEB related balances at December 31, 2020 as summarized below:

	OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
Local Retiree Life Insurance Fund (LRLIF)	$ 993,045	$ 385,852	$ 184,179	$ 98,687
Single-employer defined OPEB plan	596,832	46,173	63,227	65,061
Total OPEB related items	$ 1,589,877	$ 432,025	$ 247,406	$ 163,748

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.

NOTE 4 – OTHER INFORMATION (Continued)

B. 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, 2020, the following employees were covered by the benefit terms:

4	Inactive employees or beneficiaries currently receiving benefit payments
267	Active employees
271	

Contributions

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

Total OPEB Liability

The City's total OPEB liability of $596,832 was measured as of December 31, 2019, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs

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

Inflation	2.5%
Salary Increases	3.0%
Healthcare cost trend rates	6.50%, decreasing by .10% per year down to 5%, and level thereafter.

A discount rate of 2.75% was used in calculating the City's OPEB liability based on the Bond Buyer GO 20-Year Bond GO Index.

Mortality rates were based on the Wisconsin 2018 Mortality table.

NOTE 4 – OTHER INFORMATION (Continued)

B. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at December 31, 2018	$ 611,313
Changes for the year:	
Service Cost	43,449
Interest	23,746
Differences between epxected and actual experience	(54,824)
Changes of assumptions or other input	51,945
Benefit Payments	(78,797)
Net Changes	(14,481)
Balance at December 31, 2019	$ 596,832

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:

	1% Decrease to Discount Rate (1.75)%	Current Discount Rate (2.75%)	1% Increase to Discount Rate (3.75%)
City's proportionate share of the OPEB liability	$ 631,344	$ 596,832	$ 563,463

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:

NOTE 4 – OTHER INFORMATION (Continued)

B. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

	1% Decrease (5.5% decreasing to 4.0%)	Healthcare Cost Trend Rates (6.5% decreasing to 5.0%)	1% Increase (7.5% decreasing to 6.0%)
City's proportionate share of the OPEB liability	$ 540,485	$ 596,832	$ 662,633

OPEB Expense and Deferred Outflows of Resources Related to OPEB

For the year ended December 31, 2020, the City recognized OPEB expense of $65,061. At December 31, 2020 the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Payable to the OPEB Plan

At December 31, 2020, the City reported a payable of $0 for the outstanding amount of contribution to the plan required for the year ended December 31, 2020.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 48,732
Changes in assumptions	46,173	14,495
Total	$ 46,173	$ 63,227

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
2021	$ (2,132)
2022	(2,132)
2023	(2,132)
2024	(2,132)
2025	(2,132)
Thereafter	(6,394)
Total	$ (17,054)

NOTE 4 – OTHER INFORMATION (Continued)

B. OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. Local Retiree Life Insurance Fund

Plan Description

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

OPEB Plan Fiduciary Net Position

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

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

Benefits Provided

The LRLIF plan provides fully paid up life insurance benefits for post-age 64 retired employees 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 post-retirement benefit.

Employers are required to pay the following contributions based on employee 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 employee premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution rates as of December 31, 2020 are:

Coverage Type	Employer Contribution
50% Post-retirement coverage	40% of employee contribution
25% Post-retirement coverage	20% of employee contribution

NOTE 4 – OTHER INFORMATION (Continued)

B. OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. Local Retiree Life Insurance Fund (Continued)

Contributions (Continued)

Employee contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per $1,000 of coverage until the age of 65 (age 70 if active). The employee contribution rates in effect for the year ended December 31, 2019 are listed below:

Life Insurance
Employee Contribution Rates
For the year ended December 31, 2019

Attained Age	Basic	Supplemental
Under 30	$0.05	$0.05
30-34	0.06	0.06
35-39	0.07	0.07
40-44	0.08	0.08
45-49	0.12	0.12
50-54	0.22	0.22
55-59	0.39	0.39
60-64	0.49	0.49
65-69	0.57	0.57

During the reporting period, the LRLIF recognized $4,215 in contributions from the City.

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

At December 31, 2020, the City reported a liability of $993,045 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2019 rolled forward to December 31, 2019. 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, 2019, the City's proportion was 0.2332080%, which was a decrease of 0.0003070% from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the City recognized OPEB expense of $98,687.

NOTE 4 – OTHER INFORMATION (Continued)

B. OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. Local Retiree Life Insurance Fund (Continued)

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

At December 31, 2020, 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	$ -	$ 44,487
Net differences between projected and actual earnings on pension plan investments	18,732	-
Changes in assumptions	366,339	109,227
Changes in proportion and differences between employer contributions and proportionate share of contributions	781	30,465
Total	$ 385,852	$ 184,179

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:

Year ended December 31	Expense
2021	$ 33,085
2022	33,085
2023	31,065
2024	28,985
2025	25,422
Thereafter	50,031
Total	$ 201,673

NOTE 4 – OTHER INFORMATION (Continued)

B. OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. Local Retiree Life Insurance Fund (Continued)

Actuarial assumptions

The total OPEB liability in the January 1, 2019 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, 2019
Measurement date of net OPEB liability (asset):	December 31, 2018
Actuarial cost method:	Entry age normal
20 year tax-exempt municipal bond yield:	2.74%
Long-term expected rate of return:	4.25%
Discount rate:	2.87%
Salary increases:	
Inflation	3.00%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The total OPEB liability for December 31, 2019 is based upon a roll-forward of the liability calculated from the January 1, 2019 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.

NOTE 4 – OTHER INFORMATION (Continued)

B. OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. Local Retiree Life Insurance Fund (Continued)

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
US Credit Bonds	Barclays Credit	45%	2.12%
US Long Credit Bonds	Barclays Long Credit	5%	2.90%
US Mortgages	Barclays MBS	50%	1.53%
Inflation			2.20%
Long-Term Expected Rate of Return			4.25%

The long-term expected rate of return decreased slightly from 5.00% in the prior year to 4.25% in the current year. This change was primarily based on the target asset allocation and capital market expectations. The expected inflation rate also decreased slightly from 2.30% in the prior year to 2.20% in the current year. 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.

Single discount rate

A single discount rate of 2.87% was used to measure the total OPEB liability as opposed to the discount rate of 4.22% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 4.10% as of December 31, 2018 to 2.74% as of December 31, 2019. 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.

NOTE 4 – OTHER INFORMATION (Continued)

B. OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. Local Retiree Life Insurance Fund (Continued)

Sensitivity of the proportionate share of net OPEB liability to changes in the discount rate

The following presents the City's proportionate share of the net OPEB asset (liability) calculated using the discount rate of 2.87%, as well as what the City's proportionate share of the net OPEB asset (liability) would be if it were calculated using a discount rate that is 1-percentage-point lower (1.87%) or 1-percentage-point higher (3.87%) than the current rate:

	1% Decrease to Discount Rate (1.87%)	Current Discount Rate (2.87%)	1% Increase to Discount Rate (3.87%)
City's proportionate share of the net OPEB liability	$ 1,371,229	$ 993,045	$ 705,321

OPEB plan fiduciary net position

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

Payable to the OPEB Plan

At December 31, 2020, the City reported a payable of $0 for the outstanding amount of contribution to the plan required for the year ended December 31, 2020.

C. 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.

The City is involved in two claims related to the reconstruction of Thomas Street and the taking of property for road way expansion. The two claims are disputing the award of damages issued by the City. These claims are set for trial September 2021. The city's potential exposure is currently estimated at $575,000. The City is vigorously contesting the matters.

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.

NOTE 4 – OTHER INFORMATION (Continued)

C. COMMITMENTS AND CONTINGENCIES (Continued)

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, 2020, the City had the following encumbrances outstanding at year end and expects to honor them upon performance by the vendors:

General Fund	$	19,762
Capital Projects Fund		866,244
TID#3 Downtown Development Fu		379,326
Nonmajor Special Revenue Funds		309,774
Nonmajor Capital Projects Funds		1,071,462
Water Utility Fund		305,481
Sewer Utility Fund		24,124
Parking Fund		7,887
Motor Pool Fund		2,238,577
	$	5,222,637

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, 2020 are $10,849,074.

The City has entered into contracts for construction of water and wastewater treatment facilities the contracts at December 31, 2020 are as follows:

	Total Contract	Balance Outstanding
Water Treatment Facility	$ 40,119,884	$ 30,886,593
Wastewater Treatment Facility	$ 88,377,376	$ 64,812,643

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.

NOTE 4 – OTHER INFORMATION (Continued)

C. COMMITMENTS AND CONTINGENCIES (Continued)

Risk management (Continued)

The City provides health and dental care benefits to employees through individual plans with specific insurance coverage. Beginning January 1, 2020, the City moved to a fully insured health insurance plan with WEA Trust. 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 2020 and 2019 is as follows:

	Balance January 1	Claims and Changes in Estimates	Amounts Paid	Balance December 31
2020	$ 364,089	$ (143,030)	$ 202,359	$ 18,700
2019	364,089	3,835,434	3,835,434	364,089

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, 2020, a claims liability of $139,917 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 2020 and 2019 are as follows:

	Balance January 1	Claims and Changes in Estimates	Amounts Paid	Balance December 31
2020	$ 85,670	$ 64,857	$ 10,610	$ 139,917
2019	101,465	28,204	43,999	85,670

NOTE 4 – OTHER INFORMATION (Continued)

C. COMMITMENTS AND CONTINGENCIES (Continued)

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, 2020 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 2020 and 2019 are as follows:

	Balance January 1	Claims and Changes in Estimates	Amounts Paid	Balance December 31
2020	$ 793,981	$ 404,824	$ 110,344	$ 1,088,461
2019	822,804	262,278	291,101	793,981

D. ACCUMULATED UNPAID EMPLOYEE BENEFITS

City employees generally earn vacation and sick leave at different rates depending upon years of service. Vacation and sick leave accumulate on a biweekly basis. A liability for accrued vacation benefits of $1,156,352 has been recorded in the government-wide statement of net position.

When an employee retires or is forced to retire due to medical disability and meets specified requirements, a maximum of 60% (80 % for employees with at least 25 years of service and 100% for nonrepresented employees with at least 30 years of service as of December 31, 2012) of the remaining accumulated sick pay (employee's hourly rate, exclusive of longevity and shift differential) is used to pay premiums toward the hospital and surgical program then in effect for the employee. The liability for these benefits for current employees was $1,559,788 at December 31, 2020, and has also been recorded in the statement of net position. The employee may use the foregoing benefit until such time as one of the following occurs: the fund is depleted, the employee dies, or the employee becomes employed and/or eligible for other comparable hospital and surgical programs from another source.

NOTE 4 – OTHER INFORMATION (Continued)

D. ACCUMULATED UNPAID EMPLOYEE BENEFITS (Continued)

In order to be eligible for the above-described benefit, the employee must meet all the following conditions:

1. Have been hired prior to January 1, 2013, and
2. Apply for Wisconsin Retirement System benefits within thirty (30) days of the last day of work, and
3. In cases of voluntary retirement, give the employer at least a three months' notice of retirement date.

Provisions exist which allow City employees to earn compensatory time for hours worked in excess of 40 hours per week. This compensatory time is earned at either time or time-and-one half depending upon the employee's position classification. Compensatory balances that exceed the bank hour maximums shall be paid out. All balances in compensatory time banks must be used within the year it is earned or it is paid out on the last pay period of each year. The City has recorded a liability of $66,513 at December 31, 2020.

E. DEFERRED COMPENSATION PLAN

The City offers its employees certain deferred compensation plans created in accordance with the Internal Revenue Code. The plans, available to all City employees, permit them to defer a portion of their earnings until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. Plans are administered by private entities.

The City has amended all deferred compensation plans offered to comply with the modified laws governing IRC Section 457 plans. Accordingly, all amounts of compensation are held in trust for the exclusive benefit of the plan participants and their beneficiaries. All assets of the plans, all property and rights purchased with deferred amounts and all income attributable to those amounts, property or rights are (until made available to the employee or other beneficiary) held for the exclusive benefit of the employees and their beneficiaries. Since the City's deferred compensation plans are administered by private entities, in accordance with GASB Statement No. 32, no assets from these plans are presented in the City's financial statements.

F. JOINT VENTURE INFORMATION

The City is a participant in a joint and cooperative venture with Marathon County and North Central Health Care in the City-County Information Technology Commission (CCITC). The Commission provides for the implementation and operation of a cooperative data and management information system under the direction of the governing Board of Commissioners. North Central Health Care became a member as of April 1, 2009. Reimbursement of all operating expenses other than depreciation and interest are made by the City at a rate of 21%.

NOTE 4 – OTHER INFORMATION (Continued)

F. 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, 2020 is as follows:

Operating revenues	$ 4,453,654
Operating expenses	
Data processing expenses	4,241,817
Administrative and general expenses	211,837
Depreciation	595,046
Total operating expenses	5,048,700
Operating loss before contributions and reimbursements	(595,046)
Capital contributions and reimbursements	78,383
Change in net position	(516,663)
Total assets and deferred outflows of resources	3,385,495
Total liabilities and deferred inflows of resources	2,423,636

G. TAX INCREMENTAL FINANCING DISTRICTS

Tax Incremental Financing District No. 3 was created on September 1, 1994. The last date to incur project costs is September 1, 2026. The City borrowed funds for the project that will be retired by tax increments. These debt issues are included within the City's long-term debt. The balances on debt issues outstanding at December 31, 2020 are summarized in the following schedule.

2012 Promissory note Series A	$ 590,000
2012 Promissory note Series B	500,000
2014 GO Bonds Series B	855,000
2015 GO Bonds Series B	1,125,000
2015 GO Com Dev Bonds Series C	2,130,000
2016 GO Bonds Series B	2,885,000
2016C General Obligation Bonds - Taxable	1,216,468
2016 GO Com Dev Bonds Series C	1,609,779
Foundation Loan Riverfront Acquisition	750,000
2017 GO Bonds Series B	5,765,000
2020 GO Notes Series D	1,175,000
Total	$ 18,601,247

NOTE 4 – OTHER INFORMATION (Continued)

G. TAX INCREMENTAL FINANCING DISTRICTS (Continued)

Tax Incremental Financing District No. 5 was created on July 8, 1997. The last date to incur project costs is July 8, 2015. The District closed in 2020 with no outstanding debt.

Tax Incremental Financing District No. 6 was created on May 11, 2005. The expenditure period will end on May 11, 2023. The City borrowed funds for the project that will be retired by tax increments. The debt issues are included in the City's debt and the balances at December 31, 2020 are as follows:

2011 Promissory note Series A	$ 123,120
2012 Promissory note Series B	130,000
2013 Promissory note Series A	600,000
2016 Promissory note Series A	2,535,000
2017 Promissory note Series A	2,255,000
2018 Promissory note Series A	2,505,000
2019 Promissory note Series A	2,580,000
2020 State Trust Fund Loan	2,986,000
Total	$ 13,714,120

The following schedule summarizes the cumulative status of Tax Incremental Financing Districts (TID) No. 3, 5 and 6 as of December 31, 2020.

