

**CITY OF LADYSMITH, WISCONSIN**  
**FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY INFORMATION**  
**YEAR ENDED DECEMBER 31, 2009**

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**CITY OF LADYSMITH, WISCONSIN  
LIST OF PRINCIPAL OFFICERS  
YEAR ENDED DECEMBER 31, 2009**

**ELECTED**

Mayor	Dan Gudis
Council President	Ken Brown
Aldermanic District:	
First District	Carol Huiras-Rozak
Second District	Janice Carter
Third District	Michael Hraban
Fourth District	Ken Brown
Fifth District	Marty Reynolds
Sixth District	Alan Hraban
Seventh District	Frederic Love

**APPOINTED**

City Administrator	Alan Christianson
City Comptroller	Terry Verdegan
City Clerk	Shari Kavanagh
City Treasurer	Rhonda Grey
Director of Public Works/Building Inspector	Kurt Gorsegner
Assistant Director of Public Works	Mark Nelson
Water Lead Man	Martin Hendricks
Wastewater Superintendent	Matt Boehmer
Street Superintendent	Fred Marcon
Police Chief	Dean Meyer
Fire Chief	David Tuma
Librarian	Carolyn Forde



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## INDEPENDENT AUDITORS' REPORT

The City Council  
City of Ladysmith  
Ladysmith, Wisconsin

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ladysmith, Wisconsin (City) as of and for the year ended December 31, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's Council and management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the City's management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ladysmith, Wisconsin as of December 31, 2009, and the respective changes in the financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 4.C to the financial statements, the City adopted the provisions of Government Accounting Standards Board Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as of and for the year ended December 31, 2009. This statement results in the City reporting a liability for postemployment benefits other than pensions that the City provides to its employees and retirees.

(2)



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The management's discussion and analysis, budgetary comparison information and schedule of funding progress, as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The schedules presented as other supplementary information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund statements and debt repayment schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly presented, in all material respects, in relation to the basic financial statements taken as a whole. The prior year partial comparative supplementary information has been derived from the City's 2008 financial statements and, our opinion dated May 12, 2009, on the supplementary information stated such information had been subjected to the auditing procedures applied in the audit of the basic financial statements taken as a whole. The statistical information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on it.

*Larson Allen LLP*

**LarsonAllen LLP**

Eau Claire, Wisconsin  
June 30, 2010

**CITY OF LADYSMITH, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2009**

As management of the City of Ladysmith, Wisconsin (City), we offer the readers of the City's financial statements this narrative overview and analysis of financial activities of the City for the fiscal year ending December 31, 2009. Please consider this information in conjunction with the City's financial statements, which begin on page 17 following this narrative.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for the year ended December 31, 2009 include the following:

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$23,865,453 (*net assets*). Of this amount, \$17,602,070 represented the City's investment in capital assets, net of related debt, \$4,368,370 was held for restricted purposes, and \$1,895,013 was unrestricted. The unrestricted net assets may be used to meet the City's ongoing obligations to citizens and creditors.
- During the fiscal year, the City's total net assets increased by \$495,240, or approximately 2.1%. Net assets related to governmental activities increased \$561,373, and net assets related to the business-type activities of the City decreased \$66,133.
- At the close of the fiscal year, the City's governmental funds reported combined ending fund balances of \$2,736,241, an increase of \$307,641 from the previous year.
- At the end of 2009, the unreserved, undesignated general fund balance totaled \$763,588 or 20.3% of the general fund expenditures.
- The City's total long-term debt increased by \$154,696 during the current fiscal year.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis are 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 financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-Wide Financial Statements**

The two 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 Assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.



**CITY OF LADYSMITH, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2009**

The *Statement of Activities* presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as 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 result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish those functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and service charges (*business-type activities*). The governmental activities of the City include general government, public safety, transportation facilities, sanitation, health and human services, leisure activities, education, urban redevelopment and housing, and conservation and development. The business-type activities of the City include a water utility and a sewer utility.

The government-wide financial statements can be found beginning on page 17 of this report.

**Fund Financial Statements**

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other governmental entities, uses fund accounting to ensure and demonstrate compliance with various finance-related legal requirements. All of the funds of the City can be divided into three categories: *governmental funds*, *proprietary funds* and *fiduciary funds*.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on 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 a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-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 facilitate this comparison between governmental funds and governmental activities.

The City maintains sixteen 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, CDBG deferred loan program fund, mining/MILIF economic development fund, Meadowbrook Center income fund and the debt service fund which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the supplementary information section.

The basic governmental fund financial statements can be found beginning on page 19 of this report.

**CITY OF LADYSMITH, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2009**

**Proprietary Funds.** The City maintains one type of proprietary fund - enterprise funds. Enterprise funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water utility and sewer utility.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for each of the enterprise funds, both of which are considered to be major funds of the City.

The basic proprietary fund financial statements can be found beginning on page 23 of this report.

**Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is similar to that used for proprietary funds.

The basic fiduciary fund financial statements can be found beginning on page 28 of this report.

**Notes to the Financial Statements**

The notes to the basic financial statements provide additional detail that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found beginning on page 29 of this report.

**Supplementary Information**

In addition to the basic financial statement and accompanying notes, this report presents certain required supplementary information on the City's operating budget. Required supplementary information can be found beginning on page 59 of this report.

Following the basic government-wide and fund financial statements, accompanying notes, and required supplementary information, additional supplementary information has been provided as part of this report. The supplementary information includes combining statements for the nonmajor governmental funds, individual fund statements for selected funds, various debt repayment schedules and unaudited statistical information tables. This supplementary information section of the report begins on page 62.

**FINANCIAL ANALYSIS OF THE CITY AS A WHOLE**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The City's assets exceeded liabilities by \$23,865,453 at the close of 2009. The largest portion of these net assets (74%) reflect the City's investment in capital assets, including land, land improvements, buildings, furniture and equipment, infrastructure, plant in service and construction in progress, net of related outstanding debt used to acquire the assets. These capital assets are used to provide services to citizens and are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. On the following page is a summary of the City's statement of net assets:

**CITY OF LADYSMITH, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2009**

**Condensed Statement of Net Assets  
December 31, 2009 and 2008**

	Governmental Activities		Business-Type Activities		Totals	
	2009	2008	2009	2008	2009	2008
Current and Other Assets	\$ 7,561,544	\$ 7,282,398	\$ 1,052,196	\$ 1,192,667	\$ 8,613,740	\$ 8,475,065
Capital Assets	16,890,668	16,041,057	8,885,315	8,858,305	25,775,983	24,899,362
Internal Balances	118,458	137,556	(118,458)	(137,556)	-	-
Total Assets	<u>24,570,670</u>	<u>23,461,011</u>	<u>9,819,053</u>	<u>9,913,416</u>	<u>34,389,723</u>	<u>33,374,427</u>
Long-Term Debt Outstanding	7,239,423	6,889,629	1,010,000	1,100,000	8,249,423	7,989,629
Other Long-Term Obligations	175,710	128,761	-	-	175,710	128,761
Other Liabilities	2,006,290	1,854,747	92,847	31,077	2,099,137	1,885,824
Total Liabilities	<u>9,421,423</u>	<u>8,873,137</u>	<u>1,102,847</u>	<u>1,131,077</u>	<u>10,524,270</u>	<u>10,004,214</u>
Net Assets:						
Invested in Capital Assets,						
Net of Related Debt	9,667,272	9,151,428	7,934,798	7,820,117	17,602,070	16,971,545
Restricted	3,989,810	3,858,769	378,560	381,259	4,368,370	4,240,028
Unrestricted	1,492,165	1,577,677	402,848	580,963	1,895,013	2,158,640
Total net assets	<u>\$ 15,149,247</u>	<u>\$ 14,587,874</u>	<u>\$ 8,716,206</u>	<u>\$ 8,782,339</u>	<u>\$ 23,865,453</u>	<u>\$ 23,370,213</u>

An additional portion of the City's net assets (18%) represents resources that are subject to other restrictions as to how they may be used. The remaining \$1,895,013 of total net assets (8%) may be used to meet the City's ongoing obligations to its citizens and creditors. These unrestricted net assets include \$402,848 related to the City's business-type activities, and \$1,492,165 generally used to fund the City's governmental activities.

The condensed statement of changes in net assets shown on the following page shows that total net assets of the City increased \$495,240, or approximately 2.1%. The increase consisted of an increase in net assets related to governmental activities in the amount of \$561,373 and a decrease in net assets related to business-type activities in the amount of \$66,133.

**CITY OF LADYSMITH, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2009**

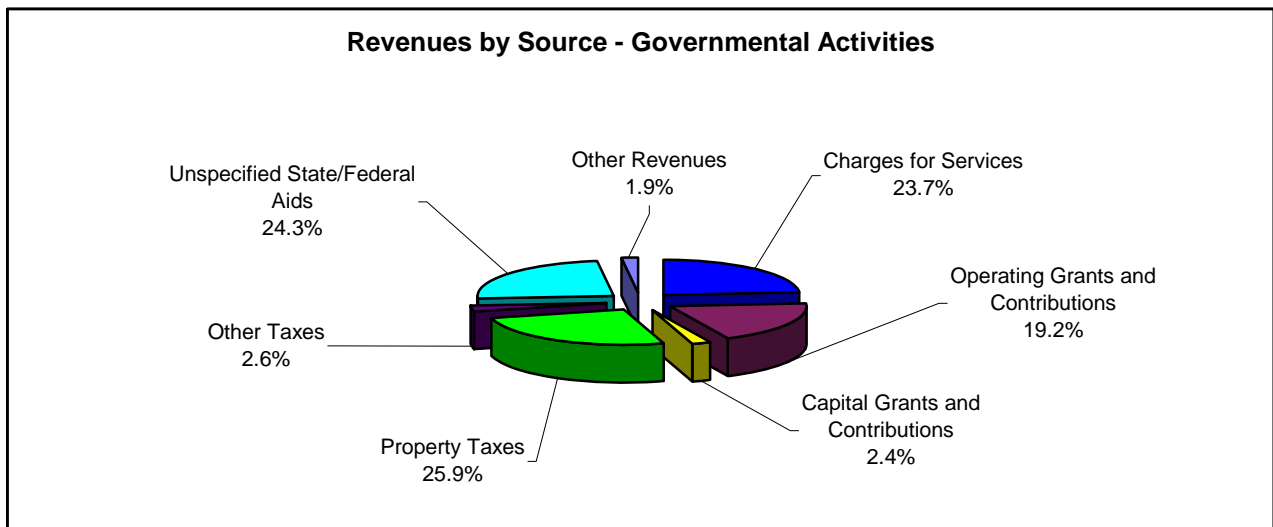
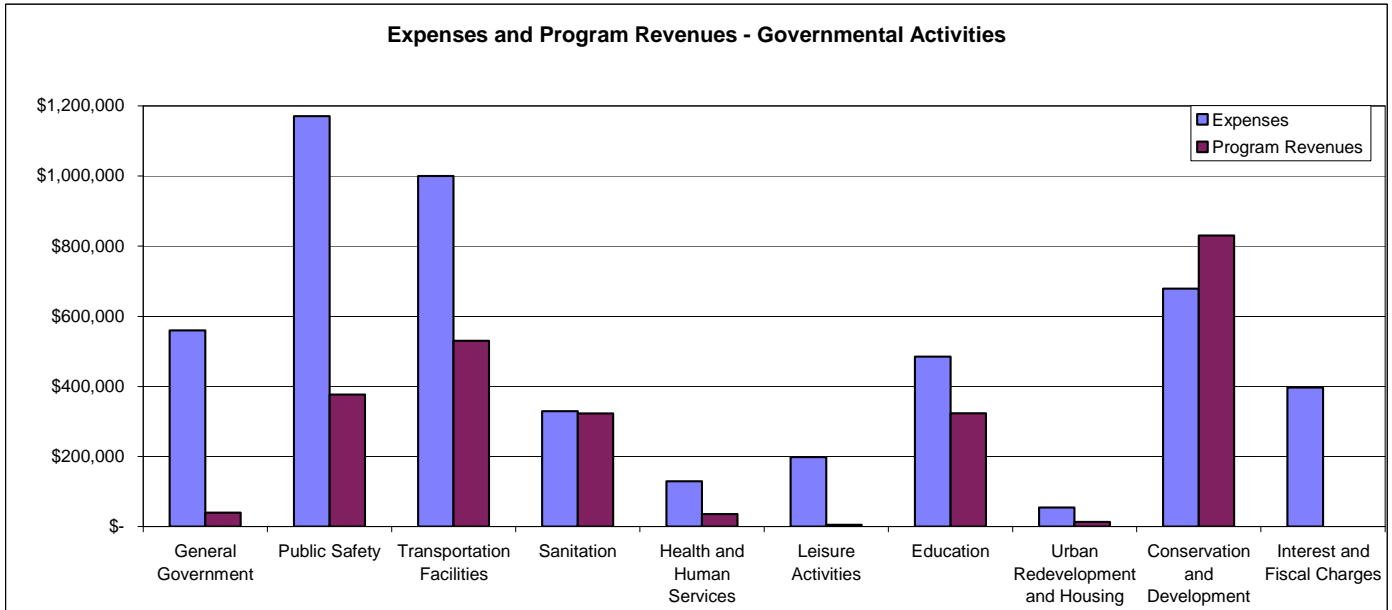
The following is a summary of the changes in the City's net assets for the years ended December 31, 2009 and 2008:

**Condensed Statement of Changes in Net Assets  
Years Ended December 31, 2009 and 2008**

	Governmental Activities		Business-Type Activities		Totals	
	2009	2008	2009	2008	2009	2008
<b>REVENUES</b>						
Program Revenues:						
Charges for Services	\$ 1,295,853	\$ 1,299,872	\$ 1,237,494	\$ 1,126,465	\$ 2,533,347	\$ 2,426,337
Operating Grants and Contributions	1,050,323	1,296,505	-	-	1,050,323	1,296,505
Capital Grants and Contributions	131,115	995,125	-	400	131,115	995,525
General Revenues:						
Property Taxes	1,412,499	1,095,813	-	-	1,412,499	1,095,813
Other Taxes	141,744	206,005	-	-	141,744	206,005
State and Federal Aids Not Restricted to Specific Programs	1,328,958	1,306,169	-	-	1,328,958	1,306,169
Other	102,462	271,859	7,747	20,942	110,209	292,801
Total Revenues	<u>5,462,954</u>	<u>6,471,348</u>	<u>1,245,241</u>	<u>1,147,807</u>	<u>6,708,195</u>	<u>7,619,155</u>
<b>EXPENSES</b>						
General Government	559,757	578,199	-	-	559,757	578,199
Public Safety	1,170,541	1,677,745	-	-	1,170,541	1,677,745
Transportation Facilities	1,000,105	1,278,947	-	-	1,000,105	1,278,947
Sanitation	329,669	247,370	-	-	329,669	247,370
Health and Human Services	129,536	120,733	-	-	129,536	120,733
Leisure Activities	198,730	171,677	-	-	198,730	171,677
Education	485,334	485,152	-	-	485,334	485,152
Urban Development and Housing	54,764	183,894	-	-	54,764	183,894
Conservation and Development	678,664	727,559	-	-	678,664	727,559
Interest and Fiscal Charges	396,595	295,745	-	-	396,595	295,745
Water	-	-	589,020	631,687	589,020	631,687
Sewer	-	-	620,240	579,400	620,240	579,400
Total Expenses	<u>5,003,695</u>	<u>5,767,021</u>	<u>1,209,260</u>	<u>1,211,087</u>	<u>6,212,955</u>	<u>6,978,108</u>
Change in Net Assets before Transfers	459,259	704,327	35,981	(63,280)	495,240	641,047
Internal Transfers	102,114	(524,581)	(102,114)	524,581	-	-
<b>CHANGE IN NET ASSETS</b>	<u>\$ 561,373</u>	<u>\$ 179,746</u>	<u>\$ (66,133)</u>	<u>\$ 461,301</u>	<u>\$ 495,240</u>	<u>\$ 641,047</u>

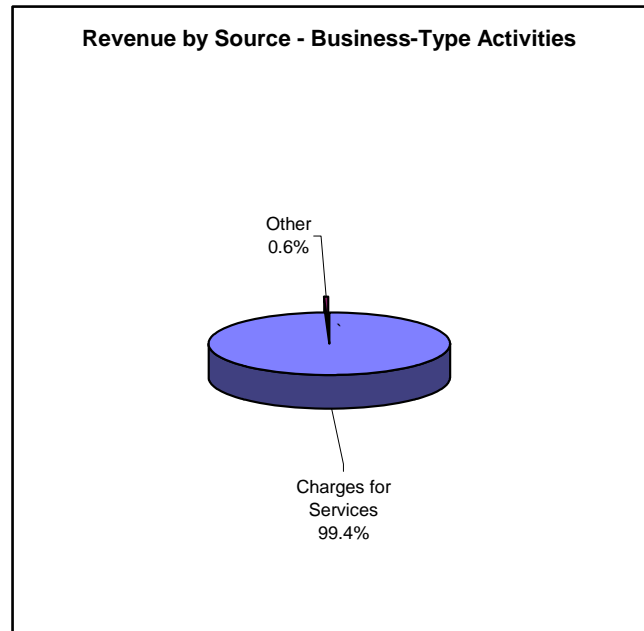
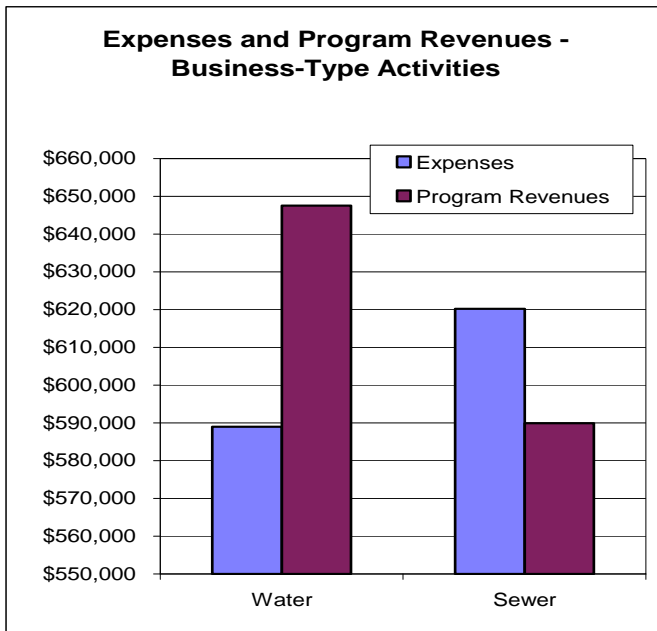
A review of the statement of activities can provide a concise picture of how the various functions/programs of the City are funded. The following charts draw data from the statement of activities. For governmental services the City's funding sources are quite balanced, with unspecified state and federal aids (24.3%), charges for services (23.7%), operating grants and contributions (19.2%) and property taxes (25.9%) being the main sources of funding for ongoing operations. Approximately 6.9% of funding is derived from other sources.

**CITY OF LADYSMITH, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2009**



In the case of business-type activities, the data shows a considerably different picture. Charges for services (99.4%) are the primary source of revenue.

**CITY OF LADYSMITH, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2009**



**FINANCIAL ANALYSIS OF THE CITY'S MAJOR FUNDS**

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds**

The focus of the City's governmental funds is to provide information regarding near-term inflows, outflows and balances of spendable resources. Such information can be useful in assessing the City's financing requirements. In particular, the level of unreserved fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of December 31, 2009, the City's governmental funds reported combined ending fund balances of \$2,736,241, an increase of \$307,641 from the previous year. Of this total, \$617,901 is reserved for specific legal requirements and other commitments, leaving total unreserved governmental fund balances of \$2,118,340 available for spending at the discretion of the City's elected officials. As the result of past actions and policy decisions and the nature of individual funds comprising the balances, \$1,723,558 of these unreserved balances have been segregated or otherwise designated for specific uses, leaving an unreserved, undesignated fund balance of \$394,782 in the governmental funds.

**CITY OF LADYSMITH, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2009**

Changes in the governmental funds are as follows:

	Fund Balance 2009	Fund Balance 2008	Current Year Changes
General Fund	\$ 1,646,303	\$ 1,378,897	\$ 267,406
CDBG Deferred Loan Program Fund	22,275	35,497	(13,222)
Mining/MILIF Economic Development Fund	639,806	594,076	45,730
Meadowbrook Center Income Fund	362,565	236,045	126,520
Debt Service Fund	-	-	-
Nonmajor Funds:			
Special Revenue Funds	186,918	217,776	(30,858)
Capital Projects Funds	(121,626)	(33,691)	(87,935)
	<u>\$ 2,736,241</u>	<u>\$ 2,428,600</u>	<u>\$ 307,641</u>

The general fund is the primary operating fund used to account for the governmental operations of the City. The general fund's total fund balance increased \$267,406 during the year, and the unreserved, undesignated portion of the fund increased \$24,004.

As a measure of the general fund's liquidity, it may be useful to compare both total fund balance and unreserved, undesignated fund balance to measures of operating volume such as fund expenditures or fund revenues. The total year-end general fund balance represented 43.8% of total general fund expenditures reported on the statement of revenues, expenditures and changes in fund balances while the unreserved, undesignated balance (\$763,588) represented 20.3% of the same amount.

The City's CDBG deferred loan program fund, a special revenue fund, is used to account for federal housing grants received through the State as well as the related ongoing revolving loan fund. During 2009, the City received loan repayments of \$33,123. The revolving loan fund had a balance of \$22,275 at year-end. At December 31, 2009, the City had outstanding 6 installment loans totaling \$49,584 subject to current repayment terms and 96 deferred mortgage loans totaling \$1,270,929 subject to repayment upon future events. Collections on these loans are used to make additional loans under terms of the original grant agreements.

The City's mining/MILIF economic development fund, a special revenue fund, is used to account for resources generated by facilities that have been constructed by this fund in prior years. This fund received payments from constructed facilities in the amount of \$199,137 during 2009. The City uses these funds to further economic growth in the community. At December 31, 2009, the fund had a balance of \$639,806.

The City's Meadowbrook Center Income Fund, a special revenue fund, is used to account for resources generated by facilities that have been constructed by this fund in prior years. This fund received payments from constructed facilities in the amount of \$214,400 during 2009. The City uses these funds to further economic growth in the community. At December 31, 2009, the fund had a balance of \$362,565.

**CITY OF LADYSMITH, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2009**

The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs of governmental funds. The fund paid \$696,235 in scheduled debt service costs and did not have a balance at year-end.

The aggregated other governmental funds column includes various special revenue funds and capital projects funds used to account for the proceeds of specific revenue sources that are restricted to expenditures for specific purposes. The accumulated fund balances of these funds decreased \$118,793 during 2009 primarily attributable to expenditures in TID #10 for Industrial Park development projects. These funds are individually detailed in the supplementary information section of this report.

**Proprietary Funds**

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in greater detail. As shown on the following page, the net assets of the enterprise-type proprietary funds at the end of 2009 totaled \$8,716,206, a decrease of \$66,133 from the previous year.

