

# PRELIMINARY OFFICIAL STATEMENT DATED JUNE 17, 2026

In the opinion of Quarles & Brady LLP, Bond Counsel, assuming continued compliance with the requirements of the Internal Revenue Code of 1986, as amended, under existing law interest on the Notes is excludable from gross income and is not an item of tax preference for federal income tax purposes; however, interest on the Notes is taken into account in determining "adjusted financial statement income" for purposes of computing the federal alternative minimum tax imposed on Applicable Corporations (as defined in Section 59(k) of the Code). See "TAX EXEMPTION" herein for a more detailed discussion of some of the federal income tax consequences of owning the Notes. The interest on the Notes is not exempt from present Wisconsin income or franchise taxes.

The Notes shall not be "qualified tax-exempt obligations".

**New Issue**

**Rating: Moody's Investors Service, Inc. "Aa3"**

## CITY OF WAUSAU, WISCONSIN (Marathon County)

### \$10,560,000\* GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2026A

**BID OPENING:** June 22, 2026, 10:30 A.M., C.T.

**CONSIDERATION:** Not later than 11:59 P.M., C.T. on June 22, 2026 (PARAMETERS RESOLUTION)

**PURPOSE/AUTHORITY/SECURITY:** The \$10,560,000\* General Obligation Promissory Notes, Series 2026A (the "Notes") are being issued pursuant to Section 67.12(12), Wisconsin Statutes, by the City of Wausau, Wisconsin (the "City"), for public purposes, including paying the cost of park, street, utility, sidewalk and parking lot projects including those in Tax Incremental Districts Nos. 3, 8, 11 and 12 and motor pool replacements. The Notes are general obligations of the City, and all the taxable property in the City is subject to the levy of a tax to pay the principal of and interest on the Notes as they become due which tax may, under current law, be levied without limitation as to rate or amount. Delivery is subject to receipt of an approving legal opinion of Quarles & Brady LLP, Milwaukee, Wisconsin.

**DATE OF NOTES:** July 9, 2026

**MATURITY:** April 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2027	\$1,025,000	2031	\$1,525,000	2035	\$875,000
2028	1,185,000	2032	750,000	2036	825,000
2029	1,300,000	2033	800,000		
2030	1,450,000	2034	825,000		

**\*MATURITY ADJUSTMENTS:** The City reserves the right to increase or decrease the principal amount of the Notes on the day of sale, in increments of \$5,000 each up to \$500,000 per maturity. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

**TERM BONDS:** See "Term Bond Option" herein.

**INTEREST:** April 1, 2027 and semiannually thereafter.

**OPTIONAL REDEMPTION:** Notes maturing on April 1, 2035 and thereafter are subject to call for prior optional redemption on April 1, 2034 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

**MINIMUM BID:** \$10,454,400.

**MAXIMUM BID:** \$11,404,800.

**GOOD FAITH DEPOSIT:** A good faith deposit in the amount of \$211,200 shall be made by the winning bidder by wire transfer of funds.

**PAYING AGENT:** Bond Trust Services Corporation.

**BOND COUNSEL AND**

**DISCLOSURE COUNSEL:** Quarles & Brady LLP.

**MUNICIPAL ADVISOR:** Ehlers and Associates, Inc.

**BOOK-ENTRY-ONLY:** See "Book-Entry-Only System" herein (unless otherwise specified by the purchaser).

This Preliminary Official Statement and the information contained herein are subject to completion and amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy these securities nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. This Preliminary Official Statement is in a form deemed final as of its date for purposes of SEC Rule 15c2-12(b) (1), but is subject to revision, amendment and completion in a Final Official Statement.

## REPRESENTATIONS

No dealer, broker, salesperson or other person has been authorized by the City to give any information or to make any representation other than those contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the City. *This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy any of the Notes in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction.*

This Official Statement is not to be construed as a contract with the underwriter (Syndicate Manager). Statements contained herein which involve estimates or matters of opinion are intended solely as such and are not to be construed as representations of fact. Ehlers and Associates, Inc. prepared this Official Statement and any addenda thereto relying on information of the City and other sources for which there is reasonable basis for believing the information is accurate and complete. Quarles & Brady LLP will serve as Disclosure Counsel to the City with respect to the Notes. Compensation of Ehlers and Associates, Inc., payable entirely by the City, is contingent upon the delivery of the Notes.

## COMPLIANCE WITH S.E.C. RULE 15c2-12

Certain municipal obligations (issued in an aggregate amount over \$1,000,000) are subject to Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended (the "Rule").

**Preliminary Official Statement:** This Official Statement was prepared for the City for dissemination to potential investors. Its primary purpose is to disclose information regarding the Notes to prospective underwriters in the interest of receiving competitive proposals in accordance with the sale notice contained herein. Unless an addendum is posted prior to the sale, this Official Statement shall be deemed nearly final for purposes of the Rule subject to completion, revision and amendment in a Final Official Statement as defined below.

**Review Period:** This Official Statement has been distributed to prospective bidders for review. Comments or requests for the correction of omissions or inaccuracies must be submitted to Ehlers and Associates, Inc. at least two business days prior to the sale. Requests for additional information or corrections in the Official Statement received on or before this date will not be considered a qualification of a proposal received from an underwriter. If there are any changes, corrections or additions to the Official Statement, interested bidders will be informed by an addendum prior to the sale.

**Final Official Statement:** Copies of the Final Official Statement will be delivered to the underwriter (Syndicate Manager) within seven business days following the proposal acceptance.

**Continuing Disclosure:** Subject to certain exemptions, issues in an aggregate amount over \$1,000,000 may be required to comply with provisions of the Rule which require that underwriters obtain from the issuers of municipal securities (or other obligated party) an agreement for the benefit of the owners of the securities to provide continuing disclosure with respect to those securities. This Official Statement describes the conditions under which the City is required to comply with the Rule.

## CLOSING CERTIFICATES

Upon delivery of the Notes, the underwriter (Syndicate Manager) will be furnished with the following items: (1) a certificate of the appropriate officials to the effect that at the time of the sale of the Notes and all times subsequent thereto up to and including the time of the delivery of the Notes, this Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (2) a receipt signed by the appropriate officer evidencing payment for the Notes; (3) a certificate evidencing the due execution of the Notes, including statements that (a) no litigation of any nature is pending, or to the knowledge of signers, threatened, restraining or enjoining the issuance and delivery of the Notes, (b) neither the corporate existence or boundaries of the City nor the title of the signers to their respective offices is being contested, and (c) no authority or proceedings for the issuance of the Notes have been repealed, revoked or rescinded; and (4) a certificate setting forth facts and expectations of the City which indicates that the City does not expect to use the proceeds of the Notes in a manner that would cause them to be arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or within the meaning of applicable Treasury Regulations.

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## **CITY OF WAUSAU COMMON COUNCIL**

		<u>Term Expires</u>
Doug Diny	Mayor	April 2028
Matt Hoenecke	Aldersperson	April 2028
Kristin Slonski	Aldersperson	April 2028
Bruce Trueblood	Aldersperson	April 2028
Terry Kilian	Aldersperson	April 2028
Lou Larson	Aldersperson	April 2028
Carol Lukens	Aldersperson	April 2028
Michael J. Martens	Aldersperson	April 2028
Tom Neal	Aldersperson	April 2028
Andrew Wiskowski	Aldersperson	April 2028
Vicki Tierney	Aldersperson	April 2028
Sarah Watson	Aldersperson	April 2028

## **ADMINISTRATION**

Maryanne Groat, Finance Director / Treasurer

Rachel A. Brown, City Clerk

Kody Hart, Deputy City Clerk

Anne Jacobson, City Attorney

## **PROFESSIONAL SERVICES**

Quarles & Brady LLP, Bond Counsel and Disclosure Counsel, Milwaukee, Wisconsin

Ehlers and Associates, Inc., Municipal Advisors, Waukesha, Wisconsin  
(Other office located in Minneapolis, Minnesota)

## INTRODUCTORY STATEMENT

This Official Statement contains certain information regarding the City of Wausau, Wisconsin (the "City") and the issuance of its \$10,560,000\* General Obligation Promissory Notes, Series 2026A (the "Notes"). **The Common Council adopted a resolution on April 14, 2026 (the "Parameters Resolution"), which authorizes the Finance Director/Treasurer or the City Clerk to accept a bid for the Notes if the parameters and conditions set forth in the Parameters Resolution are satisfied. If the parameters and conditions set forth in the Parameters Resolution are not met through the competitive bids received on June 22, 2026, neither the Finance Director/Treasurer nor the City Clerk will have the authority to accept a bid for the Notes, and all bids for the Notes will be rejected.**

Inquiries may be directed to Ehlers and Associates, Inc. ("Ehlers" or the "Municipal Advisor"), Waukesha, Wisconsin, (262) 785-1520, the City's municipal advisor. A copy of this Official Statement may be downloaded from Ehlers' web site at [www.ehlers-inc.com](http://www.ehlers-inc.com) by connecting to the Bond Sales link and following the directions at the top of the site.

## THE NOTES

### GENERAL

The Notes will be issued in fully registered form as to both principal and interest in denominations of \$5,000 each or any integral multiple thereof, and will be dated, as originally issued, as of July 9, 2026. The Notes will mature on April 1 in the years and amounts set forth on the cover of this Official Statement. Interest will be payable on April 1 and October 1 of each year, commencing April 1, 2027, to the registered owners of the Notes appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board ("MSRB"). All Notes of the same maturity must bear interest from the date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

Unless otherwise specified by the purchaser, the Notes will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). (See "Book-Entry-Only System" herein.) As long as the Notes are held under the book-entry system, beneficial ownership interests in the Notes may be acquired in book-entry form only, and all payments of principal of, premium, if any, and interest on the Notes shall be made through the facilities of DTC and its participants. If the book-entry system is terminated, principal of, premium, if any, and interest on the Notes shall be payable as provided in the Parameters Resolution.

The City has selected Bond Trust Services Corporation, Minneapolis, Minnesota ("BTSC"), to act as paying agent (the "Paying Agent"). BTSC and Ehlers are affiliate companies. The City will pay the charges for Paying Agent services. The City reserves the right to remove the Paying Agent and to appoint a successor.

### OPTIONAL REDEMPTION

At the option of the City, the Notes maturing on or after April 1, 2035 shall be subject to optional redemption prior to maturity on April 1, 2034 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

\*Preliminary, subject to change.

Redemption may be in whole or in part of the Notes subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Notes to be redeemed shall be at the discretion of the City. If only part of the Notes having a common maturity date are called for redemption, then the City or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Notice of such call shall be given by sending a notice by registered or certified mail, facsimile or electronic transmission, overnight delivery service or in any other manner required by DTC, not less than 30 days nor more than 60 days prior to the date fixed for redemption to the registered owner of each Note to be redeemed at the address shown on the registration books.

**AUTHORITY; PURPOSE**

The Notes are being issued pursuant to Section 67.12(12), Wisconsin Statutes, by the City, for public purposes, including paying the cost of park, street, utility, sidewalk and parking lot projects including those in Tax Incremental Districts Nos. 3, 8, 11 and 12 and motor pool replacements.

**ESTIMATED SOURCES AND USES\***

<b>Sources</b>		
Par Amount of Notes	\$10,560,000	
Estimated Interest Earnings	<u>77,898</u>	
<b>Total Sources</b>		<b>\$10,637,898</b>
<b>Uses</b>		
Estimated Underwriter's Discount	\$105,600	
Costs of Issuance	144,700	
Deposit to Project Construction Fund	10,386,415	
Rounding Amount	<u>1,183</u>	
<b>Total Uses</b>		<b>\$10,637,898</b>

\*Preliminary, subject to change.

**SECURITY**

For the prompt payment of the Notes with interest thereon and for the levy of taxes sufficient for this purpose, the full faith, credit and resources of the City will be irrevocably pledged. The City will levy a direct, annual, irrevocable tax on all taxable property in the City sufficient to pay the interest on the Notes when it becomes due and also to pay and discharge the principal on the Notes at maturity, in compliance with Article XI, Section 3 of the Wisconsin Constitution. Such tax may, under current law, be levied without limitation as to rate or amount.

**RATING**

The City received a rating of "Aa3" on the Notes from Moody's Investors Service, Inc. ("Moody's"), and bidders will be notified as to the assigned rating prior to the sale. Such rating reflects only the views of such organization and explanations of the significance of such rating may be obtained from Moody's.

Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency, if in the judgment of such rating agency circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Notes.

Such rating is not to be construed as a recommendation of the rating agency to buy, sell or hold the Notes, and the rating assigned by the rating agency should be evaluated independently. Except as may be required by the Disclosure Undertaking described under the heading "CONTINUING DISCLOSURE" neither the City nor the underwriter undertake responsibility to bring to the attention of the owner of the Notes any proposed changes in or withdrawal of such rating or to oppose any such revision or withdrawal.

## **CONTINUING DISCLOSURE**

In order to assist brokers, dealers, and municipal securities dealers, in connection with their participation in the offering of the Notes, to comply with Rule 15c2-12 promulgated by the Securities and Exchange Commission, pursuant to the Securities and Exchange Act of 1934, as amended (the "Rule"), the City shall agree to provide certain information to the Municipal Securities Rulemaking Board ("MSRB") through its Electronic Municipal Market Access ("EMMA") system, or any system that may be prescribed in the future. The Rule was last amended, effective February 27, 2019, to include an expanded list of material events. The Disclosure Undertaking includes the two new material events effective February 27, 2019 under the Rule.

On the date of issue and delivery of the Notes, the City shall execute and deliver a Continuing Disclosure Certificate, under which the City will covenant for the benefit of holders including beneficial holders, to provide electronically, or in a manner otherwise prescribed, certain financial information annually and to provide notices of the occurrence of certain events enumerated in the Rule (the "Disclosure Undertaking"). The details and terms of the Disclosure Undertaking for the City are set forth in Appendix D. Such Disclosure Undertaking will be in substantially the form attached hereto.

A failure by the City to comply with the Disclosure Undertaking will not constitute an event of default on the Notes. However, such a failure may adversely affect the transferability and liquidity of the Notes and their market price.

In the previous five years, the City believes it has not failed to comply in all material respects with its prior undertakings under the Rule. Ehlers is currently engaged as dissemination agent for the City.

## **LEGAL MATTERS**

An opinion as to the validity of the Notes and the exemption from federal taxation of the interest thereon will be furnished by Quarles & Brady LLP, Bond Counsel to the City ("Bond Counsel"), and will be available at the time of delivery of the Notes. The legal opinion will be issued on the basis of existing law and will state that the Notes are valid and binding general obligations of the City; provided that the rights of the owners of the Notes and the enforceability of the Notes may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding). (See "FORM OF LEGAL OPINION" found in Appendix B).

Quarles & Brady LLP has also been retained by the City to serve as Disclosure Counsel to the City with respect to the Notes. Although, as Disclosure Counsel to the City, Quarles & Brady LLP has assisted the City with certain disclosure matters, Quarles & Brady LLP has not undertaken to independently verify the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Notes and assumes no responsibility whatsoever nor shall have any liability to any other party for the statements or information contained or incorporated by reference in the Official Statement. Further, Quarles & Brady LLP makes no representation as to the suitability of the Notes for any investor.

## **TAX EXEMPTION**

Quarles & Brady LLP, Milwaukee, Wisconsin, Bond Counsel, will deliver a legal opinion with respect to the federal income tax exemption applicable to the interest on the Notes under existing law substantially in the following form:

"The interest on the Notes is excludable for federal income tax purposes from the gross income of the owners of the Notes. The interest on the Notes is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") on individuals; however, interest on the Notes is taken into account in determining "adjusted financial statement income" for purposes of computing the federal alternative minimum tax imposed on Applicable Corporations (as defined in Section 59(k) of the Code). The Code contains requirements that must be satisfied subsequent to the issuance of the Notes in order for interest on the Notes to be or continue to be excludable from gross income for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the Notes to be included in gross income retroactively to the date of issuance of the Notes. The City has agreed to comply with all of those requirements. The opinion set forth in the first sentence of this paragraph is subject to the condition that the City comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the Notes."

The interest on the Notes is not exempt from present Wisconsin income or franchise taxes.

Prospective purchasers of the Notes should be aware that ownership of the Notes may result in collateral federal income tax consequences to certain taxpayers. Bond Counsel will not express any opinion as to such collateral tax consequences. Prospective purchasers of the Notes should consult their tax advisors as to collateral federal income tax consequences.

From time to time legislation is proposed, and there are or may be legislative proposals pending in the Congress of the United States that, if enacted, could alter or amend the federal tax matters referred to above or adversely affect the market value of the Notes. It cannot be predicted whether, or in what form, any proposal that could alter one or more of the federal tax matters referred to above or adversely affect the market value of the Notes may be enacted. Prospective purchasers of the Notes should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

## **ORIGINAL ISSUE DISCOUNT**

To the extent that the initial public offering price of certain of the Notes is less than the principal amount payable at maturity, such Notes ("Discounted Bonds") will be considered to be issued with original issue discount. The original issue discount is the excess of the stated redemption price at maturity of a Discounted Bond over the initial offering price to the public, excluding underwriters or other intermediaries, at which price a substantial amount of such Discounted Bonds were sold (issue price). With respect to a taxpayer who purchases a Discounted Bond in the initial public offering at the issue price and who holds such Discounted Bond to maturity, the full amount of original issue discount will constitute interest that is not includible in the gross income of the owner of such Discounted Bond for federal income tax purposes and such owner will not, subject to the caveats and provisions herein described, realize taxable capital gain upon payment of such Discounted Bond upon maturity.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discounted Bond, on days that are determined by reference to the maturity date of such Discounted Bond. The amount treated as original issue discount on a Discounted Bond for a particular semiannual accrual period is generally equal to (a) the product of (i) the yield to maturity for such Discounted Bond (determined by compounding at the close of each accrual period) and (ii) the amount that would have been the tax basis of such Discounted Bond at the beginning of the particular accrual period if held by the original purchaser; and less (b) the amount of any interest payable for such Discounted Bond during the accrual period. The tax basis is determined by adding to the initial public offering price on such Discounted Bond the sum of the amounts that have been treated as

original issue discount for such purposes during all prior periods. If a Discounted Bond is sold or exchanged between semiannual compounding dates, original issue discount that would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

For federal income tax purposes, the amount of original issue discount that is treated as having accrued with respect to such Discounted Bond is added to the cost basis of the owner in determining gain or loss upon disposition of a Discounted Bond (including its sale, exchange, redemption, or payment at maturity). Amounts received upon disposition of a Discounted Bond that are attributable to accrued original issue discount will be treated as tax-exempt interest, rather than as taxable gain.

The accrual or receipt of original issue discount on the Discounted Bonds may result in certain collateral federal income tax consequences for the owners of such Discounted Bonds. The extent of these collateral tax consequences will depend upon the owner's particular tax status and other items of income or deduction.

The Code contains additional provisions relating to the accrual of original issue discount. Owners who purchase Discounted Bonds at a price other than the issue price or who purchase such Discounted Bonds in the secondary market should consult their own tax advisors with respect to the tax consequences of owning the Discounted Bonds. Under the applicable provisions governing the determination of state and local taxes, accrued interest on the Discounted Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment until a later year. Owners of Discounted Bonds should consult their own tax advisors with respect to the state and local tax consequences of owning the Discounted Bonds.

## **BOND PREMIUM**

To the extent that the initial offering price of certain of the Notes is more than the principal amount payable at maturity, such Notes ("Premium Bonds") will be considered to have bond premium.

Any Premium Bond purchased in the initial offering at the issue price will have "amortizable bond premium" within the meaning of Section 171 of the Code. The amortizable bond premium of each Premium Bond is calculated on a daily basis from the issue date of such Premium Bond until its stated maturity date (or call date, if any) on the basis of a constant interest rate compounded at each accrual period (with straight line interpolation between the compounding dates). An owner of a Premium Bond that has amortizable bond premium is not allowed any deduction for the amortizable bond premium; rather the amortizable bond premium attributable to a taxable year is applied against (and operates to reduce) the amount of tax-exempt interest payments on the Premium Bonds. During each taxable year, such an owner must reduce his or her tax basis in such Premium Bond by the amount of the amortizable bond premium that is allocable to the portion of such taxable year during which the holder held such Premium Bond. The adjusted tax basis in a Premium Bond will be used to determine taxable gain or loss upon a disposition (including the sale, exchange, redemption, or payment at maturity) of such Premium Bond.

Owners of Premium Bonds who did not purchase such Premium Bonds in the initial offering at the issue price should consult their own tax advisors with respect to the tax consequences of owning such Premium Bonds. Owners of Premium Bonds should consult their own tax advisors with respect to the state and local tax consequences of owning the Premium Bonds.

## **NOT QUALIFIED TAX-EXEMPT OBLIGATIONS**

The Notes shall not be "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

## **MUNICIPAL ADVISOR**

Ehlers has served as municipal advisor to the City in connection with the issuance of the Notes. The Municipal Advisor cannot participate in the underwriting of the Notes. The financial information included in this Official Statement has been compiled by the Municipal Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. Ehlers is not a firm of certified public accountants. Ehlers is registered with the Securities and Exchange Commission and the MSRB as a municipal advisor.

## **MUNICIPAL ADVISOR AFFILIATED COMPANIES**

BTSC and Ehlers Investment Partners, LLC ("EIP") are affiliate companies of Ehlers. BTSC is chartered by the State of Minnesota and authorized in Minnesota, Wisconsin, Colorado, and Illinois to transact the business of a limited purpose trust company. BTSC provides paying agent services to debt issuers. EIP is a Registered Investment Advisor with the Securities and Exchange Commission. EIP assists issuers with the investment of bond proceeds or investing other issuer funds. This includes escrow bidding agent services. Issuers, such as the City, have retained or may retain BTSC and/or EIP to provide these services. If hired, BTSC and/or EIP would be retained by the City under an agreement separate from Ehlers.

## **INDEPENDENT AUDITORS**

The basic financial statements of the City for the fiscal year ended December 31, 2024 have been audited by CliftonLarsonAllen LLP, Wausau, Wisconsin, independent auditors (the "Auditor"). The report of the Auditor, together with the basic financial statements, component units financial statements, and notes to the financial statements are attached hereto as "APPENDIX A – FINANCIAL STATEMENTS". The Auditor has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The Auditor also has not performed any procedures relating to this Official Statement. Pursuant to a request for proposals process, the City engaged Mauldin & Jenkins LLC, headquartered in Atlanta, Georgia, to serve as auditors for the fiscal year ended December 31, 2025.

## **RISK FACTORS**

The following is a description of possible risks to holders of the Notes without weighting as to probability. This description of risks is not intended to be all-inclusive, and there may be other risks not now perceived or listed here. Potential investors should read this Official Statement, including the appendices, in its entirety.

**Taxes:** The Notes are general obligations of the City, the ultimate payment of which rests in the City's ability to levy and collect sufficient taxes to pay debt service. In the event of delayed billing, collection or distribution of property taxes, sufficient funds may not be available to the City in time to pay debt service when due.

**State Actions:** Many elements of local government finance, including the issuance of debt and the levy of property taxes, are controlled by state government. Future actions of the State of Wisconsin (the "State") may affect the overall financial condition of the City, the taxable value of property within the City, and the ability of the City to levy and collect property taxes.

**Future Changes in Law:** Various State and federal laws, regulations and constitutional provisions apply to the City and to the Notes. The City can give no assurance that there will not be a change in or interpretation of any such applicable laws, regulations and provisions which would have a material effect on the City or the taxing authority of the City.

**Ratings; Interest Rates:** In the future, the City's credit rating may be reduced or withdrawn, or interest rates for this type of obligation may rise generally, either possibility resulting in a reduction in the value of the Notes for resale prior to maturity.

**Tax Exemption:** If the federal government taxes all or a portion of the interest on municipal bonds or notes or if the State government increases its tax on interest on bonds and notes, directly or indirectly, or if there is a change in federal or state tax policy, then the value of these Notes may fall for purposes of resale. Noncompliance by the City with the covenants in the Parameters Resolution relating to certain continuing requirements of the Code may result in inclusion of interest to be paid on the Notes in gross income of the recipient for United States income tax purposes, retroactive to the date of issuance.

**Continuing Disclosure:** A failure by the City to comply with the Disclosure Undertaking for continuing disclosure (see "CONTINUING DISCLOSURE") will not constitute an event of default on the Notes. Any such failure must be reported in accordance with the Rule and must be considered by any broker, dealer, or municipal securities dealer before recommending the purchase or sale of the Notes in the secondary market. Such a failure may adversely affect the transferability and liquidity of the Notes and their market price.

**Book-Entry-Only System:** The timely credit of payments for principal and interest on the Notes to the accounts of the Beneficial Owners of the Notes may be delayed due to the customary practices, standing instructions or for other unknown reasons by DTC participants or indirect participants. Since the notice of redemption or other notices to holders of these obligations will be delivered by the City to DTC only, there may be a delay or failure by DTC, DTC participants or indirect participants to notify the Beneficial Owners of the Notes.

**Depository Risk:** Wisconsin Statutes direct the local treasurer to immediately deposit upon receipt thereof, the funds of the municipality in a public depository designated by the governing body. A public depository means a federal or state credit union, federal or state savings and loan association, state bank, savings and trust company, mutual savings bank or national bank in Wisconsin or the local government pooled investment fund operated by the State Investment Board. It is not uncommon for a municipality to have deposits exceeding limits of federal and state insurance programs. Failure of a depository could result in loss of public funds or a delay in obtaining them. Such a loss or delay could interrupt a timely payment of municipal debt.

**Economy:** A combination of economic, climatic, political or civil disruptions or terrorist actions outside of the control of the City, including loss of major taxpayers or major employers, could affect the local economy and result in reduced tax collections and/or increased demands upon local government. Real or perceived threats to the financial stability of the City may have an adverse effect on the value of the Notes in the secondary market.

**Secondary Market for the Notes:** No assurance can be given that a secondary market will develop for the purchase and sale of the Notes or, if a secondary market exists, that such Notes can be sold for any particular price. The underwriters are not obligated to engage in secondary market trading or to repurchase any of the Notes at the request of the owners thereof. Prices of the Notes as traded in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and other prevailing circumstances. No guarantee exists as to the future market value of the Notes. Such market value could be substantially different from the original purchase price.

**Bankruptcy:** The rights and remedies of the holders may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws, or equitable principles that may affect the enforcement of creditors' rights, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against local governments. The opinion of Bond Counsel to be delivered with respect to the Notes will be similarly qualified. See "MUNICIPAL BANKRUPTCY" herein.

**Cybersecurity:** The City is dependent on electronic information technology systems to deliver services. These systems may contain sensitive information or support critical operational functions which may have value for unauthorized purposes. As a result, the electronic systems and networks may be targets of cyberattack. There can be no assurance that the City will not experience an information technology breach or attack with financial consequences that could have a material adverse impact.

# VALUATIONS

## WISCONSIN PROPERTY VALUATIONS; PROPERTY TAXES

### Equalized Value

Section 70.57, Wisconsin Statutes, requires the Department of Revenue to annually determine the equalized value (also referred to as full equalized value or aggregate full value) of all taxable property in each county and taxation district. The equalized value is an independent estimate of value used to equate individual local assessment policies so that property taxes are uniform throughout the various subdivisions in the State. Equalized value is calculated based on the history of comparable sales and information about value changes or taxing status provided by the local assessor. A comparison of the State-determined equalized value and the local assessed value, expressed as a percentage, is known as the assessment ratio or level of assessment. The Department of Revenue notifies each county and taxing jurisdiction of its equalized value on August 15; school districts are notified on October 1. The equalized value of each county is the sum of the valuations of all cities, villages, and towns within its boundaries. Taxing jurisdictions lying in more than one municipality, such as counties, school districts, or special taxing districts, use the equalized value of the underlying units in calculating and levying their respective levies. Equalized values are also used to apportion state aids and calculate municipal general obligation debt limits.

### Assessed Value

The "assessed value" of taxable property in a municipality is determined by the local assessor, except for manufacturing properties which are valued by the State. Each city, village or town retains its own local assessor, who must be certified by the State Department of Revenue. Assessed value is used by these municipalities to determine tax levy mill rates and to apportion levies among individual property owners. Each taxing district must assess property at full value at least once in every five-year period. The State requires that the assessed values must be within 10% of State equalized values at least once every four years. The local assessor values property as of January 1 each year and submits those values to each municipality by the second Monday in June. The assessor also reports any value changes taking place since the previous year, to the Department of Revenue, by the second Monday in June.

## CURRENT PROPERTY VALUATIONS

2025 Equalized Value	\$4,569,050,900
2025 Equalized Value Reduced by Tax Increment Valuation	\$4,109,321,500
2025 Assessed Value	\$4,353,314,700

## 2025 EQUALIZED VALUE BY CLASSIFICATION

	<b>2025 Equalized Value<sup>1</sup></b>	<b>Percent of Total Equalized Value</b>
Residential	\$2,700,825,000	59.111%
Commercial	1,690,856,800	37.007%
Manufacturing	174,535,500	3.820%
Agricultural	66,300	0.001%
Undeveloped	857,300	0.019%
Ag Forest	265,500	0.006%
Forest	1,136,200	0.025%
Other	<u>508,300</u>	<u>0.011%</u>
 Total	 <u><u>\$4,569,050,900</u></u>	 <u><u>100.000%</u></u>

## TREND OF VALUATIONS

Year	Assessed Value	Equalized Value <sup>1</sup>	Percent Increase/Decrease in Equalized Value
2021	\$3,224,073,900	\$3,265,016,200	-2.40%
2022	3,264,070,400	3,680,737,900	12.73%
2023	3,361,549,800	4,030,170,800	9.49%
2024	4,295,009,000 <sup>2</sup>	4,387,427,300	8.86%
2025	4,353,314,700	4,569,050,900	4.14%

**Source:** Wisconsin Department of Revenue, Bureau of Equalization and Local Government Services Bureau.

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<sup>1</sup> Includes tax increment valuation.

<sup>2</sup> Reevaluation year.

## LARGER TAXPAYERS

Taxpayer	Type of Business/Property	2025 Equalized Value <sup>1</sup>	Percent of City's Total Equalized Value
Ghidorzi	Office/Land Development	\$137,618,070	3.01%
Aspirus/Wausau Hospital	Medical	115,577,197	2.53%
RJ Elm Roland Lorke	Apartments	59,051,803	1.29%
Great Lakes Cheese of Wausau Inc.	Packaging	54,378,088	1.19%
Apogee	Manufacturing	38,087,469	0.83%
Marshfield Clinic	Medical	37,634,161	0.82%
KK Wausau	Warehouse/Storage	32,817,391	0.72%
Dudly/First Tower	Office	32,601,075	0.71%
S C Swiderski LLC	Apartments	28,215,991	0.62%
Kocourek Holdings	Automobile Dealer	<u>23,680,819</u>	<u>0.52%</u>
Total		\$559,662,064	12.25%
City's Total 2025 Equalized Value <sup>2</sup>		\$4,569,050,900	

Source: The City.

## DEBT

### DIRECT DEBT<sup>3</sup>

#### General Obligation Debt (see schedules following)

Total General Obligation Debt (includes the Notes)*	<u><u>\$74,869,836</u></u>
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#### Revenue Debt (see schedules following)

Total revenue debt secured by sewer revenues	<u><u>\$87,654,000</u></u>
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Total revenue debt secured by water revenues	<u><u>\$55,828,010</u></u>
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\*Preliminary, subject to change.

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<sup>1</sup> Calculated by dividing the 2025 Assessed Values by the 2025 Aggregate Ratio of assessment for the City.

<sup>2</sup> Includes tax increment valuation.

<sup>3</sup> Outstanding debt is as of the dated date of the Notes.

## DEBT PAYMENT HISTORY

The City has no record of default in the payment of principal and interest on its debt. The City failed to make timely interest payments in March 2022 and June 2022 under promissory notes due to a local economic development corporation. Upon discovering the missed payments, the City made full payment to the holder of the notes. The City attributes the late payments to staff turnover and has since implemented additional training related to payment procedures.

## FUTURE FINANCING

The City plans to issue approximately \$2,500,000 general obligation debt and approximately \$3,600,000 water system revenue debt through the State of Wisconsin Safe Drinking Water loan program in summer 2026. The City may issue approximately \$2,300,000 water system revenue debt and/or approximately \$3,800,000 sewer system revenue debt later in 2026 for utility projects, but the final amount and timing of any such issues, if any, are not yet known. The City borrows annually for capital improvement and tax increment project needs but the amount and timing of any such borrowings for 2027 have not yet been determined. Aside from the preceding, the City has no current plans for additional financing in the next 12 months.

## DEBT LIMIT

The constitutional and statutory general obligation debt limit for Wisconsin municipalities, including towns, cities, villages, and counties (Article XI, Section 3 of the Wisconsin Constitution and Section 67.03, Wisconsin Statutes) is 5% of the current equalized value.

Equalized Value	\$4,569,050,900
Multiply by 5%	<u>0.05</u>
Statutory Debt Limit <sup>1</sup>	\$228,452,545
Less: General Obligation Debt*	<u>(74,869,836)</u>
Unused Debt Limit*	<u><u>\$153,582,709</u></u>

\*Preliminary, subject to change.

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<sup>1</sup> The City has adopted a debt management policy that provides that the City will maintain outstanding debt in an amount not exceeding one-half of the statutory limit.