	TID #3	TID #5	TID #6
Total revenues	$ 61,783,805	$ 19,763,990	$ 22,087,490
Expenditures:			
Project costs	65,258,458	3,328,795	28,510,738
Interest and related costs	14,287,938	1,919,991	1,959,935
Administration	1,256,667	408,423	1,020,449
Developer grants/incentives	10,728,226	7,703,410	3,172,958
Other costs	-	6,403,371	1,140,793
Total expenditures	91,531,289	19,763,990	35,804,873
Net recoverable costs	$ 29,747,484	$ -	$ 13,717,383

NOTE 4 – OTHER INFORMATION (Continued)

G. TAX INCREMENTAL FINANCING DISTRICTS (Continued)

Tax Incremental Financing District No. 7 was created January 11, 2006. The expenditure period will end on January 10, 2021. The City borrowed funds for the project that will be retired by tax increments. These debt issues are included in the City's debt and balances at December 31, 2020 are summarized as follows:

TID 7	
2013 Promissory note Series B	$ 120,000
Total	$ 120,000

Tax Incremental Financing District No. 8 was created on April 11, 2012. The expenditure period will end on April 10, 2034. The City borrowed funds for the project that will be retired by tax increments. These debt issues are included in the City's debt and the balance at December 31, 2020 is as follows:

2015 Promissory note Series A	$ 530,000
2016 GO Bonds Series C	1,398,168
2019 Promissory note Series A	2,065,000
2020 GO Notes Series D	920,000
	$ 4,913,168

Tax Incremental Financing District No. 9 was created on September 26, 2012. The expenditure period will end on September 25, 2034. The City borrowed funds for the project that will be retired by tax increments. This debt issue is included in the City's debt and the balance at December 31, 2020 is as follows:

2012 Promissory note Series B	$ 180,000

The following schedule summarizes the cumulative status of Tax Incremental Financing Districts (TID) No. 7, 8, and 9:

	TID #7	TID #8	TID #9
Total revenues	$ 7,281,161	$ 2,655,016	$ 330,871
Expenditures:			
Project costs	6,635,099	4,906,136	6,440
Interest and related costs	1,003,242	323,550	91,201
Administration	180,416	294,172	20,595
Developer grants/incentives	1,210,310	1,938,282	600,000
Other costs	196,425	42,835	-
Total expenditures	9,225,492	7,504,975	718,236
Net recoverable costs	$ 1,944,331	$ 4,849,959	$ 387,365

NOTE 4 – OTHER INFORMATION (Continued)

G. TAX INCREMENTAL FINANCING DISTRICTS (Continued)

Tax Incremental Financing District No. 10 was created on September 10, 2013. The expenditure period will end on September 10, 2028. The City borrowed funds for the project that will be retired by tax increments. These debt issues are included in the City's debt and the balances at December 31, 2020 are as follows:

2014 GO Bonds Series B	$ 230,000
2015 GO Bonds Series B	970,000
	$ 1,200,000

Tax Incremental Financing District No. 11 was created on July 24, 2017. The expenditure period will end on July 11, 2032. The City borrowed funds for the project that will be retired by tax increments. These debt issues are included in the City's debt and the balances at December 31, 2020 are as follows:

2018 Note anticipation note Series C	$ 4,005,000
2020 GO Notes Series E	6,625,000
	$ 10,630,000

Tax Incremental Financing District No. 12 was created on July 24, 2017. The expenditure period will end on July 18, 2039. The City borrowed funds for the project that will be retired by tax increments. These debt issues are included in the City's debt and the balances at December 31, 2020 are as follows:

2018 Note anticipation note Series C	$ 4,005,000
2020 GO Notes Series D	320,000
	$ 4,325,000

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

	TID #10	TID #11	TID #12
Total revenues	$ 1,037,374	$ 1,938,626	$ 435,825
Expenditures:			
Project costs	549,567	6,715,817	1,434,995
Interest and related costs	214,741	1,004,102	296,226
Administration	99,228	252,508	100,586
Developer grants/incentives	1,325,000	4,669,055	3,987,958
Other costs	-	-	-
Total expenditures	2,188,536	12,641,482	5,819,765
Net recoverable costs	$ 1,151,162	$ 10,702,856	$ 5,383,940

NOTE 4 – OTHER INFORMATION (Continued)

H. SUBSEQUENT EVENTS

Debt Issuances

In 2021, the City had the following debt activity:

Issued $5,495,000 General Obligation Promissory Notes, Series 2021A – The issue has a ten year term with the first payment due April 1, 2022 with a true interest rate of .9908%. $1,857,328 will be used to retire the State Trust Fund Loan on July 29, 2021. The balance of the proceeds will fund capital projects.

Issued $9,695,000 Taxable General Obligation Corporate Purpose Bonds, Series 2021B – The issue has a fifteen year term with the first payment due April 1, 2022 with a true interest rate of 1.5501%. $8,010,000 of the proceeds will be used to retire the 2018 Bond Anticipation Notes on July 29, 2021. The balance of the proceeds will fund TID 12 capital projects .

The City has drawn an additional $23,942,490 on the Clean Water Fund Loan to finance the Wastewater Treatment Plant Facility expansion and upgrade.

The City has drawn an additional $13,723,991 on the Safe Drinking Water Loan to finance the construction of a new Water Treatment Plant.

COVID-19

The Coronavirus Disease 2019 (COVID-19) has affected global markets, supply chains, employees of organizations and local communities. Specific to the City, COVID-19 may impact parts of the 2021 operations and financial results. Management believes the City is taking the appropriate actions to mitigate the negative impacts. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated at July 30, 2021.

I. UPCOMING ACCOUNTING PRONOUNCEMENTS

In June 2017, the GASB issued Statement No. 87, *Leases*. The Statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. This statement is effective for reporting periods beginning after June 15, 2021. The City is currently evaluating the impact this standard will have on the financial statements when adopted.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WAUSAU, WISCONSIN
REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended December 31, 2020

	Budgeted Amounts (Note A)			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 19,071,978	$ 19,102,333	$ 19,147,166	$ 44,833
Intergovernmental	8,914,469	8,949,469	9,683,770	734,301
Licenses and permits	806,057	881,057	1,001,776	120,719
Fines, forfeitures and penalties	380,030	380,030	246,706	(133,324)
Public charges for services	2,295,760	2,295,760	2,143,307	(152,453)
Intergovernmental charges for services	1,032,548	1,032,548	1,290,058	257,510
Miscellaneous revenues	696,538	696,538	1,150,340	453,802
Total Revenues	33,197,380	33,337,735	34,663,123	1,325,388
EXPENDITURES				
General government	4,297,973	4,596,983	4,599,063	(2,080)
Public safety	18,506,938	18,586,347	18,987,289	(400,942)
Transportation and streets	8,327,195	8,327,195	7,894,417	432,778
Sanitation, health and welfare	929,000	929,000	924,445	4,555
Natural resources and recreation	3,074,171	2,871,633	2,383,435	488,198
Total Expenditures	35,135,277	35,311,158	34,788,649	522,509
Deficiency of Revenues over Expenditures	(1,937,897)	(1,973,423)	(125,526)	1,847,897
OTHER FINANCING SOURCES (USES)				
Transfers in	1,730,000	1,730,000	1,755,488	25,488
Transfers out	-	(588,000)	(588,000)	-
Total Other Financing Sources (Uses)	1,730,000	1,142,000	1,167,488	25,488
Net Change in Fund Balance	(207,897)	(831,423)	1,041,962	1,873,385
Fund balance - beginning of year	12,887,683	11,793,663	13,631,075	1,837,412
Fund balance - end of year	$ 12,679,786	$ 10,962,240	$ 14,673,037	$ 3,710,797

NOTE A - ANNUAL BUDGET

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

NOTE B - EXPENDITURES OVER APPROPRIATIONS

Expenditures exceeded appropriations for the following departmental cost centers: Data Processing $9,592, City Clerk/Customer Service $8,668, Elections $33,293, City Hall $53,369, Unclassified $101,318 Fire Department $283,624, Ambulance $86,701, Emergency Government $223,127, Inspections $16,459

CITY OF WAUSAU, WISCONSIN
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
LOCAL RETIREE LIFE INSURANCE FUND
For the Year Ended December 31, 2020

LRLIF Plan Fiscal Year Ending	Proportion of the Net OPEB Liability (Asset)	Proportionate Share of the Net OPEB Liability (Asset)	Covered-employee Payroll	Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Covered-employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
12/31/2017	0.2350570%	$ 707,188	$ 18,940,393	3.73%	44.81%
12/31/2018	0.2329010%	$ 600,963	$ 19,678,481	3.05%	48.69%
12/31/2019	0.2332080%	$ 993,045	$ 20,482,268	4.85%	37.58%

CITY OF WAUSAU, WISCONSIN
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
LOCAL RETIREE LIFE INSURANCE FUND
For the Year Ended December 31, 2020

City's Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered-employee Payroll	Contributions as a Percentage of Covered-employee Payroll
12/31/2018	$ 4,463	$ 4,463	$ -	$ 19,678,481	0.02%
12/31/2019	$ 4,487	$ 4,487	$ -	$ 20,482,268	0.02%
12/31/2020	$ 4,215	$ 4,215	$ -	$ 21,575,782	0.02%

NOTE A - LOCAL RETIREE LIFE INSURANCE FUND

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

Actuarial assumptions are based upon an experience study conducted in 2018 using experience from 2015 - 2017. Based on the experience study conducted in 2018, actuarial assumptions used to develop the Total OPEB Liability changed, including the discount rate, wage inflation rate, and mortality and separation rates.

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

CITY OF WAUSAU, WISCONSIN
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
AND RELATED RATIOS
OTHER POST-EMPLOYMENT BENEFITS
For the Year Ended December 31, 2020

	2018	2019	2020
Total OPEB Liability			
Service Costs	$ 46,603	$ 46,603	$ 43,449
Interest	23,835	22,403	23,746
Changes of benefit terms	-	-	-
Differences between expected and actual experience	-	-	(54,824)
Changes of assumptions	-	(18,118)	51,945
Benefit Payments	(109,967)	(112,726)	(78,797)
Net Change in OPEB Liability	(39,529)	(61,838)	(14,481)
Total OPEB Liability - Beginning	712,680	673,151	611,313
Total OPEB Liability - Ending	$ 673,151	$ 611,313	$ 596,832
Covered-employee payroll	$ 17,250,275	$ 20,482,268	$ 19,196,708
Total OPEB liability as a percentage of covered-employee payroll	3.90%	2.98%	3.11%

NOTE A - OTHER POST-EMPLOYMENT BENEFITS

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

CITY OF WAUSAU, WISCONSIN
REQUIRED SUPPLEMENTARY INFORMATION
WISCONSIN RETIREMENT SYSTEM
SCHEDULE OF EMPLOYER PROPORTIONATE SHARE OF
NET PENSION ASSET (LIABILITY)
For the Year Ended December 31, 2020

WRS Fiscal Year End Date (Measurement Date)	Proportion of Net Pension Asset (Liability)	City's Proportionate Share of the Net Pension Asset (Liability)	Covered Payroll	Ending Net Pension Asset (Liability) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of Total Pension Asset (Liability)
12/31/2014	0.17172566%	$ 4,218,052	$ 18,308,916	23.04%	102.74%
12/31/2015	0.17102049%	$ (2,779,050)	$ 18,179,898	15.29%	98.20%
12/31/2016	0.17036564%	$ (1,404,220)	$ 18,160,529	7.73%	99.12%
12/31/2017	0.17346577%	$ 5,150,404	$ 18,940,393	27.19%	102.93%
12/31/2018	0.17858294%	$ (6,353,422)	$ 19,678,481	32.29%	96.45%
12/31/2019	0.18371268%	$ 5,923,736	$ 20,482,268	28.92%	102.96%

CITY OF WAUSAU, WISCONSIN
REQUIRED SUPPLEMENTARY INFORMATION
WISCONSIN RETIREMENT SYSTEM
SCHEDULE OF EMPLOYER CONTRIBUTIONS
For the Year Ended December 31, 2020

City Year End Date	Contractually Required Contributions	Contributions Made	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a percentage of Covered Payroll
12/31/2015	$ 1,627,588	$ 1,627,588	$ -	$ 18,179,898	8.95%
12/31/2016	$ 1,620,665	$ 1,620,665	$ -	$ 18,160,529	8.92%
12/31/2017	$ 1,834,467	$ 1,834,467	$ -	$ 18,940,393	9.69%
12/31/2018	$ 1,891,736	$ 1,891,736	$ -	$ 19,678,481	9.61%
12/31/2019	$ 1,947,685	$ 1,947,685	$ -	$ 20,482,268	9.51%
12/31/2020	$ 2,223,314	$ 2,223,314	$ -	$ 21,575,782	10.30%

NOTE A - WISCONSIN RETIREMENT SYSTEM

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

Actuarial assumptions are based upon an experience study conducted in 2018 using experiences from 2015 - 2017. Based on the experience study conducted in 2018, actuarial assumptions used to develop the total pension liability changed including the discount rate, long-term expected rate of return, post retirement adjustment, wage inflation rate, mortality and separation rates.

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

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

CITY OF WAUSAU, WISCONSIN
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL
Year Ended December 31, 2020

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
TAXES				
General property taxes	$ 18,863,394	$ 18,863,394	$ 18,863,394	$ -
Mobile home parking fees	27,900	27,900	30,181	2,281
Payments in lieu of taxes	113,000	113,000	137,431	24,431
Other taxes	67,684	98,039	116,160	18,121
Total Taxes	19,071,978	19,102,333	19,147,166	44,833
INTERGOVERNMENTAL				
State shared taxes	4,599,391	4,599,391	4,628,789	29,398
Expenditure restraint	854,574	854,574	874,574	20,000
Fire insurance tax	130,000	130,000	128,264	(1,736)
Municipal services	161,711	161,711	161,404	(307)
Transportation aids	2,984,793	2,984,793	2,981,077	(3,716)
Other grants	184,000	219,000	909,662	690,662
Total Intergovernmental	8,914,469	8,949,469	9,683,770	734,301
LICENSES AND PERMITS				
Licenses	193,420	193,420	150,021	(43,399)
Franchise fees	337,402	337,402	331,536	(5,866)
Permits	275,235	350,235	520,219	169,984
Total Licenses and Permits	806,057	881,057	1,001,776	120,719
FINES, FORFEITURES AND PENALTIES	380,030	380,030	246,706	(133,324)
PUBLIC CHARGES FOR SERVICES				
General government	91,830	91,830	111,779	19,949
Public safety	1,744,170	1,744,170	1,772,246	28,076
Streets and related facilities	139,950	139,950	119,508	(20,442)
Recreation	179,800	179,800	83,497	(96,303)
Public areas	140,010	140,010	56,277	(83,733)
Total Public Charges for Services	2,295,760	2,295,760	2,143,307	(152,453)
INTERGOVERNMENTAL CHARGES FOR SERVICES				
State, federal and local reimbursements	11,350	11,350	10,880	(470)
County and other municipalities	240,373	240,373	235,606	(4,767)
City departments	780,825	780,825	1,043,572	262,747
Total Intergovernmental Charges for Services	1,032,548	1,032,548	1,290,058	257,510

CITY OF WAUSAU, WISCONSIN
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL (Continued)
Year Ended December 31, 2020