**Condensed Statement of Changes in Net Assets for Enterprise Funds  
Years Ended December 31, 2009 and 2008**

	Water Utility		Sewer Utility		Total	
	2009	2008	2009	2008	2009	2008
Operating Revenues	\$ 647,547	\$ 642,856	\$ 589,947	\$ 483,609	\$ 1,237,494	\$ 1,126,465
Operating Expenses:						
Depreciation	151,245	144,101	151,658	149,196	302,903	293,297
Other	415,615	469,028	442,249	399,754	857,864	868,782
Operating Income (Loss)	80,687	29,727	(3,960)	(65,341)	76,727	(35,614)
Nonoperating Revenues (Expenses)	(17,265)	(7,454)	(23,481)	(20,612)	(40,746)	(28,066)
Net Loss before Contributions and Transfers	63,422	22,273	(27,441)	(85,953)	35,981	(63,680)
Capital Contributions	-	231,305	-	386,169	-	617,474
Transfers	(102,114)	(92,493)	-	-	(102,114)	(92,493)
Change in Net Assets	<u>\$ (38,692)</u>	<u>\$ 161,085</u>	<u>\$ (27,441)</u>	<u>\$ 300,216</u>	<u>\$ (66,133)</u>	<u>\$ 461,301</u>
Net Assets at Year End	<u>\$ 4,689,282</u>	<u>\$ 4,727,974</u>	<u>\$ 4,026,924</u>	<u>\$ 4,054,365</u>	<u>\$ 8,716,206</u>	<u>\$ 8,782,339</u>



**CITY OF LADYSMITH, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2009**

**GENERAL FUND BUDGETARY HIGHLIGHTS**

As shown in the *Budgetary Comparison Schedule* for the general fund (in required supplementary information), the final 2009 general fund budget was not amended from the original budget adopted by the City. The general fund balance increased \$267,406 during 2009. The City ended the year with positive budget variances for revenues and expenditures/other uses. The positive variance in revenues was due mainly to a much higher amount received than budgeted for mass transit aid from the State. The positive budget variance for expenditures was due to the City making a conscious effort to cut on different costs, such as payroll costs and utility costs across the various functions.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

The City's investment in capital assets for its governmental and business-type activities as of December 31, 2009 and 2008 was \$25,775,983 and \$24,899,362, respectively, (net of accumulated depreciation) as shown below:

**Capital Assets, Net of Accumulated Depreciation  
December 31, 2009 and 2008**

	Governmental Activities		Business-Type Activities		Totals	
	2009	2008	2009	2008	2009	2008
Not Subject to Depreciation:						
Land and Land Rights	\$ 303,419	\$ 356,455	\$ 69,373	\$ 57,410	\$ 372,792	\$ 413,865
Construction Work in Progress	631,381	1,484,651	41,288	10,240	672,669	1,494,891
Subject to Depreciation:						
Land Improvements	879,357	402,678	-	-	879,357	402,678
Buildings	8,510,564	7,782,351	-	-	8,510,564	7,782,351
Furniture and Equipment	456,448	441,002	-	-	456,448	441,002
Vehicles	449,758	383,425	-	-	449,758	383,425
Infrastructure	5,659,741	5,190,495	-	-	5,659,741	5,190,495
Water System Plant	-	-	4,531,202	4,403,197	4,531,202	4,403,197
Wastewater System Plant	-	-	4,243,452	4,387,458	4,243,452	4,387,458
	<u>\$ 16,890,668</u>	<u>\$ 16,041,057</u>	<u>\$ 8,885,315</u>	<u>\$ 8,858,305</u>	<u>\$ 25,775,983</u>	<u>\$ 24,899,362</u>

Some of the more significant additions to the City's capital assets during 2009 included: (*in thousands*)

- Downtown Pocket Park & Gateway Project \$527.6
- Gates Avenue Project 955.8
- City infrastructure additions 729.0
- Water distribution system construction and additions 324.8

Additional information related to the City's capital assets is reported in Note 3.C. following the financial statements.

**CITY OF LADYSMITH, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2009**

**Long-Term Obligations**

At December 31, 2009, the City had outstanding \$8,425,133 of long-term debt and other long-term obligations. A summary detail of this amount, together with the net change from the previous year, is shown below:

**Outstanding Long-Term Obligations  
December 31, 2009 and 2008**

	Governmental Activities		Business-Type Activities		Total Outstanding		% Change
	2009	2008	2009	2008	2009	2008	
Long-Term Debt:							
General Obligation Debt:							
Bonds	\$ 4,545,000	\$ 4,805,000	\$ -	\$ -	\$ 4,545,000	\$ 4,805,000	-5.4%
Notes	2,589,325	2,084,629	-	-	2,589,325	2,084,629	24.2
Sewer Revenue Bonds	-	-	1,010,000	1,100,000	1,010,000	1,100,000	-8.2
Subtotal	<u>7,134,325</u>	<u>6,889,629</u>	<u>1,010,000</u>	<u>1,100,000</u>	<u>8,144,325</u>	<u>7,989,629</u>	1.9
Other Long-Term Obligations:							
Capital Leases Payable	89,071	-	-	-	89,071	-	100.0
Estimated Employee Leave	175,710	128,761	-	-	175,710	128,761	36.5
Other Postemployment Benefits Payable	<u>16,027</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,027</u>	<u>-</u>	100.0
Total	<u><u>\$ 7,415,133</u></u>	<u><u>\$ 7,018,390</u></u>	<u><u>\$ 1,010,000</u></u>	<u><u>\$ 1,100,000</u></u>	<u><u>\$ 8,425,133</u></u>	<u><u>\$ 8,118,390</u></u>	3.8

Under Wisconsin State Statutes, the outstanding general obligation long-term debt of a municipality may not exceed 5% of the equalized property value of all taxable property within the jurisdiction. The applicable debt of the City outstanding at December 31, 2009 totaled \$7,134,325, approximately 82% of the maximum legal limit of \$8,740,700.

Additional information related to the City's long-term debt is reported in Note 3.E. following the financial statements.

**CITY OF LADYSMITH, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2009**

**CURRENTLY KNOWN FACTS**

In 2007, the City of Ladysmith created Tax Increment District No.10, encompassing much of the east portion of Ladysmith's industrial area from Highway 27 east to the CN rail line and south from the Flambeau River to the south City limits. This district is anchored by an industrial wood heating pellet plant located along Meadowbrook Road. Although this facility cost about \$20,000,000 to construct it has been largely idle for several months owing to a very soft market for pellets and some other alternate fuels. It is intended that TIF revenues generated in District #10 will be used to recover the already incurred costs of road construction; two sewer lift stations; municipal water and sewer main extensions; construction of storm water management facilities; and reconstruction of the former Flambeau Mine rail spur in this District.

The City is planning to expand two economic development facilities in 2010. These expansions are intended to further develop facilities that provide private employment which is desperately needed at this time given Rusk County's unemployment rate, which is near highest in the State. The total cost of the two projects is estimated at about \$2,177,000, toward which grant funding of about \$1,484,900 is in place. The remaining \$692,000 has been borrowed by or is held by the City. This borrowing will be repaid from revenues generated by the projects. Ladysmith has very limited, about \$700,000, legal debt capacity available.

The City is also indirectly involved with Rusk County in development of a new rail served industrial facility near Tony, WI, as smaller spurs in the area have been cut off from the Canadian National main rail line over the years due to limited use coupled with high insurance costs. If the area is to attract rail users, it needs to have at least partially developed rail served sites available, which it does not at present. The Ladysmith area is one of only a handful of locales in northern Wisconsin with potential for reliable daily rail service as it is located on the CN main line linking its Canadian routes with Chicago and the Gulf Ports. It would seem this advantage is one the City should promote. A project to develop such a facility is expected to be started this year as federal assistance of \$839,000 has been secured. The total price tag on the project is \$2,078,000, which includes already completed land acquisition of \$400,000. The City has been involved in planning and marketing for this facility but is not a financial partner at this time.

In late 2008, the City learned that contamination in its Well #2 had exceeded maximum contaminant levels allowed by law, and so immediately shut down that well. The most promising solution to replace the lost water pumping capacity may be construction of a so-called "air stripper tower" wherein a high percentage of the VOC contamination could be expected to volatilize off, bringing the water pumped from Well #2 into compliance. It is intended that the same tower will also service nearby Well #3, which was shut down over three years ago for the same reason but was not removed. Financial assistance for this \$1,400,000 project is being sought from the Wisconsin DNR's Safe Drinking Water Loan Program, where it was recently ranked the 11<sup>th</sup> highest priority project in the State. Well #6, located in the same underground aquifer, has recently been found to have the same contamination, but so far at a level that does not require any action other than monitoring. Testing of Well #6 will continue through 2010 to determine if there is an upward or downward trend in the level of VOCs.

**CITY OF LADYSMITH, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2009**

The City is also planning to do test drilling for a potential new water supply well on the west side of the City. If test drilling is successful the City will likely acquire the site as a hedge against future needs. It is also possible that the City would decide to develop such new well immediately rather than proceed with the air stripper tower if the costs appear favorable for the volume of water that is available. Developing a new well would cost at least \$450,000 depending upon length of connecting piping needed. Construction costs will need to be recovered from water users, less any grant funds that can be obtained to reduce the need for the City water utility to borrow for this purpose.

It is the City's understanding that in less than two years EPA rules passed down through the Wisconsin DNR will require disinfection of all public water systems at considerable cost. While some locales may use ultraviolet lights for this purpose, Ladysmith anticipates that it will chlorinate its water system on a daily basis.

The City is presently planning upgrade to many of its sanitary sewer lift stations to keep them safe and operational and to reduce their energy usage. Sewer utility borrowing is likely to be undertaken for this \$2,000,000 project to make at least the highest priority upgrades identified. Again, both construction and operating costs will have to be passed on to users except to the extent that construction grant funds may be obtained. The engineering firm assisting with this effort has been working with USDA Rural Development in an attempt to secure grant and low interest loan assistance for this project.

The City is also investigating options to meet more stringent phosphorous and ammonia discharge requirements that EPA/WDNR have imposed on municipal wastewater treatment facilities. These costs have not yet been estimated, but are expected to be significant.

Another problem area for the City is that, for the first time anyone can recall, it was not able to budget anything in 2009 or 2010 for street reconstruction, and it does not see this changing in 2011. This is probably due largely to a combination of the following reasons:

- \* High oil/asphalt prices and increasing demand for them from developing countries.
- \* A City budget that was likely too "Spartan" at the time the State imposed levy limits.
- \* Limited available borrowing capacity.
- \* Unwillingness to levy special assessment to recover a portion of reconstruction costs.

### **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the City of Ladysmith's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the office of the City Administrator or the City Comptroller, at 120 Miner Ave. West, P.O. Box 431, Ladysmith, Wisconsin 54848.

**CITY OF LADYSMITH, WISCONSIN  
STATEMENT OF NET ASSETS  
DECEMBER 31, 2009**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Investments	\$ 2,801,537	\$ 380,914	\$ 3,182,451
Taxes Receivable	1,505,287	10,906	1,516,193
Accounts Receivable	84,699	221,724	306,423
Due from Other Governments	187,320	-	187,320
Internal Balances	118,458	(118,458)	-
Inventories	-	21,666	21,666
Prepayments	32,916	-	32,916
Deferred Charges	107,455	35,811	143,266
Special Assessments Receivable	311,264	-	311,264
Long-Term Receivables	2,531,066	-	2,531,066
Restricted Assets:			
Cash and Investments	-	381,175	381,175
Capital Assets:			
Capital Assets Not Being Depreciated	934,800	98,698	1,033,498
Capital Assets Being Depreciated	27,165,926	12,645,702	39,811,628
Accumulated Depreciation	(11,210,058)	(3,859,085)	(15,069,143)
Total Assets	24,570,670	9,819,053	34,389,723
<b>LIABILITIES</b>			
Vouchers and Accounts Payable	252,198	74,118	326,316
Accrued Wages	-	13,468	13,468
Accrued Interest	71,760	2,615	74,375
Due to Other Governments	61,040	-	61,040
Unearned Revenues	1,611,149	-	1,611,149
Special Deposits	10,143	-	10,143
Other Deferred Credits	-	2,646	2,646
Noncurrent Liabilities:			
Due Within One Year	602,599	85,000	687,599
Due in More Than One Year	6,812,534	925,000	7,737,534
Total Liabilities	9,421,423	1,102,847	10,524,270
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	9,667,272	7,934,798	17,602,070
Restricted for:			
Debt Service	-	106,858	106,858
Economic Development and Plant Replacement	2,647,022	271,702	2,918,724
Housing/Business Loan Programs	1,342,788	-	1,342,788
Unrestricted	1,492,165	402,848	1,895,013
Total Net Assets	\$ 15,149,247	\$ 8,716,206	\$ 23,865,453

See accompanying Notes to Basic Financial Statements.

**CITY OF LADYSMITH, WISCONSIN  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2009**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
<b>Primary Government:</b>							
Governmental Activities:							
General Government	\$ 559,757	\$ 39,600	\$ -	\$ -	\$ (520,157)	\$ -	\$ (520,157)
Public Safety	1,170,541	238,123	30,337	108,369	(793,712)	-	(793,712)
Transportation Facilities	1,000,105	567	506,902	22,746	(469,890)	-	(469,890)
Sanitation	329,669	317,921	5,075	-	(6,673)	-	(6,673)
Health and Human Services	129,536	35,689	-	-	(93,847)	-	(93,847)
Leisure Activities	198,730	5,037	254	-	(193,439)	-	(193,439)
Education	485,334	293,068	30,423	-	(161,843)	-	(161,843)
Urban Redevelopment and Housing	54,764	-	13,257	-	(41,507)	-	(41,507)
Conservation and Development	678,664	365,848	464,075	-	151,259	-	151,259
Interest and Fiscal Charges	396,595	-	-	-	(396,595)	-	(396,595)
Total Governmental Activities	5,003,695	1,295,853	1,050,323	131,115	(2,526,404)	-	(2,526,404)
Business-Type Activities:							
Water Utility	589,020	647,547	-	-	-	58,527	58,527
Sewer Utility	620,240	589,947	-	-	-	(30,293)	(30,293)
Total Business-Type Activities	1,209,260	1,237,494	-	-	-	28,234	28,234
Total Primary Government	<u>\$ 6,212,955</u>	<u>\$ 2,533,347</u>	<u>\$ 1,050,323</u>	<u>\$ 131,115</u>	(2,526,404)	28,234	(2,498,170)
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes					319,765	-	319,765
Property Taxes Levied for Debt Purposes					696,235	-	696,235
Property Taxes Levied for TIF Purposes					396,499	-	396,499
Other Taxes					141,744	-	141,744
State and Federal Aids Not Restricted to Specific Functions					1,328,958	-	1,328,958
Interest and Investment Earnings					36,669	7,747	44,416
Miscellaneous					65,793	-	65,793
Transfers					102,114	(102,114)	-
Total General Revenues and Transfers					<u>3,087,777</u>	<u>(94,367)</u>	<u>2,993,410</u>
Change in Net Assets					561,373	(66,133)	495,240
Net Assets - Beginning of Year					<u>14,587,874</u>	<u>8,782,339</u>	<u>23,370,213</u>
Net Assets - End of Year					<u>\$ 15,149,247</u>	<u>\$ 8,716,206</u>	<u>\$ 23,865,453</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF LADYSMITH, WISCONSIN  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2009**

	General Fund	CDBG Deferred Loan Program Fund	Mining/ MILIF Economic Development Fund	Meadowbrook Center Income Fund	Debt Service Fund	Other Governmental Fund	Totals
<b>ASSETS</b>							
Treasurer's Cash and Investments	\$ 1,330,295	\$ 22,201	\$ 639,806	\$ 375,902	\$ -	\$ 433,333	\$ 2,801,537
Taxes Receivable	988,261	-	-	-	-	517,026	1,505,287
Special Assessments Receivable	311,264	-	-	-	-	-	311,264
Prepaid Items	32,916	-	-	-	-	-	32,916
Accounts Receivable	84,699	-	-	-	-	-	84,699
Due from Other Governments	46,577	-	-	10,450	-	130,293	187,320
Due from Other Funds	232,653	74	-	-	-	-	232,727
Advances to Other Funds	354,562	-	-	-	-	-	354,562
Installment Loans Receivable	105,074	49,584	1,105,479	-	-	-	1,260,137
Deferred Loans Receivables	-	1,270,929	-	-	-	-	1,270,929
<b>Total Assets</b>	<b>\$ 3,486,301</b>	<b>\$ 1,342,788</b>	<b>\$ 1,745,285</b>	<b>\$ 386,352</b>	<b>\$ -</b>	<b>\$ 1,080,652</b>	<b>\$ 8,041,378</b>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities:</b>							
Vouchers and Accounts Payable	\$ 203,799	\$ -	\$ -	\$ 23,787	\$ -	\$ 24,612	\$ 252,198
Due to Other Governmental Units	61,040	-	-	-	-	-	61,040
Due to Other Funds	74	-	-	-	-	114,195	114,269
Deferred Revenues	1,153,569	1,320,513	1,105,479	-	-	517,026	4,096,587
Deferred Special Assessments	311,264	-	-	-	-	-	311,264
Deferred Installment Loans Receivable	105,074	-	-	-	-	-	105,074
Special Deposits	5,178	-	-	-	-	4,965	10,143
Advances from Other Funds	-	-	-	-	-	354,562	354,562
<b>Total Liabilities</b>	<b>1,839,998</b>	<b>1,320,513</b>	<b>1,105,479</b>	<b>23,787</b>	<b>-</b>	<b>1,015,360</b>	<b>5,305,137</b>
<b>Fund Balances:</b>							
Reserved	531,349	-	-	-	-	86,552	617,901
Unreserved:							
Designated Reported In:							
General Fund	351,366	-	-	-	-	-	351,366
Special Revenue Funds	-	22,275	639,806	362,565	-	114,610	1,139,256
Capital Projects Funds	-	-	-	-	-	232,936	232,936
Undesignated Reported In:							
General Fund	763,588	-	-	-	-	-	763,588
Special Revenue Funds	-	-	-	-	-	(14,244)	(14,244)
Capital Projects Funds	-	-	-	-	-	(354,562)	(354,562)
<b>Total Fund Balances</b>	<b>1,646,303</b>	<b>22,275</b>	<b>639,806</b>	<b>362,565</b>	<b>-</b>	<b>65,292</b>	<b>2,736,241</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 3,486,301</b>	<b>\$ 1,342,788</b>	<b>\$ 1,745,285</b>	<b>\$ 386,352</b>	<b>\$ -</b>	<b>\$ 1,080,652</b>	<b>\$ 8,041,378</b>

See accompanying Notes to Basic Financial Statements.

**CITY OF LADYSMITH, WISCONSIN  
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES  
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2009**

**Total Fund Balances - Governmental Funds** \$ 2,736,241

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of:

Land	\$ 303,419	
Land Improvements	1,363,059	
Buildings	10,828,332	
Furniture and Equipment	1,337,424	
Vehicles	1,524,805	
Infrastructure	12,112,306	
Construction Work in Progress	631,381	
Accumulated Depreciation	<u>(11,210,058)</u>	16,890,668

Some assets are reported as deferred revenue in the fund financial statements but are recognized as revenue when earned in the government-wide statements. These assets consist of:

Housing Rehabilitation Loans	1,320,513	
Long-Term Receivables - Economic Development Loans to Businesses	1,210,553	
Special Assessments Receivable	311,264	
Assessments and Special Charges on Tax Roll	<u>59,446</u>	2,901,776

Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds. These liabilities consist of:

Bonds Payable	4,545,000	
Notes Payable	2,589,325	
Capital Lease Payable	89,071	
Accrued Interest on Notes and Bonds	71,760	
Employee Leave Liabilities	175,710	
Other Postemployment Benefits Payable	<u>16,027</u>	(7,486,893)

Debt Issuance and refinancing costs are deferred in the statement of net assets and amortized over the lives of the related debt. In the governmental funds these costs are considered expenditures/other financing uses when incurred.

107,455

**Net Assets of Governmental Activities** \$ 15,149,247



**CITY OF LADYSMITH, WISCONSIN**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2009**

	General Fund	CDBG Deferred Loan Program Fund	Mining/ MILIF Economic Development Fund	Meadowbrook Center Income Fund	Debt Service Fund	Other Governmental Funds	Totals
<b>REVENUES</b>							
Taxes	\$ 1,157,744	\$ -	\$ -	\$ -	\$ -	\$ 396,499	\$ 1,554,243
Special Assessments	80,814	-	-	-	-	-	80,814
Intergovernmental	1,871,089	13,257	-	10,450	-	595,404	2,490,200
Licenses and Permits	15,715	-	-	-	-	-	15,715
Fines and Forfeits	54,895	-	-	-	-	-	54,895
Public Charges for Services	386,630	-	-	-	-	-	386,630
Intergovernmental Charges for Services	446,461	-	-	-	-	-	446,461
Miscellaneous:							
Interest	35,380	98	-	-	-	-	35,478
Rent	36,891	-	199,137	214,400	-	19,656	470,084
Donations	23,248	-	-	-	-	-	23,248
Other	33,033	33,123	-	-	-	335	66,491
Total Revenues	<u>4,141,900</u>	<u>46,478</u>	<u>199,137</u>	<u>224,850</u>	<u>-</u>	<u>1,011,894</u>	<u>5,624,259</u>
<b>EXPENDITURES</b>							
General Government	504,899	-	-	-	-	-	504,899
Public Safety	989,012	-	-	-	-	107,070	1,096,082
Transportation Facilities	1,000,298	-	-	-	-	-	1,000,298
Sanitation	391,650	-	-	-	-	-	391,650
Health and Human Services	125,120	-	-	-	-	-	125,120
Leisure Activities	154,955	-	-	-	-	-	154,955
Education	445,257	-	-	-	-	-	445,257
Urban Redevelopment and Housing	-	59,700	-	-	-	-	59,700
Conservation and Development	97,547	-	73,407	669,956	-	779,800	1,620,710
Debt Service:							
Principal Retirement	50,000	-	-	-	433,304	-	483,304
Interest and Fiscal Charges	1,992	-	-	3,015	262,931	85,890	353,828
Total Expenditures	<u>3,760,730</u>	<u>59,700</u>	<u>73,407</u>	<u>672,971</u>	<u>696,235</u>	<u>972,760</u>	<u>6,235,803</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	381,170	(13,222)	125,730	(448,121)	(696,235)	39,134	(611,544)
<b>OTHER FINANCING SOURCES (USES)</b>							
Proceeds of Long-Term Debt	-	-	-	678,000	-	-	678,000
Capital Lease Proceeds	139,071	-	-	-	-	-	139,071
Transfers In	186,414	-	-	-	696,235	-	882,649
Transfers Out	(439,249)	-	(80,000)	(103,359)	-	(157,927)	(780,535)
Total Other Financing Sources (Uses)	<u>(113,764)</u>	<u>-</u>	<u>(80,000)</u>	<u>574,641</u>	<u>696,235</u>	<u>(157,927)</u>	<u>919,185</u>
<b>NET CHANGE IN FUND BALANCES</b>	267,406	(13,222)	45,730	126,520	-	(118,793)	307,641
Fund Balances, January 1	1,378,897	35,497	594,076	236,045	-	184,085	2,428,600
<b>FUND BALANCES, DECEMBER 31</b>	<u>\$ 1,646,303</u>	<u>\$ 22,275</u>	<u>\$ 639,806</u>	<u>\$ 362,565</u>	<u>\$ -</u>	<u>\$ 65,292</u>	<u>\$ 2,736,241</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF LADYSMITH, WISCONSIN  
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2009**

**Net Change in Fund Balances - Total Governmental Funds** **\$ 307,641**

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

Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital Outlays Reported in Governmental Fund Statements	\$ 1,547,374	
Depreciation Expense Reported in the Statement of Activities	<u>(684,030)</u>	863,344

In the statement of activities, only the gain or loss on the disposal of capital assets is reported whereas in the governmental funds, the proceeds from sales increase financial resources. Thus, the change in net assets differs from the change in fund balances by the book value of capital assets disposed of during the year. (13,733)

Some assets not currently available are reported as deferred revenue in the fund financial statements but are recognized as revenue when earned in the government-wide statements. In the current year the change in these amounts consist of:

Housing Rehabilitation Loans	(28,187)	
Long-Term Receivables Loan to Industrial Development Corporation	(67,345)	
Special Assessments Receivable	(38,818)	
Assessments and Special Charges on Tax Roll	<u>(22,019)</u>	(156,369)

Long-term debt and related obligations incurred in governmental funds are reported as other financing sources, but are reported as an increase in outstanding long-term obligations in the statement of net assets and do not affect the statement of activities. Also governmental funds report the effect of issuance costs, discounts, premiums and similar items when issued, whereas these amounts are deferred and amortized in the statement of activities. In the current year these amounts consist of:

Capital Lease Payable	139,071	
Notes Payable	<u>678,000</u>	(817,071)

Repayment of long-term debt and other long-term obligations are reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. In the current year, these repayments were:

Bond Principal Retired	260,000	
Note Principal Retired	173,304	
Capital Lease Principal Retired	<u>50,000</u>	483,304

Debt issuance costs are amortized over the life of the refunded debt in the statement of activities. Debt issuance costs are considered expenditures/other financing uses in the governmental funds. In the current year, the amortization of these amounts consisted of: (21,359)

Some items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These activities consist of:

Net Change in Accrued Interest Payable	(21,408)	
Net Change in Employee Leave Liabilities	(46,949)	
Net Change in Other Postemployment Benefits Payable	<u>(16,027)</u>	<u>(84,384)</u>

**Change in Net Assets of Governmental Activities** **\$ 561,373**

See accompanying Notes to Basic Financial Statements.