City of Wausau, Wisconsin  
Schedule of Bonded Indebtedness  
General Obligation Debt Secured by Taxes  
(As of 07/09/2026)

	Swimming Pool Bonds Series 2013C		Community Development Bonds Series 2014B		Corporate Purpose Bonds Series 2015B		Taxable Community Development Bonds Series 2015C		Corporate Purpose Bonds Series 2016B	
	Dated	Amount	Dated	Amount	Dated	Amount	Dated	Amount	Dated	Amount
	12/03/2013	\$3,410,000	09/25/2014	\$1,495,000	08/06/2015	\$5,705,000	08/06/2015	\$2,655,000	05/10/2016	\$6,530,000
Maturity	04/01		04/01		04/01		04/01		04/01	
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	0	23,375	0	5,850	0	38,493	0	17,718	0	49,200
2027	170,000	43,775	125,000	9,825	370,000	71,435	220,000	31,530	430,000	91,950
2028	170,000	37,400	130,000	6,000	385,000	60,110	230,000	23,370	440,000	78,900
2029	170,000	30,600	135,000	2,025	390,000	48,485	240,000	14,495	455,000	65,475
2030	170,000	23,800			405,000	36,358	250,000	4,938	470,000	51,600
2031	170,000	17,000			170,000	27,445			485,000	37,275
2032	170,000	10,200			180,000	22,020			190,000	27,150
2033	170,000	3,400			180,000	16,440			195,000	21,375
2034					190,000	10,325			200,000	15,450
2035					200,000	3,500			205,000	9,375
2036									210,000	3,150
2037										
2038										
2039										
2040										
2041										
2042										
2043										
2044										
2045										
	1,190,000	189,550	390,000	23,700	2,470,000	334,610	940,000	92,050	3,280,000	450,900

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City of Wausau, Wisconsin  
Schedule of Bonded Indebtedness continued  
General Obligation Debt Secured by Taxes  
(As of 07/09/2026)

	Taxable Community Development Bonds Series 2016C		Promissory Note Series 2017A		Community Development Bonds Series 2017B		Promissory Note Series 2018A		Promissory Note Series 2019A	
Dated	05/10/2016		07/12/2017		07/12/2017		12/04/2018		10/01/2019	
Amount	\$4,695,000		\$6,230,000		\$6,405,000		\$5,480,000		\$7,825,000	
Maturity	04/01		04/01		04/01		04/01		04/01	
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	0	4,488	0	4,275	0	42,900	0	6,750	0	15,250
2027	50,000	8,275	285,000	4,275	540,000	77,700	220,000	10,200	500,000	25,500
2028	50,000	6,875			555,000	61,275	230,000	3,450	505,000	15,450
2029	50,000	5,363			570,000	44,400			520,000	5,200
2030	50,000	3,738			590,000	27,000				
2031	50,000	2,113			605,000	9,075				
2032	40,000	650								
2033										
2034										
2035										
2036										
2037										
2038										
2039										
2040										
2041										
2042										
2043										
2044										
2045										
	290,000	31,500	285,000	8,550	2,860,000	262,350	450,000	20,400	1,525,000	61,400

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City of Wausau, Wisconsin  
Schedule of Bonded Indebtedness continued  
General Obligation Debt Secured by Taxes  
(As of 07/09/2026)

	Fire Station Bonds Series 2019B		Promissory Note Series 2020D		Taxable Refunding Bonds Series 2020E		Promissory Note Series 2021A		Taxable Corporate Purpose Bonds Series 2021B	
Dated	10/01/2019		09/16/2020		09/16/2020		07/15/2021		07/15/2021	
Amount	\$4,870,000		\$5,390,000		\$6,625,000		\$5,495,000		\$9,695,000	
Maturity	04/01		04/01		04/01		04/01		04/01	
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	0	41,497	0	23,900	0	28,619	0	15,596	0	41,010
2027	210,000	78,794	585,000	41,950	435,000	55,280	375,000	25,568	675,000	77,970
2028	215,000	71,369	600,000	30,100	440,000	51,013	375,000	16,193	685,000	69,125
2029	215,000	64,919	605,000	18,050	445,000	46,033	375,000	10,474	690,000	59,155
2030	220,000	59,494	600,000	6,000	450,000	40,438	375,000	6,443	695,000	48,420
2031	225,000	54,903			455,000	34,328	365,000	2,190	700,000	36,910
2032	235,000	49,869			465,000	27,655			295,000	28,305
2033	240,000	44,525			470,000	20,408			305,000	22,753
2034	250,000	38,700			480,000	12,568			310,000	16,755
2035	250,000	32,450			485,000	4,244			315,000	10,348
2036	260,000	26,075							320,000	3,520
2037	270,000	19,113								
2038	280,000	11,550								
2039	280,000	3,850								
2040										
2041										
2042										
2043										
2044										
2045										
	3,150,000	597,106	2,390,000	120,000	4,125,000	320,583	1,865,000	76,463	4,990,000	414,270

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City of Wausau, Wisconsin  
 Schedule of Bonded Indebtedness continued  
 General Obligation Debt Secured by Taxes  
 (As of 07/09/2026)

	Promissory Note Series 2022A		Promissory Note Series 2023B		Taxable Promissory Note Series 2023C		Promissory Note Series 2024C		Taxable Promissory Note (SDWFL) Series 2025	
Dated	11/09/2022		09/07/2023		09/07/2023		10/24/2024		06/11/2025	
Amount	\$3,795,000		\$11,170,000		\$1,250,000		\$8,990,000		\$2,172,756	
Maturity	04/01		04/01		04/01		04/01		05/01	
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	0	57,350	0	206,275	0	13,388	0	163,575	0	2,447
2027	400,000	104,700	1,140,000	384,050	270,000	20,228	1,095,000	299,775	215,380	4,626
2028	410,000	84,450	1,175,000	326,175	285,000	6,840	1,115,000	244,525	215,918	4,086
2029	420,000	63,700	1,210,000	266,550			1,130,000	188,400	216,458	3,546
2030	435,000	44,500	1,250,000	205,050			805,000	140,025	216,999	3,004
2031	445,000	26,900	1,300,000	141,300			845,000	98,775	217,541	2,461
2032	450,000	9,000	1,340,000	82,000			850,000	60,650	218,085	1,916
2033			1,380,000	27,600			880,000	30,450	218,631	1,371
2034							575,000	8,625	219,177	823
2035									219,725	275
2036										
2037										
2038										
2039										
2040										
2041										
2042										
2043										
2044										
2045										
	2,560,000	390,600	8,795,000	1,639,000	555,000	40,455	7,295,000	1,234,800	1,957,914	24,555

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City of Wausau, Wisconsin  
Schedule of Bonded Indebtedness continued  
General Obligation Debt Secured by Taxes  
(As of 07/09/2026)

	Promissory Note Series 2025A		Taxable Promissory Note (SDWFL) Series 2025		Promissory Notes Series 2026A							Calendar Year Ending
Dated	09/18/2025		11/26/2025		07/09/2026							
Amount	\$14,785,000		\$311,838		\$10,560,000*							
Maturity	04/01		05/01		04/01							
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Estimated Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2026	0	305,300	0	372	0	0	0	1,107,626	1,107,626	74,869,836	.00%	2026
2027	1,660,000	569,100	15,279	723	1,025,000	436,661	11,010,658	2,473,888	13,484,547	63,859,178	14.71%	2027
2028	1,810,000	482,350	15,317	685	1,185,000	287,700	11,221,235	1,967,440	13,188,675	52,637,943	29.69%	2028
2029	2,010,000	386,850	15,355	647	1,300,000	250,100	11,161,813	1,574,465	12,736,278	41,476,129	44.60%	2029
2030	2,095,000	284,225	15,394	608	1,450,000	208,163	10,542,393	1,193,801	11,736,194	30,933,737	58.68%	2030
2031	2,070,000	180,100	15,432	570	1,525,000	162,413	9,642,974	833,756	10,476,730	21,290,763	71.56%	2031
2032	815,000	107,975	15,471	531	750,000	126,775	6,013,556	554,696	6,568,252	15,277,207	79.59%	2032
2033	825,000	71,100	15,509	492	800,000	101,575	5,679,140	361,488	6,040,628	9,598,067	87.18%	2033
2034	820,000	38,200	15,548	453	825,000	74,350	3,884,725	216,249	4,100,975	5,713,342	92.37%	2034
2035	545,000	10,900	15,587	415	875,000	45,013	3,110,312	116,518	3,226,830	2,603,030	96.52%	2035
2036			15,626	376	825,000	14,850	1,630,626	47,971	1,678,597	972,404	98.70%	2036
2037			15,665	336			285,665	19,449	305,114	686,739	99.08%	2037
2038			15,704	297			295,704	11,847	307,551	391,035	99.48%	2038
2039			15,744	258			295,744	4,108	299,851	95,291	99.87%	2039
2040			15,783	219			15,783	219	16,001	79,508	99.89%	2040
2041			15,822	179			15,822	179	16,001	63,686	99.91%	2041
2042			15,862	139			15,862	139	16,001	47,824	99.94%	2042
2043			15,902	100			15,902	100	16,001	31,922	99.96%	2043
2044			15,941	60			15,941	60	16,001	15,981	99.98%	2044
2045			15,981	20			15,981	20	16,001	0	100.00%	2045
	12,650,000	2,436,100	296,922	7,480	10,560,000	1,707,598	74,869,836	10,484,020	85,353,856			

\* Preliminary, subject to change.

City of Wausau, Wisconsin  
Schedule of Bonded Indebtedness  
Revenue Debt Secured by Sewer Revenues  
(As of 07/09/2026)

Calendar Year Ending	Sewer System Revenue Bonds Series 2017D		Sewer System Revenue Bonds Series 2019C		Sewer System Revenue Bonds (CWFL) Series 2020C		Sewer System Revenue Bonds (CWFL) 1 Series 2024		Sewer System Revenue Bonds (CWFL) 2 Series 2025		Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
	Dated Amount	Maturity	Dated Amount	Maturity	Dated Amount	Maturity	Dated Amount	Maturity	Dated Amount	Maturity						
	12/05/2017	05/01	10/01/2019	05/01	06/24/2020	05/01	12/11/2024	05/01	02/12/2025	05/01						
	\$6,225,000		\$6,530,000		\$86,172,119		\$4,520,256		\$922,476							
2026	0	18,300	0	60,363	0	715,143	0	59,780	0	9,711	0	863,297	863,297	87,654,000	.00%	2026
2027	90,000	34,800	300,000	114,725	2,554,300	1,406,404	199,316	116,925	40,505	18,977	3,184,122	1,691,830	4,875,952	84,469,879	3.63%	2027
2028	100,000	31,500	305,000	104,150	2,602,065	1,358,192	204,588	111,583	41,397	18,076	3,253,050	1,623,501	4,876,551	81,216,828	7.34%	2028
2029	100,000	28,500	315,000	94,850	2,650,724	1,309,078	210,000	106,100	42,307	17,155	3,318,031	1,555,684	4,873,715	77,898,798	11.13%	2029
2030	100,000	25,500	320,000	86,925	2,700,292	1,259,046	215,554	100,472	43,238	16,214	3,379,085	1,488,158	4,867,242	74,519,713	14.98%	2030
2031	100,000	22,500	330,000	80,219	2,750,788	1,208,078	221,256	94,695	44,189	15,253	3,446,233	1,420,745	4,866,978	71,073,480	18.92%	2031
2032	110,000	19,350	340,000	72,888	2,802,228	1,156,158	227,108	88,766	45,161	14,270	3,524,497	1,351,431	4,875,928	67,548,983	22.94%	2032
2033	110,000	16,050	345,000	65,181	2,854,629	1,103,266	233,115	82,679	46,155	13,265	3,588,899	1,280,442	4,869,341	63,960,084	27.03%	2033
2034	110,000	12,750	360,000	56,800	2,908,011	1,049,385	239,281	76,432	47,170	12,239	3,664,462	1,207,606	4,872,068	60,295,622	31.21%	2034
2035	120,000	9,300	370,000	47,675	2,962,391	994,497	245,610	70,019	48,208	11,190	3,746,209	1,132,681	4,878,890	56,549,413	35.49%	2035
2036	120,000	5,625	380,000	38,300	3,017,787	938,583	252,106	63,437	49,269	10,117	3,819,162	1,056,062	4,875,224	52,730,251	39.84%	2036
2037	120,000	1,875	395,000	28,119	3,074,220	881,622	258,774	56,681	50,353	9,021	3,898,347	977,318	4,875,665	48,831,904	44.29%	2037
2038			405,000	17,119	3,131,708	823,597	265,619	49,746	51,460	7,901	3,853,787	898,363	4,752,150	44,978,117	48.69%	2038
2039			420,000	5,775	3,190,271	764,486	272,644	42,627	52,593	6,757	3,935,508	819,645	4,755,153	41,042,609	53.18%	2039
2040					3,249,929	704,270	279,856	35,320	53,750	5,587	3,583,534	745,178	4,328,712	37,459,074	57.26%	2040
2041					3,310,703	642,929	287,258	27,820	54,932	4,392	3,652,893	675,140	4,328,033	33,806,182	61.43%	2041
2042					3,372,613	580,440	294,856	20,122	56,141	3,170	3,723,609	603,731	4,327,341	30,082,572	65.68%	2042
2043					3,435,681	516,782	302,655	12,220	57,376	1,921	3,795,711	530,923	4,326,634	26,286,861	70.01%	2043
2044					3,499,928	451,934	310,660	4,108	58,638	645	3,869,226	456,688	4,325,914	22,417,635	74.42%	2044
2045					3,565,376	385,874					3,565,376	385,874	3,951,250	18,852,258	78.49%	2045
2046					3,632,049	318,578					3,632,049	318,578	3,950,627	15,220,209	82.64%	2046
2047					3,699,968	250,023					3,699,968	250,023	3,949,992	11,520,241	86.86%	2047
2048					3,769,158	180,187					3,769,158	180,187	3,949,345	7,751,083	91.16%	2048
2049					3,839,641	109,045					3,839,641	109,045	3,948,686	3,911,442	95.54%	2049
2050					3,911,442	36,572					3,911,442	36,572	3,948,014	0	100.00%	2050
	1,180,000	226,050	4,585,000	873,088	76,485,902	19,144,168	4,520,256	1,219,533	882,842	195,862	87,654,000	21,658,701	109,312,701			

- 1) Pursuant to the Wisconsin Capital Finance Office, Project No. 4138-11, the amount of disbursements as of June 3, 2026 is \$1,531,374.74. The schedule shown assumes full draws of the loan.
- 2) Pursuant to the Wisconsin Capital Finance Office, Project No. 4138-08, the amount of disbursements as of June 3, 2026 is \$865,767.69. The schedule shown assumes full draws of the loan.

City of Wausau, Wisconsin  
Schedule of Bonded Indebtedness  
Revenue Debt Secured by Water Revenues  
(As of 07/09/2026)

	Water System Revenue Bonds Series 2017C		Water System Revenue Bonds Series 2019D		Water System Revenue Bonds (SDWFL) Series 2020B		Water System Revenue Bonds (SDWFL) 1) Series 2024		Water System Revenue Bonds (SDWFL) 2) Series 2024B	
<b>Dated</b>	12/05/2017		10/01/2019		06/24/2020		06/26/2024		09/11/2024	
<b>Amount</b>	\$4,815,000		\$2,695,000		\$44,338,133		\$12,420,999		\$1,048,735	
<b>Maturity</b>	05/01		05/01		05/01		05/01		05/01	
<b>Calendar Year Ending</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2026	0	22,038	0	24,966	0	314,813	0	122,291	0	11,405
2027	110,000	41,875	125,000	47,431	2,275,712	609,600	525,716	238,944	43,608	22,295
2028	110,000	38,025	125,000	43,056	2,315,764	569,195	536,992	227,547	44,639	21,252
2029	120,000	34,575	130,000	39,231	2,356,522	528,079	548,511	215,905	45,695	20,184
2030	120,000	30,975	130,000	35,981	2,397,996	486,239	560,276	204,013	46,775	19,090
2031	120,000	27,375	135,000	33,247	2,440,201	443,663	572,294	191,866	47,882	17,971
2032	130,000	23,625	140,000	30,238	2,483,149	400,337	584,570	179,459	49,014	16,825
2033	130,000	19,725	145,000	27,031	2,526,852	356,249	597,109	166,785	50,173	15,652
2034	140,000	15,675	150,000	23,525	2,571,325	311,385	609,917	153,840	51,360	14,451
2035	140,000	11,475	150,000	19,775	2,616,580	265,732	623,000	140,617	52,574	13,222
2036	150,000	7,031	155,000	15,963	2,662,632	219,275	636,363	127,110	53,818	11,964
2037	150,000	2,344	165,000	11,756	2,709,494	172,000	650,013	113,314	55,091	10,676
2038			170,000	7,150	2,757,181	123,893	663,956	99,222	56,393	9,358
2039			175,000	2,406	2,805,707	74,940	678,198	84,827	57,727	8,009
2040					2,855,088	25,125	692,745	70,124	59,092	6,627
2041							707,604	55,105	60,490	5,213
2042							722,783	39,764	61,920	3,766
2043							738,286	24,094	63,385	2,284
2044							754,122	8,088	64,884	767
2045										
	1,420,000	274,738	1,895,000	361,756	35,774,201	4,900,523	11,402,455	2,462,915	964,519	231,013

- 1) Pursuant to the Wisconsin Capital Finance Office, Project No. 4930-19, the amount of disbursements as of June 3, 2026 is \$9,898,403.83. The schedule shown assumes full draws of the loan.
- 2) Pursuant to the Wisconsin Capital Finance Office, Project No. 4930-15, the amount of disbursements as of June 3, 2026, is \$967,803.45. The schedule shown assumes full draws of the loan.

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City of Wausau, Wisconsin  
Schedule of Bonded Indebtedness continued  
Revenue Debt Secured by Water Revenues  
(As of 07/09/2026)

Taxable Water System Revenue  
Bonds (SDWFL) 1  
Series 2025

Dated	11/26/2025							
Amount	\$4,596,236							
Maturity	05/01							
Calendar Year Ending	Principal	Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2026	0	5,465	0	500,978	500,978	55,828,010	.00%	2026
2027	224,962	10,648	3,304,997	970,794	4,275,791	52,523,013	5.92%	2027
2028	225,525	10,085	3,357,920	909,160	4,267,080	49,165,093	11.93%	2028
2029	226,089	9,521	3,426,816	847,494	4,274,309	45,738,277	18.07%	2029
2030	226,654	8,955	3,481,702	785,253	4,266,955	42,256,575	24.31%	2030
2031	227,221	8,387	3,542,597	722,509	4,265,106	38,713,978	30.65%	2031
2032	227,789	7,819	3,614,521	658,302	4,272,823	35,099,457	37.13%	2032
2033	228,358	7,249	3,677,492	592,691	4,270,184	31,421,965	43.72%	2033
2034	228,929	6,677	3,751,530	525,554	4,277,084	27,670,435	50.44%	2034
2035	229,501	6,104	3,811,655	456,925	4,268,580	23,858,780	57.26%	2035
2036	230,075	5,529	3,887,887	386,872	4,274,760	19,970,892	64.23%	2036
2037	230,650	4,954	3,960,248	315,044	4,275,292	16,010,644	71.32%	2037
2038	231,227	4,376	3,878,757	243,999	4,122,756	12,131,887	78.27%	2038
2039	231,805	3,797	3,948,437	173,979	4,122,416	8,183,450	85.34%	2039
2040	232,384	3,217	3,839,310	105,093	3,944,403	4,344,140	92.22%	2040
2041	232,965	2,635	1,001,060	62,954	1,064,013	3,343,081	94.01%	2041
2042	233,548	2,052	1,018,251	45,582	1,063,833	2,324,830	95.84%	2042
2043	234,132	1,468	1,035,803	27,846	1,063,649	1,289,027	97.69%	2043
2044	234,717	882	1,053,723	9,737	1,063,460	235,304	99.58%	2044
2045	235,304	294	235,304	294	235,598	0	100.00%	2045
	4,371,835	110,115	55,828,010	8,341,060	64,169,070			

1) Pursuant to the Wisconsin Capital Finance Office, Project No. 4930-98, the amount of disbursements as of June 3, 2026 is \$4,231,751.42. The schedule shown assumes full draws of the loan.

**OVERLAPPING DEBT<sup>1</sup>**

<b>Taxing District</b>	<b>2025 Equalized Value<sup>2</sup></b>	<b>% In City</b>	<b>Total G.O. Debt<sup>3</sup></b>	<b>City's Proportionate Share</b>
Marathon County	\$18,799,570,100	24.3040%	\$82,735,000	\$20,107,914
North Central Technical College District	30,219,825,680	15.1194%	40,010,000	6,049,272
DC Everest Area School District	4,859,215,628	4.4675%	41,770,000	1,866,075
Wausau School District	7,232,317,003	60.1739%	77,840,000	46,839,364
City's Share of Total Overlapping Debt				<u>\$74,862,625</u>

**DEBT RATIOS**

	<b>G.O. Debt</b>	<b>Debt/Equalized Value \$4,569,050,900</b>	<b>Debt/ Per Capita 40,571<sup>4</sup></b>
Total General Obligation Debt*	\$74,869,836	1.64%	\$1,845.40
City's Share of Total Overlapping Debt	<u>74,862,625</u>	<u>1.64%</u>	<u>1,845.23</u>
Total*	\$149,732,461	3.28%	\$3,690.63

\*Preliminary, subject to change.

<sup>1</sup> Overlapping debt is as of the dated date of the Notes. Only those taxing jurisdictions with general obligation debt outstanding are included in this section.

<sup>2</sup> Includes tax increment valuation.

<sup>3</sup> Outstanding debt based on information obtained on EMMA, Wisconsin Department of Revenue, Wisconsin Department of Public Instruction and the Municipal Advisor's records.

<sup>4</sup> Estimated 2025 population.

## TAX LEVIES AND COLLECTIONS

### TAX LEVIES AND COLLECTIONS

Tax Year	Levy for City Purposes Only	% Collected	Levy/Equalized Value Reduced by Tax Increment Valuation in Dollars per \$1,000
2021/22	\$28,556,943	100%	\$10.07
2022/23	29,980,918	100%	9.40
2023/24	31,002,099	100%	9.06
2024/25	32,277,020	100%	8.53
2025/26	34,226,703	In Process of Collection	8.33

Property tax statements are distributed to taxpayers by the town, village, and city treasurers in December of the levy year. Current State law requires counties to pay 100% of the real property taxes levied to cities, villages, towns, school districts and other taxing entities on or about August 20 of the collection year.

Special assessments, special charges and special taxes must be paid to the town, city or village treasurer in full by January 31, unless the municipality, by ordinance, permits special assessments to be paid in installments. Real property taxes must be paid in full by January 31 or in two equal installments by January 31 and July 31. Alternatively, municipalities may adopt a payment plan which permits real property taxes to be paid in three or more equal installments, provided that the first installment is paid by January 31, one-half of the taxes are paid by April 30 and the remainder is paid by July 31. Amounts paid on or before January 31 are paid to the town, city or village treasurer. Amounts paid after January 31, are paid to the county treasurer unless the municipality has authorized payment in three or more installments in which case payment is made to the town, city or village treasurer. On or before January 15 and February 20 the town, city or village treasurer settles with other taxing jurisdictions for all collections through December and January, respectively. In municipalities which have authorized the payment of real property taxes in three or more installments, the town, city or village treasurer settles with the other taxing jurisdictions on January 15, February 20 and on the fifteenth day of each month following the month in which an installment payment is required. On or before August 20, the county treasurer must settle in full with the underlying taxing districts for all real property taxes and special taxes. Any county board may authorize its county treasurer to also settle in full with the underlying taxing districts for all special assessments and special charges. The county may then recover any tax delinquencies by enforcing the lien on the property and retain any penalties or interest on the delinquencies for which it has settled. Previously, personal property taxes were required to be paid to the town, city or village treasurer in full by January 31. Uncollected personal property taxes owed by an entity that had ceased operations or filed a petition for bankruptcy, or were due on personal property that had been removed from the next assessment roll were formerly collected from each taxing entity in the year following the levy year. The personal property tax was repealed, starting with the property tax assessments as of January 1, 2024. Beginning in 2025, the personal property tax was replaced with a payment from the State intended to replace the amount of property taxes imposed on personal property for the property tax assessments as of January 1, 2023.

## PROPERTY TAX RATES

Full value rates for property taxes expressed in dollars per \$1,000 of equalized value (excluding tax increment valuation) that have been collected in recent years have been as follows:

<b>Year Levied/ Year Collected</b>	<b>Schools<sup>1</sup></b>	<b>County</b>	<b>Local</b>	<b>Total</b>
2021/22	\$11.43	\$4.57	\$10.07	\$26.07
2022/23	10.51	4.21	9.40	24.12
2023/24	9.87	4.01	9.06	22.94
2024/25	8.23	3.69	8.53	20.45
2025/26	7.57	3.50	8.33	19.40

**Source:** Property Tax Rates were extracted from Statement of Taxes prepared by the Wisconsin Department of Revenue, Division of State and Local Finance.

## LEVY LIMITS

Section 66.0602 of the Wisconsin Statutes, imposes a limit on property tax levies by cities, villages, towns and counties. No city, village, town or county is permitted to increase its tax levy by a percentage that exceeds its valuation factor (which is defined as a percentage equal to the greater of either the percentage change in the political subdivision's January 1 equalized value due to new construction less improvements removed between the previous year and the current or zero percent; for a tax incremental district created after December 31, 2024, the valuation factor includes 90% of the equalized value increase due to new construction that is located in a tax incremental district, but does not include any improvements removed in a tax incremental district). The base amount in any year to which the levy limit applies is the actual levy for the immediately preceding year. In 2018, and in each year thereafter, the base amount is the actual levy for the immediately preceding year plus the amount of the payment from the State under Section 79.096 of the Wisconsin Statutes (an amount equal to the property taxes formerly levied on certain items of personal property), and the levy limit is the base amount multiplied by the valuation factor, minus the amount of the payment from the State under Section 79.096 of the Wisconsin Statutes. This levy limitation is an overall limit, applying to levies for operations as well as for other purposes.

A political subdivision that did not levy its full allowable levy in the prior year can carry forward the difference between the allowable levy and the actual levy, up to a maximum of 1.5% of the prior year's actual levy. The use of the carry forward levy adjustment needs to be approved by a majority vote of the political subdivision's governing body (except in the case of towns) if the amount of carry forward levy adjustment is less than or equal to 0.5% and by a super majority vote of the political subdivision's governing body (three-quarters vote if the governing body is comprised of five or more members, two-thirds vote if the governing body is comprised of fewer than five members) (except in the case of towns) if the amount of the carry forward levy adjustment is greater than 0.5% up to the maximum increase of 1.5%. For towns, the use of the carry forward levy adjustment needs to be approved by a majority vote of the annual town meeting or special town meeting after the town board has adopted a resolution in favor of the adjustment by a majority vote if the amount of carry forward levy adjustment is less than or equal to 0.5% or by two-thirds vote or more if the amount of carry forward levy adjustment is greater than 0.5% up to the maximum of 1.5%.

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<sup>1</sup> The Schools tax rate reflects the composite rate of all local school districts and technical college district.

Beginning with levies imposed in 2015, if a political subdivision does not make an adjustment in its levy as described in the above paragraph in the current year, the political subdivision may increase its levy by the aggregate amount of the differences between the political subdivision's valuation factor in the previous year and the actual percent increase in a political subdivision's levy attributable to the political subdivision's valuation factor in the previous year, for the five years before the current year, less any amount of such aggregate amount already claimed as an adjustment in any of the previous five years. The calculation of the aggregate amount available for such adjustment may not include any year before 2014, and the maximum adjustment allowed may not exceed 5%. The use of the adjustment described in this paragraph requires approval by a two-thirds vote of the political subdivision's governing body, and the adjustment may only be used if the political subdivision's level of outstanding general obligation debt in the current year is less than or equal to the political subdivision's level of outstanding general obligation debt in the previous year.

The levy limits do not apply to property taxes levied to pay debt service on general obligation debt authorized on or after July 1, 2005. In addition, the statute provides for certain other adjustments to and exclusions from the tax levy limit. Among the exclusions, Section 66.0602(3)(e)5. of the Wisconsin Statutes provides that the levy limit does not apply to "the amount that a political subdivision levies in that year to make up any revenue shortfall for the debt service on a revenue bond issued under Section 66.0621 by that political subdivision." Recent positions taken by the Wisconsin Department of Revenue ("DOR") call into question the availability of this exception if the revenue shortfall is planned or ongoing. To date, such DOR positions have not been expressed formally in a declaratory ruling under Section 227.41(5)(a) of the Wisconsin Statutes, nor have they been the subject of any court challenge or resulting court ruling.

The Notes were authorized after July 1, 2005 and therefore the levy limits do not apply to taxes levied to pay debt service on the Notes.

## **REVENUE FROM THE STATE**

In addition to local property taxes described above, a number of State programs exist which provide revenue to the City. One such program is commonly known as shared revenue which, pursuant to sec. 79.036, Wis. Stats., provides funding to the City that can be used for any public purpose. Chapter 79, Wis. Stats. includes other revenue sharing programs, which each have their own requirements. 2023 Wisconsin Act 12 ("Act 12") created a supplement to shared revenue, with payments to the City beginning in 2024. This supplemental shared revenue may be used only for the purposes specified in section 79.037, Wis. Stats. In 2025, the City received approximately \$6,535,000 in shared revenue under Chapter 79, Wis. Stats., an increase from the approximately \$6,406,000 received in 2024. The City is expected to receive approximately \$6,877,000 in shared revenue under Chapter 79, Wis. Stats. in 2026. In future years, the amount of supplemental shared revenue could grow if State sales tax collections grow.

## **THE ISSUER**

### **CITY GOVERNMENT**

The City was incorporated in 1872 and is governed by a Mayor and an 11-member Common Council. The Mayor does not vote except in the case of a tie. The Mayor is elected to a four-year term. Council Members are elected to two-year terms. The appointed Finance Director/Treasurer and City Clerk are responsible for administrative details and financial records.

## **EMPLOYEES; PENSIONS**

The City employs a staff of 327 full-time, 15 part-time, and 183 seasonal employees. All eligible employees in the City are covered under the Wisconsin Retirement System ("WRS") established under Chapter 40 of the Wisconsin Statutes ("Chapter 40"). The WRS is a cost-sharing multiple-employer defined benefit pension plan. The Department of Employee Trust Funds ("ETF") administers the WRS. Required contributions to the WRS are determined by the ETF Board pursuant to an annual actuarial valuation in accordance with Chapter 40 and the ETF's funding policies. The ETF Board has stated that its funding policy is to (i) ensure funds are adequate to pay benefits; (ii) maintain stable and predictable contribution rates for employers and employees; and (iii) maintain inter-generational equity to ensure the cost of the benefits is paid for by the generation that receives the benefits.

City employees are generally required to contribute half of the actuarially determined contributions, and the City generally may not pay the employees' required contribution. During the fiscal year ended December 31, 2022, the fiscal year ended December 31, 2023 and the fiscal year ended December 31, 2024 ("Fiscal Year 2024"), the City's portion of contributions to WRS (not including any employee contributions) totaled \$2,384,455, \$2,544,459 and \$3,140,078, respectively.

Governmental Accounting Standards Board Statement No. 68 ("GASB 68") requires calculation of a net pension liability for the pension plan. The net pension liability is calculated as the difference between the pension plan's total pension liability and the pension plan's fiduciary net position. The pension plan's total pension liability is the present value of the amounts needed to pay pension benefits earned by each participant in the pension plan based on the service provided as of the date of the actuarial valuation. In other words, it is a measure of the present value of benefits owed as of a particular date based on what has been earned only up to that date, without taking into account any benefits earned after that date. The pension plan's fiduciary net position is the market value of plan assets formally set aside in a trust and restricted to paying pension plan benefits. If the pension plan's total pension liability exceeds the pension plan's fiduciary net position, then a net pension liability results. If the pension plan's fiduciary net position exceeds the pension plan's total pension liability, then a net pension asset results.

As of December 31, 2023, the total pension liability of the WRS was calculated as \$129.2 billion and the fiduciary net position of the WRS was calculated as \$127.7 billion, resulting in a net pension liability of \$1.5 billion. As of December 31, 2024, the total pension liability of the WRS was calculated as \$136.18 billion and the fiduciary net position of the WRS was calculated as \$134.54 billion, resulting in a net pension liability of \$1.64 billion. Accordingly, the City will continue to report a liability for its proportionate share of the net pension liability in its audited financial statements for the year ended December 31, 2025.

Under GASB 68, each participating employer in a cost-sharing pension plan must report the employer's proportionate share of the net pension liability or net pension asset of the pension plan. Accordingly, for Fiscal Year 2024, the City reported a liability of \$2,937,732 for its proportionate share of the net pension liability of the WRS. The net pension liability was measured as of December 31, 2023 based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. The City's proportion was 0.19758679% of the aggregate WRS net pension liability as of December 31, 2023.

The calculation of the total pension liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. Such changes may have a significant impact on the calculation of net pension liability of the WRS, which may also cause the ETF Board to change the contribution requirements for employers and employees. For more detailed information regarding the WRS and such actuarial assumptions, see Note 3.F. in "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

The City also offers its employees certain deferred compensation plans created in accordance with the Internal Revenue Code. The plans are administered by private entities, and therefore, no assets from the plans are presented in the City's financial statements. For more information, see Note 4.D. in "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

## Recognized and Certified Bargaining Units

All eligible City personnel are covered by the Municipal Employment Relations Act ("MERA") of the Wisconsin Statutes. Pursuant to that law, employees have rights to organize and collectively bargain with municipal employers. MERA was amended by 2011 Wisconsin Act 10 (the "Act") and by 2011 Wisconsin Act 32, which altered the collective bargaining rights of public employees in Wisconsin.

As a result of the 2011 amendments to MERA, the City is prohibited from bargaining collectively with municipal employees, other than public safety and transit employees, with respect to any factor or condition of employment except total base wages. Even then, the City is limited to increasing total base wages beyond any increase in the consumer price index since 180 days before the expiration of the previous collective bargaining agreement (unless City were to seek approval for a higher increase through a referendum). Ultimately, the City can unilaterally implement the wages for a collective bargaining unit.<sup>1</sup>

Under the changes to MERA, impasse resolution procedures were removed from the law for municipal employees of the type employed by the City, including binding interest arbitration. Strikes by any municipal employee or labor organization are expressly prohibited. Furthermore, if strikes do occur, they may be enjoined by the courts. Additionally, because the only legal subject of bargaining is total base wages, all bargaining over items such as just cause, benefits, and terms of conditions of employment are prohibited and cannot be included in a collective bargaining agreement. Impasse resolution for public safety employees and transit employees is subject to final and binding arbitration procedures, which do not include a right to strike. Interest arbitration is available for transit employees if certain conditions are met.

The following bargaining units represent employees of the City:

<b>Bargaining Unit</b>	<b>Expiration Date of Current Contract</b>
Wausau Firefighters Association Local 415 LAFF, AFL-CIO and CLC	December 31, 2027
Wausau Professional Police Association	December 31, 2027
Local 1168 Amalgamated Transit Union	June 30, 2026 <sup>2</sup>

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<sup>1</sup> On July 3, 2024, a Wisconsin circuit court judge issued a decision in the case *Abbotsford Education Association vs. Wisconsin Employment Relations Commission, Case No. 2023CV3152*, denying the Wisconsin State Legislature's intervening motion to dismiss the plaintiffs' challenge to the different classifications the Act created regarding collective bargaining rights. The court's order denying the motion to dismiss stated that the Act violates the equal protection clause of the Wisconsin Constitution and declared those provisions of the Act relating to collective bargaining modifications unconstitutional and void. The decision further instructed the parties to make additional filings to the court as to whether the court should issue judgment on the pleadings in light of the court's order or take some other action to bring the case to a final judgment. On December 2, 2024, the court issued an order granting the plaintiffs' motion for judgment on the pleadings and striking down substantial portions of the Act. The court's decision has been appealed to the Wisconsin Court of Appeals. On January 23, 2025, the court granted a motion to stay the decision pending outcome of the appeal. No guarantee can be made regarding the outcome of the matter.

<sup>2</sup> Negotiations are in process and are expected to be concluded in the near future.

## **OTHER POST EMPLOYMENT BENEFITS**

The City provides "other post-employment benefits" ("OPEB") (i.e., post-employment benefits, other than pension benefits, owed to its employees and former employees) to employees who have terminated their employment with the City and have satisfied specified eligibility standards through a single-employer defined benefit plan. Membership of the plan consisted of 2 retirees receiving benefits and 260 active eligible plan members as of December 31, 2023, the date of the latest actuarial valuation. Any City employee retiring after December 31, 2012 is no longer eligible to remain on the City's group medical plan beyond COBRA eligibility.

OPEB calculations are required to be updated every two years and be prepared in accordance with Statements No. 74 and 75 of the Governmental Accounting Standards Board ("GASB 74/75"). An actuarial study for the plan prepared in accordance with GASB 74/75 was most recently completed by Foster & Foster Consulting Actuaries Inc. (the "Actuary") in June 2025 with an actuarial valuation date of December 31, 2023. The Actuary completed a table updates report in December 2025 with a measurement date of December 31, 2024.

For Fiscal Year 2024, benefit payments for the plan totaled \$26,964. The City's current funding practice is to pay the amount of benefits due in a given year on a "pay-as-you-go" basis.

Under GASB 74/75, a net OPEB liability (or asset) is calculated as the difference between the plan's total OPEB liability and the plan's fiduciary net position, which terms have similar meanings as under GASB 68 for pension plans.

As of December 31, 2024, the plan's total OPEB liability was \$377,076 and the plan fiduciary net position was \$0, resulting in a net OPEB liability of \$377,076.

The calculation of the total OPEB liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. For more detailed information, see Note 3.G.1. in the "APPENDIX A – FINANCIAL STATEMENTS" attached hereto.

The City also participates in the Local Retiree Life Insurance Fund ("LRLIF"), which is a cost-sharing multiple-employer defined benefit plan established by Chapter 40. The ETF and the Group Insurance Board have statutory authority for program administration and oversight, including establishing contribution requirements for employers.

For Fiscal Year 2024, the City's portion of contributions to the LRLIF totaled \$5,109. For Fiscal Year 2024, the City reported a liability of \$1,153,420 for its proportionate share of the net OPEB liability of the LRLIF. The net OPEB liability was measured as of December 31, 2023 based on the City's share of contributions to the LRLIF relative to the contributions of all participating employers. The City's proportion was 0.25070800% of the aggregate LRLIF net OPEB liability as of December 31, 2023.

The calculation of the total OPEB liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. Such changes may have a significant impact on the calculation of the net OPEB liability of the LRLIF, which may also cause ETF to change the contribution requirements for employers and employees. For more detailed information, see Note 3.G.2 in the "APPENDIX A – FINANCIAL STATEMENTS" attached hereto.

## **LITIGATION**

There is no litigation threatened or pending questioning the organization or boundaries of the City or the right of any of its officers to their respective offices or in any manner questioning their rights and power to execute and deliver the Notes or otherwise questioning the validity of the Notes.