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
MISCELLANEOUS REVENUES				
Interest on general investments	$ 500,000	$ 500,000	$ 736,595	$ 236,595
Other interest	18,000	18,000	130,396	112,396
Rent of land and buildings	127,333	127,333	160,010	32,677
Sale of City property/loss compensation	20,600	20,600	23,459	2,859
Other miscellaneous revenues	30,605	30,605	99,880	69,275
Total Miscellaneous Revenues	696,538	696,538	1,150,340	453,802
OTHER FINANCING SOURCES				
Transfers in	1,730,000	1,730,000	1,755,488	25,488
TOTAL REVENUES AND OTHER FINANCING SOURCES	$ 34,927,380	$ 35,067,735	$ 36,418,611	$ 1,350,876

CITY OF WAUSAU, WISCONSIN
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL
Year Ended December 31, 2020

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
GENERAL GOVERNMENT				
City Council	$ 93,336	$ 93,336	$ 81,180	$ 12,156
Mayor	198,304	198,304	192,638	5,666
City promotion	105,000	155,000	100,771	54,229
Finance department	553,436	553,437	539,142	14,295
Data processing	800,586	800,586	810,178	(9,592)
City clerk/customer service	427,600	427,600	436,268	(8,668)
Elections	70,543	227,306	260,599	(33,293)
Assessor	513,902	513,902	484,680	29,222
City attorney	620,171	660,171	645,063	15,108
Municipal court	151,106	151,106	115,289	35,817
Human resources	386,975	386,975	349,308	37,667
City hall and other municipal buildings	301,014	301,014	354,383	(53,369)
Unclassified	76,000	128,246	229,564	(101,318)
Total General Government	4,297,973	4,596,983	4,599,063	(2,080)
PUBLIC SAFETY				
Police department	10,050,381	10,114,790	9,905,821	208,969
Fire department	4,304,282	4,309,282	4,592,906	(283,624)
Ambulance	3,268,675	3,268,675	3,355,376	(86,701)
Emergency Government (COVID - 19)	-	10,000	233,127	(223,127)
Inspections department	883,600	883,600	900,059	(16,459)
Total Public Safety	18,506,938	18,586,347	18,987,289	(400,942)
TRANSPORTATION AND STREETS				
Engineering	1,364,111	1,364,111	1,330,770	33,341
Public works	6,963,084	6,963,084	6,563,647	399,437
Total Transportation and Streets	8,327,195	8,327,195	7,894,417	432,778
SANITATION, HEALTH AND WELFARE				
Garbage and refuse collection	929,000	929,000	924,445	4,555
NATURAL RESOURCES/RECREATION				
Parks and recreation	3,074,171	2,871,633	2,383,435	488,198
OTHER FINANCING USES				
Transfers out	-	588,000	588,000	-
TOTAL EXPENDITURES AND OTHER FINANCING USES	$ 35,135,277	$ 35,899,158	$ 35,376,649	$ 522,509

CITY OF WAUSAU, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
December 31, 2020

	Special Revenue Funds			
	Grants	HUD Mortgage	DLAD Mortgage Program	Economic Development
ASSETS				
Cash and investments	$ 1,979,609	$ 157,004	$ 529,830	$ 26,226
Taxes receivable	176,634	-	-	-
Accounts receivable	126,341	-	-	-
Due from other funds	-	-	-	-
Notes receivable	2,854,692	1,984,681	42,982	870,093
Due from other governments	264,317	-	-	-
Advance to other funds	52,000	-	-	250,000
TOTAL ASSETS	$ 5,453,593	$ 2,141,685	$ 572,812	$ 1,146,319
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	$ 86,135		$ -	$ 1,620
Employee compensation and benefits	25,619	-	-	-
Due to other funds	304,631	-	-	-
Unearned revenues	33,110	-	-	12,943
Advances from other funds	-	-	-	-
Total Liabilities	449,495	-	-	14,563
Deferred Inflows of Resources				
Unavailable revenue	2,854,692	1,984,681	42,982	870,093
Property taxes levied for subsequent year	264,232	-	-	-
Total Deferred Inflows of Resources	3,118,924	1,984,681	42,982	870,093
Fund Balances				
Restricted for special purposes	1,885,174	157,004	-	-
Committed to special purposes	-	-	529,830	261,663
Unassigned	-	-	-	-
Total Fund Balances	1,885,174	157,004	529,830	261,663
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 5,453,593	$ 2,141,685	$ 572,812	$ 1,146,319

Special Revenue Funds					
Federal Rent Rehabilitation	WRRP Rehabilitation	Environmental Clean Up	Hazardous Materials Emergency Response	Housing Stock Improvement	Room Tax
$ 337,818	$ 1,092,498	$ 367,985	$ 215,173		$ 122,740
-	-	-	-	-	-
-	-	23,736	-	-	60,490
-	-	336,000	-	-	-
-	758,818	-	-	655,751	100,000
-	-	-	20,250	228,118	-
-	-	875,432	-	250,000	-
$ 337,818	$ 1,851,316	$ 1,603,153	$ 235,423	$ 1,133,869	$ 283,230
$ -	$ -	$ 56,317	$ 2,161	$ 15,000	$ 30,054
-	-	575	-	-	-
-	-	-	-	151,534	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	56,892	2,161	166,534	30,054
-	758,818	-	-	655,751	100,000
-	-	-	-	-	-
-	758,818	-	-	655,751	100,000
337,818	1,092,498	1,546,261	233,262	-	-
-	-	-	-	311,584	153,176
-	-	-	-	-	-
337,818	1,092,498	1,546,261	233,262	311,584	153,176
$ 337,818	$ 1,851,316	$ 1,603,153	$ 235,423	$ 1,133,869	$ 283,230

(Continued on next page)

CITY OF WAUSAU, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (Continued)
December 31, 2020

	Special Revenue Funds			
	Public Access Cable	Recycling	EMS Grant	400 Block
ASSETS				
Cash and investments	$ 16,038	$ 226,312	$ 37,954	$ 188,061
Taxes receivable	-	392,338	-	-
Accounts receivable	4,703	-	-	-
Due from other funds	-	-	-	-
Notes receivable	-	-	-	-
Due from other governments	-	-	-	-
Advance to other funds	-	-	-	-
TOTAL ASSETS	$ 20,741	$ 618,650	$ 37,954	$ 188,061
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	$ 240	$ 49,269	$ 804	$ 3,910
Employee compensation and benefits	456	-	-	-
Due to other funds		-	-	-
Unearned revenues	-	-	-	-
Advances from other funds	-	-	-	-
Total Liabilities	696	49,269	804	3,910
Deferred Inflows of Resources				
Unavailable revenue	-	-	-	-
Property taxes levied for subsequent year	-	586,910	-	-
Total Deferred Inflows of Resources	-	586,910	-	-
Fund Balances				
Restricted for special purposes	-		37,150	-
Committed to special purposes	20,045	-	-	184,151
Unassigned	-	(17,529)	-	-
Total Fund Balances	20,045	(17,529)	37,150	184,151
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 20,741	$ 618,650	$ 37,954	$ 188,061

Special Revenue Funds		Capital Project Funds			
Other grants & Special Purpose Accounts	Total	Central Capital Purchasing	TID #5 Industrial Park	TID #6 West Side Development	TID #7 West Side Development
$ 929,383	$ 6,226,631	$ 394,151	$ -	$ 1,234,465	$ 337,227
-	568,972	369,272	-	1,993,365	679,991
24,300	239,570	-	-	2,138	7,217
-	336,000	-	-	-	-
-	7,267,017	-	-	186,828	-
57,530	570,215	-	-	-	-
-	1,427,432	-	-	-	-
$ 1,011,213	$ 16,635,837	$ 763,423	$ -	$ 3,416,796	$ 1,024,435
$ 82,610	$ 328,120	$ 44,473	$ -	$ 251,299	$ -
2,543	29,193	-	-	-	-
-	456,165	-	-	-	635,748
-	46,053	-	-	-	-
-	-	-	-	-	1,195,801
85,153	859,531	44,473	-	251,299	1,831,549
-	7,267,017	-	-	186,828	-
-	851,142	552,404	-	2,981,932	1,017,217
-	8,118,159	552,404	-	3,168,760	1,017,217
926,060	6,215,227	166,546	-	-	-
-	1,460,449	-	-	-	-
-	(17,529)	-	-	(3,263)	(1,824,331)
926,060	7,658,147	166,546	-	(3,263)	(1,824,331)
$ 1,011,213	$ 16,635,837	$ 763,423	$ -	$ 3,416,796	$ 1,024,435

(Continued on next page)

CITY OF WAUSAU, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (Concluded)
December 31, 2020

	Capital Project Funds			
	TID #8 Near West Side	TID #9 Big Bull Falls	TID #10 Industrial Park	TID #11 Business Campus
ASSETS				
Cash and investments	$ 196,425	$ -	$ 190,976	$ 456,510
Taxes receivable	130,110	16,903	213,334	1,047,258
Accounts receivable	-	-	-	-
Due from other funds	-	-	-	-
Notes receivable	1,465,000	285,303	-	3,407,159
Due from other governments	-	-	-	-
Advance to other funds	-	-	-	-
TOTAL ASSETS	$ 1,791,535	$ 302,206	$ 404,310	$ 4,910,927
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	$ 68,690	$ -	$ -	$ 10,000
Employee compensation and benefits	-	-	-	-
Due to other funds	-	-	36,340	-
Unearned revenues	-	-	-	-
Advances from other funds	-	198,982	-	-
Total Liabilities	68,690	198,982	36,340	10,000
Deferred Inflows of Resources				
Unavailable revenue	1,465,000	285,303	-	3,407,159
Property taxes levied for subsequent year	194,635	25,286	319,132	1,566,624
Total Deferred Inflows of Resources	1,659,635	310,589	319,132	4,973,783
Fund Balances				
Restricted for special purposes	63,210	-	48,838	-
Committed to special purposes	-	-	-	-
Unassigned	-	(207,365)	-	(72,856)
Total Fund Balances	63,210	(207,365)	48,838	(72,856)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 1,791,535	$ 302,206	$ 404,310	$ 4,910,927

Capital Project Funds		
TID #12 Downtown Development	Total	Total Nonmajor Governmental Funds
$ -	$ 2,809,754	$ 9,036,385
-	4,450,233	5,019,205
-	9,355	248,925
-	-	336,000
3,407,127	8,751,417	16,018,434
-	-	570,215
-	-	1,427,432
$ 3,407,127	$ 16,020,759	$ 32,656,596
$ 160,781	$ 535,243	$ 863,363
-	-	29,193
-	672,088	1,128,253
-	-	46,053
898,159	2,292,942	2,292,942
1,058,940	3,500,273	4,359,804
3,407,127	8,751,417	16,018,434
-	6,657,230	7,508,372
3,407,127	15,408,647	23,526,806
-	278,594	6,493,821
-	-	1,460,449
(1,058,940)	(3,166,755)	(3,184,284)
(1,058,940)	(2,888,161)	4,769,986
$ 3,407,127	$ 16,020,759	$ 32,656,596

CITY OF WAUSAU, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Year Ended December 31, 2020

	Special Revenue Funds			
	Grants	HUD Mortgage	DLAD Mortgage Program	Economic Development
REVENUES				
Taxes	$ 239,232	$ -	$ -	$ -
Special assessments	-	-	-	-
Intergovernmental	893,068	-	-	-
Public charges for services	-	-	-	-
Licenses and permits	-	-	-	-
Miscellaneous revenues	340,679	204,500	14,562	6,714
Total Revenues	1,472,979	204,500	14,562	6,714
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Sanitation, health and welfare	-	-	-	-
Natural resources and recreation	-	-	-	-
Economic development	1,377,834	122,286	30	1,620
Capital outlay	-	-	-	-
Debt Service:				
Interest and debt service charges	-	-	-	-
Total expenditures	1,377,834	122,286	30	1,620
Excess (deficiency) of revenues over expenditures	95,145	82,214	14,532	5,094
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	-	-	-
Premium on debt issued	-	-	-	-
Transfers in	60,500	10,589	-	-
Transfers out	(10,589)	(40,500)	-	-
Total other financing sources (uses)	49,911	(29,911)	-	-
Net change in fund balances	145,056	52,303	14,532	5,094
Fund balances (deficit) - beginning of year	1,740,118	104,701	515,298	256,569
Fund balances (deficit) - end of year	$ 1,885,174	$ 157,004	$ 529,830	$ 261,663

Special Revenue Funds					
Federal Rent Rehabilitation	WRRP Rehabilitation	Environmental Clean Up	Hazardous Materials Emergency Response	Housing Stock Improvement	Room Tax
$ -	$ -	$ -	$ -	$ -	$ 511,025
-	-	-	-	-	-
-	-	-	85,220	228,117	-
-	-	-	-	-	-
-	-	-	-	-	-
-	34,214	90,369	-	88,493	-
-	34,214	90,369	85,220	316,610	511,025
-	-	-	-	-	-
-	-	-	51,921	-	-
-	-	269,196	-	244,959	-
-	-	-	-	-	-
-	188,355	-	-	135,027	237,477
-	-	-	-	-	-
-	-	-	-	-	-
-	188,355	269,196	51,921	379,986	237,477
-	(154,141)	(178,827)	33,299	(63,376)	273,548
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	(197,254)
-	-	-	-	-	(197,254)
-	(154,141)	(178,827)	33,299	(63,376)	76,294
337,818	1,246,639	1,725,088	199,963	374,960	76,882
$ 337,818	$ 1,092,498	$ 1,546,261	$ 233,262	$ 311,584	$ 153,176

(Continued on next page)

CITY OF WAUSAU, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (Continued)
Year Ended December 31, 2020

	Special Revenue Funds			
	Public Access Cable	Recycling	EMS Grant	400 Block
REVENUES				
Taxes	$ -	$ 564,007	$ -	$ -
Special assessments	-	-	-	-
Intergovernmental	-	147,100	7,684	-
Public charges for services	-	-	-	-
Licenses and permits	57,000	-	-	-
Miscellaneous revenues	11,978	300	-	9,192
Total Revenues	68,978	711,407	7,684	9,192
EXPENDITURES				
Current:				
General government	47,276	-	-	-
Public safety	-	-	10,543	-
Sanitation, health and welfare	-	862,130	-	-
Natural resources and recreation	-	-	-	26,732
Economic development	-	-	-	-
Capital outlay	15,224	-	-	-
Debt Service:				
Interest and debt service charges	-	-	-	-
Total expenditures	62,500	862,130	10,543	26,732
Excess (deficiency) of revenues over expenditures	6,478	(150,723)	(2,859)	(17,540)
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	-	-	-
Premium on debt issued	-	-	-	-
Transfers in	10,000	125,000	-	50,899
Transfers out	-	-	-	-
Total other financing sources (uses)	10,000	125,000	-	50,899
Net change in fund balances	16,478	(25,723)	(2,859)	33,359
Fund balances (deficit) - beginning of year	3,567	8,194	40,009	150,792
Fund balances (deficit) - end of year	$ 20,045	$ (17,529)	$ 37,150	$ 184,151