**CITY OF LADYSMITH, WISCONSIN  
BALANCE SHEET  
PROPRIETARY FUNDS  
DECEMBER 31, 2009**

<b>ASSETS</b>	Business-Type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Totals
<b>Current Assets:</b>			
Cash and Investments:			
Operations	\$ 82,531	\$ -	\$ 82,531
Segregated for Plant Replacement	298,383	-	298,383
Customer Accounts Receivable	111,163	100,266	211,429
Accounts Receivable on Tax Roll	4,705	6,201	10,906
Other Accounts Receivable	-	10,295	10,295
Inventories	19,886	1,780	21,666
Total Current Assets	516,668	118,542	635,210
<b>Restricted Assets:</b>			
Investments for Debt Retirement	48,721	60,752	109,473
Investments for Plant Replacement	-	271,702	271,702
Total Restricted Assets	48,721	332,454	381,175
<b>Capital Assets:</b>			
Utility Plant in Service	6,481,379	6,164,323	12,645,702
Less: Accumulated Depreciation	1,938,214	1,920,871	3,859,085
Net Utility Plant in Service	4,543,165	4,243,452	8,786,617
Land and Land Rights	9,502	47,908	57,410
Construction Work in Progress	41,288	-	41,288
Total Capital Assets	4,593,955	4,291,360	8,885,315
<b>Other Assets and Deferred Charges:</b>			
Advance to Sewer Utility	99,000	-	99,000
Unamortized Debt Discount and Expense	15,082	20,729	35,811
Total Other Assets and Deferred Charges	114,082	20,729	134,811
 Total Assets	 \$ 5,273,426	 \$ 4,763,085	 \$ 10,036,511

See accompanying Notes to Basic Financial Statements.

**CITY OF LADYSMITH, WISCONSIN  
BALANCE SHEET  
PROPRIETARY FUNDS (CONTINUED)  
DECEMBER 31, 2009**

	Business-Type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Totals
<b>LIABILITIES</b>			
<b>Current Liabilities Payable from</b>			
<b>Current Assets:</b>			
Accounts Payable	\$ 53,850	\$ 20,268	\$ 74,118
Accrued Wages	7,625	5,843	13,468
Due to Other Funds	-	118,458	118,458
Current Portion of Long-Term Debt	-	5,517	5,517
Total Current Liabilities Payable from Current Assets	61,475	150,086	211,561
<b>Current Liabilities Payable from</b>			
<b>Restricted Assets:</b>			
Accrued Interest	1,346	1,269	2,615
Current Portion of Long-Term Debt	20,000	59,483	79,483
Total Current Liabilities Payable from Restricted Assets	21,346	60,752	82,098
<b>Long-Term Obligations (Net of Current Portion):</b>			
Mortgage Revenue Bonds	500,000	425,000	925,000
Advance from Water Utility	-	99,000	99,000
Total Long-Term Debt	500,000	524,000	1,024,000
<b>Deferred Credit:</b>			
Other Deferred Credits	1,323	1,323	2,646
Total Liabilities	584,144	736,161	1,320,305
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	4,073,955	3,860,843	7,934,798
Restricted for Plant Replacement	-	271,702	271,702
Restricted for Debt Retirement	47,375	59,483	106,858
Unrestricted	567,952	(165,104)	402,848
Total Net Assets	4,689,282	4,026,924	8,716,206
Total Liabilities and Net Assets	\$ 5,273,426	\$ 4,763,085	\$ 10,036,511

See accompanying Notes to Basic Financial Statements.

**CITY OF LADYSMITH, WISCONSIN  
STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET ASSETS  
PROPRIETARY FUNDS  
YEAR ENDED DECEMBER 31, 2009**

	Business-Type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Totals
<b>OPERATING REVENUES</b>			
Sales of Water/Sewerage Revenues:			
Residential	\$ 193,732	\$ 355,823	\$ 549,555
Commercial	92,799	120,577	213,376
Industrial	25,138	15,213	40,351
Public Authorities	33,992	32,313	66,305
Public Fire Protection	252,978	-	252,978
Private Fire Protection	28,297	-	28,297
Total Sales of Water/Sewerage Revenues	626,936	523,926	1,150,862
Other Operating Revenues	20,611	66,021	86,632
Total Operating Revenues	647,547	589,947	1,237,494
<b>OPERATING EXPENSES</b>			
Operation and Maintenance	415,615	442,249	857,864
Depreciation	151,245	151,658	302,903
Total Operating Expenses	566,860	593,907	1,160,767
<b>OPERATING INCOME (LOSS)</b>	80,687	(3,960)	76,727
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Interest Income	4,895	2,852	7,747
Interest Expense	(20,777)	(24,118)	(44,895)
Amortization of Debt Discount and Expense	(1,383)	(2,215)	(3,598)
Total Nonoperating Revenues (Expenses)	(17,265)	(23,481)	(40,746)
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	63,422	(27,441)	35,981
<b>TRANSFERS</b>			
Transfer to General Fund	(102,114)	-	(102,114)
<b>CHANGE IN NET ASSETS</b>	(38,692)	(27,441)	(66,133)
Net Assets, January 1	4,727,974	4,054,365	8,782,339
<b>NET ASSETS, DECEMBER 31</b>	\$ 4,689,282	\$ 4,026,924	\$ 8,716,206

See accompanying Notes to Basic Financial Statements.

**CITY OF LADYSMITH, WISCONSIN  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED DECEMBER 31, 2009**

	Business-Type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash Received from Customers	\$ 619,146	\$ 563,528	\$ 1,182,674
Cash Paid to Suppliers for Goods and Services	(200,801)	(282,217)	(483,018)
Cash Paid for Employee Services	(165,109)	(130,676)	(295,785)
Cash Received (Paid) for Sewer Share of Meter Expense	17,193	(17,193)	-
Net Cash Provided by Operating Activities	270,429	133,442	403,871
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Cash Paid to General Fund for Financing	-	(19,098)	(19,098)
Cash Paid to General Fund for Tax Equivalents	(102,114)	-	(102,114)
Net Cash Used for Noncapital Financing Activities	(102,114)	(19,098)	(121,212)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Cash Paid for Acquisition of Capital Assets	(324,762)	(7,652)	(332,414)
Cash Received for Salvage of Asset Retirement	2,501	-	2,501
Cash Received (Paid) on Advance from Water Utility to Sewer Utility	16,500	(16,500)	-
Cash Paid for Principal on Long-Term Debt	(20,000)	(70,000)	(90,000)
Cash Paid for Interest on Long-Term Debt	(20,763)	(24,230)	(44,993)
Net Cash Used for Capital and Related Financing Activities	(346,524)	(118,382)	(464,906)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest on Invested Funds	4,895	2,852	7,747
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>			
	(173,314)	(1,186)	(174,500)
Cash and Cash Equivalents, January 1	564,199	294,890	859,089
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	<b>\$ 390,885</b>	<b>\$ 293,704</b>	<b>\$ 684,589</b>

See accompanying Notes to Basic Financial Statements.

**CITY OF LADYSMITH, WISCONSIN  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2009**

	Business-Type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Total
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>			
Operating Income (Loss)	\$ 80,687	\$ (3,960)	\$ 76,727
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation	151,245	151,658	302,903
(Increase) Decrease in Assets:			
Accounts Receivable	(12,392)	(22,188)	(34,580)
Other Accounts Receivable	(494)	(4,231)	(4,725)
Inventories	1,678	-	1,678
Increase (Decrease) in Liabilities:			
Accounts Payable	42,080	6,320	48,400
Accrued Wages	7,625	5,843	13,468
Net Cash Provided by Operating Activities	\$ 270,429	\$ 133,442	\$ 403,871
 <b>RECONCILIATION OF CASH AND INVESTMENTS TO CASH AND CASH EQUIVALENTS</b>			
Cash and Investments per Balance Sheet:			
Cash and Investments - Unrestricted:			
Operations	\$ 82,531	\$ -	\$ 82,531
Segregated for Plant Replacement	298,383	-	298,383
Cash and Investments - Restricted	48,721	332,454	381,175
	429,635	332,454	762,089
Less: Certificates of Deposit with a Maturity of Greater than Three Months	38,750	38,750	77,500
Total Cash and Cash Equivalents	\$ 390,885	\$ 293,704	\$ 684,589

See accompanying Notes to Basic Financial Statements.

**CITY OF LADYSMITH, WISCONSIN  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUND  
DECEMBER 31, 2009**

	<u>Agency Fund</u>
<b>ASSETS</b>	
Cash and Investments	\$ 499,255
Taxes Receivable	<u>2,058,950</u>
Total Assets	<u>\$ 2,558,205</u>
<b>LIABILITIES</b>	
Due to Other Governmental Units	<u>\$ 2,558,205</u>

See accompanying Notes to Basic Financial Statements.



**CITY OF LADYSMITH, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2009**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the City of Ladysmith (the "City") have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental 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**

The City of Ladysmith is a Wisconsin municipal corporation incorporated in 1905. The City is governed by a mayor/council form of government. The council consists of seven members elected from seven wards within the City and the mayor.

The financial reporting of the City is defined by the GASB to consist of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that the exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The basic financial statements of the City consist solely of the primary government. No other organizations were identified for inclusion in the financial reporting entity of the City.

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

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements as described below:

**Government-Wide Statements**

The two government-wide financial statements (i.e., the statement of net assets and the statement of activities) report financial information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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 to a specific function or segment. Program revenues include (a) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment; and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**CITY OF LADYSMITH, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2009**

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

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

**Fund Financial Statements**

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, liabilities, net assets, 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 operating fund of the City. It is used to account for all financial resources of the City, except those required to be accounted for in another fund.

**CDBG Deferred Loan Program Fund** – The CDBG Deferred Loan Program Fund is used to account for CDBG housing rehabilitation funding and the related housing rehabilitation revolving loan funds.

**Mining/MILIF Economic Development Fund** – The Mining/MILIF Economic Development Fund is used to account for resources generated by facilities that have been constructed by this fund in prior years.

**Meadowbrook Center Income Fund** – The Meadowbrook Center Income Fund is used to account for resources generated by facilities that have been constructed by this fund in prior years.

**Debt Service Fund** – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs of governmental funds.

All remaining governmental funds are aggregated and reported as nonmajor funds.

The City reports the following major enterprise funds:

**Water Utility** – This fund accounts for the operations of the water system. Utility operations are subject to regulation by the Wisconsin Public Service Commission.

**Sewer Utility** – This fund accounts for the operations of the wastewater collection system and treatment facilities.

**CITY OF LADYSMITH, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2009**

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

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

**Fund Financial Statements (Continued)**

The City had no other enterprise funds to report as nonmajor funds.

Additionally, the City reports a fiduciary fund type that is an agency fund used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations and/or other governmental units. The agency fund is primarily used to account for the collection of property taxes for other governmental entities.

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

The government-wide financial statements, the proprietary funds and fiduciary fund financial statements, are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Nonexchange transactions, in which the City gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. 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 revenue. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

Governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized as soon as they are both measurable and available. Revenues are deemed 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 City considers revenues reported in the governmental funds to be available if they are collected within sixty days after the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, miscellaneous taxes, public charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual. Only the portion of special assessment receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are generally considered to be measurable and available only when cash is received by the government.

**CITY OF LADYSMITH, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2009**

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

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

The City reports deferred revenues on its fund balance sheets. Deferred revenues arise when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred revenues also arise when resources are received by the City before it 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 when the City has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

Proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note. Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government’s utility functions 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.

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 utility and sewer utility are charges to customers for sales and services. Operating expenses for proprietary 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.

When both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first, and then unrestricted resources as they are needed.

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

**CITY OF LADYSMITH, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2009**

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

**D. Assets, Liabilities, and Net Assets or Equity**

**1. Deposits and Investments**

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with an original maturities of three months or less from date of acquisition. Cash and investment balances for individual funds are pooled unless maintained in segregated accounts.

Investment of City funds is restricted by state statutes. Available investments are limited to:

1. Time deposits in any credit union, bank, savings bank or trust company maturing in three years or less.
2. Bonds or securities issued or guaranteed by the federal government.
3. Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, or by the University of Wisconsin Hospitals and Clinics Authority.
4. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
5. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
6. Bonds or securities issued under the authority of the municipality.
7. The local government investment pool.
8. Repurchase agreements with public depositories, with certain conditions.

Additional restrictions may arise from local charters, ordinances, resolutions and grant resolutions.

Investment of most trust funds is regulated by Chapter 881 of the Wisconsin Statutes. Investment of library trust funds is regulated by Chapter 112. Those sections give broad authority to use such funds to acquire various kinds of investments including stocks, bonds and debentures.

Investments of the City are stated at fair value.

**CITY OF LADYSMITH, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2009**

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

**D. Assets, Liabilities, and Net Assets or Equity (Continued)**

**2. Receivables and Payables**

**Property Taxes.** Property taxes are levied prior to the end of the calendar year and are due and collectible in the following year. Property taxes attach an enforceable lien as of January 1. The resulting tax roll is recorded as receivable in the City's agency fund with amounts due other governmental units and other funds of the City recorded as liabilities therein. Since City property taxes are not considered available until January 1 of the year following the levy, they are recorded as deferred revenues in the funds budgeted therefore.

Real property taxes are payable in full on or before January 31 or, alternatively, if over \$100, can be paid in two equal installments with the first installment payable on or before January 31 and the second installment payable on or before July 31. Personal property taxes and special assessments, special charges (including delinquent utility billings) and special taxes placed on the tax roll are payable in full on or before January 31. All uncollected items on the current tax roll, except delinquent personal property taxes, are turned over to the Rusk County Treasurer for collection in February. Rusk County subsequently settles in full with the City in August of the same year, except for uncollected delinquent special assessments and special charges. Delinquent personal property taxes are retained by the City for collection. A portion of the general fund balance is reserved for the City's investment in delinquent taxes.

**Special Assessments.** Assessments against property owners for public improvements are generally not subject to full settlement in the year levied. Deferred special assessments are placed on tax rolls on an installment basis. Revenue from special assessments recorded in governmental funds is recognized as collections are made or as current installments are placed on tax rolls. (Installments placed on the 2009 tax roll are recognized as revenue in 2010.) Special assessments recorded in proprietary funds are recorded as revenue at the time the assessments are subject to collection procedures.

**Accounts Receivable.** All accounts receivable are shown at gross amounts. No allowance for uncollectible accounts has been provided since such allowance would not be material.

**CITY OF LADYSMITH, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2009**

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

**D. Assets, Liabilities, and Net Assets or Equity (Continued)**

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

**Loans Receivable.** The City has received federal and state grant funds for economic development and housing rehabilitation loan programs to various businesses and individuals. The City records a loan receivable when the loan has been made and funds have been disbursed. The amounts recorded as economic development and housing rehabilitation loans receivable have not been reduced by an allowance for uncollectible accounts. It is the City's policy to record deferred revenue for the net amount of the receivable balance. As loans are repaid, revenue is recognized. When new loans are made from the repayments, expenditures are recorded. Interest received from loan repayments is recognized as revenue when received in cash. Any unspent loan repayments at year-end are presented as designated fund balance in the fund financial statements.

**Interfund Balances.** Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statement as "internal balances". Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

**3. Inventories and Prepaid Items**

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds, if material, are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**4. Restricted Assets**

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified.

**CITY OF LADYSMITH, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2009**

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

**D. Assets, Liabilities, and Net Assets or Equity (Continued)**

**5. Capital Assets**

**Government-Wide Statements.** Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with initial, individual costs as shown below and an estimated useful life of two years or greater. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market 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.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, if material, is included as part of the capitalized value of the assets constructed.

Capitalization thresholds (the dollar valued above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the government-wide statements are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Land	\$ 1,000	N/A	N/A
Land Improvements	1,000	Straight-Line	20 Years
Buildings	1,000	Straight-Line	18-50 Years
Furniture and Equipment	1,000	Straight-Line	5-20 Years
Vehicles	1,000	Straight-Line	8 Years
Infrastructure	1,000	Straight-Line	50 Years
Utility Systems	1,000	Straight-Line	4-100 Years

**Fund Financial Statements.** In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for in the same manner as in the government-wide statements.

**6. Other Assets**

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



**CITY OF LADYSMITH, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2009**

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

**D. Assets, Liabilities, and Net Assets or Equity (Continued)**

**7. Compensated Absences**

It is the City's policy to permit employees to accumulate vacation and personal leave benefits. Liabilities for accumulated vacation and personal leave are not accrued in the City's governmental fund financial statements but are recorded as expenditures when paid. Such liabilities are accrued in the government-wide and proprietary fund financial statements when earned.

**8. Other Postemployment Benefits Payable**

Under the provisions of various employee and union contracts the City provides a retirement program for certain employees which includes certain health insurance benefits. The amount to be incurred is limited as specified by contract. All premiums are funded on a pay-as-you-go basis. This amount was actuarially determined, in accordance with GASB 45, at December 31, 2009. GASB 45 was implemented prospectively, meaning that the net OPEB obligation was zero at transition.

**9. Long-Term Obligations**

In the government-wide financial statements and proprietary 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 assets. In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**10. Equity Classifications**

Fund equity, representing the difference between assets and liabilities, is classified as follows in the City's financial statements:

**Government-Wide Statements.** Fund equity is classified as net assets in the government-wide financial statements and is displayed in three components. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement for those assets. Net assets are reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net assets as displayed as unrestricted.

**CITY OF LADYSMITH, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2009**

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

**D. Assets, Liabilities, and Net Assets or Equity (Continued)**

**10. Equity Classifications (continued)**

**Fund Financial Statements.** Fund equity of governmental funds is classified as fund balance. Reservations of fund balances represent amounts that are not subject to appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. The balance of the unreserved fund balance not designated for specific purposes is displayed as undesignated. Fund equity in proprietary funds and fiduciary funds is classified in the same manner as in the government-wide statements.

**NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

Due to the differences in the measurement focus and basis of accounting used in the governmental fund financial statements and the government-wide financial statements, certain financial transactions are treated differently. Reconciliation of governmental fund balances and changes thereto to the net asset and revenues/expenses shown in the government-wide financial statements are presented on pages 20 and 22, respectively.

**NOTE 3 DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

The City's cash and investments balances at December 31, 2009 totaled \$4,062,881 as shown in the financial statements as follows:

Governmental Funds	\$ 2,801,537
Proprietary Funds	762,089
Fiduciary Funds	499,255
Total	\$ 4,062,881

The cash and investments balances consisted of the following:

Deposits in Financial Institutions	\$ 2,192,701
Deposits in Local Government Investment Pool	1,869,030
Petty Cash	1,150
Total	\$ 4,062,881

**Deposits at Financial Institutions**

The City's balances at individual financial institutions were subject to coverage under federal depository insurance, a bank deposit guaranty bond and amounts appropriated by Sections 20.144(1)(a) and 34.08 of the Wisconsin Statutes (State Guarantee Fund).

**CITY OF LADYSMITH, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2009**

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

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

**Deposits at Financial Institutions (Continued)**

Federal depository insurance provides for coverage of up to \$250,000 for time and savings deposits and unlimited coverage for all non-interest bearing transaction accounts (including all demand accounts earning less than 0.5% interest as long as the depository institution has opted out of the FDIC's Temporary Liquidity Guarantee Program). In addition, funds held for others (such as trust funds) are subject to coverage under the name of the party for whom the funds are held. Coverage has also been provided to the City by a financial institution in the form of a bank deposit guarantee bond. Coverage under the State Guarantee Fund may not exceed \$400,000 above the amount of coverage under federal depository insurance at any institution and is limited by the availability of the appropriations authorized therein. (Due to the relatively small size of the State Guarantee Fund in relation to the total coverage, total recovery of losses may not be available.) Also, Section 34.07 of the Wisconsin Statutes authorizes the City to collateralize its deposits that exceed the amount of coverage provided by federal depository insurance and the State Guarantee Fund.

Custodial credit risk is the risk that, in the event of bank failure, the City's deposits may not be returned. At December 31, 2009, the City's deposits were not exposed to custodial credit risk.

**Deposits in State Local Government Pooled-Investment Fund.** The State of Wisconsin offers a Local Government Investment Pool (LGIP) to local government units to enable them to voluntarily invest idle funds in the State Investment Fund. Local funds are pooled with state funds and invested by a local government unit. Interest is earned on a daily basis and withdrawals are generally available on the day of request. Deposits in the LGIP are not covered by federal depository insurance but are subject to coverage under the State Guarantee Fund. Also, the State of Wisconsin Investment Board has obtained a surety bond to protect deposits in the LGIP against defaults in principal payments on the LGIP's investments (subject to certain limitations). The average monthly weighted average maturity of the State Investment Fund's investments for 2009 was 68 days.

Credit risk for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligation to the holder of the investment. The City's policy is to invest its funds in accordance with provisions of the Wisconsin Statutes previously discussed in Note 1.D.1.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the fair values of investments with maturity dates farther into the future are more sensitive to changes in market interest rates. The short weighted average maturities of the investments in the above external investment pool mitigates this risk to the City.

**CITY OF LADYSMITH, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2009**

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

**B. Receivables/Deferred Revenues**

**Other Receivables**

**Housing Rehabilitation Loans Receivable**

The City has participated in the Small Cities Community Development Block Grant (CDBG) program, part of which was used to finance housing rehabilitation as specified within the contracts signed with the Wisconsin Department of Development.

At December 31, 2009, the City had outstanding six installment loans under the CDBG program totaling \$49,584. These loans are being repaid to the City under terms established through the program. Receivables have been recorded in the special revenue fund in the amount of the outstanding balances of these loans and are equally offset by deferred revenues recorded therein. Revenue is recognized in the special revenue fund as collections are received on these loans.

The City also had 96 deferred mortgage loans outstanding at December 31, 2009 totaling \$1,270,929. These notes become due and payable in the event that the maker –

- a. no longer continues to occupy the premises securing this note as a full time residence, or
- b. transfers any legal or equitable interest in the mortgaged premises to anyone for any reason.

These loans are recorded as long-term receivables and deferred revenues in the special revenue fund. Collections on these loans are recognized as revenue in the special revenue fund at the time of their receipt.

Proceeds from the collection of the above loans are restricted for financing similar rehabilitation projects.

**Economic Development Long-Term Receivables**

**Industrial Development Corporation Loan.** On January 15, 2000, the City entered into an agreement to advance \$220,000 to the Ladysmith Community Industrial Development Corporation (IDC). The loan is to be repaid by a monthly payment of \$1,818 over 15 years at an interest rate of 5.675% with the first payment on October 1, 2000. The purpose of the loan to IDC was for the construction of a new vehicle storage building project that is being leased to the State of Wisconsin. The outstanding balance on the loan at December 31, 2009 was \$105,074.

**CITY OF LADYSMITH, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2009**

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

**B. Receivables/Deferred Revenues (Continued)**

**Other Receivables (Continued)**

**Economic Development Long-Term Receivables (Continued)**

**Long-Term Economic Development Receivables.** The City is leasing property to Landmark North corporation that has an option to purchase during the lease term at a price that is the unamortized value of the lease at the time of closing plus one dollar. The initial lease term is for five years and the tenant has the right to renew the lease for four consecutive five-year options terms. The initial amount of the lease was \$1,141,963 at five percent for twenty-four years and eight months, with a monthly payment of \$6,721. The unamortized value of the lease at December 31, 2009 was \$755,706.

During 2008, the City received a promissory note from Schield Bros, Inc. for \$2,250,000 for the sale of the Norse Building Systems plant. The promissory note calls for the proceeds to be shared with the City and other local governmental units and industrial development entities that also held equity in the industrial plant facility. The term of the note is July 1, 2008 thru July 1, 2028 with interest stated at 5.0% and requires monthly payments of \$14,849. The monthly payments received by the City are then allocated with distribution of the proceeds 16.24% to the City, and the balance of 83.76% remitted to the other local governmental units and industrial development entities. During 2009, the City received payments from Schield Bros, Inc. in the total amount of \$163,339, (principal of \$63,037 and interest of \$100,302), and made distributions to the participating local governmental units and industrial development entities in the amount of \$136,813. The outstanding balance on the total promissory note receivable for all local governments and industrial development entities at December 31, 2009 was \$2,153,774, with the City's portion being \$349,773. The City's portion of the promissory note in the amount of \$349,773 at December 31, 2009 was recorded as a long-term receivable in the City's mining/MILIF economic development fund.