**MUNICIPAL BANKRUPTCY**

Municipalities are prohibited from filing for bankruptcy under Chapter 11 (reorganization) or Chapter 7 (liquidation) of the U.S. Bankruptcy Code (11 U.S.C. §§ 101-1532) (the "Bankruptcy Code"). Instead, the Bankruptcy Code permits municipalities to file a petition under Chapter 9 of the Bankruptcy Code, but only if certain requirements are met. These requirements include that the municipality must be "specifically authorized" under State law to file for relief under Chapter 9. For these purposes, "State law" may include, without limitation, statutes of general applicability enacted by the State legislature, special legislation applicable to a particular municipality, and/or executive orders issued by an appropriate officer of the State's executive branch.

As of the date hereof, Wisconsin law contains no express authority for municipalities to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code.

Nevertheless, there can be no assurance (a) that State law will not change in the future, while the Notes are outstanding, in a way that would allow the City to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code; or (b) even absent such a change in State law, that an executive order or other executive action could not effectively authorize the City to file for relief under Chapter 9. If, in the future, the City were to file a bankruptcy case under Chapter 9, the relevant bankruptcy court would need to consider whether the City could properly do so, which would involve questions regarding State law authority as well as other questions such as whether the City is a municipality for bankruptcy purposes. If the relevant bankruptcy court concluded that the City could properly file a bankruptcy case, and that determination was not reversed, vacated, or otherwise substantially altered on appeal, then the rights of holders of the Notes could be modified in bankruptcy proceedings. Such modifications could be adverse to holders of the Notes, and there could ultimately be no assurance that holders of the Notes would be paid in full or in part on the Notes. Further, under such circumstances, there could be no assurance that the Notes would not be treated as general, unsecured debt by a bankruptcy court, meaning that claims of holders of the Notes could be viewed as having no priority (a) over claims of other creditors of the City; (b) to any particular assets of the City, or (c) to revenues otherwise designated for payment to holders of the Notes.

Moreover, if the City were determined not to be a "municipality" for the purposes of the Bankruptcy Code, no representations can be made regarding whether it would still be eligible for voluntary or involuntary relief under Chapters of the Bankruptcy Code other than Chapter 9 or under similar federal or State law or equitable proceeding regarding insolvency or providing for protection from creditors. In any such case, there can be no assurance that the consequences described above for the holders of the Notes would not occur.

**FUNDS ON HAND** (as of April 10, 2026)

<b>Fund</b>	<b>Total Cash and Investments</b>
General	\$23,866,646
Special Revenue	13,942,874
Debt Service	1,212,893
Capital Projects	12,410,940
Enterprise Funds	14,554,209
Internal Service Funds	4,209,221
Trust and Agency Funds	<u>1,495,617</u>
 Total Funds on Hand	 <u><u>\$71,692,400</u></u>

## ENTERPRISE FUNDS

Revenues available for debt service for the City's enterprise funds have been as follows as of December 31 each year:

	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
	<b>Audited</b>	<b>Audited</b>	<b>Audited</b>	<b>Unaudited</b>
<b>Water</b>				
Total Operating Revenues	\$7,549,917	\$10,203,542	\$12,034,496	\$11,994,129
Less: Operating Expenses	<u>(5,040,156)</u>	<u>(6,077,956)</u>	<u>(5,654,431)</u>	<u>(6,387,236)</u>
Operating Income	\$2,509,761	\$4,125,586	\$6,380,065	\$5,606,893
Plus: Depreciation	1,439,761	1,436,417	1,424,764	1,574,436
Interest Income	<u>36,416</u>	<u>547,924</u>	<u>478,355</u>	<u>107,531</u>
Revenues Available for Debt Service	<u><u>\$3,985,938</u></u>	<u><u>\$6,109,927</u></u>	<u><u>\$8,283,184</u></u>	<u><u>\$7,288,860</u></u>
<b>Sewer</b>				
Total Operating Revenues	\$9,497,139	\$11,406,145	\$11,231,205	\$11,267,391
Less: Operating Expenses	<u>(7,096,931)</u>	<u>(8,706,753)</u>	<u>(8,476,284)</u>	<u>(8,830,630)</u>
Operating Income	\$2,400,208	\$2,699,392	\$2,754,921	\$2,436,761
Plus: Depreciation	2,761,209	4,389,601	4,475,463	4,583,161
Nonoperating Revenue	84,952	51,623	10,169	5,245
Interest Income	<u>52,160</u>	<u>148,038</u>	<u>161,701</u>	<u>279,695</u>
Revenues Available for Debt Service	<u><u>\$5,298,529</u></u>	<u><u>\$7,288,654</u></u>	<u><u>\$7,402,254</u></u>	<u><u>\$7,304,862</u></u>

In January 2022, the City discovered that all of the City's wells contained the harmful chemical known as PFAS at rates above recommendations from the Wisconsin Department of Health Services ("DHS"). Subsequent to such discovery, the Natural Resources Board, which sets policy for the Wisconsin Department of Natural Resources, approved a limit for the presence of PFAS, in excess of the amounts found to be in any of the City's wells. Despite this, the City financed a new water treatment system implemented over the course of 2024 and 2025 to address the presence of PFAS at a cost of approximately \$17 million. The City issued a note anticipation note in June 2023 to provide interim financing for the project, which note was subsequently refunded by the City's Water System Revenue Bonds, Series 2024, dated June 26, 2024 (see "DEBT - Schedule of Bonded Indebtedness Revenue Debt Secured by Water Revenues" herein).

## SUMMARY GENERAL FUND INFORMATION

The following are summaries of the revenues and expenditures and fund balances for the City's General Fund. These summaries are not purported to be the complete audited financial statements of the City, and potential purchasers should read the included financial statements in their entirety for more complete information concerning the City. Copies of the complete statements are available upon request. Appendix A includes the 2024 audited financial statements.

<b>FISCAL YEAR ENDING DECEMBER 31</b>				
<b>COMBINED STATEMENT</b>				
	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
	<b>Audited</b>	<b>Audited</b>	<b>Audited</b>	<b>Unaudited</b>
<b>Revenues</b>				
Taxes & special assessments	\$21,448,764	\$22,490,594	\$22,887,928	\$23,715,290
Intergovernmental	9,287,325	9,310,381	10,644,280	13,061,253
Licenses and permits	1,129,746	1,109,371	1,131,460	1,303,430
Fines and forfeits	488,517	274,170	295,134	301,862
Public charges for services	2,630,299	3,112,449	2,934,110	3,792,156
Intergovernmental charges for services	999,759	1,454,698	1,322,783	1,729,781
Miscellaneous	(938,844)	2,557,029	2,495,668	2,414,560
<b>Total Revenues</b>	<u>\$35,045,566</u>	<u>\$40,308,692</u>	<u>\$41,711,363</u>	<u>\$46,318,332</u>
<b>Expenditures</b>				
Current:				
General government	\$4,830,305	\$5,252,385	\$5,641,075	\$5,734,925
Public safety	20,203,261	22,500,824	23,504,074	27,369,695
Transportation and streets	8,371,643	8,738,817	8,915,132	9,418,895
Sanitation, health and welfare	977,299	1,004,555	1,023,922	1,047,461
Natural resources and recreation	3,104,329	3,249,368	3,202,846	3,429,841
Debt service:				
Principal	65,106	60,003	55,375	0
Interest and fiscal charges	2,085	7,188	4,488	0
<b>Total Expenditures</b>	<u>\$37,554,028</u>	<u>\$40,813,140</u>	<u>\$42,346,912</u>	<u>\$47,000,817</u>
<b>Excess of revenues over (under) expenditures</b>	(\$2,508,462)	(\$504,448)	(\$635,549)	(\$682,485)
<b>Other Financing Sources (Uses)</b>				
Proceeds from Sale of Capital Assets	\$0	\$12,352	\$0	\$0
Transfers in	1,959,355	2,221,355	2,221,355	2,221,355
Transfers (out)	(583,031)	(138,844)	(1,495,060)	(1,119,715)
<b>Total Other Financing Sources (Uses)</b>	<u>1,376,324</u>	<u>2,094,863</u>	<u>726,295</u>	<u>1,101,640</u>
<b>Net changes in Fund Balances</b>	(\$1,132,138) <sup>1</sup>	\$1,590,415	\$90,746	\$419,155
General Fund Balance January 1	\$15,683,918	\$14,551,780	\$16,142,195	\$17,237,836
Prior Period Adjustment	0	0	1,004,895	0
General Fund Balance December 31	<u>\$14,551,780</u>	<u>\$16,142,195</u>	<u>\$17,237,836</u>	<u>\$17,656,991</u>
<b>DETAILS OF DECEMBER 31 FUND BALANCE</b>				
Nonspendable	\$2,817,418	\$2,940,865	\$1,783,799	\$1,625,667
Committed	876,439	994,439	994,439	693,059
Unassigned	10,857,923	12,206,891	14,459,598	15,338,265
<b>Total</b>	<u>\$14,551,780</u>	<u>\$16,142,195</u>	<u>\$17,237,836</u>	<u>\$17,656,991</u>

<sup>1</sup> The City attributes the spend down in fund balance to mark-to-market requirements for the City's investments, resulting in negative interest income in 2022.

## GENERAL FUND BUDGET SUMMARY

FISCAL YEAR ENDING DECEMBER 31

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	<b>2026 Adopted Budget<sup>1</sup></b>
Revenues	
Taxes & special assessments	\$24,273,083
Intergovernmental	12,707,838
Licenses and permits	996,680
Fine and forfeits	296,000
Public charges for services	3,974,066
Intergovernmental charges for services	1,515,279
Miscellaneous	1,278,915
<b>Total Revenues</b>	<b>\$45,041,861</b>
Expenditures	
Current:	
General government	\$6,094,842
Public safety	27,898,148
Transportation and streets	9,062,411
Sanitation, health and welfare	1,305,000
Natural resources and recreation	3,653,799
Debt service:	
Principal	-
Interest and fiscal charges	-
Capital outlay	-
<b>Total Expenditures</b>	<b>\$48,014,200</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(\$2,972,339)</b>
<b>Other Financing Sources (Uses)</b>	
Proceeds from Sale of Capital Assets	
Transfers in	2,672,336
Transfers (out)	-
<b>Total Other Financing Sources (Uses)</b>	<b>2,672,336</b>
<b>Net changes in Fund Balances</b>	<b>(\$300,003)</b>

<sup>1</sup> The 2026 budget was adopted on November 25, 2025.

# GENERAL INFORMATION

## LOCATION

The City, with a 2020 U.S. Census population of 39,994 and a current estimated population of 40,571 comprises an area of 19.56 square miles and is located in the heart of Wisconsin, about 100 miles east of Eau Claire, Wisconsin. The City is the county seat of Marathon County.

## LARGER EMPLOYERS<sup>1</sup>

Larger employers in the City include the following:

<b>Firm</b>	<b>Type of Business/Product</b>	<b>Estimated No. of Employees</b>
Aspirus Wausau Hospital	Hospital	2,200
Kolbe & Kolbe Millwork	Window manufacturer	1,400
Wausau School District	Elementary and secondary education	1,315
UMR	Insurance Company	1,001
Liberty Mutual	Property and casualty insurance company	900
Marathon Electric	Electric motor manufacturer	850
Marathon County	County government and services	793
North Central Health Care	Mental health services	775
The City	Municipal government	525 <sup>2</sup>
Marshfield Clinic	Healthcare/medical	500

**Source:** Data Axle Reference Solutions, written and telephone survey, Wisconsin Manufacturers Register, and the Wisconsin Department of Workforce Development.

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<sup>1</sup> This does not purport to be a comprehensive list and is based on available data obtained through a survey of individual employers, as well as the sources identified above.

<sup>2</sup> 327 full time, 15 part time and 183 seasonal which includes election workers.

**BUILDING PERMITS<sup>1</sup>**

	2022	2023	2024	2025	2026
<u>New Single Family Homes</u>					
No. of building permits	17	18	18	11	6
Valuation	\$6,895,500	\$5,553,651	\$8,699,154	\$4,079,500	\$1,910,342
<u>New Multiple Family Buildings</u>					
No. of building permits	2	1	1	1	0
Valuation	\$23,438,000	\$26,107,131	\$14,200,000	\$11,700,000	\$0
<u>New Commercial/Industrial</u>					
No. of building permits	8	4	1	5	1
Valuation	\$23,439,402	\$1,206,000	\$12,500,000	\$10,035,997	\$1,540,975
<u>All Building Permits</u> <i>(including additions and remodelings)</i>					
No. of building permits	3,586	374	1,066	1,580	256
Valuation	\$113,868,223	\$141,486,086	\$123,349,175	\$156,283,216	\$117,546,745

**Source:** The City.

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<sup>1</sup> As of April 9, 2026.

## U.S. CENSUS DATA

### Population Trend: The City

2010 U.S. Census Population	39,106
2020 U.S. Census Population	39,994
Percent of Change 2010 - 2020	2.27%
2025 Estimated Population	40,571

### Income and Age Statistics

	<b>The City</b>	<b>Marathon County</b>	<b>State of Wisconsin</b>	<b>United States</b>
2024 per capita income	\$35,957	\$41,413	\$43,373	\$44,673
2024 median household income	\$64,389	\$77,884	\$77,485	\$80,734
2024 median family income	\$85,128	\$98,320	\$100,141	\$99,999
2024 median gross rent	\$1,010	\$999	\$1,087	\$1,413
2024 median value owner occupied units	\$167,900	\$219,600	\$266,500	\$332,700
2024 median age	38.2 yrs.	41.3 yrs.	40.2 yrs.	38.9 yrs.

	<b>State of Wisconsin</b>	<b>United States</b>
City % of 2024 per capita income	82.90%	80.49%
City % of 2024 median family income	85.01%	85.13%

### Housing Statistics

	<b><u>The City</u></b>		
	<b>2020</b>	<b>2024</b>	<b>Percent of Change</b>
All Housing Units	18,605	18,718	0.61%

**Source:** 2010 and 2020 Census of Population and Housing, Wisconsin Demographic Services Center ([https://doa.wi.gov/Pages/LocalGovtsGrants/Population\\_Estimates.aspx](https://doa.wi.gov/Pages/LocalGovtsGrants/Population_Estimates.aspx)) and 2024 American Community Survey (Based on a five-year estimate), U.S. Census Bureau (<https://data.census.gov/cedsci>).

## EMPLOYMENT/UNEMPLOYMENT DATA

<b>Year</b>	<b><u>Average Employment</u></b>		<b><u>Average Unemployment</u></b>		
	<b>The City</b>	<b>Marathon County</b>	<b>The City</b>	<b>Marathon County</b>	<b>State of Wisconsin</b>
2022	19,758	72,337	2.5%	2.4%	2.8%
2023	19,836	72,461	2.6%	2.5%	2.8%
2024	19,899	72,618	2.6%	2.6%	3.0%
2025 <sup>1</sup>	19,638	71,666	2.9%	2.5%	3.2%
2026, April <sup>1</sup>	19,329	70,540	3.0%	3.0%	3.4%

**Source:** Wisconsin Department of Workforce Development.

<sup>1</sup> Preliminary.

**FINANCIAL STATEMENTS**

Potential purchasers should read the included financial statements in their entirety for more complete information concerning the City's financial position. Such financial statements have been audited by the Auditor, to the extent and for the periods indicated thereon. The City has not requested or engaged the Auditor to perform, and the Auditor has not performed, any additional examination, assessments, procedures or evaluation with respect to such financial statements since the date thereof or with respect to this Official Statement, nor has the City requested that the Auditor consent to the use of such financial statements in this Official Statement. Although the inclusion of the financial statements in this Official Statement is not intended to demonstrate the fiscal condition of the City since the date of the financial statements, in connection with the issuance of the Notes, the City represents that there have been no material adverse change in the financial position or results of operations of the City, nor has the City incurred any material liabilities, which would make such financial statements misleading.

Copies of the complete audited financial statements for the past three years and the current budget are available upon request from Ehlers.

**CITY OF WAUSAU, WISCONSIN  
ANNUAL FINANCIAL REPORT  
YEAR ENDED DECEMBER 31, 2024**



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## INDEPENDENT AUDITORS' REPORT

City Council  
City of Wausau, Wisconsin

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Wausau, Wisconsin, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City of Wausau, Wisconsin's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Wausau, Wisconsin, as of December 31, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***Emphasis of Matter – Cumulative Effect of Change in Accounting Principal***

As discussed in Note 4.H. to the financial statements, effective January 1, 2024, the City has implemented GASB Statement No. 101, *Compensated Absences*. The implementation of this standard has resulted in changes to the recognition and measurement guidance for compensated absences and associated salary-related payments and amended certain previously required disclosures. Our opinions are not modified with respect to this matter.

***Emphasis of Matter – Prior Period Adjustment***

As described in Note 4.H., the City recorded a prior period adjustment to decrease accrued liabilities and increase fund balance by a total of \$1,058,237 in the Governmental Funds. Our opinions are not modified with respect to this matter.

***Responsibilities of Management for the Financial Statements***

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

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

***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of City of Wausau, Wisconsin's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about City of Wausau, Wisconsin's ability to continue as a going concern for a reasonable period of time.

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

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule, and the schedules relating to pension and OPEB, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

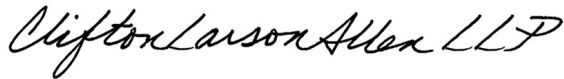
***Supplementary Information***

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

City Council  
City of Wausau, Wisconsin

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated July 30, 2025, on our consideration of the City of Wausau, Wisconsin's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Wausau, Wisconsin's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Wausau, Wisconsin's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Wausau, Wisconsin  
July 30, 2025

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**CITY OF WAUSAU, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2024**

The City of Wausau (City) presents the following discussion and analysis of the City's financial performance during the fiscal year ended December 31, 2024. 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 \$287,679,316. Of this amount, \$21,115,497 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.
- During 2024, the City's total net position increased \$15,817,149 from the 2023 net position, or approximately 6.2%.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$24,386,536, an decrease of \$1,325,462, offset by a prior period adjustment of \$1,058,237 from the prior year. The total unassigned fund balance of \$8,207,064 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 \$15,454,037, or 36.49% of expenditures. Of this amount, \$943,059 is committed and \$14,510,978 is unassigned.
- The City's total general obligation debt increased \$3,025,000, or 4.19%.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

**Government-Wide Statements**

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

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

**CITY OF WAUSAU, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2024**

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, and airport 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 19-20 of this report.

### **Fund Financial Statements**

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

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

The City has three kinds of funds:

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

**CITY OF WAUSAU, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2024**

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-nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Debt Service Fund, and the Capital Improvements Fund, which are considered to be major funds. Data for the other twenty-seven 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 21-24 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, and airport funds. The City's *internal service funds*, the Motor Pool, Insurance, and Employee Benefits, accumulate and allocate costs internally among the City's various functions. Because the City's internal service funds primarily serve governmental functions, they have been included within the governmental activities of the government-wide financial statements.

Proprietary fund financial statements provide separate and more detailed information for the water, and wastewater enterprise funds, which are considered to be major funds, and the three internal service funds. Individual fund data for the four 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 25-29 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 30-31 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 32 of this report.

*Supplementary information* is provided in addition to the basic financial statements and accompanying notes. This required supplementary and other information consists of combining and individual fund schedules which can be found on pages 92-117 of this report.

**CITY OF WAUSAU, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2024**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, the City of Wausau's net position at fiscal year-end is \$287,679,316.

By far, the largest portion of the City of Wausau's net position (83.67%) 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	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 94,458,097	\$ 103,090,090	\$ 22,827,260	\$ 38,423,488	\$ 117,285,357	\$ 141,513,578
Capital assets	188,043,938	183,775,731	257,032,261	243,719,092	445,076,199	427,494,823
Total assets	<u>282,502,035</u>	<u>286,865,821</u>	<u>279,859,521</u>	<u>282,142,580</u>	<u>562,361,556</u>	<u>569,008,401</u>
Deferred outflow s of resources	24,259,969	34,606,622	2,761,827	4,307,899	27,021,796	38,914,521
Noncurrent liabilities	79,363,007	88,208,365	145,402,072	158,891,844	224,765,079	247,100,209
Other liabilities	12,500,308	16,067,070	1,902,963	5,019,511	14,403,271	21,086,581
Total liabilities	<u>91,863,315</u>	<u>104,275,435</u>	<u>147,305,035</u>	<u>163,911,355</u>	<u>239,168,350</u>	<u>268,186,790</u>
Deferred inflow s of resources	58,955,132	63,735,095	3,580,554	4,138,870	62,535,686	67,873,965
Net position:						
Net investment in capital assets	129,116,485	120,347,150	112,017,986	102,723,259	240,706,333	222,033,090
Restricted	17,551,091	17,926,709	8,257,417	6,288,775	25,808,508	24,215,484
Unrestricted	9,275,981	15,188,054	11,460,356	9,388,220	21,115,497	25,613,593
Total net position	<u>\$ 155,943,557</u>	<u>\$ 153,461,913</u>	<u>\$ 131,735,759</u>	<u>\$ 118,400,254</u>	<u>\$ 287,679,316</u>	<u>\$ 271,862,167</u>

An additional portion of the City's net position (8.97%) represents resources that are subject to restrictions on how they may be used. The remaining balance represents unrestricted net position of \$21,115,497 which may be used to meet the government's ongoing obligations to citizens and creditors.

The following table provides a summary of the City's operations for the year ended December 31, 2024 and a comparison to the year ended December 31, 2023.

**CITY OF WAUSAU, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2024**

CITY OF WAUSAU  
CHANGES IN NET POSITION  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
<b>Revenues:</b>						
Program Revenues						
Charges for services	\$ 6,059,035	\$ 6,317,698	\$ 24,420,950	\$ 22,682,251	\$ 30,479,985	\$ 28,999,949
Operating grants and contributions	5,784,120	6,427,020	2,596,989	2,541,249	8,381,109	8,968,269
Capital grants and contributions	1,386,445	726,701	8,354,312	3,238,691	9,740,757	3,965,392
General Revenues						
Property taxes	42,444,448	39,698,168	1,534,028	1,403,262	43,978,476	41,101,430
Other taxes	1,348,913	1,316,461	-	-	1,348,913	1,316,461
Grants and contributions not restricted to specific purposes	11,268,505	10,170,709	-	-	11,268,505	10,170,709
Investment income	2,825,375	2,794,791	640,056	707,798	3,465,431	3,502,589
Other	1,064,850	769,324	64,144	83,445	1,128,994	852,769
<b>Total Revenues</b>	<u>72,181,691</u>	<u>68,220,872</u>	<u>37,610,479</u>	<u>30,656,696</u>	<u>109,792,170</u>	<u>98,877,568</u>
<b>Expenses</b>						
General government	\$7,010,557	\$6,781,614	-	-	7,010,557	6,781,614
Public safety	24,610,396	26,487,572	-	-	24,610,396	26,487,572
Transportation and streets	16,537,217	17,087,871	6,138,460	6,335,806	22,675,677	23,423,677
Sanitation, health and welfare	1,382,485	1,084,974	-	-	1,382,485	1,084,974
Natural resources and recreation	4,698,246	4,902,299	-	-	4,698,246	4,902,299
Economic development	13,784,098	8,469,427	-	-	13,784,098	8,469,427
Interest on long-term debt	1,695,807	1,718,269	-	-	1,695,807	1,718,269
Water	-	-	7,016,672	7,354,572	7,016,672	7,354,572
Wastewater	-	-	10,044,842	10,442,316	10,044,842	10,442,316
<b>Total Expenses</b>	<u>69,718,806</u>	<u>66,532,026</u>	<u>23,199,974</u>	<u>24,132,694</u>	<u>92,918,780</u>	<u>90,664,720</u>
Increase (decrease) in net position before transfers	2,462,885	1,688,846	14,410,505	6,524,002	16,873,390	8,212,848
Transfers	1,075,000	2,207,935	(1,075,000)	(2,207,935)	-	-
Increase (decrease) in net position	3,537,885	3,896,781	13,335,505	4,316,067	16,873,390	8,212,848
Net position - January 1	153,461,913	149,565,132	118,400,254	114,084,187	271,862,167	263,649,319
Cumulative effect of change in accounting principle	(1,056,241)	-	-	-	(1,056,241)	-
Net position - December 31	<u>\$ 155,943,557</u>	<u>\$ 153,461,913</u>	<u>\$ 131,735,759</u>	<u>\$ 118,400,254</u>	<u>\$ 287,679,316</u>	<u>\$ 271,862,167</u>

**CITY OF WAUSAU, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2024**

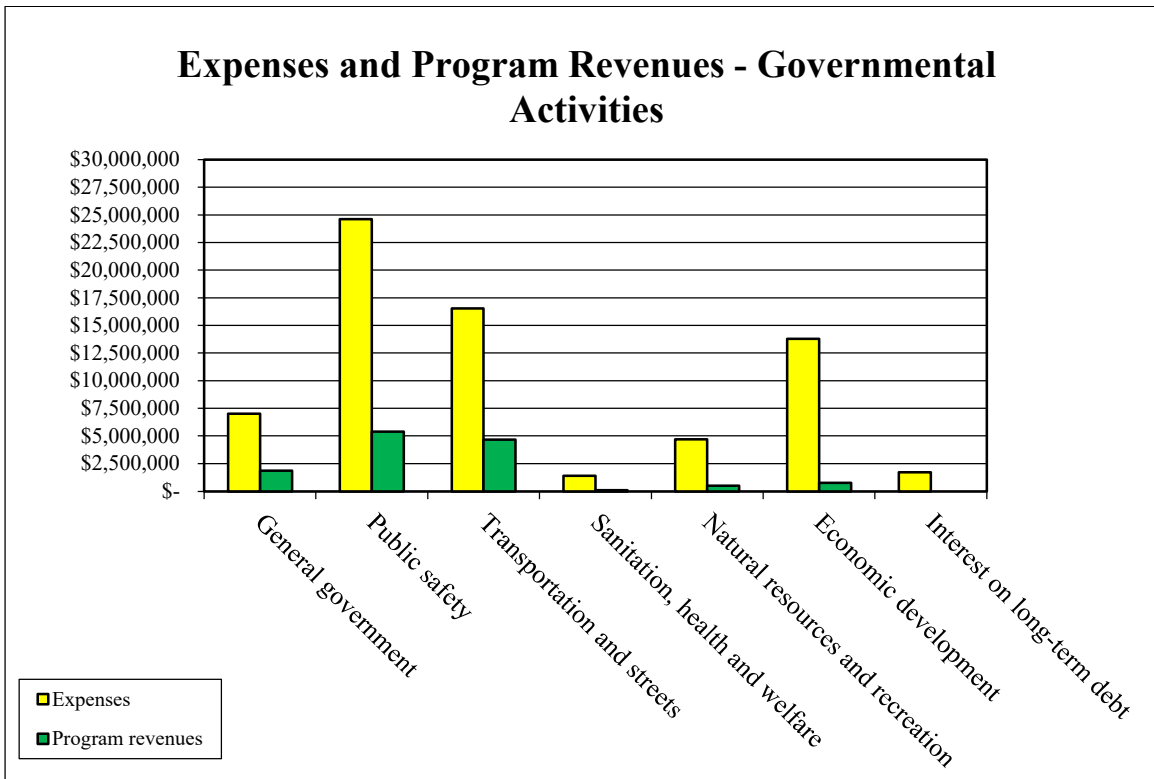
Governmental activities increased the City's net position by \$2,481,644.

Governmental activities revenues increased by \$3,960,819 or 5.8% over the prior year:

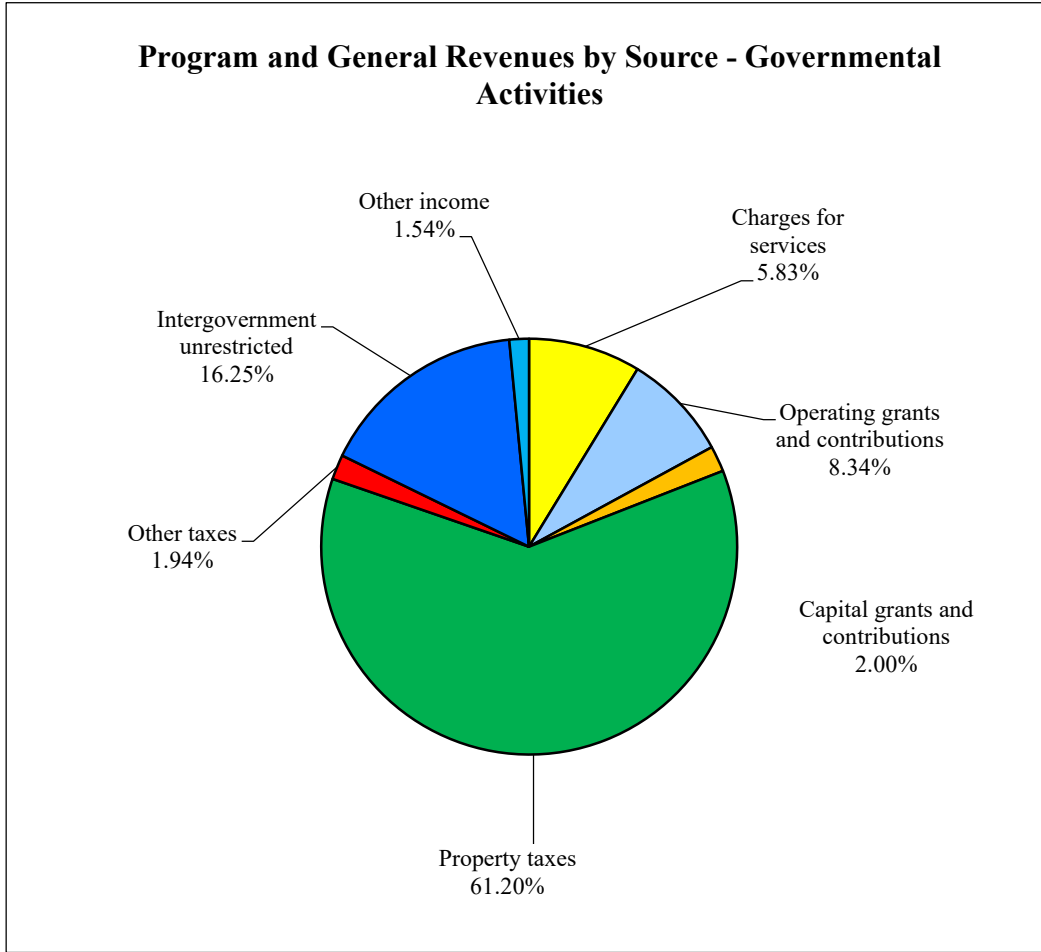
- The \$258,663 decrease in charges for services was driven largely by a reduction in EMS and recreation charges.
- Operating grants declined by \$642,900, a portion can be attributed to a one time grant from the State of Wisconsin Economic Development Corporation.
- Capital grants increased by \$659,744 was driven largely by trail grants received from the DOT in 2024.
- Property taxes increased by \$2,746,280. General property taxes accounted for \$890,415 of this increase and tax increment accounted for \$1,855,865.
- Unrestricted grants increased \$1,097,796 which represents increases in shared revenues from the State of Wisconsin.
- Other revenue increased \$295,526 which includes sale of property in Tax Increment District Six of \$182,500 and remediation reimbursements in Tax Increment District Twelve.

Governmental activities expenses increased \$3,186,780 or 4.8% over the prior year. The governmental activities statement is presented on the full accrual basis. The OPEB, and pension adjustments decreased expenses with the most dramatic impact being public safety followed by transportation. Other notable changes include:

The \$5,314,671 increase in economic development include \$1,097,764 to the Wausau Community Development Authority for affordable housing projects, and homeowner lead service line replacements of \$4,597,674.



**CITY OF WAUSAU, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2024**



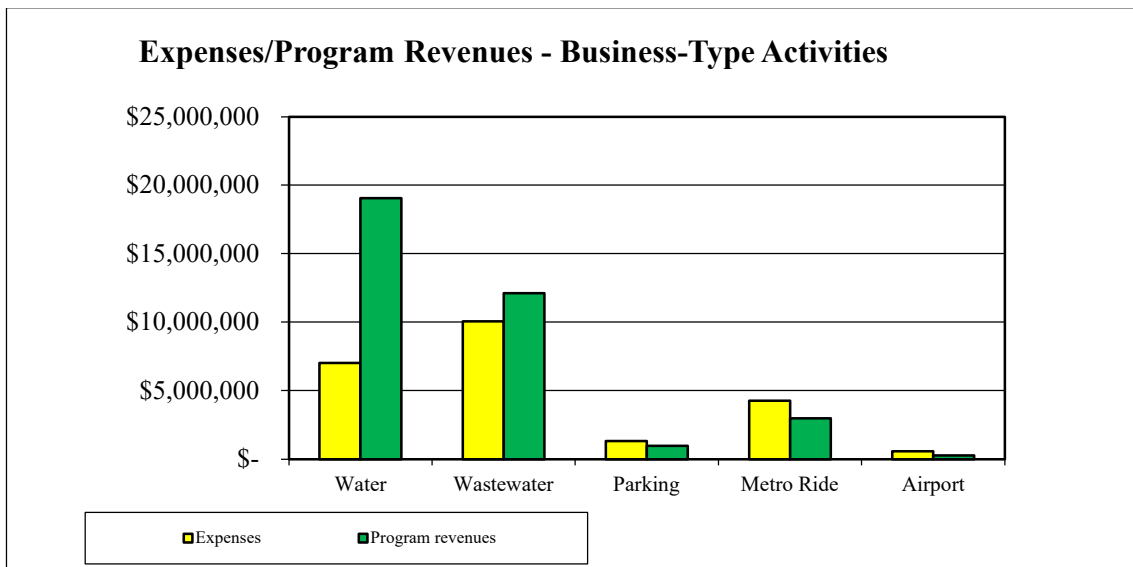
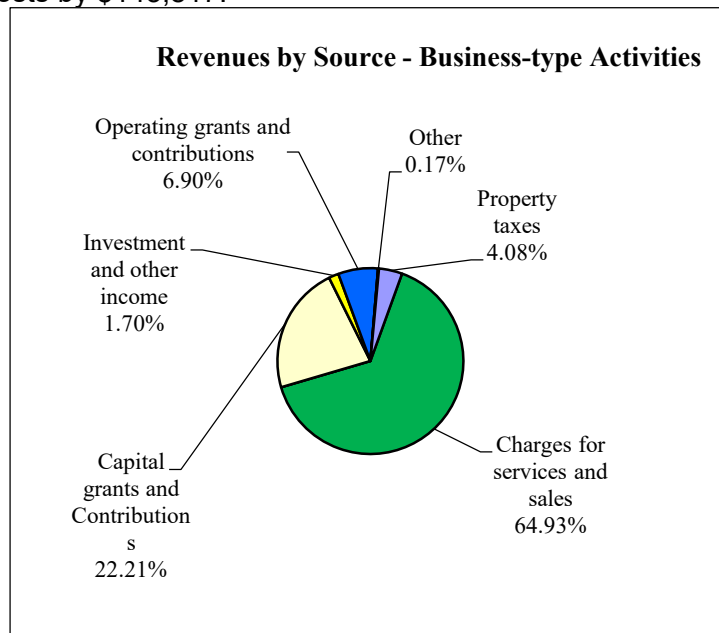
Business-type activities increased the City of Wausau's net position by \$13,333,505.

Program revenues for business-type activities increased by \$6,910,060 while expenses decreased \$932,720. Operating income for the year of \$2,754,921 represents an increase from the previous year of \$1,476,952. Key elements contributing to these changes include:

- New water rates went into effect on July 1, 2023. The rate increase was needed to offset the costs of the new water treatment plant and expected costs associated with the granular activated carbon (GAC) treatment facilities under construction. Water charges for services increased by \$1,824,954 or 17.89% from 2023.
- Capital Grants increased by \$5,115,621 over the previous year. This was due to grants received by the Water Utility to finance the construction of the new granular activated carbon (GAC) treatment facilities
- Water utility operation and maintenance expenses decreased \$411,872 or 8.9%. 2023 experienced higher operating costs during the first year of operation of the new plant.
- Wastewater utility operation and maintenance expenses decreased by 316,331 or 7.3% this is also attributed to savings after the first year of plant operations.

**CITY OF WAUSAU, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2024**

- The Water Utility received a \$1,000,000 transfer from the general fund to finance the purchase of water meters.
- The Metro Ride Fund operating revenues increased by \$57,330 or 16% the largest growth included advertising income, adult and student fares. and operating expenses decreased by \$52,300.
- Metro Ride Fund operations and maintenance expense decreased by \$125,647 or 3.27%. The savings reflect lower fuel prices in 2024 along with fleet repairs.
- General property taxes allocated to Metro Ride Fund increased \$86,697.
- The Airport Fund operations and maintenance costs exceeded operating revenues and general property tax allocation by \$107,745.
- The Parking Fund operating revenue and general property tax allocation exceeded operations and maintenance costs by \$143,817.