Special Revenue Funds		Capital Project Funds			
Other Grants & Special Purpose Accounts	Total	Central Capital Purchasing	TID #5 Industrial Park	TID #6 West Side Development	TID #7 West Side Development
$ -	$ 1,314,264	$ 475,000	$ 906,709	$ 2,773,367	$ 763,799
-	-	-	-	-	-
222,711	1,583,900	-	158,483	141,008	26,267
-	-	-	-	6,622	-
-	57,000	-	-	-	-
219,737	1,020,738	-	162,316	16,983	-
442,448	3,975,902	475,000	1,227,508	2,937,980	790,066
-	47,276	-	-	-	-
279,530	341,994	-	-	-	-
-	1,376,285	-	-	-	-
110,947	137,679	-	-	-	-
-	2,062,629	-	4,800	157,785	23,544
-	15,224	503,975	-	2,362,017	1,070,556
-	-	-	-	-	-
390,477	3,981,087	503,975	4,800	2,519,802	1,094,100
51,971	(5,185)	(28,975)	1,222,708	418,178	(304,034)
-	-	-	-	2,986,000	-
-	-	-	-	-	-
-	256,988	68,000	-	-	-
-	(248,343)	-	(1,222,708)	(2,690,722)	(51,350)
-	8,645	68,000	(1,222,708)	295,278	(51,350)
51,971	3,460	39,025	-	713,456	(355,384)
874,089	7,654,687	127,521	-	(716,719)	(1,468,947)
$ 926,060	$ 7,658,147	$ 166,546	$ -	$ (3,263)	$ (1,824,331)

(Continued on next page)

CITY OF WAUSAU, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (Concluded)
Year Ended December 31, 2020

	Capital Project Funds			
	TID #8 Near West Side	TID #9 Big Bull Falls	TID #10 Industrial Park	TID #11 Business Campus
REVENUES				
Taxes	$ 196,868	$ 24,876	$ 281,204	$ 886,113
Special assessments	3,551	-	-	-
Intergovernmental	223,795	2,055	43,220	-
Public charges for services	-	-	-	-
Licenses and permits	-	-	-	-
Miscellaneous revenues	12,481	-	-	25,988
Total Revenues	436,695	26,931	324,424	912,101
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Sanitation, health and welfare	-	-	-	-
Natural resources and recreation	-	-	-	-
Economic development	1,724,563	1,751	4,566	38,562
Capital outlay	1,158,947	-	-	88,775
Debt Service:				
Interest and debt service charges	15,468	-	-	65,807
Total expenditures	2,898,978	1,751	4,566	193,144
Excess (deficiency) of revenues over expenditures	(2,462,283)	25,180	319,858	718,957
OTHER FINANCING SOURCES (USES)				
Issuance of debt	920,000	-	-	6,625,000
Premium on debt issued	47,470	-	-	49,874
Transfers in	933,168	-	-	-
Transfers out	(1,082,208)	(65,520)	(138,773)	(6,936,173)
Total other financing sources (uses)	818,430	(65,520)	(138,773)	(261,299)
Net change in fund balances	(1,643,853)	(40,340)	181,085	457,658
Fund balances (deficit) - beginning of year	1,707,063	(167,025)	(132,247)	(530,514)
Fund balances (deficit) - end of year	$ 63,210	$ (207,365)	$ 48,838	$ (72,856)

Capital Project Funds		
TID #12 Downtown Development	Total	Total Nonmajor Governmental Funds
$ -	$ 6,307,936	$ 7,622,200
-	3,551	3,551
-	594,828	2,178,728
-	6,622	6,622
-	-	57,000
41,266	259,034	1,279,772
41,266	7,171,971	11,147,873
-	-	47,276
-	-	341,994
-	-	1,376,285
-	-	137,679
97,016	2,052,587	4,115,216
400,953	5,585,223	5,600,447
5,380	86,655	86,655
503,349	7,724,465	11,705,552
(462,083)	(552,494)	(557,679)
320,000	10,851,000	10,851,000
16,553	113,897	113,897
-	1,001,168	1,258,156
(138,173)	(12,325,627)	(12,573,970)
198,380	(359,562)	(350,917)
(263,703)	(912,056)	(908,596)
(795,237)	(1,976,105)	5,678,582
$ (1,058,940)	$ (2,888,161)	$ 4,769,986

CITY OF WAUSAU, WISCONSIN
NONMAJOR BUDGETED GOVERNMENTAL FUNDS
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2020

	Special Revenue Funds			
	Grants		HUD Mortgage	
	Budget	Actual	Budget	Actual
REVENUES				
Taxes	$ 239,232	$ 239,232	$ -	-
Special assessments	-	-	-	-
Intergovernmental	450,000	893,068	-	-
Public Charges for Services				
Licenses and permits	-	-	-	-
Miscellaneous revenues	259,475	340,679	132,000	204,500
Total Revenues	948,707	1,472,979	132,000	204,500
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Sanitation, health and welfare	-	-	-	-
Natural resources and recreation	-	-	-	-
Economic development	646,489	1,377,834	75,000	122,286
Capital outlay	-	-	-	-
Debt Service:				
Interest and debt service charges	-	-	-	-
Total expenditures	646,489	1,377,834	75,000	122,286
Excess (deficiency) of revenues over expenditures	302,218	95,145	57,000	82,214
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	-	-	-
Premium on debt issued	-	-	-	-
Transfers in	15,000	60,500	-	10,589
Transfers out	(34,000)	(10,589)	(26,000)	(40,500)
Total other financing sources (uses)	(19,000)	49,911	(26,000)	(29,911)
Net change in fund balances	$ 283,218	145,056	$ 31,000	52,303
Fund balances (deficit) - beginning of year		1,740,118		104,701
Fund balances (deficit) - end of year		$ 1,885,174		$ 157,004

Special Revenue Funds

DLAD Mortgage Program		Economic Development		WRRP Rehabilitation	
Budget	Actual	Budget	Actual	Budget	Actual
$ -	$ -	$ -	$ -	$ -	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
900	14,562	5,714	6,714	47,000	34,214
900	14,562	5,714	6,714	47,000	34,214
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
5,000	30	5,000	1,620	5,000	188,355
-	-	-	-	-	-
-	-	-	-	-	-
5,000	30	5,000	1,620	5,000	188,355
(4,100)	14,532	714	5,094	42,000	(154,141)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	4,500	-
-	-	-	-	-	-
-	-	-	-	4,500	-
$ (4,100)	14,532	$ 714	5,094	$ 46,500	(154,141)
	515,298		256,569		1,246,639
	$ 529,830		$ 261,663		$ 1,092,498

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CITY OF WAUSAU, WISCONSIN
NONMAJOR BUDGETED GOVERNMENTAL FUNDS
BUDGETARY COMPARISON SCHEDULE (Continued)
Year Ended December 31, 2020

	Special Revenue Funds			
	Environmental Clean Up		Hazardous Materials Emergency Response	
	Budget	Actual	Budget	Actual
REVENUES				
Taxes	$ -	-	$ -	-
Special assessments	-	-	-	-
Intergovernmental	-	-	81,000	85,220
Public Charges for Services				
Licenses and permits	-	-	-	-
Miscellaneous revenues	80,000	90,369	-	-
Total Revenues	80,000	90,369	81,000	85,220
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	64,300	51,921
Sanitation, health and welfare	154,363	269,196	-	-
Natural resources and recreation	-	-	-	-
Economic development	-	-	-	-
Capital outlay	-	-	13,000	-
Debt Service:				
Interest and debt service charges	-	-	-	-
Total expenditures	154,363	269,196	77,300	51,921
Excess (deficiency) of revenues over expenditures	(74,363)	(178,827)	3,700	33,299
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	-	-	-
Premium on debt issued	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	$ (74,363)	(178,827)	$ 3,700	33,299
Fund balances (deficit) - beginning of year		1,725,088		199,963
Fund balances (deficit) - end of year		$ 1,546,261		$ 233,262

Special Revenue Funds					
Housing Stock Improvement		Room Tax		Public Access Cable	
Budget	Actual	Budget	Actual	Budget	Actual
$ -	-	$ 880,000	$ 511,025	$ -	$ -
-	-	-	-	-	-
-	228,117	-	-	3,650	-
-	-	-	-	57,000	57,000
25,000	88,493	-	-	7,425	11,978
25,000	316,610	880,000	511,025	68,075	68,978
-	-	-	-	53,004	47,276
-	-	-	-	-	-
	244,959	-	-	-	-
-	-	-	-	-	-
27,500	135,027	596,052	237,477	-	-
-	-	-	-	25,556	15,224
-	-	-	-	-	-
27,500	379,986	596,052	237,477	78,560	62,500
(2,500)	(63,376)	283,948	273,548	(10,485)	6,478
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	10,000
(250,000)	-	(174,721)	(197,254)	-	-
(250,000)	-	(174,721)	(197,254)	-	10,000
$ (252,500)	(63,376)	$ 109,227	76,294	$ (10,485)	16,478
	374,960		76,882		3,567
	$ 311,584		$ 153,176		$ 20,045

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CITY OF WAUSAU, WISCONSIN
NONMAJOR BUDGETED GOVERNMENTAL FUNDS
BUDGETARY COMPARISON SCHEDULE (Continued)
Year Ended December 31, 2020

	Special Revenue Funds			
	Recycling		EMS Grant	
	Budget	Actual	Budget	Actual
REVENUES				
Taxes	$ 564,007	$ 564,007	$ -	$ -
Special assessments	-	-	-	-
Intergovernmental	147,000	147,100	10,000	7,684
Public Charges for Services				
Licenses and permits	-	-	-	-
Miscellaneous revenues	600	300	-	-
Total Revenues	711,607	711,407	10,000	7,684
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	10,000	10,543
Sanitation, health and welfare	711,607	862,130	-	-
Natural resources and recreation	-	-	-	-
Economic development	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Interest and debt service charges	-	-	-	-
Total expenditures	711,607	862,130	10,000	10,543
Excess (deficiency) of revenues over expenditures	-	(150,723)	-	(2,859)
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	-	-	-
Premium on debt issued	-	-	-	-
Transfers in	-	125,000	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	125,000	-	-
Net change in fund balances	$ -	(25,723)	$ -	(2,859)
Fund balances (deficit) - beginning of year		8,194		40,009
Fund balances (deficit) - end of year		$ (17,529)		$ 37,150

Special Revenue Funds				Capital Project Funds	
400 Block		Other Grants & Special Purpose Accounts		Central Capital Purchasing	
Budget	Actual	Budget	Actual	Budget	Actual
$ -	-	$ -	-	$ 475,000	$ 475,000
-	-	-	-	-	-
-	-	300,000	222,711	-	-
-	-	-	-	-	-
16,000	9,192	-	219,737	-	-
16,000	9,192	300,000	442,448	475,000	475,000
-	-	-	-	-	-
-	-	300,000	279,530	-	-
-	-	-	-	-	-
50,000	26,732	-	110,947	-	-
-	-	-	-	-	-
-	-	-	-	660,617	503,975
-	-	-	-	-	-
50,000	26,732	300,000	390,477	660,617	503,975
(34,000)	(17,540)	-	51,971	(185,617)	(28,975)
-	-	-	-	-	-
-	-	-	-	-	-
34,000	50,899	-	-	43,000	68,000
-	-	-	-	-	-
34,000	50,899	-	-	43,000	68,000
$ -	33,359	$ -	51,971	$ (142,617)	39,025
	150,792		874,089		127,521
	$ 184,151		$ 926,060		$ 166,546

(Continued on next page)

CITY OF WAUSAU, WISCONSIN
NONMAJOR BUDGETED GOVERNMENTAL FUNDS
BUDGETARY COMPARISON SCHEDULE (Continued)
Year Ended December 31, 2020

	Capital Project Funds			
	TID #5 Industrial Park		TID #6 West Side Development	
	Budget	Actual	Budget	Actual
REVENUES				
Taxes	$ 912,900	$ 906,709	$ 2,803,000	$ 2,773,367
Special assessments	-	-	-	-
Intergovernmental	158,483	158,483	441,008	141,008
Public Charges for Services	-	-	-	6,622
Licenses and permits	-	-	-	-
Miscellaneous revenues	150,000	162,316	22,864	16,983
Total Revenues	1,221,383	1,227,508	3,266,872	2,937,980
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Sanitation, health and welfare	-	-	-	-
Natural resources and recreation	-	-	-	-
Economic development	2,150	4,800	103,055	157,785
Capital outlay	-	-	3,867,106	2,362,017
Debt Service:				
Interest and debt service charges	-	-	35,000	-
Total expenditures	2,150	4,800	4,005,161	2,519,802
		2,650		
Excess (deficiency) of revenues over expenditures	1,219,233	1,222,708	(738,289)	418,178
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	-	2,263,000	2,986,000
Premium on debt issued	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(1,219,233)	(1,222,708)	(2,690,722)	(2,690,722)
Total other financing sources (uses)	(1,219,233)	(1,222,708)	(427,722)	295,278
Net change in fund balances	$ -	-	$ (1,166,011)	713,456
Fund balances (deficit) - beginning of year		-		(716,719)
Fund balances (deficit) - end of year		$ -		$ (3,263)

Capital Project Funds					
TID #7 West Side Development		TID #8 Near West Side		TID #9 Big Bull Falls	
Budget	Actual	Budget	Actual	Budget	Actual
$ 970,000	$ 763,799	$ 241,652	$ 196,868	$ 25,000	$ 24,876
-	-	-	3,551	-	-
26,267	26,267	197,938	223,795	2,055	2,055
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	12,481	26,000	-
996,267	790,066	439,590	436,695	53,055	26,931
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
293,150	23,544	1,707,650	1,724,563	3,150	1,751
972,000	1,070,556	925,000	1,158,947	-	-
-	-	-	15,468	-	-
1,265,150	1,094,100	2,632,650	2,898,978	3,150	1,751
			266,328		
(268,883)	(304,034)	(2,193,060)	(2,462,283)	49,905	25,180
-	-	640,000	920,000	-	-
-	-	-	47,470	-	-
-	-		933,168	-	-
(51,350)	(51,350)	(869,232)	(1,082,208)	(65,520)	(65,520)
(51,350)	(51,350)	(229,232)	818,430	(65,520)	(65,520)
$ (320,233)	(355,384)	$ (2,422,292)	(1,643,853)	$ (15,615)	(40,340)
	(1,468,947)		1,707,063		(167,025)
	$ (1,824,331)		$ 63,210		$ (207,365)

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CITY OF WAUSAU, WISCONSIN
NONMAJOR BUDGETED GOVERNMENTAL FUNDS
BUDGETARY COMPARISON SCHEDULE (Concluded)
Year Ended December 31, 2020

	Capital Project Funds			
	TID #10 Industrial Park		TID #11 Business Campus	
	Budget	Actual	Budget	Actual
REVENUES				
Taxes	$ 280,000	$ 281,204	$ 1,560,000	$ 886,113
Special assessments	-	-	-	-
Intergovernmental	43,220	43,220	-	-
Public Charges for Services	-	-	-	-
Licenses and permits	-	-	-	-
Miscellaneous revenues	-	-	-	25,988
Total Revenues	323,220	324,424	1,560,000	912,101
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Sanitation, health and welfare	-	-	-	-
Natural resources and recreation	-	-	-	-
Economic development	3,150	4,566	793,150	38,562
Capital outlay	-	-	329,825	88,775
Debt Service:				
Interest and debt service charges	-	-	-	65,807
Total expenditures	3,150	4,566	1,122,975	193,144
		1,416		
Excess (deficiency) of revenues over expenditures	320,070	319,858	437,025	718,957
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	-	-	6,625,000
Premium on debt issued	-	-	-	49,874
Transfers in	-	-	-	-
Transfers out	(138,773)	(138,773)	(336,173)	(6,936,173)
Total other financing sources (uses)	(138,773)	(138,773)	(336,173)	(261,299)
Net change in fund balances	$ 181,297	181,085	$ 100,852	457,658
Fund balances (deficit) - beginning of year		(132,247)		(530,514)
Fund balances (deficit) - end of year		$ 48,838		$ (72,856)