**CITY OF LADYSMITH, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2009**

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

**C. Capital Assets**

Capital asset activity for the year ended December 31, 2009 is as follows:

**Governmental Activities**

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Not Being Depreciated:				
Land	\$ 356,455	\$ -	\$ 53,036	\$ 303,419
Construction Work in Progress	1,484,651	1,352,104	2,205,374	631,381
Total Capital Assets Not Being Depreciated	1,841,106	1,352,104	2,258,410	934,800
Capital Assets Being Depreciated:				
Land Improvements	835,462	527,597	-	1,363,059
Buildings	9,872,580	955,752	-	10,828,332
Furniture and Equipment	1,257,619	90,705	10,900	1,337,424
Vehicles	1,390,823	150,670	16,688	1,524,805
Infrastructure	11,395,445	728,956	12,095	12,112,306
Total Capital Assets Being Depreciated	24,751,929	2,453,680	39,683	27,165,926
Total Capital Assets	26,593,035	3,805,784	2,298,093	28,100,726
Land Improvements	432,784	50,918	-	483,702
Buildings	2,090,229	227,539	-	2,317,768
Furniture and Equipment	816,617	69,870	5,511	880,976
Vehicles	1,007,398	75,993	8,344	1,075,047
Infrastructure	6,204,950	259,710	12,095	6,452,565
Total Accumulated Depreciation	10,551,978	684,030	25,950	11,210,058
Net Capital Assets - Governmental Activities	<u>\$ 16,041,057</u>	<u>\$ 3,121,754</u>	<u>\$ 2,272,143</u>	<u>\$ 16,890,668</u>

Depreciation expense was charged to governmental functions as follows:

General Government	\$ 39,471
Public Safety	104,651
Transportation Facilities	302,284
Sanitation	24,054
Health and Human Services	6,437
Leisure Activities	39,881
Education	40,077
Conservation and Development	127,175
Total	<u>\$ 684,030</u>

**CITY OF LADYSMITH, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2009**

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

**C. Capital Assets (Continued)**

**Business-Type Activities**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Water Utility:</b>				
Capital Assets Not Being Depreciated:				
Land and Land Rights	\$ 9,502	\$ 11,963	\$ -	\$ 21,465
Construction Work in Progress	10,240	31,048	-	41,288
Total Capital Assets Not Being Depreciated	19,742	43,011	-	62,753
Capital Assets Being Depreciated:				
Source of Supply	488,465	5,823	1,165	493,123
Pumping Plant	313,517	225,821	45,164	494,174
Water Treatment	26,806	-	-	26,806
Transmission and Distribution	5,112,991	17,593	1,190	5,129,394
Administration and General Assets	312,405	32,514	19,000	325,919
Total Capital Assets Being Depreciated	6,254,184	281,751	66,519	6,469,416
Total Capital Assets	6,273,926	324,762	66,519	6,532,169
Less: Accumulated Depreciation	1,850,987	151,245	64,018	1,938,214
Net Capital Assets - Water Utility	4,422,939	173,517	2,501	4,593,955
<b>Sewer Utility:</b>				
Capital Assets Not Being Depreciated:				
Land and Land Rights	47,908	-	-	47,908
Capital Assets Being Depreciated:				
Collection System	2,719,811	-	-	2,719,811
Collection System Pumping Installation	1,346,500	-	-	1,346,500
Treatment and Disposal Plant	1,851,233	-	-	1,851,233
Administration and General Assets	239,127	7,652	-	246,779
Total Capital Assets Being Depreciated	6,156,671	7,652	-	6,164,323
Total Capital Assets	6,204,579	7,652	-	6,212,231
Less: Accumulated Depreciation	1,769,213	151,658	-	1,920,871
Net Capital Assets - Sewer Utility	4,435,366	(144,006)	-	4,291,360
Net Capital Assets - Business-Type Activities	<u>\$ 8,858,305</u>	<u>\$ 29,511</u>	<u>\$ 2,501</u>	<u>\$ 8,885,315</u>

Depreciation expense was charged to business-type activities as follows:

Water	\$ 151,245
Sewer	151,658
Total	<u>\$ 302,903</u>

**CITY OF LADYSMITH, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2009**

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

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

The composition of interfund balances as of December 31, 2009 was as follows:

**Due to/from Other Funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Sewer Utility Enterprise Fund	\$ 118,458
CDBG Deferred Loan Program	General Fund	74
General Fund	Enterprise Center Income Fund	10,204
General Fund	Tax Incremental District #10 Fund	103,991
		<u>\$ 232,727</u>

The interfund balance between the CDBG deferred loan program fund and the general fund is for a project cost. All of the other interfund balances were to finance cash overdrafts in the respective payable fund listed above. It is anticipated that these advances will be reduced as cash becomes available in these other funds.

**Advances from/to Other Funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Tax Incremental District #5 Fund	\$ 73,845
General Fund	Tax Incremental District #7 Fund	1,301
General Fund	Tax Incremental District #10 Fund	279,416
Water Utility Enterprise Fund	Sewer Utility Enterprise Fund	99,000
		<u>\$ 453,562</u>

The long-term interfund advances from the City's general fund to its various TID funds were to finance fund deficits in the TID funds. It is anticipated that these advances will be reduced as tax incremental revenues become available.

As of December 31, 2005, the water utility enterprise fund had advanced \$165,000 out of its operating funds to the sewer utility enterprise fund. This advance is to be repaid in ten annual principal installments of \$16,500 plus interest at an annual rate of 3%. At December 31, 2009, the remaining principal balance due on this advance is \$99,000.

Interfund balances that are owed within the governmental activities and business-type activities are eliminated in the statement of net assets.



**CITY OF LADYSMITH, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2009**

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

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

**Transfers**

The following is a schedule of interfund transfers made during 2009:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>
General Fund	Water Utility Enterprise Fund	\$ 102,114
General Fund	Mining/MILIF Economic Development Fund	80,000
General Fund	Rail Site Facility Revenues	4,300
Debt Service Fund	General Fund	439,249
Debt Service Fund	Meadowbrook Center	103,359
Debt Service Fund	Rail Site Facility Revenues	29,347
Debt Service Fund	Tax Incremental District #9 Fund	14,018
Debt Service Fund	Tax Incremental District #10 Fund	10,880
Debt Service Fund	Tax Incremental District #5 Fund	70,780
Debt Service Fund	Tax Incremental District #8 Fund	28,602
		<u>\$ 882,649</u>

The transfer from the various funds to the debt service fund was made to finance each fund's share of current year debt maturities. The transfer from the water utility enterprise fund to the general fund consisted of the 2009 tax equivalent payable at year end. The transfers from the mining/MILIF economic development fund and the rail site facility revenue fund to the general fund was to finance the deficits in the funds relating to various fund projects.

**E. Long-Term Obligations**

**Changes in Long-Term Obligations**

Changes in long-term obligations of the City for the year ended December 31, 2009 were as follows:

	<u>Balances January 1, 2009</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balances December 31, 2009</u>	<u>Amounts Due Within One Year</u>
<b>Long-Term Debt:</b>					
Governmental Activities:					
General Obligation Bonds	\$ 4,805,000	\$ -	\$ 260,000	\$ 4,545,000	\$ 290,000
General Obligation Notes	2,084,629	678,000	173,304	2,589,325	228,117
Subtotal	6,889,629	678,000	433,304	7,134,325	518,117
Business-Type Activities:					
Revenue Bonds	1,100,000	-	90,000	1,010,000	85,000
Total Long-Term Debt	<u>\$ 7,989,629</u>	<u>\$ 678,000</u>	<u>\$ 523,304</u>	<u>\$ 8,144,325</u>	<u>\$ 603,117</u>

**CITY OF LADYSMITH, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2009**

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

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

**Changes in Long-Term Obligations (Continued)**

	Balances January 1, 2009	Additions	Reductions	Balances December 31, 2009	Amounts Due Within One Year
<b>Other Long-Term Obligations:</b>					
Governmental Activities:					
Accrued Employee Benefits	\$ 128,761	\$ 46,949	\$ -	\$ 175,710	\$ 56,322
Other Postemployment Benefits Payable	-	22,246	6,219	16,027	-
Capital Lease Payable	-	139,071	50,000	89,071	28,160
Total Other Long-Term Obligations	<u>\$ 128,761</u>	<u>\$ 208,266</u>	<u>\$ 56,219</u>	<u>\$ 280,808</u>	<u>\$ 84,482</u>

The City's estimated liabilities for accrued employee benefits is discussed in Note 4 B.

**General Obligation Long-Term Debt**

**Annual Requirements for Retirement.** Individual general obligation long-term debt issued outstanding at December 31, 2009 and annual requirements for their retirement were as follows:

<u>Description</u>	<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
General obligation refunding bonds, \$975,000, dated 6/1/02, due 12/1/12, interest at 2.10%-4.40%	2010	\$ 70,000	\$ 9,353	\$ 79,353
	2011	75,000	6,342	81,342
	2012	70,000	3,080	73,080
			<u>215,000</u>	<u>18,775</u>
General obligation promissory notes, \$1,055,000, dated 6/1/02, due 6/1/12, interest at 3.10%-4.40%	2010	40,000	34,455	74,455
	2011	45,000	32,735	77,735
	2012	700,000	15,400	715,400
			<u>785,000</u>	<u>82,590</u>
General obligation corporate purpose bonds, \$1,580,000, dated 3/22/05, due 12/1/24, interest at 2.60%-4.70%	2010	40,000	55,920	95,920
	2011	45,000	54,580	99,580
	2012	40,000	53,005	93,005
	2013	80,000	51,565	131,565
	2014	80,000	48,605	128,605
	2015-2019	425,000	197,645	622,645
	2020-2024	610,000	90,820	700,820
		<u>1,320,000</u>	<u>552,140</u>	<u>1,872,140</u>

**CITY OF LADYSMITH, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2009**

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

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

**General Obligation Long-Term Debt (Continued)**

**Annual Requirements for Retirement (Continued)**

<u>Description</u>	<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
General obligation refunding bonds, \$1,250,000, dated 3/22/05, due 12/1/16, interest at 2.60%-3.90%	2010	\$ 100,000	\$ 32,555	\$ 132,555
	2011	100,000	29,355	129,355
	2012	100,000	26,055	126,055
	2013	135,000	22,555	157,555
	2014	145,000	17,695	162,695
	2015-2016	320,000	18,960	338,960
		<u>900,000</u>	<u>147,175</u>	<u>1,047,175</u>
State trust fund loan, \$303,000, dated 3/29/05, due 3/15/25, interest at 5.00%	2010	11,123	13,152	24,275
	2011	11,680	12,596	24,276
	2012	12,231	12,044	24,275
	2013	12,876	11,400	24,276
	2014	13,520	10,756	24,276
	2015-2019	78,410	42,969	121,379
	2020-2024	100,076	21,304	121,380
2025	23,119	1,156	24,275	
		<u>263,035</u>	<u>125,377</u>	<u>388,412</u>
General obligation corporate purpose bonds, \$2,155,000, dated 2/21/08, due 12/1/27, interest at 3.50%-4.00%	2010	80,000	77,310	157,310
	2011	75,000	74,510	149,510
	2012	85,000	71,885	156,885
	2013	100,000	68,910	168,910
	2014	105,000	65,410	170,410
	2015-2019	690,000	265,800	955,800
	2020-2024	570,000	146,915	716,915
2025-2027	405,000	32,200	437,200	
		<u>2,110,000</u>	<u>802,940</u>	<u>2,912,940</u>
General obligation promissory note, \$153,000, dated 3/6/08, due 3/1/18, interest at 4.00%	2010	13,000	5,600	18,600
	2011	14,000	5,080	19,080
	2012	14,000	4,520	18,520
	2013	15,000	3,960	18,960
	2014	16,000	3,360	19,360
	2015-2018	68,000	6,920	74,920
		<u>140,000</u>	<u>29,440</u>	<u>169,440</u>

**CITY OF LADYSMITH, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2009**

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

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

**General Obligation Long-Term Debt (Continued)**

**Annual Requirements for Retirement (Continued)**

<u>Description</u>	<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
State trust fund loan, \$205,000, dated 3/19/08, due 3/15/13, interest at 4.75%	2010	\$ 39,040	\$ 7,962	\$ 47,002
	2011	40,894	6,108	47,002
	2012	42,825	4,177	47,002
	2013	44,870	2,131	47,001
			<u>167,629</u>	<u>20,378</u>
State trust fund loan, \$128,000, dated 3/19/08, due 3/15/13, interest at 4.75%	2010	24,376	4,972	29,348
	2011	25,534	3,814	29,348
	2012	26,739	2,608	29,347
	2013	28,017	1,331	29,348
			<u>104,666</u>	<u>12,725</u>
State trust fund loan, \$250,000, dated 8/1/08, due 3/15/13, interest at 4.75%	2010	46,810	9,547	56,357
	2011	49,034	7,324	56,358
	2012	51,349	5,008	56,357
	2013	53,802	2,556	56,358
			<u>200,995</u>	<u>24,435</u>
State trust fund loan, \$250,000, dated 9/9/08, due 3/15/13, interest at 4.75%	2010	53,768	17,959	71,727
	2011	62,406	9,321	71,727
	2012	65,352	6,374	71,726
	2013	68,474	3,253	71,727
			<u>250,000</u>	<u>36,907</u>
State trust fund loan, \$100,000, dated 9/1/09, due 3/15/16, interest at 4.25%	2010	-	-	-
	2011	13,100	6,521	19,621
	2012	16,000	3,703	19,703
	2013	16,600	3,013	19,613
	2014	17,300	2,308	19,608
	2015-2016	37,000	2,383	39,383
			<u>100,000</u>	<u>17,928</u>
State trust fund loan, \$100,000, dated 9/21/09, due 3/15/16, interest at 4.25%	2010	-	-	-
	2011	13,300	6,288	19,588
	2012	15,900	3,695	19,595
	2013	16,600	3,009	19,609
	2014	17,300	2,304	19,604
	2015-2016	36,900	2,369	39,269
			<u>100,000</u>	<u>17,665</u>

**CITY OF LADYSMITH, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2009**

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

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

**General Obligation Long-Term Debt (Continued)**

**Annual Requirements for Retirement (Continued)**

<u>Description</u>	<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
State trust fund loan, \$478,000, dated 10/26/09, due 3/15/16, interest at 4.25%	2010	\$ -	\$ -	\$ -
	2011	57,600	28,107	85,707
	2012	70,100	17,916	88,016
	2013	73,800	14,888	88,688
	2014	88,400	11,751	100,151
	2015-2016	188,100	12,094	200,194
		<u>478,000</u>	<u>84,756</u>	<u>562,756</u>
Total General Obligation Debt		<u>\$ 7,134,325</u>	<u>\$ 1,973,231</u>	<u>\$ 9,107,556</u>

Annual requirements for retirement of general obligation debt outstanding at December 31, 2009 are summarized as follows:

<u>Year</u>	<u>Annual Requirements</u>			<u>Funding Sources</u>				
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>City</u>	<u>TID #5</u>	<u>TID #8</u>	<u>TID #9</u>	<u>TID #10</u>
2010	\$ 518,117	\$ 268,785	\$ 786,902	\$ 786,902	\$ -	\$ -	\$ -	\$ -
2011	627,548	282,681	910,229	776,164	69,130	30,252	13,803	20,880
2012	1,309,496	229,470	1,538,966	1,407,682	67,370	29,796	13,588	20,530
2013	645,039	188,571	833,610	704,127	65,555	30,375	13,373	20,180
2014	482,520	162,189	644,709	507,502	63,630	29,446	19,301	24,830
2015-2019	1,843,410	549,140	2,392,550	1,843,119	188,420	154,682	90,054	116,275
2020-2024	1,280,076	259,039	1,539,115	1,195,490	-	147,080	79,145	117,400
2025-2027	428,119	33,356	461,475	240,508	-	67,535	59,672	93,760
	<u>\$ 7,134,325</u>	<u>\$ 1,973,231</u>	<u>\$ 9,107,556</u>	<u>\$ 7,461,494</u>	<u>\$ 454,105</u>	<u>\$ 489,166</u>	<u>\$ 288,936</u>	<u>\$ 413,855</u>

**General Obligation Debt Limitation.** Section 67.03(1) of the Wisconsin Statutes provides that the amount of indebtedness of a municipality shall not exceed 5% of the equalized valuation of the taxable property in the municipality. At December 31, 2009, the City's debt limit amounted to \$8,740,700 and indebtedness subject to the limitation totaled \$7,134,325.

**CITY OF LADYSMITH, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2009**

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

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

**Sewer System and Water System Revenue Refunding Bonds**

Outstanding mortgage revenue bonds totaled \$1,010,000 at December 31, 2009. The City's full faith and credit do not back the mortgage revenue bonds which are backed only by the assets and revenues of the sewer utility enterprise fund. Annual requirements for principal and interest as of December 31, 2009 were as follows:

<u>Description</u>	<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Sewer System and Water System	2010	\$ 85,000	\$ 38,478	\$ 123,478
Revenue Bonds, \$1,180,000	2011	35,000	35,800	70,800
dated 2/21/08, due 12/1/27,	2012	40,000	34,698	74,698
interest at 2.60%-4.80%	2013	40,000	33,398	73,398
	2014	45,000	32,098	77,098
	2015-2019	240,000	137,150	377,150
	2020-2024	305,000	87,115	392,115
	2025-2027	220,000	19,509	239,509
		<u>\$ 1,010,000</u>	<u>\$ 418,245</u>	<u>\$ 1,428,245</u>

The bonds are subject to redemption and prepayment at the option of the City, in whole or in part, and if in part, at the option of the City and in such manner as the City shall determine and by lot as to bonds maturing in the same year at a price of par plus accrued interest.

According to the resolution authorizing the issuance of the sewer system and water system revenue refunding bonds, the sewer utility and water utility is to set aside gross revenues in separate and special funds as follows:

- (1) Revenue Fund
- (2) Operation and Maintenance Fund
- (3) Special Redemption Fund:
  - a) Principal and Interest Debt Service Account
  - b) Reserve Account
- (4) Depreciation Fund

Special requirements pertaining to the establishment, use and balances required in the above funds are detailed in the authorizing resolution. The City has established all of the above required funds, except for the Revenue Fund. Revenues of the utility are deposited into and transfers to other funds are made out of the Operation and Maintenance Fund. The City has established the Special Redemption Fund as required by the ordinance. The balances in the sewer utility debt reserve and debt redemption accounts at December 31, 2009 were \$53,795 and \$6,957, respectively. The balances in the water utility debt reserve and debt redemption accounts at December 31, 2009 were \$45,389 and \$3,332, respectively.

**CITY OF LADYSMITH, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2009**

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

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

**Installment Contracts Payable**

**Capital Leases Payable.** During 2009, the City entered into a capital lease agreement for the purchase of a rear loader garbage truck. The lease was for \$139,071 to be repaid by a \$50,000 payment in 2009 and annual payments of \$32,916 in the three years thereafter. During 2009, the City made the principal payment of \$50,000 resulting in a capital lease payable balance of \$89,071 at December 31, 2009.

**F. Governmental Fund Balances**

The governmental fund balances reported on the fund financial statements at December 31, 2009 consisted of the following:

	<u>Total</u>	<u>Reserved</u>	<u>Designated</u>	<u>Undesignated</u>
<b>Major Funds:</b>				
General Fund:	\$ 1,646,303	\$ -	\$ -	\$ -
Reserved for Delinquent Taxes	-	59,621	-	-
Reserved for Advances to Other Funds	-	354,562	-	-
Reserved for Subsequent Year Budget	-	84,250	-	-
Reserved for Prepayments	-	32,916	-	-
Designated (See Schedule B-2)	-	-	351,366	-
Undesignated	-	-	-	763,588
CDBG Deferred Loan Program Fund	22,275	-	22,275	-
Mining/MILIF Economic Development Fund	639,806	-	639,806	-
Meadowbrook Center Income Fund	362,565	-	362,565	-
<b>Nonmajor Funds:</b>				
Special Revenue Funds:				
Homeland Security Grant	1,299	-	1,299	-
Enterprise Center Income Fund	(14,244)	-	-	(14,244)
Forest Industry Park Income Fund	112,891	-	-	-
Reserved for County's Share of Development Costs	-	86,552	-	-
Designated for Fund Purpose	-	-	26,339	-
Fritz Avenue Revenue Fund	20,932	-	20,932	-
Conwed Warehouse Revenue Fund	35,904	-	35,904	-
Rail Site Facility Revenue Fund	30,136	-	30,136	-
Capital Projects Funds:				
Tax Incremental District #5 Fund	(73,845)	-	-	(73,845)
Tax Incremental District #7 Fund	(1,301)	-	-	(1,301)
Tax Incremental District #8 Fund	116,412	-	116,412	-
Tax Incremental District #9 Fund	116,524	-	116,524	-
Tax Incremental District #10 Fund	(279,416)	-	-	(279,416)
Total Governmental Fund Balances at December 31, 2009	<u>\$ 2,736,241</u>	<u>\$ 617,901</u>	<u>\$ 1,723,558</u>	<u>\$ 394,782</u>

**CITY OF LADYSMITH, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2009**

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

**G. Tax Incremental Districts**

The City has created several tax incremental financing districts (TIF districts or TIDs) in accordance with Section 66.1105 of the Wisconsin Statutes. The purpose of that section is to allow a municipality to recover development and improvements costs in a designated area from the property taxes generated on the increased value of the property after creation of the district. The tax on the increased value is called a tax increment.

At the creation of the districts, the statutes provided that no project costs could be expended later than seven years after the creation date of the district. The statutes further allowed the municipality to collect tax increments for sixteen years after the last project expenditure was made or until the net project cost of the district had been recovered, whichever occurred first. The state enacted several changes relating to tax incremental district for 2004 (with amending legislation in 2005). One of these changes extends the expenditure period for all current and future districts to five years prior to the termination of the district's unextended maximum life. For those districts that had reached the end of its expenditure period prior to October 1, 2004, it allows a municipality to expend additional project costs included in the project plan (subject to certain conditions). The project plans, on file in the administration office of the City, detail the proposed projects, the estimated year of construction or site acquisition and the estimated costs of the individual projects. Project costs uncollected at the dissolution date are absorbed by the municipality.

The following is a summary of project costs and revenues of the districts still in existence during 2009 from their inception through December 31, 2009:

	TID #5	TID #7	TID #8	TID #9	TID #10
Accumulated Project Costs	\$ 1,421,946	\$ 1,385	\$ 1,106,793	\$ 402,201	\$ 1,417,876
Accumulated Project Revenues and Residual Equity Transfers:					
Tax Increments	636,337	84	385,744	276,986	-
State Transportation Economic Assistance Grant	168,165	-	240,000	26,287	843,460
State Aid for Exempt Computers	1,839	-	2,472	452	-
Interest Income	91,760	-	6,627	-	-
Donation	-	-	334	-	-
Sale of Property	-	-	239,399	-	-
	<u>898,101</u>	<u>84</u>	<u>874,576</u>	<u>303,725</u>	<u>843,460</u>
Future Project Revenues Necessary to Recover Net Project Costs to Date	<u>\$ 523,845</u>	<u>\$ 1,301</u>	<u>\$ 232,217</u>	<u>\$ 98,476</u>	<u>\$ 574,416</u>



**CITY OF LADYSMITH, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2009**

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

**G. Tax Incremental Districts (Continued)**

The above summary of transactions is reconcilable to the fund balances in the TID capital projects funds at December 31, 2009 as follows:

	TID #5	TID #7	TID #8	TID #9	TID #10
Long-Term Debt Payable from TID Funds:					
General Obligation Refunding Bonds Dated 3/22/05	\$ 450,000	\$ -	\$ -	\$ -	\$ -
State Trust Fund Loan Dated 3/29/05	-	-	273,629	-	-
General Obligation Corporate Purpose Bonds, 2/21/08	-	-	75,000	215,000	295,000
Less: Unrecovered Costs Above	<u>523,845</u>	<u>1,301</u>	<u>232,217</u>	<u>98,476</u>	<u>574,416</u>
Fund Balance (Deficit) December 31, 2009	<u>\$ (73,845)</u>	<u>\$ (1,301)</u>	<u>\$ 116,412</u>	<u>\$ 116,524</u>	<u>\$ (279,416)</u>

The fund deficits are being financed by the general fund.