**CITY OF WAUSAU, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2024**

**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 \$24,386,536, a decrease of \$267,225 from the prior year. Approximately 33.65% or \$8,207,064, represents unassigned fund balance, which is available for spending at the City's discretion. The remainder of the fund balance is either nonspendable, restricted, or committed to indicate that it is 1) not in spendable form (\$1,783,799), 2) restricted for particular purposes (\$11,033,518), or 3) committed for particular purposes (\$3,362,155). The net increase is due to an increase in the General Fund of \$1,095,641, an increase in the major debt service fund of \$227,230, a decrease in the capital improvements fund of \$4,345,085 and increases in nonmajor governmental funds of \$2,754,989. Of the nonmajor governmental funds the three with the largest increases in fund balance were TID#6 West Side Development Fund \$927,846, Grants Fund \$481,154 and TID #12 Downtown Development Fund \$418,754. Of the nonmajor governmental funds the three with the largest decreases in fund balance were 400 Block \$160,011 Environmental Clean Up Fund \$171,723, and Recycling Fund \$63,056.

**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 \$1,095,641 to \$17,237,836. The City reported expenditures and other financing uses more than anticipated budget for 2024 in the amount of \$113,705 while total revenues and other financing sources were also over budget by \$1,603,555. The main reason for the positive result in revenues was the increase in investment income. The market rate adjustment on the city's investments increased revenues by \$477,380. Unassigned fund balance increased by \$2,252,707 which included a reduction in advances to TID districts of \$1,157,066 a prior period adjustment of \$1,004,895 and net profit of \$90,746. 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 36.49% of general fund expenditures, while total fund balance represents 40.71% of the same amount.

The Debt Service fund balance of \$811,845 at year end represents a \$227,230 increase in fund balance from the previous year. The available balance reflects amounts restricted to pay debt service.

The Capital Improvements fund was presented as a major fund in 2024 due to increased expenditures related to a lead lateral replacement project, which was funded with a Safe Drinking Water Fund Loan. The fund ended 2024 with a deficit fund balance of \$3,401,395 which will be recovered through future loan draws.

**Proprietary Funds**

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

**CITY OF WAUSAU, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2024**

**General Fund Budgetary Highlights**

- General Fund expenditures and other financing uses were more than budget by \$113,705 for the current fiscal year. The largest three areas of cost savings occurred in parks and recreation \$324,695, inspections \$143,817 and engineering by \$107,566. The largest negative results were transfers out \$495,060, public works \$262,186, and Unclassified \$115,681. The debt service represents lease activity recorded to comply with GASB 87.
- General Fund revenues and other financing sources exceeded budget expectations by \$1,603,555. The key elements included investment income \$996,682 and permit income of \$366,062

**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, 2024 was \$445,076,199. 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 \$17,581,376 or approximately 4.11%.

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

Governmental Activities

- Street Improvements, stormwater, and sidewalk for the following locations: Eau Claire Boulevard, Emerson Street, Mount View Boulevard, Pied Piper Lane and Short Street
- Strawberry Fields Wet Stormwater Pond
- City Hall Security improvements and police department security fencing

Business-Type Activities

The multiyear facilities projects resulted in the following additions:

- The Water Utility GAC filtration plant and related equipment
- Water Meter replacements
- Water and Sewer Mains related to the street improvements noted above
- West Wausau Water Booster Station
- Greenwood Hill and Northwestern Avenue Sewer Lift Stations
- New Sewer Televising Truck

City of Wausau  
Capital Assets  
(net of accumulated depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 39,973,078	\$ 39,913,078	\$ 6,113,894	\$ 6,113,894	\$ 46,086,972	\$ 46,026,972
Buildings & improvements	28,916,870	29,557,931	110,770,936	113,422,899	139,687,806	142,980,830
Machinery & equipment	14,438,113	13,545,631	37,904,012	36,891,006	52,342,125	50,436,637
Infrastructure	99,309,471	98,626,202	83,248,446	82,596,190	182,557,917	181,222,392
Right-to-Use Lease Asset	52,196	148,699	114,575	26,508	166,771	175,207
Construction in progress	5,354,210	1,984,190	18,880,398	4,668,595	24,234,608	6,652,785
<b>Total</b>	<b>\$ 188,043,938</b>	<b>\$ 183,775,731</b>	<b>\$ 257,032,261</b>	<b>\$ 243,719,092</b>	<b>\$ 445,076,199</b>	<b>\$ 427,494,823</b>

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

**CITY OF WAUSAU, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2024**

**Long-Term Debt**

At the end of the current fiscal year, the City of Wausau had total debt outstanding of \$213,308,605. \$69,209,779 of the total amount comprises debt backed by the full faith and credit of the City of Wausau.. \$11,985,000 of the total amount comprises utility revenue bonds backed by pledged utility revenues, net of specified operating expenses. \$131,925,971 represents bonds through the Safe Drinking Fund and Clean Water Fund Loan programs.

	City of Wausau Outstanding Debt					
	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
General obligation	\$ 69,209,779	\$ 72,234,779	\$ -	\$ -	\$ 69,209,779	\$ 72,234,779
Anticipation notes	-	-	-	17,550,000	-	17,550,000
Revenue bonds	-	-	11,985,000	13,395,000	11,985,000	13,395,000
Long-Term Lease	72,063	127,438	115,792	27,575	187,855	155,013
Direct borrowings	-	-	131,925,971	125,710,388	131,925,971	125,710,388
<b>Total</b>	<b>\$ 69,281,842</b>	<b>\$ 72,362,217</b>	<b>\$ 144,026,763</b>	<b>\$ 156,682,963</b>	<b>\$ 213,308,605</b>	<b>\$ 229,045,180</b>

In 2024 the City issued debt as follows:

- 2024 General Obligation Promissory Notes, Series C \$8,990,000; this debt financed projects included in the city's capital improvement plan including projects in Tax Increment District #8 \$325,000 and Tax Increment District #10 \$3,105,000.
- 2024 Clean Water Draws \$246,344 for Stewart Avenue Force Main and the Wastewater Facility.
- 2024 Safe Drinking Water \$10,528,696 for the GAC project, EauClaire Boulevard Water Mains and Water Facilities.

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

Additional information regarding the City of Wausau's long-term debt can be found in Note 3.F. on pages 57-61 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.

The 2025 Budget reflects increased personnel costs for union contracts, cost of living of 3% for non-represented employees. In addition, the city increased internal motor pool rates to reflect the increased costs of replacement and maintenance of the city's fleet. Revenues reflect the ongoing strength of the investment market, and additional state aids. The budget continues to fund twelve firefighter positions with federal grants.

The City has two tax increment districts nearing termination. Tax Increment District Number Six will generate one additional year of increment in 2025 to fund affordable housing projects. Tax Increment District Number Seven is currently serving as a donor to Tax Increment District Number Twelve. The closure of these districts will return tax base to all overlying taxing districts.

**CITY OF WAUSAU, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2024**

**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, 2024**

	Governmental Activities	Business-Type Activities	Total	Component Unit Wausau CDA
<b>ASSETS</b>				
Cash and Investments	\$ 49,841,449	\$ 2,344,334	\$ 52,185,783	\$ 6,576,895
Receivables:				
Taxes and Special Charges	30,918,813	997,006	31,915,819	-
Delinquent Taxes	9,187	-	9,187	-
Accounts, Net	986,162	6,242,680	7,228,842	1,890,609
Special Assessments	249,832	26,397	276,229	-
Loans	10,356,172	-	10,356,172	-
Lease	958,143	264,025	1,222,168	-
Internal Balances	(430,608)	430,608	-	-
Due from Other Governments	473,455	1,998,071	2,471,526	-
Supplies and Prepaid Items	845,707	793,720	1,639,427	13,122
Investment in Joint Venture	249,785	-	249,785	-
Other	-	-	-	8,638
Restricted Assets:				
Cash and Investments	-	9,730,419	9,730,419	2,524,135
Capital Assets, Nondepreciable and Nonamortizable	45,327,288	24,994,292	70,321,580	1,074,312
Capital Assets, Depreciable and Amortizable	142,716,650	232,037,969	374,754,619	11,229,184
Total Assets	<u>282,502,035</u>	<u>279,859,521</u>	<u>562,361,556</u>	<u>23,316,895</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension Related Amounts	23,824,185	2,715,496	26,539,681	-
Other Postemployment Related Amounts	435,784	46,331	482,115	-
Total Deferred Outflows of Resources	<u>24,259,969</u>	<u>2,761,827</u>	<u>27,021,796</u>	<u>-</u>
<b>LIABILITIES</b>				
Accounts Payable	5,118,932	1,055,081	6,174,013	24,870
Accrued and Other Current Liabilities	1,247,264	155,797	1,403,061	145,841
Accrued Liability - Claims Payable	160,922	-	160,922	-
Due to Other Governments	138,004	9,271	147,275	-
Accrued Interest Payable	541,549	472,508	1,014,057	-
Special Deposits	253,789	24,501	278,290	-
Unearned Revenues	5,039,848	185,805	5,225,653	96,401
Long-Term Obligations:				
Due Within One Year	11,029,269	6,781,189	17,810,458	38,040
Due in More Than One Year	64,301,797	138,198,595	202,500,392	780,637
Net Pension Liability	2,634,499	303,233	2,937,732	-
Other Postemployment Benefits	1,397,442	119,055	1,516,497	-
Total Liabilities	<u>91,863,315</u>	<u>147,305,035</u>	<u>239,168,350</u>	<u>1,085,789</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property Taxes Levied for Subsequent Year	42,988,666	1,631,852	44,620,518	-
Pension Related Amounts	14,131,661	1,626,563	15,758,224	-
Lease	958,143	264,025	1,222,168	-
Other Postemployment Related Amounts	876,662	58,114	934,776	-
Total Deferred Inflows Of Resources	<u>58,955,132</u>	<u>3,580,554</u>	<u>62,535,686</u>	<u>-</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	129,116,485	112,017,986	240,706,333	11,553,496
Restricted:				
Capital Improvements	133,883	3,350,751	3,484,634	-
Community Development Programs	8,736,032	-	8,736,032	2,427,734
Environmental Clean Up	877,888	-	877,888	-
Grants and Special Purpose Accounts	1,369,931	-	1,369,931	-
TID Expenditures	6,163,061	-	6,163,061	-
Debt Service	270,296	4,906,666	5,176,962	-
Unrestricted	9,275,981	11,460,356	21,164,475	8,249,876
Total Net Position	<u>\$ 155,943,557</u>	<u>\$ 131,735,759</u>	<u>\$ 287,679,316</u>	<u>\$ 22,231,106</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF WAUSAU, WISCONSIN  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2024**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit	
	Expenses	Operating	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total		Wausau CDA
		Charges for Services	Grants and Contributions					
<b>GOVERNMENTAL ACTIVITIES</b>								
General Government	\$ 7,010,557	\$ 1,852,466	\$ 716	\$ -	\$ (5,157,375)	\$ -	\$ -	
Public Safety	24,610,396	3,524,192	1,725,233	130,164	(19,230,807)	-	(19,230,807)	
Transportation and Streets	16,537,217	216,941	3,306,152	1,151,374	(11,862,750)	-	(11,862,750)	
Sanitation, Health, and Welfare	1,382,485	89,102	12	-	(1,293,371)	-	(1,293,371)	
Natural Resources and Recreation	4,698,246	375,373	1,888	104,907	(4,216,078)	-	(4,216,078)	
Economic Development	13,784,098	961	750,119	-	(13,033,018)	-	(13,033,018)	
Interest and Fiscal Charges	1,695,807	-	-	-	(1,695,807)	-	(1,695,807)	
Total Governmental Activities	69,718,806	6,059,035	5,784,120	1,386,445	(56,489,206)	-	(56,489,206)	
<b>BUSINESS-TYPE ACTIVITIES</b>								
Water	7,016,672	12,034,496	-	7,025,285	-	12,043,109	-	
Wastewater	10,044,842	11,231,205	56,570	824,237	-	2,067,170	-	
Parking	1,320,369	568,641	-	397,736	-	(353,992)	-	
Metro Ride	4,253,188	434,594	2,540,419	-	(1,278,175)	(1,278,175)	-	
Airport	564,903	152,014	-	107,054	-	(305,835)	-	
Total Business-Type Activities	23,199,974	24,420,950	2,596,989	8,354,312	-	12,172,277	-	
Total Primary Government	\$ 92,918,780	\$ 30,479,985	\$ 8,381,109	\$ 9,740,757	(56,489,206)	12,172,277	(44,316,929)	
<b>COMPONENT UNIT</b>								
Community Development Authority	\$ 3,615,814	\$ 1,179,561	\$ 3,652,825	\$ 747,850	-	-	1,964,422	
<b>GENERAL REVENUES</b>								
Taxes:								
Property Taxes					29,468,071	1,534,028	31,002,099	
Tax Increments					12,976,377	-	12,976,377	
Other Taxes					1,348,913	-	1,348,913	
Federal and State Grants and Other Contributions					11,268,505	-	11,268,505	
Not Restricted to Specific Functions					2,825,375	640,056	3,465,431	
Interest and Investment Earnings					932,263	64,144	996,407	
Miscellaneous					132,587	-	132,587	
Gain on Sale of Asset					1,075,000	(1,075,000)	-	
Transfers					60,027,091	1,163,228	61,190,319	
Total General Revenues and Transfers					3,537,885	13,395,505	16,873,390	
<b>CHANGE IN NET POSITION</b>					153,461,913	118,400,254	271,862,167	
Net Position - Beginning of Year, as Originally Reported					(1,056,241)	-	(1,056,241)	
Cummulative Effect of Change in Accounting Principal					152,405,672	118,400,254	270,805,926	
Net Position - Beginning of Year					\$ 155,943,557	\$ 131,735,759	\$ 287,679,316	
<b>NET POSITION - END OF YEAR</b>					\$ 155,943,557	\$ 131,735,759	\$ 287,679,316	

See accompanying Notes to Basic Financial Statements.

**CITY OF WAUSAU, WISCONSIN**  
**BALANCE SHEET – GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2024**

<b>ASSETS</b>	General	Debt Service	Capital Improvements	Other Governmental Funds	Total
Cash and Investments	\$ 18,924,344	\$ 2,609,319	\$ -	\$ 23,577,012	\$ 45,110,675
Restricted Cash and Investments	-	-	-	-	-
Receivables:					
Taxes and Special Charges	18,968,973	2,827,146	316,130	8,806,564	30,918,813
Delinquent Taxes	9,187	-	-	-	9,187
Accounts	1,153,860	2,717	127,351	390,305	1,674,233
Special Assessments	1,530	-	178,394	69,909	249,833
Notes	-	-	-	10,356,171	10,356,171
Lease	491,854	-	-	466,289	958,143
Due from Other Funds	3,089,755	-	-	-	3,089,755
Advance to Other Funds	1,292,735	-	-	-	1,292,735
Due from Other Governments	2,752	-	177,179	293,524	473,455
Inventories and Prepaid Items	491,064	-	-	-	491,064
<b>Total Assets</b>	<b>\$ 44,426,054</b>	<b>\$ 5,439,182</b>	<b>\$ 799,054</b>	<b>\$ 43,959,774</b>	<b>\$ 94,624,064</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts Payable	\$ 1,418,195	\$ -	\$ 1,967,894	\$ 1,665,970	\$ 5,052,059
Accrued and Other Current Liabilities	1,144,522	-	-	35,595	1,180,117
Due to Other Funds	-	-	1,531,096	1,306,841	2,837,937
Advance from Other Funds	-	-	-	1,292,735	1,292,735
Due to Other Governments	111,791	-	-	26,214	138,005
Special Deposits	191,782	-	5,638	56,369	253,789
Unearned Revenues	-	-	-	4,531,272	4,531,272
<b>Total Liabilities</b>	<b>2,866,290</b>	<b>-</b>	<b>3,504,628</b>	<b>8,914,996</b>	<b>15,285,914</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Property Taxes Levied for Subsequent Year	23,429,741	4,627,337	517,427	14,414,159	42,988,664
Lease	491,854	-	-	466,289	958,143
Unavailable Revenue	400,333	-	-	10,356,171	10,756,504
Special Assessments	-	-	178,394	69,909	248,303
<b>Total Deferred Inflows of Resources</b>	<b>24,321,928</b>	<b>4,627,337</b>	<b>695,821</b>	<b>25,306,528</b>	<b>54,951,614</b>
<b>FUND BALANCES</b>					
Nonspendable	1,783,799	-	-	-	1,783,799
Restricted	-	811,845	-	10,221,673	11,033,518
Committed	994,439	-	-	2,419,096	3,413,535
Unassigned	14,459,598	-	(3,401,395)	(2,902,519)	8,155,684
<b>Total Fund Balances</b>	<b>17,237,836</b>	<b>811,845</b>	<b>(3,401,395)</b>	<b>9,738,250</b>	<b>24,386,536</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 44,426,054</b>	<b>\$ 5,439,182</b>	<b>\$ 799,054</b>	<b>\$ 43,959,774</b>	<b>\$ 94,624,064</b>

See accompanying Notes to Basic Financial Statements.

**CITY OF WAUSAU, WISCONSIN  
BALANCE SHEET – GOVERNMENTAL FUNDS (CONTINUED)  
DECEMBER 31, 2024**

**RECONCILIATION TO THE STATEMENT OF NET POSITION**

Total Fund Balances as Shown on Previous Page	\$ 24,386,536
Amounts reported for governmental activities in the statement of net position are different because:	
Capital and intangible assets used in governmental activities are not current financial resources and therefore are not reported in the funds.	176,769,746
Long-term assets are not considered available; therefore, are not reported in the funds. Investment in Joint Venture	249,785
Other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds. Special Assessments	248,302
Loans and Mortgages Receivable	10,356,171
Unpaid fines and forfeitures receivable	400,334
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	(781,730)
Net position of the internal service fund is reported in the statement of net position as governmental activities.	14,862,771
Some deferred outflows and inflows of resources reflect changes in long-term liabilities and are not reported in the funds. Deferred Outflows Related to Pensions	23,400,985
Deferred Inflows Related to Pensions	(13,883,410)
Deferred Outflows Related to Other Postemployment Benefits	428,713
Deferred Inflows Related to Other Postemployment Benefits	(867,792)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Bonds and Notes Payable	(69,209,779)
Long-Term Lease Liability	(72,063)
Premium on Debt	(2,763,598)
Compensated Absences	(3,072,375)
Net Pension Liability	(2,588,219)
Other Postemployment Benefits	(1,379,271)
Accrued Interest on Long-Term Obligations	<u>(541,549)</u>
Net Position of Governmental Activities as Reported on the Statement of Net Position	<u><u>\$ 155,943,557</u></u>

See accompanying Notes to Basic Financial Statements.

**CITY OF WAUSAU, WISCONSIN**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2024**

	General	Debt Service	Capital Improvements	Other Governmental Funds	Total
<b>REVENUES</b>					
Taxes	\$ 22,887,928	\$ 4,398,000	\$ 505,709	\$ 16,001,724	\$ 43,793,361
Special Assessments	-	-	154,235	100,775	255,010
Intergovernmental	10,644,280	-	407,358	6,863,693	17,915,331
Licenses and Permits	1,131,460	-	-	143,597	1,275,057
Fines and Forfeits	295,134	-	-	650	295,784
Public Charges for Services	2,934,110	-	10,381	201,748	3,146,239
Intergovernmental Charges for Services	1,322,783	-	-	21,968	1,344,751
Miscellaneous	2,495,668	22,631	156,100	2,293,192	4,967,591
<b>Total Revenues</b>	<b>41,711,363</b>	<b>4,420,631</b>	<b>1,233,783</b>	<b>25,627,347</b>	<b>72,993,124</b>
<b>EXPENDITURES</b>					
Current:					
General Government	5,641,075	-	30,801	38,847	5,710,723
Public Safety	23,504,074	-	1,000	1,372,243	24,877,317
Transportation and Streets	8,915,132	-	150,211	2,347,094	11,412,437
Sanitation, Health, and Welfare	1,023,922	-	-	185,490	1,209,412
Natural Resources and Recreation	3,202,846	-	22,381	300,587	3,525,814
Economic Development	-	-	5,072,901	6,391,454	11,464,355
Debt Service:					
Principal	55,375	12,015,000	-	-	12,070,375
Interest and Fiscal Charges	4,488	2,001,838	81,769	4,780	2,092,875
Capital Outlay	-	-	5,665,456	6,982,680	12,648,136
<b>Total Expenditures</b>	<b>42,346,912</b>	<b>14,016,838</b>	<b>11,024,519</b>	<b>17,623,175</b>	<b>85,011,444</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(635,549)</b>	<b>(9,596,207)</b>	<b>(9,790,736)</b>	<b>8,004,172</b>	<b>(12,018,320)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Long-Term Debt Issued	-	-	5,560,000	3,430,000	8,990,000
Premium on Debt Issued	-	296,526	33,207	235,631	565,364
Proceeds from Sale of Capital Assets	-	-	29,629	32,865	62,494
Transfers In	2,221,355	9,526,911	251,380	3,143,551	15,143,197
Transfers Out	(1,495,060)	-	(428,565)	(12,144,572)	(14,068,197)
<b>Total Other Financing Sources (Uses)</b>	<b>726,295</b>	<b>9,823,437</b>	<b>5,445,651</b>	<b>(5,302,525)</b>	<b>10,692,858</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>90,746</b>	<b>227,230</b>	<b>(4,345,085)</b>	<b>2,701,647</b>	<b>(1,325,462)</b>
Fund Balances - Beginning of Year as Originally Reported	16,142,195	584,615	-	7,926,951	24,653,761
Adjustment	1,004,895	-	943,690	(890,348)	1,058,237
Fund Balances - Beginning of Year as Adjusted	17,147,090	584,615	943,690	7,036,603	25,711,998
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 17,237,836</b>	<b>\$ 811,845</b>	<b>\$ (3,401,395)</b>	<b>\$ 9,738,250</b>	<b>\$ 24,386,536</b>

See accompanying Notes to Basic Financial Statements.

**CITY OF WAUSAU, WISCONSIN  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
GOVERNMENTAL FUNDS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2024**

**RECONCILIATION TO THE STATEMENT OF ACTIVITIES**

Net Change in Fund Balances as Shown on Previous Page \$ (1,325,462)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital Assets Reported as Expenditure in Governmental Fund Statements	9,548,670
Depreciation and Amortization Expense Reported in the Statement of Activities	(6,575,599)

Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the statement of activities when earned.

Special Assessments	(96,472)
Loans and Mortgages Receivable	(3,061,770)

Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Long-Term Debt Issued	(8,990,000)
Premium on Debt Issued	(565,363)
Principal Repaid	12,070,375

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:

Accrued Interest on Long-Term Debt	48,094
Amortization of Premiums	348,971
Compensated Absences	(141,919)
Net Pension Asset (Liability)	6,428,119
Deferred Outflows of Resources Related to Pensions	(10,300,801)
Deferred Inflows of Resources Related to Pensions	5,070,779
Other Postemployment Benefits	(101,896)
Deferred Outflows of Resources Related to Other Postemployment Benefits	73,227
Deferred Inflows of Resources Related to Other Postemployment Benefits	(73,364)

The change in investment in joint venture reported in the statement of activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in the funds

(405,506)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.

1,587,802

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

\$ 3,537,885

**CITY OF WAUSAU, WISCONSIN**  
**STATEMENT OF NET POSITION – PROPRIETARY FUNDS**  
**DECEMBER 31, 2024**

<b>ASSETS</b>	Enterprise Funds			<b>Total</b>	Governmental Activities Internal Service Fund
	Water Utility	Wastewater Utility	Nonmajor Funds		Total
<b>CURRENT ASSETS</b>					
Cash and Investments	\$ 1,420,123	\$ 650,054	\$ 274,158	\$ 2,344,335	\$ 4,730,774
Receivables:					
Taxes	-	-	997,006	997,006	-
Accounts	3,195,204	2,892,279	155,197	6,242,680	93,659
Special Assessments	1,595	24,801	-	26,396	-
Lease	175,695	-	88,330	264,025	-
Due from Other Funds	-	140,000	-	140,000	-
Due from Other Governments	-	107,975	1,890,096	1,998,071	-
Supplies and Prepaid Items	573,079	-	220,640	793,719	354,643
Total Current Assets	5,365,696	3,815,109	3,625,427	12,806,232	5,179,076
<b>NONCURRENT ASSETS</b>					
Restricted Assets:					
Cash and Investments	2,894,857	6,835,562	-	9,730,419	-
Other Assets:					
Advance to Other Funds	-	280,000	-	280,000	-
<b>CAPITAL ASSETS</b>					
Nondepreciable	19,068,485	2,240,632	3,685,175	24,994,292	-
Depreciable	85,930,207	129,580,426	16,527,337	232,037,970	11,274,187
Total Capital Assets	104,998,692	131,821,058	20,212,512	257,032,262	11,274,187
Total Assets	113,259,245	142,751,729	23,837,939	279,848,913	16,453,263
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension Related Amounts	786,999	700,820	1,227,677	2,715,496	423,200
Other Postemployment Related Amounts	13,562	11,792	20,977	46,331	7,071
Total Deferred Outflows of Resources	800,561	712,612	1,248,654	2,761,827	430,271

See accompanying Notes to Basic Financial Statements.

**CITY OF WAUSAU, WISCONSIN**  
**STATEMENT OF NET POSITION – PROPRIETARY FUNDS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2024**

	Enterprise Funds			Total	Activities Internal Service Fund
	Water Utility	Wastewater Utility	Nonmajor Funds		
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES</b>					
Accounts Payable	\$ 752,532	\$ 238,361	\$ 64,186	\$ 1,055,079	\$ 66,871
Accrued and Other Current Liabilities	46,736	31,412	77,649	155,797	67,146
Insurance Claims Payable	-	-	-	-	160,922
Due to Other Funds	140,000	-	251,818	391,818	-
Due to Other Governments	-	15	9,257	9,272	-
Special Deposits	24,501	-	-	24,501	-
Unearned Revenue	-	-	185,805	185,805	508,576
Current Portion of Long-Term					
Lease Liability	-	-	66,814	66,814	-
Compensated Absences	77,907	49,568	59,414	186,889	-
Payable from Restricted Assets:					
Accrued Interest	180,115	292,393	-	472,508	-
Current Portion of Revenue Bonds	3,146,103	3,381,383	-	6,527,486	-
Total Current Liabilities	<u>4,367,894</u>	<u>3,993,132</u>	<u>714,943</u>	<u>9,075,969</u>	<u>803,515</u>
<b>LONG-TERM OBLIGATIONS, Less:</b>					
<b>Current Portion</b>					
Advance from Other Funds	280,000	-	-	280,000	-
Revenue Bonds	51,800,827	86,195,971	-	137,996,798	-
Lease Liability	-	-	48,978	48,978	-
Compensated Absences	81,632	4,083	67,105	152,820	15,250
Claims Payable	-	-	-	-	198,000
Net Pension Liability	88,765	77,180	137,288	303,233	46,280
Other Postemployment Benefits	34,851	30,302	53,902	119,055	18,171
Total Long-Term Liabilities	<u>52,286,075</u>	<u>86,307,536</u>	<u>307,273</u>	<u>138,900,884</u>	<u>277,701</u>
Total Liabilities	56,653,969	90,300,668	1,022,216	147,976,853	1,081,216
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Property Taxes Levied for					
Subsequent Year	-	-	1,631,852	1,631,852	-
Pension Related Amounts	476,141	413,997	736,425	1,626,563	248,251
Lease	175,695	-	88,330	264,025	-
Other Postemployment Related Amounts	17,012	14,791	26,311	58,114	8,870
Total Deferred Inflows of Resources	<u>668,848</u>	<u>428,788</u>	<u>2,482,918</u>	<u>3,580,554</u>	<u>257,121</u>
<b>NET POSITION</b>					
Net Investment In Capital Assets	49,677,563	42,243,703	20,096,720	112,017,986	11,274,187
Restricted:					
Capital Improvements	-	3,350,751	-	3,350,751	-
Debt Service	2,350,907	2,555,759	-	4,906,666	-
Unrestricted	<u>4,708,519</u>	<u>4,584,672</u>	<u>1,484,739</u>	<u>10,777,930</u>	<u>4,271,010</u>
Total Net Position	<u>\$ 56,736,989</u>	<u>\$ 52,734,885</u>	<u>\$ 21,581,459</u>	131,053,333	<u>\$ 15,545,197</u>
Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds				<u>682,426</u>	
Net Position of Business-Type Activities as Reported on the Statement of Net Position				<u>\$ 131,735,759</u>	

See accompanying Notes to Basic Financial Statements.

**CITY OF WAUSAU, WISCONSIN**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION –**  
**PROPRIETARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2024**

	Enterprise Funds			Total	Governmental Activities Internal Service Fund
	Water Utility	Wastewater Utility	Nonmajor Funds		
<b>OPERATING REVENUES</b>					
Charges for Services	\$ 12,028,496	\$ 11,230,822	\$ 996,975	\$ 24,256,293	\$ 12,829,953
Other	6,000	383	158,274	164,657	4,280
Total Operating Revenues	<u>12,034,496</u>	<u>11,231,205</u>	<u>1,155,249</u>	<u>24,420,950</u>	<u>12,834,233</u>
<b>OPERATING EXPENSES</b>					
Operation and Maintenance	4,229,667	4,000,821	4,953,120	13,183,608	9,938,130
Depreciation	1,424,764	4,475,463	1,417,826	7,318,053	1,937,418
Total Operating Expenses	<u>5,654,431</u>	<u>8,476,284</u>	<u>6,370,946</u>	<u>20,501,661</u>	<u>11,875,548</u>
<b>OPERATING INCOME (LOSS)</b>	6,380,065	2,754,921	(5,215,697)	3,919,289	958,685
<b>NONOPERATING REVENUES (EXPENSES)</b>					
General Property Taxes	-	-	1,534,028	1,534,028	-
Interest Income	478,355	161,701	-	640,056	66,127
Nonoperating Grants	-	56,570	2,540,419	2,596,989	-
Gain (Loss) on Disposal of Capital Assets	(135,896)	24,487	(42,137)	(153,546)	70,093
Interest and Fiscal Charges	(1,317,900)	(1,727,460)	(5,940)	(3,051,300)	-
Other Nonoperating Revenues (Expenses)	53,665	10,169	310	64,144	81,682
Total Nonoperating Revenues (Expenses)	<u>(921,776)</u>	<u>(1,474,533)</u>	<u>4,026,680</u>	<u>1,630,371</u>	<u>217,902</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	5,458,289	1,280,388	(1,189,017)	5,549,660	1,176,587
Capital Contributions	7,025,285	824,237	504,790	8,354,312	917,748
Transfers In	1,000,000	-	-	1,000,000	-
Transfers Out	<u>(1,590,000)</u>	<u>(485,000)</u>	<u>-</u>	<u>(2,075,000)</u>	<u>-</u>
<b>CHANGE IN NET POSITION</b>	11,893,574	1,619,625	(684,227)	12,828,972	2,094,335
Net Position - Beginning of Year	<u>44,843,415</u>	<u>51,115,260</u>	<u>22,265,686</u>		<u>13,450,862</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 56,736,989</u>	<u>\$ 52,734,885</u>	<u>\$ 21,581,459</u>		<u>\$ 15,545,197</u>
Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds				<u>506,533</u>	
Change in Net Position of Business-Type Activities as Reported on the Statement of Activities				<u>\$ 13,335,505</u>	

See accompanying Notes to Basic Financial Statements.

**CITY OF WAUSAU, WISCONSIN**  
**STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2024**

	Enterprise Funds			Total	Governmental
	Water Utility	Wastewater Utility	Nonmajor Funds		Activities Internal Service Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash Received from Customers	\$ 11,900,152	\$ 11,202,678	\$ 1,269,121	\$ 24,371,951	\$ -
Cash Received from Interfund Services Provided	-	-	-	-	12,741,213
Cash Paid for Employee Wages and Benefits	(1,628,375)	(2,011,288)	(2,909,146)	(6,548,809)	(8,005,285)
Cash Paid to Suppliers	(2,537,375)	(2,004,646)	(2,264,198)	(6,806,219)	(2,526,603)
Net Cash Provided (Used) by Operating Activities	7,734,402	7,186,744	(3,904,223)	11,016,923	2,209,325
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
General Property Taxes	-	-	1,624,857	1,624,857	-
Intergovernmental Revenues	-	56,570	2,384,624	2,441,194	-
Transfers in	1,000,000	-	-	1,000,000	-
Transfers Out	(1,590,000)	(485,000)	35,714	(2,039,286)	-
Net Cash Provided (Used) by Noncapital Financing Activities	(590,000)	(428,430)	4,045,195	3,026,765	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition of Capital Assets	(17,172,090)	(4,294,582)	(198,047)	(21,664,719)	(2,419,819)
Capital Contributions	6,582,337	-	-	6,582,337	-
Sale of Capital Assets	-	29,000	-	29,000	175,106
Proceeds from Long-Term Debt Issued	10,528,695	246,345	-	10,775,040	-
Other Revenue	55,017	33,332	310	88,659	81,682
Principal Paid on Long-Term Debt	(20,214,241)	(3,305,216)	(63,433)	(23,582,890)	-
Interest Paid on Long-Term Debt	(1,722,002)	(1,792,631)	(5,940)	(3,520,573)	-
Net Cash Used by Capital and Related Financing Activities	(21,942,284)	(9,083,752)	(267,110)	(31,293,146)	(2,163,031)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest Received	478,355	161,701	-	640,056	66,127
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	(14,319,527)	(2,163,737)	(126,138)	(16,609,402)	112,421
Cash and Cash Equivalents - Beginning of Year	18,634,507	9,649,353	400,296	28,684,156	4,618,353
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 4,314,980</u>	<u>\$ 7,485,616</u>	<u>\$ 274,158</u>	<u>\$ 12,074,754</u>	<u>\$ 4,730,774</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF WAUSAU, WISCONSIN**  
**STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2024**

	Enterprise Funds			Total	Governmental
	Water Utility	Wastewater Utility	Nonmajor Funds		Activities Internal Service Fund
<b>RECONCILIATION OF OPERATING INCOME</b>					
<b>(LOSS) TO NET CASH PROVIDED (USED) BY</b>					
<b>OPERATING ACTIVITIES</b>					
Operating Income (Loss)	\$ 6,380,065	\$ 2,754,921	\$ (5,215,697)	\$ 3,919,289	\$ 958,685
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by					
Operating Activities:					
Depreciation and Amortization	1,424,764	4,480,176	1,417,826	7,322,766	1,937,418
Depreciation Charged to Clearing Accounts	104,114	(104,114)	-	-	-
Change in Liability (Asset) and Deferred Outflows and Inflows of Resources:					
Change in WRS Asset (Liability)	(264,514)	(185,710)	(388,301)	(838,525)	(97,998)
Change in WRS Deferred Outflow	541,950	286,194	724,442	1,552,586	121,119
Change in WRS Deferred Inflow	(266,523)	(138,651)	(368,470)	(773,644)	(55,052)
Change In OPEB Liability	3,880	7,255	7,824	18,959	5,522
Change In OPEB Deferred Outflow	(1,242)	(2,624)	(2,648)	(6,514)	(2,040)
Change In OPEB Deferred Inflow	(4,789)	(1,432)	(6,123)	(12,344)	(34)
Change In Operating Assets And Liabilities:					
Accounts Receivable	(134,344)	(136,517)	(48,332)	(319,193)	(83,020)
Other Receivables	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
Due from Other Governments	-	107,975	-	107,975	-
Inventories and Prepaid Items	(29,561)	-	(33,453)	(63,014)	474,192
Other Assets	-	-	-	-	-
Preliminary Survey	-	-	-	-	-
Accounts Payable	(52,010)	97,068	(205,074)	(160,016)	(363,395)
Accrued and Other Current liabilities	15,014	9,634	855	25,503	11,439
Due to Other Governments	-	15	30,493	30,508	-
Unearned Revenue	-	-	158,651	158,651	57,168
Claims Payable	-	-	-	-	(748,320)
Special Deposits	(14,487)	-	-	(14,487)	-
Compensated Absences	32,085	12,554	23,784	68,423	(6,359)
Net Cash Provided (Used) by Operating Activities	<u>\$ 7,734,402</u>	<u>\$ 7,186,744</u>	<u>\$ (3,904,223)</u>	<u>\$ 11,016,923</u>	<u>\$ 2,209,325</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position:					
Cash and Cash Equivalents in Current Assets	\$ 1,420,123	\$ 650,054	\$ 274,158	\$ 2,344,335	\$ 4,730,774
Cash and Cash Equivalents in Restricted Assets	2,894,857	6,835,562	-	9,730,419	-
Total Cash and Cash Equivalents	<u>\$ 4,314,980</u>	<u>\$ 7,485,616</u>	<u>\$ 274,158</u>	<u>\$ 12,074,754</u>	<u>\$ 4,730,774</u>
Noncash Capital and Related Financing Activities:					
Capital Assets Financed by Municipality	\$ 442,948	\$ 824,237	\$ 504,790	\$ 1,771,975	\$ -
Capital Assets Purchased on Account	115,792	-	-	115,792	917,748

See accompanying Notes to Basic Financial Statements.