Capital Project Funds	
TID #12 Downtown Development	
Budget	Actual
$ -	$ -
-	-
-	-
-	-
-	41,266
-	41,266
-	-
-	-
-	-
-	-
386,632	97,016
634,900	400,953
-	5,380
1,021,532	503,349
(1,021,532)	(462,083)
1,135,000	320,000
-	16,553
-	-
(138,173)	(138,173)
996,827	198,380
$ (24,705)	(263,703)
	(795,237)
	$ (1,058,940)

CITY OF WAUSAU, WISCONSIN
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended December 31, 2020

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
General property taxes	$ 4,123,000	$ 4,123,000	$ 4,123,000	$ -
Miscellaneous revenues	12,000	12,000	1,370	(10,630)
Total Revenues	4,135,000	4,135,000	4,124,370	(10,630)
EXPENDITURES				
Debt Service:				
Principal retirement	10,180,120	10,180,120	16,780,120	(6,600,000)
Interest and debt service charges	2,277,675	2,277,675	2,307,883	(30,208)
Total Expenditures	12,457,795	12,457,795	19,088,003	(6,630,208)
Deficiency of Revenues over Expenditures	(8,322,795)	(8,322,795)	(14,963,633)	(6,640,838)
OTHER FINANCING SOURCES				
Premium on debt issued	163,076	163,076	165,291	2,215
Transfers in	7,687,435	7,687,435	14,287,451	6,600,016
Total Other Financing Sources	7,850,511	7,850,511	14,452,742	6,602,231
Net change in fund balance	(472,284)	(472,284)	(510,891)	(38,607)
Fund balance - beginning of year	731,325	731,325	1,078,894	347,569
Fund balance - end of year	$ 259,041	$ 259,041	$ 568,003	$ 308,962

CITY OF WAUSAU, WISCONSIN
TID #3 - DOWNTOWN DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended December 31, 2020

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
General property taxes	$ 2,705,000	$ 2,705,000	$ 2,646,873	$ (58,127)
Intergovernmental	1,085,133	1,085,133	889,877	(195,256)
Other miscellaneous	161,204	161,204	168,967	7,763
Total Revenues	3,951,337	3,951,337	3,705,717	(245,620)
EXPENDITURES				
Economic development	535,150	535,150	143,084	392,066
Capital outlay:				
Economic development	3,192,000	3,643,662	3,122,590	521,072
Debt Service:				
Interest and debt service charges	-	-	19,755	(19,755)
Total expenditures	3,727,150	4,178,812	3,285,429	893,383
Deficiency of Revenues over Expenditures	224,187	(227,475)	420,288	647,763
OTHER FINANCING SOURCES (USES)				
Issuance of debt	1,227,000	1,227,000	1,175,000	(52,000)
Premium on debt issued	-	-	60,573	60,573
Transfers in	1,219,233	1,219,233	1,222,708	3,475
Transfers out	(3,397,494)	(3,397,494)	(4,522,700)	(1,125,206)
Total Other Financing Sources (Uses)	(951,261)	(951,261)	(2,064,419)	(1,113,158)
Net change in fund balance	(727,074)	(1,178,736)	(1,644,131)	(465,395)
Fund balance - beginning of year	(1,004,003)	(3,075,753)	(618,929)	2,456,824
Fund balance - end of year	$ (1,731,077)	$ (4,254,489)	$ (2,263,060)	$ 1,991,429

CITY OF WAUSAU, WISCONSIN
CAPITAL IMPROVEMENTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended December 31, 2020

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
General property taxes	$ 446,865	$ 446,865	$ 446,865	$ -
Special assessments	256,000	256,000	260,671	4,671
Intergovernmental	246,192	102,192	119,192	17,000
Other miscellaneous	22,000	22,000	161,629	139,629
Total Revenues	971,057	827,057	988,357	161,300
EXPENDITURES				
Capital outlay	3,551,442	5,999,022	5,624,658	374,364
Debt Service:				
Interest and debt service charges	-	-	23,610	(23,610)
Total expenditures	3,551,442	5,999,022	5,648,268	350,754
Deficiency of Revenues over Expenditures	(2,580,385)	(5,171,965)	(4,659,911)	512,054
OTHER FINANCING SOURCES				
Issuance of debt	2,578,030	2,578,030	2,975,000	396,970
Transfers in	146,355	256,355	659,355	403,000
Total Other Financing Sources	2,724,385	2,834,385	3,634,355	799,970
Net change in fund balance	144,000	(2,337,580)	(1,025,556)	1,312,024
Fund balance - beginning of year	3,725,795	3,725,795	2,476,667	(1,249,128)
Fund balance - end of year	$ 3,869,795	$ 1,388,215	$ 1,451,111	$ 62,896

CITY OF WAUSAU, WISCONSIN
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
December 31, 2020

	Airport Fund	Animal Control Fund	Total
ASSETS			
Current Assets:			
Cash and investments	$ 63,940	$ 90,921	$ 154,861
Taxes receivable	97,380	30,247	127,627
Accounts receivable	4,198	15,975	20,173
Inventories and prepayments	-	924	924
Total Current Assets	165,518	138,067	303,585
Noncurrent Assets:			
Property, Plant and Equipment:			
Property and equipment	4,167,496	-	4,167,496
Accumulated depreciation	(2,550,935)	-	(2,550,935)
Net pension asset	-	7,970	7,970
Total noncurrent assets	1,616,561	7,970	1,624,531
TOTAL ASSETS	1,782,079	146,037	1,928,116
DEFERRED OUTFLOWS OF RESOURCES			
Pension related amounts	-	19,110	19,110
OPEB related amounts	-	579	579
TOTAL DEFERRED OUTFLOWS OF RESOURCES	-	19,689	19,689
LIABILITIES			
Current Liabilities:			
Accounts payable	21,357	8,282	29,639
Accrued payroll and benefits	304	2,657	2,961
Due to other governments	-	6,508	6,508
Unearned revenues	5,422	28,182	33,604
Total Current Liabilities	27,083	45,629	72,712
Noncurrent Liabilities:			
Net OPEB liability	-	1,490	1,490
TOTAL LIABILITIES	27,083	47,119	74,202
DEFERRED INFLOWS OF RESOURCES			
Pension related amounts	-	23,882	23,882
OPEB related amounts	-	276	276
Property taxes levied for subsequent year	145,674	45,247	190,921
TOTAL DEFERRED INFLOWS OF RESOURCES	145,674	69,405	215,079
NET POSITION			
Net investment in capital assets	1,616,561	-	1,616,561
Restricted for pension benefits	-	7,970	7,970
Unrestricted	(7,239)	41,232	33,993
TOTAL NET POSITION	$ 1,609,322	$ 49,202	$ 1,658,524

CITY OF WAUSAU, WISCONSIN
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Year Ended December 31, 2020

	Airport Fund	Animal Control Fund	Total
OPERATING REVENUES			
Charges for services and sales	$ 158,948	$ 133,285	$ 292,233
OPERATING EXPENSES			
Operating and maintenance	325,078	239,717	564,795
Depreciation	129,025	-	129,025
Total Operating Expenses	454,103	239,717	693,820
Operating income (loss)	(295,155)	(106,432)	(401,587)
NONOPERATING REVENUES			
Property taxes	125,000	40,747	165,747
Intergovernmental	-	32,835	32,835
Income (loss) before transfers	(170,155)	(32,850)	(203,005)
Capital contributions		-	-
Transfers in	25,000	-	25,000
Change in Net Position	(145,155)	(32,850)	(178,005)
Net position - beginning of year	1,754,477	82,052	1,836,529
Net position - end of year	$ 1,609,322	$ 49,202	$ 1,658,524

CITY OF WAUSAU, WISCONSIN
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year Ended December 31, 2020

	Airport Fund	Animal Control Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers, users and others	$ 164,561	$ 157,876	$ 322,437
Payments to suppliers	(295,682)	(186,695)	(482,377)
Payments to employees	(15,961)	(55,965)	(71,926)
Net Cash Used by Operating Activities	(147,082)	(84,784)	(231,866)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Property taxes	125,000	40,747	165,747
Intergovernmental payments received	-	32,835	32,835
Transfers in	25,000	-	25,000
Net Cash Provided by Noncapital Financing Activities	150,000	73,582	223,582
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital contributions	-	-	-
Acquisition and construction of capital assets	(7,575)	-	(7,575)
Net Cash Used by Noncapital Financing Activities	(7,575)	-	(7,575)
Net Increase (Decrease) in Cash and Investments	(4,657)	(11,202)	(15,859)
Cash and investments - beginning of year	68,597	102,123	170,720
Cash and investments - end of year	$ 63,940	$ 90,921	$ 154,861
Reconciliation of operating loss to net cash used by operating activities:			
Operating loss	$ (295,155)	$ (106,432)	$ (401,587)
Adjustments to reconcile operating loss to net cash used by operating activities:			
Depreciation expense	129,025	-	129,025
Changes in assets and liabilities:			
Accounts receivable	5,559	12,510	18,069
Inventories and prepayments	-	45	45
Accounts payable	13,636	(2,836)	10,800
Accrued payroll and benefits	(201)	(2,758)	(2,959)
Due to other governments	-	2,423	2,423
Pension related liabilities and deferred amounts	-	7,179	7,179
OPEB related liabilities and deferred amounts	-	(6,996)	(6,996)
Unearned revenues	54	12,081	12,135
Net cash used by operating activities	$ (147,082)	$ (84,784)	$ (231,866)

CITY OF WAUSAU, WISCONSIN
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
December 31, 2020

	Motor Pool	Insurance Fund	Employee Benefits Fund	Total
ASSETS				
Current Assets:				
Cash and investments	$ 1,685,033	$ 1,462,320	$ 1,348,085	$ 4,495,438
Accounts receivable	1,000	53,605	4,957	59,562
Inventories and prepayments	293,345	3,996	461,569	758,910
Total Current Assets	1,979,378	1,519,921	1,814,611	5,313,910
Noncurrent Assets:				
Property, Plant and Equipment:				
Property and equipment	14,985,276	-	-	14,985,276
Accumulated depreciation	(8,248,918)	-	-	(8,248,918)
Net pension asset	102,396	-	-	102,396
Total noncurrent assets	6,838,754	-	-	6,838,754
TOTAL ASSETS	8,818,132	1,519,921	1,814,611	12,152,664
DEFERRED OUTFLOWS OF RESOURCES				
Pension related amounts	235,936	-	-	235,936
OPEB related amounts	5,788	-	-	5,788
TOTAL DEFERRED OUTFLOWS OF RESOURCES	241,724	-	-	241,724
LIABILITIES				
Current Liabilities:				
Accounts payable	230,664	3,288	95	234,047
Accrued payroll and benefits	26,429	-	-	26,429
Claims payable	-	405,248	18,700	423,948
Unearned revenues	-	-	418,147	418,147
Total Current Liabilities	257,093	408,536	436,942	1,102,571
Noncurrent Liabilities:				
Accrued liability - claims payable	-	823,130	-	823,130
Compensated absences payable	-	-	-	-
Net OPEB liability	14,896	-	-	14,896
Total Noncurrent Liabilities	14,896	823,130	-	838,026
TOTAL LIABILITIES	271,989	1,231,666	436,942	1,940,597
DEFERRED INFLOWS OF RESOURCES				
Pension related amounts	306,815	-	-	306,815
OPEB related amounts	2,763	-	-	2,763
TOTAL DEFERRED INFLOWS OF RESOURCES	309,578	-	-	309,578
NET POSITION				
Net investment in capital assets	6,736,358	-	-	6,736,358
Restricted for pension benefits	102,396	-	-	102,396
Unrestricted	1,639,535	288,255	1,377,669	3,305,459
TOTAL NET POSITION	$ 8,478,289	$ 288,255	$ 1,377,669	$ 10,144,213

CITY OF WAUSAU, WISCONSIN
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Year Ended December 31, 2020

	Motor Pool	Insurance Fund	Employee Benefits Fund	Total
OPERATING REVENUES				
Charges for services and sales	$ 3,653,310	$ 880,192	$ 5,652,568	$ 10,186,070
Other operating revenues	52,643	56,490	-	109,133
Total Operating Revenues	3,705,953	936,682	5,652,568	10,295,203
OPERATING EXPENSES				
Operating and maintenance	2,519,887	-	-	2,519,887
Depreciation	988,766	-	-	988,766
Insurance, claims and administration	-	1,026,161	5,624,378	6,650,539
Total Operating Expenses	3,508,653	1,026,161	5,624,378	10,159,192
Operating income (loss)	197,300	(89,479)	28,190	136,011
NONOPERATING EXPENSES				
Loss on sale of capital assets	(12,663)	-	-	(12,663)
Change in Net Position	184,637	(89,479)	28,190	123,348
Total net position - beginning of year	8,293,652	377,734	1,349,479	10,020,865
Total net position - end of year	$ 8,478,289	$ 288,255	$ 1,377,669	$ 10,144,213

CITY OF WAUSAU, WISCONSIN
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year Ended December 31, 2020

	Motor Pool	Insurance Fund	Employee Benefits Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from interfund services provided	$ 3,711,859	$ 925,585	$ 5,670,833	$ 10,308,277
Payments to suppliers	(1,951,226)	(678,142)	(5,999,908)	(8,629,276)
Payments to employees	(524,135)	-	-	(524,135)
Net Cash Provided (Used) by Operating Activities	1,236,498	247,443	(329,075)	1,154,866
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(1,901,486)	-	-	(1,901,486)
Loss on disposal of capital assets	(12,663)	-	-	(12,663)
Net Cash Used by Capital and Related Financing Activities	(1,914,149)	-	-	(1,914,149)
Net Increase (Decrease) in Cash and Investments	(677,651)	247,443	(329,075)	(759,283)
Cash and investments - beginning of year	2,362,684	1,214,877	1,677,160	5,254,721
Cash and investments - end of year	$ 1,685,033	$ 1,462,320	$ 1,348,085	$ 4,495,438
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	$ 197,300	$ (89,479)	$ 28,190	$ 136,011
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	988,766	-	-	988,766
Changes in assets and liabilities:				
Accounts receivable	5,906	(11,097)	(4,253)	(9,444)
Inventories and prepayments	(31,789)	(3,996)	(30,143)	(65,928)
Accounts payable	87,071	3,288	2	90,361
Pension related liabilities and deferred amounts	112,020	-	-	112,020
OPEB related liabilities and deferred amounts	(107,923)	-	-	(107,923)
Unearned revenues	-	-	22,518	22,518
Claims payable	-	348,727	(345,389)	3,338
Accrued payroll and compensated absences	(14,853)	-	-	(14,853)
Net cash provided (used) by operating activities	$ 1,236,498	$ 247,443	$ (329,075)	$ 1,154,866
Noncash capital, investing and financing activities:				
Capital assets financed by municipality	$ -	$ -	$ -	$ -