The City and Rusk County (County) entered into a development agreement with a developer to encourage the construction and operation of a Wal-Mart Supercenter within the boundaries of TID #9. Pursuant to the development agreement, the City and County agreed to construct and pay for certain improvements to encourage the development. The County issued debt in 2007 to provide financing for the improvements. As a part of this project, the City and County entered into a cooperation agreement wherein the City agrees to make annual contributions to the County on October 1 of each year from 2009 through 2020 based on repayment requirements on \$585,000 debt issued by the County at 4% to finance project costs. Scheduled contribution payments are approximately \$60 to \$65 thousand annually. The agreement calls for said contributions to be made from TID #9 tax increments, the City's annual general tax levy or other available funds, provided, however, any such payments shall be subject to future annual budgetary appropriations therefore and provided further that neither such authority nor any such payment shall constitute an obligation of the City to make any such appropriation or any other payments. The obligation is considered a contingent liability of the City. During 2009, the City made a contribution payment of \$85,890.

**NOTE 4 OTHER INFORMATION**

**A. Employee Retirement Plan**

All eligible City of Ladysmith employees participate in the Wisconsin Retirement System (WRS), a cost-sharing multiple-employer defined benefit public employee retirement system (PERS). All permanent employees expected to work at least 600 hours a year (440 for teachers) are eligible to participate in the WRS. Covered employees in the general/teacher category are required by statute to contribute 5.9% of their salary (2.9% for executives and elected officials, 5.0% for protective occupations with social security, and 3.3% for protective occupations without social security) to the plan. Employers may make these contributions to the plan on behalf of the employees. Employers are required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

**CITY OF LADYSMITH, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE 4 OTHER INFORMATION (CONTINUED)**

**A. Employee Retirement Plan (Continued)**

The payroll for City employees covered by the WRS for the year ended December 31, 2009 was \$1,641,811; the employer's total payroll was \$1,665,515. The total required contribution for the year ended December 31, 2009 was \$191,896, which consisted of \$99,167, or 6.0% of payroll from the employer and \$92,729, or 5.6% of payroll from employees. Total contributions for the years ended December 31, 2008 and 2007 were \$203,733 and \$191,998, respectively, equal to the required contributions for each year.

The City paid off its unfunded pension liability under the WRS during 2002 and, accordingly, had no unfunded pension related debt under the WRS at December 31, 2009.

Employees who retire at or after age 65 (62 for elected officials and 55 for protective occupation employees) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor. Final average earnings is the average of the employees' three highest years' earnings. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit. For employees beginning participation 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 are immediately vested.

The WRS also provides death and disability benefits for employees. Eligibility for and the amount of all benefits are determined under Chapter 40 of the State Statutes. The WRS issues an annual financial report that may be obtained by writing to the Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931.

**B. Employee Leave Liabilities**

Vacation is expected to be used annually, but will be paid out in the event of retirement or termination. Sick leave is earned at the rate of one day per month with a maximum accumulation of 960 hours. Additionally one bonus day is awarded employees who work a calendar year without a sick day taken. Upon normal retirement and after ten years continuous employment, payout of sick leave is at one-half the accumulated hours plus any bonus days awarded. The City allows employee's compensatory time off in lieu of pay at the rate on one and one-half hours for each hour of overtime worked. Such time is expected to be used in the year it is earned. The maximum accumulation of compensatory hours is 480. Upon normal retirement any remaining, unused compensatory time may be paid out at the employee's regular rate of pay and at the discretion of the governing body.

**CITY OF LADYSMITH, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2009**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**B. Employee Leave Liabilities (Continued)**

Liabilities for accumulated vacation and sick leave are not accrued in the City's governmental fund financial statements but are recorded as expenditures when paid. Such liabilities are accrued in the government-wide financial statements when earned. The estimated liabilities for unused vacation and sick leave payable at December 31, 2009 were \$56,322 and \$76,215 respectively. The estimated liability for compensatory time at that date was \$24,844.

**C. Other Postemployment Benefit Plan**

At December 31, 2009, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*. The City engaged an actuary to determine the City's liability for postemployment healthcare benefits other than pensions as of January 1, 2009.

**Plan Description**

The City offers a single-employer supplemental retirement program for certain employees which includes certain health insurance benefits. The City provides these benefits according to negotiated agreements. The amounts vary based on age, years of service, and classification of employees. As of December 31, 2009 there were approximately 34 active participants and 2 retired participants receiving benefits from the City's health plans.

**Funding Policy**

The City funds its OPEB obligation on a pay as you go basis. For fiscal year 2009, the City contributed an estimated \$6,219 to the plan.

The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any un-funded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually paid from the plan, and changes in the City's net OPEB obligation.

Annual Required Contribution	\$ 22,246
Interest on Net OPEB Obligation	-
Adjustment to Annual Required Contribution	-
Annual OPEB Cost (Expense)	<u>22,246</u>
Contributions Made	<u>(6,219)</u>
Increase in Net OPEB Obligation	16,027
Net OPEB Obligation- Beginning of Year	-
Net OPEB Obligation- End of Year	<u><u>\$ 16,027</u></u>

**CITY OF LADYSMITH, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2009**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**C. Other Postemployment Benefit Plan (Continued)**

**Funding Policy (Continued)**

The City's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation for 2009:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2009	\$ 22,246	28.0%	\$ 16,027

**Funded Status and Funding Progress**

As of January 1, 2009, the most recent actuarial valuation date, the City's unfunded actuarial accrued liability (UAAL) was \$138,405 on covered payroll of \$1,665,515. This resulted in a UAAL as a percentage of covered payroll of \$8.3%.

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

**Actuarial Methods and Assumptions**

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

In the January 1, 2009 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 5% interest discount rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date. The initial healthcare trend rate was 10.0%, reduced by decrements to an ultimate rate of 5.0% by the year 2015. The UAAL is being amortized as a level percentage of projected payrolls on an open basis. The remaining amortization period at December 31, 2009 was 29 years.

**CITY OF LADYSMITH, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2009**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**D. Joint Facility Projects and Other Commitments**

As a part of financing costs for industrial development capital improvements, the City and Rusk County (County) have combined their resources in several joint facility projects. The projects are accounted for by the City in special revenue funds. A description of these funds and related financing follows below.

**Meadowbrook Center Income Fund.** This is a City owned and operated facility that has received funds from the County to assist in financing capital improvements. The funds received from the County are subject to reimbursement, at no interest, as rentals of the facility are received by the City. During 2009, the City did not make any payments to the County. There was no outstanding balance due the County at December 31, 2009.

The Ladysmith Community Industrial Development Corporation (IDC) also provided financing of facility upgrades. During the period 1997 through 2000, the IDC, at the City's request, borrowed funds from local financial institutions to provide financing of specified economic development costs incurred by the City. Total funds paid to the City by IDC were \$771,366. To secure IDC's obligations, the City had assigned eighty percent of its lease with the corporate tenant of the upgraded facilities to IDC. Rentals on the lease were collected by the City and directly remitted to IDC. IDC surrendered the assignment of the lease back to the City because the loans were fully repaid in October of 2005.

The fund balance at December 31, 2009 was \$362,565 and is available to the City for future economic development projects.

**Enterprise Center Income Fund.** This fund is used to account for the transactions of the Ladysmith/Rusk County Enterprise Center. The construction of the Center was financed by a Federal Economic Development Administration grant and local funding that was shared by the City and County. The City and County jointly manage the operations of the facility. Revenues generated from the Center rental are to be used for maintenance and upkeep of the facility as well as heating and shared electrical costs. Any operating shortfall for maintenance and utility costs are to be shared equally by the City and County. The fund balance was a deficit of \$14,244 at December 31, 2009. Any positive fund balance is typically used to finance future expansion, repair or upgrading of the Enterprise Center.

**CITY OF LADYSMITH, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2009**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**D. Joint Facility Projects and Other Commitments (Continued)**

**Forest Industry Business Park Fund.** This fund is used to account for the transactions of the Rusk County Forest Industry Business Park. The construction costs of this development were financed by a Federal Economic Development Administration grant and local funding that was shared by the City and County. The County has granted the City authority to develop and manage the operations of the facility. Revenues generated from facility rental are to be used to complete the park development that includes the extension of municipal utilities and the widening and paving of roads. After the improvements are completed, the City and County are to share equally in the remaining fund balance that was \$112,891 at December 31, 2009.

**Fritz Avenue Revenues Fund.** This fund is used to account for the transactions of the Fritz Avenue Manufacturing Plant. The County has the lead role in maintaining the plant. The County collects the rental payments and pays the operating costs. At the end of each year the County makes payment to the City for its equal share of the net proceeds of the annual operations. The City's fund balance at December 31, 2009 was \$20,932. This balance is available to the City for future economic development projects.

**E. Operating Leases**

The City has executed operating leases with various businesses for renting space at the City's Meadowbrook Center, Enterprise Center, Forest Industry Business Park, Fritz Avenue Center, Conwed Warehouse, and Rail Site Facility. The leases vary in terms of payment. All monthly rents are calculated based on square footage, however, several leases contain provisions for rent reductions based on improvements made to the facility by the tenant and on the number of people employed by the tenant. Revenues earned on the leases are accounted for in special revenue funds and are to be used for retirement of debt and for economic development.

**F. Contingencies**

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 attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the City's financial position or results of operations.

**G. Risk Management**

The City is exposed to various risks of loss related to torts; thefts of, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the City. Settled claims have not exceeded this commercial coverage in any of the last three years.

## **REQUIRED SUPPLEMENTARY INFORMATION**

SCHEDULE 1

CITY OF LADYSMITH, WISCONSIN  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 YEAR ENDED DECEMBER 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Prior Year Actual
	Original	Final			
<b>REVENUES</b>					
Taxes	\$ 1,177,200	\$ 1,177,200	\$ 1,157,744	\$ (19,456)	\$ 1,126,876
Special Assessments	63,400	63,400	80,814	17,414	93,791
Intergovernmental	1,783,141	1,783,141	1,871,089	87,948	1,831,477
Licenses and Permits	19,775	19,775	15,715	(4,060)	23,837
Fines and Forfeits	68,625	68,625	54,895	(13,730)	57,552
Public Charges for Services	427,500	427,500	386,630	(40,870)	394,695
Intergovernmental Charges for Services	426,410	426,410	446,461	20,051	408,587
Miscellaneous:					
Interest	73,450	73,450	35,380	(38,070)	87,214
Rent	29,500	29,500	36,891	7,391	10,048
Donations	4,400	4,400	23,248	18,848	57,022
Other	29,400	29,400	33,033	3,633	142,110
Total Revenues	4,102,801	4,102,801	4,141,900	39,099	4,233,209
<b>EXPENDITURES</b>					
General Government	568,229	568,229	504,899	63,330	580,965
Public Safety	1,120,426	1,120,426	989,012	131,414	1,299,509
Transportation Facilities	885,313	885,313	1,000,298	(114,985)	1,410,720
Sanitation	248,802	248,802	391,650	(142,848)	232,008
Health and Human Services	111,338	111,338	125,120	(13,782)	113,816
Leisure Activities	218,709	218,709	154,955	63,754	215,492
Education	446,604	446,604	445,257	1,347	444,754
Conservation and Development	187,198	187,198	97,547	89,651	278,644
Debt Service	50,000	50,000	51,992	(1,992)	24,062
Total Expenditures	3,836,619	3,836,619	3,760,730	75,889	4,599,970
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	266,182	266,182	381,170	114,988	(366,761)
<b>OTHER FINANCING SOURCES (USES)</b>					
Capital Lease Proceeds	-	-	139,071	139,071	-
Transfer In	160,000	160,000	186,414	26,414	120,573
Transfer Out	(446,182)	(446,182)	(439,249)	6,933	(379,051)
Total Other Financing Sources (Uses)	(286,182)	(286,182)	(113,764)	172,418	858,065
<b>NET CHANGE IN FUND BALANCE</b>	(20,000)	(20,000)	267,406	287,406	491,304
Fund Balance, January 1	1,378,897	1,378,897	1,378,897	-	887,593
<b>FUND BALANCE, DECEMBER 31</b>	<u>\$ 1,358,897</u>	<u>\$ 1,358,897</u>	<u>\$ 1,646,303</u>	<u>\$ 287,406</u>	<u>\$ 1,378,897</u>

See Notes to Required Supplementary Information



**CITY OF LADYSMITH, WISCONSIN  
SCHEDULE OF FUNDING PROGRESS  
YEAR ENDED DECEMBER 31, 2009**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
1/1/2009	\$ -	\$ 138,405	\$ 138,405	0%	\$ 1,665,515	8.3%

**CITY OF LADYSMITH, WISCONSIN  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2009**

**BUDGETARY INFORMATION**

GASB 34 requires the presentation of budgetary comparison schedules for the general fund and for each major special revenue fund. Budgetary information is derived from the City's annual operating budget. The City did not formally adopt a budget for the CDBG fund, the Mining/MILIF Economic Development fund or the Meadowbrook Center Income fund.

The City's budget is adopted in accordance with Chapter 65 of the Wisconsin Statutes and on a basis consistent with generally accepted accounting principles. Changes to appropriations authorized in the adopted budget generally require a vote of two-thirds of the entire membership of the governing body. The City's legal budget is adopted at the major function level in the general fund (i.e., general government) and at the fund level in all other funds. The City exercises budgetary expenditure control at the department level.

Budget amounts in the financial statements include both original adopted budget and the final budget. Changes to the budget during the year, if any, generally include amendments authorized by the governing body, additions of approved carryover amounts and appropriations of revenues and other sources for specified expenditures/uses. Appropriated budget amounts in the general fund lapse at the end of the year unless specifically carried over for financing subsequent year expenditures.

## **OTHER SUPPLEMENTARY INFORMATION**

**COMBINING AND INDIVIDUAL FUND STATEMENTS**

**CITY OF LADYSMITH, WISCONSIN  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
DECEMBER 31, 2009**

	Special Revenue Funds						Capital Projects Funds	Total Nonmajor Governmental Funds	
	Homeland Security Grant	Forest Industry Park Income	Enterprise Center Income	Rail Site Facility Revenues	Fritz Avenue Revenues	Conwed Warehouse Revenues	Total		
<b>ASSETS</b>									
Cash and Investments	\$ 1,299	\$ 112,891	\$ -	\$ 30,216	\$ 21,857	\$ 36,675	\$ 202,938	\$ 230,395	\$ 433,333
Taxes Receivable	-	-	-	-	-	-	-	517,026	517,026
Due from Other Governments	-	-	-	-	-	-	-	130,293	130,293
<b>Total Assets</b>	<u>\$ 1,299</u>	<u>\$ 112,891</u>	<u>\$ -</u>	<u>\$ 30,216</u>	<u>\$ 21,857</u>	<u>\$ 36,675</u>	<u>\$ 202,938</u>	<u>\$ 877,714</u>	<u>\$ 1,080,652</u>
<b>LIABILITIES AND FUND BALANCES</b>									
<b>Liabilities:</b>									
Accounts Payable	\$ -	\$ -	\$ -	\$ 80	\$ -	\$ 771	\$ 851	\$ 23,761	\$ 24,612
Due to Other Funds	-	-	10,204	-	-	-	10,204	103,991	114,195
Deferred Revenues	-	-	-	-	-	-	-	517,026	517,026
Special Deposits	-	-	4,040	-	925	-	4,965	-	4,965
Advances from General Fund	-	-	-	-	-	-	-	354,562	354,562
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>14,244</u>	<u>80</u>	<u>925</u>	<u>771</u>	<u>16,020</u>	<u>999,340</u>	<u>1,015,360</u>
<b>Fund Balances:</b>									
Reserved for Fund Purpose	-	86,552	-	-	-	-	86,552	-	86,552
Unreserved, Designated for Fund Purpose	1,299	26,339	-	30,136	20,932	35,904	114,610	232,936	347,546
Unreserved, Undesignated	-	-	(14,244)	-	-	-	(14,244)	(354,562)	(368,806)
<b>Total Fund Balances</b>	<u>1,299</u>	<u>112,891</u>	<u>(14,244)</u>	<u>30,136</u>	<u>20,932</u>	<u>35,904</u>	<u>186,918</u>	<u>(121,626)</u>	<u>65,292</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 1,299</u>	<u>\$ 112,891</u>	<u>\$ -</u>	<u>\$ 30,216</u>	<u>\$ 21,857</u>	<u>\$ 36,675</u>	<u>\$ 202,938</u>	<u>\$ 877,714</u>	<u>\$ 1,080,652</u>

**CITY OF LADYSMITH, WISCONSIN  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
YEAR ENDED DECEMBER 31, 2009**

	Special Revenue Funds						Capital Projects Funds	Total Nonmajor Governmental Funds	
	Homeland Security Grant	Forest Industry Park Income	Enterprise Center Income	Rail Site Facility Revenues	Fritz Avenue Revenues	Conwed Warehouse Revenues	Total		Combined Total
<b>REVENUES</b>									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 396,499	\$ 396,499
Intergovernmental	108,369	-	-	-	-	-	108,369	487,035	595,404
Miscellaneous:									
Rent	-	-	-	19,656	-	-	19,656	-	19,656
Sale of Property	-	-	-	-	-	-	-	335	335
Total Revenues	<u>108,369</u>	<u>-</u>	<u>-</u>	<u>19,656</u>	<u>-</u>	<u>-</u>	<u>128,025</u>	<u>883,869</u>	<u>1,011,894</u>
<b>EXPENDITURES</b>									
Public Safety	107,070	-	-	-	-	-	107,070	-	107,070
Community and Economic Development	-	385	-	923	13,906	2,952	18,166	761,634	779,800
Debt Service	-	-	-	-	-	-	-	85,890	85,890
Total Expenditures	<u>107,070</u>	<u>385</u>	<u>-</u>	<u>923</u>	<u>13,906</u>	<u>2,952</u>	<u>125,236</u>	<u>847,524</u>	<u>972,760</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	1,299	(385)	-	18,733	(13,906)	(2,952)	2,789	36,345	39,134
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers Out	-	-	-	(33,647)	-	-	(33,647)	(124,280)	(157,927)
<b>NET CHANGE IN FUND BALANCES</b>	1,299	(385)	-	(14,914)	(13,906)	(2,952)	(30,858)	(87,935)	(118,793)
Fund Balances, January 1	-	113,276	(14,244)	45,050	34,838	38,856	217,776	(33,691)	184,085
<b>FUND BALANCES (DEFICITS), DECEMBER 31</b>	<u>\$ 1,299</u>	<u>\$ 112,891</u>	<u>\$ (14,244)</u>	<u>\$ 30,136</u>	<u>\$ 20,932</u>	<u>\$ 35,904</u>	<u>\$ 186,918</u>	<u>\$ (121,626)</u>	<u>\$ 65,292</u>

**CITY OF LADYSMITH, WISCONSIN  
NONMAJOR CAPITAL PROJECTS FUNDS  
COMBINING BALANCE SHEET  
DECEMBER 31, 2009**

	TID #8	TID #9	TID #10	TID #7	TID #5	Total Nonmajor Capital Projects Funds
<b>ASSETS</b>						
Cash and Investments	\$ 116,412	\$ 113,983	\$ -	\$ -	\$ -	\$ 230,395
Taxes Receivable	97,048	368,353	-	45	51,580	517,026
Due from Other Governmental Units	-	26,288	104,005	-	-	130,293
	<u>\$ 213,460</u>	<u>\$ 508,624</u>	<u>\$104,005</u>	<u>\$ 45</u>	<u>\$ 51,580</u>	<u>\$ 877,714</u>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities:</b>						
Accounts Payable	\$ -	\$ 23,747	\$ 14	\$ -	\$ -	\$ 23,761
Due to Other Funds	-	-	103,991	-	-	103,991
Deferred Revenues	97,048	368,353	-	45	51,580	517,026
Advances from General Fund	-	-	279,416	1,301	73,845	354,562
Total Liabilities	<u>97,048</u>	<u>392,100</u>	<u>383,421</u>	<u>1,346</u>	<u>125,425</u>	<u>999,340</u>
<b>Fund Balances:</b>						
Unreserved, Designated for Fund Purpose	116,412	116,524	-	-	-	232,936
Unreserved, Undesignated	-	-	(279,416)	(1,301)	(73,845)	(354,562)
Total Fund Balances	<u>116,412</u>	<u>116,524</u>	<u>(279,416)</u>	<u>(1,301)</u>	<u>(73,845)</u>	<u>(121,626)</u>
Total Liabilities and Fund Balances	<u>\$ 213,460</u>	<u>\$ 508,624</u>	<u>\$104,005</u>	<u>\$ 45</u>	<u>\$ 51,580</u>	<u>\$ 877,714</u>

**CITY OF LADYSMITH, WISCONSIN  
NONMAJOR CAPITAL PROJECTS FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
YEAR ENDED DECEMBER 31, 2009**

	TID #8	TID #9	TID #10	TID #7	TID #5	Total Nonmajor Capital Projects Funds
<b>REVENUES</b>						
Taxes	\$ 93,182	\$ 248,348	\$ -	\$ 43	\$ 54,926	\$ 396,499
Intergovernmental	6,550	26,739	453,625	-	121	487,035
Miscellaneous:						
Sale of Property	335	-	-	-	-	335
Total Revenues	<u>100,067</u>	<u>275,087</u>	<u>453,625</u>	<u>43</u>	<u>55,047</u>	<u>883,869</u>
<b>EXPENDITURES</b>						
Economic Development	89,586	49,520	622,168	260	100	761,634
Debt Payments	-	85,890	-	-	-	85,890
Total Expenditures	<u>89,586</u>	<u>135,410</u>	<u>622,168</u>	<u>260</u>	<u>100</u>	<u>847,524</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	10,481	139,677	(168,543)	(217)	54,947	36,345
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers Out	<u>(28,602)</u>	<u>(14,018)</u>	<u>(10,880)</u>	<u>-</u>	<u>(70,780)</u>	<u>(124,280)</u>
<b>NET CHANGE IN FUND BALANCES</b>	(18,121)	125,659	(179,423)	(217)	(15,833)	(87,935)
Fund Balances (Deficits), January 1	<u>134,533</u>	<u>(9,135)</u>	<u>(99,993)</u>	<u>(1,084)</u>	<u>(58,012)</u>	<u>(33,691)</u>
<b>FUND BALANCES (DEFICITS), DECEMBER 31</b>	<u>\$ 116,412</u>	<u>\$ 116,524</u>	<u>\$ (279,416)</u>	<u>\$ (1,301)</u>	<u>\$ (73,845)</u>	<u>\$ (121,626)</u>



**CITY OF LADYSMITH, WISCONSIN  
GENERAL FUND  
DETAILED BALANCE SHEET  
DECEMBER 31, 2009  
(WITH COMPARATIVE AMOUNTS AS OF DECEMBER 31, 2008)**

	2009	2008
<b>ASSETS</b>		
Treasurer's Cash and Investments	\$ 1,330,295	\$ 1,333,227
Taxes Receivable:		
Current Tax Roll Items	928,640	859,350
Personal Property Taxes Receivable	723	631
Tax Roll Items Held by County:		
Special Assessments	48,040	49,911
Special Charges	5,494	381
Utility Charges	5,364	4,246
Special Assessments Receivable	311,264	350,082
Prepaid Items	32,916	-
Other Accounts Receivable	84,699	72,436
Installment Loans Receivable	105,074	-
Due from Other Governments	46,577	72,589
Due from Other Funds:		
Special Revenue Funds	10,204	20,055
Capital Project Funds	103,991	24,323
Enterprise Funds	118,458	137,556
Advances to Other Funds:		
Tax Increment District #5 Capital Projects Fund	73,845	58,012
Tax Increment District #7 Capital Projects Fund	1,301	1,084
Tax Increment District #9 Capital Projects Fund	-	9,135
Tax Increment District #10 Capital Projects Fund	279,416	99,993
	<u>\$ 3,486,301</u>	<u>\$ 3,093,011</u>
<b>LIABILITIES AND FUND BALANCE</b>		
<b>Liabilities:</b>		
Vouchers Payable	\$ 203,799	\$ 260,260
Due to Other Governmental Units	61,040	1,379
Due to Other Funds	74	-
Deferred Revenues:		
Tax Roll Items:		
General Property Taxes	1,094,123	1,016,000
Special Assessments	56,142	80,751
Special Charges	3,304	714
Deferred Special Assessments	311,264	350,082
Deferred Installment Loans	105,074	-
Special Deposits	5,178	4,928
Total Liabilities	<u>1,839,998</u>	<u>1,714,114</u>
<b>Fund Balance:</b>		
Reserved for:		
Prepaid Items	32,916	-
Delinquent Taxes	59,621	55,168
Advances to Other Funds	354,562	168,224
Subsequent Year's Budget	84,250	20,000
Unreserved:		
Designated	351,366	395,921
Undesignated	763,588	739,584
Total Fund Balance	<u>1,646,303</u>	<u>1,378,897</u>
	<u>\$ 3,486,301</u>	<u>\$ 3,093,011</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 3,486,301</u>	<u>\$ 3,093,011</u>