**CITY OF WAUSAU, WISCONSIN**  
**STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS**  
**DECEMBER 31, 2024**

	Cemetery Private Purpose Trust Fund	Custodial Funds	Total
<b>ASSETS</b>			
Cash and Investments	\$ 768,232	\$ 18,069,411	\$ 18,837,643
Receivables:			
Taxes	-	27,560,403	27,560,403
Accounts	-	2,952	2,952
Prepaid Expense	-	49,658	49,658
Total Assets	768,232	45,682,424	46,450,656
<b>LIABILITIES</b>			
Accounts Payable	-	109,496	109,496
Other Liabilities	-	18,507	18,507
Total Liabilities	-	128,003	128,003
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes Levied for Subsequent Year	-	45,109,755	45,109,755
<b>NET POSITION</b>			
Restricted	\$ 768,232	\$ 444,666	\$ 1,212,898

See accompanying Notes to Basic Financial Statements.

**CITY OF WAUSAU, WISCONSIN**  
**STATEMENT OF CHANGES IN NET POSITION – FIDUCIARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2024**

	Cemetery Private Purpose Trust Fund	Custodial Funds	Total
<b>ADDITIONS</b>			
Property Tax Collections	\$ -	\$ 47,575,008	\$ 47,575,008
Intergovernmental	-	152,644	152,644
Public Charges for Service	-	161,427	161,427
Net Increase (Decrease) in Fair Value of Investments	83,930	-	83,930
Interest and Other Miscellaneous Revenues	-	487,999	487,999
Total Additions	<u>83,930</u>	<u>48,377,078</u>	<u>48,461,008</u>
<b>DEDUCTIONS</b>			
Payments to Taxing Jurisdictions	-	47,575,008	47,575,008
Operating and Maintenance	-	793,191	793,191
Distributions to Beneficiary	24,690	-	24,690
Administrative Expenditures	7,485	-	7,485
Total Deductions	<u>32,175</u>	<u>48,368,199</u>	<u>48,400,374</u>
<b>CHANGE IN NET POSITION</b>	51,755	8,879	60,634
Net Position - Beginning of Year	<u>716,477</u>	<u>435,787</u>	<u>1,152,264</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 768,232</u>	<u>\$ 444,666</u>	<u>\$ 1,212,898</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF WAUSAU, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity**

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

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

**CITY OF WAUSAU, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**A. Reporting Entity (Continued)**

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

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

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

**B. Joint Venture - City-County Information Technology Commission**

The City of Wausau, in conjunction with Marathon County, has created the City-County Information Technology Commission. The commission provides for the implementation and operation of a cooperative data and management information system under the direction of the governing Board of Commissioners. Effective April 1, 2009, North Central Health Care also became a member of the Commission. The joint venture arrangement provides that net operating costs were subsidized 30% by the City prior to April 1, 2009, and are currently at 25%, with the remainder funded by the other members. All capital assets, unless otherwise shown to benefit only one owner, are paid for on a percentage basis.

**C. Government-Wide and Fund Financial Statements**

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

**CITY OF WAUSAU, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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

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

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

The City reports the following major governmental funds:

General Fund

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

Debt Service Fund

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

Capital Improvements Fund

This fund accounts for the accumulation and expenditures of resources for general capital projects of the City.

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.

**CITY OF WAUSAU, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

Wastewater Utility

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

Additionally, the City reports the following fund types:

Internal Service Funds

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

Private-Purpose Trust Fund

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

Custodial Funds

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

**D. Measurement Focus and Basis of Accounting**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water and wastewater utilities and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**CITY OF WAUSAU, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Measurement Focus and Basis of Accounting (Continued)**

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

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

Intergovernmental grants and aids are recognized as revenues in the period the City is entitled to the resources and the amounts are available. Amounts owed to the City that are not currently available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

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.

**CITY OF WAUSAU, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Measurement Focus and Basis of Accounting (Continued)**

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds, 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, and Airport enterprise funds are charges to customers for sales and services and intergovernmental operating revenues. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

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

**1. Cash and Investments**

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

The City is required to invest its funds in accordance with Wisconsin Statutes 66.0603 and 67.11 (2). These statutes authorize the City to invest in obligations of the U.S. Treasury, agencies and instrumentalities, and 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.

**CITY OF WAUSAU, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**1. Cash and Investments (Continued)**

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, 2024, the fair value of the LGIP's assets was substantially equal to the City's share as reported in these statements.

**2. Receivable and Payables**

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

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

Accounts receivable in the governmental activities are shown net of an allowance for uncollectible accounts. An allowance for ambulance billings and other receivables of \$4,302,351 has been recorded in the general fund and an allowance for loans receivable of \$781,730 has been recorded in governmental activities. 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.

**CITY OF WAUSAU, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**2. Receivable and Payables (Continued)**

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

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

**3. Leases Receivable**

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

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

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

**CITY OF WAUSAU, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**3. Leases Receivable (Continued)**

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

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

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

**4. Prepayments and Supplies**

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

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

Supplies and prepayments of governmental fund types are classified as nonspendable fund balance account which indicated that assets do not represent spendable available financial resources.

**CITY OF WAUSAU, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**5. Restricted Assets**

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

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

**6. Capital Assets**

Capital assets, which include property, plant, equipment, right-to-use assets, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. In accordance with GASB 34, the City has reported its major networks of infrastructure assets as of January 1, 2007.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

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

**CITY OF WAUSAU, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**7. Compensated Absences**

The City recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. The liability for compensated absences is reported as incurred in the government-wide and proprietary fund financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

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.

**8. Deferred Outflows/Inflows of Resources**

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

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

**9. Long-Term Obligations**

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

**CITY OF WAUSAU, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**9. Long-Term Obligations (Continued)**

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

**10. Leases Payable**

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

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

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

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

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

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

**CITY OF WAUSAU, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**11. Pensions**

The fiduciary net position of the Wisconsin Retirement System (WRS) has been determined using the flow of economic resources measurement focus and accrual basis of accounting. This includes for purposes of measuring the following:

- Net Pension Liability (Asset)
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions
- Pension Expense (Revenue)

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

**12. Other Postemployment Benefits Other Than Pensions**

Single-Employer Defined Postemployment Benefit Plan

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

Local Retiree Life Insurance Fund

The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the following:

- The net OPEB liability,
- Deferred outflows of resources and deferred inflows of resources related to other postemployment benefits, and
- OPEB expense.

Information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIF's fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**CITY OF WAUSAU, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**13. Net Position or Fund Equity**

Governmental Fund Financial Statements

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

- **Nonspendable fund balance** – amounts that are not in spendable form (such as supplies, prepaids items, or long-term loans receivable) or are required to be maintained intact.
- **Restricted fund balance** – amounts constrained to specific purposes by the providers (such as grantors, bondholders, and higher levels of government) through constitutional provisions, or by enabling legislation.
- **Committed fund balance** – amounts constrained to specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority (City Council); fund balance amounts are committed through a formal action (resolution); changes to the constraints imposed require the same formal action of the City that originally created the commitment.
- **Assigned fund balance** – amounts a government intends to use for specific purpose; intent can be expressed by the governing body or by an official or body to which the government body delegates the authority.
- **Unassigned fund balance** – includes residual positive fund balance within the General Fund which has not been classified within the other above-mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

City Council establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through carryover resolutions. A fund balance commitment is further indicated in the budget document as a designation or commitment on the fund (such as for special incentives). Assigned fund balance is established by City Council through adoption or amendment of the budget as intended for specific purposes (such as the purchase of capital assets, construction, debt service, or for other purposes).

**CITY OF WAUSAU, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**13. Net Position or Fund Equity (Continued)**

Government-Wide and Proprietary Fund Statements

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

- **Net investment in capital assets** – amount of capital assets, net of accumulated depreciation, and capital related deferred outflows of resources less outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets and any capital related deferred inflows of resources.
- **Restricted net position** – amount of net position that is subject to restrictions that are imposed by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- **Unrestricted net position** – net position that is neither classified as restricted nor as net investment in capital assets.

Use of Restricted Resources

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

**F. Use of Estimates**

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

**CITY OF WAUSAU, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 2 STEWARDSHIP AND COMPLIANCE**

**A. Budgetary Information**

Budgeting is an essential element of the financial planning, control, and evaluation process of the City. Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America 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, Public Safety Grant, 400 Block, and the Other Grants & Special Purpose Accounts fund; and the following Capital Project Funds: Capital Improvements, TID #3 Downtown Development, Central Capital Purchasing, TID #6 West Side Development, TID #7 West Side Development, TID #8 Near West Side, TID #9 Big Bull Falls, TID #10 Industrial Park, TID #11 Business Campus, and TID #12 Downtown Development. All appropriations lapse at year-end.

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

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

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

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

**CITY OF WAUSAU, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 2 STEWARDSHIP AND COMPLIANCE (CONTINUED)**

**A. Budgetary Information (Continued)**

The Council may amend the budget resolution in two respects: (a) it may transfer appropriations from one particular fund to another fund or it may add new objects within a fund. The Council may do this by means of a resolution.; (b) it may increase the aggregate total of appropriations in order to reflect changes in financial circumstances either not contemplated in the annual budget resolution or due to financial circumstances which by their very nature are difficult to estimate with exactness at the time of the enactment of the annual budget resolution. The Council may do this by means of a resolution adopted by a two-thirds vote of the members. The Council may, by resolution, appropriate money from its contingent fund for any lawful purpose.

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

**B. Excess of Expenditures Over Budget Appropriations**

The following expenditure accounts of the governmental funds had actual expenditures in excess of budget appropriations for the year ended December 31, 2024, as follows:

<u>Funds</u>	<u>Excess Expenditures</u>
General Fund:	
General Government:	
Mayor	\$ 16,394
Finance Director	34,635
City Clerk	8,697
Assessor	2,649
Mail Center	7,437
Unclassified	115,681
Public Safety:	
Police Department	18,792
Fire Department	1,697
Street Lighting and Traffic Control	20,409
Transportation and Streets:	
Public Works	172,259

Excess expenditures in the general fund, special revenue funds, and debt service funds were funded by excess revenues, other cost savings, or by available fund balance. Those incurred in the capital project funds would be funded with debt proceeds and advances from the General Fund.

**CITY OF WAUSAU, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 2 STEWARDSHIP AND COMPLIANCE (CONTINUED)**

**C. Deficit Fund Equity**

The following funds had deficit fund balance or net position as of December 31, 2024:

<u>Funds</u>	<u>Deficit Fund Balance</u>
Special Revenue Funds:	
Recycling	\$ 141,828
Capital Projects Funds:	
Capital Improvements	3,401,395
TID #8 Near West Side	38,946
TID #9 Big Bull Falls	272,190
TID #10 Industrial Park	598,539
TID #12 Downtown Development	1,851,016

The City intends to fund the above fund balance deficit in the Recycling Fund from future operation of the fund. The deficit in the Capital Improvements fund will be resolved with future draws from the Safe Drinking Water Fund Loan Program. The deficits in the TIDs will be funded through future tax increments.

**D. Property Tax Levy Limit**

Wisconsin Statutes provide for a limit on the property tax levies for all Wisconsin cities, villages, towns, and counties. For the 2024 and 2025 budget years, Wisconsin Statutes limit the increase in the maximum allowable tax levy to the change in the City's January 1 equalized value as a result of net new construction. The actual limit for the City for the 2024 budget was 4.35%. The actual limit for the City for the 2025 budget was 2.47%. Debt service for debt authorized after July 1, 2005, is exempt from the levy limit. In addition, Wisconsin Statutes allow the limit to be adjusted for the increase in debt service authorized prior to July 1, 2005, and in certain other situations.

**NOTE 3 DETAILED NOTES ON ALL FUNDS**

**A. Cash and Investments**

Cash and investments as of December 31, 2024 are classified in the accompanying financial statements as follows:

**CITY OF WAUSAU, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Cash and Investments (Continued)**

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

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

The carrying amount of the City's cash and investments totaled \$80,753,845 on December 31, 2024, as summarized below:

Petty Cash and Cash on Hand	\$ 7,228
Deposits with Financial Institutions	21,250,757
Investments	59,495,860
Total	\$ 80,753,845

Reconciliation to the basic financial statements:

Government-Wide Statement of Net Position:	
Cash and Investments	\$ 52,185,783
Restricted Cash and Investments	9,730,419
Fiduciary Fund Statement of Net Position:	
Cemetery Private Purpose Trust Fund	768,232
Custodial Funds	18,069,411
Total	\$ 80,753,845

Fair Value Measurements

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

**CITY OF WAUSAU, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Cash and Investments (Continued)**

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

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

The City has the following fair value measurements as of December 31, 2024:

	Fair Value Measurements Using:			Total
	Level 1	Level 2	Level 3	
U.S. Treasuries	\$ -	\$ 6,504,273	\$ -	\$ 6,504,273
Exchange Traded Funds	-	417,473	-	417,473
Equity Mutual Funds	-	300,419	-	300,419
State and Municipal Bonds	-	2,637,489	-	2,637,489
Money Market Mutual Funds	-	483,030	-	483,030
Negotiable Certificates of Deposit	-	5,059,402	-	5,059,402
Government Agencies	2,807,700	10,925,518	-	13,733,218
Total Investments	<u>\$ 2,807,700</u>	<u>\$ 26,327,604</u>	<u>\$ -</u>	<u>\$ 29,135,304</u>

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

Interest Rate Risk

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

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

<u>Investment Type</u>	Amount	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
U.S. Treasuries	\$ 6,504,273	\$ 6,504,273	\$ -	\$ -	\$ -
State and Municipal Bonds	2,637,489	-	194,116	2,443,373	-
Negotiable Certificates of Deposit	5,059,402	806,749	3,251,963	1,000,690	-
Government Agencies	13,733,218	7,077,248	5,656,395	999,575	-
Wisconsin Local Government Investment Pool	30,360,556	30,360,556	-	-	-
Totals	<u>\$ 58,294,938</u>	<u>\$ 44,748,826</u>	<u>\$ 9,102,474</u>	<u>\$ 4,443,638</u>	<u>\$ -</u>

**CITY OF WAUSAU, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Cash and Investments (Continued)**

Credit Risk

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

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

<u>Investment Type</u>	<u>Amount</u>	<u>Exempt from Disclosure</u>	<u>AAA</u>	<u>AA</u>	<u>Not Rated</u>
U.S. Treasuries	\$ 6,504,273	\$ 6,504,273	\$ -	\$ -	\$ -
State and Municipal Bonds	2,637,489	-	1,275,998	1,361,491	-
Negotiable Certificates of Deposit	5,059,402	-	-	-	5,059,402
Government Agencies	13,733,218	-	-	13,733,218	-
Wisconsin Local Government Investment Pool	30,360,556	-	-	-	30,360,556
Totals	<u>\$ 58,294,938</u>	<u>\$ 6,504,273</u>	<u>\$ 1,275,998</u>	<u>\$ 15,094,709</u>	<u>\$ 35,419,958</u>

Concentration of Credit Risk

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

At December 31, 2024, concentrations making up over 5% of the City's investment portfolio were as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Percent of Total Investments</u>
U.S. Agencies	Federal Farm Credit Bank	6.6%
U.S. Agencies	Federal Home Loan Bank	10.3%

**CITY OF WAUSAU, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Cash and Investments (Continued)**

Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the City will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The City's investment policy does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provisions for deposits: The City's investment policy requires collateralization on certificates of deposit and repurchase agreements at a level of 105% of the market value less amounts covered by the FDIC; and, the City Council approves and designates a list of authorized depository institutions based on evaluation and recommendation of the Finance Committee and City Finance Director.

Deposits with financial institutions within the state of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for the combined amount of all time and savings deposits and \$250,000 for demand deposits per official custodian per depository institution. Deposits with financial institutions located outside the state of Wisconsin are insured by the FDIC in the amount of \$250,000 for all time accounts, savings accounts, and interest-bearing demand deposit accounts per official custodian per depository institution. Deposits with credit union are insured by the National Credit Union Share Insurance Fund (NCUIF) in the amount of \$250,000 per credit union member. Also, the state of Wisconsin provides additional coverage of up to a maximum of \$1,000,000 per public depository above the applicable insurance coverage provided by an agency of the U.S. government. However, due to the relatively small size of the State Guarantee Fund in relation the Fund's total coverage, total recovery of insured losses may not be available. This coverage has been considered in determining custodial credit risk.

At December 31, 2024, the City's deposits with financial institutions totaled \$21,849,133. Of the financial institution balance, \$2,099,633 was covered by federal depository insurance, \$500,000 was covered by the national credit union share insurance fund, \$2,477,606 was covered by the State Deposit Guarantee Fund, \$13,500,000 was collateralized, and \$3,271,894 was uninsured and uncollateralized.

**CITY OF WAUSAU, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**B. Restricted Assets**

The following represent the balances of the restricted assets:

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

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:

Funds	Amount
Water Utility:	
Redemption Accounts	\$ 2,350,907
Bond Reserve	543,950
Total Water Utility	2,894,857
Wastewater Utility:	
Redemption Accounts	2,555,759
Bond Reserve	929,052
Depreciation/Replacement Accounts	3,350,751
Total Wastewater Utility	6,835,562
Total Restricted Assets	\$ 9,730,419

**CITY OF WAUSAU, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**C. Capital Assets**

Capital asset activity for the year ended December 31, 2024, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities</b>				
Capital Assets, Nondepreciable:				
Land	\$ 39,913,078	\$ 60,000	\$ -	\$ 39,973,078
Construction in Progress	1,984,190	13,524,368	10,154,348	5,354,210
Total Capital Assets, Nondepreciable	<u>41,897,268</u>	<u>13,584,368</u>	<u>10,154,348</u>	<u>45,327,288</u>
Capital Assets, Being Depreciation and Amortized				
Buildings and Improvements	50,771,220	1,097,797	23,040	51,845,977
Machinery and Equipment	28,106,130	3,504,039	817,366	30,792,803
Infrastructure	174,963,088	4,854,382	130,626	179,686,844
Right-to-Use Lease Asset	252,547	-	-	252,547
Subtotals	<u>254,092,985</u>	<u>9,456,218</u>	<u>971,032</u>	<u>262,578,171</u>
Less: Accumulated Depreciation and Amortization for:				
Buildings and Improvements	21,213,289	1,738,858	23,040	22,929,107
Machinery and Equipment	14,560,499	2,506,543	712,352	16,354,690
Infrastructure	76,336,886	4,171,113	130,626	80,377,373
Right-to-Use Lease Asset	103,848	96,503	-	200,351
Subtotals	<u>112,214,522</u>	<u>8,513,017</u>	<u>866,018</u>	<u>119,861,521</u>
Total Capital Assets, Depreciable, Net	<u>141,878,463</u>	<u>943,201</u>	<u>105,014</u>	<u>142,716,650</u>
Governmental Activities Capital Assets, Net	<u>\$ 183,775,731</u>	<u>\$ 14,527,569</u>	<u>\$ 10,259,362</u>	188,043,938
Less: Long-Term Capital Related Debt				(54,775,496)
Less: Debt Premium				(2,701,231)
Less: Capital Related Payable and Retainage				<u>(1,450,726)</u>
Net Investment in Capital Assets				<u>\$ 129,116,485</u>

**CITY OF WAUSAU, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**C. Capital Assets (Continued)**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-Type Activities</b>				
Capital Assets, Nondepreciable:				
Land	\$ 6,113,894	\$ -	\$ -	\$ 6,113,894
Construction in Progress	4,668,595	14,211,803	-	18,880,398
Total Capital Assets, Nondepreciable	10,782,489	14,211,803	-	24,994,292
Capital Assets, Being Depreciation and Amortized				
Buildings and Improvements	146,901,020	1,220,403	1,081,293	147,040,130
Machinery and Equipment	59,118,605	3,017,293	895,460	61,240,438
Water Infrastructure	55,025,136	962,504	37,890	55,949,750
Wastewater Infrastructure	56,500,165	1,250,116	47,878	57,702,403
Right-to-Use Lease Asset	122,727	151,650	21,606	252,771
Subtotals	317,667,653	6,601,966	2,084,127	322,185,492
Less: Accumulated Depreciation and Amortization for:				
Buildings and Improvements	33,478,121	3,819,468	1,028,395	36,269,194
Machinery and Equipment	22,227,599	1,870,923	762,096	23,336,426
Water Infrastructure	15,634,313	697,425	37,890	16,293,848
Wastewater Infrastructure	13,294,798	866,654	51,593	14,109,859
Right-to-Use Lease Asset	96,219	63,583	21,606	138,196
Subtotals	84,731,050	7,318,053	1,901,580	90,147,523
Total Capital Assets, Depreciable, Net	232,936,603	(716,087)	182,547	232,037,969
Business-Type Activities Capital Assets, Net	<u>\$ 243,719,092</u>	<u>\$ 13,495,716</u>	<u>\$ 182,547</u>	257,032,261
Less: Long-Term Capital Related Debt				(144,026,764)
Less: Debt Premium				(613,311)
Less: Capital Related Payable and Retainage				(374,200)
Net Investment in Capital Assets				<u>\$ 112,017,986</u>

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

<b>Governmental Activities:</b>	
General Government	\$ 242,990
Public Safety	436,969
Transportation and Streets	4,744,563
Natural Resources and Recreation	923,048
Economic Development	228,029
Internal Service Fund	1,937,418
Total Depreciation and Amortization Expense - Governmental Activities	<u>\$ 8,513,017</u>
<b>Business-Type Activities:</b>	
Water Utility	\$ 1,424,764
Wastewater Utility	4,475,463
Parking	725,204
Metro Ride	593,249
Airport	99,373
Total Depreciation and Amortization Expense - Business-Type Activities	<u>\$ 7,318,053</u>

**CITY OF WAUSAU, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**D. Interfund Receivable, Payables, and Transfers**

Interfund receivables and payables represent short-term loans from one fund to another to cover cash overdrafts or represent current portion of advances for specific funds. Interfund receivables and payables at December 31, 2024, are as follows:

	Interfund Receivables	Interfund Payables
Temporary Cash Advances to Finance Operating		
Cash Deficits of Other Funds:		
General Fund	\$ 3,089,755	\$ -
Special Revenue Funds:		
Grants	-	359,032
Public Safety Grants	-	102,809
Capital Projects Funds:		
Capital Improvements	-	1,531,096
TID #12 Downtown Development	-	845,000
Enterprise Funds:		
Water Utility	-	140,000
Wastewater Utility	140,000	-
Parking Utility	-	251,818
Totals	\$ 3,229,755	\$ 3,229,755

Advances between funds represent long-term loans principally for capital purposes. The composition of interfund advances as of December 31, 2024, is as follows:

	Advance to Other Funds	Advance from Other Funds
Long-Term Cash Advances:		
General Fund	\$ 1,292,735	\$ -
Capital Projects Funds:		
TID #9 Big Bull Falls	-	286,719
TID #12 Downtown Development	-	1,006,016
Enterprise Funds:		
Water Utility	-	280,000
Wastewater Utility	280,000	-
Totals	\$ 1,572,735	\$ 1,572,735

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

**CITY OF WAUSAU, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

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

Interfund transfers for the year ended December 31, 2024, were as follows:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 2,221,355	\$ 1,495,060
Special Revenue Funds:		
Grants	45,717	17,452
HUD Mortgage	-	28,266
Room Tax	-	199,110
400 Block	52,755	-
American Rescue Plan Act	-	210,000
Debt Service Fund	9,526,911	-
Capital Projects Funds:		
Central Capital Purchasing	210,000	-
Capital Improvements	251,380	428,565
TID #3 Downtown Development	-	2,101,399
TID #6 West Side Development	672,245	4,127,700
TID #7 West Side Development	-	2,162,834
TID #8 Near West Side	-	1,032,930
TID #10 Industrial Park	-	143,210
TID #11 Business Park Extension	-	1,219,328
TID #12 Downtown Development	2,162,834	902,343
Enterprise Funds:		
Water Utility	1,000,000	1,590,000
Wastewater Utility	-	485,000
Total	<u>\$ 16,143,197</u>	<u>\$ 16,143,197</u>

The principal purpose of these transfers are to (1) move revenues from the fund that collects them to the fund required to expend them, (2) move receipts restricted to debt service from funds collecting the receipts to the debt service fund, and (3) use unrestricted revenues collected in one fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**CITY OF WAUSAU, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Long-Term Obligations**

A summary of the long-term obligations activity for the year ended December 31, 2024, is as follows:

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
<b>Governmental Activities</b>					
General Obligation Debt:					
Bonds	\$ 35,130,000	\$ -	\$ 3,925,000	\$ 31,205,000	\$ 3,980,000
Notes	35,495,000	8,990,000	8,090,000	36,395,000	5,680,000
Direct Borrowings					
Loans from Local Foundations	1,609,779	-	-	1,609,779	-
Total General Obligation Debt	72,234,779	8,990,000	12,015,000	69,209,779	9,660,000
Long-Term Lease	127,438	-	55,375	72,063	72,063
Unamortized Costs	2,547,206	565,363	348,971	2,763,598	-
Compensated Absences *	3,172,404	-	84,778	3,087,626	1,297,206
Governmental Activities Long-Term Obligations	<u>\$ 78,081,827</u>	<u>\$ 9,555,363</u>	<u>\$ 12,504,124</u>	<u>\$ 75,133,066</u>	<u>\$ 11,029,269</u>

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

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
<b>Business-Type Activities</b>					
Revenue Bonds	\$ 13,395,000	\$ -	\$ 1,410,000	\$ 11,985,000	\$ 1,460,000
Note Anticipation Note	17,550,000	-	17,550,000	-	-
Direct Borrowings					
Clean Water Fund Loan Bonds	83,791,189	246,344	2,415,216	81,622,317	2,461,383
Safe Drinking Water Fund Loan Bonds	41,919,199	10,528,696	2,144,241	50,303,654	2,606,103
Long-Term Lease	27,575	151,650	63,433	115,792	66,814
Unamortized Costs	695,741	-	82,429	613,312	-
Compensated Absences	271,286	68,423	-	339,709	186,889
Business-Type Activities Long-Term Obligations	<u>\$ 157,649,990</u>	<u>\$ 10,995,113</u>	<u>\$ 23,665,319</u>	<u>\$ 144,979,784</u>	<u>\$ 6,781,189</u>

\* The beginning balance of compensated absences was adjusted to reflect the implementation of GASB 101. See note 4.H.

Total interest paid during the year on long-term debt totaled \$5,483,142. The change in the compensated absence liability above is presented as a net change.

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

Equalized Valuation of the City	\$ 4,387,427,300
Statutory Limitation Percentage	<u>(x) 5%</u>
General Obligation Debt Limitation, per Section 67.03 of the Wisconsin Statutes	219,371,365
Total Outstanding General Obligation Debt Applicable to Debt Limitation	<u>69,209,779</u>
Legal Margin for New Debt	<u>\$ 150,161,586</u>

**CITY OF WAUSAU, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Long-Term Obligations (Continued)**

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 for pension and other postemployment benefits will be liquidated primarily by the general fund.

The following is a summary of changes in long-term obligations of the City for the year ended December 31, 2024:

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/24
2013 GO Bonds Series C	4/1/33	2.0-4.0%	\$ 3,410,000	\$ 1,530,000
2014 GO Bonds Series B	4/1/29	2.0-3.0%	1,495,000	630,000
2015 Promissory Note Series A	4/1/25	0.7-2.5%	3,930,000	430,000
2015 GO Bonds Series B	4/1/35	2.0-3.5%	5,705,000	3,180,000
2015 GO ComDev Bonds Series C	4/1/30	3.0-3.95%	2,655,000	1,360,000
2016 Promissory Note Series A	4/1/26	2.0-3.0%	8,705,000	665,000
2016 GO Bonds Series B	4/1/36	2.0-3.0%	6,530,000	4,100,000
2016 GO ComDev Bonds Series C	4/1/32	0.7-3.25%	4,695,000	890,000
2016 Promissory Note	4/18/26	2.75%	1,609,779	1,609,779
2017 Promissory Note Series A	4/1/27	1.25-4.0%	6,230,000	840,000
2017 GO Bonds Series B	4/1/31	2.0-3.0%	6,405,000	3,885,000
2018 Promissory Note Series A	4/1/28	3.0-4.0%	5,480,000	875,000
2019 Promissory Note Series A	4/1/29	2.0-3.0%	7,825,000	3,040,000
2019 GO Bonds Series B	4/1/39	2.0-4.0%	4,870,000	3,545,000
2020 GO Notes Series D	4/1/30	2.00%	5,390,000	3,525,000
2020 GO Bonds Series E	4/1/30	0.25-1.75%	6,625,000	4,980,000
2021 GO Notes Series A	4/1/31	1.20-3.00%	5,495,000	3,080,000
2021 GO Bonds Series B	4/1/36	0.25-2.2%	9,695,000	7,105,000
2022 GO Note Series A	4/1/32	4.0-5.0%	3,795,000	3,330,000
2023 GO Notes Series B	4/1/33	4.0-5.0%	11,170,000	10,565,000
2023 GO Notes Series C	4/1/28	4.8-5.5%	1,250,000	1,055,000
2024 GO Notes Series C	4/1/34	3.0-5.0%	8,990,000	8,990,000
Total Outstanding General Obligation Debt				<u>\$ 69,209,779</u>

**CITY OF WAUSAU, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Long-Term Obligations (Continued)**

General Obligation Debt (Continued)

Annual principal and interest maturities of the outstanding general obligation debt of \$69,209,779 on December 31, 2024, are detailed below:

Year Ending December 31,	Governmental Activities				Total
	Bonded Debt		Direct Borrowings		
	Principal	Interest	Principal	Interest	
2025	\$ 9,660,000	\$ 1,950,578	\$ -	\$ 44,269	\$ 11,654,847
2026	8,535,000	1,735,269	1,609,779	44,269	11,924,317
2027	8,095,000	1,562,779	-	-	9,657,779
2028	7,995,000	1,192,619	-	-	9,187,619
2029	7,620,000	933,323	-	-	8,553,323
2030 - 2034	22,620,000	1,792,886	-	-	24,412,886
2035 - 2039	3,075,000	127,174	-	-	3,202,174
Total	<u>\$ 67,600,000</u>	<u>\$ 9,294,628</u>	<u>\$ 1,609,779</u>	<u>\$ 88,538</u>	<u>\$ 78,592,945</u>

The City's outstanding notes from direct borrowings related to governmental activities of \$1,609,779 contain an acceleration cause that 10 days after notice that the properties included in the credit agreement are no longer being actively marketed for sale or redevelopment, the principal and accrued interest shall become due.

Revenue Bonds

Revenue bonds outstanding on December 31, 2024, totaled \$139,105,388 and were comprised of the following issues:

	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/24
2017 Water Revenue	5/1/37	2.0-4.0%	\$ 4,815,000	\$ 2,275,000
2017 Sewer Revenue	5/1/37	2.0-4.0%	6,225,000	2,405,000
2019 Sewer Revenue	5/1/39	2.0-4.0%	6,530,000	5,170,000
2019 Water Revenue	5/1/39	2.0-4.0%	2,695,000	2,135,000
2020 Sewer Clean Water Fund	5/1/50	1.87%	86,172,119	81,454,697
2020 Water Safe Drinking Water	5/1/40	1.76%	44,319,236	40,188,236
2024 Sewer Clean Water Fund	5/1/44	2.645%	167,620	167,620
2024 Water Safe Drinking Water	5/1/44	2.365%	924,506	924,506
2024 Water Safe Drinking Water	5/1/44	2.142%	9,190,912	9,190,912
Total Outstanding Revenue Bonds				<u>\$ 143,910,971</u>

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

**CITY OF WAUSAU, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Long-Term Obligations (Continued)**

Revenue Bonds (Continued)

Debt service requirements on the revenue bond debt to maturity at December 31, 2024, are as follows:

Year Ending December 31,	Business-Type Activities				Total
	Bonded Debt		Direct Borrowings		
	Principal	Interest	Principal	Interest	
2025	\$ 1,460,000	\$ 338,331	\$ 5,067,487	\$ 2,407,861	\$ 9,273,679
2026	1,445,000	280,231	5,161,039	2,312,763	9,199,033
2027	625,000	238,831	5,263,716	2,216,497	8,344,044
2028	640,000	216,731	5,360,963	2,118,349	8,336,043
2029	665,000	197,156	5,460,013	2,018,380	8,340,549
2030-2034	3,565,000	725,559	28,851,326	8,526,251	41,668,136
2035-2039	3,585,000	231,688	31,618,170	5,733,738	41,168,596
2040-2044	-	-	22,725,622	3,087,507	25,813,129
2045-2049	-	-	18,506,193	1,243,706	19,749,899
2050	-	-	3,911,442	36,572	3,948,014
Total	<u>\$ 11,985,000</u>	<u>\$ 2,228,527</u>	<u>\$ 131,925,971</u>	<u>\$ 29,701,624</u>	<u>\$ 175,841,122</u>

The Cities outstanding direct borrowings related to business type activities of \$131,925,971 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 \$175,841,122. Principal and interest paid for the current year was \$8,684,658, and the total customer net revenues available for debt services were \$15,035,213.

**CITY OF WAUSAU, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Long-Term Obligations (Continued)**

Lease Liability

The City leases various land improvements for various terms under long-term, noncancelable lease agreements. These leases expire at various dates through 2029.

Total principal and interest costs for such leases for governmental funds were \$141,042 for the year ended December 31, 2024. The future minimum lease payments for these agreements are as follows:

Year Ended December 31,	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
2025	\$ 72,063	\$ 1,695	\$ 66,814	\$ 3,310	\$ 143,882
2026	-	-	39,236	997	40,233
2027	-	-	3,758	382	4,140
2028	-	-	3,941	199	4,140
2029	-	-	2,043	28	2,071
Total	<u>\$ 72,063</u>	<u>\$ 1,695</u>	<u>\$ 115,792</u>	<u>\$ 4,916</u>	<u>\$ 194,466</u>

**F. Defined Benefit Pension Plan**

Plan Description

The Wisconsin Retirement System (WRS) is a cost-sharing, multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible state of Wisconsin, local government, and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees), and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

**CITY OF WAUSAU, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**F. Defined Benefit Pension Plan (Continued)**

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

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

Vesting

For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

Benefits Provided

Employees who retire at or after age 65 (54 for protective occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before December 31, 2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

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

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

The WRS also provides death and disability benefits for employees.

**CITY OF WAUSAU, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**F. Defined Benefit Pension Plan (Continued)**

Postretirement Adjustments

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

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2014	4.7%	25.0%
2015	2.9%	2.0%
2016	0.5%	-5.0%
2017	2.0%	4.0%
2018	2.4%	17.0%
2019	0.0%	-10.0%
2020	1.7%	21.0%
2021	5.1%	13.0%
2022	7.4%	15.0%
2023	1.6%	-21.0%

Contributions

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, Executives and Elected Officials. Starting on January 1, 2016, the executives and elected officials category was merged into the general employee category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period ending December 31, 2024, the WRS recognized \$3,140,078 in contributions from the City.

**CITY OF WAUSAU, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**F. Defined Benefit Pension Plan (Continued)**

Contributions (Continued)

Contribution rates for the reporting period are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Including Teachers, Executives, and Elected Officials)	6.90%	6.90%
Protective with Social Security	6.90%	14.30%
Protective without Social Security	6.90%	19.10%

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

At December 31, 2024, the City reported a liability of \$2,937,732 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022, rolled forward to December 31, 2023. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2023, the City's proportion was 0.19758679% which was an increase of 0.00311813% from its proportion measured as of December 31, 2022.