CITY OF WAUSAU, WISCONSIN
CUSTODIAL FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
December 31, 2020

	Tax Collection Fund	Entrepreneurial & Education Center	Wausau Area Events	Wausau River District	Totals
ASSETS					
Cash and investments	$ 15,540,348	$ 96,855	$ 233,138	$ 95,330	$ 15,965,671
Taxes receivable	30,417,454	-	-	72,000	30,489,454
Accounts receivable	-	4,235	1,765	-	6,000
Prepaid expense	-	-	-	2,000	2,000
TOTAL ASSETS	$ 45,957,802	$ 101,090	$ 234,903	$ 169,330	$ 46,463,125
LIABILITIES					
Accounts payable	$ -	$ 17,441	$ 5,958	$ -	$ 23,399
DEFERRED INFLOWS OF RESOURCES					
Property taxes levied for subsequent year	$ 45,957,802	$ -	$ -	$ 72,000	$ 46,029,802
NET POSITION					
Restricted for individuals, organizations, and other governments	$ -	$ 83,649	$ 228,945	$ 97,330	$ 409,924

CITY OF WAUSAU, WISCONSIN
CUSTODIAL FUNDS
COMBINING STATEMENT OF CHANGES IN NET POSITION
December 31, 2020

	Tax Collection Fund	Entrepreneurial & Education Center	Wausau Area Events	Wausau River District	Totals
ADDITIONS					
Property tax collections	$ 44,979,606	$ -	$ -	$ 72,000	$ 45,051,606
Intergovernmental	-	30,000	-	26,591	56,591
Public charges for service	-	144,190	107,389	33,623	285,202
Miscellaneous revenues	-	10,529	11	90	10,630
TOTAL ADIITIONS	44,979,606	184,719	107,400	132,304	45,404,029
DEDUCTIONS					
Payments to taxing jurisdictions	44,979,606	-	-	-	44,979,606
Operating and maintenance	-	261,122	115,214	134,951	511,287
TOTAL DEDUCTIONS	44,979,606	261,122	115,214	134,951	45,490,893
Change in Net Position	-	(76,403)	(7,814)	(2,647)	(86,864)
Total net position - beginning of year,	-	160,052	236,759	99,977	496,788
Total net position - end of year	$ -	$ 83,649	$ 228,945	$ 97,330	$ 409,924

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

CITY OF WAUSAU, WISCONSIN
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
December 31, 2020

	Land	Buildings and Improvements	Machinery and Equipment	Infrastructure	Totals
FUNCTION AND ACTIVITY					
General government	$ 40,627,430	$ 10,689,576	$ 2,131,870	$ 1,054	$ 53,449,930
Public safety:					
Police protection	813,377	4,089,386	664,307	-	5,567,070
Fire protection	253,942	2,068,332	4,313,136	-	6,635,410
Public works:					
Maintenance	221,071	2,814,515	663,936	24,915	3,724,437
Sidewalks	-	-	-	12,374,575	12,374,575
Street system	4,861,253	6,571,567	-	149,319,183	160,752,003
Parks and recreation	403,104	19,955,287	3,814,984	30,500	24,203,875
TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS	$ 47,180,177	$ 46,188,663	$ 11,588,233	$ 161,750,227	$ 266,707,300

CITY OF WAUSAU, WISCONSIN
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
Year Ended December 31, 2020

	Balance January 1, 2020	Additions	Deletions	Balance December 31, 2020
FUNCTION AND ACTIVITY				
General government	$ 53,439,935	$ 9,995	$ -	$ 53,449,930
Public safety:				
Police protection	5,191,323	375,747	-	5,567,070
Fire protection	7,508,564	673,871	1,547,025	6,635,410
Public works:				
Maintenance	3,613,432	111,005	-	3,724,437
Sidewalks	11,572,023	802,552	-	12,374,575
Street system	155,191,758	5,665,587	182,187	160,675,158
Parks and recreation	21,958,496	2,322,224	-	24,280,720
TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS	$ 258,475,531	$ 9,960,981	$ 1,729,212	$ 266,707,300

TO: FINANCE COMMITTEE

FROM: MARYANNE GROAT

DATE: October 6, 2021

RE: Two Year Audit Extention

The City completed an RFP for audit services in 2016 for the audit periods 2016-2020. The City received 2 quotes: Schenck and Clifton Larson. The Finance Committee awarded the Contract to Schenck the 2020 audit cost was $50,025.

Last year Clifton Larson purchased Schenck so they are now the same firm. We are requesting a two year extension to the contract. The City and CDA have been very satisfied with the services we have received in the last contract. The price of $56,600 is reasonable.

Most importantly, remaining with a firm who is knowledge with our records saves staff time. As we have pointed out the ERP implementation is going increase staff workload immensely. Working with the same firm and staff will allow the audit to be performed efficiently and effectively minimizing staff interruptions.

We also requested a quote of the preparation of the financial statements. The reallocation of this responsibility during the ERP installation will also save City staff significant time that can be allocated to the ERP installation. Once the installation is complete we can resume these responsibilities.

I am requesting the Finance Committee approve the 2 year contract as proposed.

CliftonLarsonAllen LLP
311 Financial Way, Suite 100
Wausau, WI 54401

phone 715-675-2351 **fax** 715-675-2812
CLAconnect.com

October 7, 2021

Maryanne Groat, Finance Director
City of Wausau
407 Grant Street
Wausau, WI 54403-4783

Dear Maryanne:

Thank you for allowing us the opportunity to again propose on your auditing services. We are excited about this opportunity to continue providing services to your organization. Below is a summary of the services and the proposed fee. If you have any questions about our offerings, please do not hesitate to contact me at 920-455-4312 or email at jon.trautman@CLAconnect.com .

Professional fees

Our fees are based on the timely delivery of the services provided, and the experience of personnel assigned to the engagement. Based on past work with you, we propose our fees will not exceed the following for the years ending December 31, 2021 and 2022 –

Professional Services	2021	2022
Community Development Authority		
• Perform an audit of the annual financial statements	$10,150	$10,960
• Agreed-upon Procedure	$650	$700
Riverview Towers, LLC		
• Perform an audit of the annual financial statements	$7,990	$8,630
• Tax	$1,835	$1,980
Water Utility	$3,700	$3,900
Sewer Utility	$3,400	$3,700
Community Development Fund	$2,915	$3,150
Transit Utility	$4,750	$5,130
All Other services	$18,710	$20,205
Technology and client support fee (5%)	$2,500	$2,700
Other Optional Services:		
• Prepare annual financial statements - City	$9,500	$7,500

Like most firms, we are investing heavily in technology to enhance the client experience, protect our data environment, and deliver quality services. We believe our clients deserve clarity around our Technology and Client Support Fee, and we will continue to be transparent with our fee structure.

These fees include professional fees and expenses.

Our fees do not anticipate unusual or unforeseen circumstances. Before the scope of our work is changed for any unanticipated circumstances or events, we will inform you of the change and related change in fee.

CLA has a very open fee philosophy with our clients, and will work with you to establish a mutually acceptable fee arrangement for any future or special project engagements. We reiterate our strong interest in continuing to provide you the quality of service and support that will help you achieve your goals. If at any time you have a question concerning our services or fees, please call it to our attention so that we can discuss it.

Sincerely,

CliftonLarsonAllen LLP

Jon T Trautman

Jon Trautman, CPA
Principal

TO: FINANCE COMMITTEE

FROM: MARYANNE GROAT

DATE: October 6, 2021

RE: City of Wausau Capital Asset Policy

The City's current accounting policy requires capital assets be capitalized when they have a value of more than $5,000 and useful life in excess of two years.

GFOA best practices recommend establishing different capitalization policies for different classes of capital assets (ie land, infrastructure, buildings and improvements and equipment). Capitalization policies are primarily a financial reporting function. It is essential and important to maintain control over all assets but this can be managed outside the capitalization reporting process. It is generally thought that capitalizing small value assets adds costly recordkeeping with minimal informational value.

We surveyed other communities in Wisconsin and recommend the following thresholds:

- General capital assets $10,000
- Infrastructure $50,000

If approved this would be implemented for yearend 2021.

A copy of the survey is attached.

City	Population*	General	Infrastructure	Utility System
Appleton	74,098	$10,000		
Brookfield	39,115	$5,000	$10,000	
Eau Claire	68,802	$5,000	$5,000	
Fitchburg	30,792	$10,000	$10,000	
Fond du Lac	43,263	$5,000		
Franklin	35,811	$5,000	$25,000	
Green Bay	104,578	$5,000	$250,000	
Greenfield	37,221	$5,000		
Janesville	64,575	$10,000	$25,000	
La Crosse	51,227	$5,000	$5,000	
Manitowoc	32,579	$5,000		
Menomonee Falls	38,014	$5,000	$50,000	
Mount Pleasant	27,082	$5,000		
Neenah	26,300	$10,000	$25,000	$2,000
New Berlin	39,691	$5,000	$10,000	$1,000
Oak Creek	36,325	$5,000		
Oshkosh	67,004	$1,500		
Racine	76,760	$5,000	$25,000	
Sheboygan	47,965	$5,000		
Stevens Point	25,880	$5,000	$50,000	
Sun Prairie	34,661	$5,000	$50,000	
Waukesha	72,299	$5,000	$25,000	
Wausau	**38,561**	**$5,000**		
Wauwatosa	48,118	$5,000	$10,000	
West Allis	59,890	$5,000		
West Bend	31,563	$5,000	$5,000	$500

*Population data from https://www.census.gov/data/tables/time-series/demo/popest/2010s-total-cities-and-towns.html

Human Resource Committee Packet

September 13, 2021

Agenda Item
Discussion and possible action approving full implementation of Option 3 of the 2019 Wage Study.
Background
In 2019, the Common Council approved full implementation of Option 2 of the most recent wage study. Under Option 2, all employees who were below midpoint in their salary range had their wages adjusted according to the vendor's calculations. (NOTE: If an employee's current pay was above that recommended point, the employee's pay remained unchanged.) In 2020 and again in 2021, the Common Council approved an additional step increase for employees who were identified as eligible for an increase under Option 3 of the wage study. Through this method, the City continued to make progress toward fully funding and implementing the 2019 wage study. During the annual budget process, the HR Department produces updated estimates on the cost of fully implementing Option 3 of the wage study versus implementing an additional step to employees under Option 3. In 2022, full implementation expenses are estimated at $54,310 (if implemented 1/1/2022). Expenses related to one additional step increase are estimated at $14,370. Per the Employee Handbook, a full review of market data for all City jobs will be conducted approximately once every five (5) years. According to this timeline, in 2022 the Human Resources Department anticipates requesting permission to issue an RFP and select a market analysis vendor. The work of the market analysis will be conducted in 2023, and the analysis will be implemented in 2024 (five years from the date of the last implementation). Ideally, the City will utilize the time from now until 2024 to establish funding for the implementation of the market analysis so the budget may be established prior to implementation.
Fiscal Impact
$54,310 continuing expenses in the 2022 budget
Staff Recommendation
With preparation for the next market analysis approaching, I recommend fully implementing Option 3 in 2022. This will fully implement the current study before beginning work on the next study. The Finance Director has reviewed the estimated 2022 budget and believes that conditions are favorable for a full implementation of these expenses. Full implementation will also allow the Council to focus on establishing a reserve for the next study.
Staff contact: Toni Vanderboom (715-261-6634) and MaryAnne Groat (715-261-6645)

DRAFT

CITY OF WAUSAU HUMAN RESOURCES COMMITTEE
MINUTES OF OPEN SESSION

DATE/TIME: September 13, 2021 at 4:30 p.m.
LOCATION: City Hall (407 Grant Street) – Council Chambers
MEMBERS PRESENT: Dawn Herbst, Lou Larson, Michael Martens, Becky McElhaney, James Wadinski
MEMBERS ABSENT:
Also Present: Mayor Rosenberg, T. Vanderboom, Deb Ryan

Discussion and Possible Action Approving Full Implementation of Option 3 of the 2019 Wage Study.

Vanderboom provided an overview of the options that were available to implement the wage study done in 2019 and the process the City has used to determine if it can partially or fully implement Option 3 during the next year. Vanderboom recommended fully implementing Option 3 in 2022 effective January 1, 2022.

Martens asked if this would help alleviate compression issues that the City has been dealing with. Vanderboom said that yes, fully implementing Option 3 will put all employees where they should be according to the wage study. Martens also asked if this will help with retention of current employees. Vanderboom said that this will affect employees who have been with the City for a longer period of time and more employees will be red-lined (at the maximum of the salary scale). Wadinski said that this will most likely be an ongoing discussion item since things are moving fast in private industry.

Motion by Wadinski to approve the full implementation of Option 3 of the 2019 wage study for 2022. Second by Larson. All ayes. Motion passed 5-0.

CITY OF WAUSAU, 407 Grant Street, Wausau, WI 54403

JOINT RESOLUTION OF THE HUMAN RESOURCES COMMITTEE AND FINANCE COMMITTEE

Fully Implementing the 2019 Wage Study.

Committee Action:	HR: Approved 5-0 Fin: *Pending*
Fiscal Impact:	$54,310
File Number: 12-0217	**Date Introduced:** October 12, 2021

FISCAL IMPACT SUMMARY				
COSTS	*Budget Neutral*	Yes ☒ No ☐		
	Included in Budget:	Yes ☐ No ☐	*Budget Source:*	
	One-time Costs:	Yes ☐ No ☐	*Amount:*	
	Recurring Costs:	Yes ☐ No ☐	*Amount:*	
SOURCE	*Fee Financed:*	Yes ☐ No ☐	*Amount:*	
	Grant Financed:	Yes ☐ No ☐	*Amount:*	
	Debt Financed:	Yes ☐ No ☐	*Amount*	*Annual Retirement*
	TID Financed:	Yes ☐ No ☐	*Amount:*	
	TID Source: Increment Revenue ☐ *Debt* ☐ *Funds on Hand* ☐ *Interfund Loan* ☐			

RESOLUTION

WHEREAS, on March 12, 2019 the Wausau City Council approved the findings of the City's most recent wage study, and

WHEREAS, on April 21, 2019 employees who were identified by the vendor received a wage study adjustment increase which capped at midpoint; and,

WHEREAS, employees who were identified by the vendor for an increase above midpoint were granted additional step increases on January 1, 2020 and January 1, 2021 until they reached full implementation (i.e. the salary identified by the vendor as appropriate for that individual); and

WHEREAS, your Human Resources and Finance Committee have reviewed and recommend the full implementation of the wage study effective January 1, 2022; and

WHEREAS, under this full implementation, all remaining employees will have their salaries adjusted to the amount identified by the vendor during the wage study; and

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City of Wausau that the 2019 wage study be fully implemented effective January 1, 2022.

Approved:

Katie Rosenberg, Mayor

CITY OF WAUSAU, 407 Grant Street, Wausau, WI 54403

JOINT RESOLUTION OF THE HUMAN RESOURCES COMMITTEE AND FINANCE COMMITTEE

Authorizing health, dental and supplemental insurance plan design for 2022.