**CITY OF LADYSMITH, WISCONSIN  
GENERAL FUND  
SCHEDULE OF CHANGES IN FUND BALANCE  
YEAR ENDED DECEMBER 31, 2009**

	Balance January 1, 2009	General Property Taxes	Other Revenues/ Sources	Transfers		Transfers		Total Available	Expenditures	Balance December 31, 2009
				General Fund		Other Funds				
				In	Out	In	Out			
<b>DESIGNATED</b>										
Employee Benefits	\$ 34,600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,600	\$ -	\$ 34,600
Public Works Equipment	-	-	-	25,000	-	-	-	25,000	-	25,000
Police Department:										
Uniform Fund	4,721	6,250	-	1,000	-	-	-	11,971	6,550	5,421
Project/Vehicle Fund	19,075	3,116	-	2,500	-	-	-	24,691	-	24,691
Employee Benefits	22,354	4,605	-	-	-	-	-	26,959	-	26,959
Police Department Equipment	8,000	3,500	-	-	-	-	-	11,500	7,694	3,806
Police Department Meth Program	1,250	-	-	-	-	-	-	1,250	-	1,250
Police Department Canine Unit	5,444	-	1,235	-	-	-	-	6,679	4,647	2,032
Police Department Bike Rodeo	790	-	820	-	-	-	-	1,610	1,424	186
Police Department School Emerg. Response	550	-	-	-	-	-	-	550	-	550
Special Investigations	-	-	-	2,000	-	-	-	2,000	504	1,496
Safe Assured Donation	-	-	3,000	-	-	-	-	3,000	1,000	2,000
Fire Department:										
Special 2% Fund	21,879	-	5,048	-	-	-	-	26,927	3,812	23,115
Vehicle Fund	10,289	-	-	-	-	-	-	10,289	-	10,289
Library Donations	4,998	-	9,114	-	-	-	-	14,112	5,460	8,652
Library Fines/Fees	13,992	-	15,208	-	6,000	-	-	23,200	2,671	20,529
Library Act 150/420	18,930	-	26,226	-	14,250	-	-	30,906	18,789	12,117
Library Grants	-	-	4,197	-	-	-	-	4,197	3,986	211
Skate Park	12,974	500	-	-	-	-	-	13,474	9,125	4,349
Tourism and Recreation-Room Tax	14,099	-	14,064	-	27,098	-	-	1,065	1,065	-
Winter Magic	-	-	2,135	-	-	-	-	2,135	1,228	907
Carryover Funds:										
2008 Debt Proceeds for 2009 Projects	138,206	-	-	-	-	-	-	138,206	-	138,206
Cracksealing	63,000	-	-	-	35,230	-	-	27,770	27,770	-
Parks - Pavilion Roof	-	-	-	5,000	-	-	-	5,000	-	5,000
Library Furniture	770	-	-	-	-	-	-	770	770	-
Total Fund Balance Designated	395,921	17,971	81,047	35,500	82,578	-	-	447,861	96,495	351,366

**CITY OF LADYSMITH, WISCONSIN  
GENERAL FUND  
SCHEDULE OF CHANGES IN FUND BALANCE (CONTINUED)  
YEAR ENDED DECEMBER 31, 2009**

	Balance January 1, 2009	General Property Taxes	Other Revenues/ Sources	Transfers		Transfers		Total Available	Expenditures	Balance December 31, 2009
				General Fund		Other Funds				
				In	Out	In	Out			
<b>RESERVED FOR</b>										
Subsequent Years Budget:	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ -
Bicycle Pedestrian Path	-	-	-	10,000	-	-	-	10,000	-	10,000
Library Fines/Fees	-	-	-	6,000	-	-	-	6,000	-	6,000
Library Act 150/420	-	-	-	14,250	-	-	-	14,250	-	14,250
Cracksealing	-	-	-	35,230	-	-	-	35,230	-	35,230
Tourism and Recreation-Room Tax	-	-	-	14,000	-	-	-	14,000	-	14,000
Public Works	-	-	-	4,770	-	-	-	4,770	-	4,770
Prepaid Items	-	-	-	32,916	-	-	-	32,916	-	32,916
Delinquent Taxes	55,168	-	-	4,453	-	-	-	59,621	-	59,621
Advances to Other Funds:										
TID #5	58,012	-	-	15,833	-	-	-	73,845	-	73,845
TID #7	1,084	-	-	217	-	-	-	1,301	-	1,301
TID #9	9,135	-	-	-	9,135	-	-	-	-	-
TID #10	99,993	-	-	179,423	-	-	-	279,416	-	279,416
Total Fund Balance Reserved	243,392	-	-	317,092	29,135	-	-	531,349	-	531,349
<b>UNDESIGNATED</b>	739,584	998,029	3,183,924	42,233	283,112	186,414	439,249	4,427,823	3,664,235	763,588
Total General Fund	<u>\$ 1,378,897</u>	<u>\$ 1,016,000</u>	<u>\$ 3,264,971</u>	<u>\$ 394,825</u>	<u>\$ 394,825</u>	<u>\$ 186,414</u>	<u>\$ 439,249</u>	<u>\$ 5,407,033</u>	<u>\$ 3,760,730</u>	<u>\$ 1,646,303</u>

**CITY OF LADYSMITH, WISCONSIN  
GENERAL FUND  
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2009  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2008)**

	2009			Variance Positive (Negative)	2008 Actual
	Adopted Budget	Final Budget	Actual		
<b>REVENUES</b>					
<b>Taxes:</b>					
General Property Taxes	\$ 1,016,000	\$ 1,016,000	\$ 1,016,000	\$ -	\$ 920,871
Motel Room Tax	40,000	40,000	15,627	(24,373)	52,915
In Lieu of Taxes - Housing Authority/FmHA	-	-	-	-	10,328
Other Payments in Lieu of Taxes	120,000	120,000	125,863	5,863	138,982
Mobile Home Parking Fees	1,200	1,200	254	(946)	3,780
Total Taxes	<u>1,177,200</u>	<u>1,177,200</u>	<u>1,157,744</u>	<u>(19,456)</u>	<u>1,126,876</u>
<b>Special Assessments:</b>					
Curb and Gutter	12,250	12,250	20,137	7,887	32,108
Watermain	20,650	20,650	26,992	6,342	21,962
Sewermain	24,500	24,500	27,184	2,684	26,382
Sidewalk and Crosswalk	6,000	6,000	6,501	501	13,339
Total Special Assessments	<u>63,400</u>	<u>63,400</u>	<u>80,814</u>	<u>17,414</u>	<u>93,791</u>
<b>Intergovernmental:</b>					
Shared Taxes from State	1,298,042	1,298,042	1,295,242	(2,800)	1,299,364
Fire Insurance Taxes from State	5,048	5,048	5,048	-	4,938
State Aid for Exempt Computers	6,800	6,800	6,856	56	6,805
State Transportation Aids	266,901	266,901	266,241	(660)	246,195
Police Training Grants	1,600	1,600	2,000	400	1,800
Police Other Grants	-	-	2,094	2,094	-
DNR Recreational Grant	40,000	40,000	-	(40,000)	-
Drug Enforcement Grant	17,500	17,500	21,195	3,695	515
Recycling Grant	5,150	5,150	5,075	(75)	781
State Aid for Mass Transit	140,000	140,000	240,661	100,661	243,080
Election Workers Grant	-	-	254	254	-
Library Grants	2,100	2,100	26,423	24,323	27,999
Total Intergovernmental	<u>1,783,141</u>	<u>1,783,141</u>	<u>1,871,089</u>	<u>87,948</u>	<u>1,831,477</u>
<b>Licenses and Permits:</b>					
Liquor and Malt Beverage Licenses	9,200	9,200	7,560	(1,640)	7,582
Operators Licenses	2,250	2,250	2,214	(36)	2,700
Cigarette Licenses	75	75	60	(15)	65
Bicycle Licenses	100	100	40	(60)	125
Amusement Device Licenses	650	650	665	15	665
Pet Licenses	1,100	1,100	1,480	380	1,304
Building Permits	6,100	6,100	3,560	(2,540)	11,143
Other Permits	300	300	136	(164)	253
Total Licenses and Permits	<u>19,775</u>	<u>19,775</u>	<u>15,715</u>	<u>(4,060)</u>	<u>23,837</u>
<b>Fines and Forfeits:</b>					
Court Fines and Costs	68,000	68,000	54,138	(13,862)	56,269
Parking Violations	625	625	1,275	650	813
Judgments and Damage Awards	-	-	(518)	(518)	470
Total Fines and Forfeits	<u>68,625</u>	<u>68,625</u>	<u>54,895</u>	<u>(13,730)</u>	<u>57,552</u>

**CITY OF LADYSMITH, WISCONSIN  
GENERAL FUND  
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)  
YEAR ENDED DECEMBER 31, 2009  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2008)**

	2009				2008 Actual
	Adopted Budget	Final Budget	Actual	Variance Positive (Negative)	
<b>REVENUES (CONTINUED)</b>					
<b>Public Charges for Services:</b>					
Clerk's Office	\$ 500	\$ 500	\$ 463	\$ (37)	\$ 370
Police Department	16,000	16,000	14,627	(1,373)	5,620
Street Department Earnings	1,000	1,000	567	(433)	2,351
Garbage Collection	353,500	353,500	315,331	(38,169)	325,927
Library Fees	9,000	9,000	15,208	6,208	9,760
Parks and Playgrounds	2,500	2,500	4,745	2,245	3,870
Cemetery	45,000	45,000	35,689	(9,311)	46,797
Total Public Charges for Services	427,500	427,500	386,630	(40,870)	394,695
<b>Intergovernmental Charges for Services:</b>					
Fire Department Contracts	147,702	147,702	166,774	19,072	153,800
Library	278,708	278,708	277,860	(848)	254,787
Police Department	-	-	1,827	1,827	-
Total Intergovernmental Charges for Services	426,410	426,410	446,461	20,051	408,587
<b>Interest:</b>					
Investments	50,000	50,000	17,702	(32,298)	62,903
Penalties for Tax Roll Items	-	-	1,138	1,138	3,141
Special Assessments	23,450	23,450	16,540	(6,910)	21,170
Total Interest	73,450	73,450	35,380	(38,070)	87,214
<b>Rent:</b>					
City Owned Buildings	27,700	5,900	12,125	6,225	8,288
Library Lower Level Rent	1,800	1,800	2,950	1,150	1,760
Ladysmith IDC-Garage Rent	-	21,800	21,816	16	-
Total Rent	29,500	29,500	36,891	7,391	10,048
<b>Donations:</b>					
Library Foundation Grant	-	-	4,000	4,000	-
Donations for the Fire Department	-	-	2,000	2,000	-
Donations for the Police Department	2,200	2,200	5,055	2,855	15,692
Donations for Parks and Recreation	-	-	12	12	30,135
Donations for Winter Magic Event	-	-	2,135	2,135	1,185
Library Donations	1,200	1,200	9,114	7,914	8,115
Youth Center	1,000	1,000	292	(708)	895
Other Donations	-	-	640	640	1,000
Total Donations	4,400	4,400	23,248	18,848	57,022
<b>Other Revenues:</b>					
Utility Reimbursements:					
City Garage Expenses	17,000	17,000	14,289	(2,711)	16,857
City Hall Expenses	11,000	11,000	9,133	(1,867)	27,069
Sale of City Property	-	-	-	-	201
Insurance Recoveries\Dividends	-	-	2,250	2,250	85,149
Miscellaneous	1,400	1,400	7,361	5,961	12,834
Total Other Revenues	29,400	29,400	33,033	3,633	142,110
Total Revenues	4,102,801	4,102,801	4,141,900	39,099	4,233,209

**CITY OF LADYSMITH, WISCONSIN  
GENERAL FUND  
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)  
YEAR ENDED DECEMBER 31, 2009  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2008)**

	2009				2008 Actual
	Adopted Budget	Final Budget	Actual	Variance Positive (Negative)	
<b>EXPENDITURES</b>					
<b>General Government:</b>					
City Council	\$ 28,000	\$ 28,000	\$ 11,060	\$ 16,940	\$ 27,805
Commissions/Committees	8,500	8,500	12,299	(3,799)	9,590
Mayor	4,500	4,500	6,007	(1,507)	4,211
Clerk-Treasurer-Comptroller	203,675	203,675	211,189	(7,514)	252,759
City Hall Offices	27,600	27,600	32,908	(5,308)	85,362
City Leased Property	-	-	2,679	(2,679)	10,720
Elections	16,000	16,000	7,350	8,650	21,157
Human Resource Management	8,655	8,655	8,764	(109)	12,488
Assessment of Property	19,177	19,177	20,688	(1,511)	25,886
Independent Auditing	12,100	12,100	20,185	(8,085)	9,950
Appraisal/Accounting Services	-	-	-	-	1,850
City Attorney	25,530	25,530	27,854	(2,324)	24,904
Special Legal Counsel	2,000	2,000	4,748	(2,748)	3,479
Municipal Court	49,915	49,915	27,116	22,799	58,471
Uncollectible Taxes	1,800	1,800	7,539	(5,739)	8,510
Annexation Payments	500	500	5,616	(5,116)	555
Property and Liability Insurance	72,277	72,277	56,530	15,747	26,141
Workers Compensation	38,000	38,000	39,116	(1,116)	(11,131)
Employee Benefits Fund	-	-	2,782	(2,782)	(497)
Contingency Fund	50,000	50,000	-	50,000	-
Miscellaneous	-	-	469	(469)	8,755
Total General Government	568,229	568,229	504,899	63,330	580,965
<b>Public Safety:</b>					
Police Department	937,376	937,376	829,310	108,066	850,412
Police Department Outlay	12,000	12,000	15,802	(3,802)	16,157
Police Department Uniform Fund	6,250	6,250	6,550	(300)	6,329
Police Department Vehicle Fund	3,000	3,000	9,384	(6,384)	20,466
Police Department Canine Unit	2,200	2,200	4,647	(2,447)	16,281
Fire Department	117,500	117,500	86,543	30,957	130,181
Fire Department Equipment	13,500	13,500	4,056	9,444	75,624
Fire Department Vehicle Fund	-	-	434	(434)	134,711
Fire Department 2% Fund	-	-	3,812	(3,812)	6,725
Early Warning System	-	-	610	(610)	296
Building Inspection	17,208	17,208	18,103	(895)	26,428
Regulation Office	10,870	10,870	9,663	1,207	15,597
Storm Damage Cleanup	522	522	98	424	302
Total Public Safety	1,120,426	1,120,426	989,012	131,414	1,299,509
<b>Transportation Facilities:</b>					
Engineering Department	30,680	30,680	25,484	5,196	37,029
Street Commissioner	7,757	7,757	9,783	(2,026)	12,563
Street Department Time Off	110,000	110,000	88,109	21,891	93,830
Street Department Administration	-	-	93	(93)	255
Street Machinery Maintenance	69,905	69,905	58,722	11,183	101,463
Street Machinery Outlay	20,000	20,000	20,000	-	98,696
Garage	88,418	88,418	75,139	13,279	110,516

**CITY OF LADYSMITH, WISCONSIN  
GENERAL FUND  
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)  
YEAR ENDED DECEMBER 31, 2009  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2008)**

	2009			Variance Positive (Negative)	2008 Actual
	Adopted Budget	Final Budget	Actual		
<b>EXPENDITURES (CONTINUED)</b>					
<b>Education:</b>					
Library Operations	\$ 435,924	\$ 435,924	\$ 436,702	\$ (778)	\$ 433,432
Library Automation	480	480	425	55	875
Library Fines Fund	10,200	10,200	8,130	2,070	10,447
Total Education	<u>446,604</u>	<u>446,604</u>	<u>445,257</u>	<u>1,347</u>	<u>444,754</u>
<b>Conservation and Development:</b>					
City Advertising and Promotion	31,050	31,050	30,640	410	32,131
Tourism and Recreation-Room Tax	21,250	21,250	1,065	20,185	32,337
Planning and Development Office	105,117	105,117	43,905	61,212	18,598
Industrial Development	16,200	16,200	10,125	6,075	182,603
Tree Management	13,581	13,581	11,812	1,769	12,975
Total Conservation and Development	<u>187,198</u>	<u>187,198</u>	<u>97,547</u>	<u>89,651</u>	<u>278,644</u>
<b>Debt Service:</b>					
Capital Lease Principal	50,000	50,000	50,000	-	-
Paying Agent Fees	-	-	1,992	(1,992)	-
Debt Issuance Costs	-	-	-	-	24,062
Total Debt Service	<u>50,000</u>	<u>50,000</u>	<u>51,992</u>	<u>(1,992)</u>	<u>24,062</u>
Total Expenditures	<u>3,836,619</u>	<u>3,836,619</u>	<u>3,760,730</u>	<u>75,889</u>	<u>4,599,970</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	266,182	266,182	381,170	114,988	(366,761)
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds of Long-Term Debt	-	-	-	-	1,121,275
Capital Lease Proceeds	-	-	139,071	139,071	-
Debt Underwriters Discount	-	-	-	-	(4,732)
Transfers In	160,000	160,000	186,414	26,414	120,573
Transfers Out	(446,182)	(446,182)	(439,249)	6,933	(379,051)
Total Other Financing Sources (Uses)	<u>(286,182)</u>	<u>(286,182)</u>	<u>(113,764)</u>	<u>172,418</u>	<u>858,065</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (20,000)</u>	<u>\$ (20,000)</u>	267,406	<u>\$ 287,406</u>	491,304
Fund Balance, January 1			<u>1,378,897</u>		<u>887,593</u>
<b>FUND BALANCE, DECEMBER 31</b>			<u>\$ 1,646,303</u>		<u>\$ 1,378,897</u>

**CITY OF LADYSMITH, WISCONSIN**  
**WATER UTILITY ENTERPRISE FUND**  
**BALANCE SHEET**  
**DECEMBER 31, 2009**  
(WITH COMPARATIVE AMOUNTS AS OF DECEMBER 31, 2008)

	2009	2008
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and Investments for Operations	\$ 82,531	\$ 255,712
Cash and Investments for Plant Replacement	298,383	296,905
Customer Accounts Receivable	111,163	98,771
Other Accounts Receivable	-	490
Accounts Receivable on Tax Roll	4,705	3,721
Inventories	19,886	21,564
Total Current Assets	516,668	677,163
<b>Restricted Assets:</b>		
Debt Reserve	45,389	46,950
Debt Redemption	3,332	3,382
Total Restricted Assets	48,721	50,332
<b>Capital Assets:</b>		
Utility Plant in Service	6,490,881	6,263,686
Less: Accumulated Depreciation	1,938,214	1,850,987
Net Utility Plant in Service	4,552,667	4,412,699
Construction Work in Progress	41,288	10,240
Total Capital Assets	4,593,955	4,422,939
<b>Other Assets and Deferred Charges:</b>		
Advance to Sewer Utility	99,000	115,500
Unamortized Debt Discount and Expense	15,082	16,465
Total Other Assets and Deferred Charges	114,082	131,965
Total Assets	\$ 5,273,426	\$ 5,282,399
<b>LIABILITIES</b>		
<b>Current Liabilities Payable from Current Assets:</b>		
Accounts Payable	\$ 53,850	\$ 11,770
Accrued Wages	7,625	-
Total Current Liabilities	61,475	11,770
<b>Current Liabilities Payable from Restricted Assets:</b>		
Accrued Interest	1,346	1,332
Current Portion of Long-Term Debt	20,000	20,000
Total Current Liabilities Payable from Restricted Assets	21,346	21,332
<b>Long-Term Obligations (Net of Current Portion):</b>		
Mortgage Revenue Bonds	500,000	520,000
<b>Deferred Credit:</b>		
Other Deferred Credits	1,323	1,323
Total Liabilities	584,144	554,425
<b>NET ASSETS</b>		
Invested in Capital Assets, Net of Related Debt	4,073,955	3,882,939
Restricted for Debt Service	47,375	49,000
Unrestricted	567,952	796,035
Total Net Assets	4,689,282	4,727,974
Total Liabilities and Net Assets	\$ 5,273,426	\$ 5,282,399



**CITY OF LADYSMITH, WISCONSIN  
WATER UTILITY ENTERPRISE FUND  
STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET ASSETS  
YEAR ENDED DECEMBER 31, 2009  
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2008)**

	2009	2008
<b>OPERATING REVENUES</b>		
Sales of Water:		
Residential	\$ 193,732	\$ 190,022
Commercial	92,799	95,508
Industrial	25,138	26,266
Public Authorities	33,992	36,197
Public Fire Protection	252,978	248,468
Private Fire Protection	28,297	25,963
Total Sales of Water	626,936	622,424
Other Operating Revenues:		
Forfeited Discounts	1,707	1,303
Meter Charge to Sewer Utility	17,193	17,002
Miscellaneous Revenues	1,711	2,127
Total Other Operating Revenues	20,611	20,432
Total Operating Revenues	647,547	642,856
<b>OPERATING EXPENSES</b>		
Operation and Maintenance:		
Operation	65,747	82,393
Maintenance	117,481	177,770
Customer Accounting and Collection	9,553	6,904
Administrative and General	222,834	201,961
Total Operation and Maintenance	415,615	469,028
Depreciation	151,245	144,101
Total Operating Expenses	566,860	613,129
<b>OPERATING INCOME</b>	80,687	29,727
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Interest Income	4,895	11,104
Interest Expense	(20,777)	(17,344)
Amortization of Debt Discount and Expense	(1,383)	(1,194)
Rent on Nonutility Property	-	(20)
Total Nonoperating Revenues (Expenses)	(17,265)	(7,454)
<b>INCOME BEFORE CONTRIBUTIONS AND TRANSFERS</b>	63,422	22,273
<b>CAPITAL CONTRIBUTIONS</b>		
Plant Additions Financed by City Tax Incremental District	-	230,905
Hook-Up Fees Assessed	-	400
Total Capital Contributions	-	231,305
<b>TRANSFERS</b>		
Transfer to General Fund - Tax Equivalents	(102,114)	(92,493)
<b>CHANGE IN NET ASSETS</b>	(38,692)	161,085
Net Assets, January 1	4,727,974	4,566,889
<b>NET ASSETS, DECEMBER 31</b>	\$ 4,689,282	\$ 4,727,974

**CITY OF LADYSMITH, WISCONSIN  
WATER UTILITY ENTERPRISE FUND  
STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2009  
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2008)**

	2009	2008
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash Received from Customers	\$ 619,146	\$ 632,292
Cash Received for Sewer Share of Meter Expense	17,193	17,002
Cash Paid to Suppliers for Goods and Services	(200,801)	(407,742)
Cash Paid for Employee Services	(165,109)	(171,743)
Net Cash Provided by Operating Activities	270,429	69,809
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Cash Paid on General Fund for Financing	-	(106,171)
Cash Paid to General Fund for Tax Equivalents	(102,114)	(92,493)
Net Cash Used for Noncapital Financing Activities	(102,114)	(198,664)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Cash Paid for Acquisition of Capital Assets:	(324,762)	(92,269)
Cash Paid for Nonutility Property Operations (Net)	-	(20)
Cash Received for Salvage of Asset Retirement	2,501	-
Cash Received from Hookup Fees	-	400
Cash Received for Advance to Sewer Utility	16,500	16,500
Cash Received from Long-Term Debt Proceeds	-	540,000
Cash Paid for Debt Issuance Costs	-	(17,658)
Principal Paid on Long-Term Debt	(20,000)	-
Interest Paid on Long-Term Debt	(20,763)	(16,012)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(346,524)	430,941
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest on Invested Funds	4,895	11,104
Acquisition of Long-Term Investments	-	(38,750)
Net Cash Provided by (Used for) Investing Activities	4,895	(27,646)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(173,314)	274,440
Cash and Cash Equivalents, January 1	564,199	289,759
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	\$ 390,885	\$ 564,199
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating Income	\$ 80,687	\$ 29,727
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	151,245	144,101
Construction Work in Progress Expensed	-	5,972
(Increase) Decrease in Assets:		
Accounts Receivable	(12,392)	6,300
Other Accounts Receivable	(494)	138
Inventory	1,678	(701)
Increase (Decrease) in Liabilities:		
Accounts Payable	42,080	(115,728)
Accrued Wages	7,625	-
Net Cash Provided by Operating Activities	\$ 270,429	\$ 69,809
<b>RECONCILIATION OF CASH AND INVESTMENTS TO CASH AND CASH EQUIVALENTS</b>		
Cash and Investments per Balance Sheet:		
Cash and Investments - Unrestricted	\$ 380,914	\$ 552,617
Cash and Investments - Restricted	48,721	50,332
	429,635	602,949
Less: Certificates of Deposit with a Maturity of Greater than Three Months	38,750	38,750
Cash and Cash Equivalents	\$ 390,885	\$ 564,199
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>		
Capital Assets Financed by City Tax Incremental District	\$ -	\$ 230,905