For the year ended December 31, 2024, the City recognized pension expense of \$2,026,010.

At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 11,844,907	\$ 15,688,652
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	10,237,520	-
Changes in Assumptions	1,280,473	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	36,703	69,572
Employer Contributions Subsequent to the Measurement Date	3,140,078	-
Total	<u>\$ 26,539,681</u>	<u>\$ 15,758,224</u>

**CITY OF WAUSAU, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**F. Defined Benefit Pension Plan (Continued)**

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

\$3,140,078 reported as deferred outflows related to pension resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Expense</u>
2025	\$ 1,559,659
2026	1,629,053
2027	6,420,969
2028	<u>(1,968,302)</u>
Total	<u>\$ 7,641,379</u>

Actuarial Assumption

The total pension liability in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2022
Measurement Date of Net Pension Liability	December 31, 2023
Experience Study:	January 1, 2018 - December 31, 2020 Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Wage Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality	2020 WRS Experience Mortality Table
Postretirement Adjustments*	1.7%

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

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018, to December 31, 2020. The total pension liability for December 31, 2023, is based upon a roll-forward of the liability calculated from the December 31, 2022, actuarial valuation.

**CITY OF WAUSAU, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**F. Defined Benefit Pension Plan (Continued)**

Long-Term Expected Return on Plan Assets

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

<u>Core Fund Asset Class</u>	<u>Current Asset Allocation Percent</u>	<u>Long-Term Expected Nominal Rate of Return Percent</u>	<u>Long-Term Expected Real Rate of Return Percent</u>
Public Equity	40.0 %	7.3 %	4.5 %
Public Fixed income	27.0	5.8 %	3.0 %
Inflation Sensitive	19.0	4.4 %	1.7 %
Real Estate	8.0	5.8 %	3.0 %
Private Equity/Debt	18.0	9.6 %	6.7 %
Leverage	(12.0)	3.7 %	1.0 %
Total Core Fund	100.0 %	7.4 %	4.6 %
<u>Variable Fund Asset Class</u>			
U.S. Equities	70.0 %	6.8 %	4.0 %
International Equities	30.0	7.6 %	4.8 %
Total Variable Fund	100.0 %	7.3 %	4.5 %

New England Pension Consultants Long-Term U.S. CPI (Inflation) Forecast: 2.70%

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

The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. Currently, an asset allocation target of 12% policy leverage is used, subject to an allowable range of up to 20%.

**CITY OF WAUSAU, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**F. Defined Benefit Pension Plan (Continued)**

Single Discount Rate

A single discount rate of 6.80% was used to measure the total pension liability, for the current and prior year. The discount rate is based on the expected rate of return on pension plan investments of 6.80% and a municipal bond rate of 3.77% (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, 2023. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of 10,000 tax exempt securities.) Because of the unique structure of WRS, the 6.80% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following schedule presents the City’s proportionate share of the net pension liability/(asset) calculated using the discount rate of 6.8%, as well as what the City’s proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.8%) or 1-percentage-point higher (7.8%) than the current rate:

	One Percent Decrease to Discount Rate (5.8%)	Current Discount Rate (6.8%)	One Percent Increase to Discount Rate (7.8%)
City's Proportionate Share of the Net Pension Liability (Asset)	\$ 28,394,601	\$ 2,937,732	\$ (14,875,516)

Pension Plan Fiduciary Net Position

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

Payable to the Pension Plan

The City reported a payable of \$395,373 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2024.

**CITY OF WAUSAU, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**G. Other Postemployment Benefits**

The City reports OPEB related balances at December 31, 2024, as summarized below:

	OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
Local Retiree Life Insurance Fund (LRLIF)	\$ 1,153,420	\$ 448,858	\$ 563,013	\$ 92,995
Single-Employer Defined OPEB Plan	363,077	33,257	371,763	19,511
Total OPEB Liability	<u>\$ 1,516,497</u>	<u>\$ 482,115</u>	<u>\$ 934,776</u>	<u>\$ 112,506</u>

**1. Single-Employer Defined Postemployment Benefit Plan**

Plan Description

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

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

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

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

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.

**CITY OF WAUSAU, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**G. Other Postemployment Benefits (Continued)**

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

Employees Covered by Benefit Terms

At December 31, 2023, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	2
Active Employees	260
Total	262

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 \$363,077 was measured as of December 31, 2023, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2023, 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%
Discount Rate:	4.0%
Healthcare Cost Trend Rates:	7.0%, decreasing to 6.50% then decreasing by 0.10% per year down to 4.5%, and level thereafter.

A discount rate of 4.0% was used in calculating the City's OPEB liability based on the S&P Municipal Bond 20 Year High Grade Rate Index as of the week of the measurement date.

Mortality rates were based on the 2020 WRS Experience Tables for Active Employees and healthy Retirees projected with mortality improvements using the fully generational MP-2021 projection scale from a base year of 2010.

**CITY OF WAUSAU, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**G. Other Postemployment Benefits (Continued)**

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

Actuarial Assumptions and Other Inputs (Continued)

The actuarial assumptions used in the December 31, 2023, valuation were upon an experience study conducted in 2021 using the Wisconsin Retirement System (WRS) experience from 2018-2020.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at December 31, 2022	\$ 486,928
Changes for the Year:	
Service Cost	38,585
Interest	21,476
Differences Between Expected and Actual Experience	(26,962)
Changes of Assumptions or Other Input	(155,134)
Benefit Payments	(1,816)
Net Changes	(123,851)
Balance at December 31, 2023	\$ 363,077

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

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

	One Percent Decrease to Discount Rate (3.00%)	Current Discount Rate (4.00%)	One Percent Increase to Discount Rate (5.00%)
Total OPEB Liability	\$ 386,624	\$ 363,077	\$ 340,601

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

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

	One Percent Decrease (6.0% Decreasing to 3.5%)	Healthcare Cost Trend Rates (7.0% Decreasing to 4.5%)	One Percent Increase (8.0% Decreasing to 6.5%)
Total OPEB Liability	\$ 327,180	\$ 363,077	\$ 404,794

**CITY OF WAUSAU, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**G. Other Postemployment Benefits (Continued)**

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

OPEB Expense and Deferred Outflows of Resources Related to OPEB

For the year ended December 31, 2024, the City recognized OPEB expense of \$19,511. At December 31, 2024, 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	\$ -	\$ 93,643
Changes in Assumptions	33,257	278,120
Total	\$ 33,257	\$ 371,763

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

Year Ending December 31,	Expense
2024	\$ (40,550)
2025	(40,550)
2026	(40,550)
2027	(40,547)
2028	(38,416)
Thereafter	(137,893)
Total	\$ (338,506)

Payable to the OPEB Plan

The City reported a payable of \$-0- for the outstanding amount of contribution to the plan required for the year ended December 31, 2024.

**2. Local Retiree Life Insurance Fund**

Plan Description

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

**CITY OF WAUSAU, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**G. Other Postemployment Benefits (Continued)**

**2. Local Retiree Life Insurance Fund (Continued)**

OPEB Plan Fiduciary Net Position

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

Additionally, ETF issued a standalone Retiree Life Insurance Financial Report, which can be found using the link above.

Benefits Provided

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

Contributions

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

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

Contribution rates as of December 31, 2023, are:

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

**CITY OF WAUSAU, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**G. Other Postemployment Benefits (Continued)**

**2. Local Retiree Life Insurance Fund (Continued)**

Contributions (Continued)

Member contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating members must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The member contribution rates in effect for the year ended December 31, 2023, are listed below:

Life Insurance Member Contribution Rates* for the Year Ended December 31, 2023			
<u>Attained Age</u>	<u>Basic</u>	<u>Supplemental</u>	
Under 30	\$ 0.05	\$	0.05
30 - 34	0.06		0.06
35 - 39	0.07		0.07
40 - 44	0.08		0.08
45 - 49	0.12		0.12
50 - 54	0.22		0.22
55 - 59	0.39		0.39
60 - 64	0.49		0.49
65 - 69	0.57		0.57

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

During the reporting period, the LRLIF recognized \$5,109 in contributions from the City.

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

At December 31, 2024, the City reported a liability of \$1,153,420 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2023, rolled forward to December 31, 2023. 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, 2023, the City's proportion was 0.25070800%, which was an increase of 0.01363900% from its proportion measured as of December 31, 2022.

For the year ended December 31, 2024, the City recognized OPEB expense of \$92,995.

**CITY OF WAUSAU, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**G. Other Postemployment Benefits (Continued)**

**2. Local Retiree Life Insurance Fund (Continued)**

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

At December 31, 2024, 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	\$ -	\$ 102,082
Net Differences Between Projected and Actual Earnings on OPEB Plan Investments	15,582	-
Changes in Assumptions	360,800	454,193
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	72,476	6,738
Total	\$ 448,858	\$ 563,013

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 Ending December 31,	Expense
2025	\$ (2,076)
2026	17,659
2027	(28,443)
2028	(62,880)
2029	(60,228)
Thereafter	21,813
Total	\$ (114,155)

**CITY OF WAUSAU, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**G. Other Postemployment Benefits (Continued)**

**2. Local Retiree Life Insurance Fund (Continued)**

Actuarial Assumptions

The total OPEB liability in the January 1, 2023, 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, 2023
Measurement Date of Net OPEB Liability (Asset):	December 31, 2023
Experience Study:	January 1, 2018 - December 31, 2020, Published November 19, 2021
Actuarial Cost Method:	Entry age normal
20 Year Tax-Exempt Municipal Bond Yield*:	3.26%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	3.32%
Salary Increases:	
Wage Inflation	3.00%
Seniority/Merit	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Study

\*Based on the Bond Buyers GO 20-Bond Municipal index.

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The total OPEB liability for December 31, 2023, is based upon a roll-forward of the liability calculated from the January 1, 2023, actuarial valuation.

Long-Term Expected Return on Plan Assets

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

**CITY OF WAUSAU, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**G. Other Postemployment Benefits (Continued)**

**2. Local Retiree Life Insurance Fund (Continued)**

Long-Term Expected Return on Plan Assets (Continued)

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return Percent</u>
U.S. Intermediate Credit Bonds	Bloomberg US Interim Credit	40%	2.32%
U.S. Mortgages	Bloomberg US MBS	60%	2.52%
Inflation			2.30%
Long-Term Expected Rate of Return			4.25%

Single Discount Rate

A single discount rate of 3.32% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 3.76% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 3.72% as of December 31, 2022, to 3.26% as of December 31, 2023. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. Therefore, the discount rate for calculating the total OPEB liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

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

**CITY OF WAUSAU, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**G. Other Postemployment Benefits (Continued)**

**2. Local Retiree Life Insurance Fund (Continued)**

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

The following presents the City's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 3.32%, as well as what the City's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (2.32%) or 1-percentage-point higher (4.32%) than the current rate:

	One Percent Decrease to Discount Rate (2.32%)	Current Discount Rate (3.32%)	One Percent Increase to Discount Rate (4.32%)
City's Proportionate Share of the Net OPEB Liability (Asset)	\$ 1,549,782	\$ 1,153,420	\$ 850,869

Payable to the OPEB Plan

The City reported a payable of \$-0- for the outstanding amount of contribution to the plan required for the year ended December 31, 2024.

**H. Restricted Net Position/Fund Balances**

Nonspendable

In the fund financial statements, portions of the governmental fund balances are amounts that cannot be spent because they are either 1) not in spendable form or 2) legally or contractually required to be maintained intact. At December 31, 2024, nonspendable fund balance was as follows:

General Fund:	
Advance to Other Funds	\$ 1,292,735
Inventory and Prepaid Items	491,064
Total Nonspendable Fund Balance	\$ 1,783,799

**CITY OF WAUSAU, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**H. Restricted Net Position/Fund Balances (Continued)**

Restricted

In the fund financial statements, portions of governmental fund balances are not available for appropriation or are legally restricted for use for a specific purpose. At December 31, 2024, restricted fund balance was as follows:

Special Revenue Funds:

Restricted for:

Grants	\$ 2,557,852
HUD Mortgage Program	162,382
Federal Rent Rehabilitation	337,818
WRRP Rehabilitation	1,267,852
Environmental Clean Up Fund	877,888
Hazardous Materials Emergency Response	296,161
Public Safety Grants	134,767
Other Grants & Special Purpose Accounts	<u>939,003</u>
Total	6,573,723

Debt Service Fund	811,845
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Capital Projects Funds:

Restricted for:

Central Capital Purchasing	133,883
TID #3 Downtown Development	554,085
TID #6 West Side Development	1,938,153
TID #11 Business Campus	<u>1,021,829</u>
Total	<u>3,647,950</u>

Total Restricted Fund Balance	<u><u>\$ 11,033,518</u></u>
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**CITY OF WAUSAU, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**H. Restricted Net Position/Fund Balances (Continued)**

Committed

In the fund financial statements, portions of government fund balances are committed by City Council resolution. At December 31, 2024, governmental fund balance was committed as follows:

General Fund:

Committed for:	
Contingencies	\$ 193,059
Economic Development	500,000
Continuing Appropriation	250,000
Total General Fund Committed Fund Balance	943,059

Special Revenue Funds:

Committed for:	
DLAD Mortgage Program	551,812
Economic Development	252,824
Housing Stock Improvement	424,270
Room Tax	611,959
Public Access Cable	77,275
400 Block	9,075
Animal Control	119,785
American Rescue Plan Act	372,114
Total	2,419,114

Total Committed Fund Balance	\$ 3,362,173
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Minimum General Fund Balance Policy

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

2024 General Fund Expenditures	\$ 42,346,912
Minimum Fund Balance Percent	(x) 16.67%
Minimum Fund Balance Amount	\$ 7,059,230

The City's unassigned general fund balance of \$14,510,978 is above the minimum fund balance ranges.

**I. Component Unit**

The financial records of the City of Wausau Community Development Authority are maintained in accordance with the accounting practices prescribed by the United States Department of Housing and Urban Development (HUD). Financial information for the Authority is presented as a discrete column in the statement of net position and statement of activities.

**CITY OF WAUSAU, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**I. Component Unit (Continued)**

In addition to the basic financial statements and the preceding applicable notes to the financial statements, the following additional disclosures are considered necessary for fair presentation.

- a. The Authority follows the full accrual basis of accounting and the flow of economic resources measurement focus.
- b. The composition of cash, cash equivalents, and investments at December 31, 2024, is as follows:

Deposits with Financial Institutions	\$ 9,100,910
Petty Cash	120
Total	\$ 9,101,030

Reconciliation to the basic financial statements:

Government-Wide Statement of Net Position:	
Cash and Investments	\$ 6,576,895
Restricted Cash and Investments	2,524,135
Total	\$ 9,101,030

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 Authority 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 Authority 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 Authority's deposits was \$9,100,910 and the financial institution balance was \$9,101,030. 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 Authority will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Authority requires all funds in excess of federal and state depository insurance coverage to be secured.

**CITY OF WAUSAU, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**I. Component Unit (Continued)**

Investment Policy

The Authority has adopted a formal investment policy; however, the Authority invests in accordance with Wisconsin 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 Authority 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 Authority's investment in a single issuer. The Authority 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 Authority has no formal investment policy that limits investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates.

a. Long-term debt activity for the year ended December 31, 2024, was as follows:

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Retired</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Affordable Housing Program Loan	\$ 750,000	\$ -	\$ -	\$ 750,000	\$ -
Compensated Absences	56,380	53,503	41,206	68,677	38,040
Long-Term Obligations	<u>\$ 806,380</u>	<u>\$ 53,503</u>	<u>\$ 41,206</u>	<u>\$ 818,677</u>	<u>\$ 38,040</u>

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

**CITY OF WAUSAU, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**I. Component Unit (Continued)**

b. Capital asset activity for the year ended December 31, 2024, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities:</b>				
Capital Assets, Nondepreciable:				
Land	\$ 984,312	\$ 90,000	\$ -	\$ 1,074,312
Construction in Progress	-	56,849	-	56,849
Total Capital Assets, Nondepreciable	984,312	146,849	-	1,131,161
Capital Assets, Depreciable:				
Buildings and Improvements	22,917,545	717,288	-	23,634,833
Furniture and Equipment	820,539	5,971	16,020	810,490
Subtotals	23,738,084	723,259	16,020	24,445,323
Less: Accumulated Depreciation				
Buildings and Improvements	12,049,768	597,708	-	12,647,476
Furniture and Equipment	608,543	32,989	16,020	625,512
Total Accumulated Depreciation	12,658,311	630,697	16,020	13,272,988
Total Capital Assets, Depreciable, Net	11,079,773	92,562	-	11,172,335
Governmental Activities Capital Assets, Net	\$ 12,064,085	\$ 239,411	\$ -	12,303,496
			Less: Related Long Term Debt Outstanding	(750,000)
			Net Investment in Capital Assets	\$ 11,553,496

**NOTE 4 OTHER INFORMATION**

**A. Tax Incremental Financing Districts**

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

**CITY OF WAUSAU, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**A. Tax Incremental Financing Districts (Continued)**

Since creation of the above Districts, the City has provided various finance sources to the TID. The foregoing amounts are not recorded as liabilities in the TID Capital project fund, but can be recovered by the City from any future excess tax increment revenues. As of December 31, 2024, the City can recover \$38,253,974 from future excess tax increment revenues of the following:

TID	Fund Balance (Deficit)	Outstanding Debt	(Unrecovered) Over Recovered Costs
#3	\$ 554,085	\$ (12,030,182)	\$ (11,476,097)
#6	1,938,153	(1,010,000)	928,153
#8	(38,946)	(5,092,168)	(5,131,114)
#9	(272,190)	-	(272,190)
#10	(598,539)	(3,845,000)	(4,443,539)
#11	1,021,829	(10,005,000)	(8,983,171)
#12	(1,851,016)	(7,025,000)	(8,876,016)
Total	<u>\$ 753,376</u>	<u>\$ (39,007,350)</u>	<u>\$ (38,253,974)</u>

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

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

**B. Commitments and Contingencies**

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

**CITY OF WAUSAU, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**B. Commitments and Contingencies (Continued)**

From time to time, the City is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the City’s legal counsel that the ultimate outcome of any litigation will not have a material adverse effect on the City’s financial position or results of operations.

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

**C. Risk management**

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

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

The estimated liability for self-funded losses is based on reported claims for the year and those received subsequent to year-end. The City does not allocate overhead costs or other costs to the claims liability. The estimated claims liability amount for 2024 and 2023 is as follows:

	Balance January 1	Claims and Changes in Estimates	Amounts Paid	Balance December 31
2023	\$ 18,700	\$ 6,357,355	\$ 6,357,355	\$ 18,700
2024	18,700	6,369,739	6,379,739	8,700

The City is partially self-funded for liability insurance and pays premiums for its excess liability insurance coverage. The City’s self-insured retention limit is \$50,000 for any one occurrence, \$200,000 aggregate. The limits of liability are \$5,000,000 per occurrence less the retained limits. The City also carries excess insurance which covers the City up to \$20,000,000. Premiums paid for insurance coverage are recorded in the Insurance internal service fund. The fund charges various City departments and operations for their portion of insurance coverage for the year.

**CITY OF WAUSAU, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**C. Risk management (Continued)**

On December 31, 2024, a claims liability of \$105,183 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 2024 and 2023 are as follows:

	<u>Balance January 1</u>	<u>Claims and Changes in Estimates</u>	<u>Amounts Paid</u>	<u>Balance December 31</u>
2023	\$ 117,235	\$ 21,322	\$ 85,132	\$ 53,425
2024	53,425	107,117	55,359	105,183

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 \$245,039 at December 31, 2024, 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 2024 and 2023 are as follows:

	<u>Balance January 1</u>	<u>Claims and Changes in Estimates</u>	<u>Amounts Paid</u>	<u>Balance December 31</u>
2023	\$ 1,001,171	\$ 209,830	\$ 175,884	\$ 1,035,117
2024	1,035,117	(530,122)	259,956	245,039

**D. Deferred Compensation Plan**

The City offers its employees certain deferred compensation plans created in accordance with the Internal Revenue Code (IRC). 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.

**CITY OF WAUSAU, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**D. Deferred Compensation Plan (Continued)**

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

**E. Joint Venture Information**

The City is a participant in a joint and cooperative venture with Marathon County and North Central Health Care in the City-County Information Technology Commission (CCITC). The Commission provides for the implementation and operation of a cooperative data and management information system under the direction of the governing Board of Commissioners. North Central Health Care became a member as of April 1, 2009. Reimbursement of all operating expenses other than depreciation and interest are made by the City at a rate of 25%.

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, 2024, is as follows:

Operating Revenues	\$ 4,462,195
Operating Expenses:	
Data Processing	4,321,422
Administrative and General	140,773
Depreciation	<u>2,145,230</u>
Total Operating Expenses	6,607,425
Operating Loss Before Contributions and Reimbursements	(2,145,230)
Interest Revenue	3,723
Interest Expense	(229,211)
Capital Contributions and Reimbursements	<u>748,694</u>
Change in Net Position	(1,622,024)
Total Assets and Deferred Outflows of Resources	11,640,327
Total Liabilities and Deferred Inflows of Resources	10,641,185

**CITY OF WAUSAU, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**F. Environmental Remediation**

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

**G. Subsequent Events**

Debt Issuances

In 2025, the City had the following debt activity:

The City has drawn \$96,876 on a 2025 Clean Water Fund Loan and an additional \$228,173 on the Clean Water Fund Loan to finance the wastewater treatment plant facility expansion and upgrade.

The City has drawn \$1,129,536 on a 2025 Safe Drinking Water Loan, an additional \$18,896 on the 2020 Safe Drinking Water Loan, an additional \$43,297 on a 2024 Safe Drinking Water Loan, and an additional \$587,491 on a 2024 Safe Drinking Water Loan to finance the construction of a new water treatment facility.

**CITY OF WAUSAU, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**H. Restatements**

Change in Accounting Principle

Effective January 1, 2024, the City implemented GASB Statement No. 101, *Compensated Absences*. This statement updated the recognition and measurement guidance for compensated absences and associated salary-related payments and amended certain previously required disclosures. As a result of the implementation of this standard, the compensated absences liability as of January 1, 2024 was understated by \$1,056,241 in the governmental activities, resulting in a decrease in net position.

Correction of an Error in Previously Issued Financial Statements

The City recorded a prior period adjustment to decrease accrued liabilities and increase fund balance by \$1,004,895 in the General Fund and \$53,342 Nonmajor Governmental Funds, respectively. The effect of these error corrections is also shown in the table below.

Change within Financial Reporting Entity

The Capital Improvements Fund previously did not meet the criteria to be reported as a major governmental fund. However, effective January 1, 2024, the Capital Improvements Fund now meets the criteria to be reported as a major fund. The effect of that change within the financial reporting entity is also shown in the table below.

	12/31/2023 as Previously Reported	Change in Accounting Principal	Error Correction	Change to or Within the Financial Reporting Entity	12/31/2023 as Adjusted
Governmental-Wide:					
Governmental Activities	\$ 153,461,913	\$ (1,056,241)	\$ -	\$ -	\$ 152,405,672
Governmental Funds:					
Major Funds:					
General Fund	16,142,195	-	1,004,895	-	17,147,090
Capital Improvements	-	-	-	943,690	943,690
Nonmajor Funds	7,926,951	-	53,342	(943,690)	7,036,603

**REQUIRED SUPPLEMENTARY INFORMATION**

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

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 22,921,746	\$ 22,921,746	\$ 22,887,928	\$ (33,818)
Intergovernmental	12,322,051	10,626,680	10,644,280	17,600
Licenses and Permits	733,280	733,280	1,131,460	398,180
Fines and Forfeits	355,000	355,000	295,134	(59,866)
Public Charges for Services	2,991,025	2,991,025	2,934,110	(56,915)
Intergovernmental Charges for Services	1,032,210	1,032,210	1,322,783	290,573
Miscellaneous	1,462,054	1,462,054	2,495,668	1,033,614
Total Revenues	<u>41,817,366</u>	<u>40,121,995</u>	<u>41,711,363</u>	<u>1,589,368</u>
<b>EXPENDITURES</b>				
Current:				
General Government	5,740,550	5,740,550	5,641,075	99,475
Public Safety	25,223,455	23,613,001	23,504,074	108,927
Transportation and Streets	8,760,512	8,760,512	8,915,132	(154,620)
Sanitation, Health, and Welfare	1,026,800	1,026,800	1,023,922	2,878
Natural Resources/ Recreation:	3,527,541	3,527,541	3,202,846	324,695
Debt Service:				
Principal	55,375	55,375	55,375	-
Interest and Fiscal Charges	4,488	4,488	4,488	-
Total Expenditures	<u>44,338,721</u>	<u>42,728,267</u>	<u>42,346,912</u>	<u>381,355</u>
<b>EXCESS OF REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	(2,521,355)	(2,606,272)	(635,549)	1,970,723
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	2,221,355	2,221,355	2,221,355	-
Transfers Out	-	(1,000,000)	(1,495,060)	(495,060)
Total Other Financing Sources (Uses)	<u>2,221,355</u>	<u>1,221,355</u>	<u>726,295</u>	<u>(495,060)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(300,000)	(1,384,917)	90,746	1,475,663
Fund Balances - Beginning of Year as Originally Reported	16,142,195	16,142,195	16,142,195	-
Prior Period Adjustment	-	-	1,004,895	1,004,895
Fund Balances - Beginning of Year as Restated	<u>16,142,195</u>	<u>16,142,195</u>	<u>17,147,090</u>	<u>1,004,895</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 15,842,195</u>	<u>\$ 14,757,278</u>	<u>\$ 17,237,836</u>	<u>\$ 2,480,558</u>

See accompanying Notes to Required Supplementary Information.

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

<u>Measurement Period Ending</u>	<u>Proportion of the Net Pension Liability (Asset)</u>	<u>Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Covered Payroll (Plan Year)</u>	<u>Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)</u>
12/31/14	0.17172566 %	\$ (4,218,052)	\$ 18,308,916	23.04 %	102.74 %
12/31/15	0.17102049	2,779,050	18,179,898	15.29	98.20
12/31/16	0.17036564	1,404,220	18,160,529	7.73	99.12
12/31/17	0.17346577	(5,150,404)	18,940,393	27.19	102.93
12/31/18	0.17858294	6,353,422	19,678,481	32.29	96.45
12/31/19	0.18371268	(5,923,736)	20,482,268	28.92	102.96
12/31/20	0.18913216	(11,807,783)	21,575,781	54.73	105.26
12/31/21	0.19057348	(15,360,574)	21,164,561	72.58	106.02
12/31/22	0.19446866	10,302,374	22,661,495	45.46	95.72
12/31/23	0.19758679	2,937,732	24,302,118	12.09	98.85

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

<u>Fiscal Year Ending</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll (Fiscal Year)</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/15	\$ 1,627,588	\$ 1,627,588	\$ -	\$ 18,179,898	8.95 %
12/31/16	1,620,665	1,620,665	-	18,160,529	8.92
12/31/17	1,834,467	1,834,467	-	18,940,393	9.69
12/31/18	1,891,736	1,891,736	-	19,678,481	9.61
12/31/19	1,947,685	1,947,685	-	20,482,268	9.51
12/31/20	2,223,314	2,223,314	-	21,575,781	10.30
12/31/21	2,190,071	2,190,071	-	21,164,561	10.35
12/31/22	2,384,455	2,384,455	-	22,661,495	10.52
12/31/23	2,544,459	2,544,459	-	24,302,118	10.47
12/31/24	3,140,078	3,140,078	-	25,695,378	12.22

See accompanying Notes to Required Supplementary Information.

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

	2024	2023	2022	2021	2020	2019	2018
<b>TOTAL OPEB LIABILITY</b>							
Service Cost	\$ 38,585	\$ 51,204	\$ 55,959	\$ 50,954	\$ 43,449	\$ 46,603	\$ 46,603
Interest	21,476	10,843	14,998	16,629	23,746	22,403	23,835
Differences Between Expected and Actual Experience	(26,962)	-	(63,953)	-	(54,824)	-	-
Changes of Assumptions	(155,134)	(73,234)	(101,795)	18,308	51,945	(18,118)	-
Benefit Payments	(1,816)	(36,820)	(17,743)	(35,254)	(78,797)	(112,726)	(109,967)
<b>NET CHANGE IN TOTAL OPEB LIABILITY</b>	(123,851)	(48,007)	(112,534)	50,637	(14,481)	(61,838)	(39,529)
Total OPEB Liability - Beginning of Year	486,928	534,935	647,469	596,832	611,313	673,151	712,680
<b>TOTAL OPEB LIABILITY - END OF YEAR</b>	<b>\$ 363,077</b>	<b>\$ 486,928</b>	<b>\$ 534,935</b>	<b>\$ 647,469</b>	<b>\$ 596,832</b>	<b>\$ 611,313</b>	<b>\$ 673,151</b>
Covered-Employee Payroll	\$ 24,050,164	\$ 19,653,772	\$ 19,653,772	\$ 19,196,708	\$ 19,196,708	\$ 20,482,268	\$ 17,250,275
City's Total OPEB Liability as a Percentage of Covered-Employee Payroll	1.51%	2.48%	2.72%	3.37%	3.11%	2.98%	3.90%

See accompanying Notes to Required Supplementary Information.

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

Measurement Period 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)
12/31/17	0.2320570 %	\$ 707,188	\$ 18,940,393	3.73 %	44.81 %
12/31/18	0.2329010	600,963	19,678,481	3.05	48.69
12/31/19	0.2320800	993,045	20,482,268	4.85	37.58
12/31/20	0.2312810	1,272,212	21,575,781	5.90	31.36
12/31/21	0.2359960	1,394,824	21,164,561	6.59	32.36
12/31/22	0.2370690	903,192	21,645,136	4.17	38.81
12/31/23	0.2507080	1,153,420	17,062,000	6.76	33.90

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

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
12/31/18	\$ 4,463	\$ 4,463	\$ -	\$ 19,678,481	0.02 %
12/31/19	4,487	4,487	-	20,482,268	0.02
12/31/20	4,215	4,215	-	21,575,782	0.02
12/31/21	4,739	4,739	-	21,164,561	0.02
12/31/22	4,773	4,773	-	21,645,136	0.02
12/31/23	4,756	4,756	-	24,302,118	0.02
12/31/24	5,109	5,109	-	25,695,378	0.02

See accompanying Notes to Required Supplementary Information.

**CITY OF WAUSAU, WISCONSIN  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED DECEMBER 31, 2024**

**NOTE 1 OTHER POSTEMPLOYMENT BENEFITS**

**Single-Employer Defined Benefit Postemployment Benefit Plan**

*Changes of Benefit Terms.* There were no changes of benefit terms.

*Changes of Assumptions.* The discount rate used to develop the Total OPEB Liability changed in 2024, decreasing from 4.25% to 4.00%.

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

**Local Retiree Life Insurance Fund**

*Changes of Benefit Terms.* There were no changes of benefit terms for any participating employer in LRLIF.

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

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

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

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

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

**CITY OF WAUSAU, WISCONSIN  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED DECEMBER 31, 2024**

**NOTE 2 WISCONSIN RETIREMENT SYSTEM**

*Changes of Benefit Terms.* There were no changes of benefit terms for any participating employer in WRS.

*Changes of Assumptions.*

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

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

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

- Lowering the long-term expected rate of return from 7.2% to 7.0%
- Lowering the discount rate from 7.2% to 7.0%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Lowering the postretirement adjustments from 2.1% to 1.9%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table.