Committee Action: HR: *Pending*
Fin: *Pending*

Fiscal Impact:

File Number:	12-1012	**Date Introduced:**	October 12, 2021

FISCAL IMPACT SUMMARY			
COSTS	*Budget Neutral*	Yes☐No☐	
	Included in Budget:	Yes☐No☐	*Budget Source:*
	One-time Costs:	Yes☐No☐	*Amount:*
	Recurring Costs:	Yes☐No☐	*Amount:*
SOURCE	*Fee Financed:*	Yes☐No☐	*Amount:*
	Grant Financed:	Yes☐No☐	*Amount:*
	Debt Financed:	Yes☐No☐	*Amount* *Annual Retirement*
	TID Financed:	Yes☐No☐	*Amount:*
	TID Source: Increment Revenue ☐ *Debt* ☐ *Funds on Hand* ☐ *Interfund Loan* ☐		

RESOLUTION

WHEREAS, your Human Resources and Finance Committees have reviewed the recommended changes to the City's employee benefit program to include health plan and dental design to be offered to employees in 2022, and;

WHEREAS, the proposed benefit program recommends a vendor and plan change for health, accidental and critical illness insurance and continuing with the City's current vendors for dental and vision, and;

WHEREAS, the proposed health insurance plan design change decreases the co-insurance amount from 90% to 80%, and;

WHEREAS, the proposed benefit program contains a 7.33% increase in health insurance premium costs, and;

WHEREAS, the proposed health insurance plan design includes a vendor change, and;

WHEREAS, your Human Resources and Finance Committees approve the authorization and recommendation to continue to offer Health Savings Account eligible plans, which further promote health plan consumerism and cost savings by further engaging and informing individuals on the issues of health care costs, and;

WHEREAS, both your Human Resources Committee and your Finance Committee recommend keeping the dental premiums flat, and;

WHERES, both your Human Resources and Finance Committees approve the adjustment of the HSA and FSA contribution limits as necessary to remain compliant with IRS and other federal regulations, and;

NOW THEREFORE BE IT RESOLVED by the Common Council of the City of Wausau that the City of Wausau provide the health and prescription drug plans summarized above and specified in attached documentation for the 2022 plan year, and;

BE IT FURTHER RESOLVED by the Common Council of the City of Wausau that the proper City officials and designees are hereby authorized and directed to execute and administer the plan as approved by this resolution.

Approved:

____

Kate Rosenberg, Mayor

Human Resource Committee Packet

October 11, 2021

Agenda Item
Discussion and possible action approving 2022 benefit design for City and CCIT employees.

Background

As part of total compensation, the City of Wausau provides employees the opportunity to participate in a group Health, Dental, Vision and Life Insurance programs. Consistent with the employee handbook at 7.03, 7.04 and 7.05 respectively, employees contribute 12% of the health insurance premium, 50% of the dental insurance and 100% of the vision, life insurance premiums.

In 2020, the City changed health insurance vendors from Anthem to WEA Trust, which offered a competitive rate for the City in 2020 and 2021.

This year the City went to market, with the assistance of USI Insurance Services, staff has successfully outlined a plan resulting in a projected increase of 7.33% with a dual plan. This increase is intended to cover the anticipated plan cost increases. The City would change vendors from WEA Trust to Security Health Plan with a maximum guarantee renewal of 9.5% for 2023 and remain with its current vendors for dental, vision, and change to Mutual of Omaha for other insurances.

<u>Overview of Proposed Design Changes:</u>

1. Minimum increase to health insurance premiums.
   While staff and USI Insurance Services worked diligently, the attached documents reflect an approximately 7.33% increase in insurance premiums. This increase will cover projected cost increases.
   A. Dual plans will be offered for employees to select a narrow network or a broad network.
   B. Plan design change of co-insurance from 10% to 20% until Out of Pocket Maximum is obtained.
   C. No Maximum out of pocket per prescription unless Out of Pocket Maximum is obtained.
   D. No vision benefit unless employee selects SimplyOne narrow network, where the employee will receive eyewear discounts.
2. No change to dental, vision, LTD insurance.
3. Plan and vendor change and with increase coverage for accident and critical injury to Mutual of Omaha.
4. Adjust the HSA contribution limits to align with IRS regulations.
   The IRS has adjusted the HSA contribution limits for 2022 to $3650 for single and $7300 for family.
5. FSA contribution limits have not been released, but will adjust accordingly to IRS regulations.
   The City will keep plan design with carry-over funds.

Included, please find a projection of the 2022 Health Coverage Plan, as well as the equivalent information for the current 2021 Health Coverage Plan.

Human Resource Committee Packet

October 11, 2021

Fiscal Impact
7.33% ($356,574.31) increase in premiums.
Staff Recommendation
Approve benefit design as presented.
Staff contact: Toni Vanderboom (715-261-6634)

City of Wausau

HEALTH COVERAGE PLANS

Carrier	WEA trust		Security Health Plan		Security Health Plan	
	2021 Trust Preferred		2022 Premier HMO (Broad Network)		2022 Simply One HMO (Marshfield Only)	
Provider Network/Plan Type	In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	Out-of-Network
Deductible Single Family	$1,650 $3,300	$3,300 $6,600	$1,650 $3,300		$1,650 $3,300	
	If Employee contributes to the HSA, City will match the contribution annually up to $600 Employee /$1,200 Family. The City's payments will be made bi-monthly to the HSA account.		If Employee contributes to the HSA, City will match the contribution annually up to $600 Employee /$1,200 Family. The City's payments will be made semi-monthly to the HSA account.		If Employee contributes to the HSA, City will match the contribution annually up to $600 Employee /$1,200 Family. The City's payments will be made semi-monthly to the HSA account.	
Coinsurance	90%	70%	80%		80%	
Out-of-Pocket Max Single Family	*Includes Deductible* $2,650 $5,300	*Includes Deductible* $5,300 $10,600	*Includes Deductible* $2,650 $5,300		*Includes Deductible* $2,650 $5,300	
Lifetime Maximum	Unlimited	Unlimited	Unlimited		Unlimited	
Office Visits Primary Care Specialist	Deductible then $30 copay Deductible then $60 copay		Deductible then $30 copay then 80% Deductible then $60 copay then 80%		Deductible then $30 copay then 80% Deductible then $60 copay then 80%	
Routine/Preventive Care	100% Coverage	Ded, 70% Coins	100% Coverage		100% Coverage	
Inpatient Hospital Services	Ded, 90% Coins	Ded, 70% Coins	Ded, 80% Coins		Ded, 80% Coins	
Outpatient Hospital Services	Ded, 90% Coins	Ded, 70% Coins	Ded, 80% Coins		Ded, 80% Coins	
Urgent Care	Deductible then $100 copay		Deductible then $100 copay then 80%		Deductible then $100 copay then 80%	
Emergency Room	Deductible then $200 copay		Deductible then $200 copay then 80%		Deductible then $200 copay then 80%	
Prescription Drugs **Preventive theraputic drugs from list covered at 100%** Generic/Preferred Brand/Brand Name/Specialty	***After Deductible is Met*** $0/$10/$30/$60	***After Deductible is Met*** $0/$10/$30/$60	***After Deductible is Met*** $10/ $30/$60 /25% No Max		***After Deductible is Met*** $10/ $30/$60 /25% No Max	
Mail Order Drugs	*Mail Order Discount*					
Vision			No Vision Benefit		30% off eyewear ath Marshfield Clinic Optical	
Rates per month Employee Cost Family Cost	**WEA Trust Preferred** $77.94 $240.04		**Premier HMO** $84.50 $260.24		**Simply One HMO** $67.30 $207.30	
Rates per month Employer Single Cost Family Cost	**WEA Trust Preferred** $571.50 $1,760.24		**Premier HMO** $619.59 $1,908.36		**Simply One HMO** $493.56 $1,540.15	
Total Cost for Single Total Cost forFamily	$649.44 $2,000.28		$704.09 $2,168.60		$560.86 $1,727.45	

CITY OF WAUSAU, 407 Grant Street, Wausau, WI 54403

RESOLUTION OF THE FINANCE COMMITTEE			
Approving the 2022 Operating Plan for Business Improvement District (BID) No. 1			
Committee Action:	Approved 4-1		
Fiscal Impact: $0	The Bid plan allows businesses within the district to establish assessments to fund activities that develop, manage, and promote the district		
File Number:	04-1006	**Date Introduced:**	October 26, 2021

WHEREAS, the Business Improvement District Board met in September 2021 and approved the 2022 operating plan which provides for special assessments of $74,160 to fund Main Street activities; and

WHEREAS, state statutes require approval by the local legislative body; now therefore

BE IT RESOLVED, by the Common Council of the City of Wausau that the 2022 operating plan for Business Improvement District No 1 is hereby adopted; and

BE IT FURTHER RESOLVED, that the proper City officials are hereby authorized and directed to meet the city's obligation under the plan including, but not limited do the levy of special assessments.

Approved:

____

Katie Rosenberg, Mayor

OPERATING PLAN
FOR
CALENDAR YEAR 2022
BUSINESS IMPROVEMENT DISTRICT NO. 1
OF THE CITY OF
WAUSAU, WISCONSIN

OPERATING PLAN FOR CALENDAR YEAR 2022
BUSINESS IMPROVEMENT DISTRICT NO. 1
OF THE CITY OF WAUSAU, WISCONSIN

TABLE OF CONTENTS

OPERATING PLAN FOR CALENDAR YEAR 2019
BUSINESS IMPROVEMENT DISTRICT NO. 1
OF THE CITY OF WAUSAU, WISCONSIN

I. INTRODUCTION

Under Wisconsin Statute section 66.1109, (the "BID Law") cities are authorized to create Business Improvement Districts ("BIDs") upon the petition of at least one owner of property used for commercial purposes within the District. The purpose of the BID Law is ". . .to allow businesses within those districts to develop, to manage and promote the districts and to establish an assessment method to fund these activities." 1983 Wis. Act 184, Section 1, legislative declaration.

BID assessments are similar to traditional special assessments wherein property owners are assessed for improvements or services that benefit them. Unlike the traditional special assessments, however, BID assessments can be used to finance a wider range of activities, services and improvements such as The River District activities, special events, business retention, expansion and recruitment, promotions and marketing, and seasonal street decorations.

Pursuant to BID Law, an operating plan ("Operating Plan") must be presented to all property owners of the proposed City of Wausau, Wisconsin Business Improvement District No. 1 (the "District"). The Operating Plan must show the services to be offered by the District, expenditures by the District, the special assessment method applicable to properties within the District for the second year of the BID, and other requirements of the BID Law.

II. DISTRICT BOUNDARIES

The Business Improvement District area shown in the map located in Appendix A, which is attached hereto and incorporated herein by this reference. This entire area represents the heart of Wausau's central business district. The area also encompasses the area designated as the River District Wausau.

III. OPERATING PLAN

A. Plan Objectives

The objective of the Wausau River District, Inc. is to further promote the development, redevelopment, operation and promotion of the River District for the physical and economic benefit of all business and property owners within the BID as well as the entire Wausau community through the partial financing of the operating budget of Wausau River District, Inc. This is to occur in conjunction with the continued funding of these efforts by the City of Wausau.

Wausau River District, Inc. was accepted into the Wisconsin Main Street Program in 2002. Each year the program is provided three architectural drawings, available to any business or commercial property owner in the River District, by the Wisconsin Main Street Program. The Program also provides a maximum of two on-site business assistance visits and a one-day technical assistance visit, available to any business or commercial property owner in the River District. In addition, Wausau River District, Inc. holds regular committee meetings and listening sessions.

In conjunction with Wausau Events, Inc., the Main Street Program assists the organization of many beneficial and enjoyable events, such as Concerts on the Square, Winter Fest, and the Holiday Parade. These events have attracted locals and visitors alike to the River District.

Wausau River District, Inc. continues to adopt and undertake work plans to develop and promote the River District as an exciting place to live, learn, work and play, through collaborative efforts that involve area businesses, public and private institutions and property owners.

B. Proposed Activities

With the funding from the BID, the Main Street Program is planning for 2022 the following programs, either directly, or through cooperative efforts with Wausau Events, Inc. and the City of Wausau:

I. Business Development

a. Administer Sign Grant Program.
b. Administer the direction sign program.
c. Advocate for a change in focus on parking as an economic incentive
d. Provide support for organizations that are actively recruiting businesses to the River District.
e. Develop Business Resource Guide.
f. Maintain website, database and inventory of properties, businesses, and District stakeholders.
g. Renew and expand the Friends of the River District program
h. Maintain River District vacant property listings on website.
i. Develop and coordinate Dining on the Street event series.
j. Develop and coordinate Downtown Employee Appreciation Week.
k. Develop and coordinate Exhibitour, Sidewalk Sales, a Fashion Show, Holiday Open House Weekend and Small Business Saturday
l. Coordinate promotions and advertising campaigns through the development and placement of print, online, television and/or radio advertisements for Dining on the Street, Sidewalk Sales, Holiday Open House, and Small Business Saturday.
m. Support special events that occur within the district
n. Participate in the Small Business Expo
o. Partner with Festival of the Arts to bring foot traffic into storefronts
p. Enter in at least 3 categories annually for State Main Street Awards.
q. Advocate for more pedestrian-friendly streets.
r. Advocate for a business ecosystem the promotes diversity and minority owned businesses.
s. Coordinate general promotional efforts for River District businesses and events, including purchasing ads with various hotels, amenities, and digital platforms.
t. Promote the Main Street program via the website, press releases, presentations with community groups, informational brochures, e-newsletters, etc.
u. Develop partnerships with and among Wausau River District stakeholders.
v. Develop and distribute State of the Wausau River District Report/Market Profile to stakeholders.
w. Update, reprint and redistribute River District Market Profile annually.

x. Communicate regularly with Wausau River District stakeholders in person (when safely allowed) and via e-mail, phone, in-person, and other correspondence.

II. Placemaking

a. Enable creative patterns of use of public spaces in the River District.
b. Develop and coordinate the downtown history walk.
c. Coordinate and implement Wausau first and only street art contest, Art Lives Here
d. Collaborate with local entities to coordinate and implement a Pride festival
e. Work with River West stakeholders to implement Wayfinding signage
f. Publish weekly promotional emails (Hot Happenings in the River District).
g. Coordinate seasonal displays including the umbrellas over third street and holiday lights
h. Work with local entities to identify and design street pole banners to showcase Wausau's diversity
i. Continued selling of Wausau/Wausau River District merchandise.
j. Maintenance and upkeep of Walk You Bike seals
k. Coordinate spring cleanup event.
l. Coordinate content for the 400 Block sign.

III. Residential Development

a. Develop an inventory of River District residential offerings.
b. Promote residential listings that are available.
c. Advocate for residential development and increased density with ½ mile radius of our district.
d. Engage in community outreach to learn from current property owners and investor and educate them about our work.
e. Promote redevelopment resources to area landlords, highlight and showcase example of beneficial redevelopment.
f. Advocate for a housing study
g. Gather and distribute data on economic impact of housing redevelopment.
h. Ensure quality design standards in future redevelopment.

IV. Organizational Administration

a. Maintain National Main Street Accreditation.
b. Pursue Great American Main Street Award.
c. Monitor Room Tax and BID legislation.
d. Identify and engage Friend of the River District partners.
e. Continue to diversify funding sources.
f. Research and apply for various revenue streams through which to additionally support organizational operations.
g. Recruit, train, and orient new board and committee members.
h. Coordinate quarterly neighborhood meetings with Wausau Police Department.
i. Engage in meetings with community groups.
j. Develop and Coordinate our Youth Board member program.
k. Distribute News You Need to River District stakeholders.