**CITY OF LADYSMITH, WISCONSIN  
WATER UTILITY ENTERPRISE FUND  
SCHEDULE OF OPERATION AND MAINTENANCE EXPENSES  
YEAR ENDED DECEMBER 31, 2009  
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2008)**

	2009	2008
<b>OPERATIONAL EXPENSES</b>		
Operational Labor - Pumping	\$ 12,094	\$ 11,111
Power for Pumping	26,297	27,635
Supplies and Expenses - Pumping	847	728
Chemicals - Treatment	6,378	11,489
Supplies and Expenses - Treatment	5,661	8,129
Transmission and Distribution - Labor	1,896	3,342
Supplies and Expense - Distribution	6,373	8,456
Shop Expenses	6,201	11,503
Total Operational Expenses	65,747	82,393
<b>MAINTENANCE EXPENSES</b>		
Source of Supply	20,379	67,965
Pumps	20,162	42,060
Reservoirs	7,141	5,748
Mains	24,023	27,798
Services	12,227	9,231
Meters	10,274	10,938
Hydrants	16,985	10,412
Other Plant	6,290	3,618
Total Maintenance Expenses	117,481	177,770
<b>CUSTOMER ACCOUNTS EXPENSES</b>		
Meter Reading Labor	5,634	5,963
Supplies and Expense - Customers	3,919	941
Total Customer Accounts Expenses	9,553	6,904
<b>ADMINISTRATIVE AND GENERAL EXPENSES</b>		
Administrative and General Salaries	62,163	38,964
Office Supplies and Expenses	2,444	4,025
Outside Services Employed	7,685	5,850
Insurance Expense	7,757	4,566
Employee Pensions, Benefits and Taxes	110,571	109,693
Regulatory Commission Expenses	123	-
Miscellaneous General Expenses	3,301	1,417
Educational Expenses	4,409	3,114
Transportation Expenses	16,183	18,864
Rent of City Hall	8,198	15,468
Total Administrative and General Expenses	222,834	201,961
<b>TOTAL OPERATION AND MAINTENANCE EXPENSES</b>	\$ 415,615	\$ 469,028

**CITY OF LADYSMITH, WISCONSIN  
SEWER UTILITY ENTERPRISE FUND  
BALANCE SHEET  
DECEMBER 31, 2009  
(WITH COMPARATIVE AMOUNTS AS OF DECEMBER 31, 2008)**

	2009	2008
<b>ASSETS</b>		
<b>Current Assets:</b>		
Customer Accounts Receivable	\$ 100,266	\$ 78,078
Other Accounts Receivable	10,295	8,277
Accounts Receivable on Tax Roll	6,201	3,988
Inventories	1,780	1,780
Total Current Assets	118,542	92,123
<b>Restricted Assets:</b>		
Debt Reserve	53,795	55,644
Debt Redemption	6,957	7,549
Plant Replacement	271,702	270,447
Total Restricted Assets	332,454	333,640
<b>Capital Assets:</b>		
Utility Plant in Service	6,212,231	6,204,579
Less: Accumulated Depreciation	1,920,871	1,769,213
Total Capital Assets	4,291,360	4,435,366
<b>Other Assets and Deferred Charges:</b>		
Unamortized Debt Discount and Expense	20,729	22,944
Total Assets	\$ 4,763,085	\$ 4,884,073
<b>LIABILITIES</b>		
<b>Current Liabilities Payable from Current Assets:</b>		
Accounts Payable	\$ 20,268	\$ 13,948
Accrued Wages	5,843	-
Due to General Fund - Cash Overdraft	118,458	137,556
Current Portion of Long-Term Obligations	5,517	8,188
Total Current Liabilities	150,086	159,692
<b>Current Liabilities Payable from Restricted Assets:</b>		
Accrued Interest	1,269	1,381
Current Portion of Long-Term Debt	59,483	61,812
Total Current Liabilities Payable from Restricted Assets	60,752	63,193
<b>Long-Term Obligations (Net of Current Portion):</b>		
Mortgage Revenue Bonds	425,000	490,000
Advance from Water Utility	99,000	115,500
Total Long-Term Liabilities	524,000	605,500
<b>Deferred Credit:</b>		
Other Deferred Credits	1,323	1,323
Total Liabilities	736,161	829,708
<b>NET ASSETS</b>		
Invested in Capital Assets, Net of Related Debt	3,860,843	3,875,366
Restricted for Plant Replacement	271,702	270,447
Restricted for Debt Retirement	59,483	61,812
Unrestricted	(165,104)	(153,260)
Total Net Assets	4,026,924	4,054,365
Total Liabilities and Net Assets	\$ 4,763,085	\$ 4,884,073

**CITY OF LADYSMITH, WISCONSIN  
SEWER UTILITY ENTERPRISE FUND  
STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET ASSETS  
YEAR ENDED DECEMBER 31, 2009  
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2008)**

	<u>2009</u>	<u>2008</u>
<b>OPERATING REVENUES</b>		
Sewerage Revenues:		
Residential	\$ 355,823	\$ 300,988
Commercial	120,577	97,315
Industrial	15,213	14,019
Public Authorities	32,313	32,867
Outside Septage Acceptance	63,835	35,890
Total Sewerage Revenues	<u>587,761</u>	<u>481,079</u>
Other Operating Revenues:		
Forfeited Discounts	2,186	2,530
Total Operating Revenues	<u>589,947</u>	<u>483,609</u>
<b>OPERATING EXPENSES</b>		
Operation and Maintenance:		
Operation	95,250	98,916
Maintenance	150,760	157,623
Customer Accounting and Collecting	20,129	17,002
Administrative and General	176,110	126,213
Total Operation and Maintenance	<u>442,249</u>	<u>399,754</u>
Depreciation	151,658	149,196
Total Operating Expenses	<u>593,907</u>	<u>548,950</u>
<b>OPERATING LOSS</b>	(3,960)	(65,341)
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Gain on Sale of Capital Assets		
Interest Income	2,852	9,838
Interest Expense	(24,118)	(28,324)
Amortization of Debt Discount and Expense	(2,215)	(2,126)
Total Nonoperating Revenues (Expenses)	<u>(23,481)</u>	<u>(20,612)</u>
<b>LOSS BEFORE CONTRIBUTIONS</b>	(27,441)	(85,953)
<b>CAPITAL CONTRIBUTIONS</b>		
Plant Additions Financed by City Assessments	-	322,054
Plant Additions Financed by Businesses	-	64,115
Total Capital Contributions	<u>-</u>	<u>386,169</u>
<b>CHANGE IN NET ASSETS</b>	(27,441)	300,216
Net Assets, January 1	<u>4,054,365</u>	<u>3,754,149</u>
<b>NET ASSETS, DECEMBER 31</b>	<u>\$ 4,026,924</u>	<u>\$ 4,054,365</u>

**CITY OF LADYSMITH, WISCONSIN  
SEWER UTILITY ENTERPRISE FUND  
STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2009  
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2008)**

	2009	2008
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash Received from Customers	\$ 563,528	\$ 478,600
Cash Paid to Suppliers for Goods and Services	(282,217)	(285,644)
Cash Paid for Employee Services	(130,676)	(103,635)
Cash Paid for Sewer Share of Meter Expense	(17,193)	(17,002)
Net Cash Provided by Operating Activities	133,442	72,319
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Cash Paid to General Fund for Financing Cash Deficits	(19,098)	(201,727)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Cash Paid to Water Utility on Long-Term Advance	(16,500)	(16,500)
Cash Paid for Acquisition of Capital Assets	(7,652)	(84,636)
Cash Received as Proceeds of Long-Term Debt	-	640,000
Cash Paid for Debt Issuance Costs	-	(20,929)
Cash Paid for Principal on Long-Term Debt	(70,000)	(382,437)
Cash Paid for Interest on Long-Term Debt	(24,230)	(28,912)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(118,382)	106,586
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest on Invested Funds	2,852	9,839
Redemption of Long-Term Investments	-	38,750
Net Cash Flows Provided by Investing Activities	2,852	48,589
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(1,186)	25,767
Cash and Cash Equivalents, January 1	294,890	269,123
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	\$ 293,704	\$ 294,890
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating Loss	\$ (3,960)	\$ (65,341)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:		
Depreciation	151,658	149,196
(Increase) Decrease in Assets:		
Customer Accounts Receivable	(22,188)	3,487
Other Accounts Receivable	(4,231)	(8,496)
Increase (Decrease) in Liabilities:		
Accounts Payable	6,320	(6,527)
Accrued Wages	5,843	-
Net Cash Provided by Operating Activities	\$ 133,442	\$ 72,319
<b>RECONCILIATION OF CASH AND INVESTMENTS TO CASH AND CASH EQUIVALENTS</b>		
Cash and Investments per Balance Sheet:		
Cash and Investments - Restricted	\$ 332,454	\$ 333,640
Less: Certificates of Deposit with a Maturity of Greater than Three Months	38,750	38,750
Cash and Cash Equivalents	\$ 293,704	\$ 294,890
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>		
Capital Assets Financed by City Tax Incremental District	\$ -	\$ 386,169

**CITY OF LADYSMITH, WISCONSIN  
SEWER UTILITY ENTERPRISE FUND  
SCHEDULE OF OPERATION AND MAINTENANCE EXPENSES  
YEAR ENDED DECEMBER 31, 2009  
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2008)**

	2009	2008
<b>OPERATIONAL EXPENSES</b>		
Power for Pumping	\$ 67,946	\$ 71,560
Operating Supplies and Expense	22,115	18,993
Transportation Expense	2,027	2,667
Garage Expense	3,162	5,696
Total Operational Expenses	95,250	98,916
<b>MAINTENANCE EXPENSES</b>		
Collection System	80,737	97,360
Treatment and Distribution	58,742	53,555
Plant and Grounds	11,281	6,708
Total Maintenance Expenses	150,760	157,623
<b>CUSTOMER ACCOUNTS EXPENSE</b>		
Sewer Share of Meter Reading and Maintenance	17,193	17,002
Billing and Collection	2,936	-
Total Customer Accounts Expense	20,129	17,002
<b>ADMINISTRATIVE AND GENERAL EXPENSES</b>		
Administration and General Salaries	46,888	30,115
Office Supplies Expenses	3,304	2,233
Outside Services Employed	21,088	6,575
Employee Pensions and Benefits	89,631	73,520
Insurance Expense	6,382	1,346
Rent	6,620	12,234
Educational Expenses	2,197	190
Total Administrative and General Expenses	176,110	126,213
<b>TOTAL OPERATION AND MAINTENANCE EXPENSES</b>	\$ 442,249	\$ 399,754

## **DEBT REPAYMENT SCHEDULES**



**CITY OF LADYSMITH, WISCONSIN  
GENERAL OBLIGATION REFUNDING BONDS  
DATED JUNE 1, 2002  
OUTSTANDING DECEMBER 31, 2009**

Funding Source: General City

<u>Payment Date</u>	<u>Rate</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
6/1/10		\$ 4,676.25	\$ -	\$ 4,676.25
12/1/10	4.30%	74,676.25	70,000.00	4,676.25
6/1/11		3,171.25	-	3,171.25
12/1/11	4.35%	78,171.25	75,000.00	3,171.25
6/1/12		1,540.00	-	1,540.00
12/1/12	4.40%	<u>71,540.00</u>	<u>70,000.00</u>	<u>1,540.00</u>
		<u>\$ 233,775.00</u>	<u>\$ 215,000.00</u>	<u>\$ 18,775.00</u>

**CITY OF LADYSMITH, WISCONSIN  
GENERAL OBLIGATION PROMISSORY NOTES  
DATED JUNE 1, 2002  
OUTSTANDING DECEMBER 31, 2009**

Funding Source: General City

Payment Date	Rate	Total	General City	
			Principal	Interest
6/1/10		\$ 17,227.50	\$ -	\$ 17,227.50
12/1/10	4.30%	57,227.50	40,000.00	17,227.50
6/1/11		16,367.50	-	16,367.50
12/1/11	4.30%	61,367.50	45,000.00	16,367.50
6/1/12	4.40%	715,400.00	700,000.00	15,400.00
		<u>\$867,590.00</u>	<u>\$ 785,000.00</u>	<u>\$ 82,590.00</u>

**CITY OF LADYSMITH, WISCONSIN  
GENERAL OBLIGATION CORPORATE PURPOSE BONDS  
DATED MARCH 22, 2005  
OUTSTANDING DECEMBER 31, 2009**

Funding Source: General City

<u>Payment Date</u>	<u>Rate</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
6/1/10		\$ 27,960.00	\$ -	\$ 27,960.00
12/1/10	3.35%	67,960.00	40,000.00	27,960.00
6/1/11		27,290.00	-	27,290.00
12/1/11	3.50%	72,290.00	45,000.00	27,290.00
6/1/12		26,502.50	-	26,502.50
12/1/12	3.60%	66,502.50	40,000.00	26,502.50
6/1/13		25,782.50	-	25,782.50
12/1/13	3.70%	105,782.50	80,000.00	25,782.50
6/1/14		24,302.50	-	24,302.50
12/1/14	3.75%	104,302.50	80,000.00	24,302.50
6/1/15		22,802.50	-	22,802.50
12/1/15	3.80%	97,802.50	75,000.00	22,802.50
6/1/16		21,377.50	-	21,377.50
12/1/16	4.00%	81,377.50	60,000.00	21,377.50
6/1/17		20,177.50	-	20,177.50
12/1/17	4.10%	115,177.50	95,000.00	20,177.50
6/1/18		18,230.00	-	18,230.00
12/1/18	4.20%	113,230.00	95,000.00	18,230.00
6/1/19		16,235.00	-	16,235.00
12/1/19	4.30%	116,235.00	100,000.00	16,235.00
6/1/20		14,085.00	-	14,085.00
12/1/20	4.40%	119,085.00	105,000.00	14,085.00
6/1/21		11,775.00	-	11,775.00
12/1/21	4.50%	121,775.00	110,000.00	11,775.00
6/1/22		9,300.00	-	9,300.00
12/1/22	4.60%	119,300.00	110,000.00	9,300.00
6/1/23		6,770.00	-	6,770.00
12/1/23	4.70%	146,770.00	140,000.00	6,770.00
6/1/24		3,480.00	-	3,480.00
12/1/24	4.80%	148,480.00	145,000.00	3,480.00
		<u>\$ 1,872,140.00</u>	<u>\$ 1,320,000.00</u>	<u>\$ 552,140.00</u>

**CITY OF LADYSMITH, WISCONSIN  
GENERAL OBLIGATION REFUNDING BONDS  
DATED MARCH 22, 2005  
OUTSTANDING DECEMBER 31, 2009**

Payment Date	Rate	Totals		General City		TID #5	
		Principal	Interest	Principal	Interest	Principal	Interest
6/1/10		\$ -	\$ 16,277.50	\$ -	\$ 9,212.50	\$ -	\$ 7,065.00
12/1/10	3.20%	100,000.00	16,277.50	45,000.00	9,212.50	55,000.00	7,065.00
6/1/11		-	14,677.50	-	8,492.50	-	6,185.00
12/1/11	3.30%	100,000.00	14,677.50	45,000.00	8,492.50	55,000.00	6,185.00
6/1/12		-	13,027.50	-	7,750.00	-	5,277.50
12/1/12	3.50%	100,000.00	13,027.50	45,000.00	7,750.00	55,000.00	5,277.50
6/1/13		-	11,277.50	-	6,962.50	-	4,315.00
12/1/13	3.60%	135,000.00	11,277.50	80,000.00	6,962.50	55,000.00	4,315.00
6/1/14		-	8,847.50	-	5,522.50	-	3,325.00
12/1/14	3.70%	145,000.00	8,847.50	85,000.00	5,522.50	60,000.00	3,325.00
6/1/15		-	6,165.00	-	3,950.00	-	2,215.00
12/1/15	3.80%	150,000.00	6,165.00	95,000.00	3,950.00	55,000.00	2,215.00
6/1/16		-	3,315.00	-	2,145.00	-	1,170.00
12/1/16	3.90%	170,000.00	3,315.00	110,000.00	2,145.00	60,000.00	1,170.00
		<u>\$ 900,000.00</u>	<u>\$ 147,175.00</u>	<u>\$ 505,000.00</u>	<u>\$ 88,070.00</u>	<u>\$ 395,000.00</u>	<u>\$ 59,105.00</u>

**CITY OF LADYSMITH, WISCONSIN  
STATE TRUST FUND LOAN  
DATED MARCH 29, 2005  
OUTSTANDING DECEMBER 31, 2009**

Funding Source: Tax Incremental District No. 8

Interest Rate: 5.00%

<u>Payment Date</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
3/15/10	\$ 24,275.72	\$ 11,123.96	\$ 13,151.76
3/15/11	24,275.72	11,680.16	12,595.56
3/15/12	24,275.72	12,231.26	12,044.46
3/15/13	24,275.72	12,875.73	11,399.99
3/15/14	24,275.72	13,519.52	10,756.20
3/15/15	24,275.72	14,195.50	10,080.22
3/15/16	24,275.72	14,879.60	9,396.12
3/15/17	24,275.72	15,649.25	8,626.47
3/15/18	24,275.72	16,431.71	7,844.01
3/15/19	24,275.72	17,253.30	7,022.42
3/15/20	24,275.72	18,099.09	6,176.63
3/15/21	24,275.72	19,020.92	5,254.80
3/15/22	24,275.72	19,971.96	4,303.76
3/15/23	24,275.72	20,970.56	3,305.16
3/15/24	24,275.72	22,012.91	2,262.81
3/15/25	<u>24,275.67</u>	<u>23,119.69</u>	<u>1,155.98</u>
	<u>\$388,411.47</u>	<u>\$263,035.12</u>	<u>\$125,376.35</u>

**CITY OF LADYSMITH, WISCONSIN  
GENERAL OBLIGATION CORPORATE PURPOSE BONDS  
DATED FEBRUARY 21, 2008  
OUTSTANDING DECEMBER 31, 2009**

Payment Date	Rate	Totals		General City		TID #8		TID #9		TID #10	
		Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
6/1/10	3.50%	\$ -	\$ 38,655.00	\$ -	\$ 28,043.37	\$ -	\$ 1,341.56	\$ -	\$ 3,830.07	\$ -	\$ 5,440.00
12/1/10	3.50%	80,000.00	38,655.00	60,563.80	28,043.37	3,293.34	1,341.56	6,142.86	3,830.07	10,000.00	5,440.00
6/1/11	3.50%	-	37,255.00	-	26,983.50	-	1,283.93	-	3,722.57	-	5,265.00
12/1/11	3.50%	75,000.00	37,255.00	55,905.04	26,983.50	2,952.10	1,283.93	6,142.86	3,722.57	10,000.00	5,265.00
6/1/12	3.50%	-	35,942.50	-	26,005.16	-	1,232.27	-	3,615.07	-	5,090.00
12/1/12	3.50%	85,000.00	35,942.50	65,222.55	26,005.16	3,634.59	1,232.27	6,142.86	3,615.07	10,000.00	5,090.00
6/1/13	3.50%	-	34,455.00	-	24,863.77	-	1,168.66	-	3,507.57	-	4,915.00
12/1/13	3.50%	100,000.00	34,455.00	69,881.31	24,863.77	2,832.98	1,168.66	12,285.71	3,507.57	15,000.00	4,915.00
6/1/14	3.50%	-	32,705.00	-	23,640.85	-	1,119.08	-	3,292.57	-	4,652.50
12/1/14	3.50%	105,000.00	32,705.00	74,540.06	23,640.85	3,174.23	1,119.08	12,285.71	3,292.57	15,000.00	4,652.50
6/1/15	3.50%	-	30,867.50	-	22,336.39	-	1,063.53	-	3,077.58	-	4,390.00
12/1/15	3.50%	105,000.00	30,867.50	74,540.06	22,336.39	3,174.23	1,063.53	12,285.71	3,077.58	15,000.00	4,390.00
6/1/16	3.50%	-	29,030.00	-	21,031.95	-	1,007.98	-	2,862.57	-	4,127.50
12/1/16	3.50%	115,000.00	29,030.00	83,857.57	21,031.95	3,856.72	1,007.98	12,285.71	2,862.57	15,000.00	4,127.50
6/1/17	3.50%	-	27,017.50	-	19,564.44	-	940.49	-	2,647.57	-	3,865.00
12/1/17	3.50%	150,000.00	27,017.50	116,468.84	19,564.44	6,245.44	940.49	12,285.72	2,647.57	15,000.00	3,865.00
6/1/18	3.50%	-	24,392.50	-	17,526.23	-	831.20	-	2,432.57	-	3,602.50
12/1/18	3.50%	160,000.00	24,392.50	125,786.35	17,526.23	6,927.94	831.20	12,285.71	2,432.57	15,000.00	3,602.50
6/1/19	3.60%	-	21,592.50	-	15,324.97	-	709.96	-	2,217.57	-	3,340.00
12/1/19	3.60%	160,000.00	21,592.50	125,786.35	15,324.97	6,927.94	709.96	12,285.71	2,217.57	15,000.00	3,340.00
6/1/20	3.60%	-	18,712.50	-	13,060.82	-	585.25	-	1,996.43	-	3,070.00
12/1/20	3.60%	105,000.00	18,712.50	74,540.06	13,060.82	3,174.23	585.25	12,285.71	1,996.43	15,000.00	3,070.00
6/1/21	3.70%	-	16,822.50	-	11,719.09	-	528.12	-	1,775.29	-	2,800.00
12/1/21	3.70%	110,000.00	16,822.50	74,540.06	11,719.09	3,174.23	528.12	12,285.71	1,775.29	20,000.00	2,800.00

**CITY OF LADYSMITH, WISCONSIN  
GENERAL OBLIGATION CORPORATE PURPOSE BONDS (CONTINUED)  
DATED FEBRUARY 21, 2008  
OUTSTANDING DECEMBER 31, 2009**

Payment Date	Rate	Totals		General City		TID #8		TID #9		TID #10	
		Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
6/1/22	3.70%	\$ -	\$ 14,787.50	\$ -	\$ 10,340.10	\$ -	\$ 469.40	\$ -	\$ 1,548.00	\$ -	\$ 2,430.00
12/1/22	3.70%	115,000.00	14,787.50	79,198.81	10,340.10	3,515.47	469.40	12,285.72	1,548.00	20,000.00	2,430.00
6/1/23	3.80%	-	12,660.00	-	8,874.93	-	404.36	-	1,320.71	-	2,060.00
12/1/23	3.80%	115,000.00	12,660.00	79,198.81	8,874.93	3,515.47	404.36	12,285.72	1,320.71	20,000.00	2,060.00
6/1/24	3.80%	-	10,475.00	-	7,370.15	-	337.56	-	1,087.29	-	1,680.00
12/1/24	3.80%	125,000.00	10,475.00	83,857.57	7,370.15	2,713.86	337.56	18,428.57	1,087.29	20,000.00	1,680.00
6/1/25	4.00%	-	8,100.00	-	5,776.85	-	286.00	-	737.15	-	1,300.00
12/1/25	4.00%	135,000.00	8,100.00	93,175.07	5,776.85	3,396.35	286.00	18,428.58	737.15	20,000.00	1,300.00
6/1/26	4.00%	-	5,400.00	-	3,913.35	-	218.08	-	368.57	-	900.00
12/1/26	4.00%	140,000.00	5,400.00	97,833.83	3,913.35	3,737.60	218.08	18,428.57	368.57	20,000.00	900.00
6/1/27	4.00%	-	2,600.00	-	1,956.68	-	143.32	-	-	-	500.00
12/1/27	4.00%	130,000.00	2,600.00	97,833.83	1,956.68	7,166.17	143.32	-	-	25,000.00	500.00
		<u>\$2,110,000.00</u>	<u>\$ 802,940.00</u>	<u>\$1,532,729.97</u>	<u>\$ 576,665.20</u>	<u>\$ 73,412.89</u>	<u>\$ 27,341.50</u>	<u>\$ 208,857.14</u>	<u>\$ 80,078.30</u>	<u>\$ 295,000.00</u>	<u>\$ 118,855.00</u>