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

## **SUPPLEMENTARY INFORMATION**

**CITY OF WAUSAU, WISCONSIN  
 DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES AND  
 OTHER FINANCING SOURCES  
 YEAR ENDED DECEMBER 31, 2024**

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
<b>Taxes:</b>				
General Property Taxes	\$ 22,644,001	\$ 22,644,001	\$ 22,644,001	\$ -
Mobile Home Parking Fees	82,000	82,000	93,635	11,635
Payments in Lieu of Taxes	96,000	96,000	63,429	(32,571)
Managed Forest Land Taxes	745	745	-	-
Interest and Penalties on Taxes	99,000	99,000	85,558	-
Other Taxes	-	-	1,305	1,305
Total Taxes	<u>22,921,746</u>	<u>22,921,746</u>	<u>22,887,928</u>	<u>(19,631)</u>
<b>Intergovernmental:</b>				
State Shared Taxes	7,145,526	7,145,526	7,089,926	(55,600)
Fire Insurance Tax	150,247	150,247	165,929	15,682
Municipal Services	211,823	211,823	209,196	(2,627)
Transportation Aids	2,810,006	2,810,006	2,810,422	416
Other Grants	2,004,449	309,078	368,807	59,729
Total Intergovernmental	<u>12,322,051</u>	<u>10,626,680</u>	<u>10,644,280</u>	<u>17,600</u>
<b>Licenses and Permits:</b>				
Business Licenses	385,855	385,855	389,618	3,763
Non-Business Licenses	13,725	13,725	42,080	28,355
Permits	333,700	333,700	699,762	366,062
Total Licenses and Permits	<u>733,280</u>	<u>733,280</u>	<u>1,131,460</u>	<u>398,180</u>
<b>Fines and Forfeits:</b>	355,000	355,000	295,134	(59,866)
<b>Public Charges for Services:</b>				
General Government	73,685	73,685	78,269	4,584
Public Safety	2,442,170	2,442,170	2,401,547	(40,623)
Streets and Related Facilities	78,000	78,000	131,678	53,678
Recreation	397,170	397,170	322,616	(74,554)
Total Public Charges for Services	<u>2,991,025</u>	<u>2,991,025</u>	<u>2,934,110</u>	<u>(56,915)</u>
<b>Intergovernmental Charges for Services:</b>				
State, Federal, and Local Reimbursements	-	-	25,075	25,075
County and Other Municipalities	297,010	297,010	319,023	22,013
City Departments	735,200	735,200	978,685	243,485
Total Intergovernmental Charges for Services	<u>1,032,210</u>	<u>1,032,210</u>	<u>1,322,783</u>	<u>290,573</u>
<b>Miscellaneous:</b>				
Interest on General Investments	1,200,000	1,200,000	2,196,682	996,682
Other Interest	-	-	3,326	3,326
Rent of Land and Buildings	146,630	146,630	157,028	10,398
Sale of City Property/Loss Compensation	7,500	7,500	57,156	49,656
Other Miscellaneous Revenues	107,924	107,924	81,476	(26,448)
Total Miscellaneous	<u>1,462,054</u>	<u>1,462,054</u>	<u>2,495,668</u>	<u>1,033,614</u>
Total Revenues	41,817,366	40,121,995	41,711,363	1,603,555
<b>Other Financing Sources:</b>				
Transfers In	2,221,355	2,221,355	2,221,355	-
Total Other Financing Sources	<u>2,221,355</u>	<u>2,221,355</u>	<u>2,221,355</u>	<u>-</u>
Total Revenue and Other Financing Sources	<u>\$ 44,038,721</u>	<u>\$ 42,343,350</u>	<u>\$ 43,932,718</u>	<u>\$ 1,603,555</u>

**CITY OF WAUSAU, WISCONSIN  
 DETAILED COMPARISON OF BUDGETED AND ACTUAL EXPENDITURES AND  
 OTHER FINANCING USES  
 YEAR ENDED DECEMBER 31, 2024**

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
<b>General Government:</b>				
City Council	\$ 89,937	\$ 89,937	\$ 85,601	\$ 4,336
Mayor	199,923	199,923	216,317	(16,394)
City Promotion	180,000	180,000	148,542	31,458
Finance Department	689,203	689,203	723,838	(34,635)
IT Operations	1,384,851	1,384,851	1,347,385	37,466
City Clerk	383,940	383,940	392,637	(8,697)
Elections	207,913	207,913	116,168	91,745
Assessor	685,109	685,109	687,758	(2,649)
City Attorney	776,497	776,497	743,099	33,398
Municipal Court	161,289	161,289	136,748	24,541
Mail Center	64,000	64,000	71,437	(7,437)
Telephone	19,000	19,000	16,837	2,163
Human Resources	484,380	484,380	454,412	29,968
City Facilities	414,508	414,508	384,615	29,893
Unclassified	-	-	115,681	(115,681)
Total General Government	5,740,550	5,740,550	5,641,075	99,475
<b>Public Safety:</b>				
Police Department	12,852,068	12,322,901	12,341,693	(18,792)
Fire Department	10,364,982	9,283,695	9,285,392	(1,697)
Inspections Department	1,018,573	1,018,573	874,756	143,817
Street Lighting and Traffic Control	969,432	969,432	989,841	(20,409)
City Emergency Government	18,400	18,400	12,392	6,008
Total Public Safety	25,223,455	23,613,001	23,504,074	108,927
<b>Transportation and Streets:</b>				
Engineering	1,629,696	1,629,696	1,522,130	107,566
Public Works	7,130,816	7,130,816	7,393,002	(262,186)
Total Transportation and Streets	8,760,512	8,760,512	8,915,132	(154,620)
<b>Sanitation, Health, and Welfare:</b>				
Garbage and Refuse Collection	1,026,800	1,026,800	1,023,922	2,878
<b>Natural Resources/ Recreation:</b>				
Parks and Recreation	3,527,541	3,527,541	3,202,846	324,695
<b>Debt Service:</b>				
Principal	55,375	55,375	55,375	-
Interest	4,488	4,488	4,488	-
Total Debt Service	59,863	59,863	59,863	-
Total Expenditures	44,338,721	42,728,267	42,346,912	381,355
<b>Other Financing Uses:</b>				
Transfers to Other Funds	-	1,000,000	1,495,060	(495,060)
Total Expenditures and Other Financing Uses	<u>\$ 44,338,721</u>	<u>\$ 43,728,267</u>	<u>\$ 43,841,972</u>	<u>\$ (113,705)</u>

**CITY OF WAUSAU, WISCONSIN  
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2024**

	Special Revenue						
	Grants	HUD Mortgage	DLAD Mortgage Program	Economic Development	Federal Rent Rehabilitation	WRRP Rehabilitation	Environmental Clean Up
<b>ASSETS</b>							
Cash and Investments	\$ 3,003,055	\$ 165,052	\$ 551,812	\$ 252,824	\$ 337,818	\$ 1,267,852	\$ 834,984
Receivables:							
Taxes and Special Charges	276,699	-	-	-	-	-	-
Accounts	81,025	-	-	-	-	-	87,908
Special Assessments	-	-	-	-	-	-	-
Notes	2,324,722	2,180,799	23,614	793,903	-	686,337	-
Lease	-	-	-	-	-	-	-
Due from Other Governments	84,746	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 5,770,247</b>	<b>\$ 2,345,851</b>	<b>\$ 575,426</b>	<b>\$ 1,046,727</b>	<b>\$ 337,818</b>	<b>\$ 1,954,189</b>	<b>\$ 922,892</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>							
<b>LIABILITIES</b>							
Accounts Payable	\$ 24,526	\$ 2,670	\$ -	\$ -	\$ -	\$ -	\$ 44,500
Accrued and Other Current Liabilities	31,957	-	-	-	-	-	504
Due to Other Funds	359,032	-	-	-	-	-	-
Advance from Other Funds	-	-	-	-	-	-	-
Due to Other Governments	289	-	-	-	-	-	-
Special Deposits	-	-	-	-	-	-	-
Unearned Revenues	18,981	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>434,785</b>	<b>2,670</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>45,004</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Property Taxes Levied for Subsequent Year	452,888	-	-	-	-	-	-
Lease	-	-	-	-	-	-	-
Unavailable Revenue	2,324,722	2,180,799	23,614	793,903	-	686,337	-
Special Assessments	-	-	-	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>2,777,610</b>	<b>2,180,799</b>	<b>23,614</b>	<b>793,903</b>	<b>-</b>	<b>686,337</b>	<b>-</b>
<b>FUND BALANCES</b>							
Restricted	2,557,852	162,382	-	-	337,818	1,267,852	877,888
Committed	-	-	551,812	252,824	-	-	-
Unassigned	-	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>2,557,852</b>	<b>162,382</b>	<b>551,812</b>	<b>252,824</b>	<b>337,818</b>	<b>1,267,852</b>	<b>877,888</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 5,770,247</b>	<b>\$ 2,345,851</b>	<b>\$ 575,426</b>	<b>\$ 1,046,727</b>	<b>\$ 337,818</b>	<b>\$ 1,954,189</b>	<b>\$ 922,892</b>

**CITY OF WAUSAU, WISCONSIN**  
**COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**DECEMBER 31, 2024**

	Special Revenue						
	Haz-Mat Emergency Response	Housing Stock Improvement	Room Tax	Public Access Cable	Recycling	Public Safety Grants	400 Block
<b>ASSETS</b>							
Cash and Investments	\$ 276,012	\$ 424,270	\$ 546,777	\$ 74,533	\$ 201,841	\$ 92,881	\$ 9,057
Receivables:							
Taxes and Special Charges	-	-	-	-	477,052	-	-
Accounts	-	-	179,118	3,128	-	24,410	-
Special Assessments	-	-	-	-	-	-	-
Notes	-	423,142	100,000	-	-	-	-
Lease	-	-	-	-	-	-	-
Due from Other Governments	20,250	-	-	-	-	151,915	-
<b>Total Assets</b>	<b>\$ 296,262</b>	<b>\$ 847,412</b>	<b>\$ 825,895</b>	<b>\$ 77,661</b>	<b>\$ 678,893</b>	<b>\$ 269,206</b>	<b>\$ 9,057</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>							
<b>LIABILITIES</b>							
Accounts Payable	\$ 101	\$ -	\$ 113,936	\$ -	\$ 39,906	\$ 28,882	\$ -
Accrued and Other Current Liabilities	-	-	-	386	-	2,748	-
Due to Other Funds	-	-	-	-	-	102,809	-
Advance from Other Funds	-	-	-	-	-	-	-
Due to Other Governments	-	-	-	-	-	-	-
Special Deposits	-	-	-	-	-	-	-
Unearned Revenues	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>101</b>	<b>-</b>	<b>113,936</b>	<b>386</b>	<b>39,906</b>	<b>134,439</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Property Taxes Levied for Subsequent Year	-	-	-	-	780,815	-	-
Lease	-	-	-	-	-	-	-
Unavailable Revenue	-	423,142	100,000	-	-	-	-
Special Assessments	-	-	-	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>423,142</b>	<b>100,000</b>	<b>-</b>	<b>780,815</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>							
Restricted	296,161	-	-	-	-	134,767	-
Committed	-	424,270	611,959	77,275	-	-	9,057
Unassigned	-	-	-	-	(141,828)	-	-
<b>Total Fund Balances</b>	<b>296,161</b>	<b>424,270</b>	<b>611,959</b>	<b>77,275</b>	<b>(141,828)</b>	<b>134,767</b>	<b>9,057</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 296,262</b>	<b>\$ 847,412</b>	<b>\$ 825,895</b>	<b>\$ 77,661</b>	<b>\$ 678,893</b>	<b>\$ 269,206</b>	<b>\$ 9,057</b>

**CITY OF WAUSAU, WISCONSIN**  
**COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**DECEMBER 31, 2024**

	Special Revenue			Capital Projects			
	Animal Control	American Rescue Plan Act	Other Grants & Special Purpose Accounts	Central Capital Purchasing	TID #3 Downtown Development	TID #6 West Side Development	TID #7 West Side Development
<b>ASSETS</b>							
Cash and Investments	\$ 161,132	\$ 5,141,325	\$ 993,061	\$ 503,924	\$ 1,613,064	\$ 3,444,998	\$ 672,319
Receivables:							
Taxes and Special Charges	27,706	-	-	492,827	1,656,232	2,366,456	1,055,856
Accounts	10,422	-	3,284	-	1,010	-	-
Special Assessments	-	-	-	-	-	-	-
Notes	-	-	-	-	928,797	29,098	-
Lease	-	-	-	-	-	466,289	-
Due from Other Governments	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 199,260</b>	<b>\$ 5,141,325</b>	<b>\$ 996,345</b>	<b>\$ 996,751</b>	<b>\$ 4,199,103</b>	<b>\$ 6,306,841</b>	<b>\$ 1,728,175</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>							
<b>LIABILITIES</b>							
Accounts Payable	\$ 8,202	\$ 256,920	\$ 973	\$ 56,232	\$ 5,380	\$ -	\$ -
Accrued and Other Current Liabilities	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	-
Advance from Other Funds	-	-	-	-	-	-	-
Due to Other Governments	25,925	-	-	-	-	-	-
Special Deposits	-	-	56,369	-	-	-	-
Unearned Revenues	-	4,512,291	-	-	-	-	-
<b>Total Liabilities</b>	<b>34,127</b>	<b>4,769,211</b>	<b>57,342</b>	<b>56,232</b>	<b>5,380</b>	<b>-</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Property Taxes Levied for Subsequent Year	45,348	-	-	806,636	2,710,841	3,873,301	1,728,175
Lease	-	-	-	-	-	466,289	-
Unavailable Revenue	-	-	-	-	928,797	29,098	-
Special Assessments	-	-	-	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>45,348</b>	<b>-</b>	<b>-</b>	<b>806,636</b>	<b>3,639,638</b>	<b>4,368,688</b>	<b>1,728,175</b>
<b>FUND BALANCES</b>							
Restricted	-	-	939,003	133,883	554,085	1,938,153	-
Committed	119,785	372,114	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>119,785</b>	<b>372,114</b>	<b>939,003</b>	<b>133,883</b>	<b>554,085</b>	<b>1,938,153</b>	<b>-</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 199,260</b>	<b>\$ 5,141,325</b>	<b>\$ 996,345</b>	<b>\$ 996,751</b>	<b>\$ 4,199,103</b>	<b>\$ 6,306,841</b>	<b>\$ 1,728,175</b>

**CITY OF WAUSAU, WISCONSIN**  
**COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**DECEMBER 31, 2024**

	Capital Projects					Totals
	TID #8 Near West Side	TID #9 Big Bull Falls	TID #10 Industrial Park	TID #11 Business Campus	TID #12 Downtown Development	
<b>ASSETS</b>						
Cash and Investments	\$ 555,886	\$ 22,258	\$ 650,204	\$ 1,550,071	\$ 230,002	\$ 23,577,012
Receivables:						
Taxes and Special Charges	915,880	12,138	430,665	865,573	229,480	8,806,564
Accounts	-	-	-	-	-	390,305
Special Assessments	69,909	-	-	-	-	69,909
Notes	594,331	-	-	1,135,714	1,135,714	10,356,171
Lease	-	-	-	-	-	466,289
Due from Other Governments	-	-	-	36,613	-	293,524
<b>Total Assets</b>	<b>\$ 2,136,006</b>	<b>\$ 34,396</b>	<b>\$ 1,080,869</b>	<b>\$ 3,587,971</b>	<b>\$ 1,595,196</b>	<b>\$ 43,959,774</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts Payable	\$ 11,644	\$ -	\$ 974,517	\$ 13,700	\$ 83,881	\$ 1,665,970
Accrued and Other Current Liabilities	-	-	-	-	-	35,595
Due to Other Funds	-	-	-	-	845,000	1,306,841
Advance from Other Funds	-	286,719	-	-	1,006,016	1,292,735
Due to Other Governments	-	-	-	-	-	26,214
Special Deposits	-	-	-	-	-	56,369
Unearned Revenues	-	-	-	-	-	4,531,272
<b>Total Liabilities</b>	<b>11,644</b>	<b>286,719</b>	<b>974,517</b>	<b>13,700</b>	<b>1,934,897</b>	<b>8,914,996</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Property Taxes Levied for Subsequent Year	1,499,068	19,867	704,891	1,416,728	375,601	14,414,159
Lease	-	-	-	-	-	466,289
Unavailable Revenue	594,331	-	-	1,135,714	1,135,714	10,356,171
Special Assessments	69,909	-	-	-	-	69,909
<b>Total Deferred Inflows of Resources</b>	<b>2,163,308</b>	<b>19,867</b>	<b>704,891</b>	<b>2,552,442</b>	<b>1,511,315</b>	<b>25,306,528</b>
<b>FUND BALANCES</b>						
Restricted	-	-	-	1,021,829	-	10,221,673
Committed	-	-	-	-	-	2,419,096
Unassigned	(38,946)	(272,190)	(598,539)	-	(1,851,016)	(2,902,519)
<b>Total Fund Balances</b>	<b>(38,946)</b>	<b>(272,190)</b>	<b>(598,539)</b>	<b>1,021,829</b>	<b>(1,851,016)</b>	<b>9,738,250</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 2,136,006</b>	<b>\$ 34,396</b>	<b>\$ 1,080,869</b>	<b>\$ 3,587,971</b>	<b>\$ 1,595,196</b>	<b>\$ 43,959,774</b>

**CITY OF WAUSAU, WISCONSIN**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2024**

	Special Revenue						Environmental Clean Up
	Grants	HUD Mortgage	DLAD Mortgage Program	Economic Development	Federal Rent Rehabilitation	WRRP Rehabilitation	
<b>REVENUES</b>							
Taxes	\$ 441,673	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-	-
Intergovernmental	750,119	-	-	-	-	-	-
Licenses and Permits	-	-	-	-	-	-	-
Fines and Forfeits	-	-	-	-	-	-	-
Public Charges for Services	950	-	-	-	-	-	135,085
Intergovernmental Charges for Services	-	-	-	-	-	-	-
Miscellaneous	579,448	141,329	1,978	-	-	191,174	-
<b>Total Revenues</b>	<b>1,772,190</b>	<b>141,329</b>	<b>1,978</b>	<b>-</b>	<b>-</b>	<b>191,174</b>	<b>135,085</b>
<b>EXPENDITURES</b>							
Current:							
General Government	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-
Transportation and Streets	-	-	-	-	-	-	306,808
Sanitation, Health, and Welfare	-	-	-	-	-	-	-
Natural Resources and Recreation	-	-	-	-	-	-	-
Economic Development	1,175,761	119,147	101	3,677	-	1,500	-
Debt Service:							
Interest and Fiscal Charges	-	-	-	-	-	-	-
Capital Outlay	143,560	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>1,319,321</b>	<b>119,147</b>	<b>101</b>	<b>3,677</b>	<b>-</b>	<b>1,500</b>	<b>306,808</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>452,869</b>	<b>22,182</b>	<b>1,877</b>	<b>(3,677)</b>	<b>-</b>	<b>189,674</b>	<b>(171,723)</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Long-Term Debt Issued	-	-	-	-	-	-	-
Premium on Debt Issued	-	-	-	-	-	-	-
Proceeds from Sale of Capital Assets	-	-	-	-	-	-	-
Transfers In	45,717	-	-	-	-	-	-
Transfers Out	(17,452)	(28,266)	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>28,265</b>	<b>(28,266)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>481,134</b>	<b>(6,084)</b>	<b>1,877</b>	<b>(3,677)</b>	<b>-</b>	<b>189,674</b>	<b>(171,723)</b>
Fund Balances - Beginning of Year as Originally Reported	2,044,053	168,466	549,935	256,501	337,818	1,078,178	1,047,871
Adjustment	32,665	-	-	-	-	-	1,740
Fund Balances - Beginning of Year as Adjusted	2,076,718	168,466	549,935	256,501	337,818	1,078,178	1,049,611
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 2,557,852</b>	<b>\$ 162,382</b>	<b>\$ 551,812</b>	<b>\$ 252,824</b>	<b>\$ 337,818</b>	<b>\$ 1,267,852</b>	<b>\$ 877,888</b>

**CITY OF WAUSAU, WISCONSIN**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2024**

	Special Revenue						
	Haz-Mat Emergency Response	Housing Stock Improvement	Room Tax	Public Access Cable	Recycling	Public Safety Grants	
<b>REVENUES</b>							
Taxes	\$ -	\$ -	\$ 1,104,986	\$ -	\$ 704,441	\$ -	\$ -
Special Assessments	-	-	-	-	-	-	-
Intergovernmental	39,455	-	-	-	147,519	1,311,731	-
Licenses and Permits	-	-	-	53,841	640	-	-
Fines and Forfeits	-	-	-	-	-	-	-
Public Charges for Services	-	-	-	11,603	-	-	-
Intergovernmental Charges for Services	21,968	-	-	-	-	-	-
Miscellaneous	-	101,936	-	-	-	137,000	-
<b>Total Revenues</b>	<b>61,423</b>	<b>101,936</b>	<b>1,104,986</b>	<b>65,444</b>	<b>852,600</b>	<b>1,448,731</b>	<b>-</b>
<b>EXPENDITURES</b>							
Current:							
General Government	-	-	-	35,357	-	-	-
Public Safety	-	-	-	-	-	1,276,045	-
Transportation and Streets	59,759	-	-	-	915,656	-	-
Sanitation, Health, and Welfare	-	-	-	-	-	-	-
Natural Resources and Recreation	-	-	45,021	-	-	-	153,481
Economic Development	-	40,641	815,560	-	-	-	-
Debt Service:							
Interest and Fiscal Charges	-	-	-	-	-	-	-
Capital Outlay	-	-	1,199	-	-	38,550	59,285
<b>Total Expenditures</b>	<b>59,759</b>	<b>40,641</b>	<b>861,780</b>	<b>35,357</b>	<b>915,656</b>	<b>1,314,595</b>	<b>212,766</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,664</b>	<b>61,295</b>	<b>243,206</b>	<b>30,087</b>	<b>(63,056)</b>	<b>134,136</b>	<b>(212,766)</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Long-Term Debt Issued	-	-	-	-	-	-	-
Premium on Debt Issued	-	-	-	-	-	-	-
Proceeds from Sale of Capital Assets	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	52,755
Transfers Out	-	-	(199,110)	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>(199,110)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>52,755</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>1,664</b>	<b>61,295</b>	<b>44,096</b>	<b>30,087</b>	<b>(63,056)</b>	<b>134,136</b>	<b>(160,011)</b>
Fund Balances - Beginning of Year as Originally Reported	294,497	362,975	567,863	47,188	(78,772)	(16,907)	169,068
Adjustment	-	-	-	-	-	17,538	-
Fund Balances - Beginning of Year as Adjusted	294,497	362,975	567,863	47,188	(78,772)	631	169,068
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 296,161</b>	<b>\$ 424,270</b>	<b>\$ 611,959</b>	<b>\$ 77,275</b>	<b>\$ (141,828)</b>	<b>\$ 134,767</b>	<b>\$ 9,057</b>

**CITY OF WAUSAU, WISCONSIN**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2024**

	Special Revenue			Capital Projects			
	Animal Control	American Rescue Plan Act	Other Grants & Special Purpose Accounts	Central Capital Purchasing	Capital Improvements	TID #3 Downtown Development	TID #6 West Side Development
<b>REVENUES</b>							
Taxes	\$ 59,693	\$ -	\$ -	\$ 714,554	\$ -	\$ 3,618,197	\$ 4,087,252
Special Assessments	-	-	-	-	-	-	11,792
Intergovernmental	-	3,201,756	2,283	3,724	-	374,659	141,008
Licenses and Permits	86,105	-	3,000	-	-	-	-
Fines and Forfeits	650	-	-	-	-	-	-
Public Charges for Services	1,157	-	52,953	-	-	-	-
Intergovernmental Charges for Services	-	-	-	-	-	-	-
Miscellaneous	66	398,411	53,657	126,440	-	104,549	196,016
<b>Total Revenues</b>	<b>147,671</b>	<b>3,600,167</b>	<b>111,893</b>	<b>844,718</b>	<b>-</b>	<b>4,097,405</b>	<b>4,436,068</b>
<b>EXPENDITURES</b>							
Current:							
General Government	-	-	3,490	-	-	-	-
Public Safety	-	-	59,504	36,694	-	-	-
Transportation and Streets	-	-	1,500	-	-	899,613	-
Sanitation, Health, and Welfare	185,490	-	-	-	-	-	-
Natural Resources and Recreation	-	-	8,134	93,951	-	-	-
Economic Development	-	2,674,560	-	-	-	187,185	52,765
Debt Service:							
Interest and Fiscal Charges	-	-	-	-	-	-	-
Capital Outlay	-	528,401	-	905,316	-	907,688	-
<b>Total Expenditures</b>	<b>185,490</b>	<b>3,202,961</b>	<b>72,628</b>	<b>1,035,961</b>	<b>-</b>	<b>1,994,486</b>	<b>52,765</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(37,819)</b>	<b>397,206</b>	<b>39,265</b>	<b>(191,243)</b>	<b>-</b>	<b>2,102,919</b>	<b>4,383,303</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Long-Term Debt Issued	-	-	-	-	-	-	-
Premium on Debt Issued	-	-	-	-	-	-	-
Proceeds from Sale of Capital Assets	-	-	-	32,865	-	-	-
Transfers In	-	-	-	210,000	-	-	672,245
Transfers Out	-	(210,000)	-	-	-	(2,101,399)	(4,127,700)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(210,000)</b>	<b>-</b>	<b>242,865</b>	<b>-</b>	<b>(2,101,399)</b>	<b>(3,455,455)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(37,819)</b>	<b>187,206</b>	<b>39,265</b>	<b>51,622</b>	<b>-</b>	<b>1,520</b>	<b>927,848</b>
Fund Balances - Beginning of Year as Originally Reported	157,383	183,730	899,738	82,261	943,690	552,565	1,010,305
Adjustment	221	1,178	-	-	(943,690)	-	-
Fund Balances - Beginning of Year as Adjusted	157,604	184,908	899,738	82,261	-	552,565	1,010,305
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 119,785</b>	<b>\$ 372,114</b>	<b>\$ 939,003</b>	<b>\$ 133,883</b>	<b>\$ -</b>	<b>\$ 554,085</b>	<b>\$ 1,938,153</b>

**CITY OF WAUSAU, WISCONSIN**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2024**

	Capital Projects						Totals
	TID #7 West Side Development	TID #8 Near West Side	TID #9 Big Bull Falls	TID #10 Industrial Park	TID #11 Business Campus	TID #12 Downtown Development	
<b>REVENUES</b>							
Taxes	\$ 2,136,717	\$ 810,780	\$ 23,325	\$ 723,863	\$ 1,144,518	\$ 431,725	\$ 16,001,724
Special Assessments	-	88,983	-	-	-	-	100,775
Intergovernmental	26,267	223,795	2,055	43,220	596,102	-	6,863,693
Licenses and Permits	-	11	-	-	-	-	143,597
Fines and Forfeits	-	-	-	-	-	-	650
Public Charges for Services	-	-	-	-	-	-	201,748
Intergovernmental Charges for Services	-	-	-	-	-	-	21,968
Miscellaneous	-	124,153	-	10,246	-	126,789	2,293,192
<b>Total Revenues</b>	<b>2,162,984</b>	<b>1,247,722</b>	<b>25,380</b>	<b>777,329</b>	<b>1,740,620</b>	<b>558,514</b>	<b>25,627,347</b>
<b>EXPENDITURES</b>							
Current:							
General Government	-	-	-	-	-	-	38,847
Public Safety	-	-	-	-	-	-	1,372,243
Transportation and Streets	-	14,131	-	6,550	163	142,914	2,347,094
Sanitation, Health, and Welfare	-	-	-	-	-	-	185,490
Natural Resources and Recreation	-	-	-	-	-	-	300,587
Economic Development	150	79,701	2,579	127,019	40,719	1,070,389	6,391,454
Debt Service:							
Interest and Fiscal Charges	-	4,780	-	-	-	-	4,780
Capital Outlay	-	432,911	-	3,617,192	161,630	186,948	6,982,680
<b>Total Expenditures</b>	<b>150</b>	<b>531,523</b>	<b>2,579</b>	<b>3,750,761</b>	<b>202,512</b>	<b>1,400,251</b>	<b>17,623,175</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>2,162,834</b>	<b>716,199</b>	<b>22,801</b>	<b>(2,973,432)</b>	<b>1,538,108</b>	<b>(841,737)</b>	<b>8,004,172</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Long-Term Debt Issued	-	325,000	-	3,105,000	-	-	3,430,000
Premium on Debt Issued	-	19,022	-	216,609	-	-	235,631
Proceeds from Sale of Capital Assets	-	-	-	-	-	-	32,865
Transfers In	-	-	-	-	-	2,162,834	3,143,551
Transfers Out	(2,162,834)	(1,032,930)	-	(143,210)	(1,219,328)	(902,343)	(12,144,572)
<b>Total Other Financing Sources (Uses)</b>	<b>(2,162,834)</b>	<b>(688,908)</b>	<b>-</b>	<b>3,178,399</b>	<b>(1,219,328)</b>	<b>1,260,491</b>	<b>(5,302,525)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>-</b>	<b>27,291</b>	<b>22,801</b>	<b>204,967</b>	<b>318,780</b>	<b>418,754</b>	<b>2,701,647</b>
Fund Balances - Beginning of Year as Originally Reported	-	(66,237)	(294,991)	(803,506)	703,049	(2,269,770)	7,926,951
Adjustment	-	-	-	-	-	-	(890,348)
Fund Balances - Beginning of Year as Adjusted	-	(66,237)	(294,991)	(803,506)	703,049	(2,269,770)	7,036,603
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ -</b>	<b>\$ (38,946)</b>	<b>\$ (272,190)</b>	<b>\$ (598,539)</b>	<b>\$ 1,021,829</b>	<b>\$ (1,851,016)</b>	<b>\$ 9,738,250</b>

**CITY OF WAUSAU, WISCONSIN**  
**COMBINING STATEMENT OF NET POSITION – NONMAJOR ENTERPRISE FUNDS**  
**DECEMBER 31, 2024**

	Parking Utility	Metro Ride	Airport Fund	Total
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and Investments	\$ -	\$ 200,488	\$ 73,670	\$ 274,158
Receivables:				
Taxes	115,211	678,533	203,262	997,006
Accounts	112,556	37,643	4,998	155,197
Lease	-	-	88,330	88,330
Due from Other Governments	-	1,890,096	-	1,890,096
Supplies and Prepaid Items	-	220,640	-	220,640
Total Current Assets	<u>227,767</u>	<u>3,027,400</u>	<u>370,260</u>	<u>3,625,427</u>
<b>CAPITAL ASSETS</b>				
Nondepreciable	3,111,646	325,529	248,000	3,685,175
Depreciable	<u>12,355,728</u>	<u>3,100,441</u>	<u>1,071,168</u>	<u>16,527,337</u>
Total Capital Assets	<u>15,467,374</u>	<u>3,425,970</u>	<u>1,319,168</u>	<u>20,212,512</u>
Total Assets	<u>15,695,141</u>	<u>6,453,370</u>	<u>1,689,428</u>	<u>23,837,939</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension Related Amounts	95,296	1,132,381	-	1,227,677
Other Postemployment Related Amounts	1,684	19,293	-	20,977
Total Deferred Outflows of Resources	<u>96,980</u>	<u>1,151,674</u>	<u>-</u>	<u>1,248,654</u>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Accounts Payable	32,984	20,646	10,556	64,186
Accrued and Other Current Liabilities	2,495	74,666	488	77,649
Due to Other Funds	251,818	-	-	251,818
Due to Other Governments	2,639	-	6,618	9,257
Unearned Revenue	-	185,805	-	185,805
Current Portion of Long-Term				
Lease Liability	66,814	-	-	66,814
Compensated Absences	3,400	55,838	176	59,414
Total Current Liabilities	<u>360,150</u>	<u>336,955</u>	<u>17,838</u>	<u>714,943</u>
<b>LONG-TERM OBLIGATIONS, Less:</b>				
<b>Current Portion</b>				
Lease Liability	48,978	-	-	48,978
Compensated Absences	-	67,105	-	67,105
Net Pension Liability	11,018	126,270	-	137,288
Other Postemployment Benefits	4,326	49,576	-	53,902
Total Long-Term Liabilities	<u>64,322</u>	<u>242,951</u>	<u>-</u>	<u>307,273</u>
Total Liabilities	<u>424,472</u>	<u>579,906</u>	<u>17,838</u>	<u>1,022,216</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property Taxes Levied for Subsequent Year	188,572	1,110,590	332,690	1,631,852
Pension Related Amounts	59,104	677,321	-	736,425
Lease	-	-	88,330	88,330
Other Postemployment Related Amounts	2,112	24,199	-	26,311
Total Deferred Inflows of Resources	<u>249,788</u>	<u>1,812,110</u>	<u>421,020</u>	<u>2,482,918</u>
<b>NET POSITION</b>				
Net Investment In Capital Assets	15,351,582	3,425,970	1,319,168	20,096,720
Unrestricted	<u>(233,721)</u>	<u>1,787,058</u>	<u>(68,598)</u>	<u>1,484,739</u>
Total Net Position	<u>\$ 15,117,861</u>	<u>\$ 5,213,028</u>	<u>\$ 1,250,570</u>	<u>\$ 21,581,459</u>

**CITY OF WAUSAU, WISCONSIN  
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION –  
NONMAJOR ENTERPRISE FUNDS  
YEAR ENDED DECEMBER 31, 2024**

	Parking Utility	Metro Ride	Airport Fund	Total
<b>OPERATING REVENUES</b>				
Charges for Services	\$ 439,782	\$ 422,253	\$ 134,940	\$ 996,975
Other	128,859	12,341	17,074	158,274
Total Operating Revenues	<u>568,641</u>	<u>434,594</u>	<u>152,014</u>	<u>1,155,249</u>
<b>OPERATING EXPENSES</b>				
Operation and Maintenance	721,824	3,711,098	520,198	4,953,120
Depreciation and Amortization	725,204	593,249	99,373	1,417,826
Total Operating Expenses	<u>1,447,028</u>	<u>4,304,347</u>	<u>619,571</u>	<u>6,370,946</u>
<b>OPERATING LOSS</b>	(878,387)	(3,869,753)	(467,557)	(5,215,697)
<b>NONOPERATING REVENUES (EXPENSES)</b>				
General Property Taxes	297,000	976,589	260,439	1,534,028
Nonoperating Grants	-	2,540,419	-	2,540,419
Gain (Loss) on Disposal of Capital Assets	(42,137)	-	-	(42,137)
Interest and Fiscal Charges	(5,940)	-	-	(5,940)
Other Nonoperating Revenues (Expenses)	310	-	-	310
Total Nonoperating Revenues	<u>249,233</u>	<u>3,517,008</u>	<u>260,439</u>	<u>4,026,680</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS</b>	(629,154)	(352,745)	(207,118)	(1,189,017)
Capital Contributions	397,736	-	107,054	504,790
<b>CHANGE IN NET POSITION</b>	(231,418)	(352,745)	(100,064)	(684,227)
Net Position - Beginning of Year	<u>15,349,279</u>	<u>5,565,773</u>	<u>1,350,634</u>	<u>22,265,686</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 15,117,861</u>	<u>\$ 5,213,028</u>	<u>\$ 1,250,570</u>	<u>\$ 21,581,459</u>

**CITY OF WAUSAU, WISCONSIN  
COMBINING STATEMENT OF CASH FLOWS – NONMAJOR ENTERPRISE FUNDS  
YEAR ENDED DECEMBER 31, 2024**

	Parking Utility	Metro Ride	Airport Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash Received from Customers and Users	\$ 526,102	\$ 586,278	\$ 156,741	\$ 1,269,121
Cash Paid for Employee Wages and Benefits	(143,663)	(2,731,982)	(33,501)	(2,909,146)
Cash Paid to Suppliers	(594,571)	(1,191,507)	(478,120)	(2,264,198)
Net Cash Used by Operating Activities	(212,132)	(3,337,211)	(354,880)	(3,904,223)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
General Property Taxes	265,035	1,062,315	297,507	1,624,857
Intergovernmental Revenues	-	2,384,624	-	2,384,624
Due to/from Other Funds	35,714	-	-	35,714
Net Cash Provided by Noncapital Financing Activities	300,749	3,446,939	297,507	4,045,195
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of Capital Assets	(19,554)	(178,493)	-	(198,047)
Other Revenue	310	-	-	310
Principal Paid on Long-Term Debt	(63,433)	-	-	(63,433)
Interest Paid on Long-Term Debt	(5,940)	-	-	(5,940)
Net Cash Provided (Used) by Capital and Related Financing Activities	(88,617)	(178,493)	-	(267,110)
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	-	(68,765)	(57,373)	(126,138)
Cash and Cash Equivalents - Beginning of Year	-	269,253	131,043	400,296
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ -</u>	<u>\$ 200,488</u>	<u>\$ 73,670</u>	<u>\$ 274,158</u>

**CITY OF WAUSAU, WISCONSIN**  
**COMBINING STATEMENT OF CASH FLOWS – NONMAJOR ENTERPRISE FUNDS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2024**

	Parking Utility	Metro Ride	Airport Fund	Total
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES</b>				
Operating Loss	\$ (878,387)	\$ (3,869,753)	\$ (467,557)	\$ (5,215,697)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation	725,204	593,249	99,373	1,417,826
Change in Liability (Asset) and Deferred Outflows and Inflows of Resources:				
Change in Pension Asset (Liability)	(44,358)	(343,943)	-	(388,301)
Change in Pension Deferred Outflow	105,996	618,446	-	724,442
Change in Pension Deferred Inflow	(57,308)	(311,162)	-	(368,470)
Change In OPEB Liability	(529)	8,353	-	7,824
Change In OPEB Deferred Outflow	247	(2,895)	-	(2,648)
Change In OPEB Deferred Inflow	(1,305)	(4,818)	-	(6,123)
Change In Operating Assets And Liabilities:				
Accounts Receivable	(42,539)	(6,967)	1,174	(48,332)
Inventories and Prepaid Items	-	(33,453)	-	(33,453)
Accounts Payable	(21,860)	(191,447)	8,233	(205,074)
Accrued and Other Current liabilities	535	-	320	855
Due to Other Governments	2,290	24,650	3,553	30,493
Unearned Revenue	-	158,651	-	158,651
Compensated Absences	(118)	23,878	24	23,784
Net Cash Used by Operating Activities	<u>\$ (212,132)</u>	<u>\$ (3,337,211)</u>	<u>\$ (354,880)</u>	<u>\$ (3,904,223)</u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION</b>				
Cash and Cash Equivalents in Current Assets	<u>\$ -</u>	<u>\$ 200,488</u>	<u>\$ 73,670</u>	<u>\$ 274,158</u>
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Capital Asset Financed by Municipality	<u>\$ 397,736</u>	<u>\$ -</u>	<u>\$ 107,054</u>	<u>\$ 504,790</u>

**CITY OF WAUSAU, WISCONSIN  
COMBINING STATEMENT OF NET POSITION – INTERNAL SERVICE FUNDS  
YEAR ENDED DECEMBER 31, 2024**

<b>ASSETS</b>	<u>Motor Pool</u>	<u>Insurance Fund</u>	<u>Employee Benefits Fund</u>	<u>Total</u>
<b>CURRENT ASSETS</b>				
Cash and Investments	\$ 223,259	\$ 2,595,406	\$ 1,912,109	\$ 4,730,774
Receivables:				
Accounts	12,323	38,236	43,100	93,659
Inventories and Prepaid Items	349,791	4,852	-	354,643
Total Current Assets	<u>585,373</u>	<u>2,638,494</u>	<u>1,955,209</u>	<u>5,179,076</u>
<b>CAPITAL ASSETS</b>				
Depreciable	11,274,187	-	-	11,274,187
Total Assets	<u>11,859,560</u>	<u>2,638,494</u>	<u>1,955,209</u>	<u>16,453,263</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension Related Amounts	423,200	-	-	423,200
Other Postemployment Related Amounts	7,071	-	-	7,071
Total Deferred Outflows of Resources	<u>430,271</u>	<u>-</u>	<u>-</u>	<u>430,271</u>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Accounts Payable	53,266	9,704	3,901	66,871
Accrued and Other Current Liabilities	26,611	-	40,535	67,146
Insurance Claims Payable	-	152,222	8,700	160,922
Unearned Revenue	-	-	508,576	508,576
Total Current Liabilities	<u>79,877</u>	<u>161,926</u>	<u>561,712</u>	<u>803,515</u>
<b>LONG-TERM OBLIGATIONS</b>				
Compensated Absences	15,250	-	-	15,250
Claims Payable	-	198,000	-	198,000
Net Pension Liability	46,280	-	-	46,280
Other Postemployment Benefits	18,171	-	-	18,171
Total Long-Term Liabilities	<u>79,701</u>	<u>198,000</u>	<u>-</u>	<u>277,701</u>
Total Liabilities	159,578	359,926	561,712	1,081,216
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension Related Amounts	248,251	-	-	248,251
Other Postemployment Related Amounts	8,870	-	-	8,870
Total Deferred Inflows of Resources	<u>257,121</u>	<u>-</u>	<u>-</u>	<u>257,121</u>
<b>NET POSITION</b>				
Net Investment In Capital Assets	11,274,187	-	-	11,274,187
Unrestricted	598,945	2,278,568	1,393,497	4,271,010
Total Net Position	<u>\$ 11,873,132</u>	<u>\$ 2,278,568</u>	<u>\$ 1,393,497</u>	<u>\$ 15,545,197</u>