Based on resources, time and BID Board discretion, some of these programs may not be fully implemented. The BID Board acknowledges that the Main Street Program may conduct other activities similar to those above, to carry out the objectives identified above. The BID Board further acknowledges that the Main Street Program may not achieve full completion of all of the activities outlined above. In addition, the BID shall have all powers granted under the BID Law, including to collect the assessments provided herein, and to carry out the purposes of this Operating Plan.

C. Expenditures and Financing Method

The operating budget for the District is $74,160.00 which will be collected through the BID assessment. The BID expenditure represents the partial funding of the 2022 Main Street Program, Wausau River District, Inc. This funding will be made upon written request from Wausau River District, Inc. to the extent of funds collected by the City of Wausau pursuant to the assessment levied hereby. The projected revenue and expenditures for year 2022 of Wausau River District are identified on Appendix B, which is attached hereto and incorporated herein. The actual budget will be adjusted if the actual revenue received is less than projected. The adjustments could include revising or eliminating individual budget line items as determined by the BID Board of Directors. Expenditures are intended to be made in a fair and equitable basis throughout and for the benefit of the entire District. In the event that a surplus exists at the end of any fiscal year, the monies may be carried over for expenditures in subsequent years.

The Operating Budget for any BID year will be subject to the approval of the City of Wausau, as set forth in Wisconsin Statutes section 66.1109. While this budget does not, the BID Board acknowledges that if any year's annual operating budget exceeds the prior year's annual operating budget by 4% or more, such budget must be approved by a 2/3 majority of the entire District Board. No capital improvements are currently planned by the District. For the purpose of this Operating Plan, "capital improvement" means any physical item that is permanently affixed to real estate including, without limitation, street lighting and sidewalk improvements. The term "capital improvement" shall not include, among other things, any maintenance equipment or supply, any communications equipment, any vehicles, any seasonal improvement or any holiday lighting or decoration. After the District Board has approved the annual operating plan and budget, they will be sent to the City for approval, adoption and inclusion in the City's annual budget for the following year.

The District may not borrow funds.

The District will continue to support Wausau River District's efforts to solicit gifts, grants and other voluntary contributions from parties outside the Main Street Program boundaries.

D. Organization of the District Board

The Mayor shall appoint members, who will culturally represent Wausau's diverse communities, to the District Board (the "Board"), and the Wausau City Council will act on the confirmation of such appointments. The Board shall be responsible for implementation of this Operating Plan. This requires the Board to negotiate with providers of services and materials to carry out the Operating Plan; to enter into various contracts; to monitor the effectiveness of the District's activities, to aid compliance with the provisions of applicable statutes and regulations; and to make reimbursements for any overpayments of District assessments.

Wisconsin Statutes section 66.1109(3)(a) requires that the Board be composed of at least five members and that a majority of the Board members shall either own or occupy real property in the District. If the actual property or business owner is an entity, that entity shall designate a representative to act on its behalf.

The Board shall be structured and operate as follows:

1. Board Size – 11 members.

2. Composition –

   Business Owners – four members, representing owners of commercial business in the area;

   Property Owners – five members, representing owners of commercial property in the area;

   Government – one member, representing the City of Wausau; and

   Wausau River District, Inc. – one member, representing Wausau River District, Inc., Inc.

   In addition, the following representatives shall be appointed by the Mayor who shall not be formal members of the Board and therefore cannot vote, but who will represent the following constituency, and advise the Board, and shall be notified of all Board meetings, shall be able to attend such Board meetings and give input to the Board:

   Board of Main Street Wausau, Inc. – all members (without votes) of the Board of Directors of Main Street Wausau, Inc.

3. Term – Appointments to the Board shall be two classes (of five and six members per class respectively) for staggered periods of two years.

4. Compensation – None.

5. Open Meetings Law – All meetings of the Board shall be governed by the Wisconsin Open Meetings Law if and as legally required.

6. Record Keeping – Files and records of the Board's affairs shall be kept pursuant to the Wisconsin Public Records Law.

7. Staffing and Office – To be determined as necessary.

8. Meetings – The Board shall meet regularly, at least once every three months. An annual meeting will be planned for all property/business owners.

9. Executive Committee – The Board shall elect from its members a chair, a vice-chair, a secretary, and a treasurer who shall comprise an Executive Committee of the Board. The Executive Committee of the Board shall be authorized to oversee the day-to-day operations of the District, including the execution of minor contracts, and the signing of checks, subject to the controls adopted by the Board.

10. Committees – To be determined as necessary.

11. Non-Voting Advisors – The Board will have non-voting advisors, as identified above.

12. Powers – The Board shall have all powers necessary and convenient to implement the Operating Plan, including the power to contract.

13. Annual Report – The Board shall prepare and make available to the public annual reports, including an independent certified audit conducted by the City of Wausau, as required by the BID Law.

IV. **METHOD OF ASSESSMENT**

A. Annual Assessment Rate and Method

The annual assessment for District operating expenses will be in direct proportion to the equalized assessed value of that property within the District.

The total assessment for each assessed parcel is formulated as follows:

1. Divide the proposed annual District budget by the total assessed valuation (as reflected on the City's tax rolls) of all property within the District that is subject to assessment as provided by law.

   (Note - this quotient shall expressed to the nearest 1/10,000 and be referred to so the "BID Mil Rate")

2. Multiplying the BID Mil Rate by the assessed valuation of each Assessable Property (as defined herein), the product of which shall be the District's initial assessment of that Assessable Property, but shall be subject to the adjustments set forth in Section IV.A.3 below.

3. Notwithstanding the foregoing, the total of the District's assessment for each Assessable Property shall not exceed $3,090.00 nor be less than $309.00, which is computed using the following steps:

a. first, all Assessable Properties whose initial assessment is less than $309.00 shall have their assessment adjusted to $309.00;
b. second, any excess assessment created by the adjustment made in subsection a. shall be applied to reduce the initial assessment of all other Assessable Properties within the District;
c. third, all Assessable Properties whose initial assessment is greater than $3,090.00 shall have their initial assessment adjusted to $3,090.00;
d. fourth, any deficit of assessment created by the adjustments made in subsection c. shall be allocated among all other Assessable Properties on a proportionate basis, this basis being equivalent to what the total assessed value of Assessable Property bears to the total assessed value of all Assessable Properties in the District.

4. Use of each Assessable Property as of January 1 in the year of assessment, as reflected in the records of the Assessor for the City of Wausau, shall control for purpose of the District's assessment.

For purposes of this Operating Plan, an "Assessable Property" shall be defined as a parcel of land subject to assessment hereunder and under the BID Law, with a separate Tax Key Number, as identified in the City of Wausau's Assessor's Office.

The BID assessment is hereby levied by the City of Wausau, which shall be a lien against each of the tax parcels of real property contained in the District, unless exempted as identified herein, under the power of Wisconsin Statutes Chapter 66. Such special assessments are hereby levied by the City of Wausau by adoption of this BID Plan. The city comptroller is authorized to include the BID assessment on bills for properties subject to the assessment within the designated Improvement District for calendar year 2021.

The City of Wausau shall collect such BID assessments and shall provide to the BID Board an accounting of the amounts received and the tax key numbers for which they are collected. All assessments shall be placed in a segregated account in the City's treasury. The City shall disburse the funds when the BID Board requisitions payments for its expenses that are authorized by the BID Operating Plan. All interest earned by virtue of temporary investment of funds in the BID account shall remain in the account for activities delineated in the BID Operating Plan.

All assessments hereby levied shall be due and payable on or before the due date of the first installment of real estate taxes on the properties assessed hereby. No assessments levied hereby may be paid in installments.

B. Excluded and Exempt Property

The BID statute requires explicit consideration of certain classes of property. In compliance with the law, the following statements are provided.

1. Wisconsin Statutes section 66.1109(1)(f) 1m: The District will not contain property used exclusively for manufacturing purposes.

2. Wisconsin Statutes section 66.1109(5)(a): Property used exclusively for residential purposes will not be assessed.

   Property exempt from general real estate taxes, for the calendar year in which the BID Operating Plan is adopted, are hereby excluded from the District by definition, even though the boundaries of the District would otherwise include them. Owners of tax exempt property adjoining the District and expected to benefit from District activities will be asked to make a financial contribution to the District on a voluntary basis. In addition, those tax exempt properties adjoining the District which are later determined no longer to be exempt from general property taxes, and tax exempt properties whose owners consent in writing to be assessed, shall automatically become included within the District and subject to assessment under any current operating plan without necessity to undertake any other act.

V. **PROMOTION OF ORDERLY DEVELOPMENT OF THE CITY**

Under Wisconsin Statutes section 66.1109(1)(f) 4, this Operating Plan is required to specify how the creation of the District promotes the orderly development of the City. The District will increase the vitality of the Main Street Program Area and central business district and, consequently, encourage commerce in the City. Increased business activity in the City will increase sales tax revenues and property tax base.

<u>City Role in District Operation</u>

The City has committed to assisting owners and occupants in the District to promote its objectives. To this end, the City has played a significant role in creation of the District and in the implementation of the Operating Plan. In furtherance of its commitment, the City shall:

1. Maintain services to Wausau River District at their current levels;

2. Maintain the City's current financial commitment to Wausau River District, Inc. for $26,591.00 per year in funding;

3. Handle the billing and collection of the BID assessment as provided herein;

4. Have the City Attorney make a legal opinion that the BID Operating Plan complies with the requirements of the BID Law; and

5. Annually perform an independent certified audit of the implementation and operating plan pursuant to section 66.1109(3)(c) of the BID Law.

VII. **FUTURE YEAR OPERATING PLANS**

A. <u>Changes</u>

This Operating Plan is designed to authorize and control the BID for only its 2022 activities.

Wisconsin Statutes Section 66.1109(3)(b) requires the Board and the City to annually review, approve, and make changes as appropriate in the Operating Plan. Therefore, while this document outlines in general terms proposed activities, information on specific properties, budget amounts and expenditures are based solely upon current conditions. Subsequent years' activities, budget, and assessments will be provided in the required annual plan updates, and approval by the Common Council of such plan updates shall be conclusive evidence of compliance with this Operating Plan and the BID Law.

B. Amendment, Severability and Expansion

The District has been created under authority of Wisconsin Statutes section 66.1109. Should any court find any portion of this Operating Plan, or the BID Law invalid or unconstitutional its decision will not invalidate or terminate the District and this Operating Plan shall be amended to conform to the law without need of re-establishment.

C. Automatic Termination Unless Affirmatively Extended

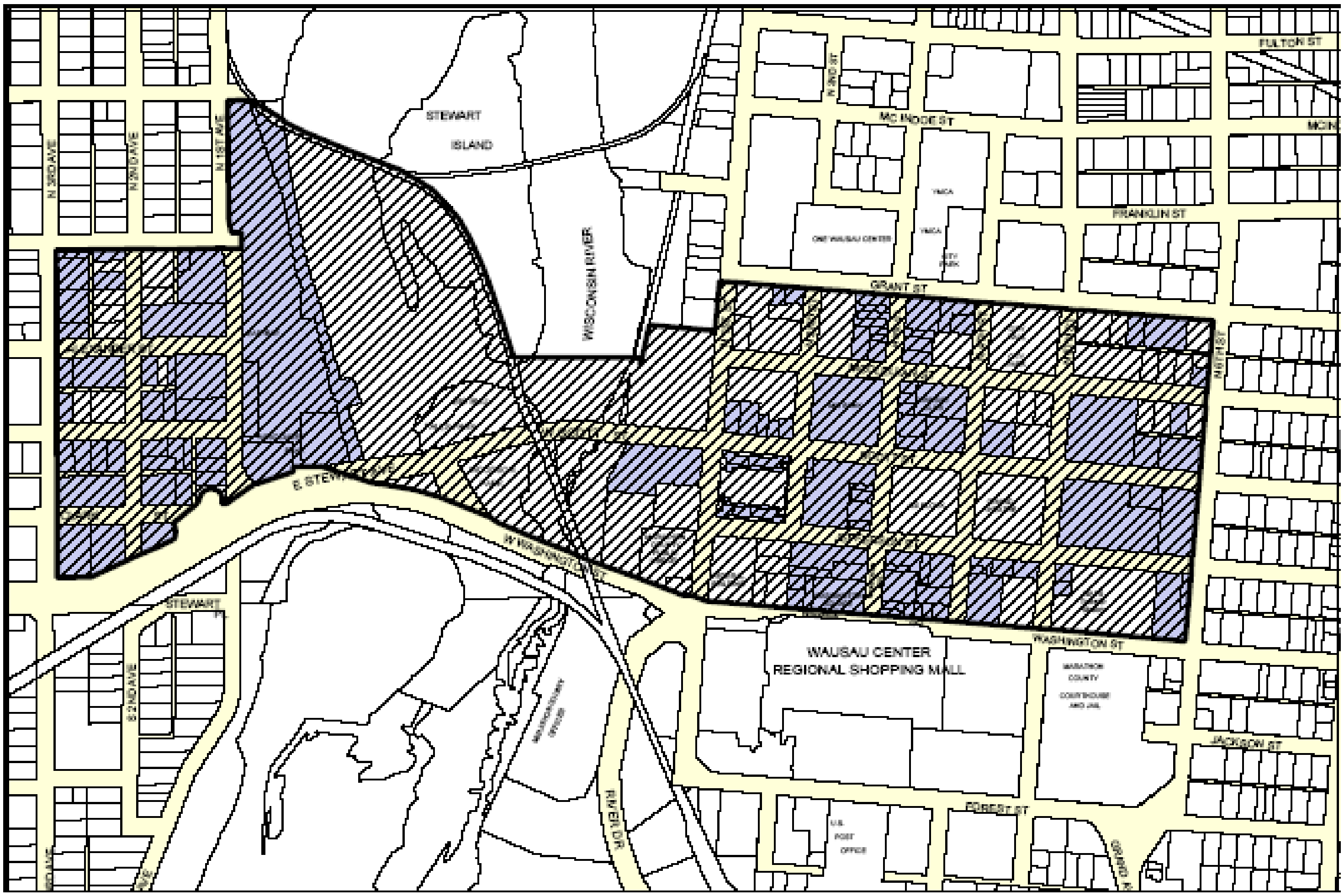
The District Board shall not incur obligations extending beyond 2022.

VI. GENERAL

All exhibits referenced herein are incorporated herein by reference.

APPENDIX A

RIVER DISTRICT MAP



APPENDIX B

WAUSAU RIVER DISTRICT, INC.

	General Fund	Placemaking	Residential	Business	Admin	TOTAL
REVENUES						
Grants	$ 26,591					26,591
BID Funds	$ 74,160					74,160
Other (Sponsorships, advertising)	$ 98,700					98,700
Total Revenues	$ 199,451	$ -	$ -	$ -	$ -	199,451
EXPENDITURES						
Administration:					105,476	105,476
Projects:		48,900	650	44,425		93,975
TOTAL EXPENDITURES		48,900	650	44,425	105,476	199,451
Excess (Deficiency) of Revenues over Expenses						