**CITY OF LADYSMITH, WISCONSIN  
GENERAL OBLIGATION PROMISSORY NOTE  
DATED MARCH 6, 2008  
OUTSTANDING DECEMBER 31, 2009**

Funding Source: General City

Interest Rate: 4.00%

<u>Payment Date</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
3/1/10	\$ 18,600.00	\$ 13,000.00	\$ 5,600.00
3/1/11	19,080.00	14,000.00	5,080.00
3/1/12	18,520.00	14,000.00	4,520.00
3/1/13	18,960.00	15,000.00	3,960.00
3/1/14	19,360.00	16,000.00	3,360.00
3/1/15	18,720.00	16,000.00	2,720.00
3/1/16	19,080.00	17,000.00	2,080.00
3/1/17	18,400.00	17,000.00	1,400.00
3/1/18	<u>18,720.00</u>	<u>18,000.00</u>	<u>720.00</u>
	<u>\$ 169,440.00</u>	<u>\$ 140,000.00</u>	<u>\$ 29,440.00</u>



**CITY OF LADYSMITH, WISCONSIN  
 STATE TRUST FUND LOAN  
 DATED MARCH 19, 2008  
 OUTSTANDING DECEMBER 31, 2009**

Funding Source: General City

Interest Rate: 4.75%

<u>Payment Date</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
3/15/10	\$ 47,001.90	\$ 39,039.53	\$ 7,962.37
3/15/11	47,001.90	40,893.91	6,107.99
3/15/12	47,001.90	42,824.95	4,176.95
3/15/13	<u>47,001.85</u>	<u>44,870.50</u>	<u>2,131.35</u>
	<u><u>\$188,007.55</u></u>	<u><u>\$167,628.89</u></u>	<u><u>\$ 20,378.66</u></u>

**CITY OF LADYSMITH, WISCONSIN  
STATE TRUST FUND LOAN  
DATED MARCH 19, 2008  
OUTSTANDING DECEMBER 31, 2009**

Funding Source: General City

Interest Rate: 4.75%

<u>Payment Date</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
3/15/10	\$ 29,347.53	\$ 24,375.90	\$ 4,971.63
3/15/11	29,347.53	25,533.76	3,813.77
3/15/12	29,347.53	26,739.49	2,608.04
3/15/13	<u>29,347.48</u>	<u>28,016.69</u>	<u>1,330.79</u>
	<u>\$117,390.07</u>	<u>\$104,665.84</u>	<u>\$ 12,724.23</u>

**CITY OF LADYSMITH, WISCONSIN  
STATE TRUST FUND LOAN  
DATED AUGUST 1, 2008  
OUTSTANDING DECEMBER 31, 2009**

Funding Source: General City

Interest Rate: 4.75%

<u>Payment Date</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
3/15/10	\$ 56,357.55	\$ 46,810.28	\$ 9,547.27
3/15/11	56,357.55	49,033.77	7,323.78
3/15/12	56,357.55	51,349.19	5,008.36
3/15/13	<u>56,357.54</u>	<u>53,801.95</u>	<u>2,555.59</u>
	<u>\$225,430.19</u>	<u>\$200,995.19</u>	<u>\$ 24,435.00</u>

**CITY OF LADYSMITH, WISCONSIN  
STATE TRUST FUND LOAN  
DATED SEPTEMBER 9, 2008  
OUTSTANDING DECEMBER 31, 2009**

Funding Source: General City

Interest Rate: 4.75%

<u>Payment Date</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
3/15/10	\$ 71,726.66	\$ 53,767.76	\$ 17,958.90
3/15/11	71,726.66	62,405.63	9,321.03
3/15/12	71,726.66	65,352.48	6,374.18
3/15/13	<u>71,726.65</u>	<u>68,474.13</u>	<u>3,252.52</u>
	<u><u>\$286,906.63</u></u>	<u><u>\$250,000.00</u></u>	<u><u>\$ 36,906.63</u></u>

**CITY OF LADYSMITH, WISCONSIN  
STATE TRUST FUND LOAN  
DATED SEPTEMBER 1, 2009  
OUTSTANDING DECEMBER 31, 2009**

Funding Source: Meadowbrook Center Fund and Mining/MILIF Economic Development Fund

Interest Rate: 4.25%

<u>Payment Date</u>	<u>Total</u>	<u>Meadowbrook Center Special Revenue Fund</u>		<u>Mining / MILIF Economic Development Fund</u>	
		<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
3/15/11	\$ 19,620.55	\$ -	\$ -	\$ 13,100.00	\$ 6,520.55
3/15/12	19,703.37	-	-	16,000.00	3,703.37
3/15/13	19,613.25	16,600.00	3,013.25	-	-
3/15/14	19,607.75	17,300.00	2,307.75	-	-
3/15/15	19,572.50	18,000.00	1,572.50	-	-
3/15/16	19,809.71	19,000.00	809.71	-	-
	<u>\$117,927.13</u>	<u>\$ 70,900.00</u>	<u>\$ 7,703.21</u>	<u>\$ 29,100.00</u>	<u>\$ 10,223.92</u>

**CITY OF LADYSMITH, WISCONSIN  
STATE TRUST FUND LOAN  
DATED SEPTEMBER 21, 2009  
OUTSTANDING DECEMBER 31, 2009**

Funding Source: Meadowbrook Center Fund and Mining/MILIF Economic Development Fund

Interest Rate: 4.25%

<u>Payment Date</u>	<u>Total</u>	<u>Meadowbrook Center Special Revenue Fund</u>		<u>Mining / MILIF Economic Development Fund</u>	
		<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
3/15/11	\$ 19,587.67	\$ -	\$ -	\$ 13,300.00	\$ 6,287.67
3/15/12	19,594.85	-	-	15,900.00	3,694.85
3/15/13	19,609.00	16,600.00	3,009.00	-	-
3/15/14	19,603.50	17,300.00	2,303.50	-	-
3/15/15	19,668.25	18,100.00	1,568.25	-	-
3/15/16	19,601.19	18,800.00	801.19	-	-
	<u>\$117,664.46</u>	<u>\$ 70,800.00</u>	<u>\$ 7,681.94</u>	<u>\$ 29,200.00</u>	<u>\$ 9,982.52</u>

**CITY OF LADYSMITH, WISCONSIN  
STATE TRUST FUND LOAN  
DATED OCTOBER 26, 2009  
OUTSTANDING DECEMBER 31, 2009**

Funding Source: Meadowbrook Center Fund and Mining/MILIF Economic Development Fund

Interest Rate: 4.25%

<u>Payment Date</u>	<u>Total</u>	<u>Meadowbrook Center Special Revenue Fund</u>		<u>Mining / MILIF Economic Development Fund</u>	
		<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
3/15/11	\$ 85,707.05	\$ -	\$ -	\$ 57,600.00	\$ 28,107.05
3/15/12	88,015.95	-	-	70,100.00	17,915.95
3/15/13	88,687.75	73,800.00	14,887.75	-	-
3/15/14	100,151.25	88,400.00	11,751.25	-	-
3/15/15	99,894.25	91,900.00	7,994.25	-	-
3/15/16	<u>100,299.70</u>	<u>96,200.00</u>	<u>4,099.70</u>	<u>-</u>	<u>-</u>
	<u>\$562,755.95</u>	<u>\$350,300.00</u>	<u>\$ 38,732.95</u>	<u>\$127,700.00</u>	<u>\$ 46,023.00</u>

SCHEDULE F-15

CITY OF LADYSMITH, WISCONSIN  
 SEWER SYSTEM AND WATER SYSTEM REVENUE BONDS  
 DATED FEBRUARY 21, 2008  
 OUTSTANDING DECEMBER 31, 2009

Payment Date	Rate	Totals		Sewer		Water	
		Principal	Interest	Principal	Interest	Principal	Interest
6/1/10	3.15%	\$ -	\$ 19,238.75	\$ -	\$ 9,245.00	\$ -	\$ 9,993.75
12/1/10	3.15%	85,000.00	19,238.75	65,000.00	9,245.00	20,000.00	9,993.75
6/1/11	3.15%	-	17,900.00	-	8,221.25	-	9,678.75
12/1/11	3.15%	35,000.00	17,900.00	15,000.00	8,221.25	20,000.00	9,678.75
6/1/12	3.25%	-	17,348.75	-	7,985.00	-	9,363.75
12/1/12	3.25%	40,000.00	17,348.75	20,000.00	7,985.00	20,000.00	9,363.75
6/1/13	3.25%	-	16,698.75	-	7,660.00	-	9,038.75
12/1/13	3.25%	40,000.00	16,698.75	20,000.00	7,660.00	20,000.00	9,038.75
6/1/14	3.25%	-	16,048.75	-	7,335.00	-	8,713.75
12/1/14	3.25%	45,000.00	16,048.75	20,000.00	7,335.00	25,000.00	8,713.75
6/1/15	3.50%	-	15,317.50	-	7,010.00	-	8,307.50
12/1/15	3.50%	45,000.00	15,317.50	20,000.00	7,010.00	25,000.00	8,307.50
6/1/16	3.50%	-	14,530.00	-	6,660.00	-	7,870.00
12/1/16	3.50%	45,000.00	14,530.00	20,000.00	6,660.00	25,000.00	7,870.00
6/1/17	3.50%	-	13,742.50	-	6,310.00	-	7,432.50
12/1/17	3.50%	45,000.00	13,742.50	20,000.00	6,310.00	25,000.00	7,432.50
6/1/18	3.70%	-	12,955.00	-	5,960.00	-	6,995.00
12/1/18	3.70%	50,000.00	12,955.00	25,000.00	5,960.00	25,000.00	6,995.00
6/1/19	3.70%	-	12,030.00	-	5,497.50	-	6,532.50
12/1/19	3.70%	55,000.00	12,030.00	25,000.00	5,497.50	30,000.00	6,532.50
6/1/20	3.90%	-	11,012.50	-	5,035.00	-	5,977.50
12/1/20	3.90%	55,000.00	11,012.50	25,000.00	5,035.00	30,000.00	5,977.50
6/1/21	3.90%	-	9,940.00	-	4,547.50	-	5,392.50
12/1/21	3.90%	55,000.00	9,940.00	25,000.00	4,547.50	30,000.00	5,392.50
6/1/22	4.10%	-	8,867.50	-	4,060.00	-	4,807.50
12/1/22	4.10%	65,000.00	8,867.50	30,000.00	4,060.00	35,000.00	4,807.50
6/1/23	4.10%	-	7,535.00	-	3,445.00	-	4,090.00
12/1/23	4.10%	65,000.00	7,535.00	30,000.00	3,445.00	35,000.00	4,090.00
6/1/24	4.30%	-	6,202.50	-	2,830.00	-	3,372.50
12/1/24	4.30%	65,000.00	6,202.50	30,000.00	2,830.00	35,000.00	3,372.50
6/1/25	4.30%	-	4,805.00	-	2,185.00	-	2,620.00
12/1/25	4.30%	70,000.00	4,805.00	30,000.00	2,185.00	40,000.00	2,620.00
6/1/26	4.40%	-	3,300.00	-	1,540.00	-	1,760.00
12/1/26	4.40%	75,000.00	3,300.00	35,000.00	1,540.00	40,000.00	1,760.00
6/1/27	4.40%	-	1,650.00	-	770.00	-	880.00
12/1/27	4.40%	75,000.00	1,650.00	35,000.00	770.00	40,000.00	880.00
		<u>\$1,010,000.00</u>	<u>\$ 418,245.00</u>	<u>\$ 490,000.00</u>	<u>\$ 192,592.50</u>	<u>\$ 520,000.00</u>	<u>\$ 225,652.50</u>



**STATISTICAL INFORMATION (UNAUDITED)**

TABLE 1

**CITY OF LADYSMITH, WISCONSIN**  
**CITY TAX RATES – ALL OVERLAPPING GOVERNMENTS**  
 (THE INFORMATION IN THIS TABLE IS UNAUDITED)

	1992/ 1993	1993/ 1994	1994/ 1995	1995/ 1996	1996/ 1997	1997/ 1998	1998/ 1999	1999/ 2000	2000/ 2001	2001/ 2002	2002/ 2003	2003/ 2004	2004/ 2005	2005/ 2006	2006/ 2007	2007/ 2008	2008/ 2009	2009/ 2010
State of Wisconsin	0.197	0.204	0.214	0.210	0.224	0.230	0.256	0.265	0.268	0.191	0.203	0.211	0.216	0.206	0.162	0.170	0.164	0.169
Rusk County	5.526	5.466	6.791	6.724	7.097	7.216	8.014	7.882	7.299	5.163	4.604	4.395	5.055	5.061	3.870	4.329	3.855	4.360
City of Ladysmith	5.329	6.721	6.936	6.741	6.868	6.795	9.493	8.601	8.400	5.739	5.615	5.928	6.432	6.739	6.220	5.911	6.523	7.053
Ladysmith School District	25.385	21.785	22.006	21.281	15.778	16.524	17.909	15.824	12.532	10.300	13.197	14.446	13.224	12.601	9.050	10.743	10.744	10.890
Indianhead Technical College	1.729	1.780	1.850	1.770	1.819	1.773	1.879	1.921	1.828	1.233	1.244	1.210	1.133	1.090	0.870	0.973	0.963	1.050
<b>Total Tax Rate</b>	<b>38.166</b>	<b>35.956</b>	<b>37.797</b>	<b>36.726</b>	<b>31.786</b>	<b>32.538</b>	<b>37.551</b>	<b>34.493</b>	<b>30.327</b>	<b>22.626</b>	<b>24.863</b>	<b>26.190</b>	<b>26.060</b>	<b>25.697</b>	<b>20.172</b>	<b>22.126</b>	<b>22.248</b>	<b>23.521</b>
Ratio of Assessed Value to Equalized Value	100.30%	99.89%	102.85%	101.10%	97.99%	89.38%	86.84%	78.12%	75.25%	74.54%	105.37%	98.61%	94.55%	90.99%	108.20%	100.16%	100.02%	100.58%

**CITY OF LADYSMITH, WISCONSIN  
TREND OF VALUES  
ASSESSED VALUES AND EQUALIZED VALUES  
(THE INFORMATION IN THIS TABLE IS UNAUDITED)**

Year	Equalized Value	Assessed Value
2009	\$ 174,814,000	\$ 175,830,470
2008	168,063,300	173,712,840
2007	164,137,500	163,769,490
2006	151,941,800	164,471,070
2005	141,732,888	128,962,755
2004	137,069,800	126,595,760
2003	127,603,500	120,649,158
2002	124,259,500	122,537,690
2001	113,748,242	119,853,060
2000	109,365,700	81,521,150
1999	100,901,000	75,927,240
1998	92,170,900	72,005,690
1997	80,995,800	70,344,000
1996	78,847,800	70,471,360
1995	72,840,500	69,295,625
1994	72,004,800	67,412,985
1993	68,150,200	66,777,845
1992	65,668,800	66,391,055
1991	63,234,800	65,038,200
1990	64,172,230	64,101,640
1989	62,888,450	63,076,760
1988	61,319,390	62,077,210
1987	59,410,080	64,095,945
1986	52,174,730	61,165,395
1985	58,798,140	61,552,455
1984	61,492,480	44,471,570
1983	56,057,650	43,333,095
1982	56,282,150	24,705,010
1981	54,104,730	24,023,840

TABLE 3

**CITY OF LADYSMITH, WISCONSIN  
TEN LARGEST TAXPAYERS IN THE CITY  
(THE INFORMATION IN THIS TABLE IS UNAUDITED)**

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2009 Equalized Value</u>	<u>Percent of Equalized Value</u>
Wal-Mart Real Estate Business Trust	Retail Store	\$ 8,900,300	5.09%
City Forest Corporation	Paper Products	3,476,400	1.99%
Weathershield Mfg., Inc.	Millwork, Insulated Doors	3,268,800	1.87%
Reinhart Partners	Retail Grocer	2,992,100	1.71%
Schild Bros, Inc.	Millwork	2,142,100	1.23%
Johnson Management Co	Motel	1,748,200	1.00%
Flambeau Village	Apartments	1,659,600	0.95%
Marshfield Clinic	Medical Facility	1,593,000	0.91%
R&S Williams Properties	Rental Properties	1,625,800	0.93%
Reinhart Real Estate Group, Inc.	Real Estate	1,450,500	0.83%

TABLE 4

**CITY OF LADYSMITH, WISCONSIN  
GENERAL FUND REVENUES BY SOURCE  
(THE INFORMATION IN THIS TABLE IS UNAUDITED)**

Fiscal Year	Taxes	Special Assessments	Inter-Governmental	Licenses and Permits	Fines and Forfeits	Charges for Services	Interest	Miscellaneous	Total
2009	\$ 1,157,744	\$ 80,814	\$ 1,871,089	\$ 15,715	\$ 54,895	\$ 833,091	\$ 35,380	\$ 93,172	\$ 4,141,900
2008	1,126,876	93,791	1,831,477	23,837	57,552	805,042	87,214	207,420	4,233,209
2007	1,152,050	104,087	1,877,044	33,358	67,458	804,417	124,505	423,796	4,586,715
2006	1,138,651	70,021	1,816,964	22,646	63,813	751,508	112,828	97,138	4,073,569
2005	1,020,665	93,808	1,762,459	18,372	68,348	685,171	50,142	74,602	3,773,567
2004	888,773	52,187	2,192,350	17,600	48,847	698,931	31,905	124,558	4,055,151
2003	826,037	92,977	2,959,545	20,408	55,084	679,815	45,857	145,112	4,824,835
2002	826,832	79,954	2,565,547	27,507	60,415	647,918	40,874	458,926	4,707,973
2001	833,552	142,345	1,920,905	19,701	57,305	613,040	85,421	391,399	4,063,668
2000	777,453	49,447	1,853,469	19,402	57,660	505,220	86,310	75,645	3,424,606
1999	954,702	79,409	1,769,822	28,194	49,095	491,258	76,989	109,927	3,559,396
1998	595,864	35,108	1,631,697	25,409	51,953	443,253	26,502	66,906	2,876,692
1997	676,292	50,348	1,508,353	24,695	35,278	394,320	32,275	173,085	2,894,646
1996	626,965	28,611	1,644,447	21,421	27,290	372,307	46,607	96,170	2,863,818
1995	619,956	55,019	1,464,916	15,671	23,317	344,305	62,743	102,181	2,688,108
1994	519,928	39,605	1,320,490	16,777	26,987	334,304	30,915	79,752	2,368,758
1993	456,509	50,141	1,306,374	15,563	24,719	322,931	39,901	70,317	2,286,455
1992	432,372	58,546	1,237,313	15,896	18,324	302,272	66,340	116,148	2,247,211
1991	397,571	46,968	1,154,249	14,116	21,149	281,439	85,505	104,040	2,105,037
1990	397,250	49,583	1,074,362	12,604	22,788	297,772	83,949	103,998	2,042,306
1989	380,857	26,374	986,156	14,752	19,165	294,703	83,061	129,421	1,934,489
1988	396,899	27,431	878,283	14,690	21,859	270,975	74,027	133,957	1,818,121
1987	408,164	33,170	812,298	14,010	20,767	199,013	53,642	133,480	1,674,544
1986	378,167	53,022	826,582	15,432	23,218	109,106	47,815	109,670	1,563,012
1985	279,597	63,754	806,271	11,698	23,396	93,986	34,511	132,921	1,446,134
1984	283,134	49,046	772,541	14,001	20,790	102,306	48,223	95,451	1,385,492

TABLE 5

**CITY OF LADYSMITH, WISCONSIN**  
**GENERAL GOVERNMENT EXPENDITURES BY FUNCTION**  
 (THE INFORMATION IN THIS TABLE IS UNAUDITED)

Fiscal Year	General Government	Public Safety	Highways and Streets	Sanitation	Health and Welfare	Leisure	Conservation of Natural Resources	Education	Economic Development	Debt Service	Total
2009	\$ 504,899	\$ 989,012	\$ 1,000,298	\$ 391,650	\$ 125,120	\$ 154,955	\$ 97,547	\$ 445,257	\$ -	\$ 748,227	\$ 4,456,965
2008	580,965	1,299,509	1,410,720	232,008	113,816	215,492	278,644	444,754	-	525,344	5,101,252
2007	634,323	1,215,845	1,473,658	259,188	126,005	327,193	143,957	403,233	-	551,110	5,134,512
2006	586,697	932,960	807,507	245,827	121,038	225,435	99,290	408,472	-	633,652	4,060,878
2005	577,420	886,981	927,782	497,463	120,095	314,769	24,974	386,076	163,214	441,653	4,340,427
2004	621,611	1,489,207	881,644	268,918	85,522	276,886	83,890	374,110	136,626	453,235	4,671,649
2003	538,899	2,412,878	766,343	250,731	87,176	337,068	74,156	364,029	138,244	440,084	5,409,608
2002	658,427	1,623,145	747,427	281,234	84,899	184,144	30,538	346,870	118,468	291,659	4,366,811
2001	538,513	891,573	952,987	244,419	107,713	285,980	48,663	325,003	434,915	379,932	4,209,698
2000	488,328	711,216	713,748	194,209	98,150	237,098	24,047	309,591	176,456	362,237	3,315,080
1999	641,216	679,129	912,565	179,083	74,182	199,935	58,236	234,653	197,963	377,122	3,554,084
1998	486,820	650,036	632,484	258,827	94,300	197,735	15,976	214,964	152,941	418,752	3,122,835
1997	438,042	645,005	686,330	160,914	67,047	193,996	18,717	178,508	89,012	378,942	2,856,513
1996	426,953	657,232	656,319	175,820	65,230	270,668	10,081	150,313	97,737	292,675	2,803,028
1995	388,457	539,599	525,221	165,401	46,310	221,568	43,397	159,260	104,216	328,889	2,522,318
1994	326,047	668,661	556,526	288,099	38,628	145,244	-	139,865	80,215	361,754	2,605,039
1993	303,124	616,102	594,943	254,829	53,997	122,320	-	144,073	118,139	293,164	2,500,691
1992	290,426	563,068	592,864	243,544	37,396	127,167	-	126,327	356,010	302,720	2,639,522
1991	254,927	542,650	424,216	263,890	39,466	185,296	-	123,342	143,687	277,081	2,254,555
1990	252,963	571,340	453,812	222,364	31,386	179,251	39	114,805	70,336	279,534	2,175,830
1989	239,657	640,884	402,294	203,773	28,289	78,334	763	97,549	101,047	266,470	2,059,060
1988	311,624	487,301	286,920	202,971	25,562	67,883	529	106,166	40,518	236,829	1,766,303
1987	261,172	485,314	228,842	195,188	28,089	69,152	742	57,889	40,932	251,425	1,618,745
1986	283,769	474,152	246,548	151,310	23,730	52,316	436	58,329	16,111	252,556	1,559,257
1985	149,164	449,299	362,351	135,144	34,711	68,923	775	53,762	52,328	290,641	1,597,098
1984	254,473	435,059	350,096	163,916	23,374	39,931	2,613	47,315	97,415	305,536	1,719,728

TABLE 6

**CITY OF LADYSMITH, WISCONSIN  
MISCELLANEOUS SUPPLEMENTAL INFORMATION (UNAUDITED)  
YEAR ENDED DECEMBER 31, 2009**

<b>DATE OF INCORPORATION</b>	1905
<b>FORM OF GOVERNMENT</b>	Council--Mayor
<b>AREA</b>	4 1/2 square miles
<b>MILES OF STREETS</b>	31.5 miles
<b>NUMBER OF STREET LIGHTS</b>	468
<b>FIRE PROTECTION</b>	
Number of stations	1
Volunteer firemen	29
<b>POLICE PROTECTION</b>	
Number of stations	1
Number of policemen and officers	10
<b>EDUCATION</b>	
Grade Schools:	
Public	1
Religious	1
High Schools	1
<b>MUNICIPAL WATER DEPARTMENT</b>	
Number of consumers	1,530
Average daily gallons pumped	320,443
Miles of water mains	37.5 miles
Wells	3
<b>SEWERS</b>	
Sanitary sewers	35.5 miles
Storm sewers	24.5 miles
<b>RECREATION AND CULTURE</b>	
Number of Parks	5 with 92 acres
Number of Libraries	1
Number of Volumes	48,884
<b>EMPLOYEES</b>	
Full-Time	35
Part-Time	51