**CITY OF WAUSAU, WISCONSIN  
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION –  
INTERNAL SERVICE FUNDS  
YEAR ENDED DECEMBER 31, 2024**

	Motor Pool	Insurance Fund	Employee Benefits Fund	Total
<b>OPERATING REVENUES</b>				
Charges for Services	\$ 5,033,127	\$ 1,349,566	\$ 6,447,260	\$ 12,829,953
Other	-	4,280	-	4,280
Total Operating Revenues	<u>5,033,127</u>	<u>1,353,846</u>	<u>6,447,260</u>	<u>12,834,233</u>
<b>OPERATING EXPENSES</b>				
Operation and Maintenance	3,220,652	251,082	6,466,396	9,938,130
Depreciation	1,937,418	-	-	1,937,418
Total Operating Expenses	<u>5,158,070</u>	<u>251,082</u>	<u>6,466,396</u>	<u>11,875,548</u>
<b>OPERATING INCOME</b>	(124,943)	1,102,764	(19,136)	958,685
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest Income	-	66,127	-	66,127
Gain on Disposal of Capital Assets	70,093	-	-	70,093
Other Nonoperating Revenues	81,682	-	-	81,682
Total Nonoperating Revenues (Expenses)	<u>151,775</u>	<u>66,127</u>	<u>-</u>	<u>217,902</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	26,832	1,168,891	(19,136)	1,176,587
Capital Contributions	917,748	-	-	917,748
<b>CHANGE IN NET POSITION</b>	944,580	1,168,891	(19,136)	2,094,335
Net Position - Beginning of Year	<u>10,928,552</u>	<u>1,109,677</u>	<u>1,412,633</u>	<u>13,450,862</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 11,873,132</u>	<u>\$ 2,278,568</u>	<u>\$ 1,393,497</u>	<u>\$ 15,545,197</u>

**CITY OF WAUSAU, WISCONSIN**  
**COMBINING STATEMENT OF CASH FLOW – INTERNAL SERVICE FUNDS**  
**YEAR ENDED DECEMBER 31, 2024**

	Motor Pool	Insurance Fund	Employee Benefits Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash Received from Interfund Services	\$ 5,025,826	\$ 1,320,431	\$ 6,394,956	\$ 12,741,213
Cash Paid for Employee Wages and Benefits	(1,111,887)	(999,279)	(5,894,119)	(8,005,285)
Cash Paid to Suppliers	(2,526,603)	-	-	(2,526,603)
Net Cash Provided by Operating Activities	<u>1,387,336</u>	<u>321,152</u>	<u>500,837</u>	<u>2,209,325</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of Capital Assets	(2,419,819)	-	-	(2,419,819)
Sale of Capital Assets	175,106	-	-	175,106
Other Revenue	81,682	-	-	81,682
Net Cash Used by Capital and Related Financing Activities	<u>(2,163,031)</u>	<u>-</u>	<u>-</u>	<u>(2,163,031)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest Received	-	66,127	-	66,127
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	(775,695)	387,279	500,837	112,421
Cash and Cash Equivalents - Beginning of Year	<u>998,954</u>	<u>2,208,127</u>	<u>1,411,272</u>	<u>4,618,353</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 223,259</u>	<u>\$ 2,595,406</u>	<u>\$ 1,912,109</u>	<u>\$ 4,730,774</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>				
Operating Income	\$ (124,943)	\$ 1,102,764	\$ (19,136)	\$ 958,685
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation	1,937,418	-	-	1,937,418
Change in Liability (Asset) and Deferred Outflows and Inflows of Resources:				
Change in Pension Asset (Liability)	(97,998)	-	-	(97,998)
Change in Pension Deferred Outflow	121,119	-	-	121,119
Change in Pension Deferred Inflow	(55,052)	-	-	(55,052)
Change In OPEB Liability	5,522	-	-	5,522
Change In OPEB Deferred Outflow	(2,040)	-	-	(2,040)
Change In OPEB Deferred Inflow	(34)	-	-	(34)
Change In Operating Assets and Liabilities:				
Accounts Receivable	(7,301)	(33,415)	(42,304)	(83,020)
Inventories and Prepaid Items	(29,835)	(4,852)	508,879	474,192
Accounts Payable	(362,171)	(5,025)	3,801	(363,395)
Accrued and Other Current liabilities	9,010	-	2,429	11,439
Unearned Revenue	-	-	57,168	57,168
Claims Payable	-	(738,320)	(10,000)	(748,320)
Compensated Absences	(6,359)	-	-	(6,359)
Net Cash Provided by Operating Activities	<u>\$ 1,387,336</u>	<u>\$ 321,152</u>	<u>\$ 500,837</u>	<u>\$ 2,209,325</u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION</b>				
Cash and Cash Equivalents in Current Assets	<u>\$ 223,259</u>	<u>\$ 2,595,406</u>	<u>\$ 1,912,109</u>	<u>\$ 4,730,774</u>

**CITY OF WAUSAU, WISCONSIN  
COMBINING STATEMENT OF FIDUCIARY NET POSITION – CUSTODIAL FUNDS  
YEAR ENDED DECEMBER 31, 2024**

	Tax Collection Fund	Entrepreneurial & Education Center	Wausau Area Events	Wausau River District	Total
<b>ASSETS</b>					
Cash and Investments	\$ 17,623,512	\$ 341,773	\$ 102,255	\$ 1,871	\$ 18,069,411
Receivables:					
Taxes	27,560,403	-	-	-	27,560,403
Accounts	-	2,952	-	-	2,952
Prepaid Expense	-	-	49,658	-	49,658
Total Assets	<u>45,183,915</u>	<u>344,725</u>	<u>151,913</u>	<u>1,871</u>	<u>45,682,424</u>
<b>LIABILITIES</b>					
Accounts Payable	74,160	21,761	13,575	-	109,496
Other Liabilities	-	18,507	-	-	18,507
Total Liabilities	<u>74,160</u>	<u>40,268</u>	<u>13,575</u>	<u>-</u>	<u>128,003</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Property Taxes Levied for Subsequent Year	<u>45,109,755</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,109,755</u>
<b>NET POSITION</b>					
Restricted	<u>\$ -</u>	<u>\$ 304,457</u>	<u>\$ 138,338</u>	<u>\$ 1,871</u>	<u>\$ 444,666</u>

**CITY OF WAUSAU, WISCONSIN  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – CUSTODIAL FUNDS  
YEAR ENDED DECEMBER 31, 2024**

	Tax Collection Fund	Entrepreneurial & Education Center	Wausau Area Events	Wausau River District	Total
<b>ADDITIONS</b>					
Property Tax Collections	\$ 47,575,008	\$ -	\$ -	\$ -	\$ 47,575,008
Intergovernmental	-	38,618	114,026	-	152,644
Public Charges for Service	-	-	161,427	-	161,427
Interest and Other Miscellaneous Revenues	-	260,107	226,021	1,871	487,999
Total Additions	<u>47,575,008</u>	<u>298,725</u>	<u>501,474</u>	<u>1,871</u>	<u>48,377,078</u>
<b>DEDUCTIONS</b>					
Payments to Taxing Jurisdictions	47,575,008	-	-	-	47,575,008
Operating and Maintenance	-	242,535	550,656	-	793,191
Total Deductions	<u>47,575,008</u>	<u>242,535</u>	<u>550,656</u>	<u>-</u>	<u>48,368,199</u>
<b>CHANGE IN NET POSITION</b>	-	56,190	(49,182)	1,871	8,879
Net Position - Beginning of Year	-	248,267	187,520	-	435,787
<b>NET POSITION - END OF YEAR</b>	<u>\$ -</u>	<u>\$ 304,457</u>	<u>\$ 138,338</u>	<u>\$ 1,871</u>	<u>\$ 444,666</u>

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



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

City Council  
City of Wausau, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Wausau, Wisconsin, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City of Wausau, Wisconsin's basic financial statements, and have issued our report thereon dated July 30, 2025.

**Report on Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2024-001 that we consider to be a material weakness.

### **Report on Compliance and Other Matters**

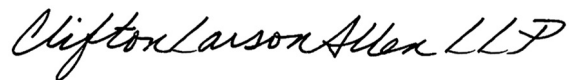
As part of obtaining reasonable assurance about whether City of Wausau, Wisconsin's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct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

### **City of Wausau, Wisconsin's Response to Finding**

*Government Auditing Standards* requires the auditor to perform limited procedures on the City's response to the finding identified in our audit and described in the accompanying schedule of findings and responses. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **Purpose of This Report**

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



**CliftonLarsonAllen LLP**

Wausau, Wisconsin  
July 30, 2025

**CITY OF WAUSAU, WISCONSIN  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED DECEMBER 31, 2024**

**2024 – 001 Adjustments to City’s Financial Records**

**Type of Finding:** Material Weakness in Internal Control over Financial Reporting

**Condition:** During the year, the City identified transactions related to accrued liabilities that had been improperly recorded which required a prior period adjustment to be recorded affecting fund balance.

**Criteria or specific requirement:** Adjustments to equity via a prior period adjustment indicate a material transaction was incorrectly recorded within the prior period and the City’s internal control did not prevent or correct the transaction when recorded.

**Effect:** Year-end financial records prepared by the City may contain material misstatements.

**Cause:** The City had previously recorded accrued vacation as a current liability within its governmental funds. While evaluating the effect of implementing GASB Statement 101, *Compensated Absences*, it was identified that only accrued absences that had matured should be recognized as a liability within the governmental funds.

**Repeat Finding:** No

**Recommendation:** We recommend the City implement a review and reconciliation process for all receivable and payable accounts at year-end to better understand the balance represented within each account and to document how the activity is correctly accrued and accounted for on the balance sheet.

**Views of responsible officials and planned corrective actions:** The presentation of accrued vacation within the governmental funds has been consistent over the years. The new GASB Statement 101, *Compensated Absences*, was implemented for the 2024 financial statements, and the required adjustment was recorded. This was not a lack of reconciliation problem. Staff already have procedures in place for reconciliations. We continually strive to improve these procedures on an ongoing basis.

**FORM OF LEGAL OPINION**

(See following pages)

Quarles & Brady LLP  
411 East Wisconsin Avenue  
Milwaukee, WI 53202

July 9, 2026

Re: City of Wausau, Wisconsin ("Issuer")  
\$10,560,000 General Obligation Promissory Notes, Series 2026A,  
dated July 9, 2026 ("Notes")

We have acted as bond counsel to the Issuer in connection with the issuance of the Notes. In such capacity, we have examined such law and such certified proceedings, certifications, and other documents as we have deemed necessary to render this opinion.

Regarding questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

The Notes are numbered from R-1 and upward; bear interest at the rates set forth below; and mature on April 1 of each year, in the years and principal amounts as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2027	\$1,025,000	___%
2028	1,185,000	___
2029	1,300,000	___
2030	1,450,000	___
2031	1,525,000	___
2032	750,000	___
2033	800,000	___
2034	825,000	___
2035	875,000	___
2036	825,000	___

Interest is payable semi-annually on April 1 and October 1 of each year commencing on April 1, 2027.

The Notes maturing on April 1, 2035 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on April 1, 2034 or on any date thereafter. Said Notes are redeemable as a whole or in part, and if in part, from maturities selected by the Issuer, and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

[The Notes maturing in the years \_\_\_\_\_ are subject to mandatory redemption by lot as provided in the Notes, at the redemption price of par plus accrued interest to the date of redemption and without premium.]

We further certify that we have examined a sample of the Notes and find the same to be in proper form.

Based upon and subject to the foregoing, it is our opinion under existing law that:

1. The Notes have been duly authorized and executed by the Issuer and are valid and binding general obligations of the Issuer.

2. All the taxable property in the territory of the Issuer is subject to the levy of ad valorem taxes to pay principal of, and interest on, the Notes, without limitation as to rate or amount. The Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Notes except to the extent that necessary funds have been irrevocably deposited into the debt service fund account established for the payment of the principal of and interest on the Notes.

3. The interest on the Notes is excludable for federal income tax purposes from the gross income of the owners of the Notes. The interest on the Notes is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") on individuals; however, interest on the Notes is taken into account in determining "adjusted financial statement income" for purposes of computing the federal alternative minimum tax imposed on Applicable Corporations (as defined in Section 59(k) of the Code). The Code contains requirements that must be satisfied subsequent to the issuance of the Notes in order for interest on the Notes to be or continue to be excludable from gross income for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the Notes to be included in gross income retroactively to the date of issuance of the Notes. The Issuer has agreed to comply with all of those requirements. The opinion set forth in the first sentence of this paragraph is subject to the condition that the Issuer comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the Notes.

We express no opinion regarding the accuracy, adequacy, or completeness of the Official Statement or any other offering material relating to the Notes. Further, we express no opinion regarding tax consequences arising with respect to the Notes other than as expressly set forth herein.

The rights of the owners of the Notes and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights and may be subject to the exercise of judicial discretion in accordance with general principles of equity, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

QUARLES & BRADY LLP

### BOOK-ENTRY-ONLY SYSTEM

1. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]
2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).
3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.
4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]
6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.
7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).
8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.
9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.
10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the City or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.
11. The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.
12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

**FORM OF CONTINUING DISCLOSURE CERTIFICATE**

(See following pages)

## CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the City of Wausau, Marathon County, Wisconsin (the "Issuer") in connection with the issuance of \$10,560,000 General Obligation Promissory Notes, Series 2026A, dated July 9, 2026 (the "Securities"). The Securities are being issued pursuant to a resolution adopted on April 14, 2026, as supplemented by an Approving Certificate, dated \_\_\_\_\_, 2026 (collectively, the "Resolution") and delivered to \_\_\_\_\_ (the "Purchaser") on the date hereof. Pursuant to the Resolution, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. In addition, the Issuer hereby specifically covenants and agrees as follows:

Section 1(a). Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the holders of the Securities in order to assist the Participating Underwriters within the meaning of the Rule (defined herein) in complying with SEC Rule 15c2-12(b)(5). References in this Disclosure Certificate to holders of the Securities shall include the beneficial owners of the Securities. This Disclosure Certificate constitutes the written Undertaking required by the Rule.

Section 1(b). Filing Requirements. Any filing under this Disclosure Certificate must be made solely by transmitting such filing to the MSRB (defined herein) through the Electronic Municipal Market Access ("EMMA") System at [www.emma.msrb.org](http://www.emma.msrb.org) in the format prescribed by the MSRB. All documents provided to the MSRB shall be accompanied by the identifying information prescribed by the MSRB.

Section 2. Definitions. In addition to the defined terms set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any annual report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Audited Financial Statements" means the Issuer's annual financial statements, which are currently prepared in accordance with generally accepted accounting principles (GAAP) for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and which the Issuer intends to continue to prepare in substantially the same form.

"Final Official Statement" means the Final Official Statement dated \_\_\_\_\_, 2026 delivered in connection with the Securities, which is available from the MSRB.

"Financial Obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Fiscal Year" means the fiscal year of the Issuer.

"Governing Body" means the Common Council of the Issuer or such other body as may hereafter be the chief legislative body of the Issuer.

"Issuer" means the City of Wausau, Marathon County, Wisconsin, which is the obligated person with respect to the Securities.

"Issuer Contact" means the Finance Director/Treasurer of the Issuer who can be contacted at 407 Grant Street, Wausau, Wisconsin 54403, phone (715) 261-6500, fax (715) 261-6626.

"Listed Event" means any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" means the Municipal Securities Rulemaking Board.

"Participating Underwriter" means any of the original underwriter(s) of the Securities (including the Purchaser) required to comply with the Rule in connection with the offering of the Securities.

"Rule" means SEC Rule 15c2-12(b)(5) promulgated by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time, and official interpretations thereof.

"SEC" means the Securities and Exchange Commission.

### Section 3. Provision of Annual Report and Audited Financial Statements.

(a) The Issuer shall, not later than 365 days after the end of the Fiscal Year, commencing with the year ending December 31, 20\_\_, provide the MSRB with an Annual Report filed in accordance with Section 1(b) of this Disclosure Certificate and which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report and that, if Audited Financial Statements are not available within 365 days after the end of the Fiscal Year, unaudited financial information will be provided, and Audited Financial Statements will be submitted to the MSRB when and if available.

(b) If the Issuer is unable or fails to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall send in a timely manner a notice of that fact to the MSRB in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

Section 4. Content of Annual Report. The Issuer's Annual Report shall contain or incorporate by reference the Audited Financial Statements and updates of the following sections of the Final Official Statement to the extent such financial information and operating data are not included in the Audited Financial Statements:

1. DEBT - Direct Debt
2. DEBT - Debt Limit
3. VALUATIONS - Current Property Valuations
4. TAX LEVIES AND COLLECTIONS - Tax Levies and Collections

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which are available to the public on the MSRB's Internet website or filed with the SEC. The Issuer shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Listed Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events with respect to the Securities:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;
7. Modification to rights of holders of the Securities, if material;
8. Securities calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution or sale of property securing repayment of the Securities, if material;
11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the Issuer;
13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect holders of the Securities, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

For the purposes of the event identified in subsection (a)12. above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

(b) When a Listed Event occurs, the Issuer shall, in a timely manner not in excess of ten business days after the occurrence of the Listed Event, file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of Listed Events described in subsections (a) (8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Securities pursuant to the Resolution.

(c) Unless otherwise required by law, the Issuer shall submit the information in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

Section 6. Termination of Reporting Obligation. The Issuer's obligations under the Resolution and this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all the Securities.

Section 7. Issuer Contact; Agent. Information may be obtained from the Issuer Contact. Additionally, the Issuer may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under the Resolution and this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor dissemination agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of the Resolution or this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if the following conditions are met:

(a)(i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Issuer, or the type of business conducted; or

(ii) This Disclosure Certificate, as amended or waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of beneficial owners of the Securities, as determined and certified to the Issuer by an underwriter, financial advisor, bond counsel or trustee.

In the event this Disclosure Certificate is amended for any reason other than to cure any ambiguities, inconsistencies, or typographical errors that may be contained herein, the Issuer agrees the next Annual Report it submits after such amendment shall include an explanation of the reasons for the amendment and the impact of the change, if any, on the type of financial statements or operating data being provided.

If the amendment concerns the accounting principles to be followed in preparing financial statements, then the Issuer agrees that it will give an event notice and that the next Annual Report it submits after such amendment will include a comparison between financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. (a) Except as described in the Final Official Statement, in the previous five years, the Issuer has not failed to comply in all material respects with any previous undertakings under the Rule to provide annual reports or notices of events.

(b) In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any holder of the Securities may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under the Resolution and this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default with respect to the Securities and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Participating Underwriters and holders from time to time of the Securities, and shall create no rights in any other person or entity.

IN WITNESS WHEREOF, we have executed this Certificate in our official capacities effective the 9th day of July, 2026.

(SEAL)

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Doug Diny  
Mayor

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Rachel A. Brown  
City Clerk

**NOTICE OF SALE**

**\$10,560,000\* GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2026A  
CITY OF WAUSAU, WISCONSIN**

Bids for the purchase of \$10,560,000\* General Obligation Promissory Notes, Series 2026A (the "Notes") of the City of Wausau, Wisconsin (the "City") will be received at the offices of Ehlers and Associates, Inc. ("Ehlers"), 3001 Broadway Street, Suite 320, Minneapolis, Minnesota 55413, municipal advisors to the City, until 10:30 A.M., Central Time, and **ELECTRONIC PROPOSALS** will be received via **PARITY**, in the manner described below, until 10:30 A.M., Central Time, on June 22, 2026, at which time they will be opened, read and tabulated. **The Common Council adopted a resolution on April 14, 2026 (the "Parameters Resolution"), which authorizes the Finance Director/Treasurer or the City Clerk to accept a bid for the Notes if the parameters and conditions set forth in the Parameters Resolution are satisfied. If the parameters and conditions set forth in the Parameters Resolution are not met through the competitive bids received on June 22, 2026, neither the Finance Director/Treasurer nor the City Clerk will have the authority to accept a bid for the Notes, and all bids for the Notes will be rejected.**

**AUTHORITY; PURPOSE; SECURITY**

The Notes are being issued pursuant to Section 67.12(12), Wisconsin Statutes, by the City, for public purposes, including paying the cost of park, street, utility, sidewalk and parking lot projects including those in Tax Incremental Districts Nos. 3, 8, 11 and 12 and motor pool replacements. The Notes are general obligations of the City, and all the taxable property in the City is subject to the levy of a tax to pay the principal of and interest on the Notes as they become due which tax may, under current law, be levied without limitation as to rate or amount.

**DATES AND MATURITIES**

The Notes will be dated July 9, 2026, will be issued as fully registered Notes in the denomination of \$5,000 each, or any integral multiple thereof, and will mature on April 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2027	\$1,025,000	2031	\$1,525,000	2035	\$875,000
2028	1,185,000	2032	750,000	2036	825,000
2029	1,300,000	2033	800,000		
2030	1,450,000	2034	825,000		

**ADJUSTMENT OPTION**

The City reserves the right to increase or decrease the principal amount of the Notes on the day of sale, in increments of \$5,000 each up to \$500,000 per maturity. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

**TERM BOND OPTION**

Bids for the Notes may contain a maturity schedule providing for any combination of serial bonds and term bonds, subject to mandatory redemption, so long as the amount of principal maturing or subject to mandatory redemption in each year conforms to the maturity schedule set forth above. All dates are inclusive.

## **INTEREST PAYMENT DATES AND RATES**

Interest will be payable on April 1 and October 1 of each year, commencing April 1, 2027, to the registered owners of the Notes appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board. All Notes of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

## **BOOK-ENTRY-ONLY FORMAT**

Unless otherwise specified by the purchaser, the Notes will be designated in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Notes, and will be responsible for maintaining a book-entry system for recording the interests of its participants and the transfers of interests between its participants. The participants will be responsible for maintaining records regarding the beneficial interests of the individual purchasers of the Notes. So long as Cede & Co. is the registered owner of the Notes, all payments of principal and interest will be made to the depository which, in turn, will be obligated to remit such payments to its participants for subsequent disbursement to the beneficial owners of the Notes.

## **PAYING AGENT**

The City has selected Bond Trust Services Corporation, Minneapolis, Minnesota ("BTSC"), to act as paying agent (the "Paying Agent"). BTSC and Ehlers are affiliate companies. The City will pay the charges for Paying Agent services. The City reserves the right to remove the Paying Agent and to appoint a successor.

## **OPTIONAL REDEMPTION**

At the option of the City, the Notes maturing on or after April 1, 2035 shall be subject to optional redemption prior to maturity on April 1, 2034 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

Redemption may be in whole or in part of the Notes subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Notes to be redeemed shall be at the discretion of the City. If only part of the Notes having a common maturity date are called for redemption, then the City or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Notice of such call shall be given by sending a notice by registered or certified mail, facsimile or electronic transmission, overnight delivery service or in any other manner required by DTC, not less than 30 days nor more than 60 days prior to the date fixed for redemption to the registered owner of each Note to be redeemed at the address shown on the registration books.

## **DELIVERY**

On or about July 9, 2026, the Notes will be delivered without cost to the winning bidder at DTC. On the day of closing, the City will furnish to the winning bidder the opinion of bond counsel hereinafter described, an arbitrage certification, and certificates verifying that no litigation in any manner questioning the validity of the Notes is then pending or, to the best knowledge of officers of the City, threatened. Payment for the Notes must be received by the City at its designated depository on the date of closing in immediately available funds.

## LEGAL MATTERS

An opinion as to the validity of the Notes and the exemption from federal taxation of the interest thereon will be furnished by Quarles & Brady LLP, Bond Counsel to the City ("Bond Counsel"), and will be available at the time of delivery of the Notes. The legal opinion will be issued on the basis of existing law and will state that the Notes are valid and binding general obligations of the City; provided that the rights of the owners of the Notes and the enforceability of the Notes may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding). (See "FORM OF LEGAL OPINION" found in Appendix B of the Preliminary Official Statement).

Quarles & Brady LLP has also been retained by the City to serve as Disclosure Counsel to the City with respect to the Notes. Although, as Disclosure Counsel to the City, Quarles & Brady LLP has assisted the City with certain disclosure matters, Quarles & Brady LLP has not undertaken to independently verify the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Notes and assumes no responsibility whatsoever nor shall have any liability to any other party for the statements or information contained or incorporated by reference in the Official Statement. Further, Quarles & Brady LLP makes no representation as to the suitability of the Notes for any investor.

## SUBMISSION OF BIDS

Bids must not be for less than \$10,454,400, nor more than \$11,404,800, plus accrued interest on the principal sum of \$10,560,000 from date of original issue of the Notes to date of delivery. Prior to the time established above for the opening of bids, interested parties may submit a bid as follows:

- 1) Electronically to [bondsale@ehlers-inc.com](mailto:bondsale@ehlers-inc.com); or
- 2) Electronically via **PARITY** in accordance with this Notice of Sale until 10:30 A.M., Central Time, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in **PARITY** conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about **PARITY**, potential bidders may contact IHS Markit (now part of S&P Global) at <https://ihsmarkit.com/products/municipal-issuance.html> or via telephone (844) 301-7334.

Bids must be submitted to Ehlers via one of the methods described above and must be received prior to the time established above for the opening of bids. Each bid must be unconditional except as to legality. Neither the City nor Ehlers shall be responsible for any failure to receive a facsimile submission.

**A good faith deposit ("Deposit") in the amount of \$211,200 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids.** The City reserves the right to award the Notes to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the City may award the Notes to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the City as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith.

The City and the winning bidder who chooses to so wire the Deposit hereby agree irrevocably that Ehlers shall be the escrow holder of the Deposit wired to such account subject only to these conditions and duties: 1) All income earned thereon shall be retained by the escrow holder as payment for its expenses; 2) If the bid is not accepted, Ehlers shall, at its expense, promptly return the Deposit amount to the winning bidder; 3) If the bid is accepted, the Deposit shall be returned to the winning bidder at the closing; 4) Ehlers shall bear all costs of maintaining the escrow account and returning the funds to the winning bidder; 5) Ehlers shall not be an insurer of the Deposit amount and shall have no liability hereunder except if it willfully fails to perform or recklessly disregards, its duties specified herein; and 6) FDIC insurance on deposits within the escrow account shall be limited to \$250,000 per bidder.

No bid can be withdrawn after the time set for receiving bids unless the meeting of the City scheduled for award of the Notes is adjourned, recessed, or continued to another date without award of the Notes having been made.

### **AWARD**

The Notes will be awarded to the bidder offering the lowest interest rate to be determined on a True Interest Cost (TIC) basis. The City's computation of the interest rate of each bid, in accordance with customary practice, will be controlling. In the event of a tie, the sale of the Notes will be awarded by lot. The City reserves the right to reject any and all bids and to waive any informality in any bid. **The Notes will not be awarded if the TIC (taking the purchaser's compensation into account) exceeds 4.25% or if the other conditions set forth in the Parameters Resolution are not satisfied.**

### **BOND INSURANCE**

If the Notes are qualified for any bond insurance policy, the purchase of such policy shall be at the sole option and expense of the winning bidder. Any cost for such insurance policy is to be paid by the winning bidder, except that, if the City requested and received a rating on the Notes from a rating agency, the City will pay that rating fee. Any rating agency fees not requested by the City are the responsibility of the winning bidder.

Failure of the municipal bond insurer to issue the policy after the Notes are awarded to the winning bidder shall not constitute cause for failure or refusal by the winning bidder to accept delivery of the Notes.

### **CUSIP NUMBERS**

The City will assume no obligation for the assignment or printing of CUSIP numbers on the Notes or for the correctness of any numbers printed thereon, but will permit such numbers to be printed at the expense of the winning bidder, if the winning bidder waives any delay in delivery occasioned thereby.

### **NOT QUALIFIED TAX-EXEMPT OBLIGATIONS**

The Notes shall not be "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

### **CONTINUING DISCLOSURE**

In order to assist the Underwriter (Syndicate Manager) in complying with the provisions of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 the City will enter into an undertaking for the benefit of the holders of the Notes. A description of the details and terms of the undertaking is set forth in Appendix D of the Official Statement.

### **NEW ISSUE PRICING**

The winning bidder will be required to provide, in a timely manner, certain information necessary to compute the yield on the Notes pursuant to the provisions of the Internal Revenue Code of 1986, as amended, and to provide a certificate which will be provided by Bond Counsel upon request.

(a) The winning bidder shall assist the City in establishing the issue price of the Notes and shall execute and deliver to the City at closing an "issue price" or similar certificate satisfactory to Bond Counsel setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Notes, together with the supporting pricing wires or equivalent communications. All actions to be taken by the City under this Notice of Sale to establish the issue price of the Notes may be taken on behalf of the City by the City's municipal advisor identified herein and any notice or report to be provided to the City may be provided to the City's municipal advisor.

(b) The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Notes) will apply to the initial sale of the Notes (the "competitive sale requirements") because:

- (1) The City shall disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential investors;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the City may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the City anticipates awarding the sale of the Notes to the bidder who submits a firm offer to purchase the Notes at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Notes, as specified in this bid.

(c) If all of the requirements of a "competitive sale" are not satisfied, the City shall advise the winning bidder of such fact prior to the time of award of the sale of the Notes to the winning bidder. In such event, any bid submitted will not be subject to cancellation or withdrawal and the City agrees to use the rule selected by the winning bidder on its bid form to determine the issue price for the Notes. On its bid form, each bidder must select one of the following two rules for determining the issue price of the Notes: (1) the first price at which 10% of a maturity of the Notes (the "10% test") is sold to the public as the issue price of that maturity or (2) the initial offering price to the public as of the sale date as the issue price of each maturity of the Notes (the "hold-the-offering-price rule").

(d) If all of the requirements of a "competitive sale" are not satisfied and the winning bidder selects the hold-the-offering-price rule, the winning bidder shall (i) confirm that the underwriters have offered or will offer the Notes to the public on or before the date of award at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Notes, that the underwriters will neither offer nor sell unsold Notes of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5<sup>th</sup>) business day after the sale date; or
- (2) the date on which the underwriters have sold at least 10% of that maturity of the Notes to the public at a price that is no higher than the initial offering price to the public.

The winning bidder will advise the City promptly after the close of the fifth (5<sup>th</sup>) business day after the sale whether it has sold 10% of that maturity of the Notes to the public at a price that is no higher than the initial offering price to the public.

The City acknowledges that in making the representation set forth above, the winning bidder will rely on:

(i) the agreement of each underwriter to comply with requirements for establishing issue price of the Notes, including, but not limited to, its agreement to comply with the hold-the-price rule, if applicable to the Notes, as set forth in an agreement among underwriters and the related pricing wires,

(ii) in the event a selling group has been created in connection with the initial sale of the Notes to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Notes, as set forth in a selling group agreement and the related pricing wires, and

(iii) in the event that an underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Notes to the public, the agreement of each broker-dealer that is party to such agreement to comply with the requirements for establishing issue price of the Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Notes, as set forth in the third-party distribution agreement and the related pricing wires. The City further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price rule of the Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Notes, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule as applicable to the Notes.

(e) If all of the requirements of a "competitive sale" are not satisfied and the winning bidder selects the 10% test, the winning bidder agrees to promptly report to the City, Bond Counsel and Ehlers the prices at which the Notes have been sold to the public. That reporting obligation shall continue, whether or not the closing date has occurred, until either (i) all Notes of that maturity have been sold or (ii) the 10% test has been satisfied as to each maturity of the Notes, provided that, the winning bidder's reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the City or bond counsel.

(f) By submitting a bid, each bidder confirms that:

(i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Notes to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is party to such third-party distribution agreement, as applicable, to:

(A) report the prices at which it sells to the public the unsold Notes of each maturity allocated to it, whether or not the Closing Date has occurred until either all securities of that maturity allocated to it have been sold or it is notified by the winning bidder that either the 10% test has been satisfied as to the Notes of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the City or bond counsel.

(B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Notes to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group and each broker dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Notes to the public to require each broker-dealer that is a party to such third-party distribution agreement to:

(A) to promptly notify the winning bidder of any sales of Notes that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Notes to the public (each such term being used as defined below), and

(B) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the winning bidder shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public.

(g) Sales of any Notes to any person that is a related party to an underwriter participating in the initial sale of the Notes to the public (each term being used as defined below) shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

- (i) "public" means any person other than an underwriter or a related party,
- (ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Notes to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Notes to the public),
- (iii) a purchaser of any of the Notes is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (iv) "sale date" means the date that the Notes are awarded by the City to the winning bidder.

#### **PRELIMINARY OFFICIAL STATEMENT**

Bidders may obtain a copy of the Official Statement relating to the Notes prior to the bid opening by request from Ehlers at [www.ehlers-inc.com](http://www.ehlers-inc.com) by connecting to the Bond Sales link. The Underwriter (Syndicate Manager) will be provided with an electronic copy of the Final Official Statement within seven business days of the bid acceptance. Up to 10 printed copies of the Final Official Statement will be provided upon request. Additional copies of the Final Official Statement will be available at a cost of \$10.00 per copy.

Information for bidders and bid forms may be obtained from Ehlers at 3001 Broadway Street, Suite 320, Minneapolis, Minnesota 55413, Telephone (651) 697-8500.

By Order of the Common Council

Rachel A. Brown, City Clerk  
City of Wausau, Wisconsin

# BID FORM

City of Wausau, Wisconsin (the "City")

June 22, 2026

RE: \$10,560,000\* General Obligation Promissory Notes, Series 2026A (the "Notes")

DATED: July 9, 2026

For all or none of the above Notes, in accordance with the Notice of Sale and terms of the Global Book-Entry System (unless otherwise specified by the Purchaser) as stated in this Official Statement, we will pay you \$\_\_\_\_\_ (not less than \$10,454,400, nor more than \$11,404,800) plus accrued interest to date of delivery for fully registered Notes bearing interest rates and maturing in the stated years as follows:

_____ % due	2027	_____ % due	2031	_____ % due	2035
_____ % due	2028	_____ % due	2032	_____ % due	2036
_____ % due	2029	_____ % due	2033		
_____ % due	2030	_____ % due	2034		

The City reserves the right to increase or decrease the principal amount of the Notes on the day of sale, in increments of \$5,000 each up to \$500,000 per maturity. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

All Notes of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

**A good faith deposit ("Deposit") in the amount of \$211,200 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids.** The City reserves the right to award the Notes to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the City may award the Notes to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the City as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith. We agree to the conditions and duties of Ehlers and Associates, Inc., as escrow holder of the Deposit, pursuant to the Notice of Sale. This bid is for prompt acceptance and is conditional upon delivery of said Notes to The Depository Trust Company, New York, New York, in accordance with the Notice of Sale. Delivery is anticipated to be on or about July 9, 2026.

This bid is subject to the City's agreement to enter into a written undertaking to provide continuing disclosure under Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 as described in the Official Statement for the Notes.

We have received and reviewed the Official Statement, and any addenda thereto, and have submitted our requests for additional information or corrections to the Final Official Statement. As Underwriter (Syndicate Manager), we agree to provide the City with the reoffering price of the Notes within 24 hours of the bid acceptance.

This bid is a firm offer for the purchase of the Notes identified in the Notice of Sale, on the terms set forth in this bid form and the Notice of Sale, and is not subject to any conditions, except as permitted by the Notice of Sale.

By submitting this bid, we confirm that we are an underwriter and have an established industry reputation for underwriting new issuances of municipal bonds. YES: \_\_\_ NO: \_\_\_.

If the competitive sale requirements are not met, we elect to use either the: \_\_\_ 10% test, or the \_\_\_ hold-the-offering-price rule to determine the issue price of the Notes.

Account Manager: \_\_\_\_\_ By: \_\_\_\_\_  
Account Members: \_\_\_\_\_

**Award will be on a true interest cost basis.** According to our computations (the correct computation being controlling in the award), the total dollar interest cost (including any discount or less any premium) computed from July 9, 2026 of the above bid is \$ \_\_\_\_\_ and the true interest cost (TIC) is \_\_\_\_\_%.

The foregoing offer is hereby accepted on behalf of the City of Wausau, Wisconsin, on June 22, 2026.

By: \_\_\_\_\_  
Title: \_\_\_\_\_